



**GENERAL PURPOSE
FINANCIAL STATEMENTS**

of the

Springfield Metropolitan Housing Authority

for the

Year Ended September 30, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

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Board of Directors
Springfield Metropolitan Housing Authority
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We have reviewed the Independent Auditor's Report of the Springfield Metropolitan Housing Authority, Clark County, prepared by Jones, Cochenour & Co., for the audit period October 1, 1999 to September 30, 2000. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

JIM PETRO
Auditor of State

August 20, 2001

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INDEPENDENT ACCOUNTANTS' REPORT

Board of Directors
Springfield Metropolitan Housing Authority
Springfield, Ohio

Regional Inspector General of Audit
Department of Housing and Urban
Development

We were engaged to audit the accompanying financial statements of the Springfield Metropolitan Housing Authority as of and for the year ended September 30, 2000, as listed in the table of contents. These financial statements are the responsibility of the Springfield Metropolitan Housing Authority's management.

Because of inadequacies in the Authority's accounting records supporting the financial activities of the Springfield Metropolitan Housing Authority, we were unable to form an opinion on those financial statements.

Since we did not audit the financial statements of the Springfield Metropolitan Housing Authority referred to above, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on these financial statements.

In accordance with *Government Auditing Standards*, we were engaged to issue a report on our consideration of the Springfield Metropolitan Housing Authority's internal control over financial reporting and our tests of it compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part and should be read in conjunction with this report. The scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the internal control over financial reporting and on the compliance.

We were engaged to audit the financial statements for the purpose of forming an opinion on those statements taken as a whole. The supplemental data listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements of the Springfield Metropolitan Housing Authority. As discussed in the second paragraph above, the scope of our work was not sufficient to enable us to express an opinion on the financial statements. Similarly we are unable to express, and do not express, an opinion on the accompanying supplemental data.

Jones, Cochenour & Co.
April 15, 2001

Springfield Metropolitan Housing Authority
Balance Sheet
Proprietary Fund Type
Enterprise Fund
September 30, 2000

ASSETS

Cash and cash equivalents	\$	601,006
Receivables – net of allowance		381,475
Due from other funds		418,532
Inventories – net of allowance		21,667
Deferred charges and other assets		54,053
Fixed assets – net of accumulated depreciation		<u>14,787,947</u>
TOTAL ASSETS		\$ <u>16,264,680</u>

LIABILITIES, RETAINED EARNINGS AND OTHER CREDITS

Accounts payable	\$	72,108
Due to other funds		418,532
Intergovernmental payable		15,460
Accrued wages/payroll taxes/compensated absences		339,861
Tenant security deposits		88,212
FSS liability		<u>59,434</u>
TOTAL LIABILITIES		993,607

TOTAL RETAINED EARNINGS AND OTHER CREDITS 15,271,073

**TOTAL LIABILITIES, RETAINED EARNINGS
AND OTHER CREDITS** **\$ 16,264,680**

Springfield Metropolitan Housing Authority
Statement of Revenues, Expenses and Changes in
Retained Earnings
Proprietary Fund Type
Enterprise Fund
Year Ended September 30, 2000

OPERATING REVENUE		
Tenant revenue	\$	1,480,825
Program operating grants/subsidies		5,632,082
Other income		<u>182,663</u>
TOTAL OPERATING REVENUE		7,295,570
OPERATING EXPENSES		
Administrative		1,628,908
Tenant services		170,676
Utilities		607,044
Maintenance		1,214,916
General		112,125
Bad debts		21,230
Housing assistance payments		3,591,313
Depreciation		<u>888,814</u>
TOTAL OPERATING EXPENSES		<u>8,235,026</u>
NET OPERATING LOSS		(939,456)
NON-OPERATING REVENUE		
Interest income		<u>36,734</u>
NET LOSS		(902,722)
RETAINED EARNINGS AND OTHER CREDITS, BEGINNING		14,009,315
CONTRIBUTED CAPITAL/PRIOR PERIOD ADJUSTMENTS/EQUITY TRANSFERS		<u>2,164,480</u>
RETAINED EARNINGS AND OTHER CREDITS, ENDING		<u>\$ 15,271,073</u>

See accompanying notes to the general purpose financial statements

Springfield Metropolitan Housing Authority
Statement of Cash Flows
Proprietary Fund Type
Enterprise Fund
Year Ended September 30, 2000

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash received from HUD	\$ 6,517,656
Cash received from tenants	1,647,299
Cash payments for housing assistance payments	(3,591,313)
Cash payments for administrative	<u>(3,813,151)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	760,491

CASH FLOWS FROM INVESTING ACTIVITIES:

Investment income	36,734
Increase in fixed assets	<u>(594,298)</u>
NET CASH USED BY INVESTING ACTIVITIES	(557,564)

NET INCREASE IN CASH AND CASH EQUIVALENTS **202,927**

CASH AND CASH EQUIVALENTS, BEGINNING **398,079**

CASH AND CASH EQUIVALENTS, ENDING **\$ 601,006**

**RECONCILIATION OF OPERATING LOSS TO NET CASH
PROVIDED BY OPERATING ACTIVITIES:**

Net operating loss	\$ (939,456)
Adjustments to reconcile operating loss to net cash used by operating activities	
Depreciation	888,814
Prior period adjustment affecting residual receipts	885,574
(Increase) decrease in:	
Receivables – net of allowance	(16,189)
Due from other funds	166,854
Deferred charges and other assets	(6,405)
Increase (decrease) in:	
Accounts payable	(110,810)
Due to other funds	(166,854)
Accrued wages/payroll taxes and compensated absences	(964)
Tenant security deposits	493
FSS liability	<u>59,434</u>

**NET CASH PROVIDED BY
OPERATING ACTIVITIES** **\$ 760,491**

Springfield Metropolitan Housing Authority
Notes to the General Purpose Financial Statements
September 30, 2000

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Summary of Significant Accounting Policies

The financial statements of the Springfield Metropolitan Housing Authority (the "Authority") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Authority's accounting policies are described below.

Reporting Entity

The Springfield Metropolitan Housing Authority was created under the 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 subsidies provided by HUD. The Authority depends on the subsidies from HUD to operate.

The accompanying general purpose financial statements comply with the provision of Governmental Accounting Standards Board (GASB) Statement 14, the Financial Reporting Entity, in that the financial statements include all organizations, activities and functions for which the Authority is financial accountable. This report includes all activities considered by management to be part of the Authority by virtue of Section 2100 of the Codification of Governmental Accounting and Financial Reporting Standards.

Section 2100 indicates that the reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity.

It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's government body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization. A financial benefit or burden relationship exists if the primary government (a) is entitled to the organization's resources; (b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or (c) is obligated in some manner for the debt of the organization.

Management believes the financial statements included in this report represent all of the funds of the Authority over which the Authority is financially accountable.

Fund Accounting

The Authority uses the proprietary fund to report on its financial position and the results of its operations for the Section 8 and public housing programs. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Funds are classified into three categories: governmental, proprietary and fiduciary. The Authority uses the proprietary category for its programs.

Springfield Metropolitan Housing Authority
Notes to the General Purpose Financial Statements
September 30, 2000

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Proprietary Fund Types

Proprietary funds are used to account for the Authority's ongoing activities which are similar to those found in the private sector. The following is the proprietary fund type:

Enterprise Fund – This fund is used to account for the operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Measurement Focus/Basis of Accounting

The proprietary funds are accounted for on the accrual basis of accounting. Revenues are recognized in the period earned and expenses are recognized in the period incurred. 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 FASB 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.

Investments

Investments are restricted by the provisions of the HUD Regulations (See Note 3). Investments are valued at market value. Interest income earned in fiscal year 2000 for both programs totaled \$36,731. The interest income earned on the general fund investments in the Section 8 Program is required to be returned to HUD and this amount was \$19,668 for the year ended September 30, 2000.

Fixed Assets

Fixed assets are stated at cost and depreciation is computed using the straight line method over an estimated useful life of the assets. The cost of normal maintenance and repairs, that do not add to the value of the asset or materially extend the asset life, are not capitalized.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, cash and cash equivalents include all highly liquid debt instruments with original maturities of three months or less.

Compensated Absences

The Authority accounts for compensated absences in accordance with GASB Statement No. 16. Sick leave and other compensated absences with similar characteristics are accrued as a liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments. To calculate the liability, these accumulations are reduced to the maximum amount allowed as a termination payment. All employees who meet the termination policy of the Authority for years of service are included in the calculation of the compensated absences accrual amount.

Vacation leave and other compensated absences with similar characteristics are accrued as a liability as the benefits are earned by the employees if both of the following conditions are met: 1) The employees' rights to receive compensation are attributable to services already rendered and are not contingent on a specific event that is outside the control of the employer and employee. 2) It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

In the proprietary fund, the compensated absences are expensed when earned with the amount reported as a fund liability.

Springfield Metropolitan Housing Authority
Notes to the General Purpose Financial Statements
September 30, 2000

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Capital Contributions

This represents contributions made available by HUD with respect to all federally aided projects under an annual contributions contract.

Budgetary Accounting

The Authority annually prepares its budget as prescribed by the Department of Housing and Urban Development. This budget is submitted to the Department of Housing and Urban Development and once approved is adopted by the Board of the Housing Authority.

Estimates

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

2. RECONCILIATION FROM GAAP BASIS TO HUD BASIS

The following table summarizes the adjustments necessary to reconcile the GAAP basis financial statements to the HUD basis year end reports filed with HUD:

	<u>Public Housing</u>	<u>Voucher</u>
GAAP Basis Income (Loss)	\$ (544,202)	\$ (122,752)
Increase (Decrease):		
Depreciation expense	888,814	-
Other adjustments	<u>-</u>	<u>(15,000)</u>
HUD BASIS RESIDUAL RECEIPTS (DEFICIT) FOR YEAR END REPORTS	<u>\$ 344,612</u>	<u>\$ (137,752)</u>
	<u>Certificates</u>	<u>Total</u>
GAAP Basis Income (Loss)	\$ 19,097	\$ (647,857)
Increase (Decrease):		
Depreciation expense	-	888,814
Other adjustments	<u>(23,676)</u>	<u>(38,676)</u>
HUD BASIS RESIDUAL RECEIPTS (DEFICIT) FOR YEAR END REPORTS	<u>\$ (4,579)</u>	<u>\$ 202,281</u>

Springfield Metropolitan Housing Authority
Notes to the General Purpose Financial Statements
September 30, 2000

3. CASH AND INVESTMENTS

HUD Handbook 7475.1 Chapter 4, Section 1 authorizes the PHA to make investments in:

Direct Obligations of the Federal Government;
Obligations of Federal Government Agencies;
Securities of Government-Sponsored Agencies; and
Demand and Savings Deposits and Certificates of Deposit.

Deposits: The carrying amount of Springfield Metropolitan Housing Authority's deposits, totaled \$601,006. The corresponding bank balances totaled \$631,114.

The \$100,000 was covered by federal depository insurance in one bank and the remaining \$531,114 was covered by collateralization held by the bank for the Authority's deposits as required by HUD.

4. NOTE TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES

The accompanying schedule of federal awards expenditures is a summary of the activity of the Authority's federal award programs. The schedule has been prepared on the cash basis of accounting.

5. RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 1999, the Authority was a member of the State Housing Authority Risk Pool Association, Inc. (SHARP), an insurance pool for housing authorities in Ohio. Vehicle insurance does not carry a deductible. Property insurance carries a \$500 deductible. There is no deductible for general liability insurance.

Settled claims have not exceeded this coverage in any of the last three years. There has been no significant reduction in coverage from last year.

6. FIXED ASSETS

The following is a summary:

Land	\$ 2,014,807
Buildings	21,658,950
Furniture and equipment – administrative	495,385
Construction in progress	<u>1,519,113</u>
	25,688,255
Accumulated depreciation	<u>(10,900,308)</u>
NET FIXED ASSETS	<u>\$ 14,787,947</u>

Springfield Metropolitan Housing Authority
Notes to the General Purpose Financial Statements
September 30, 2000

The following is a summary of changes:

	Balance <u>September 30, 1999</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>September 30, 2000</u>
Land	\$ 2,014,807	\$ -	\$ -	\$ 2,014,807
Buildings	21,454,060	204,890	-	21,658,950
Furniture and equipment - administrative	346,184	149,201	-	495,385
Construction in progress	-	1,519,113	-	1,519,113
TOTAL FIXED ASSETS	\$ 23,815,051	\$ 1,873,204	\$ -	\$ 25,688,255

The depreciation expense for the year ended September 30, 2000 was \$888,814.

7. DEFINED BENEFIT PENSION PLANS – PUBLIC EMPLOYEES RETIREMENT SYSTEM

All employees participate in the Public Employees Retirement System of Ohio (PERS), a cost sharing multiple employer public employee retirement system administered by the Public Employee Retirement Board. PERS provides basic retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 145 of the Ohio Revised Code. PERS issues a stand-alone financial report which may be obtained by writing to the Public Employee Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642.

Plan members are required to contribute 8.5 percent of their annual covered salary to fund pension obligations and the Authority is required to contribute 9.35 percent through June 30. The calculation changed to .9565 times the employee's withheld amount effective July 1, 2000. Contributions are authorized by State statute. The contribution rates are determined actuarially. The Authority's required contributions to PERS for the years ended September 30, 2000, 1999 and 1998 were \$277,311, \$264,863, and \$263,849, respectively. The full amount has been contributed for 1999 and 1998. 93 percent has been contributed for 2000, with the remainder being reported as a liability within the enterprise fund.

8. POSTEMPLOYMENT BENEFITS – PUBLIC EMPLOYEES RETIREMENT SYSTEM

The Public Employees Retirement System of Ohio (PERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in GASB Statement No. 12. A portion of each employer's contribution to PERS is set aside for the funding of postretirement health care based on authority granted by State statute. The 2000 employer contribution rate was 10.84 percent of covered payroll; 4.30 percent was the portion that was used to fund health care for 2000. For 1999, the contribution rate was 13.55 percent of covered payroll; 4.20 percent was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal cost method. Significant actuarial assumptions, based on PERS's latest actuarial review performed as of December 31, 1999, include a rate of return on investments of 7.75 percent, an annual increase in active employee total payroll of 4.75 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .54 percent and 5.1 percent based on additional annual pay increased. Health care premiums were assumed to increase 4.75 percent annually.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets.

Springfield Metropolitan Housing Authority
Notes to the General Purpose Financial Statements
September 30, 2000

8. POSTEMPLOYMENT BENEFITS – PUBLIC EMPLOYEES RETIREMENT SYSTEM - CONTINUED

The number of active contributing participants was 401,339. The Authority's actual contributions for 2000 which were used to fund postemployment benefits were \$8,587. The actual contribution and the actuarially required contribution amounts are the same. PERS's net assets available for payment of benefits at December 31, 1999, (the latest information available) were \$10,805.5 million. The actuarially accrued liability and the unfounded actuarial accrued liability were \$12,473.6 million and \$1,668.1 million, respectively.

For 2000, PERS elected to return to an actuarially pre-funded type of disclosure because it is a better presentation of PERS's actual funding methodology. Since 1997, disclosures had been based on a pay-as-you-go funding basis.

9. SUBSEQUENT EVENTS

A. The development project 21-14 was originally cost certified in the September 30, 1995 audit. HUD did not sign off on the cost certificate and it was subsequently determined that this project is not closed and there are additional funds to be requisitioned.

B. Pending or threatened litigation:

Dorwilda R. Willis vs. Harold T. Riedel, Jr., Executive Director – Pending employment discrimination and breach of contract case. This case was settled for \$75,000 in March of 2000.

NAACP, Arnette Hardnick vs. Harold T. Riedel, Jr., Executive Director – Pending civil RICO case filed by the NAACP and residents of the Company's housing units as co-plaintiffs. The outcome is uncertain.

Richard L. Wright vs. Harold T. Riedel, Jr., Executive Director – Pending employment discrimination case which arose out of the termination of the finance director on December 18, 1997. The outcome is uncertain.

Walter W. Wilson vs. Springfield Metropolitan Housing Authority vs. Harold T. Riedel, Jr., Executive Director – Pending civil rights charge filed by a former employee. The outcome is uncertain.

Roger Trent vs. Springfield Metropolitan Housing Authority – Grievance filed for wrongful discharge. The outcome is uncertain.

Stephanie Kellum vs. Springfield Metropolitan Housing Authority – Pending breach of contract, hostile work environment and racial harassment/discrimination. The outcome is uncertain.

Springfield Metropolitan Housing Authority
Combining Balance Sheet
FDS Schedule
Proprietary Fund Type
Enterprise Fund
September 30, 2000

FDS Line Item No.	Account Description	14.850 Pub Hsg	14.850B Dev	14.855 Section 8 Rent VO Prgm	14.857 Section 8 Rent CE Program	14.854 Drug Elimin Program	14.859 Comp Grant Program	14.227 TAP	14.182 New Cons	Total
ASSETS										
111	Cash – unrestricted	\$ 138,045	\$ -	\$ -	\$ 313,236	\$ -	\$ -	\$ -	\$ -	\$ 451,281
113	Cash – other FSS	-	-	-	61,513	-	-	-	-	61,513
114	Cash – tenant security deposits	<u>88,212</u>	-	-	-	-	-	-	-	<u>88,212</u>
100	TOTAL CASH	226,257	-	-	374,749	-	-	-	-	601,006
122	Accounts receivable – HUD other projects	-	-	253,867	-	-	-	-	-	253,867
125	Accounts receivable – miscellaneous	96,668	-	-	14,788	-	-	-	-	111,456
126	A/R tenants – dwelling rents	170,320	-	-	-	-	-	-	-	170,320
126.1	Allowance for doubtful accts	<u>(154,168)</u>	-	-	-	-	-	-	-	<u>(154,168)</u>
120	TOTAL ACCOUNTS RECEIVABLE	112,820	-	253,867	14,788	-	-	-	-	381,475
142	Prepaid expenses & other assets	54,053	-	-	-	-	-	-	-	54,053
143	Inventories	21,667	-	-	-	-	-	-	-	21,667
144	Interprogram due from	<u>408,258</u>	-	-	-	-	-	-	<u>10,274</u>	<u>418,532</u>
150	TOTAL CURRENT ASSETS	823,055	-	253,867	389,537	-	-	-	10,274	1,476,733
161	Land	2,014,807	-	-	-	-	-	-	-	2,014,807
162	Buildings	21,658,950	-	-	-	-	-	-	-	21,658,950
164	Furniture and equipment – administrative	384,938	-	-	110,447	-	-	-	-	495,385
166	Accumulated depreciation	<u>(10,789,861)</u>	-	-	<u>(110,447)</u>	-	-	-	-	<u>(10,900,308)</u>
	Construction in progress	-	<u>27,399</u>	-	-	-	<u>1,399,985</u>	<u>91,729</u>	-	<u>1,519,113</u>
160	TOTAL FIXED ASSETS, NET	<u>13,268,834</u>	<u>27,399</u>	-	-	-	<u>1,399,985</u>	<u>91,729</u>	-	<u>14,787,947</u>
180	TOTAL NON-CURRENT ASSETS	<u>13,268,834</u>	<u>27,399</u>	-	-	-	<u>1,399,985</u>	<u>91,729</u>	-	<u>14,787,947</u>
190	TOTAL ASSETS	<u>\$ 14,091,889</u>	<u>\$ 27,399</u>	<u>\$ 253,867</u>	<u>\$ 389,537</u>	<u>\$ -</u>	<u>\$ 1,399,985</u>	<u>\$ 91,729</u>	<u>\$ 10,274</u>	<u>\$ 16,264,680</u>

See accountants' report

Springfield Metropolitan Housing Authority
Combining Balance Sheet
FDS Schedule
Proprietary Fund Type
Enterprise Fund
September 30, 2000

FDS Line Item No.	Account Description	14.850 Pub Hsg	14.850B Dev	14.855 Section 8 Rent VO Prgm	14.857 Section 8 Rent CE Program	14.854 Drug Elimin Program	14.859 Comp Grant Program	14.227 TAP	14.182 New Cons	Total
LIABILITIES										
312	Accounts payable – 90 days	\$ 51,045	-	-	\$ 857-	-	\$ 17,265-	-	-	\$ 69,167
313	Accounts payable – 90 days	2,941	-	-	-	-	-	-	-	2,941
321	Accrued wages/payroll taxes	32,114	-	-	4,376-	-	-	-	-	36,490
322	Accrued compensated absences	73,400	-	-	23,876-	-	-	-	-	97,276
331	Accounts payable – HUD PHA Programs	-	-	-	4,579	-	-	-	10,881	15,460
341	Tenant security deposits	88,212	-	-	-	-	-	-	-	88,212
347	Interprogram due to	-	-	229,888	188,644	-	-	-	-	418,532
310	TOTAL CURRENT LIABILITIES	247,712	-	229,888	222,332	-	17,265	-	10,881	728,078
353	Noncurrent liabilities – other	169,219	-	-	96,310	-	-	-	-	265,529
	TOTAL LIABILITIES	416,931	-	229,888	318,642	-	17,265	-	10,881	993,607
513	TOTAL EQUITY	13,674,958	27,399	23,979	70,895	-	1,382,720	91,729	(607)	15,271,073
600	TOTAL LIABILITIES AND EQUITY	\$ 14,091,889	\$ 27,399	\$ 253,867	\$ 389,537	\$ -	\$ 1,399,985	\$ 91,729	\$ 10,274	\$ 16,264,680

See accountants' report

Springfield Metropolitan Housing Authority
Combining Statement of Revenues, Expenses and Changes in Retained Earnings
FDS Schedule
Proprietary Fund Type
Enterprise Fund
September 30, 2000

FDS Line Item No.	Account Description	14.850 Pub Hsg	14.850B Dev	14.855 Section 8 Rent VO Prgm	14.857 Section 8 Rent CE Program	14.854 Drug Elimin Program	14.859 Comp Grant Program	14.227 TAP	14.182 New Cons	Total
REVENUE										
703	Net tenant rental revenue	\$ 1,464,602	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,464,602
704	Tenant revenue – other	<u>16,223</u>	-	-	-	-	-	-	-	<u>\$ 16,223</u>
705	TOTAL TENANT REVENUE	1,480,825	-	-	-	-	-	-	-	1,480,825
706	HUD PHA grants	1,104,274	-	2,617,533	1,219,756	126,858	235,499	89,290	238,875	5,632,085
711	Investment income – unrestricted	17,063	-	19,668	-	-	-	-	-	36,731
715	Other revenue	<u>182,663</u>	-	-	-	-	-	-	-	<u>182,663</u>
700	TOTAL REVENUE	2,784,825	-	2,637,201	1,219,756	126,858	235,499	89,290	238,875	7,332,304
EXPENSES										
911	Administrative salaries	346,612	-	-	-	-	-	-	-	346,612
912	Auditing fees	21,825	-	3,500	-	-	-	-	-	25,325
914	Compensated Absenses	90,531	-	-	-	-	-	-	-	90,531
915	Employee benefit contributions – admin	60,402	-	-	-	-	-	-	-	60,402
916	Other operating – administrative	176,575	-	444,443	154,109	-	235,499	89,290	6,122	1,106,038
921	Tenant services – salaries	23,211	-	-	-	-	-	-	-	23,211
923	Employee benefit contrib. – tenant services	6,242	-	-	-	-	-	-	-	6,242
924	Tenant services – other	14,365	-	-	-	126,858	-	-	-	141,223
931	Water	210,062	-	-	-	-	-	-	-	210,062
932	Electricity	269,841	-	-	-	-	-	-	-	269,841
933	Gas	126,645	-	-	-	-	-	-	-	126,645
934	Fuel	496	-	-	-	-	-	-	-	496
941	Ordinary maint and operations labor	605,031	-	-	-	-	-	-	-	605,031
942	Ordinary maint and operations materials	186,318	-	-	-	-	-	-	-	186,318

See accountants' report

Springfield Metropolitan Housing Authority
Combining Statement of Revenues, Expenses and Changes in Retained Earnings
FDS Schedule
Proprietary Fund Type
Enterprise Fund
September 30, 2000

FDS Line Item No.	Account Description	14.850 Pub Hsg	14.850B Dev	14.855 Section 8 Rent VO Prgm	14.857 Section 8 Rent CE Program	14.854 Drug Elimin Program	14.859 Comp Grant Program	14.227 TAP	14.182 New Cons	Total
EXPENSES – CONTINUED										
943	Ordinary maint and operations cont cost	332,494	-	-	-	-	-	-	-	332,494
945	Employee benefit contrib. – ord maint.	91,073	-	-	-	-	-	-	-	91,073
961	Insurance premiums	111,955	-	-	-	-	-	-	-	111,955
962	Other general expenses	170	-	-	-	-	-	-	-	170
964	Bad debts – tenant rents	<u>21,230</u>	-	-	-	-	-	-	-	<u>21,230</u>
969	TOTAL OPERATING EXPENSES	<u>2,695,078</u>	-	<u>447,943</u>	<u>154,109</u>	<u>126,858</u>	<u>235,499</u>	<u>89,290</u>	<u>6,122</u>	<u>3,754,899</u>
970	Excess operating revenues over expenses	89,747	-	2,189,258	1,065,647	-	-	-	232,753	3,577,405
OTHER EXPENSES										
973	Housing assistance payments	-	-	2,312,010	1,046,550	-	-	-	232,753	3,591,313
974	Depreciation expense	<u>888,814</u>	-	-	-	-	-	-	-	<u>888,814</u>
900	TOTAL EXPENSES	<u>3,583,892</u>	-	<u>2,759,953</u>	<u>1,200,659</u>	<u>126,858</u>	<u>235,499</u>	<u>89,290</u>	<u>238,875</u>	<u>8,235,026</u>
1000	EXCESS OF REVENUE OVER EXPENSES	(799,067)	-	(122,752)	19,097	-	-	-	-	(902,722)
1103	BEGINNING EQUITY	14,219,160	-	1,303	(433,483)	-	220,881	2,061	(607)	14,009,315
1101	CAPITAL OUTLAYS	-	27,399	-	-	-	1,161,839	89,668	-	1,278,906
1104	PRIOR PERIOD ADJUSTMENTS/ EQUITY TRANSFERS	<u>254,865</u>	-	<u>145,428</u>	<u>485,281</u>	-	-	-	-	<u>885,574</u>
	ENDING EQUITY	<u>\$ 13,674,958</u>	<u>\$ 27,399</u>	<u>\$ 23,979</u>	<u>\$ 70,895</u>	<u>\$ -</u>	<u>\$ 1,382,720</u>	<u>\$ 91,729</u>	<u>\$ (607)</u>	<u>\$ 15,271,073</u>

See accountants' report

Springfield Metropolitan Housing Authority
Additional FDS Schedule Information
FDS Schedule
Proprietary Fund Type
Enterprise Fund
September 30, 2000

FDS Line Item No.	Account Description	14.850 Pub Hsg	14.850B Dev	14.855 Section 8 Rent VO Prgm	14.857 Section 8 Rent CE Program	14.854 Drug Elimin Program	14.859 Comp Grant Program	14.227 TAP	14.182 New Cons	Total
1101	Capital outlays enterprise fund	\$ _____	\$ 27,399	\$ _____	\$ _____	\$ _____	\$ 1,161,839	\$ 89,668	\$ _____	\$ 1,278,906
1103	Beginning Equity	\$ 14,219,160	\$ _____	\$ 1,303	\$ (433,483)	\$ _____	\$ 220,881	\$ 2,061	\$ (607)	\$ 14,009,315
1104	Prior period adj and equity transfers	254,865	-	145,428	485,281	-	-	-	-	885,574
1112	Depreciation add back	\$ 888,814	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ 888,814
1113	Maximum annual contributions (Per ACC)\$	\$ _____	\$ _____	\$ 2,627,707	\$ 1,187,132	\$ _____	\$ _____	\$ _____	\$ 317,613	\$ 4,132,452
1114	Prorata	-	-	-	-	-	-	-	986,349	986,349
1115	Contingency Reserve	_____	_____	340,525	865,261	_____	_____	_____	_____	1,205,786
1116	TOTAL ANNUAL CONTRIBUTIONS AVAILABLE	\$ _____	\$ _____	\$ 2,968,232	\$ 2,052,393	\$ _____	\$ _____	\$ _____	\$ 1,303,962	\$ 6,324,587
1120	Unit months available	10,596	-	8,221	3,707	-	-	-	384	22,908
1121	Number of unit months leased	10,032	-	7,515	3,707	-	-	-	384	21,638

See accountants' report

**Springfield Metropolitan Housing Authority
Reconciliation of
Comprehensive Grant Costs and Development Costs with Funds Advanced
Year Ended September 30, 2000**

	<u>OH16DEV</u> <u>021014</u>	<u>OH16CGP</u> <u>021706</u>	<u>OH16CGP</u> <u>021707</u>	<u>OH16CGP</u> <u>021708</u>
Maximum authorized	<u>\$ 2,548,650</u>	<u>\$ 925,792</u>	<u>\$ 975,845</u>	<u>\$ 1,147,614</u>
Balance at September 30, 1999	\$ 254,865	\$ 583,554	\$ 140,641	\$ -
2000 additions	<u>27,399</u>	<u>342,238</u>	<u>592,983</u>	<u>12,767</u>
Balance at September 30, 2000	282,264	925,792	733,624	12,767
HUD funds advanced	<u>282,264</u>	<u>925,792</u>	<u>608,314</u>	<u>12,767</u>
Over (under) advanced	<u>\$ _____ =</u>	<u>\$ _____ =</u>	<u>\$ (125,310)</u>	<u>\$ _____ =</u>

See accountants' report

Springfield Metropolitan Housing Authority
Springfield, Ohio
Schedule of Federal Awards Expenditures
Year Ended September 30, 2000

	<u>FEDERAL CFDA NUMBER</u>	<u>FUNDS EXPENDED</u>
<u>FROM U.S. DEPARTMENT OF HUD</u>		
<u>DIRECT PROGRAMS</u>		
Annual Contribution Contract C-524		
PHA Owned Housing:		
Public and Indian Housing	14.850A	\$ 1,104,271
Public and Indian Housing	14.850B	27,399
Public and Indian Housing Comprehensive Grant	14.859	1,397,338
Public and Indian Housing Drug Elimination Program	14.854	<u>126,858</u>
		2,655,866
Technical Assistance Program	14.227	178,958
Annual Contribution Contract C-5100		
Housing Assistance Payments:		
Annual Contribution –		
Section 8 Rental Certificate Program	14.857	1,219,756
Section 8 Rental Voucher Program	14.855	<u>2,617,533</u>
		3,837,289
Total Section 8 Tenant Based Cluster		3,837,289
Section 8 Moderate Rehabilitation Program	14.856	<u>238,875</u>
		<u>\$ 6,910,988</u>
Total – All Programs		\$ 6,910,988

See accountants' report

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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN ENGAGEMENT TO AUDIT FINANCIAL STATEMENTS TO BE PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

The Board of Directors
Springfield Metropolitan Housing Authority
Springfield, Ohio

Regional Inspector General for Audit
Department of Housing and Urban Development

We were engaged to audit the financial statements of Springfield Metropolitan Housing Authority as of and for the year ended September 30, 2000. The scope of our work was not sufficient for us to express, and we did not express, an opinion on these financial statements.

Compliance

We were engaged to perform tests of the Authority's 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 engagement and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance which are described in the accompanying schedule of findings and questioned costs as items 2000-3690-001 and 2000-3690-002.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Perry Metropolitan Housing Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of Springfield Metropolitan Housing Authority in a separate letter dated April 15, 2001.

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

Jones, Cochenour & Co.
April 15, 2001



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

Board of Directors
Springfield Metropolitan Housing Authority
Springfield, Ohio

Regional Inspector General of Audit
Department of Housing and Urban
Development

Compliance

We have audited the compliance of Springfield Metropolitan Housing Authority with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133* that are applicable to each of its major federal programs for the year ended September 30, 2000. Springfield Metropolitan Housing Authority's major federal programs are identified in the summary of engagement 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 Springfield Metropolitan Housing Authority's management. Our responsibility is to express an opinion on Springfield 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, and *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards, and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Springfield 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 Springfield Metropolitan Housing Authority's compliance with those requirements.

As described in items 2000-3690-001 in the accompanying schedule of findings and questioned costs, Springfield Metropolitan Housing Authority did not comply with requirements regarding reporting that are applicable to its Section 8 Cluster Programs. Compliance with such requirements is necessary, in our opinion, for Springfield Metropolitan Housing Authority to comply with requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, Springfield Metropolitan Housing Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2000.

Internal Control Over Compliance

The management of Springfield 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 Springfield 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 solely for the information and use of the board of directors, management, Auditor of State, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Jones, Cochenour & Co.
April 15, 2001

**Springfield Metropolitan Housing Authority
 Schedule of Findings and Questioned Costs
 OMB Circular A-133 § .505**

September 30, 2000

1. SUMMARY OF ENGAGEMENT RESULTS

Type of Financial Statement Opinion	Disclaimed Opinion
Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
Was there any reported material non-compliance at the financial statement level (GAGAS)?	Yes
Were there any material internal control weakness conditions reported for major federal programs?	No
Were there any other reportable internal control weakness conditions reported for major federal programs?	No
Type of Major Programs' Compliance Opinion	Qualified
Are there any reportable findings under § .510?	Yes
Major Programs (list):	Section 8 Tenant Based Cluster: CFDA #14.857 and 14.855 Public and Indian Housing Comprehensive Grant CFDA #14.859
Dollar Threshold: Type A/B Programs	Type A: \$300,000 Type B: All others
Low Risk Auditee?	No

**Springfield Metropolitan Housing Authority
Schedule of Findings and Questioned Costs
OMB Circular A-133 § .505 - Continued**

September 30, 2000

2. FINDINGS RELATED TO FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS – DISCLAIMED OPINION
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Finding Number	2000-3690-001
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The year end HUD forms are all required according to the forms directions to be filed within 45 days of the fiscal year end. These forms were filed late for both Public Housing and the Housing Assistance Payment program. It is recommended that the PHA make the necessary arrangements for timely filing of these reports in the future. The electronic submission of the FDS schedule is required to be submitted within 60 days of the year end. The submission was not completed within the 60 day time period.

Finding Number	2000-3690-002
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The Financial Management Handbook requires the Authority to maintain a Property Ledger as a subsidiary to the control account in the General Ledger and to take an annual physical inventory of supplies. At least once a year the PHA is required to take a physical inventory of the equipment and reconcile it to the equipment records. There was no documentation of the physical inventory or a property ledger provided during the audit. We recommend that a property ledger be prepared and an annual inventory be taken. It is noted that subsequent to year end the Authority did have an appraisal on the property.

3. FINDINGS RELATED TO FEDERAL AWARDS
--

See (GAGAS) findings 2000-3690-001 above; these findings are also required to be reported in accordance with federal awards.

**Springfield Metropolitan Housing Authority
 Schedule of Prior Audit Findings and Questioned Costs
 OMB Circular A-133§.315(b)**

September 30, 2000

ORIGINAL DATE OF FINDING	FINDING SUMMARY	STATUS
1996	Finding Number 1999-3690-001	Not Corrected
1996	Finding Number 1999-3690-002	Corrected
1996	Finding Number 1999-3690-003	Corrected
1996	Finding Number 1999-3690-004	Not Corrected
1996	Finding Number 1999-3690-005	Corrected
1997	Finding Number 1999-3690-006	Corrected
1996	Finding Number 1999-3690-007	Corrected
1996	Finding Number 1999-3690-008	Corrected
1996	Finding Number 1999-3690-009	Corrected

SPRINGFIELD METROPOLITAN HOUSING AUTHORITY

SEPTEMBER 30, 2000

CORRECTIVE ACTION PLAN OMB CIRCULAR A-133 § .315 (C)

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact
2000-3690-001	Finance Director will file all reports and on a timely basis for September 30, 2001 and forward.	2001	Denese Benn



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

SPRINGFIELD METROPOLITAN HOUSING AUTHORITY

CLARK 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
AUGUST 28, 2001**