428 Second St.
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740.373.0056

1035 Murdoch Ave
Parkersburg, WV 26101
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121 E Main St
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740.695.1569

PERRY & Associates
Certified Public Accountants, A.C.

LOGAN METROPOLITAN HOUSING AUTHORITY
LOGAN COUNTY
Single Audit
For The Year Ended December 31, 2014

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• Association of Certified Anti - Money Laundering Specialists •

Dave Yost · Auditor of State

Board of Commissioners
Logan County Metropolitan Housing Authority
116 North Everett Street
Bellefontaine, Ohio 46611

We have reviewed the *Independent Auditor's Report* of the Logan County Metropolitan Housing Authority, Logan County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2014 through December 31, 2014. 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 County Metropolitan Housing Authority is responsible for compliance with these laws and regulations.

Dave Yost

Dave Yost
Auditor of State

August 19, 2015

88 East Broad Street, Fifth Floor, Columbus, Ohio 43215-3506
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LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY
LOGAN COUNTY
FOR THE YEAR ENDED DECEMBER 31, 2014

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Certified Public Accountants, A.C.

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INDEPENDENT AUDITOR'S REPORT

June 30, 2015

Logan County Metropolitan Housing Authority
Logan County
119 North Everett Street
Bellefontaine, Ohio 45402

To the Director and Board of Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of **Logan County Metropolitan Housing Authority**, Logan County, Ohio (the Authority), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Authority's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our opinion.

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• Association of Certified Anti - Money Laundering Specialists •

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Logan County Metropolitan Housing Authority, Logan County as of December 31, 2014, and the changes in its financial position and its cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the Authority's basic financial statements taken as a whole.

The Financial Data Schedule presented on pages 24 through 26 is presented for additional analysis as required by the U.S. Department of Housing and Urban Development and are not a required part of the basic financial statements.

The Schedule of Federal Awards Expenditures also presents additional analysis as required by the 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 schedules are management's responsibility and derived from and relate to the underlying accounting and other records used to prepare the basic financial statements. We subjected these schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, these schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2015, on our consideration of the 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Perry & Associates CPA's A.C.

Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

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 conjuncture with the Authority's financial statements (beginning on page 8).

FINANCIAL HIGHLIGHTS

- **The Authority's net position decreased by $381,701 (or 8.2%) during 2014. Since the Authority engages only in business-type activities, the increase is all in the category of business-type net position. Net position was $4.2 and $4.6 million for 2014 and 2013, respectively.**

- **Revenues decreased by $37,200 (or 1.8%) during 2014, and were $2.1 and 2.1 million for 2014 and 2013 respectively.**

- **The total expenses of all Authority programs increased by $67,037 (or 2.8%). Total expenses were $2.5 and 2.4 million for 2014 and 2013 respectively.**

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 Position ~** **~ Statement of Revenues, Expenses and Changes in Net Position ~** **~ Statement of Cash Flows ~** **~ Notes to Financial Statements ~**
Other Supplementary Information **~ 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.

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 Position, which is similar to a Balance Sheet. The Statement of Net Position reports all financial and capital resources for the Authority. The statement is presented in the format where assets, minus liabilities, equal "Net Position", 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 Position (the "Unrestricted Net Position") is designed to represent the net available liquid (non-capital) assets, net of liabilities, for the entire Authority. Net Position (formerly net assets) is reported in three broad categories:

> **Net Investment in Capital Assets: This component of Net Position 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 Position: This component of Net Position consists of restricted assets, when constraints are placed on the asset by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.**
>
> **Unrestricted Net Position: Consists of Net Position that do not meet the definition of" Net Investment in Capital Assets", or" Restricted Net Position".**

The Authority-wide financial statements also include a Statement of Revenues, Expenses and changes in Net Position (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 Position is the "Change in Net Position", 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 from 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.**
>
> **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.**
>
> **Business Activities - Represents non-HUD resources developed from a variety of activities.**

Unaudited

AUTHORITY-WIDE STATEMENTS

STATEMENT OF NET POSITION

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

TABLE 1
STATEMENT OF NET POSITION

		2014	2013
Current and Other Assets		$ 306,227	$ 427,000
Capital Assets		4,105,463	4,312,553
	TOTAL ASSETS	4,411,690	4,739,553
Current Liabilities		137,093	77,387
Long-term Liabilities		27,499	33,367
	TOTAL LIABILITIES	164,592	110,754
Net Postion:			
Net Investment in Capital Assets		4,105,463	4,312,553
Restricted Net position - HAP		4,752	78,770
Unrestricted		136,883	237,476
	TOTAL NET POSITION	$ 4,247,098	$ 4,628,799

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

MAJOR FACTORS AFFECTING THE STATEMENT OF NET POSITION

During 2014, current and other assets were decreased by $120,773 (28.3%), and current liabilities were increased by $59,706 (or 77.2%). The decrease in current and other assets resulted from a decrease in cash on deposits due to HUD"s pullback of HAP reserve funds into the HUD held reserve account. Current liabilities increased mainly due to the increase in accounts payable.

Capital assets also changed, decreasing from $4,312,553 to $ 4,105,463. The $ 207,090 (or 4.8%) decrease is primarily, due to a combination of net acquisitions ($91,655), less current year depreciation and amortization ($300,631). For more details see "Capital Assets and Debt Administration" details on page 6.

Unaudited

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

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

	2014	2013
Revenues		
Tenant Revenue - Rents and Other	$ 138,291	$ 139,028
Operating Subsidies and Grants	1,715,010	1,812,184
Capital Grants	162,978	67,836
Investment Income	73	11
Other Revenues	54,373	88,866
TOTAL REVENUE	2,070,725	2,107,925
Expenses		
Administration	499,952	514,224
Tenant Services	1,116	657
Utilities	33,909	26,958
Insurance	26,701	26,002
Maintenance	288,702	190,932
General	27,059	27,067
Housing Assistance Payment	1,274,356	1,296,422
Depreciation	300,631	303,127
TOTAL EXPENSES	2,452,426	2,385,389
CHANGE IN NET ASSETS	$ (381,701)	$ (277,464)

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

While tenant and other revenues remained about the same in 2014, a reduction in operating subsidies and grants and other revenues reduced total revenue by 37,200 or (1.8%).

Expenses increased in 2014. Maintenance expenses have increased by $97,770 or (51.2%), due to a increase in maintenance staff and higher unit turnaround costs due to an increase in the number of vacant units.

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS

As of year-end, the Authority had $4 million invested in a variety of capital assets as reflected in the following schedule, which represents a net decrease (additions, deductions and depreciation) of 207,090 (or 4.8%) from the end of last year.

Unaudited

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

	2014	2013
Land and Land Rights	$ 683,200	$ 683,200
Buildings	8,123,748	8,030,206
Furniture and Equipment	583,761	585,649
Accumulated Depreciation	(5,285,246)	(4,986,503)
TOTAL	$ 4,105,463	$ 4,312,552

The following reconciliation summarizes the change in Capital Assets.

TABLE 4
CHANGE IN CAPITAL ASSETS

BEGINNING BALANCE - NET	$ 4,312,552
Additions - Capital Funds	93,542
Depreciation Expense	(300,631)
ENDING BALANCE	$ 4,105,463

This year major additions are primarily capital expenditures related to the modernization of the Authority's developments. See Note 4 for additional information on capital assets.

DEBT ADMINISTRATION

As of year-end, the Authority has 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
LOGAN COUNTY

STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2014

Assets	
Current Assets:	
Cash and Cash Equivalents - Unrestricted	$ 122,851
Cash and Cash Equivalents - Restricted	49,524
Total Cash and Cash Equivalents	172,375
Accounts Receivable, Net:	
Tenants Receivables	1,017
Other Receivables	76,177
Inventories	32,344
Prepaid Expenses and Other Assets	24,314
Total Current Assets	306,227
Noncurrent Assets:	
Capital Assets:	
Nondepreciable Capital Assets	683,200
Depreciable Capital Assets, Net of Accumulated Depreciation	3,422,263
Total Capital Assets	4,105,463
Total Noncurrent Assets	4,105,463
Total Assets	$ 4,411,690
Liabilities	
Current Liabilities:	
Accrued Wages/Payroll Taxes Payable	$ 21,849
Accounts Payable	49,910
Compensated Absences - Current	12,308
Tenant Security Deposits	25,915
Other Current Liabilities	27,111
Total Current Liabilities	137,093
Long Term Liabilities:	
Compensated Absences - Noncurrent	8,642
FSS Liability	18,857
Total Long Term Liabilities	27,499
Total Liabilities	164,592
Net Position:	
Net Investment in Capital Assets	4,105,463
Restricted	4,752
Unrestricted	136,883
Total Net Position	4,247,098
Total Liabilities and Net Position	$ 4,411,690

See accompanying notes to the basic financial statements.

LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY
LOGAN COUNTY

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2014

Operating Revenues	
Tenant Rental Revenue	$ 138,291
Government Operating Grants	1,715,010
Other Revenue	54,373
Total Operating Revenues	1,907,674
Operating Expenses	
Administrative	499,952
Tenant Services	1,116
Utilities	33,909
Ordinary Maintenance & Operation	288,702
Insurance	26,701
General Expense	27,059
Housing Assistance Payments	1,274,356
Depreciation Expense	300,631
Total Operating Expenses	2,452,426
Operating Income/(Loss)	(544,752)
Non-Operating Revenues	
Investment Income - Unrestricted	73
Total Non-Operating Revenues	73
Change in Net Position before Capital Contributions & Grants	(544,679)
Capital Grants	162,978
Change in Net Position	(381,701)
Net Position, Beginning of Year	4,628,799
Net Position, End of Year	$ 4,247,098

See accompanying notes to the basic financial statemetns.

LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY
LOGAN COUNTY

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014

Cash Flows From Operating Activities:		
Receipts From Tenants	$	156,765
Receipts From Operating Grants		1,892,565
Other Operating Receipts		255,782
Housing Assistance Payments		(1,280,385)
Payments for General and Administrative Expense		(1,180,605)
HUD and Other Government Payments		(10,907)
Net Cash Used in Operating Activities		(166,785)
Cash Flows From Capital and Related Financing Activities:		
Capital Grants		162,978
Construction and Acquisition of Capital Assets		(91,507)
Net Cash Used in Capital and Related Financing Activities		71,471
Cash Flows From Investing Activities:		
Interest Received on Investments		19
Net Cash Provided by Investing Activities		19
Net Decrease in Cash and Cash Equivalents		(95,295)
Cash at Beginning of Year		267,670
Cash at End of Year	$	172,375
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Operating Loss	$	(544,752)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities		
Depreciation Expense		300,631
(Increase)Decrease In:		
Accounts Receivable		24,488
Prepaid Expenses and Other Assets		(5,892)
Inventories		4,902
Increase(Decrease) In:		
Accrued Wages and Payroll Taxes Payable		1,505
Accounts Payable		36,570
Tenant Security Deposits		791
Compensated Absences		579
FSS Liability		8,733
Other Liabilities		5,660
Net Cash Used in Operating Activities	$	(166,785)

See accompanying notes to the basic financial statements.

1. DESCRIPTION OF THE HOUSING AUTHORITY AND REPORTING ENTITY

Summary of Significant Accounting Policies

The financial statements of the Logan County Metropolitan Housing Authority (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.

Reporting Entity

The Authority was created pursuant to the Ohio Revised Code Section 3735.27. The Authority contracts with the United States Department of Housing and Urban Development (HUD) to provide low and moderate income persons with safe and sanitary housing through rent subsidies provided by HUD. The Authority depends on the subsidies from HUD to operate.

The accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity* (as amended by GASB Statement No. 61), in that the financial statements include all organizations, activities, and functions for which the Authority is financially accountable. This report includes all activities considered by management to be part of the Authority by virtue of Section 2100 of the Codification of Governmental Accounting and Financial Reporting Standards.

Section 2100 indicates that the reporting entity consists of a) the primary government, b) organizations for which the primary government is financially accountable, and c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The definition of a reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization. The financial benefit or burden relationship exists if the primary government a) is entitled to the organization's resources; b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or c) is obligated in some manner for the debt of the organization.

Management believes the financial statements included in this report represent all of the funds of the Authority over which the Authority is financially accountable.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation
The Authority's basic financial statements consist of a Statement of Net Position, a Statement of Revenues, Expenses, and Changes in Net Position, and a Statement of Cash Flows.

The Authority uses a single enterprise fund to maintain its financial records during the year. 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 in net position, financial position and cash flows. An enterprise fund may be used for any activity for which a fee is charged to external users for goods and services.

Measurement Focus
The enterprise fund is accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the Authority are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Net Position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The Statement of Cash Flows provides information about how the Authority finances and meets the cash flow needs 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 its 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.

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

Projects - Conventional Public Housing and Capital Fund Programs
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 Authority to provide the housing at a rent that is based upon 30 percent of household income. The Conventional Public Housing Program also includes the Capital Fund Program, which is the primary funding source for physical (i.e. capital) and management improvements to the Authority's properties. Funds are provided by formula allocation and based on size and age of the units.

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 Assistant 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 percent of household income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Other Business Activities

Other Business Activities (OBA) – Represents non-HUD 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.

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, and all non-negotiable certificates of deposits regardless of maturity.

Accounting and Reporting for Nonexchange Transactions

Non-exchange transactions occur when the Authority receives (or gives) value without directly giving equal value in return. GASB 33 identifies four classes of non-exchange transactions as follows:

1. Derived tax revenues: result from assessments imposed on exchange transactions (i.e., income taxes, sales taxes and other assessments on earnings or consumption).
2. Imposed non-exchange revenues: result from assessments imposed on non-governmental entities, including individuals, other than assessments on exchange transactions (i.e., property taxes and fines).
3. Government-mandated non-exchange transactions: occur when a government at one level provides resources to a government at another level and requires the recipient to use the resources for a specific purpose (i.e., federal programs that state or local governments are mandated to perform).
4. Voluntary non-exchange transactions: result from legislative or contractual agreements, other than exchanges, entered into willingly by the parties to the agreement (i.e., certain grants and private donations).

The Authority grants and subsidies will be defined as government-mandated or voluntary non-exchange transactions.

GASB 33 establishes two distinct standards depending upon the kind of stipulation imposed by the provider.

1. Time requirements specify (a) the period when resources are required to be used or when use may begin (for example, operating or capital grants for a specific period) or (b) that the resources are required to be maintained intact in perpetuity or until a specified date or event has occurred (for example, permanent endowments, term endowments, and similar agreements). Time requirements affect the timing of recognition of non-exchange transactions.
2. Purpose restrictions specify the purpose for which resources are required to be used, (i.e., capital grants used for the purchase of capital assets). Purpose restrictions do not affect when a non-exchange transaction is recognized. However, authority's that receive resources with purpose restrictions should report resulting net assets, equity, or fund balance as restricted.

Investments

Investments are restricted by the provisions of the HUD regulations (See Note 3). Investments are valued at market value. At December 31, 2014, The Authority did not have any investments.

Receivables - Net of Allowance

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. At December 31, 2014, the Authority believed $689 of the accounts receivable to be uncollectible.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Prepaid Expenses

Payments made to vendors for services that will benefit periods beyond December 31, 2014, 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.

Inventory

The Authority's inventory is comprised of maintenance materials and supplies. Inventory is stated at cost and uses the Moving Average Costing flow assumption in determining cost.

The consumption method is used to record inventory. Under this method, the acquisition of materials and supplies is recorded initially in inventory accounts and charged as expenditures when used. The allowance for obsolete inventory was $0 at December 31, 2014.

Capital Assets

Capital 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 expensed as incurred. The Authority's capitalization threshold is $750. The following are the useful lives used for depreciation purposes:

Buildings	40 years
Building improvements	15 years
Furniture and Equipment	3-7 years

Restricted Cash

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

Due From/To Other Programs

On the basic financial statements, inter-program receivables and payables listed on the FDS are eliminated. For the year ended December 31, 2014, the eliminated entry of $67,500 represents money owed by the OBA activities to PH in the amount of $67,500.

Accrued Liabilities

All payables and accrued liabilities are reported in the basic financial statements.

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 the 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 absences accrual amount.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences (Continued)
Vacation leave and other compensated absences with similar characteristics are accrued as a liability as the benefits are earned by the employees if both 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 liability.

Unearned Revenue
Unearned revenue arises when revenues are received before revenue recognition criteria have been satisfied.

Net Position
Net position represents the difference between assets and liabilities. Net investment in capital assets 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 position is recorded as restricted when there are limitations imposed on their use by internal or external restrictions.

The Authority applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted amounts are available.

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 grant from HUD and other miscellaneous revenue.

Operating expenses are those expenses that are expended directly for the primary activity of the proprietary fund. For the Authority, these expenses are administrative, utilities, maintenance, PILOT, insurance, depreciation, bad debt and housing assistance payments.

Capital Grant
This represents grants provided by HUD that the Authority spends on capital assets.

Budgetary Accounting
The Authority annually prepares its program budgets as prescribed by the Department of Housing and Urban Development. These budgets are adopted by the Board of the Authority and submitted to the Federal agencies, as applicable.

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 statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

3. DEPOSITS AND INVESTMENTS

Deposits

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

A. 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 withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.
B. 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.
C. 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 the 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 collateral held by the Authority, or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

The carrying amount of the Authority's deposits was $172,075 at December 31 2014, plus $300 petty cash. The corresponding bank balances were $173,337. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosure," as of December 31, 2014, $173,337 was covered by federal depository insurance. No balance was exposed to custodial risk.

Custodial credit risk is the risk that in the event of bank failure, the Authority will not be able to recover the deposits. All deposits are collateralized with eligible securities in amounts equal to at least 105 percent of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at the Federal Reserve Banks or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the Authority.

Investments

In accordance with the Ohio Revised Code and HUD investment policy, the Authority is permitted to invest in certificates of deposit, savings accounts, money market accounts, certain highly rated commercial paper, obligations of certain political subdivision of Ohio and the United States government and its agencies, and repurchase agreements with any eligible depository or any eligible dealers. Public depositories must give security for all public funds on deposit. Repurchase agreements must be secured by the specific qualifying securities upon which the repurchase agreements are based.

The Authority is prohibited from investing in any financial instruments, contracts, or obligations whose value or return is based or linked to another asset or index, or both, separate from the financial instrument, contract, or obligation itself (commonly known as a derivative). The Authority is also prohibited from investing in reverse purchase agreements.

3. DEPOSITS AND INVESTMENTS (Continued)

Interest Rate Risk - The Authority does not have a formal investment policy that limits investments as a means of managing its exposure to fair value losses arising from increasing interest rates. However, it is the Authority's practice to limit its investments to three years or less.

Credit Risk - HUD requires specific collateral on individual accounts in excess of amounts insured by the Federal Deposit Insurance Corporation. The Authority's depository agreement specifically requires compliance with HUD requirements.

Concentration of Credit Risk - The Authority places no limit on the amount that may be invested with any one issuer. However, it is the Authority's practice to do business with more than one depository.

The Authority had no investments at December 31, 2014.

Deposits for the Authority at December 31, 2014, consist of the following:

	Balance at 12/31/2014
Cash- Restricted	
Unspent HUD Revenues Provided for Payment of Rental Assistance in the Housing Choice Voucher Program	$ 23,609
Security Deposits	25,915
Total Cash - Restricted	49,524
Cash - Unrestricted	122,851
Total Deposits	$ 172,375

4. CAPITAL ASSETS

A summary of changes in the Authority's capital assets for the year ended December 31, 2014, follows:

	Balance 12/31/13	Additions	Deletions	Balance 12/31/14
Capital Assets, Not Being Depreciated				
Land and Land Easements	$ 683,200	$ -	$ -	$ 683,200
Total Capital Assets, Not Being Depreciated	683,200	-	-	683,200
Capital Assets Being Depreciated				
Buildings	8,030,206	93,542	-	8,123,748
Furniture and Equipment	585,649	-	(1,888)	583,761
Total Capital Assets, Being Depreciated	8,615,855	93,542	(1,888)	8,707,509
Less Accumulated Depreciation:				
Buildings	(4,445,049)	(281,330)	-	(4,726,379)
Furniture and Equipment	(541,454)	(19,301)	1,888	(558,867)
Total Accumulated Depreciation	(4,986,503)	(300,631)	1,888	(5,285,246)
Total Capital Assets Being Depreciated, Net	3,629,352	(207,089)	-	3,422,263
Total Capital Assets, Net	$ 4,312,552	$ (207,089)	$ -	$ 4,105,463

5. RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During the year ended December 31, 2014, the Authority maintained 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.

Also, during 2014, 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.

On June 1, 2013, the Authority in conjunction with other entities jointly contracted with a commercial insurance carrier for risk of loss for employee health and accident insurance. Prior to June 1st the Authority was part of the Ohio Public Healthcare Risk Pool Joint Self Insurance Association, which was a member of the Jefferson Health plan. The OPHRP withdrew from the Jefferson plan prior to the expiration of their contract. At the time of their withdrawal, The Jefferson Health plan alleges that the OPHRP has a claims deficit of $769,159 plus addition charges and penalties of $519,936. As of December 31, 2014, it is unclear if these amounts are correct or how this liability will be divided amongst the members of OPHRP. No liability has been recorded on the Authorities books as of December 31, 2014.

6. DEFINED BENEFIT PENSION PLAN

Ohio Public Employees Retirement System

All Authority full-time employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans, as described below:

- The Traditional Pension Plan (TP) - a cost sharing, multiple-employer defined benefit pension plan;

- 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 percent 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;

- 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 Pension 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 both the Traditional Pension and Combined plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 E. Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-6701 or 1-800-222-7377, or by using the OPERS website at www.opers.org.

6. DEFINED BENEFIT PENSION PLAN (Continued)

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2013 and 2012, member and employer contribution rates were consistent across all three plans. The 2014 and 2013 member contribution rates were 10.0 percent of covered payroll for members and 14.0 percent of covered payroll for employers. The Authority's contribution for the years ended December 31, 2014, 2013 and 2012 were $49,639, $50,327, and $53,541, respectively. These costs have been charged to the employee fringe benefit account. All required payments of contributions have been made through December 31, 2014.

7. POST-EMPLOYMENT BENEFITS

A. Plan Description

The 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 health care plan, which includes a medical plan, prescription drug program, and Medicare Part B premium reimbursement, to qualifying members of both the 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 plans 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 No. 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, OH 43215-4642, or by calling 614-222-5601 or 1-800-222-7377.

B. Funding Policy

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

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In fiscal year ending 2014, the Authority contributed at a rate of 14.00 percent of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.00 percent of covered payroll for state and local employer units. Active members do not make contributions to the OPEB Plan.

7. POST-EMPLOYMENT BENEFITS (Continued)

OPERS' Post-Employment Health Care Plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board 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 the traditional plan was 2% for calendar year 2014. Effective January 1, 2014, the portion of employer contributions allocated to healthcare was raised to 2% for both plans, as recommended by the OPERS Actuary. Actual Authority contributions for the year ended December 31, 2014, 2013 and 2012 which were used to fund post-employment benefits were $7,088, $14,379, and $21,034, respectively.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contributions toward the health care fund after the end of the transition period.

8. 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 of 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 does not accumulate for longer than a one year period and must be schedule in the year earned.

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 (1/4) of the value of accrued unused sick leave credit at the employee's 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, 2014, the Authority had $20,371 sick and vacation leave accrued.

The following is a summary of changes in compensated absences for the year ended December 31, 2014:

Description	Balance 12/31/2013	Increases	Decreases	Balance 12/31/2013	Due Within One Year
Compensated Absences Payable	$ 20,371	$ 11,899	$ (11,320)	$ 20,950	$ 12,308

9. RESTRICTED NET POSITION

The Authority's restricted net position is as follows:

Section 8 Housing Choice Voucher funds provided for Housing Assistance Payments in excess of amounts used	$ 4,752
Tenant Security Deposits	25,915
Family Self-Sufficiency Program	18,857
	$ 49,524

10. CONTINGENCIES

Grants
Amounts grantor agencies pay to the Authority are subject to audit and adjustments by the grantor, principally the federal government. Grantors may require refunding any disallowed costs or excess reserve balances. Management cannot presently determine amounts grantors may disallow or recapture. However, based on prior experience, management believes any such disallowed claims or recaptured amounts would not have a material adverse effect on the overall financial position of the Authority at December 31, 2014.

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.

Litigations
In the normal course of operations, the Authority may be subject to litigations and claims. At December 31, 2014, the Authority was not aware of any such matters.

11. NOTE TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES

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.

12. 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, 2014, the Authority held in escrow $18,857 for the Family Self Sufficiency Program. The Authority recognizes the escrow as cash and due to FSS participants on the balance sheet.

13. 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 for the year ended December 31, 2014 totaled $10,438.

14. FINANCIAL DATA SCHEDULE SUBMITTED TO HUD

For the fiscal year ended December 31, 2014, the Authority electronically submitted an unaudited version of the balance sheet, statement of revenue and expenses and changes in net position, and other data to HUD as required on the GAAP basis. The schedules are presented in the manner prescribed by HUD.

15. RELATED PARTY

The Authority is related through common management to Logan-Belle Home and Neighborhood Development (HAND), Inc. (a nonprofit organization) that helps facilitate and develop affordable housing in the Logan County, Ohio area.

The related party transactions with Logan-Belle HAND are summarized as follows:

Receivable balance at 12/31/13	$	77,500
Charges for management		24,211
Charges for maintenance and fees		6,664
Payments received		(40,875)
Receivable balance at 12/31/14	$	67,500

16. ECONOMIC DEPENDENCY

Both the Low Rent Public Housing Program and the Housing Choice Voucher Program are economically dependent on annual contributions and grants from HUD.

Supplementary Information

LOGAN COUNTY METROPLOITAN HOUSING AUTHORITY
LOGAN COUNTY
FINANCIAL DATA SCHEDULE
AS OF DECEMBER 31, 2014

	Business Activities	14.871 Housing Choice Vouchers	Project Total	Subtotal	ELIM	TOTAL
111 Cash - Unrestricted	$29,635	$12,245	$80,971	$122,851	$0	$122,851
113 Cash - Other Restricted	$0	$23,609	$0	$23,609	$0	$23,609
114 Cash - Tenant Security Deposits	$0	$0	$25,915	$25,915	$0	$25,915
100 Total Cash	$29,635	$35,854	$106,886	$172,375	$0	$172,375
122 Accounts Receivable - HUD Other Projects				$0	$0	$0
125 Accounts Receivable - Miscellaneous	$67,500	$2,631	$0	$70,131	$0	$70,131
126 Accounts Receivable - Tenants	$0	$0	$1,706	$1,706	$0	$1,706
128 Fraud Recovery	$0	$6,423	-$689	$5,734	$0	$5,734
128.1 Allowance for Doubtful Accounts - Fraud	$0	-$377	$0	-$377	$0	-$377
120 Total Receivables, Net of Allowances for Doubtful Accounts	$67,500	$8,677	$1,017	$77,194	$0	$77,194
142 Prepaid Expenses and Other Assets	$0	$414	$23,900	$24,314	$0	$24,314
143 Inventories	$0	$0	$32,344	$32,344	$0	$32,344
144 Inter Program Due From	$0	$0	$67,500	$67,500	-$67,500	$0
150 Total Current Assets	$97,135	$44,945	$231,647	$373,727	-$67,500	$306,227
161 Land	$0	$0	$683,200	$683,200	$0	$683,200
162 Buildings	$0	$0	$8,123,748	$8,123,748	$0	$8,123,748
163 Furniture, Equipment & Machinery - Dwellings	$0	$0	$141,959	$141,959	$0	$141,959
164 Furniture, Equipment & Machinery - Administration	$0	$101,619	$340,184	$441,803	$0	$441,803
166 Accumulated Depreciation	$0	-$101,619	-$5,183,628	-$5,285,247	$0	-$5,285,247
160 Total Capital Assets, Net of Accumulated Depreciation	$0	$0	$4,105,463	$4,105,463	$0	$4,105,463
180 Total Non-Current Assets	$0	$0	$4,105,463	$4,105,463	$0	$4,105,463
190 Total Assets	$97,135	$44,945	$4,337,110	$4,479,190	-$67,500	$4,411,690
312 Accounts Payable <= 90 Days	$0	$2,135	$37,337	$39,472	$0	$39,472
321 Accrued Wage/Payroll Taxes Payable	$0	$6,946	$14,903	$21,849	$0	$21,849
322 Accrued Compensated Absences - Current Portion	$0	$4,350	$7,958	$12,308	$0	$12,308
331 Accounts Payable - HUD PHA Programs	$0	$1,114		$1,114	$0	$1,114
333 Accounts Payable - Other Government	$0	$0	$10,438	$10,438	$0	$10,438
341 Tenant Security Deposits	$0	$0	$25,915	$25,915	$0	$25,915
342 Unearned Revenues	$0	$0	$616	$616	$0	$616
345 Other Current Liabilities	$0	$0	$25,381	$25,381	$0	$25,381
347 Inter Program - Due To	$67,500	$0	$0	$67,500	-$67,500	$0
310 Total Current Liabilities	$67,500	$14,545	$122,548	$204,593	-$67,500	$137,093
353 Non-current Liabilities - Other	$0	$18,857	$0	$18,857	$0	$18,857
354 Accrued Compensated Absences - Non Current	$0	$3,501	$5,141	$8,642	$0	$8,642
350 Total Non-Current Liabilities	$0	$22,358	$5,141	$27,499	$0	$27,499
300 Total Liabilities	$67,500	$36,903	$127,689	$232,092	-$67,500	$164,592
508.1 Invested In Capital Assets, Net of Related Debt	$0	$0	$4,105,463	$4,105,463	$0	$4,105,463
511.1 Restricted Net Assets	$0	$4,752	$0	$4,752	$0	$4,752
512.1 Unrestricted Net Assets	$29,635	$3,290	$103,958	$136,883	$0	$136,883
513 Total Equity/Net Assets	$29,635	$8,042	$4,209,421	$4,247,098	$0	$4,247,098
600 Total Liabilities and Equity/Net Assets	$97,135	$44,945	$4,337,110	$4,479,190	$0	$4,411,690

LOGAN COUNTY METROPLOITAN HOUSING AUTHORITY
LOGAN COUNTY
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2014

	Business Activities	14.871 Housing Choice Vouchers	Project Total	Subtotal	ELIM	TOTAL
70300 Net Tenant Rental Revenue			$126,066	$126,066	$0	$126,066
70400 Tenant Revenue - Other			$12,225	$12,225	$0	$12,225
70600 HUD PHA Operating Grants		$1,385,737	$329,273	$1,715,010	$0	$1,715,010
70610 Capital Grants			$162,978	$162,978	$0	$162,978
71100 Investment Income - Unrestricted	$1	$66	$6	$73	$0	$73
71400 Fraud Recovery		$6,420		$6,420	$0	$6,420
71500 Other Revenue	$46,128	$1,825		$47,953	$0	$47,953
70000 Total Revenue	$46,129	$1,394,048	$630,548	$2,070,725	$0	$2,070,725
91100 Administrative Salaries	$16,727	$103,527	$141,973	$262,227	$0	$262,227
91200 Auditing Fees		$2,165	$5,300	$7,465	$0	$7,465
91400 Advertising and Marketing			$374	$374	$0	$374
91500 Employee Benefit contributions - Administrative	$6,091	$60,295	$77,982	$144,368	$0	$144,368
91700 Legal Expense		$1,487	$11,098	$12,585	$0	$12,585
91800 Travel		$1,592	$3,159	$4,751	$0	$4,751
91900 Other	$195	$15,280	$52,707	$68,182	$0	$68,182
91000 Total Operating - Administrative	$23,013	$184,346	$292,593	$499,952	$0	$499,952
92400 Tenant Services - Other	$0	$0	$1,116	$1,116	$0	$1,116
92500 Total Tenant Services	$0	$0	$1,116	$1,116	$0	$1,116
93100 Water	$0	$0	$4,248	$4,248	$0	$4,248
93200 Electricity	$0	$0	$11,711	$11,711	$0	$11,711
93300 Gas	$0	$0	$8,780	$8,780	$0	$8,780
93600 Sewer	$0	$0	$9,170	$9,170	$0	$9,170
93000 Total Utilities	$0	$0	$33,909	$33,909	$0	$33,909
94100 Ordinary Maintenance and Operations - Labor	$2,858		$83,564	$86,422	$0	$86,422
94200 Ordinary Maintenance and Operations - Materials and Other	$1,827		$51,646	$53,473	$0	$53,473
94300 Ordinary Maintenance and Operations Contracts	$0	$0	$115,168	$115,168	$0	$115,168
94500 Employee Benefit Contributions - Ordinary Maintenance	$441	$0	$33,198	$33,639	$0	$33,639
94000 Total Maintenance	$5,126	$0	$283,576	$288,702	$0	$288,702
96110 Property Insurance	$0		$19,893	$19,893	$0	$19,893
96120 Liability Insurance	$0	$181	$1,832	$2,013	$0	$2,013
96130 Workmen's Compensation	$0	$12	$352	$364	$0	$364
96140 All Other Insurance	$0		$4,431	$4,431	$0	$4,431
96100 Total insurance Premiums	$0	$193	$26,508	$26,701	$0	$26,701

LOGAN COUNTY METROPLOITAN HOUSING AUTHORITY
LOGAN COUNTY
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2014

	Business Activities	14.871 Housing Choice Vouchers	Project Total	ELIM	TOTAL
96210 Compensated Absences	$0	$4,478	$6,843	$0	$11,321
96300 Payments in Lieu of Taxes	$0	$0	$10,438	$0	$10,438
96400 Bad debt - Tenant Rents	$0	$0	$3,844	$0	$3,844
96000 Total Other General Expenses	$0	$5,934	$21,125	$0	$27,059
96900 Total Operating Expenses	$0	$11,868	$42,250	$0	$54,118
97000 Excess of Operating Revenue over Operating Expenses	$17,990	$1,203,575	-$28,279	$0	$1,193,286
97300 Housing Assistance Payments	$0	$1,274,356	$0	$0	$1,274,356
97400 Depreciation Expense	$0	$0	$300,631	$0	$300,631
90000 Total Expenses	$28,139	$1,464,829	$959,458	$0	$2,452,426
10010 Operating Transfer In	$0	$0	$41,247	-$41,247	$0
10020 Operating transfer Out	$0	$0	-$41,247	$41,247	$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	$17,990	-$70,781	-$328,910	$0	-$381,701
11030 Beginning Equity	$11,645	$78,823	$4,538,331	$0	$4,628,799
11170 Administrative Fee Equity	$0	$3,290	$0	$0	$3,290
11180 Housing Assistance Payments Equity	$0	$4,752	$0	$0	$4,752
11190 Unit Months Available	0	3552	1196	0	4748
11210 Number of Unit Months Leased	0	3515	1105	0	4620
11270 Excess Cash	$0	$0	$302	$0	$302
11650 Leasehold Improvements Purchases	$0	$0	$162,978	$0	$162,978

LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY
LOGAN COUNTY
SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2014

FEDERAL GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	2014 FEDERAL EXPENDITURES
DIRECT FROM U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:		
Low Rent Public Housing	14.850	$ 329,273
Section 8 Housing Choice Vouchers	14.871	1,385,737
Public Housing Capital Fund	14.872	162,978
TOTAL FEDERAL AWARDS EXPENDITURES		$ 1,877,988

See accompanying note to the Schedule of Federal Awards Expenditures at Note 11 in the Notes to the Basic Financial Statements.

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121 E Main St
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740.695.1569

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

June 30, 2015

Logan County Metropolitan Housing Authority
Logan County
119 North Everett Street
Bellefontaine, Ohio 45402

To the Director and Board of Commissioners:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of **Logan County Metropolitan Housing Authority,** Logan County, (the Authority) as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated June 30, 2015.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Authority's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Authority's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

..."bringing more to the table"
Tax– Accounting – Audit – Review – Compilation – Agreed Upon Procedure – Consultation – Bookkeeping – Payroll
Litigation Support – Financial Investigations
Members: American Institute of Certified Public Accountants
• Ohio Society of CPAs • West Virginia Society of CPAs • Association of Certified Fraud Examiners •
• Association of Certified Anti - Money Laundering Specialists •

Compliance and Other Matters

As part of reasonably assuring whether the Authority's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Perry & Associates CPA's A.C.

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

June 30, 2015

Logan County Metropolitan Housing Authority
Logan County
119 North Everett Street
Bellefontaine, Ohio 45402

To the Director and Board of Commissioners:

Report on Compliance for the Major Federal Program

We have audited the **Logan County Metropolitan Housing Authority's**, Logan County, (the Authority) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the of the Authority's major federal program for the year ended December 31, 2014. The *Summary of Audit Results* in the accompanying schedule of audit findings identifies the Authority's major federal program.

Management's Responsibility

The Authority's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal program.

Auditor's Responsibility

Our responsibility is to opine on the Authority's compliance for the Authority's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect 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 our audit provides a reasonable basis for our compliance opinion on the Authority's major program. However, our audit does not provide a legal determination of the Authority's compliance.

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Opinion on the Major Federal Program

In our opinion, the Authority complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2014.

Report on Internal Control Over Compliance

The Authority's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the Authority's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Authority's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. 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 federal program compliance requirement will not be prevented, or timely detected and corrected. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control compliance tests and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.

Perry & Associates CPA's A.C.

Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY
LOGAN COUNTY
FOR THE YEAR ENDED DECEMBER 31, 2014

SCHEDULE OF AUDIT FINDINGS
OMB CIRCULAR A -133 § .505

1. SUMMARY OF AUDIT RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	Unmodified
(d)(1)(ii)	**Were there any material control weaknesses reported at the financial statement level (GAGAS)?**	No
(d)(1)(ii)	**Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(iii)	**Was there any reported material noncompliance at the financial statement level (GAGAS)?**	No
(d)(1)(iv)	**Were there any material internal control weaknesses reported for major federal programs?**	No
(d)(1)(iv)	**Were there any other significant deficiencies in internal control reported for major federal programs?**	No
(d)(1)(v)	**Type of Major Programs' Compliance Opinion**	Unmodified
(d)(1)(vi)	**Are there any reportable findings under § .510?**	No
(d)(1)(vii)	**Major Programs (list):**	Section 8 Housing Choice Vouchers, CFDA # 14.871
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $ 300,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee?**	Yes

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

None.

3. FINDINGS FOR FEDERAL AWARDS

None.

LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY
LOGAN COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2014

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; ***Explain***
2013-001	Davis-Bacon Act non-compliance	Yes	N/A

Dave Yost • Auditor of State

LOGAN COUNTY 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
SEPTEMBER 1, 2015

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