

Tuscarawas Metropolitan Housing Authority

General Purpose Financial Statements

For the Year Ended March 31, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

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We have reviewed the Independent Auditor's Report of the Tuscarawas Metropolitan Housing Authority, Tuscarawas County, prepared by Salvatore Consiglio, CPA, Inc., for the audit period April 1, 2000 through March 31, 2001. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

JIM PETRO
Auditor of State

November 7, 2001

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TUSCARAWAS METROPOLITAN HOUSING AUTHORITY
AUDIT REPORT
FOR THE YEAR ENDED MARCH 31,2001

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Independent Auditors' Report

Board of Directors
Tuscarawas Metropolitan Housing
Authority

Regional Inspector General of Audit
Department of Housing and Urban
Development

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

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

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

In accordance with *Government Auditing Standards*, I have also issued a report dated July 3, 2001, on my consideration of Tuscarawas Metropolitan Housing Authority, Ohio's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the result of our audit.

My Audit was performed for the purpose of forming and opinion on the general purpose financial statements taken as a whole. The schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements of the Tuscarawas Metropolitan Housing Authority, Ohio. The accompanying Schedule of Federal Awards Expenditures is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Government and Non-Profit Organizations* and is not a required part of the general purpose financial statements. The combining financial data schedule ("FDS") is presented for purposes additional analysis as required by the Department of Housing and Urban Development and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly presented in all material respect in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink that reads "Salvatore Consiglio". The signature is written in a cursive style and is positioned to the right of a vertical line that extends from the top of the signature area down to the horizontal line below.

Salvatore Consiglio, CPA, Inc.

July 3, 2001

Tuscarawas Metropolitan Housing Authority
 Combined Balance Sheet
 Proprietary Fund Type
 Enterprise Fund
 March 31, 2001

ASSETS

Cash and Cash Equivalents	\$317,974
Cash - Restricted FSS Escrow	120,233
Accounts Receivable - HUD	140
Accounts Receivable Miscellaneous - Net of Allowance for Doubtful Accounts	10,514
Investment	192,136
Fixed Assets - Net of Accumulated Depreciation	150,792
TOTAL ASSETS	<u>\$791,789</u>

LIABILITIES AND EQUITY

CURRENT LIABILITES:	
Accounts Payable	\$6,590
Accounts Payable - HUD	50,086
Accrued Compensated Absences	12,153
Accrued Wages and Payroll Taxes Payable	9,538
Deferred Grant Revenue	166,371
TOTAL CURRENT LIABILITES	<u>244,738</u>
NONCURRENT LIABILITIES:	
Long-term Debt - Net of Current FSS Escrow Payable	95,941
	120,233
TOTAL NONCURRENT LIABILITES	<u>216,174</u>
TOTAL LIABILITES	<u>460,912</u>
EQUITY:	
Total Contributed Capital	215,010
Retained Earnings	115,867
TOTAL EQUITY	<u>330,877</u>
TOTAL LIABILITIES AND EQUITY	<u>\$791,789</u>

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

Tuscarawas Metropolitan Housing Authority
 Combined Statement of Revenue, Expenses and Change in Retained Earnings
 Proprietary Fund Type
 Enterprise Fund
 For the Year Ended March 31, 2001

REVENUE

Grant Revenue	\$1,792,869
Investment Income – unrestricted	3,507
Fraud Recovery	5,788
Investment Income – restricted	10,232
Gain from Sale of Assets	<u>100</u>
 TOTAL REVENUE	 1,812,496

EXPENSES

Administrative Expenses	249,799
Utilities Expenses	2,138
Ordinary Maintenance and Operation	3,270
General Expenses	7,686
Housing Assistance Expenses	1,506,022
Depreciation Expense	<u>7,747</u>
 TOTAL EXPENSES	 1,776,662

EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL EXPENSES	35,834
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Capital Outlay	-
Beginning Retained Earnings	295,145
Prior Period Adjustments	<u>(102)</u>
 ENDING RETAINED EARNINGS	 <u>\$330,877</u>

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

Parma Public Housing Agency
 Combined Statement of Cash Flows
 Proprietary Fund Type
 Enterprise Fund
 For the Year Ended December 31, 2000

CASH FLOWS FROM OPERATING ACTIVITIES:	
Net Operating Income/(Loss)	\$35,834
Adjustment to Reconcile Operating Loss to Net Cash Used by Operating Activities	
- Depreciation	7,747
- (Increases) Decreases in Accounts Receivable - HUD	46,863
- (Increases) Decreases in Accounts Receivable - Miscellaneous	(10,439)
- Increases (Decreases) Accounts Payable	5,283
- Increases (Decreases) Accounts Payable HUD	20,914
- Increases (Decreases) Accrued Compensated Absences	4,128
- Increases (Decreases) Accrued Wages and Payroll Taxes	2,510
- Increases (Decreases) Deferred Grant Revenue	18,692
- Prior Period Adjustment	<u>(102)</u>
Total Adjustments	<u>95,596</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>131,430</u>
 CASH FLOWS FROM INVESTING ACTIVITIES:	
Cash Transfer from Investment Account	24,134
Purchases of Equipment	(2,294)
Investment in Construction in Progress	<u>(6,038)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>15,802</u>
 CASH FLOWS FROM FINANCING ACTIVITIES:	
Mortgage Payments	<u>(5,636)</u>
NET CASH USED IN FINANCING ACTIVITIES	<u>(5,636)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	141,596
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>176,378</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$317,974</u></u>

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

TUSCARA WAS METROPOLITAN HOUSING AUTHORITY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31,2001

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Summary of Significant Accounting Policies

The financial statements of the Tuscarawas Metropolitan Housing Authority (the Authority) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Authority's accounting policies are described below.

Reporting Entity

The Tuscarawas Metropolitan Housing Authority was created under the Ohio Revised Code, Section 3735.27. The Authority contracts with the United States Department of Housing and Urban Development (HIJD) to provide low and moderate income persons with safe and sanitary housing through subsidies provided by HUD. The Authority depends on the subsidies from HUD to operate.

The accompanying general purpose financial statements comply with the provision of Governmental Accounting Standards Board (GASB) Statement 14, the Financial Reporting Entity, in that the financial statements include all organizations, activities and functions for which the Authority is financially accountable. This report includes all activities considered by management to be part of the Authority by virtue of Section 2100 of the Codification of Governmental Accounting and Financial Reporting Standards.

Section 2100 indicates that the reporting entity consists of a) the primary government, b) organizations for which the primary government is financially accountable, and c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's government body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

TUSCARA WAS METROPOLITAN HOUSING AUTHORITY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31,2001
(CONTINUED)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization. A financial benefit or burden relationship exists if the primary government a) is entitled to the organization's resources; b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or c) is obligated in some manner for the debt of the organization.

Management believes the financial statements included in this report represent all of the funds of the Authority over which the Authority is financially accountable.

Fund Accounting

The Authority uses the proprietary fund to report on its financial position and the results of its operations for the Section 8 programs. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Funds are classified into three categories: governmental, proprietary and fiduciary. The Authority uses the proprietary category for its programs.

Proprietary Fund Types

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

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

Measurement Focus/Basis of Accounting

The proprietary funds are accounted for on the accrual basis of accounting. Revenues are recognized in the period earned and expenses are recognized in the

TUSCARA WAS METROPOLITAN HOUSING AUTHORITY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2001
(CONTINUED)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Investments

Investments are restricted by the provisions of the HUD Regulations (See Note 3). Investments are valued at market value. Interest income earned in fiscal year ending March 31, 2001 totaled \$13,839. The interest income earned on the general fund investments is required to be returned to HUD and this amount was \$10,232.

Fixed Assets

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

Cash and Cash Equivalents

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

Compensated Absences

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

Vacation leave and other compensated absences with similar characteristics are accrued as a liability as the benefits are earned by the employees if both of the following conditions are met: (1) the employees' rights to receive compensation are attributable to services already rendered and are not contingent on a specific event

TUSCARA WAS METROPOLITAN HOUSING AUTHORITY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31,2001
(CONTINUED)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

that is outside the control of the employer and employee. (2) It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

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

Inventories

Inventories are stated at cost. The allowance for obsolete inventory was \$0 at March 31,2001.

Capital Contributions

This represents contributions made available by HUD with respect to all federally aided projects under an annual contribution contract.

Budgetary Accounting

The Authority annually prepares its budget as prescribed by the Department of Housing and Urban Development. This budget is submitted to the Department of Housing and Urban Development and once approved is adopted by the Board of the Housing Authority.

Estimates

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

NOTE 2: CASH AND INVESTMENTS

HUD Handbook 7475.1 Chapter 4, Section 1 authorizes the PHA to make investments in:

TUSCARA WAS METROPOLITAN HOUSING AUTHORITY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31,2001
(CONTINUED)

NOTE 2: CASH AND INVESTMENTS (Continued)

Direct Obligations of the Federal Government;
Obligations of Federal Government Agencies;
Securities of Government-Sponsored Agencies; and
Demand and Savings Deposits and Certificates of Deposit.

Deposits - The carrying amount of Tuscarawas Metropolitan Housing Authority's deposits totaled \$438,207. The corresponding bank balances totaled \$446,612.

The amount of \$100,000 was covered by federal depository insurance and the remaining \$346,612 was covered by collateralization held by the bank for the Authority's deposits as required by HUD. The Authority had no investments of certificates of deposits that exceeded three months. The Authority did have investments with a financial institution in the amount of \$192,136.

NOTE 3: NOTE TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES

The accompanying Schedule of Federal Awards expenditures is a summary of the activity of the Authority's federal awards programs. The schedule has been prepared on the accrual basis of accounting.

NOTE 4: RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year ending March 31, 2001 the Authority contracted with Reliance Insurance Company for liability coverage of \$500,000 in the aggregate, Cincinnati Insurance Company for crime coverage of \$40,000 and Westfield Insurance Companies for building coverage of \$144,000, business property of \$15,000 and liability of \$2,000,000.

Settled claims have not exceeded this coverage in any of the last three years. There has been no significant reduction in coverage from last year.

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

NOTE 5: FIXED ASSETS

The following is a summary:

Land	\$ 30,000
Buildings	112,770
Furniture and Equipment – Administrative	43,774
Construction in Progress	<u>6,038</u>
Total Fixed Assets	192,582
Accumulated Depreciation	<u>(41,790)</u>
Net Fixed Assets	<u><u>\$150,792</u></u>

The following is a summary of changes:

	<u>Balance</u> <u>03/31/00</u>	<u>Additions</u>	<u>Deletion</u>	<u>Balance</u> <u>03/31/01</u>
Land	\$ 30,000	\$ -0-	\$ -0-	\$ 30,000
Buildings	112,770	-0-	-0-	112,770
Furniture and Equipment				
- Administrative	42,940	2,294	1,460	43,774
Construction in Progress	<u>-0-</u>	<u>6,038</u>	<u>-0-</u>	<u>6,038</u>
Total Fixed Assets	<u><u>\$185,710</u></u>	<u><u>\$ 8,332</u></u>	<u><u>\$ 1,460</u></u>	<u><u>\$192,582</u></u>

The depreciation expense for the year ended March 31, 2001 was \$7,747.

NOTE 6: DEFINED BENEFIT PENSION PLANS -PUBLIC EMPLOYEES RETIREMENT SYSTEM

All employees participate in the Public Employees Retirement System of Ohio (PERS), a cost sharing multiple employer public employee retirement system administered by the Public Employee Retirement Board. PERS provides basic retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 145 of the Ohio Revised Code. PERS issues a stand-alone financial report, which may be obtained by writing to the Public Employee Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642.

TUSCARA WAS METROPOLITAN HOUSING AUTHORITY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2001
(CONTINUED)

**NOTE 6: DEFINED BENEFIT PENSION PLANS -PUBLIC EMPLOYEES
RETIREMENT SYSTEM (Continued)**

Plan members are required to contribute 8.5 percent of their annual covered salary to fund pension obligations. For calendar year 2000, PERS instituted a temporary employer rate rollback for state and local governments. The 2000 employer pension contribution rate for the Authority was 6.54 percent of cover payroll, reduced from 9.35 percent. In 2001 the required rate is back to 9.35 percent. Contributions are authorized by State statute. The contribution rates are determined actuarially. The Authority's required contributions to PERS for the years ended March 31, 2001, 2000 and 1999 were \$27,005, \$29,837, and \$26,782, respectively. The full amount has been contributed for 2000 and 1999. Ninety-one percent has been contributed for 2001, with the remainder being reported as a liability with the enterprise fund.

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

The Public Retirement System of Ohio (PERS) provides post-retirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit and to primary survivor recipients of such retirees. Health coverage for disability recipients is available. The health care coverage provided by the retirement system is considered an Other Post-employment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to PERS is set aside for the funding of post-retirement health care based on authority granted by State statute. The 2000 employer contribution rate was 10.84 percent of covered payroll; 4.30 percent was the portion that was used to fund health care for 2000. For 1999, the contribution rate was 13.55 percent of covered payroll; 4.2 percent was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal cost method. Significant actuarial assumptions, based on PERS's latest actuarial review performed as of December 31, 1999, include a rate of return on investments of 7.75 percent, an annual increase in active employee total payroll of 4.75 percent compounded annually for inflation (assuming no change in the number of active employees) and an additional increase in total payroll of between .54 percent and 5.1 percent based on additional annual pay increases. Health care premiums were assumed to increase 4.75 percent annually.

TUSCARA WAS METROPOLITAN HOUSING AUTHORITY
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED MARCH 31, 2001
 (CONTINUED)

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

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets.

The number of active contributing participants was 401,339. The Authority's actual contributions for 2000-2001, which were used to fund OPEB, were \$5,683. The actual contribution and the required contribution amounts are the same. PERS's net assets available for payments of benefits at December 31, 1999, (the latest information available) were \$10,805.5 million. The actuarially accrued liability and the unfunded actuarial accrued liability were \$12,473.6 million and \$1,668.1 million, respectively.

For 2000, PERS elected to return to an actuarially pre-funded type of disclosure because it is a better presentation of PERS's actual funding methodology. Since 1997, disclosures had been based on a pay-as-you-go funding basis.

NOTE 8: MORTGAGE PAYABLE

The Authority purchased a building, which is being used as the Authority's administrative office. The amount of the mortgage from Bank One was \$113,600, with a monthly payment of \$937 and which is being amortized over 15 years at an interest rate of 5.65%. Principal and interest payments over the next five years are as follows:

<u>Year</u>	<u>Interest</u>	<u>Principal</u>
2002	\$ 5,595	\$ 5,652
2003	5,267	5,980
2004	4,920	6,327
2005	4,553	6,694
2006	4,165	7,082
Remaining	<u>22,978</u>	<u>64,499</u>
Total	<u>\$47,478</u>	<u>\$ 96,234</u>

Tuscarawas Metropolitan Housing Authority
 Combined Balance Sheet
 FDS Schedule Submitted To REAC
 Proprietary Fund Type
 Enterprise Fund
 March 31, 2001

FDS Line Item No.	Account Description	Sect. 8 Rental Voucher Program 14.855	Sect. 8 Rental Certificate Program 14.857	TOTAL
ASSETS:				
CURRENT ASSETS:				
Cash:				
111	Cash – unrestricted	\$317,974	\$0	\$317,974
113	Cash - other restricted	120,233	-	120,233
100	Total cash	<u>438,207</u>	-	<u>438,207</u>
Accounts and notes receivable:				
122	Accounts receivable - HUD other projects	-	140	140
125	Accounts receivable – miscellaneous	10,514	-	10,514
120	Total receivable, net of allowances for doubtful accounts	<u>10,514</u>	140	<u>10,654</u>
131	Investments – unrestricted	192,136	-	192,136
150	TOTAL CURRENT ASSETS	<u>640,857</u>	140	<u>640,997</u>
NONCURRENT ASSETS:				
Fixed assets:				
161	Land	30,000	-	30,000
162	Buildings	112,770	-	112,770
164	Furniture, equipment & machinery - administration	43,774	-	43,774
166	Accumulated depreciation	(41,790)	-	(41,790)
167	Construction in progress	6,038	-	6,038
160	Total fixed assets, net of accumulated depreciation	<u>150,792</u>	-	<u>150,792</u>
180	TOTAL NONCURRENT ASSETS	<u>150,792</u>	-	<u>150,792</u>
190	TOTAL ASSETS	<u>\$791,649</u>	\$140	<u>\$791,789</u>

Tuscarawas Metropolitan Housing Authority
 Combined Balance Sheet
 FDS Schedule Submitted To REAC
 Proprietary Fund Type
 Enterprise Fund
 March 31, 2001

FDS Line Item No.	Account Description	Sect. 8 Rental Voucher Program 14.855	Sect. 8 Rental Certificate Program 14.857	TOTAL
LIABILITIES AND EQUITY:				
LIABILITIES				
CURRENT LIABILITIES				
312	Accounts payable < 90 days	6,590	-	6,590
321	Accrued wages and payroll taxes payable	9,538	-	9,538
322	Accrued compensated absences	12,153	-	12,153
331	Accounts Payable - HUD PHA Programs	50,086	-	50,086
342	Deferred revenue	166,371	-	166,371
310	TOTAL CURRENT LIABILITIES	<u>244,738</u>	-	<u>244,738</u>
NONCURRENT LIABILITIES				
351	Long-term debt, net of current - capital project	95,941	-	95,941
353	Noncurrent liabilities - other	120,233	-	120,233
350	TOTAL NONCURRENT LIABILITIES	<u>216,174</u>	-	<u>216,174</u>
300	TOTAL LIABILITIES	<u>460,912</u>	-	<u>460,912</u>
EQUITY:				
Contributed Capital:				
504	Net HUD PHA contributions	203,758	-	203,758
507	Other contributions	11,252	-	11,252
508	Total contributed capital	<u>215,010</u>	-	<u>215,010</u>
512	Undesignated fund balance/retained earnings	115,727	140	115,867
513	TOTAL EQUITY	<u>330,737</u>	140	<u>330,877</u>
600	TOTAL LIABILITIES AND EQUITY	<u>\$791,649</u>	\$140	<u>\$791,789</u>

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

FDS Line Item No.	Account Description	Sect. 8 Rental Voucher Program 14.855	Sect. 8 Rental Certificate Program 14.857	TOTAL
REVENUE:				
706	HUD PHA grants	1,760,427	32,442	1,792,869
711	Investment income - unrestricted	3,507	-	3,507
714	Fraud recovery	5,046	742	5,788
720	Investment income - restricted	10,232	-	10,232
716	Gain from sale of asset	100	-	100
700	TOTAL REVENUE	1,779,312	33,184	1,812,496
EXPENSES:				
Administrative:				
911	Administrative salaries	138,394	3,274	141,668
912	Auditing fees	2,351	2,351	4,702
914	Compensated absences	4,128	-	4,128
915	Employee benefit contributions- administrative	57,850	669	58,519
916	Other operating- administrative	40,782	-	40,782
Utilities:				
931	Water	125	-	125
932	Electricity	1,568	-	1,568
933	Gas	445	-	445
Ordinary maintenance & operation:				
943	Ordinary maintenance and operations - contract costs	3,270	-	3,270
General expenses:				
961	Insurance premiums	2,016	-	2,016
967	Interest Expense	5,670	-	5,670
969	TOTAL OPERATING EXPENSES	256,599	6,294	262,893

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

FDS Line Item No.	Account Description	Sect. 8 Rental Voucher Program 14.855	Sect. 8 Rental Certificate Program 14.857	TOTAL
970	EXCESS OPERATING REVENUE OVER OPERATING EXPENSES	1,522,713	26,890	1,549,603
973	Housing assistance payments	1,480,055	25,967	1,506,022
974	Depreciation expense	7,747	-	7,747
900	TOTAL EXPENSES	<u>1,744,401</u>	<u>32,261</u>	<u>1,776,662</u>
1000	EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL EXPENSES	34,911	923	35,834
1101	Capital outlay enterprise fund	-	-	-
1103	Beginning equity	248,142	47,003	295,145
1104	Prior period adjustments and equity transfers	47,684	(47,786)	(102)
	ENDING RETAINED EARNINGS	<u>\$330,737</u>	<u>\$140</u>	<u>\$330,877</u>
MEMO ACCOUNT INFORMATION:				
1112	Depreciation "add back"	7,747	-	7,747
1113	Maximum annual contributions commitment (per ACC)	1,952,205	32,550	1,984,755
1114	Prorata maximum annual contributions	-	-	-
1115	Contingency reserve, ACC program reserve	577,695	22,318	600,013
1116	Total annual contributions available	<u>2,529,900</u>	<u>54,868</u>	<u>2,584,768</u>
1120	Unit months available	6,779	109	6,888
1121	Number of unit months leased	6,205	109	6,314
	Transfer Equity	-	-	-

Tuscarawas Metropolitan Housing Authority
 Schedule of Federal Award Expenditures
 For the Year Ended March 31, 2001

FEDERAL GRANTOR / PASS THROUGH GRANTOR PROGRAM TITLES	CFDA NUMBER	EXPENDITURES
U.S. Department of Housing and Urban Development Direct Program		
Annual Contribution Contract C-10018		
Housing Assistance Payment Program		
- Section 8 Rental Voucher Program	14.855	\$1,760,427
- Section 8 Rental Certificate Program	14.857	<u>32,442</u>
Total Section 8 Cluster		<u>1,792,869</u>
Total Expenditure of Federal Award		<u><u>\$1,792,869</u></u>

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

Board of Directors
Tuscarawas Metropolitan Housing
Authority

Regional Inspector General of Audit
Department of Housing and Urban
Development

I have audited the general purpose financial statements of the Tuscarawas Metropolitan Housing Authority, Ohio, as of and for the year ended March 31, 2001, and have issued my report thereon dated July 3, 2001. I conducted my audit in accordance with auditing standards generally accepted in the United State of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

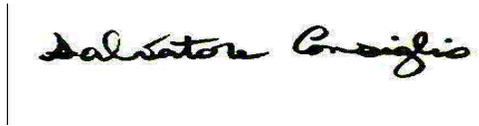
As part of obtaining reasonable assurance about whether Tuscarawas Metropolitan Housing Authority, Ohio's general purpose financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Tuscarawas Metropolitan Housing Authority, Ohio's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might

be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal component does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation the financial statements being auditing may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

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

A handwritten signature in black ink, reading "Salvatore Consiglio". The signature is written in a cursive style and is positioned to the right of a vertical line that extends from the top of the signature area down to the horizontal line above the name.

Salvatore Consiglio, CPA, Inc.

July 3, 2001

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

Board of Directors
Tuscarawas Metropolitan Housing
Authority

Regional Inspector General of Audit
Department of Housing and Urban
Development

Compliance

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

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

In my opinion, Tuscarawas Metropolitan Housing Authority, Ohio, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended March 31, 2001.

Internal Control Over Compliance

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

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

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



Salvatore Consiglio, CPA, Inc.

July 3, 2001

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

Tuscarawas Metropolitan Housing Authority
March 31, 2001

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

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

Tuscarawas Metropolitan Housing Authority
March 31, 2001

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS

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

3. FINDINGS REALTED TO FEDERAL AWARDS

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



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Facsimile 614-466-4490

TUSCARAWAS METROPOLITAN HOUSING AUTHORITY

TUSCARAWAS 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
NOVEMBER 15, 2001**