

Columbus Metropolitan Housing Authority

**Financial Statements and Federal Awards in Accordance with
*Government Auditing Standards and Office of Management
and Budget Circular A—133*
December 31, 2000**



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Board of Commissioners
Columbus Metropolitan Housing Authority

We have reviewed the Independent Auditor's Report of Columbus Metropolitan Housing Authority, Franklin County, prepared by PricewaterhouseCoopers LLP, for the audit period January 1, 2000 to 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 Columbus Metropolitan Housing Authority is responsible for compliance with these laws and regulations.

JIM PETRO
Auditor of State

May 22, 2001

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Columbus Metropolitan Housing Authority

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Report of Independent Accountants

Board of Commissioners
Columbus Metropolitan Housing Authority

In our opinion, the accompanying balance sheet and the related statements of revenue, expenses and changes in equity, and cash flows present fairly, in all material respects, the financial position of Columbus Metropolitan Housing Authority (the Authority) at December 31, 2000, and the changes in its equity and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America. 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 audits. We conducted our audit of these statements in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, which 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, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for the opinion.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2001 on our consideration of the Authority's internal control over financial reporting and on 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 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. 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.

The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic 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 stated in all material respects, in relation to the basic financial statements taken as a whole.

PricewaterhouseCoopers LLP

March 30, 2001

Columbus Metropolitan Housing Authority

Balance Sheet

As of December 31, 2000

Assets		
Cash and cash equivalents		\$ 17,132,798
Accounts receivable, net:		
Tenants		91,928
HUD		2,753,146
Other		1,073,510
Notes receivable, current		2,406,271
Investments		11,180,196
Inventory		279,856
Prepaid items and other		152,947
	Total current assets	35,070,652
Notes receivable		24,387,415
Land, structures and equipment, net		96,114,996
Other non-current assets		32,146
	Total assets	\$ 155,605,209
Liabilities and Equity		
Accounts payable:		
Trade		\$ 4,287,735
HUD		1,991,601
Other		259,862
Accrued expenses		1,530,308
Deferred credits		3,612,819
Trust and deposit liabilities		500,489
Notes payable, current		36,745
	Total current liabilities	12,219,559
Notes payable		1,733,681
Other liabilities		532,753
	Total liabilities	14,485,993
Equity		141,119,216
	Total liabilities and equity	\$ 155,605,209

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

Columbus Metropolitan Housing Authority
Statement of Revenue, Expenses and Changes in Equity
For the Year Ended December 31, 2000

Operating revenue:		
HUD grants		\$ 55,954,756
Other government grants		524,574
Administrative fees		6,549,830
Rental		5,803,991
Interest		1,524,949
Other		338,986
Total operating revenue		<u>70,697,086</u>
Operating expenses:		
Administration		11,721,497
Tenant services		263,412
Utilities		2,716,421
Ordinary maintenance and operation		5,844,061
Protective services		863,362
General expenses		715,337
Nonroutine maintenance		342,706
Housing assistance payments		46,784,098
Casualty loss		31,017
Total operating expenses		<u>69,281,911</u>
Net operating income before other charges		1,415,175
Other financing sources and uses:		
Depreciation		8,192,048
Gain on disposal of assets		1,470,700
Interest expense on notes payable		150,046
Net loss		<u>(5,456,219)</u>
Equity, beginning of year		132,486,377
Capital contributions		14,089,058
Equity, end of year		<u>\$ 141,119,216</u>

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

Columbus Metropolitan Housing Authority
Statement of Cash Flows
For the Year Ended December 31, 2000

Cash flows from operating activities		
Net loss		\$ (5,456,219)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation		8,192,048
Gain on disposal of assets		(1,470,700)
Net increase in fair value of investments		(13,832)
Change in assets and liabilities:		
Tenant receivables		14,118
HUD receivables		(2,173,484)
Other receivables		(675,252)
Inventory		(24,293)
Prepaid items		1,332,176
Trade payables		(180,261)
HUD payables		710,000
Other payables		30,118
Accrued expenses		(102,741)
Trust and deposit liabilities		16,424
Other long-term liabilities		274,538
Deferred credits		(335,866)
Net cash provided by operating activities		136,774
Cash flows from investing activities		
Acquisition of land, structures and equipment		(13,822,345)
Proceeds from disposal of land, structures and equipment		1,777,138
Sale/purchase of investments, net		(627,245)
Net cash used in investing activities		(12,672,452)
Cash flows from capital and related financing activities		
Capital contributions		14,089,058
Cash collected on notes receivable		264,851
Net cash provided by capital and related financing activities		14,353,909
Net increase in cash and cash equivalents		1,818,231
Cash and cash equivalents, beginning of year		15,314,567
Cash and cash equivalents, end of year		\$ 17,132,798
Supplemental Disclosure of Cash Flow Information		
Interest paid		\$ 138,420
Supplemental Schedule of Non-cash Investing and Financing Activities		
Acquisition of property and assumption of mortgage note payable		\$ 1,770,426
Note receivable in exchange for property sale		\$ 8,120,165

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

Columbus Metropolitan Housing Authority

Notes to Financial Statements

1. Summary of Significant Account Policies

Description of the Entity

Columbus Metropolitan Housing Authority (the Authority) is organized under the laws of the State of Ohio for purposes of acquiring, developing, leasing, operating and administering low-rent housing programs.

The United States Department of Housing and Urban Development (HUD) has direct responsibility for administering the Low-Rent Housing Program under the United States Housing Act of 1937, as amended. HUD is authorized to contract with local housing authorities in financing the acquisition, construction and/or leasing of housing units, to make housing assistance payments, and to make annual contributions (subsidies) to the local housing authorities for the purposes of maintaining the low-rent character of the local housing program. Under an administrative form of contract, HUD has conveyed certain federally built housing units to the Authority for low-rent operations.

During December 2000, the Authority began providing contracted services with certain housing authorities on behalf of HUD. The services are primarily the payment processing and administrative services of an assisted housing program.

Basis of Accounting

The accompanying consolidated financial statements are prepared on the accrual basis in accordance with generally accepted accounting principles (GAAP). All intercompany balances and transactions have been eliminated in consolidation.

HUD Contributions

The Authority finances certain expenditures through the issuances of bonds and notes. HUD makes annual contributions and subsidies directly to the authorized fiscal agent of the bonds and notes to meet annual principal and interest requirements.

Fund Accounting

The Authority maintains its accounting records in accordance with the principles of fund accounting. Fund accounting is designed to meet the needs of governmental entities in which legal or other restraints require the recording of specific receipts and disbursements. The transactions of each fund are reflected in self-balancing groups of accounts and accounting entities that are separate from the activities reported in other funds.

A summary of each of these funds is provided below:

Low-Rent Housing Program Fund—This Fund is used to account for the components for the Low-Rent Housing Programs subsidized by HUD. A summary of each of these components is provided below.

1. **PHA-Owned Housing**—Under this program, the Authority owns and operates apartments and single-family housing. Funding is provided by tenant rent payments and HUD subsidies.
2. **Housing Assistance Payments**—Under Section 8 of the Housing Program, low-income tenants lease housing units directly from private landlords rather than from the Authority. HUD contracts with the Authority, which in turn contracts with private landlords and makes

Columbus Metropolitan Housing Authority

Notes to Financial Statements

assistance payments for the difference between the approved contract rent and the actual rent paid by the low-income tenants.

3. **Homeownership**—Under this program, qualified low-income families can earn homeownership of their homes. A portion of each monthly rent payment is applied against the purchase of the home. A family achieves homeownership when accumulated equity equals a predetermined amount based on the unamortized purchase price of the dwelling. A family may also purchase the dwelling by obtaining financing to pay the amount by which the purchase price exceeds the family's equity in the home.
4. **Comprehensive Grant Program**—Substantially all additions to land, structures and equipment are accomplished through Comprehensive Grant Programs. Comprehensive Grant Programs replace or materially upgrade deteriorated portions of the Authority's housing units. Funding is provided through grants. Comprehensive Grant Program costs are capitalized and reported on the statement of assets, liabilities and surplus until such time as they are completed and placed into service in one of the aforementioned programs. The Authority enters into significant construction contract obligations in relation to this Modernization and Development activity on an ongoing basis.

Other Business Ventures—This program consists of seven funds that provide resources for housing related activities. Three of the funds are wholly owned subsidiaries of CMHA, whose goals are to provide affordable housing to low income individuals and families. The other four funds provide resources for housing related activities that would otherwise cause undue financial hardship to Low Rental Housing Program clients.

Revenue Recognition

Grant revenue is recognized when the earnings process is complete, an exchange has taken place, and any restrictions imposed by the terms of the grant have been met. Rent revenue is recognized over the period for which housing has been provided. Investment income is recognized and recorded when earned and is allocated to programs based upon monthly investment balances.

Inventory

Inventory consists of supplies and maintenance parts carried at the lower of cost and market using the average cost method and are expensed as they are consumed.

Investments

The Authority's investments are recorded at fair value. Fair value generally represents quoted market value prices for investments traded in the public marketplace. Investment income, including changes in the fair value of investments, is recorded as revenue in the operating statements.

Compensated Absences

Compensated absences are accrued as they are earned by employees if two conditions are met: 1) the employees rights to receive compensation are attributable to services already rendered and 2) it is probable that the employer will compensate the employee for the benefits through paid time off or cash payment. Accrued compensated absences are included in accrued expenses.

Columbus Metropolitan Housing Authority

Notes to Financial Statements

Land, Structures and Equipment

Land, structures and equipment are recorded at historical cost. Donated land, structures and equipment are recorded at their fair value on the date donated. Depreciation is calculated on a straight-line method using half-year convention over the estimated useful lives. When depreciable property is disposed of or sold, the cost and related accumulated depreciation are removed from the accounts, with any gain or loss reflected in operations. The estimated useful lives are as follows:

Equipment and vehicles	3-7 years
Building and site improvements	15 years
Buildings	30 years

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. Cash, Cash Equivalents and Investments

The Authority maintains cash, cash equivalents and investments in separate accounts for the Low-Rent Housing Fund and other business ventures.

Cash equivalents include short-term, highly liquid investments that are both readily convertible to known amounts of cash and are so near maturity that they present insignificant risk of changes in value because of changes in interest rates. Generally, only investments with original maturities of three months or less qualify under this definition.

Cash and cash equivalents included in the Authority's cash position at December 31, 2000 are as follows:

Demand deposits:	
Bank balance	\$ 18,289,491
Items-in-transit	1,156,693
	\$ 17,132,798
Carrying balance	\$ 17,132,798

Of the year-end cash balance, \$100,000 was covered by federal depository insurance, \$300 was maintained in petty cash funds and the remainder was covered by collateral pools held by third-party trustees maintaining collateral for all public funds on deposit.

At December 31, 2000, the Authority's Low-Rent Housing Program and other business ventures had \$9,905,713 and \$2,302,647, respectively, held in the State Treasury Asset Reserve of Ohio (STAR Ohio, managed by the Treasurer of the State of Ohio). STAR Ohio is a highly liquid investment pool with participation restricted to subdivisions of the State of Ohio. Under Ohio Revised Code Section 135.143, STAR Ohio is restricted to investing in obligations of the U.S. government and other instruments authorized by the State of Ohio and its political subdivisions. Due to the highly liquid nature of the fund and a net asset value of \$1, STAR Ohio resembles a money market fund and, therefore, has been treated as a cash equivalent by the Authority in the

Columbus Metropolitan Housing Authority

Notes to Financial Statements

financial statements. The Authority's investment in the pool is not subject to credit risk categorization because it is not evidenced by securities that exist in physical or book entry form.

Investments

Investment procedures are restricted by the provisions of the Ohio Revised Code and the Department of Housing and Urban Development. Approved investment securities include direct obligations of the federal government backed by the full faith and credit of the United States (e.g., U.S. Treasury bills, notes and bonds), obligations of federal government agencies (e.g., Government National Mortgage Association mortgage-backed securities, bonds, participating certificates), and securities of government-sponsored agencies (e.g., Federal Farm credit banks, Federal Land banks, and Federal Home Loan banks). The interest rate yields on certificates at deposit ranged from 6.6% to 7.1% and approximately 6.5% for U.S. federal agency bonds.

	Amortized Cost	Gross Unrealized Gains	Fair Value
At December 31, 2000:			
U.S. federal agency bonds	\$ 4,797,051	\$ 13,832	\$ 4,810,883
Certificates of deposit	6,369,313	-	6,369,313
Total	<u>\$ 11,166,364</u>	<u>\$ 13,832</u>	<u>\$ 11,180,196</u>

The Authority's cash equivalents balances and investments are categorized to give an indication of risk assumed by the Authority as follows:

- The cash equivalent funds are assigned a risk category of two. Category two includes cash equivalents balances collateralized with securities held by the pledging financial institution's trust department or agent in the name of the Authority.
- The investments are assigned a risk category of two. Category two includes uninsured and unregistered investments for which the securities are held by the Authority's agent or the agent's trust department in the Authority's name.

3. Notes Receivable

Beginning in 1996, the Authority entered into a "Construction Loan Agreement" (the Agreement) with Rosewind Limited Partnership (see Note 9), for the construction of low-income housing. At the completion of the project the loan converts into a permanent loan with a maturity date to be 35 years from the date of the conversion to the permanent loan and without interest. In March 1999, the Authority and Rosewind Limited Partnership entered into an amendment to increase the maximum amount of the construction loan agreement to \$25,500,000. The balance of the loan is \$17,808,107 as of December 31, 2000. The Authority is also due \$865,414 at December 31, 2001 for reimbursement of developer fees.

The note receivable is non-recourse and is collateralized by an open-end mortgage granting the Authority a security interest in certain real property of Rosewind Limited Partnership.

Columbus Metropolitan Housing Authority

Notes to Financial Statements

In August 2000, the Authority entered into a “Promissory Note” (the Note) with Gender Road Limited Partnership (see Note 9) for the purchase of low-income housing for a maximum amount of \$10,000,000. The Note agreement provides that Gender Road Limited Partnership will make minimum annual payments to the Authority in the amount of \$25,000 and the entire balance of the principal and all unpaid interest will be due 35 years from the date of the Note. The balance of the Note is \$8,120,165 at December 31, 2000.

The Note is non-recourse and is collateralized by an open-end mortgage granting the Authority a security interest in certain real property of Gender Road Limited Partnership.

4. Land, Structures and Equipment

The Authority capitalizes as land, structures and equipment the costs of site acquisition and improvement, structures, equipment and indirect development costs. A summary of the activity in land, structures and equipment as of December 31, 2000 is as follows:

Land	\$ 990,021
Site improvements	22,376,905
Buildings	161,925,326
Other assets	2,314,228
Construction in process	12,632,467
Total	200,238,947
Accumulated depreciation	(104,123,951)
Net book value	\$ 96,114,996

5. Payment in Lieu of Taxes

The Authority has executed a Cooperation Agreement with the City of Columbus that provides for tax exemption of the housing projects but requires the Authority to make payments in lieu of taxes for municipal services received based upon a prescribed formula related to rental income.

Columbus Metropolitan Housing Authority

Notes to Financial Statements

6. Self-Insured Health Care

The Authority has a self-insured health care plan that covers all employees electing to participate. This plan provides employee health benefits of up to \$2,000,000 of cumulative coverage to employees. The Authority purchases commercial insurance for individual claims exceeding \$55,000 and aggregate claim losses exceeding \$966,900. A reconciliation of claims liabilities is shown below:

Reconciliation of Claims Liabilities			
	Unpaid claims and claim adjustment expenses at beginning of year		\$ 274,538
	Incurred claims and claim adjustment expenses:		
	Provision for insured events of the current year		529,685
	Total incurred claims and claim adjustment expenses		804,223
	Payments:		
	Claims and claim adjustment expenses attributable to insured events		
	Current year		502,921
	Prior year		152,854
			655,775
	Unpaid claims and claim adjustment expenses at end of year		\$ 148,448

The Authority makes payments to the Plan Trustee based on estimated amounts needed to pay prior and current year claims. The December 31, 2000 claims liability is based on the requirements of the Governmental Accounting Standards Board (GASB) Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The liability is estimated by applying a three-month lag factor to the average actual monthly claims incurred.

7. Notes Payable

Notes payable consist of a mortgage payable to a bank, due in monthly installments of \$13,081, including interest at 7.9%, through June 2023. The note is collateralized by rental property. As of December 31, 2000, the principal balance was \$1,741,252.

Columbus Metropolitan Housing Authority

Notes to Financial Statements

Maturities of the mortgage payable for the next five years and thereafter are as follows:

2001					\$ 29,268
2002					31,662
2003					34,253
2004					37,055
2005					40,087
Thereafter					1,568,927
	Total				\$ 1,741,252

Additional notes payable consist of current and non-current obligations of \$7,477 and \$21,697, respectively.

8. Retirement Commitments

Plan Description

The Authority contributes to the Public Employees' Retirement System of Ohio (PERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by State Statute per Chapter 145 of the Ohio Revised Code. The Public Employees' Retirement System issues a stand-alone financial report that includes financial statements and required supplementary information. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 466-2085.

Funding Policy

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rate is 8.5% for employees other than law enforcement. The 2000 employer contribution rate for local government employer units was 10.65% of covered payroll. The Authority's contribution to PERS, representing 100% of employer contributions, was \$1,327,221, \$1,117,238, \$1,113,034 and \$1,044,647 for the years ended December 31, 2000, 1999, 1998 and 1997, respectively.

PERS provides postemployment health care coverage to age and service retirees with 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. A portion of each employer's contribution to the system is set aside for the funding of postretirement health care based on authority granted by state statute.

9. Deferred Compensation

The Authority offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all regular employees, permits them to defer a portion of their salaries until future years. The deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency. The Authority made no contributions to the plan in 2000.

Columbus Metropolitan Housing Authority

Notes to Financial Statements

All assets of the plan are held in a trust for the exclusive benefit of the participants and their beneficiaries. Investments are managed by the Ohio Public Employees Deferred Compensation Program. The plan is not included in the Authorities financial statements as the Authority does not hold these assets in a trustee capacity.

10. Related Entities

In November 1996, the Authority established a not-for-profit subsidiary known as Metropolitan Housing Partners (MHP), which is included in Other Business Ventures. MHP is the majority owner, with a 79% interest, in Rosewind GP Corporation, which is the 1% general partner in Rosewind Limited Partnership. These entities were established to facilitate the construction of low-income housing for which third-party investors will receive low-income tax credits in return for equity investments in the Rosewind Limited Partnership.

Construction has been funded using HOPE VI grant funds and the proceeds of a bond issuance. The Authority leases to the Rosewind Limited Partnership the property on which the low-income housing was constructed.

For the year ended December 31, 2000, the Authority has incurred accounts payable to Rosewind Limited Partnership of approximately \$58,374 for pass through funds to subsidiaries and recorded notes receivables (see Note 3) for the sale of property.

In March 1998, Franklin County, Ohio issued \$14 million in tax-exempt bonds on behalf of Rosewind Limited Partnership, as borrower. The proceeds of the bond issuance were used to repay the promissory note agreements owed to the Authority by Rosewind Limited Partnership. The Authority in turn pledged the monies and subsequent interest earned, on behalf of Rosewind Limited Partnership, as collateral for the repayment of the tax-exempt bonds issued and interest expense incurred on the bonds. A principal payment in the amount of \$2 million was made during 2000. The funds held in escrow are in the name of Rosewind Limited Partnership and accordingly no amounts are recorded in the Authority's financial statements at December 31, 2000. Amounts held in escrow at December 31, 2000 were \$2,045,594.

MHP is also the majority owner, with 79% interest, of Gender Road GP Corporation, which is the 0.1% general partner in the Gender Road Limited Partnership. These entities were established to facilitate the construction of low-income housing for which third-party investors will receive low-income tax credits in return for equity investments in the Gender Road Limited Partnership.

Construction has been funded using HOPE VI grant funds and the proceeds of a bond issuance. The Authority leases to the Gender Road Limited Partnership the property on which the low-income housing was constructed.

For the year ended December 31, 2000, the Authority recorded notes receivable (see Note 3) for the sale of the property.

In August 2000, Franklin County, Ohio issued \$6 million in tax-exempt bonds on behalf of Gender Road Limited Partnership, as borrower. The proceeds of the bond issuance were used to repay the promissory note agreements owed to the Authority by Gender Road Limited Partnership. The Authority in turn pledged the monies and subsequent interest earned, on behalf of Gender Road Limited Partnership, as collateral for the repayment of the tax-exempt bonds

Columbus Metropolitan Housing Authority

Notes to Financial Statements

issued and interest expense incurred on the bonds. No principal payments were made during 2000. The funds held in escrow are in the name of Gender Road Limited Partnership and accordingly no amounts are recorded in the Authority's financial statements at December 31, 2000. Amounts held in escrow at December 31, 2000 were \$6,000,533.

11. Uncompleted Contracts

At December 31, 2000, the Authority has uncompleted contracts in the amount of \$6,771,226 for Comprehensive Grant Program and extraordinary maintenance programs.

12. Contingent Liabilities

Under the terms of Federal grants, periodic audits are required and certain costs may be questioned as not being appropriate expenses under the terms of the grants. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenses which may be disallowed by the grantor cannot be determined at this time, although the Authority expects such amounts, if any, to be immaterial.

The Authority is also contingently liable to repay to HUD approximately \$600,000 for demolition costs incurred during 1998 if and when the Authority realizes proceeds from the sale of certain properties.

Columbus Metropolitan Housing Authority
Supplemental Financial Data Schedules
Balance Sheet
As of December 31, 2000

	Low Rent 14.850	Section 8 Vouchers 14.855	ALL Section 8 Mod Rehab 14.856	Section 8 Certificates 14.857	CGP 14.859	Hope VI 14.806	Other Business Ventures 14.851	Section 8 N/C and S/R 14.182	AHSC 14.195	PHDEP 14.854	EDSS 14.864	Total
ASSETS												
Current assets												
Cash-unrestricted	\$ 5,047,317	\$ 4,990,045	\$ 8,210	\$ 599,950	\$ -	\$ -	\$ 2,847,148	\$ 365,238	\$ 78,763	\$ -	\$ -	\$ 13,936,671
Cash-restricted-modernization and development	-	-	-	-	-	-	-	-	-	-	-	-
Cash-other restricted	1,618,254	369,997	-	-	-	-	623,834	-	84,193	-	-	2,696,278
Cash-tenant security deposits	466,751	-	-	-	-	-	33,098	-	-	-	-	499,849
Total cash	7,132,322	5,360,042	8,210	599,950	-	-	3,504,080	365,238	162,956	-	-	17,132,798
Accounts and notes receivables												
Accounts receivable-PHA projects	-	-	-	-	-	-	-	-	-	-	-	-
Accounts receivable-HUD other projects	183,064	-	12,815	72,028	-	-	-	435,431	1,980,495	36,520	32,793	2,753,146
Accounts receivable-other governments	-	-	-	-	-	-	-	-	-	-	-	-
Accounts receivable-miscellaneous	197,621	202,685	-	-	-	-	267,753	-	-	-	-	668,059
Accounts receivable-tenants-dwelling rent	121,006	-	-	-	-	-	185	-	-	-	-	121,191
Allowance for doubtful accounts- dwelling rent	(29,263)	-	-	-	-	-	-	-	-	-	-	(29,263)
Allowance for doubtful accounts-others	-	-	-	-	-	-	-	-	-	-	-	-
Notes and mortgages receivables	2,233,013	-	-	-	-	-	173,258	-	-	-	-	2,406,271
Fraud recovery	-	130,255	-	-	-	-	-	-	-	-	-	130,255
Allowance for doubtful accounts-fraud	-	(130,255)	-	-	-	-	-	-	-	-	-	(130,255)
Accrued interest receivable	80,816	-	-	-	-	-	324,635	-	-	-	-	405,451
Total receivables,net of allowances for uncollectibles	2,786,257	202,685	12,815	72,028	-	-	765,831	435,431	1,980,495	36,520	32,793	6,324,855
Current investments												
Investments-unrestricted	2,138,591	-	-	-	-	-	8,915,000	-	-	-	-	11,053,591
Investments-restricted	-	-	-	-	-	-	126,605	-	-	-	-	126,605
Prepaid expenses and other assets	130,055	19,446	-	-	-	-	3,446	-	-	-	-	152,947
Inventories	307,683	-	-	-	-	-	24,173	-	-	-	-	331,856
Allowance for obsolete inventories	(52,000)	-	-	-	-	-	-	-	-	-	-	(52,000)
Interprogram due to	(7,836,604)	(249,884)	(566)	-	-	(886,591)	(24,758)	(378,272)	-	(13,033)	(32,225)	(9,421,933)
Interprogram-due from	-	-	46,771	1,680,872	3,440,821	-	4,155,732	97,737	-	-	-	9,421,933
Total investments	(5,312,275)	(230,438)	46,205	1,680,872	3,440,821	(886,591)	13,200,198	(280,535)	-	(13,033)	(32,225)	11,612,999
Total current assets	\$ 4,606,304	\$ 5,332,289	\$ 67,230	\$ 2,352,850	\$ 3,440,821	\$ (886,591)	\$ 17,470,109	\$ 520,134	\$ 2,143,451	\$ 23,487	\$ 568	\$ 35,070,652

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

Columbus Metropolitan Housing Authority
Supplemental Financial Data Schedules
Balance Sheet
As of December 31, 2000

	Low Rent 14.850	Section 8 Vouchers 14.855	ALL Section 8 Mod Rehab 14.856	Section 8 Certificates 14.857	CGP 14.859	Hope VI 14.806	Other Business Ventures 14.851	Section 8 N/C and S/R 14.182	AHSC 14.195	PHDEP 14.854	EDSS 14.864	Total
Noncurrent assets												
Fixed assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Land	593,783	-	-	-	-	-	396,239	-	-	-	-	990,022
Buildings	181,614,493	-	-	-	-	-	2,687,738	-	-	-	-	184,302,231
Furniture, equipment and machinery-dwellings	1,113,377	-	-	-	-	-	129,838	-	-	-	-	1,243,215
Furniture, equipment and equipment-administration	-	661,625	6,144	144,586	-	-	-	50,829	207,828	-	-	1,071,012
Leasehold improvements	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation	(103,705,601)	(89,298)	(4,337)	(82,842)	-	-	(201,171)	(31,200)	(9,502)	-	-	(104,123,951)
Construction in progress	-	-	-	-	6,059,857	6,572,610	-	-	-	-	-	12,632,467
Total fixed assets, net of accumulated depreciation	79,616,052	572,327	1,807	61,744	6,059,857	6,572,610	3,012,644	19,629	198,326	-	-	96,114,996
Other non-current assets												
Notes and mortgages receivables- non current	23,695,259	-	-	-	-	-	692,156	-	-	-	-	24,387,415
Notes and mortgages receivables non current past-due	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	31,988	-	-	-	-	31,988
Undistributed debits	-	-	-	-	-	-	-	-	-	-	-	-
Investments and joint ventures	-	-	-	-	-	-	158	-	-	-	-	158
Total other non-current assets	23,695,259	-	-	-	-	-	724,302	-	-	-	-	24,419,561
Total assets	\$ 107,917,615	\$ 5,904,616	\$ 69,037	\$ 2,414,594	\$ 9,500,678	\$ 5,686,019	\$ 21,207,055	\$ 539,763	\$ 2,341,777	\$ 23,487	\$ 568	\$ 155,605,209

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

Columbus Metropolitan Housing Authority
Supplemental Financial Data Schedules
Balance Sheet
As of December 31, 2000

	Low Rent 14.850	Section 8 Vouchers 14.855	ALL Section 8 Mod Rehab 14.856	Section 8 Certificates 14.857	CGP 14.859	Hope VI 14.806	Other Business Ventures 14.851	Section 8 N/C and S/R 14.182	AHSC 14.195	PHDEP 14.854	EDSS 14.864	Total
LIABILITIES AND EQUITY												
Current liabilities												
Bank overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable < 90 days	545,740	82,883	95	892	429,137	83,919	37,391	128	2,432,999	23,487	568	3,637,239
Accounts payable > 90 days	19,003	-	-	-	484,581	100,000	46,912	-	-	-	-	650,496
Accrued wage/payroll taxes payable	481,265	136,965	-	-	-	-	7,300	-	-	-	-	625,530
Accrued vacation pay	267,266	62,421	-	-	-	-	-	-	-	-	-	329,687
Accrued contingency liability	131,500	-	-	-	-	-	-	-	-	-	-	131,500
Accrued interest payable	-	-	-	-	-	-	11,626	-	-	-	-	11,626
Accounts payable- HUD PHA Program	674,142	598,566	8,322	547,953	-	-	-	162,618	-	-	-	1,991,601
Accounts payable-other government	259,290	-	-	-	-	-	572	-	-	-	-	259,862
Tenant security deposits	466,751	-	-	-	-	-	33,738	-	-	-	-	500,489
Deferred revenue	184,273	3,428,546	-	-	-	-	-	-	-	-	-	3,612,819
Current portion of long-term debt- capital projects	-	-	-	-	-	-	24,912	-	-	-	-	24,912
Current portion of long-term debt- operating borrowing	11,833	-	-	-	-	-	-	-	-	-	-	11,833
Other current liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Accrued liabilities-other	422,390	8,626	-	-	-	-	949	-	-	-	-	431,965
Total current liabilities	3,463,453	4,318,007	8,417	548,845	913,718	183,919	163,400	162,746	2,432,999	23,487	568	12,219,559
Non-current liabilities												
Long term debt,net of current - capital projects	17,342	-	-	-	-	-	1,716,339	-	-	-	-	1,733,681
Long term debt,net of current- operating borrowings	-	-	-	-	-	-	-	-	-	-	-	-
Non-current liabilities-other	-	219,208	-	164,361	-	-	149,184	-	-	-	-	532,753
Total non-current liabilities	17,342	219,208	-	164,361	-	-	1,865,523	-	-	-	-	2,266,434
Total liabilities	\$ 3,480,795	\$ 4,537,215	\$ 8,417	\$ 713,206	\$ 913,718	\$ 183,919	\$ 2,028,923	\$ 162,746	\$ 2,432,999	\$ 23,487	\$ 568	\$ 14,485,993

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

Columbus Metropolitan Housing Authority
Supplemental Financial Data Schedules
Balance Sheet
As of December 31, 2000

	Low Rent 14.850	Section 8 Vouchers 14.855	ALL Section 8 Mod Rehab 14.856	Section 8 Certificates 14.857	CGP 14.859	Hope VI 14.806	Other Business Ventures 14.851	Section 8 N/C and S/R 14.182	AHSC 14.195	PHDEP 14.854	EDSS 14.864	Total
Equity												
Investment in general fixed assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributed capital-projects notes (HUD)	2,999,456	-	-	-	-	-	-	-	-	-	-	2,999,456
Contributed capital-long-term debt-												
HUD guaranteed	14,613,000	-	-	-	-	-	-	-	-	-	-	14,613,000
Net HUD PHA contributions	79,840,778	-	-	-	8,586,960	5,502,100	4,000,518	-	-	-	-	97,930,356
Other HUD contributions	-	-	-	-	-	-	-	-	-	-	-	-
Other contributions	1,487,507	-	-	-	-	-	346,017	-	-	-	-	1,833,524
Reserved for operating activities	5,496,079	1,367,401	60,620	1,701,388	-	-	14,831,597	377,017	(91,222)	-	-	23,742,880
Total equity	104,436,820	1,367,401	60,620	1,701,388	8,586,960	5,502,100	19,178,132	377,017	(91,222)	-	-	141,119,216
Total liabilities and equity	\$ 107,917,615	\$ 5,904,616	\$ 69,037	\$ 2,414,594	\$ 9,500,678	\$ 5,686,019	\$ 21,207,055	\$ 539,763	\$ 2,341,777	\$ 23,487	\$ 568	\$ 155,605,209

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

Columbus Metropolitan Housing Authority
Supplemental Financial Data Schedules
Statements of Revenue and Expenses
For the Year Ended December 31, 2000

Account Description	Low Rental	Section 8	ALL	Section 8	CGP	HOPE VI	Other	Section 8	AHSC	PHDEP	EDSS	Total
	14.850	Voucher	Section 8	Certificates			Business	N/C S/R				
	14.850	14.855	14.856	14.857	14.859	14.806	14.851	14.182	14.195	14.854	14.864	
Revenue												
Net tenant rental revenue	\$ 5,151,087	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 652,904	\$ -	\$ -	\$ -	\$ -	\$ 5,803,991
Tenant revenue-other	-	-	-	-	-	-	-	-	-	-	-	-
Total tenant revenue	5,151,087	-	-	-	-	-	652,904	-	-	-	-	5,803,991
HUD PHA grants	7,259,226	-	-	-	1,247,587	269,367	-	-	-	348,517	75,087	9,199,784
HAP	-	27,923,355	548,209	5,460,226	-	-	-	9,896,989	2,926,193	-	-	46,754,972
Administrative fees	-	2,893,723	72,225	586,729	-	-	-	390,616	2,606,537	-	-	6,549,830
IPA cost	-	12,763	484	2,262	-	-	-	646	5	-	-	16,160
Excess interest earned on excess funds	-	8,102	1,014	12,296	-	-	-	6,327	-	-	-	27,739
Other government grants	524,574	-	-	-	-	-	-	-	-	-	-	524,574
Section 8 income	-	-	-	-	-	-	-	-	-	-	-	-
Investment income-unrestricted	570,089	112,156	4,767	24,482	-	-	748,602	3,492	220	-	-	1,463,808
Mortgage interest income	-	-	-	-	-	-	-	-	-	-	-	-
Fraud recovery	-	-	-	-	-	-	-	-	-	-	-	-
Other income	112,134	22,476	78	30,213	-	-	157,874	51	-	-	-	322,826
Gain or loss on sale of fixed assets	1,426,958	-	-	-	-	-	43,742	-	-	-	-	1,470,700
Investment income-restricted	-	-	-	-	-	-	33,402	-	-	-	-	33,402
Total revenue	15,044,068	30,972,575	626,777	6,116,208	1,247,587	269,367	1,636,524	10,298,121	5,532,955	348,517	75,087	72,167,786
Expense												
Administrative												
Preliminary expenses	-	-	-	-	-	-	-	-	-	-	-	-
Administrative salaries	2,788,139	1,389,933	51,662	413,584	373,440	183,151	68,119	83,357	22,309	28,782	26,176	5,428,652
Auditing fees	41,209	12,763	484	2,262	-	-	-	646	-	-	-	57,364
Outside management fees	-	-	-	-	-	-	-	-	-	-	-	-
Compensated absences	-	-	-	-	-	-	-	-	-	-	-	-
Employee benefit contributions-administrative	626,538	310,729	11,573	92,382	90,317	12,760	15,769	19,924	6,281	6,448	5,861	1,198,582
Other operating expenses	1,371,972	349,250	10,874	92,309	234,027	73,456	333,811	17,344	2,659,892	104,629	2,822	5,250,386
Tenant services												
Tenant services-salaries	-	-	-	-	-	-	-	-	-	-	32,868	32,868
Relocation costs	-	-	-	-	-	-	-	-	-	-	-	-
Employee benefit contributions-tenant services	-	-	-	-	-	-	-	-	-	-	7,360	7,360
Tenant services-other	9,697	-	-	-	-	-	-	-	-	-	-	9,697
Utilities												
Water	1,059,803	(720)	(30)	(210)	-	-	18,604	(40)	-	-	-	1,077,407
Electric	983,288	36,385	1,516	10,612	-	-	49,434	2,021	-	-	-	1,083,256
Gas	569,213	(37,505)	(1,562)	(10,939)	-	-	38,635	(2,084)	-	-	-	555,758
Fuel	-	-	-	-	-	-	-	-	-	-	-	-
Labor	-	-	-	-	-	-	-	-	-	-	-	-
Employee benefit contributions-utilities	-	-	-	-	-	-	-	-	-	-	-	-
Other utilities expense	-	-	-	-	-	-	-	-	-	-	-	-

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

Columbus Metropolitan Housing Authority
Supplemental Financial Data Schedules
Statements of Revenue and Expenses
For the Year Ended December 31, 2000

	Low Rental 14.850	Section 8 Voucher 14.855	ALL Section 8 Mod Rehab 14.856	Section 8 Certificates 14.857	CGP 14.859	HOPE VI 14.806	Other Business Ventures	Section 8 N/C S/R 14.182	AHSC 14.195	PHDEP 14.854	EDSS 14.864	Total
Expense continued												
Ordinary maintenance & operations												
Ordinary maint and op-labor	\$ 2,492,920	\$ 8,948	\$ 373	\$ 2,590	\$ -	\$ -	\$ 41,534	\$ 491	\$ -	\$ -	\$ -	\$ 2,546,856
Ordinary maint and op-materials & other	696,440	4,261	91	1,064	-	-	133,748	117	-	-	-	835,721
Ordinary maint and op-contract cost	1,697,372	49,189	1,414	12,636	4,460	-	121,368	1,875	-	-	-	1,888,314
Employee benefit contributions- ordinary maintenance	560,198	2,000	84	579	-	-	10,192	117	-	-	-	573,170
Protective services												
Protective services-labor	-	-	-	-	-	-	-	-	-	170,487	-	170,487
Protective services-other contract costs	38,812	17,100	703	4,699	545,343	-	47,204	843	-	-	-	654,704
Protective services-other	-	-	-	-	-	-	-	-	-	-	-	-
Employee benefit contributions- protective services	-	-	-	-	-	-	-	-	-	38,171	-	38,171
General expenses												
Insurance	207,510	7,467	311	2,177	-	-	12,398	415	-	-	-	230,278
Payment in lieu of taxes	213,473	-	-	-	-	-	47,484	-	-	-	-	260,957
Bad debt-tenant rents	202,705	-	-	-	-	-	8	-	-	-	-	202,713
Bad debt-mortgages	-	-	-	-	-	-	-	-	-	-	-	-
Bad debt-other	-	-	-	-	-	-	-	-	-	-	-	-
Interest expenses	-	-	-	-	-	-	150,046	-	-	-	-	150,046
Severance expenses	18,930	1,862	64	448	-	-	-	85	-	-	-	21,389
Total operating expenses	13,578,219	2,151,662	77,557	624,193	1,247,587	269,367	1,088,354	125,111	2,688,482	348,517	75,087	22,274,136
Excess operating revenue over operating expenses	1,465,849	28,820,913	549,220	5,492,015	-	-	548,170	10,173,010	2,844,473	-	-	49,893,650
Extraordinary maintenance	333,619	1,428	99	526	-	-	6,900	134	-	-	-	342,706
Casualty losses-non capitalized	31,017	-	-	-	-	-	-	-	-	-	-	31,017
Housing assistance payments	-	27,932,357	549,178	5,473,003	-	-	-	9,903,367	2,926,193	-	-	46,784,098
Depreciation expenses	7,990,000	65,016	929	6,501	-	-	118,861	1,239	9,502	-	-	8,192,048
Fraud losses	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlays-governments funds	-	-	-	-	-	-	-	-	-	-	-	-
Debt principal payment-government funds	-	-	-	-	-	-	-	-	-	-	-	-
Total expenses	21,932,855	30,150,463	627,763	6,104,223	1,247,587	269,367	1,214,115	10,029,851	5,624,177	348,517	75,087	77,624,005
Excess of revenue over expenses	\$ (6,888,787)	\$ 822,112	\$ (986)	\$ 11,985	\$ -	\$ -	\$ 422,409	\$ 268,270	\$ (91,222)	\$ -	\$ -	\$ (5,456,219)

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

Columbus Metropolitan Housing Authority
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2000

Federal Grantor/ Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Expenditures
U.S. Department of Housing and Urban Development:		
Direct Programs:		
Low-Income Housing—PHA-Owned and Leased	14.850	\$ 13,933,855
Public Housing Modernization	14.859	7,888,811
Revitalization of Severely Distressed Public Housing	14.866	5,206,291
Drug Elimination Program	14.854	348,517
Economic development	14.864	75,087
Subtotal—Homeownership		27,452,561
Low-Income Housing Assistance Program:		
Moderate Rehabilitation	14.856	626,834
Rental Vouchers	14.855	30,085,447
Certificates	14.857	6,097,722
Substantial Rehabilitation	14.182	10,028,612
Subtotal—Low-Income Housing Assistance Program		46,838,615
Section 8 Housing Assistance Payment Program		
Special Allocations	14.195	5,614,675
Other business ventures	14.851	1,095,254
Total Federal Financial Assistance		\$ 81,001,105

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

Columbus Metropolitan Housing Authority

Notes to Schedule of Federal Revenue and Expenditures

1. Basis of Presentation

The accompanying Schedule of Federal Financial Assistance has been prepared using the accrual basis of accounting in accordance with the format as set forth in the *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget Circular A-133, *Audits of State and Local Governments*.

2. Program Status

The Columbus Metropolitan Housing Authority receives assistance in the form of grant monies, HOPE VI grant, from the United States Department of Housing and Urban Development (HUD) to be used in conjunction with the revitalization activities of federally built low-rent housing units.

The Columbus Metropolitan Housing Authority receives assistance in the form of an operating subsidy from HUD to be used for the purpose of maintaining the low-rent character of the local housing program. The monies are being received under one program number. During 2000, the receipt of \$187,117 was considered a federal pass-through to the Rosewind Limited Partnership (a related entity of the Authority).

3. Bonds and Permanent Notes

The bond and permanent note issues represent loans guaranteed by a pledge of faith of the U.S. Government to finance Comprehensive Grant Programs. Principal and interest on these loans will be paid through annual contributions for debt service from HUD. Bonds and permanent notes at December 31, 2000 consist of the following:

Bonds payable with interest rates ranging	
from 3.25% to 5.25% and maturity dates	
through 2013	\$ 14,613,000
Notes payable with an interest rate of	
6.6% maturing through 2019	2,999,456
	\$ 17,612,456

Columbus Metropolitan Housing Authority
Schedule of Actual Modernization Costs
Projects OH16-P001-706

1. The actual modernization costs of the project are as follows:

Classification	Project OH16-P001-706
Operations	\$ 510,470
Management improvements	809,265
Administration	201,012
Fees and costs	1,017,024
Site acquisition	443,610
Site improvements	680,496
Dwelling structures	1,069,214
Dwelling equipment—nonexpendable	14,752
Nondwelling structures	3,037,588
Relocation costs	14,800
Total costs	\$ 7,798,231

2. The distribution of costs by major cost accounts as shown on the Performance and Evaluation Report dated August 10, 2000 for Project OH16-P001-706, as submitted to HUD for approval, is in agreement with the Authority's records.
3. Funds advanced for Project OH16-P001-706 totaled \$7,798,231.

Columbus Metropolitan Housing Authority
Schedule of Actual Modernization Costs
Projects OH16—URD001—D198

1. The actual modernization costs of the project are as follows:

	Project
Classification	OH16-URD001-D198
Administration	\$ 64,127
Fees and costs	137,802
Demolition	716,992
Total costs	\$ 918,921

2. The distribution of costs by major cost accounts as shown on the Performance and Evaluation Report dated March 26, 2001 for Project OH16-URD001-D198, as submitted to HUD for approval, is in agreement with the Authority's records.
3. Funds advanced for Project OH16-URD001-D198 totaled \$918,921.

**Report of Independent Accountants on Compliance and on Internal Control
over Financial Reporting Based on an Audit of the Financial Statements
Performed in Accordance with *Government Auditing Standards***

Board of Commissioners
Columbus Metropolitan Housing Authority

We have audited the financial statements of the Columbus Metropolitan Housing Authority (the Authority) as of and for the year ended December 31, 2000, and have issued our report thereon dated March 30, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America; and the applicable requirements of the *U.S. Department of Housing and Urban Development Audit Guide for Audits of Public Housing Agencies and Indian Housing Authorities by Independent Public Accountants*.

Compliance

As part of obtaining reasonable assurance about whether the 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* or the *U.S. Department of Housing and Urban Development Audit Guide for Audits of Public Housing Agencies and Indian Housing Authorities by Independent Public Accountants*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the 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 Commissioners and management of the Authority, the Department of Housing and Urban Development and the Auditor of the State of Ohio and is not intended to be and should not be used by anyone other than those specified parties.

Price Waterhouse Coopers LLP

March 30, 2001

**Report of Independent Accountants on Compliance with Requirements Applicable
to Each Major Program and Internal Control Over Compliance
in Accordance with OMB Circular A-133**

Board of Commissioners
Columbus Metropolitan Housing Authority

Compliance

We have audited the compliance of Columbus Metropolitan Housing Authority (the Authority) with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement*; and the provisions of the *Public and Indian Housing Compliance Supplement* dated May 29, 1996, that are applicable to each of its major federal programs for the year ended December 31, 2000. The Authority's major federal programs are identified in the summary of auditor's 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 Authority's management. Our responsibility is to express an opinion on Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards, issued by the Comptroller General of the United States*; and *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and Public and Indian Housing Compliance Supplement* dated May 29, 1996. 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 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 the Authority's compliance with those requirements.

In our opinion, the 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 the 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* and *The Public and Indian Housing Compliance Supplement*.

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 Commissioners and management of the Authority, the Department of Housing and Urban Development and the Auditor of the State of Ohio and is not intended to be and should not be used by anyone other than those specified parties.

PriceWaterhouseCoopers LLP

March 30, 2001

Columbus Metropolitan Housing Authority
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2000

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Reportable condition(s) identified that are not considered to be material weaknesses yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes no
- Reportable condition(s) identified that are not considered to be material weaknesses? yes none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? yes no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.850	Low-Income Housing-PHA-Owned and Leased
14.182	Substantial Rehabilitation

Dollar threshold used to distinguish between type A and type B programs: \$2,430,033

Auditee qualified as low-risk auditee? yes no

**Columbus Metropolitan Housing Authority
Schedule of Findings and Questioned Costs
For the Year Ended December 2000**

Section II - Financial Statement Findings

No matters were noted.

Section III – Findings and Questioned Costs

No matters were noted.

Section IV – Summary Schedule of Prior Audit Findings

No findings reported in prior audit report.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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COLUMBUS METROPOLITAN HOUSING AUTHORITY

FRANKLIN 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
MAY 31, 2001**