

**COSHOCTON METROPOLITAN HOUSING AUTHORITY
COSHOCTON, OHIO**

**REPORT ON EXAMINATION OF FINANCIAL
STATEMENTS AND SUPPLEMENTAL DATA FOR THE
YEAR ENDED JUNE 30, 2000**

J. E. Slaybaugh & Associates, Inc.

Certified Public Accountant

12 East Main Street

Lexington, Ohio 44904



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Board of Commissioners
Coshocton Metropolitan Housing Authority
Coshocton, Ohio

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, 1999 through June 30, 2000. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

JIM PETRO
Auditor of State

January 25, 2001

COSHOCTON METROPOLITAN HOUSING AUTHORITY
COSHOCTON, OHIO

JUNE 30, 2000

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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, 2000, 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 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. 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, 2000, and the results of its operations and the cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 14, 2000, 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 performed 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, as required by *U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations*, the Schedule of Revenue and Expense by Program, the Schedule of Activity, and the Comprehensive Grant Actual Cost Certification, which are presented for the purposes of additional analysis, and are not a required part of the financial statements. Such information 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.
Lexington, Ohio
December 14, 2000

COSHOCTON METROPOLITAN HOUSING AUTHORITY
 COSHOCTON, OHIO
 BALANCE SHEET
 JUNE 30, 2000

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 472,494
Investments-Unrestricted	427,985
Intergovernmental Accounts Receivable	74,147
Tenant Accounts Receivable- Net of \$ 35,000 Doubtful Accounts	4,978
Accounts Receivable-Other	165,698
Prepaid Expenses	<u>12,634</u>

Total Current Assets 1,157,936

Restricted Investments	20,390
Property and Equipment - Net of \$ 2,965,220 Accumulated Depreciation	<u>4,905,765</u>

Total Assets \$ 6,084,091

LIABILITIES AND EQUITY

Current Liabilities

Accounts Payable	\$ 88,840
Accounts Payable- Governments	475,674
Security and Other Trust Deposits	20,390
Accrued Wages and Payroll Taxes	26,052
Accrued Compensated Absences	83,140
Accrued Liabilities - Other	127,621
Deferred Revenues	112,341
Current Portion of Long Term Debt	<u>1,579</u>

Total Current Liabilities 935,637

Long Term Debt

Mortgage Payable (net of current portion above)	<u>731,180</u>
-------------------------------------------------	----------------

Total Liabilities 1,666,817

Equity

Contributed Capital	4,345,514
Retained Earnings	<u>71,760</u>

Total Equity 4,417,274

Total Liabilities and Equity \$ 6,084,091

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, 2000

<u>Revenue</u>	
HUD Grants	\$ 1,226,567
Rental Income	174,444
Investment Income-Unrestricted	33,663
Other Government Grants	14,591
Fraud Recovery	304
Other Revenue	<u>22,479</u>
 Total Revenue	 1,472,048
<u>Expenses (before depreciation)</u>	
Housing Assistance Payments	823,740
Administrative Salaries	120,688
Compensated Absences	20,260
Employee Benefits	83,890
Other Administrative Expense	218,247
Material and Labor-Maintenance	111,371
Contract Services	42,116
Utilities	59,961
General Expenses	14,154
Payment in Lieu of Taxes	12,488
Bad Debt- Tenant Rents	7,853
Interest Expense	<u>17,314</u>
 Total Expenses	 1,532,082
 Income (Loss) before Depreciation & Other Costs	 (60,034)
Depreciation	<u>230,224</u>
 Net Income (Loss)	 (290,258)
 Retained Earnings - Beginning of Year As Previously Reported	 <u>362,018</u>
 Retained Earnings - End of Year	 71,760
 Contributed Capital - Beginning of Year As previously Reported	 6,649,297
Prior Period Adjustment	<u>(2,780,040)</u>
As Restated	<u>3,869,257</u>
Contributions	<u>476,257</u>
Contributed Capital - End of Year	<u>4,345,514</u>
 Total Equity - End of Year	 <u>\$ 4,417,274</u>

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

COSHOCTON METROPOLITAN HOUSING AUTHORITY
 COSHOCTON, OHIO
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2000

Cash Flows from Operating Activities

Net Income (Loss)	\$ (290,258)
Adjustments to reconcile Net Income(Loss) to Net Cash	
Provided By Operating Activities:	
Depreciation	230,224
Prior Period Adjustments	(2,780,040)
Changes in Operating Assets and Liabilities that	
Increase (Decrease) Cash Flows:	
Receivables	(153,129)
Prepaid Expenses	(3,527)
Accounts Payable	421,397
Deferred Credits and Other Current Liabilities	<u>144,821</u>
Total Adjustments	<u>(2,140,254)</u>
Net Cash Provided (Used) By Operating Activities	(2,430,512)

Cash Flows from Investing Activities

Changes in Property and Equipment(net)	2,751,485
Reduction in Investments	<u>49,235</u>
Net Cash Provided (Used) By Investing Activities	<u>2,800,720</u>
Increase (Decrease) In Cash and Cash Equivalents	370,208
Cash and Cash Equivalents - Beginning of Year	<u>102,286</u>
Cash and Cash Equivalents - End of Year	<u>\$ 472,494</u>

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, 2000

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, 2000

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 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.

COSHOCTON METROPOLITAN HOUSING AUTHORITY
COSHOCTON, OHIO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Investments

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

Restricted Investments

Restricted investments represent amounts received from debt refinancing. These assets are restricted by HUD and can be used only after receiving approval from HUD.

NOTE 2 - CASH AND INVESTMENTS

Cash

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

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

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

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.

COSHOCTON METROPOLITAN HOUSING AUTHORITY
COSHOCTON, OHIO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2000

NOTE 2 - CASH AND INVESTMENTS, continued

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 collateralize 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.	\$ 734,671	was covered by specific collateral pledged by the financial institution in the name of the Authority.

Investments

HUD, State Statute and Board Resolutions authorize the Authority to invest in obligations of U.S. Treasury, agencies and instrumentalities, certificates of deposit, repurchase agreements, money market deposit accounts, municipal depository fund, super NOW accounts, sweep accounts, separate trading of registered interest and principal of securities, mutual funds, bonds and other obligations of this State, and the State Treasurer's investment pool. Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the Authority, and must be purchased with the expectation that it will be held to ma maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of conformation of transfer from the custodian.

COSHOCTON METROPOLITAN HOUSING AUTHORITY
 COSHOCTON, OHIO
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2000

NOTE 2 - CASH AND INVESTMENTS, Continued

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

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

NOTE 3 - PROPERTY AND EQUIPMENT

A summary of property and equipment at June 30, 2000, by class is as follows:

Buildings and Building Improvements	\$ 7,171,283
Land	438,538
Furniture, Equipment- Dwellings	49,580
Furniture, Equipment- Administrative	<u>211,584</u>
Total	7,870,985
Less Accumulated Depreciation	<u>(2,965,220)</u>
Net Property and Equipment	<u>4,905,765</u>

NOTE 4 - ADMINISTRATIVE FEE

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

- A. Certificates and Vouchers
 - Units per month x \$ 37.07/unit - July to September
 - Units per month x \$ 37.72/unit - October to June
- B. Parkview North - Units per month x 3% of contract rent

COSHOCTON METROPOLITAN HOUSING AUTHORITY
COSHOCTON, OHIO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2000

NOTE 5 - ALLOCATION OF COSTS

The Authority allocated expenses not attributable to a specific program to all programs under management. The basis for this allocation was the number of units in each program or estimated actual usage. Management considers this to be an equitable method of allocation.

NOTE 6 - RETIREMENT AND OTHER BENEFIT PLANS

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

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rate is 8.50% of qualifying gross wages for all employees. The total 2000 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 P.E.R.S. for the years ending June 30, were as follows:

	Contribution	%
6/30/00	\$ 37,091	13.55%
6/30/99	\$ 29,638	13.55%
6/30/98	\$ 29,764	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 retirees 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. OPEB is financed through employer contributions and investment earnings and is expected to be sufficient to sustain the program indefinitely.

COSHOCTON METROPOLITAN HOUSING AUTHORITY
 COSHOCTON, OHIO
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2000

NOTE 7- 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, employees shall be paid the value of (30) days of unused sick leave.

All permanent employees will earn vacation hours accumulated based on length of service. All vacation time accumulated will be paid upon separation.

At June 30, 2000, \$ 83,140 was accrued by the Authority for unused vacation and sick time.

NOTE 8 - CHANGE IN BASIS OF ACCOUNTING

Effective July 1, 1999, the Authority adopted the accrual basis of accounting, in conformity with generally accepted accounting principles (GAAP).

Equity as of July 1, 1999 has been decreased by \$ 2,780,040 retroactively reflect this change in accounting. The adjustment is made up of an decrease of \$ 2,780,040 to beginning contributed capital.

The prior period adjustment of \$ 2,780,040 decreasing contributed capital is made up of the following amounts:

\$	(32,549)	Write-Off soft costs
	(62,879)	Compensated Absences
	(2,734,996)	Depreciation
	(27,000)	Accounts Receivable
	<u>77,384</u>	Other
	<u>\$ (2,780,040)</u>	

NOTE 9 - INSURANCE

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

COSHOCTON METROPOLITAN HOUSING AUTHORITY
COSHOCTON, OHIO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2000

NOTE 10 - CONTINGENCIES

Litigation and Claims

In the normal course of operations, the Authority may be subject to litigation and claims. At June 30, 2000 the Authority was not involved in any such matters.

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 9.00% per annum. The note is secured by the property.

The note is amortized as follows:

6/30/01	\$ 1,579
6/30/02	1,600
6/30/03	1,800
6/30/04	1,900
6/30/05	2,100
later years	<u>723,780</u>
Total	<u>\$ 732,759</u>

COSHOCTON METROPOLITAN HOUSING AUTHORITY
 COSHOCTON, OHIO
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2000

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Contract Number</u>	<u>Grant Amount Received</u>	<u>Expenditures For The Year Ended</u>
<u>U.S. Department of Housing and Urban Development</u>				
Direct Programs:				
Public and Indian Housing	14.850	C-5081	\$ <u>183,634</u>	\$ <u>183,634</u>
Public Housing- Comprehensive Improvement Assistance Program	14.852	C-5081	<u>579,006</u>	<u>579,006</u>
Section 8 Tenant Based Cluster:				
Section 8 Rental Certificate Program	14.857	C-5026	358,040	358,040
Section 8 Rental Voucher Program	14.855	C-5026	<u>245,080</u>	<u>245,080</u>
Sub-Total			<u>603,120</u>	<u>603,120</u>
Section 8 Project Based Cluster:				
Section 8 New Construction	14.182	C-5026	<u>337,064</u>	<u>337,064</u>
Total Federal Assistance			<u>\$ 1,702,824</u>	<u>\$ 1,702,824</u>

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

See Independent Auditors' Report

COSHOCTON METROPOLITAN HOUSING AUTHORITY
 COSHOCTON, OHIO
 SCHEDULE OF REVENUE AND EXPENSE BY PROGRAM
 FOR THE YEAR ENDED JUNE 30, 2000

	Low rent Program	Comprehensive Improvement Program	Rental Certificates Program	Rental Voucher Program	New Construction Program	Rural & Economic Housing	Total
REVENUE							
HUD Grants	\$ 183,634	\$ 102,749	\$ 358,040	\$ 245,080	\$ 337,064	\$ 31,222	\$ 1,226,567
Rental Income	143,222						174,444
Investment Income-Unrestricted	18,248		2,670	44	9,145	3,556	33,663
Other Government Grants						14,591	14,591
Other Revenue	22,479						22,479
Fraud Recovery	-		304				304
Total Revenue	367,583	102,749	361,014	245,124	346,209	49,369	1,472,048
EXPENSES							
Housing Assistance Payments			283,438	216,718	323,584		823,740
Administrative Salaries	49,266		38,858	29,687	2,877		120,688
Compensated Absence	16,544		2,010	748	61	897	20,260
Employee Benefits	58,882		13,469	10,290	1,249		83,890
Other Administrative Expense	66,010	102,749	13,644	10,423	789	24,632	218,247
Material and Labor-Maintenance	102,324					9,047	111,371
Contract Services	33,738					8,378	42,116
Utilities	54,768					5,193	59,961
General Expenses	10,980		342	261	14	2,557	14,154
Payments in Lieu of Taxes	9,807					2,681	12,488
Bad Debt- Tenant Rents	7,853						7,853
Interest Expense						17,314	17,314
Total Expenses	410,172	102,749	351,761	268,127	328,574	70,699	1,532,082
Income (Loss) before Depreciation & Other Costs	(42,589)	-	9,253	(23,003)	17,635	(21,330)	(60,034)
Depreciation	211,536					18,688	230,224
Net Income (Loss)	\$ (254,125)	\$ -	\$ 9,253	\$ (23,003)	\$ 17,635	\$ (40,018)	\$ (290,258)

See Independent Auditors' Report

J. E. Slaybaugh & Associates, Inc.

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*John E. Slaybaugh III
Certified Public Accountant*

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

Board of Commissioners
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, 2000, and have issued our report thereon dated December 14, 2000. We conducted our audit 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.

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. However, we noted certain matters involving the internal control structure over financial reporting that we have reported to management in a letter dated December 14, 2000.

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.
Lexington, Ohio
December 14, 2000

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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, 2000. 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 generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the provisions of the *Public and Indian Housing Compliance Supplement*, PIH Notice 97-30. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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.

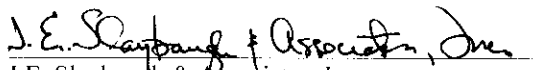
In our opinion, Coshocton Metropolitan Housing Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2000.

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. However, we noted certain matters involving compliance and the internal control structure and its operation that we have reported to management in a letter dated December 14, 2000.

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

December 14, 2000

COSHOCTON METROPOLITAN HOUSING AUTHORITY
COSHOCTON, OHIO

SCHEDULE OF FINDINGS

JUNE 30, 2000

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
 - Cluster- Project Based Section 8 Programs
 - Comprehensive Improvement Assistance Program
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
FEBRUARY 08, 2001**