

**ALLEN METROPOLITAN HOUSING AUTHORITY
LIMA, OHIO**

**REPORT ON EXAMINATION OF FINANCIAL
STATEMENTS AND SUPPLEMENTAL DATA FOR THE
YEAR ENDED JUNE 30, 1999**

J. E. Strubbaugh & Associates, Inc.
Certified Public Accountant
12 East Main Street
Lexington, Ohio 44504

**ALLEN METROPOLITAN HOUSING AUTHORITY
LIMA, OHIO**

**REPORT ON EXAMINATION OF FINANCIAL
STATEMENTS AND SUPPLEMENTAL DATA FOR THE
YEAR ENDED JUNE 30, 1999**

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

ALLEN METROPOLITAN HOUSING AUTHORITY
LIMA, OHIO

TABLE OF CONTENTS

June 30, 1999

	<u>Exhibit</u>	<u>Page</u>
Independent Auditor's Report		1
<u>Financial Statements</u>		
Balance Sheet at June 30, 1999	A	2
Statement of Income and Expense - PHA Owned Housing	B(1)	3
Statement of Income and Expense - Housing Assistance Payments Program - Section 8 - Existing	B(2)	4
Statement of Income and Expense - Housing Assistance Payments Program - Section 8 - Existing - Mod. Rehab. II	B(3)	5
Statement of Income and Expense - Housing Assistance Payments Program - Section 8 - Existing - Mod. Rehab. III	B(4)	6
Statement of Income and Expenses - Housing Assistance Payments Program - Section 8 - Mod. Rehab. V	B(5)	7
Statement of Income and Expense - Housing Assistance Payments Program - Section 8 - Town Square Apartments	B(6)	8
Statement of Income and Expense - Housing Assistance Payments Program - Section 8 - Lima Towers Apartments	B(7)	9
Statement of Income and Expense - Housing Assistance Payments Program - Section 8 - Wilshire Place Apartments	B(8)	10
Statement of Income and Expense - Housing Assistance Payments Program - Section 8 - Melford Village Apartments	B(9)	11
Statement of Income and Expense - Housing Assistance Payments Program - Section 8 - Vouchers	B(10)	12
Statement of Cash Flows	B(11)	13
Statement of Changes in Surplus	C	14
Notes to Financial Statements		15-17

	<u>Exhibit</u>	<u>Page</u>
<u>Supplemental Data</u>		
Computation of Residual Receipts and Accruing Annual Contributions - PHA Owned Housing	D(1)	18
Computation of Annual Contributions Earned and Project Account - Operating Reserve Changes - Housing Assistance Payments Program - Section 8 - Existing	D(2)	19-20
Computation of Annual Contribution Earned and Project Account - Operating Reserve Changes - Housing Assistance Payments Program - Section 8 - Mod. Rehab. II	D(3)	21-22
Computation of Annual Contribution Earned and Project Account - Operating Reserve Changes - Housing Assistance Payments Program - Section 8 - Mod. Rehab. III	D(4)	23-24
Computation of Annual Contribution Earned and Project Account - Operating Reserve Changes - Housing Assistance Payments Program - Section 8 - Mod. Rehab. V	D(5)	25-26
Computation of Annual Contribution Earned and Project Account - Operating Reserve Changes - Housing Assistance Payments Program - Section 8 - Town Square Apartments	D(6)	27-28
Computation of Annual Contribution Earned and Project Account - Operating Reserve Changes - Housing Assistance Payments Program - Section 8 - Lima Towers Apartments	D(7)	29-30
Computation of Annual Contribution Earned and Project Account - Operating Reserve Changes - Housing Assistance Payments Program - Section 8 - Wilshire Place Apartments	D(8)	31-32
Computation of Annual Contribution Earned and Project Account - Operating Reserve Changes - Housing Assistance Payments Program - Section 8 - Melford Village Apartments	D(9)	33-34
Computation of Annual Contribution Earned and Project Account - Operating Reserve Changes - Housing Assistance Payments Program - Section 8 - Vouchers	D(10)	35-36

	<u>Exhibit</u>	<u>Page</u>
Statement of Development Costs - Uncompleted	E(1)	37
Statement of Modernization Costs - Uncompleted	E(2)	38
Reconciliation of Development Funds Advanced With Costs	E(3)	39
Schedule of Expenditures of Federal Awards	H	40
Independent Auditor's Report on Compliance and On Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		41
Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133		42-43
Summary of Activities		44
Schedule of Findings		45-46
Data Collection Form		



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

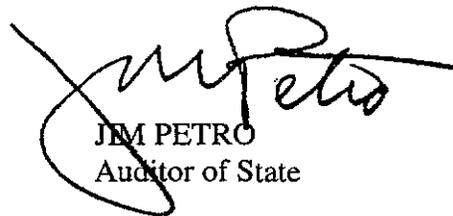
Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

Board of Commissioners
Allen Metropolitan Housing Authority
Lima, Ohio

We have reviewed the Independent Auditor's Report of the Allen Metropolitan Housing Authority, Allen County, prepared by J. E. Slaybaugh & Associates, Inc., for the audit period July 1, 1998 to June 30, 1999. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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



JIM PETRO
Auditor of State

March 10, 2000

J. E. Slaybaugh & Associates, Inc.

*12 East Main Street
Lexington, Ohio 44904*

*Member AICPA
Member OSCPA*

*John E. Slaybaugh III
Certified Public Accountant*

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Allen Metropolitan Housing Authority
Lima, Ohio

U.S. Dept. of Housing and
Urban Development
Public Housing Division
Cincinnati, Ohio

We have audited the accompanying financial statements of the Allen Metropolitan Housing Authority, Lima, Ohio, as of and for the year ended June 30, 1999, as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As discussed in Note 1, Allen Metropolitan Housing Authority prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the modified cash basis accounting practices prescribed or permitted by the Department of Housing and Urban Development, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Allen Metropolitan Housing Authority as of June 30, 1999, and the results of its operations and the cash flows for the year then ended on the basis of accounting prescribed above.

In accordance with *Government Auditing Standards*, we have also issued a report dated February 8, 2000, on our consideration of Allen Metropolitan Housing Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the financial statements of Allen Metropolitan Housing Authority, taken as a whole. The accompanying schedule of expenditures of federal awards, as required by *U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations*, and the supplemental exhibits, listed in the Table of Contents, are presented for the purposes of additional analysis, and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements, and in our opinion, is stated fairly, in all material respects, in relation to the financial statements taken as a whole.

J. E. Slaybaugh & Associates, Inc.

J.E. Slaybaugh & Associates, Inc.
Lexington, Ohio
February 8, 2000

EXHIBIT A

ALLEN METROPOLITAN HOUSING AUTHORITY
LIMA, OHIO

BALANCE SHEET AT JUNE 30, 1999

	<u>Annual Contribution Contract</u>	
	<u>C-5094</u>	<u>C-5020</u>
<u>ASSETS</u>		
Cash	\$ 600,489	\$ 1,353,345
Accounts Receivable		
Tenants	6,144	
HUD		19,599
Other	3,880	7,287
Notes Receivable	124,860	
Deferred Charges	61,690	1,000
Land, Structures and Equipment	<u>18,691,757</u>	<u>195,991</u>
 Total Assets	 <u>\$ 19,488,820</u>	 <u>\$ 1,577,222</u>
 <u>LIABILITIES AND SURPLUS</u>		
Accounts Payable		
Vendor		\$ 7,110
Tenant Security Deposit	\$ 44,274	
HUD		596,624
Other	6,605	74,242
Notes Payable	2,259,491	
Accrued Liabilities	1,461,910	
Deferred Credits	<u>215</u>	<u>339,831</u>
 Total Liabilities	 3,772,495	 1,017,807
Surplus - Exhibit C	<u>15,716,325</u>	<u>559,415</u>
 Total Liabilities and Surplus	 <u>\$ 19,488,820</u>	 <u>\$ 1,577,222</u>

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

EXHIBIT B(1)

ALLEN METROPOLITAN HOUSING AUTHORITY
LIMA, OHIO

STATEMENT OF INCOME AND EXPENSE - PHA OWNED HOUSING

Twelve Months Ended June 30, 1999

Annual Contributions Contract C-5094

Project OH 16-P044-001/009

Operating Income

Dwelling Rental	\$ 166,834
Interest on General Fund Investments	20,611
Other Income	<u>14,004</u>
Total Operating Income - Exhibit D(1)	201,449

Operating Expenses

Administrative	217,297
Tenant Services	16,508
Utilities	54,327
Ordinary Maintenance & Operation	178,158
General Expense	170,016
Non-Routine Maintenance	<u>65,917</u>
Total Operating Expense - Exhibit D(1)	<u>702,223</u>

Net Operating Income (Loss) \$ (500,774)

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

EXHIBIT B(2)

ALLEN METROPOLITAN HOUSING AUTHORITY
LIMA, OHIO

STATEMENT OF INCOME AND EXPENSE
HOUSING ASSISTANCE PAYMENTS PROGRAM
SECTION 8 - EXISTING

Twelve Months Ended June 30, 1999

Annual Contributions Contract C-5020

Project OH 16-E044

Operating Income

Interest Earned on General Fund Investment	\$ 4,090
Other Income	<u>5,471</u>
Total Operating Income - Exhibit D(2)	9,561

Operating Expenses

Administrative Expense	260,281
Housing Assistance Payments	2,331,916
Audit Costs	<u>3,532</u>
Total Operating Expense - Exhibit D(2)	<u>2,595,729</u>
Net Operating Income (Loss)	\$ <u>(2,586,168)</u>

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

EXHIBIT B(3)

ALLEN METROPOLITAN HOUSING AUTHORITY
LIMA, OHIO

STATEMENT OF INCOME AND EXPENSE
HOUSING ASSISTANCE PAYMENTS PROGRAM
SECTION 8 - MOD. REHAB. II

Twelve Months Ended June 30, 1999

Annual Contributions Contract C-5020

Project OH 16-K044-002

Operating Income

Other Income	\$ -
Total Operating Income - Exhibit D(3)	-

Operating Expenses

Administrative Expense	865
Housing Assistance Payments	109
Audit Costs	55
Total Operating Expense - Exhibit D(3)	<u>1,029</u>
Net Operating Income (Loss)	<u>\$ (1,029)</u>

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

EXHIBIT B(4)

ALLEN METROPOLITAN HOUSING AUTHORITY
LIMA, OHIO

STATEMENT OF INCOME AND EXPENSE
HOUSING ASSISTANCE PAYMENTS PROGRAM
SECTION 8 - MOD. REHAB. III

Twelve Months Ended June 30, 1999

Annual Contributions Contract C-5020

Project OH 16-K044-003

Operating Income

Other Income

\$ -

Total Operating Income - Exhibit D(4)

-

Operating Expenses

Administrative Expense

40,109

Housing Assistance Payments

454,709

Audit Costs

406

Total Operating Expense - Exhibit D(4)

495,224

Net Operating Income (Loss)

\$ (495,224)

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

EXHIBIT B(5)

ALLEN METROPOLITAN HOUSING AUTHORITY
LIMA, OHIO

STATEMENT OF INCOME AND EXPENSE
HOUSING ASSISTANCE PAYMENTS PROGRAM
SECTION 8 - MOD. REHAB. V

Twelve Months Ended June 30, 1999

Annual Contributions Contract C-5020

Project OH 16-K044-005

Operating Income

Other Income \$ -

Total Operating Income - Exhibit D(5) -

Operating Expenses

Administrative Expense 24,850
Housing Assistance Payments 182,758
Audit Costs 270

Total Operating Expense - Exhibit D(5) 207,878

Net Operating Income (Loss) \$ (207,878)

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

EXHIBIT B(6)

ALLEN METROPOLITAN HOUSING AUTHORITY
LIMA, OHIO

STATEMENT OF INCOME AND EXPENSE
HOUSING ASSISTANCE PAYMENTS PROGRAM
SECTION 8 - TOWN SQUARE APARTMENTS

Twelve Months Ended June 30, 1999

Annual Contributions Contract C-5020

Project OH 16-0014-005

Operating Income

Other Income \$ -

Total Operating Income - Exhibit D(6) -

Operating Expenses

Administrative Expense 8,719
Housing Assistance Payments 187,866
Audit Costs 135

Total Operating Expense - Exhibit D(6) 196,720

Net Operating Income (Loss) \$ (196,720)

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

EXHIBIT B(7)

ALLEN METROPOLITAN HOUSING AUTHORITY
LIMA, OHIO

STATEMENT OF INCOME AND EXPENSE
HOUSING ASSISTANCE PAYMENTS PROGRAM
SECTION 8 - LIMA TOWERS APARTMENTS

Twelve Months Ended June 30, 1999

Annual Contributions Contract C-5020

Project OH 16-8023/013

Operating Income

Interest on General Fund Investments

\$ -

Total Operating Income - Exhibit D(7)

-

Operating Expenses

Administrative Expense

39,237

Housing Assistance Payments

505,443

Audit Costs

396

Total Operating Expense - Exhibit D(7)

545,076

Net Operating Income (Loss)

\$ (545,076)

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

EXHIBIT B(8)

ALLEN METROPOLITAN HOUSING AUTHORITY
LIMA, OHIO

STATEMENT OF INCOME AND EXPENSE
HOUSING ASSISTANCE PAYMENTS PROGRAM
SECTION 8 - WILSHIRE PLACE APARTMENTS

Twelve Months Ended June 30, 1999

Annual Contributions Contract C-5020

Project OH 16-0022-157

Operating Income

Interest on General Fund Investments

\$ -

Total Operating Income - Exhibit D(8)

-

Operating Expenses

Administrative Expense

7,847

Housing Assistance Payments

269,690

Audit Costs

135

Total Operating Expense - Exhibit D(8)

277,672

Net Operating Income (Loss)

\$ (277,672)

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

EXHIBIT B(9)

ALLEN METROPOLITAN HOUSING AUTHORITY
LIMA, OHIO

STATEMENT OF INCOME AND EXPENSE
HOUSING ASSISTANCE PAYMENTS PROGRAM
SECTION 8 - MELFORD VILLAGE APARTMENTS

Twelve Months Ended June 30, 1999

Annual Contributions Contract C-5020

Project OH 16-0022-101

Operating Income

Other Income

\$ -

Total Operating Income - Exhibit D(9)

-

Operating Expenses

Administrative Expense

7,411

Housing Assistance Payments

243,398

Audit Costs

135

Total Operating Expense - Exhibit D(9)

250,944

Net Operating Income (Loss)

\$ (250,944)

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

EXHIBIT B(10)

ALLEN METROPOLITAN HOUSING AUTHORITY
LIMA, OHIO

STATEMENT OF INCOME AND EXPENSE
HOUSING ASSISTANCE PAYMENTS PROGRAM
SECTION 8 - VOUCHERS

Twelve Months Ended June 30, 1999

Annual Contributions Contract C-5020

Project OH 16-V044

Operating Income

Interest on Operating Reserve Investments	\$	966
Other Income		<u>70</u>
Total Operating Income - Exhibit D(10)		1,036

Operating Expenses

Administrative Expense		46,649
Housing Assistance Payments		488,146
Audit Costs		<u>609</u>
Total Operating Expense - Exhibit D(10)		<u>535,404</u>
Net Operating Income (Loss)	\$	<u>(534,368)</u>

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

EXHIBIT B(11)

ALLEN METROPOLITAN HOUSING AUTHORITY
LIMA, OHIO

STATEMENT OF CASH FLOWS

Year Ended June 30, 1999

	Annual Contribution Contract	
	C-5094	C-5020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Loss	\$ (500,774)	\$ (5,095,079)
Adjustments to reconcile net loss to net cash provided by operating activities:		
(Increase) Decrease In:		
Accounts Receivable	(18,921)	126,034
Deferred Charges	(20,647)	
Increase (Decrease) In:		
Accounts Payable	(66,148)	302,885
Accrued Expenses	9,869	339,831
Net Cash Used By Operating Activities	<u>(596,621)</u>	<u>(4,326,329)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES:		
Project Costs	(92,835)	
Equipment Purchased	<u>(31,301)</u>	
Net Cash Used By Investing Activities	<u>(124,136)</u>	
 CASH FLOWS FROM FINANCING ACTIVITIES:		
HUD Grants	239,331	
Operating Subsidy	587,718	5,740,393
Prior Period Adjustment - RAD		<u>(560,559)</u>
Net Cash Provided By Financing Activities	<u>827,049</u>	<u>5,179,834</u>
Net Increase (Decrease) In Cash	106,292	853,505
Cash At The Beginning Of Year	<u>494,197</u>	<u>499,840</u>
Cash At End Of Year	<u>\$ 600,489</u>	<u>\$ 1,353,345</u>

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

EXHIBIT C

ALLEN METROPOLITAN HOUSING AUTHORITY
LIMA, OHIO

STATEMENT OF CHANGES IN SURPLUS

Twelve Months Ended June 30, 1999

		<u>Annual Contribution Contract</u>	
		<u>C-5094</u>	<u>C-5020</u>
SURPLUS at July 1, 1998		\$ 15,390,051	\$ 474,660
Increase (Decrease) In:			
Unreserved Surplus		(556,418)	(1,935,643)
Prior Year Adjustment			
Operating Reserve		55,643	84,722
Project Account - Unfunded			(3,246,819)
Cumulative HUD Contributions		587,718	5,182,495
Cumulative HUD Grants		<u>239,331</u>	<u> </u>
SURPLUS at June 30, 1999	Exhibit A	<u>\$ 15,716,325</u>	<u>\$ 559,415</u>

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

ALLEN METROPOLITAN HOUSING AUTHORITY
LIMA, OHIO

NOTES TO FINANCIAL STATEMENTS

June 30, 1999

NOTE 1 - Summary of Significant Accounting Policies

A. Organization

The Allen Metropolitan Housing Authority is a political subdivision of the State of Ohio, created under Section 3735.27 of the Ohio Revised Code. 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 rent subsidies. Based on the criteria established by GASB codification 2300, there are no component units to be included with the reporting entity.

B. Basis of Accounting

The Authority's policy is to maintain its accounting records on the modified cash basis in accordance with accounting practices prescribed by the Department of Housing and Urban Development. The Authority does not depreciate its structures and equipment. Accordingly, the accompanying financial statements are not intended to present financial position and the results of operations in conformity with generally accepted accounting principles.

C. Land, Structures and Equipment

Land, Structures and Equipment are recorded at cost. No depreciation is provided according to HUD accounting practices.

D. Cash and Investments

At year-end, the Book Value of the PHA's cash and investments, consisting of Demand Deposits was \$ 1,953,834, and the Bank Balance was \$ 2,116,786.

- 1) \$ 323,786 was covered by Federal Depository Insurance.
- 2) \$ 1,793,000 was covered by specific collateral held by a third party in the name of the PHA.

HUD Handbook 7475.1, Chapter 4, Section 1, authorizes the PHA to make investments in:

- Direct Obligations of the Federal Government;
- Obligations of Federal Government Agencies;
- Securities of Government-Sponsored Agencies;
- Demand and Savings Deposits and Certificates of Deposit.

The PHA's cash, which are demand deposits, at June 30, 1999, are as follows:

<u>Annual Contribution Contract</u>	<u>Book Amount</u>	<u>Bank Amount</u>
C-5094	\$ 600,489	\$ 709,806
C-5020	<u>1,353,345</u>	<u>1,406,980</u>
TOTAL	<u>\$1,953,834</u>	<u>\$2,116,786</u>

E. Financial Statements Format and Content

The format and content of the financial statements included in this report conform to the format and content of annual report forms submitted to HUD.

NOTE 2 - DEFINED BENEFIT PENSION PLAN:

A. Public Employees Retirement System Pension Plan

All Allen Metropolitan Housing Authority's full-time employees participate in the Public Employees Retirement System (PERS), a cost-sharing multiple-employer public employees retirement system operated by the State.

All public employees in Ohio, except for certain specific exclusions and exemptions, are required to become contributing member of PERS. Employees may retire at or after age 60 with 5 years of credited service. They are entitled to a retirement benefit, payable monthly for life, equal to 2.1% of their final average salary for the first 30 years of credited service and 2.5% for years of service in excess of 30 years. Final average salary is the employee's average salary over the highest 3 years of earnings. Benefits fully vest upon reaching 5 years of service. Employees may retire at any age with 30 years of service, at age 60 with a minimum of 25 years of service. Those individuals retiring with less than 30 years of service or less than age 65, receive reduced retirement benefits. Benefits are established by the state statute.

Covered employees are required by state statute to contribute 8.5% of their salary to the plan. The total 1999 employer contribution rate for local government employees units is 13.55%, of which 8.44% is used to fund pension obligations. The difference between the total employer rate and the portion used to fund pension obligations is the amount used to fund the health care program for retirees. For the year ended June 30, 1999, the employer portion of the retirement contribution amounted to \$ 78,429 on covered payroll of \$ 578,814, which met the contribution rate stated above.

Contributions for the previous two years were as follows:

	<u>Contribution</u>	<u>Contribution %</u>
6/30/98	\$ 72,113	13.55 %
6/30/97	\$ 70,377	13.55 %

The Public Employees Retirement System (PERS) issues an audited "Comprehensive Annual Financial Report" which is prepared for limited distribution to public officials and other interested parties; availability is through the PERS office in Columbus, Ohio. A summary statement of financial condition is issued to members annually.

NOTE 3 - DEBT OBLIGATIONS

Notes Payable-HUD

As a result of the "Forgiveness" Legislation, Public Law 99-272, HUD no longer applies annual contributions on HUD held notes, and provides that HUD will forgive all HUD notes which were held to be repaid using fixed annual contributions. HUD will also forgive the accrued interest on these notes.

As of June 30, 1999, the Authority had not received final approval to reclassify the forgiven debt. The unforgiven balances at June 30, 1999, are \$ 2,259,491 note payable and \$ 1,438,817 accrued interest.

NOTE 4 – YEAR 2000 ISSUE

The year 2000 issue is the result of shortcomings in many electronic data processing systems and other equipment that may adversely affect the government's operations.

As of February 8, 2000, Allen Metropolitan Housing Authority has inventoried its mission-critical computer systems and other electronic equipment that may be affected by the Year 2000 Issue and that are necessary to conducting the Authority's operations. Based on this inventory, the Authority determined that no further remediation or system testing was required.

To the best of management's knowledge and belief, as of February 8, 2000, Allen Metropolitan Housing Authority has not experienced any significant interruption of mission-critical operations or services related to the Year 2000 Issue. However, because of the unprecedented nature of the Year 2000 issue, matters may yet arise, and parties with whom the Authority does business may also experience Year 2000 readiness issues that are as yet, unknown.

EXHIBIT D(1)

ALLEN METROPOLITAN HOUSING AUTHORITY
LIMA, OHIO

COMPUTATION OF RESIDUAL RECEIPTS AND ACCRUING ANNUAL CONTRIBUTIONS
PHA OWNED HOUSING

Twelve Months Ended June 30, 1999

Annual Contribution Contract C-5094

Project OH 16-P044-001-009

Computation of Residual Receipts

Operating Receipts

Operating Income - Exhibit B(1)	\$ 201,449
HUD Operating Subsidy	<u>587,718</u>
Total Operating Receipts	789,167

Operating Expenditures

Operating Expenses - Exhibit B(1)	702,223
Capital Expenses	<u>31,301</u>
Total Operating Expenditures	<u>733,524</u>

Residual Receipts (Deficit)	55,643
-----------------------------	--------

Provision for (Reduction of) Operating Reserve	<u>55,643</u>
--	---------------

Residual Receipts	<u>\$ -</u>
-------------------	-------------

EXHIBIT D(2)

ALLEN METROPOLITAN HOUSING AUTHORITY
LIMA, OHIO

COMPUTATION OF ANNUAL CONTRIBUTION EARNED AND PROJECT ACCOUNT
OPERATING RESERVE CHANGES
HOUSING ASSISTANCE PAYMENTS PROGRAM
SECTION 8 - EXISTING

Twelve Months Ended June 30, 1999

Annual Contribution Contract C-5020

Project OH16-E044

Maximum Contribution Available

Maximum Annual Contribution Authorized	\$ 2,858,898
Pro Rata Maximum Annual Contribution Applicable to a period of less than twelve months	<u> -</u>
Maximum Contribution For Period	2,858,898
Project Account Balance at Beginning of Year	<u>1,350,779</u>
Total Annual Contribution Available	4,209,677

Annual Contribution Required

Preliminary Administrative Expense	21,564
Administrative Fee	297,678
Housing Assistance Payments	2,331,916
Hard - to - House Fee	1,845
Audit Costs	<u>3,532</u>
Total Funds Required	2,656,535
Project Receipts Other Than Annual Contribution	<u>(9,562)</u>
Total Annual Contributions Required	<u>2,646,973</u>

Project Account Change

Provision for Project Account	<u>\$ 211,925</u>
Annual Contribution Earned - Lesser of Contribution Available or Contribution Required	<u>\$ 2,646,973</u>

EXHIBIT D(2) Continued

ALLEN METROPOLITAN HOUSING AUTHORITY
LIMA, OHIO

COMPUTATION OF ANNUAL CONTRIBUTION EARNED AND PROJECT ACCOUNT
OPERATING RESERVE CHANGES
HOUSING ASSISTANCE PAYMENTS PROGRAM
SECTION 8 - EXISTING

Twelve Months Ended June 30, 1999

Annual Contributions Contract - C-5020

Operating Reserve Changes

Operating Income - Exhibit B(2)	\$ 9,561
Annual Contribution Earned	<u>2,646,973</u>

Total Operating Receipts	<u>2,656,534</u>
--------------------------	------------------

Operating Expenditures

Operating Expenses - Exhibit B(2)	<u>2,595,729</u>
-----------------------------------	------------------

Total Operating Expenditures	<u>2,595,729</u>
------------------------------	------------------

Net Operating Receipts Available	60,805
----------------------------------	--------

Provision for (Reduction of) Operating Reserve	<u>60,805</u>
--	---------------

Deficit Carry-Over	<u>\$ -</u>
--------------------	-------------

ALLEN METROPOLITAN HOUSING AUTHORITY
LIMA, OHIO

COMPUTATION OF ANNUAL CONTRIBUTION EARNED AND PROJECT ACCOUNT
OPERATING RESERVE CHANGES
HOUSING ASSISTANCE PAYMENTS PROGRAM
SECTION 8 - MOD. REHAB II

Twelve Months Ended June 30, 1999

Annual Contribution Contract C-5020

Project OH16-K044-002

Maximum Contribution Available

Maximum Annual Contribution Authorized	\$ -
Pro Rata Maximum Annual Contribution Applicable to a period of less than twelve months	-
Maximum Contribution For Period	-
Project Account Balance at Beginning of Year	<u>89,302</u>
Total Annual Contribution Available	89,302

Annual Contribution Required

Administrative Fee	865
Housing Assistance Payments	109
Hard-to-House Fees	<u>55</u>
Total Funds Required	1,029
Project Receipts Other Than Annual Contribution	-
Total Annual Contributions Required	<u>1,029</u>

Project Account Change

Provision for (Reduction of) Project Account	<u>\$ (1,029)</u>
Annual Contribution Earned - Lesser of Contribution Available or Contribution Required	<u>\$ 1,029</u>

EXHIBIT D(3) Continued

ALLEN METROPOLITAN HOUSING AUTHORITY
LIMA, OHIO

COMPUTATION OF ANNUAL CONTRIBUTION EARNED AND PROJECT ACCOUNT
OPERATING RESERVE CHANGES
HOUSING ASSISTANCE PAYMENTS PROGRAM
SECTION 8 - MOD. REHAB. II

Twelve Months Ended June 30, 1999

Annual Contributions Contract - C-5020

Operating Reserve Changes

Operating Income - Exhibit B(3)	\$ -
Annual Contribution Earned	<u>1,029</u>

Total Operating Receipts	1,029
--------------------------	-------

Operating Expenditures

Operating Expenses - Exhibit B(3)	<u>1,029</u>
-----------------------------------	--------------

Total Operating Expenditures	<u>1,029</u>
------------------------------	--------------

Net Operating Receipts Available	-
----------------------------------	---

Provision for (Reduction of) Operating Reserve	<u>-</u>
--	----------

Deficit Carry-Over	<u>\$ -</u>
--------------------	-------------

EXHIBIT D(4)

ALLEN METROPOLITAN HOUSING AUTHORITY
LIMA, OHIO

COMPUTATION OF ANNUAL CONTRIBUTION EARNED AND PROJECT ACCOUNT
OPERATING RESERVE CHANGES
HOUSING ASSISTANCE PAYMENTS PROGRAM
SECTION 8 - MOD. REHAB III

Twelve Months Ended June 30, 1999

Annual Contribution Contract C-5020

Project OH16-K044-003

Maximum Contribution Available

Maximum Annual Contribution Authorized	\$ 580,000
Pro Rata Maximum Annual Contribution Applicable to a period of less than twelve months	<u> -</u>
Maximum Contribution For Period	580,000
Project Account Balance at Beginning of Year	<u>1,843,149</u>
Total Annual Contribution Available	2,423,149

Annual Contribution Required

Administrative Fee	46,002
Housing Assistance Payments	454,709
Hard-to-House Fees	<u>406</u>
Total Funds Required	501,117
Project Receipts Other Than Annual Contribution	<u> -</u>
Total Annual Contributions Required	<u>501,117</u>

Project Account Change

Provision for (Reduction of) Project Account	<u>\$ 78,883</u>
Annual Contribution Earned - Lesser of Contribution Available or Contribution Required	<u>\$ 501,117</u>

EXHIBIT D(4) Continued

ALLEN METROPOLITAN HOUSING AUTHORITY
LIMA, OHIO

COMPUTATION OF ANNUAL CONTRIBUTION EARNED AND PROJECT ACCOUNT
OPERATING RESERVE CHANGES
HOUSING ASSISTANCE PAYMENTS PROGRAM
SECTION 8 - MOD. REHAB III

Twelve Months Ended June 30, 1999

Annual Contributions Contract C-5020

Operating Reserve Changes

Operating Income - Exhibit B(4)	\$ -
Annual Contribution Earned	<u>501,117</u>
Total Operating Receipts	501,117

Operating Expenditures

Operating Expenses - Exhibit B(4)	<u>495,224</u>
Total Operating Expenditures	<u>495,224</u>

Net Operating Receipts Available	5,893
----------------------------------	-------

Provision for (Reduction of) Operating Reserve	<u>5,893</u>
--	--------------

Deficit Carry-Over	<u>\$ -</u>
--------------------	-------------

EXHIBIT D(5)

ALLEN METROPOLITAN HOUSING AUTHORITY
LIMA, OHIO

COMPUTATION OF ANNUAL CONTRIBUTION EARNED AND PROJECT ACCOUNT
OPERATING RESERVE CHANGES
HOUSING ASSISTANCE PAYMENTS PROGRAM
SECTION 8 - MOD. REHAB V

Twelve Months Ended June 30, 1999

Annual Contribution Contract C-5020

Project OH16-K044-005

Maximum Contribution Available

Maximum Annual Contribution Authorized	\$ 204,336
Pro Rata Maximum Annual Contribution Applicable to a period of less than twelve months	<u> -</u>
Maximum Contribution For Period	204,336
Project Account Balance at Beginning of Year	<u>504,000</u>
 Total Annual Contribution Available	 708,336

Annual Contribution Required

Administrative Fee	28,450
Housing Assistance Payments	182,758
Audit Costs	<u>270</u>
 Total Funds Required	 211,478
 Project Receipts Other Than Annual Contribution	 <u> -</u>
 Total Annual Contributions Required	 <u>211,478</u>

Project Account Change

Provision for (Reduction of) Project Account	<u>\$ (7,142)</u>
 Annual Contribution Earned - Lesser of Contribution Available or Contribution Required	 <u>\$ 211,478</u>

EXHIBIT D(5) Continued

ALLEN METROPOLITAN HOUSING AUTHORITY
LIMA, OHIO

COMPUTATION OF ANNUAL CONTRIBUTION EARNED AND PROJECT ACCOUNT
OPERATING RESERVE CHANGES
HOUSING ASSISTANCE PAYMENTS PROGRAM
SECTION 8 - MOD. REHAB. V

Twelve Months Ended June 30, 1999

Annual Contributions Contract C-5020

Operating Reserve Changes

Operating Income - Exhibit B(5)	\$ -
Annual Contribution Earned	<u>211,478</u>

Total Operating Receipts	211,478
--------------------------	---------

Operating Expenditures

Operating Expenses - Exhibit B(5)	<u>207,878</u>
-----------------------------------	----------------

Total Operating Expenditures	<u>207,878</u>
------------------------------	----------------

Net Operating Receipts Available	3,600
----------------------------------	-------

Provision for (Reduction of) Operating Reserve	<u>3,600</u>
--	--------------

Deficit Carry-Over	<u>\$ -</u>
--------------------	-------------

EXHIBIT D(6)

ALLEN METROPOLITAN HOUSING AUTHORITY
LIMA, OHIO

COMPUTATION OF ANNUAL CONTRIBUTION EARNED AND PROJECT ACCOUNT
OPERATING RESERVE CHANGES
HOUSING ASSISTANCE PAYMENTS PROGRAM
SECTION 8 - TOWN SQUARE APARTMENTS

Twelve Months Ended June 30, 1999

Annual Contribution Contract C-5020

Project OH16-0014/005

Maximum Contribution Available

Maximum Annual Contribution Authorized	\$ 213,410
Pro Rata Maximum Annual Contribution Applicable to a period of less than twelve months	-
Maximum Contribution For Period	213,410
Project Account Balance at Beginning of Year	41,703
Total Annual Contribution Available	255,113

Annual Contribution Required

Administrative Fee	10,228
Housing Assistance Payments	187,866
Audit Costs	135
Total Funds Required	198,229
Project Receipts Other Than Annual Contribution	-
Total Annual Contributions Required	198,229

Project Account Change

Provision for (Reduction of) Project Account	\$ 15,181
Annual Contribution Earned - Lesser of Contribution Available or Contribution Required	\$ 198,229

EXHIBIT D(6) Continued

ALLEN METROPOLITAN HOUSING AUTHORITY
LIMA, OHIO

COMPUTATION OF ANNUAL CONTRIBUTION EARNED AND PROJECT ACCOUNT
OPERATING RESERVE CHANGES
HOUSING ASSISTANCE PAYMENTS PROGRAM
SECTION 8 - TOWN SQUARE APARTMENTS

Twelve Months Ended June 30, 1999

Annual Contributions Contract C-5020

Operating Reserve Changes

Annual Contribution Earned	\$ 198,229
Total Operating Receipts	198,229

Operating Expenditures

Operating Expenses - Exhibit B(6)	<u>196,720</u>
Total Operating Expenditures	<u>196,720</u>
Net Operating Receipts Available	1,509
Provision for (Reduction of) Operating Reserve	<u>1,509</u>
Deficit Carry-Over	<u>\$ -</u>

EXHIBIT D(7)

ALLEN METROPOLITAN HOUSING AUTHORITY
LIMA, OHIO

COMPUTATION OF ANNUAL CONTRIBUTION EARNED AND PROJECT ACCOUNT
OPERATING RESERVE CHANGES
HOUSING ASSISTANCE PAYMENTS PROGRAM
SECTION 8 - LIMA TOWERS APARTMENTS

Twelve Months Ended June 30, 1999

Annual Contribution Contract C-5020

Project OH16-8023-013

Maximum Contribution Available

Maximum Annual Contribution Authorized	\$ 1,298,000
Pro Rata Maximum Annual Contribution Applicable to a period of less than twelve months	<u> -</u>
Maximum Contribution For Period	1,298,000
Project Account Balance at Beginning of Year	<u>662,903</u>
Total Annual Contribution Available	1,960,903

Annual Contribution Required

Administrative Fee	45,456
Housing Assistance Payments	505,443
Audit Costs	<u>396</u>
Total Funds Required	551,295

Project Receipts Other Than Annual Contribution

 -

Total Annual Contributions Required

551,295

Project Account Change

Provision for (Reduction of) Project Account \$ 746,705

Annual Contribution Earned - Lesser of Contribution Available or
Contribution Required \$ 551,295

EXHIBIT D(7) Continued

ALLEN METROPOLITAN HOUSING AUTHORITY
LIMA, OHIO

COMPUTATION OF ANNUAL CONTRIBUTION EARNED AND PROJECT ACCOUNT
OPERATING RESERVE CHANGES
HOUSING ASSISTANCE PAYMENTS PROGRAM
SECTION 8 - LIMA TOWERS APARTMENTS

Twelve Months Ended June 30, 1999

Annual Contributions Contract C-5020

Operating Reserve Changes

Operating Income - Exhibit B(7)	\$ -
Annual Contribution Earned	<u>551,295</u>

Total Operating Receipts	551,295
--------------------------	---------

Operating Expenditures

Operating Expenses - Exhibit B(7)	<u>545,076</u>
-----------------------------------	----------------

Total Operating Expenditures	<u>545,076</u>
------------------------------	----------------

Net Operating Receipts Available	6,219
----------------------------------	-------

Provision for (Reduction of) Operating Reserve	<u>6,219</u>
--	--------------

Deficit Carry-Over	<u>\$ -</u>
--------------------	-------------

EXHIBIT D(8)

ALLEN METROPOLITAN HOUSING AUTHORITY
LIMA, OHIO

COMPUTATION OF ANNUAL CONTRIBUTION EARNED AND PROJECT ACCOUNT
OPERATING RESERVE CHANGES
HOUSING ASSISTANCE PAYMENTS PROGRAM
SECTION 8 - WILSHIRE PLACE APARTMENTS

Twelve Months Ended June 30, 1999

Annual Contribution Contract C-5020

Project OH16-0022-157

Maximum Contribution Available

Maximum Annual Contribution Authorized	\$ 260,476
Pro Rata Maximum Annual Contribution Applicable to a period of less than twelve months	-
Maximum Contribution For Period	260,476
Project Account Balance at Beginning of Year	<u>17,901</u>
Total Annual Contribution Available	278,377

Annual Contribution Required

Administrative Fee	9,091
Housing Assistance Payments	269,690
Audit Costs	<u>135</u>
Total Funds Required	278,916
Project Receipts Other Than Annual Contribution	<u>-</u>
Total Annual Contributions Required	<u>278,916</u>

Project Account Change

Provision for (Reduction of) Project Account	<u>\$ (18,440)</u>
--	--------------------

Annual Contribution Earned - Lesser of Contribution Available or Contribution Required	<u>\$ 278,916</u>
---	-------------------

EXHIBIT D(8) Continued

ALLEN METROPOLITAN HOUSING AUTHORITY
LIMA, OHIO

COMPUTATION OF ANNUAL CONTRIBUTION EARNED AND PROJECT ACCOUNT
OPERATING RESERVE CHANGES
HOUSING ASSISTANCE PAYMENTS PROGRAM
SECTION 8 - WILSHIRE PLACE APARTMENTS

Twelve Months Ended June 30, 1999

Annual Contributions Contract C-5020

Operating Reserve Changes

Operating Income - Exhibit B(8)	\$ -
Annual Contribution Earned	<u>278,916</u>
Total Operating Receipts	278,916

Operating Expenditures

Operating Expenses - Exhibit B(8)	<u>277,672</u>
Total Operating Expenditures	<u>277,672</u>

Net Operating Receipts Available	1,244
----------------------------------	-------

Provision for (Reduction of) Operating Reserve	<u>1,244</u>
--	--------------

Deficit Carry-Over	<u>\$ -</u>
--------------------	-------------

EXHIBIT D(9)

ALLEN METROPOLITAN HOUSING AUTHORITY
LIMA, OHIO

COMPUTATION OF ANNUAL CONTRIBUTION EARNED AND PROJECT ACCOUNT
OPERATING RESERVE CHANGES
HOUSING ASSISTANCE PAYMENTS PROGRAM
SECTION 8 - MELFORD VILLAGE APARTMENTS

Twelve Months Ended June 30, 1999

Annual Contribution Contract C-5020

Project OH16-0022-101

Maximum Contribution Available

Maximum Annual Contribution Authorized	\$ 260,860
Pro Rata Maximum Annual Contribution Applicable to a period of less than twelve months	<u> -</u>
Maximum Contribution For Period	260,860
Project Account Balance at Beginning of Year	<u>67,252</u>
Total Annual Contribution Available	328,112

Annual Contribution Required

Administrative Fee	8,637
Housing Assistance Payments	243,398
Audit Costs	<u>135</u>
Total Funds Required	252,170
Project Receipts Other Than Annual Contribution	<u> -</u>
Total Annual Contributions Required	<u>252,170</u>

Project Account Change

Provision for (Reduction of) Project Account	<u>\$ 8,690</u>
Annual Contribution Earned - Lesser of Contribution Available or Contribution Required	<u>\$ 252,170</u>

EXHIBIT D(9) Continued

ALLEN METROPOLITAN HOUSING AUTHORITY
LIMA, OHIO

COMPUTATION OF ANNUAL CONTRIBUTION EARNED AND PROJECT ACCOUNT
OPERATING RESERVE CHANGES
HOUSING ASSISTANCE PAYMENTS PROGRAM
SECTION 8 - MELFORD VILLAGE APARTMENTS

Twelve Months Ended June 30, 1999

Annual Contributions Contract C-5020

Operating Reserve Changes

Operating Income - Exhibit B(9)	\$
Annual Contribution Earned	<u>252,170</u>
Total Operating Receipts	252,170

Operating Expenditures

Operating Expenses - Exhibit B(9)	<u>250,944</u>
Total Operating Expenditures	<u>250,944</u>

Net Operating Receipts Available 1,226

Provision for (Reduction of) Operating Reserve 1,226

Deficit Carry-Over \$ -

EXHIBIT D(10)

ALLEN METROPOLITAN HOUSING AUTHORITY
LIMA, OHIO

COMPUTATION OF ANNUAL CONTRIBUTION EARNED AND PROJECT ACCOUNT
OPERATING RESERVE CHANGES
HOUSING ASSISTANCE PAYMENTS PROGRAM
SECTION 8 - VOUCHERS

Twelve Months Ended June 30, 1999

Annual Contribution Contract C-5020

Project OH16-V044

Maximum Contribution Available

Maximum Annual Contribution Authorized	\$ 318,199
Pro Rata Maximum Annual Contribution Applicable to a period of less than twelve months	<u>503,242</u>
Maximum Contribution For Period	821,441
Project Account Balance at Beginning of Year	<u>170,682</u>
Total Annual Contribution Available	992,123

Annual Contribution Required

Administrative Fee	53,120
Housing Assistance Payments	488,146
Hard-to-House Fees	450
Audit Costs	<u>609</u>
Total Funds Required	542,325
Project Receipts Other Than Annual Contribution	<u>(1,036)</u>
Total Annual Contributions Required	<u>541,289</u>

Project Account Change

Provision for (Reduction of) Project Account	<u>\$ 280,152</u>
Annual Contribution Earned - Lesser of Contribution Available or Contribution Required	<u>\$ 541,289</u>

EXHIBIT D(10) Continued

ALLEN METROPOLITAN HOUSING AUTHORITY
LIMA, OHIO

COMPUTATION OF ANNUAL CONTRIBUTION EARNED AND PROJECT ACCOUNT
OPERATING RESERVE CHANGES
HOUSING ASSISTANCE PAYMENTS PROGRAM
SECTION 8 - VOUCHERS

Twelve Months Ended June 30, 1999

Annual Contributions Contract C-5020

Operating Reserve Changes

Operating Income - Exhibit B(10)	\$ 1,036
Annual Contribution Earned	<u>541,289</u>

Total Operating Receipts	542,325
--------------------------	---------

Operating Expenditures

Operating Expenses - Exhibit B(10)	<u>535,404</u>
------------------------------------	----------------

Total Operating Expenditures	<u>535,404</u>
------------------------------	----------------

Net Operating Receipts Available	6,921
----------------------------------	-------

Provision for (Reduction of) Operating Reserve	<u>6,921</u>
--	--------------

Deficit Carry-Over	<u>\$ -</u>
--------------------	-------------

EXHIBIT E(1)

ALLEN METROPOLITAN HOUSING AUTHORITY
LIMA, OHIO

STATEMENT OF DEVELOPMENT COSTS - UNCOMPLETED

At June 30, 1999

Annual Contribution Contract C-5094

OH16-P044-006 OH16-P044-007 OH16-P044-09 OH16-P044-10

CLASSIFICATION

Administration	\$ 91,751	\$ 104,519	\$ 47,243	
Interest Expense (Net)	518,352	-		
Initial Operating Deficit	1,984	2,500		
Planning	124,440	128,168	71,485	825
Site Acquisition	1,330,867	1,751,970		
Dwelling Construction	683,810	1,298,135		
Dwelling Equipment	33,216	32,731	18,900	
Nondwelling Construction	6,550	-		
Nondwelling Equipment	14,107	16,338	25,905	
Relocation	20,137	7,700		
Total Developer's Price	<u>95,253</u>	<u>120,439</u>	<u>2,236,024</u>	
Total Costs	\$ <u>2,920,467</u>	\$ <u>3,462,500</u>	\$ <u>2,399,557</u>	\$ <u>825</u>

ALLEN METROPOLITAN HOUSING AUTHORITY
LIMA, OHIO

STATEMENT OF MODERNIZATION COSTS - UNCOMPLETED

At June 30, 1999

Annual Contribution Contract C-5094

	Project OH16P044-905	Project OH16P044-906	Project OH16P044-907	Project OH16P044-908
Funds Approved	\$ 219,402	\$ 213,000	\$ 190,000	\$ 240,000
Funds Expended	<u>219,402</u>	<u>127,389</u>	<u>44,880</u>	<u>24,787</u>
Excess (Deficiency) Of Funds Approved	\$ -	\$ 85,611	\$ 145,120	\$ 215,213
Funds Advanced	\$ 219,402	\$ 126,231	\$ 41,555	\$ 21,216
Funds Expended	<u>219,402</u>	<u>127,389</u>	<u>44,880</u>	<u>24,787</u>
Excess (Deficiency) Of Funds Advanced	\$ -	\$ (1,158)	\$ (3,325)	\$ (3,571)

EXHIBIT E(3)

ALLEN METROPOLITAN HOUSING AUTHORITY
LIMA, OHIO

RECONCILIATION OF DEVELOPMENT FUNDS ADVANCED WITH COSTS

At June 30, 1999

Annual Contribution Contract C-5094

	<u>OH44-6</u>	<u>OH44-7</u>	<u>OH44-9</u>	<u>OH44-10</u>
Total Funds Advanced	\$ 2,965,049	\$ 3,518,500	\$ 2,459,928	\$ -
Development Costs	<u>2,920,467</u>	<u>3,462,500</u>	<u>2,399,557</u>	<u>825</u>
Excess (Deficiency) of Funds	<u>\$ 44,582</u>	<u>\$ 56,000</u>	<u>\$ 60,371</u>	<u>\$ (825)</u>

EXHIBIT H

ALLEN METROPOLITAN HOUSING AUTHORITY
LIMA, OHIO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Twelve Months Ended June 30, 1999

<u>FROM U.S. DEPARTMENT OF HUD</u> <u>DIRECT PROGRAMS</u>	<u>FEDERAL</u> <u>CFDA</u> <u>NUMBER</u>	<u>FUNDS</u> <u>RECEIVED</u>	<u>FUNDS</u> <u>DISBURSED</u>
Annual Contribution Contract C-5094:			
PHA Owned Housing:			
Operating Subsidy -	14.850	\$ 587,718	\$ 587,718
PHDEP - Drug Elimination	14.854	29,869	4,821
Modernization 905/906/907/908	14.852	186,110	106,351
EDSS	14.863	23,352	22,503
Annual Contribution Contract C-5020:			
Section 8 Cluster			
Housing Assistance Payments:			
Annual Contribution - Existing	14.857	2,636,808	2,636,808
Mod Rehab II	14.856	19,939	19,939
Mod Rehab III	14.856	580,000	580,000
Mod Rehab V	14.856	219,254	219,254
Town Square	14.182	220,482	220,482
Lima Towers	14.182	908,218	908,218
Wilshire Place	14.182	269,482	269,482
Melford Village	14.182	270,155	270,155
Vouchers	14.855	616,055	616,055
TOTAL SECTION 8 CLUSTER		<u>5,740,393</u>	<u>5,740,393</u>
TOTAL - ALL PROGRAMS		<u>\$ 6,567,442</u>	<u>\$ 6,461,786</u>

Basis of Accounting:

As discussed in Note 1, Allen Metropolitan Housing Authority prepares its Schedule of Expenditures of Federal Awards on a prescribed basis of accounting that demonstrates compliance with the modified cash basis accounting practices prescribed or permitted by the Department of Housing and Urban Development, which is a comprehensive basis of accounting other than generally accepted accounting principles.

J. E. Slaybaugh & Associates, Inc.

12 East Main Street
Lexington, Ohio 44904

Member AICPA
Member OSCPA

John E. Slaybaugh III
Certified Public Accountant

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

Board of Commissioners
Allen Metropolitan Housing Authority
Lima, Ohio

U.S. Dept. of Housing and
Urban Development
Public Housing Division
Cincinnati, Ohio

We have audited the financial statements of Allen Metropolitan Housing Authority, Lima, Ohio, as of and for the year ended June 30, 1999, and have issued our report thereon dated February 8, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

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

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

J. E. Slaybaugh & Associates, Inc.

J.E. Slaybaugh & Associates, Inc.
Lexington, Ohio
February 8, 2000

J. E. Slaybaugh & Associates, Inc.

*12 East Main Street
Lexington, Ohio 44904*

*Member AICPA
Member OSCPA*

*John E. Slaybaugh III
Certified Public Accountant*

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

Board of Commissioners
Allen Metropolitan Housing Authority
Lima, Ohio

U.S. Department of Housing and
Urban Development
Public Housing Division
Cincinnati, Ohio

Compliance

We have audited the compliance of Allen Metropolitan Housing Authority with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 1999. Allen Metropolitan Housing Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations contracts and grants applicable to each of its major federal programs is the responsibility of the Authority's management. Our responsibility is to express an opinion on Allen Metropolitan Housing Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the provisions of the *Public and Indian Housing Compliance Supplement*, PIH Notice 97-30. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Allen Metropolitan Housing Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Allen Metropolitan Housing Authority's compliance with those requirements. As described in Part III, item I, in the accompanying Schedule of Findings and Questioned Costs, Allen Metropolitan Housing Authority did not comply with requirements regarding the management of their Section 8 Program. Compliance with such requirements is necessary, in our opinion, for Allen metropolitan Housing Authority to comply with the requirements applicable to that program.

In our opinion, except for the noncompliance reported to management, Allen Metropolitan Housing Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1999.

Internal Control Over Compliance

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

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

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

J.E. Slaybaugh & Associates, Inc.

J.E. Slaybaugh & Associates, Inc.

Lexington, Ohio

February 8, 2000

ALLEN METROPOLITAN HOUSING AUTHORITY
LIMA, OHIO

SUMMARY OF ACTIVITIES

June 30, 1999

At the close of fiscal year ended June 30, 1999, the Allen Metropolitan Housing Authority had the following operations management:

		<u>Units</u>
<u>Public Housing - Contract C-5094</u>		
Owned -	OH16-P044-001/009	255
<u>Section 8 - Contract C-5020</u>		
Existing -	OH16-E044	654
Moderate Rehab -	OH16-K044-002/003/005	165
Substantial Rehab -	OH16-0014-005	45
New Construction -	OH16-0022-157 Wilshire Place	40
	OH16-0022-101 Melford Village	38
	OH16-8023-013 Lima Towers	200
Housing Vouchers -	OH16-V044-008/016	<u>140</u>
TOTAL		<u>1,537</u>

Prior Audit Findings

There were no prior audit findings.

ALLEN METROPOLITAN HOUSING AUTHORITY
LIMA, OHIO

SCHEDULE OF FINDINGS

June 30, 1999

PART I - SUMMARY OF AUDITOR'S RESULTS

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

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

1. None

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

99-1 Section 8 Rental Assistance

Condition: The Authority failed to comply with applicable provisions and requirements of 24 CFR Parts 812, 813, 882, 887, and 982, when operating the Section 8 rental certificate and voucher programs.

Criteria: The Authority enters into an Annual Contributions Contract with the Department Housing and Urban Development to administer the Section 8 Programs, and to comply with specific requirements as outlined in HUD's PIH Compliance Supplement.

The Finding's are summarized as follows:

- 1) The Authority's Section 8 Administrative Plan needs updated to reflect the recent changes in practice and policy as required by 24 CFR 982.54.
- 2) The Authority is required to have procedures to compare assisted and unassisted rents charged by owners for comparable units as required by 24 CFR 982.507.
- 3) The Authority does not conduct supervisory quality control inspections on recent HQS inspections as required by 24 CFR 982.405.

Effect: Failing to comply with the requirements, the Authority becomes in danger of being designated troubled, which could affect future funding for the efficient management of the Section 8 Program.

Recommendation:

We recommend that the Authority adhere to their Section 8 ACC and comply with the requirements of the PIH Compliance Supplement.

Response:

The Authority has developed plans to address the problems identified and have already initiated changes to be in compliance, including updating its' Administrative Plan.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

METROPOLITAN HOUSING AUTHORITY

ALLEN 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.

By: Susan Babbitt

Date: MARCH 23, 2000