
NOBLE METROPOLITAN HOUSING AUTHORITY
CAMBRIDGE, OHIO

REPORT ON EXAMINATION OF
FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA

Year Ended March 31, 1999

WILLIAM J. MACDONALD, CPA, INC.

WILSON, OHIO

NOBLE METROPOLITAN HOUSING AUTHORITY
CAMBRIDGE, OHIO

REPORT ON EXAMINATION OF
FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA

Year Ended March 31, 1999

Laura J. MacDonald, CPA, Inc.
3613 Reserve Commons Drive
Medina, Ohio 44256

NOBLE METROPOLITAN HOUSING AUTHORITY
CAMBRIDGE, OHIO

REPORT ON EXAMINATION OF
FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA

Year Ended March 31, 1999

Laura J. MacDonald, CPA, Inc.
3613 Reserve Commons Drive
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NOBLE METROPOLITAN HOUSING AUTHORITY
FINANCIAL STATEMENTS AND
SUPPLEMENTAL DATA
Year Ended March 31, 1999

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

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Board of Commissioners
Noble Metropolitan Housing Authority
Cambridge, Ohio 43725

We have reviewed the Independent Auditor's Report of the Noble Metropolitan Housing Authority, Noble County, prepared by Laura J. MacDonald, CPA, Inc., for the audit period April 1, 1998 through March 31, 1999. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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



JIM PETRO
Auditor of State

January 10, 2000

LAURA J. MACDONALD, CPA, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Noble Metropolitan Housing Authority
Cambridge, Ohio

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

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

As described in Note 1, the Noble Metropolitan Housing Authority's policy is to prepare its financial statements on the basis of accounting prescribed or permitted by the U.S. Department of Housing and Urban Development, which is a comprehensive basis of accounting other than generally accepted accounting principles. Accordingly, the accompanying financial statements are not intended to present financial position and the results of operations in conformity with generally accepted accounting principles.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Noble Metropolitan Housing Authority as of March 31, 1999, and the results of its operations and cash flows for the year then ended, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, I have also issued a report dated November 15, 1999 on my consideration of the Noble Metropolitan Housing Authority's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants.

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

L. J. Macdonald CPA

November 15, 1999

EXHIBIT A

NOBLE METROPOLITAN HOUSING AUTHORITY
 CAMBRIDGE, OHIO
 BALANCE SHEETS
 PHA OWNED HOUSING
 HOUSING ASSISTANCE PAYMENTS PROGRAM
 March 31, 1999.

	<u>Annual Contribution Contract</u>	
	<u>C-5105 PHA Owned Housing</u>	<u>C-5102 Section 8 Housing</u>
ASSETS		
Cash	\$ 16,400	\$ 5,741
Accounts receivable:		
HUD	20,865	-
Tenants	809	-
Other	10,000	-
Land, structures and equipment	1,504,156	1,673
Deferred charges	1,226	876
Cash, restricted for Family Self Sufficiency Program		2,368
TOTAL ASSETS	<u>\$ 1,553,456</u>	<u>\$ 10,658</u>
LIABILITIES AND SURPLUS		
Accounts payable:		
Trade	\$ 14,681	\$ 966
HUD	-	4,801
Security deposits	4,200	-
Other	9,676	13,193
Accrued liabilities	3,991	787
Escrowed deposits		2,368
TOTAL LIABILITIES	32,548	22,115
SURPLUS (DEFICIT) - EXHIBIT C(3)	<u>1,520,908</u>	<u>(11,457)</u>
TOTAL LIABILITIES AND SURPLUS (DEFICIT)	<u>\$ 1,553,456</u>	<u>\$ 10,658</u>

Please refer to accompanying notes.

EXHIBIT B(1)

NOBLE METROPOLITAN HOUSING AUTHORITY
 CAMBRIDGE, OHIO
 STATEMENT OF INCOME AND EXPENSES
 PHA OWNED HOUSING
 Year Ended March 31, 1999

Annual Contribution Contract C-5105

PROJECT OH-069-001

OPERATING INCOME	
Dwelling rental	\$ 34,171
Excess utilities	509
Interest earned on general fund investments	768
Other income	<u>1,419</u>
TOTAL OPERATING INCOME - EXHIBIT D(1)	36,867
OPERATING EXPENSES	
Administration expense	34,705
Tenant services	13
Utilities expense	12,001
Ordinary maintenance and operation	13,929
General expense	<u>7,926</u>
TOTAL OPERATING EXPENSES - EXHIBIT D(1)	<u>68,574</u>
NET LOSS - EXHIBIT C(1)	<u>\$ (31,707)</u>

Please refer to accompanying notes.

EXHIBIT B(2)

NOBLE METROPOLITAN HOUSING AUTHORITY
CAMBRIDGE, OHIO
STATEMENT OF INCOME AND EXPENSES
HOUSING ASSISTANCE PAYMENTS PROGRAM
SECTION 8 - EXISTING
Year Ended March 31, 1999

Annual Contribution Contract C-5102

PROJECT QH16-E069-002/004

OPERATING INCOME

Interest earned on general fund investments \$ 106

TOTAL OPERATING INCOME - EXHIBIT D(2) 106

OPERATING EXPENSES

Administrative expense 12,654

Housing assistance payments 64,952

Audit costs 428

TOTAL OPERATING EXPENSES - EXHIBIT D(2) 78,034

NET OPERATING LOSS - EXHIBIT C(1) \$ (77,928)

Please refer to accompanying notes.

EXHIBIT B(3)

NOBLE METROPOLITAN HOUSING AUTHORITY
CAMBRIDGE, OHIO
STATEMENT OF INCOME AND EXPENSES
HOUSING ASSISTANCE PAYMENTS PROGRAM
SECTION 8 - VOUCHERS
Year Ended March 31, 1999

Annual Contribution Contract C-5102

PROJECT OH16-V069-003/004

OPERATING INCOME	
Interest earned on general fund investments	\$ 174
TOTAL OPERATING INCOME - EXHIBIT D(3)	174
OPERATING EXPENSES	
Administrative expense	20,816
Housing assistance payments	102,473
Audit costs	704
TOTAL OPERATING EXPENSES - EXHIBIT D(3)	<u>123,993</u>
NET OPERATING LOSS - EXHIBIT C(1)	<u>\$ (123,819)</u>

Please refer to accompanying notes.

NOBLE METROPOLITAN HOUSING AUTHORITY
CAMBRIDGE, OHIO
STATEMENTS OF CASH FLOWS
Year Ended March 31, 1999

	<u>C-5105 PHA Owned Housing</u>	<u>C-5102 Section 8 Housing</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (31,707)	\$ (201,747)
Adjustments to reconcile net loss to net cash used by operating activities:		
(Increase) decrease in:		
Accounts receivable - HUD	(20,865)	4,830
Accounts receivable - tenants	(522)	-
Accounts receivable - other	13,647	5,365
Deferred charges	(187)	(785)
Increase (decrease) in:		
Accounts payable - HUD	-	393
Accounts payable - trade	14,681	966
Accounts payable - security deposits	(150)	-
Accounts payable - other	(3,438)	(887)
Escrowed deposits	-	95
Accrued liabilities	1,251	78
NET CASH USED BY OPERATING ACTIVITIES	<u>(27,290)</u>	<u>(191,692)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(135,224)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Annual contribution earned	-	196,287
HUD operating subsidy	57,970	-
HUD grants	87,859	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>145,829</u>	<u>196,287</u>
NET INCREASE (DECREASE) IN CASH	(16,685)	4,595
CASH AT BEGINNING OF YEAR	<u>33,085</u>	<u>3,514</u>
CASH AT END OF YEAR	<u>\$ 16,400</u>	<u>\$ 8,109</u>

Please refer to accompanying notes.

NOBLE METROPOLITAN HOUSING AUTHORITY
 NOTES TO FINANCIAL STATEMENTS
 March 31, 1999

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Noble Metropolitan Housing Authority (the 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 safe and sanitary housing for people in low to moderate income brackets, through rent subsidies provided by HUD.

Accounting Basis

The accompanying financial statements have been prepared on the accrual basis of accounting, in accordance with the accounting practices prescribed by HUD. 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.

Cash and Investments

Investment procedures are restricted by HUD regulations and by the provisions of the Ohio Revised Code. Purchased investments are valued at cost.

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

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

The Authority's cash and investment balances with banks as of March 31, 1999 were as follows:

<u>Annual Contribution Contract</u>	<u>Bank Balance</u>	<u>Book Balance</u>	<u>Market Value</u>
Public Housing (C-5105)	\$32,887	\$16,400	\$16,400
Section 8 Housing (C-5102)	6,025	5,741	5,741
	<u>\$38,912</u>	<u>\$22,141</u>	<u>\$22,141</u>

As of March 31, 1999, the bank balance consisted of \$32,265 in demand deposits and \$6,647 in certificates of deposit. All deposits were collateralized in full by Federal Depository Insurance.

Land, Structures and Equipment

Land, structures and equipment are stated at cost. No depreciation is provided for, in accordance with HUD accounting practices.

Financial Statement Format

The format of the accompanying financial statements and supplemental data conforms to the format of annual report forms submitted to HUD.

NOBLE METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
March 31, 1999

NOTE 2 - INSURANCE COVERAGE

As of March 31, 1999, the Authority had general liability insurance of \$1,000,000 (each occurrence) with an aggregate limit of \$2,000,000; commercial property coverage of \$1,874,000; and vehicle liability coverage of \$2,000,000.

NOTE 3 - 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 Authority's operations during fiscal 2000.

The Noble Metropolitan Housing Authority has identified the financial accounting and reporting system as a "mission critical" system. This system is currently in the testing/validation stage in that software has been purchased for this system which is certified as Year 2000 compliant, and this software has been put in operation (as of early fiscal 2000) and is being run parallel with the previous software.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the Year 2000 and thereafter.

SUPPLEMENTAL DATA

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INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTAL DATA

To the Board of Commissioners
Noble Metropolitan Housing Authority
Cambridge, Ohio

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

Laura J. MacDonald, CPA, Inc.

November 15, 1999

EXHIBIT C(1)

NOBLE METROPOLITAN HOUSING AUTHORITY
 CAMBRIDGE, OHIO
 ANALYSIS OF SURPLUS
 Year Ended March 31, 1999

	Annual Contribution Contract	
	C-5105 PHA Owned Housing	C-5102 Section 8 Housing
UNRESERVED SURPLUS		
Balance per prior audit at March 31, 1998	\$ (314,750)	\$ (2,049,958)
Prior period adjustments		15,096
Net loss for year ended March 31, 1999		
PHA owned housing - Exhibit B(1)	(31,707)	
Housing Assistance Payments Program:		
Existing - Exhibit B(2)		(77,928)
Vouchers - Exhibit B(3)		(123,819)
(Provision for) reduction of operating reserve for year ended March 31, 1999		
PHA owned housing - Exhibit D(1)	(26,263)	
Housing Assistance Payments Program:		
Existing - Exhibit D(2)		2,073
Vouchers - Exhibit D(3)		3,387
(Provision for) reduction of project account for year ended March 31, 1999		
Housing Assistance Payments Program:		
Existing - Exhibit D(2)		(11,739)
Vouchers - Exhibit D(3)		(66,719)
BALANCE AT MARCH 31, 1999	\$ (372,720)	\$ (2,309,607)

EXHIBIT C(2)

NOBLE METROPOLITAN HOUSING AUTHORITY
 CAMBRIDGE, OHIO
 ANALYSIS OF SURPLUS (Continued)
 Year Ended March 31, 1999

	<u>Annual Contribution Contract</u>	
	<u>C-5105 PHA Owned Housing</u>	<u>C-5102 Section 8 Housing</u>
RESERVED SURPLUS -		
OPERATING RESERVE		
Balance per prior audit at March 31, 1998	\$ 47,136	\$.
Prior period adjustments	.	5,460
Provision for (reduction of) operating reserve for year ended March 31, 1999		
PHA owned housing - Exhibit D(1)	26,263	.
Housing Assistance Payments Program:		
Existing - Exhibit D(2)	.	(2,073)
Vouchers - Exhibit D(3)	.	(3,387)
	<u>73,399</u>	<u>(3,387)</u>
BALANCE AT MARCH 31, 1999	<u>\$ 73,399</u>	<u>\$.</u>
HOUSING ASSISTANCE PAYMENTS PROGRAM - PROJECT ACCOUNT- UNFUNDED		
Balance per prior audit at March 31, 1998	\$.	\$ 74,821
Prior period adjustments	.	(20,556)
Provision for (reduction of) project account for year ended March 31, 1999		
Housing Assistance Payments Program:		
Existing - Exhibit D(2)	.	11,739
Vouchers - Exhibit D(3)	.	66,719
	<u>.</u>	<u>66,719</u>
BALANCE AT MARCH 31, 1999	<u>\$.</u>	<u>\$ 132,723</u>

EXHIBIT C(3)

NOBLE METROPOLITAN HOUSING AUTHORITY
 CAMBRIDGE, OHIO
 ANALYSIS OF SURPLUS (Continued)
 Year Ended March 31, 1999

	Annual Contribution Contract	
	C-5105 PHA Owned Housing	C-5102 Section 8 Housing
CUMULATIVE HUD CONTRIBUTION		
Balance per prior audit at March 31, 1998	\$ 334,506	\$ 1,969,140
HUD operating subsidy - PHA Owned Housing - Exhibit D(1)	57,970	
Annual contribution earned for year ended March 31, 1999:		
Housing Assistance Payments Program:		
Existing - Exhibit D(2)		75,855
Vouchers - Exhibit D(3)		120,432
BALANCE AT MARCH 31, 1999	\$ 392,476	\$ 2,165,427
CUMULATIVE HUD GRANTS		
Balance per prior audit at March 31, 1998	\$ 1,339,894	\$.
Comprehensive Improvement Assistance Program	87,859	.
BALANCE AT MARCH 31, 1999	\$ 1,427,753	\$.
TOTAL SURPLUS (DEFICIT), EXHIBIT A	\$ 1,520,908	\$ (11,457)

EXHIBIT D(1)

NOBLE METROPOLITAN HOUSING AUTHORITY
CAMBRIDGE, OHIO
COMPUTATION OF RESIDUAL RECEIPTS
PHA OWNED HOUSING
Year Ended March 31, 1999

Annual Contribution Contract C-5105

PROJECT OH-069-001

OPERATING RECEIPTS

Operating income - Exhibit B(1)	\$	36,867
HUD operating subsidy - Exhibit C(3)		<u>57,970</u>

TOTAL OPERATING RECEIPTS		<u>94,837</u>
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OPERATING EXPENDITURES

Operating expenses - Exhibit B(1)		<u>68,574</u>
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RESIDUAL RECEIPTS BEFORE PROVISION FOR OPERATING RESERVE		<u>(26,263)</u>
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Provision for operating reserve
- Exhibits C(1) and C(2)

		<u>(26,263)</u>
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RESIDUAL RECEIPTS	\$	<u> </u>
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EXHIBIT D(2)

NOBLE METROPOLITAN HOUSING AUTHORITY
 CAMBRIDGE, OHIO
 COMPUTATION OF ANNUAL CONTRIBUTION EARNED
 AND PROJECT ACCOUNT
 OPERATING RESERVE CHANGES
 HOUSING ASSISTANCE PAYMENTS PROGRAM
 SECTION 8 - EXISTING
 Year Ended March 31, 1999

Annual Contribution Contract C-5102

PROJECT OH16-E069-002/004

MAXIMUM ANNUAL CONTRIBUTION AVAILABLE		
Maximum annual contribution authorized	\$	87,594
Pro rata maximum annual contribution applicable to a period of less than twelve months		
		<hr/>
Maximum contribution for period		87,594
	\$	87,594
Project account balance at beginning of year		<hr/> 38,910
		<hr/>
TOTAL ANNUAL CONTRIBUTION AVAILABLE	\$	<u>126,504</u>
ANNUAL CONTRIBUTION REQUIRED		
Administrative fees		10,581
Housing assistance payments		64,952
Audit costs		428
		<hr/>
TOTAL FUNDS REQUIRED		75,961
PROJECT RECEIPTS OTHER THAN ANNUAL CONTRIBUTION		<hr/> 106
		<hr/>
TOTAL ANNUAL CONTRIBUTION REQUIRED		<u>75,855</u>
PROJECT ACCOUNT CHANGE		
Provision for project account - Exhibits C(1) and C(2)	\$	<u>11,739</u>
ANNUAL CONTRIBUTION EARNED - lesser of contribution available or contribution required - Exhibit C(3)	\$	<u>75,855</u>

EXHIBIT D(2)

NOBLE METROPOLITAN HOUSING AUTHORITY
 CAMBRIDGE, OHIO
 COMPUTATION OF ANNUAL CONTRIBUTION EARNED
 AND PROJECT ACCOUNT
 OPERATING RESERVE CHANGES (Continued)
 HOUSING ASSISTANCE PAYMENTS PROGRAM
 SECTION 8 - EXISTING
 Year Ended March 31, 1999

OPERATING RESERVE CHANGE		
Operating income - Exhibit B(2)		\$ 106
Annual contribution earned		<u>75,855</u>
TOTAL OPERATING RECEIPTS		75,961
OPERATING EXPENDITURES		
Operating expenses - Exhibit B(2)		<u>78,034</u>
NET OPERATING RECEIPTS		(2,073)
Reduction of operating reserve - Exhibits C(1) and C(2)		<u>2,073</u>
DEFICIT CARRYOVER		<u>\$</u>

EXHIBIT D(3)

NOBLE METROPOLITAN HOUSING AUTHORITY
 CAMBRIDGE, OHIO
 COMPUTATION OF ANNUAL CONTRIBUTION EARNED
 AND PROJECT ACCOUNT
 OPERATING RESERVE CHANGES
 HOUSING ASSISTANCE PAYMENTS PROGRAM
 SECTION 8 - VOUCHERS
 Year Ended March 31, 1999

Annual Contribution Contract C-5102

PROJECT OH16-VO69-003/004

MAXIMUM ANNUAL CONTRIBUTION AVAILABLE		
Maximum annual contribution authorized	\$	187,151
Pro rata maximum annual contribution applicable to a period of less than twelve months		
		<hr/>
Maximum contribution for period		187,151
	\$	187,151
Project account balance at beginning of year		29,911
		<hr/>
TOTAL ANNUAL CONTRIBUTION AVAILABLE	\$	<u>217,062</u>
ANNUAL CONTRIBUTION REQUIRED		
Administrative fees		17,429
Housing assistance payments		102,473
Audit costs		704
		<hr/>
TOTAL FUNDS REQUIRED		120,606
Project receipts other than annual contribution		174
		<hr/>
TOTAL ANNUAL CONTRIBUTION REQUIRED		<u>120,432</u>
PROJECT ACCOUNT CHANGE		
Provision for project account - Exhibits C(1) and C(2)	\$	66,719
		<hr/>
ANNUAL CONTRIBUTION EARNED - lesser of contribution available or contribution required - Exhibit C(3)	\$	<u>120,432</u>

EXHIBIT D(3)

NOBLE METROPOLITAN HOUSING AUTHORITY
CAMBRIDGE, OHIO
COMPUTATION OF ANNUAL CONTRIBUTION EARNED
AND PROJECT ACCOUNT
OPERATING RESERVE CHANGES (Continued)
HOUSING ASSISTANCE PAYMENTS PROGRAM
SECTION 8 - VOUCHERS
Year Ended March 31, 1999

OPERATING RESERVE CHANGE

Operating income - Exhibit B(3)
Annual contribution earned

\$ 174
120,432

TOTAL OPERATING RECEIPTS

120,606

OPERATING EXPENDITURES

Operating expenses - Exhibit B(3)

123,993

NET OPERATING DEFICIT

(3,387)

Reduction of operating reserve
- Exhibits C(1) and C(2)

3,387

DEFICIT CARRYOVER

\$

EXHIBIT F

NOBLE METROPOLITAN HOUSING AUTHORITY
 CAMBRIDGE, OHIO
 SCHEDULE OF FEDERAL AWARDS EXPENDITURES*
 Year Ended March 31, 1999

<u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>ANNUAL CONTRIBUTION CONTRACT NO.</u>	<u>FEDERAL EXPENDITURES</u>
U.S. Department of Housing and Urban Development:			
Direct Programs:			
PHA Owned Housing:			
Operating Subsidy	14.850	C-5105	\$ 57,970
Comprehensive Improvement Assistance Program	14.852	C-5105	87,859
Housing Assistance Payments Program:			
Section 8 Cluster:			
Section 8 Rental Certificate Program	14.857	C-5102	75,961
Section 8 Rental Voucher Program	14.855	C-5102	120,606
			<u>196,567</u>
			<u>\$ 342,396</u>

*Prepared on the accrual basis of accounting.

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

To the Board of Commissioners
Noble Metropolitan Housing Authority
Cambridge, Ohio

I have audited the financial statements of the Noble Metropolitan Housing Authority as of and for the year ended March 31, 1999, and have issued my report thereon dated November 15, 1999. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

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

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

L. J. MacDonald, CPA

November 15, 1999

LAURA J. MACDONALD, CPA, INC.

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

To the Board of Commissioners
Noble Metropolitan Housing Authority
Cambridge, Ohio

Compliance

I have audited the compliance of the Noble Metropolitan Housing Authority with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal program in addition to the provisions of Public and Indian Housing Notice 97-30 for the year ended March 31, 1999. The Noble Metropolitan Housing Authority's major federal program is 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 its major federal program is the responsibility of the Noble Metropolitan Housing Authority's management. My responsibility is to express an opinion on the Noble Metropolitan Housing Authority's compliance based on my audit.

I conducted my audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Noble Metropolitan Housing Authority's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on the Noble Metropolitan Housing Authority's compliance with those requirements.

In my opinion, the Noble Metropolitan Housing Authority complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended March 31, 1999. However I noted an immaterial instance of noncompliance that I have reported to the management of the Noble Metropolitan Housing Authority in a separate letter dated November 15, 1999.

Internal Control Over Compliance

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

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

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

J. M. A. CPA. HC

November 15, 1999

NOBLE METROPOLITAN HOUSING AUTHORITY
 SCHEDULE OF FINDINGS
 Year Ended March 31, 1999

SUMMARY OF AUDITOR'S RESULTS

Type of Financial Statement Opinion	Unqualified
Were there any material control weakness conditions reported at the financial statement level (Generally Accepted Government Auditing Standards)?	No
Were there any other reportable control weakness conditions reported at the financial statement level (Generally Accepted Government Auditing Standards)?	No
Was there any material reported noncompliance at the financial statement level (Generally Accepted Government Auditing Standards)?	No
Were there any material internal control weakness conditions reported for major federal programs?	No
Were there any other reportable internal control weakness conditions reported for major federal programs?	No
Type of Major Programs' Compliance Opinion	Unqualified
Are there any reportable findings under Section 510?	No
Major Programs:	Housing Assistance Payments Program: Section 8 Cluster - Certificate Program (CFDA #14.857) Voucher Program (CFDA #14.855)
Dollar Threshold: Type A\B Programs	Type A: > \$300,000 Type B: All others
Low Risk Auditee?	Yes

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

NONE

III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

NONE

NOBLE METROPOLITAN HOUSING AUTHORITY
 GENERAL COMMENTS
 Year Ended March 31, 1999

ACTIVITIES OF THE AUTHORITY

The Noble Metropolitan Housing Authority had 98 units in management as of March 31, 1999 as follows:

	<u>Units</u>
Public Housing:	
Project Number OH 069-001	28
Section 8 Programs:	
Project Number: OH16-E069-002/004	23
Project Number: OH16-V069-003/004	<u>47</u>
	<u>98</u>

AUDIT ADJUSTMENTS

The following audit adjustments were made as of March 31, 1999, and for the year then ended:

Section 8 Certificates:

1. dr. Project Account	\$11,245	
cr. Unreserved Surplus		\$11,245

To record adjustments made to HUD Form 52681.

Section 8 Vouchers:

2. dr. Project Account	\$31,860	
cr. Unreserved Surplus		\$31,860

To record adjustments made to HUD Form 52681.

3. dr. Cumulative HUD Contribution	\$4,169	
cr. Unreserved Surplus		\$4,169

To adjust the opening balance to agree with the prior year's audited financial statements.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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NOBLE METROPOLITAN HOUSING AUTHORITY
NOBLE 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: JAN 25 2000