

**BASIC FINANCIAL STATEMENTS
AND SINGLE AUDIT**

of the

**MIAMI METROPOLITAN
HOUSING AUTHORITY**

for the

Year Ended December 31, 2009



Mary Taylor, CPA
Auditor of State

Board of Directors
Miami Metropolitan Housing Authority
1695 Troy Sidney Road
Troy, Ohio 45373

We have reviewed the *Independent Auditors' Report* of the Miami Metropolitan Housing Authority, Miami County, prepared by Jones, Cochenour & Co., for the audit period January 1, 2009 through December 31, 2009. 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.

Mary Taylor

Mary Taylor, CPA
Auditor of State

July 30, 2010

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**MIAMI METROPOLITAN HOUSING AUTHORITY
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Miami Metropolitan Housing Authority
Lancaster, Ohio

Regional Inspector General of Audit
Department of Housing and Urban
Development

We have audited the accompanying basic financial statements of Miami Metropolitan Housing Authority, as of and for the year ended December 31, 2009, as listed in the table of contents. These basic financial statements are the responsibility of the Miami Metropolitan Housing Authority's management. Our responsibility is to express opinions on these basic 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 opinions.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of Miami Metropolitan Housing Authority, as of December 31, 2009, and the results of its operations and the cash flows of its proprietary funds activities for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2010 on our consideration of Miami Metropolitan Housing Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion thereon.

Our audit was conducted for the purpose of forming opinions on the basic financial statements of the Authority taken as a whole. The FDS schedule and cost certification are presented for purposes of additional analysis and are not a required part of the financial statements of the Miami Metropolitan Housing Authority. The accompanying Schedule of Federal Awards Expenditures 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 financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Jones, Cochenour & Co.
June 21, 2010

much more than an accounting firm

**MIAMI METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2009**

Unaudited

It is a privilege to present for you the financial picture of Miami Metropolitan Housing Authority. The Miami Metropolitan Housing Authority's (the "Authority") management's discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority's financial activity, (c) identify changes in the Authority's financial position (its ability to address the next and subsequent year challenges), and (d) identify the single enterprise fund issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Authority's basic financial statements.

FINANCIAL HIGHLIGHTS

The Authority's programs for the single enterprise fund are: Conventional Public-Housing, Capital Fund Program (CFP), and the Housing Choice Voucher Program.

- The revenue increased by \$1,074,257 (or 20.5%) during 2009, and was \$6,319,659 and \$5,245,402 for 2009 and 2008, respectively.
- The total expenses increased by \$288,065 (4.91%). Total expenses were \$6,159,123 and 5,871,058 for 2009 and 2008, respectively.

USING THIS ANNUAL REPORT

The following graphic outlines the format of these financial statements:

MD&A ~ Management Discussion and Analysis ~
Basic Financial Statements ~ Statement of Net Assets ~ ~ Statement of Revenues, Expenses and Changes in Net Assets ~ ~ Statement of Cash Flows ~ ~ Notes to Financial Statements ~

The clearly preferable focus is on the Authority as a single enterprise fund. This format allows the user to address relevant questions, broaden a basis for comparison (year to year or Authority to Authority) and enhance the Authority's accountability.

MIAMI METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED
Year Ended December 31, 2009

Unaudited

BASIC FINANCIAL STATEMENTS

The basic financial statements are designed to be corporate-like in that all business type programs are consolidated into one single enterprise fund for the Authority.

These statements include a Statement of Net Assets, which is similar to a Balance Sheet. The Statement of Net Assets reports all financial and capital resources for the Authority. The statement is presented in the format where assets, minus liabilities, equals “Net Assets”, formerly known as equity. Assets and liabilities are presented in order of liquidity, and are classified as “Current” (convertible into cash within one year), and “Non-current”.

The focus of the Statement of Net Assets (the “Unrestricted Net Assets”) is designed to represent the net available liquid (non-capital) assets, net of liabilities, for the entire Authority. Net Assets (formerly equity) are reported in three broad categories (as applicable):

Net Assets, Invested in Capital Assets, Net of Related Debt: This component of Net Assets consists of all Capital Assets, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Assets: This component of Net Assets consists of restricted assets, when constraints are placed on the asset by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.

Unrestricted Net Assets: Consists of Net Assets that do not meet the definition of “Net Assets Invested in Capital Assets, Net of Related Debt”, or “Restricted Net Assets”. This account resembles the old operating reserves account.

The basic financial statements also include a Statement of Revenues, Expenses and Changes in Fund Net Assets (similar to an Income Statement). This Statement includes Operating Revenues, such as rental income, Operating Expenses, such as administrative, utilities, and maintenance, and depreciation, and Non-Operating Revenue and Expenses, such as grant revenue, investment income and interest expense.

The focus of the Statement of Revenues, Expenses and Changes in Fund Net Assets is the “Change in Net Assets”, which is similar to Net Income or Loss.

Finally, a Statement of Cash Flows is included, which discloses net cash provided by, or used for operating activities, non-capital financing activities, and from capital and related financing activities.

The Authority’s programs that are consolidated into a single enterprise fund are as follows:

Conventional Public Housing – Under the Conventional Public Housing Program, the Authority rents units that it owns to low-income households. The Conventional Public Housing Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides Operating Subsidy to enable the PHA to provide the housing at a rent that is based upon 30% of adjusted gross household income.

Capital Fund Program (CFP) – This is the current primary funding source for the Authority’s physical and management improvements. Funds are allocated by a formula allocation and based on size and age of the authority’s units.

**MIAMI METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED
Year Ended December 31, 2009**

Unaudited

Housing Choice Voucher Program – Under the Housing Choice Voucher Program, the Authority subsidizes rents to independent landlords that own the property. The Authority subsidizes the family's rent through a Housing Assistance Payment (HAP) made to the landlord. The program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides funding to enable the Authority to structure a lease that requires the participant to pay a rent based on a percentage of their adjusted gross household income, typically 30%, and the Housing Authority subsidizes the balance.

BASIC FINANCIAL STATEMENTS

STATEMENT OF NET ASSETS

The following table reflects the condensed Statement of Net Assets compared to prior year.

**TABLE 1
STATEMENT OF NET ASSETS**

	2009	2008
Current and Other Assets	\$ 1,285,196	\$ 698,888
Capital Assets	3,762,780	3,764,515
TOTAL ASSETS	5,047,976	4,463,403
Other Liabilities	600,058	149,812
Long-Term Liabilities	32,853	59,061
TOTAL LIABILITIES	632,911	208,873
Net Assets:		
Invested in Capital Assets, Net of Related Debt	3,762,780	3,764,515
Restricted	13,538	51,447
Unrestricted	638,747	438,568
TOTAL NET ASSETS	\$ 4,415,065	\$ 4,254,530

MAJOR FACTORS AFFECTING THE STATEMENT OF NET ASSETS

Current and other assets is higher due to January 2010 Section 8 subsidy received in December of 2009 in the amount of \$408,068, this is the cash balance.

Capital assets decrease is detailed out in Table 4.

Other liabilities includes the deferred revenue of HAP subsidies in the amount of \$408,068.

**MIAMI METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED
Year Ended December 31, 2009**

Unaudited

**TABLE 2
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**

The following schedule compares the revenues and expenses for the current and previous fiscal year.

	2009	2008
Revenues		
Tenant Revenue - Rents and Other	\$ 474,030	\$ 457,414
Operating Subsidies and Grants	5,515,116	4,599,948
Capital Grants	327,671	165,003
Investment Income/Other Revenues	2,842	23,037
TOTAL REVENUE	6,319,659	5,245,402
 Expenses		
Administration	674,304	695,804
Tenant services	2,400	2,680
Utilities	179,987	176,114
Maintenance	242,596	209,231
General	26,274	30,372
PILOT	29,404	28,130
Bad Debt	6,432	10,567
Housing Assistance Payments	4,663,653	4,384,781
Depreciation	334,073	333,379
TOTAL EXPENSES	6,159,123	5,871,058
NET INCOME (LOSS)	\$ 160,536	\$ (625,656)

MAJOR FACTORS AFFECTING THE STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS

Revenues increased primarily due to operating subsidies for the Section 8 programs, and capital grants for the public housing program. Tenant rents are up \$16,616.

The expenses increased mainly in the HAP expense category. The housing authority used \$300,000 plus of administrative monies to pay for HAP expenses.

**MIAMI METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED
Year Ended December 31, 2009**

Unaudited

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS

As of year-end, the Authority had \$3,762,780 invested in a variety of capital assets as reflected in the following schedule, which represents a net decrease of \$1,735.

**TABLE 3
CAPITAL ASSETS AT YEAR-END
(NET OF DEPRECIATION)**

	2009	2008
Land and Land Rights	\$ 357,350	\$ 357,350
Buildings	9,160,417	9,160,417
Equipment - Administrative	9,034	4,367
Equipment - Dwellings	66,803	77,642
Construction in progress	507,067	179,396
Accumulated Depreciation	(6,337,891)	(6,014,657)
TOTAL	\$ 3,762,780	\$ 3,764,515

The following reconciliation summarizes the change in Capital Assets.

**TABLE 4
CHANGE IN CAPITAL ASSETS**

BEGINNING BALANCE - NET	\$	3,764,515
Additions - Capital fund		327,671
Additions - Project		4,667
Depreciation Expense		(334,073)
ENDING BALANCE	\$	3,762,780

During the year the Authority sold items for \$1,300 that were fully depreciated with an original cost of \$10,839.

**MIAMI METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED
Year Ended December 31, 2009**

Unaudited

ECONOMIC FACTORS

The Housing Authority is primarily dependant on Congressional appropriations for operating. This consists of grants for the Voucher Program, Public Housing Programs, and Capital Fund Programs. We gained in operating subsidy but not enough to be fully funded according to our need and eligibility HUD monies.

IN CONCLUSION

Miami Metropolitan Housing Authority takes great pride in its financial management and is pleased to report on consistent and sound financial condition of the Authority.

FINANCIAL CONTACT

If you have any questions regarding this report, you may contact Jack Baird, Executive Director of the Miami Metropolitan Housing Authority at (937) 339-2111.

MIAMI METROPOLITAN HOUSING AUTHORITY
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
December 31, 2009

ASSETS

Cash and cash equivalents	\$	1,151,971
Cash and cash equivalents - restricted		13,538
Receivables - net of allowance		71,155
Inventories - net of allowance		24,607
Prepaid expenses and other assets		22,935
TOTAL CURRENT ASSETS		1,284,206

CAPITAL ASSETS

Land		357,350
Other capital assets - net		3,405,430
TOTAL CAPITAL ASSETS		3,762,780

OTHER ASSETS

		990
TOTAL ASSETS		5,047,976

LIABILITIES

Accounts payable		41,937
Intergovernmental payables		29,404
Accrued wages/payroll taxes		45,628
Accrued compensated absences - current		34,918
Tenant security deposits		40,103
Deferred revenue		408,068
TOTAL CURRENT LIABILITIES		600,058

Accrued compensated absences - non-current		32,853
TOTAL LIABILITIES		632,911

NET ASSETS

Invested in capital assets - net of related debt		3,762,780
Restricted net assets		13,538
Unrestricted net assets		638,747
NET ASSETS	\$	4,415,065

See accompanying notes to the basic financial statements

MIAMI METROPOLITAN HOUSING AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
Year Ended December 31, 2009

OPERATING REVENUES	
Tenant revenue	\$ 474,030
Operating subsidies	5,515,116
Other revenues	<u>738</u>
TOTAL OPERATING REVENUES	5,989,884
 OPERATING EXPENSES	
Administrative	674,304
Tenant services	2,400
Utilities	179,987
Maintenance	242,596
General	26,274
PILOT	29,404
Bad debts	6,432
Housing assistance payments	4,663,653
Depreciation	<u>334,073</u>
TOTAL OPERATING EXPENSES	<u>6,159,123</u>
OPERATING LOSS	(169,239)
 NONOPERATING REVENUES	
Gain on sale of assets	1,300
Interest revenue	<u>804</u>
	2,104
 CAPITAL GRANTS	 <u>327,671</u>
TOTAL NONOPERATING EXPENSES	<u>329,775</u>
CHANGE IN NET ASSETS	160,536
Net assets beginning of year	<u>4,254,529</u>
NET ASSETS END OF YEAR	<u><u>\$ 4,415,065</u></u>

See accompanying notes to the basic financial statements

**MIAMI METROPOLITAN HOUSING AUTHORITY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended December 31, 2009**

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash received from HUD	\$	5,944,046
Cash received from tenants		473,585
Cash received from other revenue		(451)
Cash payments for housing assistance payments		(4,663,653)
Cash payments for other operating expenses		(1,110,807)
Cash payments to HUD and other government		(29,404)
		613,316
NET CASH PROVIDED BY OPERATING ACTIVITIES		613,316

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Capital grants received		327,671
Acquisition of capital assets		(332,338)
Proceeds on sale of capital assets		1,300
		(3,367)
NET CASH (USED) BY CAPITAL AND FINANCING ACTIVITIES		(3,367)

CASH FLOWS FROM INVESTING ACTIVITIES:

Investment activity		804
		804

CHANGE IN CASH AND CASH EQUIVALENTS **610,753**

CASH AND CASH EQUIVALENTS, BEGINNING **554,756**

CASH AND CASH EQUIVALENTS, ENDING **\$ 1,165,509**

**RECONCILIATION OF OPERATING (LOSS) TO
NET CASH USED BY OPERATING ACTIVITIES:**

Operating loss	\$	(169,239)
Adjustments to reconcile operating loss to net cash used by operating activities		
Depreciation		334,073
(Increase) decrease in:		
Receivables - net of allowance		19,228
Inventories - net of allowance		4,718
Prepaid expenses		499
Increase (decrease) in:		
Accounts payable		10,200
Accrued wages/payroll taxes		1,186
Accrued compensated absences		2,299
Accounts payable - other government		1,048
Tenant security deposits		1,236
Deferred revenue		408,068
		408,068
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$	613,316

See accompanying notes to the basic financial statements

**MIAMI METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2009**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Summary of Significant Accounting Policies

The financial statements of the Miami Metropolitan Housing Authority (the "Authority") have been prepared in conformity with accounting principles generally accepted in the United States of America (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 Authority also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued after November 30, 1989, to its business-type activities and to its proprietary fund provided they do not conflict with or contradict GASB pronouncements. The more significant of the Authority's accounting policies are described below.

Reporting Entity

The 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.

Oversight of the Miami Metropolitan Housing Authority is provided by a 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, including one (1) appointee resident member nominated by the Resident Advisory Council.

The accompanying Basic 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.

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 for the Authority over which the Authority is financially accountable.

Basis of Presentation

The Authority's basic financial statements consist of a statement of net assets, a statement of revenue, expenses and changes in net assets, and a statement of cash flows.

The Authority uses a single enterprise fund to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

Enterprise fund reporting focuses on the determination of the change in net assets, financial position and cash flows. An enterprise fund may be used to account for any activity for which a fee is charged to external users for goods and services.

**MIAMI METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2009**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Measurement Focus

The enterprise fund is accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the Authority are included on the statement of net assets. The statement of changes in net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the Authority finances and meets the cash flow needs of its enterprise activity.

Enterprise Fund

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

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

The following are the various programs which are included in the single enterprise fund:

Conventional Public Housing (PH) – Under the Conventional Public Housing Program, the Authority rents units that it owns to low-income households. The Conventional Public Housing Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides Operating Subsidy to enable the PHA to provide the housing at a rent that is based upon 30% of adjusted gross household income.

Capital Fund Program (CFP) – This is the current primary funding source for the Authority’s physical and management improvements. While the formula funding methodology used for the CGP was revised for the CFP, funds are still provided by formula allocation and based on the size and age of the units.

Housing Choice Voucher Program (HCVP) – Under the Housing Choice Voucher Program, the Authority subsidizes rents to independent landlords that own the property. The Authority subsidizes the family’s rent through a Housing Assistance Payment (HAP) made to the landlord. The program is administered under an ACC with HUD. HUD provides funding to enable the Authority to structure a lease that requires the participant to pay a rent based on a percentage of their adjusted gross household income, typically 30%, and the Housing Authority subsidizes the balance.

Accounting and Reporting for Nonexchange Transactions

Nonexchange transactions occur when the Public Housing Authority (PHA) receives (or gives) value without directly giving equal value in return. GASB 33 identifies four classes of nonexchange transactions as follows:

- **Derived tax revenues:** result from assessments imposed on exchange transactions (i.e., income taxes, sales taxes and other assessments on earnings or consumption).
- **Imposed nonexchange revenues:** result from assessments imposed on nongovernmental entities, including individuals, other than assessments on exchange transactions (i.e. property taxes and fines).
- **Government-mandated nonexchange transactions:** occur when a government at one level provides resources to a government at another level and requires the recipient to use the resources for a specific purpose (i.e., federal programs that state or local governments are mandated to perform).
- **Voluntary nonexchange transactions:** result from legislative or contractual agreements, other than exchanges, entered into willingly by the parties to the agreement (i.e., certain grants and private donations).

PHA grants and subsidies will be defined as a government-mandated or voluntary nonexchange transactions.

GASB 33 establishes two distinct standards depending upon the kind of stipulation imposed by the provider.

- **Time requirements** specify (a) the period when resources are required to be used or when use may begin (for example, operating or capital grants for a specific period) or (b) that the resources are required to be maintained intact in perpetuity or until a specified date or event has occurred (for example, permanent endowments, term endowments, and similar agreements). Time requirements affect the timing of recognition of nonexchange transactions.

MIAMI METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

- Purpose restrictions specify the purpose for which resources are required to be used. (i.e. capital grants used for the purchase of capital assets). Purpose restrictions do not affect when a nonexchange transaction is recognized. However, PHAs that receive resources with purpose restrictions should report resulting net assets, equity, or fund balance as restricted.

The PHA will recognize assets (liabilities) when all applicable eligibility requirements are met or resources received whichever is first. Eligibility requirements established by the provider may stipulate the qualifying characteristics of recipients, time requirements, allowable costs, and other contingencies.

The PHA will recognize revenues (expenses) when all applicable eligibility requirements are met. For transactions that have a time requirement for the beginning of the following period, PHAs should record resources received prior to that period as deferred revenue and the provider of those resources would record an advance.

The PHA receives government-mandated or voluntary nonexchange transactions, which do not specify time requirements. Upon award, the entire subsidy should be recognized as a receivable and revenue in the period when applicable eligibility requirements have been met.

Prepaid expenses

Payments made to vendors for services that will benefit periods beyond the year end, are recorded as prepaid expenses using the consumption method. A current asset for the amount is recorded at the time of the purchase and expense is reported in the year in which the services are consumed.

Capital 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. The Authority's capitalization policy is \$2,000. The following are the useful lives used for depreciation purposes:

Buildings – residential	27.5
Buildings – non-residential	40
Building improvements	15
Furniture – dwelling	7
Furniture – non-dwelling	7
Equipment – dwelling	5
Equipment – non-dwelling	7
Autos and trucks	5
Computer hardware	3
Computer software	3
Leasehold improvements	15

Accrued Liabilities

All payables and accrued liabilities are reported in the basic financial statements.

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets – net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are recorded as restricted when there are limitations imposed on their use either by internal or external restrictions.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the Authority, these revenues are tenant revenues, operating grants from HUD and other miscellaneous revenue. Operating expenses are those expenses that are generated from the primary activity of the proprietary fund.

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.

MIAMI METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Compensated Absences

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

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

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

Capital Contributions

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

Budgetary Accounting

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

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

Receivables – net of allowance

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. The allowance for bad debts was \$0 at December 31, 2009.

Inventories

Inventories are stated at cost. The allowance for obsolete inventory was \$0 at December 31, 2009.

Due to/Due From Programs

These are reflected in the FDS and eliminated for the basic financial statement.

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.

**MIAMI METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2009**

2. CASH AND INVESTMENTS - CONTINUED

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 the Authority's deposits is provided by the Federal Deposit Insurance Corporation (FDIC) by eligible securities pledged by the financial institution as security for repayment, but 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.

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 collateralized 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.

Deposits: The carrying amount of the Authority's deposits totaled \$1,165,509 (includes tenant security deposits of \$40,103). The corresponding bank balances totaled \$869,122.

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

Category 1:	\$250,000 was covered by federal depository insurance
Category 2:	\$619,122 was covered by specific collateral pledged by the financial institution in the name of the Authority.

The Authority did not have any investments at December 31, 2009.

3. NOTE TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES

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

4. RISK MANAGEMENT

The Housing 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 disaster. 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 member premiums and reinsures through commercial insurance companies. In addition, coverage for employee health and accident insurance is purchased by an independent third party. Settlement claims for these risks have not exceeded coverage for the past three years. Further there has been no reduction in insurance coverage.

MIAMI METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2009

5. CAPITAL ASSETS

The following is a summary of capital assets:

	Balance 12/31/2008	Net Additions / Deletions/ Corrections	Balance 12/31/2009
CAPITAL ASSETS, NOT BEING DEPRECIATED			
Land	\$ 357,350	\$ -	\$ 357,350
TOTAL CAPITAL ASSETS NOT BEING DEPRECIATED	\$ 357,350	\$ -	\$ 357,350
CAPITAL ASSETS BEING DEPRECIATED			
Building and Improvements	\$ 9,160,417	\$ -	\$ 9,160,417
Furniture and equipment	82,009	(6,172)	75,837
Construction in progress	179,396	327,671	507,067
Totals at Historical Costs	9,421,822	321,499	9,743,321
Less: Accumulated Depreciation	(6,014,657)	(323,234)	(6,337,891)
TOTAL CAPITAL ASSETS, BEING DEPRECIATED, NET	\$ 3,407,165	\$ (1,735)	\$ 3,405,430
TOTAL CAPITAL ASSETS, NET	\$ 3,764,515	\$ (1,735)	\$ 3,762,780
Accumulated Depreciation by Class:			
Buildings			\$ 6,267,089
Furniture and Equipment			70,802
TOTAL ACCUMULATED DEPRECIATION			\$ 6,337,891

6. DEFINED BENEFIT PENSION PLANS – PUBLIC EMPLOYEES RETIREMENT SYSTEM

All full-time employees of Authority participate in the Ohio Public Employees Retirements System (OPERS), a cost-sharing multiple-employer public employee retirement system administered by the Public Employees Retirement Board. OPERS provide basic retirement, disability and survivor benefits, based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 145 of the Ohio Revised Code. OPERS issues a publicly available financial report that includes financials statements and required supplementary information for OPERS. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 466-2085 or (800) 222-PERS.

Ohio Public Employees Retirement System administers three separate pension plans as described below:

1. The Traditional Pension Plan – A cost sharing, multiple-employer defined benefit pension plan.
2. The Member-Direct Plan – A defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Direct Plan, members accumulate retirement assets equal to the value of member and (vested) employer contributions, plus any investment earnings.
3. The Combined Plan – A cost sharing, multiple-employer defined plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefits similar in nature to the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

Plan members are required to contribute 10.0 percent of their annual covered salary to fund pension obligations. The 2009 employer pension contribution rate for Authority was 14.0 percent. Contributions are authorized by state statute. The contribution rates are determined actuarially. The Authority's contribution for the years ended December 31, 2009, 2008, and 2007 amounted to \$129,272, \$104,552 and \$98,570, respectively. All required contributions have been made through December 31, 2009.

**MIAMI METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2009**

7. POSTEMPLOYMENT BENEFITS

The Public Employees Retirement System of Ohio (OPERS) provides post-employment health care benefits to age and service retirees with ten or more years of qualifying Ohio service credit and to primary survivor recipients of such retirees. Health care coverage for disability recipients is also available. The health care coverage provided by the OPERS is considered an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care. The Ohio Revised Code provides statutory Authority requiring public employers to fund post-employment health care through their contributions to the OPERS. The portion of the 2009 employer contribution rate (identified above) that was used to fund health care was 7.0 percent of covered payroll from January 1 through March 31, 2009 and 5.5 percent of covered payroll from April 1 through December 31, 2009, which amounted to \$28,248. The significant actuarial assumptions and calculations relating to post-employment health care benefits were based on the OPERS' latest actuarial review performed as of December 31, 2008. An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actuarial experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted annually to reflect 25 percent of unrealized market appreciation or depreciation on investment assets, not to exceed a 12 percent corridor. The investment assumption rate for 2008 was 6.5 percent. An annual increase of 4.0 percent compounded annually is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above 4.0 percent base increases were assumed to increase at a project wage inflation rate plus an additional factor ranging from .5% to 3% for the next 6 years. In subsequent years (7 and beyond), health care costs were assumed to increase at 4% (the projected age inflation rate.).

Benefits are advanced-funded on an actuarially determined basis. The number of active contributing participants was 357,584. The actuarial value of the OPERS' net assets available for OPEB at December 31, 2008 was \$10.7 billion. The actuarially accrued liability and the unfunded actuarial liability, based on the actuarial cost methods used, were \$29.6 billion and \$18.9 billion, respectively.

OPERS Retirement Board Implements its Health Care Preservation Plan (HCPP). HCPP was adopted on September 9, 2004, and is effective on January 1, 2007. In addition, OPERS created a separate investment pool for health care assets. Members and employers contribution rates increases in January 1, 2006, 2007, and in 2008 will allow additional funds to be allocated to the health care plan.

8. FDS SCHEDULE SUBMITTED TO HUD

For the fiscal year ended December 31, 2009, the Authority electronically submitted an unaudited version of the balance sheet, statement of revenues, expenses and changes in net asset and other data to HUD as required on the GAAP basis. The schedules are presented in the manner prescribed by Housing and Urban Development.

9. RELATED PARTY TRANSACTION

The Miami County Metropolitan Housing Authority has an "Employer of Record" contract with Miami County Community Action Council. This contract provides staffing services 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".

10. SUBSEQUENT EVENTS

There were no subsequent events through June 21, 2010, the date the financial statements were available to be issued. Any subsequent events after that date have not been evaluated.

MIAMI METROPOLITAN HOUSING AUTHORITY
BALANCE SHEET
FDS SCHEDULE SUBMITTED TO HUD
PROPRIETARY FUND TYPE
ENTERPRISE FUND
December 31, 2009

	Project Total	14.871	Total
111 Cash - Unrestricted	542,056	569,812	1,111,868
113 Cash - Other Restricted		13,538	13,538
114 Cash - Tenant Security Deposits	40,103		40,103
100 Total Cash	582,159	583,350	1,165,509
121 Accounts Receivable - PHA Projects		1,189	1,189
125 Accounts Receivable - Miscellaneous	56,997	9,766	66,763
126 Accounts Receivable - Tenants	3,203		3,203
120 Total Receivables, Net of Allowances for Doubtful Accounts	60,200	10,955	71,155
142 Prepaid Expenses and Other Assets	21,594	2,331	23,925
143 Inventories	27,341		27,341
143.1 Allowance for Obsolete Inventories	(2,734)		(2,734)
150 Total Current Assets	688,560	596,636	1,285,196
161 Land	357,350		357,350
162 Buildings	9,160,417		9,160,417
163 Furniture, Equipment & Machinery - Dwellings	66,803		66,803
164 Furniture, Equipment & Machinery - Administration	9,034		9,034
166 Accumulated Depreciation	(6,337,891)		(6,337,891)
167 Construction in Progress	507,067		507,067
160 Total Capital Assets, Net of Accumulated Depreciation	3,762,780	-	3,762,780
180 Total Non-Current Assets	3,762,780	-	3,762,780
190 Total Assets	4,451,340	596,636	5,047,976
312 Accounts Payable <= 90 Days	25,046	16,891	41,937
321 Accrued Wage/Payroll Taxes Payable	45,628		45,628
322 Accrued Compensated Absences - Current Portion	16,155	18,763	34,918
333 Accounts Payable - Other Government	29,404		29,404
341 Tenant Security Deposits	40,103		40,103
342 Deferred Revenues	5,000	403,068	408,068
310 Total Current Liabilities	161,336	438,722	600,058
354 Accrued Compensated Absences - Non Current	15,676	17,177	32,853
350 Total Non-Current Liabilities	15,676	17,177	32,853
300 Total Liabilities	177,012	455,899	632,911
508.1 Invested In Capital Assets, Net of Related Debt	3,762,780		3,762,780
511.1 Restricted Net Assets		13,538	13,538
512.1 Unrestricted Net Assets	511,548	127,199	638,747
513 Total Equity/Net Assets	4,274,328	140,737	4,415,065
600 Total Liabilities and Equity/Net Assets	4,451,340	596,636	5,047,976

See independent auditors' report

MIAMI METROPOLITAN HOUSING AUTHORITY
COMBINED - STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FDS SCHEDULE SUBMITTED TO HUD
PROPRIETARY FUND TYPE
ENTERPRISE FUND
Year Ended December 31, 2009

	Project Total	14.871	Total
70300 Net Tenant Rental Revenue	452,477		452,477
70400 Tenant Revenue - Other	21,553		21,553
70500 Total Tenant Revenue	474,030	-	474,030
70600 HUD PHA Operating Grants	265,702	5,249,414	5,515,116
70610 Capital Grants	327,671		327,671
71100 Investment Income - Unrestricted	804		804
71500 Other Revenue		738	738
71600 Gain or Loss on Sale of Capital Assets	1,300		1,300
70000 Total Revenue	1,069,507	5,250,152	6,319,659
91100 Administrative Salaries	100,151	295,830	395,981
91200 Auditing Fees	1,772	6,053	7,825
91500 Employee Benefit contributions - Administrative	56,850	123,230	180,080
91600 Office Expenses	18,457	55,155	73,612
91700 Legal Expense	1,323		1,323
91900 Other	15,483		15,483
91000 Total Operating - Administrative	194,036	480,268	674,304
92400 Tenant Services - Other	2,400		2,400
92500 Total Tenant Services	2,400	-	2,400
93100 Water	24,985		24,985
93200 Electricity	119,733		119,733
93300 Gas	35,269		35,269
93000 Total Utilities	179,987	-	179,987
94100 Ordinary Maintenance and Operations - Labor	89,603		89,603
94200 Ordinary Maintenance and Operations - Materials and Other	45,171		45,171
94300 Ordinary Maintenance and Operations Contracts	83,536		83,536
94500 Employee Benefit Contributions - Ordinary Maintenance	22,786		22,786
94000 Total Maintenance	241,096	-	241,096

See independent auditors' report

MIAMI METROPOLITAN HOUSING AUTHORITY
COMBINED - STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FDS SCHEDULE SUBMITTED TO HUD
PROPRIETARY FUND TYPE
ENTERPRISE FUND
Year Ended December 31, 2009

	Project Total	14.871	Total
96140 All Other Insurance	21,228	2,749	23,977
96100 Total insurance Premiums	21,228	2,749	23,977
96210 Compensated Absences	1,739	558	2,297
96300 Payments in Lieu of Taxes	29,404		29,404
96400 Bad debt - Tenant Rents	6,432		6,432
96000 Total Other General Expenses	37,575	558	38,133
96900 Total Operating Expenses	676,322	483,575	1,159,897
97000 Excess of Operating Revenue over Operating Expenses	393,185	4,766,577	5,159,762
97100 Extraordinary Maintenance	1,500		1,500
97300 Housing Assistance Payments		4,663,653	4,663,653
97400 Depreciation Expense	334,073		334,073
90000 Total Expenses	1,011,895	5,147,228	6,159,123
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	57,612	102,924	160,536
11030 Beginning Equity	4,216,716	37,813	4,254,529
11170 Administrative Fee Equity		127,199	127,199
11180 Housing Assistance Payments Equity		13,538	13,538
11190 Unit Months Available	1,524	11,820	13,344
11210 Number of Unit Months Leased	1,493	11,511	13,004
11270 Excess Cash	401,665		401,665

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MIAMI METROPOLITAN HOUSING AUTHORITY
PROJECT - STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FDS SCHEDULE SUBMITTED TO HUD
PROPRIETARY FUND TYPE
ENTERPRISE FUND
Year Ended December 31, 2009

	14.850	14.872	Total Project
70300 Net Tenant Rental Revenue	452,477		452,477
70400 Tenant Revenue - Other	21,553		21,553
70500 Total Tenant Revenue	474,030	-	474,030
70600 HUD PHA Operating Grants	263,184	2,518	265,702
70610 Capital Grants		327,671	327,671
71100 Investment Income - Unrestricted	804		804
71600 Gain or Loss on Sale of Capital Assets	1,300		1,300
70000 Total Revenue	739,318	330,189	1,069,507
91100 Administrative Salaries	100,151		100,151
91200 Auditing Fees	1,772		1,772
91500 Employee Benefit contributions - Administrative	56,850		56,850
91600 Office Expenses	15,939	2,518	18,457
91700 Legal Expense	1,323		1,323
91900 Other	15,483		15,483
91000 Total Operating - Administrative	191,518	2,518	194,036
92400 Tenant Services - Other	2,400		2,400
92500 Total Tenant Services	2,400	-	2,400
93100 Water	24,985		24,985
93200 Electricity	119,733		119,733
93300 Gas	35,269		35,269
93000 Total Utilities	179,987	-	179,987
94100 Ordinary Maintenance and Operations - Labor	89,603		89,603
94300 Ordinary Maintenance and Operations Contracts	83,536		83,536
94500 Employee Benefit Contributions - Ordinary Maintenance	45,171		45,171
94000 Total Maintenance	218,310	-	218,310
95100 Protective Services - Labor	22,786		22,786
95000 Total Protective Services	22,786	-	22,786
96140 All Other Insurance	21,228		21,228
96100 Total insurance Premiums	21,228	-	21,228

See independent auditors' report

MIAMI METROPOLITAN HOUSING AUTHORITY
PROJECT - STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FDS SCHEDULE SUBMITTED TO HUD
PROPRIETARY FUND TYPE
ENTERPRISE FUND
Year Ended December 31, 2009

	14.850	14.872	Total Project
96210 Compensated Absences	1,739		1,739
96300 Payments in Lieu of Taxes	29,404		29,404
96400 Bad debt - Tenant Rents	6,432		6,432
96000 Total Other General Expenses	37,575	-	37,575
96900 Total Operating Expenses	673,804	2,518	676,322
97000 Excess of Operating Revenue over Operating Expenses	65,514	327,671	393,185
97100 Extraordinary Maintenance	1,500		1,500
97400 Depreciation Expense	334,073		334,073
90000 Total Expenses	1,009,377	2,518	1,011,895
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	(270,059)	327,671	57,612
11030 Beginning Equity	4,037,320	179,396	4,216,716
11190 Unit Months Available	1,524		1,524
11210 Number of Unit Months Leased	1,493		1,493
11270 Excess Cash	401,665		401,665

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**MIAMI METROPOLITAN HOUSING AUTHORITY
 SCHEDULE OF FEDERAL AWARDS EXPENDITURES
 Year Ended December 31, 2009**

	FEDERAL CFDA NUMBER	FUNDS EXPENDED
<u>FROM U.S. DEPARTMENT OF HUD</u>		
<u>DIRECT PROGRAMS</u>		
PHA Owned Housing:		
Public and Indian Housing	14.850A	\$ 263,184
Public Housing Capital Fund	14.872	330,189
Housing Assistance Payments:		
Annual Contribution -		
Section 8 Housing Choice Vouchers	14.871	5,249,414
Total - All Programs		\$ 5,842,787

See independent auditors' report



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**REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Directors
Miami Metropolitan Housing Authority
Troy, Ohio

Regional Inspector General of Audit
Department of Housing and Urban
Development

We have audited the basic financial statements for Miami Metropolitan Housing Authority as of and for the year ended December 31, 2009 and have issued our report thereon dated June 21, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standard applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Miami Metropolitan Housing Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Miami Metropolitan Housing Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Authority's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Authority's financial statements that is more than inconsequential will not be prevented or detected by the Authority's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Authority's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether Miami 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 grant agreements, 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*.

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



Jones, Cochenour & Co.

June 21, 2010



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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
Miami Metropolitan Housing Authority
Troy, Ohio

Regional Inspector General of Audit
Department of Housing and Urban
Development

Compliance

We have audited the compliance of 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 each of its major federal programs for the year ended December 31, 2009. Miami Metropolitan Housing Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Miami Metropolitan Housing Authority's management. Our responsibility is to express an opinion on Miami 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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Miami 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 of Miami Metropolitan Housing Authority's compliance with those requirements.

In our opinion, Miami Metropolitan Housing Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2009.

Internal Control Over Compliance

The management of 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 our audit, we considered 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 our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Miami Metropolitan Housing Authority's internal control over compliance.

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A *control deficiency* in an Authority's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the Authority's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of federal program that is more than inconsequential will not be prevented or detected by the Authority's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a noncompliance with a type of compliance requirement of federal program will not be prevented or detected by the Authority's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above.

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

A handwritten signature in cursive script that reads "Jones, Cochenour & Co." with a period at the end.

**Jones, Cochenour & Co.
June 21, 2010**

**Summary of Auditors' Results and Schedule of Findings
OMB Circular A-133 § .505**

**Miami Metropolitan Housing Authority
December 31, 2009**

1. SUMMARY OF AUDITORS' RESULTS

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):	Section 8 Housing Choice Vouchers CFDA#14.871
Dollar Threshold: Type A/B Programs	\$300,000
Low Risk Auditee?	Yes

**Summary of Auditors' Results and Schedule of Findings
OMB Circular A-133 § .505 - Continued**

**Miami Metropolitan Housing Authority
December 31, 2009**

2. FINDINGS RELATED TO FINANCIAL STATEMENTS

There are no findings for the year ended December 31, 2009.

3. FINDINGS RELATED TO FEDERAL AWARDS

There are no findings for the year ended December 31, 2009.



Mary Taylor, CPA
Auditor of State

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
AUGUST 12, 2010**