

**HENRY METROPOLITAN HOUSING AUTHORITY
NAPOLEON, 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

**HENRY METROPOLITAN HOUSING AUTHORITY
NAPOLEON, OHIO**

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

HENRY METROPOLITAN HOUSING AUTHORITY
HENRY, OHIO

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

35 North Fourth Street, 1st Floor
Columbus, Ohio 43215

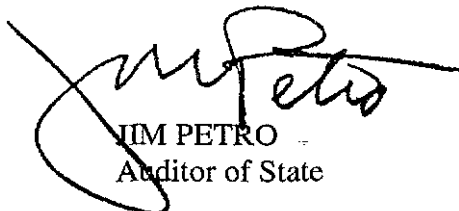
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Board of Commissioners
Henry Metropolitan Housing Authority
Napoleon, Ohio

We have reviewed the Independent Auditor's Report of the Henry Metropolitan Housing Authority, Henry 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 Henry Metropolitan Housing Authority is responsible for compliance with these laws and regulations.



JIM PETRO
Auditor of State

December 30, 1999

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
Henry Metropolitan Housing Authority
Napoleon, Ohio

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

We have audited the accompanying financial statements of the Henry Metropolitan Housing Authority, Napoleon, 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, Henry 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 Henry 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 December 15, 1999, on our consideration of Henry 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 Henry 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
December 15, 1999

EXHIBIT A

HENRY METROPOLITAN HOUSING AUTHORITY
 NAPOLEON, OHIO

BALANCE SHEET AT JUNE 30, 1999

Annual Contribution Contract

C-10017

ASSETS

Cash	\$	99,293
Accounts Receivable		
HUD		25,076
Other		31,882
Investments		68,486
Deferred Charges		3,255
Land, Structures and Equipment		<u>39,663</u>
Total Assets	\$	<u>267,655</u>

LIABILITIES AND SURPLUS

Accounts Payable		
Vendor	\$	3,033
HUD		26,734
Other		1,762
Deferred Credits		<u>27,094</u>
Total Liabilities		58,623
Surplus - Exhibit C		<u>209,032</u>
Total Liabilities and Surplus	\$	<u>267,655</u>

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

EXHIBIT B(1)

HENRY METROPOLITAN HOUSING AUTHORITY
NAPOLEON, OHIO

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

Twelve Months Ended June 30, 1999

Annual Contributions Contract C-10017E

Project OH071-CE

Operating Income

Interest on Operating Reserve Investments	\$	4,531
Interest on General Fund Investments		717
Other Income		660
Fraud Recovery Income		<u>2,368</u>
Total Operating Income - Exhibit D(1)		8,276

Operating Expenses

Administrative Expense		89,257
Housing Assistance Payments		510,714
Audit Costs		<u>2,931</u>
Total Operating Expense - Exhibit D(1)		<u>602,902</u>
Net Operating Income (Loss)	\$	<u>(594,626)</u>

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

EXHIBIT B(2)

HENRY METROPOLITAN HOUSING AUTHORITY
NAPOLEON, OHIO

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

Twelve Months Ended June 30, 1999

Annual Contributions Contract C-10017V

Project OH071VQ

Operating Income

Interest on Operating Reserve Investments	\$	93
Fraud Recovery Income		<u>53</u>
Total Operating Income - Exhibit D(2)		146

Operating Expenses

Administrative Expense		5,652
Housing Assistance Payments		27,611
Audit Costs		<u>196</u>
Total Operating Expense - Exhibit D(2)		<u>33,459</u>
Net Operating Income (Loss)	\$	<u>(33,313)</u>

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

EXHIBIT B(3)

HENRY METROPOLITAN HOUSING AUTHORITY
 NAPOLEON, OHIO

STATEMENT OF CASH FLOWS

Twelve Months Ended June 30, 1998

Annual Contribution Contract C-10017

CASH FLOWS FROM OPERATING ACTIVITIES:

Net Loss	\$ (627,939)
Adjustments to reconcile net loss to net cash provided by operating activities:	
(Increase) Decrease In:	
Accounts Receivable	8,423
Investments	(7,853)
Deferred Charges	(97)
Increase (Decrease) In:	
Accounts Payable	29,946
Deferred Credits	<u>3,973</u>

Net Cash Used By Operating Activities (593,547)

CASH FLOWS FROM INVESTING ACTIVITIES:

Equipment Purchased (3,233)

Net Cash Used By Investing Activities (3,233)

CASH FLOWS FROM FINANCING ACTIVITIES:

Operating Subsidy 630,967
 Prior Period Adjustment (RAD) 3,231

Net Cash Provided By Financing Activities 634,198

Net Increase (Decrease) In Cash 37,418

Cash At The Beginning Of Year 61,875

Cash At End Of Year \$ 99,293

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

EXHIBIT C

HENRY METROPOLITAN HOUSING AUTHORITY
NAPOLEON, OHIO

STATEMENT OF CHANGES IN SURPLUS

Twelve Months Ended June 30, 1999

	<u>Annual Contribution Contract</u>
	<u>C-10017</u>
SURPLUS at July 1, 1998	\$ 202,773
Increase (Decrease) In:	
Unreserved Surplus	326,386
Operating Reserve	3,027
Project Account - Unfunded	(954,121)
Cumulative HUD Contributions	<u>630,967</u>
SURPLUS at June 30, 1999	<u>\$ 209,032</u>

Exhibit A

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

HENRY METROPOLITAN HOUSING AUTHORITY
NAPOLEON, OHIO

NOTES TO FINANCIAL STATEMENTS
June 30, 1999

NOTE 1 - Summary of Significant Accounting Policies

A. Organization

The Henry 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, consisting of Demand Deposits and Certificates of Deposit was \$ 167,779, and the Bank Balance was \$ 176,140 .

Of the Bank balance:

- 1) \$ 100,000 was covered by Federal Deposit Insurance
- 2) \$ 76,140 was covered by specific collateral pledged in the name of the Authority

HUD Handbook 7475.1, Chapter 4, Section I, 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-10017	\$ 167,779	\$ 176,140

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 Henry 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 retirants. For the year ended June 30, 1999, the employer portion of the retirement contribution amounted to \$ 7,952 on covered payroll of \$ 58,666 , which met the contribution rate stated above.

Contribution rates for the previous two years were as follows:

	Contribution	Contribution %
June 30, 1998	\$ 5,731	13.55 %
June 30, 1997	\$ 5,504	13.55 %

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 government's operations as early as fiscal 1999.

Henry Metropolitan Housing Authority has completed an inventory of computer systems and other equipment necessary to conducting the Authority's mission-critical operations. The results are as follows:

Systems and Equipment: The information provided by the hardware supplier (Unisys), the operating system supplier (SCO), and the software supplier (Real World), have indicated their efforts to be Year 2000 ready. The Authority has completed the remediation stage of the process, but must complete testing and validation procedures to be Year 2000 compliant.

Systems and Equipment -External Entity-HUD: The Department of Housing and Urban Development issued a letter that states that HUD is well on its way to ensuring that all of it's automated systems will be Year 2000 compliant following a plan designed to be implemented by March 31, 1999. The Authority is monitoring the status of the planned system conversion and as of December 15, 1999, they have not received final compliance from HUD.

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. Management cannot assure that the Authority is or will be Year 2000 ready, that the Authority's remediation efforts will be successful in whole or in part, or that parties with whom the Authority does business will be year 2000 ready.

EXHIBIT D(1)

HENRY METROPOLITAN HOUSING AUTHORITY
NAPOLEON, 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-10017E

Project OHE071-CE

Maximum Contribution Available

Maximum Annual Contribution Authorized	\$ 743,401
Pro Rata Maximum Annual Contribution Applicable to a period of less than twelve months	-
	<hr/>
Maximum Contribution For Period	743,401
Contingency Reserve	<u>95,663</u>
Total Annual Contribution Available	839,064

Annual Contribution Required

Administrative Fee	85,012
Housing Assistance Payments	510,714
Hard - to - House Fee	135
Audit Costs	<u>2,931</u>
Total Funds Required	598,792
Project Receipts Other Than Annual Contribution	<u>(1,376)</u>
Total Annual Contributions Required	<u>597,416</u>

Project Account Change

Provision for Project Account	<u>145,985</u>
Annual Contribution Earned - Lesser of Contribution Available or Contribution Required	<u>597,416</u>

EXHIBIT D(1) Continued

HENRY METROPOLITAN HOUSING AUTHORITY
NAPOLEON, 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-10017E

Operating Reserve Changes

Operating Income - Exhibit B(1)	8,276
Annual Contribution Earned	<u>597,416</u>

Total Operating Receipts	605,692
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Operating Expenditures

Operating Expenses - Exhibit B(1)	<u>602,902</u>
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Total Operating Expenditures	<u>602,902</u>
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Net Operating Receipts Available	2,790
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Provision for (Reduction of) Operating Reserve	<u>2,790</u>
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Deficit Carry-Over	<u>\$ - 0 -</u>
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EXHIBIT D(2)

HENRY METROPOLITAN HOUSING AUTHORITY
 NAPOLEON, 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-10017V

Project OH071-VO

Maximum Contribution Available

Maximum Annual Contribution Authorized	\$ 47,249
Pro Rata Maximum Annual Contribution Applicable to a period of less than twelve months	<u> -</u>
Maximum Contribution For Period	47,249
Contingency Reserve	<u>15,063</u>
 Total Annual Contribution Available	 62,312

Annual Contribution Required

Administrative Fee	5,699
Housing Assistance Payments	27,611
Hard-to-House Fees	45
Audit Costs	<u>196</u>
 Total Funds Required	 33,551

Project Receipts Other Than Annual Contribution -

Total Annual Contributions Required 33,551

Project Account Change

Provision for Project Account 13,698

Annual Contribution Earned - Lesser of Contribution Available or
 Contribution Required 33,551

EXHIBIT D(2) Continued

HENRY METROPOLITAN HOUSING AUTHORITY
NAPOLEON, 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-10017V

Operating Reserve Changes

Operating Income - Exhibit B(2)	146
Annual Contribution Earned	<u>33,551</u>
Total Operating Receipts	33,697

Operating Expenditures

Operating Expenses - Exhibit B(2)	<u>33,459</u>
Total Operating Expenditures	<u>33,459</u>

Net Operating Receipts Available 238

Provision for (Reduction of) Operating Reserve 238

Deficit Carry-Over \$ - 0 -

EXHIBIT H

HENRY METROPOLITAN HOUSING AUTHORITY
 NAPOLEON, 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>	FEDERAL CFDA <u>NUMBER</u>	<u>FUNDS</u> <u>RECEIVED</u>	<u>FUNDS</u> <u>DISBURSED</u>
<i>Annual Contribution Contract C-10017:</i>			
<i>Housing Assistance Payments:</i>	Section 8 Cluster		
Annual Contribution - Existing	14.857	\$ 597,416	\$ 597,416
Vouchers	14.855	<u>33,551</u>	<u>33,551</u>
TOTAL		<u>\$ 630,967</u>	<u>\$ 630,967</u>

Basis of Accounting:

As discussed in Note 1, Henry 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 of 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
Henry Metropolitan Housing Authority
Napoleon, Ohio

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

We have audited the financial statements of Henry Metropolitan Housing Authority, Napoleon, Ohio, as of and for the year ended June 30, 1999, and have issued our report thereon dated December 15, 1999. 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 Henry 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 Henry 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. However, we noted other matters involving the internal control over financial reporting, which we have reported to management of Henry Metropolitan Housing Authority in a separate letter dated December 15, 1999.

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 these specified parties.

J. E. Slaybaugh & Associates, Inc.

J.E. Slaybaugh & Associates, Inc.
Lexington, Ohio
December 15, 1999

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
Henry Metropolitan Housing Authority
Napoleon, Ohio

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

Compliance

We have audited the compliance of Henry 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. Henry 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 Henry 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 Henry 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 Henry Metropolitan Housing Authority's compliance with those requirements.


In our opinion, Henry 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 Henry 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 these specified parties.



J.E. Slaybaugh & Associates, Inc.
Lexington, Ohio
December 15, 1999

HENRY METROPOLITAN HOUSING AUTHORITY
NAPOLEON, OHIO

SUMMARY OF ACTIVITIES

June 30, 1999

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

	<u>Units</u>
<u>Section 8 - Contract C-10017</u>	
Existing - OH071-CE	158
Vouchers - OH071-VO	<u>32</u>
TOTAL	<u>190</u>

Prior Audit Findings

There were no audit findings for the year ended June 30, 1998.

HENRY METROPOLITAN HOUSING AUTHORITY
NAPOLEON, 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 Henry 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 Henry Metropolitan Housing Authority.
6. The audit disclosed no audit findings.
7. The major programs are:
 Section 8 Programs (Cluster)
8. The dollar threshold used to distinguish between Type A and Type B programs was \$ 300,000.
9. The auditor determined that Henry 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

1. None