

**BELMONT METROPOLITAN HOUSING AUTHORITY  
MARTINS FERRY, OHIO**

**REPORT ON EXAMINATION OF FINANCIAL  
STATEMENTS AND SUPPLEMENTAL DATA FOR THE  
YEAR ENDED MARCH 31, 2001**

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





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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Board of Commissioners  
Belmont Metropolitan Housing Authority  
Martins Ferry, Ohio

We have reviewed the Independent Auditor's Report of Belmont Metropolitan Housing Authority, Belmont County, prepared by J. E. Slaybaugh & Associates, Inc., for the audit period April 1, 2000 to March 31, 2001. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

JIM PETRO  
Auditor of State

November 5, 2001

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BELMONT METROPOLITAN HOUSING AUTHORITY  
MARTIN'S FERRY, OHIO

MARCH 31, 2001

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Certified Public Accountant*

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Belmont Metropolitan Housing Authority  
Martins Ferry, Ohio

We have audited the accompanying balance sheet of the Belmont Metropolitan Housing Authority, Martins Ferry, Ohio, as of and for the year ended March 31, 2001, and the related statements of revenues, expenses, equity, and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Belmont Metropolitan Housing Authority as of March 31, 2001, and the results of its operations and the cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated August 29, 2001, on our consideration of Belmont Metropolitan Housing Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental financial data schedules accompanying the financial statements are not necessary for fair presentation of the financial position, results of operations, and cash flows of the Authority in conformity with accounting principles generally accepted in the United States of America. The supplemental schedules listed in the table of contents are presented only for purposes of additional analysis and are not a required part of the financial statements. Such schedules have been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Our audit was made for the purpose of forming an opinion on the financial statements of Belmont Metropolitan Housing Authority, taken as a whole. The accompanying schedule of expenditures of federal awards, as required by *U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations*, and is not a required part of the financial statements. The information in that Schedule has been subjected to the auditing procedures applied in the audit of the financial statements, and in our opinion, is stated fairly, in all material respects, in relation to the financial statements taken as a whole.

*J. E. Slaybaugh & Associates, Inc.*

J.E. Slaybaugh & Associates, Inc.  
August 29, 2001

BELMONT METROPOLITAN HOUSING AUTHORITY  
MARTIN'S FERRY, OHIO  
BALANCE SHEET  
March 31, 2001

**ASSETS**

**Current Assets**

Cash and Cash Equivalents	\$ 258,693
Investments-Unrestricted	1,059,756
Tenant Accounts Receivable- Net of \$ 7,039 Doubtful Accounts	1,288
Accounts Receivable- HUD Projects	1,918
Accounts Receivable-Other	10,938
Prepaid Expenses	23,003
Inventories - net of allowance for obsolescence	<u>57,962</u>
 Total Current Assets	 1,413,558

Property and Equipment - Net of \$ 15,491,320 Accumulated Depreciation	<u>17,646,817</u>
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Total Assets	<u>\$ 19,060,375</u>
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**LIABILITIES AND EQUITY**

**Current Liabilities**

Accounts Payable	\$ 44,715
Accounts Payable- Governments	44,628
Tenant Security Deposits	90,269
Accrued Wages and Payroll Taxes	46,212
Accrued Compensated Absences	154,962
Deferred Revenues	<u>13,565</u>
 Total Liabilities	 394,351

**Equity**

Contributed Capital	17,646,817
Retained Earnings	<u>1,019,207</u>
Total Equity	<u>18,666,024</u>

Total Liabilities and Equity	<u>\$ 19,060,375</u>
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The accompanying notes are an integral part of these financial statements.



BELMONT METROPOLITAN HOUSING AUTHORITY  
MARTIN'S FERRY, OHIO  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN EQUITY  
FOR THE YEAR ENDED MARCH 31, 2001

<b><u>Revenue</u></b>	
HUD Grants	\$ 1,694,008
Rental Income	1,194,088
Investment Income-Unrestricted	68,116
Other Revenue	<u>36,477</u>
 Total Revenue	 2,992,689
<b><u>Expenses (before depreciation)</u></b>	
Housing Assistance Payments	683,623
Administrative Salaries	360,719
Compensated Absences	12,630
Employee Benefits	266,575
Other Administrative Expense	127,816
Material and Labor-Maintenance	647,030
Contract Services	129,641
Utilities	694,865
General Expenses	56,307
Payment in Lieu of Taxes	44,628
Bad Debt- Tenant Rents	<u>12,796</u>
 Total Expenses	 3,036,630
 Income (Loss) before Depreciation & Other Costs	 (43,941)
Depreciation	1,169,341
Interest Expense	<u>6,868</u>
 Operating Income (Loss)	 (1,220,150)
 Total Equity - Beginning of Year	 19,275,988
 Contributed Capital	 <u>610,186</u>
 Total Equity - End of Year	 <u>\$ 18,666,024</u>

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

BELMONT METROPOLITAN HOUSING AUTHORITY  
MARTIN'S FERRY, OHIO  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED MARCH 31, 2001

**Cash Flows from Operating Activities**

Operating Income (Loss)	\$ (1,220,150)
Adjustments to reconcile Operating Income(Loss) to Net Cash Provided By Operating Activities:	
Depreciation	1,169,341
Changes in Operating Assets and Liabilities that Increase (Decrease) Cash Flows:	
Tenant Accounts Receivable- Net	1,176
Accounts Receivable- Other	1,532
Accounts Receivable- HUD	82,573
Prepaid Expenses	32,129
Inventory	(1,603)
Interprogram Due to	57,006
Accounts Payable- Vendor	26,984
Accounts Payable-HUD	(62,499)
Accounts Payable- Other/Governments	(7,891)
Interprogram Due From	(53,996)
Accrued Wages & Taxes Payable	6,275
Accrued Compensated Absences	45,789
Tenant Security Deposits	8,633
Deferred Revenues	<u>(1,696)</u>
 Total Adjustments	 <u>1,303,753</u>
 Net Cash Provided By Operating Activities	 <u>83,603</u>

**Cash Flows from Investing Activities**

Change in Investments	26,599
 Net Cash Provided (Used) By Investing Activities	 <u>26,599</u>

**Cash Flows from Capital and Related Financing Activities**

Contributed Capital	610,186
Change in Property and Equipment - Net	<u>(584,363)</u>
Net Cash Provided by Capital Financing Activities	<u>25,823</u>
 Increase (Decrease) In Cash and Cash Equivalents	 136,025
Cash and Cash Equivalents - Beginning of Year	<u>122,668</u>
 Cash and Cash Equivalents - End of Year	 <u>\$ 258,693</u>

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

BELMONT METROPOLITAN HOUSING AUTHORITY  
MARTIN'S FERRY, OHIO  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED MARCH 31, 2001

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

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

These criteria were considered in determining the reporting entity.

Basis of Accounting

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

Pursuant to GASB Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting, the Authority follows GASB guidance as applicable to proprietary funds and Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements.

BELMONT METROPOLITAN HOUSING AUTHORITY  
MARTIN'S FERRY, OHIO  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED MARCH 31, 2001

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Use of Estimates

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

Cash and Cash Equivalents

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

Tenant Receivables - Recognition of Bad Debts

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

Property and Equipment

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

Useful Lifes

Buildings	40 Years
Land & Building Improvements	15 Years
Equipment	7 Years
Autos	5 Years

Depreciation is recorded on the straight-line method.

Capitalization of Interest

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

BELMONT METROPOLITAN HOUSING AUTHORITY  
MARTIN'S FERRY, OHIO  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED MARCH 31, 2001

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Investments

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

NOTE 2 - CASH AND INVESTMENTS

Cash

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

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

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

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

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

BELMONT METROPOLITAN HOUSING AUTHORITY  
MARTIN'S FERRY, OHIO  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED MARCH 31, 2001

NOTE 2 - CASH AND INVESTMENTS, continued

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

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

- Category 1 . . . \$ 100,000 was covered by federal depository insurance.
- Category 2 . . . \$ 1,322,978 was covered by specific collateral pledged by the financial institution in the name of the Authority.

Book Balances at March 31, 2001, were as follows:	Cash	Investments	Total
Public Housing	\$ 124,174	\$ 1,059,756	\$ 1,183,930
Housing Choice Vchrs	134,519	-	134,519
Total	<u>\$ 258,693</u>	<u>\$ 1,059,756</u>	<u>\$ 1,318,449</u>

Investments

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

BELMONT METROPOLITAN HOUSING AUTHORITY  
MARTIN'S FERRY, OHIO  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED MARCH 31, 2001

NOTE 2 - CASH AND INVESTMENTS, Continued

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

Category A	U S Treasury Notes
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NOTE 3 - PROPERTY AND EQUIPMENT

A summary of property and equipment at March 31, 2001, by class is as follows:

Land	\$ 1,006,706
Buildings and Building Improvements	30,936,337
Furniture, Equipment- Dwelling	936,604
Furniture, Equipment- Administrative	<u>258,490</u>
Total	33,138,137
Less Accumulated Depreciation	<u>(15,491,320)</u>
Net Property and Equipment	<u>\$ 17,646,817</u>

BELMONT METROPOLITAN HOUSING AUTHORITY  
MARTIN'S FERRY, OHIO  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED MARCH 31, 2001

NOTE 4 - ADMINISTRATIVE FEE

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

A. Vouchers

Units per month x \$ 38.58

NOTE 5 - ALLOCATION OF COSTS

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

NOTE 6 - RETIREMENT AND OTHER BENEFIT PLANS

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

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rate is 8.50% of qualifying gross wages for all employees. The total 2001 employer contribution rate was 13.55% of covered payroll. Required employer contributions are equal to 100% of the dollar amount billed to each employer and must be extracted from the employer's records. The Authority's contributions to P.E.R.S. for the years ending March 31, were as follows:

	Contribution	%
3/31/01	\$ 95,898	13.55%
3/31/00	\$ 116,203	13.55%
3/31/99	\$ 119,382	13.55%

All required contributions were made prior to each of those fiscal year ends.

PERS of Ohio provides post-retirement health care coverage to age and service retirees with 10 or more years of qualifying Ohio service credit and to primary survivor recipients of such retirees. Health care coverage for disability recipients is available. The health care coverage provided by the retirement system is considered an Other Post-employment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to PERS is set aside for the funding of post retirement health care. The Ohio Revised Code provides statutory authority for employee and employer contributions. The 2001 employer contribution rate for state employers was 10.84 % of covered payroll: 4.3 % was the portion that was used to fund health care for the year, under the new calculation methodology effective January 1, 1998. Under the prior method, which was actuarially based, accrued liabilities and normal cost rates were computed to determine the amount of employer contributions necessary to fund OPEB. OPEB is financed through employer contributions and investment earnings and is expected to be sufficient to sustain the program indefinitely. The number of benefit recipients eligible for OPEB at December 31, 2000, was 401,339.



BELMONT METROPOLITAN HOUSING AUTHORITY  
MARTIN'S FERRY, OHIO  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED MARCH 31, 2001

NOTE 7- COMPENSATED ABSENCES

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

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

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

At March 31, 2001, using the vesting method, \$ 154,962 was accrued by the Authority for unused vacation and sick time.

NOTE 8 - INSURANCE

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

NOTE 9 - CONTINGENCIES

Litigation and Claims

In the normal course of operations, the Authority may be subject to litigation and claims. At March 31, 2001, the Authority was involved in no such matters that management believes will have a material effect on the financial statements.

NOTE 10- EQUITY

Adjustments within equity accounts based on HUD directives to match net fixed assets to contributed capital

	<u>Balance</u> <u>3/31/00</u>	<u>Changes</u>	<u>Adjustments</u>	<u>Balance</u> <u>3/31/01</u>
Contributed Capital	\$ 19,156,639	\$ 610,186	\$ (2,120,008)	\$ 17,646,817
Retained Earnings	119,349	(1,220,150)	2,120,008	1,019,207
	<u>\$ 19,275,988</u>	<u>\$ (609,964)</u>	<u>\$ -</u>	<u>\$ 18,666,024</u>

BELMONT METROPOLITAN HOUSING AUTHORITY  
MARTIN'S FERRY, OHIO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED MARCH 31, 2001

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Expenditures For The Year Ended</u>
<u>U.S. Department of Housing and Urban Development</u>		
<b>Direct Programs:</b>		
Public and Indian Housing-Low Rent Program	14.850	\$ 868,891
Public Housing- Comprehensive Grant Program	14.859	<u>645,893</u>
 <b>Section 8 Tenant Based Cluster:</b>		
Section 8 Housing Choice Vouchers Program	14.871	<u>789,410</u>
Sub-Total		<u>789,410</u>
 <b>Total Federal Awards Expended</b>		 <b><u>\$ 2,304,194</u></b>

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

*See Independent Auditors' Report*

BELMONT METROPOLITAN HOUSING AUTHORITY  
 Supplemental Financial Data Schedule  
 Balance Sheet  
 As of March 31, 2001

	Public	Comp	Housing Choice	TOTAL
	Housing	Grant	Vouchers	
ASSETS	14,850	14,859	14,871	
<b>Current Assets</b>				
Cash-unrestricted	33,905		134,519	168,424
Cash-other restricted	90,269	-	-	90,269
Total cash	124,174	-	134,519	258,693
<b>Accounts and notes receivables</b>				
Accounts receivable-HUD other projects	394		1,524	1,918
Accounts receivable-miscellaneous			10,938	10,938
Accounts receivable-tenants-dwelling rent	8,327			8,327
Allowance for doubtful accounts-dwelling rent	(7,039)			(7,039)
Total receivables, net of allowances for uncollectibles	1,682	-	12,462	14,144
<b>Current Investments</b>				
Investments-Unrestricted	1,059,756			1,059,756
Prepaid expenses and other assets	23,003			23,003
Inventories	59,755			59,755
Allowance for obsolete inventories	(1,793)			(1,793)
Total investments	1,140,721	-	-	1,140,721
Total current assets	1,266,577	-	146,981	1,413,558
<b>Noncurrent assets</b>				
Land	1,006,706			1,006,706
Buildings	30,540,307	396,030		30,936,337
Furniture, equipment and machinery-dwelling	936,604			936,604
Furniture, equipment and machinery-admin.	258,490			258,490
Accumulated depreciation	(15,491,319)	(1)		(15,491,320)
Total fixed assets, net of accum depreciation	17,250,788	396,029	-	17,646,817
Total non-current assets	17,250,788	396,029	-	17,646,817
<b>Total assets</b>	18,517,365	396,029	146,981	19,060,375

See Independent Auditors' Report

BELMONT METROPOLITAN HOUSING AUTHORITY  
Supplemental Financial Data Schedule

Balance Sheet

As of March 31, 2001

	Public Housing Low Rent	Comp Grant	Housing Choice Vouchers	<u>TOTAL</u>
	<u>14,850</u>	<u>14,859</u>	<u>14,871</u>	
<b>LIABILITIES AND EQUITY</b>				
Current liabilities				
Accounts payable< 90 days	44,715			44,715
Accrued wages/payroll taxes payable	42,406		3,806	46,212
Accrued compensated absences	141,642		13,320	154,962
Accounts payable-other government	44,628			44,628
Tenant Security Deposits	90,269			90,269
Deferred Revenues	13,565			13,565
<b>Total current liabilities</b>	<u>377,225</u>	<u>-</u>	<u>17,126</u>	<u>394,351</u>
<b>Total Liabilities</b>	<u>377,225</u>	<u>-</u>	<u>17,126</u>	<u>394,351</u>
<b>Equity</b>				
Net HUD PHA contributions	17,250,788	396,029		17,646,817
Undesignated fund balance/retained earnings	889,352		129,855	1,019,207
<b>Total equity</b>	<u>18,140,140</u>	<u>396,029</u>	<u>129,855</u>	<u>18,666,024</u>
<b>Total liabilities &amp; equity</b>	<u>18,517,365</u>	<u>396,029</u>	<u>146,981</u>	<u>19,060,375</u>

See Independent Auditors' Report

BELMONT METROPOLITAN HOUSING AUTHORITY  
MARTIN'S FERRY, OHIO  
SCHEDULE OF REVENUE AND EXPENSE BY PROGRAM  
FOR THE YEAR ENDED MARCH 31, 2001

	Public	Comp	Housing	Total
	Housing	Grant	Choice	
	Low rent	Program	Vouchers	
	Program	Program	Program	Total
REVENUE				
HUD Grants	\$ 888,891	\$ 35,707	\$ 789,410	\$ 1,694,008
Rental Income	1,194,088	-	-	1,194,088
Investment Income-Unrestricted	65,811	-	2,305	68,116
Other Revenue	35,477	-	-	35,477
Total Revenue	2,165,267	35,707	791,716	2,992,689
EXPENSES				
Housing Assistance Payments	-	-	683,623	683,623
Administrative Salaries	286,301	-	74,418	360,719
Compensated Absences	20,509	-	(7,879)	12,630
Employee Benefits	250,039	-	16,536	266,575
Other Administrative Expense	88,450	35,707	3,559	127,816
Material and Labor-Maintenance	646,581	-	449	647,030
Contract Services	129,641	-	-	129,641
Utilities	694,865	-	-	694,865
General Expenses	56,307	-	-	56,307
Payments in Lieu of Taxes	44,628	-	-	44,628
Bad Debt- Tenant Rents	12,796	-	-	12,796
Total Expenses	2,230,117	35,707	770,806	3,036,630
Income (Loss) before				
Depreciation & Other Costs	(64,850)	-	20,909	(43,941)
Depreciation	1,169,341	-	-	1,169,341
Extraordinary Maintenance	6,868	-	-	6,868
Operating Income (Loss)	\$ (1,241,059)	\$ -	\$ 20,909	\$ (1,220,150)

*See Independent Auditors' Report*

BELMONT METROPOLITAN HOUSING AUTHORITY  
MARTIN'S FERRY, OHIO  
SCHEDULE OF ACTIVITY  
MARCH 31, 2001

The PHA had 946 units under management.

<u>Management</u>	<u>Units</u>
Low Rent Public Housing Program	720
Section 8 Housing Choice Vouchers	<u>226</u>
TOTAL	<u>946</u>

NO PRIOR AUDIT FINDINGS

*See Independent Auditors' Report*

*J. E. Slaybaugh & Associates, Inc.*

*12 East Main Street  
Lexington, Ohio 44904*

*Member AICPA  
Member OSCP*

*John E. Slaybaugh III  
Certified Public Accountant*

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

Board of Commissioners  
Belmont Metropolitan Housing Authority  
Martins Ferry, Ohio

We have audited the financial statements of Belmont Metropolitan Housing Authority, Martins Ferry, Ohio, as of and for the year ended March 31, 2001, and have issued our report thereon dated August 29, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Belmont Metropolitan Housing Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

*J. E. Slaybaugh & Associates, Inc.*

J.E. Slaybaugh & Associates, Inc.  
August 29, 2001

*J. E. Slaybaugh & Associates, Inc.*

*12 East Main Street  
Lexington, Ohio 44904*

*Member AICPA  
Member OSCPA*

*John E. Slaybaugh III  
Certified Public Accountant*

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

Board of Commissioners  
Belmont Metropolitan Housing Authority  
Martins Ferry, Ohio

Compliance

We have audited the compliance of Belmont Metropolitan Housing Authority with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended March 31, 2001. Belmont Metropolitan Housing Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations contracts and grants applicable to each of its major federal programs is the responsibility of the Authority's management. Our responsibility is to express an opinion on Belmont Metropolitan Housing Authority's compliance based on our audit.

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

In our opinion, Belmont 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 March 31, 2001.

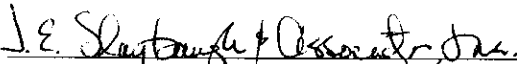
Internal Control Over Compliance

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



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

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

  
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J.E. Slaybaugh & Associates, Inc.  
August 29, 2001

BELMONT METROPOLITAN HOUSING AUTHORITY  
MARTIN'S FERRY, OHIO

SCHEDULE OF FINDINGS

March 31, 2001

PART I - SUMMARY OF AUDITOR'S RESULTS

1. The auditor has issued an unqualified opinion on the financial statements of Belmont Metropolitan Housing Authority.
2. There were no reportable conditions in internal control disclosed by the audit of the financial statements.
3. There was no noncompliance material to the financial statements disclosed by the audit.
4. There were no reportable conditions in the internal control over major programs disclosed by the audit.
5. The auditor has issued an unqualified opinion on compliance for major programs for Belmont Metropolitan Housing Authority.
6. The audit disclosed no audit findings.
7. The major programs are:
  - Low Rent Public Housing Program
  - Comprehensive Grant Program
  - Section 8 Housing Choice Vouchers
8. The dollar threshold used to distinguish between Type A and Type B programs was \$ 300,000.
9. The auditor determined that Belmont Metropolitan Housing Authority qualified as a low-risk auditee.

PART II - FINDINGS RELATED TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED  
TO BE REPORTED IN ACCORDANCE WITH *GAGAS*

1. None

PART III - FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS INCLUDING AUDIT FINDINGS

1. None



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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Facsimile 614-466-4490

**BELMONT METROPOLITAN HOUSING AUTHORITY**

**BELMONT 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 13, 2001**