

**ADAMS METROPOLITAN HOUSING AUTHORITY
MANCHESTER, OHIO**

**REPORT ON EXAMINATION OF FINANCIAL
STATEMENTS AND SUPPLEMENTAL DATA FOR THE
YEAR ENDED SEPTEMBER 30, 2001**

J. E. Slaybaugh & Associates, Inc.
Certified Public Accountant
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Lexington, Ohio 44904



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OFFICE OF THE AUDITOR

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Board of Commissioners
Adams Metropolitan Housing Authority
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We have reviewed the Independent Auditor's Report of the Adams Metropolitan Housing Authority, Adams County, prepared by J. E. Slaybaugh & Associates, Inc., for the audit period October 1, 2000 through September 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. Adams 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

May 14, 2002

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ADAMS METROPOLITAN HOUSING AUTHORITY
MANCHESTER, OHIO

FOR THE YEAR ENDED SEPTEMBER 30, 2001

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*John E. Slaybaugh III
Certified Public Accountant*

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Adams Metropolitan Housing Authority
Manchester, Ohio

We have audited the accompanying balance sheet of the Adams Metropolitan Housing Authority, Manchester, Ohio, as of and for the year ended September 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.

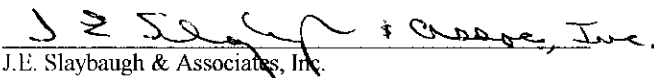
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and 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 Adams Metropolitan Housing Authority as of September 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 April 18, 2002, on our consideration of Adams 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 Adams 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*, 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.
April 18, 2002

ADAMS METROPOLITAN HOUSING AUTHORITY
MANCHESTER, OHIO
BALANCE SHEET
FOR THE YEAR ENDED SEPTEMBER 30, 2001

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 349,154
Investments-Unrestricted	30,000
Accounts Receivable- HUD	11,540
Tenant Accounts Receivable- Net of \$ 10,800 Doubtful Accounts	28,495
Accounts Receivable-Fraud, Net of Doubtful Accounts	2,362
Accrued Interest Receivable	74
Prepaid Expenses	<u>11,616</u>
 Total Current Assets	 433,241
 Property and Equipment - Net of \$ 2,774,911 Accumulated Depreciation	 <u>5,888,252</u>
 Total Assets	 <u>\$ 6,321,493</u>

LIABILITIES AND EQUITY

Current Liabilities

Accounts Payable	\$ 4,358
Accounts Payable- HUD	113,131
Accounts Payable- Governments	8,134
Tenant Security Deposits	13,297
Accrued Wages and Payroll Taxes	20,170
Accrued Liabilities-Other	1,319
Deferred Revenues	<u>2,182</u>
 Total Current Liabilities	 162,591
 Noncurrent Liabilities	
Accrued Compensated Absences	<u>47,915</u>
 Total Liabilities	 210,506

Equity

Contributed Capital	6,536,316
Retained Earnings	<u>(425,329)</u>
 Total Equity	 <u>6,110,987</u>
 Total Liabilities and Equity	 <u>\$ 6,321,493</u>

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

ADAMS METROPOLITAN HOUSING AUTHORITY
MANCHESTER, OHIO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN EQUITY
FOR THE YEAR ENDED SEPTEMBER 30, 2001

<u>Revenue</u>	
HUD Grants	\$ 1,486,925
Rental Income	102,801
Investment Income-Unrestricted	3,143
Fraud Recovery	711
Other Revenue	<u>5,444</u>
 Total Revenue	 1,599,024
<u>Expenses (before depreciation)</u>	
Housing Assistance Payments	647,139
Administrative Salaries	156,917
Employee Benefits	126,510
Compensated Absences	6,337
Other Administrative Expense	88,314
Material and Labor-Maintenance	144,535
Contract Services	37,441
Utilities	101,244
General Expenses	26,149
Payments in Lieu of Taxes	301
Bad Debt- Tenant Rents	<u>2,100</u>
 Total Expenses	 1,336,987
 Income (Loss) before Depreciation & Other Costs	 262,037
Depreciation	249,424
Extraordinary Maintenance	<u>21,819</u>
 Operating Income (Loss)	 (9,206)
 Interprogram Transfers In	 218,047
Interprogram Transfers Out	<u>(218,047)</u>
 Retained Earnings - Beginning of Year	 <u>(416,123)</u>
 Retained Earnings - End of Year	 <u>(425,329)</u>
 Contributed Capital - Beginning of Year	 <u>6,536,316</u>
 Contributed Capital - End of Year	 <u>6,536,316</u>
 Total Equity - End of Year	 <u>\$ 6,110,987</u>

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

ADAMS METROPOLITAN HOUSING AUTHORITY
MANCHESTER, OHIO
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2001

Cash Flows from Operating Activities

Operating Income (Loss)	\$ (9,206)
Adjustments to reconcile Operating Income(Loss) to Net Cash Provided By Operating Activities:	
Depreciation	249,424
Changes in Operating Assets and Liabilities that Increase (Decrease) Cash Flows:	
Tenant Accounts Receivable- Net	(5,526)
Accounts Receivable- Fraud- Net	2,927
Accounts Receivable- HUD	10,700
Accounts Receivable- Other Governments	4,521
Accrued Interest Receivable	(74)
Prepaid Expenses	(1,822)
Accounts Payable- Vendor	(1,004)
Accounts Payable-HUD	48,986
Accounts Payable- Other Governments	301
Accrued Wages & Taxes Payable	12,130
Accrued Compensated Absences	6,337
Tenant Security Deposits	2,374
Deferred Revenues	1,992
Other Accrued Liabilities	1,319
Total Adjustments	332,585
Net Cash Provided By Operating Activities	323,379

Cash Flows from Capital and Related Financing Activities

Change in Property and Equipment	(48,809)
Net Cash Used by Capital and Related Financing Activities	(48,809)
Increase (Decrease) In Cash and Cash Equivalents	274,570
Cash and Cash Equivalents - Beginning of Year	74,584
Cash and Cash Equivalents - End of Year	\$ 349,154

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

ADAMS METROPOLITAN HOUSING AUTHORITY
MANCHESTER, OHIO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2001

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

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

These criteria were considered in determining the reporting entity.

Basis of Accounting

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

Pursuant to GASB Statement No. 20, Accounting and Financial Reporting for 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.

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.

ADAMS METROPOLITAN HOUSING AUTHORITY
MANCHESTER, OHIO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2001

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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
Computers	3 Years

Depreciation is recorded on the straight-line method.

Capitalization of Interest

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

Investments

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

NOTE 2 - CASH AND INVESTMENTS

Cash

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

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

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

ADAMS METROPOLITAN HOUSING AUTHORITY
 MANCHESTER, OHIO
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED SEPTEMBER 30, 2001

NOTE 2 - CASH AND INVESTMENTS, continued

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

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

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

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

- Category 1 . . . \$ 200,000 was covered by federal depository insurance.
- Category 2 . . . \$ 221,818 was covered by specific collateral pledged by the financial institution in the name of the Authority.

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

	Cash	Investment	Total
Public Housing	\$ 213,700	\$ 30,000	\$ 243,700
Section 8 Vouchers	37,560		37,560
Section 8 Certificates	97,894		97,894
Total	<u>\$ 349,154</u>	<u>\$ 30,000</u>	<u>\$ 379,154</u>

ADAMS METROPOLITAN HOUSING AUTHORITY
MANCHESTER, OHIO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2001

NOTE 2 - CASH AND INVESTMENTS, continued

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 maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of conformation of transfer from the custodian.

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

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

NOTE 3 - PROPERTY AND EQUIPMENT

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

Land	\$ 318,953
Buildings and Building Improvements	8,087,658
Furniture, Equipment- Dwelling	168,489
Furniture, Equipment- Administrative	<u>88,063</u>
Total	8,663,163
Less Accumulated Depreciation	<u>(2,774,911)</u>
Net Property and Equipment	<u>\$5,888,252</u>

ADAMS METROPOLITAN HOUSING AUTHORITY
MANCHESTER, OHIO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2001

NOTE 4 - ADMINISTRATIVE FEE

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

A. Certificates and Vouchers

Units per month x \$ 37.72/unit

NOTE 5 - DEFINED PENSION PLANS AND POSTRETIREMENT BENEFITS

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

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rate is 8.50% of qualifying gross wages for all employees. The total 2001 employer contribution rate was 13.55% of covered payroll. Required employer contributions are equal to 100% of the dollar amount billed to each employer and must be extracted from the employer's records. The Authority's contributions to PERS, for the years ending September 30 were as follows:

	Contribution	%
9/30/01	\$ 41,671	13.55%
9/30/00	\$ 36,340	13.55%
9/30/99	\$ 33,068	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. 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.

ADAMS METROPOLITAN HOUSING AUTHORITY
MANCHESTER, OHIO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2001

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

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.

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.

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

At September 30, 2001, based on the vesting method, \$ 47,915 was accrued by the Authority for unused vacation and sick time.

NOTE 7 - INSURANCE

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

NOTE 8 - CONTINGENCIES

Litigation and Claims

In the normal course of operations, the Authority may be subject to litigation and claims. At September 30, 2001 the Authority was involved in no matters which management believes would have a material effect on the financial statements.

NOTE 9 - RECLASSIFICATIONS

Based on REAC's new guidelines, the following reclassifications were recorded for the period ending September 30, 2001.

Accrual for Compensated Absences - from current liability to long term liability

Restricted Investments - from restricted to unrestricted investments

ADAMS METROPOLITAN HOUSING AUTHORITY
 MANCHESTER, OHIO
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED SEPTEMBER 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	\$ <u>415,388</u>
Public Housing- Comprehensive Improvement Assistance Program	14.852 *	<u>250,477</u>
Capital Fund	14.872	<u>39,478</u>
 Section 8 Tenant Based Cluster:		
Section 8 Rental Certificate Program	14.857	178,831
Section 8 Housing Choice Voucher Program	14.871	<u>602,751</u>
Sub-Total		<u>781,582</u>
 Total Federal Assistance		 \$ <u>1,486,925</u>

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

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

See Independent Auditors' Report

ADAMS METROPOLITAN HOUSING AUTHORITY
 Supplemental Financial Data Schedule
 Balance Sheet
 As of September 30, 2001

	Low Rent Public Housing	Section 8 Rental Certificates	Section 8 Housing Vouchers	Capital Fund	TOTAL
ASSETS					
Current Assets					
Cash-unrestricted	\$ 213,700	\$ 37,560	\$ 97,894		\$ 349,154
Total cash	213,700	37,560	97,894		349,154
Accounts and notes receivables					
Accounts receivable-HUD other projects	11,540				11,540
Accounts receivable-tenants-dwelling rent	39,295				39,295
Allowance for doubtful accounts-dwelling rent	(10,800)				(10,800)
Fraud recovery			2,952		2,952
Allowance for doubtful accounts-fraud			(590)		(590)
Accrued interest receivable	74				74
Total receivables, net of allowances for uncollectibles	40,109		2,362		42,471
Current Investments					
Investments-Unrestricted	30,000				30,000
Prepaid expenses and other assets	11,616				11,616
Total investments	41,616				41,616
Total current assets	295,425	37,560	100,256		433,241
Noncurrent assets					
Land	318,953				318,953
Buildings	8,087,658				8,087,658
Furniture, equipment and machinery-dwelling	168,489				168,489
Furniture, equipment and machinery-admin.	49,019	9,790	17,377	11,877	88,063
Accumulated depreciation	(2,753,364)	(9,790)	(11,757)		(2,774,911)
Total fixed assets, net of accum. depreciation	5,870,755		5,620	11,877	5,888,252
Total assets	\$ 6,166,180	\$ 37,560	\$ 105,876	\$ 11,877	\$ 6,321,493

See Independent Auditors' Report

ADAMS METROPOLITAN HOUSING AUTHORITY
 Supplemental Financial Data Schedule
 Balance Sheet
 As of September 30, 2001

	Low Rent Public Housing	Section 8 Rental Certificates	Section 8 Housing Vouchers	Capital Fund	TOTAL
	<u>14,850</u>	<u>14,857</u>	<u>14,871</u>	<u>14,872</u>	
LIABILITIES AND EQUITY					
Current liabilities					
Accounts payable< 90 days	\$ 4,358				\$ 4,358
Accrued wages/payroll taxes payable	18,374	\$ 329	\$ 1,467		20,170
Accounts payable-HUD PHA Program		36,070	77,061		113,131
Accounts payable-other government	8,134				8,134
Tenant Security Deposits	13,297				13,297
Deferred Revenues	2,182				2,182
Accrued liabilities-other			1,319		1,319
Total current liabilities	<u>46,345</u>	<u>36,399</u>	<u>79,847</u>	-	<u>162,591</u>
Non-current liabilities					
Accrued Compensated Absences-Non-current	31,125	3,072	13,718		47,915
Total non-current liabilities	<u>31,125</u>	<u>3,072</u>	<u>13,718</u>	-	<u>47,915</u>
Total Liabilities	<u>77,470</u>	<u>39,471</u>	<u>93,565</u>	-	<u>210,506</u>
Equity					
Net HUD PHA contributions	6,518,119	6,320		11,877	6,536,316
Undesignated fund balance/retained earnings	(429,409)	(8,231)	12,311		(425,329)
Total equity	<u>6,088,710</u>	<u>(1,911)</u>	<u>12,311</u>	<u>11,877</u>	<u>6,110,987</u>
Total liabilities & equity	<u>\$ 6,166,180</u>	<u>\$ 37,560</u>	<u>\$ 105,876</u>	<u>\$ 11,877</u>	<u>\$ 6,321,493</u>

See Independent Auditors' Report

ADAMS METROPOLITAN HOUSING AUTHORITY
 MANCHESTER, OHIO
 SCHEDULE OF REVENUE AND EXPENSE BY PROGRAM
 FOR THE YEAR ENDED SEPTEMBER 30, 2001

	Low rent Public Housing Program	Comprehensive Improvement Assistance Program	Section 8 Rental Certificates Program	Section 8 Housing Voucher Program	Total
REVENUE					
HUD Grants	\$ 415,388	\$ 250,477	\$ 178,831	\$ 602,751	\$ 1,196,970
Capital Grants					250,477
Rental Income	102,801				102,801
Investment Income-Unrestricted	1,921		709	513	3,143
Other Revenue	5,444				5,444
Fraud Recovery				711	711
Total Revenue	525,554	250,477	179,540	603,975	1,559,546
EXPENSES					
Housing Assistance Payments			157,109	490,030	647,139
Administrative Salaries	70,868		15,743	70,306	156,917
Employee Benefits	96,637		4,456	25,417	126,510
Compensated Absences	2,020		(171)	4,488	6,337
Other Administrative Expense	40,083		4,891	15,739	60,713
Material and Labor-Maintenance	144,535				144,535
Contract Services	37,441				37,441
Utilities	101,244				101,244
General Expenses	18,869		1,747	5,533	26,149
Payments in Lieu of Taxes	301				301
Bad Debt- Tenant Rents	2,100				2,100
Total Expenses	514,098	-	183,775	611,513	1,309,386
Income (Loss) before Depreciation & Other Costs	11,456	250,477	(4,235)	(7,538)	250,160
Depreciation	246,805			2,619	249,424
Extraordinary Maintenance	21,819				21,819
Operating Transfers In (Out)	218,047	(218,047)	-	-	-
Operating Income (Loss)	\$(39,121)	\$ 32,430	\$(4,235)	\$(10,157)	\$ (21,083)

See Independent Auditors' Report

ADAMS METROPOLITAN HOUSING AUTHORITY
MANCHESTER, OHIO

ACTUAL MODERNIZATION COST CERTIFICATION

At September 30, 2001

1. The Actual Modernization Grant Costs are as follows:

	Project <u>OH1090599</u>
Funds Approved	\$ 296,223
Funds Expended	<u>296,223</u>
Excess (Deficiency) of Funds Approved	<u>\$ -</u>
Funds Advanced	\$ 296,223
Funds Expended	<u>296,223</u>
Excess (Deficiency) of Funds Advanced	<u>\$ -</u>
Date Submitted:	8/30/01

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

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

See Independent Auditors' Report

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

*Member AICPA
Member OSCPA*

*John E. Slaybaugh III
Certified Public Accountant*

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

Board of Commissioners
Adams Metropolitan Housing Authority
Manchester, Ohio

We have audited the financial statements of Adams Metropolitan Housing Authority, Manchester, Ohio, as of and for the year ended September 30, 2001, and have issued our report thereon dated April 18, 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 Adams 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 Adams 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.
April 18, 2002

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

*Member AICPA
Member OSCP*

*John E. Slaybaugh III
Certified Public Accountant*

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

Board of Commissioners
Adams Metropolitan Housing Authority
Manchester, Ohio

Compliance

We have audited the compliance of Adams 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 September 30, 2001. Adams 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 Adams Metropolitan Housing Authority's compliance based on our audit.

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

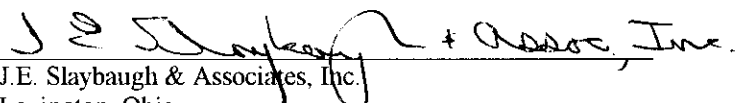
In our opinion, Adams Metropolitan Housing Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2001.

Internal Control Over Compliance

The management of Adams 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

ADAMS METROPOLITAN HOUSING AUTHORITY
MANCHESTER, OHIO

SCHEDULE OF FINDINGS

SEPTEMBER 30, 2001

PART I - SUMMARY OF AUDITOR'S RESULTS

1. The auditor has issued an unqualified opinion on the financial statements of Adams 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 Adams Metropolitan Housing Authority.
6. The audit disclosed no audit findings.
7. The major programs are:
 - Low Rent Public Housing
 - Cluster- Tenant Based Section 8 Programs
8. The dollar threshold used to distinguish between Type A and Type B programs was \$ 300,000.
9. The auditor determined that Adams 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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ADAMS METROPOLITAN HOUSING AUTHORITY

ADAMS 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
MAY 21, 2002**