

**BASIC FINANCIAL STATEMENTS
AND SINGLE AUDIT**

of the

**ALLEN METROPOLITAN
HOUSING AUTHORITY**

for the

Year Ended June 30, 2009



Mary Taylor, CPA

Auditor of State

Board of Directors
Allen Metropolitan Housing Authority
600 South Main Street
Lima, Ohio 45804

We have reviewed the *Independent Auditors' Report* of the Allen Metropolitan Housing Authority, Allen County, prepared by Jones, Cochenour & Co., for the audit period July 1, 2008 through June 30, 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 Allen Metropolitan Housing Authority is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

March 8, 2010

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**ALLEN METROPOLITAN HOUSING AUTHORITY
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Allen Metropolitan Housing Authority
600 South Main Street
Lima, Ohio 45804

Regional Inspector General of Audit
Department of Housing and Urban
Development

We have audited the accompanying financial statements of Allen Metropolitan Housing Authority, as of and for the year ended June 30, 2009, as listed in the table of contents. These basic financial statements are the responsibility of the Allen 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 opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of Allen Metropolitan Housing Authority, as of June 30, 2009, and the results of its operations and the cash flows of its proprietary fund type 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 December 18, 2009 on our consideration of Allen 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 accounting principles generally accepted in the United State of America. 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 on it.

much more than an accounting firm

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the Authority taken as a whole. The supplemental data listed in the table of contents as the FDS Schedule and cost certifications is presented for purposes of additional analysis and is not a required part of the financial statements of the Allen 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.

Jones, Cochenour & Co.
December 18, 2009

Allen Metropolitan Housing Authority
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009
UNAUDITED

The following discussion and analysis of the Allen Metropolitan Housing Authority (the "Authority") is to provide an introduction to the basic financial statements for the fiscal year ended June 30, 2009 with selected comparative information for the fiscal year ended June 30, 2008. This discussion has been prepared by management and should be read in conjunction with the financial statements, notes to the financial statements, and supplementary information found in the report. This information taken collectively is designed to provide readers with an understanding of the Authority's finances.

Financial Highlights

- The assets of the Authority exceeded its liabilities at the close of fiscal year 2009 by \$12,539,346 (net assets). Of this amount, \$3,089,811 (unrestricted net assets) may be used to meet the Authority's ongoing obligations to citizens and creditors.
- Capital assets decreased by \$446,568.
- Net assets decreased by \$901,848 for the fiscal year ended June 30, 2009.
- Operating revenues decreased \$426,629 primarily due to funding cuts and the loss of the administration of the Town Square project. The capital contributions increased \$80,595 due to an increase in capital fund awards and usage.
- Non-operating revenue decreased due to another year of declining investment income and collections. Revenue decreases along with declining interest rates account for this loss of revenue.

Overview of the Financial Statements

The Authority is a special purpose governmental entity and accounts for its financial activities as an enterprise fund. The financial statements are prepared on the accrual basis of accounting. Therefore, revenues are recognized when earned and expenses are recognized when incurred. Capital assets are capitalized and depreciated, except for land, over their useful lives. See notes to the financial statements for a summary of the Authority's significant accounting policies and practices.

Authority Activity Highlights

Revenues and Expenses

The following is a summary of the results of operations of the Authority for the fiscal years ended June 30, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
Operating revenues	\$ 6,563,495	\$ 6,990,124
Operating expenses	<u>7,768,238</u>	<u>7,342,134</u>
Operating income (loss)	(1,204,743)	(352,010)
Nonoperating:		
Revenue	36,958	124,046
Capital contributions	<u>265,937</u>	<u>185,342</u>
Change in net assets	(901,848)	(42,622)
Total Net Assets- Beginning of year	<u>13,441,194</u>	<u>13,483,816</u>
Total Net Assets- End of year	<u>\$ 12,539,346</u>	<u>\$ 13,441,194</u>

Allen Metropolitan Housing Authority
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009
UNAUDITED

Housing Units Managed

The following table shows housing units managed by the Authority for the fiscal years ended June 30, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
Owned by Authority	248	248
Units under vouchers	1,041	1,041
Units under NC SR	108	108
Total Housing Units Managed	<u>1,397</u>	<u>1,397</u>

Changes in Capital Assets

Total capital assets decreased from the previous year by \$446,568. The decrease is a result of less capital asset additions than the depreciation expense for the year. The following table shows how this amount is calculated for the fiscal years ended June 30, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
Capital assets	\$ 20,382,868	\$ 20,087,993
Accumulated depreciation	<u>(11,448,536)</u>	<u>(10,707,093)</u>
Total capital assets, net	<u>\$ 8,934,332</u>	<u>\$ 9,380,900</u>
Beginning capital assets	\$ 9,380,900	
Capital Fund additions	265,937	
Section 8 additions	29,738	
Depreciation expense	(741,442)	
Immaterial adjustment	<u>(801)</u>	
Ending Capital Assets	<u>\$ 8,934,332</u>	

Allen Metropolitan Housing Authority
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009
UNAUDITED

Financial Position

The statement of net assets presents the financial position of the Authority at the end of the fiscal year. The statement includes all assets and liabilities of the Authority. Net assets are the difference between total assets and total liabilities and are an indicator of the current fiscal health of the Authority. The following is a summarized comparison of the Authority's assets, liabilities, and net assets at June 30, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
Assets:		
Current assets	\$ 3,937,553	\$ 4,264,200
Capital assets	8,934,332	9,380,900
Other assets	<u>50,282</u>	<u>56,266</u>
Total Assets	12,922,167	13,701,366
Liabilities:		
Current liabilities	324,626	223,387
Long-term liabilities	<u>58,195</u>	<u>36,785</u>
Total Liabilities	<u>382,821</u>	<u>260,172</u>
Net Assets:		
Invested in capital assets, net of related debt	8,934,332	9,380,900
Restricted - HAP	515,203	828,590
Unrestricted	<u>3,089,811</u>	<u>3,231,704</u>
Total Net Assets	<u>\$ 12,539,346</u>	<u>\$ 13,441,194</u>

Capital assets are the largest asset reflected on the Authority's statement of net assets. The following is a summary of capital assets owned by the Authority at June 30, 2009:

Land	\$ 939,145
Building and improvements	18,839,355
Furniture and equipment	<u>604,368</u>
	20,382,868
Less: accumulated depreciation	<u>(11,448,536)</u>
Capital assets, net	<u>\$ 8,934,332</u>

The significant change in current assets is a decrease in cash of \$339,969, due to decreased revenue cash was used by the Authority.

Current liabilities were higher as a result of an accounts payable increasing by \$28,660 and accrued wages and payroll taxes increasing by \$14,650.

Allen Metropolitan Housing Authority
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009
UNAUDITED

Economic Factors

The housing market in Lima has declined during the nation's recession. Allen County's unemployment rate is at 10.9%. The city of Lima had 895 foreclosures between January 2009 and December 2009. This is an 11% increase over 2008. The economy is slowly improving. Currently both the Housing Choice Voucher Program and Public Housing Programs are leased at 100%. In addition, AMHA received state stimulus dollars in conjunction with the City of Lima and Allen County for homelessness prevention program. The agency continues to maximize resources while program funding decreases.

AMHA will continue to approach these funding decreases by making sound financial decisions including cutting expenses, streamlining internal procedures and exploring alternative funding resources. AMHA is a Standard Performer under PHAS and a High Performer under SEMAP. AMHA uses capital fund monies to supplement the operations budget when needed.

Requests for Information

The annual financial report is designed to provide a general overview of the Authority's finances for all those with an interest in the Authority's finances. Questions concerning any information provided in this report or requests for additional information should be addressed to Cindi Ring, Executive Director, Allen Metropolitan Housing Authority.

**Allen Metropolitan Housing Authority
Statement of Net Assets
June 30, 2009**

ASSETS

Cash and cash equivalents	\$ 3,247,079
Cash and cash equivalents - restricted	515,203
Receivables - net of allowance	62,142
Inventories - net of allowance	79,882
Prepaid expenses and other assets	<u>33,247</u>

TOTAL CURRENT ASSETS 3,937,553

Land	939,145
Capital assets - net	<u>7,995,187</u>

TOTAL CAPITAL ASSETS 8,934,332

Mortgage receivable - noncurrent	<u>50,282</u>
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TOTAL ASSETS 12,922,167

LIABILITIES

Accounts payable	38,662
Accrued payroll and taxes	57,267
Accrued compensated absences	42,410
Intergovernmental payables	70,174
Tenant security deposits	47,202
Deferred revenue	<u>68,911</u>

TOTAL CURRENT LIABILITIES 324,626

Accrued compensated absences	11,318
FSS liability	<u>46,877</u>

TOTAL LONG-TERM LIABILITIES 58,195

TOTAL LIABILITIES 382,821

NET ASSETS

Invested in capital assets - net of related debt	8,934,332
Restricted net assets	515,203
Unrestricted net assets	<u>3,089,811</u>

NET ASSETS \$ 12,539,346

See accompanying notes to the basic financial statements

**Allen Metropolitan Housing Authority
Statement of Revenues, Expenses and Changes in Net Assets
Year Ended June 30, 2009**

OPERATING REVENUE	
Tenant revenue	\$ 163,224
HUD operating grants	6,329,306
Other revenues	<u>70,965</u>
TOTAL OPERATING REVENUE	6,563,495
 OPERATING EXPENSES	
Administrative	1,103,126
Tenant services	6,587
Utilities	87,861
Maintenance	406,478
Insurance	108,920
General	96,283
Housing assistance payments	5,202,378
Depreciation	741,442
Bad debts	<u>15,163</u>
TOTAL OPERATING EXPENSES	<u>7,768,238</u>
OPERATING LOSS	(1,204,743)
 NON-OPERATING REVENUE	
Interest income	36,958
HUD capital grants	<u>265,937</u>
TOTAL NON-OPERATING REVENUE	<u>302,895</u>
CHANGE IN NET ASSETS	(901,848)
NET ASSETS BEGINNING OF YEAR	<u>13,441,194</u>
NET ASSETS END OF YEAR	<u><u>\$ 12,539,346</u></u>

See accompanying notes to the basic financial statements

**Allen Metropolitan Housing Authority
Statement of Cash Flows
Year Ended June 30, 2009**

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from tenants	\$	161,890
Cash received from HUD		6,308,213
Other revenue		70,965
Cash payments for HAP		(5,202,378)
Cash payments for other operating expenses		(1,738,646)
Cash payments to HUD and other governments		51,966

NET CASH (USED) BY OPERATING ACTIVITIES		(347,990)
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CASH FLOWS FROM CAPITAL AND FINANCING ACTIVITIES

Capital grants received for capital assets		265,937
Acquisition of capital assets		(294,874)

NET CASH (USED) BY CAPITAL AND FINANCING ACTIVITIES		(28,937)
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CASH FLOWS FROM INVESTING ACTIVITIES

Interest income		36,958
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DECREASE IN CASH AND CASH EQUIVALENTS		(339,969)
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CASH AND CASH EQUIVALENTS, BEGINNING, RESTATED		4,102,251
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CASH AND CASH EQUIVALENTS, ENDING		3,762,282
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**RECONCILIATION OF OPERATING INCOME (LOSS)
TO NET CASH (USED) BY OPERATING ACTIVITIES**

Operating (loss)	\$	(1,204,743)
Adjustments to reconcile operating loss to net cash used by operating activities		
Depreciation		741,442
(Increase) decrease in:		
Receivables - net of allowance		(16,443)
Inventories - net of allowance		7,292
Prepaid expenses		1,813
Increase (decrease) in:		
Accounts payable		28,659
Accrued payroll and taxes		14,644
Accrued compensated absences		4,147
Intergovernmental payables		58,124
Tenant security deposits		(1,218)
FSS liabilities		18,293

NET CASH (USED) BY OPERATING ACTIVITIES	\$	(347,990)
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See accompanying notes to the basic financial statements

Allen Metropolitan Housing Authority
Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Summary of Significant Accounting Policies

The financial statements of the Allen Metropolitan Housing Authority (the “Authority”) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Authority also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or after November 30, 1989, to its business-type activities and to its proprietary fund provided they do not conflict with or contradict GASB pronouncements. The more significant of the Authority’s accounting policies are described below.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, Basic Financial Statements – Management’s Discussion and Analysis – for State and Local Governments. Certain of the significant changes in the Statement include the following:

- The financial statements include:
 - A Management Discussion and Analysis (MD&A) section providing analysis of the Authority’s overall financial position and results of operations.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements). The Authority elected to implement the provisions of the Statement for the year ended June 30, 2004.

Reporting Entity

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

The accompanying financial statements comply with the provisions of Governmental Accounting Standards Board (“GASB”) Statement No. 14, *The Financial Reporting Entity*, and Statement No. 39, *Determining Whether Certain Organizations are Component Units*, in that the financial statements include all organizations, activities, and functions for which the Authority is financially accountable. Financial accountability is defined by the component unit being fiscally dependent on the Authority. The Authority is not a component unit of any larger entity.

Basis of Presentation

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

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

Enterprise fund reporting focuses on the determination of the change in net 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.

Fund Accounting

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.

Proprietary Fund Types

Proprietary funds are used to account for the Authority’s ongoing activities which are similar to those found in the private sector. The following is the proprietary fund type:

Allen Metropolitan Housing Authority
Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Enterprise Fund – This fund is used to account for the operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Measurement Focus/Basis of Accounting

The proprietary funds are accounted for on the accrual basis of accounting. Revenues are recognized in the period earned and expenses are recognized in the period incurred. Pursuant to GASB Statement No. 20 *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*, the Authority follows GASB guidance as applicable to proprietary funds and FASB Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued after November 30, 1989, that do not conflict with or contradict GASB pronouncements.

Investments

Investments are restricted by the provisions of the HUD Regulations (See Note 2). Investments are valued at market value. Interest income earned in fiscal year 2009 totaled \$36,958. The \$215,205 balance of investments as classified by the Authority at June 30, 2009 consists of a money market savings account and is recorded as a cash and cash equivalent in the financial statement.

Fixed Assets

Fixed assets are stated at cost and depreciation is computed using the straight line method over an estimated useful life of the assets. The cost of normal maintenance and repairs, that do not add to the value of the asset or materially extend the asset life, are not capitalized. The capitalization threshold is \$500. The following are the useful lives used for depreciation purposes:

Buildings – residential	27.5
Buildings – non residential	40
Building improvements	15
Furniture – dwelling	7
Furniture – non-dwelling	7
Equipment – dwelling	5
Equipment – non-dwelling	7
Autos and trucks	5
Computer hardware	3
Computer software	3
Leasehold improvements	15
Land improvements	15

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.

Interprogram payables/receivables

These represent balances between the programs and are noted on the FDS schedule. The balances are eliminated on the basic financial statements.

Compensated Absences

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

Allen Metropolitan Housing Authority
Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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

Capital Contributions

This represents contributions made available by HUD with respect to all federally aided projects under an annual contributions contract.

Budgetary Accounting

The Authority annually prepares its budget as prescribed by the Department of Housing and Urban Development. This budget is submitted to the Department of Housing and Urban Development and once approved is adopted by the Board of the Housing Authority.

Estimates

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

Receivables – net of allowance

Bad debts are provided on the allowance method based on management's evaluation of the collectability of outstanding tenant receivable balances at the end of the year. The allowance for uncollectable receivables was \$200 at June 30, 2009.

Inventories

Inventories are stated at cost, (first-in, first-out method). Inventory consists of supplies and maintenance parts. The allowance for obsolete inventory was \$8,880 at June 30, 2009.

Accounting and Reporting for Nonexchange Transactions

The Authority previously adopted GASB 33. Nonexchange transactions occur when the Public Housing Authority (PHA) receives (or gives) value without directly giving equal value in return. GASB 33 identifies four classes of nonexchange transactions as follows:

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

PHA grants and subsidies will be defined as a government-mandated or voluntary nonexchange transaction.

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

Time requirements specify (a) the period when resources are required to be used or when use may begin (for example, operating or capital grants for a specific period) or (b) that the resources are required to be maintained intact in

Allen Metropolitan Housing Authority
Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

perpetuity or until a specified date or event has occurred (for example, permanent endowments, term endowments, and similar agreements). Time requirements affect the timing of recognition of nonexchange transactions.

- Purpose restrictions specify the purpose for which resources are required to be used. (i.e. capital grants used for the purchase of capital assets). Purpose restrictions do not affect when a nonexchange transaction is recognized. However, PHAs that receive resources with purpose restrictions should report resulting net assets, equity, or fund balance as restricted.

The PHA will recognize assets (liabilities) when all applicable eligibility requirements are met or resources received whichever is first. Eligibility requirements established by the provider may stipulate the qualifying characteristics of recipients, time requirements, allowable costs, and other contingencies.

The PHA will recognize revenues (expenses) when all applicable eligibility requirements are met. For transactions that have a time requirement for the beginning of the following period, PHAs should record resources received prior to that period as deferred revenue and the provider of those resources would record an advance.

The PHA receives government-mandated or voluntary nonexchange transactions, which do not specify time requirements. Upon award, the entire subsidy should be recognized as a receivable and revenue in the period when applicable eligibility requirements have been met.

Deferred Revenue

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

2. CASH AND INVESTMENTS

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

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

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, but 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.

At fiscal year end June 30, 2009, the carrying amount of the Authority's deposits totaled \$3,762,282 and its bank balance was \$3,783,187. Based on the criteria described in GASB Statement No. 40, "Deposit and Investment Risk Disclosure," as of June 30, 2009, \$2,960,226 was exposed to custodial risk as discussed below.

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

Allen Metropolitan Housing Authority
Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2009

2. CASH - CONTINUED

Investments

HUD, State Statute and Board Resolutions authorize the Authority to invest in obligations of the 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 principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose or 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 specific 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 had no classified investments at June 30, 2009.

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.

3. RISK MANAGEMENT

The Authority maintains comprehensive insurance coverage with private carriers for health, real property, building contents and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. There was no significant reduction in coverages and no settlements exceeded insurance coverage during the past three years.

The Authority participates in the State Housing Authorities Risk Pool (SHARP), a public entity risk plan that operates as a common risk management and insurance program for housing authorities. The authority pays insurance premiums directly to SHARP.

4. CAPITAL ASSETS

The following is a summary:

	Balance 6/30/08	Additions	Deletions/ Corrections	Balance 6/30/09
CAPITAL ASSETS, NOT BEING DEPRECIATED				
Land	\$ 939,145	\$ -	\$ -	\$ 939,145
CAPITAL ASSETS, BEING DEPRECIATED				
Buildings and Improvements	\$ 18,556,728	\$ 282,627	\$ -	\$ 18,839,355
Furniture and equipment	592,120	13,049	(801)	604,368
Totals at Historical Costs	19,148,848	295,676	(801)	19,443,723
ACCUMULATED DEPRECIATION				
Buildings and Improvements	(10,176,513)	(714,227)	-	(10,890,740)
Furniture and equipment	(530,580)	(27,216)	-	(557,796)
	(10,707,093)	(741,443)	-	(11,448,536)
TOTAL CAPITAL ASSETS, BEING DEPRECIATED, NET	8,441,755	(445,767)	(801)	7,995,187
TOTAL CAPITAL ASSETS, NET	\$ 9,380,900	\$ (445,767)	\$ (801)	\$ 8,934,332

Allen Metropolitan Housing Authority
Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2009

5. PENSION PLANS AND OTHER POSTEMPLOYMENT BENEFITS

- 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 Authority's contributions to OPERS, representing 100% of employer contributions, was \$126,779, \$113,067, and \$115,971 for the years ended June 30, 2009, 2008, and 2007, respectively.

6. FDS SCHEDULE SUBMITTED TO HUD

For the fiscal year ended June 30, 2009, the Authority electronically submitted an unaudited version of the combining balance sheet, statement of revenues, expenses and changes in retained earnings and other data to HUD as required on the GAAP basis. The audited version of the FDS schedules are in the supplemental data. The schedules are presented in the manner prescribed by Housing and Urban Development.

7. MORTGAGES RECEIVABLE

On July 11, 2006, the Authority sold a house to an eligible family under a Section 5(b) Homeownership Program. Under this program, the new homeowner is obligated to live in the home for a 10-year period or else repay the \$35,753 loan to the Authority. After 61 months, the loan will be forgiven at the rate of 1/60th of the original balance. The interest free loan will begin to accrue interest at 10 percent per annum upon default by the homeowner.

On October 31, 2007, the Authority sold a house to an eligible family under a Section 5 (h) Homeownership Program. Under this program, the new homeowner is obligated to live in the home for a 10-year period or else repay the \$24,088 loan to the Authority. After the 10 years, the loan will be forgiven at the rate of 1/60th of the original balance. The interest-free loan will begin to accrue interest at 10 percent per annum upon default by the homeowner.

8. CASH AND CASH EQUIVALENTS RESTATED

Beginning cash and cash equivalents were restated on the statement of cash flows to include the investment account from previous year which consists of a money market savings account, it should have been classified as a cash and cash equivalent. The balance from the previous year was \$248,518.

**Allen Metropolitan Housing Authority
Balance Sheet
FDS Schedule Submitted to HUD
Proprietary Fund Type
Enterprise Fund
June 30, 2009**

Line Item No.	Description	Project Totals	Program Totals	Subtotal	Elimination	Total
	Balance Sheet					
111	Cash-unrestricted	\$ 1,843,491	\$ 1,356,386	\$ 3,199,877		\$ 3,199,877
113	Cash-other restricted	\$ -	\$ 515,203	\$ 515,203		\$ 515,203
114	Cash-tenant security deposits	\$ 47,202	\$ -	\$ 47,202		\$ 47,202
100	Total Cash	\$ 1,890,693	\$ 1,871,589	\$ 3,762,282	\$ -	\$ 3,762,282
122-020	Accounts receivable - HUD other projects - Capital fund	\$ 49,759	\$ -	\$ 49,759		\$ 49,759
122	Accounts receivable - HUD other projects	\$ 49,759	\$ 10,972	\$ 60,731		\$ 60,731
126	Accounts receivable - tenants	\$ 1,611	\$ -	\$ 1,611		\$ 1,611
126.1	Allowance for doubtful accounts - tenants	\$ (200)	\$ -	\$ (200)		\$ (200)
126.2	Allowance for doubtful accounts - other	\$ (1,358)	\$ -	\$ (1,358)		\$ (1,358)
127	Notes, Loans, & Mortgages Receivable - Current	\$ 1,358	\$ -	\$ 1,358		\$ 1,358
120	Total receivables, net of allowance for doubtful accounts	\$ 51,170	\$ 10,972	\$ 62,142	\$ -	\$ 62,142
142	Prepaid expenses and other assets	\$ 33,247	\$ -	\$ 33,247		\$ 33,247
143	Inventories	\$ 88,762	\$ -	\$ 88,762		\$ 88,762
143.1	Allowance for obsolete inventories	\$ (8,880)	\$ -	\$ (8,880)		\$ (8,880)
144	Inter program - due from	\$ 49,759	\$ 120,248	\$ 170,007	-\$170,007	\$ -
150	Total Current Assets	\$ 2,104,751	\$ 2,002,809	\$ 4,107,560	\$ (170,007)	\$ 3,937,553
161	Land	\$ 740,235	\$ 198,910	\$ 939,145		\$ 939,145
162	Buildings	\$ 15,271,222	\$ 2,703,996	\$ 17,975,218		\$ 17,975,218
163	Furniture, equipment and machinery - dwellings	\$ 74,289	\$ -	\$ 74,289		\$ 74,289
164	Furniture, equipment and machinery - administration	\$ 451,294	\$ 78,785	\$ 530,079		\$ 530,079
165	Leasehold improvements	\$ 836,394	\$ 27,743	\$ 864,137		\$ 864,137
166	Accumulated depreciation	\$ (10,217,410)	\$ (1,231,126)	\$ (11,448,536)		\$ (11,448,536)
160	Total capital assets, net of accumulated depreciation	\$ 7,156,024	\$ 1,778,308	\$ 8,934,332	\$ -	\$ 8,934,332

See independent auditors' report

Allen Metropolitan Housing Authority
Balance Sheet
FDS Schedule Submitted to HUD
Proprietary Fund Type
Enterprise Fund
June 30, 2009

Line Item No.	Description	Project Totals	Program Totals	Subtotal	Elimination	Total
172-050	Notes, Loans, & mortgages receivable - Non-current - Other	\$ 50,282	\$ -	\$ 50,282		\$ 50,282
172	Notes, Loans, & mortgages receivable – Non-current - past due	\$ 50,282	\$ -	\$ 50,282		\$ 50,282
180	Total Non-current Assets	\$ 7,206,306	\$ 1,778,308	\$ 8,984,614	\$ -	\$ 8,984,614
190	Total Assets	\$ 9,311,057	\$ 3,781,117	\$ 13,092,174	\$ (170,007)	\$ 12,922,167
312	Accounts payable <= 90 days	\$ 32,851	\$ 5,811	\$ 38,662		\$ 38,662
321	Accrued wage/payroll taxes payable	\$ 16,638	\$ 40,629	\$ 57,267		\$ 57,267
322	Accrued compensated absences - current portion	\$ 21,443	\$ 20,967	\$ 42,410		\$ 42,410
331	Accounts payable - HUD PHA Programs	\$ -	\$ 64,016	\$ 64,016		\$ 64,016
333	Accounts payable - other government	\$ 6,158	\$ -	\$ 6,158		\$ 6,158
341	Tenant security deposits	\$ 47,202	\$ -	\$ 47,202		\$ 47,202
342	Deferred revenue	\$ -	\$ 68,911	\$ 68,911		\$ 68,911
347	Inter program - due to	\$ 95,019	\$ 74,988	\$ 170,007	-\$170,007	\$ -
310	Total Current Liabilities	\$ 219,311	\$ 275,322	\$ 494,633	\$ (170,007)	\$ 324,626
353	Non-current liabilities - other	\$ -	\$ 46,877	\$ 46,877		\$ 46,877
354	Accrued compensated absences- Non-current	\$ 5,834	\$ 5,484	\$ 11,318		\$ 11,318
350	Total Non-current liabilities	\$ 5,834	\$ 52,361	\$ 58,195	\$ -	\$ 58,195
300	Total Liabilities	\$ 225,145	\$ 327,683	\$ 552,828	\$ (170,007)	\$ 382,821
508.1	Invested in capital assets, net of related debt	\$ 7,156,024	\$ 1,778,308	\$ 8,934,332		\$ 8,934,332
511.1	Restricted Net Assets	\$ -	\$ 515,203	\$ 515,203		\$ 515,203
512.1	Unrestricted Net Assets	\$ 1,929,888	\$ 1,159,923	\$ 3,089,811		\$ 3,089,811
513	Total Equity/Net Assets	\$ 9,085,912	\$ 3,453,434	\$ 12,539,346	\$ -	\$ 12,539,346
600	Total Liabilities and Equity/Net assets	\$ 9,311,057	\$ 3,781,117	\$ 13,092,174	\$ (170,007)	\$ 12,922,167

See independent auditors' report

Allen 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

Line Item No.	Description	Project Totals	Program Totals	Subtotal	Elimination	Total
Income Statement						
70300	Net tenant rental revenue	\$ 163,224	\$ -	\$ 163,224		\$ 163,224
70500	Total Tenant Revenue	\$ 163,224	\$ -	\$ 163,224	\$ -	\$ 163,224
70600-010	Housing assistance payments	\$ -	\$ 4,400,884	\$ 4,400,884		\$ 4,400,884
70600-020	Ongoing administrative fees earned	\$ -	\$ 521,764	\$ 521,764		\$ 521,764
70600-031	FSS Coordinator	\$ -	\$ 38,531	\$ 38,531		\$ 38,531
70600	HUD PHA operating grants	\$ 846,178	\$ 5,483,128	\$ 6,329,306		\$ 6,329,306
70610	Capital grants	\$ 265,937	\$ -	\$ 265,937		\$ 265,937
70800	Other government grants	\$ 4,875	\$ -	\$ 4,875		\$ 4,875
71100-020	Administrative Fee	\$ -	\$ 4,871	\$ 4,871		\$ 4,871
71100	Investment income - unrestricted	\$ 23,372	\$ 9,764	\$ 33,136		\$ 33,136
71400-010	Housing Assistance Payment	\$ -	\$ 18,893	\$ 18,893		\$ 18,893
71400-020	Administrative Fee	\$ -	\$ 18,894	\$ 18,894		\$ 18,894
71400	Fraud recovery	\$ -	\$ 37,787	\$ 37,787		\$ 37,787
71500	Other revenue	\$ 22,307	\$ 5,996	\$ 28,303		\$ 28,303
72000-010	Housing Assistance Payment	\$ -	\$ 3,822	\$ 3,822		\$ 3,822
72000	Investment income - restricted	\$ -	\$ 3,822	\$ 3,822		\$ 3,822
70000	Total Revenue	\$ 1,325,893	\$ 5,540,497	\$ 6,866,390	\$ -	\$ 6,866,390
91100	Administrative salaries	\$ 270,742	\$ 358,346	\$ 629,088		\$ 629,088
91200	Auditing fees	\$ 3,610	\$ 3,840	\$ 7,450		\$ 7,450
91500	Employee benefit contributions - administrative	\$ 94,875	\$ 177,443	\$ 272,318		\$ 272,318
91600	Office Expenses	\$ 31,760	\$ 161,616	\$ 193,376		\$ 193,376
91900	Other	\$ -	\$ 894	\$ 894		\$ 894
91000	Total Operating-Administrative	\$ 400,987	\$ 702,139	\$ 1,103,126	\$ -	\$ 1,103,126
92400	Tenant services - other	\$ 6,587	\$ -	\$ 6,587		\$ 6,587
92500	Total Tenant Services	\$ 6,587	\$ -	\$ 6,587	\$ -	\$ 6,587

See independent auditors' report

Allen 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

Line Item No.	Description	Project Totals	Program Totals	Subtotal	Elimination	Total
93100	Water	\$ 23,443	\$ -	\$ 23,443		\$ 23,443
93200	Electricity	\$ 34,703	\$ -	\$ 34,703		\$ 34,703
93300	Gas	\$ 29,715	\$ -	\$ 29,715		\$ 29,715
93000	Total Utilities	\$ 87,861	\$ -	\$ 87,861	\$ -	\$ 87,861
94100	Ordinary maintenance and operations - labor	\$ 124,021	\$ -	\$ 124,021		\$ 124,021
94200	Ordinary maintenance and operations - materials and other	\$ 184,728	\$ -	\$ 184,728		\$ 184,728
94300-120	Ordinary Maintenance and Operations Contracts - Misc Contracts	\$ 59,643	\$ -	\$ 59,643		\$ 59,643
94300	Ordinary Maintenance and Operations Contracts	\$ 59,643	\$ -	\$ 59,643		\$ 59,643
94500	Employee benefit contribution - ordinary maintenance	\$ 36,896	\$ -	\$ 36,896		\$ 36,896
94000	Total Maintenance	\$ 405,288	\$ -	\$ 405,288	\$ -	\$ 405,288
96110	Property Insurance	\$ 79,792	\$ -	\$ 79,792		\$ 79,792
96130	Workmen's Compensation	\$ 6,563	\$ -	\$ 6,563		\$ 6,563
96140	All other Insurance	\$ -	\$ 22,565	\$ 22,565		\$ 22,565
96100	Total Insurance Premiums	\$ 86,355	\$ 22,565	\$ 108,920	\$ -	\$ 108,920
96200	Other general expenses	\$ 1,378	\$ -	\$ 1,378		\$ 1,378
96210	Compensated absences	\$ 50,033	\$ 38,713	\$ 88,746		\$ 88,746
96300	Payments in lieu of taxes	\$ 6,158	\$ -	\$ 6,158		\$ 6,158
96400	Bad debt - tenant rents	\$ 127	\$ -	\$ 127		\$ 127
96500	Bad debt - mortgages	\$ 5,984	\$ -	\$ 5,984		\$ 5,984
96600	Bad debt - other	\$ 9,052	\$ -	\$ 9,052		\$ 9,052
96000	Total Other General Expenses	\$ 72,732	\$ 38,713	\$ 111,445	\$ -	\$ 111,445
96900	Total Operating Expenses	\$ 1,059,810	\$ 763,417	\$ 1,823,227	\$ -	\$ 1,823,227
97000	Excess Revenue Over Operating Expenses	\$ 266,083	\$ 4,777,080	\$ 5,043,163	\$ -	\$ 5,043,163
97100	Extraordinary maintenance	\$ 1,190	\$ -	\$ 1,190		\$ 1,190
97300-050	All Other	\$ -	\$ 4,736,989	\$ 4,736,989		\$ 4,736,989
97300	Housing assistance payments	\$ -	\$ 5,202,378	\$ 5,202,378		\$ 5,202,378
97400	Depreciation expense	\$ 640,588	\$ 100,854	\$ 741,442		\$ 741,442
90000	Total Expenses	\$ 1,701,588	\$ 6,066,649	\$ 7,768,237	\$ -	\$ 7,768,237

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Allen 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

Line Item No.	Description	Project Totals	Program Totals	Subtotal	Elimination	Total
10000	Excess (Deficiency) of Revenue Over (Under) Expenses	\$ (375,695)	\$ (526,152)	\$ (901,847)	\$ -	\$ (901,847)
11030	Beginning equity	\$ 9,461,607	\$ 3,979,586	\$ 13,441,193		\$ 13,441,193
11170-001	Administrative Fee Equity- Beginning Balance	\$ -	\$ 1,056,059	\$ 1,056,059		\$ 1,056,059
11170-010	Administrative Fee Revenue	\$ -	\$ 521,764	\$ 521,764		\$ 521,764
11170-021	FSS Coordinator Grant	\$ -	\$ 38,531	\$ 38,531		\$ 38,531
11170-040	Investment Income	\$ -	\$ 4,871	\$ 4,871		\$ 4,871
11170-045	Fraud Recovery Revenue	\$ -	\$ 18,894	\$ 18,894		\$ 18,894
11170-050	Other Revenue	\$ -	\$ 5,996	\$ 5,996		\$ 5,996
11170-060	Total Admin Fee Revenues	\$ -	\$ 590,056	\$ 590,056		\$ 590,056
11170-080	Total Operating Expenses	\$ -	\$ 688,115	\$ 688,115		\$ 688,115
11170-090	Depreciation	\$ -	\$ 1,659	\$ 1,659		\$ 1,659
11170-100	Other Expenses	\$ -	\$ 897	\$ 897		\$ 897
11170-110	Total Expenses	\$ -	\$ 690,671	\$ 690,671		\$ 690,671
11170-002	Net Administrative Fee	\$ -	\$ (100,615)	\$ (100,615)		\$ (100,615)
11170-003	Administrative Fee Equity- Ending Balance	\$ -	\$ 955,444	\$ 955,444		\$ 955,444
11170	Administrative Fee Equity	\$ -	\$ 955,444	\$ 955,444		\$ 955,444

See independent auditors' report

Allen 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

Line Item No.	Description	Project Totals	Program Totals	Subtotal	Elimination	Total
11180-001	Housing Assistance Payments Equity - Begining Balance	\$ -	\$ 828,592	\$ 828,592		\$ 828,592
11180-010	Housing Assistance Payment Revenues	\$ -	\$ 4,400,884	\$ 4,400,884		\$ 4,400,884
11180-015	Fraud Recovery Revenue	\$ -	\$ 18,893	\$ 18,893		\$ 18,893
11180-025	Investment Income	\$ -	\$ 3,822	\$ 3,822		\$ 3,822
11180-030	Total HAP Revenues	\$ -	\$ 4,423,599	\$ 4,423,599		\$ 4,423,599
11180-080	Housing Assistance Payments	\$ -	\$ 4,736,989	\$ 4,736,989		\$ 4,736,989
11180-100	Total Housing Assistance Payments Expenses	\$ -	\$ 4,736,989	\$ 4,736,989		\$ 4,736,989
11180-002	Net Housing Assistance Payments	\$ -	\$ (313,390)	\$ (313,390)		\$ (313,390)
11180-003	Housing Assistance Payments Equity-Ending Balance	\$ -	\$ 515,202	\$ 515,202		\$ 515,202
11180	Housing Assistance Payments Equity	\$ -	\$ 515,202	\$ 515,202		\$ 515,202
11190	Unit Months Available	3012	13788	16800		16800
11210	Unit Months Leased	2958	13916	16874		16874
11270	Excess Cash	\$ 1,772,311	\$ -	\$ 1,772,311		\$ 1,772,311
11620	Building Purchases	\$ 36,229	\$ -	\$ 36,229		\$ 36,229
11640	Furniture & Equipment-Administrative Purchases	\$ 10,254	\$ -	\$ 10,254		\$ 10,254
11650	Leasehold Improvements Purchases	\$ 219,454	\$ -	\$ 219,454		\$ 219,454

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Allen Metropolitan Housing Authority
Balance Sheet
FDS Schedule Submitted to HUD
Proprietary Fund Type
Enterprise Fund
Year Ended June 30, 2009

Line Item No.	Description	Total Projects	OH044000001
111	Cash-unrestricted	\$ 1,843,491	\$1,843,491
114	Cash-tenant security deposits	\$ 47,202	\$47,202
115	Cash - Restricted for payment of current liability	\$ -	\$0
100	Total Cash	\$ 1,890,693	\$ 1,890,693
122-020	Accounts receivable - HUD other projects - Capital fund	\$ 49,759	\$49,759
122	Accounts receivable - HUD other projects	\$ 49,759	\$ 49,759
126	Accounts receivable - tenants	\$ 1,611	\$1,611
126.1	Allowance for doubtful accounts - tenants	\$ (200)	-\$200
126.2	Allowance for doubtful accounts - other	\$ (1,358)	-\$1,358
127	Notes, Loans, & Mortgages Receivable - Current	\$ 1,358	\$1,358
120	Total receivables, net of allowance for doubtful accounts	\$ 51,170	\$ 51,170
142	Prepaid expenses and other assets	\$ 33,247	\$33,247
143	Inventories	\$ 88,762	\$88,762
143.1	Allowance for obsolete inventories	\$ (8,880)	-\$8,880
144	Inter program - due from	\$ 49,759	\$49,759
150	Total Current Assets	\$ 2,104,751	\$ 2,104,751
161	Land	\$ 740,235	\$740,235
162	Buildings	\$ 15,271,222	\$15,271,222
163	Furniture, equipment and machinery - dwellings	\$ 74,289	\$74,289
164	Furniture, equipment and machinery - administration	\$ 451,294	\$451,294
165	Leasehold improvements	\$ 836,394	\$836,394
166	Accumulated depreciation	\$ (10,217,410)	-\$10,217,410
160	Total capital assets, net of accumulated depreciation	\$ 7,156,024	\$ 7,156,024
172-050	Notes, Loans, & mortgages receivable - Non-current - Other	\$ 50,282	\$50,282
172	Notes, Loans, & mortgages receivable - Non-current - past due	\$ 50,282	\$ 50,282
180	Total Non-current Assets	\$ 7,206,306	\$ 7,206,306
190	Total Assets	\$ 9,311,057	\$ 9,311,057
312	Accounts payable <= 90 days	\$ 32,851	\$32,851
321	Accrued wage/payroll taxes payable	\$ 16,638	\$16,638
322	Accrued compensated absences - current portion	\$ 21,443	\$21,443
333	Accounts payable - other government	\$ 6,158	\$6,158
341	Tenant security deposits	\$ 47,202	\$47,202
347	Inter program - due to	\$ 95,019	\$95,019
310	Total Current Liabilities	\$ 219,311	\$ 219,311
354	Accrued compensated absences- Non-current	\$ 5,834	\$5,834
350	Total Non-Current Liabilities	\$ 5,834	\$ 5,834
300	Total Liabilities	\$ 225,145	\$ 225,145
508.1	Invested in capital assets, net of related debt	\$ 7,156,024	\$7,156,024
512.1	Unrestricted Net Assets	\$ 1,929,888	\$1,929,888
513	Total Equity/Net Assets	\$ 9,085,912	\$ 9,085,912
600	Total Liabilities and Equity/Net assets	\$ 9,311,057	\$ 9,311,057

See independent auditors' report

Allen 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

Line Item No.	Description	Total Projects	OH044000001	Operating Fund Program	Capital Fund Program
70300	Net tenant rental revenue	\$ 163,224	\$ 163,224	\$163,224	\$0
70500	Total Tenant Revenue	\$ 163,224	\$ 163,224	\$ 163,224	\$ -
70600	HUD PHA operating grants	\$ 846,178	\$ 846,178	\$741,327	\$104,851
70610	Capital grants	\$ 265,937	\$ 265,937	\$0	\$265,937
70800	Other government grants	\$ 4,875	\$ 4,875	\$4,875	\$0
71100	Investment income - unrestricted	\$ 23,372	\$ 23,372	\$23,372	\$0
71500	Other revenue	\$ 22,307	\$ 22,307	\$22,307	\$0
70000	Total Revenue	\$ 1,325,893	\$ 1,325,893	\$ 955,105	\$ 370,788
91100	Administrative salaries	\$ 270,742	\$ 270,742	\$270,742	\$0
91200	Auditing fees	\$ 3,610	\$ 3,610	\$3,610	\$0
91500	Employee benefit contributions - administrative	\$ 94,875	\$ 94,875	\$94,875	\$0
91600	Office Expenses	\$ 31,760	\$ 31,760	\$31,760	\$0
91000	Total Operating-Administrative	\$ 400,987	\$ 400,987	\$ 400,987	\$ -
92400	Tenant services - other	\$ 6,587	\$ 6,587	\$6,587	\$0
92500	Total Tenant Services	\$ 6,587	\$ 6,587	\$ 6,587	\$ -
93100	Water	\$ 23,443	\$ 23,443	\$23,443	\$0
93200	Electricity	\$ 34,703	\$ 34,703	\$34,703	\$0
93300	Gas	\$ 29,715	\$ 29,715	\$29,715	\$0
93000	Total Utilities	\$ 87,861	\$ 87,861	\$ 87,861	\$ -
94100	Ordinary maintenance and operations - labor	\$ 124,021	\$ 124,021	\$124,021	\$0
94200	Ordinary maintenance and operations - materials and other	\$ 184,728	\$ 184,728	\$79,877	\$104,851
94300-120	Ordinary Maintenance and Operations Contracts - Misc Contracts	\$ 59,643	\$ 59,643	\$59,643	\$0
94300	Ordinary Maintenance and Operations Contracts	\$ 59,643	\$ 59,643	\$ 59,643	\$ -
94500	Employee benefit contribution - ordinary maintenance	\$ 36,896	\$ 36,896	\$36,896	\$0
94000	Total Maintenance	\$ 405,288	\$ 405,288	\$ 300,437	\$ 104,851
96110	Property Insurance	\$ 79,792	\$ 79,792	\$79,792	\$0
96130	Workmen's Compensation	\$ 6,563	\$ 6,563	\$6,563	\$0
96100	Total Insurance Premiums	\$ 86,355	\$ 86,355	\$ 86,355	\$ -
96200	Other general expenses	\$ 1,378	\$ 1,378	\$1,378	\$0
96210	Compensated absences	\$ 50,033	\$ 50,033	\$50,033	\$0
96300	Payments in lieu of taxes	\$ 6,158	\$ 6,158	\$6,158	\$0
96400	Bad debt - tenant rents	\$ 127	\$ 127	\$127	\$0
96500	Bad debt - mortgages	\$ 5,984	\$ 5,984	\$5,984	\$0
96600	Bad debt - other	\$ 9,052	\$ 9,052	\$9,052	\$0
96000	Total Other General Expenses	\$ 72,732	\$ 72,732	\$ 72,732	\$ -
96900	Total Operating Expenses	\$ 1,059,810	\$ 1,059,810	\$ 954,959	\$ 104,851
97000	Excess Revenue Over Operating Expenses	\$ 266,083	\$ 266,083	\$ 146	\$ 265,937
97100	Extraordinary maintenance	\$ 1,190	\$ 1,190	\$1,190	\$0
97400	Depreciation expense	\$ 640,588	\$ 640,588	\$611,620	\$28,968
90000	Total Expenses	\$ 1,701,588	\$ 1,701,588	\$ 1,567,769	\$ 133,819
10000	Excess (Deficiency) of Revenue Over (Under) Expenses	\$ (375,695)	\$ (375,695)	\$ (612,664)	\$ 236,969
11030	Beginning equity	\$ 9,461,607	\$ 9,461,607	\$8,840,994	\$620,613
11040-010	Transfer of closed capital fund project	\$ -	\$ -	\$327,787	-\$327,787
11040	Prior period adjustments, equity transfers, and correction of errors	\$ -	\$ -	\$ 327,787	\$ (327,787)
11190	Unit Months Available	2976	2976	2976	0
11210	Unit Months Leased	2958	2958	2958	0
11270	Excess Cash	\$ 1,772,311	\$ 1,772,311	\$ 1,772,311	
11620	Building Purchases	\$ 36,229	\$ 36,229		\$36,229
11640	Furniture & Equipment-Administrative Purchases	\$ 10,254	\$ 10,254		\$10,254
11650	Leasehold Improvements Purchases	\$ 219,454	\$ 219,454		\$219,454

See independent auditors' report

**Allen Metropolitan Housing Authority
Balance Sheet
FDS Schedule Submitted to HUD
Proprietary Fund Type
Enterprise Fund
Year Ended June 30, 2009**

Line Item No.	Description	Total Programs	1	14.182	14.238	14.850b	14.871
			Business Activities	N/C S/R Section 8 Programs	Shelter Plus Care	Development	Housing Choice Vouchers
	Balance Sheet						
111	Cash-unrestricted	\$ 1,356,386	\$238,774	\$0	\$0	\$68,911	\$1,048,701
113	Cash-other restricted	\$ 515,203	\$0	\$0			\$515,203
100	Total Cash	\$ 1,871,589	\$ 238,774	\$ -	\$ -	\$ 68,911	\$ 1,563,904
122	Accounts receivable - HUD other projects	\$ 10,972	\$0	\$0	\$10,972		
120	Total receivables, net of allowance for doubtful accounts	\$ 10,972	\$ -	\$ -	\$ 10,972	\$ -	\$ -
144	Inter program - due from	\$ 120,248	\$0	\$64,016			\$56,232
150	Total Current Assets	\$ 2,002,809	\$ 238,774	\$ 64,016	\$ 10,972	\$ 68,911	\$ 1,620,136
161	Land	\$ 198,910	\$0	\$0		\$198,910	
162	Buildings	\$ 2,703,996	\$168,354	\$0		\$2,535,642	
164	Furniture, equipment and machinery - administration	\$ 78,785	\$0	\$0		\$6,075	\$72,710
165	Leasehold improvements	\$ 27,743	\$0	\$0			\$27,743
166	Accumulated depreciation	\$ (1,231,126)	-\$15,301	\$0		-\$1,149,667	-\$66,158
160	Total capital assets, net of accumulated depreciation	\$ 1,778,308	\$ 153,053	\$ -	\$ -	\$ 1,590,960	\$ 34,295
180	Total Non-current Assets	\$ 1,778,308	\$ 153,053	\$ -	\$ -	\$ 1,590,960	\$ 34,295
190	Total Assets	\$ 3,781,117	\$ 391,827	\$ 64,016	\$ 10,972	\$ 1,659,871	\$ 1,654,431
312	Accounts payable <= 90 days	\$ 5,811	\$0	\$0		\$0	\$5,811
321	Accrued wage/payroll taxes payable	\$ 40,629	\$0	\$0		\$0	\$40,629
322	Accrued compensated absences - current portion	\$ 20,967	\$0	\$0		\$0	\$20,967
331	Accounts payable - HUD PHA Programs	\$ 64,016	\$0	\$64,016			
342	Deferred revenue	\$ 68,911	\$0	\$0		\$68,911	\$0
347	Inter program - due to	\$ 74,988	\$0	\$0	\$10,972	\$0	\$64,016
310	Total Current Liabilities	\$ 275,322	\$ -	\$ 64,016	\$ 10,972	\$ 68,911	\$ 131,423
353	Non-current liabilities - other	\$ 46,877	\$0	\$0		\$0	\$46,877
354	Accrued compensated absences- Non-current	\$ 5,484	\$0	\$0		\$0	\$5,484
350	Total Non-current liabilities	\$ 52,361	\$ -	\$ -	\$ -	\$ -	\$ 52,361
300	Total Liabilities	\$ 327,683	\$ -	\$ 64,016	\$ 10,972	\$ 68,911	\$ 183,784
508.1	Invested in capital assets, net of related debt	\$ 1,778,308	\$153,053	\$0		\$1,590,960	\$34,295
511.1	Restricted Net Assets	\$ 515,203	\$0	\$0		\$0	\$515,203
512.1	Unrestricted Net Assets	\$ 1,159,923	\$238,774	\$0		\$0	\$921,149
513	Total Equity/Net Assets	\$ 3,453,434	\$ 391,827	\$ -	\$ -	\$ 1,590,960	\$ 1,470,647
600	Total Liabilities and Equity/Net assets	\$ 3,781,117	\$ 391,827	\$ 64,016	\$ 10,972	\$ 1,659,871	\$ 1,654,431

See independent auditors' report

Allen 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

Line Item No.	Description	Total Programs	1 Business Activities	14.182 N/C S/R Section 8 Programs	14.238 Shelter Plus Care	14.850b Development	14.871 Housing Choice Vouchers
Income Statement							
70600-010	Housing assistance payments	\$ 4,400,884					\$4,400,884
70600-020	Ongoing administrative fees earned	\$ 521,764					\$521,764
70600-031	FSS Coordinator	\$ 38,531					\$38,531
70600	HUD PHA operating grants	\$ 5,483,128	\$0	\$403,774	\$118,175		\$ 4,961,179
71100-020	Administrative Fee	\$ 4,871					\$4,871
71100	Investment income - unrestricted	\$ 9,764	\$4,893	\$0			\$4,871
71400-010	Housing Assistance Payment	\$ 18,893					\$18,893
71400-020	Administrative Fee	\$ 18,894					\$18,894
71400	Fraud recovery	\$ 37,787	\$0	\$0			\$ 37,787
71500	Other revenue	\$ 5,996	\$0	\$0			\$5,996
72000-010	Housing Assistance Payment	\$ 3,822					\$3,822
72000	Investment income - restricted	\$ 3,822	\$0	\$0			\$ 3,822
70000	Total Revenue	\$ 5,540,497	\$ 4,893	\$ 403,774	\$ 118,175	\$ -	\$ 5,013,655
91100	Administrative salaries	\$ 358,346	\$0	\$40,000			\$318,346
91200	Auditing fees	\$ 3,840	\$0	\$340			\$3,500
91500	Employee benefit contributions - administrative	\$ 177,443	\$0	\$7,466			\$169,977
91600	Office Expenses	\$ 161,616	\$17,848	\$0	\$8,754		\$135,014
91900	Other	\$ 894	\$894	\$0			
91000	Total Operating-Administrative	\$ 702,139	\$ 18,742	\$ 47,806	\$ 8,754	\$ -	\$ 626,837
96140	All Other Insurance	\$ 22,565	\$0	\$0			\$22,565
96100	Total Insurance Premiums	\$ 22,565	\$ -	\$ -	\$ -	\$ -	\$ 22,565
96210	Compensated absences	\$ 38,713	\$0	\$0			\$38,713
96000	Total Other General Expenses	\$ 38,713	\$ -	\$ -	\$ -	\$ -	\$ 38,713
96900	Total Operating Expenses	\$ 763,417	\$ 18,742	\$ 47,806	\$ 8,754	\$ -	\$ 688,115
97000	Excess Revenue Over Operating Expenses	\$ 4,777,080	\$ (13,849)	\$ 355,968	\$ 109,421	\$ -	\$ 4,325,540
97300-050	All Other	\$ 4,736,989					\$4,736,989
97300	Housing assistance payments	\$ 5,202,378	\$0	\$355,968	\$109,421		\$ 4,736,989
97400	Depreciation expense	\$ 100,854	\$6,122	\$0		\$93,073	\$1,659
90000	Total Expenses	\$ 6,066,649	\$ 24,864	\$ 403,774	\$ 118,175	\$ 93,073	\$ 5,426,763

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Allen 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

Line Item No.	Description	Total Programs	1	14.182	14.238	14.850b	14.871
Line Item No.	Description	Total Programs	Business Activities	N/C S/R Section 8 Programs	Shelter Plus Care	Development	Housing Choice Vouchers
Income Statement							
10000	Excess (Deficiency) of Revenue Over (Under) Expenses	\$ (526,152)	\$ (19,971)	\$ -	\$ -	\$ (93,073)	\$ (413,108)
11030	Beginning equity	\$ 3,979,586	\$410,904	\$0		\$1,684,033	\$1,884,649
11170-001	Administrative Fee Equity- Beginning Balance	\$ 1,056,059					\$1,056,059
11170-010	Administrative Fee Revenue	\$ 521,764					\$ 521,764
11170-021	FSS Coordinator Grant	\$ 38,531					\$ 38,531
11170-040	Investment Income	\$ 4,871					\$ 4,871
11170-045	Fraud Recovery Revenue	\$ 18,894					\$ 18,894
11170-050	Other Revenue	\$ 5,996					\$5,996
11170-051	Comment for Other Revenue	\$ -					Adm fees, WECO funds, Wealth Prep fees
11170-060	Total Admin Fee Revenues	\$ 590,056					\$ 590,056
11170-080	Total Operating Expenses	\$ 688,115					\$ 688,115
11170-090	Depreciation	\$ 1,659					\$ 1,659
11170-095	Housing Assistance Portability In	\$ -					\$ -
11170-100	Other Expenses	\$ 897					\$897
11170-101	Comment for Other Expense	\$ -					Correction on N/C closed out
11170-110	Total Expenses	\$ 690,671					\$ 690,671
11170-002	Net Administrative Fee	\$ (100,615)					\$ (100,615)
11170-003	Administrative Fee Equity- Ending Balance	\$ 955,444					\$ 955,444
11170	Administrative Fee Equity	\$ 955,444					\$ 955,444
11180-001	Housing Assistance Payments Equity - Begining Balance	\$ 828,592					\$828,592
11180-010	Housing Assistance Payment Revenues	\$ 4,400,884					\$ 4,400,884
11180-015	Fraud Recovery Revenue	\$ 18,893					\$ 18,893
11180-020	Other Revenue	\$ -					\$0
11180-021	Comment for Other Revenue	\$ -					
11180-025	Investment Income	\$ 3,822					\$ 3,822
11180-030	Total HAP Revenues	\$ 4,423,599					\$ 4,423,599
11180-080	Housing Assistance Payments	\$ 4,736,989					\$ 4,736,989
11180-100	Total Housing Assistance Payments Expenses	\$ 4,736,989					\$ 4,736,989
11180-002	Net Housing Assistance Payments	\$ (313,390)					\$ (313,390)
11180-003	Housing Assistance Payments Equity-Ending Balance	\$ 515,202					\$ 515,202
11180	Housing Assistance Payments Equity	\$ 515,202					\$ 515,202
11190	Unit Months Available	13788	0	1296			12492
11210	Unit Months Leased	13916	0	1296			12620

See independent auditors' report

**Allen Metropolitan Housing Authority
Schedule of Federal Awards Expenditures
Year Ended June 30, 2009**

DIRECT PROGRAMS

PHA Owned Housing:

Public and Indian Housing	14.850	\$ 741,327
Public Housing Capital Fund	14.872	370,788

Housing Assistance Payments:

Annual Contribution -

Section 8 Housing Choice Vouchers	14.871	4,961,179
Section 8 - NC/SR	14.182	403,774
Shelter Plus Care	14.238	<u>118,175</u>

Total - All Programs		\$ <u><u>6,595,243</u></u>
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**Allen Metropolitan Housing Authority
Cost Certifications**

	<u>501-06</u>	<u>501-07</u>
TOTAL EXPENDED	<u><u>\$ 406,411</u></u>	<u><u>\$ 407,847</u></u>
TOTAL RECEIVED	<u><u>\$ 406,411</u></u>	<u><u>\$ 407,847</u></u>

1. The actual cost certificates were signed by the Authority.
2. All costs have been paid through June 30, 2009 and there are no outstanding liabilities.
3. The final costs on the certificates agree with the Authority's records.



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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
Allen Metropolitan Housing Authority
600 South Main Street
Lima, Ohio 45804**

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

We have audited the basic financial statements of Allen Metropolitan Housing Authority as of and for the year ended June 30, 2009, and have issued our report thereon dated December 18, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Allen 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 Allen 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.

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 Allen 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*

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



Jones, Cochenour & Co.
December 18, 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
Allen Metropolitan Housing Authority
600 South Main Street
Lima, Ohio 45804**

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

Compliance

We have audited the compliance of Allen Metropolitan Housing Authority with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. Allen Metropolitan Housing Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Allen Metropolitan Housing Authority's management. Our responsibility is to express an opinion on Allen 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 Allen 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 Allen Metropolitan Housing Authority's compliance with those requirements.

In our opinion, Allen 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 June 30, 2009.

Internal Control Over Compliance

The management of Allen 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 Allen 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 Allen Metropolitan Housing Authority's 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 Authority's internal control.

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

Our consideration of 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.



**Jones, Cochenour & Co.
December 18, 2009**

**Schedule of Findings
OMB Circular A-133 § .505**

**Allen Metropolitan Housing Authority
June 30, 2009**

1. SUMMARY OF AUDITORS' RESULTS
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Type of Financial Statement Opinion	Unqualified
Were there any significant deficiencies reported as material weaknesses at the financial statement level (GAGAS)?	No
Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
Were there any reported material non-compliances at the financial statement level (GAGAS)?	No
Were there any significant deficiencies reported for any major federal programs as material weakness?	No
Were there any other significant deficiencies reported for the major federal programs?	No
Type of Major Programs' Compliance Opinion	Unqualified
Are there any reportable findings under § .510?	No
Major Programs (list):	Section 8 CFDA #14.871 Low Rent Public Housing CFDA #14.850a Capital Fund CFDA #14.872 N/C S/R Section 8 CFDA #14.182
Dollar Threshold: Type A/B Programs	\$300,000
Low Risk Auditee?	Yes

**Schedule of Findings
OMB Circular A-133 § .505 - Continued**

**Allen Metropolitan Housing Authority
June 30, 2009**

2. FINDINGS RELATED TO FINANCIAL STATEMENTS

There are no findings or questioned costs for the year ended June 30, 2009.

3. FINDINGS RELATED TO FEDERAL AWARDS

There are no findings or questioned costs for the year ended June 30, 2009.



Mary Taylor, CPA
Auditor of State

METROPOLITAN HOUSING AUTHORITY

ALLEN 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
MARCH 18, 2010**