

PORTSMOUTH METROPOLITAN HOUSING AUTHORITY

Financial Statements

As of and for the years ended June 30, 2002 and 2001

(With Independent Auditor's Report thereon)





**Auditor of State  
Betty Montgomery**

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Board of Directors  
Portsmouth Metropolitan Housing Authority  
Portsmouth, Ohio 45662-3949

We have reviewed the Independent Auditor's Report of the Portsmouth Metropolitan Housing Authority, Scioto County, prepared by Jump, Scutellaro and Company, LLP, for the audit period July 1, 2001 to June 30, 2002. 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 Portsmouth Metropolitan Housing Authority is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY  
Auditor of State

January 22, 2003

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PORTSMOUTH METROPOLITAN HOUSING AUTHORITY

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## INDEPENDENT AUDITOR'S REPORT

The Board of Commissioners  
Portsmouth Metropolitan Housing Authority:

We have audited the general-purpose financial statements of the Portsmouth Metropolitan Housing Authority as of and for the years ended June 30, 2002 and 2001. These general purpose financial statements are the responsibility of the Housing Authority's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audits in accordance with auditing standards generally accepted 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose 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 audits provide 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 Portsmouth Metropolitan Housing Authority as of June 30, 2002 and 2001, and the results of its operations and cash flows for the years 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 our report dated October 3, 2002 on our consideration of the Portsmouth Metropolitan Housing Authority's internal control over financial reporting and our tests on its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

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

Jump, Scutellaro and Company, LLP

October 3, 2002  
Toms River, New Jersey

PORTSMOUTH METROPOLITAN HOUSING AUTHORITY

Combined Balance Sheets - All Enterprise Funds

June 30, 2002 and 2001

ASSETS		
	<u>2002</u>	<u>2001</u>
Current assets:		
Cash and cash equivalents	\$ 4,050,631	3,263,309
Accounts receivable - HUD other projects	74,982	30,507
Accounts receivable - miscellaneous	-	6,974
Tenant receivables (net)	4,705	2,902
Accrued interest	31,807	27,782
Prepaid expenses	92,223	62,839
Inventory	<u>20,991</u>	<u>19,222</u>
Total current assets	<u>4,275,339</u>	<u>3,413,535</u>
Fixed assets:		
Land	1,509,195	1,509,195
Buildings	45,109,162	42,017,760
Leasehold improvements	17,719	-
Furniture, equipment and machinery	<u>719,724</u>	<u>713,334</u>
	47,355,800	44,240,289
Less: accumulated depreciation	<u>(23,525,479)</u>	<u>(21,841,340)</u>
Net fixed assets	<u>23,830,321</u>	<u>22,398,949</u>
Restricted cash	<u>-</u>	<u>2,213,002</u>
	<u>\$ 28,105,660</u>	<u>28,025,486</u>
LIABILITIES AND EQUITY		
Current liabilities:		
Accrued wages and payroll taxes	\$ 67,279	57,153
Accrued compensated absences	156,285	157,662
Accrued interest	-	151,313
Accounts payable	4,585	-
Accounts payable - PHA programs	121,920	168,211
Accounts payable - other government	49,972	23,506
Tenant security deposits	102,611	101,442
Deferred revenues	-	177,070
Current portion of capital lease	519,279	349,486
Accrued liabilities - other	<u>37,629</u>	<u>67,952</u>
Total current liabilities	1,059,560	1,253,795
Capital lease, excluding current portion	2,754,076	3,198,113
Equity:		
Contributed capital	17,736,502	19,400,205
Retained earnings	<u>6,555,522</u>	<u>4,173,373</u>
Total equity	<u>24,292,024</u>	<u>23,573,578</u>
	<u>\$ 28,105,660</u>	<u>28,025,486</u>

See accompanying notes to financial statements.

PORTSMOUTH METROPOLITAN HOUSING AUTHORITY

Combined Statements of Revenues, Expenditures, and Changes in  
Retained Earnings - All Enterprise Funds

For the Years Ended June 30, 2002 and 2001

	<u>2002</u>	<u>2001</u>
Operating income:		
Dwelling rental	\$ 1,172,637	1,138,785
HUD grants	6,770,376	5,902,338
Other income	<u>249,763</u>	<u>83,429</u>
Total operating income	<u>8,192,776</u>	<u>7,124,552</u>
Operating expenses:		
Administration	1,246,448	1,219,263
Tenant services	91,846	98,699
Utilities	663,342	899,005
Ordinary maintenance and operations	1,264,237	1,174,456
General expense	238,773	130,579
Protective services	195,705	-
Extraordinary maintenance	4,505	15,129
Housing assistance payments	1,849,099	1,734,025
Depreciation	<u>1,733,879</u>	<u>1,692,847</u>
Total operating expenses	<u>7,287,834</u>	<u>6,964,003</u>
Net operating income	<u>904,942</u>	<u>160,549</u>
Non-operating revenues (expenses)		
Interest on investments	132,746	144,755
Interest expense	( 282,648)	-
Loss on disposal of fixed assets	( 22,525)	-
Casualty losses	<u>( 14,069)</u>	<u>( 8,259)</u>
Net non-operating (expenses) revenues	<u>( 186,496)</u>	<u>136,496</u>
Net income	718,446	297,045
Add: Depreciation on fixed assets acquired by capital grants that reduce contributed capital	1,663,703	1,591,602
Retained earnings, beginning of year	<u>4,173,373</u>	<u>2,284,726</u>
Retained earnings, end of year	<u>\$ 6,555,522</u>	<u>4,173,373</u>

See accompanying notes to financial statements.

PORTSMOUTH METROPOLITAN HOUSING AUTHORITY

Combined Statements of Cash Flows - All Enterprise Funds

For the Years Ended June 30, 2002 and 2001

	<u>2002</u>	<u>2001</u>
Cash Flows from Operating Activities:		
Cash received from tenants and grantors	\$ 7,973,546	7,066,275
Cash paid to suppliers and employees	( 5,773,235)	( 5,287,800)
Interest paid	( 282,648)	-
Interest received	<u>132,746</u>	<u>134,131</u>
Net cash provided by operating activities	<u>2,050,409</u>	<u>1,912,606</u>
Cash Flows from Investing Activities:		
Restricted cash	2,213,002	( 2,213,002)
Proceeds from sale of assets	1,500	-
Property and equipment purchases	( <u>3,203,345</u> )	( <u>2,777,564</u> )
Net cash used by investing activities	( <u>988,843</u> )	( <u>4,990,566</u> )
Cash Flows from Financing Activities:		
Long-term borrowings	-	3,547,599
Payments on long-term borrowings	( <u>274,244</u> )	-
Net cash (used) provided by financing activities	( <u>274,244</u> )	<u>3,547,599</u>
Net (decrease) increase in cash	787,322	469,639
Cash and cash equivalents, beginning of year	<u>3,263,309</u>	<u>2,793,670</u>
Cash and cash equivalents, end of year	\$ <u><u>4,050,631</u></u>	<u><u>3,263,309</u></u>

See accompanying notes to financial statements.

PORTSMOUTH METROPOLITAN HOUSING AUTHORITY

Combined Statements of Cash Flows - All Enterprise Funds (continued)

For the Years Ended June 30, 2002 and 2001

	<u>2002</u>	<u>2001</u>
Reconciliation of net income to cash provided by operating activities:		
Net income	\$ 718,446	297,045
Items which did not use cash:		
Depreciation	1,733,879	1,692,847
Bad debts	14,958	11,721
Loss on disposal of assets	36,594	2,085
Working capital changes which provided (used) cash:		
Accounts receivable	( 54,262)	( 36,313)
Accrued interest	( 4,025)	( 7,753)
Deferred revenue	( 177,070)	25,082
Prepaid expenses	( 29,384)	608
Inventory	( 1,769)	( 1,924)
Accounts payable	( 15,240)	2,544
Accrued expenses	( 210,516)	( 77,100)
Other liabilities	37,629	-
Tenant security deposits	<u>1,169</u>	<u>3,764</u>
Net cash provided by operating activities	<u>\$ 2,050,409</u>	<u>1,912,606</u>
Schedule of non-cash investing and financing activities:		
Capitalized interest expense	<u>\$ -</u>	<u>151,313</u>
Capitalized interest income	<u>\$ -</u>	<u>116,889</u>

See accompanying notes to financial statements.

PORTSMOUTH METROPOLITAN HOUSING AUTHORITY

Notes to Financial Statements

June 30, 2002 and 2001

1. Introduction

The Portsmouth Metropolitan Housing Authority was established for the purpose of engaging in the development, acquisition and administrative activities of the low-income housing program and other programs with similar objectives. The United States Department of Housing and Urban Development (HUD) has direct responsibility for administering the low-income housing program under the United States Housing Act of 1937, as amended. HUD is authorized to enter into contracts with local housing authorities to make grants to assist the local housing authorities in financing the acquisition, construction and/or leasing of housing units and to make annual contributions (subsidies) to the local housing authorities for the purpose of maintaining the low-rent character of the local housing program.

Reporting Entity

As required by accounting principles generally accepted in the United States of America, the general purpose financial statements of the reporting entity include those of the Portsmouth Metropolitan Housing Authority and any component units. Component units are separate legal entities that; elected officials of a primary government are financially accountable for the entity or the nature and significance of the relationship between the entity and a primary government are such that to exclude the entity from the financial reporting entity would render the general purpose financial statements misleading or incomplete. Based upon the application of these criteria, this report includes all programs and activities operated by the Authority. There were no additional entities required to be included in the reporting entity under these criteria in the current fiscal year. Furthermore, the Authority is not included in any other reporting entity on the basis of such criteria. A summary of each program administered by the Authority included in the financial statements is provided to assist the reader in interpreting the general purpose financial statements. These programs constitute all programs subsidized by HUD and operated by the Authority.

PORTSMOUTH METROPOLITAN HOUSING AUTHORITY

Notes to Financial Statements (continued)

June 30, 2002 and 2001

Description of programs

a. Public Housing Program

The public housing program is designed to provide low-cost housing within the City of Portsmouth. Under this program, HUD provides funding via an annual contributions contract. These funds, combined with the rental income received from tenants, are available solely to meet the operating expenses of the program.

b. Capital Fund Program

The capital fund program provides funds annually, via a formula, to Public Housing Agencies for capital and management activities, including modernization and development housing.

c. Housing Assistance Payments Program - Section 8

The Section 8 Programs include Housing Certificate and Housing Voucher Programs. These programs were authorized by Section 8 of the National Housing Act and provide housing assistance payments to private, not-for-profit or public landlords to subsidize rentals for low-income persons.

d. Comprehensive Grant Program

The purpose of the Comprehensive Grant Program is to provide another source of funding to cover the cost of physical and management improvements and rehabilitation on existing low-income housing and improving the central office facilities. Funding for this program is provided by grants from HUD.

e. Contract Administration Program

The Authority is one of eight agencies participating in a program which manages the reporting requirements for Housing Authorities. The Authority earns a management fee plus incentives for administering approximately 68 contracts.

PORTSMOUTH METROPOLITAN HOUSING AUTHORITY

Notes to Financial Statements (continued)

June 30, 2002 and 2001

Description of programs (continued)

f. Public Housing Drug Elimination Program

The Authority administers the Public Housing Drug Elimination Program to provide its communities with services such as community policing, drug education intervention, and drug prevention programs for youths. Funding for the services is provided by grants from HUD and the services from local youth organizations.

2. Summary of Significant Accounting Policies

a. Basis of Accounting

The accounts of the Authority are organized on the basis of funds, each of which is considered a separate accounting entity. The Authority has created a number of funds within each enterprise fund. Each fund is accounted for by a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenses. The individual funds account for the governmental resources allocated to them for the purpose of carrying on specific programs in accordance with laws, regulations, or other restrictions, including those imposed by HUD. The funds of the Authority are all considered Proprietary Fund Types. The funds included in this category are as follows:

- PHA Owned Housing Fund - This Fund accounts for all activities and projects of the Public Housing Program (described previously) including Public Housing, Comprehensive Grant, Capital Fund and Drug Elimination Grants. The Authority either sets up separate funds within the PHA Owned Housing Fund for each program or assigns a particular set of general ledger accounts in order to account for income and expenses of each program separately. All sub-accounts or funds are combined to produce the financial statements of the Public Housing Agency Owned Fund.
- Section 8 Fund - This fund accounts for the rental assistance program more fully described under the "Housing Assistance Payments Program," in note 1.
- Business Activities Fund - This fund accounts for fees earned rendering contract administration services to outside agencies.

PORTSMOUTH METROPOLITAN HOUSING AUTHORITY

Notes to Financial Statements (continued)

June 30, 2002 and 2001

2. Summary of Significant Accounting Policies (continued)

a. Basis of Accounting (continued)

All proprietary funds are accounted for using the accrual basis of accounting. In applying the provisions of Governmental Accounting Standards Board (GASB) Statement No. 20, Accounting and Financial Reporting for Proprietary Funds, the Authority applies all GASB pronouncements and all Financial Accounting Standards Board pronouncements that do not conflict with or contradict GASB Pronouncements.

The enterprise method is used to account for those operations that are financed and operated in a manner similar to private business, or where the board has decided that the determination of revenues earned, costs incurred, and/or net income is necessary for management accountability. The intent of the governing body is that the costs (expenses excluding depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through user charges.

b. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

c. Cash and Cash Equivalents

Cash and cash equivalents includes all cash balances and highly liquid investments with a maturity of three months or less. The Authority places its temporary cash investments with high credit quality financial institutions. Amounts in excess of FDIC insurance limits are fully collateralized.

d. Inventory

The Authority's inventory is comprised of maintenance materials and supplies. Inventory is valued at cost and the Authority uses the first-in, first-out (FIFO) flow assumption in determining cost.

The consumption method is used to record inventory. Under this method, the acquisition of materials and supplies is recorded initially in inventory accounts and charged as expenditures when used.

PORTSMOUTH METROPOLITAN HOUSING AUTHORITY

Notes to Financial Statements (continued)

June 30, 2002 and 2001

2. Summary of Significant Accounting Policies (continued)

e. Fixed Assets

Fixed assets are stated at cost. Depreciation is calculated using the straight-line method over the estimated useful lives of three years to forty years. Expenditures for repairs and maintenance are charged directly to expense as they are incurred. Expenditures determined to represent additions or betterments are capitalized.

f. Income Taxes

No provision for income taxes is recorded as the Authority is a non-profit, tax exempt entity under the Internal Revenue Code.

g. Budgets and Budgetary Accounting

The Authority is required by contractual agreements to adopt annual, appropriated operating budgets for all its Enterprise Funds receiving federal expenditure awards. All budgets are prepared on a HUD basis, which is materially consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at fiscal year end.

The Public Housing Program prepares its budget annually. The Board of Commissioners adopts the budget through passage of a budget resolution and submits it to HUD at least ninety days prior to the beginning of the fiscal year.

The Section 8 Program prepares annual budgets for each of the Housing Program Types using HUD form 52673 - Estimate of Total Required Contributions. The budgets are adopted by the Board of Commissioners via a budget resolution.

3. Deposits and Investments

The Authority is authorized by HUD to invest in time deposits, certificates of deposits and obligations of the U.S. Treasury.

The U.S. Department of HUD also requires that deposits be fully collateralized at all times. Acceptable collateralization includes FDIC/FSLIC insurance and the market value of securities purchased and pledged to the political subdivision. Pursuant to HUD restrictions, obligations of the United States are allowed as security deposits. Obligations furnished as security must be held by the Authority or with and unaffiliated bank or trust company for the account of the Authority.

PORTSMOUTH METROPOLITAN HOUSING AUTHORITY

Notes to Financial Statements (continued)

June 30, 2002 and 2001

3. Deposits and Investments (continued)

It is the Authority's policy to maintain collateralization in accordance with state and HUD requirements.

The three credit risk categories are:

- Insured or collateralized with securities held by the entity or by its agent (correspondent bank or Federal Reserve Bank) in the entity's name.
- Collateralized with securities held by the pledging financial institution trust department or agent in the entity's name.
- Uncollateralized or collateralized with securities held by the pledging financial institution or by its trust department or agent but not in the entity's name.

As of June 30, 2002 and 2001, the carrying amounts of the Authority's deposits were \$4,050,631 and \$5,476,311 and the bank balances approximated \$4,138,841 and \$5,533,219 respectively. All funds are covered by the federal depository insurance or by collateral held by the Authority's agent in the Authority's name.

As of June 30, 2002 and 2001 all investments consisted of time deposits and certificates of deposit which are reflected in cash and cash equivalents at June 30, 2002 and 2001.

4. Tenant Account Receivables

As of June 30, 2002 and 2001, tenant account receivables are shown net of an allowance for doubtful accounts of \$7,400 and \$4,200 respectively.

5. Pension Plan

The Authority and its employees are members of the State of Ohio Public Employees Retirement System (P.E.R.S.). As a member of P.E.R.S., employees are required to contribute 8.5% of earnable salary. Employers are required to make contributions to the system in the amount of 13.55% of reportable payroll. The Authority's contribution for the year ended June 30, 2002 and 2001 amounted to \$186,758 and \$49,678 respectively and has been charged to the employee fringe benefit account.

PORTSMOUTH METROPOLITAN HOUSING AUTHORITY

Notes to Financial Statements (continued)

June 30, 2002 and 2001

6. Capital Lease

Energy performance contract lease payable to a finance company for the acquisition and installation of energy efficient building fixtures. Amounts advanced under the lease total \$3,283,801 with repayment beginning in October, 2001. The assets and liabilities under capital leases are recorded at the lower of the present value of the minimum lease payments or the fair value of the asset. The assets are depreciated over the lower of their related lease terms or their estimated productive lives. Depreciation under the aforementioned capital lease as of June 30, 2002 and 2001 amounted to \$31,042 and \$17,406 respectively.

Future minimum lease payments under capital leases over the next several years are as follows:

June 30, 2003	\$ 678,048
2004	678,048
2005	678,048
2006	342,069
2007	230,076
Thereafter	<u>1,207,899</u>
Total minimum lease payments	3,814,188
Amounts representing interest	<u>540,833</u>
Present value of lease payments	3,273,355
Less: current portion	<u>519,279</u>
Capital lease, excluding current portion	\$ <u>2,754,076</u>

7. Compensated Absences

The Authority uses the vesting method for the recording of compensated absences whereas benefits are accrued as of the balance sheet date for which payment is probable.

Compensated absences are those absences for which employees will be paid, such as sick and vacation leave. A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the Authority and its employees, is accrued as employees earn the rights to benefits.

PORTSMOUTH METROPOLITAN HOUSING AUTHORITY

Notes to Financial Statements (continued)

June 30, 2002 and 2001

8. Deferred Revenues

Deferred revenues consist of HUD operating subsidies and tenant rents received in advance.

9. Inter-fund Receivables and Payables

At June 30, 2002 and 2001 interfund receivables and (payables) consisted of the following:

	2002	2001
Public Housing	\$ 9,024	147
Section 8	-	(972)
Business Activities	-	825
Drug Elimination Program	(9,024)	-
Totals	\$ <u>-</u>	<u>-</u>

10. Segment Information

The Authority maintains three enterprise funds; Public Housing, Section 8 and Business Activities. Segment information for the year ended June 30, 2002 and 2001 were as follows:

<u>June 30, 2002</u>	Public Housing	Section 8	Business Activities	Totals
Operating revenues	\$ 1,215,099	1,022	206,279	1,422,400
Depreciation	1,728,722	1,387	3,770	1,733,879
Operating income	755,586	11,763	137,593	904,942
HUD operating grants	4,623,326	2,147,050	-	6,770,376
Net income	562,690	16,647	139,109	718,446
Property, plant and equipment additions	3,203,345	-	-	3,203,345
/ (deletions)	( 84,916)	(2,918)	-	( 87,834 )
Net working capital	2,784,267	270,246	161,266	3,215,779
Total assets	27,508,308	428,393	177,983	28,114,684
Material long-term liabilities	2,754,076	-	-	2,754,076
Total equity	23,846,995	271,699	173,330	24,292,024

PORTSMOUTH METROPOLITAN HOUSING AUTHORITY

Notes to Financial Statements (continued)

June 30, 2002 and 2001

10. Segment Information (continued)

<u>June 30, 2001</u>	Public Housing	Section 8	Business Activities	Totals
Operating revenues	\$ 1,150,988	135	71,091	1,222,214
Depreciation	1,674,310	1,131	17,406	1,692,847
Operating income	128,594	13,655	18,300	160,549
Operating grants	3,895,172	2,007,166	-	5,902,338
Net income	251,581	27,164	18,300	297,045
Property, plant and equipment additions / (deletions)	1,423,378 ( 32,668)	2,270 -	1,503,229 -	2,928,877 ( 32,668 )
Net working capital	2,389,939	252,213	( 482,412)	2,159,740
Total assets	23,664,899	598,524	3,720,314	27,983,737
Material long-term liabilities	-	-	3,198,113	3,198,113
Total equity	23,229,519	255,052	18,300	23,502,871

11. Prior Period Adjustment

Beginning retained earnings for 2001 was adjusted to reflect a correction of an error in reporting fixed assets in prior years. As a result, beginning fixed assets and retained earnings were increased by \$70,707. The adjustment had no effect on net income for 2002 and 2001.

12. Contributed Capital

The changes in contributed capital during the year ended June 30, 2002 and 2001 were as follows:

	2002	2001
Contributed capital as of June 30, 2001	\$ 19,400,205	20,991,807
Depreciation on fixed assets acquired through capital grants from HUD	( 1,663,703)	(1,591,602)
Contributed capital as of June 30, 2002	\$ <u>17,736,502</u>	<u>19,400,205</u>

PORTSMOUTH METROPOLITAN HOUSING AUTHORITY

Notes to Financial Statements (continued)

June 30, 2002 and 2001

13. Economic Dependency

Both the PHA Owned Housing Program and the Section 8 Program are economically dependent on annual contributions and grants from HUD. Both programs operate at a loss prior to receiving the contributions and grants.

14. Risk Management

Significant losses are covered by commercial insurance for all major programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage except for deductibles.

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

The Board of Commissioners  
Portsmouth Metropolitan Housing Authority:

We have audited the financial statements of Portsmouth Metropolitan Housing Authority as of and for the year ended June 30, 2002, and have issued our report thereon dated October 3, 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 Portsmouth 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 Portsmouth 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 weakness.

This report is intended solely for the information of the audit committee, management and the U.S. Department of Housing and Urban Development and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Jump, Scutellaro and Company, LLP

October 3, 2002  
Toms River, New Jersey

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

The Board of Commissioners  
Portsmouth Metropolitan Housing Authority:

Compliance

We have audited the compliance of Portsmouth 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, 2002. Portsmouth 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 Portsmouth Metropolitan Housing Authority's management. Our responsibility is to express an opinion on Portsmouth Metropolitan Housing Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that 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 Portsmouth 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 Portsmouth Metropolitan Housing Authority's compliance with those requirements.

In our opinion, Portsmouth 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, 2002.

#### Internal Control Over Compliance

The management of Portsmouth 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 Portsmouth 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 weakness.

This report is intended solely for the information of the audit committee, management and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Jump, Scutellaro and Company, LLP

October 3, 2002  
Toms River, New Jersey

PORTSMOUTH METROPOLITAN HOUSING AUTHORITY  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2002

<u>Federal Grantor / Program Title</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>
U.S. Department of Housing and Urban Development:		
Public and Indian Housing		
Operating Subsidy	14.850	\$ 2,466,386
Comprehensive Grant Programs	14.859	520,712
Drug Elimination Programs	14.854	225,965
Public Housing Capital Fund	14.872	1,410,263
 Lower Income Housing Assistance Payments		
Section 8 Choice Voucher Program	14.871	1,942,770
Section 8 New Construction	14.182	<u>204,280</u>
		\$ <u><u>6,770,376</u></u>

PORTSMOUTH METROPOLITAN HOUSING AUTHORITY

Notes to Schedule of Federal Awards

June 30, 2002

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Portsmouth Metropolitan Housing Authority and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

PORTSMOUTH METROPOLITAN HOUSING AUTHORITY  
 Schedule of Findings and Questioned Costs  
 June 30, 2002

I. Summary of Auditor's Results

Financial Statement Section

- |  |               |
|--|---------------|
| 1. Type of auditor's report issued:  | Unqualified   |
| 2. Internal control over financial reporting                                       |               |
| a. Material Weakness(es) identified?   | No            |
| b. Were reportable conditions identified not considered to be material weaknesses? | None reported |
| 3. Noncompliance material to the financial statements?                             | No            |

Federal Awards Section

- |  |               |
|--|---------------|
| 1. Dollar threshold used to distinguish<br>Between type A and type B programs:   | \$300,000     |
| 2. Auditee qualified as low-risk Auditee?  | No            |
| 3. Type of auditor's report on compliance<br>for major programs:   | Unqualified   |
| 4. Internal control over major programs:   |               |
| a. Material weakness(es) identified?   | No            |
| b. Were reportable conditions identified<br>not considered to be material weaknesses?  | None reported |
| c. Any audit findings disclosed that are required<br>to be reported in accordance with OMB Circular<br>A-133 (section .510(a)) | No            |

5. Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
14.850	Public Housing Operating Subsidy
14.859	Comprehensive Grant Program
14.871	Section 8 Choice Voucher Program
14.872	Public Housing Capital Fund

PORTSMOUTH METROPOLITAN HOUSING AUTHORITY

Schedule of Findings and Questioned Costs (continued)

June 30, 2002

II. Summary of Financial Statement Findings

There are no financial statement findings reported.

III. Summary of Findings Related to Federal Awards

There are no findings related to federal awards reported.

SUPPLEMENTARY INFORMATION

PORTSMOUTH METROPOLITAN HOUSING AUTHORITY

Statement and Reconciliation of Actual Drug Elimination Costs and Advances

For the Year Ended June 30, 2002

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>Totals</u>
Budget	<u>194,867</u>	<u>203,092</u>	<u>217,863</u>	<u>615,822</u>
<u>Advances:</u>				
Cumulative through 06/30/01	192,382	-	-	192,382
Current Year	<u>2,485</u>	<u>203,092</u>	<u>38,319</u>	<u>243,896</u>
Cumulative through 06/30/02	<u>194,867</u>	<u>203,092</u>	<u>38,319</u>	<u>436,278</u>
<u>Costs:</u>				
Cumulative through 06/30/01	194,867	25,330	-	220,197
Current Year	<u>-</u>	<u>177,762</u>	<u>48,203</u>	<u>225,965</u>
Cumulative through 06/30/02	<u>194,867</u>	<u>203,092</u>	<u>48,203</u>	<u>446,162</u>
Excess / (Deficiency)	<u>-</u>	<u>-</u>	<u>(9,884)</u>	<u>(9,884)</u>
 <u>Summary</u>				
<u>Soft Costs:</u>				
Cumulative through 06/30/01	187,536	25,330	-	212,866
Current Year	<u>-</u>	<u>177,762</u>	<u>48,203</u>	<u>225,965</u>
Cumulative through 06/30/02	<u>187,536</u>	<u>203,092</u>	<u>48,203</u>	<u>438,831</u>
<u>Hard Costs:</u>				
Cumulative through 06/30/01	7,331	-	-	7,331
Current Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cumulative through 06/30/02	<u>7,331</u>	<u>-</u>	<u>-</u>	<u>7,331</u>
Cumulative	<u>\$ 194,867</u>	<u>\$ 203,092</u>	<u>\$ 48,203</u>	<u>\$ 446,162</u>

PORTSMOUTH METROPOLITAN HOUSING AUTHORITY

Statement and Reconciliation of Capital Fund Program Costs and Advances

For the Year Ended June 30, 2002

	<u>2000</u>	<u>2001</u>	<u>Totals</u>
Budget	<u>\$ 1,873,182</u>	<u>1,741,716</u>	<u>3,614,898</u>
 <u>Advances:</u>			
Cumulative through 06/30/01	98,588	-	98,588
Current Year	<u>1,309,985</u>	<u>100,426</u>	<u>1,410,411</u>
Cumulative through 06/30/02	<u>1,408,573</u>	<u>100,426</u>	<u>1,508,999</u>
 <u>Costs:</u>			
Cumulative through 06/30/01	100,283	-	100,283
Current Year	<u>1,309,837</u>	<u>100,426</u>	<u>1,410,263</u>
Cumulative through 06/30/02	<u>1,410,120</u>	<u>100,426</u>	<u>1,510,546</u>
Excess / (Deficiency)	<u>\$ (1,547)</u>	<u>-</u>	<u>(1,547)</u>
 <u>Summary</u>			
<u>Soft Costs:</u>			
Cumulative through 06/30/01	\$ 25,633	-	25,633
Operating transfers out	336,440	-	336,440
Current Year	<u>145,797</u>	<u>17,669</u>	<u>163,466</u>
Cumulative through 06/30/02	<u>507,870</u>	<u>17,669</u>	<u>525,539</u>
 <u>Hard Costs:</u>			
Cumulative through 06/30/01	74,650	-	74,650
Current Year	<u>827,600</u>	<u>82,757</u>	<u>910,357</u>
Cumulative through 06/30/02	<u>902,250</u>	<u>82,757</u>	<u>985,007</u>
Cumulative	<u>\$ 1,410,120</u>	<u>100,426</u>	<u>1,510,546</u>

PORTSMOUTH METROPOLITAN HOUSING AUTHORITY

Statement and Reconciliation of Actual Comprehensive Grant Costs and Advances

For the Year Ended June 30, 2002

Budget	<u>\$ 1,292,854</u>
 <u>Advances:</u>	
Cumulative through 06/30/01	771,144
Current Year	<u>521,710</u>
Cumulative through 06/30/02	<u><u>1,292,854</u></u>
 <u>Costs:</u>	
Cumulative through 06/30/01	772,141
Current Year	<u>520,713</u>
Cumulative through 06/30/02	<u><u>1,292,854</u></u>
 Excess / (Deficiency)	 <u><u>\$ -</u></u>
 <u>Summary</u>	
 <u>Soft Costs:</u>	
Cumulative through 06/30/01	\$ 103,368
Current Year	<u>30,270</u>
Cumulative through 06/30/02	<u><u>133,638</u></u>
 <u>Hard Costs:</u>	
Cumulative through 06/30/01	668,774
Current Year	<u>490,442</u>
Cumulative through 06/30/02	<u><u>1,159,216</u></u>
 Cumulative	 <u><u>\$ 1,292,854</u></u>

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PORTSMOUTH METROPOLITAN HOUSING AUTHORITY											
Financial Data Schedule (FDS) - All Enterprise Funds											
June 30, 2002											
Line Item #	Account Description	Low Rent 14.850	Comprehensive Grant Program 14.859	Drug Elimination Program 14.854	Community Development Block Grant 14.246	Public Housing Capital Fund Program 14.872	Section 8 Housing Choice Vouchers 14.857	Section 8 N/C S/R Program 14.182	Other Federal Program	Business Activities	TOTAL
<b>ASSETS:</b>											
<b>CURRENT ASSETS:</b>											
Cash:											
111	Cash - unrestricted	3,048,581					377,847	25,250	24,625	112,788	3,589,091
115	Cash - Restricted - payment of current liabilities								381,213		381,213
112	Cash - restricted - modernization and development										
113	Cash - other restricted	32,177					5,452				37,629
114	Cash - tenant security deposits	42,698									42,698
100	Total cash	3,123,456	-	-	-	-	383,299	25,250	405,838	112,788	4,050,631
Accounts and notes receivables:											
121	Accounts receivable - PHA projects										-
122	Accounts receivable - HUD other projects			9,884		1,547		13,780		49,771	74,982
124	Accounts receivable - other government										-
125	Accounts receivable - miscellaneous										-
126	Accounts receivable- tenants - dwelling rents	12,105									12,105
126.1	Allowance for doubtful accounts - dwelling rents	(7,400)									(7,400)
126.2	Allowance for doubtful accounts - other										-
127	Notes and mortgages receivable- current										-
128	Fraud recovery										-
128.1	Allowance for doubtful accounts - fraud										-
129	Accrued interest receivable	30,291								1,516	31,807
120	Total receivables, net of allowances for doubtful accounts	34,996	-	9,884	-	1,547	-	13,780	-	51,287	111,494
Current investments											
131	Investments - unrestricted										-
132	Investments - restricted										-
142	Prepaid expenses and other assets	85,768					4,104	507		1,844	92,223
143	Inventories	20,991									20,991
143.1	Allowance for obsolete inventories										-
144	Interprogram - due from	9,024									9,024
146	Amounts to be provided										-
150	TOTAL CURRENT ASSETS	3,274,235	-	9,884	-	1,547	387,403	39,537	405,838	165,919	4,284,363
<b>NONCURRENT ASSETS:</b>											
Fixed assets:											
161	Land	1,495,931	13,264								1,509,195
162	Buildings	39,854,189	1,098,993			936,539			3,219,441		45,109,162
163	Furniture, equipment & machinery - dwellings	5,904									5,904
164	Furniture, equipment & machinery - administration	592,034	46,959			48,468	26,359				713,820
165	Leasehold improvements									17,719	17,719
166	Accumulated depreciation	(23,393,512)	(47,277)			(7,366)	(24,906)		(46,563)	(5,655)	(23,525,479)
160	Total fixed assets, net of accumulated depreciation	18,554,546	1,111,939	-	-	977,441	1,453	-	3,172,878	12,064	23,830,321
Other non-current assets:											
171	Notes and mortgages receivable - non-current										-
172	Notes and mortgages receivable-non-current - past due										-
174	Other assets										-
175	Undistributed debits										-
176	Investment in joint ventures										-
180	TOTAL NONCURRENT ASSETS	18,554,546	1,111,939	-	-	977,441	1,453	-	3,172,878	12,064	23,830,321
190	TOTAL ASSETS	21,828,781	1,111,939	9,884	-	978,988	388,856	39,537	3,578,716	177,983	28,114,684

PORTSMOUTH METROPOLITAN HOUSING AUTHORITY												
Financial Data Schedule (FDS) - All Enterprise Funds												
June 30, 2002												
Line Item #	Account Description	Low Rent 14.850	Comprehensive Grant Program 14.859	Drug Elimination Program 14.854	Community Development Block Grant 14.246	Public Housing Capital Fund Program 14.872	Section 8 Housing Choice Vouchers 14.857	Section 8 N/C S/R Program 14.182	Other Federal Program	Business Activities	TOTAL	
<b>LIABILITIES AND EQUITY:</b>												
<b>Liabilities:</b>												
<b>Current Liabilities:</b>												
311	Bank overdraft											
312	Accounts payable < 90 days	4,585									4,585	
313	Accounts payable > 90 days past due										-	
321	Accrued wage/payroll taxes payable	59,878		860		1,547	3,035	375		1,584	67,279	
322	Accrued compensated absences	127,304					24,580	1,332		3,069	156,285	
324	Accrued contingency liability										-	
325	Accrued interest payable										-	
331	Accounts payable - HUD PHA programs						121,920				121,920	
332	Accounts payable - PHA projects										-	
333	Accounts payable - other government	49,972									49,972	
341	Tenant security deposits	102,611									102,611	
342	Deferred revenue										-	
343	Current portion of L-T debt - capital projects								519,279		519,279	
344	Current portion of L-T debt - operating borrowings										-	
345	Other current liabilities										-	
346	Accrued liabilities - other	32,177					5,452				37,629	
347	Interprogram - due to			9,024							9,024	
310	<b>TOTAL CURRENT LIABILITIES</b>	376,527	-	9,884	-	1,547	154,987	1,707	519,279	4,653	1,068,584	
<b>NONCURRENT LIABILITIES:</b>												
351	Long-term debt, net of current - capital projects								2,754,076		2,754,076	
352	Long-term debt, net of current - operating borrowings										-	
353	Non-current liabilities- other										-	
350	<b>TOTAL NONCURRENT LIABILITIES</b>	-	-	-	-	-	-	-	2,754,076	-	2,754,076	
300	<b>TOTAL LIABILITIES</b>	376,527	-	9,884	-	1,547	154,987	1,707	3,273,355	4,653	3,822,660	
<b>EQUITY:</b>												
501	Investment in general fixed assets										-	
<b>Contributed Capital:</b>												
502	Project notes (HUD)										-	
503	Long-term debt - HUD guaranteed										-	
504	Net HUD PHA contributions	16,991,751	744,751								17,736,502	
505	Other HUD contributions										-	
507	Other contributions										-	
508	<b>Total contributed capital</b>	16,991,751	744,751	-	-	-	-	-	-	-	17,736,502	
<b>Reserved fund balance:</b>												
509	Reserved for operating activities										-	
510	Reserved for capital activities										-	
511	<b>Total reserved fund balance</b>										-	
512	Undesignated fund balance/retained earnings	4,460,503	367,188			977,441	233,869	37,830	305,361	173,330	6,555,522	
513	<b>TOTAL EQUITY</b>	21,452,254	1,111,939	-	-	977,441	233,869	37,830	305,361	173,330	24,292,024	
600	<b>TOTAL LIABILITIES AND EQUITY</b>	21,828,781	1,111,939	9,884	-	978,988	388,856	39,537	3,578,716	177,983	28,114,684	
<b>Proof of concept</b>												

**PORTSMOUTH METROPOLITAN HOUSING AUTHORITY**

Financial Data Schedule (FDS) - All Enterprise Funds

June 30, 2002

Line Item #	Account Description	Low Rent 14.850	Comprehensive Grant Program 14.859	Drug Elimination Program 14.854	Community Development Block Grant 14.246	Public Housing Capital Fund Program 14.872	Section 8 Housing Choice Vouchers 14.857	Section 8 N/C S/R Program 14.182	Other Federal Program	Business Activities	TOTAL
	<b>REVENUE:</b>										
703	Net tenant rental revenue	1,142,535									1,142,535
704	Tenant revenue - other	30,102									30,102
705	Total tenant revenue	1,172,637									1,172,637
706	HUD PHA grants	2,466,386	520,712	225,965		1,410,263	1,942,770	204,280			6,770,376
708	Other government grants										
711	Investment income - unrestricted	86,510					4,200	684	39,836	1,516	132,746
712	Mortgage interest income										
714	Fraud recovery										
715	Other revenue	42,462					1,022			206,279	249,763
716	Gain or loss on sale of fixed assets	(36,594)									(36,594)
720	Investment income - restricted										
700	<b>TOTAL REVENUE</b>	3,731,401	520,712	225,965		1,410,263	1,947,992	204,964	39,836	207,795	8,288,928
	<b>EXPENSES:</b>										
	Administrative										
911	Administrative salaries	418,866	640	40,462		93,265	136,883	15,209		39,978	745,303
912	Auditing fees	9,690					3,738	415			13,843
913	Outside management fees										
914	Compensated absences	(2,850)					538	67		868	(1,377)
915	Employee benefit contributions- administrative	129,936	96	4,286		17,864	45,545	5,629		11,828	215,184
916	Other operating- administrative	152,156	7,864	5,091		25,847	65,789	5,278	600	10,868	273,493
	Tenant services										
921	Tenant services - salaries	64,607									64,607
922	Relocation costs										
923	Employee benefit contributions- tenant services	25,937									25,937
924	Tenant services - other	1,302									1,302
	Utilities										
931	Water	82,089					19	2			82,110
932	Electricity	291,875					1,170	145			293,190
933	Gas	178,601					69	9			178,679
934	Fuel							3			3
935	Labor										
937	Employee benefit contributions- utilities										
938	Other utilities expense	109,339					23				109,362
	Ordinary maintenance & operation										
941	Ordinary maintenance and operations - labor	625,399									625,399
942	Ordinary maintenance and operations - materials & other	122,435	21,670			319					144,424
943	Ordinary maintenance and operations - contract costs	253,430									253,430
945	Employee benefit contributions- ordinary maintenance	240,984									240,984

**PORTSMOUTH METROPOLITAN HOUSING AUTHORITY**

Financial Data Schedule (FDS) - All Enterprise Funds

June 30, 2002

Line Item #	Account Description	Low Rent 14.850	Comprehensive Grant Program 14.859	Drug Elimination Program 14.854	Community Development Block Grant 14.246	Public Housing Capital Fund Program 14.872	Section 8 Housing Choice Vouchers 14.857	Section 8 N/C S/R Program 14.182	Other Federal Program	Business Activities	TOTAL
	Protective services										-
951	Protective services - labor										-
952	Protective services- other contract costs	19,579		176,126							195,705
953	Protective services - other										-
955	Employee benefit contributions- protective services										-
	General expenses										-
961	Insurance premiums	88,286					4,763	529		615	94,193
962	Other general expenses	21,975	-			26,170					48,145
963	Payments in lieu of taxes	49,972									49,972
964	Bad debt - tenant rents	14,958									14,958
965	Bad debt- mortgages										-
966	Bad debt - other										-
967	Interest expense								282,648	-	282,648
968	Severance expense	30,746								759	31,505
969	<b>TOTAL OPERATING EXPENSES</b>	2,929,312	30,270	225,965	-	163,465	258,537	27,286	283,248	64,916	3,982,999
970	<b>EXCESS OPERATING REVENUE OVER OPERATING EXPENSES</b>	802,089	490,442	-	-	1,246,798	1,689,455	177,678	(243,412)	142,879	4,305,929
971	Extraordinary maintenance	4,505									4,505
972	Casualty losses - non capitalized										-
973	Housing assistance payments						1,672,913	176,186			1,849,099
974	Depreciation expense	1,646,464	44,281	-	-	6,935	1,387		31,042	3,770	1,733,879
975	Fraud losses										-
976	Capital outlays- governmental funds										-
977	Debt principal payment- governmental funds										-
978	Dwelling units rent expense										-
900	<b>TOTAL EXPENSES</b>	4,580,281	74,551	225,965	-	170,400	1,932,837	203,472	314,290	68,686	7,570,482
	<b>OTHER FINANCING SOURCES (USES)</b>										-
1001	Operating transfers in								595,736		595,736
1002	Operating transfers out	(259,296)				(336,440)					(595,736)
1003	Operating transfers from/to primary government										-
1004	Operating transfers from/to component unit										-
1005	Proceeds from notes, loans and bonds										-
1006	Proceeds from property sales										-
1010	<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	(259,296)	-	-	-	(336,440)	-	-	595,736	-	-
1000	<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	(1,108,176)	446,161	-	-	903,423	15,155	1,492	321,282	139,109	718,446

**PORTSMOUTH METROPOLITAN HOUSING AUTHORITY**

Financial Data Schedule (FDS) - All Enterprise Funds

June 30, 2002

Line Item #	Account Description	Low Rent 14.850	Comprehensive Grant Program 14.859	Drug Elimination Program 14.854	Community Development Block Grant 14.246	Public Housing Capital Fund Program 14.872	Section 8 Housing Choice Vouchers 14.857	Section 8 N/C S/R Program 14.182	Other Federal Program	Business Activities	TOTAL
<b>MEMO ACCOUNT INFORMATION:</b>											
1101	Capital contributions										-
1102	Debt principal payments - enterprise funds										-
1103	Beginning equity	21,087,145	1,675,016	6,673	386,667	74,018	218,714	36,338	-	18,300	23,502,871
1104	Prior period adjustments and equity transfers	1,473,285	(1,009,238)	(6,673)	(386,667)		-	-	(15,921)	15,921	70,707
1105	Changes in compensated absence liability (in the GLTDAG)										-
1106	Changes in contingent liability balance (in the GLTDAG)										-
1107	Changes in unrecognized pension transition liability in the GLTDAG)										-
1108	Changes in special term/severance benefits liability (in the GLTDAG)										-
1109	Changes in allowance for doubtful accounts - dwelling rents										-
1110	Changes in allowance for doubtful accounts - other										-
1112	Depreciation "add back"	1,619,422	44,281	-	-						1,663,703
1113	Maximum annual contributions commitment (per ACC)						745,510	381,360	-		1,126,870
1114	Prorata maximum annual contributions applicable to a period of less than twelve months						1,088,660				1,088,660
1115	Contingency reserve, ACC program reserve						262,393	720,862			983,255
1116	<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	-	-	-	-	-	2,096,563	1,102,222	-	-	3,198,785
1120	Unit months available	10,524					7,392	1,428	-		19,344
1121	Number of unit months leased	10,273					6,761	1,418	-		18,452
	Equity Roll Forward Test										
	Calculation from R/E Statement	21,452,254	1,111,939	-	-	977,441	233,869	37,830	305,361	173,330	24,292,024
	B/S Line 513	21,452,254	1,111,939	-	-	977,441	233,869	37,830	305,361	173,330	24,292,024
		-	-	-	-	-	-	-	-	-	-



**Auditor of State  
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**PORTSMOUTH METROPOLITAN HOUSING AUTHORITY**

**SCIOTO 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 30, 2003**