

*JEFFERSON METROPOLITAN HOUSING AUTHORITY
STEUBENVILLE, OHIO*

**REPORT ON EXAMINATION OF FINANCIAL
STATEMENTS AND SUPPLEMENTAL DATA FOR THE
YEAR ENDED DECEMBER 31, 2000**

*J. E. Slaybaugh & Associates, Inc.
Certified Public Accountant
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Jefferson Metropolitan Housing Authority
815 N. Sixth Street
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We have reviewed the Independent Auditor's Report of the Jefferson Metropolitan Housing Authority, Jefferson County, prepared by J E Slaybaugh & Associates, Inc., for the audit period January 1, 2000 through December 31, 2000. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

JIM PETRO
Auditor of State

October 15, 2001

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JEFFERSON METROPOLITAN HOUSING AUTHORITY
STEUBENVILLE, OHIO

DECEMBER 31, 2000

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Jefferson Metropolitan Housing Authority
Steubenville, Ohio

We have audited the accompanying balance sheet of the Jefferson Metropolitan Housing Authority, Steubenville, Ohio, as of and for the year ended December 31, 2000, and the related statements of revenues, expenses, equity, and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Jefferson Metropolitan Housing Authority as of December 31, 2000, and the results of its operations and the cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated July 30, 2001, on our consideration of Jefferson 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 Jefferson 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.

J.E. Slaybaugh & Associates, Inc.
July 30, 2001

JEFFERSON METROPOLITAN HOUSING AUTHORITY
STEUBENVILLE, OHIO
BALANCE SHEET
December 31, 2000

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 1,123,543
Investments-Unrestricted	1,860,000
Tenant Accounts Receivable- Net of \$ 27,000 Doubtful Accounts	28,133
Accounts Receivable- HUD	86,228
Accounts Receivable-Other	184,035
Accrued Interest Receivable	3,957
Prepaid Expenses	<u>82,623</u>

Total Current Assets 3,368,519

Property and Equipment - Net of \$ 18,454,641 Accumulated Depreciation 14,689,205

Total Assets \$ 18,057,724

LIABILITIES AND EQUITY

Current Liabilities

Accounts Payable - Vendors	\$ 97,422
Accounts Payable- HUD	33,008
Accounts Payable- Other	258,718
Tenant Security Deposits	66,980
Accrued Wages and Payroll Taxes	226,654
Accrued Compensated Absences	153,831
Deferred Revenues	<u>157,225</u>

Total Liabilities 993,838

Total Equity 17,063,886

Total Liabilities and Equity \$ 18,057,724

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

JEFFERSON METROPOLITAN HOUSING AUTHORITY
 STEUBENVILLE, OHIO
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN EQUITY
 FOR THE YEAR ENDED DECEMBER 31 2000

<u>Revenue</u>	
HUD Grants	\$ 4,297,423
Other Government Grants	35,748
Rental Income	1,034,038
Investment Income-Unrestricted	141,455
Investment Income-Restricted	5,005
Other Revenue	156,054
Gain on Sale of Fixed assets	<u>6,570</u>
 Total Revenue	 5,676,293
<u>Expenses (before depreciation)</u>	
Housing Assistance Payments	2,007,878
Administrative Salaries	588,821
Compensated Absences	22,281
Employee Benefits	356,314
Other Administrative Expense	742,519
Material and Labor-Maintenance	592,568
Contract Services	341,185
Utilities	482,331
General Expenses	130,929
Payments in Lieu of Taxes	45,730
Bad Debt- Tenant Rents	<u>32,710</u>
 Total Expenses	 5,343,266
 Income (Loss) before Depreciation & Other Costs	 333,027
Depreciation	936,159
Extraordinary Maintenance	<u>27,208</u>
 Operating Income (Loss)	 (630,340)
 Equity - Beginning of Year	 16,932,328
 Contributed Capital	 <u>761,898</u>
 Equity - End of Year	 <u>17,063,886</u>

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

JEFFERSON METROPOLITAN HOUSING AUTHORITY
STEUBENVILLE, OHIO
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2000

Cash Flows from Operating Activities

Operating Income (Loss)	\$ (630,340)
Adjustments to reconcile Operating Income(Loss) to Net Cash Provided By Operating Activities:	
Depreciation	936,159
Changes in Operating Assets and Liabilities that Increase (Decrease) Cash Flows:	
Tenant Accounts Receivable- Net	9,418
Accounts Receivable- Other	(138,301)
Accounts Receivable- HUD	52,344
Accrued Interest Receivable	2,503
Prepaid Expenses	(15,750)
Accounts Payable- Vendor	28,029
Accounts Payable-HUD	(14,365)
Accounts Payable- Other	159,454
Accrued Wages & Taxes Payable	156,573
Accrued Compensated Absences	14,529
Tenant Security Deposits	5,557
Deferred Revenues	7,317
Asset reclassifications	<u>213,639</u>
Total Adjustments	<u>1,417,106</u>
Net Cash (Used) Provided By Operating Activities	<u>786,766</u>

Cash Flows from Investing Activities

Change in Property and Equipment	<u>(1,004,249)</u>
Net Cash (Used) Provided By Investing Activities	<u>(1,004,249)</u>

Cash Flows from Financing Activities

Contributed Capital	<u>761,898</u>
Net Cash (Used) Provided by Financing Activities	<u>761,898</u>
Increase (Decrease) In Cash and Cash Equivalents	544,415
Cash and Cash Equivalents - Beginning of Year	<u>579,128</u>
Cash and Cash Equivalents - End of Year	<u>\$ 1,123,543</u>

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

JEFFERSON METROPOLITAN HOUSING AUTHORITY
STEUBENVILLE, OHIO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Jefferson Metropolitan Housing Authority (JMHA 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 Jefferson 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 that the reporting entity did not have any component units.

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.

JEFFERSON METROPOLITAN HOUSING AUTHORITY
STEUBENVILLE, OHIO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Use of Estimates

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

Cash and Cash Equivalents

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

Tenant Receivables - Recognition of Bad Debts

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

Property and Equipment

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

Useful Life's	
Buildings	40 Years
Building Improvements	15 Years
Equipment	7 Years
Autos	5 Years

Depreciation is recorded on the straight-line method.

Capitalization of Interest

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

JEFFERSON METROPOLITAN HOUSING AUTHORITY
STEUBENVILLE, OHIO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Investments

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

NOTE 2 - CASH AND INVESTMENTS

Cash

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

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

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

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

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

JEFFERSON METROPOLITAN HOUSING AUTHORITY
 STEUBENVILLE, OHIO
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2000

NOTE 2 - CASH AND INVESTMENTS, continued

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

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

- Category 1. \$ 100,000 was covered by federal depository insurance.
- Category 2. \$ 3,042,340 was covered by specific collateral pledged by the financial institution in the name of the Authority.

Book Balances at December 31, 2000, were as follows:

	Cash	Investments	Total
Low Rent Public Housing	\$ 662,135	\$ 1,610,000	\$ 2,272,135
Section 8 New Construction	33,161		33,161
Section 8 Rental Certificates	44,897	250,000	294,897
Section 8 Rental Vouchers	383,350	-	383,350
	<u>\$ 1,123,543</u>	<u>\$ 1,860,000</u>	<u>\$ 2,983,543</u>

Investments

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

JEFFERSON METROPOLITAN HOUSING AUTHORITY
STEUBENVILLE, OHIO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2000

NOTE 2 - CASH AND INVESTMENTS, Continued

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

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

NOTE 3 - PROPERTY AND EQUIPMENT

A summary of property and equipment at December 31, 2000, by class is as follows:

Land	\$ 2,471,310
Buildings and Buildings Improvements	28,185,229
Furniture, Equipment- Dwelling	1,707,954
Furniture, Equipment- Administrative	<u>779,353</u>
Total	33,143,846
Less Accumulated Depreciation	<u>(18,454,641)</u>
Net Property and Equipment	<u>\$ 14,689,205</u>

JEFFERSON METROPOLITAN HOUSING AUTHORITY
STEUBENVILLE, OHIO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2000

NOTE 5 - ADMINISTRATIVE FEE

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

A. Certificates and Vouchers

Units per month x \$ 40.08/unit

NOTE 6 - ALLOCATION OF COSTS

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

NOTE 7 - RETIREMENT AND OTHER BENEFIT PLANS

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

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rate is 8.50% of qualifying gross wages for all employees. The total 2000 employer contribution rate was 13.55% of covered payroll. Required employer contributions are equal to 100% of the dollar amount billed to each employer and must be extracted from the employer's records. The Authority's contributions to P.E.R.S. for the years ending December 31, 2000 were as follows:

	Contribution	%
12/31/00	\$ 131,115	13.55%
12/31/99	\$ 174,900	13.55%
12/31/98	\$ 155,857	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 2000 employer contribution rate for state employers was 10.84 % of covered payroll : 4.3 % was the portion that was used to fund health care for the year. OPEB is financed through employer contributions and investment earnings and is expected to be sufficient to sustain the program indefinitely. The number of benefit recipients eligible for OPEB at December 31, 2000, was 401,339.

JEFFERSON METROPOLITAN HOUSING AUTHORITY
STEUBENVILLE, OHIO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2000

NOTE 8- COMPENSATED ABSENCES

Vacation and sick leave policies are established by the Board of Commissioners based on local and state laws.

All permanent employees will earn 4.6 hours sick leave per (80) hours of service. Unused sick leave may be accumulated without limit. At the time of separation, employees shall be paid the value of 30 days of unused sick leave.

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

At December 31, 2000, using the vesting method, \$ 153,831 was accrued by the Authority for unused vacation and sick time.

NOTE 9 - INSURANCE

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

NOTE 10 - CONTINGENCIES

Litigation and Claims

In the normal course of operations, the Authority may be subject to litigation and claims. At December 31, 2000 the Authority was not involved in litigation which would have a material effect on the financial statements.

JEFFERSON METROPOLITAN HOUSING AUTHORITY
 STEUBENVILLE, OHIO
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED DECEMBER 31, 2000

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Contract 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	14.850	C-922	\$ 1,360,036
Public Housing- Comprehensive Grant Program	14.859	C-922	<u>1,180,225</u>
Drug Elimination Program	14.854	C-922	<u>145,630</u>
Economic Development and Supportive Services	14.863	C-922	<u>55,390</u>
Section 8 Tenant Based Cluster:			
Section 8 Rental Certificate Program	14.857	C-10000	285,191
Section 8 Rental Voucher Program	14.855	C-10000	<u>1,648,108</u>
Sub-Total			<u>1,933,299</u>
Section 8 Project Based Cluster			
New Construction	14.856	C-10000	<u>384,741</u>
Total Federal Assistance			<u>\$ 5,059,321</u>

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

See Independent Auditors' Report

JEFFERSON METROPOLITAN HOUSING AUTHORITY
Supplemental Financial Data Schedules

Balance Sheet

As of December 31, 2000

	Low Rent 14,850	CGP 14,859	New Construction 14,182	Section 8 Certificates 14,857	Section 8 Vouchers 14,855	State/Local	TOTAL
ASSETS							
Current Assets							
Cash-unrestricted	662,135		33,161	44,897	383,350		1,123,543
Total cash	662,135	-	33,161	44,897	383,350	-	1,123,543
Accounts and notes receivables							
Accounts receivable-HUD other projects	2,085		28,333	1,873	53,937		86,228
Accounts receivable-miscellaneous	107,768			76,267			184,035
Accounts receivable-tenants-dwelling rent	55,133						55,133
Allowance for doubtful accounts-dwelling rent	(27,000)						(27,000)
Accrued interest receivable	3,304		47	63	543		3,957
Total receivables, net of allowances for uncollectibles	141,290	-	28,380	78,203	54,480	-	302,353
Current Investments							
Investments-Unrestricted	1,610,000			250,000			1,860,000
Prepaid expenses and other assets	82,623						82,623
Total investments	1,692,623	-	-	250,000	-	-	1,942,623
Total current assets	2,496,048	-	61,541	373,100	437,830	-	3,368,519
Noncurrent assets							
Land	2,471,310						2,471,310
Buildings	27,471,323	713,906					28,185,229
Furniture, equipment and machinery-dwellings	1,690,568	17,386					1,707,954
Furniture, equipment and machinery-admin	750,504			28,849			779,353
Accumulated depreciation	(18,411,556)	(26,694)		(16,391)			(18,454,641)
Total fixed assets, net of accumulated depreciation	13,972,149	704,598	-	12,458	-	-	14,689,205
Total non-current assets	13,972,149	704,598	-	12,458	-	-	14,689,205
Total assets	\$ 16,468,197	\$ 704,598	\$ 61,541	\$ 385,558	\$ 437,830	\$ -	\$ 18,057,724

See Independent Auditors' Report

JEFFERSON METROPOLITAN HOUSING AUTHORITY
 Supplemental Financial Data Schedules
 Balance Sheet (Continued)
 As of December 31, 2000

	Low Rent	CGP	New Construction	Section 8 Certificates	Section 8 Vouchers	State/Local	TOTAL
	<u>14,850</u>	<u>14,859</u>	<u>14,182</u>	<u>14,857</u>	<u>14,855</u>		
LIABILITIES AND EQUITY							
Current liabilities							
Bank overdraft					213		213
Accounts payable < 90 days	97,208						97,208
Accrued wages/payroll taxes payable	199,989	2,561		13,010	10,764	331	226,655
Accrued vacation pay	121,870	2,777			28,820	364	153,831
Accounts payable-HUD PHA Program	57,916	10,515		18,082	93,234	259	68,690
Accounts payable-other government	108,556	3,164					223,036
Tenant Security Deposits	66,980						66,980
Deferred Revenues	1,611		5,317	8,815	141,482		157,225
Total current liabilities	654,130	-	24,334	39,907	274,300	1,167	993,838
Total Liabilities	<u>654,130</u>	<u>-</u>	<u>24,334</u>	<u>39,907</u>	<u>274,300</u>	<u>1,167</u>	<u>993,838</u>
Equity							
Net HUD PHA contributions	13,922,927	704,598					14,627,525
Undesignated fund balance/retained earnings	1,891,140	-	37,207	345,651	163,530	(1,167)	2,436,361
Total equity	<u>15,814,067</u>	<u>704,598</u>	<u>37,207</u>	<u>345,651</u>	<u>163,530</u>	<u>(1,167)</u>	<u>17,063,886</u>
Total liabilities & equity	<u>\$ 16,468,197</u>	<u>\$ 704,598</u>	<u>\$ 61,541</u>	<u>\$ 385,558</u>	<u>\$ 437,830</u>	<u>\$ -</u>	<u>\$ 18,057,724</u>

See Independent Auditors' Report

JEFFERSON METROPOLITAN HOUSING AUTHORITY
 Supplemental Financial Data Schedules
 Statement of Revenue and Expenses

	Low rent Program	CGP	Drug Elimination Program	State/ Local Program	EDSS Program	New Construction Program	Rental Certificates Program	Rental Voucher Program	Total
REVENUE									
HUD Grants	\$ 1,360,036	\$ 418,327	\$ 145,630		\$ 55,390	\$ 384,741	\$ 285,191	\$ 1,648,108	\$ 4,297,423
Other Government Grants				35,748					35,748
Rental Income	1,034,038								1,034,038
Investment Income-Unrestricted	115,264					2,815	9,644	13,732	141,455
Investment Income-Restricted	5,005								5,005
Other Revenue	155,934							120	156,054
Gain/Loss on Sale of Fixed Assets	6,570								6,570
Total Revenue	2,676,847	418,327	145,630	35,748	55,390	387,556	294,835	1,661,840	5,676,293
EXPENSES									
Housing Assistance Payments						359,370	252,268	1,396,240	2,007,878
Administrative Salaries	436,483			1,830		14,500	18,130	117,878	588,821
Compensated Absences	12,894			85		648	1,154	7,500	22,281
Employee Benefits	304,308			623		4,959	7,055	39,369	356,314
Other Administrative Expense	139,280			798		5,676	5,786	31,364	742,519
Material and Labor-Maintenance	590,446						268	1,854	592,568
Contract Services	280,878							575	341,185
Utilities	482,331								482,331
General Expenses	91,200			32,999		1,648	586	4,309	130,742
Interest Expense				187					187
Payments in Lieu of Taxes	45,730								45,730
Bad Debt- Tenant Rents	32,710								32,710
Total Expenses	2,416,260	418,327	145,630	36,522	55,390	386,801	285,247	1,599,089	5,343,266
Income (Loss) before Depreciation & Other Costs	260,587			(774)		755	9,588	62,751	333,027
Depreciation	902,874	26,694					6,591		936,159
Extraordinary Maintenance	27,208								27,208
Operating Income (Loss)	\$ (669,495)	\$ (26,694)	\$ -	\$ (774)	\$ -	\$ 755	\$ 2,997	\$ 62,751	\$ (630,340)

See Independent Auditors' Report

JEFFERSON METROPOLITAN HOUSING AUTHORITY
STEUBENVILLE, OHIO

ACTUAL MODERNIZATION COST CERTIFICATION

At December 31, 2000

1. The Actual Modernization Grant Costs are as follows:

	<u>Project OH16-906-98</u>
Funds Approved	\$ 235,000
Funds Expended	<u>235,000</u>
Excess (Deficiency) of Funds Approved	<u>\$ -</u>
Funds Advanced	\$ 235,000
Funds Expended	<u>235,000</u>
Excess (Deficiency) of Funds Advanced	<u>\$ -</u>

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
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*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
Jefferson Metropolitan Housing Authority
Steubenville, Ohio

We have audited the financial statements of Jefferson Metropolitan Housing Authority, Steubenville, Ohio, as of and for the year ended December 31, 2000, and have issued our report thereon dated July 30, 2001. 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 Jefferson 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 Jefferson Metropolitan Housing Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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

J. E. Slaybaugh & Associates, Inc.

J.E. Slaybaugh & Associates, Inc.

Lexington, Ohio

July 30, 2001

J. E. Slaybaugh & Associates, Inc.

*12 East Main Street
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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
Jefferson Metropolitan Housing Authority
Stuebenville, Ohio

Compliance

We have audited the compliance of Jefferson 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 December 31, 2000. Jefferson 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 Jefferson Metropolitan Housing Authority's compliance based on our audit.

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

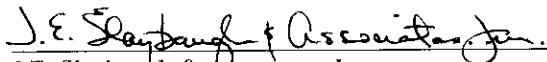
In our opinion, Jefferson Metropolitan Housing Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2000.

Internal Control Over Compliance

The management of Jefferson Metropolitan Housing Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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



J.E. Slaybaugh & Associates, Inc.
Lexington, Ohio
July 30, 2001

JEFFERSON METROPOLITAN HOUSING AUTHORITY
STEUBENVILLE, OHIO

SCHEDULE OF FINDINGS

December 31, 2000

PART I - SUMMARY OF AUDITOR'S RESULTS

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

JEFFERSON 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
NOVEMBER 8, 2001**