



**GENERAL PURPOSE  
FINANCIAL STATEMENTS**

**of the**

**Zanesville Metropolitan Housing Authority**

**for the**

**Year Ended June 30, 2000**



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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Board of Directors  
Zanesville Metropolitan Housing Authority  
Zanesville, Ohio

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, 1999 to June 30, 2000. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Zanesville 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 13, 2000

**ZANESVILLE METROPOLITAN HOUSING AUTHORITY  
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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, 2000, 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 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, 2000, and the results of its operations and the cash flows of its proprietary fund type activities for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated September 15, 2000 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.  
September 15, 2000

**Zanesville Metropolitan Housing Authority  
 Combined Balance Sheet  
 Proprietary Fund Type  
 Enterprise Fund  
 June 30, 2000**

**ASSETS**

Cash and cash equivalents	\$	317,067
Investments		1,170,164
Receivables – net of allowance		448,747
Due from other funds		108,321
Inventories – net of allowance		246,752
Tenant security deposits		103,750
Deferred charges and other assets		18,880
Fixed assets – net of accumulated depreciation		<u>12,538,050</u>
<b>TOTAL ASSETS</b>		<b>\$ <u>14,951,731</u></b>

**LIABILITIES, RETAINED EARNINGS AND OTHER CREDITS**

Accounts payable	\$	109,398
Due to other funds		108,321
Intergovernmental payable		43,775
Accrued wages/payroll taxes		246,595
Tenant security deposits		103,747
Deferred credits and other liabilities		<u>265,709</u>
<b>TOTAL LIABILITIES</b>		<b>877,545</b>

**RETAINED EARNINGS AND OTHER CREDITS**

Contributed capital		12,537,024
Retained earnings		<u>1,537,162</u>
<b>TOTAL RETAINED EARNINGS AND OTHER CREDITS</b>		<b><u>14,074,186</u></b>
<b>TOTAL LIABILITIES, RETAINED EARNINGS AND OTHER CREDITS</b>		<b>\$ <u>14,951,731</u></b>

See accompanying notes to the general purpose financial statements

**Zanesville Metropolitan Housing Authority**  
**Combined Statement of Revenues, Expenses and Changes in**  
**Retained Earnings**  
**Proprietary Fund Type**  
**Enterprise Fund**  
**Year Ended June 30, 2000**

<b>OPERATING REVENUE</b>		
Tenant revenue	\$	1,154,554
Program operating grants/subsidies		3,593,749
Other income		<u>41,164</u>
	<b>TOTAL OPERATING REVENUE</b>	<b>4,789,467</b>
<b>OPERATING EXPENSES</b>		
Administrative		1,045,207
Tenant services		4,677
Utilities		544,840
Maintenance		865,396
Protective services		17,720
General		251,361
Bad debts		22,290
Housing assistance payments		2,085,769
Depreciation		1,011,554
Extraordinary maintenance		<u>5,413</u>
	<b>TOTAL OPERATING EXPENSES</b>	<b><u>5,854,227</u></b>
	<b>NET OPERATING LOSS</b>	<b>(1,064,760)</b>
<b>NON-OPERATING REVENUE</b>		
Interest income		<u>72,562</u>
	<b>NET LOSS</b>	<b>(992,198)</b>
	<b>RETAINED EARNINGS AND OTHER CREDITS, BEGINNING, AS RESTATED</b>	<b>14,097,655</b>
	<b>COMPREHENSIVE GRANT PROGRAM CONTRIBUTED CAPITAL</b>	<b><u>968,729</u></b>
	<b>RETAINED EARNINGS AND OTHER CREDITS, ENDING</b>	<b><u>\$ 14,074,186</u></b>

See accompanying notes to the general purpose financial statements

**Zanesville Metropolitan Housing Authority  
 Combined Statement of Cash Flows  
 Proprietary Fund Type  
 Enterprise Fund  
 Year Ended June 30, 2000**

<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Cash received from HUD	\$ 3,671,412
Cash received from tenants	1,171,625
Cash payments for housing assistance payments	(2,085,769)
Cash payments for administrative	(1,043,372)
Cash payments for other operating expenses	(1,785,945)
Cash payments to HUD and other governments	<u>(43,775)</u>
<b>ACTUAL NET CASH USED BY OPERATING ACTIVITIES</b>	<b>(115,824)</b>
 <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Acquisition of capital assets	(68,688)
 <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Investment income	<u>72,904</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(111,608)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING</b>	<u>428,675</u>
<b>CASH AND CASH EQUIVALENTS, ENDING</b>	<b><u>\$ 317,067</u></b>
 <b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:</b>	
Net operating loss	\$ (1,064,760)
Adjustments to reconcile operating loss to net cash used by operating activities	
Depreciation	1,011,554
(Increase) decrease in:	
Receivables – net of allowance	407,369
Due from other funds	(67,461)
Inventories – net of allowance	(4,399)
Tenant security deposits	(253)
Increase (decrease) in:	
Accounts payable	(74,248)
Due to other funds	67,461
Intergovernmental payable	18,061
Accrued wages/payroll taxes and compensated absences	1,835
Deferred credits and other liabilities	<u>(179,335)</u>
<b>NET CASH USED BY OPERATING ACTIVITIES</b>	<b><u>\$ (115,824)</u></b>

See accompanying notes to the general purpose financial statements

**Zanesville Metropolitan Housing Authority**  
**Notes to the General Purpose Financial Statements**  
**June 30, 2000**

**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 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, 2000

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

**Proprietary Fund Types**

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

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

**Measurement Focus/Basis of Accounting**

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

**Investments**

Investments are restricted by the provisions of the HUD Regulations (See Note 3). Investments are valued at market value. Interest income earned in fiscal year 1999 totaled \$72,904. The interest income earned on the general fund investments is required to be returned to HUD and this amount was \$342 for the year ended June 30, 2000.

**Fixed Assets**

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

**Cash and Cash Equivalents**

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

**Compensated Absences**

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

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

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

Zanesville Metropolitan Housing Authority  
Notes to the General Purpose Financial Statements  
June 30, 2000

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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 GAAP requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

2. RECONCILIATION FROM GAAP BASIS TO HUD BASIS

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

	<u>Public Housing</u>	<u>CGP</u>	<u>Drug Elimination</u>	<u>EDSS</u>
GAAP Basis Income (Loss)	\$ (940,752)	\$ (62,672)	\$ -	\$ -
Increase (Decrease):				
Depreciation expense	948,589	62,672	-	-
Adjustment for compensated absences	(5,791)	-	-	-
Fixed assets affecting residual receipts	13,621	-	-	-
Accrued interest adjustment	(2,397)	-	-	-
Allowance adjustments	<u>7,588</u>	<u>-</u>	<u>-</u>	<u>-</u>
HUD BASIS RESIDUAL RECEIPTS (DEFICIT) FOR YEAR END REPORTS	<u>\$ 20,858</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
			<u>New</u>	
	<u>Voucher</u>	<u>Certificates</u>	<u>Construction</u>	<u>Total</u>
GAAP Basis Income (Loss)	\$ 15,821	\$ 13,490	\$ (18,085)	(992,198)
Increase (Decrease):				
Depreciation expense	293	-	-	1,011,554
Adjustment for compensated absences	424	1,271	537	(3,559)
Fixed assets affecting residual receipts	-	-	-	13,621
Other adjustments	-	-	-	(2,397)
Allowance adjustments	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,588</u>
HUD BASIS RESIDUAL RECEIPTS (DEFICIT) FOR YEAR END REPORTS	<u>\$ 16,538</u>	<u>\$ 14,761</u>	<u>\$ (17,548)</u>	<u>\$ 34,609</u>

**Zanesville Metropolitan Housing Authority  
Notes to the General Purpose Financial Statements  
June 30, 2000**

**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 \$1,590,295. The corresponding bank balances totaled \$1,740,844. The carrying amount includes petty cash of \$686. The Authority had investments of certificates of deposits that exceeded three months in the amount of \$1,273,914 at June 30, 2000.

The \$100,000 was covered by federal depository insurance in one bank and the remaining \$1,640,844 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 2000, 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.

**6. FIXED ASSETS**

The following is a summary:

Land	\$ 1,150,687
Buildings	21,002,405
Furniture and equipment - dwellings	129,386
Furniture and equipment – administrative	428,233
Leasehold improvements	<u>2,927,114</u>
	25,637,825
Accumulated depreciation	<u>(13,099,775)</u>
<b>NET FIXED ASSETS</b>	<b><u>\$ 12,538,050</u></b>

**Zanesville Metropolitan Housing Authority**  
**Notes to the General Purpose Financial Statements**  
**June 30, 2000**

The following is a summary of changes:

	Balance June 30, 1999	Additions	Deletions	Balance June 30, 2000
Land	\$ 1,150,687	\$ -	\$ -	\$ 1,150,687
Buildings	20,430,442	571,963	-	21,002,405
Furniture and equipment - dwellings	129,386	-	-	129,386
Furniture and equipment - administrative	225,765	202,468	-	428,233
Leasehold improvements	<u>2,664,128</u>	<u>262,986</u>	-	<u>2,927,114</u>
<b>TOTAL FIXED ASSETS</b>	<u>\$ 24,600,408</u>	<u>\$ 1,037,417</u>	<u>\$ -</u>	<u>\$ 25,637,825</u>

The depreciation expense for the year ended June 30, 2000 was \$1,011,554.

**7. CHANGES IN FINANCIAL STATEMENT PREPARATION AND BASIS OF ACCOUNTING**

For the fiscal year ended June 30, 2000, the Authority presented for the first time general purpose financial statements by fund type. In conjunction with this presentation, the Authority has changed its basis of accounting from the HUD basis to the accrual basis for proprietary funds, including the valuation of fixed assets. These changes include recognition of revenue when earned for proprietary funds and expenditures/expenses when incurred. Fixed assets were valued at historical cost. Retained earnings as of July 1, 1999 have been restated for these changes to conform to GAAP.

These restatements had the following effect on retained earnings and other credits:

Fund Type	Balance Prior to Change June 30, 1998	Adjustments to Reflect Decrease Due to Changes in Basis of Accounting	Restated Balance June 30, 1999
Proprietary Fund Type:			
Enterprise Fund	<u>\$ 17,039,907</u>	<u>\$ (2,942,252)</u>	<u>\$ 14,097,655</u>

**8. 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 is required to contribute 9.35 percent. 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, 2000, 1999 and 1998 were \$159,928, \$143,698, and \$132,810, respectively. The full amount has been contributed for 1999 and 1998. 88 percent has been contributed for 1999, with the remainder being reported as a liability within the enterprise fund.

**Zanesville Metropolitan Housing Authority**  
**Notes to the General Purpose Financial Statements**  
**June 30, 2000**

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

PERS provides postretirement 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 Postemployment 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 postretirement health care based on authority granted by State statute. The 1999 employer contribution rate was 13.55 percent of covered payroll; 4.2 percent was the portion that was used to fund health care. For 1998, the percent used to fund health care was also 4.2 percent.

Benefits were funded on a pay-as-you-go basis. OPEB are financed through employer contributions and investment earnings. The contributions allocated to retiree health care and Medicare, along with investment income on allocated assets and periodic adjustments in health care provisions, are expected to be sufficient to sustain the program indefinitely. During 1999, OPEB expenditures made by PERS were \$523,599,349. As of December 31, 1999, the unaudited estimated net assets available for future OPEB payments were \$9,870,285,641. At December 31, 1999, the total number of benefit recipients eligible for OPEB through PERS was 118,062. The Authority's actual contributions for 1999 which were used to fund OPEB were \$26,692.

During 1997, PERS adopted a new calculation method for determining employer contributions applied to OPEB. Under the new method, effective January 1, 1998, employer contributions, equaled 4.2 percent of member covered payroll, are used to fund health care expenses. Under the prior method, accrued liabilities and normal cost rates were determined for retiree health coverage.

Zanesville Metropolitan Housing Authority  
Combining Balance Sheet  
FDS Schedule Submitted to HUD  
Proprietary Fund Type  
Enterprise Fund  
June 30, 2000

FDS Line Item No.	Account Description	14.850A Low Rent Pub Hsg	14.859 Comp Grant	14.855 Sect. 8 VO Prgm	14.182 Sect. 8 New Cons Prgm	14.857 Sect. 8 Cert Prgm	14.854 Drug Elimination	14.864 EDSS	Total
<b>ASSETS</b>									
111	Cash – unrestricted	\$ 97,702	\$ -	\$ -	\$ 90,740	\$ 70,046	\$ -	\$ -	\$ 258,488
113	Cash – other restricted	-	-	18,474	-	40,105	-	-	58,579
114	Cash – tenant security deposits	103,750	-	-	-	-	-	-	103,750
100	<b>TOTAL CASH</b>	201,452	-	18,474	90,740	110,151	-	-	420,817
122	Accounts receivable – HUD other projects	-	87,011	259,166	-	28,996	20,448	7,418	403,039
125	Accounts receivable – miscellaneous	-	-	217	477	-	-	-	694
126	A/R tenants – dwelling rents	26,981	-	-	-	-	-	-	26,981
126.1	Allowance for doubtful accts	(8,310)	-	-	-	-	-	-	(8,310)
128	Fraud recovery	-	-	36,355	-	-	-	-	36,355
128.1	Fraud recovery - allowance	-	-	(32,719)	-	-	-	-	(32,719)
129	Accrued interest receivable	22,707	-	-	-	-	-	-	22,707
120	<b>TOTAL ACCOUNTS RECEIVABLE</b>	41,378	87,011	263,019	477	28,996	20,448	7,418	448,747
131	Investments – unrestricted	1,170,164	-	-	-	-	-	-	1,170,164
142	Prepaid expenses & other assets	18,880	-	-	-	-	-	-	18,880
143	Inventories	259,512	-	-	-	-	-	-	259,512
143.1	Allowance for obsolete inventory	(12,760)	-	-	-	-	-	-	(12,760)
144	Interprogram due from	51,422	-	-	187	56,712	-	-	108,321
150	<b>TOTAL CURRENT ASSETS</b>	1,730,048	87,011	281,493	91,404	195,859	20,448	7,418	2,413,681
161	Land	1,150,687	-	-	-	-	-	-	1,150,687
162	Buildings	19,983,030	1,019,375	-	-	-	-	-	21,002,405
163	Furniture and equipment – dwellings	116,435	12,951	-	-	-	-	-	129,386
164	Furniture and equipment – administrative	281,425	145,342	1,466	-	-	-	-	428,233
165	Leasehold improvements	2,501,276	425,838	-	-	-	-	-	2,927,114
166	Accumulated depreciation	(13,020,354)	(78,981)	(440)	-	-	-	-	(13,099,775)
160	<b>TOTAL FIXED ASSETS, NET</b>	11,012,499	1,524,525	1,026	-	-	-	-	12,538,050
171	Mortgages – noncurrent	-	-	-	-	-	-	-	-
180	<b>TOTAL NON-CURRENT ASSETS</b>	11,012,499	1,524,525	1,026	-	-	-	-	12,538,050
190	<b>TOTAL ASSETS</b>	12,742,547	1,611,536	282,519	91,404	195,859	20,448	7,418	14,951,731

Zanesville Metropolitan Housing Authority  
 Combining Balance Sheet  
 FDS Schedule Submitted to HUD  
 Proprietary Fund Type  
 Enterprise Fund  
 June 30, 2000

FDS Line Item No.	Account Description	14.850A Low Rent Pub Hsg	14.859 Comp Grant	14.855 Sect. 8 VO Prgm	14.182 Sect. 8 New Cons Prgm	14.857 Sect. 8 Cert Prgm	14.854 Drug Elimination	14.864 EDSS	Total
	<b>LIABILITIES</b>								
312	Accounts payable <=90 days	\$ 45,355	\$ 64,043	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 109,398
321	Accrued wages/payroll taxes	47,726	-	-	-	-	-	-	47,726
322	Accrued compensated absences	166,884	-	6,077	7,677	18,231	-	-	198,869
331	Accounts payable – PHA HUD programs	-	-	-	20,376	-	-	-	20,376
333	Accounts payable – Other govt	23,399	-	-	-	-	-	-	23,399
341	Tenant security deposits	103,747	-	-	-	-	-	-	103,747
342	Deferred revenue	12,244	-	158,874	36,012	-	-	-	207,130
347	Interprogram due to	-	22,968	56,970	-	517	20,448	7,418	108,321
310	<b>TOTAL CURRENT LIABILITIES</b>	<u>399,355</u>	<u>87,011</u>	<u>221,921</u>	<u>64,065</u>	<u>18,748</u>	<u>20,448</u>	<u>7,418</u>	<u>818,966</u>
353	Noncurrent liabilities - other	-	-	18,474	-	40,105	-	-	58,579
350	<b>TOTAL NONCURRENT LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>18,474</u>	<u>-</u>	<u>40,105</u>	<u>-</u>	<u>-</u>	<u>58,579</u>
300	<b>TOTAL LIABILITIES</b>	<u>399,355</u>	<u>87,011</u>	<u>240,395</u>	<u>64,065</u>	<u>58,853</u>	<u>20,448</u>	<u>7,418</u>	<u>877,545</u>
504	Net PHA HUD contributions	11,012,499	1,524,525	-	-	-	-	-	12,537,024
508	<b>TOTAL CONTRIBUTED CAPITAL</b>	<u>11,012,499</u>	<u>1,524,525</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,537,024</u>
512	Retained earnings	1,330,693	-	42,124	27,339	137,006	-	-	1,537,162
513	<b>TOTAL EQUITY</b>	<u>12,343,192</u>	<u>1,524,525</u>	<u>42,124</u>	<u>27,339</u>	<u>137,006</u>	<u>-</u>	<u>-</u>	<u>14,074,186</u>
600	<b>TOTAL LIABILITIES AND EQUITY</b>	<u>\$ 12,742,547</u>	<u>\$ 1,611,536</u>	<u>\$ 282,519</u>	<u>\$ 91,404</u>	<u>\$ 195,859</u>	<u>\$ 20,448</u>	<u>\$ 7,418</u>	<u>\$ 14,951,731</u>

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

Proprietary Fund Type  
 Enterprise Fund  
 Year Ended June 30, 2000

FDS Line Item No.	Account Description	14.850A Low Rent Pub Hsg	14.859 Comp Grant	14.855 Sect. 8 VO Prgm	14.182 Sect. 8 New Cons Prgm	14.857 Sect. 8 Cert Prgm	14.854 Drug Elimination	14.864 EDSS	Total
<b>REVENUE</b>									
703	Net tenant rental revenue	\$ 1,149,599	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,149,599
704	Tenant revenue - other	4,955	-	-	-	-	-	-	4,955
705	<b>TOTAL TENANT REVENUE</b>	<b>1,154,554</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,154,554</b>
<b>PHA HUD grants</b>									
706	PHA HUD grants	706,894	274,531	-	-	-	182,159	71,390	1,234,974
706.010	Housing assistance payments	-	-	1,153,182	406,696	461,272	-	-	2,021,150
706.020	Ongoing administrative fees	-	-	149,069	22,293	97,693	-	-	269,055
706.030	Earned IPA costs	-	-	2,115	-	-	-	-	2,115
706.040	Earned IPA costs	-	-	632	268	937	-	-	1,837
706.050	FSS coordinator and escrow	-	-	64,618	-	-	-	-	64,618
711	Investment income - unrestricted	69,722	-	-	1,022	1,818	-	-	72,562
714	Fraud recovery	-	-	54	-	224	-	-	278
715	Other revenue	38,446	-	-	-	-	-	-	38,446
716	Gain/loss on sale of fixed assets	2,440	-	-	-	-	-	-	2,440
700	<b>TOTAL REVENUE</b>	<b>1,972,056</b>	<b>274,531</b>	<b>1,369,670</b>	<b>430,279</b>	<b>561,944</b>	<b>182,159</b>	<b>71,390</b>	<b>4,862,029</b>
<b>EXPENSES</b>									
911	Administrative salaries	231,966	214,276	76,767	23,828	48,032	-	58,608	653,477
912	Auditing fees	2,002	-	632	268	937	-	-	3,839
914	Compensated absences	88,618	-	6,763	2,486	5,171	-	-	103,038
915	Employee benefit contribution - administrative	92,136	7,400	19,838	6,294	12,111	-	12,782	150,561
916	Other operating - administrative	58,954	13,861	31,755	8,791	20,931	-	-	134,292
924	Tenant services - other	4,677	-	-	-	-	-	-	4,677
931	Water	82,805	-	-	-	-	-	-	82,805
932	Electricity	143,095	-	-	-	-	-	-	143,095
933	Gas	124,538	-	-	-	-	-	-	124,538
935	Labor	33,367	-	-	-	-	-	-	33,367
937	Employee benefit contributions utilities	11,056	-	-	-	-	-	-	11,056
938	Other utility	149,979	-	-	-	-	-	-	149,979
941	Ordinary maintenance and operation - labor	441,151	-	-	-	-	-	-	441,151
942	Ordinary maintenance and operation - materials	124,583	20,446	-	-	-	-	-	145,029
943	Ordinary maintenance and operation - cont cost	100,615	18,548	-	-	-	-	-	119,163
945	Employee benefit contribution - ord maintenance	160,053	-	-	-	-	-	-	160,053

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

Proprietary Fund Type  
Enterprise Fund  
Year Ended June 30, 2000

FDS Line Item No.	Account Description	14.850A	14.859	14.855	14.182	14.857	14.854	14.864	Total
		Low Rent Pub Hsg	Comp Grant	VO Prgm Sect. 8	Sect. 8 New Cons Prgm	Cert Prgm Sect. 8	Drug Elimination		
	<b>EXPENSES - CONTINUED</b>								
952	Protective services – other cont costs	1,147	-	-	-	-	16,573	-	17,720
961	Insurance premiums	47,508	-	-	-	-	-	-	47,508
962	Other general expenses	14,868	-	-	-	-	165,586	-	180,454
963	Pilot	23,399	-	-	-	-	-	-	23,399
964	Bad debts – tenant rents	22,290	-	-	-	-	-	-	22,290
969	<b>TOTAL OPERATING EXPENSES</b>	<u>1,958,807</u>	<u>274,531</u>	<u>135,755</u>	<u>41,667</u>	<u>87,182</u>	<u>182,159</u>	<u>71,390</u>	<u>2,751,491</u>
970	<b>EXCESS OPERATING REVENUE OVER EXPENSES</b>	13,249	-	1,233,915	388,612	474,762	-	-	2,110,538
	<b>OTHER EXPENSES</b>								
971	Extraordinary maintenance	5,413	-	-	-	-	-	-	5,413
973	Housing assistance payments	-	-	1,217,801	406,696	461,272	-	-	2,085,769
974	Depreciation expense	948,589	62,672	293	-	-	-	-	1,011,554
900	<b>TOTAL EXPENSES</b>	<u>2,912,809</u>	<u>337,203</u>	<u>1,353,849</u>	<u>448,363</u>	<u>548,454</u>	<u>182,159</u>	<u>71,390</u>	<u>5,854,227</u>
1000	<b>EXCESS OF REVENUE OVER EXPENSES</b>	(940,753)	(62,672)	15,821	(18,084)	13,490	-	-	(992,198)
1101	Capital outlays – Enterprise Fund	-	968,729	-	-	-	-	-	968,729
1103	Beginning equity	13,283,945	618,468	26,303	45,423	123,516	-	-	14,097,655
	<b>ENDING EQUITY</b>	<u>\$ 12,343,192</u>	<u>\$ 1,524,525</u>	<u>\$ 42,124</u>	<u>\$ 27,339</u>	<u>\$ 137,006</u>	<u>\$ -</u>	<u>\$ *</u>	<u>\$ 14,074,186</u>

Zanesville Metropolitan Housing Authority  
Additional Information Required by HUD  
FDS Schedule Submitted to HUD  
Proprietary Fund Type  
Enterprise Fund  
Year Ended June 30, 2000

FDS Line Item No.	Account Description	14.850A		14.855		14.182		14.857		14.854		Total
		Low Rent Pub Hsg	14.859 Comp Grant	14.855 Sect. 8 VO Prgm	14.182 Sect. 8 New Cons Prgm	14.857 Sect. 8 Cert Prgm	14.854 Drug Elimination	14.864 EDSS				
1101	Capital outlays – Enterprise Fund	\$ -	\$ 968,729	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 968,729
1103	Beginning equity	16,784,042	-	27,001	52,564	176,300	-	-	-	-	-	17,039,907
1104	Prior period adjustment and equity transfers	(3,500,097)	618,468	(698)	(7,141)	(52,784)	-	-	-	-	-	(2,942,252)
1112	Depreciation add back	948,589	62,672	293	-	-	-	-	-	-	-	1,011,554
1113	Maximum annual contributions (per ACC)	-	-	410,945	442,748	561,313	-	-	-	-	-	1,415,006
1114	Prorata	-	-	995,255	-	-	-	-	-	-	-	995,255
1115	Contingency reserve	-	-	296,382	617,998	410,922	-	-	-	-	-	1,325,302
1116	Total annual contributions available	-	-	1,702,582	1,060,746	972,235	-	-	-	-	-	3,735,563
1120	Unit months available	8,088	-	4,451	1,152	3,840	-	-	-	-	-	17,531
1121	Number of unit months leased	8,052	-	3,963	1,152	2,605	-	-	-	-	-	15,772

**Zanesville Metropolitan Housing Authority  
Zanesville, Ohio  
Schedule of Federal Awards Expenditures  
Year Ended June 30, 2000**

	<u>FEDERAL CFDA NUMBER</u>	<u>FUNDS EXPENDED</u>
<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	14.850A	\$ 706,894
Public and Indian Housing Comprehensive Grant	14.859	1,243,260
Public and Indian Housing Drug Elimination Program	14.854	182,159
<b>Housing Assistance Payments:</b>		
<b>Annual Contribution –</b>		
Lower Income Housing Assistance Program	14.857	559,536
Section 8 Rental Voucher Program	14.855	<u>1,369,382</u>
Total Housing Assistance Payments Tenant Based Cluster		<u>1,928,918</u>
Public and Indian Housing Tenant Opportunity	14.182	<u>429,257</u>
Total Housing Assistance Payments Project Based Cluster		429,257
Economic Development and Supportive Services	14.864	<u>71,390</u>
Total – All Programs		<u>\$ 4,561,878</u>



**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, 2000, and have issued our report thereon dated September 15, 2000. 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 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.  
September 15, 2000**



**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, 2000. 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 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, 2000.

**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.  
September 15, 2000**

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

**Zanesville Metropolitan Housing Authority  
June 30, 2000**

<b>1. SUMMARY OF AUDITORS' RESULTS</b>
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<b>Type of Financial Statement Opinion</b>	<b>Unqualified</b>
<b>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</b>	<b>No</b>
<b>Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?</b>	<b>No</b>
<b>Was there any reported material non-compliance at the financial statement level (GAGAS)?</b>	<b>No</b>
<b>Were there any material internal control weakness conditions reported for major federal programs?</b>	<b>No</b>
<b>Were there any other reportable internal control weakness conditions reported for major federal programs?</b>	<b>No</b>
<b>Type of Major Programs' Compliance Opinion</b>	<b>Unqualified</b>
<b>Are there any reportable findings under § .510?</b>	<b>No</b>
<b>Major Programs (list):</b>	<b>CFDA #14.850A &amp; #14.859 Public and Indian Housing and Public and Indian Housing Comprehensive Grant</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, 2000**

**2. FINDINGS RELATED TO FINANCIAL STATEMENTS**

**There are no findings or questioned costs for the year ended June 30, 2000.**

**3. FINDINGS RELATED TO FEDERAL AWARDS**

**There are no findings or questioned costs for the year ended June 30, 2000.**

**Zanesville Metropolitan Housing Authority  
Activities of the PHA  
June 30, 2000**

The PHA had 1,440 units in management.

<u>Management</u>	<u>Units</u>
PHA Owned Housing	671
Section 8	
Existing	50
Voucher	623
New Construction	<u>96</u>
Total	<u><u>1,440</u></u>



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**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  
OCTOBER 24, 2000**