

**BASIC FINANCIAL STATEMENTS
AND SINGLE AUDIT**

of the

**MIAMI METROPOLITAN
HOUSING AUTHORITY**

for the

Year Ended December 31, 2011



Dave Yost • 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, 2011 through December 31, 2011. 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 that reads "Dave Yost".

Dave Yost
Auditor of State

September 11, 2012

This page intentionally left blank.

**MIAMI METROPOLITAN HOUSING AUTHORITY
TABLE OF CONTENTS**

	<u>Page</u>
Independent Auditors' Report	1 – 2
Management's Discussion and Analysis	3 – 8
Basic Financial Statements:	
Statement of Net Assets	9
Statement of Revenues, Expenses and Changes in Net Assets	10
Statement of Cash Flows	11
Notes to the Basic Financial Statements	12 – 19
Supplemental Data:	
FDS Schedule	20 – 24
Cost Certification	25
Schedule of Federal Awards Expenditures	26
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	27 – 28
Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	29 – 30
Summary of Auditors' Results and Schedule of Findings.....	31 – 32
Schedule of Prior Year Audit Findings	33

This page intentionally left blank.



125 West Mulberry Street
Lancaster, Ohio 43130

www.JCCcpa.com

740.653.9581 tel
614.837.2921 tel
740.653.0983 fax

Dean A. Cochenour, MBA, CPA
Jeanette R. Addington, MBA, CPA, CGFM
Brian D. Long, CPA
Keith A. Lewis, CPA

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 financial statements of the business-type activities of Miami Metropolitan Housing Authority, as of and for the year ended December 31, 2011, as listed in the table of contents. These financial statements are the responsibility of the Miami Metropolitan Housing Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of Miami Metropolitan Housing Authority, as of December 31, 2011, and the respective changes in financial position, and cash flows 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, 2012 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

much more than an accounting firm

Our audit was conducted for the purpose of forming an opinion on the financial statements of Miami Metropolitan Housing Authority's 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. 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 Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Jones, Cochenour & Co.
June 21, 2012

**MIAMI METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2011**

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 decreased by \$162,663 (or 2.54%) during 2011, and was \$6,248,589 and \$6,411,252 for 2011 and 2010, respectively.
- The total expenses increased by \$497,425 (or 8.47%). Total expenses were \$6,370,037 and \$5,872,612 for 2011 and 2010, 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, 2011

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:

Project (Conventional Public Housing and Capital Fund Program) – 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. The Conventional Public Housing Program also includes the Capital Fund Program, which is the 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.

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.

Other Business Activities – Represents the rental of office space to be used for future capital improvements on the building.

**MIAMI METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED
Year Ended December 31, 2011**

Unaudited

BASIC FINANCIAL STATEMENTS

**TABLE 1
STATEMENT OF NET ASSETS**

The following table compares the condensed Statement of Net Assets for the current and previous fiscal year.

	2011	2010
Current and Other Assets	\$ 1,311,987	\$ 1,477,710
Capital Assets	3,913,326	3,655,799
TOTAL ASSETS	5,225,313	5,133,509
Current Liabilities	244,168	166,872
Long-Term Liabilities	148,888	12,932
TOTAL LIABILITIES	393,056	179,804
Net Assets:		
Invested in Capital Assets, Net of Related Debt	3,729,326	3,655,799
Restricted	499,486	579,910
Unrestricted	603,445	717,996
TOTAL NET ASSETS	\$ 4,832,257	\$ 4,953,705

MAJOR FACTORS AFFECTING THE STATEMENT OF NET ASSETS

Current and other assets decreased due mainly to the decrease in the HAP reserve cash account and the other cash accounts due to operations. The loss for the year for the authority was larger than prior year which impacted the cash position.

Current liabilities are up due to larger accounts payable and accrued payroll/taxes outstanding. Capital assets detail is presented later in the MDA to reflect the fluctuations between the years.

Restricted Net Assets fluctuate with the net of Voucher expenses over/under income. Expenses increased due to increased leasing reducing the RNA by \$80,424.

Unrestricted assets were reduced by using Public Housing reserves for office renovations and expenses (\$114,551).

**MIAMI METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED
Year Ended December 31, 2011**

Unaudited

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

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

	2011	2010
Revenues		
Tenant Revenue - Rents and Other	\$ 500,016	\$ 493,190
Operating Subsidies and Grants	5,286,581	5,690,013
Capital Grants	309,000	227,091
Investment Income/Other Revenues	152,992	958
TOTAL REVENUE	6,248,589	6,411,252
Expenses		
Administration	735,303	660,002
Tenant services	3,180	3,125
Utilities	238,450	198,333
Maintenance	348,612	302,219
Insurance	24,690	23,200
General	56,865	2,080
PILOT	29,750	29,486
Bad Debt	6,779	9,694
Housing Assistance Payments	4,542,174	4,310,401
Depreciation	384,234	334,072
TOTAL EXPENSES	6,370,037	5,872,612
NET INCOME (LOSS)	\$ (121,448)	\$ 538,640

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

Net Revenues decreased by \$162,663. The major decrease was due to a decrease in HUD subsidies. This was offset by a \$81,909 increase in Capital Grants and other revenue of \$152,034. Revenues fluctuate from year to year due to congressional appropriation and HUD allocations.

Net expenses increased \$643,666, the increase due to major renovation of office space (\$142,034) and increase in HAP expense of \$231,773. Due to increase in leasing, the authority now pays for office utilities \$40,117 and rent of \$48,000.

**MIAMI METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED
Year Ended December 31, 2011**

Unaudited

CAPITAL ASSETS

As of year-end, the Authority had \$3,913,326 invested in a variety of capital assets as reflected in the following schedule, which represents a net increase of \$257,527.

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

	2011	2010
Land and Land Rights	\$ 357,350	\$ 357,350
Buildings	9,995,336	9,160,417
Equipment - Administrative	9,034	9,034
Equipment - Dwellings	66,803	66,803
Construction in progress	541,000	734,158
Accumulated Depreciation	(7,056,197)	(6,671,963)
TOTAL	\$ 3,913,326	\$ 3,655,799

The following reconciliation summarizes the change in Capital Assets.

**TABLE 4
CHANGE IN CAPITAL ASSETS**

BEGINNING BALANCE - NET	\$ 3,655,799
Additions - Capital fund	309,000
Additions	332,761
Depreciation Expense	(384,234)
ENDING BALANCE	\$ 3,913,326

DEBT ADMINISTRATION

As of December 31, 2011, the Authority has a capital lease on the building where the administration offices are located. The following table represents the future minimum lease payments.

**TABLE 5
FUTURE MINIMUM LEASE PAYMENTS**

Year Ending December 31	Amount
2012	\$ 48,000
2013	48,000
2014	48,000
2015	40,000
2016 & Thereafter	-
Total minimum lease payments	\$ 184,000

**MIAMI METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED
Year Ended December 31, 2011**

Unaudited

ECONOMIC FACTORS

The Housing Authority is primarily dependant on Congressional appropriations for operating. This consists of grants for the Voucher Program, Public Housing Program, and Capital Fund Program. We gained in operating subsidy but not enough to be fully funded according to our need and eligibility for 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, 2011

ASSETS

Cash and cash equivalents	\$	609,643
Cash and cash equivalents - restricted		499,486
Receivables - net of allowance		144,272
Inventories - net of allowance		12,171
Prepaid expenses and other assets		45,425
TOTAL CURRENT ASSETS		<u>1,310,997</u>

CAPITAL ASSETS

Land		357,350
Other capital assets - net		3,555,976
TOTAL CAPITAL ASSETS		<u>3,913,326</u>

OTHER ASSETS

		<u>990</u>
TOTAL ASSETS		5,225,313

LIABILITIES

Accounts payable		50,564
Intergovernmental payables		29,750
Accrued wages/payroll taxes		39,996
Accrued compensated absences - current		34,560
Tenant security deposits		41,298
Current portion of long-term debt		48,000
TOTAL CURRENT LIABILITIES		<u>244,168</u>

Accrued compensated absences - non-current		12,888
Long-term debt		136,000
TOTAL NON-CURRENT LIABILITIES		<u>148,888</u>

		393,056
--	--	----------------

NET ASSETS

Invested in capital assets - net of related debt		3,729,326
Restricted net assets		499,486
Unrestricted net assets		603,445
NET ASSETS	\$	<u><u>4,832,257</u></u>

See accompanying notes to the basic financial statements

MIAMI METROPOLITAN HOUSING AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET ASSETS
PROPRIETARY FUNDS
Year Ended December 31, 2011

OPERATING REVENUES	
Tenant revenue	\$ 500,016
Operating subsidies	5,286,581
Other revenues	<u>149,956</u>
TOTAL OPERATING REVENUES	5,936,553
 OPERATING EXPENSES	
Administrative	735,303
Tenant services	3,180
Utilities	238,450
Maintenance	348,612
Insurance	24,690
General	56,865
PILOT	29,750
Bad debts	6,779
Housing assistance payments	4,542,174
Depreciation	<u>384,234</u>
TOTAL OPERATING EXPENSES	<u>6,370,037</u>
OPERATING LOSS	(433,484)
 NON-OPERATING REVENUES	
Interest revenue	<u>3,036</u>
CAPITAL GRANTS	<u>309,000</u>
TOTAL NONOPERATING REVENUE	<u>312,036</u>
CHANGE IN NET ASSETS	(121,448)
Net assets beginning of year	<u>4,953,705</u>
NET ASSETS END OF YEAR	<u><u>\$ 4,832,257</u></u>

See accompanying notes to the basic financial statements

**MIAMI METROPOLITAN HOUSING AUTHORITY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended December 31, 2011**

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash received from HUD	\$	5,148,868
Cash received from tenants		496,523
Cash received from other revenue		149,382
Cash payments for housing assistance payments		(4,542,174)
Cash payments for other operating expenses		(1,403,813)
Cash payments to HUD and other government		(29,486)
		(180,700)
NET CASH (USED) BY OPERATING ACTIVITIES		(180,700)

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Capital grants received		309,000
Acquisition of capital assets		(409,760)
		(100,760)
NET CASH PROVIDED (USED) BY CAPITAL AND FINANCING ACTIVITIES		(100,760)

CASH FLOWS FROM INVESTING ACTIVITIES:

Investment activity		3,035
Payments on capital lease		(48,000)
		(44,965)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES		(44,965)

CHANGE IN CASH AND CASH EQUIVALENTS (326,425)

CASH AND CASH EQUIVALENTS, BEGINNING 1,435,554

CASH AND CASH EQUIVALENTS, ENDING \$ 1,109,129

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

Operating loss	\$	(433,484)
Adjustments to reconcile operating loss to net cash (used) by operating activities		
Depreciation		384,234
(Increase) decrease in:		
Receivables - net of allowance		(141,780)
Inventories - net of allowance		2,539
Prepaid expenses		(21,461)
Increase (decrease) in:		
Accounts payable		13,113
Accrued wages/payroll taxes		16,947
Accrued compensated absences		(471)
Accounts payable - other government		264
Tenant security deposits		(601)
		(180,700)
NET CASH (USED) BY OPERATING ACTIVITIES	\$	(180,700)

See accompanying notes to the basic financial statements

**MIAMI METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2011**

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, 2011**

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:

Project (Conventional Public Housing and Capital Fund Program) – 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. The Conventional Public Housing Program also includes the Capital Fund Program, which is the 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.

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.

Other Business Activities – Represents the rental of office space to be used for future capital improvements on the building.

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

MIAMI METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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.

- 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.

**MIAMI METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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.

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.

The following is a summary of changes in compensated absences for the year ended December 31, 2011:

	Balance 12/31/10	Increases	Decreases	Balance 12/31/11	Due Within One Year
Compensated Absences Payable	\$ 47,919	\$ 53,994	\$ (54,465)	\$ 47,448	\$ 34,560

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, 2011.

Inventories

Inventories are stated at cost. The allowance for obsolete inventory was \$1,352 at December 31, 2011.

**MIAMI METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2011**

2. DEPOSITS AND INVESTMENTS

Deposits

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

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

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

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

Protection of 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.

Based on the criteria described in GASB Statement No. 40, "Deposit and Investment Risk Disclosure," as of December 31, 2011, the Authority was not exposed to custodial risk because all of the funds on deposit were covered by federal depository insurance or by collateral held by the Authority's agent. Custodial credit risk is the risk that in the event of bank failure, the Authority will not be able to recover the deposits.

At December 31, 2011, the carrying amount of the Authority's deposits totaled \$1,109,129 (includes tenant security deposits of \$41,298) and its bank balances totaled \$1,189,847.

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

Category 1:	\$250,000 was covered by federal depository insurance
Category 2:	\$939,847 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, 2011. The Authority has not adopted a formal deposit and investment policy.

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 is 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, 2011**

5. CAPITAL ASSETS

The following is a summary of capital assets:

	Balance 12/31/2010	Additions	Deletions/ Transfers	Balance 12/31/2011
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	\$ 834,919	\$ -	\$ 9,995,336
Furniture and equipment	75,837	-	-	75,837
Construction in progress	734,158	541,000	(734,158)	541,000
Totals at Historical Costs	9,970,412	1,375,919	(734,158)	10,612,173
Less: Accumulated Depreciation	(6,671,963)	(384,234)	-	(7,056,197)
TOTAL CAPITAL ASSETS, BEING DEPRECIATED, NET	\$ 3,298,449	\$ 991,685	\$ (734,158)	\$ 3,555,976
TOTAL CAPITAL ASSETS, NET	\$ 3,655,799	\$ 991,685	\$ (734,158)	\$ 3,913,326
Accumulated Depreciation by Class:				
Buildings				\$ 6,982,228
Furniture and Equipment				73,969
TOTAL ACCUMULATED DEPRECIATION				\$ 7,056,197

6. CAPITAL LEASE

The Authority leases a building from Miami County of Ohio under an agreement that is classified as a capital lease. The cost of the building under the capital lease is included on the balance sheet. Amortization of the building is included in depreciation expense. The interest rate on the lease is 0%. The lease states that the Authority may purchase the building at any time during the lease for \$15,000. The Authority paid this amount and will own the building when the lease expires. Final lease payment is due October 31, 2015.

The future minimum lease payments required under the capital lease as of December 31, 2011 are as follows:

Year Ending December 31	Amount
2012	\$ 48,000
2013	48,000
2014	48,000
2015	40,000
2016 & Thereafter	-
Total minimum lease payments	\$ 184,000

**MIAMI METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2011**

7. DEFINED BENEFIT PENSION PLAN

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.

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.

OPERS provide retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the Traditional Pension and Combined Plans. Members of the member-Direct Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. OPERS issue a stand-alone financial report. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2011, member and employer rates were consistent across all three plans. The 2011 member contribution rate was 10.0 percent for members and 14.0 percent for employers of covered payroll. The Authority's contribution for the years ended December 31, 2011, 2010, and 2009 amounted to \$132,265, \$141,206, and \$129,272, respectively. All required contributions have been made through December 31, 2011.

8. POST-EMPLOYMENT BENEFITS

The Public Employees Retirement System of Ohio (OPERS) administers three separate pension plans: The Traditional Pension Plan – a cost-sharing, multiple-employer defined benefit pension plan; the member-Direct Plan – a defined contribution plan; and the Combined Plan – a cost-sharing, multiple-employer defined pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care plan, which includes a medical plan, prescription drug program, and Medicare Part B Premium reimbursement to qualifying members of both the Traditional Pension and the Combined plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health care coverage, age and service retirees under the Traditional Pension and Combined plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

OPERS issue a stand-alone financial report. Interested parties may obtain a copy by writing OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

The Ohio Revised Code provides statutory Authority requiring public employers to fund post-employment health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care benefits.

**MIAMI METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2011**

8. POST-EMPLOYMENT BENEFITS - CONTINUED

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2011, the Authority contributed at a rate of 14.0 percent of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.0 percent of covered payroll for state and local employer units. Active members do not make contributions to the OPEB Plan.

OPERS' Post-Employment Health Care Plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. For 2011, the employer contribution allocated to the health care plan was 5.5 percent of covered payroll. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care coverage by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Actual Authority contributions for the year ended December 31, 2011, which were used to fund post-employment benefits, were \$51,961.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, 2007, and 2008 which will allow additional funds to be allocated to the health care plan.

9. FDS SCHEDULE SUBMITTED TO HUD

For the fiscal year ended December 31, 2011, 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.

10. 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*.

11. SUBSEQUENT EVENTS

There were no subsequent events through June 21, 2012, 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, 2011

	Project Total	14.871 Housing Choice Vouchers	1 Business Activities	Subtotal	Total
111 Cash - Unrestricted	\$388,321	\$165,909	\$14,115	\$568,345	\$568,345
113 Cash - Other Restricted		\$499,486		\$499,486	\$499,486
114 Cash - Tenant Security Deposits	\$41,298			\$41,298	\$41,298
100 Total Cash	\$429,619	\$665,395	\$14,115	\$1,109,129	\$1,109,129
122 Accounts Receivable - HUD Other Projects	\$137,713			\$137,713	\$137,713
124 Accounts Receivable - Other Government	\$113			\$113	\$113
125 Accounts Receivable - Miscellaneous		\$720		\$720	\$720
126 Accounts Receivable - Tenants	\$5,726			\$5,726	\$5,726
126.1 Allowance for Doubtful Accounts -Tenants	\$0			\$0	\$0
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0		\$0	\$0
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$143,552	\$720	\$0	\$144,272	\$144,272
142 Prepaid Expenses and Other Assets	\$33,861	\$11,564		\$45,425	\$45,425
143 Inventories	\$13,523			\$13,523	\$13,523
143.1 Allowance for Obsolete Inventories	-\$1,352			-\$1,352	-\$1,352
150 Total Current Assets	\$619,203	\$677,679	\$14,115	\$1,310,997	\$1,310,997
161 Land	\$357,350			\$357,350	\$357,350
162 Buildings	\$9,995,336			\$9,995,336	\$9,995,336
163 Furniture, Equipment & Machinery - Dwellings	\$66,803			\$66,803	\$66,803
164 Furniture, Equipment & Machinery - Administration	\$9,034			\$9,034	\$9,034
166 Accumulated Depreciation	-\$7,056,197			-\$7,056,197	-\$7,056,197
167 Construction in Progress	\$309,000		\$232,000	\$541,000	\$541,000
160 Total Capital Assets, Net of Accumulated Depreciation	\$3,681,326	\$0	\$232,000	\$3,913,326	\$3,913,326
174 Other Assets	\$990			\$990	\$990
180 Total Non-Current Assets	\$3,682,316	\$0	\$232,000	\$3,914,316	\$3,914,316
190 Total Assets	\$4,301,519	\$677,679	\$246,115	\$5,225,313	\$5,225,313

See independent auditors' report

MIAMI METROPOLITAN HOUSING AUTHORITY
Balance Sheet
FDS Schedule Submitted to HUD
Proprietary Fund Type
Enterprise Fund
December 31, 2011

	Project Total	14.871 Housing Choice Vouchers	1 Business Activities	Subtotal	Total
312 Accounts Payable <= 90 Days	\$43,041	\$3,777	\$3,746	\$50,564	\$50,564
321 Accrued Wage/Payroll Taxes Payable	\$18,194	\$21,802		\$39,996	\$39,996
322 Accrued Compensated Absences - Current Portion	\$16,463	\$18,097		\$34,560	\$34,560
333 Accounts Payable - Other Government	\$29,750			\$29,750	\$29,750
341 Tenant Security Deposits	\$41,298			\$41,298	\$41,298
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds			\$48,000	\$48,000	\$48,000
310 Total Current Liabilities	\$148,746	\$43,676	\$51,746	\$244,168	\$244,168
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue			\$136,000	\$136,000	\$136,000
354 Accrued Compensated Absences - Non Current	\$7,974	\$4,914		\$12,888	\$12,888
350 Total Non-Current Liabilities	\$7,974	\$4,914	\$136,000	\$148,888	\$148,888
300 Total Liabilities	\$156,720	\$48,590	\$187,746	\$393,056	\$393,056
508.1 Invested In Capital Assets, Net of Related Debt	\$3,681,326		\$48,000	\$3,729,326	\$3,729,326
511.1 Restricted Net Assets		\$499,486		\$499,486	\$499,486
512.1 Unrestricted Net Assets	\$463,473	\$129,603	\$10,369	\$603,445	\$603,445
513 Total Equity/Net Assets	\$4,144,799	\$629,089	\$58,369	\$4,832,257	\$4,832,257
600 Total Liabilities and Equity/Net Assets	\$4,301,519	\$677,679	\$246,115	\$5,225,313	\$5,225,313

See independent auditors' report

MIAMI METROPOLITAN HOUSING AUTHORITY
Statement of Revenues, Expenses and Changes in Retained Earnings
FDS Schedule Submitted to HUD
Proprietary Fund Type
Enterprise Fund
December 31, 2011

	Project Total	14.871 Housing Choice Vouchers	1 Business Activities	Subtotal	Total
70300 Net Tenant Rental Revenue	\$485,720			\$485,720	\$485,720
70400 Tenant Revenue - Other	\$14,296			\$14,296	\$14,296
70500 Total Tenant Revenue	\$500,016	\$0	\$0	\$500,016	\$500,016
70600 HUD PHA Operating Grants	\$259,837	\$5,026,744		\$5,286,581	\$5,286,581
70610 Capital Grants	\$309,000			\$309,000	\$309,000
71100 Investment Income - Unrestricted	\$2,078	\$160		\$2,238	\$2,238
71500 Other Revenue	\$2,717		\$147,239	\$149,956	\$149,956
72000 Investment Income - Restricted		\$798		\$798	\$798
70000 Total Revenue	\$1,073,648	\$5,027,702	\$147,239	\$6,248,589	\$6,248,589
91100 Administrative Salaries	\$75,356	\$257,498		\$332,854	\$332,854
91200 Auditing Fees	\$1,081	\$6,937		\$8,018	\$8,018
91500 Employee Benefit contributions - Administrative	\$51,307	\$130,612		\$181,919	\$181,919
91600 Office Expenses	\$48,169	\$158,972	\$353	\$207,494	\$207,494
91800 Travel	\$1,112	\$3,906		\$5,018	\$5,018
91000 Total Operating - Administrative	\$177,025	\$557,925	\$353	\$735,303	\$735,303
92400 Tenant Services - Other	\$3,180			\$3,180	\$3,180
92500 Total Tenant Services	\$3,180	\$0	\$0	\$3,180	\$3,180
93100 Water	\$8,383		\$1,778	\$10,161	\$10,161
93200 Electricity	\$150,162		\$16,258	\$166,420	\$166,420
93300 Gas	\$27,186		\$13,541	\$40,727	\$40,727
93600 Sewer	\$19,504		\$1,638	\$21,142	\$21,142
93000 Total Utilities	\$205,235	\$0	\$33,215	\$238,450	\$238,450

See independent auditors' report

MIAMI METROPOLITAN HOUSING AUTHORITY
Statement of Revenues, Expenses and Changes in Retained Earnings
FDS Schedule Submitted to HUD
Proprietary Fund Type
Enterprise Fund
December 31, 2011

	Project Total	14.871 Housing Choice Vouchers	1 Business Activities	Subtotal	Total
94100 Ordinary Maintenance and Operations - Labor	\$104,829		\$5,373	\$110,202	\$110,202
94200 Ordinary Maintenance and Operations - Materials and Other	\$46,109		\$36,315	\$82,424	\$82,424
94300 Ordinary Maintenance and Operations Contracts	\$97,011		\$13,148	\$110,159	\$110,159
94500 Employee Benefit Contributions - Ordinary Maintenance	\$45,361		\$466	\$45,827	\$45,827
94000 Total Maintenance	\$293,310	\$0	\$55,302	\$348,612	\$348,612
96140 All Other Insurance	\$21,977	\$2,713		\$24,690	\$24,690
96100 Total insurance Premiums	\$21,977	\$2,713	\$0	\$24,690	\$24,690
96200 Other General Expenses		\$2,400		\$2,400	\$2,400
96210 Compensated Absences	\$22,248	\$32,217		\$54,465	\$54,465
96300 Payments in Lieu of Taxes	\$29,750			\$29,750	\$29,750
96400 Bad debt - Tenant Rents	\$6,779			\$6,779	\$6,779
96000 Total Other General Expenses	\$58,777	\$34,617	\$0	\$93,394	\$93,394
96900 Total Operating Expenses	\$759,504	\$595,255	\$88,870	\$1,443,629	\$1,443,629
97000 Excess of Operating Revenue over Operating Expenses	\$314,144	\$4,432,447	\$58,369	\$4,804,960	\$4,804,960
97300 Housing Assistance Payments		\$4,542,174		\$4,542,174	\$4,542,174
97400 Depreciation Expense	\$384,234			\$384,234	\$384,234
90000 Total Expenses	\$1,143,738	\$5,137,429	\$88,870	\$6,370,037	\$6,370,037

See independent auditors' report

MIAMI METROPOLITAN HOUSING AUTHORITY
Statement of Revenues, Expenses and Changes in Retained Earnings
FDS Schedule Submitted to HUD
Proprietary Fund Type
Enterprise Fund
December 31, 2011

	Project Total	14.871 Housing Choice Vouchers	1 Business Activities	Subtotal	Total
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$70,090	-\$109,727	\$58,369	-\$121,448	-\$121,448
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$4,214,889	\$738,816	\$0	\$4,953,705	\$4,953,705
11170 Administrative Fee Equity		\$129,603		\$129,603	\$129,603
11180 Housing Assistance Payments Equity		\$499,486		\$499,486	\$499,486
11190 Unit Months Available	1524	11820	0	13344	13344
11210 Number of Unit Months Leased	1499	11799	0	13298	13298
11270 Excess Cash	\$360,763			\$360,763	\$360,763
11620 Building Purchases	\$309,000			\$309,000	\$309,000

See independent auditors' report

**MIAMI METROPOLITAN HOUSING AUTHORITY
COST CERTIFICATION
Year Ended December 31, 2011**

	<u>OHIO-P062-501-10</u>
TOTAL EXPENDITURES	\$ <u>181,836</u>
TOTAL RECEIVED	\$ <u>181,836</u>

1. The grant cost certificate was approved by HUD.
2. The Authority records agree to the above total expenditures.
3. There are no outstanding liabilities at year end.

See independent auditors' report

**MIAMI METROPOLITAN HOUSING AUTHORITY
 SCHEDULE OF FEDERAL AWARDS EXPENDITURES
 Year Ended December 31, 2011**

	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	\$ 249,288
Public Housing Capital Fund	14.872	319,549
Housing Assistance Payments:		
Annual Contribution -		
Section 8 Housing Choice Vouchers	14.871	5,026,744
Total - All Programs		\$ 5,595,581

See independent auditors' report



125 West Mulberry Street
Lancaster, Ohio 43130

www.JCCcpa.com

740.653.9581 tel

614.837.2921 tel

740.653.0983 fax

Dean A. Cochenour, MBA, CPA
Jeanette R. Addington, MBA, CPA, CGFM
Brian D. Long, CPA
Keith A. Lewis, CPA

**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 financial statements of the business-type activities of Miami Metropolitan Housing Authority, as of and for the year ended December 31, 2011, which comprise the Miami Metropolitan Housing Authority's basic financial statements and have issued our report thereon dated June 21, 2012. 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.

Internal Control Over Financial Reporting

Management of Miami Metropolitan Housing Authority is responsible for establishing and maintaining effected 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 Miami Metropolitan Housing Authority's internal control over financial reporting.

A *deficiency in internal control* 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 and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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

much more than an accounting firm

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 or other matters that are required to be reported under *Government Auditing Standards*.

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



Jones, Cochenour & Co.
June 21, 2012



125 West Mulberry Street
Lancaster, Ohio 43130

www.JCCcpa.com

740.653.9581 tel
614.837.2921 tel
740.653.0983 fax

Dean A. Cochenour, MBA, CPA
Jeanette R. Addington, MBA, CPA, CGFM
Brian D. Long, CPA
Keith A. Lewis, CPA

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH
MAJOR PROGRAM AND ON 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 Miami Metropolitan Housing Authority's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Miami Metropolitan Housing Authority's major federal programs for the year ended December 31, 2011. 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; and 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 compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011.

Internal Control Over Compliance

Management of Miami Metropolitan Housing Authority is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Miami Metropolitan Housing Authority's

much more than an accounting firm

internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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.



Jones, Cochenour & Co.
June 21, 2012

Miami Metropolitan Housing Authority

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

December 31, 2011

1. SUMMARY OF AUDITORS' RESULTS
--

Type of Financial Statement Opinion	Unqualified
Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
Were there any material internal control weaknesses reported for major federal programs?	No
Were there any significant deficiencies in internal control reported for major federal programs?	No
Type of Major Programs' Compliance Opinion	Unqualified
Are there any reportable findings under § .510(a)?	No
Major Programs (list):	Section 8 Housing Choice Vouchers CFDA#14.871
Dollar Threshold: Type A/B Programs	\$300,000
Low Risk Auditee?	Yes

Miami Metropolitan Housing Authority

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

December 31, 2011

2. FINDINGS RELATED TO FINANCIAL STATEMENTS

There are no findings for the year ended December 31, 2011.

3. FINDINGS RELATED TO FEDERAL AWARDS

There are no findings for the year ended December 31, 2011.

Miami Metropolitan Housing Authority

**Schedule of Prior Year Audit Findings
December 31, 2010**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2010-7510-001	Lack of adequate controls over year end reporting	Yes	N/A

This page intentionally left blank.



Dave Yost • 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
SEPTEMBER 25, 2012**