LICKING METROPOLITAN HOUSING AUTHORITY
NEWARK, OHIO

BASIC FINANCIAL STATEMENTS
AND SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2007

Mary Taylor, CPA
Auditor of State

Board of Commissioners
Licking Metropolitan Housing Authority
144 W. Main Street
Newark, Ohio 43055

We have reviewed the *Independent Auditors' Report* of the Licking Metropolitan Housing Authority, Licking County, prepared by HHH CPA Group, LLC, for the audit period January 1, 2007 through December 31, 2007. 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 Licking Metropolitan Housing Authority is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

December 16, 2008

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LICKING METROPOLITAN HOUSING AUTHORITY
NEWARK, OHIO

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Board of Commissioners
Licking Metropolitan Housing Authority
Newark, Ohio

Independent Auditors' Report

We have audited the accompanying statement of net assets of Licking Metropolitan Housing Authority, as of and for the year ended December 31, 2007 and the related statements of revenues, expenses and changes in net assets, and cash flows for the year then ended. 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 auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Licking Metropolitan Housing Authority as of December 31, 2007, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States.

The Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion thereon.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 19, 2008, on our consideration of Licking Metropolitan Housing Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Financial Data Schedule is presented for purposes of additional analysis 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 our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole

HHH CPA Group, LLC

HHH CPA GROUP, LLC.

Columbus, Ohio

May 19, 2008

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

Board of Commissioners
Licking Metropolitan Housing Authority
Newark, Ohio

We have audited the financial statements of Licking Metropolitan Housing Authority, as of and for the year ended December 31, 2007 and have issued our report thereon dated May 19, 2008. We conducted our audit in accordance with auditing standards in the United States generally accepted and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Licking 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Licking 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 result of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards.*

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.

HHH CPA Group, LLC

HHH CPA GROUP, LLC.

Columbus, Ohio

May 19, 2008

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
Licking Metropolitan Housing Authority
Newark, Ohio

Compliance

We have audited the compliance of Licking Metropolitan Housing Authority (the 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 December 31, 2007. The 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 the Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.* Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the 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 the Authority's compliance with those requirements.

In our opinion the 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 December 31, 2007.

Internal Control Over Compliance

The management of the 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, but not for the purpose of expressing an

Internal Control Over Compliance – (continued)

opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affect the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of the Authority as of and for the year ended December 31, 2007 and have issued our report thereon dated May 19, 2008, which are presented in the preceding section of this report. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards of the Authority is presented for purposes of additional analysis as required by OMB Circular A-133 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 our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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.

HHH CPA Group, LLC

HHH CPA GROUP, LLC

Columbus, Ohio

May 19, 2008

LICKING METROPOLITAN HOUSING AUTHORITY
NEWARK, OHIO

STATEMENT OF NET ASSETS

DECEMBER 31, 2007

ASSETS	
Current assets:	
Cash and cash equivalents – unrestricted	$ 297,104
Cash and cash equivalents – restricted	282,544
Total cash and cash equivalents	579,648
Accounts receivable – other, net of allowance	5,097
Inventory - net of allowance	1,536
Prepaid expenses	575
Total current assets	586,856
Capital assets:	
Land	284,300
Other capital assets – net	1,654,828
Total capital assets	1,939,128
Total assets	2,525,984
LIABILITIES AND EQUITY	
Current liabilities:	
Current portion of capital lease obligation	3,871
Tenant security deposits	11,234
Accounts payable – trade	13,602
Accounts payable – HUD	2,948
Accounts payable – other governments	8,527
Accrued compensated absences	11,742
Other current liabilities	7,941
Total current liabilities	59,865
Long-term liabilities:	
Long-term portion of capital lease obligation	14,559
Long-term portion of accrued compensated absences	13,784
Total liabilities	88,208

(Continued)

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

LICKING METROPOLITAN HOUSING AUTHORITY
NEWARK, OHIO

STATEMENT OF NET ASSETS – (Continued)

DECEMBER 31, 2007

Equity:	
Invested in capital assets	1,939,128
Restricted	282,544
Unrestricted	216,104
Total net assets	$2,437,776

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

LICKING METROPOLITAN HOUSING AUTHORITY
NEWARK, OHIO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2007

Operating revenues:	
HUD grants	$5,578,139
Rental income	208,608
Other	6,930
Total operating revenues	5,793,677
Operating expenses:	
Housing assistance payments	4,921,158
Administrative salaries	340,101
Employee benefits	163,476
Utilities	124,455
Depreciation	116,279
Other administrative expenses	95,038
Contract services	54,639
Maintenance material and labor	50,073
Insurance	23,945
Compensated absences	11,742
PILOT	8,527
Tenant services	2,998
Interest expense	314
Other	21,473
Total operating expenses	5,934,218
Operating loss	(140,541)
Non-operating revenues (expenses):	
Investment income – unrestricted	15,599
Total non-operating income	15,599
Loss before Capital grants and transfers	(124,942)

(Continued)

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

LICKING METROPOLITAN HOUSING AUTHORITY
NEWARK, OHIO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS – (Continued)

FOR THE YEAR ENDED DECEMBER 31, 2007

Loss before capital grants and transfers	$ (124,942)
Capital grants	148,104
Net income	23,162
Total net assets – beginning of year	2,414,614
Total net assets – end of year	$2,437,776

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

LICKING METROPOLITAN HOUSING AUTHORITY
NEWARK, OHIO

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2007

Cash flows from operating activities:	
Cash received from tenants	$ 211,107
Cash received from HUD	5,526,375
Cash payments for housing assistance payments	(4,921,158)
Cash payments for administrative expenses	(597,675)
Cash payments for other operating expenses	(274,883)
Cash payments to HUD and other governments	(10,895)
Cash payments for interest	(314)
Net cash used in operating activities	(67,443)
Cash flows from capital and related financing activities:	
Cash received from other governments	148,104
Proceeds from capital lease obligation	20,317
Principal payments on capital lease obligation	(1,887)
Purchases of property and equipment	(148,188)
Net cash used in financing activities	18,346
Cash flows from investing activities:	
Investment income	15,599
Net cash provided by investing activities	15,599
Decrease in cash and cash equivalents	(33,498)
Cash and cash equivalents – beginning of year	613,146
Cash and cash equivalents – end of year	$ 579,648

(Continued)

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

LICKING METROPOLITAN HOUSING AUTHORITY
NEWARK, OHIO

STATEMENT OF CASH FLOWS – (Continued)

FOR THE YEAR ENDED DECEMBER 31, 2007

Cash flows from operating activities:	
Operating loss	$ (140,541)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	116,279
Changes in operating assets that (increase) decrease cash flows:	
Accounts receivable – other	1,119
Prepaid expenses	2,655
Changes in operating liabilities that increase (decrease) cash flows:	
Accounts payable - trade	(21,872)
Accounts payable – HUD	(36,822)
Accounts payable – other governments	(2,368)
Tenant security deposit	1,380
Other current liabilities	12,727
Total adjustments	73,098
Net cash used in operating activities	$ (67,443)

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

NOTE 1 - Summary of Significant Accounting Policies

Reporting Entity

The Licking Metropolitan Housing Authority (LMHA or Authority) was created under the Ohio Revised Code Section 3735.27 to engage in the acquisition, development, leasing and administration of a low-rent housing program. An Annual Contributions Contract (ACC) was signed by the Authority and U.S. Department of Housing and Urban Development (HUD), under the provisions of the United States Housing Act of 1937 (42 U.S.C. 1437) Section 1.1. The Authority was also created in accordance with state law to eliminate housing conditions which are detrimental to the public peace, health, safety, morals, or welfare by purchasing, acquiring, constructing, maintaining, operating, improving, extending, and repairing housing facilities.

The nucleus of the financial reporting entity as defined by the Governmental Accounting Standards Board (GASB) Statement No. 14 is the "primary government". A fundamental characteristic of a primary government is that it is a fiscally independent entity. In evaluating how to define the financial reporting entity, management has considered all potential component units. A component unit is a legally separate entity for which the primary government is financially accountable. The criteria of financial accountability is the ability of the primary government to impose its will upon the potential component unit.

These criteria were considered in determining that the reporting entity did not have any component units.

Basis of Accounting

The accompanying combined financial statements have been prepared on the accrual basis of accounting, whereby revenues and expenses are recognized in the period earned or incurred. All transactions are accounted for in a single enterprise fund.

Pursuant to GASB Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting, the Authority follows GASB guidance as applicable to proprietary funds and Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins issued on or after November 30, 1989 that do not conflict with or contradict GASB pronouncements.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, Basic Financial Statements – Management's Discussion and Analysis – for State and Local Governments.

(Continued)

NOTE 1 - Summary of Significant Accounting Policies – (Continued)

The Authority's programs that are consolidated into a single enterprise fund are as follows:

Conventional Public Housing (PH) – Under the Conventional Public Housing Program, the Authority rents units that it owns to low-income households. The Conventional Public Housing Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides an Operating Subsidy to enable the PHA to provide the housing at a rent that is based upon 30% of adjusted gross household income.

Capital Fund Program (CFP) – This is the current primary funding source for the Authority's physical and management improvements. Funds are allocated by a formula allocation and based on size and age of the Authority's units.

Housing Choice Voucher Program (HCVP) – Under the Housing Choice Voucher Program, the Authority subsidizes rents to independent landlords that own the property. The Authority subsidizes the family's rent through a Housing Assistance Payment (HAP) made to the landlord. The program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides funding to enable the Authority to structure a lease that requires the participant to pay a rent based on a percentage of their adjusted gross household income, typically 30%, and the Housing Authority subsidizes the balance.
Other Business Activity – Under the Other Business Activity Program, the Authority transferred administrative fees from the HCVP administration reserves for future development/acquisition of building for housing purposes.

Section 8 New Construction (NC) – Under this project-based cluster, the rental subsidy is tied to a specific unit and when a family moves from the unit, it has no right to continued assistance. The Authority subsidizes the family's rent through HAP made to the landlord.

Shelter Plus Care (SPC) – The Shelter Plus Care Program provides rental assistance, in connection with supportive services funded from sources other than this program, to homeless persons with disabilities (primarily persons who are seriously mentally ill; have chronic problems with alcohol, drugs, or both, or have acquired immunodeficiency syndrome and related diseases) and their families. The program provides assistance through four components: (1) Tenant-based Rental Assistance (TRA); (2) Sponsor-based Rental Assistance (SRA); (3) Project-based Rental Assistance (PRA); (4) and Single Room Occupancy for Homeless Individuals (SRO).

(Continued)

NOTE 1 - Summary of Significant Accounting Policies – (Continued)

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Authority considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

Investments

Investments are stated at fair value. Cost-based measures of fair value were applied to nonnegotiable certificates of deposit and money market investments.

Tenant Receivables

Bad debts are provided on the allowance method based on management's evaluation of the collectability of outstanding tenant receivable balances at the end of the year. The allowance account was $75 as of December 31, 2007.

Property and Equipment

Property and equipment are recorded at cost. Costs that materially add to the productive capacity or extend the life of an asset are capitalized while maintenance and repair costs are expensed as incurred. The Authority's capitalization threshold is $500. Depreciation is recorded on the straight-line method under the following lives:

Buildings	27.5 years
Buildings improvements	15 years
Equipment	7 years
Autos	5 years

Due From/To Other Programs

Inter-program receivables and payables as of December 31, 2007 on the Financial Data Schedule have been eliminated on the Statement of Net Assets.

(Continued)

NOTE 1 - Summary of Significant Accounting Policies – (Continued)

Capitalization of Interest

The Department of Housing and Urban Development's policy is not to capitalize interest in the construction or purchase of fixed assets.

NOTE 2 – Cash and Investments

Cash

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

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

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

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

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

The Authority's deposits are categorized to give an indication of the level of risk assumed by the entity at year-end. Category 1 includes deposits that are insured or collateralized with securities held by the Authority or its safekeeping agent in the Authority's name. Category 2 includes uninsured deposits collateralized with securities held by the pledging financial institution's trust department or safekeeping agent in the Authority's name. Category 3 includes uninsured and uncollateralized deposits with securities held by the pledging institution, or by its trust department or safekeeping agent, but not in the Authority's name.

(Continued)

NOTE 2 – Cash and Investments – (Continued)

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

Category 1: $297,104 was covered by FDIC
Category 2: $282,544 was covered by specific collateral pledged by the financial institution in the name of the Authority

Book balances for the period ending December 31, 2007 were as follows:

	Cash	Investments	Total
Unrestricted:			
Low Rent Housing	$ 131,961	$ -	$ 131,961
Housing choice vouchers	135,597	-	135,597
Section 8 Business Activities	26,598	-	26,598
Section 8 New Construction	2,948	-	2,948
Total Unrestricted	297,104	-	297,104
Restricted:			
Low Rent Housing	11,234	-	11,234
Housing choice vouchers	271,310	-	271,310
Total Restricted	282,544	-	282,544
	$ 579,648	$ -	$ 579,648

Investments

HUD, State Statute and Board Resolutions authorize the Authority to invest in obligations of U.S. Treasury, agencies and instruments, certificates of deposit, repurchase agreements, money market deposit accounts, municipal depository fund, super NOW accounts, sweep accounts, separate trading of registered interest and principal of securities, mutual funds, bonds and other obligations of this State, and the State Treasurer's investment pool. Investments in stripped principal or interest obligations reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the Authority, and must be purchased with the expectation that it will be held to maturity. Investments may only be made upon delivery by dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

The Authority's investments are categorized to give an indication of the level of risk assumed by the entity at year-end. Category A includes investments that are insured or registered or for which the securities are held by the Authority or its agent in the Authority's name. Category B includes uninsured and unregistered investments for which the securities are held by the counter-party's Trust department or agent in the Authority's name. Category C includes uninsured and unregistered investments for which securities are held by the counter-party or its Trust department but not in the Authority's name.

(Continued)

NOTE 2 – Cash and Investments – (Continued)

The Authority's nonnegotiable certificates of deposit are classified as investments on the balance sheet but are considered as deposits for GASB 3 purposes. Therefore, the categories described above do not apply.

Interest rate risk: The Authority does not have a policy limiting investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates.

Credit risk: The Authority does not place a limit on the amount that may be invested in any one issuer.

Custodial credit risk: For an investment, the custodial credit risk is the risk that, in the event of the failure of the counterparty to a transaction, the Authority will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. In order to mitigate custodial risk, the Authority purchases their investments only through an approved broker/dealer or institution.

NOTE 3 – Capital Assets

Following is a summary of capital assets:

	Balance 12/31/06	New Additions/ Deletions	Balance 12/31/07
Capital assets, not being depreciated			
Land	$ 284,300	$ -	$ 284,300
Capital assets, being depreciated			
Buildings and improvements	$ 5,029,216	$ 121,455	$ 5,150,671
Furniture and equipment	150,883	26,733	177,616
	5,180,099	148,188	5,328,287
Less accumulated depreciation	(3,557,180)	(116,279)	(3,673,459)
Total capital assets, net, being depreciated	$ 1,622,919	$ 31,908	$ 1,654,828

NOTE 4 – Commitments

The Authority entered into a capital lease for a copier in July 2007. The lease calls for monthly payments of $367 through June 2012. The total cost for the asset under this lease was $20,317; accumulated amortization totaled $1,693 as of December 31, 2007.

Future minimum lease payments under this lease are as follows as of December 31, 2007:

2008	$ 4,404
2009	4,404
2010	4,404
2011	4,404
Thereafter	2,203
	19,819
Less amount representing interest	1,389
	18,430
Current portion of capital lease obligation	3,871
Capital lease obligation, less current portion	$ 14,559

NOTE 5– Allocation of Costs

The Authority allocated expenses not attributable to a specific program to all programs under management. The basis for this allocation was the number of units in each program or estimated actual usage. Management considers this to be an equitable method of allocation.

NOTE 6 – Retirement and Other Benefit Plans

The employees of the Authority are covered by the Public Employees Retirement System of Ohio (PERS), a statewide cost-sharing multiple-employer defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. The authority to establish and amend benefits is provided by the state statute per Chapter 145 of the Ohio Revised Code. PERS issues a publicly available financial report. Interested parties may obtain a copy by making a written request to 277 E. Town Street, Columbus, OH 43215-4642 or by calling (614) 466-2085.

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rate is 8.50% of qualifying gross wages for all employees. The total 2007 employer contribution rate was 13.55% of covered payroll. Required employer contributions are equal to 100% of the dollar amount billed to each employer and must be extracted from the employer's records. The Authority's contribution to PERS for the years ending December 31, were as follows:

(Continued)

NOTE 6 – Retirement and Other Benefit Plans – (Continued)

	Contribution	Percent
2007	$ 51,381	13.55
2006	$ 50,806	13.55
2005	$ 46,787	13.55
2004	$ 46,029	13.55
2003	$ 47,004	13.55

All required contributions were made prior to each of those fiscal year ends.

PERS of Ohio provides post-retirement health care coverage to age and service retirants with 10 or more years of qualifying Ohio service credit and to primary survivor recipients of such retirants. Health care coverage for disability recipients is available. The health care coverage provided by the retirement system is considered an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to PERS is set aside for the funding of post retirement health care. The Ohio revised Code provides statutory authority for employee and employer contributions. The 2007 employer contribution rate for state employers was 13.55% of covered payroll: 4.3% was the portion that was used to fund health care for the year.

OPEB is financed through employer contributions and investment earnings and is expected to be sufficient to sustain the program indefinitely.

NOTE 7 – Compensated Absences

Vacation and sick leave policies are established by the Board of Commissioners based on local and state laws.

All permanent employees will earn 4.6 hours of sick leave per eighty (80) hours of service. Unused sick leave may be accumulated without limit.

All permanent employees will earn vacation hours accumulated based on length of service. Unused vacation time may be accumulated up to 160 hours. All vacation time accumulated will be paid upon separation. At December 31, 2007, $11,742 was accrued for 2007 unused vacation and $13,784 was accrued by the Authority for unused 2006 vacation time.

NOTE 8 – Insurance

The Authority maintains comprehensive insurance coverage with private carriers for health, real property, building contents and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. There was no significant reduction in coverage and no settlements exceeded insurance coverage during the past three years.

NOTE 9 – Contingencies

Litigation and Claims

In the normal course of operations, the Authority may be subject to litigation and claims. At December 31, 2007, the Authority was involved in no such matters which would have a material effect on the financial statements.

LICKING METROPOLITAN HOUSING AUTHORITY
NEWARK, OHIO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2007

Federal Grantor/Program Title	Federal CFDA Number	Contract Number	Grant Amount Received	Expenditures for the Year Ended
U.S. Department of Housing And Urban Development				
Direct Programs:				
Public and Indian Housing Program (Low Rent)	14.850(a)	C-5013	$ 177,339	$ 177,339
Public Housing Capital Fund Program	14.872	C-5013	148,104	148,104
Section 8 Tenant Based Cluster:				
Section 8 Rental Voucher	14.871	C-5044	5,138,550	5,138,550
Section 8 Project Based:				
Section 8 New Construction	14.182	C-5044	166,548	163,600
Shelter Plus Care Program	14.238	C-5044	98,650	98,650
Total Federal Assistance			$5,729,191	$5,726,243

NOTE: This schedule has been prepared on the accrual basis of accounting. The amounts shown as current year expenditures agree to the Authority's records.

See independent auditors' report.

LICKING METROPOLITAN HOUSING AUTHORITY
NEWARK, OHIO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

DECEMBER 31, 2007

PART I – SUMMARY OF AUDITOR'S RESULTS

1. The auditor has issued an unqualified opinion on the financial statements of Licking 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 Licking Metropolitan Housing Authority.

6. The audit disclosed no audit findings.

7. The major programs are:
   Cluster – Section 8 Programs
   New Construction – Section 8 Programs

8. The dollar threshold used to distinguish between Type A and Type B programs was $300,000.

9. The auditor determined that Licking 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

LICKING METROPOLITAN HOUSING AUTHORITY
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LICKING METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2007
Unaudited

Licking Metropolitan Housing Authority's ("LMHA's") *Management Discussion and Analysis* is designed to:
(a) Assist the reader in focusing on significant financial issues
(b) Provide an overview of the Authority's financial activity
(c) Identify changes in the Authority's financial position (its ability to address the next and subsequent year challenges)
(d) Identify the single enterprise fund issues or concerns.

LMHA implemented GASB 34 in 2004. Since the *M D & A* is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Authority's financial statements which follow.

FINANCIAL HIGHLIGHTS

- **Total revenues:**
  FYI 12/31/07: $5,957,380, decrease of $228,524 in 2007
  FYE 12/31/06: $6,185,904, increase of $396,899 in 2006
  FYE 12/31/05: $5,789,005, decrease of $24,077 in 2005
  FYE 12/31/04: $5,813,082 increase of $337,248 in 2004

- **Total expenses:**
  FYE 12/31/07: $5,934,218 increase of $190,244 in 2007
  FYE 12/31/06: $5,743,974 decrease of $273,382 in 2006
  FYE 12/31/05: $6,017,356 increase of $63,257 in 2005
  FYE 12/31/04: $5,954,099 increase of $420,192 in 2004

USING THIS ANNUAL REPORT

MD&A ~ Management Discussion and Analysis ~
BASIC FINANCIAL STATEMENTS ~ Statement of Net Assets ~ ~ Statement of Revenues, Expenses and Changes in Net Assets ~ ~ Cash Flows ~ ~ Capital Assets at Year End~ ~ Change in Capital Assets~ ~ Notes to Financial Statements ~

This report focuses on LMHA as a single enterprise fund. This format allows the user to address relevant questions, broaden a basis for comparison (year-to-year) and enhances LMHA's accountability.

BASIC FINANCIAL STATEMENTS

The basic financial statements are designed to be corporate-like in that all business type programs are consolidated into one single enterprise fund for LMHA.

These statements include a Statement of Net Assets, which is similar to a Balance Sheet. The Statement of Net Assets reports all financial and capital resources for LMHA. The statement is presented in the format where assets, minus liabilities, equals "Net Assets", formerly known as equity. Assets and liabilities are presented in order of liquidity, and are classified as "Current" (convertible into cash within one year), and "Non-current".

The focus of the Statement of Net Assets (the "Unrestricted Net Assets") is designed to represent the net available liquid (non-capital) assets, net of liabilities, for the entire LMHA. Net Assets (formerly equity) are reported in three broad categories (as applicable):

> Net Assets, Invested in Capital Assets, Net of Related Debt: This component of Net Assets consists of all Capital Assets, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
>
> Restricted Net Assets: This component of Net Assets consists of restricted assets, when constraints are placed on the asset by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.
>
> Unrestricted Net Assets: Consists of Net Assets that do not meet the definition of "Net Assets Invested in Capital Assets, Net of Related Debt", or "Restricted Net Assets". This account resembles the old operating reserves account.

The basic financial statements also include a Statement of Revenues, Expenses and Changes in Net Assets (similar to an Income Statement). This Statement includes Operating Revenues, such as rental income, Operating Expenses, such as administrative, utilities, and maintenance, and depreciation, and Non-Operating Revenue and Expenses, such as grant revenue, investment income and interest expense.

The focus of the Statement of Revenues, Expenses and Changes in Net Assets is the "Change in Net Assets", which is similar to Net Income or Loss.

Finally, a discussion regarding 2007 Cash Flows is included.

LMHA programs that are consolidated into a single enterprise fund are as follows:

Conventional Public Housing (PH) – Under the Conventional Public Housing Program, LMHA rents up to 97 units that it owns to low-income households. The Conventional Public Housing Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides Operating Subsidy to enable the PHA to provide the housing at a rent that is based upon 30% of adjusted gross household income.

Capital Fund Program (CFP) – This is the current primary funding source for LMHA's physical and management improvements. Funds are allocated by a formula allocation and based on size and age of the authority's units.

Housing Choice Voucher Program (HCVP) – Under the Housing Choice Voucher Program, LMHA subsidizes rents to independent landlords that own the property. LMHA subsidizes the family's rent through a Housing Assistance Payment (HAP) made to the landlord. The program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides funding to enable LMHA to structure a lease that requires the participant to pay a rent based on a percentage of their adjusted gross household income, typically 30%, and LMHA subsidizes the balance.

<u>Other Business Activity</u> – LMHA purchased a building in May 2005 to move Section 8 and Administrative Staff from LMHA's Public Housing, Terrace Gardens Apartment Building. Major improvements were made to the property in 2006 to meet current Newark City Building Codes. In 2007, LMHA focused on the Business Activity Account, working towards securing a lease agreement with local doctors who will use the extra space in our Administrative Building to provide a health clinic for residents in our community. The lessee will be responsible for the upgrades and improvements. This will provide a valuable service for our community, and the money earned will help defray the operating and utility expenses of the Administrative Building. Income from this agreement is expected in 2008.

<u>Section-8 New Construction</u> (NC) – Under this projected-based cluster, the rental subsidy is tied to a specific unit and when a family moves from the unit, it has no right to continued assistance. LMHA subsidizes the family's rent through HAP made to the landlord. This program was ended in June of 2007, with HUD's decision to select one central location for handling these types of small contracts. Many Central Ohio Housing Authorities were affected by the decision, including LMHA.

<u>Shelter Plus Care</u> I & II (SPC I & II) – The Shelter Plus Care Program provides rental assistance, in connection with supportive services funded from sources other than this program, to homeless persons with disabilities (primarily persons who are seriously mentally ill; have chronic problems with alcohol, drugs, or both, or have acquired immunodeficiency syndrome and related diseases) and their families. The program provides assistance through tenant-based rental assistance.

BASIC FINANCIAL STATEMENTS

***STATEMENT OF NET ASSETS* – Table 1**

The following table reflects the condensed Statement of Net Assets compared to prior years.

		2007	2006	2005	2004	2003
Current & Other Assets		$586,856	$624,129	$489,173	$1,046,951	$1,003,253
Capital Assets		$1,939,128	$1,907,219	$1,590,610	$1,301,082	$1,378,055
	TOTAL ASSETS	$2,525,984	$2,531,348	$2,079,783	$2,348,033	$2,381,308
Current & Other Liabilities		$59,865	$116,734	$202,817	$235,882	$152,832
Long-term Liabilities		$28,343		-	-	-
	TOTAL LIABILITIES	$88,208	$116,734	$202,817	$235,882	$152,832
Net Assets:						
Invested in Capital Assets, net of related debts		$1,939,128	$1,907,219	$1,590,610	$1,301,082	$1,378,055
Restricted or reserved for capital projects		$282,544	$478,714	$248,965	$598,628	-
Unrestricted EQUITY		$216,104	$28,681	$37,391	$212,441	$850,361
	TOTAL NET ASSETS	$2,437,776	$2,414,614	$1,876,966	$2,112,151	$2,228,416

Relative to prior-year fluctuations, as shown below, there was not a significant change from 2006 to 2007 in LMHA's Total Net Assets:

Year	Income or (Loss)
2003 – 2004	($116,265)
2004 – 2005	($235,185)
2005 – 2006	$537,648
2006 – 2007	$23,162

In 2007, long-term liabilities were broken out in detail to include long-term obligation of capital lease equipment and the long-term portion of accrued absenses. Also in 2007, accounts payable – "trade" was reduced from $35,475 in 2006 to $13,602 in 2007. Early in 2007, LMHA reimbursed HUD for the 2006 year-end payable of $39,770 for the New Construction Program, reducing A/P for 2007 year end.

HAP Voucher funds for SPC I & II are pass-through programs, whereby exact amounts of expenses are immediately drawn-down by LMHA through the government's e-LLOCs for reimbursement. The HAP Housing Choice Voucher (HCV) Program operates by receiving an ACC-defined deposit at the beginning of each month. LMHA is then responsible for making all HAP payments for the HCV Program, utilizing the first-of-the-month deposit. If, however, LMHA's HAP payments for the HCV Program goes beyond the monthly deposit, (and LMHA is under its authorized units per month), LMHA must use its Restricted Net Assets to make up the difference.

In accordance, LMHA received $4,599,125 in HAP HCV deposits from HUD in 2007. LMHA spent $4,671,459 on HAP HCV and Utility payments (without going over its allowable units per month). While we experienced an overall net income of $23,162, (See Table 2, next page), the use of our current assets (restricted net asset account) to cover the excess HAP HCV each month accounts for the largest percentage of the reduction in our current and other assets.

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

The following schedule compares the revenues and expenses for the current and previous fiscal years:

		2007	2006	2005	2004 restated	2003 restated
REVENUES						
Tenant Revenue Rent & other		$208,608	$207,689	$207,051	$205,192	$217,139
Operating subsidies & Grants		$5,578,139	$5,901,151	$5,569,381	$5,597,163	$5,105,606
Capital Grants		$148,104		-	-	$142,314
*3rd party Roof Grant			$61,409			
Investment Income		$15,599	$10,523	$10,475	$10,000	$10,769
Other revenue		$6,930	$5,132	$2,098	$721	-
	TOTAL REVENUE	**$5,957,380**	**$6,185,904**	**$5,789,005**	**$5,813,076**	**$5,475,828**
EXPENSES						
Administrative	(includes contract services)	$688,941	$778,228	$863,085	$764,623	$754,473
Tenant Services		$2,998	$2,015	$4,990	$3,396	$4,516
Utilities		$124,455	$101,701	$101,402	$88,276	$89,268
Maintenance		$50,073	$10,642	$13,776	$62,483	$55,594
General & PILOT		$30,000	$31,900	$32,764	$41,344	$36,499
Housing Assistance Payments		$4,921,158	$4,663,641	$4,922,227	$4,907,843	$4,420,660
Depreciation		$116,279	$103,460	$80,395	$79,763	$169,246
Miscellaneous		$314	$1,339	$(1283)	$6,371	$3,657
Loss from Disposal of Asset-Roof Tear Off			$51,048			
	TOTAL EXPENSES	**$5,934,218**	**$5,743,974**	**$6,017,356**	**$5,954,099**	**$5,533,913**
Income or (net operating loss)		$23,162	$441,930	$(228,351)	$(141,017)	$(58,085)
Equity, beginning, Restated		$2,414,614	$1,876,966	$2,105,317	$2,253,168	$2,311,253
Prior Period Adjustments			$95,718			
	EQUITY, ENDING	**$2,437,776**	**$2,414,614**	**$1,876,966**	**$2,112,151**	**$2,253,168**

The major increase in expenses from 2006 to 2007 was for HAP HCV Program payments. Administrative Expense on Table 2 shows an $89,287 reduction from 2006 to 2007. This is due in part by LMHA reclassifying a portion of the maintenance labor in-house from the "Administrative" to the "Maintenance" section within the table. The Administrative Expense and Maintenance Expense for 2006, added together was $788,870. The Administrative Expense and Maintenance Expense for 2007, added together was $739,014. This difference of $49,856 gives a more accurate year-to-year comparison of Administrative and Maintenance Expenses.

LMHA's management has gained a clearer vision and focus on its monthly budgetary requirements and is more closely monitoring its expenses in all programs. From 2005 to 2006, LMHA showed an $87,991 reduction in Administrative and Maintenance Expenses; in 2007 it showed another $49,856 reduction.

LMHA's HAP expenses were down in 2006 to $4,663,641. To understand the variance between 2006 and 2007, we can consider the discussion in 2006's MD&A, which describes that during a transitional period in LMHA's leadership, LMHA staff proceeded cautiously with allocation of HAP funds in early 2006 due to overspending the account in 2005. The Section-8 HCV Program became under utilized during that period. However, in July 2006 LMHA realized that it needed to increase the allocation of funds or risk losing future allocations from HUD. Management and staff worked diligently to rapidly increase program utilization, and were able to achieve the HUD minimum goal of expending 95% of the authority's 2006 allocation by year-end. Although it reached the 95%, it still ended the year with a large amount in its restricted net equity – for its HAP HCV "reserve" account.

In 2007, however, HAP HCV Program expenses increased, remaining consistent with the pre-2006 averages and trends at $4,921,158. The increase in HAP HCV expenses also explains the overall increase in LMHA's total expenses in Table 2.

Management would also like to make note regarding the Basic Financial Statements and Single Audit for the Year Ended December 31, 2007, "Schedule of Expenditures of Federal Awards for the Year Ended December 31, 2007." The "Expenditures for the Year Ended" does not represent the exact amount of payments made for the "Section 8 Rental Voucher" Program during the year – rather it is a representation by the Auditor that LMHA expended up to the amount received from HUD for the year 2007. LMHA actually spent more on this particular program, as previously mentioned, using its HAP equity from the previous year.

DISCUSSION CONCERNING CASH FLOW:

Early in 2007, LMHA Management determined that it would use its HAP equity to cover allowable over expenditures in the HAP HCV Program. Use of the reserve funds to cover the anticipated overages was the only notable activity which affected the cash flow for the authority. LMHA's administrative expenses in 2007 in no way negatively impacted the authority's cash flow position.

SCHEDULE OF REVENUE AND EXPENSE BY PROGRAM

The Capital Fund, Shelter-Plus Care, and Section-8 New Construction Program are basically pass-through programs that should not create net incomes or losses. The Business Activity Program is the owner of the Administration Building and the development arm of LMHA. However, there are no current development projects. Both the Low Rent and (Choice) Voucher Program improved their operating income positions from the previous year.

CAPITAL ASSETS

As of 2007 year end, the Authority had $1,939,128 invested in a variety of capital assets as reflected in the following schedule which represents a net increase (addition, deductions and depreciation) of $148,188 from the end of last year.

See Table 3, Next Page.

TABLE 3
CAPITAL ASSETS AT YEAR-END
(Net of Depreciation)

		2007	2006	2005	2004 restated	2003 restated
Land & land rights		$284,300	$284,300	$284,300	$209,300	$209,300
Buildings		$5,150,671	$5,061,776	$4,665,358	$4,363,674	$4,360,884
Equipment – Administrative	Admin & Dwelling combined in 2005 & 2006 by auditors	$177,616	$118,323	$117,562	$104,490	$104,490
Equipment – dwellings					$2,712	$2,712
Accumulated depreciation		$(3,673,459)	$(3,557,180)	$(3,476,610)	$(3,406,115)	$(3,326,352)
Leasehold improvements				-	$27,021	$27,021
	TOTAL	$1,939,128	$1,907,219	$1,590,610	$1,301,082	$1,378,055

TABLE 4
CHANGE IN CAPITAL ASSETS

The following reconciliation summarizes the change in Capital Assets for 2006.

	2007	**2006**	**2005**
Beginning Balance	$1,907,219	$1,590,610	$1,301,082
Additions	$148,188	$397,179	*$360,023
Depreciation	$(116,279)	$(80,570)	$(70,495)
ENDING BALANCE	$1,939,128	$1,907,219	$1,590,610

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

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

MANAGEMENT NOTES & CONCLUSION:

In 2007, LMHA lost the administrative income of $1080 monthly generated from administering the New Construction Contract, when HUD made a decision to consolidate those types of project-based contracts into a single contract administered by one central office. Fortunately, around that same time-frame it gained a renewal contract for its Shelter-Plus Care I Program, generating $1167 in monthly administrative income.

Throughout 2007, LMHA implemented tighter internal controls within its accounting department. A formal requisition and purchase order policy began being followed which flows through the invoice payment process. Purchases are more closely scrutinized with monthly budgets so that administrative expenses are kept within the allowable budget parameters.

New LMHA Management is ensuring that its employees obtain the training required to properly understand and perform their job responsibilities. It began allocating over $12,500 annually for tuition reimbursement, job/career-path training, and membership dues (for affiliated associations).

Efforts were made in 2007 to weatherize both the administrative building and Terrace Gardens Apartments; however, due to rising gas prices, utility expenses have jumped significantly, throughout the last several years as indicated below:

	Utility Expenses
2003	$89,268
2004	$88,276
2005	$101,402
2006	$101,701
2007	$124,455

Researching new possibilities in reusable heat and electrical alternatives will be a focus for LMHA in the upcoming future, in an effort to help defray some of these increases.

LMHA managed to decrease operating expenses in both housing programs in 2006 and 2007.

Overall, it appears that LMHA had a very stable year in 2007, and was able to maintain 97.2% units under lease for the year for the HCV Program – its largest program. Its goal is to continue on this trend in 2008.

FINANCIAL CONTACT

If you have any questions regarding this report, you may contact me or Jody Hull-Arthur, Executive Director of the LMHA 740-349-8069 Ext. 224.

Respectfully submitted,

Cynthia Snelling
Financial Operations Manager
740-349-8069 Ext. 229

LICKING METROPOLITAN HOUSING AUTHORITY
STATEMENT OF NET ASSETS
FDS SCHEDULE SUBMITTED TO HUD
DECEMBER 31, 2007

FDS Line Item No.	Account Description	Public Housing Capital Fund Program	Low Rent	14.871 Housing Choice Vouchers Program	14.182 Section 8 New Construction	14.238 Shelter Plus Care Program	Business Activities	Total
	Current Assets							
	Cash							
111	Cash - Unrestricted	-	131,961	$ 135,597	$ 2,948	$ -	$ 26,598	$ 297,104
113	Cash - Other Restricted	-	-	271,310	-	-	-	271,310
114	Cash - Tenant Security Deposits	-	11,234					11,234
100	Total Cash	-	143,195	406,907	2,948	-	26,598	579,648
	Accounts Receivable							
126	Tenants - Dwelling Rents	-	4,453	-				4,453
126.1	Allowance for Doubtful Accounts - Dwelling Rents	-	(75)					(75)
128	Fraud Recovery	-	-	2,578	-	-	-	2,578
128.1	Allowances for Doubtful Accounts - Fraud Recovery	-	-	(1,859)	-	-	-	(1,859)
120	Total Receivables, Net of Allowances for Doubtful Accounts	-	4,378	719	-	-	-	5,097
	Investments and Other Assets							
142	Prepaid Items and Other Assets	-	117	458	-	-	-	575
143	Inventories	-	786	922	-	-	-	1,708
143.1	Allowance for Obselete Inventories	-	(80)	(92)	-	-	-	(172)
	Total Investments and Other Assets	-	823	1,288	-	-	-	2,111
150	Total Current Assets	-	148,396	408,914	2,948.00	-	26,598	586,856
	Non-Current Assets							
	Capital Assets							
161	Land	-	209,300	-	-	-	75,000	284,300
162	Buildings	-	4,650,054	-	-	-	500,617	5,150,671
163	Furniture and Equipment		2,712	-			14,450	17,162
164	Office Equipment	-	61,973	-	-	-	98,481	160,454
165	Leasehold Improvements	-	-	-	-	-	-	-
166	Accumulated Depreciation	-	(3,530,101)		-	-	(143,358)	(3,673,459)
160	Total Capital Assets, net of accumulated depreciation	-	1,393,938	-	-	-	545,190	1,939,128
180	Total Non-Current Assets	-	1,393,938	-	-	-	545,190	1,939,128
190	Total Assets	$ -	$ 1,542,334	$ 408,914	$ 2,948	$ -	$ 571,788	$2,525,984

LICKING METROPOLITAN HOUSING AUTHORITY
STATEMENT OF NET ASSETS
FDS SCHEDULE SUBMITED TO HUD
DECEMBER 31, 2007

FDS Line Item No.	Account Description	Public Housing Capital Fund Program	Low Rent	14.871 Housing Choice Vouchers Program	14.182 Section 8 New Construction	14.238 Shelter Plus Care Program	Business Activities	Total
	Current Liabilities							
312	Accounts Payable	$ -	$ 9,875	$ 3,703	$ -	$ -	$ 24	$ 13,602
	Accounts payalbe - Other government		8,527					8,527
	Accounts payalbe - HUD				$ 2,948			2,948
321	Accrued Wages and Payroll Taxes	-	-	7,896	-	-	-	7,896
322	Accrued Compensated Absences	-	2,348	9,394	-	-	-	11,742
	Tenant security deposits		11,234					11,234
	Current portion of long-term debt		3,871					3,871
345	Other Current Liabilities	-	-	45	-	-	-	45
310	Total Current Liabilities	-	35,855	21,038	2,948	-	24	59,865
	Long-term debt, net of current portion		14,559					14,559
354	Accrued Compensated Absences - Non-Current	-	2,757	11,027	-	-	-	13,784
353	Non-Current Liabilities - Other	-	-	-	-	-	-	-
350	Total Non-Current Liabilities	-	17,316	11,027	-	-	-	28,343
300	Total Liabilities	-	53,171	32,065	2,948	-	24	88,208
	Net Assets							
508.1	Invested in Capital Assets	-	1,393,938	-	-	-	545,190	1,939,128
511.1	Restricted Net Assets	-	11,234	271,310	-	-	-	282,544
512.1	Unrestricted Net Assets	-	83,991	105,539	-	-	26,574	216,104
	Total Net Assets	-	1,489,163	376,849	-	-	571,764	2,437,776
600	Total Liabilities and Net Assets	$ -	$ 1,542,334	$ 408,914	$ 2,948	$ -	$ 571,788	$ 2,525,984

LICKING METROPOLITAN HOUSING AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
FDS SCHEDULE SUBMITTED TO HUD
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2007

FDS Line Item No.	Account Description	Public Housing Capital Fund Program	Low Rent	14.871 Housing Choice Vouchers Program	14.182 Section 8 New Construction	14.238 Shelter Plus Care Program	Business Activities	Total
	Revenues							
703	Net Tenant Rental Revenue	$ -	$ 205,357	$ -	$ -	$ -	$ -	205,357
704	Tenant Revenue - Other	-	3,251	-	-	-	-	3,251
706-010	Housing Assistance Payment Revenues	-	-	4,599,125	158,245	85,218		4,842,588
706-020	Administrative Fees Revenues	-	-	539,425	5,355	13,432		558,212
706	HUD PHA Operating Grants	-	177,339			-		177,339
714-010	Housing Assistance Payment Revenues	-	-	232				232
714-020	Administrative Fees Revenues	-	-	231				231
715	Other Revenue	-	-	5,847	-	-	620	6,467
	Total Revenues	-	385,947	5,144,860	163,600	98,650	620	5,793,677
	Expenses							
973-##	Housing Assistance Payments	-	-	4,677,695	158,245	85,218	-	4,921,158
911	Admin Salaries	-	84,970	237,313	4,836	12,982		340,101
912	Auditing Fees	-	4,881	4,011	270	-	-	9,162
914	Compensated Absences	-	2,348	9,394	-	-	-	11,742
915	Employee Benefits Contributions - Administrative	-	47,606	115,171	249	450	-	163,476
916	Other Operating - Administrative	-	20,221	74,817	-	-	-	95,038
924	Tenant Services - Other	-	2,319	679	-	-	-	2,998
931	Water	-	22,613	1,065	-	-	-	23,678
932	Electricity	-	48,150	4,746	-	-	-	52,896
933	Gas	-	41,561	5,609	-	-	-	47,170
938	Other Utilities Expenses	-	-	711	-	-	-	711
941	Ordinary Maintenance and Operations - labor	-	24,847	-	-	-	-	24,847
942	Ordinary Maintenance and Operations - Materials and Other	-	14,782	10,444	-	-	-	25,226
943	Ordinary Maintenance and Operations - Contract Costs	-	43,150	8,215	-	-	-	51,365
952	Protective services - other contract costs	-	3,274	-	-	-	-	3,274
961	Insurance Premiums	-	15,815	8,130	-	-	-	23,945
	Interest Expense		314					314
962	Other General	-	7,443	2,002	-	-	1,972	11,417
974	Depreciation Expense	-	89,808	10,461	-	-	16,010	116,279
963	Payment in Lieu of taxes	-	8,527	-	-	-	-	8,527
966	Bad Debts - Other	-	-	894	-	-	-	894
969	Total Operating Expenses	-	482,629	5,171,357	163,600	98,650	17,982	5,934,218
970	Excess Operating Expenses Over Operating Revenues	-	(96,682)	(26,497)	-	-	(17,362)	(140,541)
	Other Income (Expenses)							
711	Investment Income	-	4,011	-	-	-	11,588	15,599
	Total Other Income (Expenses)	-	4,011	-	-	-	11,588	15,599
1000	Loss before capital grants and transfers	-	(92,671)	(26,497)	-	-	(5,774)	(124,942)
706.1	Capital Grants	148,104						148,104
1104	Equity Transfers	(148,104)	148,104					-
	Net Income	-	55,433	(26,497)	-	-	(5,774)	23,162
1103	Net Assets at Beginning of Year	-	1,433,730	403,346	-	-	577,538	2,414,614
	Net Assets at End of Year	-	1,489,163	376,849	-	-	571,764	2,437,776

Mary Taylor, CPA
Auditor of State

LICKING METROPOLITAN HOUSING AUTHORITY

LICKING COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
DECEMBER 31, 2008

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