

GARY B. FINK & ASSOCIATES, INC.

CERTIFIED PUBLIC ACCOUNTANTS

COLUMBIANA METROPOLITAN HOUSING AUTHORITY

EAST LIVERPOOL, OHIO

REPORT ON EXAMINATION OF
FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMATION

FOR THE YEAR ENDED JUNE 30, 1999

Professional Accountants
for
Professional Government

COLUMBIANA METROPOLITAN HOUSING AUTHORITY

EAST LIVERPOOL, OHIO

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FINANCIAL STATEMENTS AND
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FOR THE YEAR ENDED JUNE 30, 1999

COLUMBIANA METROPOLITAN HOUSING AUTHORITY
 EAST LIVERPOOL, OHIO
 FOR THE YEAR ENDED JUNE 30, 1999

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COLUMBIANA METROPOLITAN HOUSING AUTHORITY
EAST LIVERPOOL, OHIO
FOR THE YEAR ENDED JUNE 30, 1999

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STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Columbus, Ohio 43215

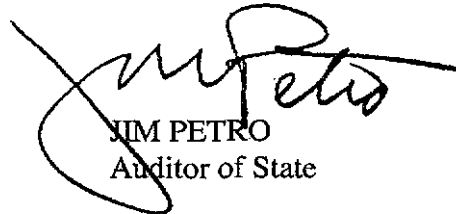
Telephone 614-466-4514
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Board of Commissioners
Columbiana Metropolitan Housing Authority
325 Moore Street
East Liverpool, Ohio 43920

We have reviewed the Independent Auditor's Report of the Columbiana Metropolitan Housing Authority, Columbiana County, prepared by Gary B. Fink & Associates, Inc., for the audit period July 1, 1998 to June 30, 1999. 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 Columbiana Metropolitan Housing Authority is responsible for compliance with these laws and regulations.



JIM PETRO
Auditor of State

March 2, 2000

CERTIFIED PUBLIC ACCOUNTANTS
111 Broad Street
Suite 206
Wadsworth, Ohio 44281
330/336-1706 Fax 330/334-5118

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Columbiana Metropolitan
Housing Authority
325 Moore Street
East Liverpool, OH 43920

Department of Housing and Urban Development
Cleveland Office, Public Housing Division
Renaissance Building
1350 Euclid Avenue, 5th Floor
Cleveland, OH 44115-1815

We have audited the accompanying financial statements of the Columbiana Metropolitan Housing Authority, as of and for the year ended June 30, 1999, as listed in the table of contents. These financial statements are the responsibility of the Columbiana Metropolitan Housing 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.

As discussed in Note B, the Columbiana Metropolitan Housing Authority prepares its financial statements on a basis of accounting prescribed by the Department of Housing and Urban Development (HUD), which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Columbiana Metropolitan Housing Authority, as of June 30, 1999, and the results of operations and changes in surplus for the year then ended on the basis of accounting described in Note B.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 8, 2000 on our consideration of the Columbiana Metropolitan Housing Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

INDEPENDENT AUDITOR'S REPORT (continued)

Our audit was performed for the purpose of forming an opinion on the financial statements of the Columbian 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 U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. This Schedule and the supplemental information, listed in the table of contents, 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 fairly presented, in all material respects, in relation to the financial statements taken as a whole.



GARY B. FINK & ASSOCIATES, INC.
Certified Public Accountants

February 8, 2000

COLUMBIANA METROPOLITAN HOUSING AUTHORITY
EAST LIVERPOOL, OHIO
BALANCE SHEET
JUNE 30, 1999

	<u>ANNUAL CONTRIBUTION CONTRACT</u>		
	<u>PUBLIC HOUSING C-847</u>	<u>SECTION 8 CERTIFICATE C-10010E</u>	<u>SECTION 8 VOUCHER C-10010V</u>
<u>ASSETS</u>			
Cash (Ex 1)	\$28,760.43	\$10,727.58	\$13,161.27
Accounts Receivable - Tenants	10,091.07	0.00	0.00
Accounts Receivable - HUD	0.00	4,864.00	0.00
Accounts Receivable - Other	4,133.83	6,144.31	509.80
Investments	811,000.00	157,000.00	35,000.00
Debt Amortization Funds	27.56	0.00	0.00
Deferred Charges	50,511.35	1,462.00	238.00
Land, Structures and Equipment	<u>22,019,918.06</u>	<u>110,191.38</u>	<u>8,624.66</u>
TOTAL ASSETS	<u>\$22,924,442.30</u>	<u>\$290,389.27</u>	<u>\$57,533.73</u>
<u>LIABILITIES AND SURPLUS</u>			
Accounts Payable - Vendors Contractors	\$38,583.92	\$1,483.55	\$676.46
Accounts Payable - HUD	0.00	0.00	1,727.00
Accounts Payable - Other	44,684.75	1,752.59	2,378.60
Tenant Security Deposits	30,638.77	0.00	0.00
Accrued Liabilities	65,004.51	0.00	0.00
Deferred Credits	1,466.60	0.00	0.00
Fixed Liabilities	<u>3,950,011.94</u>	<u>0.00</u>	<u>0.00</u>
TOTAL LIABILITIES	4,130,390.49	3,236.14	4,782.06
Surplus (Ex C-3)	<u>18,794,051.81</u>	<u>287,153.13</u>	<u>52,751.67</u>
TOTAL LIABILITIES AND SURPLUS	<u>\$22,924,442.30</u>	<u>\$290,389.27</u>	<u>\$57,533.73</u>

See accompanying notes to the financial statements.

COLUMBIANA METROPOLITAN HOUSING AUTHORITY
EAST LIVERPOOL, OHIO
STATEMENT OF INCOME AND EXPENSES - PHA OWNED HOUSING
FOR THE YEAR ENDED JUNE 30, 1999

ANNUAL CONTRIBUTION CONTRACT C-847

OPERATING INCOME

Dwelling Rental	\$640,660.55
Excess Utilities	10,558.25
Non-Dwelling Rental	<u>2,280.00</u>
TOTAL RENTAL INCOME	653,498.80
Interest on General Fund Investments	39,197.33
Other Income	<u>20,682.68</u>
TOTAL OPERATING INCOME (Ex D-1)	<u>713,378.81</u>

OPERATING EXPENSES

Administration	255,483.76
Utilities	340,587.43
Ordinary Maintenance and Operation	375,781.58
Protective Services	32,631.04
General Expense	<u>264,849.77</u>
TOTAL OPERATING EXPENSES (Ex D-1)	<u>1,269,333.58</u>
NET OPERATING (LOSS)	(555,954.77)

OTHER (CHARGES)

Interest on Notes and Bonds Payable	(238,683.58)
Loss From Disposition of Non-Expendable Equipment	<u>(13,704.46)</u>
TOTAL OTHER (CHARGES)	<u>(252,388.04)</u>
NET (LOSS) (Ex C-1)	<u><u>(\$808,342.81)</u></u>

See accompanying notes to the financial statements.

COLUMBIANA METROPOLITAN HOUSING AUTHORITY
 EAST LIVERPOOL, OHIO
 STATEMENT OF INCOME AND EXPENSES - HOUSING ASSISTANCE
 PAYMENT PROGRAM - SECTION 8 - CERTIFICATE
 FOR THE YEAR ENDED JUNE 30, 1999

ANNUAL CONTRIBUTION CONTRACT C-10010E

Project No: OH026CE

OPERATING INCOME

Interest on Operating Reserve Investments	\$8,124.25
Interest on General Fund Investments	<u>825.55</u>
TOTAL OPERATING INCOME (Ex D-2)	<u>8,949.80</u>

OPERATING EXPENSES

Administrative Expense	86,673.58
Maintenance and Operation	6,082.34
General Expense	25,920.94
Housing Assistance Payments	<u>841,409.96</u>
TOTAL OPERATING EXPENSES (Ex D-2)	<u>960,086.82</u>
NET OPERATING (LOSS)	(951,137.02)

OTHER (CHARGES)

Loss From Disposition of Non-Expendable Equipment	<u>(75,970.10)</u>
NET (LOSS) (Ex C-1)	<u>(\$1,027,107.12)</u>

See accompanying notes to the financial statements.

COLUMBIANA METROPOLITAN HOUSING AUTHORITY
 EAST LIVERPOOL, OHIO
 STATEMENT OF INCOME AND EXPENSES - HOUSING ASSISTANCE
 PAYMENT PROGRAM - SECTION 8 - VOUCHER
 FOR THE YEAR ENDED JUNE 30, 1999

ANNUAL CONTRIBUTION CONTRACT C-10010V

Project No: OH026VO

OPERATING INCOME

Interest on Operating Reserve Investments	\$1,798.49
Interest on General Fund Investments	537.56
Other Income	<u>6,495.80</u>
 TOTAL OPERATING INCOME (Ex D-3)	 <u>8,831.85</u>

OPERATING EXPENSES

Administrative Expense	16,947.39
Maintenance and Operation	1,059.40
General Expense	4,550.51
Housing Assistance Payments	<u>156,827.60</u>
 TOTAL OPERATING EXPENSES (Ex D-3)	 <u>179,384.90</u>
 NET (LOSS) (Ex C-1)	 <u><u>(\$170,553.05)</u></u>

See accompanying notes to the financial statements.

COLUMBIANA METROPOLITAN HOUSING AUTHORITY
EAST LIVERPOOL, OHIO
ANALYSIS OF SURPLUS
FOR THE YEAR ENDED JUNE 30, 1999

	<u>ANNUAL CONTRIBUTION CONTRACT</u>		
	<u>PUBLIC HOUSING C-847</u>	<u>SECTION 8 CERTIFICATE C-10010E</u>	<u>SECTION 8 VOUCHER C-10010V</u>
<u>UNRESERVED SURPLUS</u>			
Balance Per Prior Audit at June 30, 1998	(\$16,599,587.84)	(\$11,573,017.86)	(\$1,314,659.32)
Add (Less): Prior Audit Adjustments	(186,246.49)	613,807.15	214,508.84
Balance Per Books at June 30, 1998	(16,413,341.35)	(12,186,825.01)	(1,529,168.16)
Net (Loss) for Year Ended June 30, 1999:			
PHA Owned Housing - (Ex B-1) Includes Audit Adjustment of (\$174,294.45)	(808,342.81)	0.00	0.00
Housing Assistance Payment Program:			
Certificate - (Ex B-2) Includes Audit Adjustment of \$75,970.10	0.00	(1,027,107.12)	0.00
Voucher - (Ex B-3)	0.00	0.00	(170,553.05)
(Provision for) Reduction of Operating Reserve for Year Ended June 30, 1999:			
PHA Owned Housing - (Ex D-1)	(114,714.83)	0.00	0.00
Housing Assistance Payment Program Operating Reserve:			
Certificate - (Ex D-2) Includes Audit Adjustment of \$29,572.83	0.00	8,138.76	0.00
Voucher - (Ex D-3) Includes Audit Adjustment of (\$1,136.00)	0.00	0.00	(4,352.95)
(Provision for) Project Account:			
Certificate - Includes Audit Adjustment of \$22,501.31	0.00	(0.22)	0.00
Voucher - Includes Audit Adjustment of (\$20,349.38)	0.00	0.00	(68,756.38)
Miscellaneous Correction	0.00	(0.22)	0.00
Prior Year Corrections/Adjustments Recorded in Year Ended June 30, 1999	(186,246.49)	613,807.15	214,508.84
BALANCE AT JUNE 30, 1999	(\$17,522,645.48)	(\$12,591,986.66)	(\$1,558,321.70)

See accompanying notes to the financial statements.

COLUMBIANA METROPOLITAN HOUSING AUTHORITY
 EAST LIVERPOOL, OHIO
 ANALYSIS OF SURPLUS
 FOR THE YEAR ENDED JUNE 30, 1999

	ANNUAL CONTRIBUTION CONTRACT		
	PUBLIC HOUSING C-847	SECTION 8 CERTIFICATE C-10010E	SECTION 8 VOUCHER C-10010V
<u>RESERVED SURPLUS - OPERATING RESERVE</u>			
<u>PHA OWNED HOUSING</u>			
Balance per Prior Audit/Books at June 30, 1998	\$592,871.81	\$0.00	\$0.00
Provision for Operating Reserve Year Ended June 30, 1999 (Ex D-1)	114,714.83	0.00	0.00
Balance at June 30, 1999	707,586.64	0.00	0.00
<u>HOUSING ASSISTANCE PAYMENT PROGRAM</u>			
Balance at June 30, 1998	0.00	181,324.25	39,774.01
(Less): Prior Audit Adjustments	0.00	(48,469.15)	(9,906.84)
Balance per Books at June 30, 1998	0.00	229,793.40	49,680.85
Prior Year Corrections/Adjustments Recorded in Year Ended June 30, 1999	0.00	(48,469.15)	(9,906.84)
Provision for (Reduction of) Operating Reserve for Year Ended June 30, 1999:			
Certificate - (Ex D-2) Includes Audit Adjustment of (\$29,572.83)	0.00	(8,138.76)	0.00
Voucher - (Ex D-3) Includes Audit Adjustment of (\$1,136.00)	0.00	0.00	4,352.95
Balance at June 30, 1999	\$0.00	\$173,185.49	\$44,126.96

See accompanying notes to the financial statements.

Exhibit C-2
(Continued)

COLUMBIANA METROPOLITAN HOUSING AUTHORITY
EAST LIVERPOOL, OHIO
ANALYSIS OF SURPLUS
FOR THE YEAR ENDED JUNE 30, 1999

	<u>ANNUAL CONTRIBUTION CONTRACT</u>		
	<u>PUBLIC HOUSING C-847</u>	<u>SECTION 8 CERTIFICATE C-10010E</u>	<u>SECTION 8 VOUCHER C-10010V</u>
<u>HOUSING ASSISTANCE PAYMENT PROGRAM</u>			
<u>PROJECT ACCOUNT - UNFUNDED</u>			
Balance per Prior Audit at June 30, 1998	\$0.00	\$275,123.78	\$16,404.62
(Less): Prior Year Adjustments Recorded in Subsequent Year	0.00	(565,338.00)	(204,602.00)
Balance per Books at June 30, 1998	0.00	840,461.78	221,006.62
Provision for Project Account for Year Ended June 30, 1999:			
Certificate - Includes Audit Adjustment of \$22,501.31	0.00	0.22	0.00
Voucher - Includes Audit Adjustment of \$20,349.38	0.00	0.00	68,756.38
Year Ended June 30, 1998 Audit Adjustments Recorded in Year Ended June 30, 1999	0.00	(565,338.00)	(204,602.00)
Balance at June 30, 1999	\$0.00	\$275,124.00	\$85,161.00

See accompanying notes to the financial statements.

COLUMBIANA METROPOLITAN HOUSING AUTHORITY
EAST LIVERPOOL, OHIO
ANALYSIS OF SURPLUS
FOR THE YEAR ENDED JUNE 30, 1999

	<u>ANNUAL CONTRIBUTION CONTRACT</u>		
	<u>PUBLIC HOUSING C-847</u>	<u>SECTION 8 CERTIFICATE C-10010E</u>	<u>SECTION 8 VOUCHER C-10010V</u>
<u>CUMULATIVE HUD CONTRIBUTIONS</u>			
Balance per Prior Audit at June 30, 1998	\$26,198,288.34	\$11,487,011.30	\$1,306,879.41
(Less): Prior Audit Adjustments	<u>243,789.00</u>	<u>0.00</u>	<u>(8,800.62)</u>
Balance per Books June 30, 1998	25,954,499.34	11,487,011.30	1,315,680.03
Annual Contributions for Year Ended June 30, 1999:			
PHA Owned Housing - Includes Audit Adjustment of \$243,228.93	446,591.50	0.00	0.00
Housing Assistance Payment Program Certificate - (Ex D-2) Includes Audit Adjustment of (\$28,752.09)	0.00	943,819.00	0.00
Voucher - (Ex D-3) Includes Audit Adjustment of \$1,136.00	0.00	0.00	174,906.00
Operating Subsidies for Year Ended June 30, 1999:			
PHA Owned Housing - (Ex D-1)	719,523.00	0.00	0.00
Year Ended June 30, 1998 Audit Adjustments Recorded in Year Ended June 30, 1999	<u>243,789.00</u>	<u>0.00</u>	<u>(8,800.62)</u>
Balance at June 30, 1999	<u>27,364,402.84</u>	<u>12,430,830.30</u>	<u>1,481,785.41</u>
CUMULATIVE HUD GRANTS FOR DEVELOPMENT/MODERNIZATION	8,064,684.72	0.00	0.00
CUMULATIVE HUD GRANT DRUG ELIMINATION PROGRAM	179,968.04	0.00	0.00
COMP GRANT REPLACEMENT RESERVES	<u>55.05</u>	<u>0.00</u>	<u>0.00</u>
TOTAL SURPLUS (Ex A)	<u>\$18,794,051.81</u>	<u>\$287,153.13</u>	<u>\$52,751.67</u>

See accompanying notes to the financial statements.

COLUMBIANA METROPOLITAN HOUSING AUTHORITY
EAST LIVERPOOL, OHIO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1999

A. **REPORTING ENTITY**

The Columbiana Metropolitan Housing Authority (the Authority) was created under Ohio Revised Code Section 3735.27. The Authority contracts with the United States Department of Housing and Urban Development (HUD) to provide low and moderate income persons with safe and sanitary housing through rent subsidies provided by HUD.

B. **BASIS OF ACCOUNTING**

The Authority reports on the accrual basis of accounting, consistent with the requirements of HUD.

The Authority does not depreciate its structures and equipment. Accordingly, the accompanying financial statements are not intended to present financial position and the results of operations in conformity with generally accepted accounting principles.

The Annual Contribution Contract C-10010 includes the Section 8 Rental Certificate and Section 8 Rental Voucher Programs.

C. **CASH AND INVESTMENTS**

Legal Requirements

State statutes classify monies held by the Authority into three categories. Category 1 consists of "active" deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the Authority treasury or in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Category 2 consists of "inactive" deposits, which are 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.

Category 3 consists of "interim" deposits, 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 accounts, including passbook accounts. Interim monies may be invested or deposited in the following securities:

1. United States Treasury Notes, Bills and Bonds backed by the full faith and credit of the United States;

COLUMBIANA METROPOLITAN HOUSING AUTHORITY
EAST LIVERPOOL, OHIO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1999

C. CASH AND INVESTMENTS (continued)

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including Federal Financing Bank, Government National Mortgage Association, Maritime Administration, Small Business Administration, Small Business Investment Corporation, Tennessee Valley Authority, Farm Credit System, Federal Farm Credit Bank, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association and Student Loan Marketing Association. These securities shall be backed by the full faith and credit of the United States;
3. Repurchase agreements in the securities listed above;
4. Municipal Depository Fund or Local Government Investment Pool which is established by states, municipalities, units of local governments or other political subdivisions, including but not limited to, the State Treasury Asset Reserve of Ohio (STAR Ohio). These securities shall be on the HUD-approved list of investment securities and shall be under the control of the Investment Company Act of 1940;
5. Separate Trading of Registered Interest and Principal of Securities (STRIPS); and
6. No-load mutual funds consisting exclusively of securities on the HUD-approved list of investment securities, provided that the amount of funds invested is not more than 20% of the Authority's available investment funds.

Deposits

At year end, the carrying amount of the Authority's cash deposits, which includes certificates of deposit of \$1,003,000.00, considered to be cash equivalents under GASB Statement No. 3, was \$1,055,649.28; and the bank balance of pooled funds was \$1,145,789.29. Of the bank balance:

- a. \$414,649.19 was covered by federal depository insurance; and
- b. \$731,140.10 was covered by a collateralized pool not in the Authority's name.

D. LAND, STRUCTURES AND EQUIPMENT

Land, structures, and equipment are recorded at cost and include initial development costs and interest expense (net of interest income) offset by rental income through their date of full availability. Subsequent modernization programs and betterments are capitalized while dispositions are removed at cost.

Pursuant to HUD accounting policies, no depreciation is recorded.

COLUMBIANA METROPOLITAN HOUSING AUTHORITY
EAST LIVERPOOL, OHIO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1999

E. PENSION BENEFIT PLANS

PUBLIC EMPLOYEES RETIREMENT SYSTEM OF OHIO

All employees of the Columbiana Metropolitan Housing Authority participate in the Public Employees Retirement System of Ohio (PERS), a cost-sharing, multiple-employer defined benefit pension plan administered by the Public Employees Retirement Board. PERS provides basic retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. PERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information for PERS. That report may be obtained by writing to the Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614)466-2085 or 1-800-222-PERS (7377).

Plan members are required to contribute 8.5% of their annual covered salary and the Authority is required to contribute 13.55%; 9.35% was the portion to fund pension obligations. Contributions are authorized by State statute. The contribution rates are determined actuarially. The Authority's contributions for pension obligations to PERS for the years ended June 30, 1999, 1998 and 1997 were \$54,801.96, \$48,658.57 and \$40,935.19, respectively; equal to the required contributions for each year.

F. OTHER POST-EMPLOYMENT BENEFITS

PUBLIC EMPLOYEE RETIREMENT SYSTEM

In addition to the pension benefits described in Note E, Public Employees Retirement System of Ohio provides post-retirement health care coverage to age and service retirants with 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and to primary survivor recipients of such retirants 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 employer contributions. The 1998 (the latest information available) employer contribution rate for local government employer units was 13.55% of covered payroll; 4.2% was the portion that was used to fund health care for the year 1998. The Authority's contribution to fund health care benefits to PERS for the year ended June 30, 1999 was \$24,621.17.

The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through their contributions to PERS.

OPEB is financed through employer contributions and investment earnings there on. The contributions allocated to retiree health and Medicare, along with investment income on allocated assets and periodic adjustments in health care provisions, are expected to be sufficient to sustain the program indefinitely.

COLUMBIANA METROPOLITAN HOUSING AUTHORITY
 EAST LIVERPOOL, OHIO
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 1999

F. **OTHER POST-EMPLOYMENT BENEFITS** (continued)

Expenditures for OPEB during 1998 were \$440,596,663. As of December 31, 1998, the unaudited estimated net assets available for future OPEB payments were \$9,447,325,318. The number of benefit recipients eligible for OPEB at December 31, 1998 was 115,579.

During 1997, the Retirement Board adopted a new calculation method for determining employer contributions applied to OPEB. Under the new method, effective January 1, 1998, employer contributions, equal to 4.2% of member covered payroll, are used to fund health care expenses. Under the prior method, accrued liabilities and normal cost rates were determined for retiree health care coverage.

G. **CONTINGENT LIABILITIES**

Pursuant to the Authority's legal counsel's response, counsel is not aware of any unasserted claims or assessments nor are there any pending or threatened litigations that counsel considers material in nature.

H. **ACTIVITIES OF THE AUTHORITY**

The Authority has 482 dwelling units in management, 264 units of Section 8 Certificate and 72 units of Section 8 Voucher under the annual contributions contract.

Units Under Lease at June 30, 1999

<u>Management</u>	
Project No: OH 26-1/6 and 8 and 10	
Number of Units Occupied by	
Tenants in Possession on the	
Last Day of the Audit Period	<u>451</u>
<u>Section 8</u>	
Project No:	
OH026CE Section 8 Certificate	203
OH026VO Section 8 Voucher	<u>105</u>
Total Section 8	<u>308</u>
Total Under Lease	<u>759</u>

COLUMBIANA METROPOLITAN HOUSING AUTHORITY
EAST LIVERPOOL, OHIO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1999

I. RISK MANAGEMENT

The Authority has joined together with other small metropolitan housing authorities in Ohio to form the State Housing Authority Risk Pool Association, Inc. (SHARP). This association is an insurance-purchasing pool formed to enable its members to obtain insurance and provide for a formalized, jointly administered self-insurance fund. SHARP is governed by a board of trustees that consists of the executive director from each of the participating authorities.

SHARP has obtained policies for property, crime, liability, boiler and machinery.

The Authority continues to carry commercial insurance for employee health care. Additionally, the Authority has obtained flood insurance for its housing sites in Wellsville, Ohio.

J. YEAR 2000 ISSUE

The Year 2000 Issue is the result of shortcomings in many electronic data processing systems and other equipment that may adversely affect the Authority's operations as early as fiscal 1999.

As of June 30, 1999, the Authority has completed an inventory of computer systems and other equipment necessary to conducting Authority operations and has identified such systems as being submission of tenant data to HUD.

The Authority submits tenant data to HUD's Multifamily Tenant Characteristics System. HUD is responsible for remediating this system.

HUD distributes a substantial sum of money to the Authority in the form of federal grant payments, contributions and subsidy payments. HUD is responsible for remediating these systems.

To the best of management's knowledge and belief, as of February 8, 2000, the Authority experienced no significant interruption of mission critical operations or services related to the Year 2000 Issue. However, because of the unprecedented nature of the Year 2000 Issue, matters may yet arise, and parties with whom the Authority does business may also experience Year 2000 readiness issues that are as yet, unknown.

COLUMBIANA METROPOLITAN HOUSING AUTHORITY
 EAST LIVERPOOL, OHIO
 COMPUTATION OF RESIDUAL RECEIPTS AND ACCRUING ANNUAL
 CONTRIBUTIONS - PHA OWNED HOUSING
 ANNUAL CONTRIBUTION CONTRACT C-847
 FOR THE YEAR ENDED JUNE 30, 1999

COMPUTATION OF RESIDUAL RECEIPTS

OPERATING RECEIPTS

Operating Income (Ex B-1)	\$713,378.81
HUD Operating Subsidy (Ex C-3)	<u>719,523.00</u>
TOTAL OPERATING RECEIPTS	<u>1,432,901.81</u>

OPERATING EXPENSES

Operating Expenses (Ex B-1)	1,269,333.58
Capital Expenses:	
Replacement of Non-Expendable Equipment	<u>48,853.40</u>
TOTAL OPERATING EXPENSES	<u>1,318,186.98</u>

Residual Receipts Per Audit	<u>114,714.83</u>
Residual Receipts for PHA Before Provision for Reserve	114,714.83
Less: Provision for Operating Reserve (Ex C-1 and C-2)	<u>114,714.83</u>
RESIDUAL RECEIPTS PER PHA	<u><u>\$0.00</u></u>

COLUMBIANA METROPOLITAN HOUSING AUTHORITY
 EAST LIVERPOOL, OHIO
 COMPUTATION OF ANNUAL CONTRIBUTIONS EARNED AND PROJECT ACCOUNT
 OPERATING RESERVE CHANGES - HOUSING ASSISTANCE PAYMENT PROGRAM
 SECTION 8 - CERTIFICATE
 ANNUAL CONTRIBUTION CONTRACT C-10010E
 FOR THE YEAR ENDED JUNE 30, 1999

Project No. OH026CE

MAXIMUM CONTRIBUTION AVAILABLE

Maximum Annual Contribution Authorized	\$943,819.00
Project Account Balance at Beginning of Year	<u>275,124.00</u>

TOTAL ANNUAL CONTRIBUTION AVAILABLE	<u><u>\$1,218,943.00</u></u>
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ANNUAL CONTRIBUTION REQUIRED

Independent Audit Costs	\$1,000.00
Administrative Fees	130,896.68
Housing Assistance Payments	841,409.96
Hard to House Fees	<u>90.00</u>

TOTAL FUNDS REQUIRED	973,396.64
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Less: Project Receipts Other Than Annual Contributions	<u>825.55</u>
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TOTAL ANNUAL CONTRIBUTIONS REQUIRED	<u><u>\$943,819.00 *</u></u>
-------------------------------------	------------------------------

PROJECT ACCOUNT CHANGE

(Reduction of) Project Account	<u><u>\$0.00</u></u>
--------------------------------	----------------------

ANNUAL CONTRIBUTIONS EARNED

Lesser of Contributions Available or Contributions Required (Ex C-3)	<u><u>\$943,819.00</u></u>
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OPERATING RESERVE CHANGE

Operating Income (Ex B-2)	\$8,949.80
Annual Contributions Earned	<u>943,819.00</u>

TOTAL OPERATING RECEIPTS	<u><u>\$952,768.80</u></u>
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COLUMBIANA METROPOLITAN HOUSING AUTHORITY,
EAST LIVERPOOL, OHIO
COMPUTATION OF ANNUAL CONTRIBUTIONS EARNED AND PROJECT ACCOUNT
OPERATING RESERVE CHANGES - HOUSING ASSISTANCE PAYMENT PROGRAM
SECTION 8 - CERTIFICATE
ANNUAL CONTRIBUTION CONTRACT C-10010E
FOR THE YEAR ENDED JUNE 30, 1999

Project No. OH026CE

OPERATING EXPENSES

Capital Expenses	\$820.74
Operating Expenses (Ex B-2)	<u>960,086.82</u>
TOTAL OPERATING EXPENSES	<u>960,907.56</u>
Net Operating Receipts Available	<u>(8,138.76)</u>
(Reduction of) Operating Reserves (Ex C-1 and C-2)	<u><u>(\$8,138.76)</u></u>

* Total Annual Contribution Required "capped" at \$943,819.00, per HUD.

COLUMBIANA METROPOLITAN HOUSING AUTHORITY
 EAST LIVERPOOL, OHIO
 COMPUTATION OF ANNUAL CONTRIBUTIONS EARNED AND PROJECT ACCOUNT
 OPERATING RESERVE CHANGES - HOUSING ASSISTANCE PAYMENT PROGRAM
 SECTION 8 - VOUCHER
 ANNUAL CONTRIBUTION CONTRACT C-10010V
 FOR THE YEAR ENDED JUNE 30, 1999

Project No. OH026VO

MAXIMUM CONTRIBUTION AVAILABLE

Maximum Annual Contribution Authorized	\$243,661.00
Project Account Balance at Beginning of Year	<u>16,406.00</u>
TOTAL ANNUAL CONTRIBUTION AVAILABLE	<u>\$260,067.00</u>

ANNUAL CONTRIBUTION REQUIRED

Independent Audit Costs	\$500.00
Administrative Fees	24,116.40
Housing Assistance Payments	156,827.60
Hard to House Fees	<u>495.00</u>
TOTAL FUNDS REQUIRED	<u>181,939.00</u>
Less: Project Receipts Other Than Annual Contributions	<u>7,033.00</u>
TOTAL ANNUAL CONTRIBUTIONS REQUIRED	<u>\$174,906.00</u>

PROJECT ACCOUNT CHANGE

Provision for Project Account	<u>\$68,755.00</u>
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ANNUAL CONTRIBUTIONS EARNED

Lesser of Contributions Available or Contributions Required (Ex C-3)	<u>\$174,906.00</u>
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OPERATING RESERVE CHANGE

Operating Income (Ex B-3)	\$8,831.85
Annual Contributions Earned	<u>174,906.00</u>
TOTAL OPERATING RECEIPTS	<u>\$183,737.85</u>

COLUMBIANA METROPOLITAN HOUSING AUTHORITY
EAST LIVERPOOL, OHIO
COMPUTATION OF ANNUAL CONTRIBUTIONS EARNED AND PROJECT ACCOUNT
OPERATING RESERVE CHANGES - HOUSING ASSISTANCE PAYMENT PROGRAM
SECTION 8 - VOUCHER
ANNUAL CONTRIBUTION CONTRACT C-10010V
FOR THE YEAR ENDED JUNE 30, 1999

Project No. OH026VO

OPERATING EXPENSES

Capital Expenses	\$0.00
Operating Expenses (Ex B-3)	<u>179,384.90</u>
TOTAL OPERATING EXPENSES	<u>179,384.90</u>
Net Operating Receipts Available	<u>4,352.95</u>
Provision for Operating Reserves (Ex C-1 and C-2)	<u>\$4,352.95</u>

COLUMBIANA METROPOLITAN HOUSING AUTHORITY
 EAST LIVERPOOL, OHIO
 STATEMENT OF COMPREHENSIVE GRANT COSTS
 UNCOMPLETED
 JUNE 30, 1999

	Project OH12-PO26 704-96	Project OH12-PO26 705-97	Project OH12-PO26 706-98	Total
Funds Approved	\$605,942.00	\$619,060.00	\$657,100.00	\$1,882,102.00
Funds Expended	<u>605,942.00</u>	<u>318,529.47</u>	<u>101,267.25</u>	<u>1,025,738.72</u>
Excess of Funds Approved	<u>\$0.00</u>	<u>\$300,530.53</u>	<u>\$555,832.75</u>	<u>\$856,363.28</u>
Funds Advanced	\$605,942.00	\$318,529.47	\$101,267.25	\$1,025,738.72
Funds Expended	<u>605,942.00</u>	<u>318,529.47</u>	<u>101,267.25</u>	<u>1,025,738.72</u>
(Deficiency) of Funds Advanced	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>

COLUMBIANA METROPOLITAN HOUSING AUTHORITY
 EAST LIVERPOOL, OHIO
 STATEMENT OF GRANT ACTIVITY - UNCOMPLETED
 PUBLIC HOUSING DRUG ELIMINATION GRANTS
 JUNE 30, 1999

	<u>OH12DEP0260197</u>	<u>OH12DEP0260198</u>	<u>Total</u>
Funds Approved	\$144,600.00	\$143,600.00	\$288,200.00
Funds Expended	<u>144,600.00</u>	<u>35,370.68</u>	<u>179,970.68</u>
Excess of Funds Approved	<u>\$0.00</u>	<u>\$108,229.32</u>	<u>\$108,229.32</u>
Total to Date Funds Advanced	\$144,600.00	\$35,368.04	\$179,968.04
Total to Date Funds Expended	<u>144,600.00</u>	<u>35,370.68</u>	<u>179,970.68</u>
(Deficiency) of Funds Advanced	<u>\$0.00</u>	<u>(\$2.64)</u>	<u>(\$2.64)</u>

COLUMBIANA METROPOLITAN HOUSING AUTHORITY
EAST LIVERPOOL, OHIO
STATEMENT OF CONTRACT ACTIVITY - UNCOMPLETED
TENANT-BASED RENTAL ASSISTANCE PROGRAM
WITH THE CITY OF SALEM, OHIO
CONTRACT TERM: FEBRUARY 1, 1998 THROUGH MAY 31, 2000
AS OF JUNE 30, 1999

Funds Approved for Housing	\$225,000.00
Funds Expended	<u>153,622.77</u>
Excess of Funds Approved	<u>\$71,377.23</u>
Total Billings to the City of Salem	\$166,161.60
Total to Date Expended	<u>153,622.77</u>
Excess of Funds	<u>\$12,538.83</u>

COLUMBIANA METROPOLITAN HOUSING AUTHORITY
EAST LIVERPOOL, OHIO
STATEMENT OF CONTRACT ACTIVITY - UNCOMPLETED
TENANT-BASED RENTAL ASSISTANCE PROGRAM
WITH THE CITY OF EAST LIVERPOOL, OHIO
CONTRACT TERM: OCTOBER 1, 1998 THROUGH MAY 31, 2000
AS OF JUNE 30, 1999

Funds Approved for Housing	\$120,000.00
Funds Expended	<u>6,973.00</u>
Excess of Funds Approved	<u><u>\$113,027.00</u></u>
Total Billings to the City of East Liverpool	\$7,670.30
Total to Date Expended	<u>6,973.00</u>
Excess of Funds	<u><u>\$697.30</u></u>

COLUMBIANA METROPOLITAN HOUSING AUTHORITY
EAST LIVERPOOL, OHIO
ANALYSIS OF GENERAL FUND CASH
JUNE 30, 1999

ANNUAL CONTRIBUTION CONTRACT

	Public Housing C-847	Section 8 Certificate C-10010E	Section 8 Voucher C-10010V
<u>SOURCE ACCOUNTS FOR GENERAL FUND CASH</u>			
Tenant Security Deposits	\$30,638.77	\$0.00	\$0.00
Accounts Payable - HUD	0.00	0.00	1,727.00
Deferred Credits:			
Prepaid Rents	1,466.60	0.00	0.00
Operating Reserves	707,586.64	173,185.49	44,126.96
Subtotal	739,692.01	173,185.49	45,853.96
<u>Add: AMOUNTS CHARGED AS OPERATING EXPENSES OR DEVELOPMENT COSTS BUT NOT PAID</u>			
Accounts Payable - Other	44,684.75	1,752.59	2,378.60
Accounts Payable - Vendors/Contractors	38,583.92	1,483.55	676.46
Payment in Lieu of Taxes	65,004.51	0.00	0.00
<u>Less: AMOUNTS CREDITED TO OPERATING RECEIPTS OR DEVELOPMENT COSTS BUT NOT RECEIVED</u>			
Accounts Receivable - Other	4,133.83	6,144.31	509.80
Accounts Receivable - HUD	0.00	4,864.00	0.00
Accounts Receivable - Tenants	10,091.07	0.00	0.00
GENERAL FUND CASH AVAILABLE	873,740.29	165,413.32	48,399.22
<u>Less: OTHER APPLICATIONS OF GENERAL FUND CASH</u>			
investments	811,000.00	157,000.00	35,000.00
Deferred Charges:			
Insurance	24,597.72	0.00	0.00
Inventories - Materials	19,722.95	0.00	0.00
Other	6,190.68	1,462.00	238.00
Variance	(16,531.49)	(3,776.26)	(0.05)
GENERAL FUND CASH (Ex A)	\$28,760.43	\$10,727.58	\$13,161.27

COLUMBIANA METROPOLITAN HOUSING AUTHORITY
 SCHEDULE OF ADJUSTING JOURNAL ENTRIES
 FOR THE YEAR ENDED JUNE 30, 1999

	Account Number	Debit	Credit	Ledger Posting Account
<u>Section 8 - Certificate</u>				
Unreserved Surplus	2810	\$75,970.10		
Operating Reserve	2826		\$75,970.10	

To remove loss on disposal of fixed assets incorrectly charged against operating reserve at year ended June 30, 1999 closing.

Operating Reserve	2826	\$28,752.09		
Unreserved Surplus	2810		\$28,752.09	
Project Account	2827		\$22,501.31	
Unreserved Surplus	2810	\$22,501.31		
Cumulative HUD Annual Contributions	2840	\$28,752.09		
Accounts Receivable - HUD	1125		\$28,752.09	

To adjust year ended June 30, 1999 Columbiana Metropolitan Housing Authority general ledger to HUD - approved balances.

Operating Reserve	2826	\$820.74		
Unreserved Surplus	2810		\$820.74	

To record impact on operating reserve of year 1999 capital expenditures incorrectly omitted from the June 30, 1999 operating statement.

Section 8 Voucher

Accounts Payable - HUD	2118	\$1,136.00		
Cumulative HUD Annual Contributions	2840		\$1,136.00	
Unreserved Surplus	2810	\$1,136.00		
Operating Reserve	2826		\$1,136.00	
Unreserved Surplus	2810	\$20,349.38		
Project Account	2827		\$20,349.38	

To adjust year ended June 30, 1999 Columbiana Metropolitan Housing Authority general ledger to HUD - approved balances.

COLUMBIANA METROPOLITAN HOUSING AUTHORITY
 SCHEDULE OF ADJUSTING JOURNAL ENTRIES
 FOR THE YEAR ENDED JUNE 30, 1999

	Account Number	Debit	Credit	Ledger Posting Account
<u>Public Housing</u>				
Housing Agency Bonds Retired	2342	\$7,594.17		
Unreserved Surplus	2810		\$3,648.04	
Cumulative HUD Annual Contributions	2840		\$3,946.13	

To correct Columbiana Metropolitan Housing Authority's recording of July 1, 1998 principal and interest payment on housing agency bonds.

Unreserved Surplus	2810	\$125,500.10		
FFB Notes Payable	2312	\$57,542.51		
Cumulative HUD Annual Contributions	2840		\$183,042.61	

To record November 1, 1997 FFB note payment, a year ended June 30, 1998 audit adjustment not recorded in fiscal year ended June 30, 1999.

Unreserved Surplus	2810	\$60,746.39		
Cumulative HUD Annual Contributions	2840		\$60,746.39	

To record January 1, 1998 interest payment on housing agency bonds, a year ended June 30, 1998 audit adjustment not recorded in year ended June 30, 1999.

Unreserved Surplus	2810	\$121,702.30		
FFB Notes Payable	2312	\$61,340.31		
Cumulative HUD Annual Contributions	2840		\$183,042.61	

To record November 1, 1998 FFB note payment.

Unreserved Surplus	2810	\$56,240.19		
Cumulative HUD Annual Contributions	2840		\$56,240.19	

To record January 1, 1999 interest payment on housing agency bonds.

**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
Columbiana Metropolitan
Housing Authority
325 Moore Street
East Liverpool, OH 43920

Department of Housing and Urban Development
Cleveland Office, Public Housing Division
Renaissance Building
1350 Euclid Avenue, 5th Floor
Cleveland, OH 44115-1815

We have audited the financial statements of the Columbiana Metropolitan Housing Authority, as of and for the year ended June 30, 1999, and have issued our report thereon dated February 8, 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

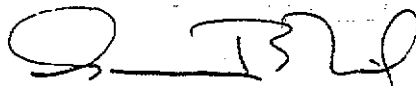
As part of obtaining reasonable assurance about whether the Columbiana Metropolitan Housing Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have 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 the Columbiana 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 operations that we consider to be material weaknesses.

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS* (continued)

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



GARY B. FINK & ASSOCIATES, INC.
Certified Public Accountants

February 8, 2000

CERTIFIED PUBLIC ACCOUNTANTS
111 Broad Street
Suite 206
Wadsworth, Ohio 44281
330/336-1706 Fax 330/334-5118

**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
Columbiana Metropolitan
Housing Authority
325 Moore Street
East Liverpool, OH 43920

Department of Housing and Urban Development
Cleveland Office, Public Housing Division
Renaissance Building
1350 Euclid Avenue, 5th Floor
Cleveland, OH 44115-1815

Compliance

We have audited the compliance of the Columbiana 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, 1999. The Columbiana 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 the Columbiana Metropolitan Housing Authority's management. Our responsibility is to express an opinion on the Columbiana 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; OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*; and the provisions of the Public and Indian Housing Notice 97-30. Those standards, OMB Circular A-133 and the Public and Indian Housing Notice 97-30 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 the Columbiana 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 the Columbiana Metropolitan Housing Authority's compliance with those requirements.

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 (continued)

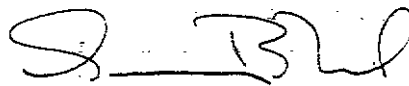
In our opinion, the Columbiana Metropolitan Housing Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1999. However, we noted an immaterial instance of noncompliance that we have reported to management of the Columbiana Metropolitan Housing Authority in a separate letter dated February 8, 2000.

Internal Control Over Compliance

The management of the Columbiana 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 Columbiana 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 weaknesses.

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



GARY B. FINK & ASSOCIATES, INC.
Certified Public Accountants

February 8, 2000

Columbiana Metropolitan Housing Authority
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 1999

Federal Grantor/ Program Title	Federal CFDA Number	Agency Entity Number	Disbursements
<u>United States Department of Housing and Urban Development</u>			
Public and Indian Housing	14.850	C-847	\$719,523
Public and Indian Housing:			
Drug Elimination Program	14.854	OH12-DEP026-0197	101,167
Drug Elimination Program	14.854	OH12-DEP026-0198	<u>35,368</u>
Total Drug Elimination Program			<u>136,535</u>
Public and Indian Housing:			
Comprehensive Grant Program	14.859	OH12-P026-70496	125,774
Comprehensive Grant Program	14.859	OH12-P026-70597	201,133
Comprehensive Grant Program	14.859	OH12-P026-70698	<u>101,267</u>
Total Comprehensive Grant Program			<u>428,174</u>
Section 8 Cluster:			
Section 8 Rental Voucher Program	14.855	C10010V	174,906
Section 8 Rental Certificate Program	14.857	C10010E	<u>943,819</u>
Total Section 8 Cluster			<u>1,118,725</u>
Total Federal Assistance			<u><u>\$2,402,957</u></u>

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards is a summary of the activity of the Columbiana Metropolitan Housing Authority's federal award programs. The schedule has been prepared on the accrual basis of accounting, in accordance with accounting principles prescribed by the U.S. Department of Housing and Urban Development.

COLUMBIANA METROPOLITAN HOUSING AUTHORITY

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 §505**

JUNE 30, 1999

I. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level?	No
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for the major federal program?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for the major federal program?	No
(d)(1)(v)	Type of Major Program Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under §510?	No

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 §505
(CONTINUED)**

(d)(1)(vii)	Major Program:	Public and Indian Housing, CFDA #14.850, and Public and Indian Housing Comprehensive Grant Program, CFDA #14.859
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

**Data Collection Form for Reporting on
AUDITS OF STATES, LOCAL GOVERNMENTS, AND NON-PROFIT ORGANIZATIONS**

Complete this form, as required by OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

RETURN TO

Single Audit Clearinghouse
1201 E. 10th Street
Jeffersonville, IN 47132

PART I GENERAL INFORMATION (To be completed by auditee, except for Item 7)

1. Fiscal year ending date for this submission mm/dd/yy 6/30/99		2. Type of Circular A-133 audit 1 <input checked="" type="checkbox"/> Single audit 2 <input type="checkbox"/> Program-specific audit	
3. Audit period covered 1 <input checked="" type="checkbox"/> Annual 3 <input type="checkbox"/> Other - Months 2 <input type="checkbox"/> Biennial		FEDERAL GOVERNMENT USE ONLY	4. Date received by Federal clearinghouse
5. Employer Identification Number (EIN) a. Auditee EIN 34-0976597 b. Are multiple EINs covered in this report? 1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No			
6. AUDITEE INFORMATION		7. AUDITOR INFORMATION (To be completed by auditor)	
a. Auditee name COLUMBIANA METROPOLITAN HOUSING AUTHORITY		a. Auditor name GARY B. FINK & ASSOCIATES, INC.	
b. Auditee address (Number and street) Street 325 MOORE STREET City EAST LIVERPOOL State OHIO ZIP Code 43920		b. Auditor address (Number and street) Street 111 BROAD STREET, SUITE 206 City WADSWORTH State OHIO ZIP Code 44281	
c. Auditee contact Name THOMAS SNOW Title EXECUTIVE DIRECTOR		c. Auditor contact Name SCOTT K. VARNEY Title MANAGER	
d. Auditee contact telephone 330-386-5970		d. Auditor contact telephone 330-336-1706	
e. Auditee contact FAX (Optional) 330-386-0366		e. Auditor contact FAX (Optional) 330-334-5118	
f. Auditee contact E-mail (Optional)		f. Auditor contact E-mail (Optional) GBFINC@AOL.COM	

<p>g. AUDITEE CERTIFICATION STATEMENT - This is to certify that, to the best of my knowledge and belief, the auditee has: (1) Engaged an auditor to perform an audit in accordance with the provisions of OMB Circular A-133 for the period described in Part I, items 1 and 3; (2) the auditor has completed such audit and presented a signed audit report which states that the audit was conducted in accordance with the provisions of the Circular; and, (3) the information included in Parts I, II, and III of this data collection form is accurate and complete. I declare that the foregoing is true and correct.</p>	<p>g. AUDITOR STATEMENT - The data elements and information included in this form are limited to those prescribed by OMB Circular A-133. The information included in Parts II and III of the form, except for Part III, Items 5 and 6, was transferred from the auditor's report(s) for the period described in Part I, Items 1 and 3, and is not a substitute for such reports. The auditor has not performed any auditing procedures since the date of the auditor's report(s). A copy of the reporting package required by OMB Circular A-133, which includes the complete auditor's report(s), is available in its entirety from the auditee at the address provided in Part I of this form. As required by OMB Circular A-133, the information in Parts II and III of this form was entered in this form by the auditor based on information included in the reporting package. The auditor has not performed any additional auditing procedures in connection with the completion of this form.</p>
<p><i>Thomas D Snow</i> 2/18/00 Signature of certifying official Date Month Day Year</p>	<p><i>Scott KLV</i> 2/18/00 Signature of auditor Date Month Day Year</p>
<p>THOMAS D. SNOW, EXECUTIVE DIRECTOR Name/Title of certifying official</p>	<p>Signature of auditor</p>

PART I GENERAL INFORMATION - Continued

8. Indicate whether the auditee has either a Federal cognizant or oversight agency for audit. (Mark (X) one box)

1 Cognizant agency 2 Oversight agency

9. Name of Federal cognizant or oversight agency for audit. (Mark (X) one box)

01 <input type="checkbox"/> African Development Foundation 02 <input type="checkbox"/> Agency for International Development 10 <input type="checkbox"/> Agriculture 11 <input type="checkbox"/> Commerce 94 <input type="checkbox"/> Corporation for National and Community Service 12 <input type="checkbox"/> Defense 34 <input type="checkbox"/> Education 31 <input type="checkbox"/> Energy 36 <input type="checkbox"/> Environmental Protection Agency	83 <input type="checkbox"/> Federal Emergency Management Agency 34 <input type="checkbox"/> Federal Mediation and Conciliation Service 39 <input type="checkbox"/> General Services Administration 93 <input type="checkbox"/> Health and Human Services 14 <input checked="" type="checkbox"/> Housing and Urban Development 03 <input type="checkbox"/> Institute for Museum Services 04 <input type="checkbox"/> Inter-American Foundation 15 <input type="checkbox"/> Interior	16 <input type="checkbox"/> Justice 17 <input type="checkbox"/> Labor 43 <input type="checkbox"/> National Aeronautics and Space Administration 89 <input type="checkbox"/> National Archives and Records Administration 05 <input type="checkbox"/> National Endowment for the Arts 06 <input type="checkbox"/> National Endowment for the Humanities 47 <input type="checkbox"/> National Science Foundation 07 <input type="checkbox"/> Office of National Drug Control Policy	08 <input type="checkbox"/> Peace Corps 59 <input type="checkbox"/> Small Business Administration 96 <input type="checkbox"/> Social Security Administration 19 <input type="checkbox"/> State 20 <input type="checkbox"/> Transportation 21 <input type="checkbox"/> Treasury 82 <input type="checkbox"/> United States Information Agency 64 <input type="checkbox"/> Veterans Affairs <input type="checkbox"/> Other - Specify:
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PART II FINANCIAL STATEMENTS (To be completed by auditor)

1. Type of audit report (Mark (X) one box)

1 Unqualified opinion 2 Qualified opinion 3 Adverse opinion 4 Disclaimer of opinion

2. Is a "going concern" explanatory paragraph included in the audit report? 1 Yes 2 No

3. Is a reportable condition disclosed? 1 Yes 2 No -SKIP to Item 5

4. Is any reportable condition reported as a material weakness? 1 Yes 2 No

5. Is a material noncompliance disclosed? 1 Yes 2 No

PART III		FEDERAL PROGRAMS (To be completed by auditor)	
1. Type of audit report on major program compliance			
1 <input checked="" type="checkbox"/> Unqualified opinion 2 <input type="checkbox"/> Qualified opinion 3 <input type="checkbox"/> Adverse opinion 4 <input type="checkbox"/> Disclaimer of opinion			
2. What is the dollar threshold to distinguish Type A and Type B programs §_520(b)?			
\$300,000			
3. Did the auditee qualify as a low-risk auditee (§_530)?			
1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No			
4. Are there any audit findings required to be reported under §_510(a)?			
1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No			
5. Which Federal Agencies are required to receive the reporting package? (Mark (X) all that apply)			
01 <input type="checkbox"/> African Development Foundation	83 <input type="checkbox"/> Federal Emergency Management Agency	16 <input type="checkbox"/> Justice	08 <input type="checkbox"/> Peace Corps
02 <input type="checkbox"/> Agency for International Development	34 <input type="checkbox"/> Federal Mediation and Conciliation Service	17 <input type="checkbox"/> Labor	59 <input type="checkbox"/> Small Business Administration
10 <input type="checkbox"/> Agriculture	39 <input type="checkbox"/> General Services Administration	43 <input type="checkbox"/> National Aeronautics and Space Administration	96 <input type="checkbox"/> Social Security Administration
11 <input type="checkbox"/> Commerce	93 <input type="checkbox"/> Health and Human Services	89 <input type="checkbox"/> National Archives and Records Administration	19 <input type="checkbox"/> State
94 <input type="checkbox"/> Corporation for National and Community Service	14 <input type="checkbox"/> Housing and Urban Development	05 <input type="checkbox"/> National Endowment for the Arts	20 <input type="checkbox"/> Transportation
12 <input type="checkbox"/> Defense	03 <input type="checkbox"/> Institute for Museum Services	06 <input type="checkbox"/> National Endowment for the Humanities	21 <input type="checkbox"/> Treasury
84 <input type="checkbox"/> Education	04 <input type="checkbox"/> Inter-American Foundation	47 <input type="checkbox"/> National Science Foundation	82 <input type="checkbox"/> United States Information Agency
31 <input type="checkbox"/> Energy	15 <input type="checkbox"/> Interior	07 <input type="checkbox"/> Office of National Drug Control Policy	64 <input type="checkbox"/> Veterans Affairs
66 <input type="checkbox"/> Environmental Protection Agency			00 <input checked="" type="checkbox"/> None
			<input type="checkbox"/> Other - Specify:

¹ Or other identifying number when the Catalog of Federal Domestic Assistance (CFDA) number is not available.

² Type of compliance requirement (Enter the letter(s) of all that apply to audit findings and questioned costs reported for each Federal program.)

- A. Activities allowed or unallowed
- B. Allowable costs/cost principles
- C. Cash management
- D. Davis - Bacon Act
- E. Eligibility
- F. Equipment and real property management
- G. Matching, level of effort, earmarking
- H. Period of availability of funds
- I. Procurement
- J. Program income
- K. Real property acquisition and relocation assistance
- L. Reporting
- M. Subrecipient monitoring
- N. Special tests and provisions
- O. None

³ Type of internal control findings (Mark (X) all that apply)

- A. Material weaknesses
- B. Reportable conditions
- C. None reported



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
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Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

COLUMBIANA METROPOLITAN HOUSING AUTHORITY

COLUMBIANA 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.

By: Susan Babbitt

Date: MARCH 21, 2000