

**BASIC FINANCIAL STATEMENTS
AND SINGLE AUDIT**

of the

**LOGAN COUNTY METROPOLITAN
HOUSING AUTHORITY**

for the

Year Ended December 31, 2010



Dave Yost • Auditor of State

Board of Directors
Logan Metropolitan Housing Authority
116 North Everett Street
Bellefontaine, Ohio 43311

We have reviewed the *Independent Auditors' Report* of the Logan Metropolitan Housing Authority, Logan County, prepared by Jones, Cochenour & Co., for the audit period January 1, 2010 through December 31, 2010. 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 Logan Metropolitan Housing Authority is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

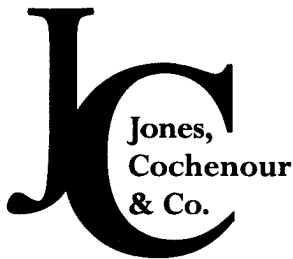
August 16, 2011

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Logan County Metropolitan Housing Authority
Bellefontaine, Ohio

Regional Inspector General of Audit
Department of Housing and Urban
Development

We have audited the accompanying financial statements of Logan County Metropolitan Housing Authority, as of and for the year ended December 31, 2010, as listed in the table of contents. These financial statements are the responsibility of the Logan County Metropolitan Housing 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 of America 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 the 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 Logan County Metropolitan Housing Authority, as of December 31, 2010, and the changes in financial position, and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 6, 2011, on our consideration of Logan County Metropolitan Housing Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

much more than an accounting firm

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Authority taken as a whole. The FDS schedule and cost certifications are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying Schedule of Federal Awards Expenditures is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is also not a required part of the financial statements. The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



Jones, Cochenour & Co.
June 6, 2011

**LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2010**

Unaudited

The Housing Authority of the County of Logan's ("the Authority") management's discussion and analysis is designed to (a) assist the reader in focusing on significant issues, (b) provide an overview of the Authority's financial activity, (c) identify changes in the Authority's financial position, and (d) identify individual fund issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Authority's financial statements.

FINANCIAL HIGHLIGHTS

- The Authority's net assets increased by \$280,324 (or 5.4%) during 2010. Since the Authority engages only in business-type activities, the increase is all in the category of business-type net assets. Net Assets were \$5.5 million and \$5.2 million for 2010 and 2009, respectively.
- Revenues increased by \$480,919 (or 22.5%) during 2010, and were \$2.6 million and \$2.1 million for 2010 and 2009, respectively.
- The total expenses of all Authority programs increased by \$60,930 (or 2.7%). Total expenses were \$2.3 million for both 2010 and 2009.

USING THIS ANNUAL REPORT

This report includes three major sections, the "Management's Discussion and Analysis (MD&A)", "Basic Financial Statements", and "Other Required Supplementary Information".

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

The primary focus of the Authority's financial statements is on both the Authority as a whole (Authority-wide) and the major individual funds. Both perspectives (authority-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year to year or Authority to Authority) and enhance the Authority's accountability.

**LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2010**

Unaudited

AUTHORITY-WIDE FINANCIAL STATEMENTS

The Authority-wide financial statements are designed to be corporate-like in that all business-type activities are consolidated into columns which add to a total for the entire Authority.

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 the Authority. 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 Authority. Net Assets (formerly equity) are reported in three broad categories:

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 borrowing 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".

The Authority-wide 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 capital grant revenue, investment income and interest expense. The focus of the Statement of Revenues, Expenses and Changes in fund Net Assets is the "Change in Net Assets", which is similar to Net Income or Loss.

Finally, a Statement of Cash Flows is included, which discloses net cash provided by or used for operating activities, non-capital financing activities, and capital and related financing activities.

FUND FINANCIAL STATEMENTS

The Authority administers several programs that are consolidated into a single proprietary-type enterprise fund. The enterprise fund consists of the following programs.

Conventional Public Housing - Under the conventional Public Housing Program, the Authority rents units that it owns to low-income households. The Conventional Public Housing Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides Operating Subsidy and Capital Grant funding to enable the PHA to provide the housing at a rent that is based upon 30% of household income. The Conventional Public Housing Program also includes the Capital Fund Program, which is the primary funding source for physical and management improvements to the Authority's properties. In 2009, the Authority received additional funding from the Capital Fund Stimulus Grant.

Housing Choice Voucher Program - Under the Housing Choice Voucher Program, the Authority administers contracts with independent landlords that own the property. The Authority subsidizes the family's rent through a Housing Assistance Payment made to the landlord. The program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides Annual Contributions Funding to enable the Authority to structure a lease that sets the participants' rent at 30% of household income.

**LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2010**

Unaudited

Formula Capital Fund Stimulus Grant – The Authority received funding through the American Recovery and Reinvestment Act (ARRA) as part of the Capital Fund Program. These funds were for physical improvements of the Authority's properties.

Business Activities - Represents non-HUD resources developed from a variety of activities.

AUTHORITY-WIDE STATEMENTS

STATEMENT OF NET ASSETS

The following table reflects the condensed Statement of Net Assets compared to prior year. The Authority is engaged only in Business-Type Activities.

**TABLE 1
STATEMENT OF NET ASSETS**

	2010	2009
Current and Other Assets	\$ 656,753	\$ 605,108
Capital Assets	4,952,139	4,850,906
TOTAL ASSETS	5,608,892	5,456,014
Current Liabilities	81,449	199,900
Long-term liabilities	53,705	62,700
TOTAL LIABILITIES	135,154	262,600
Net Assets:		
Invested in Capital Assets, Net of Related Debt	4,952,139	4,850,906
Restricted net assets - HAP	320,168	100,148
Unrestricted	201,431	242,360
TOTAL NET ASSETS	\$ 5,473,738	\$ 5,193,414

For more detailed information see the Statement of Net Assets in the financial statements.

MAJOR FACTORS AFFECTING THE STATEMENT OF NET ASSETS

Net Assets increased due to an increase in Capital Assets as a result of Building Improvements that were funded by the American Recovery and Reinvestment Act and other capital grants, as well as an increase to the Low Rent Public Housing Unrestricted Net Assets account as a result of current year activities.

**LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2010**

Unaudited

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

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

	2010	2009
Revenues		
Tenant Revenue - Rents and Other	\$ 109,463	\$ 71,623
Operating Subsidies and Grants	2,407,716	1,994,884
Capital Grants	43,702	25,366
Investment Income	166	161
Gain on disposition of assets	11,668	-
Other revenues	49,174	48,936
TOTAL REVENUE	2,621,889	2,140,970
Expenses		
Administration	502,376	482,682
Tenant Services	1,502	2,335
Utilities	22,248	19,864
Insurance	37,460	37,705
Maintenance	190,113	136,058
General	20,289	18,509
Housing Assistance Payment	1,275,052	1,322,697
Depreciation	292,525	260,785
TOTAL EXPENSES	2,341,565	2,280,635
Transfers in	295,013	43,224
Transfers out	(295,013)	(43,224)
CHANGE IN NET ASSETS	\$ 280,324	\$ (139,665)

MAJOR FACTORS AFFECTING THE STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS

Revenue increased due to tenant's rental payments increasing due to an upturn in the economy, resulting in higher tenant income and operating subsidies being funded at a higher level.

Expenses increased due to increased cost of insurance, higher maintenance costs due to higher turnover, and higher depreciation due to the increase in capital assets.

**LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2010**

Unaudited

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS

As of year-end, the Authority had \$5.0 million invested in a variety of capital assets as reflected in the following schedule, which represents a net increase (additions, deductions and depreciation) of \$101,233 or 2.1% from the end of last year.

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

	2010	2009
Land and Land Rights	\$ 683,200	\$ 683,200
Buildings	7,777,855	7,429,062
Equipment - Administrative	417,099	403,047
Equipment - Dwellings	141,958	141,958
Accumulated Depreciation	(4,067,973)	(3,806,361)
TOTAL	\$ 4,952,139	\$ 4,850,906

The following reconciliation summarizes the change in Capital Assets.

**TABLE 4
CHANGE IN CAPITAL ASSETS**

BEGINNING BALANCE - NET	\$ 4,850,906	
Additions	412,676	
Deletions	(18,918)	
Depreciation Expense	(292,525)	
ENDING BALANCE	\$ 4,952,139	

This year major additions are primarily capital expenditures related to the modernization of the Authority's developments. There was also a purchase of equipment.

**LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2010**

Unaudited

DEBT ADMINISTRATION

As of year-end, the Authority had no debt outstanding.

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

- **Federal funding levels 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**
- **Market rates for rental housing**
- **Local rental market rates and housing supply and demand, which affects the Authority's ability to maintain leasing rates.**

IN CONCLUSION

Logan County Metropolitan Housing Authority takes great pride in its financial management and is pleased to report on consistent and sound financial condition of the Authority.

FINANCIAL CONTACT

If you have any questions regarding this report, you may contact Gail Clark, Executive Director of the Logan County Metropolitan Housing Authority at (937) 599-1845.

LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
December 31, 2010

ASSETS

Cash and cash equivalents	\$	100,015
Cash and cash equivalents - restricted		200,080
Intergovernmental receivables		119,446
Tenant receivables - net of allowance		221
Other receivables		185,087
Inventory		26,675
Prepaid expenses		25,229
TOTAL CURRENT ASSETS		656,753

CAPITAL ASSETS

Land		683,200
Property and equipment - net		4,268,939
TOTAL CAPITAL ASSETS, NET		4,952,139

TOTAL ASSETS **5,608,892**

CURRENT LIABILITIES

Accounts payable		20,879
Accounts payable - other government		9,770
Accrued compensated absences - current		5,637
Tenant security deposits		26,570
Accrued wages and payroll taxes		15,717
Deferred revenue		2,302
Other current liabilities		574
TOTAL CURRENT LIABILITIES		81,449

NON-CURRENT LIABILITIES

Accrued compensated absences - non-current		11,799
FSS liability		23,182
Other liabilities		18,724
TOTAL NON-CURRENT LIABILITIES		53,705

TOTAL LIABILITIES **135,154**

NET ASSETS

Invested in capital assets - net of related debt		4,952,139
Unrestricted net assets		320,168
Restricted net assets		201,431
NET ASSETS	\$	5,473,738

See accompanying notes to the basic financial statements

LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
Year Ended December 31, 2010

OPERATING REVENUES	
Program operating grants and subsidies	\$ 2,407,716
Rental income	109,463
Other operating income	<u>49,174</u>
TOTAL OPERATING REVENUES	2,566,353
OPERATING EXPENSES	
Administrative	502,376
Tenant services	1,502
Utilities	22,248
Maintenance	190,113
Insurance premiums	37,460
General	20,289
Housing assistance payments	1,275,052
Depreciation	<u>292,525</u>
TOTAL OPERATING EXPENSES	<u>2,341,565</u>
OPERATING INCOME	224,788
NON-OPERATING REVENUE	
Interest income	166
Gain on sale of capital assets	11,668
Capital grants	<u>43,702</u>
TOTAL NON-OPERATING REVENUE	<u>55,536</u>
CHANGE IN NET ASSETS	280,324
NET ASSETS BEGINNING OF YEAR	<u>5,193,414</u>
NET ASSETS END OF YEAR	<u><u>\$ 5,473,738</u></u>

See accompanying notes to the basic financial statements

**LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended December 31, 2010**

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash received from HUD	\$	2,343,382
Cash received from tenants		109,660
Cash received other revenue		3,010
Cash payments for housing assistance payments		(1,275,052)
Cash payments for administrative/operations		(896,665)
Cash payments to HUD and other government		(4,656)
		NET CASH PROVIDED BY OPERATING ACTIVITIES
		279,679

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Capital grants received		43,702
Proceeds from sale of fixed assets		30,588
Acquisition of capital assets		(412,676)
		NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES
		(338,386)

CASH FLOWS FROM INVESTING ACTIVITIES:

Interest received		166
		(58,541)

DECREASE IN CASH AND CASH EQUIVALENTS

CASH AND CASH EQUIVALENTS, BEGINNING

		358,636
CASH AND CASH EQUIVALENTS, ENDING	\$	300,095

**RECONCILIATION OF OPERATING INCOME TO
NET CASH PROVIDED BY OPERATING ACTIVITIES:**

Operating income	\$	224,788
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation		292,525
(Increase) decrease in:		
Receivables - net of allowance		(110,301)
Inventory - net of allowance		(5,008)
Prepaid expenses		5,123
Increase (decrease) in:		
Accounts payable		(531)
Accrued wages and taxes		4,951
Accrued compensated absences		1,594
Accounts payable - other government		4,000
Tenant security deposits		(2,277)
Other non-current liabilities		(12,201)
Deferred revenue		(123,558)
Other current liabilities		574
		NET CASH PROVIDED BY OPERATING ACTIVITIES
	\$	279,679

See accompanying notes to the basic financial statements

LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Reporting Entity

The Logan County Metropolitan Housing Authority (the "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 the 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 Government 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 the reporting entity.

Basis of Presentation

The financial statements of the Authority have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

In accordance with GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the Authority has elected to apply the provisions of Statements and Interpretations of Financial Accounting Standards Board issued after November 30, 1989 that do not conflict with GASB pronouncements. The Authority will continue applying all applicable pronouncements issued by the Governmental Accounting Standards Board.

The Authority's basic financial statements consist of a statement of net assets, a statement of revenues, expenses, and changes in net assets, and a statement of cash flows.

The Authority uses a single enterprise fund to maintain its financial records on an accrual basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

Enterprise fund reporting focuses on the determination of the change of net assets, financial position and cash flows. An enterprise fund may be used to account for any activity for which a fee is charged to external users for goods and services.

Measurement Focus and Basis of Accounting

The enterprise fund is accounted for on a flow of economic resources measurement focus and the accrual basis of accounting. All assets and all liabilities associated with the operation of the Authority are included on the statement of net assets. The statement of changes in net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the Authority finances and meets the cash flow of its enterprise activity.

Enterprise Fund

The Authority uses the proprietary fund to report on its financial position and the results of its operations for the Section 8 and public housing programs. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Funds are classified into three categories: governmental, proprietary and fiduciary. The Authority uses the proprietary category for its programs.

LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the Authority's enterprise fund are charges to tenants for rent and operating subsidies from HUD. Operating expenses for the enterprise fund include the costs of facility maintenance, housing assistance payments, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The following are the various programs which are included in the single enterprise fund:

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 Operating Subsidy to enable the PHA to provide the housing at a rent that is based upon 30% of adjusted gross household income. The Conventional Public Housing Program also includes the Capital Fund Program, which is the primary funding source for the Authority's physical and management improvements. Funds are allocated by a formula allocation and based on size and age of the Authority's units.

Formula Capital Fund Stimulus Grant – The Authority received funding through the American Recovery and Reinvestment Act (ARRA) as part of the Capital Fund Program. These funds were for physical improvements of the Authority's properties.

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 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 (OBA) – Represents activities of the authority that include providing affordable housing for low-income people outside of the scope of the conventional and housing choice voucher programs.

Estimates

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

Cash and Cash Equivalents

For the purpose of the statement of cash flows, cash and cash equivalents include all highly liquid debt instruments with original maturities of three months or less.

Inventory

Inventory consists of materials and supplies and are stated at cost (first-in, first-out method), which approximates market. The allowance for obsolete inventory was \$47 at December 31, 2010.

Tenant Receivables -net of allowance

Bad debts are provided on the allowance method based on management's evaluation of the collectibility of outstanding tenant receivable balances at the end of the year. At December 31, 2010, all receivables were believed to be collectible.

Prepaid Expenses

Payments made to vendors for services that will benefit periods beyond December 31, 2010, are recorded as prepaid expenses using the consumption method. A current asset for the amount is recorded at the time of the purchase and expense is reported in the year in which the services are consumed.

LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Capital Assets

Fixed assets are stated at cost and depreciation is computed using the straight-line method over an estimated useful life of the assets. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset life, are not capitalized.

The following are the useful lives used for depreciation purposes:

Buildings	40
Equipment - dwelling	7
Equipment - non-dwelling	5
Furniture	7
Computers	3
Building improvements	15

Investments

The provisions of the HUD Regulations restrict investments. Investments are stated at fair value. Cost based measures were applied to nonnegotiable certificates of deposit and money market investments. Interest income earned in fiscal year ended December 31, 2010 totaled \$166.

Restricted Cash

Restricted cash represents amounts held in FSS escrow and IDA accounts on behalf of tenants and Section 8 HAP funds.

Compensated Absences

The Authority accounts for compensated absences in accordance with GASB Statement No. 16. Sick leave and other compensated absences with similar characteristics are accrued as a liability based on sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments. To calculate the liability, these accumulations are reduced to the maximum amount allowed as a termination payment.

All employees who meet the termination policy of the Authority for years of service are included in the calculation of the compensated absence accrual amount.

Vacation leave and other compensated absences with similar characteristics are accrued as a liability as the benefits are earned by the employees if both of the following conditions are met: (1) the employees' rights to receive compensation are attributable to services already rendered and are not contingent on a specific event that is outside the control of the employer and employee. (2) It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

In the proprietary fund, the compensated absences are expensed when earned with the amount reported as a fund liability.

Due From/To Other Programs

Interprogram receivables and payables are reflected in the FDS and are eliminated for the financial statement.

Deferred Revenue

Deferred revenue represents rental receipts received before the first of the month when due.

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets – net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are recorded as restricted when there are limitations imposed on their use either by internal or external restrictions.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the Authority, these revenues are tenant revenues, operating grants from HUD and other miscellaneous revenue. Operating expenses are those expenses that are generated from the primary activity of the proprietary fund.

**LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2010**

2. CASH AND CASH EQUIVALENTS

Cash

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

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

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, including any bank balance that is collateralized with securities held by the pledging institution, or by its trust department or safekeeping agent, but not in the Authority's name.

The carrying amount of the Authority's deposits was \$299,795 at December 31, 2010. The corresponding bank balances were \$305,812.

The following shows the Authority's deposits (bank balance) in each category:

Category 1:	\$292,761 was covered by federal depository insurance
Category 3:	\$13,051 was covered by collateral held by the pledging financial institution, but not in the name of the Authority.

Investments

HUD, State Statute and Board Resolutions authorize the Authority to invest in obligations of U.S. Treasury, agencies and instrumentalities, 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 through specified 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 counterparty's Trust department or agent in the Authority's name. Category C includes uninsured and unregistered investments for which securities are held by the counterparty or its Trust department but not in the Authority's name. Star Ohio is not classified, since it is not evidenced by securities that exist in physical or book entry form.

LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2010

2. CASH AND CASH EQUIVALENTS- CONTINUED

The Authority's deposits are classified as cash on the balance sheet and are considered as deposits for GASB 3 purposes. Therefore, the categories described above do not apply. The Authority does not have an investment policy.

3. CAPITAL ASSETS

The following is a summary of changes in capital assets at December 31, 2010:

	Balance 12/31/2009	Net Additions	Disposals	Balance 12/31/2010
CAPITAL ASSETS, NOT BEING DEPRECIATED				
Land and Land Improvements	\$ 683,200	\$ -	\$ -	\$ 683,200
TOTAL CAPITAL ASSETS NOT BEING DEPRECIATED	683,200	-	-	683,200
CAPITAL ASSETS BEING DEPRECIATED				
Building and Improvements	\$ 7,429,062	\$ 368,974	\$ (20,181)	\$ 7,777,855
Furniture and Equipment	545,007	43,702	(29,652)	559,057
Totals at Historical Costs	7,974,069	412,676	(49,833)	8,336,912
Less: Accumulated Depreciation	(3,806,363)	(292,525)	30,915	(4,067,973)
TOTAL DEPRECIABLE CAPITAL ASSETS, NET	4,167,706	120,151	(18,918)	4,268,939
TOTAL CAPITAL ASSETS	\$ 4,850,906	\$ 120,151	\$ (18,918)	\$ 4,952,139
		Depreciation 12/31/2009	Additions/ Corrections	Depreciation 12/31/2010
Accumulated Depreciation by Class:				
Building and Improvements		\$ (3,332,358)	\$ (263,594)	\$ (3,595,952)
Furniture and Fixtures		(474,005)	1,984	(472,021)
TOTAL ACCUMULATED DEPRECIATION		\$ (3,806,363)	\$ (261,610)	\$ (4,067,973)

4. DEFINED BENEFIT PENSION PLANS – PUBLIC EMPLOYEES RETIREMENT SYSTEM

The Authority participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans as described below:

- a. The Traditional Pension Plan (TP) – a cost-sharing, multiple-employer defined benefit pension plan.
- b. The Member-Directed Plan (MD) – a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year.) Under the Member-Directed Plan, members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings.
- c. The Combined Plan (CO) – a cost-sharing multiple-employer defined benefit pension plan. Under the Combined Plan employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to the Traditional Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of living adjustments to members of the Traditional Plan and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by statute per Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2010, member and employer contribution rates were consistent across all three plans. The 2010 member contribution rates were 10.0% of covered payroll for members in state and local classifications. The 2010 employer contribution rate for state and local

LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2010

4. DEFINED BENEFIT PENSION PLANS – PUBLIC EMPLOYEES RETIREMENT SYSTEM - CONTINUED

employers was 14.00% of covered payroll. The Authority's required contributions, including the pick up portion for certain employees for the years ended December 31, 2010, 2009 and 2008 were \$44,373, \$43,762 and \$39,438 respectively. All required payments of contributions have been made through December 31, 2010. Total required employer contributions for all plans are equal to 100% of employer charges and should be extracted from the employer's records.

5. POSTEMPLOYMENT BENEFITS – PUBLIC EMPLOYEES RETIREMENT SYSTEM

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan – a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan – a defined contribution plan; and the Combined Plan – a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Pension must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post-employment Benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

The Ohio Revised Code provides the statutory authority requiring public employers to fund post-employment health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-employment health care benefits.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2010, the Authority contributed at a rate of 14 percent of covered. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units. Active members do not make contributions to the OPEB Plan.

OPERS' Post-employment Health Care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 5.5 percent from January 1 through February 28, 2010 and 5 percent from March 1 through December 31, 2010. The OPERS Board of Trustees is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Actual Authority contributions for the year ended December 31, 2010, which were used to fund post-employment benefits, were \$2,261.

The Health care Preservation Plan (HCPP) adopted by the OPERS Board of Trustees September 9, 2004, was effective January 1, 2007. Member and employer contribution rates for state and local employers increased January 1 of each year from 2006 to 2008. Rates for law and public safety employers increased over a six year period beginning January 1, 2006, with a final increase January 1, 2011. These rate increases allowed additional funds to be allocated to the health care plan.

LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2010

6. COMPENSATED ABSENCES

Vacation and sick leave policies are established by the Board of Commissioners.

Annual vacation leave is given to all full time permanent employees on a pro-rate basis; two weeks per year for service one through five years, three weeks for six to ten years of service and four weeks for ten years of service or more. The annual leave earned must be taken on or before December 31, of each year. No accumulation is permitted and as such there is no accrual at December 31, 2010.

Sick leave accrues for full time permanent employees on the basis of 10 hours per month, cumulative to 120 days or 960 hours. An employee at the time of retirement from active service with the authority may elect to be paid cash for one-third (1/3) of the value of accrued unused sick leave credit at the employees rate of pay at the time of retirement. The Authority's policy is to begin to accrue sick leave for employees five (5) years before they are eligible for retirement. At December 31, 2010, the authority had \$17,436 sick leave accrued for employees who will be eligible to retire within the next five years.

The following is a summary of changes in compensated absences for the year ended December 31, 2010:

Description	Balance 12/31/2009	Increases	Decreases	Balance 12/31/2010	Due Within One Year
Compensated Absences Payable	\$ 15,842	\$ 16,797	\$ (15,203)	\$ 17,436	\$ 5,637

7. CONTINGENCIES

Grants

The Authority received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the Authority. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Authority at December 31, 2010.

Commitments and Contingencies

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

Risk Management

The Authority is exposed to various risks of loss related to torts; theft to, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2010, the Authority was insured through the State Housing Authority Risk Pool Association, Inc. (SHARP), a public entity risk pool operating a common risk management and insurance program for its housing authority members. The State Housing Authority Risk Pool Association, Inc. is self-sustaining through member premiums and reinsures through commercial insurance companies.

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

8. FAMILY SELF-SUFFICIENCY PROGRAM

The Logan County Metropolitan Housing Authority has a Family Self-Sufficiency Program (FSSP). This program is designed to assist families to become self sufficient through an escrowed savings plan provided by the Authority. Upon completion of the objectives, the family receives their escrow balance.

At December 31, 2010, the Authority held in escrow \$23,182 for the Family Self-Sufficiency Program. The Authority recognizes the escrow as cash and due to FSS participants on the balance sheet.

LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2010

9. SCHEDULE OF FEDERAL AWARDS

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

10. PAYMENT IN LIEU OF TAXES

The Authority has cooperation agreements with certain municipalities under which it makes payment in lieu of real estate taxes for various public services. Expense recognized for payment in lieu of taxes totaled \$8,214.

11. MEMORANDUM OF AGREEMENT

In 2007, the Authority was designated by The Department of Housing and Urban Development (HUD) as a Troubled Public Housing Authority, including substandard categorization. As a result, the Authority is required to file quarterly reports per a Memorandum of Agreement with HUD, effective through January 31, 2010. As of DATE the Authority is no longer considered a Troubled Public Housing Authority.

12. FDS SCHEDULE SUBMITTED TO HUD

For the fiscal year ended December 31, 2010, the Authority electronically submitted an unaudited version of the balance sheet, statement of revenues, expenses and changes in net assets and other data to HUD as required on the GAAP basis. The schedules are presented in the manner prescribed by HUD.

13. SUBSEQUENT EVENTS

There were no subsequent events through June 6, 2011, the date the financial statements were available to be issued. Any subsequent events after that date have not been evaluated.

LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY

Balance Sheet

FDS Schedule Submitted to HUD

Proprietary Fund Type

Enterprise Fund

Year Ended December 31, 2010

	Project Total	14,871 Housing Choice Vouchers	1 Business Activities	14,885 Formula Capital Fund Stimulus Grant	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$12,714	\$60,731			\$73,445		\$73,445
113 Cash - Other Restricted		\$181,356	\$18,724		\$200,080		\$200,080
114 Cash - Tenant Security Deposits	\$26,570				\$26,570		\$26,570
100 Total Cash	\$39,284	\$242,087	\$18,724	\$0	\$300,095	\$0	\$300,095
122 Accounts Receivable - HUD Other Projects	\$119,446				\$119,446		\$119,446
125 Accounts Receivable - Miscellaneous	\$1,725	\$2,870	\$173,877		\$178,472		\$178,472
126 Accounts Receivable - Tenants	\$221				\$221		\$221
128 Fraud Recovery		\$7,395			\$7,395		\$7,395
128.1 Allowance for Doubtful Accounts - Fraud		-\$780			-\$780		-\$780
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$121,392	\$9,485	\$173,877	\$0	\$304,754	\$0	\$304,754
142 Prepaid Expenses and Other Assets	\$24,791	\$438			\$25,229		\$25,229
143 Inventories	\$26,722				\$26,722		\$26,722
143.1 Allowance for Obsolete Inventories	-\$47				-\$47		-\$47
144 Inter Program Due From	\$295,013				\$295,013	-\$295,013	\$0
150 Total Current Assets	\$507,155	\$252,010	\$192,601	\$0	\$951,766	-\$295,013	\$656,753
161 Land	\$683,200				\$683,200		\$683,200
162 Buildings	\$7,777,855				\$7,777,855		\$7,777,855
163 Furniture, Equipment & Machinery - Dwellings	\$141,958				\$141,958		\$141,958
164 Furniture, Equipment & Machinery - Administration	\$302,876	\$114,223			\$417,099		\$417,099
166 Accumulated Depreciation	-\$3,954,088	-\$113,885			-\$4,067,973		-\$4,067,973
160 Total Capital Assets, Net of Accumulated Depreciation	\$4,951,801	\$338	\$0	\$0	\$4,952,139	\$0	\$4,952,139
180 Total Non-Current Assets	\$4,951,801	\$338	\$0	\$0	\$4,952,139	\$0	\$4,952,139
190 Total Assets	\$5,456,956	\$252,348	\$192,601	\$0	\$5,903,905	-\$295,013	5,608,892

See independent auditors' report

LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY
Statement of Revenues, Expenses and Changes in Retained Earnings
FDS Schedule Submitted to HUD
Proprietary Fund Type
Enterprise Fund
Year Ended December 31, 2010

	Project Total	14,871 Housing Choice Vouchers	1 Business Activities	14,885 Formula Capital Fund Stimulus Grant	Subtotal	ELIM	Total
312 Accounts Payable <= 90 Days	\$19,288	\$1,591			\$20,879		\$20,879
313 Accounts Payable >90 Days Past Due							
321 Accrued Wage/Payroll Taxes Payable	\$7,230	\$8,487			\$15,717		\$15,717
322 Accrued Compensated Absences - Current Portion	\$3,317	\$2,320			\$5,637		\$5,637
331 Accounts Payable - HUD PHA Programs		\$1,114			\$1,114		\$1,114
333 Accounts Payable - Other Government	\$8,656				\$8,656		\$8,656
341 Tenant Security Deposits	\$26,570				\$26,570		\$26,570
342 Deferred Revenues	\$2,302				\$2,302		\$2,302
345 Other Current Liabilities	\$574				\$574		\$574
347 Inter Program - Due To	\$119,446	\$1,690	\$173,877		\$295,013	-\$295,013	\$0
310 Total Current Liabilities	\$187,383	\$15,202	\$173,877	\$0	\$376,462	-\$295,013	\$81,449
353 Non-current Liabilities - Other							
354 Accrued Compensated Absences - Non Current	\$3,301	\$23,182	\$18,724		\$41,906		\$41,906
350 Total Non-Current Liabilities	\$3,301	\$8,498	\$18,724	\$0	\$11,799	\$0	\$11,799
		\$31,680	\$18,724		\$53,705		\$53,705
300 Total Liabilities	\$190,684	\$46,882	\$192,601	\$0	\$430,167	-\$295,013	\$135,154
508.1 Invested In Capital Assets, Net of Related Debt	\$4,951,801	\$338			\$4,952,139		\$4,952,139
511.1 Restricted Net Assets		\$201,431			\$201,431		\$201,431
512.1 Unrestricted Net Assets	\$316,471	\$3,697	\$0	\$0	\$320,168		\$320,168
513 Total Equity/Net Assets	\$5,266,272	\$205,466	\$0	\$0	\$5,473,738	\$0	\$5,473,738
600 Total Liabilities and Equity/Net Assets	\$5,458,956	\$252,348	\$192,601	\$0	\$5,903,905	-\$295,013	\$5,608,892

See independent auditors' report

LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY
Statement of Revenues, Expenses and Changes in Retained Earnings
FDS Schedule Submitted to HUD
Proprietary Fund Type
Enterprise Fund
Year Ended December 31, 2010

	Project Total	14.871 Housing Choice Vouchers	1 Business Activities	14.885 Formula Capital Fund Stimulus Grant	Total
70300 Net Tenant Rental Revenue	\$104,387				\$104,387
70400 Tenant Revenue - Other	\$5,076				\$5,076
70500 Total Tenant Revenue	\$109,463	\$0	\$0	\$0	\$109,463
70600 HUD PHA Operating Grants	\$474,182	\$1,559,071		\$5,489	\$2,038,742
70610 Capital Grants	\$198,572			\$214,104	\$412,676
71100 Investment Income - Unrestricted	\$31	\$38			\$69
71400 Fraud Recovery		\$4,230			\$4,230
71500 Other Revenue	\$5,760	\$1,451	\$37,733		\$44,944
71600 Gain or Loss on Sale of Capital Assets	\$11,668				\$11,668
72000 Investment Income - Restricted		\$97			\$97
70000 Total Revenue	\$799,676	\$1,564,887	\$37,733	\$219,593	\$2,621,889
91100 Administrative Salaries	\$122,067	\$127,932	\$24,950	\$5,489	\$280,438
91200 Auditing Fees	\$3,926	\$3,099			\$7,025
91400 Advertising and Marketing	\$501	\$4			\$505
91500 Employee Benefit contributions - Administrative	\$41,549	\$63,208	\$11,650		\$116,407
91700 Legal Expense	\$5,419				\$5,419
91800 Travel	\$7,588	\$3,669			\$11,257
91900 Other	\$61,295	\$18,897	\$1,133		\$81,325
91000 Total Operating - Administrative	\$242,345	\$216,809	\$37,733	\$5,489	\$502,376
92400 Tenant Services - Other	\$1,502				\$1,502
92500 Total Tenant Services	\$1,502	\$0	\$0	\$0	\$1,502
93100 Water	\$2,838				\$2,838
93200 Electricity	\$9,167				\$9,167
93300 Gas	\$4,132				\$4,132
93600 Sewer	\$6,111				\$6,111
93000 Total Utilities	\$22,248	\$0	\$0	\$0	\$22,248
94100 Ordinary Maintenance and Operations - Labor	\$38,420				\$38,420
94200 Ordinary Maintenance and Operations - Materials and Other	\$54,203				\$54,203
94300 Ordinary Maintenance and Operations Contracts	\$82,898				\$82,898
94500 Employee Benefit Contributions - Ordinary Maintenance	\$14,592				\$14,592
94000 Total Maintenance	\$190,113	\$0	\$0	\$0	\$190,113

See independent auditors' report

LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY
Project Statement of Revenues, Expenses and Changes in Retained Earnings
FDS Schedule Submitted to HUD
Proprietary Fund Type
Enterprise Fund
Year Ended December 31, 2010

	Project Total	14.871 Housing Choice Vouchers	1 Business Activities	14.885 Formula Capital Fund Stimulus Grant	Total
96110 Property Insurance	\$15,549				\$15,549
96120 Liability Insurance	\$6,429	\$40			\$6,469
96130 Workmen's Compensation	\$5,732	\$5,083			\$10,815
96140 All Other Insurance	\$3,285	\$1,342			\$4,627
96100 Total Insurance Premiums	\$30,995	\$6,465	\$0	\$0	\$37,460
96210 Compensated Absences	\$5,300	\$4,700			\$10,000
96300 Payments in Lieu of Taxes	\$8,656				\$8,656
96400 Bad debt - Tenant Rents	\$853				\$853
96600 Bad debt - Other		\$780			\$780
96000 Total Other General Expenses	\$14,809	\$5,480	\$0	\$0	\$20,289
96900 Total Operating Expenses	\$502,012	\$228,754	\$37,733	\$5,489	\$773,988
97000 Excess of Operating Revenue over Operating Expenses	\$297,664	\$1,336,133	\$0	\$214,104	\$1,847,901
97300 Housing Assistance Payments		\$1,275,052			\$1,275,052
97400 Depreciation Expense	\$292,300	\$225			\$292,525
90000 Total Expenses	\$794,312	\$1,504,031	\$37,733	\$5,489	\$2,341,565
10010 Operating Transfer In	\$18,515				\$18,515
10020 Operating transfer Out	-\$18,515				-\$18,515
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$5,364	\$60,866	\$0	\$214,104	\$280,324
11030 Beginning Equity	\$5,048,804	\$144,610	\$0	\$0	\$5,193,414
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$214,104			-\$214,104	\$0
11170 Administrative Fee Equity		\$27,995			\$27,995
11180 Housing Assistance Payments Equity		\$177,471			\$177,471
11190 Unit Months Available	1200	3552			4752
11210 Number of Unit Months Leased	1191	3502			4693
11270 Excess Cash	\$231,332				\$231,332
11620 Building Purchases	\$368,974				\$368,974
11640 Furniture & Equipment - Administrative Purchases	\$43,702				\$43,702

See independent auditors' report

LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY
Project Statement of Revenues, Expenses and Changes in Retained Earnings
FDS Schedule Submitted to HUD
Proprietary Fund Type
Enterprise Fund
Year Ended December 31, 2010

	Low Rent	Capital Fund	Total Project
70300 Net Tenant Rental Revenue	\$104,387		\$104,387
70400 Tenant Revenue - Other	\$5,076		\$5,076
70500 Total Tenant Revenue	\$109,463	\$0	\$109,463
70600 HUD PHA Operating Grants	\$397,351	\$76,831	\$474,182
70610 Capital Grants		\$198,572	\$198,572
71100 Investment Income - Unrestricted	\$31		\$31
71500 Other Revenue	\$5,760		\$5,760
71600 Gain or Loss on Sale of Capital Assets	\$11,668		\$11,668
70000 Total Revenue	\$524,273	\$275,403	\$799,676
91100 Administrative Salaries	\$105,578	\$16,489	\$122,067
91200 Auditing Fees	\$3,926		\$3,926
91400 Advertising and Marketing	\$98	\$403	\$501
91500 Employee Benefit contributions - Administrative	\$41,549		\$41,549
91700 Legal Expense	\$5,419		\$5,419
91800 Travel	\$7,588		\$7,588
91900 Other	\$60,309	\$986	\$61,295
91000 Total Operating - Administrative	\$224,467	\$17,878	\$242,345
92400 Tenant Services - Other	\$1,502		\$1,502
92500 Total Tenant Services	\$1,502	\$0	\$1,502
93100 Water	\$2,838		\$2,838
93200 Electricity	\$9,167		\$9,167
93300 Gas	\$4,132		\$4,132
93600 Sewer	\$6,111		\$6,111
93000 Total Utilities	\$22,248	\$0	\$22,248
94100 Ordinary Maintenance and Operations - Labor	\$35,039	\$3,381	\$38,420
94200 Ordinary Maintenance and Operations - Materials and Other	\$38,635	\$15,568	\$54,203
94300 Ordinary Maintenance and Operations Contracts	\$61,409	\$21,489	\$82,898
94500 Employee Benefit Contributions - Ordinary Maintenance	\$14,592		\$14,592
94000 Total Maintenance	\$149,675	\$40,438	\$190,113

See independent auditors' report

LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY
Project Statement of Revenues, Expenses and Changes in Retained Earnings
FDS Schedule Submitted to HUD
Proprietary Fund Type
Enterprise Fund
Year Ended December 31, 2010

	Low Rent	Capital Fund	Total Project
96110 Property Insurance	\$15,549		\$15,549
96120 Liability Insurance	\$6,429		\$6,429
96130 Workmen's Compensation	\$5,732		\$5,732
96140 All Other Insurance	\$3,285		\$3,285
96100 Total insurance Premiums	\$30,995	\$0	\$30,995
96210 Compensated Absences	\$5,300		\$5,300
96300 Payments in Lieu of Taxes	\$8,656		\$8,656
96400 Bad debt - Tenant Rents	\$853		\$853
96000 Total Other General Expenses	\$14,809	\$0	\$14,809
96900 Total Operating Expenses	\$443,696	\$58,316	\$502,012
97000 Excess of Operating Revenue over Operating Expenses	\$80,577	\$217,087	\$297,664
97400 Depreciation Expense	\$199,520	\$92,780	\$292,300
90000 Total Expenses	\$643,216	\$151,096	\$794,312
10010 Operating Transfer In	\$18,515		\$18,515
10020 Operating transfer Out		-\$18,515	-\$18,515
10100 Total Other financing Sources (Uses)	\$18,515	-\$18,515	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$100,428	\$105,792	\$5,364
11030 Beginning Equity	\$5,048,804	\$0	\$5,048,804
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors		\$214,104	\$214,104
11190 Unit Months Available	1200		1200
11210 Number of Unit Months Leased	1191		1191
11270 Excess Cash	\$231,332		\$231,332
11620 Building Purchases	\$0	\$368,974	\$368,974
11640 Furniture & Equipment - Administrative Purchases	\$0	\$43,702	\$43,702

See independent auditors' report

**LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY
COST CERTIFICATIONS
December 31, 2010**

	<u>OH16-S072-501-09</u>	<u>OH16-P072-501-08</u>
Total Expended	\$ 235,594	\$ 186,123
Total Received	\$ 235,594	\$ 186,123

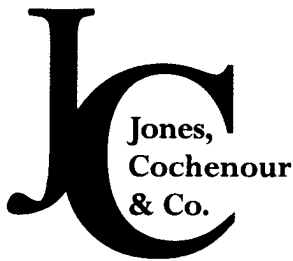
- 1. The grant cost certificates were approved by HUD.**
- 2. The Authority records agree to the above total expenditures.**
- 3. There are no outstanding liabilities.**

See independent auditors' report

**LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY
SCHEDULE OF FEDERAL AWARDS EXPENDITURES
Year Ended December 31, 2010**

	FEDERAL CFDA NUMBER	FUNDS EXPENDED
<u>FROM U.S. DEPARTMENT OF HUD</u>		
<u>DIRECT PROGRAMS</u>		
Public and Indian Housing	14.850	\$ 397,351
Section 8 Housing Choice Vouchers	14.871	1,559,071
Public Housing Capital Fund Program (Cluster):		
Public Housing Capital Fund Program	14.872	275,403
Formula Capital Fund Stimulus Grant	14.885	219,593
Public Housing Capital Fund Program Cluster		494,996
Total Expenditures of Federal Awards		\$ 2,451,418

See independent auditors' report



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

Board of Directors
Logan County Metropolitan Housing Authority
Bellefontaine, Ohio

Regional Inspector General of Audit
Department of Housing and Urban
Development

We have audited the basic financial statements of Logan County Metropolitan Housing Authority as of and for the year ended December 31, 2010 and have issued our report thereon dated June 6, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Logan County Metropolitan Housing Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Logan County Metropolitan Housing Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Logan Metropolitan Housing Authority's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Logan County 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 grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

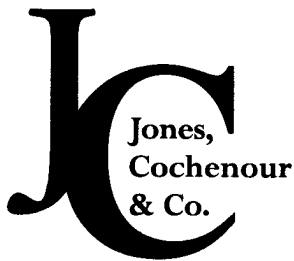
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We noted certain matters that we reported to management of Logan County Metropolitan Housing Authority in a separate letter dated June 6, 2011.

This report is intended solely for the information and use of the board of directors, management, Auditor of State, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Jones, Cochenour & Co." with a period at the end.

**Jones, Cochenour & Co.
June 6, 2011**



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Directors
Logan County Metropolitan Housing Authority
Bellefontaine, Ohio

Regional Inspector General of Audit
Department of Housing and Urban
Development

Compliance

We have audited Logan County Metropolitan Housing Authority's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Logan County Metropolitan Housing Authority's major federal programs for the year ended December 31, 2010. Logan County Metropolitan Housing Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Logan County Metropolitan Housing Authority's management. Our responsibility is to express an opinion on Logan County Metropolitan Housing Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 Logan County 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 of Logan County Metropolitan Housing Authority's compliance with those requirements.

In our opinion, Logan County Metropolitan Housing Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2010.

Internal Control Over Compliance

Management of Logan County 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 the audit, we considered Logan County Metropolitan Housing Authority's internal control over compliance with the requirements that could have a direct and material effect on a major federal program 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Logan County Metropolitan Housing Authority's internal control over compliance.

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A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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.

This report is intended solely for the information and use of the board of directors, management, Auditor of State, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.



**Jones, Cochenour & Co.
June 6, 2011**

**Logan County Metropolitan Housing Authority
Logan County**

**Summary of Auditors' Results and Schedule of Findings
OMB Circular A-133 § .505
December 31, 2010**

1. SUMMARY OF AUDITORS' RESULTS
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Type of Financial Statement Opinion	Unqualified
Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
Were there any material internal control weaknesses reported for major federal programs?	No
Were there any significant deficiencies in internal control reported for major federal programs?	No
Type of Major Programs' Compliance Opinion	Unqualified
Are there any reportable findings under § .510(a)?	No
Major Programs (list):	CFDA# 14.850 Low-rent Public Housing CFDA# 14.872 Capital Fund Program CFDA# 14.885 Formula Capital Fund Stimulus Funded
Dollar Threshold: Type A/B Programs	\$300,000
Low Risk Auditee?	Yes

**Logan County Metropolitan Housing Authority
Summary of Auditors' Results and Schedule of Findings
OMB Circular A-133 § .505 - Continued
December 31, 2010**

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

There were no findings for the year ended December 31, 2010.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There are no findings for the year ended December 31, 2010.

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Dave Yost • Auditor of State

LOGAN METROPOLITAN HOUSING AUTHORITY

LOGAN 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
AUGUST 30, 2011**