

WAYNE METROPOLITAN HOUSING AUTHORITY

AUDIT REPORT

FOR THE YEAR ENDED DECEMBER 31, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

35 North Fourth Street, 1st Floor
Columbus, Ohio 43215
Telephone 614-466-4514
800-282-0370
Facsimile 614-728-7398

Board of Directors
Wayne Metropolitan Housing Authority
Wooster, Ohio

We have reviewed the Independent Auditor's Report of the Wayne Metropolitan Housing Authority, Wayne County, prepared by James G. Zupka, CPA, Inc., 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 Wayne Metropolitan Housing Authority is responsible for compliance with these laws and regulations.

JIM PETRO
Auditor of State

August 27, 2001

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WAYNE METROPOLITAN HOUSING AUTHORITY
AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2000

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JAMES G. ZUPKA, C.P.A., INC.
Certified Public Accountants
5240 East 98th Street
Garfield Hts., Ohio 44125

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Wayne Metropolitan Housing Authority
Wooster, Ohio

Regional Inspector General of Audit
Department of Housing and Urban
Development

We have audited the accompanying general purpose financial statements of Wayne Metropolitan Housing Authority, as of and for the year ended December 31, 2000, as listed in the Table of Contents. These general purpose financial statements are the responsibility of the Wayne Metropolitan Housing Authority's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Wayne Metropolitan Housing Authority, as of December 31, 2000, and the results of its operations and the cash flows of its proprietary fund activities for the year then ended in conformity with generally accepted accounting principles in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated July 6, 2001 on our consideration of Wayne Metropolitan Housing Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the 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 Wayne Metropolitan Housing Authority. The accompanying Schedule of Federal Awards Expenditures is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Government and Non-Profit Organizations* and is not a required part of the financial statements. The combining Financial Data Schedule (FDS) is presented for purposes of additional analysis as required by the Department of Housing and Urban Development and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

July 6, 2001

James G. Zupka
Certified Public Accountant

WAYNE METROPOLITAN HOUSING AUTHORITY
 COMBINED BALANCE SHEET
 PROPRIETARY FUND TYPE
 ENTERPRISE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2000

ASSETS

Cash and Cash Equivalents	\$	384,793
Investments		212,727
Receivables - Net of Allowance		344,106
Due from Other Funds		35,130
Inventories - Net of Allowance		42,578
Deferred Charges and Other Assets		12,842
Fixed Assets - Net of Accumulated Depreciation		9,068,511
Total Assets	\$	10,100,687

LIABILITIES, RETAINED EARNINGS AND OTHER CREDITS

Accounts Payable	\$	15,446
Due to Other Funds		35,130
Intergovernmental Payable		37,961
Accrued Wages/Payroll Taxes		41,190
Accrued Compensated Absences		58,224
Tenant Security Deposits		26,798
Deferred Credits and Other Liabilities		247,680
Total Liabilities		462,429

RETAINED EARNINGS AND OTHER CREDITS

Project Notes (HUD Forgivable)		6,719,097
Contributed Capital		2,815,546
Retained Earnings		103,615
Total Retained Earnings and Other Credits		9,638,258

TOTAL LIABILITIES, RETAINED EARNINGS AND OTHER CREDITS	\$	10,100,687
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See accompanying notes to the general purpose financial statements.

WAYNE METROPOLITAN HOUSING AUTHORITY
 COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
 RETAINED EARNINGS
 PROPRIETARY FUND TYPE
 ENTERPRISE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2000

OPERATING REVENUE

Tenant Revenue	\$ 381,204
Program Operating Grants/Subsidies	3,037,074
Other Income	163,332
Total Operating Revenue	3,581,610

OPERATING EXPENSES

Administrative	704,771
Tenant Services	325
Utilities	128,871
Maintenance	318,253
General	55,684
Bad Debts	4,414
Housing Assistance Payments	2,262,662
Depreciation	620,356
Total Operating Expenses	4,095,336

Net Operating Loss (513,726)

NON-OPERATING REVENUE

Interest Income	21,546
-----------------	--------

Net Loss (492,180)

Retained Earnings and Other Credits, Beginning, As Restated 9,798,213

Equity Transfers 0

Comprehensive Grant Program Contributed Capital 332,225

RETAINED EARNINGS AND OTHER CREDITS, ENDING **\$ 9,638,258**

See accompanying notes to the general purpose financial statements.

WAYNE METROPOLITAN HOUSING AUTHORITY
 COMBINED STATEMENT OF CASH FLOWS
 PROPRIETARY FUND TYPE
 ENTERPRISE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2000

CASH FLOWS FROM OPERATING ACTIVITIES

Cash Received from HUD	\$ 3,043,852
Cash Received From Tenants	517,477
Cash Payments for Housing Assistance Payments	(2,262,662)
Cash Payments for Administrative	(811,023)
Cash Payments for Other Operating Expenses	(478,047)
Cash Payments to HUD and Other Governments	(29,500)
Net Cash Provided by Operating Activities	(19,903)

CASH FLOWS FROM INVESTING ACTIVITIES

Investment Income	21,546
Net Increase in Cash and Cash Equivalents	1,643
CASH AND CASH EQUIVALENTS, BEGINNING	383,150
CASH AND CASH EQUIVALENTS, ENDING	\$ 384,793

**RECONCILIATION OF OPERATING LOSS TO
 NET CASH USED BY OPERATING ACTIVITIES**

Net Operating Loss	\$ (492,180)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities - Depreciation Expense	620,356
(Increase) Decrease in:	
Receivables - Net of Allowance	(37,811)
Due From Other Funds	17,433
Deferred Charges and Other Assets	4,912
Increase (Decrease) in:	
Accounts Payable	(10,053)
Due to Other Funds	(17,433)
Intergovernmental Payable	(55,268)
Accrued Wages/Payroll Taxes and Compensated Absences	(52,765)
Tenants Security Deposits	730
Deferred Credits and Other Liabilities	2,176
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ (19,903)

See accompanying notes to the general purpose financial statements.

WAYNE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Summary of Significant Accounting Policies

The financial statements of the Wayne 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 Wayne 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 (HUD) to provide low and moderate income persons with safe and sanitary housing through subsidies provided by HUD. The Authority depends on the subsidies from HUD to operate.

The accompanying general purpose financial statements comply with the provision of 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.

WAYNE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000
(CONTINUED)

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Reporting Entity (Continued)

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

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

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

Fund Accounting

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

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

WAYNE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000
(CONTINUED)

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Proprietary Fund Types

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

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

Measurement Focus/Basis of Accounting

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

Investments

Investments are restricted by the provisions of the HUD Regulations (See Note 2). Investments are valued at market value. Interest income earned in fiscal year 2000 totaled \$21,546.

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.

WAYNE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000
(CONTINUED)

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Cash and Cash Equivalents

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

Compensated Absences

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

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

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

Inventories

Inventories are stated at cost. The allowance for obsolete inventory was \$0 at December 31, 2000.

Capital Contributions

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

WAYNE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000
(CONTINUED)

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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:

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 Wayne Metropolitan Housing Authority's deposits, totaled \$597,520. The corresponding bank balances totaled \$690,857.

The amount of \$242,727 was covered by federal depository insurance in four banks and the remaining \$354,794 was covered by collateralization held by the banks for the Authority's deposits as required by HUD. Included in deposits were investments in certificates of deposit that exceeded three months in the amount of \$212,727 at December 31, 2000.

WAYNE METROPOLITAN HOUSING AUTHORITY
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2000
 (CONTINUED)

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: **INSURANCE AND 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.

The Authority participates in the State Housing Authorities Risk Pool (SHARP), a public entity risk plan that operates as a common risk management and insurance program for housing authorities. The Authority pays insurance premiums directly to SHARP.

The Authority also participates in Wayne County's health insurance program through a commercial insurance carrier. Premiums are paid monthly. The Authority also pays unemployment claims to the State of Ohio as incurred.

The Authority continues to carry commercial insurance for other risks of loss. There has been no significant reduction in insurance coverages from coverages in the prior year. In addition, settled claims resulting from these risks have not exceeded commercial insurance coverages in any of the past three fiscal years.

NOTE 5: **FIXED ASSETS**

The following is a summary:

Land	\$ 1,439,507
Buildings	11,598,895
Furniture and Equipment - Dwellings	1,301,781
Furniture and Equipment - Administrative	615,792
Totals	14,955,975
Accumulated Depreciation	(5,887,464)
NET FIXED ASSETS	\$ 9,068,511

WAYNE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000
(CONTINUED)

NOTE 5: **FIXED ASSETS** (Continued)

The following is a summary of changes:

	Balance 12/31/99	Additions	Deletions	Balance 12/31/00
Land	\$ 1,439,507	\$ 0	\$ 0	\$ 1,439,507
Buildings	11,301,949	296,946	0	11,598,895
Furniture and Equipment - Dwellings	1,301,781	0	0	1,301,781
Furniture and Equipment-Administrative	569,571	46,221	0	615,792
TOTAL FIXED ASSETS	\$ 14,612,808	\$ 343,167	\$ 0	\$ 14,955,975

The depreciation expense for the year ended December 31, 2000 was \$620,356.

NOTE 6: **NOTES PAYABLE**

In prior years, the Authority was granted development loans for the public housing projects by HUD. The interest rates on these loans ranged from 6.25 to 10.00 percent. As of December 31, 2000, the principal balance was \$4,980,542, with an accrued interest payable of \$1,738,555 for a total debt of \$6,719,097. No payments have been made on these notes and is pending on being forgiven by HUD. Presently, the principal and interest payable of \$6,719,097 are included in the equity section of the balance sheet.

NOTE 7: **RESTATEMENT OF RETAINED EARNINGS AND OTHER CREDIT**

Beginning retained earnings and other credits at January 1, 2000 have been restated due to the following items:

Beginning Retained Earnings and Other Credits, January 1, 2000	\$9,803,810
Transfers Out from Mod Rehabilitation	(4,376)
Subtotal	<u>9,799,434</u>
Prior Period Adjustments:	
Compensated Absences Recalculated	(51,232)
Error in Prior Year	45,644
Close Out Prior Year Mod Rehabilitation	4,367
Total Prior Period Adjustments	<u>(1,221)</u>
Beginning Retained Earnings and Other Credits, Restated January 1, 2000	<u><u>\$9,798,213</u></u>

WAYNE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000
(CONTINUED)

NOTE 8: **DEFINED BENEFIT PENSION PLANS**

A. **Public Employees Retirement System**

The following information was provided by PERS of Ohio to assist the Authority in complying with GASB Statement No. 27, *Accounting for Pensions of State and Local Government Employees*.

The Authority contributes to the Public Employees Retirement System of Ohio (PERS), a cost-sharing, multiple-employer defined benefit pension plan. 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. PERS issues a stand-alone financial report that includes financial statements and required supplementary information for PERS. That report may be obtained by writing to the Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 466-2085 or 1-800-2222.

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rate is 8.5 percent. The Retirement Board instituted a temporary employer contribution rate rollback for calendar year 2000. The rate rollback was 20 percent for state and local government divisions. The 2000 employer contribution rate for local government employer units was 10.84 percent of covered payroll, 6.54 percent to fund the pension and 4.3 percent to fund health care. The 1999 and 1998 employer contribution rates were 13.55 percent. The contribution requirements of plan members and the Authority are established and may be amended by the Public Employees Retirement Board. The Authority's contributions to the PERS of Ohio for the years ending December 31, 2000, 1999, and 1998 were \$131,622, \$136,153, and \$131,675, respectively, which were equal to the required contributions for each year.

The PERS of Ohio provides postemployment health care benefits to age and service retirants with ten or more years of qualifying Ohio service credit and to primary survivor recipients of such retirants. Health care coverage for disability recipients is also available. The health care coverage provided by the PERS of Ohio is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to the PERS of Ohio is set aside for the funding of post retirement health care. The Ohio Revised Code

WAYNE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000
(CONTINUED)

NOTE 8: **DEFINED BENEFIT PENSION PLANS** (Continued)

A. **Public Employees Retirement System** (Continued)

provides statutory authority requiring public employers to fund postemployment health care through their contributions to the PERS of Ohio. The portion of the 2000 employer contributions rate (identified above) that was used to fund health care for the year 2000 was 4.3 percent of covered payroll, which amounted to \$38,251.

The significant actuarial assumptions and calculations relating to postemployment health care benefits were based on the PERS of Ohio's latest actuarial review performed as of December 31, 1999. An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted annually to reflect 25 percent of unrealized market appreciation or depreciation on investment assets. The investment assumption rate for 1999 was 7.75 percent. An annual increase of 4.75 percent compounded annually is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.75 percent base increase, were assumed to range from 0.54 percent to 5.1 percent. Health care costs were assumed to increase 4.75 percent annually.

Benefits are advanced-funded on an actuarially determined basis. The number of active contributing participants was 401,339. The actuarial value of the PERS of Ohio net assets available for OPEB at December 31, 1999 was \$10,805.5 million. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$12,473.6 million and \$1,668.1 million, respectively.

WAYNE METROPOLITAN HOUSING AUTHORITY
 COMBINING BALANCE SHEET
 FDS SCHEDULE SUBMITTED TO HUD
 PROPRIETARY FUND TYPE - ENTERPRISE FUND
 DECEMBER 31, 2000

FDS Line Item No.	Account Description	14.850 Low Rent Public Housing	14.855 Section 8 Rent VO Program	14.857 Section 8 Rent CE Program	14.852 CIAP Program	WMHA Mgmt	Total
ASSETS							
111	Cash - Unrestricted	\$ 101,119	\$ 162,303	\$ 72,626	\$ 0	\$ 18,745	\$ 354,793
112	Cash - Restricted Modernization and Development	0	0	0	0	0	0
114	Cash - Tenant Security Deposit	30,000	0	0	0	0	30,000
100	Total Cash	<u>131,119</u>	<u>162,303</u>	<u>72,626</u>	<u>0</u>	<u>18,745</u>	<u>384,793</u>
122	A/R - HUD	0	81,477	19,857	0	0	101,334
125	A/R - Miscellaneous	90,143	0	0	0	149,884	240,027
126	A/R Tenants - Dwelling	6,316	0	0	0	0	6,316
126.1	Allowance for Doubtful Accounts	(3,571)	0	0	0	0	(3,571)
129	Accrued Interest Receivable	0	0	0	0	0	0
120	Total Accounts Receivable	<u>92,888</u>	<u>81,477</u>	<u>19,857</u>	<u>0</u>	<u>149,884</u>	<u>344,106</u>
131	Investments - Unrestricted	100,000	0	0	0	100,000	200,000
132	Investments - Restricted	0	12,727	0	0	0	12,727
142	Prepaid Expenses and Other Assets	11,789	1,053	0	0	0	12,842
143	Inventories	41,940	0	0	0	638	42,578
143.1	Allowance for Obsolete Inventory	0	0	0	0	0	0
144	Interprogram Due From	9,450	25,680	0	0	0	35,130
	Total Other Current Assets	<u>163,179</u>	<u>39,460</u>	<u>0</u>	<u>0</u>	<u>100,638</u>	<u>303,277</u>
150	Total Current Assets	<u>387,186</u>	<u>283,240</u>	<u>92,483</u>	<u>0</u>	<u>269,267</u>	<u>1,032,176</u>
161	Land	1,439,507	0	0	0	0	1,439,507
162	Buildings	11,301,949	0	0	296,946	0	11,598,895
163	Furniture and Equipment - Dwellings	1,301,781	0	0	0	0	1,301,781
164	Furniture and Equipment - Administrative	448,582	63,993	0	35,279	67,938	615,792
165	Leasehold Improvements	0	0	0	0	0	0
166	Accumulated Depreciation	(5,738,146)	(54,904)	0	(26,852)	(67,562)	(5,887,464)
160	Total Fixed Assets Net	<u>8,753,673</u>	<u>9,089</u>	<u>0</u>	<u>305,373</u>	<u>376</u>	<u>9,068,511</u>
180	Total Non-Current Assets	<u>8,753,673</u>	<u>9,089</u>	<u>0</u>	<u>305,373</u>	<u>376</u>	<u>9,068,511</u>
190	TOTAL ASSETS	<u><u>\$ 9,140,859</u></u>	<u><u>\$ 292,329</u></u>	<u><u>\$ 92,483</u></u>	<u><u>\$ 305,373</u></u>	<u><u>\$ 269,643</u></u>	<u><u>\$ 10,100,687</u></u>

WAYNE METROPOLITAN HOUSING AUTHORITY
 COMBINING BALANCE SHEET
 FDS SCHEDULE SUBMITTED TO HUD
 PROPRIETARY FUND TYPE - ENTERPRISE FUND
 DECEMBER 31, 2000

FDS Line Item No.	Account Description	14.850 Low Rent Public Housing	14.855 Section 8 Rent VO Program	14.857 Section 8 Rent CE Program	14.852 CIAP Program	WMHA Mgmt	Total
LIABILITIES							
312	Accounts Payable, <= 90 Days	\$ 15,446	\$ 0	\$ 0	\$ 0	\$ 0	\$ 15,446
321	Accrued Wages/Payroll Taxes	41,190	0	0	0	0	41,190
322	Accrued Compensated Absences	58,224	0	0	0	0	58,224
331	Accounts Payable - HUD PHA Prog.	0	0	6,778	0	0	6,778
333	Accounts Payable - Other Governments	25,234	0	0	0	5,949	31,183
341	Tenant Security Deposits	26,798	0	0	0	0	26,798
342	Deferred Revenues	1,618	215,404	17,931	0	0	234,953
347	Interprogram Due To	15,918	0	0	0	19,212	35,130
310	Total Current Liabilities	<u>184,428</u>	<u>215,404</u>	<u>24,709</u>	<u>0</u>	<u>25,161</u>	<u>449,702</u>
353	Non-Current Liabilities - Other	0	12,727	0	0	0	12,727
300	TOTAL LIABILITIES	<u>184,428</u>	<u>228,131</u>	<u>24,709</u>	<u>0</u>	<u>25,161</u>	<u>462,429</u>
502	Project Notes (HUD)	6,719,097	0	0	0	0	6,719,097
504	Net PHA HUD Contributions	2,449,061	10,686	42,626	305,373	0	2,807,746
507	Other Contributions	0	0	0	0	7,800	7,800
508	Total Contributed Capital	<u>9,168,158</u>	<u>10,686</u>	<u>42,626</u>	<u>305,373</u>	<u>7,800</u>	<u>9,534,643</u>
512	Retained Earnings	(211,727)	53,512	25,148	0	236,682	103,615
513	Total Equity	<u>8,956,431</u>	<u>64,198</u>	<u>67,774</u>	<u>305,373</u>	<u>244,482</u>	<u>9,638,258</u>
600	TOTAL LIABILITIES AND EQUITY	<u><u>\$ 9,140,859</u></u>	<u><u>\$ 292,329</u></u>	<u><u>\$ 92,483</u></u>	<u><u>\$ 305,373</u></u>	<u><u>\$ 269,643</u></u>	<u><u>\$ 10,100,687</u></u>

WAYNE METROPOLITAN HOUSING AUTHORITY
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND
 CHANGES IN RETAINED EARNINGS
 FDS SCHEDULE SUBMITTED TO HUD
 PROPRIETARY FUND TYPE - ENTERPRISE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2000

FDS Line Item No.	Account Description	14.850 Low Rent Public Housing	14.855 Section 8 Rent VO Program	14.857 Section 8 Rent CE Program	14.852 CIAP Program	WMHA Mgmt	Total
REVENUE							
703	Net Tenant Rental Revenue	\$ 381,204	\$ 0	\$ 0	\$ 0	\$ 0	\$ 381,204
704	Tenant Revenue - Other	0	0	0	0	0	0
705	Total Tenant Revenue	<u>381,204</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>381,204</u>
706	HUD PHA Grants	348,796	2,259,243	371,930	57,105	0	3,037,074
711	Investment Income - Unrestricted	11,054	1,326	0	0	9,128	21,508
714	Fraud Recovery	0	845	339	0	0	1,184
715	Other Revenue	23,814	18	0	0	138,316	162,148
716	Gain/Loss on Sale of Fixed Assets	0	0	0	0	0	0
720	Investment Income Restricted	0	38	0	0	0	38
700	Total Revenue	<u>764,868</u>	<u>2,261,470</u>	<u>372,269</u>	<u>57,105</u>	<u>147,444</u>	<u>3,603,156</u>
EXPENSES							
911	Administrative Salaries	155,064	172,933	25,986	15,175	83,862	453,020
912	Auditing Fees	2,075	5,726	498	0	0	8,299
914	Compensated Absences	(3,135)	1,300	195	0	467	(1,173)
915	Employee Benefit Contributions - Administrative	51,624	48,267	7,253	6,829	33,335	147,308
916	Other Operating - Administrative	27,501	27,218	4,090	26,932	11,576	97,317
924	Tenant Services - Other	325	0	0	0	0	325
931	Water	49,634	0	0	0	0	49,634
932	Electricity	56,544	0	0	0	0	56,544
933	Gas	22,693	0	0	0	0	22,693
938	Other Utilities Expense	0	0	0	0	0	0
941	Ordinary Maintenance and Operations - Labor	137,810	0	0	0	0	137,810
942	Ordinary Maintenance and Operations - Materials	38,719	7,434	1,117	8,169	0	55,439
943	Ordinary Maintenance and Operations - Construction Cost	68,863	0	0	0	10,361	79,224
945	Employee Benefit Contributions - Ordinary Maintenance	45,780	0	0	0	0	45,780
961	Insurance Premiums	21,669	3,925	590	0	0	26,184
962	Other General Expenses	0	0	0	0	0	0
963	PILOT	29,500	0	0	0	0	29,500
964	Bad Debts - Tenant Rents	4,414	0	0	0	0	4,414
	Total Operating Expenses	<u>709,080</u>	<u>266,803</u>	<u>39,729</u>	<u>57,105</u>	<u>139,601</u>	<u>1,212,318</u>
970	Excess Operating Revenues Over Expenses	<u>55,788</u>	<u>1,994,667</u>	<u>332,540</u>	<u>0</u>	<u>7,843</u>	<u>2,390,838</u>

WAYNE METROPOLITAN HOUSING AUTHORITY
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND
 CHANGES IN RETAINED EARNINGS
 FDS SCHEDULE SUBMITTED TO HUD
 PROPRIETARY FUND TYPE - ENTERPRISE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2000
 (CONTINUED)

FDS Line Item No.	<u>Account Description</u>	14.850 Low Rent Public Housing	14.855 Section 8 Rent VO Program	14.857 Section 8 Rent CE Program	14.852 CIAP Program	WMHA Mgmt	<u>Total</u>
	<u>OTHER EXPENSES</u>						
973	Housing Assistance Payments	0	1,932,189	330,473	0	0	2,262,662
974	Depreciation Expense	587,479	2,523	0	26,852	3,502	620,356
900	Total Expenses	<u>1,296,559</u>	<u>2,201,515</u>	<u>370,202</u>	<u>83,957</u>	<u>143,103</u>	<u>4,095,336</u>
1000	Excess of Revenue Over Expenses(531,691)		59,955	2,067	(26,852)	4,341	(492,180)
1101	Capital Contributions	0	0	0	332,225	0	332,225
1103	Beginning Equity, Restated	9,040,614	82,111	67,145	369,423	240,141	9,799,434
1104	Prior Period Adjustment	447,508	(77,868)	(1,438)	(369,423)	0	(1,221)
	ENDING EQUITY	<u>\$ 8,956,431</u>	<u>\$ 64,198</u>	<u>\$ 67,774</u>	<u>\$ 305,373</u>	<u>\$ 244,482</u>	<u>\$ 9,638,258</u>

WAYNE METROPOLITAN HOUSING AUTHORITY
 ADDITIONAL FDS SCHEDULE INFORMATION
 FDS SCHEDULE SUBMITTED TO HUD
 PROPRIETARY FUND TYPE - ENTERPRISE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2000

FDS Line Item No.	Account Description	14.850 Low Rent Public Housing	14.855 Section 8 Rent VO Program	14.857 Section 8 Rent CE Program	14.852 CIAP Program	WMHA Mgmt	Total
1101	Capital Outlays Enterprise Fund \$	0	\$ 0	\$ 0	\$ 332,225	\$ 0	\$ 332,225
1103	Beginning Equity	9,040,614	82,111	67,145	369,423	240,141	9,799,434
1104	Prior Period Adjustment and Equity Transfers	447,508	(77,868)	(1,438)	(369,423)	0	(1,221)
1112	Depreciation Add Back	587,479	2,523	0	26,852	3,502	620,356
1113	Maximum Annual Contributions	0	2,475,005	382,193	0	0	2,857,198
1114	Prorata Maximum Annual Contribution	0	28,517	0	0	0	28,517
1115	Contingency Reserve	0	0	0	0	0	0
1116	Total Annual Contributions Available	0	2,503,522	382,193	0	0	2,885,715
1120	Unit Months Available	2,688	8,196	1,081	0	0	11,965
1121	Number of Unit Months Leased	2,655	7,194	1,081	0	0	10,930

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

	<u>Federal CFDA Number</u>	<u>Funds Expended</u>
<u>From U.S. Department of HUD</u>		
<u>Direct Programs</u>		
Annual Contribution Contract C-524		
<u>PHA Owned Housing:</u>		
Public and Indian Housing Operating Subsidy	14.850	\$ 348,796
Public and Indian Housing Comprehensive Improvement Assistance Program	14.852	57,105
		405,901
 <u>Section 8 Cluster</u>		
Housing Assistance Payments:		
Annual Contribution -		
Section 8 Rental Certificate Program	14.857	371,930
Section 8 Rental Voucher Program	14.855	2,259,243
Total Section 8 Cluster		2,631,173
 Total - All Programs		 \$3,037,074

WAYNE METROPOLITAN HOUSING AUTHORITY
WOOSTER, OHIO
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE A: **SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Expenditures of Federal Awards is a summary of the activity of the District's federal awards programs. The schedule has been prepared on the accrual basis of accounting prescribed by the U.S. Department of Housing and Urban Development.

WAYNE METROPOLITAN HOUSING AUTHORITY
 WOOSTER, OHIO
 STATEMENT OF MODERNIZATION COSTS UNCOMPLETED
 FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>OH12PO3690899</u>
Funds Approved	\$ 386,255
Funds Expended	321,789
Excess (Deficiency) of Funds Approved	<u>\$ 64,466</u>
Funds Advanced	\$ 321,789
Funds Expended	321,789
Excess (Deficiency) of Funds Advanced	<u>\$ 0</u>

WAYNE METROPOLITAN HOUSING AUTHORITY
 WOOSTER, OHIO
 STATEMENT OF MODERNIZATION COSTS - COMPLETED
 TWELVE MONTHS ENDED DECEMBER 31, 2000

1. The total amount of modernization costs of the comprehensive grant is shown below:

	<u>OH12PO3690798</u>
Funds Approved	\$ 96,000
Funds Expended	96,000
Excess (Deficiency) of Funds Approved	\$ 0
Funds Advanced	\$ 96,000
Funds Expended	96,000
Excess (Deficiency) of Funds Advanced	\$ 0

2. All modernization work in connection with the comprehensive grant has been completed.
3. The entire actual modernization cost or liabilities incurred by the PHA have been fully paid.
4. There are no undischarged mechanics, laborers, contractors, or material-mens liens against such modernization work or file in any public office where the same should be filed in order to be valid against such modernization work.
5. The time in which such liens could be filed expired.

JAMES G. ZUPKA, C.P.A., INC.
Certified Public Accountants
5240 East 98th Street
Garfield Hts., Ohio 44125

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

**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
Wayne Metropolitan Housing Authority
Wooster, Ohio

Regional Inspector General of Audit
Department of Housing and Urban
Development

We have audited the general purpose financial statements of the Wayne Metropolitan Housing Authority as of and for the year ended December 31, 2000, and have issued our report thereon dated July 6, 2001. We conducted our audit in accordance with generally accepted auditing standards in the United States 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 the Wayne Metropolitan Housing Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Wayne Metropolitan Housing Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

However, we noted other matters involving the internal control over financial reporting that we have reported to management of the Wayne Metropolitan Housing Authority in a separate letter dated July 6, 2001.

This report is intended solely for the information and use of the Board of Directors, management, Auditor of State and Federal Award Agencies and is not intended to be and should not be used by anyone other than these specified parties.

July 6, 2001

James G. Zupka
Certified Public Accountant

JAMES G. ZUPKA, C.P.A., INC.
Certified Public Accountants
5240 East 98th Street
Garfield Hts., Ohio 44125

Member American Institute of Certified Public Accountants

(216) 475 - 6136

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**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
Wayne Metropolitan Housing Authority
Wooster, Ohio

Regional Inspector General of Audit
Department of Housing and Urban
Development

Compliance

We have audited the compliance of the Wayne Metropolitan Housing Authority with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133* that are applicable to each of its major federal programs for the year ended December 31, 2000. Wayne Metropolitan Housing 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 the Wayne Metropolitan Housing Authority's compliance based on our audit.

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

In our opinion, Wayne Metropolitan Housing Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2000. The results of our auditing procedures disclosed no instances of non-compliance with those requirements that are required to be reported in accordance with OMB Circular A-133.

Internal Control Over Compliance

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

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

This report is intended solely for the information and use of the Board of Directors, management, Auditor of State, and Federal Awarding Agencies and is not intended to be used by anyone other than these specified parties.

July 6, 2001

James G. Zupka
Certified Public Accountant

WAYNE METROPOLITAN HOUSING AUTHORITY
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 OMB CIRCULAR A-133 & .505
 DECEMBER 31, 2000

1. **SUMMARY OF AUDITOR'S RESULTS**

2000(i)	Type of Financial Statement Opinion	Unqualified
2000(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
2000(ii)	Were there any other reportable control weakness conditions reported at the financial statements level (GAGAS)?	No
2000(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
2000(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
2000(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
2000(v)	Type of Major Programs' Compliance Opinion	Unqualified
2000(vi)	Are there any reportable findings under .510?	No
2000(vii)	Major Programs (list):	1. Section 8 Cluster
2000(viii)	Dollar Threshold: Type A\B Programs	Type A;>\$300,000 Type B:> all others
2000(ix)	Low Risk Auditee?	Yes

WAYNE METROPOLITAN HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 & .505
(CONTINUED)
DECEMBER 31, 2000

2. **FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

None.

3. **FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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

WAYNE METROPOLITAN HOUSING AUTHORITY

WAYNE COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 4, 2001**