

**ASHTABULA METROPOLITAN HOUSING AUTHORITY  
ASHTABULA, OHIO**

**REPORT ON EXAMINATION OF FINANCIAL  
STATEMENTS AND SUPPLEMENTAL DATA FOR THE  
YEAR ENDED DECEMBER 31, 2001**

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





STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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

Board of Commissioners  
Ashtabula Metropolitan Housing Authority  
3526 Lake Avenue  
Ashtabula, Ohio 44004

We have reviewed the Independent Auditor's Report of the Ashtabula Metropolitan Housing Authority, Ashtabula County, prepared by J.E. Slaybaugh & Associates, Inc., for the audit period January 1, 2001 through December 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 Ashtabula Metropolitan Housing Authority is responsible for compliance with these laws and regulations.

A handwritten signature in black ink, appearing to read "Jim Petro".

JIM PETRO  
Auditor of State

December 18, 2002

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ASHTABULA METROPOLITAN HOUSING AUTHORITY  
ASHTABULA, OHIO

FOR THE YEAR ENDED DECEMBER 31, 2001

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

*Member AICPA*  
*Member OSCP*

*John E. Slaybaugh 111*  
*Certified Public Accountant*

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Ashtabula Metropolitan Housing Authority  
Ashtabula, Ohio

We have audited the accompanying balance sheet of the Ashtabula Metropolitan Housing Authority, Ashtabula, Ohio, as of and for the year ended December 31, 2001, and the related statements of revenues, expenses, equity, and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

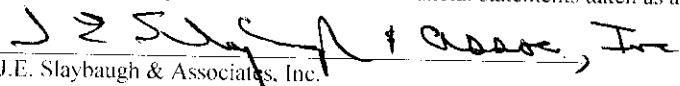
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Ashtabula Metropolitan Housing Authority as of December 31, 2001, and the results of its operations and the cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 17, 2002, on our consideration of Ashtabula Metropolitan Housing Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental financial data schedules accompanying the financial statements are not necessary for fair presentation of the financial position, results of operations, and cash flows of the Authority in conformity with accounting principles generally accepted in the United States of America. The supplemental schedules listed in the table of contents are presented only for purposes of additional analysis and are not a required part of the financial statements. Such schedules have been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Our audit was made for the purpose of forming an opinion on the financial statements of Ashtabula Metropolitan Housing Authority, taken as a whole. The accompanying schedule of expenditures of federal awards is required by *U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations*, and is not a required part of the financial statements. The information in that Schedule has been subjected to the auditing procedures applied in the audit of the financial statements, and in our opinion, is stated fairly, in all material respects, in relation to the financial statements taken as a whole.

  
J.E. Slaybaugh & Associates, Inc.  
May 17, 2002

ASHTABULA METROPOLITAN HOUSING AUTHORITY  
ASHTABULA, OHIO  
BALANCE SHEET  
FOR THE YEAR ENDED DECEMBER 31, 2001

**ASSETS**

**Current Assets**

Cash and Cash Equivalents	\$ 945,189
Accounts Receivable- HUD	730,105
Accounts Receivable-miscellaneous	719
Tenant Accounts Receivable	18,196
Prepaid Expenses	30,500
Inventories	70,032
Interprogram Due From	<u>557,076</u>
 Total Current Assets	 2,351,817
 Investments- restricted	 88,308
Property and Equipment - Net of \$ 9,966,389 Accumulated Depreciation	<u>14,885,907</u>
 Total Assets	 <u>\$ 17,326,032</u>

**LIABILITIES AND EQUITY**

**Current Liabilities**

Accounts Payable	\$ 37,065
Accounts Payable- HUD	523,141
Accrued Compensated Absences-Current	23,664
Tenant Security Deposits	88,799
Accrued Wages and Payroll Taxes	49,587
Accrued Liabilities-Other	34,941
Deferred Revenues	11,883
Current Portion of LT Debt-Capital Projects	41,321
Interprogram Due To	<u>557,076</u>
 Total Current Liabilities	 1,367,477
 Noncurrent Liabilities	
LT Debt, net of current-Capital Projects	823,140
Accrued Compensated Absences- net of current portion	<u>212,997</u>
 Total Liabilities	 2,403,614
 <b><u>Equity</u></b>	
Contributed Capital	12,477,548
Retained Earnings	<u>2,444,870</u>
 Total Equity	 <u>14,922,418</u>
Total Liabilities and Equity	<u>\$ 17,326,032</u>

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



ASHTABULA METROPOLITAN HOUSING AUTHORITY  
ASHTABULA, OHIO  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2001

<b><u>Revenue</u></b>		
HUD Grants		\$ 5,341,501
Capital Grants		1,403,299
Rental Income		1,004,961
Investment Income-Restricted		12,029
Gain/Loss on Sale of Fixed Assets		(12,487)
Other Revenue		<u>62,268</u>
Total Revenue		7,811,571
 <b><u>Expenses (before depreciation)</u></b>		
Housing Assistance Payments		3,007,993
Administrative Salaries		544,269
Employee Benefits		310,426
Compensated Absences		(4,535)
Other Administrative Expense		773,102
Tenant Services-Other		413
Material and Labor-Maintenance		303,411
Contract Services		378,379
Utilities		612,684
General Expenses		82,348
Payments in Lieu of Taxes		34,941
Bad Debt- Tenant Rents		<u>74,291</u>
Total Expenses		6,117,722
Income (Loss) before Depreciation & Other Costs		1,693,849
Depreciation		<u>822,464</u>
Operating Income (Loss)		871,385
Interprogram Transfers In		149,410
Interprogram Transfers Out		<u>(149,410)</u>
Retained Earnings - Beginning of Year		847,301
Equity Transfers, Reclassifications	See Note 9	<u>726,184</u>
Retained Earnings - End of Year		<u>2,444,870</u>
Contributed Capital - Beginning of Year		13,341,700
Equity Transfers, Reclassifications	See Note 9	(726,184)
Prior Period Adjustments, Equity Transfers	See Note 9	<u>(137,968)</u>
Contributed Capital - End of Year		<u>12,477,548</u>
Total Equity - End of Year		<u>\$ 14,922,418</u>

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

ASHTABULA METROPOLITAN HOUSING AUTHORITY  
ASHTABULA, OHIO  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2001

**Cash Flows from Operating Activities**

Operating Income (Loss)	\$ 871,385
Adjustments to reconcile Operating Income(Loss) to Net Cash Provided By Operating Activities:	
Depreciation	822,464
Changes in Operating Assets and Liabilities that Increase (Decrease) Cash Flows:	
Tenant Accounts Receivable- Net	(281)
Interprogram Due From Accounts Receivable- HUD	(191,284)
Accounts Receivable- Other	(361,839)
Accrued Interest Receivable	31,407
Prepaid Expenses	140
Inventory	(8,233)
Accounts Payable- Vendor	(25,670)
Accounts Payable-HUD	15,215
Interprogram Due To	166,694
Accrued Wages & Taxes Payable	191,284
Accrued Compensated Absences	21,771
Tenant Security Deposits	(8,503)
Deferred Revenues	4,918
Other Accrued Liabilities	(2,278)
Current Portion of Long term Debt	(5,978)
Prior Period Adjustments, Equity Transfers	16,920
	(137,968)
Total Adjustments	528,779
Net Cash (Used) Provided By Operating Activities	1,400,164

**Cash Flows from Investing Activities**

Change in Investments	172,732
Net Cash (Used) Provided By Investing Activities	172,732

**Cash Flows from Capital and Related Financing Activities**

Change in Property and Equipment-net	(1,747,757)
Debt Retirement	(58,241)
Net Cash (Used) Provided by Capital and Related Financing Activities	(1,805,998)

Increase (Decrease) In Cash and Cash Equivalents (233,102)

Cash and Cash Equivalents - Beginning of Year 1,178,291

Cash and Cash Equivalents - End of Year \$ 945,189

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

ASHTABULA METROPOLITAN HOUSING AUTHORITY  
ASHTABULA, OHIO  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2001

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

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

These criteria were considered in determining the reporting entity.

Basis of Accounting

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

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

Use of Estimates

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

Cash and Cash Equivalents

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

ASHTABULA METROPOLITAN HOUSING AUTHORITY  
ASHTABULA, OHIO  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2001

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Property and Equipment

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

Useful Lives

Buildings	40 Years
Land & Building Improvements	15 Years
Equipment	7 Years
Autos	5 Years
Computers	3 Years

Depreciation is recorded on the straight-line method.

Capitalization of Interest

The Authority's policy is not to capitalize interest in the construction or purchase of fixed assets.

Investments

Investments are stated at fair value. Cost-based measures of fair value were applied to nonnegotiable certificates of deposit and money market investments.

NOTE 2 - CASH AND INVESTMENTS

Cash

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

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

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

ASHTABULA METROPOLITAN HOUSING AUTHORITY  
ASHTABULA, OHIO  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2001

NOTE 2 - CASH AND INVESTMENTS, continued

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

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

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

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

- Category 1. . . . \$ 300,000 was covered by federal depository insurance.
- Category 2. . . . \$ 769,377 was covered by specific collateral pledged by the financial institution in the name of the Authority.

Book Balances at December 31, 2001, were as follows:

	Cash	Investments	Total
Public Housing	\$ 476,873	\$ -	\$ 476,873
Section 8 Vouchers	180,219		180,219
Section 8 Certificates	250,874		250,874
Rural Rental Housing	<u>37,223</u>	<u>88,308</u>	<u>125,531</u>
Total	<u>\$ 945,189</u>	<u>\$ 88,308</u>	<u>\$ 1,033,497</u>

Investments

HUD, State Statute and Board Resolutions authorize the Authority to invest in obligations of U.S. Treasury, agencies and instrumentalities, certificates of deposit, repurchase agreements, money market deposit accounts, municipal depository fund, super NOW accounts, sweep accounts, separate trading of registered interest and principal of securities, mutual funds, bonds and other obligations of this State, and the State Treasurer's investment pool. Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless

ASHTABULA METROPOLITAN HOUSING AUTHORITY  
ASHTABULA, OHIO  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2001

NOTE 2 - CASH AND INVESTMENTS, continued

matched to a specific obligation or debt of the Authority, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of conformation of transfer from the custodian.

The Authority's investments are categorized to give an indication of the level of risk assumed by the entity at year-end. Category A includes investments that are insured or registered or for which the securities are held by the Authority or its agent in the Authority's name. Category B includes uninsured and unregistered investments for which the securities are held by the counterparty's Trust department or agent in the Authority's name. Category C includes uninsured and unregistered investments for which securities are held by the counterparty or its Trust department but not in the Authority's name.

The Authority's nonnegotiable certificates of deposit are classified as investments on the balance sheet but are considered as deposits for GASB 3 purposes. Therefore, the categories described above do not apply.

NOTE 3 - PROPERTY AND EQUIPMENT

A summary of property and equipment at December 31, 2001, by class is as follows:

Land	\$ 1,102,998
Buildings and Building Improvements	21,977,350
Furniture, Equipment- Dwelling	319,051
Furniture, Equipment- Administrative	579,040
Construction in Progress	<u>873,857</u>
Total	24,852,296
Less Accumulated Depreciation	<u>(9,966,389)</u>
Net Property and Equipment	<u>\$ 14,885,907</u>

NOTE 4 - ADMINISTRATIVE FEE

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

- A. Certificates and Vouchers  
Units per month x \$ 46.21/unit

ASHTABULA METROPOLITAN HOUSING AUTHORITY  
ASHTABULA, OHIO  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2001

NOTE 5 - DEFINED PENSION PLANS AND POSTRETIREMENT BENEFITS

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

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rate is 8.50% of qualifying gross wages for all employees. The total 2001 employer contribution rate was 13.55% of covered payroll. Required employer contributions are equal to 100% of the dollar amount billed to each employer and must be extracted from the employer's records. The Authority's contributions to PERS, for the years ending December 31, were as follows:

	Contribution	%
12/31/01	\$ 124,090	13.55%
12/31/00	\$ 90,796	13.55%
12/31/99	\$ 100,772	13.55%

All required contributions were made prior to each of those fiscal year ends.

PERS of Ohio provides post-retirement health care coverage to age and service retirants with 10 or more years of qualifying Ohio service credit and to primary survivor recipients of such retirees. Health care coverage for disability recipients is available. The health care coverage provided by the retirement system is considered an Other Post-employment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to PERS is set aside for the funding of post retirement health care. The Ohio Revised Code provides statutory authority for employee and employer contributions.

The number of active contributing participants was 401,339 as of December 31, 2000.

The assumptions and calculations below were based on the System'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 (actual gains and losses) becomes part of unfunded actuarial liability. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets.

Expenditures for OPEB during the year ended December 31, 2000, were \$ 559,606,294. As of December 31, 2000, the unaudited estimated net assets available for future OPEB payments were \$ 10,805,500,000.

The actuarial accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used were \$ 12,473,600 and \$ 1,668,100, respectively. The number of benefit recipients eligible for OPEB at December 31, 2000 was 122,343.

PERS reallocated employer contributions from 4.2 percent to 4.3 percent at the beginning of 2000 to improve health care financing. The proportion of contributions dedicated to funding OPEB increased during the year for this reason. The portion of Office contributions that were used to fund post-employment benefits can be determined by multiplying actual employer contributions by .4038.

ASHTABULA METROPOLITAN HOUSING AUTHORITY  
ASHTABULA, OHIO  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2001

NOTE 6 - COMPENSATED ABSENCES

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

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

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

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

At December 31, 2001, based on the vesting method, \$ 236,661 was accrued by the Authority for unused vacation and sick time. The current portion is \$ 23,664 and the long term portion is \$ 212,997

NOTE 7 - INSURANCE

The Housing Authority maintains comprehensive insurance coverage with private carriers for health real property, building contents and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. There was no significant reduction in coverages and no settlements exceeded insurance coverage during the past three years.

NOTE 8 - CONTINGENCIES

Litigation and Claims

In the normal course of operations, the Authority may be subject to litigation and claims. At December 31, 2001 the Authority was involved in no matters which management believes would have a material effect on the financial statements.

NOTE 9 - RECLASSIFICATIONS AND ADJUSTMENTS

Based on REAC's guidelines, the following reclassifications were recorded for the period ending December 31, 2001.

Equity Adjustments:	Cont Cap	Ret Earn	Total
Balance at December 31, 2000	\$ 13,341,700	\$ 847,301	\$ 14,189,001
Reclassifications, transfers	(726,184)	726,184	
Prior Year Adjustments, transfers	(137,968)		(137,968)
Current Year Income	-	871,385	871,385
Balance at December 31, 2001	<u>\$ 12,477,548</u>	<u>\$ 2,444,870</u>	<u>\$ 14,922,418</u>

NOTE 10 - LONG TERM DEBT

Mortgage Note Payable consists of two term loans payable in the amount of \$ 312,600 at 9% and \$ 840,000 at 8%, with the Rural Economic and Community Development Services, payable over a period of 50 years. The balance due at December 31, 2001, was \$ 823,140.

No amortization of the mortgage note debt was made available.



ASHTABULA METROPOLITAN HOUSING AUTHORITY  
ASHTABULA, OHIO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2001

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Expenditures For The Year Ended</u>
<u>U.S. Department of Housing and Urban Development</u>		
<b>Direct Programs:</b>		
Low Rent Public Housing Program	14.850	\$ <u>1,223,210</u>
Public Housing- Comprehensive Grant Program	14.859	<u>1,339,140</u>
Capital Fund Program	14.872	<u>544,608</u>
Drug Elimination Program	14.854	<u>144,696</u>
<b>Section 8 Tenant Based Cluster:</b>		
Section 8 Rental Certificate Program	14.857	* 214,347
Section 8 Housing Choice Voucher Program	14.871	2,119,570
New Construction Section 8 Program	14.182	<u>987,540</u>
Sub-Total		<u>3,321,457</u>
Multifamily Housing Service Coordinators	14.191	<u>20,512</u>
Rural Housing and Economic Development	14.250	<u>151,177</u>
<b>Total Federal Assistance</b>		<b>\$ <u>6,744,800</u></b>

\* The Authority received funds under this grant and per REAC instructions must be included using the CFDA # for this program.

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

*See Independent Auditors' Report*

ASHTABULA METROPOLITAN HOUSING AUTHORITY  
Supplemental Financial Data Schedule

Balance Sheet

As of December 31, 2001

	Low Rent Public Housing	Drug Elimination Program	Comprehensive Grant Program	Capital Fund Program	Section 8 Rental Certificates	Section 8 Housing Vouchers	Section 8 New Construction	Rural Rental Housing	TOTAL
<b>ASSETS</b>									
<b>Current Assets</b>									
Cash-unrestricted	\$ 394,931				\$ 250,874	\$ 180,219		\$ 30,366	\$ 856,390
Cash-tenant security deposits	81,942							6,857	88,799
Total cash	476,873				250,874	180,219		37,223	945,189
<b>Accounts and notes receivables</b>									
Accounts receivable-HUD other projects	35,203	9,566		43,165		356,354	285,817		730,105
Accounts receivable-miscellaneous	719								719
Accounts receivable-tenants-dwelling rent	16,724						1,472		18,196
Total receivables, net of allowances for uncollectibles	52,646	9,566		43,165		356,354	285,817	1,472	749,020
<b>Current Investments</b>									
Investments-Restricted								88,308	88,308
Prepaid expenses and other assets	19,825					9,150		1,525	30,500
Inventories	70,032								70,032
Interprogram Due From	75,991		40,609		190,391	156,047			557,076
Total investments	165,848		40,609		190,391	165,197	94,038	89,833	745,916
Total current assets	695,367	9,566	40,609	43,165	441,265	701,770	379,855	128,528	2,440,125
<b>Noncurrent assets</b>									
Land	974,498							128,500	1,102,998
Buildings	20,198,788		628,642					1,149,920	21,977,350
Furniture, equipment and machinery-dwelling	188,141		117,850					13,060	319,051
Furniture, equipment and machinery-admin.	522,940		43,990			12,110			579,040
Accumulated depreciation	(9,361,363)		(9,847)			(6,165)		(589,014)	(9,966,389)
Construction in Progress		7,240	738,496	128,121					873,857
Total fixed assets, net of accum. depreciation	12,523,004	7,240	1,519,131	128,121		5,945		702,466	14,885,907
Total Assets	\$ 13,218,371	\$ 16,806	\$ 1,559,740	\$ 171,286	\$ 441,265	\$ 707,715	\$ 379,855	\$ 830,994	\$ 17,326,032

See Independent Auditors' Report

ASHTABULA METROPOLITAN HOUSING AUTHORITY  
 Supplemental Financial Data Schedule  
 Balance Sheet, continued  
 As of December 31, 2001

	Low Rent Public Housing	Drug Elimination Program	Comprehensive Grant Program	Capital Fund Program	Section 8 Rental Certificates	Section 8 Housing Vouchers	Section 8 New Construction	Rural Rental Housing	TOTAL
	<u>14,850</u>	<u>14,854</u>	<u>14,859</u>	<u>14,872</u>	<u>14,857</u>	<u>14,871</u>	<u>14,182</u>	<u>14,250</u>	
	\$ 32,353					\$ 3,757		\$ 955	\$ 37,065
Accounts payable < 90 days	43,925					5,049		613	49,587
Accrued wages/payroll taxes payable	16,587					6,440		637	23,664
Accrued Compensated Absences-current			40,609		141,962		340,570		523,141
Accounts payable-HUD PHA Program	81,942							6,857	88,799
Tenant Security Deposits	10,732							1,151	11,883
Deferred Revenues	34,941							41,321	41,321
Current Portion of LT Debt-Capital Projects									34,941
Accrued liabilities-other									557,076
Interprogram Due To		9,566		43,165		336,259	156,047	12,039	
Total current liabilities	<u>220,480</u>	<u>9,566</u>	<u>40,609</u>	<u>43,165</u>	<u>141,962</u>	<u>351,505</u>	<u>496,617</u>	<u>63,573</u>	<u>1,367,477</u>
Non-current liabilities									
LT Debt, net of current-Capital Projects	<u>149,292</u>					57,965		823,140	823,140
Accrued Compensated Absences-Non-curr	<u>149,292</u>					<u>57,965</u>		<u>5,740</u>	<u>212,997</u>
Total non-current liabilities	<u>369,772</u>					<u>409,470</u>		<u>828,880</u>	<u>1,036,137</u>
Total Liabilities		<u>9,566</u>	<u>40,609</u>	<u>43,165</u>	<u>141,962</u>	<u>409,470</u>	<u>496,617</u>	<u>892,453</u>	<u>2,403,614</u>
Equity									
Net HUD PHA contributions	<u>12,219,760</u>		<u>257,788</u>						<u>12,477,548</u>
Undesignated fund balance/retained earnings	<u>628,839</u>	<u>7,240</u>	<u>1,261,343</u>	<u>128,121</u>	<u>299,303</u>	<u>298,245</u>	<u>(116,762)</u>	<u>(61,459)</u>	<u>2,444,870</u>
Total Equity	<u>12,848,599</u>	<u>7,240</u>	<u>1,519,131</u>	<u>128,121</u>	<u>299,303</u>	<u>298,245</u>	<u>(116,762)</u>	<u>(61,459)</u>	<u>14,922,418</u>
Total Liabilities & Equity	<u>\$ 13,218,371</u>	<u>\$ 16,806</u>	<u>\$ 1,559,740</u>	<u>\$ 171,286</u>	<u>\$ 441,265</u>	<u>\$ 707,715</u>	<u>\$ 379,855</u>	<u>\$ 830,994</u>	<u>\$ 17,326,032</u>

See Independent Auditors' Report

ASHTABULA METROPOLITAN HOUSING AUTHORITY  
ASHTABULA, OHIO  
SCHEDULE OF REVENUE AND EXPENSE BY PROGRAM  
FOR THE YEAR ENDED DECEMBER 31, 2001

	Comp Grant Program	Capital Fund Program	Rural Housing Program	Multifamily Housing Program	Drug Elimination Program	Section 8 New Construction Program	Section 8 Rental Certificates Program	Section 8 Housing Voucher Program	Total
<b>REVENUE</b>									
HUD Grants	\$ 1,223,210	\$ 416,487	\$ 151,177	\$ 20,512	\$ 137,456	\$ 987,540	\$ 214,347	\$ 2,119,570	\$ 5,341,501
Capital Grants	1,267,938	128,121			7,240				1,403,299
Rental Income	907,147		97,814					2,940	1,004,961
Investment Income-Restricted	4,468		529				4,092		12,029
Other Revenue	62,268								62,268
Gain/Loss on Sale of Fixed Assets	(12,487)								(12,487)
<b>Total Revenue</b>	<b>2,184,606</b>	<b>544,608</b>	<b>249,520</b>	<b>20,512</b>	<b>144,696</b>	<b>987,540</b>	<b>218,439</b>	<b>2,122,510</b>	<b>7,811,571</b>
<b>EXPENSES</b>									
Housing Assistance Payments						945,511	185,700	1,876,782	3,007,993
Administrative Salaries	398,097		16,120	18,461		29,620	8,961	73,010	544,269
Employee Benefits	253,556		9,136	2,051		12,126	3,668	29,889	310,426
Compensated Absences	11,651		(4,555)				3,970	(15,601)	(4,535)
Other Administrative Expense	226,919		20,611			14,083		35,754	773,102
Tenant Services-Other	413								413
Material and Labor-Maintenance	289,743		13,668						303,411
Contract Services	338,390		19,406			5,464	1,653	13,466	378,379
Utilities	557,736		54,948						612,684
General Expenses	56,198		4,117			5,849	1,769	14,415	82,348
Payments in Lieu of Taxes	34,941								34,941
Bad Debt- Tenant Rents	16,370		57,921						74,291
<b>Total Expenses</b>	<b>2,184,014</b>	<b>267,077</b>	<b>191,372</b>	<b>20,512</b>	<b>137,456</b>	<b>1,012,653</b>	<b>205,721</b>	<b>2,027,715</b>	<b>6,117,722</b>
<b>Income (Loss) before Depreciation &amp; Other Costs</b>	<b>592</b>	<b>277,531</b>	<b>58,148</b>	<b>-</b>	<b>7,240</b>	<b>(25,113)</b>	<b>12,718</b>	<b>94,795</b>	<b>1,693,849</b>
Depreciation	765,662	9,847	44,533					2,422	822,464
Operating Transfers In (Out)	149,410	(149,410)							-
<b>Operating Income (Loss)</b>	<b>\$ (616,660)</b>	<b>\$ 128,121</b>	<b>\$ 13,615</b>	<b>\$ -</b>	<b>\$ 7,240</b>	<b>\$ (25,113)</b>	<b>\$ 12,718</b>	<b>\$ 92,373</b>	<b>\$ 871,385</b>

See Independent Auditors' Report

ASHTABULA METROPOLITAN HOUSING AUTHORITY  
ASHTABULA, OHIO  
SCHEDULE OF ACTIVITY  
FOR THE YEAR ENDED DECEMBER 31, 2001

The PHA had 1,263 units under management.

<u>Management</u>	<u>Units</u>
Low Rent Public Housing Program	573
Section 8 Rental Certificates Program	52
Section 8 Housing Vouchers Program	426
Section 8 New Construction Program	173
Rural Economic Development Program	<u>39</u>
TOTAL	<u>1,263</u>

REPORT ON PRIOR YEAR AUDIT FINDINGS

THERE WERE NO PRIOR YEAR AUDIT FINDINGS

*See Independent Auditors' Report*

ASHTABULA METROPOLITAN HOUSING AUTHORITY  
ASHTABULA, OHIO

ACTUAL MODERNIZATION COST CERTIFICATION

At December 31, 2001

1. The Actual Modernization Grant Costs are as follows:

	<u>Project OH12-707-98</u>
Funds Approved	\$ 1,035,706
Funds Expended	<u>1,035,706</u>
Excess (Deficiency) of Funds Approved	<u>\$ _____</u> -
Funds Advanced	\$ 1,035,706
Funds Expended	<u>1,035,706</u>
Excess (Deficiency) of Funds Advanced	<u>\$ _____</u> -
Date Submitted:	10/29/01

2. The Distribution of Costs as shown on the Schedule/Report of Modernization Grant Expenditures submitted to HUD for approval are in agreement with the Authority's records.

3. All Modernization Grant Costs have been paid and all related liabilities have been discharged through payment

**See Independent Auditors' Report**

ASHTABULA METROPOLITAN HOUSING AUTHORITY  
ASHTABULA, OHIO

ACTUAL DRUG ELIMINATION GRANT COST CERTIFICATION

At December 31, 2001

1. The Actual Drug Elimination Grant Costs are as follows:

	<u>Project OH12-901-98</u>	<u>Project OH12-901-99</u>
Funds Approved	\$ 175,000	\$ 273,844
Funds Expended	<u>175,000</u>	<u>273,844</u>
Excess (Deficiency) of Funds Approved	<u>\$ -</u>	<u>\$ -</u>
Funds Advanced	\$ 175,000	\$ 273,844
Funds Expended	<u>175,000</u>	<u>273,844</u>
Excess (Deficiency) of Funds Advanced	<u>\$ -</u>	<u>\$ -</u>
Date Submitted:	3/2/01	4/1/01

2. The Distribution of Costs as shown on the Schedule/Report of Drug Elimination Grant expenditures submitted to HUD for approval are in agreement with the Authority's records.
3. All Drug Elimination Grant Costs have been paid and all related liabilities have been discharged through payment

**See Independent Auditors' Report**

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

*Member AICPA  
Member OSCPA*

*John E. Slaybaugh III  
Certified Public Accountant*

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

Board of Commissioners  
Ashtabula Metropolitan Housing Authority  
Ashtabula, Ohio

We have audited the financial statements of Ashtabula Metropolitan Housing Authority, Ashtabula, Ohio, as of and for the year ended December 31, 2001, and have issued our report thereon dated May 17, 2002. 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.

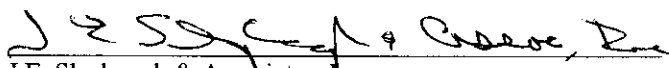
Compliance

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

Internal Control Over Financial Reporting

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

This report is intended for the information and use of management and the Department of Housing and Urban Development and is not intended to be and should not be used by anyone other than these specified parties.

  
J.E. Slaybaugh & Associates, Inc.  
May 17, 2002



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

*Member AICPA  
Member OSCPA*

*John E. Slaybaugh III  
Certified Public Accountant*

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

Board of Commissioners  
Ashtabula Metropolitan Housing Authority  
Ashtabula, Ohio

Compliance

We have audited the compliance of Ashtabula Metropolitan Housing Authority with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2001. Ashtabula Metropolitan Housing Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations contracts and grants applicable to each of its major federal programs is the responsibility of the Authority's management. Our responsibility is to express an opinion on Ashtabula Metropolitan Housing Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with 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 the provisions of the *Public and Indian Housing Compliance Supplement*, PIH Notice 97-30. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Ashtabula Metropolitan Housing Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Ashtabula Metropolitan Housing Authority's compliance with those requirements.

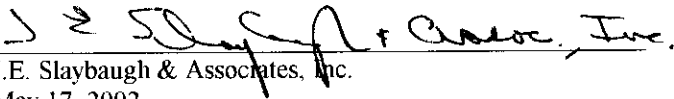
In our opinion, Ashtabula Metropolitan Housing Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2001.

Internal Control Over Compliance

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

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

This report is intended for the information and use of management and the Department of Housing and Urban Development and is not intended to be and should not be used by anyone other than these specified parties.

  
J.E. Slaybaugh & Associates, Inc.  
May 17, 2002

ASHTABULA METROPOLITAN HOUSING AUTHORITY  
ASHTABULA, OHIO

SCHEDULE OF FINDINGS

DECEMBER 31, 2001

PART I - SUMMARY OF AUDITOR'S RESULTS

1. The auditor has issued an unqualified opinion on the financial statements of Ashtabula Metropolitan Housing Authority.
2. There were no reportable conditions in internal control disclosed by the audit of the financial statements.
3. There was no noncompliance material to the financial statements disclosed by the audit.
4. There were no reportable conditions in the internal control over major programs disclosed by the audit.
5. The auditor has issued an unqualified opinion on compliance for major programs for Ashtabula Metropolitan Housing Authority.
6. The audit disclosed no audit findings.
7. The major programs are:
  - Low Rent Public Housing
  - Cluster- Tenant Based Section 8 Programs
  - Comprehensive Grant Program
  - Capital Fund Program
8. The dollar threshold used to distinguish between Type A and Type B programs was \$ 300,000.
9. The auditor determined that Ashtabula Metropolitan Housing Authority qualified as a low-risk auditee.

PART II - FINDINGS RELATED TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED  
TO BE REPORTED IN ACCORDANCE WITH *GAGAS*

1. None

PART III - FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS INCLUDING AUDIT FINDINGS

1. None





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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

**ASHTABULA METROPOLITAN HOUSING AUTHORITY**

**ASHTABULA COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JANUARY 2, 2003**