

**ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA, OHIO**

**REPORT ON EXAMINATION OF FINANCIAL
STATEMENTS AND SUPPLEMENTAL DATA FOR THE
YEAR ENDED DECEMBER 31, 2000**

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



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490
www.auditor.state.oh.us

Board of Commissioners
Ashtabula Metropolitan Housing Authority
3526 Lake Ave.
Ashtabula, OH 44004

We have reviewed the independent auditor's report of the Ashtabula Metropolitan Housing Authority, Ashtabula County, prepared by J. E. Slaybaugh & Associates, Inc., for the audit period January 1, 2000 through December 31, 2000. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Ashtabula Metropolitan Housing Authority is responsible for compliance with these laws and regulations.

JIM PETRO
Auditor of State

September 7, 2001

This Page is Intentionally Left Blank.

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA, OHIO

DECEMBER 31, 2000

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	1
Balance Sheet, December 31, 2000	2
Statement of Revenues, Expenses and Changes in Equity	3
Statement of Cash Flows	4
Notes to Financial Statements	5 - 11
Schedule of Expenditures of Federal Awards	12
Supplemental Financial Data	
Balance Sheet	13-14
Statement of Revenue and Expense	15
Schedule of Activity	16
Independent Auditors' report on Compliance on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	17
Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133	18-19
Schedule of Findings and Questioned Costs	20

This Page is Intentionally Left Blank.

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
Ashtabula Metropolitan Housing Authority
Ashtabula, Ohio

We have audited the accompanying balance sheet of the Ashtabula Metropolitan Housing Authority, Ashtabula, Ohio, as of and for the year ended December 31, 2000, and the related statements of revenues, expenses, equity, and cash flows for the year then ended. 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Ashtabula Metropolitan Housing Authority as of December 31, 2000, and the results of its operations and the cash flows 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 June 20, 2001, on our consideration of Ashtabula Metropolitan Housing Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. This 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 conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental financial data schedules accompanying the financial statements are not necessary for fair presentation of the financial position, results of operations, and cash flows of the Authority in conformity with accounting principles generally accepted in the United States of America. The supplemental schedules listed in the table of contents are presented only for purposes of additional analysis and are not a required part of the financial statements. Such schedules have been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Our audit was made for the purpose of forming an opinion on the financial statements of Ashtabula 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 is not a required part of the financial statements. The information in that schedule 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.
June 20, 2001

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA, OHIO
BALANCE SHEET
December 31, 2000

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 1,178,291
Tenant Accounts Receivable- Net of \$ 25,214 Doubtful Accounts	17,915
Accounts Receivable-HUD	368,266
Accounts Receivable- Intergovernmental	365,792
Accounts Receivable-Other	32,266
Prepaid Expenses	22,267
Inventory	<u>44,362</u>
 Total Current Assets	 2,029,159
 Property and Equipment - Net of \$ 9,166,968 Accumulated Depreciation	 <u>14,221,654</u>
 Total Assets	 <u>\$ 16,250,813</u>

LIABILITIES AND EQUITY

Current Liabilities

Accounts Payable- Vendors	\$ 21,850
Accounts Payable- HUD	356,447
Accounts Payable- Intergovernmental	365,792
Tenant Security Deposits	83,881
Accrued Wages and Payroll Taxes	27,816
Accrued Compensated Absences	24,521
Accrued Liabilities - Other	40,919
Deferred Revenues	14,161
Current Portion of Long Term Debt	<u>24,401</u>
 Total Current Liabilities	 959,788
 Long Term Debt- net of current portion	 881,381
Other Noncurrent Liabilities	<u>220,643</u>
 Total Liabilities	 2,061,812
 Total Equity	 <u>14,189,001</u>
 Total Liabilities and Equity	 <u>\$ 16,250,813</u>

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

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA, OHIO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31 2000

Revenue

HUD Grants	\$ 4,694,921
Rental Income	1,061,998
Investment Income-Unrestricted	13,140
Other Revenue	<u>176</u>
 Total Revenue	 5,770,235

Expenses (before depreciation)

Housing Assistance Payments	2,710,471
Administrative Salaries	735,244
Compensated Absences	91,909
Employee Benefits	258,177
Other Administrative Expense	252,943
Tenant Services- Other	88,264
Material and Labor-Maintenance	531,331
Contract Services	299,328
Utilities	538,112
General Expenses	87,673
Interest Expense	55,267
Payments in Lieu of Taxes	40,918
Bad Debt- Tenant Rents	<u>6,662</u>
 Total Expenses	 5,696,299

Income (Loss) before Depreciation & Other Costs	73,936
Depreciation	803,779
Extraordinary Maintenance	11,718
Gain on Sale of Fixed Assets	<u>2,384</u>

Operating Income (Loss) (739,177)

Equity - Beginning of Year 14,348,539

Capital Contributions 579,639

Equity - End of Year \$ 14,189,001

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

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA, OHIO
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2000

Cash Flows from Operating Activities

Operating Income (Loss)	\$ (739,177)
Adjustments to reconcile Operating Income(Loss) to Net Cash Provided By Operating Activities:	
Depreciation	803,779
Changes in Operating Assets and Liabilities that Increase (Decrease) Cash Flows:	
Tenant Accounts Receivable- Net	(9,850)
Accounts Receivable- HUD	(263,103)
Accounts Receivable- Other	(32,153)
Investments- Unrestricted	37,461
Prepaid Expenses	(3,004)
Inventory	(2,112)
Interprogram Due From	264,494
Accounts Payable- Vendor	(17,617)
Accounts Payable-HUD	85,831
Accounts Payable- Other	(33,599)
Interprogram Due To	(264,493)
Accrued Wages & Taxes Payable	(11,665)
Accrued Compensated Absences	(127,734)
Tenant Security Deposits	(3,769)
Deferred Revenues	(168,851)
Other Liabilities	261,562
Disposal of Assets	(5,451)
Total Adjustments	<u>509,726</u>
Net Cash (Used) Provided By Operating Activities	<u>(229,451)</u>

Cash Flows from Investing Activities

Change in Property and Equipment	<u>(380,405)</u>
Net Cash (Used) Provided By Investing Activities	<u>(380,405)</u>

Cash Flows from Financing Activities

Contributed Capital	579,639
Debt Retirement	<u>(28,706)</u>
Net Cash (Used) Provided by Financing Activities	<u>550,933</u>
Increase (Decrease) In Cash and Cash Equivalents	(58,923)
Cash and Cash Equivalents - Beginning of Year	<u>1,237,214</u>
Cash and Cash Equivalents - End of Year	<u>\$ 1,178,291</u>

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

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA, OHIO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Ashtabula Metropolitan Housing Authority (AMHA or Authority) was created under the Ohio Revised Code Section 3735.27 to engage in the acquisition, development, leasing and administration of a low-rent housing program. An Annual Contributions Contract (ACC) was signed by the Ashtabula Metropolitan Housing Authority and the U.S. Department of Housing and Urban Development (HUD), under the provisions of the United States Housing Act of 1937 (42 U.S.C. 1437) Section 1.1. The Authority was also created in accordance with state law to eliminate housing conditions which are detrimental to the public peace, health, safety, morals, or welfare by purchasing, acquiring, constructing, maintaining, operating, improving, extending, and repairing housing facilities.

The nucleus of the financial reporting entity as defined by the Governmental Accounting Standards Board (GASB) Statement No. 14 is the "primary government." A fundamental characteristic of a primary government is that it is fiscally independent entity. In evaluating how to define the financial reporting entity, management has considered all potential component units. A component unit is a legally separate entity for which the primary government is financially accountable. The criteria of financial accountability is the ability of the primary government to impose its will upon the potential component unit. These criteria were considered in determining the reporting entity.

Basis of Accounting

The accompanying combined financial statements have been prepared on the accrual basis of accounting, whereby revenues and expenses are recognized in the period earned or incurred. All transactions are accounted for in a single enterprise fund.

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 Financial Accounting Standards Board 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.

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA, OHIO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Use of Estimates

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

Cash and Cash Equivalents

The Authority considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

Tenant Receivables - Recognition of Bad Debts

Bad debts are provided on the allowance method based on management's evaluation of the collectability of outstanding tenant receivable balances at the end of the year.

Property and Equipment

Property and Equipment is recorded at cost. Costs that materially add to the productive capacity or extend the life of an asset are capitalized while maintenance and repair costs are expensed as incurred.

Useful Lifes	
Buildings	40 Years
Land & Building Improvements	15 Years
Equipment	7 Years
Autos	5 Years

Depreciation is recorded on the straight-line method.

Capitalization of Interest

The Department of Housing and Urban Development's policy is not to capitalize interest in the construction or purchase of fixed assets.

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA, OHIO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

NOTE 2 - CASH

Cash

State statutes classify monies held by the Authority into three categories.

Active deposits are public deposits necessary to meet demands on the treasury. Such monies must be maintained either as cash in the Authority's Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Authority has identified as not required for use within the current two year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

Protection of Authority's deposits is provided by the Federal Deposit Insurance Corporation (FDIC) by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA, OHIO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2000

NOTE 2 - CASH continued

The Authority's deposits are categorized to give an indication of the level of risk assumed by the entity at year end. Category 1 includes deposits that are insured or collateralized with securities held by the Authority or its safekeeping agent in the Authority's name. Category 2 includes uninsured deposits collateralize with securities held by the pledging financial institution's trust department or safekeeping agent in the Authority's name. Category 3 includes uninsured and uncollateralized with securities held by the pledging institution, or by its trust department or safekeeping agent, but not in the Authority's name.

The following show the Authority's deposits (bank balances) in each category:

Category 1. . . . \$ 225,722 was covered by federal depository insurance.
Category 2. . . . \$ 1,021,286 was covered by specific collateral pledged by the
financial institution in the name of the Authority.

Book balances at December 31, 2000, were as follows:

Low Rent Public Housing	\$ 458,916
Section 8 Rental Certificates	331,819
Section 8 Rental Vouchers	270,074
New Construction	1,085
Rural Rental Housing	<u>116,397</u>
	<u>\$ 1,178,291</u>

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA, OHIO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2000

NOTE 3 - PROPERTY AND EQUIPMENT

A summary of property and equipment at December 31, 2000, by class is as follows:

Land	\$ 1,102,998
Buildings and Building Improvements	21,569,365
Furniture, Equipment- Dwelling	200,157
Furniture, Equipment- Administrative	516,102
	<hr/>
Total	23,388,622
	<hr/>
Less Accumulated Depreciation	(9,166,968)
	<hr/>
Net Property and Equipment	14,221,654

NOTE 4 - ADMINISTRATIVE FEE

The Authority receives an "administrative fee" as part of the annual contribution from HUD to cover the costs (including overhead) of administering the Section 8 Housing Assistance Payments (HAP) Programs. The fee is a percentage of a HUD determined base rate for each unit per month under HAP contracts. The rates are as follows:

A. Certificates and Vouchers

Units per month x \$ 45.00/unit

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA, OHIO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2000

NOTE 5 - ALLOCATION OF COSTS

The Authority allocated expenses not attributable to a specific program to all programs under management. The basis for this allocation was the number of units in each program or estimated actual usage. Management considers this to be an equitable method of allocation.

NOTE 6 - RETIREMENT AND OTHER BENEFIT PLANS

The employees of the Authority are covered by the Public Employees Retirement System of Ohio (PERS), a statewide cost-sharing multiple-employer deferred benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, death benefits to plan members and beneficiaries. The authority to establish and amend benefit benefits is provided by a state statute per Chapter 145 of the Ohio Revised Code. PERS issues a publicly available financial report. Interested parties may obtain a copy by making a written request to 277 E. Town Street, Columbus, OH 43215-4642 or by calling (614) 466-2085.

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rate is 8.50% of qualifying gross wages for all employees. The total 2000 employer contribution rate was 13.55% of covered payroll. Required employer contributions are equal to 100% of the dollar amount billed to each employer and must be extracted from the employer's records. The Authority's contributions to P.E.R.S. for the years ending December 31, were as follows:

	Contribution	%
12/31/00	\$ 90,796	13.55%
12/31/99	\$ 100,772	13.55%
12/31/98	\$ 94,166	13.55%

All required contributions were made prior to each of those fiscal year ends. PERS of Ohio provides post-retirement health care coverage to age and service retirants with 10 or more years of qualifying Ohio service credit and to primary survivor recipients of such retirants. Health care 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. The Ohio Revised Code provides statutory authority for employee and employer contributions. The 2000 employer contribution rate for state employers was 10.84 % of covered payroll; 4.3 % was the portion that was used to fund health care for the year. The number of benefit recipients eligible for OPEB at December 31, 2000, was 401,339. OPEB is financed through employer contributions and investment earnings and is expected to be sufficient to sustain the program indefinitely.

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA, OHIO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2000

NOTE 7- COMPENSATED ABSENCES

Vacation and sick leave policies are established by the Board of Commissioners based on local and state laws.

All permanent employees will earn 4.6 hours sick leave per (80) hours of service. Unused sick leave may be accumulated without limit.

At the time of separation, union employees receive payment for (30) days of unused sick leave.

All permanent employees will earn vacation hours accumulated based on length of service. All vacation time earned must be used in the year earned without accumulation.

Using the vesting method, at December 31, 2000, \$ 24,521 was accrued by the Authority for unused vacation and sick time.

NOTE 8 - INSURANCE

The Housing 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. There was no significant reduction in coverages and no settlements exceeded insurance coverage during the past three years.

NOTE 9 - CONTINGENCIES

Litigation and Claims

In the normal course of operations, the Authority may be subject to litigation and claims. At December 31, 2000, the Authority was not involved in any matters which would have a material effect on the financial statements.

NOTE 10 - LONG TERM DEBT

Mortgage Note Payable consists of two term loans payable in the amounts of \$ 312,600 at 9 % and \$ 840,000 at 8 % with the Rural Economic and Community Development Services, payable over a period of 50 years.

No amortization of the mortgage note debt was made available.

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2000

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Contract Number</u>	<u>Expenditures For The Year Ended</u>
<u>U.S. Department of Housing and Urban Development</u>			
Direct Programs:			
Low Rent Public and Indian Housing	14.850	C-780	\$ 1,079,785
Public Housing- Comprehensive Grant Program	14.859	C-780	<u>738,872</u>
Drug Elimination Program	14.854	C-780	<u>137,328</u>
Capital Fund	14.872	C-780	<u>114,100</u>
Section 8 Tenant Based Cluster:			
Section 8 Rental Certificate Program	14.857	C-10016	403,581
Section 8 Rental Voucher Program	14.855	C-10016	<u>1,642,328</u>
Sub-Total			2,045,909
Section 8 Project Based Program			
New Construction	14.182	C-10016	<u>948,011</u>
Economic Development and Support Services (EDSS)	14.863		<u>31,925</u>
Rural Housing Program (Vouchers)	14.250		<u>126,143</u>
Total Federal Assistance			<u>\$ 5,222,073</u>

NOTE: This schedule has been prepared on the accrual basis of accounting.

See Independent Auditors' Report

ASHTABULA METROPOLITAN HOUSING AUTHORITY
Supplemental Financial Data Schedule

Balance Sheet

As of December 31, 2000

	Low Rent Public Housing	Drug Elim Program	Capital Fund	Comp Grant Program	Rural Rental Housing	New Construction	Section 8 Rental Certificates	Section 8 Rental Vouchers	TOTAL
ASSETS	14,850	14,854	14,872	14,859	14,182	14,857	14,855	1,178,291	
Current Assets	382,021	76,895	458,916	22,755	86,656	6,986	1,085	1,007,754	
Cash-unrestricted								86,656	
Cash-restricted								83,881	
Cash-other restricted								1,178,291	
Total cash									
Accounts and notes receivables	35,203	124,732	124,732	2,189	32,126	208,331	208,331	368,266	
Accounts receivable-HUD other projects								32,126	
Accounts receivable-miscellaneous								43,129	
Accounts receivable-tenants-dwelling rent								(25,214)	
Allowance for doubtful accounts-dwelling rent								140	
Accrued interest receivable								418,447	
Total receivables, net of allow. for uncollectibles									
Current Investments	17,146	44,362	153,418	261,040	1,113	4,008	261,040	261,040	
Investments-Unrestricted								22,267	
Prepaid expenses and other assets								44,362	
Inventories								365,792	
Interprogram-due from								693,461	
Total Investments									
Total current assets	724,911	214,926	261,040	119,699	232,429	331,819	495,569	2,290,199	
Noncurrent assets	974,498	19,648,415	187,097	484,196	128,500	1,146,784	12,228	1,102,998	
Land								21,308,325	
Buildings								200,157	
Furniture, equipment and machinery-dwelling								516,102	
Furniture, equipment and machinery-admin.								(9,166,968)	
Accumulated depreciation								13,960,614	
Total fixed assets, net of accum. depreciation								13,960,614	
Total non-current assets	13,320,026	27,239	847,070	863,561	232,429	331,819	503,937	16,250,813	
Total assets									

See Independent Auditors' Report

ASHTABULA METROPOLITAN HOUSING AUTHORITY
 Supplemental Financial Data Schedule
 Balance Sheet, Continued
 As of December 31, 2000

	Low Rent Public Housing	Drug Elim Program	Capital Fund	Comp Grant Program	Rural Rental Housing	New Construction	Section 8 Rental Certificates	Section 8 Rental Vouchers	TOTAL
LIABILITIES AND EQUITY									
Current liabilities									
Accounts payable < 90 days	18,638				1,980			1,232	21,850
Accrued wages/payroll taxes payable	25,769				678			1,369	27,816
Accrued vacation pay	15,428				1,093			8,000	24,521
Accounts payable-HUD PHA Program						324,079			326,447
Tenant Security Deposits	76,895				6,986				83,881
Deferred Revenues	13,026				1,135				14,161
Current portion of long-term debt-capital projects					24,401				24,401
Accrued liabilities-other	40,919								40,919
Interprogram due to			124,732		11,144		13,156	216,760	365,792
Total current liabilities	190,675	-	124,732	-	47,417	324,079	45,524	227,361	969,788
Non-current liabilities									
Long term debt, net of current-capital projects	138,800				881,381			72,005	1,022,186
Non-current liabilities-other					9,838				9,838
Total non-current liabilities	138,800	-	-	-	891,219	-	-	72,005	1,102,024
Total Liabilities	329,475	-	124,732	-	938,636	324,079	45,524	299,366	2,061,812
Equity									
Net HUD PHA contributions	12,467,391	27,239		847,070					13,341,700
Undesignated fund balance/retained earnings	523,160				(75,075)	(91,650)	286,295	204,571	847,301
Total Equity	12,990,551	27,239	-	847,070	(75,075)	(91,650)	286,295	204,571	14,189,001
Total Liabilities & Equity	13,320,026	27,239	124,732	847,070	863,561	232,429	331,819	503,937	16,250,813

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA, OHIO
SCHEDULE OF REVENUE AND EXPENSE BY PROGRAM
FOR THE YEAR ENDED DECEMBER 31, 2000

	Low rent Program	Comp Grant Program	Drug Elimination Program	Capital Fund Program	Rural Housing Program	EDSS Program	Multifamily Housing Program	New Const. Program	Rental Certificates Program	Rental Voucher Program	Total
REVENUE											
HUD Grants	\$ 1,079,785	\$ 159,188	\$ 137,328	\$ 124,732	\$ 126,143	\$ 31,925	\$ 41,900	\$ 948,011	\$ 403,581	\$ 1,642,328	\$ 4,694,921
Rental Income	965,150		96,848							3,162	1,061,998
Investment Income-Unrestricted	2,932		3,149					13	3,884	176	13,140
Other Revenue	2,384										176
Gain/Loss on Sale of Fixed Assets											2,384
Total Revenue	2,050,251	159,188	137,328	124,732	226,140	31,925	41,900	948,024	407,465	1,645,666	5,770,235
EXPENSES											
Housing Assistance Payments											
Administrative Salaries	192,810	128,400	50,141	114,100	25,150	31,925	41,900	905,696	352,079	1,452,696	2,710,471
Compensated Absences	45,536				3,317			42,486	23,271	85,061	735,244
Employee Benefits	168,333				13,675			23,113	12,660	46,276	91,909
Other Administrative Expense	168,230	25,930			16,782			11,832	6,481	23,688	264,057
Tenant Services-Other	1,077		87,187								252,943
Material and Labor-Maintenance	505,515			19,936							88,264
Contract Services	277,719			21,698				3	2	6	525,451
Utilities	501,064			37,058							299,328
General Expenses	62,792			4,251				5,063	2,879	12,688	538,112
Interest Expense				55,267							87,673
Payments in Lieu of Taxes	40,918										55,267
Bad Debt- Tenant Rents	6,662										40,918
Total Expenses	1,970,646	154,330	137,328	114,100	197,034	31,925	41,900	988,193	397,372	1,663,471	5,696,299
Income (Loss) before											
Depreciation & Other Costs	79,605	4,858	-	10,632	29,106	-	-	(40,169)	10,093	(17,805)	73,936
Depreciation	734,818	20,394	1,691	-	44,454	-	-	-	-	2,422	803,779
Extraordinary Maintenance	11,718	-	-	-	-	-	-	-	-	-	11,718
Operating Transfers	15,490	(4,858)	-	(10,632)	-	-	-	-	-	-	-
Operating Income (Loss)	(651,441)	(20,394)	(1,691)	-	(15,348)	-	-	(40,169)	10,093	(20,227)	(739,177)

See Independent Auditors' Report

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA, OHIO
SCHEDULE OF ACTIVITY
DECEMBER 31, 2000

The PHA had 1,228 units under management.

<u>Management</u>	<u>Units</u>
Low Rent Public Housing Program	575
Section 8 Rental Certificates	95
Section 8 Rental Vouchers	346
Section 8 New Construction- Highland	120
Section 8 New Construction - Conneaut	53
South Ridge Village- Rural Rental Housing	<u>39</u>
TOTAL	<u>1,228</u>

REPORT ON PRIOR YEAR AUDIT FINDINGS

THERE WERE NO PRIOR YEAR AUDIT FINDINGS

See Independent Auditors' Report

J. E. Slaybaugh & Associates, Inc.

*12 East Main Street
Lexington, Ohio 44904*

*Member AICPA
Member OSCP*

*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
Ashtabula Metropolitan Housing Authority
Ashtabula, Ohio

We have audited the financial statements of Ashtabula Metropolitan Housing Authority, Ashtabula, Ohio, as of and for the year ended December 31, 2000, and have issued our report thereon dated June 20, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Ashtabula 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 Ashtabula 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 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
June 20, 2001

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

Board of Commissioners
Ashtabula Metropolitan Housing Authority
Ashtabula, Ohio

Compliance

We have audited the compliance of Ashtabula 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 December 31, 2000. Ashtabula 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 Ashtabula 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 Ashtabula 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 Ashtabula Metropolitan Housing Authority's compliance with those requirements.

In our opinion, Ashtabula Metropolitan Housing Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2000.

Internal Control Over Compliance

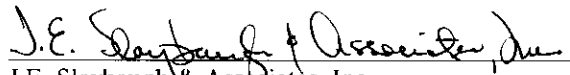
The management of Ashtabula Metropolitan Housing Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Authority's 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.

Report on Compliance and Internal Control

Page 2

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
June 20, 2001

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA, OHIO

SCHEDULE OF FINDINGS

DECEMBER 31, 2000

PART I - SUMMARY OF AUDITOR'S RESULTS

1. The auditor has issued an unqualified opinion on the financial statements of Ashtabula 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 Ashtabula Metropolitan Housing Authority.
6. The audit disclosed no audit findings.
7. The major programs are:
 - Public and Indian Housing Program
 - Cluster- Tenant Based Section 8 Programs
 - Project Based Section 8 Programs
 - Comprehensive Grant Program
8. The dollar threshold used to distinguish between Type A and Type B programs was \$ 300,000.
9. The auditor determined that Ashtabula 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

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

ASHTABULA METROPOLITAN HOUSING AUTHORITY

ASHTABULA 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
SEPTEMBER 18, 2001**