BASIC FINANCIAL STATEMENTS AND SINGLE AUDIT

of the

MIAMI METROPOLITAN HOUSING AUTHORITY

Year Ended December 31, 2015

Dave Yost • Auditor of State

Board of Commissioners
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 JC & Company, for the audit period January 1, 2015 through December 31, 2015. 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.

Dave Yost

Dave Yost
Auditor of State

October 5, 2016

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MIAMI METROPOLITAN HOUSING AUTHORITY
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JC & Company
JUST ASK

Jeanette R. Addington, MBA, CPA, CGFM • Brian D. Long, CPA, PFS, CFF • Keith A. Lewis, CPA

INDEPENDENT AUDITORS' REPORT

Board of Directors
Miami Metropolitan Housing Authority

Regional Inspector General of Audit
Department of Housing and Urban Development

Report on the Financial Statements

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, 2015, and the related notes to the financial statements, which collectively comprise the Miami Metropolitan Housing Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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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, 2015, and the 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 – 8 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.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements of Miami Metropolitan Housing Authority. The Financial Data Schedule (FDS), cost certification and schedule of expenditures of federal awards, required by U.S. Department of Housing and Urban Development, are presented for purposes of additional analysis and are not a required part of the financial statements.

The FDS, cost certification, and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the FDS, cost certification, and schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

<u>Other Reporting Required by *Government Auditing Standards*</u>

In accordance with *Government Auditing Standards*, we have also issued our report dated July 25, 2016 on our consideration of the 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Miami Metropolitan Housing Authority's internal control over financial reporting and compliance.

JC + Company

JC & Company
Lancaster, Ohio
July 25, 2016

MIAMI METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2015

Unaudited

It is a privilege to present for you the financial picture of Miami Metropolitan Housing Authority for the fiscal year ended December 31, 2015. 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.

- Total revenue increased by $380,925 (or 6.95%) during 2015, and was $5,862,404 and $5,481,479 for 2015 and 2014, respectively.
- Total expenses decreased by $217,869 (or 3.64%). Total expenses were $5,771,788 and $5,989,657 for 2015 and 2014, respectively.

USING THIS ANNUAL REPORT

The following graphic outlines the format of these financial statements:

MD&A ~ Management's Discussion and Analysis ~
Basic Financial Statements ~ Statement of Net Position ~ ~ Statement of Revenues, Expenses and Change in Net Position ~ ~ Statement of Cash Flows ~ ~ Notes to Financial Statements ~
Other Required Supplementary Information ~ Required Supplementary Information ~

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.

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 Position, which is similar to a Balance Sheet. The Statement of Net Position reports all financial and capital resources for the Authority. The statement is presented in the format where assets minus liabilities equals "Net Position", formerly known as Net Assets. 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 Position (the "Unrestricted Net Position") is designed to represent the net available liquid (non-capital) assets, net of liabilities, for the entire Authority. Net Position (formerly Net Assets) is reported in three broad categories (as applicable):

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

Unrestricted: This component of Net Position consists of assets that do not meet the definition of "Net Investment in Capital Assets", or "Restricted". This account resembles the old operating reserves account.

The basic financial statements also include a Statement of Revenues, Expenses and Changes in Net Position (similar to an Income Statement). This Statement includes Operating Revenues, such as rental income, Operating Expenses, such as administrative, utilities, 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 Net Position is the "Change in Net Position", 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 Subsidies 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.

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

During 2015, the Authority adopted GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27," which significantly revises accounting for pension costs and liabilities. For

reasons discussed below, many end users of this financial statement will gain a clearer understanding of the Authority's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability*. GASB 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Under the new standards required by GASB 68, the net pension liability equals the Authority's proportionate share of each plan's collective:

1. **Present value of estimated future pension benefits attributable to active and inactive employees' past service**

2. **Minus plan assets available to pay these benefits**

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the Authority is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law.

The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68, the Authority's statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's *change* in net pension liability not accounted for as deferred inflows/outflows.

As a result of implementing GASB 68, the Authority is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting. This implementation also had the effect of restating net position at December 31, 2014, from $3,683,938 to $3,204,494.

MIAMI METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED
Year Ended December 31, 2015

Unaudited

BASIC FINANCIAL STATEMENTS

TABLE 1
STATEMENT OF NET POSITION

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

		2015		Restated 2014
Assets and Deferred Outflows				
Current and Other Assets	$	657,462	$	495,831
Current and Other Assets - Restricted		119,257		53,745
Capital Assets		3,215,893		3,331,633
Deferred Outflows of Resources		137,790		106,520
TOTAL ASSETS AND DEFERRED OUTFLOWS		4,130,402		3,987,729
Liabilities and Deferred Inflows				
Current Liabilities		233,057		186,163
Noncurrent Liabilities		592,251		597,072
Deferred Inflows of Resources		9,984		-
TOTAL LIABILITIES AND DEFERRED INFLOWS		835,292		783,235
Net Position				
Net Investment in Capital Assets		3,218,973		3,291,633
Restricted - HAP		71,845		8,141
Unrestricted		4,292		(95,280)
TOTAL NET POSITION	$	3,295,110	$	3,204,494

For more detailed information, see the statement of Net Position in the financial statements.

MAJOR FACTORS AFFECTING THE STATEMENT OF NET POSITION

Unrestricted and restricted current assets increased in the Authority's Housing Choice Voucher program due to higher than anticipated Administrative and HAP funding. Capital assets declined primarily due to depreciation expense and the related accumulated depreciation, as building and building improvements are written off over their useful lives.

The Authority restated the net position which reduced Net Position by $479,444. This was the result of the implementation of GASB Statement No. 68. GASB Statement No. 68 has been prominently cited throughout this MD&A because implementation of the new accounting standard had a very big impact on the financial statements of the Authority. The implementation of GASB Statement No. 68 will have a similar impact on the financial statements of almost all units of government in Ohio. Essentially what it requires of Miami MHA is to report on its financial statements what is determined to be its share of the unfunded pension liability of the Ohio Public Employees Retirement System (OPERS). Despite that the very large Net Pension Liability reported by Miami MHA does not represent a true liability of the Authority in terms of if operations ceased today there is no invoice in that amount to be paid. The concept behind the standard is that ultimately for OPERS to resolve the unfunded pension liability it has, it will have to impose an additional funding burden on the entities that contribute to it. State law mandates that employees of Miami MHA are participants in OPERS and that Miami MHA makes retirement contributions to OPERS on behalf of all its employees.

Unaudited

TABLE 2
STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION

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

	2015	2014
Revenues		
Tenant Revenue - Rents and Other	$ 606,431	$ 597,117
Operating Subsidies and Grants	5,074,721	4,808,108
Capital Grants	116,878	15,455
Investment Income/Other Revenues	64,374	60,799
TOTAL REVENUE	5,862,404	5,481,479
Expenses		
Administration	569,674	588,930
Tenant services	2,935	2,871
Utilities	199,887	246,027
Maintenance	269,839	306,339
Insurance	35,330	34,991
General	48,721	60,285
PILOT	43,139	38,535
Bad Debt	8,950	7,006
Housing Assistance Payments	4,268,446	4,383,496
Depreciation	324,867	321,177
TOTAL EXPENSES	5,771,788	5,989,657
CHANGE IN NET POSITION	$ 90,616	$ (508,178)

MAJOR FACTORS AFFECTING THE STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION

The major factors increasing the overall revenue was additional funding for Capital Grants. In addition, there were increases in Operating subsidies for the Housing Choice Voucher Program. Tenant revenues increased slightly.

The agency had an overall reduction in expenses; however, the major reductions in expenses were cuts in Utility and Maintenance expenses. Housing Assistance Payments decreased due to the uncertainty of HUD funding in 2015.

Unaudited

CAPITAL ASSETS

At year-end, the Authority had $3,215,893 invested in a variety of capital assets as reflected in the following schedule, which represents a net decrease (addition, deductions, and depreciation) of $115,740 from the end of last fiscal year.

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

	2015	2014
Land and Land Rights	$ 357,350	$ 357,350
Buildings	10,887,556	10,693,989
Equipment - Administrative	17,972	19,058
Equipment - Dwellings	91,091	83,030
Construction in Progress	232,000	232,000
Accumulated Depreciation	(8,370,076)	(8,053,794)
TOTAL	$ 3,215,893	$ 3,331,633

The following reconciliation summarizes the change in Capital Assets.

BEGINNING BALANCE - NET	$ 3,331,633
Additions - Capital Fund	116,877
Additions	92,250
Disposal	(8,585)
Accumulated Depreciation - Disposal	8,585
Depreciation Expense	(324,867)
ENDING BALANCE	$ 3,215,893

DEBT ADMINISTRATION

At December 31, 2015, the Authority has paid off the original capital lease on the building where the administration offices are located. An extension of the lease was negotiated to April 30, 2016 of which $4,000 was paid in 2015. The following table represents the future minimum lease payments which will be considered office rent.

TABLE 5
FUTURE MINIMUM LEASE PAYMENTS

Year Ending December 31	Amount
2016	$ 2,000

Unaudited

ECONOMIC FACTORS

- Federal funding of the Department of Housing and Urban Development
- Local labor supply and demand, which can affect salary and wage rates
- Local inflationary, recessionary, and employment trends, which can affect resident incomes and therefore the amount of rental income
- Inflationary pressure on utility rates, supplies, and other costs

IN CONCLUSION

Miami Metropolitan Housing Authority takes great pride in its financial management and is pleased to report on its 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 POSITION
PROPRIETARY FUNDS
December 31, 2015

ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$	570,120
Cash and cash equivalents - restricted		119,257
Receivables - net of allowance		10,667
Inventories - net of allowance		30,303
Prepaid expenses and other assets		46,372
TOTAL CURRENT ASSETS		776,719
CAPITAL ASSETS		
Land		357,350
Other capital assets - net		2,858,543
TOTAL CAPITAL ASSETS		3,215,893
Deferred Outflow of Resources		137,790
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES		4,130,402
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable		14,187
Accrued Liabilities - other		83,099
Accrued wages/payroll taxes		9,417
Accrued compensated absences - current		35,726
Intergovernmental payables		43,139
Tenant security deposits		47,412
Other current liabilities		77
TOTAL CURRENT LIABILITIES		233,057
LONG-TERM LIABILITIES		
Accrued pension liability		592,251
TOTAL LIABILITIES		825,308
Deferred Inflow of Resources		9,984
TOTAL LIABILITIES AND DEFERRED INFLOW OF RESOURCES		835,292
NET POSITION		
Net investment in capital assets		3,215,893
Restricted - HAP		71,845
Unrestricted		7,372
NET POSITION	$	3,295,110

See accompanying notes to the basic financial statements

MIAMI METROPOLITAN HOUSING AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION
PROPRIETARY FUNDS
Year Ended December 31, 2015

OPERATING REVENUES		
Tenant revenue	$	606,431
Operating subsidies		5,074,721
Other revenues		63,222
TOTAL OPERATING REVENUES		5,744,374
OPERATING EXPENSES		
Administrative		569,674
Tenant services		2,935
Utilities		199,887
Maintenance		269,839
Insurance		35,330
General		48,721
PILOT		43,139
Bad debts		8,950
Housing assistance payments		4,268,446
Depreciation		324,867
TOTAL OPERATING EXPENSES		5,771,788
OPERATING LOSS		(27,414)
NON-OPERATING REVENUES		
Gain on sale of assets		113
Interest revenue		1,039
Capital grants		116,878
TOTAL NON-OPERATING REVENUES		118,030
CHANGE IN NET POSITION		90,616
NET POSITION, BEGINNING OF YEAR - RESTATED		3,204,494
NET POSITION, END OF YEAR	$	3,295,110

See accompanying notes to the basic financial statements

MIAMI METROPOLITAN HOUSING AUTHORITY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended December 31, 2015

CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from HUD	$	5,073,727
Cash received from tenants		599,410
Cash received from other revenue		59,626
Cash payments for housing assistance payments		(4,268,446)
Cash payments for other operating expenses		(1,070,271)
Cash payments for payments in lieu of taxes		(38,535)
NET CASH PROVIDED BY OPERATING ACTIVITIES		355,511
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Capital grants received		116,878
Acquisition of capital assets		(209,128)
Proceeds on sale of capital assets		113
NET CASH (USED) BY CAPITAL AND FINANCING ACTIVITIES		(92,137)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment activity		1,039
Payments on capital lease		(40,000)
NET CASH (USED) BY INVESTING ACTIVITIES		(38,961)
CHANGE IN CASH AND CASH EQUIVALENTS		224,413
CASH AND CASH EQUIVALENTS, BEGINNING		464,964
CASH AND CASH EQUIVALENTS, ENDING	$	689,377
RECONCILIATION OF OPERATING LOSS TO NET CASH (USED) BY OPERATING ACTIVITIES:		
Operating loss		(27,414)
Adjustments to reconcile operating loss to net cash (used) by operating activities		
Depreciation		324,867
(Increase) decrease in:		
Receivables - net of allowance		(4,052)
Inventories - net of allowance		1,230
Prepaid expenses		(897)
Deferred outflow of resources		(31,270)
Other assets		990
Increase (decrease) in:		
Accounts payable		68,518
Accrued wages/payroll taxes		2,573
Accrued compensated absences		(1,301)
Accounts payable - other government		4,604
Accounts payable - HUD		(416)
Tenant security deposits		1,808
Net pension liability		6,287
Deferred inflow of resources		9,984
NET CASH PROVIDED BY OPERATING ACTIVITIES	$	355,511

See accompanying notes to the basic financial statements

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 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 provisions of Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34;* 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 position, a statement of revenues, expenses and change in net position, and a statement of cash flows.

Fund Accounting

The Authority uses the enterprise fund to report on its financial position and results of its operations for the HUD programs. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. The enterprise fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

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 position. The statement of changes in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total position. 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 Subsidies 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 the 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.

Business Activities – Represents the rental of office space to be used for future capital improvements on the building as well as a Payroll Cost Pool.

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 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

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 position, 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.

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.

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
Capital 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 $1,000. The following are the estimated useful lives used for depreciation purposes:

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

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

Net Position
Net position represents the difference between assets and liabilities. Net investment in capital assets 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 position is recorded as restricted when there are limitations imposed on their use either by internal or external restrictions.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Compensated Absences

The liability for Compensated Absences balances are accounted for by The Authority in accordance with GASB Statement No. 16.

Sick Leave – Regular employees accrue sick leave at the rate of one and one-fourth days per month. Accrual is unlimited and not a claim against the Agency, except an employee will be paid upon disability or service retirement equal to 25% of the value of their accumulated sick leave with a 30 day maximum liability.

Annual Leave – Regular employees accrue annual leave at the rate of one through five years of service equals ten days of earned vacation a year; six through ten years of service equals fifteen days of earned vacation a year; eleven years of service and over equals twenty-one days of earned vacation a year. Annual leave may be carried over for up to one year.

The following is a summary of changes in compensated absences for the year ended December 31, 2015:

	Balance 12/31/14	Increases	Decreases	Balance 12/31/15	Due Within One Year
Compensated Absences Payable	$ 37,027	$ 44,332	$ (45,633)	$ 35,726	$ 35,726

Operating/Nonoperating 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. Nonoperating revenues are HUD capital grants and interest income. HUD capital grants are the amounts received by the Authority for capital improvements and administration of the public housing program.

Operating expenses are those expenses that are expended directly for the primary activity of the proprietary fund. For the Authority, these expenses are administrative, utilities, maintenance, PILOT, insurance, depreciation, bad debt and housing assistance payments.

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.

Tenant 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 doubtful accounts was $1,100 at December 31, 2015.

Inventories

Inventories are comprised of maintenance materials and supplies and are stated at cost. The allowance for obsolete inventory was $3,367 at December 31, 2015.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the Authority, deferred outflows of

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

resources are reported on the government-wide statement of net position for pension. The deferred outflows of resources related to pension are explained in Note 7.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the Authority, deferred inflows of resources include pension. Deferred inflows of resources related to pension are reported on the government-wide statement of net position.

Pension
For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

2. CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF NET POSITION

For fiscal year 2015, the Authority implemented the Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68." GASB 68 established standards for measuring and recognizing pension liabilities, deferred outflows of resources deferred inflows of resources and expense/expenditure. The implementation of this pronouncement had the following effect on net position as reported December 31, 2014:

Net position - December 31, 2014	$	3,683,938
Adjustments:		
- Net pension liability		(585,964)
- Deferred outflows - payments subsequent to the measurement date		106,520
Restated net position - December 31, 2014	$	3,204,494

3. DEPOSITS AND INVESTMENTS

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

1. 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.

2. 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.

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

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

3. DEPOSITS AND INVESTMENTS - CONTINUED

The carrying amount of the Authority's deposits was $689,377 at December 31, 2015. The corresponding bank balances were $770,563. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosure," at December 31, 2015, $250,000 was covered by federal depository insurance, while $520,563 was exposed to custodial risk.

Custodial credit risk is the risk that in the event of bank failure, the Authority will not be able to recover the deposits. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at the Federal Reserve Banks or at member banks of the federal reserve system, in the name of the respective depository banks and pledged as a pool of collateral against all the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the Authority.

Investments

In accordance with the Ohio Revised Code and HUD investment policy, the Authority is permitted to invest in certificates of deposit, savings accounts, money market accounts, certain highly rated commercial paper, obligations of certain political subdivisions of Ohio and the United States government and its agencies, and repurchase agreements with any eligible depository or any eligible dealers. Public depositories must give security for all public funds on deposit. Repurchase agreements must be secured by the specific qualifying securities upon which the repurchase agreements are based.

The Authority is prohibited from investing in any financial instruments, contracts, or obligations whose value or return is based upon or linked to another asset or index, or both, separate from the financial instrument, contract or obligation itself (commonly known as a derivative). The Authority is also prohibited from investing in reverse purchase agreements.

Interest Rate Risk – The Authority does not have a formal investment policy that limits investments as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – HUD requires specific collateral on individual accounts in excess of amounts insured by the Federal Deposit Insurance Corporation. The Authority's depository agreement specifically requires compliance with HUD requirements.

Concentration of Credit Risk – The Authority places no limit on the amount that may be invested with any one issuer.

At December 31, 2015, the Authority did not have any investments.

4. RESTRICTED CASH

Restricted cash balance at December 31, 2015 of $119,257 represents cash on hand for the following:

Tenant Security Deposits	$	47,412
Cash on hand for tenants' Housing Assistance Payments		71,845
Total Restricted Cash	$	119,257

5. CAPITAL ASSETS

The following is a summary of capital assets:

	Balance 12/31/2014	Additions	Deletions/ Transfers	Balance 12/31/2015
CAPITAL ASSETS, NOT BEING DEPRECIATED				
Land	$ 357,350	$ -	$ -	$ 357,350
CAPITAL ASSETS BEING DEPRECIATED				
Building and improvements	$ 10,693,989	$ 193,567	$ -	$ 10,887,556
Furniture and equipment	102,088	15,560	(8,585)	109,063
Construction in progress	232,000	-	-	232,000
Totals at Historical Costs	11,028,077	209,127	(8,585)	11,228,619
Accumulated depreciation	(8,053,794)	(324,867)	8,585	(8,370,076)
TOTAL CAPITAL ASSETS, BEING DEPRECIATED, NET	$ 2,974,283	$ (115,740)	$ -	$ 2,858,543
TOTAL CAPITAL ASSETS, NET	$ 3,331,633	$ (115,740)	$ -	$ 3,215,893

Accumulated Depreciation by Class:	
Buildings	$ 8,307,528
Furniture and equipment	62,548
TOTAL ACCUMULATED DEPRECIATION	$ 8,370,076

6. CAPITAL LEASE

The Authority leases a building from Miami County, 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. At December 31, 2015, the Authority has paid off the original capital lease on the building where the administration offices are located. An extension of the agreement was negotiated to April 30, 2016 of which $4,000 was paid in 2015. The following table represents the future minimum lease payments which will be considered office rent.

The future minimum lease payments required under the capital lease at December 31, 2015 are as follows:

Year Ending December 31	Amount
2016	$ 2,000

The building was capitalized for $177,449. At December 31, 2015 the building had accumulated depreciation of $17,708, with a net book value of $159,741.

7. DEFINED BENEFIT PENSION PLAN

Net Pension Liability

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

7. DEFINED BENEFIT PENSION PLAN - CONTINUED

The net pension liability represents the Authority's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the Authority's obligation for this liability to annually required payments. The Authority cannot control benefit terms or the manner in which pensions are financed; however, the Authority does receive the benefit of employees' services in exchange for compensation including pension.

GASB Statement No. 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

Plan Description – Ohio Public Employees Retirement System (OPERS)

The Authority participates in OPERS, a cost-sharing multiple-employer public employee retirement system that provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position. That report can be obtained by writing to OPERS, 277 E Town St., Columbus, OH 43215-4642 by calling (800) 222-7377, or by visiting the OPERS website at https://www.opers.org. OPERS 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.

Pension Benefits – All benefits of the System, and any benefit increases, are established by the legislature pursuant to Ohio Revised Code Chapter 145. The Board, pursuant to ORC Chapter 145, has elected to maintain funds to provide health care coverage to eligible Traditional Pension and Combined plan retirees and survivors of members. Health care coverage does not vest and is not required under ORC Chapter 145. As a result, coverage may be reduced or eliminated at the discretion of the Board.

Age-and-Service Defined Benefits – Benefits in the Traditional Pension Plan are calculated on the basis of age, final average salary (FAS), and service credit. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 25 years of service, or 30 years of service regardless of age. Age and service requirements for retirement will increase effective August 1, 2015, and will continue to increase periodically until they reach age 60 with 35 years of service or age 65 with five years of service on August 1, 2026. Members who retire before meeting the age and years of service credit requirement for unreduced benefit receive a percentage reduction in the benefit amount. The base amount of a member's pension benefit is locked in upon receipt of the initial benefit payment for calculation of annual cost-of-living adjustment.

7. DEFINED BENEFIT PENSION PLAN - CONTINUED

Benefits in the Combined Plan consist of both an age-and-service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, FAS, and years of service. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions.

Defined Contribution Benefits – Member-Directed Plan and Combined Plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the Combined Plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined Plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-Directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the Member-Directed Plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment.

Traditional Pension and Combined plans. Members participating in the Member-Directed Plan are not eligible for disability benefits.

Survivor Benefits – Dependents of deceased members who participated in either the Traditional Pension Plan or the Combined Plan may qualify for survivor benefits.

Other Benefits – Once a benefit recipient retiring under the Traditional Pension Plan has received benefits for 12 months, an annual 3% cost-of-living adjustment is provided on the member's base benefit. Members retiring under the Combined Plan receive a 3% cost-of-living adjustment on the defined benefit portion of their benefit. A death benefit of $500-$2,500, determined by the number of years of service credit of the retiree, is paid to the beneficiary of a deceased retiree or disability benefit recipient under the Traditional Pension Plan and Combined Plan. Death benefits are not available to beneficiaries of Member-Directed Plan participants.

Contributions - The OPERS funding policy provides for periodic employee and employer contributions to all three plans (Traditional Pension, Combined and Member- Directed) at rates established by the Board, subject to limits set in statute. The rates established for member and employer contribution rates were approved based upon the recommendations of the System's external actuary. All contribution rates were within the limits authorized by the Ohio Revised Code.

Member and employer contributions rates, as a percent of covered payroll, were the same for each covered group across all three plans for fiscal year ended December 31, 2015. Within the Traditional Pension Plan and Combined Plan, member and employer contributions (employer contributions only for the Combined Plan) and an actuarially determined rate of return are adequate to accumulate sufficient assets to pay defined benefits when due. Employee contributions within the Combined Plan are not used to fund the defined benefit retirement allowance. Employer contribution rates as a level percent of payroll dollars are determined using the entry age actuarial funding method. This formula determined the amount of contributions necessary to fund: (1) the current service cost, representing the estimated amount necessary to pay for defined benefits earned by the employees during the current service year; and (2) the prior service cost for service cost for service earned prior to the current year and subsequent benefit increases. These contributions represent the amount necessary to fund accrued liabilities for retirement allowances and survivor benefits over a period of time.

Plan members were required to contribute 10 percent of their annual covered salary. The Authority was required to contribute 14 percent, a portion of which is set aside for funding post-retirement health care coverage. The Authority's contractually required contributions to OPERS for fiscal year 2015 was $111,589 for the Traditional Plan. The full amount was contributed during the fiscal year.

<u>Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions</u>

The net pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on the Authority's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

7. DEFINED BENEFIT PENSION PLAN - CONTINUED

Net Pension Liability	Traditional	Combined	Total
Proportionate Share of the Net Pension Liability	$ 602,310	$ (10,059)	$ 592,251
Proportion of the Net Pension Liability	0.004994%	0.0026125%	
Pension Expense	$ 65,763	$ 6,684	$ 72,447

Deferred Outflows of Resources	Traditional	Combined	Total
Difference between expected and actual experience	$ 32,137	$ 614	$ 32,751
Authority contributions subsequent to the measurement date	111,589	-	111,589
Current year amortization	(6,427)	(123)	(6,550)
Total Deferred Outflows of Resources	$ 137,299	$ 491	$ 137,790

Deferred Inflows of Resources	Traditional	Combined	Total
Net difference between projected and actual earnings on pension plan investments	$ 10,581	$ 3,070	$ 13,651
Current year amortization	(3,341)	(326)	(3,667)
Total Deferred Inflows of Resources	$ 7,240	$ 2,744	$ 9,984

There was $111,589 reported as deferred outflows of resources related to pension resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending December 31:	Traditional	Combined	Total
2016	3,087	(204)	2,883
2017	3,087	(204)	2,883
2018	3,087	(204)	2,883
2019	5,869	(204)	5,665
2020	6,426	(203)	6,223
Thereafter	-	(1,436)	(1,436)
TOTAL	21,556	(2,455)	19,101

Actuarial Assumptions- OPERS

OPERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., future employment, mortality, cost trends). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation are presented below:

7. DEFINED BENEFIT PENSION PLAN - CONTINUED

Actuarial Information	Traditional Pension Plan	Combined Plan
Valuation Date	December 31, 2014	December 31, 2014
Experience Study	5 Year Period Ended December 31, 2010	5 Year Period Ended December 31, 2010
Actuarial Cost Method	Individual entry age	Individual entry age
Actuarial Assumptions:		
Investment Rate of Return	8.00%	8.00%
Wage Inflation	3.75%	3.75%
Projected Salary	Increases 4.25% - 10.05% (includes wage inflation at 3.75%)	4.25% - 8.05% (includes wage inflation at 3.75%)
Cost-of-living Adjustments	3.00% Simple	3.00% Simple

Mortality rates are the RP-2000 mortality table projected 20 years using Projection Scale AA. For males, 105% of the combined healthy male mortality rates were used. For females, 100% of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males, 120% of the disabled female mortality rates were used, set forward two years. For females, 100% of the disabled female mortality rates were used.

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The following table displays the Board-approved asset allocation policy for 2014 and the long-term expected real rates of return:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	23.00%	2.31%
Domestic Equities	19.90%	5.84%
Real Estate	10.00%	4.25%
Private Equity	10.00%	9.25%
International Equities	19.10%	7.40%
Other Investments	18.00%	4.59%
	100.00%	5.28%

The long term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

Discount Rate

The discount rate used to measure the total pension liability was 8.0% for both the Traditional Pension Plan and the Combined Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for both the Traditional Pension Plan and the Combined Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.0 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.0 percent), or one percentage point higher (9.0 percent) than the current rate:

7. DEFINED BENEFIT PENSION PLAN - CONTINUED

Authority's proportionate share of the net pension liability (asset)	1% Decrease (7.0%)	Discount Rate (8.0%)	1% Increase (9.0%)
Traditional Plan	$ 1,108,119	$ 602,326	$ 176,338
Combined Plan	131	(993)	(1,907)
TOTAL	$ 1,108,250	$ 601,333	$ 174,431

8. POST-EMPLOYMENT BENEFITS

Ohio Public Employees Retirement System (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 Pension must have 20 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 issues a stand-alone financial report. Interested parties may obtain a copy by visiting https://www.opers.org or by writing OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

The Ohio Revised Code provides the 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-employment health care benefits.

OPERS' Post-employment Health Care plan was established under, and is administered in accordance with Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. For 2015 and 2014, the employer contributions allocated to the health care plan was two 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 years ended December 31, 2015, 2014, and 2013 amounted to $111,589, $106,520, and $106,004, respectively. All required contributions have been made through December 31, 2015.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4.0% of the employer contributions toward the health care fund after the end of the transition period.

9. CONTINGENCIES

The Authority received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the Authority. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Authority at December 31, 2015.

10. COMMITMENTS

The authority has, under its normal operations, entered into commitments for the purchase of maintenance, cleaning, and other services. Such commitments are monthly and annually.

11. RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft to, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2015, the Authority was insured through the State Housing Authority Risk Pool Association, Inc. (SHARP), a public entity risk pool operating a common risk management and insurance program for its housing authority members. The State Housing Authority Risk Pool Association, Inc. is self-sustaining through member premiums and reinsures through commercial insurance companies.

The Authority carried commercial insurance for risk of loss for employee health and accident insurance. There has been no significant reduction in coverage from last year. Settled claims have not exceeded this coverage in any of the last three years.

12. PAYMENT IN LIEU OF TAXES

The Authority has cooperation agreements with certain municipalities under which it makes payment in lieu of real estate taxes for various public services. Expense recognized for payment in lieu of taxes for the year ended December 31, 2015 totaled $43,139.

13. FDS SCHEDULE SUBMITTED TO HUD

For the fiscal year ended December 31, 2015, the Authority electronically submitted an unaudited version of the balance sheet, statement of revenues, expenses and change in net asset and other data to HUD as required on the accrual basis of accounting.

14. RELATED PARTY TRANSACTION

The Miami Metropolitan Housing Authority contracts with the Miami County Community Action Council for use of the Authority's employees' services. The Miami County Community Action Council has a separate audit of its financial records under Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.* Total receivables from the Miami County Community Action Council at December 31, 2015 are $5,688. Total payables to the Miami County Community Action Council at December 31, 2015 are $3,222.

15. ECONOMIC DEPENDENCY

Both the Low Rent Public Housing Program and the Housing Choice Voucher Program are economically dependent on annual contributions and grants from HUD.

16. NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

17. SUBSEQUENT EVENTS

Management has evaluated subsequent events through July 25, 2016, 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, 2015

	Project Total	14.871 Housing Choice Vouchers	1 Business Activities	Subtotal	ELIM	Total
111 Cash - Unrestricted	$295,985	$153,700	$120,435	$570,120		$570,120
113 Cash - Other Restricted		$71,845		$71,845		$71,845
114 Cash - Tenant Security Deposits	$47,412			$47,412		$47,412
100 Total Cash	$343,397	$225,545	$120,435	$689,377		$689,377
121 Accounts Receivable - PHA Projects						
122 Accounts Receivable - HUD Other Projects	$578			$578		$578
125 Accounts Receivable - Miscellaneous			$5,688	$5,688		$5,688
126 Accounts Receivable - Tenants	$5,501			$5,501		$5,501
126.1 Allowance for Doubtful Accounts -Tenants	-$1,100			-$1,100		-$1,100
126.2 Allowance for Doubtful Accounts - Other	$0		$0	$0		$0
120 Total Receivables, Net of Allowances for Doubtful Accounts	$4,979	$0	$5,688	$10,667		$10,667
142 Prepaid Expenses and Other Assets	$19,380	$3,416	$23,576	$46,372		$46,372
143 Inventories	$33,670			$33,670		$33,670
143.1 Allowance for Obsolete Inventories	-$3,367			-$3,367		-$3,367
150 Total Current Assets	$398,059	$228,961	$149,699	$776,719		$776,719
161 Land	$357,350			$357,350		$357,350
162 Buildings	$10,887,556			$10,887,556		$10,887,556
163 Furniture, Equipment & Machinery - Dwellings	$17,972			$17,972		$17,972
164 Furniture, Equipment & Machinery - Administration	$88,591		$2,500	$91,091		$91,091
166 Accumulated Depreciation	-$8,369,076		-$1,000	-$8,370,076		-$8,370,076
167 Construction in Progress			$232,000	$232,000		$232,000
160 Total Capital Assets, Net of Accumulated Depreciation	$2,982,393	$0	$233,500	$3,215,893		$3,215,893
180 Total Non-Current Assets	$2,982,393	$0	$233,500	$3,215,893		$3,215,893

See independent auditors' report

MIAMI METROPOLITAN HOUSING AUTHORITY
Balance Sheet
FDS Schedule Submitted to HUD
Proprietary Fund Type
Enterprise Fund
December 31, 2015

	Project Total	14.871 Housing Choice Vouchers	1 Business Activities	Subtotal	ELIM	Total
290 Total Assets and Deferred Outflow of Resources	$3,441,079	$306,124	$383,199	$4,130,402		$4,130,402
312 Accounts Payable <= 90 Days	$4,201	$5,918	$4,068	$14,187		$14,187
321 Accrued Wage/Payroll Taxes Payable	$4,293	$4,851	$273	$9,417		$9,417
322 Accrued Compensated Absences - Current Portion	$18,281	$17,445		$35,726		$35,726
333 Accounts Payable - Other Government	$43,139			$43,139		$43,139
341 Tenant Security Deposits	$47,412			$47,412		$47,412
345 Other Current Liabilities			$77	$77		$77
346 Accrued Liabilities - Other	$83,099			$83,099		$83,099
310 Total Current Liabilities	$200,425	$28,214	$4,418	$233,057		$233,057
357 Accrued Pension and OPEB Liabilities	$260,591	$331,660		$592,251		$592,251
350 Total Non-Current Liabilities	$260,591	$331,660	$0	$592,251		$592,251
300 Total Liabilities	$461,016	$359,874	$4,418	$825,308		$825,308
400 Deferred Inflow of Resources	$4,393	$5,591		$9,984		$9,984
508.4 Net Investment in Capital Assets	$2,982,393		$233,500	$3,215,893		$3,215,893
511.4 Restricted Net Position		$71,845		$71,845		$71,845
512.4 Unrestricted Net Position	-$6,723	-$131,186	$145,281	$7,372		$7,372
513 Total Equity - Net Assets / Position	$2,975,670	-$59,341	$378,781	$3,295,110		$3,295,110
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	$3,441,079	$306,124	$383,199	$4,130,402		$4,130,402

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, 2015

	Project Total	14.871 Housing Choice Vouchers	1 Business Activities	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	$598,866			$598,866		$598,866
70400 Tenant Revenue - Other	$7,565			$7,565		$7,565
70500 Total Tenant Revenue	$606,431	$0	$0	$606,431	$0	$606,431
70600 HUD PHA Operating Grants	$191,635	$4,883,086		$5,074,721		$5,074,721
70610 Capital Grants	$116,878			$116,878		$116,878
71100 Investment Income - Unrestricted	$429	$495	$115	$1,039		$1,039
71500 Other Revenue	$7,723		$140,980	$148,703	-$85,481	$63,222
71600 Gain or Loss on Sale of Capital Assets	$113			$113		$113
70000 Total Revenue	$923,209	$4,883,581	$141,095	$5,947,885	-$85,481	$5,862,404
91100 Administrative Salaries	$95,813	$240,169		$335,982		$335,982
91200 Auditing Fees	$892	$7,220		$8,112		$8,112
91500 Employee Benefit contributions - Administrative	$37,078	$86,972		$124,050		$124,050
91600 Office Expenses	$60,068	$87,963	$4,000	$152,031	-$85,481	$66,550
91700 Legal Expense	$875			$875		$875
91800 Travel	$2,425	$1,405		$3,830		$3,830
91900 Other	$14,103	$9,232	$6,940	$30,275		$30,275
91000 Total Operating - Administrative	$211,254	$432,961	$10,940	$655,155	-$85,481	$569,674
92400 Tenant Services - Other	$2,935			$2,935		$2,935
92500 Total Tenant Services	$2,935	$0	$0	$2,935	$0	$2,935
93100 Water	$30,873		$1,789	$32,662		$32,662
93200 Electricity	$104,832		$13,814	$118,646		$118,646
93300 Gas	$19,172		$7,503	$26,675		$26,675

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, 2015

	Project Total	14.871 Housing Choice Vouchers	1 Business Activities	Subtotal	ELIM	Total
93600 Sewer	$20,163		$1,741	$21,904		$21,904
93000 Total Utilities	$175,040	$0	$24,847	$199,887	$0	$199,887
94100 Ordinary Maintenance and Operations - Labor	$87,663		$3,958	$91,621		$91,621
94200 Ordinary Maintenance and Operations - Materials and Other	$52,469		$3,013	$55,482		$55,482
94300 Ordinary Maintenance and Operations Contracts	$74,608		$18,262	$92,870		$92,870
94500 Employee Benefit Contributions - Ordinary Maintenance	$29,224		$642	$29,866		$29,866
94000 Total Maintenance	$243,964	$0	$25,875	$269,839	$0	$269,839
96110 Property Insurance	$17,836		$364	$18,200		$18,200
96120 Liability Insurance	$2,385	$302	$387	$3,074		$3,074
96130 Workmen's Compensation	$7,453	$944	$990	$9,387		$9,387
96140 All Other Insurance	$2,138	$2,531		$4,669		$4,669
96100 Total insurance Premiums	$29,812	$3,777	$1,741	$35,330	$0	$35,330
96200 Other General Expenses		$869		$869		$869
96210 Compensated Absences	$18,465	$26,884	$2,503	$47,852		$47,852
96300 Payments in Lieu of Taxes	$43,139			$43,139		$43,139
96400 Bad debt - Tenant Rents	$8,950			$8,950		$8,950
96000 Total Other General Expenses	$70,554	$27,753	$2,503	$100,810	$0	$100,810
96900 Total Operating Expenses	$733,559	$464,491	$65,906	$1,263,956	-$85,481	$1,178,475
97000 Excess of Operating Revenue over Operating Expenses	$189,650	$4,419,090	$75,189	$4,683,929	$0	$4,683,929

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, 2015

	Project Total	14.871 Housing Choice Vouchers	1 Business Activities	Subtotal	ELIM	Total
97300 Housing Assistance Payments		$4,268,446		$4,268,446		$4,268,446
97400 Depreciation Expense	$324,367		$500	$324,867		$324,867
90000 Total Expenses	$1,057,926	$4,732,937	$66,406	$5,857,269	-$85,481	$5,771,788
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-$134,717	$150,644	$74,689	$90,616	$0	$90,616
11020 Required Annual Debt Principal Payments	$0	$0	$40,000	$40,000		$40,000
11030 Beginning Equity	$3,321,342	$58,504	$304,092	$3,683,938		$3,683,938
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-$210,955	-$268,489		-$479,444		-$479,444
11170 Administrative Fee Equity		-$131,186		-$131,186		-$131,186
11180 Housing Assistance Payments Equity		$71,845		$71,845		$71,845
11190 Unit Months Available	1524	11820		13344		13344
11210 Number of Unit Months Leased	1512	11660		13172		13172
11270 Excess Cash	$86,482			$86,482		$86,482
11610 Land Purchases	$0			$0		$0
11620 Building Purchases	$116,878			$116,878		$116,878

See independent auditors' report

MIAMI METROPOLITAN HOUSING AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
Year Ended December 31, 2015

SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TWO FISCAL YEARS (1)

Traditional and Combined Plans	2015	2014
Authority's Proportion of the Net Pension Liability/(Asset) - Traditional	0.004994%	0.004994%
Authority's Proportion of the Net Pension Liability/(Asset) - Combined	0.026125%	0.026125%
Authority's Proportionate Share of the Net Pension Liability	$ 592,251	$ 585,964
Authority's Covered-Employee Payroll	$ 797,064	$ 760,858
Authority's Proportionate Share of the Net Pension Liability as a percentage of its Covered Employee Payroll	74.30%	77.01%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability - Traditional	86.45%	86.36%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability - Combined	114.83%	104.56%

(1) Information prior to 2014 is not available

See independent auditors' report

MIAMI METROPOLITAN HOUSING AUTHORITY
REQUIRED SUPPLEMENTARY INFROMATION
Year Ended December 31, 2015

SCHEDULE OF THE AUTHORITY'S OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM CONTRIBUTIONS
LAST TEN FISCAL YEARS

Contractually Required Contributions	2015	2014	2013	2012	2011
Traditional and Combined Plans Total Required Contributions	$ 111,589	$ 106,520	$ 106,004	$ 113,191	$ 131,968
Contributions In Relation to the Contractually Required Contributions	(111,589)	(106,520)	(106,004)	(113,191)	(131,968)
Contribution Deficiency / (Excess)	$ -	$ -	$ -	$ -	$ -
Authority's Covered-Employee Payroll					
Traditional and Combined Plans Total Required Contributions	$ 797,064	$ 760,858	$ 757,167	$ 808,504	$ 942,629
Contributions as a Percentage of Covered-Employee	14.00%	14.00%	14.00%	14.00%	14.00%

Contractually Required Contributions	2010	2009	2008	2007	2006
Traditional and Combined Plans Total Required Contributions	$ 141,206	$ 129,272	$ 104,552	$ 98,581	$ 94,690
Contributions In Relation to the Contractually Required Contributions	(141,206)	(129,272)	(104,552)	(98,581)	(94,690)
Contribution Deficiency / (Excess)	$ -	$ -	$ -	$ -	$ -
Authority's Covered-Employee Payroll					
Traditional and Combined Plans Total Required Contributions	$ 1,008,613	$ 923,373	$ 746,801	$ 711,776	$ 691,175
Contributions as a Percentage of Covered-Employee	14.00%	14.00%	14.00%	13.85%	13.70%

See independent auditors' report

MIAMI METROPOLITAN HOUSING AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2015

	FEDERAL CFDA NUMBER	FUNDS EXPENDED
FROM U.S. DEPARTMENT OF HUD		
DIRECT PROGRAMS		
PHA Owned Housing:		
Public and Indian Housing	14.850A	$ 191,635
Public Housing Capital Fund	14.872	116,878
Housing Assistance Payments:		
Annual Contribution -		
Section 8 Housing Choice Vouchers	14.871	4,883,086
Total - All Programs		$ 5,191,599

See independent auditors' report

JC & Company
JUST ASK

Jeanette R. Addington, MBA, CPA, CGFM • Brian D. Long, CPA, PFS, CFF • Keith A. Lewis, CPA

INDEPENDENT AUDITORS' 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

Regional Inspector General of Audit
Department of Housing and Urban Development

We have audited, in accordance with the 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, the financial statements of the business-type activities of Miami Metropolitan Housing Authority as of and for the year ended December 31, 2015, and the related notes to the financial statements and have issued our report thereon dated July 25, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit o f the financial statements, we considered Miami M etropolitan Housing Authority's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of Miami Metropolitan Housing Authority's internal control.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. Given these limitations, during out audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Miami Metropolitan Housing Authority's financial statements are free from 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*.

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4010 Main Street • Hilliard, Ohio 43026 • 614.876.6993 tel • 614.876.6899 fax
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<u>**Purpose of this Report**</u>

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

JC & Company

JC & Company
Lancaster, Ohio
July 25, 2016

JC & Company
JUST ASK

Jeanette R. Addington, MBA, CPA, CGFM • Brian D. Long, CPA, PFS, CFF • Keith A. Lewis, CPA

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors
Miami Metropolitan Housing Authority

Regional Inspector General of Audit
Department of Housing and Urban Development

Report on Compliance for Each Major Federal Program

We have audited the Miami Metropolitan Housing Authority's compliance with the types of compliance requirements described in the *OMB 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, 2015. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Miami Metropolitan Housing Authority's major federal programs based on our audit of the types of compliance requirements referred to above. 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 the audit requirements of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance 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 on compliance for each major federal program. However, our audit does not provide a legal determination of Miami Metropolitan Housing Authority's compliance.

Opinion on Each Major Federal program

In our opinion, Miami Metropolitan Housing Authority complied, in all material respects, with the types of 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, 2015.

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Report on Internal Control Over Compliance

Management of Miami Metropolitan Housing Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Miami Metropolitan Housing Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 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. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the 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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

JC & Company

JC & Company
Lancaster, Ohio
July 25, 2016

Miami Metropolitan Housing Authority
December 31, 2015

Summary of Auditors' Results and Schedule of Findings
2CFR § 200.515

1. SUMMARY OF AUDITOR'S RESULTS

Type of Financial Statement Opinion	Unmodified
Were there any material weaknesses in internal control 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 weaknesses in internal control 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	Unmodified
Are there any reportable findings under 2 CFR §200.516(a)?	No
Major Programs (list):	CFDA #14.871: Section 8 Housing Vouchers
Dollar Threshold: Type A\B Programs	Type A: > $ 750,000 Type B: all others
Low Risk Auditee under 2 CFR §200.520?	Yes

Miami Metropolitan Housing Authority
December 31, 2015

Summary of Auditors' Results and Schedule of Findings
2CFR § 200.515 - Continued

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

There are no findings for the year ended December 31, 2015.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There are no findings for the year ended December 31, 2015.

Dave Yost • Auditor of State

MIAMI COUNTY 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
OCTOBER 18, 2016

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