

**COSHOCTON METROPOLITAN HOUSING AUTHORITY
COSHOCTON, OHIO**

**REPORT ON EXAMINATION OF FINANCIAL
STATEMENTS AND SUPPLEMENTAL DATA FOR THE
YEAR ENDED JUNE 30, 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

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Board of Commissioners
Coshocton Metropolitan Housing Authority
P.O. Box 758
Coshocton, Ohio 43812

We have reviewed the Independent Auditor's Report of the Coshocton Metropolitan Housing Authority, Coshocton County, prepared by J.E. Slaybaugh & Associates, Inc., for the audit period July 1, 2000 through June 30, 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 Coshocton 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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COSHOCTON METROPOLITAN HOUSING AUTHORITY
COSHOCTON, OHIO

FOR THE YEAR ENDED JUNE 30, 2001

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

*Member AICPA
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Certified Public Accountant*

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Coshocton Metropolitan Housing Authority
Coshocton, Ohio

We have audited the accompanying balance sheet of the Coshocton Metropolitan Housing Authority, Coshocton, Ohio, as of and for the year ended June 30, 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 Coshocton Metropolitan Housing Authority as of June 30, 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 July 10, 2002, on our consideration of Coshocton 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 Coshocton 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.
J.E. Slaybaugh & Associates, Inc.
July 10, 2002

COSHOCTON METROPOLITAN HOUSING AUTHORITY
 COSHOCTON, OHIO
 BALANCE SHEET
 FOR THE YEAR ENDED JUNE 30, 2001

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 467,177
Accounts Receivable-Tenants-net of \$43,000 Doubtful Accounts	6,230
Accounts Receivable- HUD	79,026
Accounts Receivable-Other	301,409
Accrued Interest Receivable	1,484
Prepaid Expenses	12,043
Inventory	5,500
Interprogram Due From	<u>55,000</u>
Total Current Assets	927,869
Property and Equipment - Net of \$ 3,207,092 Accumulated Depreciation	<u>4,218,836</u>
Total Assets	<u>\$ 5,146,705</u>

LIABILITIES AND EQUITY

Current Liabilities

Accounts Payable-Vendors	\$ 57,771
Accounts Payable- HUD	365,414
Accounts Payable- Governments	28,513
Tenant Security Deposits	29,134
Accrued Wages and Payroll Taxes	30,565
Accrued Compensated Absences-Current Portion	18,240
Accrued Interest Payable	1,420
Deferred Revenues	116,778
Current Portion of Long Term Debt	1,600
Interprogram Due To	<u>55,000</u>
Total Current Liabilities	704,435

Noncurrent Liabilities

Accrued Compensated Absences-Noncurrent	54,719
Long Term Debt net of Current Portion	729,277
Other Noncurrent Liabilities	<u>1,656</u>
Total Noncurrent Liabilities	<u>785,652</u>

Total Liabilities	1,490,087
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Equity

Contributed Capital	4,345,961
Retained Earnings	<u>(689,343)</u>
Total Equity	<u>3,656,618</u>

Total Liabilities and Equity	<u>\$ 5,146,705</u>
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The accompanying notes are an integral part of these financial statements.

COSHOCTON METROPOLITAN HOUSING AUTHORITY
 COSHOCTON, OHIO
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN EQUITY
 FOR THE YEAR ENDED JUNE 30, 2001

Revenue

HUD Grants	\$ 1,076,430
Other Government Grants	55,000
Rental Income	225,844
Investment Income-Unrestricted	27,043
Other Revenue	<u>20,091</u>
 Total Revenue	 1,404,408

Expenses (before depreciation)

Housing Assistance Payments	746,505
Administrative Salaries	196,304
Employee Benefits	78,274
Other Administrative Expense	195,732
Material and Labor-Maintenance	93,637
Contract Services	124,041
Utilities	52,274
General Expenses	21,637
Payments in Lieu of Taxes	11,356
Bad Debt- Tenant Rents	<u>7,832</u>

Total Expenses 1,527,592

Income (Loss) before Depreciation & Other Costs	(123,184)
Depreciation	241,873
Interest Expense	22,565
Casualty Loss	<u>500</u>

Operating Income (Loss) (388,122)

Retained Earnings - Beginning of Year-Restated (See Note #10) (301,221)

Retained Earnings - End of Year (689,343)

Contributed Capital - Beginning of Year	4,345,514
Adjustments, Reclassifications	<u>447</u>

Contributed Capital - End of Year 4,345,961

Total Equity - End of Year \$ 3,656,618

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

COSHOCOTON METROPOLITAN HOUSING AUTHORITY
COSHOCOTON, OHIO
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2001

Cash Flows from Operating Activities

Operating Income (Loss)	\$ (388,122)
Adjustments to reconcile Operating Income(Loss) to Net Cash Provided By Operating Activities:	
Depreciation	241,873
Changes in Operating Assets and Liabilities that Increase (Decrease) Cash Flows:	
Accounts Receivable- HUD	(4,879)
Accounts Receivable-Other	(201,716)
Accounts Receivables-Tenants-net	(1,252)
Accrued Interest Receivable	1,606
Prepaid Expenses	591
Inventories	(5,500)
Interprogram Due From	(10,668)
Accounts Payable- Vendors	24,342
Accrued Wages and Taxes	4,513
Accrued Compensated Absences	(10,181)
Accrued Interest Payables	1,420
Accounts Payable-HUD	(110,260)
Accounts Payable- Other Governments	17,434
Tenant Security Deposits	8,744
Deferred Revenues	4,437
Current Portion of Long-Term Debt	21
Other Current Liabilities	(5,314)
Interprogram Due To	10,668
Other Noncurrent Liabilities	<u>1,656</u>
Total Adjustments	<u>(32,465)</u>
Net Cash Provided (Used) By Operating Activities	<u>(420,587)</u>

Cash Flows from Investing Activities

Change in Investments	<u>448,375</u>
Net Cash Provided (Used) By Investing Activities	<u>448,375</u>

Cash Flows from Capital and Related Financing Activities

Change in Property and Equipment	(31,201)
Debt Reduction	<u>(1,903)</u>
Net Cash Provided (Used) by Financing and Related Activities	<u>(33,104)</u>
Increase (Decrease) In Cash and Cash Equivalents	(5,316)
Cash and Cash Equivalents - Beginning of Year	<u>472,493</u>
Cash and Cash Equivalents - End of Year	<u>\$ 467,177</u>

¹Non-Cash Transactions- As a result of the restatement of equity, non-cash transactions, as listed in Note 10, are required to reconcile the financial position.

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

COSHOCTON METROPOLITAN HOUSING AUTHORITY
COSHOCTON, OHIO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2001

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Coshocton Metropolitan Housing Authority (CMHA 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 Coshocton 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 a fiscally independent entity. In evaluating how to define the financial reporting entity, management has considered all potential component units. A component unit is a legally separate entity for which the primary government is financially accountable. The criteria of financial accountability is the ability of the primary government to impose its will upon the potential component unit.

These criteria were considered in determining the reporting entity.

Basis of Accounting

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

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

COSHOCTON METROPOLITAN HOUSING AUTHORITY
COSHOCTON, OHIO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2001

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Use of Estimates

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

Cash and Cash Equivalents

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

Tenant Receivables - Recognition of Bad Debts

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

Property and Equipment

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

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

Depreciation is recorded on the straight-line method.

Capitalization of Interest

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

NOTE 2 - CASH

Cash

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

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

COSHOCTON METROPOLITAN HOUSING AUTHORITY
 COSHOCTON, OHIO
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2001

NOTE 2 - CASH AND INVESTMENTS, continued

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

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

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

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. . . . \$ 200,000 was covered by federal depository insurance.
- Category 2. . . . \$ 306,877 was covered by specific collateral pledged by the financial institution in the name of the Authority.

Book Balances at June 30, 2001, were as follows:

	Cash
Public Housing	\$ 55,037
CIAP	22,903
Rural Housing	112,730
PHDEP	20,820
Section 8 Housing Choice Vouchers	181,246
New Construction	60,699
Safe Neighborhood Grant	13,742
Total	<u>\$ 467,177</u>

COSHOCTON METROPOLITAN HOUSING AUTHORITY
 COSHOCTON, OHIO
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2001

NOTE 3 - PROPERTY AND EQUIPMENT

A summary of property and equipment at June 30, 2001, by class is as follows:

Land	\$ 438,538
Buildings and Building Improvements	6,734,159
Furniture, Equipment- Administrative	203,651
Equipment and Machinery- Dwelling	<u>49,580</u>
Total	7,425,928
Less Accumulated Depreciation	<u>(3,207,092)</u>
Net Property and Equipment	<u>\$4,218,836</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

Units per month x \$ 37.72/unit

B. Vouchers

Units per month x \$37.72/unit-July to Sept.

Units per month x \$39.25/unit-Oct. to June

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.

COSHOCTON METROPOLITAN HOUSING AUTHORITY
 COSHOCTON, OHIO
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2001

NOTE 5 - DEFINED PENSION PLANS AND POSTRETIREMENT BENEFITS (continued)

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 June 30 were as follows:

	Contribution	%
6/30/2001	\$ 45,951	13.55%
6/30/2000	\$ 37,091	13.55%
6/30/1999	\$ 29,638	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.

COSHOCTON METROPOLITAN HOUSING AUTHORITY
COSHOCTON, OHIO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 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 two-thirds of accumulated sick leave and administrative employees will earn vacation hours accumulated based on length of service. All vacation time accumulated will be paid upon separation.

At June 30, 2001, based on the vesting method, \$ 72,959 was accrued by the Authority for unused vacation and sick time. The current portion is \$18,240 and the long term portion is \$54,719.

NOTE 7-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 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 8 - CONTINGENCIES

Litigation and Claims

In the normal course of operations, the Authority may be subject to litigation and claims. At June 30, 2001 the Authority was involved in several such matters. While the outcome of these matters cannot presently be determined, management believes that their ultimate resolution will not have a material effect on the financial statements.

After the June 30, 2001 balance sheet date, several claims were filed involving former employees of the Authority. The outcome of these claims is unknown at this time.

Grants

The Authority receives grants for specific purposes which are subject to review and audit by the grantor agency. Such audits could lead to requests for reimbursement to grantor agencies for expenditures disallowed under the terms of the grant. Based upon prior experience, management believes such disallowances, if any, will be immaterial.

COSHOCTON METROPOLITAN HOUSING AUTHORITY
 COSHOCTON, OHIO
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2001

NOTE 9 - INSPECTOR GENERAL AUDIT

The Office of the Inspector General has been conducting an audit of Coshocton Metropolitan Housing Authority. The findings of the Inspector General's audit have not been released; however, it is anticipated that these findings will assert claims or assessments which are unknown at this time.

NOTE 10 - RESTATEMENT OF RETAINED EARNINGS

Beginning Retained Earnings at July 1, 2000, has been restated due to the following items:

Beginning Retained Earnings at July 1, 2000	\$ 71,760
Prior Period Adjustments:	
CIAP Hard Costs -Reclassify	(476,206)
Reclassify Capital Projects Funds to Other Income	122,307
Reclassify Section 8 A/R for Truck Purchase	(25,191)
CIAP A/R Overstated	6,608
Other Unclassified	<u>(499)</u>
Beginning Retained Earnings Restated at July 1, 2000	<u>\$ (301,221)</u>

NOTE 11-LONG TERM DEBT

The Authority is obligated on a mortgage payable to the United States Department of Agriculture-Rural Development which matures in November, 2020. The note requires monthly installments of \$1,578.92, including interest of 9.0% per annum. The note is secured by the property.

The Note is amortized as follows:

6/30/02	\$ 1,600
6/30/03	1,800
6/30/04	1,900
6/30/05	2,100
6/30/06	2,230
later years	<u>721,247</u>
Total	<u>\$ 730,877</u>

COSHOCTON METROPOLITAN HOUSING AUTHORITY
 COSHOCTON, OHIO
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 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>			
Direct Programs:			
Low Rent Public Housing Program	14.850		\$ 175,743
Public Housing- Comprehensive Improvement Assistance Program	14.852	*	1,809
Drug Elimination Program	14.854		8,000
Capital Fund Program	14.872		55,000
Section 8 Tenant Based Cluster:			
Section 8 Rental Certificate Program	14.857	*	91,847
Section 8 Housing Choice Voucher Program	14.871		538,117
Section 8 Project Based			
New Construction	14.182		229,693
Rural Housing and Economic Development	14.250		27,279
New Approach Anti-Drug Grants	14.312		<u>3,942</u>
Total Federal Assistance			<u>\$ 1,131,430</u>

* Funds received under CFDA # not listed in new catalog

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

See Independent Auditors' Report

COSHOCOTON METROPOLITAN HOUSING AUTHORITY
 Supplemental Financial Data Schedule
 Balance Sheet
 As of June 30, 2001

	Low Rent	CIAP	Capital Fund	Rural Housing	PHDEP	Housing Choice Vouchers	New Construction	New Approach Anti-Drug Grant	TOTAL
	14,850	14,852	14,872	14,250	14,854	14,855	14,182	14,312	
ASSETS									
Current Assets									
Cash-unrestricted	\$ 55,037			\$ 112,730	\$ 20,820	\$ 181,246	\$ 60,699	\$ 13,742	\$ 444,274
Cash-restricted		22,903							22,903
Total cash	55,037	22,903		112,730	20,820	181,246	60,699	13,742	467,177
Accounts and notes receivables			55,000			24,026			79,026
Accounts receivable-HUD other projects	54,996					219,011	27,402		301,409
Accounts receivable-miscellaneous	49,230								49,230
Accounts receivable-tenants-dwelling rent	(43,000)								(43,000)
Allowance for doubtful accounts-dwelling rent									
Accrued interest receivable	1,484								1,484
Total receivables, net of allowances for uncollectibles	62,710		55,000			243,037	27,402		388,149
Current Investments									
Prepaid expenses and other assets	8,807					2,753	483		12,043
Inventories	5,500								5,500
Interprogram-due from	55,000								55,000
Total investments	69,307					2,753	483		72,543
Total current assets	187,054	22,903	55,000	112,730	20,820	427,036	88,584	13,742	927,869
Noncurrent assets									
Land	438,538								438,538
Buildings	5,986,641			747,518					6,734,159
Furniture, equipment and machinery-dwelling	49,580								49,580
Furniture, equipment and machinery-admin.	164,382			4,307		30,482	4,480		203,651
Accumulated depreciation	(2,994,164)			(177,966)		(30,482)	(4,480)		(3,207,092)
Total fixed assets, net of accum. depreciation	3,644,977			573,859					4,218,836
Total non-current assets	3,644,977			573,859					4,218,836
Total assets	\$ 3,832,031	\$ 22,903	\$ 55,000	\$ 686,589	\$ 20,820	\$ 427,036	\$ 88,584	\$ 13,742	\$ 5,146,705

See Independent Auditors' Report

COSHOCOTON METROPOLITAN HOUSING AUTHORITY
 Supplemental Financial Data Schedule, continued
 Balance Sheet
 As of June 30, 2001

	Low Rent	CIAP	Capital Fund	Rural Housing	PHDEP	Housing Choice Vouchers	New Construction	New Approach Anti-Drug Grant	TOTAL				
	<u>14,850</u>	<u>14,852</u>	<u>14,872</u>	<u>14,250</u>	<u>14,854</u>	<u>14,855</u>	<u>14,182</u>	<u>14,312</u>	<u>14,312</u>				
LIABILITIES AND EQUITY													
Current liabilities													
Accounts payable< 90 days	\$ 6,596		\$ 11,257			\$ 36,811			\$ 54,664				
Accounts payable>90 days				3,107					3,107				
Accrued wages/payroll taxes payable	30,565								30,565				
Accrued compensated absences-current	25,170			2,358		4,611			33,431				
Accrued interest payable				1,420					1,420				
Accounts payable-HUD PHA Program							351,672		351,672				
Accounts payable-other government	24,240			4,273					28,513				
Tenant Security Deposits	25,288			3,846					29,134				
Deferred Revenues	12,426	22,903			20,820	60,629			116,778				
Current Portion of LT debt-capital projects				1,600					1,600				
Interprogram due to			55,000						55,000				
Total current liabilities	<u>124,285</u>	<u>22,903</u>	<u>55,000</u>	<u>27,861</u>	<u>20,820</u>	<u>102,051</u>	<u>362,964</u>	<u>13,742</u>	<u>719,626</u>				
Non-current liabilities													
Accrued compensated absences-noncurrent	25,696					13,832			39,528				
Long term debt, net of current-cap. projects				729,277					729,277				
Non-current liabilities-other						1,656			1,656				
Total non-current liabilities	<u>25,696</u>			<u>729,277</u>		<u>15,488</u>			<u>770,461</u>				
Total Liabilities	<u>149,981</u>	<u>22,903</u>	<u>55,000</u>	<u>757,138</u>	<u>20,820</u>	<u>117,539</u>	<u>352,964</u>	<u>13,742</u>	<u>1,490,087</u>				
Equity													
Net HUD PHA contributions	4,070,830					275,131			4,345,961				
Undesignated fund balance/retained earnings	<u>(388,750)</u>			<u>(70,549)</u>		<u>34,366</u>	<u>(264,380)</u>		<u>(689,343)</u>				
Total equity	<u>3,682,050</u>			<u>(70,549)</u>		<u>309,497</u>	<u>(264,380)</u>		<u>3,656,618</u>				
Total liabilities & equity	<u>\$ 3,832,031</u>	<u>\$ 22,903</u>	<u>\$ 55,000</u>	<u>\$ 686,589</u>	<u>\$ 20,820</u>	<u>\$ 427,036</u>	<u>\$ 88,584</u>	<u>\$ 13,742</u>	<u>\$ 5,146,705</u>				

See Independent Auditors' Report

COSHOCKTON METROPOLITAN HOUSING AUTHORITY
COSHOCKTON, OHIO
SCHEDULE OF REVENUE AND EXPENSE BY PROGRAM
FOR THE YEAR ENDED JUNE 30, 2001

	Low rent Program	CLAP	Capital Fund Program	Rural Housing Program	Drug Elimination Program	New Construction Program	Section 8			Total
							Rental Certificates Program	Housing Voucher Program	New Approach Anti-Drug Program	
REVENUE										
HUD Grants	\$ 175,743	\$ 1,809	\$	\$ 27,279	\$ 8,000	\$ 229,693	\$ 91,847	\$ 538,117	\$ 3,942	\$ 1,076,430
Other Government Grants			\$ 55,000							55,000
Rental Income	191,115			34,729						225,844
Investment Income-Unrestricted	8,421			3,540		13,311		1,771		27,043
Other Revenue	27			1,540				18,524		20,091
Total Revenue	375,306	1,809	55,000	67,088	8,000	243,004	91,847	558,412	3,942	1,404,408
EXPENSES										
Housing Assistance Payments						219,232	88,012	439,261		746,505
Administrative Salaries	107,837					15,530	2,607	70,330		196,304
Employee Benefits	57,221					3,696	620	16,737		78,274
Compensated Absences	(9,761)			(2,535)		79	(11,956)	13,992		(10,181)
Other Administrative Expense	79,238	51	55,000	31,334	8,000	5,614	977	21,757	3,942	205,913
Material and Labor-Maintenance	91,927			1,710						93,637
Contract Services	119,458			4,583						124,041
Utilities	46,774			5,500						52,274
General Expenses	16,631			2,202		458	84	2,262		21,637
Payments in Lieu of Taxes	8,355			3,001						11,356
Bad Debt- Tenant Rents	7,832									7,832
Total Expenses	525,512	51	55,000	45,795	8,000	244,609	80,344	564,339	3,942	1,327,592
Income (Loss) before Depreciation & Other Costs	(150,206)	1,758	-	21,293	-	(1,605)	11,503	(5,927)	-	(123,184)
Depreciation	222,754			19,119						241,873
Interest Expense				22,565						22,565
Casualty Losses	500									500
Operating Income (Loss)	\$ (373,460)	\$ 1,758	\$ -	\$ (20,391)	\$ -	\$ (1,605)	\$ 11,503	\$ (5,927)	\$ -	\$ (388,122)

See Independent Auditors' Report

COSHOCKTON METROPOLITAN HOUSING AUTHORITY
COSHOCKTON, OHIO
SCHEDULE OF ACTIVITY
FOR THE YEAR ENDED JUNE 30, 2001

The PHA had 459 units under management.

<u>Management</u>	<u>Units</u>
Low Rent Public Housing Program	121
Section 8 Rental Certificates Program	8
Section 8 Rental Vouchers Program	210
Section 8 New Construction Program	100
Rural Housing and Economic Development	<u>20</u>
TOTAL	<u>459</u>

REPORT ON PRIOR YEAR AUDIT FINDINGS

THERE WERE NO PRIOR YEAR AUDIT FINDINGS

See Independent Auditors' Report

*J.E. Slaybaugh & Associates, Inc.
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*John E. Slaybaugh 111
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
Coshocton Metropolitan Housing Authority
Coshocton, Ohio

We have audited the financial statements of Coshocton Metropolitan Housing Authority, Coshocton, Ohio, as of and for the year ended June 30, 2001, and have issued our report thereon dated July 10, 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 Coshocton 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 Coshocton Metropolitan Housing Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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

J.E. Slaybaugh & Associates, Inc.
J.E. Slaybaugh & Associates, Inc.
July 10, 2002

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Lexington, Ohio 44904*

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*John E. Slaybaugh 111
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
Coshocton Metropolitan Housing Authority
Coshocton, Ohio

Compliance

We have audited the compliance of Coshocton 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 June 30, 2001. Coshocton 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 Coshocton 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*. 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 Coshocton 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 Coshocton Metropolitan Housing Authority's compliance with those requirements.

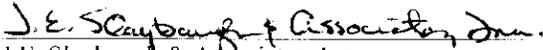
In our opinion, Coshocton Metropolitan Housing Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2001.

Internal Control Over Compliance

The management of Coshocton 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.
Lexington, Ohio
July 10, 2002

COSHOCTON METROPOLITAN HOUSING AUTHORITY
COSHOCTON, OHIO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 2001

PART I - SUMMARY OF AUDITOR'S RESULTS

1. The auditor has issued an unqualified opinion on the financial statements of Coshocton 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 Coshocton Metropolitan Housing Authority.
6. The audit disclosed no audit findings.
7. The major programs are:

Cluster- Tenant Based Section 8 Programs
8. The dollar threshold used to distinguish between Type A and Type B programs was \$ 300,000.
9. The auditor determined that Coshocton Metropolitan Housing Authority qualified as a low-risk auditee.

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

1. None

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

1. None



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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COSHOCTON METROPOLITAN HOUSING AUTHORITY

COSHOCTON 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**