

**BASIC FINANCIAL STATEMENTS  
AND SINGLE AUDIT**

**of the**

**LOGAN COUNTY METROPOLITAN  
HOUSING AUTHORITY**

**for the**

**Year Ended December 31, 2009**





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, 2009 through December 31, 2009. 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 1, 2010

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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, 2009, 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, 2009 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 June 21, 2010 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.  
June 21, 2010

*much more than an accounting firm*

**LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
Year Ended December 31, 2009**

**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 \$139,665 (or 2.6%) during 2009. Since the Authority engages only in business-type activities, the increase is all in the category of business-type net assets. Net Assets were \$5.2 and \$5.3 million for 2009 and 2008, respectively.
- Revenues increased by \$57,050 (or 2.7%) during 2009, and were \$2.1 million for both 2009 and 2008.
- The total expenses of all Authority programs increased by \$116,815 (or 5.4%). Total expenses were \$2.3 and \$2.2 million for both 2009 and 2008, respectively.

**USING THIS ANNUAL REPORT**

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

<b>MD&amp;A</b> ~ Management Discussion and Analysis ~
<b>Basic Financial Statements</b> ~ Statement of Net Assets ~ ~ Statement of Revenues, Expenses and Changes in Net Assets ~ ~ Statement of Cash Flows ~ ~ Notes to Financial Statements ~
<b>Other Required Supplementary Information</b> ~ 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, 2009

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. In 2009, the Authority received additional funding from the Capital Fund Stimulus Grant.

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

**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, 2009**

**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**

	2009	2008
Current and Other Assets	\$ 605,108	\$ 404,996
Capital Assets	4,850,906	5,084,483
<b>TOTAL ASSETS</b>	<b>5,456,014</b>	<b>5,489,479</b>
Current Liabilities	199,900	118,318
Long-term liabilities	62,700	38,082
<b>TOTAL LIABILITIES</b>	<b>262,600</b>	<b>156,400</b>
 Net Assets:		
Invested in Capital Assets, Net of Related Debt	4,850,906	5,084,483
Restricted net assets - HAP	100,148	88,049
Unrestricted	242,360	160,547
<b>TOTAL NET ASSETS</b>	<b>\$ 5,193,414</b>	<b>\$ 5,333,079</b>

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

**MAJOR FACTORS AFFECTING THE STATEMENT OF NET ASSETS**

Overall net assets decreased by \$139,665. This decrease was due to a slight decrease in total assets and an increase in total liabilities of \$106,200. Assets decreased by \$33,465. Although current assets were up due to an increase of cash and receivables from HUD for capital grant expenditures and miscellaneous receivables from the Authorities business activities, capital assets were down primarily due to depreciation and lower than normal capital expenditures. Liabilities increased by \$106,200 primarily due to the early receipt of January 2010 Housing Choice voucher funds that elevated our deferred revenue account.

**LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED  
Year Ended December 31, 2009**

**Unaudited**

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

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

	2009	2008
<b>Revenues</b>		
Tenant Revenue - Rents and Other	\$ 71,623	\$ 98,537
Operating Subsidies and Grants	1,994,884	1,846,486
Capital Grants	25,366	125,724
Investment Income	161	126
Gain on disposition of assets	-	1,500
Other revenues	48,936	11,547
<b>TOTAL REVENUE</b>	<b>2,140,970</b>	<b>2,083,920</b>
<b>Expenses</b>		
Administration	482,682	398,395
Tenant Services	2,335	3,277
Utilities	19,864	15,035
Insurance	37,705	37,357
Maintenance	136,058	125,221
General	18,509	22,123
Housing Assistance Payment	1,322,697	1,281,668
Depreciation	260,785	280,744
<b>TOTAL EXPENSES</b>	<b>2,280,635</b>	<b>2,163,820</b>
Transfers in	43,224	-
Transfers out	(43,224)	-
<b>CHANGE IN NET ASSETS</b>	<b>\$ (139,665)</b>	<b>\$ (79,900)</b>

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

Overall revenue is up slightly with an increase of \$57,050. Tenant rents are lower due to decreased dwelling rental charges as a result of the economic downturn, which in turn resulted in an increase in operating subsidy. Capital grant revenue is down, due to delays in beginning the work on our ARRA project. Other revenue is up as the Authority is renting office space to several organizations.

Expenses are also up slightly with an increase of \$59,765. Administrative expenses have increased largely due to staff salary increases. Utility expenses have increased due to the increasing costs. Maintenance is up due to salary increases and rising cost of materials.

**LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED  
Year Ended December 31, 2009**

**Unaudited**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**CAPITAL ASSETS**

As of year-end, the Authority had \$4.9 million invested in a variety of capital assets as reflected in the following schedule, which represents a net decrease (additions, deductions and depreciation) of \$233,577 or 5% from the end of last year.

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

	2009	2008
Land and Land Rights	\$ 683,200	\$ 683,200
Buildings	7,429,062	7,429,062
Equipment - Administrative	403,047	376,775
Equipment - Dwellings	141,958	141,022
Accumulated Depreciation	(3,806,361)	(3,545,576)
<b>TOTAL</b>	<b>\$ 4,850,906</b>	<b>\$ 5,084,483</b>

The following reconciliation summarizes the change in Capital Assets.

**TABLE 4  
CHANGE IN CAPITAL ASSETS**

BEGINNING BALANCE - NET	\$ 5,084,483
Additions	27,208
Depreciation Expense	(260,785)
<b>ENDING BALANCE</b>	<b>\$ 4,850,906</b>

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, 2009**

**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, 2009**

**ASSETS**

Cash and cash equivalents	\$	211,213
Cash and cash equivalents - restricted		147,423
Intergovernmental receivables		55,112
Tenant receivables - net of allowance		418
Other receivables		138,923
Inventory		21,667
Prepaid expenses		30,352
<b>TOTAL CURRENT ASSETS</b>		<b>605,108</b>

**CAPITAL ASSETS**

Land		683,200
Property and equipment - net		4,167,706
<b>TOTAL CAPITAL ASSETS, NET</b>		<b>4,850,906</b>

**TOTAL ASSETS** **5,456,014**

**CURRENT LIABILITIES**

Accounts payable		21,410
Accounts payable - other government		5,770
Accrued compensated absences - current		7,247
Tenant security deposits		28,847
Accrued wages and payroll taxes		10,766
Deferred revenue		125,860
<b>TOTAL CURRENT LIABILITIES</b>		<b>199,900</b>

**NON-CURRENT LIABILITIES**

Accrued compensated absences - non-current		8,595
FSS liability		18,724
Other liabilities		35,381
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>62,700</b>

**TOTAL LIABILITIES** **262,600**

**NET ASSETS**

Invested in capital assets - net of related debt		4,850,906
Unrestricted net assets		242,360
Restricted net assets		100,148
<b>NET ASSETS</b>	<b>\$</b>	<b>5,193,414</b>

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, 2009**

<b>OPERATING REVENUES</b>	
Program operating grants and subsidies	\$ 1,994,884
Rental income	71,623
Other operating income	<u>48,936</u>
<b>TOTAL OPERATING REVENUES</b>	<b>2,115,443</b>
 <b>OPERATING EXPENSES</b>	
Administrative	482,682
Tenant services	2,335
Utilities	19,864
Maintenance	136,058
Insurance premiums	37,705
General	18,509
Housing assistance payments	1,322,697
Depreciation	<u>260,785</u>
<b>TOTAL OPERATING EXPENSES</b>	<b><u>2,280,635</u></b>
<b>OPERATING LOSS</b>	<b>(165,192)</b>
 <b>NON-OPERATING REVENUE</b>	
Interest income	161
Capital grants	<u>25,366</u>
<b>TOTAL NON-OPERATING REVENUE</b>	<b><u>25,527</u></b>
Transfers in	43,224
Transfers out	<u>(43,224)</u>
<b>CHANGE IN NET ASSETS</b>	<b>(139,665)</b>
<b>NET ASSETS BEGINNING OF YEAR</b>	<b><u>5,333,079</u></b>
<b>NET ASSETS END OF YEAR</b>	<b><u><u>\$ 5,193,414</u></u></b>

See accompanying notes to the basic financial statements

**LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY**  
**STATEMENT OF CASH FLOWS**  
Year Ended December 31, 2009

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Cash received from HUD	\$	1,960,143
Cash received from tenants		71,323
Cash received other revenue		10,607
Cash payments for housing assistance payments		(1,322,697)
Cash payments for administrative/operations		(591,850)
Cash payments to HUD and other government		(7,060)
		120,466
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		<b>120,466</b>

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:**

Capital grants received		25,366
Acquisition of capital assets		(27,208)
		(1,842)
<b>NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>		<b>(1,842)</b>

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Interest received		161
		161

**INCREASE IN CASH AND CASH EQUIVALENTS** **118,785**

**CASH AND CASH EQUIVALENTS, BEGINNING** **239,851**

**CASH AND CASH EQUIVALENTS, ENDING** **\$ 358,636**

**RECONCILIATION OF OPERATING (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:**

Operating loss	\$	(165,192)
Adjustments to reconcile operating loss to net cash provided by		
Operating activities		
Depreciation		260,785
(Increase) decrease in:		
Receivables - net of allowance		(73,370)
Inventory - net of allowance		(782)
Prepaid expenses		(7,175)
Increase (decrease) in:		
Accounts payable		(29,366)
Accrued wages and taxes		(11,284)
Accrued compensated absences		3,385
Accounts payable - other government		(3,518)
Tenant security deposits		894
Other non-current liabilities		21,835
Deferred revenue		124,254
		124,254
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>\$</b>	<b>120,466</b>

See accompanying notes to the basic financial statements

LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
December 31, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Organization and Reporting Entity**

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

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

**Basis of Presentation**

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

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

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

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

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

**Measurement Focus and Basis of Accounting**

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

**Enterprise Fund**

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

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

LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
December 31, 2009

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, 2009.

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 \$4,159 at December 31, 2009.

Prepaid Expenses

Payments made to vendors for services that will benefit periods beyond December 31, 2009, 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 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, 2009

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, 2009 totaled \$161.

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, 2009

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 \$358,636 at December 31, 2009. The corresponding bank balances were \$351,335.

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

Category 1:	\$250,000 was covered by federal depository insurance
Category 3:	\$101,335 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, 2009**

**3. CAPITAL ASSETS**

The following is a summary of changes in capital assets at December 31, 2009:

	Balance 12/31/2008	Net Additions	Disposals	Balance 12/31/2009
<b>CAPITAL ASSETS, NOT BEING DEPRECIATED</b>				
Land and Land Improvements	\$ 683,200	\$ -	\$ -	\$ 683,200
<b>TOTAL CAPITAL ASSETS NOT BEING DEPRECIATED</b>	<b>683,200</b>	<b>-</b>	<b>-</b>	<b>683,200</b>
<b>CAPITAL ASSETS BEING DEPRECIATED</b>				
Building and Improvements	\$ 7,429,062	\$ -	\$ -	\$ 7,429,062
Furniture and Equipment	517,799	27,208	-	545,007
Totals at Historical Costs	7,946,861	27,208	-	7,974,069
Less: Accumulated Depreciation	(3,545,578)	(260,785)	-	(3,806,363)
<b>TOTAL DEPRECIABLE CAPITAL ASSETS, NET</b>	<b>4,401,283</b>	<b>(233,577)</b>	<b>-</b>	<b>4,167,706</b>
<b>TOTAL CAPITAL ASSETS</b>	<b>\$ 5,084,483</b>	<b>\$ (233,577)</b>	<b>\$ -</b>	<b>\$ 4,850,906</b>
		Depreciation 12/31/2008	Additions/ Corrections	Depreciation 12/31/2009
Accumulated Depreciation by Class:				
Building and Improvements		\$ (3,086,105)	\$ (246,253)	\$ (3,332,358)
Furniture and Fixtures		(459,473)	(14,532)	(474,005)
<b>TOTAL ACCUMULATED DEPRECIATION</b>		<b>\$ (3,545,578)</b>	<b>\$ (260,785)</b>	<b>\$ (3,806,363)</b>

**4. DEFINED BENEFIT PENSION PLANS – PUBLIC EMPLOYEES RETIREMENT SYSTEM**

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans as described below:

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

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

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2008, member and employer contribution rates were consistent across all three plans (TP, MD and CO). Plan members are required to contribute 10 percent of their annual covered payroll to fund pension obligations and the Authority was required to contribute 14 percent of covered payroll during 2008. The Authority's required contributions, including the pick up portion for certain employees for the years ended December 31, 2009, 2008 and 2007 were \$43,762, \$39,438 and \$39,160 respectively. All required payments of contributions have been made through December 31, 2009.

**LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**December 31, 2009**

**5. POSTEMPLOYMENT BENEFITS – PUBLIC EMPLOYEES RETIREMENT SYSTEM**

- 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.**

OPERS provides retirement, disability, and survivor benefits as well as post-employment health care coverage to qualifying members of both Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

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

The Ohio Revised Code provides statutory authority for employer contributions. In 2007, state and local employers contributed at a rate of 14.0%. The portion of employer contributions, for all employers, allocated to health care was 5.5% for the year ended 12/31/09.

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

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

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

**C. Summary of Assumptions:**

**Actuarial Review – The assumptions and calculations below were based on OPERS’ latest actuarial review performed as of December 31, 2007.**

**Funding Method-** The individual entry age 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 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 2007 was 6.50%.**

**Active Employee Total Payroll – An annual increase of 4.00%, compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. In addition, annual pay increases over and above the 4.00% base increase, were assumed to range from 0.50% to 6.30%.**

**Health Care – Health care costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from 0.50% to 4.00% for the next 7 years. In subsequent years, (8 and beyond) health care costs were assumed to increase at 4.00% (the projected wage inflation rate).**

LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
December 31, 2009

5. POSTEMPLOYMENT BENEFITS – PUBLIC EMPLOYEES RETIREMENT SYSTEM

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

1. The Traditional Pension and Combined Plans had 363,503 active contributing participants as of December 31, 2008. The number of active contributing participants for both plans used in the December 31, 2006 actuarial valuation was 364,076.
2. Actual Authority contributions for 2009 which were used to fund post-employment benefits were \$21,881.
3. The amount of \$12.8 billions represents the actuarial value of OPERS' net assets available for OPEB at December 31, 2007.
4. Based on the actuarial cost method used, the Actuarial Valuation as of December 31, 2007, reported the actuarially accrued liability and the unfunded actuarially accrued liability for OPEB at \$29.8 billion and \$17.0 billion, respectively.

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, 2009.

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, 2009, the authority had \$15,842 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, 2009.

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 2009, 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.

**LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**December 31, 2009**

**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, 2009, the Authority held in escrow \$18,724 for the Family Self-Sufficiency Program. The Authority recognizes the escrow as cash and due to FSS participants on the balance sheet.

**9. SCHEDULE OF FEDERAL AWARDS**

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

**10. PAYMENT IN LIEU OF TAXES**

The Authority has cooperation agreements with certain municipalities under which it makes payment in lieu of real estate taxes for various public services. Expense recognized for payment in lieu of taxes totaled \$4,656.

**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, 2009, the Authority electronically submitted an unaudited version of the balance sheet, statement of revenues, expenses and changes in net assets and other data to HUD as required on the GAAP basis. The schedules are presented in the manner prescribed by HUD.

**13. SUBSEQUENT EVENTS**

There were no subsequent events through June 21, 2010, the date the financial statements were available to be issued. Any subsequent events after that date have not been evaluated.

**LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY**

**Balance Sheet**

**FDS Schedule Submitted to HUD**

**Proprietary Fund Type**

**Enterprise Fund**

**Year Ended December 31, 2009**

	Project Total	1	14.871	14.885	Subtotal	ELIM	Total
111 Cash - Unrestricted	2159		180207		182366		182366
113 Cash - Other Restricted		18724	128699		147423		147423
114 Cash - Tenant Security Deposits	28847				28847		28847
100 Total Cash	31006	18724	308906		358636	0	358636
122 Accounts Receivable - HUD Other Projects	39111			16001	55112		55112
125 Accounts Receivable - Miscellaneous		132257	3627		135884		135884
126 Accounts Receivable - Tenants	836				836		836
126.1 Allowance for Doubtful Accounts - Tenants	-418				-418		-418
128 Fraud Recovery			6780		6780		6780
128.1 Allowance for Doubtful Accounts - Fraud			-3741		-3741		-3741
120 Total Receivables, Net of Allowances for Doubtful Accounts	39529	132257	6666	16001	194453	0	194453
142 Prepaid Expenses and Other Assets	23010		1342	6000	30352		30352
143 Inventories	21767				21767		21767
143.1 Allowance for Obsolete Inventories	-100				-100		-100
144 Inter Program Due From	187370		4918		192288	-192288	0
150 Total Current Assets	302582	150981	321832	22001	797396	-192288	605108
161 Land	683200				683200		683200
162 Buildings	7429062				7429062		7429062
163 Furniture, Equipment & Machinery - Dwellings	141958				141958		141958
164 Furniture, Equipment & Machinery - Administration	288825		114222		403047		403047
166 Accumulated Depreciation	-3692701		-113660		-3806361		-3806361
160 Total Capital Assets, Net of Accumulated Depreciation	4850344	0	562		4850906	0	4850906
180 Total Non-Current Assets	4850344	0	562		4850906	0	4850906
190 Total Assets	5152926	150981	322394	22001	5648302	-192288	5456014
312 Accounts Payable <= 90 Days	19956		1454		21410		21410
321 Accrued Wage/Payroll Taxes Payable	4952		5814		10766		10766
322 Accrued Compensated Absences - Current Portion	4596		2651		7247		7247
331 Accounts Payable - HUD PHA Programs			1114		1114		1114
333 Accounts Payable - Other Government	4656				4656		4656
341 Tenant Security Deposits	28847				28847		28847
342 Deferred Revenues	896		124964		125860		125860
347 Inter Program - Due To	44030	132257		16001	192288	-192288	0
310 Total Current Liabilities	107933	132257	135997	16001	392188	-192288	199900
353 Non-current Liabilities - Other		18724	35381		54105		54105
354 Accrued Compensated Absences - Non Current	2189		6406		8595		8595
350 Total Non-Current Liabilities	2189	18724	41787		62700	0	62700
300 Total Liabilities	110122	150981	177784	16001	454888	-192288	262600
508.1 Invested In Capital Assets, Net of Related Debt	4850344		562		4850906		4850906
511.1 Restricted Net Assets			94148	6000	100148		100148
512.1 Unrestricted Net Assets	192460	0	49900		242360		242360
513 Total Equity/Net Assets	5042804	0	144610	6000	5193414	0	5193414
600 Total Liabilities and Equity/Net Assets	5152926	150981	322394	22001	5648302	-192288	5456014

**See independent auditors' report**

**LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY**  
**Statement of Revenues, Expenses and Changes in Retained Earnings**  
**FDS Schedule Submitted to HUD**  
**Proprietary Fund Type**  
**Enterprise Fund**  
**Year Ended December 31, 2009**

	Project Total	1	14.871	14.885	Subtotal	Total
70300 Net Tenant Rental Revenue	66422				66422	66422
70400 Tenant Revenue - Other	5201				5201	5201
70500 Total Tenant Revenue	71623	0	0		71623	71623
70600 HUD PHA Operating Grants	428691		1556192	10001	1994884	1994884
70610 Capital Grants	25366				25366	25366
71100 Investment Income - Unrestricted	16		58		74	74
71400 Fraud Recovery			4704		4704	4704
71500 Other Revenue	3120	41100	12		44232	44232
72000 Investment Income - Restricted			87		87	87
70000 Total Revenue	528816	41100	1561053	10001	2140970	2140970
91100 Administrative Salaries	123802	31600	120445	10001	285848	285848
91200 Auditing Fees	4931		2014		6945	6945
91400 Advertising and Marketing	336				336	336
91500 Employee Benefit contributions - Administrative	35632	9200	53165		97997	97997
91600 Office Expenses		300			300	300
91700 Legal Expense	2256				2256	2256
91800 Travel	6718		4811		11529	11529
91900 Other	58422		19049		77471	77471
91000 Total Operating - Administrative	232097	41100	199484	10001	482682	482682
92400 Tenant Services - Other	2335				2335	2335
92500 Total Tenant Services	2335	0	0		2335	2335
93100 Water	8669				8669	8669
93200 Electricity	7774				7774	7774
93300 Gas	3421				3421	3421
93000 Total Utilities	19864	0	0		19864	19864
94100 Ordinary Maintenance and Operations - Labor	38303				38303	38303
94200 Ordinary Maintenance and Operations - Materials and Other	38691				38691	38691
94300 Ordinary Maintenance and Operations Contracts	48760				48760	48760
94500 Employee Benefit Contributions - Ordinary Maintenance	10304				10304	10304
94000 Total Maintenance	136058	0	0		136058	136058

**See independent auditors' report**

**LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY**  
**Statement of Revenues, Expenses and Changes in Retained Earnings**  
**FDS Schedule Submitted to HUD**  
**Proprietary Fund Type**  
**Enterprise Fund**  
**Year Ended June 30, 2009**

	Project Total	1	14.871	14.885	Subtotal	Total
96110 Property Insurance	11931				11931	11931
96120 Liability Insurance	4939		1789		6728	6728
96130 Workmen's Compensation	6508		5788		12296	12296
96140 All Other Insurance	4649		2101		6750	6750
96100 Total insurance Premiums	28027	0	9678		37705	37705
96210 Compensated Absences	5300		4700		10000	10000
96300 Payments in Lieu of Taxes	4656				4656	4656
96400 Bad debt - Tenant Rents	613				613	613
96600 Bad debt - Other			3240		3240	3240
96000 Total Other General Expenses	10569	0	7940		18509	18509
96900 Total Operating Expenses	428950	41100	217102	10001	697153	697153
97000 Excess of Operating Revenue over Operating Expenses	99866	0	1343951	0	1443817	1443817
97300 Housing Assistance Payments			1322697		1322697	1322697
97400 Depreciation Expense	260672		113		260785	260785
90000 Total Expenses	689622	41100	1539912	10001	2280635	2280635
10010 Operating Transfer In	0				0	18612
10020 Operating transfer Out	0				0	-18612
10093 Transfers between Program and Project - In	24612				24612	24612
10094 Transfers between Project and Program - Out	-24612				-24612	-24612
10100 Total Other financing Sources (Uses)	0	0	0		0	0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-160806	0	21141	0	-139665	-139665
11030 Beginning Equity	5209610	0	123469		5333079	5333079
11170 Administrative Fee Equity			50462		50462	50462
11180 Housing Assistance Payments Equity			94148		94148	94148
11190 Unit Months Available	1200		3552		4752	4752
11210 Number of Unit Months Leased	1196		3543		4739	4739
11270 Excess Cash	120877				120877	120877
11630 Furniture & Equipment - Dwelling Purchases	1354				1354	1354
11640 Furniture & Equipment - Administrative Purchases	25179				25179	25179

**See independent auditors' report**

**LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY**  
**Project Statement of Revenues, Expenses and Changes in Retained Earnings**  
**FDS Schedule Submitted to HUD**  
**Proprietary Fund Type**  
**Enterprise Fund**  
**Year Ended December 31, 2009**

	14.850	14.872	Total Project
70300 Net Tenant Rental Revenue	66422		66422
70400 Tenant Revenue - Other	5201		5201
70500 Total Tenant Revenue	71623	0	71623
70600 HUD PHA Operating Grants	363000	65691	428691
70610 Capital Grants	0	25366	25366
71100 Investment Income - Unrestricted	16		16
71500 Other Revenue	3120		3120
70000 Total Revenue	437759	91057	528816
91100 Administrative Salaries	107995	15807	123802
91200 Auditing Fees	4931		4931
91400 Advertising and Marketing	217	119	336
91500 Employee Benefit contributions - Administrative	35632		35632
91700 Legal Expense	2256		2256
91800 Travel	6718		6718
91900 Other	54497	3925	58422
91000 Total Operating - Administrative	212246	29852	232097
92400 Tenant Services - Other	2335		2335
92500 Total Tenant Services	2335	0	2335
93100 Water	8669		8669
93200 Electricity	7774		7774
93300 Gas	3421		3421
93000 Total Utilities	19864	0	19864
94100 Ordinary Maintenance and Operations - Labor	35250	3053	38303
94200 Ordinary Maintenance and Operations - Materials and Other	30554	8137	38691
94300 Ordinary Maintenance and Operations Contracts	38722	10038	48760
94500 Employee Benefit Contributions - Ordinary Maintenance	10304		10304
94000 Total Maintenance	114830	21228	136058
96110 Property Insurance	11931		11931
96120 Liability Insurance	4939		4939
96130 Workmen's Compensation	6508		6508
96140 All Other Insurance	4649		4649
96100 Total insurance Premiums	28027	0	28027

See independent auditors' report

**LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY**  
**Project Statement of Revenues, Expenses and Changes in Retained Earnings**  
**FDS Schedule Submitted to HUD**  
**Proprietary Fund Type**  
**Enterprise Fund**  
**Year Ended December 31, 2009**

	14.850	14.872	Total Project
96210 Compensated Absences	5300		5300
96300 Payments in Lieu of Taxes	4656		4656
96400 Bad debt - Tenant Rents	613		613
96000 Total Other General Expenses	10569	0	10569
96900 Total Operating Expenses	387871	51080	428950
97000 Excess of Operating Revenue over Operating Expenses	49888	39977	89865
97400 Depreciation Expense	195174	65498	260672
90000 Total Expenses	583045	116578	689622
10093 Transfers between Program and Project - In	24612		24612
10094 Transfers between Project and Program - Out		-24612	-24612
10100 Total Other financing Sources (Uses)	24612	-24612	0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-145286	-25521	-160806
11030 Beginning Equity	4399098	810512	5209610
11190 Unit Months Available	1200		1200
11210 Number of Unit Months Leased	1196		1196
11270 Excess Cash	120877		120877
11630 Furniture & Equipment - Dwelling Purchases	0	1354	1354
11640 Furniture & Equipment - Administrative Purchases	1167	24012	25179

See independent auditors' report

**LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY  
COST CERTIFICATIONS  
December 31, 2009**

	<u>OH16-P072-501-05</u>	<u>OH16-P072-501-07</u>
<b>Total Expended</b>	<u>\$ 203,934</u>	<u>\$ 190,107</u>
<b>Total Received</b>	<u>\$ 203,934</u>	<u>\$ 190,107</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, 2009**

	<b>FEDERAL CFDA NUMBER</b>	<b>FUNDS EXPENDED</b>
<b><u>FROM U.S. DEPARTMENT OF HUD</u></b>		
<b><u>DIRECT PROGRAMS</u></b>		
<b>PHA Owned Housing:</b>		
Public and Indian Housing	14.850A	\$ 363,000
Public Housing Capital Fund	14.872	91,057
Public Housing Capital Fund Stimulus Grant	14.885	10,001
<b>Housing Assistance Payments:</b>		
<b>Annual Contribution -</b>		
Section 8 Housing Choice Vouchers	14.871	1,556,192
<b>Total - All Programs</b>		<b>\$ 2,020,250</b>

See independent auditors' report



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Keith A. Lewis, CPA

**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, 2009 and have issued our report thereon dated June 21, 2010. 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. We did not identify any deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

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.

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.

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**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*.

We noted certain matters that we reported to management of Logan County Metropolitan Housing Authority in a separate letter dated June 21, 2010.

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.

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

Jones, Cochenour & Co.

June 21, 2010



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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, 2009. 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 its major federal program for the year ended December 31, 2009.

**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.

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**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.  
June 21, 2010

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

**Logan County Metropolitan Housing Authority  
December 31, 2009**

<b>1. SUMMARY OF AUDITORS' RESULTS</b>
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<b>Financial Statements:</b>	
<b>Type of Financial Statement Opinion</b>	<b>Unqualified</b>
<b>At the financial statement level, were there any significant deficiencies reported?</b>	<b>No</b>
<b>At the financial statement level, were there any significant deficiencies identified that are not considered material weaknesses?</b>	<b>No</b>
<b>At the financial statement level, was there any material noncompliance?</b>	<b>No</b>
<b>Federal Awards:</b>	
<b>Were there any significant deficiencies in internal control over major programs identified?</b>	<b>No</b>
<b>Were there any significant deficiencies that are not considered to be material weaknesses in internal control over major programs?</b>	<b>No</b>
<b>Type of Major Program Compliance Opinion</b>	<b>Unqualified</b>
<b>Are there any audit findings under § .510(a) of OMB Circular A-133?</b>	<b>No</b>
<b>Major Programs:</b>	<b>CFDA# 14.871 Section 8 Housing Choice Vouchers</b>
<b>Dollar Threshold: Type A/B Programs</b>	<b>\$300,000</b>
<b>Low Risk Auditee?</b>	<b>Yes</b>

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

**Logan County Metropolitan Housing Authority  
December 31, 2009**

**2. FINDINGS RELATED TO FINANCIAL STATEMENTS**

**There were no findings for the year ended December 31, 2009.**

**3. FINDINGS RELATED TO FEDERAL AWARDS**

**There are no findings for the year ended December 31, 2009.**



**Mary Taylor, CPA**  
Auditor of State

**LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
SEPTEMBER 14, 2010**