

Athens Metropolitan Housing Authority  
General Purpose Financial Statements  
For the Year Ended December 31, 2002





**Auditor of State  
Betty Montgomery**

Board of Commissioners  
Athens Metropolitan Housing Authority

We have reviewed the Independent Auditor's Report of the Athens Metropolitan Housing Authority, Athens County, prepared by Salvatore Consiglio, CPA, Inc. for the audit period January 1, 2002 through December 31, 2002. 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 Athens Metropolitan Housing Authority is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY  
Auditor of State

October 20, 2003

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ATHENS METROPOLITAN HOUSING AUTHORITY  
AUDIT REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2002

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**SALVATORE CONSIGLIO, CPA, INC.**

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### **Independent Auditors' Report**

Board of Directors  
Athens Metropolitan Housing Authority

Regional Inspector General of Audit  
Department of Housing and Urban  
Development

I have audited the accompanying general purpose financial statements of Athens Metropolitan Housing Authority, Ohio, as of and for the year ended December 31, 2002, as listed in the table of contents. These general purpose financial statements are the responsibility of the Athens Metropolitan Housing Authority, Ohio, management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Athens Metropolitan Housing Authority, Ohio, as of December 31, 2002, and the results of its operations and the cash flows of its proprietary fund for the year then ended in conformity with accounting principles generally accepted in the United State of America.

In accordance with *Government Auditing Standards*, I have also issued a report dated July 25, 2003, on my consideration of Athens Metropolitan Housing Authority, Ohio's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants. That 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 result of my audit.

My Audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The schedules 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 Athens Metropolitan Housing Authority, Ohio. 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 Government and Non-Profit Organizations* and is not a required part of the general purpose financial statements. The combining financial data schedule ("FDS") is presented for purposes of additional analysis as required by the Department of Housing and Urban Development and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly presented in all material respect in relation to the basic financial statements taken as a whole.



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Salvatore Consiglio, CPA, Inc.

July 25, 2003



Athens Metropolitan Housing Authority  
 Combined Balance Sheet  
 Proprietary Fund Type  
 Enterprise Fund  
 December 31, 2002

**ASSETS**

Cash and Cash Equivalents	\$1,307,081
Accounts Receivables – Net of Allowance	58,207
Investment	285,962
Deferred Charges and Other Assets	<u>9,127</u>
 Total Current Assets	 <u>1,660,377</u>
 Fixed Assets - Net of Accumulated Depreciation	 <u>4,519,900</u>
 TOTAL ASSETS	 <u><u>\$6,180,277</u></u>

**LIABILITIES AND FUND EQUITY**

CURRENT LIABILITIES:	
Accounts Payable	\$154,337
Intergovernmental Payable	26,836
Accrued Wages and Payroll Taxes	9,967
Accrued Compensated Absences	25,643
Tenant Security Deposits	16,207
Deferred Credits and Other Liabilities	17,609
Current Portion of Long Term Debt	<u>17,224</u>
 Total Current Liabilities	 <u>267,823</u>
NONCURRENT LIABILITIES	
Long-term Debt Net of Current	331,050
Other Long-term Liabilities	<u>8,090</u>
 Total Noncurrent Liabilities	 <u>339,140</u>
 TOTAL LIABILITIES	 <u>606,963</u>
FUND EQUITY:	
Total Contributed Capital	5,921,485
Retained Earnings - Unreserved	<u>(348,171)</u>
 TOTAL FUND EQUITY	 <u>5,573,314</u>
 TOTAL LIABILITIES AND FUND EQUITY	 <u><u>\$6,180,277</u></u>

The accompanying notes to the general purpose financial statements are an integral part of these statements.

Athens Metropolitan Housing Authority  
 Combined Statement of Revenue, Expenses and Change in Fund Equity  
 Proprietary Fund Type  
 Enterprise Fund  
 For the Year Ended December 31, 2002

**REVENUES**

Tenant Rental Revenue	\$165,223
Grant Revenue	4,658,340
Investment Income	37,332
Other Income	23,884
Gain from Sale of Assets	<u>85,135</u>
 TOTAL REVENUES	 <u>4,969,914</u>

**EXPENSES**

Administrative Expenses	455,800
Utilities Expenses	90,008
Ordinary Maintenance and Operation	117,940
General Expenses	19,168
Housing Assistance Expenses	3,651,324
Interest Expense	22,060
Depreciation Expense	<u>196,480</u>
 TOTAL EXPENSES	 <u>4,552,780</u>

EXCESS (DEFICIENCY) OF TOTAL REVENUES OVER (UNDER) TOTAL EXPENSES	417,134
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Beginning Fund Equity	4,792,256
Prior Period Adjustments	<u>363,924</u>

ENDING FUND EQUITY	<u>\$5,573,314</u>
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The accompanying notes to the general purpose financial statements are an integral part of these statements.

Athens Metropolitan Housing Authority  
 Combined Statement of Cash Flows  
 Proprietary Fund Type  
 Enterprise Fund  
 For the Year Ended December 31, 2002

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Net Operating Income/(Loss)	\$417,134
Adjustment to Reconcile Operating Loss to Net Cash Used by Operating Activities	
- Depreciation	196,480
- Gain on Sales of Assets	(85,135)
- (Increases) Decreases in Accounts Receivable	532,584
- (Increases) Decreases in Prepaid Expenses	(6,892)
- Increases (Decreases) Accounts Payable	152,697
- Increases (Decreases) Intergovernmental Payable	(163,101)
- Increases (Decreases) in Deferred Revenue and Other Credits	(32,080)
- Increases (Decreases) in Accrued Wages and Compensated Absence	(855)
- Increases (Decreases) in Accrued Interest Payable	(10,798)
- Increases (Decreases) in FSS Escrow Payable	(4,536)
- Prior Period Adjustments Affecting Cash	12,305
Total Adjustments	590,669

NET CASH PROVIDED BY OPERATING ACTIVITIES 1,007,803

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Cash transfer from Investment Account 355,115

NET CASH PROVIDED IN INVESTING ACTIVITIES 355,115

**CASH FLOWS FROM FINANCING ACTIVITIES:**

Change in Long term Debt 166,756

Purchase of Assets (617,901)

Proceeds from Sale of Assets 125,000

NET CASH PROVIDED IN FINANCING ACTIVITIES (326,145)

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS 1,036,773

CASH AND CASH EQUIVALENTS – BEGINNING OF YEAR 270,308

**CASH AND CASH EQUIVALENTS - END OF YEAR** **\$1,307,081**

The accompanying notes to the general purpose financial statements are an integral part of these statements.

ATHENS METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31,2001

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Summary of Significant Accounting Policies**

The financial statements of the Athens 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 Athens 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 financially 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.

ATHENS METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31,2001  
(CONTINUED)

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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 HUD 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.

**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

ATHENS METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31,2001  
(CONTINUED)

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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**

The provisions of the HUD Regulations restrict investments. Investments are valued at market value. Interest income earned in fiscal year ending December 31, 2002 totaled \$37,332.

**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 absence 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

ATHENS METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31,2001  
(CONTINUED)

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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.

**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.

**NOTE 2: CASH AND INVESTMENTS**

Deposits – The PHA deposits are categorized to give an indication of the level of risk assumed by the PHA at fiscal year end. The categories are described as follows:

Category 1 – Insured or collateralized with securities held by the PHA or by its agent in the PHA’s name.

Category 2 – Collateralized with securities held by the pledging financial institution’s trust department or agent in the PHA’s name.

Category 3 – Uncollateralized.

ATHENS METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31,2001  
(CONTINUED)

**NOTE 2: CASH AND INVESTMENTS** (Continued)

Deposits, categorized by level of risk, are:

DESCRIPTION	BANK BALANCE	CATEGORY			CARRYING AMOUNT
		1	2	3	
Cash and Cash Equivalents	\$1,335,926	\$1,335,926	\$ -0-	\$ -0-	\$1,307,081
Investments	285,962	285,962	-0-	-0-	285,962
Total Deposits	\$1,621,888	\$1,621,888	\$ -0-	\$ -0-	\$1,593,043

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.

The PHA investments are categorized to give an indication of the level of risk assumed by the PHA at fiscal year end. The categories are described as follows:

Category 1 – Insured, registered, or securities held by the PHA or its agent in the PHA’s name.

Category 2 – Uninsured and unregistered, with securities held by the counterpart’s trust department or agent in the PHA’s name.

Category 3 – Uninsured and unregistered, with securities held by the counterpart, or its trust department or agent but not in the PHA’s name.

The PHA’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.



ATHENS METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2001  
(CONTINUED)

**NOTE 4: 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 ending December 31, 2002 the 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.

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.

**NOTE 5: FIXED ASSETS**

The following is a summary:

Land	\$ 823,600
Buildings	4,812,878
Furniture, Machinery and Equipment	238,841
Construction in Progress	11,791
Total Fixed Assets	5,887,110
Accumulated Depreciation	( 1,367,210)
Net Fixed Assets	\$ 4,519,900

The following is a summary of changes:

	<b>Balance 12/31/01</b>	<b>Adjustment</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 12/31/02</b>
Land	\$701,942	51,023	85,585	\$14,950	\$823,600
Building	4,427,825	(67,413)	502,516	50,050	4,812,878
Furnt, Mach. and Equip	299,726	(601)	18,009	78,293	238,841
Construction in Progress	0	0	11,791	0	11,791
Total	\$5,429,493	(\$16,991)	\$617,901	\$143,293	\$5,887,110

The depreciation expense for the year ended December 31, 2002 was \$196,480.

ATHENS METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31,2001  
(CONTINUED)

**NOTE 6: 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. Chapter 145 of the Ohio Revised Code establishes benefits. 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. The employer contribution rate was 13.55 percent of covered payroll. The Authority's required contributions to PERS for the years ended December 31, 2002, 2001 and 2000 were \$38,684, \$35,920, and \$29,198, respectively. The full amount has been contributed for 2001 and 2000. Ninety-two percent has been contributed for 2002, with the remainder being reported as a liability with the enterprise fund.

**NOTE 7: POSTEMPLOYMENT BENEFITS PUBLIC EMPLOYEES  
RETIREMENT SYSTEM**

The Public Retirement System of Ohio (PERS) provides post-retirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit and to primary survivor recipients of such retirees. Health 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 based on authority granted by State statute. The Ohio Revised Code provides the statutory authority requiring public employers to fund pension and postretirement health care through their contributions to PERS. The portion of employer contributions rate used to fund health care for 2002 and 2001 was 4.3 percent of cover payroll.

ATHENS METROPOLITAN HOUSING AUTHORITY  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31,2001  
 (CONTINUED)

**NOTE 7: POSTEMPLOYMENT BENEFITS PUBLIC EMPLOYEES  
RETIREMENT SYSTEM (Continued)**

The significant actuarial assumptions, based on PERS's latest actuarial review performed as of December 31, 2000, 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 for inflation (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 increases. 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.

**NOTE 8: PRIOR PERIOD ADJUSTMENTS**

Prior period adjustment in total of \$363,924 was necessary to properly state the beginning fund equity balance. The adjustments are as follows:

**LOW RENT PUBLIC HOUSING PROGRAM:**

Adjustment to properly state beginning balance in Fixed Assets	\$189,300
Adjustment to properly state beginning payable balance	(28,338)
Adjustment to correct the accumulated depreciation	(9,908)
Adjustment to reconcile interagency due to/from	45,151

**COMPREHENSIVE IMPROVEMENT ASSISTANCE PROGRAM:**

Adjustment to properly state beginning balance in Fixed Assets	(93,577)
Adjustment to correct the accumulated depreciation	1,160

**HOUSING CHOICE VOUCHER PROGRAM:**

Adjustment to properly state beginning payable balance	2,829
Adjustment to properly state beginning FSS Escrow balance	53,353
Adjustment to properly state beginning Payable to HUD	194,305
Adjustment to correct the accumulated depreciation	(955)

**BOARD FUND:**

Adjustment to properly state beginning Long Term Debt Payable	<u>10,604</u>
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TOTAL PERIOD ADJUSTMENTS	<u><u>\$363,924</u></u>
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ATHENS METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2001  
(CONTINUED)

**NOTE 9: LONG TERM DEBT**

**Mortgage Payable**

Athens Metropolitan Housing Authority has 3 outstanding mortgages payable as of December 31, 2002. These loans were obtained to purchase rental properties.

The following is a summary of changes in long-term debt for the year ended December 31, 2002:

DESCRIPTION	BALANCE			BALANCE 12/31/02	DUE WITHIN ONE YEAR
	12/31/01	ISSUED	RETIRED		
490 Richland Ave. Property	\$22,735	\$-0-	\$22,735	\$-0-	\$-0-
SR 78, Buchtel Property	125,355	-0-	7,981	117,374	8,300
Walnut Street, Nelsonville	33,428	-0-	2,128	31,300	2,300
430 Union Street Property	-0-	200,000	400	199,600	6,624
TOTAL DEBT	\$181,518	\$200,000	\$33,244	\$348,274	\$17,224

Debt maturities for the next five years are as follows:

<u>YEAR</u>	<u>AMOUNT</u>
2003	\$17,224
2004	18,328
2005	19,271
2006	20,264
2007	21,309
Later Years	<u>251,878</u>
Total	<u>\$348,274</u>

**NOTE 10: SCHEDULE OF EXPENDITURE OF FEDERAL AWARD**

The accompanying schedule of expenditure of federal award is a summary of the activity of the Authority's federal programs. This schedule has been prepared on the accrual basis of accounting.

Athens Metropolitan Housing Authority  
Combining Balance Sheet  
FDS Schedule Submitted To REAC  
Proprietary Fund Type – Enterprise Fund  
December 31, 2002

Line Item No.	Account Description	N/C S/R Section 8 Programs	Low Rent Public Housing	Comp. Improv. Assistance Program	Housing Choice Vouchers	Section 8 Certificate Program	Capital Fund Program	State/Local	Total
111	Cash - Unrestricted	\$0	\$436,630	\$0	\$406,383	\$0	\$0	\$294,032	\$1,137,045
112	Cash - Restricted - Modernation-Develop	0	145,341	0	0	0	0	0	145,341
113	Cash - Other Restricted	0	0	0	8,090	0	0	0	8,090
114	Cash - Tenant Security Deposits	0	10,242	0	0	0	0	6,363	16,605
100	Total Cash	0	592,213	0	414,473	0	0	300,395	1,307,081
122	Accounts Receivable - HUD Other Projects	7,035	0	0	11,501	0	23,228	0	41,764
124	Accounts Receivable - Other State Local	0	2,052	0	0	0	0	0	2,052
125	Accounts Receivable - Miscellaneous	0	882	0	1,367	0	0	7,809	10,058
126	Accounts Receivable - Tenants - Dwelling Rents	0	7,498	0	0	0	0	1,954	9,452
126.1	Allowance for Doubtful Accounts - Dwelling Rents	0	-3,956	0	0	0	0	-1,163	-5,119
126.2	Allowance for Doubtful Accounts - Other	0	0	0	0	0	0	0	0
120	Total Receivables, net of allowances for doubtful accounts	7,035	6,476	0	12,868	0	23,228	8,600	58,207
131	Investments - Unrestricted	0	233,346	0	0	0	0	52,616	285,962
132	Investments Restricted	0	0	0	0	0	0	0	0
142	Prepaid Expenses and Other Assets	0	3,101	0	4,477	0	0	1,549	9,127
143.1	Allowance for Obsolete Inventories	0	0	0	0	0	0	0	0
144	Interprogram Due From	0	31,441	0	122,308	0	68,749	22,025	244,523
150	Total Current Assets	7,035	866,577	0	554,126	0	91,977	385,185	1,904,900

Athens Metropolitan Housing Authority  
Combining Balance Sheet  
FDS Schedule Submitted To REAC  
Proprietary Fund Type – Enterprise Fund  
December 31, 2002

Line Item No.	Account Description	N/C S/R Section 8 Programs	Low Rent Public Housing	Comp. Improv. Assistance Program	Housing Choice Vouchers	Section 8 Certificate Program	Capital Fund Program	State/Local	Total
161	Land	0	696,850	0	0	0	0	126,750	823,600
162	Buildings	0	3,857,392	274,769	0	0	297,540	383,177	4,812,878
163	Furniture, Equipment & Machinery - Dwellings	0	85,273	0	0	0	0	0	85,273
164	Furniture, Equipment & Machinery - Administration	0	47,627	81,332	18,009	0	6,600	0	153,568
166	Accumulated Depreciation	0	-1,204,191	-108,668	-2,557	0	-12,558	-39,236	-1,367,210
167	Construction in Progress	0	0	0	0	0	0	11,791	11,791
160	Total Fixed Assets, Net of Accumulated Depreciation	0	3,482,951	247,433	15,452	0	291,582	482,482	4,519,900
180	Total Non-Current Assets	0	3,482,951	247,433	15,452	0	291,582	482,482	4,519,900
190	Total Assets	\$7,035	\$4,349,528	\$247,433	\$569,578	\$0	\$383,559	\$867,667	\$6,424,800
312	Accounts Payable <= 90 Days	\$0	\$30,689	\$0	\$31,671	\$0	\$91,977	\$0	\$154,337
321	Accrued Wages / Payroll Taxes	0	0	0	9,967	0	0	0	9,967
322	Accrued Compensated Absences - Current Portion	0	8,233	0	17,410	0	0	0	25,643
331	Accounts Payable - HUD PHA Programs	6,516	0	0	0	0	0	0	6,516
333	Accounts Payable - Other Government	0	10,436	0	9,884	0	0	0	20,320
341	Tenant Security Deposits	0	9,844	0	0	0	0	6,363	16,207
342	Deferred Revenues	0	1,898	0	0	0	0	13,556	15,454
343	Current Portion of Long Term Debt	0	0	0	0	0	0	17,224	17,224
345	Other Current Liabilities	0	0	0	0	0	0	2,155	2,155
347	Interprogram Due To	0	214,557	0	0	0	0	29,966	244,523
310	Total Current Liabilities	6,516	275,657	0	68,932	0	91,977	69,264	512,346

Athens Metropolitan Housing Authority  
Combining Balance Sheet  
FDS Schedule Submitted To REAC  
Proprietary Fund Type – Enterprise Fund  
December 31, 2002

Line Item No.	Account Description	N/C S/R Section 8 Programs	Low Rent Public Housing	Comp. Improv. Assistance Program	Housing Choice Vouchers	Section 8 Certificate Program	Capital Fund Program	State/Local	Total
351	Noncurrent Portion of Long Term Debt	0	0	0	0	0	0	331,050	331,050
353	Noncurrent Liabilities - Other	0	0	0	8,090	0	0	0	8,090
350	Total Noncurrent Liabilities	0	0	0	8,090	0	0	331,050	339,140
300	Total Liabilities	6,516	275,657	0	77,022	0	91,977	400,314	851,486
502	Project Notes (HUD)	0	0	0	0	0	0	0	0
504	Net HUD PHA Contributions	0	5,784,107	137,378	0	0	0	0	5,921,485
508	Total Contributed Capital	0	5,784,107	137,378	0	0	0	0	5,921,485
511	Total Reserved Fund Balance	0	0	0	0	0	0	0	0
512	Undesignated Fund Balance/Retained Earnings	519	-1,710,236	110,055	492,556	0	291,582	467,353	-348,171
513	Total Equity/Net Assets	519	4,073,871	247,433	492,556	0	291,582	467,353	5,573,314
600	Total Liabilities and Equity/Net Assets	\$7,035	\$4,349,528	\$247,433	\$569,578	\$0	\$383,559	\$867,667	\$6,424,800

Athens Metropolitan Housing Authority  
Combining Statement of Revenue, Expenses and Change In Retained Earnings  
FDS Schedule Submitted to REAC  
Proprietary Fund Type – Enterprise Fund  
Year Ended December 31, 2002

Line Item No.	Account Description	N/C S/R Section 8 Programs	Low Rent Public Housing	Comp. Improv. Assistance Program	Housing Choice Vouchers	Section 8 Certificate Program	Capital Fund Program	State/Local	Total
703	Net Tenant Rental Revenue	\$0	\$117,913	\$0	\$0	\$0	\$0	\$46,891	\$164,804
704	Tenant Revenue Other	0	419	0	0	0	0	0	419
705	Total Tenant Revenue	0	118,332	0	0	0	0	46,891	165,223
706	HUD PHA Operating Grants	937,832	245,520	829	3,103,782	0	29,188	0	4,317,151
706.1	Capital Grants	0	0	43,649	0	0	297,540	0	341,189
711	Investment Income - Unrestricted	0	25,406	0	3,689	0	0	8,237	37,332
715	Other Revenue	0	65	0	347	0	0	23,472	23,884
716	Gain/Loss on Sale of Fixed Assets	0	0	0	0	0	0	85,135	85,135
700	Total Revenue	937,832	389,323	44,478	3,107,818	0	326,728	163,735	4,969,914
911	Administrative Salaries	32,046	61,010	0	141,496	0	0	0	234,552
912	Auditing Fees	873	2,342	0	3,289	0	0	0	6,504
915	Employee Benefit Contributions - Administrative	15,024	14,758	0	62,787	0	0	0	92,569
916	Other Operating - Administrative	16,045	18,234	829	50,665	0	29,188	7,214	122,175
931	Water	0	17,691	0	0	0	0	3,631	21,322
932	Electricity	0	68,539	0	0	0	0	219	68,758
933	Gas	0	-72	0	0	0	0	0	-72
941	Ordinary Maintenance and Operations - Labor	0	53,114	0	0	0	0	0	53,114
942	Ordinary Maintenance and Operations - Materials and Other	0	21,462	0	0	0	0	7,109	28,571
943	Ordinary Maintenance and Operations - Contract Costs	0	20,393	0	0	0	0	726	21,119
945	Employee Benefit Contributions - Ordinary Maintenance	0	15,136	0	0	0	0	0	15,136
961	Insurance Premiums	0	11,289	0	0	0	0	141	11,430
963	Payments in Lieu of Taxes	0	3,176	0	0	0	0	0	3,176
964	Bad Debt - Tenant Rents	0	4,562	0	0	0	0	0	4,562



Athens Metropolitan Housing Authority  
Combining Statement of Revenue, Expenses and Change In Retained Earnings  
FDS Schedule Submitted to REAC  
Proprietary Fund Type – Enterprise Fund  
Year Ended December 31, 2002

Line Item No.	Account Description	N/C S/R Section 8 Programs	Low Rent Public Housing	Comp. Improv. Assistance Program	Housing Choice Vouchers	Section 8 Certificate Program	Capital Fund Program	State/Local	Total
967	Interest Expense	0	0	0	0	0	0	22,060	22,060
969	Total Operating Expenses	63,988	311,634	829	258,237	0	29,188	41,100	704,976
970	Excess Operating Revenue over Operating Expenses	873,844	77,689	43,649	2,849,581	0	297,540	122,635	4,264,938
973	Housing Assistance Payments	873,844	0	0	2,777,480	0	0	0	3,651,324
974	Depreciation Expense	0	134,872	36,813	2,557	0	11,238	11,000	196,480
900	Total Expenses	937,832	446,506	37,642	3,038,274	0	40,426	52,100	4,552,780
1010	Total Other Financing Sources (Uses)	0	0	0	0	0	0	0	0
1000	Excess (Deficiency) of Operating Revenue Over (Under) Expenses	0	-57,183	6,836	69,544	0	286,302	111,635	417,134
1101	Capital Outlays Enterprise Fund	0	0	0	0	0	0	0	0
1103	Beginning Equity	60,093	3,509,045	758,818	119,648	90,114	5,280	249,258	4,792,256
1104	Prior Period Adjustments, Equity Transfers and Correction of Errors	-59,574	622,009	-518,221	303,364	-90,114	0	106,460	363,924
	Ending Equity	\$519	\$4,073,871	\$247,433	\$492,556	\$0	\$291,582	\$467,353	\$5,573,314

Athens Metropolitan Housing Authority  
Combining Statement of Revenue, Expenses and Change In Retained Earnings  
FDS Schedule Submitted to REAC  
Proprietary Fund Type – Enterprise Fund  
Year Ended December 31, 2002

Line Item No.	Account Description	N/C S/R Section 8 Programs	Low Rent Public Housing	Comp. Improv. Assistance Program	Housing Choice Vouchers	Section 8 Certificate Program	Capital Fund Program	State/Local	Total
1102	Debt Principal Payments - Enterprise Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$33,244	\$33,244
1112	Depreciation Add Back	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1113	Maximum Annual Contributions Commitment (Per ACC)	\$949,199	\$0	\$0	\$3,056,857	\$0	\$0	\$0	\$4,006,056
1114	Prorata Maximum Annual Contributions Applicable to a Period of less than Twelve Months	0	0	0	0	0	0	0	0
1115	Contingency Reserve, ACC Program Reserve	2,424,239	0	0	47,424	0	0	0	2,471,663
1116	Total Annual Contributions Available	<u>\$3,373,438</u>	<u>\$0</u>	<u>\$0</u>	<u>\$3,104,281</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$6,477,719</u>
1120	Unit Months Available	1,608	852	0	7,980	0	0	96	10,536
1121	Number of Unit Months Leased	1,608	804	0	7,948	0	0	88	10,448

Athens Metropolitan Housing Authority  
 Schedule of Expenditures of Federal Award  
 For the Year Ended December 31, 2002

<b>FEDERAL GRANTOR / PASS THROUGH GRANTOR PROGRAM TITLES</b>	<b>CFDA NUMBER</b>	<b>EXPENDITURES</b>
U.S. Department of Housing and Urban Development Direct Program		
Low Rent Public Housing	14.850a	\$245,520
Public Housing – Comprehensive Improvement Assistance Program	14.852	44,478
Housing Choice Voucher Program	14.871	3,103,782
Section 8 Project Based Cluster: New Construction Program	14.182	937,832
Public Housing Capital Fund Program	14.872	<u>326,728</u>
Total Expenditure of Federal Award		<u>\$4,658,340</u>

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**SALVATORE CONSIGLIO, CPA, INC.**

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**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 Directors  
Athens Metropolitan Housing Authority

Regional Inspector General of Audit  
Department of Housing and Urban  
Development

I have audited the general purpose financial statements of the Athens Metropolitan Housing Authority, Ohio, as of and for the year ended December 31, 2002, and have issued my report thereon dated July 25, 2003. I conducted my audit in accordance with auditing standards generally accepted in the United State of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether Athens Metropolitan Housing Authority, Ohio's general purpose financial statements are free of material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my 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 my audit, I considered Athens Metropolitan Housing Authority, Ohio's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. My 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 component does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation the financial statements being auditing may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

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

A handwritten signature in black ink, reading "Salvatore Consiglio", is positioned above a horizontal line. A vertical line extends from the top of the signature down to the horizontal line.

Salvatore Consiglio, CPA, Inc.

July 25, 2003

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**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  
Athens Metropolitan Housing Authority

Regional Inspector General of Audit  
Department of Housing and Urban  
Development

**Compliance**

I have audited the compliance of the Athens Metropolitan Housing Authority, Ohio, 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, 2002. Athens Metropolitan Housing Authority, Ohio major federal programs are identified in the Summary of Auditor's result 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 Athens Metropolitan Housing Authority, Ohio's management. My responsibility is to express an opinion on Athens Metropolitan Housing Authority, Ohio's compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I 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 Athens Metropolitan Housing Authority, Ohio's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on Athens Metropolitan Housing Authority, Ohio's compliance with those requirements.

In my opinion, Athens Metropolitan Housing Authority, Ohio, 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, 2002.

## **Internal Control Over Compliance**

The management of Athens Metropolitan Housing Authority, Ohio 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 my audit, I considered Athens Metropolitan Housing Authority, Ohio's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

My 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. I noted no matters involving the Internal control over compliance and its operation that I considered to be material weaknesses.

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



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Salvatore Consiglio, CPA, Inc.

July 25, 2003

Athens Metropolitan Housing Authority  
 Schedule of Findings and Questioned Costs  
 OMB Circular A-133 § .505  
 December 31, 2002

<b>1. SUMMARY OF AUDITOR'S RESULTS</b>
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Type of Financial Statement Opinion	Unqualified
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)?	No
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	Unqualified
Are there any reportable findings under § .510?	No
Major Programs (list):	CFDA # 14.871, 14.872, 14.182 Housing Choice Voucher, Section 8 Project Based Clusters & Capital Fund Programs
Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: All Others
Low Risk Auditee?	Yes

<b>2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS</b>
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There are no Findings or questioned costs for the year ended December 31, 2002.

<b>3. FINDINGS RELATED TO FEDERAL AWARDS</b>
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There are no Findings or questioned costs for the year ended December 31, 2002.



Athens Metropolitan Housing Authority  
Schedule of Prior Audit Findings  
December 31, 2002

The audit report for the fiscal year ending December 31, 2001 contained not audit finding.





**Auditor of State  
Betty Montgomery**

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**ATHENS METROPOLITAN HOUSING AUTHORITY**

**ATHENS 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 6, 2003**