

**BASIC FINANCIAL STATEMENTS
AND SINGLE AUDIT**

of the

**LOGAN COUNTY METROPOLITAN
HOUSING AUTHORITY**

for the

Year Ended December 31, 2008



Mary Taylor, CPA
Auditor of State

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

We have reviewed the *Independent Auditors' Report* of the Logan County Metropolitan Housing Authority, Logan County, prepared by Jones, Cochenour & Co., for the audit period January 1, 2008 through December 31, 2008. 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

December 17, 2009

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Logan County Metropolitan Housing Authority
Bellefontaine, Ohio

Regional Inspector General of Audit
Department of Housing and Urban
Development

We have audited the accompanying basic financial statements of Logan County Metropolitan Housing Authority, as of and for the year ended December 31, 2008, as listed in the table of contents. These basic financial statements are the responsibility of the Logan County Metropolitan Housing Authority's management. Our responsibility is to express an opinion on these basic 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 opinions.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of Logan County Metropolitan Housing Authority, as of December 31, 2008, and the results of its operations and the cash flows of its proprietary fund activities for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2009 on our consideration of Logan County Metropolitan Housing Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was performed for the purpose of forming opinions on the basic financial statements of the Authority taken as a whole. The FDS schedule and cost certifications are presented for purposes of additional analysis and are not a required part of the financial statements of the Logan County Metropolitan Housing Authority. The accompanying Schedule of Federal Awards Expenditures is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Government and Non-Profit Organizations* and is not a required part of the 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.

Jones, Cochenour & Co.
November 30, 2009

much more than an accounting firm

**LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY
MANAGEMENT’S DISCUSSION AND ANALYSIS
Year Ended December 31, 2008**

Unaudited

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

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

FINANCIAL HIGHLIGHTS

- The Authority’s net assets decreased by \$79,900 (or 1.5%) during 2008. Since the Authority engages only in business-type activities, the increase is all in the category of business-type net assets. Net Assets were \$5.3 and \$5.4 million for 2008 and 2007, respectively.
- Revenues decreased by \$22,674 (or 1.0%) during 2008, and were \$2.1 million for both 2008 and 2007.
- The total expenses of all Authority programs increased by \$3,402 (or 0.2%). Total expenses were \$2.2 million for both 2008 and 2007.

USING THIS ANNUAL REPORT

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

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

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

LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED
Year Ended December 31, 2008

Unaudited

AUTHORITY-WIDE FINANCIAL STATEMENTS

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

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

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

Net Assets, Invested in Capital Assets, Net of Related Debt: This component of Net Assets consists of all Capital Assets, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Assets: This component of Net Assets consists of restricted assets, when constraints are placed on the asset by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.

Unrestricted Net Assets: Consists of Net Assets that do not meet the definition of "Net Assets Invested in Capital Assets, Net of Related Debt", or "Restricted Net Assets".

The Authority-wide financial statements also include a Statement of Revenues, Expenses and changes in Net Assets (similar to an Income Statement). This Statement includes Operating Revenues, such as rental income, Operating Expenses, such as administrative, utilities, and maintenance, and depreciation, and Non-Operating Revenue and Expenses, such as capital grant revenue, investment income and interest expense. The focus of the Statement of Revenues, Expenses and Changes in fund Net Assets is the "Change in Net Assets", which is similar to Net Income or Loss.

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

**LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED
Year Ended December 31, 2008**

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**

	2008	2007
Current and Other Assets	\$ 404,996	\$ 294,839
Capital Assets	5,084,483	5,239,501
TOTAL ASSETS	5,489,479	5,534,340
Current Liabilities	118,318	91,330
Long-term liabilities	38,082	30,031
TOTAL LIABILITIES	156,400	121,361
 Net Assets:		
Invested in Capital Assets, Net of Related Debt	5,084,483	5,239,501
Restricted net assets - HAP	88,049	-
Unrestricted	160,547	173,478
TOTAL NET ASSETS	\$ 5,333,079	\$ 5,412,979

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

MAJOR FACTORS AFFECTING THE STATEMENT OF NET ASSETS

During 2008, current and other assets were increased by \$ 110,157, and current liabilities were increased by \$26,988. The increase in current and other assets resulted from an increase in cash on deposit and an increase in intra-program receivables. Current liabilities increased mainly due to the increase in intra-program payables.

Capital assets also changed, decreasing from \$ 5,239,501 to \$ 5,084,483. The \$ 155,018 decreased primarily, due to a combination of net acquisitions (\$ 125,724), less current year depreciation and amortization (\$280,744). For more details see “Capital Assets and Debt Administration” on page 6.

**LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED
Year Ended December 31, 2008**

Unaudited

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

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

	2008	2007
Revenues		
Tenant Revenue - Rents and Other	\$ 98,537	\$ 104,112
Operating Subsidies and Grants	1,846,486	1,821,959
Capital Grants	125,724	117,383
Investment Income	126	207
Gain on disposition of assets	1,500	856
Other revenues	11,547	62,077
TOTAL REVENUE	2,083,920	2,106,594
Expenses		
Administration	398,395	486,062
Tenant Services	3,277	2,759
Utilities	15,035	24,543
Insurance	37,357	-
Maintenance	125,221	164,703
General	22,123	39,861
Housing Assistance Payment	1,281,668	1,167,282
Depreciation	280,744	275,208
TOTAL EXPENSES	2,163,820	2,160,418
CHANGE IN NET ASSETS	\$ (79,900)	\$ (53,824)

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

Tenant revenue decreased during 2008 due to a decrease in tenant rents. Operating subsidies, Grants and Capital Grants increased. The increase was due to an increase in Operating Subsidy and Administrative fees earned during 2008. Administrative costs decreased due in part to eliminating one administrative position and changing health insurance providers to lower premiums. Tenant services increased due to the restructuring of the youth program. Utilities decreased due to the lower vacancy rate and less utility costs were incurred for unoccupied units. Maintenance expense decreased also due to the lower vacancy rate, which reduced the unit rehab costs. General expense decreased due to reduced PILOT expense accrued. Insurance increased due to an increase in premiums paid. Housing Assistance payments were up due to increased leasing and higher assistance to tenants due to the decrease of tenant income.

**LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED
Year Ended December 31, 2008**

Unaudited

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS

As of year-end, the Authority had \$5 million invested in a variety of capital assets as reflected in the following schedule, which represents a net decrease (additions, deductions and depreciation) of 155,018 or 3% from the end of last year.

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

	2008	2007
Land and Land Rights	\$ 683,200	\$ 683,200
Buildings	7,429,062	7,308,140
Equipment - Administrative	376,777	389,856
Equipment - Dwellings	141,022	140,156
Accumulated Depreciation	(3,545,578)	(3,281,851)
TOTAL	\$ 5,084,483	\$ 5,239,501

The following reconciliation summarizes the change in Capital Assets.

**TABLE 4
CHANGE IN CAPITAL ASSETS**

BEGINNING BALANCE - NET	\$	5,239,501
Additions - Capital Funds		125,726
Depreciation Expense		(280,744)
ENDING BALANCE	\$	5,084,483

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

**LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED
Year Ended December 31, 2008**

Unaudited

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
STATEMENT OF NET ASSETS
December 31, 2008

ASSETS

Cash and cash equivalents	\$	239,851
Intergovernmental receivables		20,371
Tenant receivables - net of allowance		118
Other receivables		100,594
Inventory		20,885
Prepaid expenses		23,177
TOTAL CURRENT ASSETS		<u>404,996</u>

CAPITAL ASSETS

Property and equipment - net		<u>5,084,483</u>
TOTAL ASSETS		5,489,479

CURRENT LIABILITIES

Accounts payable		50,776
Accounts payable - other government		9,288
Accrued compensated absences - current		6,645
Tenant security deposits		27,953
Accrued wages and payroll taxes		22,050
Deferred revenue		1,606
Other current liabilities		-
TOTAL CURRENT LIABILITIES		<u>118,318</u>

NON-CURRENT LIABILITIES

Accrued compensated absences - non-current		5,812
Other liabilities		32,270
TOTAL NON-CURRENT LIABILITIES		<u>38,082</u>
TOTAL LIABILITIES		<u>156,400</u>

NET ASSETS

Invested in capital assets - net of related debt		5,084,483
Unrestricted net assets		88,049
Restricted net assets		160,547
NET ASSETS	\$	<u><u>5,333,079</u></u>

See accompanying notes to the basic financial statements

LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
Year Ended December 31, 2008

OPERATING REVENUES	
Program operating grants and subsidies	\$ 1,846,486
Rental income	98,537
Other operating income	<u>11,547</u>
TOTAL OPERATING REVENUES	1,956,570
 OPERATING EXPENSES	
Administrative	398,395
Tenant services	3,277
Utilities	15,035
Maintenance	125,221
Insurance premiums	37,357
General	22,123
Housing assistance payments	1,281,668
Depreciation	<u>280,744</u>
TOTAL OPERATING EXPENSES	<u>2,163,820</u>
OPERATING LOSS	(207,250)
 NON-OPERATING REVENUE	
Interest income	126
Gain on sale of Fixed Assets	1,500
Capital grants	<u>125,724</u>
TOTAL NON-OPERATING REVENUE	<u>127,350</u>
CHANGE IN NET ASSETS	(79,900)
NET ASSETS BEGINNING OF YEAR	<u>5,412,979</u>
NET ASSETS END OF YEAR	<u><u>\$ 5,333,079</u></u>

See accompanying notes to the basic financial statements

**LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY
STATEMENT OF CASH FLOWS
Year Ended December 31, 2008**

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash received from HUD	\$	1,872,477
Cash received from tenants		101,170
Cash received other revenue		12,456
Cash payments for housing assistance payments		(1,281,668)
Cash payments for administrative/operations		(650,625)
Cash payments to HUD and other government		(14,442)

	NET CASH PROVIDED BY	
	OPERATING ACTIVITIES	39,368

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Capital grants received		125,724
Proceeds from sale of fixed assets		1,500
Purchase of fixed assets		(125,724)

	NET CASH PROVIDED BY CAPITAL AND	
	RELATED FINANCING ACTIVITIES	1,500

CASH FLOWS FROM INVESTING ACTIVITIES:

Interest received		<u>126</u>
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INCREASE IN CASH AND CASH EQUIVALENTS		40,994
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CASH AND CASH EQUIVALENTS, BEGINNING		<u>198,857</u>
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CASH AND CASH EQUIVALENTS, ENDING	\$	<u><u>239,851</u></u>
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**RECONCILIATION OF OPERATING (LOSS) TO
NET CASH PROVIDED BY OPERATING ACTIVITIES:**

Operating loss	\$	(207,250)
Adjustments to reconcile operating loss to net cash provided by operating activities		
Depreciation		280,744
(Increase) decrease in:		
Receivables - net of allowance		(65,138)
Inventory - net of allowance		(3,841)
Prepaid expenses		(184)
Increase (decrease) in:		
Accounts payable		47,240
Accounts payable - other government		(6,268)
Tenant security deposits		1,364
Accrued wages and taxes		(8,166)
Accrued compensated absences		462
Deferred revenues		405

	NET CASH PROVIDED BY	
	OPERATING ACTIVITIES	\$ 39,368

See accompanying notes to the basic financial statements

LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2008

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 legally separate entity for which the primary government is financially accountable. The criteria of financial accountability is the ability of the primary government to impose its will upon the potential component unit. These criteria were considered in determining the reporting entity.

Basis of Presentation

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

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

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

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

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

Measurement Focus and Basis of Accounting

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

Enterprise Fund

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

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

LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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

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

Conventional Public Housing (PH) – Under the Conventional Public Housing Program, the Authority rents units that it owns to low-income households. The Conventional Public Housing Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides Operating Subsidy to enable the PHA to provide the housing at a rent that is based upon 30% of adjusted gross household income. The Conventional Public Housing Program also includes the Capital Fund Program, which is the primary funding source for the Authority's physical and management improvements. Funds are allocated by a formula allocation and based on size and age of the Authority's units.

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

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

Estimates

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

Cash and Cash Equivalents

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

Inventory

Inventory consists of materials and supplies and are stated at cost (first-in, first-out method), which approximates market. The allowance for obsolete inventory was \$100 at December 31, 2008.

Tenant Receivables -net of allowance

Bad debts are provided on the allowance method based on management's evaluation of the collectibility of outstanding tenant receivable balances at the end of the year. The allowance for uncollectible receivables was \$1,624 at December 31, 2008.

Prepaid Expenses

Payments made to vendors for services that will benefit periods beyond December 31, 2008, 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.

Capital Assets

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

LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

The following are the useful lives used for depreciation purposes:

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

Investments

The provisions of the HUD Regulations restrict investments. Investments are stated at fair value. Cost based measures were applied to nonnegotiable certificates of deposit and money market investments. Interest income earned in fiscal year ending December 31, 2008 totaled \$126.

Restricted Cash

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

Compensated Absences

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

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

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

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

Due From/To Other Programs

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

Deferred Revenue

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

Net Assets

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

Operating Revenues and Expenses

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

2. CASH AND CASH EQUIVALENTS

Cash

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

LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2008

2. CASH AND CASH EQUIVALENTS- CONTINUED

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 \$239,851 at December 31, 2008. The corresponding bank balances were \$271,034.

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

Category 1:	\$250,000 was covered by federal depository insurance
Category 3:	\$71,034 was covered by collateral held by the pledging financial institution, but not in the name of the Authority.

Investments

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

The Authority's investments are categorized to give an indication of the level of risk assumed by the entity at year end. Category A includes investments that are insured or registered or for which the securities are held by the Authority or its agent in the Authority's name. Category B includes uninsured and unregistered investments for which the securities are held by the counterparty's Trust department or agent in the Authority's name. Category C includes uninsured and unregistered investments for which securities are held by the counterparty or its Trust department but not in the Authority's name. Star Ohio is not classified, since it is not evidenced by securities that exist in physical or book entry form.

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.

LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2008

3. CAPITAL ASSETS

The following is a summary of changes in capital assets at December 31, 2008:

	<u>Balance 12/31/2007</u>	<u>Net Additions</u>	<u>Disposals</u>	<u>Balance 12/31/2008</u>
CAPITAL ASSETS, NOT BEING DEPRECIATED				
Land and Land Improvements	\$ 683,200	\$ -	\$ -	\$ 683,200
TOTAL CAPITAL ASSETS NOT BEING DEPRECIATED	683,200	-	-	683,200
CAPITAL ASSETS BEING DEPRECIATED				
Building and Improvements	\$ 7,308,140	\$ 120,922	\$ -	\$ 7,429,062
Furniture and Equipment	<u>530,012</u>	<u>4,804</u>	<u>(17,017)</u>	<u>517,799</u>
Totals at Historical Costs	7,838,152	125,726	(17,017)	7,946,861
Less: Accumulated Depreciation	<u>(3,281,851)</u>	<u>(280,744)</u>	<u>17,017</u>	<u>(3,545,578)</u>
TOTAL DEPRECIABLE CAPITAL ASSETS, NET	<u>4,556,301</u>	<u>(155,018)</u>	<u>-</u>	<u>4,401,283</u>
TOTAL CAPITAL ASSETS	<u>\$ 5,239,501</u>	<u>\$ (155,018)</u>	<u>\$ -</u>	<u>\$ 5,084,483</u>

4. DEFINED BENEFIT PENSION PLANS – PUBLIC EMPLOYEES RETIREMENT SYSTEM

- A. The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans as described below:
- 1) The Traditional Pension Plan (TP) – a cost-sharing multiple-employer defined benefit pension plan.
 - 2) The Member-Directed Plan (MD) – a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings.
 - 3) The Combined Plan (CO) – a cost-sharing multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions 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.
- B. OPERS provides retirement, disability, and survivor and death benefits and annual cost-of-living adjustments to qualifying members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits.
- C. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.
- D. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing to OPERS, Attention: Finance Director, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-7377.
- E. The Ohio Revised Code provides statutory authority for member and employer contributions. For 2008, member and employer contribution rates were consistent across all three plans.

The member contribution rates were 10.0%, 9.5% and 9.0% for 2008, 2007, and 2006, respectively, for the Authority.

The employer contribution rates were 14.0%, 13.85%, and 13.70% of covered payroll for 2008, 2007, and 2006, respectively, for the Authority.

**LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2008**

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

The Authority's contributions to OPERS for the years ended December 31, 2008, 2007, and 2006 were \$39,438, \$39,160, and \$42,590, respectively, which were equal to the required contributions for those years.

5. POSTEMPLOYMENT BENEFITS – PUBLIC EMPLOYEES RETIREMENT SYSTEM

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

OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program, and Medicare Part B premium reimbursement, to qualifying members of both the TP and the CO 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. Interest parties may obtain a copy by writing OPERS, Attention: Finance Director, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

- B. The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement healthcare 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's contributions are expressed as a percentage of the covered payroll of active members. In 2008, the Authority contributed at 7.0% of covered payroll. The Ohio Revised Code currently limits the employer contribution rate not to exceed 14.0% of covered payroll. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care plan was established under, and is administrated 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. For 2008, the employer contributions allocated to the health care plan was 7.0% of covered payroll. For 2007, these percentages were 5.0% for January through June 2007 and 6.0% for July through December 2007. For 2006, this percentage was 4.5%. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

- C. The employer contributions that were used to fund post-employment benefits were approximately \$19,719 for 2008.
- D. The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007 and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2008

6. COMPENSATED ABSENCES

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

Annual vacation leave is given to all full time permanent employees on a pro-rate basis; two weeks per year for service one through five years, three weeks for six to ten years of service and four weeks for ten years of service or more. The annual leave earned must be taken on or before December 31, of each year. No accumulation is permitted and as such there is no accrual at December 31, 2008.

Sick leave accrues for full time permanent employees on the basis of 10 hours per month, cumulative to 120 days or 960 hours. An employee at the time of retirement from active service with the authority may elect to be paid cash for one-third (1/3) of the value of accrued unused sick leave credit at the employees rate of pay at the time of retirement. The Authority's policy is to begin to accrue sick leave for employees five (5) years before they are eligible for retirement. At December 31, 2008, the authority had \$12,457 sick leave accrued for employees who will be eligible to retire within the next five years.

7. CONTINGENCIES

Grants

The Authority received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the Authority. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Authority at December 31, 2008.

Commitments and Contingencies

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

Risk Management

The Authority is exposed to various risks of loss related to torts; theft to, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2008, the Authority was insured through the State Housing Authority Risk Pool Association, Inc. (SHARP), a public entity risk pool operating a common risk management and insurance program for its housing authority members. The State Housing Authority Risk Pool Association, Inc. is self-sustaining through member premiums and reinsures through commercial insurance companies. The Authority carried commercial insurance for risk of loss for employee health and accident insurance. There has been no significant reduction in coverage from last year. Settled claims have not exceeded this coverage in any of the last three years.

8. FAMILY SELF-SUFFICIENCY PROGRAM

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

At December 31, 2008, the Authority held in escrow \$21,684 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.

9. SCHEDULE OF FEDERAL AWARDS

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

LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2008

10. PAYMENT IN LIEU OF TAXES

The Authority has cooperation agreements with certain municipalities under which it makes payment in lieu of real estate taxes for various public services. Expense recognized for payment in lieu of taxes totaled \$8,174.

11. MEMORANDUM OF AGREEMENT

In 2007, the Authority was designated by The Department of Housing and Urban Development (HUD as a Troubled Public Housing Authority, including substandard categorization.. As a result, the Authority is required to file quarterly reports per a Memorandum of Agreement with HUD, effective through January 31, 2010.

12. FDS SCHEDULE SUBMITTED TO HUD

For the fiscal year ended December 31, 2008, the Authority electronically submitted an unaudited version of the balance sheet, statement of revenues, expenses and changes in net assets and other data to HUD as required on the GAAP basis. The schedules are presented in the manner prescribed by HUD.

**LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY
COMBINED - STATEMENT OF NET ASSETS
December 31, 2008**

Line Item No.	Description	Project Totals	Program Totals	Subtotal	Elimination	Total
Balance Sheet						
111	Cash-unrestricted	\$ 40,515	\$ 51,062	\$ 91,577		\$ 91,577
113	Cash-other restricted	\$ -	\$ 120,318	\$ 120,318		\$ 120,318
114	Cash-tenant security deposits	\$ 27,956	\$ -	\$ 27,956		\$ 27,956
100	Total Cash	\$ 68,471	\$ 171,380	\$ 239,851	\$ -	\$ 239,851
122-020	Accounts receivable - HUD other projects - Capital fund	\$ 20,371	\$ -	\$ 20,371		\$ 20,371
122	Accounts receivable - HUD other projects	\$ 20,371	\$ -	\$ 20,371		\$ 20,371
125-010	Account receivable - miscellaneous - Not For Profit	\$ -	\$ 86,245	\$ 86,245		\$ 86,245
125-050	Account receivable - miscellaneous - Other	\$ -	\$ 5,500	\$ 5,500		\$ 5,500
125	Account receivable - miscellaneous	\$ -	\$ 94,671	\$ 94,671		\$ 94,671
126	Accounts receivable - tenants	\$ 1,742	\$ -	\$ 1,742		\$ 1,742
126.1	Allowance for doubtful accounts - tenants	\$ (1,624)	\$ -	\$ (1,624)		\$ (1,624)
128	Fraud recovery	\$ -	\$ 14,049	\$ 14,049		\$ 14,049
128.1	Allowance for doubtful accounts - fraud	\$ -	\$ (8,126)	\$ (8,126)		\$ (8,126)
120	Total receivables, net of allowance for doubtful accounts	\$ 20,489	\$ 100,594	\$ 121,083	\$ -	\$ 121,083
142	Prepaid expenses and other assets	\$ 21,253	\$ 1,924	\$ 23,177		\$ 23,177
143	Inventories	\$ 20,985	\$ -	\$ 20,985		\$ 20,985
143.1	Allowance for obsolete inventories	\$ (100)	\$ -	\$ (100)		\$ (100)
144	Inter program - due from	\$ 112,116	\$ 520	\$ 112,636	\$ -112,636	\$ -
150	Total Current Assets	\$ 243,214	\$ 274,418	\$ 517,632	\$ (112,636)	\$ 404,996
161	Land	\$ 683,201	\$ -	\$ 683,201		\$ 683,201
162	Buildings	\$ 7,429,062	\$ -	\$ 7,429,062		\$ 7,429,062
163	Furniture, equipment and machinery - dwellings	\$ 141,022	\$ -	\$ 141,022		\$ 141,022
164	Furniture, equipment and machinery - administration	\$ 263,228	\$ 113,547	\$ 376,775		\$ 376,775
166	Accumulated depreciation	\$ (3,432,030)	\$ (113,547)	\$ (3,545,577)		\$ (3,545,577)
160	Total capital assets, net of accumulated depreciation	\$ 5,084,483	\$ -	\$ 5,084,483	\$ -	\$ 5,084,483
180	Total Non-current Assets	\$ 5,084,483	\$ -	\$ 5,084,483	\$ -	\$ 5,084,483
190	Total Assets	\$ 5,327,697	\$ 274,418	\$ 5,602,115	\$ (112,636)	\$ 5,489,479
312	Accounts payable <= 90 days	\$ 45,014	\$ 5,762	\$ 50,776		\$ 50,776
321	Accrued wage/payroll taxes payable	\$ 8,820	\$ 13,230	\$ 22,050		\$ 22,050
322	Accrued compensated absences - current portion	\$ 3,933	\$ 2,712	\$ 6,645		\$ 6,645
331	Accounts payable - HUD PHA Programs	\$ -	\$ 1,114	\$ 1,114		\$ 1,114
333	Accounts payable - other government	\$ 8,174	\$ -	\$ 8,174		\$ 8,174
341	Tenant security deposits	\$ 27,953	\$ -	\$ 27,953		\$ 27,953
342-030	Deferred revenue - Other	\$ 1,606	\$ -	\$ 1,606		\$ 1,606
342	Deferred revenue	\$ 1,606	\$ -	\$ 1,606		\$ 1,606
347	Inter program - due to	\$ 20,891	\$ 91,745	\$ 112,636	\$ -112,636	\$ -
310	Total Current Liabilities	\$ 116,391	\$ 114,563	\$ 230,954	\$ (112,636)	\$ 118,318
353	Non-current liabilities - other	\$ -	\$ 32,270	\$ 32,270		\$ 32,270
354	Accrued compensated absences- Non-current	\$ 1,696	\$ 4,116	\$ 5,812		\$ 5,812
350	Total Non-current liabilities	\$ 1,696	\$ 36,386	\$ 38,082	\$ -	\$ 38,082
300	Total Liabilities	\$ 118,087	\$ 150,949	\$ 269,036	\$ (112,636)	\$ 156,400
508.1	Invested in capital assets, net of related debt	\$ 5,084,483	\$ -	\$ 5,084,483		\$ 5,084,483
511.1	Restricted Net Assets	\$ -	\$ 88,049	\$ 88,049		\$ 88,049
512.1	Unrestricted Net Assets	\$ 125,127	\$ 35,420	\$ 160,547		\$ 160,547
513	Total Equity/Net Assets	\$ 5,209,610	\$ 123,469	\$ 5,333,079	\$ -	\$ 5,333,079
600	Total Liabilities and Equity/Net assets	\$ 5,327,697	\$ 274,418	\$ 5,602,115	\$ (112,636)	\$ 5,489,479

See independent auditors' report

LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY
COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
Year Ended December 31, 2008

Line Item No.	Description	Project Totals	Program Totals	Subtotal	Elimination	Total
Income Statement						
70300	Net tenant rental revenue	\$ 89,265	\$ -	\$ 89,265		\$ 89,265
70400	Tenant revenue - other	\$ 9,272	\$ -	\$ 9,272		\$ 9,272
70500	Total Tenant Revenue	\$ 98,537	\$ -	\$ 98,537	\$ -	\$ 98,537
70600-010	Housing assistance payments	\$ -	\$ 1,240,541	\$ 1,240,541		\$ 1,240,541
70600-020	Ongoing administrative fees earned	\$ -	\$ 161,486	\$ 161,486		\$ 161,486
70600-031	FSS Coordinator	\$ -	\$ 73,576	\$ 73,576		\$ 73,576
70600	HUD PHA operating grants	\$ 370,883	\$ 1,475,603	\$ 1,846,486		\$ 1,846,486
70610	Capital grants	\$ 125,724	\$ -	\$ 125,724		\$ 125,724
71100-020	Administrative Fee	\$ -	\$ 25	\$ 25		\$ 25
71100	Investment income - unrestricted	\$ 17	\$ 25	\$ 42		\$ 42
71400-010	Housing Assistance Payment	\$ -	\$ 5,718	\$ 5,718		\$ 5,718
71400-020	Administrative Fee	\$ -	\$ 5,718	\$ 5,718		\$ 5,718
71400	Fraud recovery	\$ -	\$ 11,436	\$ 11,436		\$ 11,436
71500	Other revenue	\$ -	\$ 111	\$ 111		\$ 111
71600	Gain or loss on sale of capital assets	\$ 1,500	\$ -	\$ 1,500		\$ 1,500
72000-010	Housing Assistance Payment	\$ -	\$ 84	\$ 84		\$ 84
72000	Investment income - restricted	\$ -	\$ 84	\$ 84		\$ 84
70000	Total Revenue	\$ 596,661	\$ 1,487,259	\$ 2,083,920	\$ -	\$ 2,083,920
91100	Administrative salaries	\$ 111,723	\$ 107,597	\$ 219,320		\$ 219,320
91200	Auditing fees	\$ 4,119	\$ 1,789	\$ 5,908		\$ 5,908
91400	Advertising and Marketing	\$ 49	\$ -	\$ 49		\$ 49
91500	Employee benefit contributions - administrative	\$ 29,164	\$ 60,176	\$ 89,340		\$ 89,340
91800	Travel	\$ 5,054	\$ 3,852	\$ 8,906		\$ 8,906
91900	Other	\$ 49,964	\$ 24,908	\$ 74,872		\$ 74,872
91000	Total Operating-Administrative	\$ 200,073	\$ 198,322	\$ 398,395	\$ -	\$ 398,395
92400	Tenant services - other	\$ 3,277	\$ -	\$ 3,277		\$ 3,277
92500	Total Tenant Services	\$ 3,277	\$ -	\$ 3,277	\$ -	\$ 3,277
93100	Water	\$ 3,543	\$ -	\$ 3,543		\$ 3,543
93200	Electricity	\$ 7,745	\$ -	\$ 7,745		\$ 7,745
93300	Gas	\$ 3,747	\$ -	\$ 3,747		\$ 3,747
93000	Total Utilities	\$ 15,035	\$ -	\$ 15,035	\$ -	\$ 15,035
94100	Ordinary maintenance and operations - labor	\$ 31,508	\$ -	\$ 31,508		\$ 31,508
94200	Ordinary maintenance and operations - materials and other	\$ 32,839	\$ -	\$ 32,839		\$ 32,839
94300-010	Ordinary Maintenance and Operations Contracts - Garbage and Trash Removal Contracts	\$ 2,932	\$ -	\$ 2,932		\$ 2,932
94300-020	Ordinary Maintenance and Operations Contracts - Heating & Cooling Contracts	\$ 1,974	\$ -	\$ 1,974		\$ 1,974
94300-030	Ordinary Maintenance and Operations Contracts - Snow Removal Contracts	\$ 211	\$ -	\$ 211		\$ 211
94300-050	Ordinary Maintenance and Operations Contracts - Landscape & Grounds Contracts	\$ 2,162	\$ -	\$ 2,162		\$ 2,162
94300-060	Ordinary Maintenance and Operations Contracts - Unit Turnaround Contracts	\$ 14,757	\$ -	\$ 14,757		\$ 14,757
94300-070	Ordinary Maintenance and Operations Contracts - Electrical Contracts	\$ 50	\$ -	\$ 50		\$ 50
94300-080	Ordinary Maintenance and Operations Contracts - Plumbing Contracts	\$ 2,186	\$ -	\$ 2,186		\$ 2,186
94300-090	Ordinary Maintenance and Operations Contracts - Extermination Contracts	\$ 2,716	\$ -	\$ 2,716		\$ 2,716
94300-100	Ordinary Maintenance and Operations Contracts - Janitorial Contracts	\$ 3,675	\$ -	\$ 3,675		\$ 3,675
94300-110	Ordinary Maintenance and Operations Contracts - Routine Maintenance Contracts	\$ 10,374	\$ -	\$ 10,374		\$ 10,374
94300-120	Ordinary Maintenance and Operations Contracts - Misc Contracts	\$ 12,153	\$ -	\$ 12,153		\$ 12,153
94300	Ordinary Maintenance and Operations Contracts	\$ 53,190	\$ -	\$ 53,190		\$ 53,190
94500	Employee benefit contribution - ordinary maintenance	\$ 7,684	\$ -	\$ 7,684		\$ 7,684
94000	Total Maintenance	\$ 125,221	\$ -	\$ 125,221	\$ -	\$ 125,221

See independent auditors' report

LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY
COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
Year Ended December 31, 2008

Line Item No.	Description	Project Totals	Program Totals	Subtotal	Elimination	Total
96110	Property Insurance	\$ 1,061	\$ -	\$ 1,061		\$ 1,061
96120	Liability Insurance	\$ 428	\$ 175	\$ 603		\$ 603
96130	Workmen's Compensation	\$ 3,826	\$ 4,948	\$ 8,774		\$ 8,774
96140	All other Insurance	\$ 17,644	\$ 9,275	\$ 26,919		\$ 26,919
96100	Total Insurance Premiums	\$ 22,959	\$ 14,398	\$ 37,357	\$ -	\$ 37,357
96210	Compensated absences	\$ 3,205	\$ 2,958	\$ 6,163		\$ 6,163
96300	Payments in lieu of taxes	\$ 8,174	\$ -	\$ 8,174		\$ 8,174
96400	Bad debt - tenant rents	\$ 5,586	\$ -	\$ 5,586		\$ 5,586
96600	Bad debt - other	\$ -	\$ 2,200	\$ 2,200		\$ 2,200
96000	Total Other General Expenses	\$ 16,965	\$ 5,158	\$ 22,123	\$ -	\$ 22,123
96900	Total Operating Expenses	\$ 383,530	\$ 217,878	\$ 601,408	\$ -	\$ 601,408
97000	Excess Revenue Over Operating Expenses	\$ 213,131	\$ 1,269,381	\$ 1,482,512	\$ -	\$ 1,482,512
97300-020	Home-Ownership	\$ -	\$ 46,332	\$ 46,332		\$ 46,332
97300-050	All Other	\$ -	\$ 1,235,336	\$ 1,235,336		\$ 1,235,336
97300	Housing assistance payments	\$ -	\$ 1,281,668	\$ 1,281,668		\$ 1,281,668
97400	Depreciation expense	\$ 280,744	\$ -	\$ 280,744		\$ 280,744
90000	Total Expenses	\$ 664,274	\$ 1,499,546	\$ 2,163,820	\$ -	\$ 2,163,820
10010	Operating transfer in	\$ 19,011	\$ -	\$ 19,011		\$ 19,011
10020	Operating transfer out	\$ (19,011)	\$ -	\$ (19,011)		\$ (19,011)
10000	Excess (Deficiency) of Revenue Over (Under) Expenses	\$ (67,613)	\$ (12,287)	\$ (79,900)	\$ -	\$ (79,900)
11030	Beginning equity	\$ 5,277,223	\$ 135,756	\$ 5,412,979		\$ 5,412,979
11170-001	Administrative Fee Equity- Beginning Balance	\$ -	\$ 12,382	\$ 12,382		\$ 12,382
11170-010	Administrative Fee Revenue	\$ -	\$ 161,486	\$ 161,486		\$ 161,486
11170-021	FSS Coordinator Grant	\$ -	\$ 73,576	\$ 73,576		\$ 73,576
11170-040	Investment Income	\$ -	\$ 25	\$ 25		\$ 25
11170-045	Fraud Recovery Revenue	\$ -	\$ 5,718	\$ 5,718		\$ 5,718
11170-050	Other Revenue	\$ -	\$ 111	\$ 111		\$ 111
11170-060	Total Admin Fee Revenues	\$ -	\$ 240,916	\$ 240,916		\$ 240,916
11170-080	Total Operating Expenses	\$ -	\$ 217,878	\$ 217,878		\$ 217,878
11170-110	Total Expenses	\$ -	\$ 217,878	\$ 217,878		\$ 217,878
11170-002	Net Administrative Fee	\$ -	\$ 23,038	\$ 23,038		\$ 23,038
11170-003	Administrative Fee Equity- Ending Balance	\$ -	\$ 35,420	\$ 35,420		\$ 35,420
11170	Administrative Fee Equity	\$ -	\$ 35,420	\$ 35,420		\$ 35,420
11180-001	Housing Assistance Payments Equity - Beginning Balance	\$ -	\$ 123,374	\$ 123,374		\$ 123,374
11180-010	Housing Assistance Payment Revenues	\$ -	\$ 1,240,541	\$ 1,240,541		\$ 1,240,541
11180-015	Fraud Recovery Revenue	\$ -	\$ 5,718	\$ 5,718		\$ 5,718
11180-025	Investment Income	\$ -	\$ 84	\$ 84		\$ 84
11180-030	Total HAP Revenues	\$ -	\$ 1,246,343	\$ 1,246,343		\$ 1,246,343
11180-080	Housing Assistance Payments	\$ -	\$ 1,281,668	\$ 1,281,668		\$ 1,281,668
11180-100	Total Housing Assistance Payments Expenses	\$ -	\$ 1,281,668	\$ 1,281,668		\$ 1,281,668
11180-002	Net Housing Assistance Payments	\$ -	\$ (35,325)	\$ (35,325)		\$ (35,325)
11180-003	Housing Assistance Payments Equity-Ending Balance	\$ -	\$ 88,049	\$ 88,049		\$ 88,049
11180	Housing Assistance Payments Equity	\$ -	\$ 88,049	\$ 88,049		\$ 88,049
11190-210	Total ACC HCV Units	0	3552	3552		3552
11190	Unit Months Available	1200	3552	4752		4752
11210	Unit Months Leased	1193	3517	4710		4710
11270	Excess Cash	\$ 84,685	\$ -	\$ 84,685		\$ 84,685
11620	Building Purchases	\$ 120,921	\$ -	\$ 120,921		\$ 120,921
11630	Furniture & Equipment-Dwelling Purchases	\$ 867	\$ -	\$ 867		\$ 867
11640	Furniture & Equipment-Administrative Purchases	\$ 3,936	\$ -	\$ 3,936		\$ 3,936

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LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY
PROJECT - STATEMENT OF NET ASSETS
December 31, 2008

Line Item No.	Description	Total Projects	OH072010104
111	Cash-unrestricted	\$ 40,515	\$40,515
114	Cash-tenant security deposits	\$ 27,956	\$27,956
100	Total Cash	\$ 68,471	\$ 68,471
122-020	Accounts receivable - HUD other projects - Capital fund	\$ 20,371	\$20,371
122	Accounts receivable - HUD other projects	\$ 20,371	\$ 20,371
126	Accounts receivable - tenants	\$ 1,742	\$1,742
126.1	Allowance for doubtful accounts - tenants	\$ (1,624)	-\$1,624
120	Total receivables, net of allowance for doubtful accounts	\$ 20,489	\$ 20,489
142	Prepaid expenses and other assets	\$ 21,253	\$21,253
143	Inventories	\$ 20,985	\$20,985
143.1	Allowance for obsolete inventories	\$ (100)	-\$100
144	Inter program - due from	\$ 112,116	\$112,116
150	Total Current Assets	\$ 243,214	\$ 243,214
161	Land	\$ 683,201	\$683,201
162	Buildings	\$ 7,429,062	\$7,429,062
163	Furniture, equipment and machinery - dwellings	\$ 141,022	\$141,022
164	Furniture, equipment and machinery - administration	\$ 263,228	\$263,228
166	Accumulated depreciation	\$ (3,432,030)	-\$3,432,030
160	Total capital assets, net of accumulated depreciation	\$ 5,084,483	\$ 5,084,483
180	Total Non-current Assets	\$ 5,084,483	\$ 5,084,483
190	Total Assets	\$ 5,327,697	\$ 5,327,697
312	Accounts payable <= 90 days	\$ 45,014	\$45,014
321	Accrued wage/payroll taxes payable	\$ 8,820	\$8,820
322	Accrued compensated absences - current portion	\$ 3,933	\$3,933
333	Accounts payable - other government	\$ 8,174	\$8,174
341	Tenant security deposits	\$ 27,953	\$27,953
342-030	Deferred revenue - Other	\$ 1,606	\$1,606
342	Deferred revenue	\$ 1,606	\$ 1,606
347	Inter program - due to	\$ 20,891	\$20,891
310	Total Current Liabilities	\$ 116,391	\$ 116,391
354	Accrued compensated absences- Non-current	\$ 1,696	\$1,696
350	Total Non-Current Liabilities	\$ 1,696	\$ 1,696
300	Total Liabilities	\$ 118,087	\$ 118,087
508.1	Invested in capital assets, net of related debt	\$ 5,084,483	\$5,084,483
512.1	Unrestricted Net Assets	\$ 125,127	\$125,127
513	Total Equity/Net Assets	\$ 5,209,610	\$ 5,209,610
600	Total Liabilities and Equity/Net assets	\$ 5,327,697	\$ 5,327,697

See independent auditors' report

LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY
PROJECT - STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
Year Ended December 31, 2008

Line Item No.	Description	Total Projects	OH072010104	Operating Fund Program	Capital Fund Program
70300	Net tenant rental revenue	\$ 89,265	\$ 89,265	\$89,265	
70400	Tenant revenue - other	\$ 9,272	\$ 9,272	\$9,272	
70500	Total Tenant Revenue	\$ 98,537	\$ 98,537	\$ 98,537	\$ -
70600	HUD PHA operating grants	\$ 370,883	\$ 370,883	\$325,671	\$45,212
70610	Capital grants	\$ 125,724	\$ 125,724		\$125,724
71100	Investment income - unrestricted	\$ 17	\$ 17	\$17	
71600	Gain or loss on sale of capital assets	\$ 1,500	\$ 1,500	\$1,500	
70000	Total Revenue	\$ 596,661	\$ 596,661	\$ 425,725	\$ 170,936
91100	Administrative salaries	\$ 111,723	\$ 111,723	\$97,675	\$14,048
91200	Auditing fees	\$ 4,119	\$ 4,119	\$4,119	
91400	Advertising and Marketing	\$ 49	\$ 49	\$49	
91500	Employee benefit contributions - administrative	\$ 29,164	\$ 29,164	\$29,164	
91800	Travel	\$ 5,054	\$ 5,054	\$5,054	
91900	Other	\$ 49,964	\$ 49,964	\$49,964	
91000	Total Operating-Administrative	\$ 200,073	\$ 200,073	\$ 186,025	\$ 14,048
92400	Tenant services - other	\$ 3,277	\$ 3,277	\$3,277	
92500	Total Tenant Services	\$ 3,277	\$ 3,277	\$ 3,277	\$ -
93100	Water	\$ 3,543	\$ 3,543	\$3,543	
93200	Electricity	\$ 7,745	\$ 7,745	\$7,745	
93300	Gas	\$ 3,747	\$ 3,747	\$3,747	
93000	Total Utilities	\$ 15,035	\$ 15,035	\$ 15,035	\$ -
94100	Ordinary maintenance and operations - labor	\$ 31,508	\$ 31,508	\$31,508	
94200	Ordinary maintenance and operations - materials and other	\$ 32,839	\$ 32,839	\$32,839	
94300-010	Ordinary Maintenance and Operations Contracts - Garbage and Trash Removal Contracts	\$ 2,932	\$ 2,932	\$2,932	
94300-020	Ordinary Maintenance and Operations Contracts - Heating & Cooling Contracts	\$ 1,974	\$ 1,974	\$1,974	
94300-030	Ordinary Maintenance and Operations Contracts - Snow Removal Contracts	\$ 211	\$ 211	\$211	
94300-050	Ordinary Maintenance and Operations Contracts - Landscape & Grounds Contracts	\$ 2,162	\$ 2,162	\$2,162	
94300-060	Ordinary Maintenance and Operations Contracts - Unit Turnaround Contracts	\$ 14,757	\$ 14,757	\$14,757	
94300-070	Ordinary Maintenance and Operations Contracts - Electrical Contracts	\$ 50	\$ 50	\$50	
94300-080	Ordinary Maintenance and Operations Contracts - Plumbing Contracts	\$ 2,186	\$ 2,186	\$2,186	
94300-090	Ordinary Maintenance and Operations Contracts - Extermination Contracts	\$ 2,716	\$ 2,716	\$2,716	
94300-100	Ordinary Maintenance and Operations Contracts - Janitorial Contracts	\$ 3,675	\$ 3,675	\$3,675	
94300-110	Ordinary Maintenance and Operations Contracts - Routine Maintenance Contracts	\$ 10,374	\$ 10,374	\$10,374	
94300-120	Ordinary Maintenance and Operations Contracts - Misc Contracts	\$ 12,153	\$ 12,153		\$12,153
94300	Ordinary Maintenance and Operations Contracts	\$ 53,190	\$ 53,190	\$ 41,037	\$ 12,153
94500	Employee benefit contribution - ordinary maintenance	\$ 7,684	\$ 7,684	\$7,684	
94000	Total Maintenance	\$ 125,221	\$ 125,221	\$ 113,068	\$ 12,153

See independent auditors' report

LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY
PROJECT - STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
Year Ended December 31, 2008

Line Item No.	Description	Total Projects	OH072010104	Operating Fund Program	Capital Fund Program
96110	Property Insurance	\$ 1,061	\$ 1,061	\$1,061	
96120	Liability Insurance	\$ 428	\$ 428	\$428	
96130	Workmen's Compensation	\$ 3,826	\$ 3,826	\$3,826	
96140	All other Insurance	\$ 17,644	\$ 17,644	\$17,644	
96100	Total Insurance Premiums	\$ 22,959	\$ 22,959	\$ 22,959	\$ -
96210	Compensated absences	\$ 3,205	\$ 3,205	\$3,205	
96300	Payments in lieu of taxes	\$ 8,174	\$ 8,174	\$8,174	
96400	Bad debt - tenant rents	\$ 5,586	\$ 5,586	\$5,586	
96000	Total Other General Expenses	\$ 16,965	\$ 16,965	\$ 16,965	\$ -
96900	Total Operating Expenses	\$ 383,530	\$ 383,530	\$ 357,329	\$ 26,201
97000	Excess Revenue Over Operating Expenses	\$ 213,131	\$ 213,131	\$ 68,396	\$ 144,735
97400	Depreciation expense	\$ 280,744	\$ 280,744	\$197,895	\$82,849
90000	Total Expenses	\$ 664,274	\$ 664,274	\$ 555,224	\$ 109,050
10010	Operating transfer in	\$ 19,011	\$ 19,011	\$19,011	
10020	Operating transfer out	\$ (19,011)	\$ (19,011)		-\$19,011
10100	Total other financing sources (uses)	\$ -	\$ -	\$ 19,011	\$ (19,011)
10000	Excess (Deficiency) of Revenue Over (Under) Expenses	\$ (67,613)	\$ (67,613)	\$ (110,488)	\$ 42,875
11030	Beginning equity	\$ 5,277,223	\$ 5,277,223	\$4,509,586	\$767,637
11190	Unit Months Available	1200	1200	1200	
11210	Unit Months Leased	1193	1193	1193	
11270	Excess Cash	\$ 84,685	\$ 84,685	\$ 84,685	
11620	Building Purchases	\$ 120,921	\$ 120,921		\$120,921
11630	Furniture & Equipment-Dwelling Purchases	\$ 867	\$ 867		\$867
11640	Furniture & Equipment-Administrative Purchases	\$ 3,936	\$ 3,936		\$3,936

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**LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY
PROGRAM - STATEMENT OF NET ASSETS
December 31, 2008**

			1	14,871
Line Item No.	Description	Total Programs	Business Activities	Housing Choice Vouchers
Balance Sheet				
111	Cash-unrestricted	\$ 51,062		\$51,062
113	Cash-other restricted	\$ 120,318	\$10,586	\$109,732
100	Total Cash	\$ 171,380	\$ 10,586	\$ 160,794
125-010	Account receivable - miscellaneous - Not For Profit	\$ 86,245	\$86,245	
125-050	Account receivable - miscellaneous - Other	\$ 5,500	\$5,500	
125-060	Other - Comment			
125	Account receivable - miscellaneous	\$ 94,671	\$ 91,745	\$2,926
128	Fraud recovery	\$ 14,049		\$14,049
128.1	Allowance for doubtful accounts - fraud	\$ (8,126)		-\$8,126
120	Total receivables, net of allowance for doubtful accounts	\$ 100,594	\$ 91,745	\$ 8,849
142	Prepaid expenses and other assets	\$ 1,924		\$1,924
144	Inter program - due from	\$ 520		\$520
150	Total Current Assets	\$ 274,418	\$ 102,331	\$ 172,087
164	Furniture, equipment and machinery - administration	\$ 113,547		\$113,547
166	Accumulated depreciation	\$ (113,547)		-\$113,547
160	Total capital assets, net of accumulated depreciation	\$ -	\$ -	\$ -
190	Total Assets	\$ 274,418	\$ 102,331	\$ 172,087
312	Accounts payable <= 90 days	\$ 5,762		\$5,762
321	Accrued wage/payroll taxes payable	\$ 13,230		\$13,230
322	Accrued compensated absences - current portion	\$ 2,712		\$2,712
331	Accounts payable - HUD PHA Programs	\$ 1,114		\$1,114
347	Inter program - due to	\$ 91,745	\$91,745	
310	Total Current Liabilities	\$ 114,563	\$ 91,745	\$ 22,818
353	Non-current liabilities - other	\$ 32,270	\$10,586	\$21,684
354	Accrued compensated absences- Non-current	\$ 4,116		\$4,116
350	Total Non-current liabilities	\$ 36,386	\$ 10,586	\$ 25,800
300	Total Liabilities	\$ 150,949	\$ 102,331	\$ 48,618
511.1	Restricted Net Assets	\$ 88,049		\$88,049
512.1	Unrestricted Net Assets	\$ 35,420		\$35,420
513	Total Equity/Net Assets	\$ 123,469	\$ -	\$ 123,469
600	Total Liabilities and Equity/Net assets	\$ 274,418	\$ 102,331	\$ 172,087

See independent auditors' report

LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY
PROGRAM - STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
Year Ended December 31, 2008

Line Item No.	Description	Total Programs	1	14,871
			Business Activities	Housing Choice Vouchers
Income Statement				
70600-010	Housing assistance payments	\$ 1,240,541		\$1,240,541
70600-020	Ongoing administrative fees earned	\$ 161,486		\$161,486
70600-031	FSS Coordinator	\$ 73,576		\$73,576
70600	HUD PHA operating grants	\$ 1,475,603		\$ 1,475,603
71100-020	Administrative Fee	\$ 25		\$25
71100	Investment income - unrestricted	\$ 25		\$ 25
71400-010	Housing Assistance Payment	\$ 5,718		\$5,718
71400-020	Administrative Fee	\$ 5,718		\$5,718
71400	Fraud recovery	\$ 11,436		\$ 11,436
71500	Other revenue	\$ 111		\$111
72000-010	Housing Assistance Payment	\$ 84		\$84
72000	Investment income - restricted	\$ 84		\$ 84
70000	Total Revenue	\$ 1,487,259	\$ -	\$ 1,487,259
91100	Administrative salaries	\$ 107,597		\$107,597
91200	Auditing fees	\$ 1,789		\$1,789
91500	Employee benefit contributions - administrative	\$ 60,176		\$60,176
91800	Travel	\$ 3,852		\$3,852
91900	Other	\$ 24,908		\$24,908
91000	Total Operating-Administrative	\$ 198,322	\$ -	\$ 198,322
96120	Liability Insurance	\$ 175		\$175
96130	Workmen's Compensation	\$ 4,948		\$4,948
96140	All Other Insurance	\$ 9,275		\$9,275
96100	Total Insurance Premiums	\$ 14,398	\$ -	\$ 14,398
96210	Compensated absences	\$ 2,958		\$2,958
96600	Bad debt - other	\$ 2,200		\$2,200
96000	Total Other General Expenses	\$ 5,158	\$ -	\$ 5,158
96900	Total Operating Expenses	\$ 217,878	\$ -	\$ 217,878
97000	Excess Revenue Over Operating Expenses	\$ 1,269,381	\$ -	\$ 1,269,381
97300-020	Home-Ownership	\$ 46,332		\$46,332
97300-050	All Other	\$ 1,235,336		\$1,235,336
97300	Housing assistance payments	\$ 1,281,668		\$ 1,281,668
90000	Total Expenses	\$ 1,499,546	\$ -	\$ 1,499,546
10000	Excess (Deficiency) of Revenue Over (Under) Expenses	\$ (12,287)	\$ -	\$ (12,287)

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LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY
PROGRAM - STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
Year Ended December 31, 2008

Line Item No.	Description	Total Programs	1	14,871
			Business Activities	Housing Choice Vouchers
11030	Beginning equity	\$ 135,756		\$135,756
11170-001	Administrative Fee Equity- Beginning Balance	\$ 12,382		\$12,382
11170-010	Administrative Fee Revenue	\$ 161,486		\$ 161,486
11170-021	FSS Coordinator Grant	\$ 73,576		\$ 73,576
11170-040	Investment Income	\$ 25		\$ 25
11170-045	Fraud Recovery Revenue	\$ 5,718		\$ 5,718
11170-050	Other Revenue	\$ 111		\$111
11170-060	Total Admin Fee Revenues	\$ 240,916		\$ 240,916
11170-080	Total Operating Expenses	\$ 217,878		\$ 217,878
11170-110	Total Expenses	\$ 217,878		\$ 217,878
11170-002	Net Administrative Fee	\$ 23,038		\$ 23,038
11170-003	Administrative Fee Equity- Ending Balance	\$ 35,420		\$ 35,420
11170	Administrative Fee Equity	\$ 35,420		\$ 35,420
11180-001	Housing Assistance Payments Equity - Beginning Balance	\$ 123,374		\$123,374
11180-010	Housing Assistance Payment Revenues	\$ 1,240,541		\$ 1,240,541
11180-015	Fraud Recovery Revenue	\$ 5,718		\$ 5,718
11180-025	Investment Income	\$ 84		\$ 84
11180-030	Total HAP Revenues	\$ 1,246,343		\$ 1,246,343
11180-080	Housing Assistance Payments	\$ 1,281,668		\$ 1,281,668
11180-100	Total Housing Assistance Payments Expenses	\$ 1,281,668		\$ 1,281,668
11180-002	Net Housing Assistance Payments	\$ (35,325)		\$ (35,325)
11180-003	Housing Assistance Payments Equity-Ending Balance	\$ 88,049		\$ 88,049
11180	Housing Assistance Payments Equity	\$ 88,049		\$ 88,049
11190-210	Total ACC HCV Units	3552		3,552
11190	Unit Months Available	3552		3552
11210	Unit Months Leased	3517		3517

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**LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY
COST CERTIFICATIONS
December 31, 2008**

	<u>CPF-OH16-P072-501-06</u>
Total Expended	<u>\$ 185,724</u>
Total Received	<u>\$ 185,724</u>

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

See independent auditors' report

**LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY
 SCHEDULE OF FEDERAL AWARDS EXPENDITURES
 Year Ended December 31, 2008**

	FEDERAL CFDA NUMBER	FUNDS EXPENDED
<u>FROM U.S. DEPARTMENT OF HUD</u>		
<u>DIRECT PROGRAMS</u>		
PHA Owned Housing:		
Public and Indian Housing	14.850A	\$ 325,671
Public Housing Capital Fund	14.872	170,936
Housing Assistance Payments:		
Annual Contribution -		
Section 8 Housing Choice Vouchers	14.871	1,475,603
Total - All Programs		\$ 1,972,210

See independent auditors' report



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

**Board of Directors
Logan County Metropolitan Housing Authority
Bellfontaine, Ohio**

**Regional Inspector General of Audit
Department of Housing and Urban
Development**

We have audited the basic financial statements for Logan County Metropolitan Housing Authority as of and for the year ended December 31, 2008 and have issued our report thereon dated November 30, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standard applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be significant deficiency.

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 entity'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 entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the following deficiency described in the accompanying schedule of findings to be a significant deficiency in internal control over financial reporting (2008-7224-001).

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 entity's internal control.

Our consideration of 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Logan County Metropolitan Housing Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

The authority's response to the findings is identified in our audit and is described in the accompanying schedule of findings. We did not audit the Authority's response, and accordingly, we express no opinion on it.

This report is intended solely for the information and use of management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Jones, Cochenour & Co.
November 30, 2009



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

**Board of Directors
Logan County Metropolitan Housing Authority
Bellfontaine, Ohio**

**Regional Inspector General of Audit
Department of Housing and Urban
Development**

Compliance

We have audited the compliance of Logan County Metropolitan Housing Authority with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133* that are applicable to each of its major federal programs for the year ended December 31, 2008. Logan County Metropolitan Housing Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Logan County Metropolitan Housing Authority's management. Our responsibility is to express an opinion on Logan County Metropolitan Housing Authority's compliance based on our audit.

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

In our opinion, Logan County Metropolitan Housing Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2008.

Internal Control Over Compliance

The management of Logan County Metropolitan Housing Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Logan County Metropolitan Housing 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 internal control over compliance.

much more than an accounting firm

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 entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

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

Our consideration of 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 directors, management, Auditor of State, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Jones, Cochenour & Co." with a stylized flourish at the end.

Jones, Cochenour & Co.
November 30, 2009

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

**Logan County Metropolitan Housing Authority
December 31, 2008**

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
Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	Yes
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):	Section 8 Housing Choice Vouchers CFDA#14.871 Low Rent Public Housing CFDA#14.850a Public Housing Capital Fund Program CFDA#14.872
Dollar Threshold: Type A/B Programs	\$300,000
Low Risk Auditee?	Yes

**Summary of Auditors' Results and Schedule of Findings
OMB Circular A-133 § .505 - Continued**

**Logan County Metropolitan Housing Authority
December 31, 2008**

2. FINDINGS RELATED TO FINANCIAL STATEMENTS
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Finding Number 2008-7224-001 SIGNIFICANT DEFICIENCY – LACK OF SEGREGATION OF DUTIES:

Criteria: Recipients of public funds need to demonstrate strong internal controls and operating efficiency.

Condition: The size of the Authority's accounting and administrative staff precludes certain internal controls that would be preferred if the staff were large enough to provide optimum segregation of duties.

Effect: Internal controls are not as strong as they could be which could lead to misappropriation of assets, misstatements in the accounting records, missed deadlines, and misplacement of vital information.

Cause: Small size of staff performing all the accounting and administrative duties.

Recommendation: This situation dictates that the Executive Director and the Board of Directors must be actively involved in the financial affairs of the Authority to provide oversight and independent review functions.

Management response: The Authority is working on updating and improving internal controls to achieve integrity over the accounting and reporting functions.

3. FINDINGS RELATED TO FEDERAL AWARDS
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There are no findings for the year ended December 31, 2008.



Mary Taylor, CPA
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
DECEMBER 31, 2009**