LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY
BELLEFONTAINE, OHIO

BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED
DECEMBER 31, 2007

Mary Taylor, CPA
Auditor of State

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

We have reviewed the *Independent Auditor' Report* of the Logan County Metropolitan Housing Authority, prepared by Manning & Associates CPAs, LLC, for the audit period January 1, 2007 through December 31, 2007. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

September 23, 2008

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LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY
BELLEFONTAINE, OHIO

AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2007

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Manning & Associates CPAs, LLC
6105 North Dixie Drive
Dayton, Ohio 45413

INDEPENDENT AUDITORS' REPORT

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

Regional Inspector General of Audit
Department of Housing & Urban Development

We have audited the accompanying basic financial statements of the Logan County Metropolitan Housing Authority as of and for the year ended December 31, 2007, as listed in the table of contents. These financial statements are the responsibility of 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 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 basic financial statements referred to above present fairly, in all material respects, the financial position of the Logan County Metropolitan Housing Authority as of December 31, 2007, and the results of its operations and the 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 a report dated June 26, 2007 on our consideration of the Logan County Metropolitan Housing Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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.

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

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the Authority taken as a whole. The schedules listed in the table of contents are presented for purposed of additional analysis and are not a required part of the financial statements of the Logan County Metropolitan Housing Authority. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audit of States, Local Governments and Non-Profit Organizations* and is not a required part of the basic financial statements. The combining financial data schedule ("FDS") and cost certifications are presented for purposes of additional analysis as required by the Department of Housing and Urban Development and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects, in relation to the basic financial statements taken as a whole.

Manning & Associates CPAs, LLC
Dayton, Ohio

June 26, 2008

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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 and overview of the Authority's financial activity, (c) identify changes in the Authority's financial position, and (d) identify individual fund issues or concern's.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current years activities, resulting changes and currently known facts, please read it in conjunction with the Authority's financial statements (beginning on page 12)

FINANCIAL HIGHLIGHTS

- The Authority's net assets decreased by $ 53,824 (or 1%) during 2007, including Results from Operations of $(53,824). Since the Authority engages only in business-type activities, the increases all in the category of business-type net assets. Net Assets were $ 5.5 million and $ 5.4 million for 2006 and 2007 respectively.

- Revenues increased by $ 104,187 (or 1%) during 2007, and were $ 1.9 million for both 2006 and 2007 respectively.

- The total expenses of all Authority programs decreased by $ 56,869 (or 2.5%). Total expenses were $ 2.2 million for both 2006 and 2007 respectively.

USING THIS ANNUAL REPORT

The Report includes three major section, the "Management Discussion and Analysis (MD&A)", "Basic Financial Statements", and Other Required Supplementary Information":

MD&A ~ Management's Discussion and Analysis ~

Basic Financial Statements ~ Authority-wide Financial Statements – pgs 12 – 14~ ~ Notes to Financial Statements – pgs 15 – 24~

<u>Other Required Supplementary Information</u> ~Required Supplementary Information – pgs 25-28 (other than MD&A)

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.

Unaudited

Authority-Wide Financial Statements

The Authority-wide financial statements (see pgs 12-14) 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 from capital and related financing activities.

Unaudited

Fund Financial Statements

The Authority administers several programs that are consolidated into a single proprietary type-enterprise fund. The enterprise fund consist 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 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

	2006	2007
Current and Other Assets	$ 221,294	$ 294,839
Capital Assets	5,397,978	5,239,501
Total Assets	$ 5,619,272	$ 5,534,340
Current Liabilities	$ 138,441	$ 91,330
Long-Term Liabilities	14,028	30,031
Total Liabilities	$ 152,469	$ 121,361
Net Assets:		
Invest in Capital Assets, Net of Related Debt	$ 5,397,978	$ 5,239,501
Restricted	0	0
Unrestricted	68,825	173,478
Total Net Assets	$ 5,466,803	$ 5,412,979

For more detailed information see page 12 for the Statement of Net Assets.

Major Factors Affecting the Statement of Net Assets

During 2007, current and other assets were increased by $73,545, and current liabilities were decreased by $47,111. The increase in current and other assets resulted from a increase in cash on deposit and an increase in receivables, primarily Tenant Accounts Receivable. Current liabilities decreased mainly due to the amount paid to HUD for the recapture of the HCV Operating Reserve.

Capital assets also changed, decreasing from $ 5,397,978 to $ 5, 239,501. The $ 158,477 decrease may be attributed primarily to a combination of net acquisitions $(116,731), less current year depreciation and amortization ($275,208), For more detail see "Capital Assets and Debt Administration" below.

Unaudited

Table 2 presents details on the change in Unrestricted Net Assets.

TABLE 2
CHANGE OF UNRESTRICTED NET ASSETS

Unrestricted Net Assets 12/31/06	$	68,825
Results of Operations		(53,824)
Adjustments:		
Depreciation (1)		275,208
Depreciation (2)		0
Adjusted Results from Operations	$	290,209
Capital Expenditures (3)		(116,731)
Unrestricted Net Assets 12/31/07	$	173,478

(1) Depreciation is treated as an expense and reduces the results of operations but does not have an impact on unrestricted Net Assets.

(2) Capital expenditures represent an outflow of unrestricted net assets, shown net of disposals but are not treated as an expense against Results of Operations, and therefore must be deducted.

While the results of operations are a significant measure of the Authority's activities, the analysis of the changes in Unrestricted Net Assets provides a clearer change in financial well-being.

Unaudited

TABLE 3
STATEMENT OF REFENUES, EXPENSES AND CHANGES IN NET ASSETS

The following schedule compares the revenues and expenses for the current and previous fiscal year. The Authority is engaging only in Business-Type Activities.

	2006	2007
Revenues		
Tenant Revenue – Rents and Other	$ 63,999	$ 104,112
Operating Subsidies and Grants	1,721,067	1,821,959
Capital Grants	110,436	117,383
Investment Income	312	207
Other Revenues	84,476	62,077
Total Revenues	$1,980,290	$ 2,105,738
Expenses		
Administrative	$ 490,756	$ 486,062
Tenant Services	3,643	2,759
Utilities	22,187	24,543
Maintenance	184,688	164,703
General	26,685	39,861
Housing Assistance Payments	1,161,187	1,167,282
Gain on Disposition of Assets	(27,620)	(856)
Depreciation	332,141	275,208
Total Expenses	$2,189,667	$2,159,562
Net Increase/ (Decrease)	$ (209,377)	$ (53,824)

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

Tenant revenue increased during 2007 due to his/her rents and occupancy. Operating Subsidies, Grants, Capital Grants increased. The increase was due in part to receiving a TANF grant for administrative service for our TANF IDA program, and increase in our Administrative fee for administering Logan Belle H.A.N.D., and increased vouchers. Administrative cost decreased due to primarily from restructuring the Maintenance Department and eliminating the administrative support position. This restructuring then increased Maintenance expense, especially in the Maintenance Contracts area. Tenant Services decreased due to decrease activity. Utility costs increased. General Expenses increased partially due to increase in the Allowance for Doubtful accounts fund to cover collection losses. Housing Assistance Payments increased slightly due to rising rent costs.

Unaudited

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of year end, the Authority had $ 5.2 million invested in a variety of capital assets as reflected in the following schedule, which represents a net decrease (additions, deductions and depreciation) of $ 158,477 or 3% from the end of last year.

TABLE 4
CAPITAL ASSETS AT YEAR–END
(NET OF DEPRECIATION)

	Business Type Activities	
	2006	2007
Land and land rights	$ 704,034	$ 683,200
Buildings	7,201,699	7,308,140
Equipment - Administrative	361,992	389,856
Equipment – Dwelling	136,897	140,156
Accumulated Depreciation	3,006,644	3,281,851
Construction in Progress	0	0
Total	$5,397,978	$5,239,501

The following reconciliation summarizes the change in Capital Assets, which is presented in detail on page 19 of the notes.

TABLE 5
CHANGE IN CAPITAL ASSETS
(IN MILLIONS)

	Business Type Activities
Beginning Balance	$5,397,978
Additions, Net of Retirements	116,731
Depreciation and Amortization	(275,208)
Ending Balance	$ 5,239,501

This year's major additions are primarily capital expenditures related to modernizing the Authority's housing developments and community center. There was also a small amount of equipment purchases.

Debt Outstanding

As of year-end, the Authority has no debt (bonds, notes, etc.) outstanding.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Significant economic factors affecting the Authority are as follows:

- Federal funding provided by Congress to 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
- Local rental market rates and housing stock supply and demand, which affects the Authority's ability to maintain leasing rates

FINANCIAL CONTACT

The individual to be contacted regarding this report is Jean A. Wilkins, Financial Director of the Logan County Metropolitan Housing Authority, at (937)599-1845. Specific requests may be submitted to the Logan County Housing Authority at 116 North Everett Street, Bellefontaine, Ohio, 43311-1132.

LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY

STATEMENT OF NET ASSETS

DECEMBER 31, 2007

ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$	198,857
Intergovernmental Receivables		7,890
Tenant Receivables - Net of $ 1,344 Allowance		
For Doubtful Accounts		2,751
Other Receivables		45,304
Inventory		17,044
Prepaid Expenses		22,993
TOTAL CURRENT ASSETS	$	294,839
NONCURRENT ASSETS		
Property and Equipment - Net of $ 3,281,851		
Accumulated Depreciation		5,239,501
TOTAL ASSETS	$	5,534,340
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	$	11,549
Tenant Security Deposits		26,589
Accrued Wages and Payroll Taxes		35,016
Deferred Revenue		1,201
Other Current Liabilities		16,975
TOTAL CURRENT LIABILITIES	$	91,330
NONCURRENT LIABILITIES		
Other Liabilities	$	30,031
TOTAL LIABILITIES	$	121,361
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	$	5,239,501
Unrestricted Net Assets		173,478
TOTAL NET ASSETS	$	5,412,979

See the Accompanying Notes to the Basic Financial Statements.

LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
THE YEAR ENDED DECEMBER 31, 2007

OPERATING REVENUE		
Program Operating Grants/Subsidies	$	1,821,959
Rental Income		104,112
Other Operating Income		12,140
TOTAL OPERATING REVENUE	$	1,938,211
OPERATING EXPENSES		
Administrative	$	486,062
Tenant Services		2,759
Utilities		24,543
Maintenance		164,703
General		39,861
Housing Assistance Payments		1,167,282
Depreciation		275,208
TOTAL EXPENSES	$	2,160,418
OPERATING INCOME (LOSS)	$	(222,207)
NONOPERATING REVENUES/(EXPENSES)		
Interest and Investment Revenue	$	207
Gain on sale of fixed asset		856
Capital Grants		117,383
Other Grants		49,937
	$	168,383
CHANGE IN NET ASSETS	$	(53,824)
NET ASSETS, Beginning of Year, restated		5,466,803
NET ASSETS, End of Year	$	5,412,979

See the Accompanying Notes to the Basic Financial Statements.

LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2007

CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash Received from HUD	$ 1,795,065
Cash Received from Tenants	100,721
Cash Received form Other Operating	42,280
Cash Payments for Housing Assistance Payments	(1,167,282)
Cash Payments for Other Operating Expenses	(753,282)
NET CASH USED FOR OPERATING ACTIVITIES	$ 17,502
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Other Operating Grants	$ 49,937
Capital Grants Received	117,383
Proceeds from Sale of Fixed Assets	21,689
Purchase of Fixed Assets	(137,564)
NET CASH PROVIDED BY CAPITAL AND RELATED FINANCING ACTIVITIES	$ 51,445
CASH FLOWS FROM INVESTMENT ACTIVITIES:	
Interest Received	$ 207
NET INCREASE IN CASH AND CASH EQUIVALENTS	$ 69,154
CASH AND CASH EQUIVALENTS, Beginning	129,703
CASH AND CASH EQUIVALENTS, Ending	$ 198,857
RECONCILIATION OF OPERATING INCOME TO NET CASH USED BY OPERATING ACTIVITIES:	
Net Operating Income (Loss)	$ (222,207)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Used by Operating Activities	
Depreciation	275,208
(Increase) Decrease in:	
Accounts Receivable - HUD	26,894
Accounts Receivable	(30,140)
Inventory	5,259
Prepaid Expenses	(6,404)
Increase (Decrease) in:	
Accounts Payable	524
Tenant Security Deposits	3,944
Accrued Wages & Taxes	16,169
Deferred Revenues	(555)
Other Liabilities - Current and Noncurrent	(51,190)
NET CASH USED FOR OPERATING ACTIVITIES	$ 17,502

See accompanying notes to the Basic Financial Statements.

NOTE 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 the 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Measurement Focus and Basis of Accounting (continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 nonoperating revenues and expenses.

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 $100 at December 31, 2007.

Tenant Receivable – 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. The allowance of uncollectible receivable was $1344 at December 31, 2007.

Fixed 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, the do not add to the value of the asset or materially extend the asset life, are not capitalized.

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 ending December 31, 2007 totaled $207.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted Cash

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

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 on the FDS Schedule on pages 25-27 are eliminated on the Statement of Net Assets.

Deferred Revenue

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

Prepaid Expenses

Payments made to vendors for services that will benefit periods beyond December 31, 2007, 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.

NOTE 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 $198,857 at December 31, 2007 The corresponding bank balances were $231,515.

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

Category 1.	$	100,000 was covered by federal depository insurance.
Category 3.	$	131,515 was covered by collateral held by the pledging financial institution, but not in the name of the Authority.

Collateral is required for demand deposits and certificates of deposit at 110 percent of all deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities, school districts, and district corporations. Obligations pledged to secure deposits must be delivered to a bank other than the institution in which the deposit is made. Written custodial agreements are required.

NOTE 2 – CASH AND CASH EQUIVALENTS (Continued)

Investments

HUD, State Statue 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.

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.

NOTE 3 – CAPITAL ASSETS

The following is a summary of the Authority's capital assets.

	2007
Capital Assets Not Depreciated	
Land and Land Improvements	$ 683,200
Total Capital Assets Not Depreciated	$ 683,200
Capital Assets Being Depreciated	
Buildings and Building Improvements	$ 7,308,140
Furniture and Fixtures, Equipment and Moving Vehicles	530,012
Total Capital Assets Being Depreciated	$ 7,838,152
Less: Accumulated Depreciation	(3,281,851)
Subtotal Capital Assets Being Depreciated	$ 4,556,301
Total Capital Assets	$ 5,239,501

NOTE 3 – CAPITAL ASSETS- (continued)

A summary of changes in capital assets at September 30, **2007, and 2006** is as follows:

	Sept 30,2006	Additions	Deletions	Sept 30, 2007
Capital Assets Not Depreciated				
Land and Land Improvements	$704,034	$ 0	($20,834)	$683,200
Total Capital Assets Not Depreciated	704,034	0	(20,834)	683,200
Capital Assets Being Depreciated				
Buildings and Building Improvements	$7,201,699	$106,441	$ 0	$7,308,140
Furniture and Fixtures, Equipment and Moving Vehicles	498,889	31,123	0	530,012
Total Capital Assets Being Depreciated	$ 7,700,588	$137,564	$ 0	$7,838,152
Accumulated Depreciation				
Buildings and Improvements	(2,599,851)		(240,311)	(2,840,162)
Furnitures and Fixtures, Equipment Moving Vehicles	(406,792)		(34,897)	(441,689)
Total Accumulated Depreciation	$(3,006,643)		(275,208)	(3,281,851)
Depreciable Assets, Net	4,684,945	137,564	(275,208)	(4,556,301)
Total Capital Assets, Net	$ 5,397,979	137,564	($296,042)	$5,239,501

NOTE 4 – DEFINED BENEFIT PENSION PLANS – PUBLIC EMPLOYEES RETIREMENT SYSTEM

All employees participate in the Ohio Public Employees Retirement System of Ohio (OPERS), a cost sharing multiple employer public employee retirement system administered by the Ohio Public Employee Retirement Board. OPERS has provided the following information to the Authority in order to assist the Authority in complying with GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers* (Statement No. 27). OPERS administers three separate pension plans as described below:

A. The Traditional Pension Plan – a cost-sharing multiple-employer defined benefit pension plan.

B. The Member-Directed Plan – 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 thereon.

C. The Combined Plan – a cost-sharing multiple-employer defined benefit pension plan. Under the Combined Plan employer contributions are invested by the OPERS 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.

NOTE 4 – DEFINED BENEFIT PENSION PLANS – PUBLIC EMPLOYEES RETIREMENT SYSTEM- (continued)

D. OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the Tradition Plan and Combined Plans. Members of the Member-Directed Plan do not quality for ancillary benefits.

E. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the ORC.

F. OPERS issues a stand-alone financial report. Interested parties may obtain a copy at www.opers.org, by making a written request to OPERS at: 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 1-800-222PERS (7377).

G. The ORC provides statutory authority for employee and employer contributions. The Authority's employee contribution rate in 2007 was 9.5%. The Authority's contribution rate, as an employer, was 13.85% of covered payroll.

H. The Authority's employer share contributions to OPERS for the three years ended December 31,2007, 2006, and 2005 were $39,160, $42,590, and $48,173 respectively, or 71% of the required contributions for 2007, and equal to the required contributions for 2006 and 2005.

OPERS members are eligible to retire at any age with 30 years of service, at age 60 with at least 5 years of service or at age 55 with at least 25 years of service. Those retiring with less than 30 years of service or less than age 65 receive reduced benefits. Under the Traditional Pension Plan, eligible employees are entitled to a monthly retirement benefit equal to 2.2% of the average of their three highest years of earnings multiplied by the first 30 years of service plus 2.5% of the average of their three highest years for each year in excess of 30. Under the Member-Directed Plan, eligible members are entitled to a monthly benefit dependent upon the performance of the OPERS investment options the member selected. OPERS also provides death and disability benefits. Under the Combined Plan, eligible members are entitled to a monthly benefit equal to 1.0% of the average of their three highest years of earnings multiplied by the number of years of service plus 1.25% of the average of their three highest years for each year in excess of 30. Additionally, under the Combined Plan, a benefit is provided based on the performance of the OPERS investment options the member selected. OPERS also provides death and disability benefits. Benefits are established by the ORC.

NOTE 5 – POST- EMPLOYMENT BENEFITS PUBLIC EMPLOYEES RETIREMENT SYSTEM

OPERS has provided the following information pertaining to other postemployment benefits for health care costs in order to assist the Authority in complying with GASB Statement No. 12, *Disclosure of Information on Postemployment Benefits Other Than Pension Benefits by State and Local Government Employers* (Statement No. 12).

A. 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.

NOTE 5 – POST- EMPLOYMENT BENEFITS PUBLIC EMPLOYEES RETIREMENT SYSTEM (continued)

OPERS provides retirement, disability, survivor, and postretirement health care benefits to qualifying members of both the Traditional and the Combined Plans; however, health care benefits are not statutorily guaranteed. Members of the Member-Directed Plan do not qualify for ancillary benefits, including postemployment health care coverage.

In order to qualify for postretirement 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 recipients and primary survivor recipients is available. The health care coverage provided by the Retirement System is considered an Other Postemployment benefit (OPEB) as described in GASB Statement No. 12.

A portion of each employer's contribution to OPERS is set aside for the funding of postretirement health care. The Ohio Revised Code provides statutory authority for employer contributions. The 2007 employer contribution rate for local government employer units was 13.85% of covered payroll and 5% was used to fund health care from January 1, 2007 through June 30, 2007 and 6% was used to fund healthcare from July 1, 2007 through December 31, 2007.

B. The Ohio Revised Code provides the statutory authority requiring public employers to fund postretirement health care through their contributions to OPERS.

C. Summary of Assumptions:
Actuarial Review. The assumptions and calculations below were based on the Systems latest Actuarial Review performed as of December 31, 2006.

Funding Method. An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability.

Assets Valuation Method. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12% corridor.

Investment Return. The investment assumption rate for 2006 was 6.50%.

Active Employee Total Payroll. An annual increase of 4.00% compounded annually is the based portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.00% base increase, were assumed to range from .50% to 6.3%.

Health care. Health care costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from .50% to 6.0% for the next 9 years. In subsequent years (10 and beyond) health care costs were assumed to increase at 4.00% (the projected wage inflation rate)

NOTE 5 – POST- EMPLOYMENT BENEFITS PUBLIC EMPLOYEES RETIREMENT SYSTEM (continued)

D. OPEB are advanced-funded on an actuarially determined basis. The following disclosures are required:

1. The number of active contributing participants in the Traditional Pension and Combined Plans at year end 2007 was $374,979.
2. The Authority's contribution used to fund OPEB was $39,166.
3. $12 billion represents the actuarial value of the OPERS net assets available for OPEB at December 31, 2006.
4. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were $30.7 billion and $18.7 billion, respectively.

E. OPERS Board adopts a Health care Preservation Plan:

The Health care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. In addition to the HCPP, OPERS has taken additional action to improve the solvency of the Health Care fund in 2005 by creating a separate investment pool for health care assets. As an additional component of the HCPP, members and employer contribution rates increased as of January 1, 2007 and January 1, 2008, which will allow additional funds to be allocated to the health care plan.

There are no postemployment benefits provided by the Authority other than those provided through OPERS.

The liability for past service costs at the time OPERS was established was assumed by the State of Ohio; therefore, it is not a liability of the Authority. The Authority is current on all of its required pension fund contributions.

NOTE 6 – DEFINED BENEFIT PLANS

Effective February 1, 2006, The Board adopted a new health care plan in its continuing effort to respond to the rise in cost of health care. The new plan will result in higher deductibles: $2,500 per employee annually and $5000 per family annually. The plan will include the authority providing each employee covered under the plan a $200 per month allowance toward a housing authority savings (HAS) plan account. This contribution is being made to assist the employee with their $2500 annual deductible.

NOTE 7 – 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-rata 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 no accrual at December 31, 2007.

LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY

NOTE 7 – COMPENSATED ABSENCES- (continued)

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-fourth (1/4) 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, 2007, the authority had $11,995 sick leave accrued for employees who will be eligible to retire within the next five years.

NOTE 8 – 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, 2007.

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 or 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 2007, 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.

NOTE 9 – 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, 2007, the Authority held in escrow $0 for the Family Self-Sufficiency Program. The Authority recognizes the escrow as cash and due to FSSP participants on the balance sheet under other current liabilities.

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NOTE 10 – MICROENTERPRISE PROGRAM

The Logan County Metropolitan Housing Authority currently administers a Microenterprise Program. This program is funded from grants and donations from various government levels and community donations. The Program reimburses the Authority for any expenditures they have encumbranced.

NOTE 11 – BASIS OF PRESENTATION

The accompanying schedule of federal awards includes the federal grant activity of Logan County Metropolitan Housing Authority and is presented on the accrual basis of accounting.

NOTE 12 – 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 $14,442.

LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY
COMBINING BALANCE SHEET
FDS SCHEDULE SUBMITTED TO HUD
DECEMBER 31, 2007

FDS Line Item No.	Account Description	Business Activities	Low Rent	Rental Voucher Program	Capital Fund Program	TOTAL
	ASSETS					
111	Cash - Unrestricted	$ 0	$ 31,541	$ 116,807	$ 0	$ 160,943
113	Cash - Other Restricted	12,595	0	10,273	0	10,273
114	Cash - Tenant Security Deposits	0	27,641	0	0	27,641
100	**Total Cash**	$ 12,595	$ 59,182	$ 127,080	$ 0	$ 198,857
122	Accounts Receivable - HUD Other Projects	0	0	0	7,890	7,890
124	Accounts Receivable - Other Government	0	0	0	0	0
125	Accounts Receivable - Miscellaneous	$ 38,472	$ 0	$ 0	$ 0	$ 38,472
126	Accounts Receivable-Tenants-Dwelling Rents	0	4,095	0	0	4,095
126.1	Allowance for Doubtful Accounts - Dwelling	0	(1,344)	0	0	(1,344)
128	Fraud Recovery	0	0	12,758	0	12,758
128.1	Allowance for Doubtful Accounts - Fraud	0	0	(5,926)	0	(5,926)
120	**Total Receivables, net of allowances for doubtful accounts**	$ 38,472	$ 2,751	$ 6,832	$ 7,890	$ 55,945
142	Prepaid Expenses and Other Assets	0	16,325	6,668	0	22,993
143	Inventories	0	17,144	0	0	17,144
143.1	Allowance for Obsolete Inventories	0	(100)	0	0	(100)
144	Interprogram Due From	0	46,362	21,622	0	67,984
150	**TOTAL CURRENT ASSETS**	$ 51,067	$ 141,664	$ 162,202	$ 7,890	$ 362,823
161	Land	0	644,300	0	38,900	683,200
162	Buildings	0	6,504,168	0	803,972	7,308,140
163	Furniture, Equipment & Machinery -	0	0	0	0	0
	Dwellings	0	70,091	0	70,065	140,156
164	Furniture, Equipment & Machinery -					0
	Administration	0	111,016	113,547	165,293	389,856
166	Accumulated Depreciation	0	(2,857,711)	(113,547)	(310,593)	(3,281,851)
150	**TOTAL FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION**	$ 0	$ 4,471,864	$ 0	$ 767,637	$ 5,239,501
190	**TOTAL ASSETS**	$ 51,067	$ 4,613,528	$ 162,202	$ 775,527	$ 5,602,324
	LIABILITIES & RETAINED EARNINGS					
312	Accounts Payable <= 90 days	$ 0	$ 6,876	$ 3,559	$ 0	$ 10,435
321	Accrued Wage/ Payroll Taxes Payable	0	18,684	11,532	0	30,216
322	Accrued Compensated Absences-Current Portion	0	4,800	0	0	4,800
331	Account's Payable- HUD PHA Program	0	0	1,114	0	1,114
333	Accounts Payable - Other Government	0	14,442	0	0	14,442
341	Tenant Security Deposits	0	26,589	0	0	26,589
342	Deferred Revenue	0	1,201	0	0	1,201
345	Other Current Liabilities	0	409	0	0	409
346	Acured Liabilities-Other	0	2,124	0	0	2,124
347	Interprogram Due To	38,472	21,622	0	7,890	67,984
310	**TOTAL CURRENT LIABILITIES**	$ 38,472	$ 96,747	$ 16,205	$ 7,890	$ 159,314
353	Non - Current Liabilities	$ 12,595	$ 0	$ 10,241	$ 0	$ 22,836
354	Accrued Compensated Absences - Non Current	0	7,195	0	0	7,195
350	**TOTAL NONCURRENT LIABILITIES**	$ 12,595	$ 7,195	$ 10,241	$ 0	$ 30,031
300	**TOTAL LIABILITIES**	$ 51,067	$ 103,942	$ 26,446	$ 7,890	$ 189,345
	EQUITY					
504	Net HUD PHA Contributions	$ 0	$ 0	$ 0	$ 0	$ 0
508.1	Invested in Capital Assets	0	4,471,864	0	767,637	5,239,501
512.1	Unrestricted Net Assets	0	37,722	135,756	0	173,478
513	**TOTAL EQUITY/ NET ASSETS**	$ 0	$ 4,509,586	$ 135,756	$ 767,637	$ 5,412,979
600	**TOTAL LIABILITIES & EQUITY**	$ 51,067	$ 4,613,528	$ 162,202	$ 775,527	$ 5,602,324

LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
FDS SCHEDULE SUBMITTED TO HUD
DECEMBER 31, 2007

FDS Line Item No.	Account Description	Business Activities	Low Rent	Rental Voucher Program	Capital Fund Program	TOTAL
	REVENUE					
703	Net Tenant Rental Revenue	$ 0	$ 95,675	$ 0	$ 0	$ 95,675
704	Tenant Revenue - Other	0	8,437	0	0	8,437
705	**Total Tenant Revenue**	$ 0	$ 104,112	$ 0	$ 0	$ 104,112
706	HUD PHA Operating Grants	0	271,651	1,481,585	68,723	1,821,959
706.1	Capital Grants	0	0	0	117,383	117,383
708	Other Government Grants	49,937	0	0	0	49,937
711	Investment Income - Unrestricted	0	38	169	0	207
714	Fraud Recovery	0	0	8,930	0	8,930
715	Other Revenue	0	0	3,210	0	3,210
716	Gain on Sale of Fixed Assets	0	856	0	0	856
700	TOTAL REVENUE	$ 49,937	$ 376,657	$ 1,493,894	$ 186,106	$ 2,106,594
	EXPENSES					
911	Administrative Salaries	$ 31,393	$ 89,186	$ 147,183	$ 12,852	$ 280,614
912	Auditing Fees	0	3,870	1,580	0	5,450
914	Compensated Absences	0	4,725	4,375	0	9,100
915	Employee Benefit Contributions - Admin.	6,496	36,142	64,927	0	107,565
916	Other Operating - Administrative	12,048	51,045	20,240	0	83,333
923	Employee Benefit Contributions-Tenant Services	0	0	0	0	0
924	Tenant Services - Other	0	2,759	0	0	2,759
931	Utilities - Water	0	4,624	0	0	4,624
932	Utilities - Electricity	0	11,834	0	0	11,834
933	Utilities - Gas	0	8,085	0	0	8,085
	Ordinary Maintenance & Operations					
941	Labor	0	19,587	0	0	19,587
942	Materials & Other	0	42,559	0	0	42,559
943	Contract Costs	0	60,971	0	37,299	98,270
945	Employee Benefit Contributions -	0	4,287	0	0	4,287
961	Insurance Premiums	0	18,740	8,020	0	26,760
962	Other General Expenses	0	7,175	0	0	7,175
963	Payment in Lieu of Taxes	0	0	0	0	0
964	Bad Debt - Tenants Rents	0	0	0	0	0
966	Bad Debt- Other	0	0	5,926	0	5,926
969	TOTAL OPERATING EXPENSES	$ 49,937	$ 365,589	$ 252,251	$ 50,151	$ 717,928
970	Excess Operating Revenue Over Operating Expenses	0	11,068	1,241,643	135,955	1,388,666
973	Housing Assistance Payments	0	0	1,167,282	0	1,167,282
974	Depreciation		200,680	0	74,528	275,208
900	TOTAL EXPENSES/ OTHER FINANCIAL SOURCES (USES)	$ 49,937	$ 566,269	$ 1,419,533	$ 124,679	$ 2,160,418
1001	Operating Transfers In	0	18,572	0	0	18,572
1002	Operating Transfers Out	0	0	0	(18,572)	(18,572)
1010	Total Other Financing Sources (uses)	$ 0	$ 18,572	$ 0	$ (18,572)	$ 0
1000	Excess (Deficiency) of Operating Revenue Over (Under) Expenses	0	(171,040)	74,361	42,855	(53,824)
1103	Beginning Equity		4,680,626	61,395	724,782	5,466,803
1104	Prior Period Adjustments, Equity Transfers and Correction of Errors	0	0	0	0	0

LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
FDS SCHEDULE SUBMITTED TO HUD
DECEMBER 31, 2007

FDS Line Item No.	Account Description	Business Activities	Low Rent	Rental Voucher Program	Capital Fund Program	TOTAL
513	Total Equity/Net Assets	$ 0	$ 4,509,586	$ 135,756	$ 767,637	$ 5,412,979
1113	Maximum Annual Contributions Commitment (Per ACC)	0	0	0	0	0
1115	Contingency Reserve, ACC Program Reserve	0	0	0	0	0
1116	**Total Annual Contributions Available**	$ 0	$ 0	$ 0	$	$ 0
1120	Unit Months Available	0	1,200	3,552	0	4,752
1121	Number of Units Months Leased	0	1,161	3,348	0	4,509

LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2007

	Federal CFDA Number	Funds Expended
FROM U. S. DEPT. OF HUD DIRECT PROGRAMS		
Annual Contribution		
Public Housing:		
PHA Owned Housing:		
Operating Subsidy - Low Rent	14.850	$ 271,651
Modernization Program:		
Capital Fund Program	14.872	$ 186,106
Annual Contribution		
Contract C-5098:		
Housing Assistance Payments:		
Choice Voucher	14.871	$ 1,481,585
TOTAL - ALL PROGRAMS		$ 1,939,342

The accompanying notes to this schedule are an integral part of this schedule.

MANNING & ASSOCIATES CPAS, LLC
6105 North Dixie Drive
Dayton, Ohio 45413

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

Board of Commissioners
Logan County Metropolitan Housing Authority
Bellefontaine, Ohio

We have audited the financial statements of the Logan County Metropolitan Housing Authority, as of and for the year ended December 31, 2007, and have issued our report thereon dated June 26, 2007. 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Authority's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Authority's financial statements that is more than inconsequential will not be prevented or detected by the Authority's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Authority's internal control.

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

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 (continued)

Compliance and Other Matters
As part of obtaining reasonable assurance about whether Logan County Metropolitan Housing Authority 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 that are required to be reported under *Government Auditing Standards*.

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

Manning & Associates CPAs, LLC
Dayton, Ohio

June 26, 2008

MANNING & ASSOCIATES CPAS, LLC
6105 NORTH DIXIE DRIVE
DAYTON, OHIO 45413

REPORT ON COMPLIANCE WITH REQUIRMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH *OMB CIRCULAR A-133*

Board of Commissioners
Logan County Metropolitan Housing Authority
Bellefontaine, Ohio

Compliance

We have audited the compliance of Logan County Metropolitan Housing Authority, Bellefontaine, Ohio, (Authority) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2007. The Authority's major federal programs are identified in the summary of the 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 the Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

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

In our opinion, the Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2007.

Internal Control Over Compliance

The management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

<u>REPORT ON COMPLIANCE WITH REQUIRMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH</u>
<u>OMB CIRCULAR A-133</u> (continued)

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

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

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

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

Manning & Associates CPAs, LLC
Dayton, Ohio

June 26, 2008

Schedule of Findings and Questioned Costs
OMB Circular A-133 § .505

Logan County Metropolitan Housing Authority
December 31, 2007

1. SUMMARY OF AUDITORS' RESULTS	
Type of Financial Statement Opinion	Unqualified
Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	NO
Was there any reported material non-compliance at the financial statement level (GAGAS)?	NO
Were there any material internal control weakness conditions reported for major federal programs?	NO
Were there any other reportable internal control weakness conditions reported for major federal programs?	NO
Type of Major Programs' Compliance Opinion	Unqualified
Are there any reportable findings under § .510?	NO
Major Programs (list):	CFDA#14.871
Dollar Threshold: Type A/B Programs	Type A: $300,000 Type B: All others
Low Risk Auditee?	YES

Schedule of Findings and Questioned Costs
OMB Circular A-133 § .505 - Continued

Logan County Metropolitan Housing Authority
December 31, 2007

2. FINDINGS RELATED TO FINANCIAL STATEMENTS

There are no findings or questioned costs for the year ended December 31, 2007.

3. FINDINGS RELATED TO FEDERAL AWARDS

There are no findings or questioned costs for the year ended December 31, 2007.

Mary Taylor, CPA
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
OCTOBER 9, 2008

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