

**MIAMI METROPOLITAN HOUSING AUTHORITY  
TROY, OHIO**

**REPORT ON EXAMINATION OF FINANCIAL  
STATEMENTS AND SUPPLEMENTAL DATA**

**FOR THE YEAR ENDED DECEMBER 31, 1999**



**DAVID G. FALATOK**  
**CERTIFIED PUBLIC ACCOUNTANT**



STATE OF OHIO  
OFFICE OF THE AUDITOR  
JIM PETRO, AUDITOR OF STATE

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Board of Commissioners  
Miami Metropolitan Housing Authority  
Troy, Ohio

We have reviewed the Independent Auditor's Report of the Miami Metropolitan Housing Authority, Miami County, prepared by David G. Falatok Co., Inc., for the audit period January 1, 1999 through December 31, 1999. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink, appearing to read "Jim Petro".

JIM PETRO  
Auditor of State

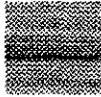
July 13, 2000

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**TROY, OHIO**  
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**MIAMI METROPOLITAN HOUSING AUTHORITY**  
**TROY, OHIO**  
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**DAVID G. FALATOK CO., Inc.**

CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners  
Miami Metropolitan Housing Authority  
Troy, Ohio

I have audited the accompanying financial statements of the Miami Metropolitan Housing Authority, as listed in the Table of Contents, as of and for the year ended December 31, 1999. These financial statements are the responsibility of the Miami Metropolitan Housing Authority management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I 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 in evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Miami Metropolitan Housing Authority as of December 31, 1999, and the results of its operations and cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued a report dated June 27, 2000 on my consideration of the Miami Metropolitan Housing Authority's internal control over financial reporting and my tests of compliance with certain provisions of laws, regulations, contracts and grants.

My audit was performed for the purpose of forming an opinion on the basic financial statement of the Miami Metropolitan Housing Authority taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. The information in this Schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

David G. Falatok  
Certified Public Accountant

June 27, 2000

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EXHIBIT A  
MIAMI METROPOLITAN HOUSING AUTHORITY  
TROY, OHIO

BALANCE SHEETS AT DECEMBER 31, 1999

	<b>PHA Owned Housing C-5082</b>	<b>Section 8 C-5052</b>
<b><u>ASSETS</u></b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$367,565	\$761,095
Accounts Receivable - Tenants, net of allowance for doubtful accounts of \$ 1,615 as of December 31, 1999	343	-
Inventories	17,064	-
Prepaid Expenses and Other Assets	-	6,044
<b>Total Current Assets</b>	<b>384,972</b>	<b>767,139</b>
<b>Land, Structures and Equipment</b>		
Land	357,350	-
Buildings	7,895,413	-
Furniture and Equipment - Dwelling	90,700	-
	8,343,463	-
Accumulated Depreciation	(3,341,000)	-
	5,002,463	-
<b>Other Assets</b>		
Development Costs	152,204	-
	<b>\$5,539,639</b>	<b>\$767,139</b>
<b><u>LIABILITIES AND EQUITY</u></b>		
Accounts Payable - Trade	\$12,297	\$275
Accounts Payable - Security Deposits	27,397	-
Accounts Payable - HUD	-	783,319
Accrued Liabilities	22,002	-
<b>Total Current Liabilities</b>	<b>61,696</b>	<b>783,594</b>
Retained Earnings - Exhibit C(3)	5,477,943	(16,455)
	<b>\$5,539,639</b>	<b>\$767,139</b>

The accompanying notes are an integral part of these financial statements

EXHIBIT B(1)

MIAMI METROPOLITAN HOUSING AUTHORITY  
TROY, OHIO  
STATEMENT OF INCOME AND EXPENSES  
PHA OWNED HOUSING

Twelve months ended December 31, 1999

**Annual Contributions Contract C-5082**

**Project OH062-003,004,005**

**Operating Income**

Dwelling Rental	\$378,245	
Excess Utilities	<u>7,232</u>	
Total Rental Income		385,477
Interest on General Fund Investments	8,662	
Other Income	<u>21,819</u>	
		<u>30,481</u>
Total Operating Income - Exhibit D(1)		415,958

**Operating Expenses**

Administrative	63,471	
Tenant Services	2,400	
Utilities	167,532	
Ordinary Maintenance	199,296	
General Expenses	40,947	
Prior Year Adjustments Affecting Residual Receipts	<u>-</u>	
Total Operating Expenses - Exhibit D(1)		473,646
Operating Income (Loss)		<u>(57,688)</u>
Depreciation		263,925
Net Income (Loss) Exhibit C(1)		<u><u>(\$321,613)</u></u>

The accompanying notes are an integral part of these financial statements

EXHIBIT B(2)

MIAMI METROPOLITAN HOUSING AUTHORITY  
TROY, OHIO  
STATEMENT OF INCOME AND EXPENSES  
HOUSING ASSISTANCE PROGRAM  
SECTION 8- VOUCHERS

Twelve months ended December 31, 1999

Annual Contributions Contract C-5052

Project OH 10-VO62-003,005

Operating Income

Interest Earned on General Fund Investments - Exhibit D(2) \$905

Operating Expenses

Housing Assistance Payments 1,034,525  
Audit Costs 572  
Administrative Expenses 126,219  
Portables 681

Total Operating Expense - Exhibit D(2) 1,161,997

Prior Years Adjustments Affecting Residual Receipts -

Net Operating Income (Loss) - Exhibit C(1) (\$1,161,092)

The accompanying notes are an integral part of these financial statements

EXHIBIT B(3)

MIAMI METROPOLITAN HOUSING AUTHORITY  
TROY, OHIO  
STATEMENT OF INCOME AND EXPENSES  
HOUSING ASSISTANCE PROGRAM  
SECTION 8 - CERTIFICATES

Twelve months ended December 31, 1999

**Annual Contributions Contract C-5052**

**Project OH 10-EO62-009-030**

**Operating Income**

Interest Earned on General Fund Investments - Exhibit D(3) \$3,409

**Operating Expenses**

Housing Assistance Payments 1,374,256

Audit Costs 2,852

Administrative Expenses 196,073

Portables 341

Total Operating Expense - Exhibit D(3) 1,573,522

Prior Years Adjustments Affecting Residual Receipts -

Net Operating Income (Loss) - Exhibit C(1) (\$1,570,113)

The accompanying notes are an integral part of these financial statements

EXHIBIT B(4)

MIAMI METROPOLITAN HOUSING AUTHORITY  
TROY, OHIO  
STATEMENT OF INCOME AND EXPENSES  
HOUSING ASSISTANCE PROGRAM  
SECTION 8- MOD REHAB

Twelve months ended December 31, 1999

Annual Contributions Contract C-5052

Project OH 062MR0001

Operating Income

Interest Earned on General Fund Investments - Exhibit D(4) \$69

Operating Expenses

Housing Assistance Payments 87,697

Audit Costs 114

Administrative Expenses 15,030

Total Operating Expense - Exhibit D(4) 102,841

Net Operating Income (Loss) - Exhibit C(1) (\$102,772)

The accompanying notes are an integral part of these financial statements

EXHIBIT B(5)

MIAMI METROPOLITAN HOUSING AUTHORITY  
TROY, OHIO

STATEMENT OF CASH FLOWS

Year ended December 31, 1999

	<b>PHA Owned Housing C-5086</b>	<b>Section 8 C-5022</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net loss	(\$321,613)	(\$2,833,977)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation	263,925	-
Prior Period Adjustments	(56,114)	-
<b>(Increase) Decrease In:</b>		
Accounts Receivable - Tenants	6,243	-
Inventories	(17,064)	-
Prepaid expenses and Other Assets	-	(6,043)
<b>Increase (Decrease) In:</b>		
Accounts Payable - Trade	(9,340)	(419)
Accounts Payable - Security Deposits	(86)	-
Accounts Payable - HUD	878	461,788
Accrued Expenses	-	-
Net Cash Used By Operating Activities	<u>(133,171)</u>	<u>(2,378,651)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Development Costs	(95,990)	-
Net Cash Used By Investing Activities	<u>(95,990)</u>	<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
HUD Grants	-	2,820,942
Operating Subsidy	263,341	-
Net Cash Provided By Financing Activities	<u>263,341</u>	<u>2,820,942</u>
Net Increase (Decrease) In Cash	34,180	442,291
Cash and Cash Equivalents At Beginning of Year	333,385	318,804
Cash and Cash Equivalents At End of Year	<u><u>\$367,565</u></u>	<u><u>\$761,095</u></u>

The accompanying notes are an integral part of these financial statements

**Miami Metropolitan Housing Authority  
Notes to Financial Statements  
Year Ended December 31, 1999**

**NOTE 1 - DESCRIPTION OF ENTITY**

The Miami Metropolitan Housing Authority ("MMHA" or the "Authority") was created under Ohio Revised Code Section 3735.27. The Housing Authority contracts with United States Department of Housing and Urban Development (HUD) to provide low and moderate income persons with safe and sanitary housing. The Housing Authority owns 127 units and has approximately 850 units under contract with private owners.

Oversight of the Miami Metropolitan Housing Authority is provided by five (5) member board called the Board of Commissioners representing one (1) appointee of the Common Pleas Court, one (1) appointee of the County commissioners, one (1) appointee of the Probate Court, and two (2) appointees of the largest municipality of the county.

The Miami County Metropolitan Housing Authority has a management agent contract with the Miami County Community Action Council, in which a contract is signed to provide services as determined by the Housing Authority. The Community Action Council has a separate audit of its financial records under the same guidelines as OMB Circular A-133 "Audits of State, Local Government and Other Nonprofit Organizations".

HUD requires all grantee agencies and authorities to maintain a separate ledger for each grant/granting contract. Accordingly, MMHA maintains a separate ledger for each of the following programs/grants:

- a. **Annual Contributions Contract C-5082** - The following programs are operated under the contract:

**Low Rent Housing Program** - Under this program, which is sponsored by HUD and commonly known as Public Housing, MMHA manages 127 housing units which are owned by MMHA. MMHA operates the Program with the proceeds of rentals received from tenants and contributions and subsidies received from HUD under contractual agreement.

**Modernization Programs** - Modernization programs are funded through project grants, and are used to replace or materially upgrade portions of MMHA's housing units.

- b. **Annual Contributions Contract C-5052** - Housing Assistance Program ("HAP") - Under this HUD Section 8 Program, MMHA contracts with private landlords and subsidizes the rental of approximately 850 housing dwelling units. Under this program, HAP payments are made to the landlord on behalf of the tenant for the difference between the contract rent and the amount the tenant is able to pay.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies under which the financial statements have been prepared are as follows:

- a. **Cash and cash equivalents** include investments with original maturities of three months or less. Cash equivalents are carried at the lower of cost or market.
- b. **Allowance for Doubtful Accounts** - The provision for doubtful accounts for Public Housing is included in Administrative Expenses and amounted to \$11,055 for the year ended December 31, 1999.
- c. **Inventory** - The Authority's inventories, which consist primarily of maintenance supplies are carried at cost using the first in-first out method and are valued at the lower of cost or market.

**Miami Metropolitan Housing Authority  
Notes to Financial Statements  
Year Ended December 31, 1999**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

d. **Property and Equipment** - is recorded at cost. Depreciation is provided for by the amortization of the cost of the asset over its estimated useful life using the straight line method. Depreciation expense was \$263,925 for the year ended December 31, 1999. The estimated useful lives are as follows:

Buildings	40 years
Furniture & Equipment - dwelling	7 years

The cost of assets sold or retired and related amounts of accumulated depreciation are removed from the accounts in the year of disposal. Any resulting gain or loss is reflected in current operations. Expenditures for maintenance and repairs are charged directly to operations as incurred; additions and betterments are capitalized.

e. **HUD Contributions** - Contributions, including operating subsidies and grants made by HUD, are used to offset certain MMHA expenditures of the program. These contributions are more fully described as follows:

- \* Basic annual contributions for operation of the low rent housing program are received from HUD to cover the excess of expenditures over receipts, not to exceed maximum amounts stipulated in the Annual Contributions Contract.
- \* Housing assistance payments are received by MMHA, subject to certain limitations, for operations of the Section 8 Program. The amount of the HAP payments is determined based upon numerous criteria, including unit size and number of dwelling units.
- \* MMHA is required to remit residual receipts (if any) from operations and certain interest to HUD as specified in its Annual Contribution Contract to reduce the annual HUD contributions.

f. **Interprogram Receivables/Payables** - During the course of operations, numerous short-term interprogram loans are made primarily to cover payroll and interprogram cost allocations.

g. **Recognition of Revenues, Expenditures and Contributions to Surplus** - Contributions, grants, and subsidies received from HUD are generally recognized as contributions to surplus in the Annual Contributions Contract year. Tenant rentals are recognized as revenues in the month of occupancy. Contributions under the Comprehensive Improvement Assistance Program (CIAP) are recognized as contributions to surplus upon receipt.

h. **Indirect Costs** - Certain indirect costs are allocated to the various programs under a HUD approved cost allocation plan.

**NOTE 3 - DEPOSITS AND INVESTMENTS**

Ohio law requires the classification of funds held by the Authority into three types. Type 1 consists of "active" funds - those funds required to be kept in a "cash" or "cash equivalent" status for immediate use by the Authority. Such funds must be maintained either as cash in the Authority treasury or in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts. MMHA may also enter into repurchase agreements with any eligible depository for a period not exceeding thirty days.

**Miami Metropolitan Housing Authority  
Notes to Financial Statements  
Year Ended December 31, 1999**

**NOTE 3 - DEPOSITS AND INVESTMENTS (continued)**

Type 2 consists of "inactive" funds - those funds not required for use within the current two-year period of designation of depositories. Inactive funds may be deposited or invested only in certificates of deposit maturing not later than the end of current period of designation of depositories.

Type 3 consists of "interim" funds - those funds which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim funds may be invested or deposited in the following securities:

- \* Bonds, notes or other obligations guaranteed by the United States, or those for which the faith of the United States is pledged for payment of principal and interest;
- \* Certain bonds, notes, debentures or other obligations or securities issued by certain HUD approved government agencies;
- \* Repurchase agreements in the securities enumerated above;
- \* Bonds and other obligations of the State of Ohio; and
- \* The State Treasury Asset Reserve (STAR Ohio).

Ohio law requires that deposits be placed in eligible banks or domestic building and loan associations located in Ohio. Any public depository in which the Authority places deposits must pledge as collateral eligible securities having an aggregate market value equal to the deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral must be in amounts equal to at least 110% of the carrying value of all public deposits held by the institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state or any instrumentality of such county, municipal corporation or other authority. Repurchase agreements must be secured by the specific government securities upon which the repurchase agreements are based. These securities must be obligations of or guaranteed by the United States and mature or be redeemable within five years of the date of the related purchase agreement.

At December 31, 1999 the book value of the Miami Metropolitan Housing Authority's cash and investments consisted of demand deposits and certificate of deposits in the amount of \$1,128,660. The bank balances of \$1,166,077 were collateralized as follows:

- 1) \$100,000 was covered by Federal Depository Insurance
- 2) \$1,066,077 was covered by collateral held by a third party in the name of the authority

Cash and cash equivalents, which are demand deposits, at December 31, 1999, are as follows:

Annual Contribution Contract	Book Amount	Bank Amount
C-5082-Public Housing	\$ 367,565	\$ 384,805
C-5052-Section 8	<u>761,095</u>	<u>781,272</u>
Total	<u>\$ 1,128,660</u>	<u>\$ 1,166,077</u>

**Miami Metropolitan Housing Authority  
Notes to Financial Statements  
Year Ended December 31, 1999**

**NOTE 4 - RELATED PARTY TRANSACTION**

The Miami County Metropolitan Housing Authority has a management agent contract with Miami County Community Action Council, in which a contract is signed to provide services as determined by the Housing Authority. The Community Action Council has a separate audit of its financial records under the same guidelines as OMB Circular A-133 "Audits of States, Local Governments and Non Profit Organizations."

**NOTE 5 - RISK MANAGEMENT**

The Housing Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruct of assets; errors and omissions; injuries to employees; and natural disasters. In order to minimize these risks the Authority was insured through the State Housing Authority Risk Pool, Inc. (SHARP) a public entity risk pool operating a common risk, management and insurance program for its 22 housing authority members. The State Housing Authority Risk Pool Association, Inc. is self sustaining through member premiums and reinsures through commercial insurance companies. In addition coverage for employee health and accident insurance is purchased by an independent third party. Settle claims for these risks have not exceeded coverage for the past two years. Further there has been no reduction in premiums or insurance coverage.

**NOTE 6 - EMPLOYEES RETIREMENT SYSTEM**

The Housing Authority contributes 6.2% of gross salary to Social Security Insurance. Social Security Insurance requires members to contribute an additional 6.2% of their gross salary. The amount of these funds is not reflected in the accompanying financial statements.

**NOTE 7 - FINANCIAL STATEMENT FORMAT AND CONTENT**

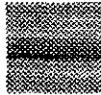
The format and content of the financial statements included in this report conform to the format and content of the annual report forms submitted to the Department of Housing and Urban Development.

**NOTE 8 - SCHEDULE OF FEDERAL AWARD EXPENDITURES**

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

**NOTE 9 - PRIOR PERIOD ADJUSTMENTS**

The prior period adjustments presented in the analysis of retained earnings represents adjustments as a result of the Authority preparing its financial statements under the prescribed accounting methods under generally accepted accounting principles as HUD.



DAVID G. FALATOK CO., Inc.

CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTAL DATA

To The Board of Commissioners  
Miami Metropolitan Housing Authority  
Troy, Ohio

My report on my audit of the basic financial statements of the Miami Metropolitan Housing Authority, as listed in the Table of Contents, as of and for the year ended December 31, 1999, appears on Page 1. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to audits contained in Government Auditing Standards issued by the Comptroller General of the United States. The purpose of my audit was to form an opinion on the basic financial statements taken as a whole. The information included in the accompanying schedules is presented for purposes of additional analysis only and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

David G. Falatok  
Certified Public Accountant

June 27, 2000

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## **Supplemental Data**

EXHIBIT C(1)

MIAMI METROPOLITAN HOUSING AUTHORITY  
TROY, OHIO

ANALYSIS OF RETAINED EARNINGS

Twelve months ended December 31, 1999

ANNUAL CONTRIBUTIONS CONTRACT

<u>Undesignated Fund Balance</u>	<b>PHA Owned Housing C-5086</b>	<b>Section 8 C-5022</b>
Balance per prior audit at December 31, 1999	(\$4,521,034)	(\$54,442,248)
Prior Period Adjustments	(3,133,189)	5,034,181
Net Income (Loss) for Year ended December 31, 1999:		
PHA Owned Housing Exhibit B(1)	(321,613)	-
Housing Assistance Payment Program:		(1,161,092)
Exhibit B(2)	-	(1,570,113)
Exhibit B(3)	-	(102,772)
Exhibit B(4)	-	
(Provision for) Reduction of Operating Reserves for year ended December 31, 1999:		
PHA Owned Housing Exhibit D(1)	(55,891)	-
Housing Assistance Payment Program:		
Exhibit D(2)	-	5,011
Exhibit D(3)	-	8,024
Exhibit D(4)	-	
(Provision for) Reduction of Project Account for year ended December 31, 1999:		
Housing Assistance Payment Program:		
Exhibit D(2)	-	(207,422)
Exhibit D(3)	-	(42,630)
Exhibit D(4)	-	102,772
Balance at December 31, 1999	<u>(\$8,031,727)</u>	<u>(\$52,376,289)</u>

EXHIBIT C(2)

MIAMI METROPOLITAN HOUSING AUTHORITY  
TROY, OHIO

ANALYSIS OF RETAINED EARNINGS ( continued)

Twelve months ended December 31, 1999

ANNUAL CONTRIBUTIONS CONTRACT

	<b>PHA Owned Housing C-5086</b>	<b>Section 8 C-5022</b>
<b><u>Fund Balance Reserved for Operating Activities</u></b>		
Balance per prior audit at December 31, 1998	\$272,467	6,271
Prior Period Adjustments	-	16
Provision for (Reduction of) Operating Reserve for year ended December 31, 1999:		
PHA Owned Housing Exhibit D(1)	55,891	-
Housing Assistance Payment Program:		
Exhibit D(2)	-	(5,011)
Exhibit D(3)	-	(8,024)
Exhibit D(4)	-	-
Ending Balance at December 31, 1999	328,358	(6,748)
<b><u>Housing Assistance Payments Program</u></b>		
<b><u>Project Account - Unfunded</u></b>		
Balance per prior audit at December 31, 1998	-	\$7,046,694
Prior Period Adjustments	-	(5,030,603)
Provision for Project Account for year ended December 31, 1999:		
Housing Assistance Payment Program:		
Exhibit D(2)	-	207,422
Exhibit D(3)	-	42,630
Exhibit D(4)	-	(102,772)
Ending Balance at December 31, 1999	-	\$2,163,371

EXHIBIT C(3)

MIAMI METROPOLITAN HOUSING AUTHORITY  
TROY, OHIO

ANALYSIS OF RETAINED EARNINGS ( continued)

Twelve months ended December 31, 1999

ANNUAL CONTRIBUTIONS CONTRACT

	<b>PHA Owned Housing C-5086</b>	<b>Section 8 C-5022</b>
<b>Net HUD PHA Contributions</b>		
Balance per prior audit at December 31, 1998	\$12,917,971	\$47,385,862
Prior Period Adjustments		(3,593)
Operating Subsidies for year ended December 31, 1999:		
PHA Owned Housing Exhibit D(1)	113,579	-
HUD Grants:		
CIAP - 906	149,762	-
CIAP - 907	-	-
Annual Contributions for year ended December 31, 1999:		
Housing Assistance Payment Program:		
Exhibit D(2)	-	1,156,081
Exhibit D(3)	-	1,562,089
Exhibit D(4)	-	102,772
Ending Balance at December 31, 1999	13,181,312	50,203,211
RETAINED EARNINGS - EXHIBIT A	\$5,477,943	(\$16,455)

EXHIBIT D(1)

MIAMI METROPOLITAN HOUSING AUTHORITY  
TROY, OHIO  
COMPUTATION OF RESIDUAL RECEIPTS  
AND ACCRUING ANNUAL CONTRIBUTIONS

PHA OWNED HOUSING

Twelve months ended December 31, 1999

Annual Contributions Contract C-5082

Project OH 062-003,004,005

**COMPUTATION OF RESIDUAL RECEIPTS**

Operating Receipts

Operating Income B(1)	\$415,958	
HUD Operating Subsidy - Exhibit C(3)	<u>113,579</u>	
Total Operating Receipts		529,537
Total Operating Expenses - Exhibit B(1)		473,646
Residual Receipts (Deficit)		<u>55,891</u>
Provision for (reduction of) Operating Reserve - Exhibit C(1)		<u>(55,891)</u>
Residual Receipts (Deficit)		<u>\$ -</u>

EXHIBIT D(2)

MIAMI METROPOLITAN HOUSING AUTHORITY  
 TROY, OHIO  
 COMPUTATION OF ANNUAL CONTRIBUTIONS EARNED  
 AND PROJECT ACCOUNT - OPERATING RESERVE CHANGES -  
 HOUSING ASSISTANCE PAYMENT PROGRAM

SECTION 8- VOUCHERS

Twelve months ended December 31, 1999

Annual Contributions Contract C-5052

Project OH 10-VO62-003,005

Maximum Contributions Available

Maximum Annual Contribution Available	\$1,363,503
Prorata Maximum Annual Contribution Applicable to a Period in Excess of Twelve Months	-
Maximum Contribution For Period	1,363,503
Project Account Balance at Beginning of Year	135,901
Total Annual Contribution Available	1,499,404

Annual Contributions Required

Housing Assistance Payments	1,034,525
Administrative Fee Earned	130,636
Hard to House Fees	315
Audit Costs	572
Total Funds Required	1,166,048

Project Receipts Other Than Annual Contributions 9,967

Total Annual Contributions Required - Exhibit C(3) 1,156,081

Project Account Change

Provision for Project Account - Exhibit C(1) \$207,422

Annual contributions Earned - Lesser of contribution Available or  
 Contribution Required - Exhibit C(3) \$1,156,081

EXHIBIT D(2)

Continued

MIAMI METROPOLITAN HOUSING AUTHORITY  
TROY, OHIO

COMPUTATION OF ANNUAL CONTRIBUTIONS EARNED  
AND PROJECT ACCOUNT - OPERATING RESERVE CHANGES -  
HOUSING ASSISTANCE PAYMENT PROGRAM

SECTION 8- VOUCHERS

Twelve months ended December 31, 1999

Annual Contributions Contract C-5052

Operating Reserve Changes

Operating Income - Exhibit B(2)	\$905
Annual Contributions Earned	<u>1,156,081</u>
Total Operating Receipts	1,156,986

Operating Expenditures

Operating Expenses - Exhibit B(2)	1,161,997
Capital Expenditures	<u>-</u>
Total Operating Expenditures	1,161,997
Net Operating Receipts Available	<u>(5,011)</u>
Provision for (Reduction of) Operating Reserve - Exhibit C(1)	<u>(5,011)</u>
Deficit Carryover	<u>\$ -</u>

EXHIBIT D(3)

MIAMI METROPOLITAN HOUSING AUTHORITY  
TROY, OHIO  
COMPUTATION OF ANNUAL CONTRIBUTIONS EARNED  
AND PROJECT ACCOUNT - OPERATING RESERVE CHANGES -  
HOUSING ASSISTANCE PAYMENT PROGRAM

SECTION 8 - CERTIFICATES

Twelve months ended December 31, 1999

Annual Contributions Contract C-5052

Project OH 10-EO62-009-030

Maximum Contributions Available

Maximum Annual Contribution Available	\$1,604,719
Prorata Maximum Annual Contribution Applicable to a Period in Excess of Twelve Months	<u>-</u>
Maximum Contribution For Period	1,604,719
Project Account Balance at Beginning of Year	<u>1,398,208</u>
Total Annual Contribution Available	3,002,927

Annual Contributions Required

Housing Assistance Payments	1,374,256
Administrative Fee Earned	196,697
Audit Costs	<u>2,852</u>
Total Funds Required	1,573,805
Project Receipts Other Than Annual Contributions	<u>11,716</u>
Total Annual Contributions Required - Exhibit C (3)	1,562,089

Project Account Change

Provision for Project Account - Exhibit C(1)	<u>\$42,630</u>
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Annual contributions Earned - Lesser of contribution Available or Contribution Required - Exhibit C(3)	<u>\$1,562,089</u>
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EXHIBIT D(3)

Continued

MIAMI METROPOLITAN HOUSING AUTHORITY  
TROY, OHIO

COMPUTATION OF ANNUAL CONTRIBUTIONS EARNED  
AND PROJECT ACCOUNT - OPERATING RESERVE CHANGES -  
HOUSING ASSISTANCE PAYMENT PROGRAM

SECTION 8 - CERTIFICATES

Twelve months ended December 31, 1999

**Annual Contributions Contract C-5022**

**Operating Reserve Changes**

Operating Income - Exhibit B(3)	\$3,409
Annual Contributions Earned	1,562,089
Total Operating Receipts	<u>1,565,498</u>

**Operating Expenditures**

Operating Expenses - Exhibit B(3)	1,573,522
Capital Expenditures	-
Total Operating Expenditures	<u>1,573,522</u>

Net Operating Receipts Available	(8,024)
Provision for (Reduction of) Operating Reserve - Exhibit C(1)	(8,024)
Deficit Carryover	<u>\$ -</u>

EXHIBIT D(4)

MIAMI METROPOLITAN HOUSING AUTHORITY  
TROY, OHIO  
COMPUTATION OF ANNUAL CONTRIBUTIONS EARNED  
AND PROJECT ACCOUNT - OPERATING RESERVE CHANGES -  
HOUSING ASSISTANCE PAYMENT PROGRAM

SECTION 8- MOD REHAB

Twelve months ended December 31, 1999

Annual Contributions Contract C-5052

Project OH 062MR0001

Maximum Contributions Available

Maximum Annual Contribution Available	-
Prorata Maximum Annual Contribution Applicable to a Period in Excess of Twelve Months	-
Maximum Contribution For Period	-
Project Account Balance at Beginning of Year	<u>703,559</u>
Total Annual Contribution Available	703,559

Annual Contributions Required

Housing Assistance Payments	87,697
Administrative Fee Earned	15,030
Audit Costs	114
Total Funds Required	<u>102,841</u>

Project Receipts Other Than Annual Contributions 69

Total Annual Contributions Required 102,772

Project Account Change

Provision for Project Account - Exhibit C(1) (\$102,772)

Annual contributions Earned - Lesser of contribution Available or  
Contribution Required - Exhibit C(3) \$102,772

EXHIBIT D(4)

Continued

MIAMI METROPOLITAN HOUSING AUTHORITY  
TROY, OHIO  
COMPUTATION OF ANNUAL CONTRIBUTIONS EARNED  
AND PROJECT ACCOUNT - OPERATING RESERVE CHANGES -  
HOUSING ASSISTANCE PAYMENT PROGRAM

SECTION 8 - MOD REHAB

Twelve months ended December 31, 1999

Annual Contributions Contract C-5052

Operating Reserve Changes

Operating Income - Exhibit B(4)	\$69
Annual Contributions Earned	102,772
	<hr/>
Total Operating Receipts	102,841

Operating Expenditures

Operating Expenses - Exhibit B(4)	102,841
Capital Expenditures	-
	<hr/>
Total Operating Expenditures	102,841

Net Operating Receipts Available	-
Provision for (Reduction of) Operating Reserve - Exhibit C(1)	-
	<hr/>
Deficit Carryover	<u>\$ -</u>

EXHIBIT E(1)

MIAMI METROPOLITAN HOUSING AUTHORITY  
TROY, OHIO  
STATEMENT OF MODERNIZATION COSTS COMPLETE

At December 31, 1999

Annual Contributions Contract C-5052

COMPREHENSIVE IMPROVEMENT ASSISTANCE PROGRAM (CIAP)

	<b>Project 906</b>
Funds Approved	\$329,519
Funds Expended	152,204
Excess of Funds Approved	<u>\$177,315</u>
Total Funds Advanced	\$149,762
Total Funds Expended	152,204
Excess (Deficiency) of Funds	<u>(\$2,442)</u>

**CLASSIFICATION**

Administration	\$18,584
Fees and Costs	11,513
Dwelling Structures	108,343
Equipment	13,764
	<u>\$152,204</u>

EXHIBIT E(2)

MIAMI METROPOLITAN HOUSING AUTHORITY  
TROY, OHIO  
STATEMENT OF MODERNIZATION COSTS COMPLETE

At December 31, 1999

Annual Contributions Contract C-5052

COMPREHENSIVE IMPROVEMENT ASSISTANCE PROGRAM (CIAP)

	<b>Project 907</b>
Funds Approved	\$221,640
Funds Expended	0
Excess of Funds Approved	<u>\$221,640</u>
Total Funds Advanced	\$141,925
Total Funds Expended	0
Excess (Deficiency) of Funds	<u>\$141,925</u>

EXHIBIT F

MIAMI METROPOLITAN HOUSING AUTHORITY  
TROY, OHIO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Twelve months ended December 31, 1999

<u>FROM THE U.S. DEPARTMENT OF HUD DIRECT PROGRAMS</u>	<u>FEDERAL CFDA NUMBER</u>	<u>FUNDS RECEIVED</u>	<u>FUNDS DISBURSED</u>
ANNUAL CONTRIBUTIONS CONTRACT C-5082:			
PHA OWNED HOUSING:			
Operating Subsidy - Exhibit D(1)	14.850	\$113,579	\$113,579
CIAP - 906	14.852	149,762	152,204
CIAP - 907	14.852	-	-
Sub - Total	14.852	149,762	152,204
ANNUAL CONTRIBUTIONS CONTRACT C-5052:			
HOUSING ASSISTANCE PAYMENTS:			
Annual Contribution - Exhibit D(2)	14.855	1,156,081	1,161,997
Annual Contribution - Exhibit D(3)	14.857	1,562,089	1,573,522
Annual Contribution - Exhibit D(4)	14.856	102,772	102,841
<b>TOTAL ALL PROGRAMS</b>		<b>\$3,084,283</b>	<b>\$3,104,143</b>



DAVID G. FALATOK CO., Inc.

CERTIFIED PUBLIC ACCOUNTANTS

**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**

To the Board of Commissioners  
Miami Metropolitan Housing Authority  
Troy, Ohio

I have audited the financial statements of the Miami Metropolitan Housing Authority as of and for the year ended December 31, 1999, and have issued my report thereon dated June 27, 2000. I conducted my audit in accordance with generally accepted auditing standard and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Miami Metropolitan Housing Authority's 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 the Miami Metropolitan Housing Authority's internal control over financial reporting in order to determine my auditing procedures of expressing my opinion on the financial statement 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 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. 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 for the information and use of the Board of Commissioners, management and the U.S. Department of Housing and Urban Development and is not intended to be and should not be used by anyone other than these specified parties.

*David G. Falatok*

David G. Falatok  
Certified Public Accountant

June 27, 2000

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

To the Board of Commissioners  
Miami Metropolitan Housing Authority  
Troy, Ohio

Compliance

I have audited the compliance of the Miami 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 its major federal program in addition to the provisions of Public & Indian Housing Notice 97-30 for the year ended December 31, 1999. The Miami Metropolitan Housing Authority's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the Miami Metropolitan Housing Authority's management. My responsibility is to express an opinion on the Miami Metropolitan Housing Authority's compliance based on my audit.

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

In my opinion, the Miami Metropolitan Housing Authority complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 1999.

Internal Control Over Compliance

The management of the Miami 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 my audit, I considered the Miami 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 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.

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**Independent Auditor's Report (continued)**  
**Miami Metropolitan Housing Authority**  
**Troy, Ohio**  
**page 2**

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 consider to be material weaknesses.

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

*David G. Falatok*

David G. Falatok  
Certified Public Accountant

June 27, 2000

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MIAMI METROPOLITAN HOUSING AUTHORITY  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 DECEMBER 31, 1999

**I. SUMMARY OF AUDITOR'S RESULTS**

Type of Financial Statement Opinion	Unqualified
Were there any material control weakness conditions reported at the financial statement level (Generally Accepted Government Auditing Standards) ?	No
Were there any other reportable control weakness conditions reported at the financial statement level (Generally Accepted Government Auditing Standards) ?	No
Was there any material reported noncompliance at the financial statement level (Generally Accepted Government Auditing Standards) ?	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 section 510 ?	No
Major Programs:	CIAP CFDA # 14.852 Housing Assistance Program : Certificates, Vouchers & Mod Rehab CFDA # 14.856,14.857,14.855
Dollar Threshold A/B Programs	Type A: \$ 300,000 and > Type B: All Others
Low Risk Auditee ?	Yes

**II. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS**

NONE

**III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

NONE



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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800-282-0370

Facsimile 614-466-4490

**MIAMI METROPOLITAN HOUSING AUTHORITY**

**MIAMI 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  
SEPTEMBER 14, 2000**