

**BASIC FINANCIAL STATEMENTS  
AND SINGLE AUDIT**

**of the**

**MORGAN METROPOLITAN  
HOUSING AUTHORITY**

**for the**

**Year Ended June 30, 2009**





# Mary Taylor, CPA

Auditor of State

Board of Directors  
Morgan Metropolitan Housing Authority  
4580 SR 376 NW  
McConnelsville, Ohio 43765

We have reviewed the *Independent Auditors' Report* of the Morgan Metropolitan Housing Authority, Morgan 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 Morgan Metropolitan Housing Authority is responsible for compliance with these laws and regulations.

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

March 1, 2010

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125 West Mulberry Street  
Lancaster, Ohio 43130

[www.JCCcpa.com](http://www.JCCcpa.com)

740.653.9581 tel

614.837.2921 tel

740.653.0983 fax

## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Morgan Metropolitan Housing Authority  
McConnelsville, Ohio

Regional Inspector General of Audit  
Department of Housing and Urban  
Development

We have audited the accompanying basic financial statements of Morgan 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 Morgan 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 Morgan 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 November 30, 2009 on our consideration of Morgan 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.

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 are presented for purposes of additional analysis and are not a required part of the financial statements of the Morgan Metropolitan Housing Authority. The accompanying Schedule of Federal Awards Expenditures is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Government and Non-Profit Organizations* and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Jones, Cochenour & Co.  
November 30, 2009

*much more than an accounting firm*

**MORGAN METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year Ended June 30, 2009**

**Unaudited**

**It is a privilege to present for you the financial picture of Morgan Metropolitan Housing Authority. The Morgan Metropolitan Housing Authority's ("the Authority") *Management Discussion and Analysis* is designed to:**

- (a) Assist the reader in focusing on significant financial issues**
- (b) Provide an overview of the Authority's financial activity**
- (c) Identify changes in the Authority's financial position (its ability to address the next and subsequent year challenges)**
- (d) Identify the single enterprise fund issues or concerns.**

**The *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, which follow.**

**FINANCIAL HIGHLIGHTS**

- **Total revenues: FYE 6/30/08: \$954,812  
FYE 6/30/09: \$1,197,971 Increase of \$243,159 (25%) in 2009**
- **Total expenses: FYE 6/30/08: \$1,061,605  
FYE 6/30/09: \$1,092,218 Increase of 30,613 (3%) in 2009**

**USING THIS ANNUAL REPORT**

**The following graphic outlines the format of this report:**

<b>MD&amp;A</b> ~ Management Discussion and Analysis (new) ~
<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 ~

**The focus is on the Authority as a single enterprise fund. This format will 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.**

**MORGAN METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year Ended June 30, 2009**

**Unaudited**

**BASIC FINANCIAL STATEMENTS**

The basic financial statements, beginning on page 3 are designed to be corporate-like in that all business type programs are consolidated into one single enterprise fund for the 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 (as applicable):

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 borrowings 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." This account resembles the old operating reserves account.

The basic financial statements also include a Statement of Revenues, Expenses and Changes in Fund 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 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.

The Authority's programs that are consolidated into a single enterprise fund are as follows:

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.

Capital Fund Program (CFP) – This is the current 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 Annual Contributions Contract (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.

Resident Opportunities and Self Sufficiency (ROSS) – A grant program that provides funds for job training and supportive services to help residents of public housing transition from welfare to work. ROSS also provides funding to link elderly/disabled residents to critical services which can help them continue to live independently.



**MORGAN METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year Ended June 30, 2009**

Unaudited

**BASIC FINANCIAL STATEMENTS**

**STATEMENT OF NET ASSETS**

The following table reflects the condensed Statement of Net Assets compared to prior year.

**TABLE 1  
STATEMENT OF NET ASSETS**

	<u>FYE 6/30/09</u>	<u>FYE 6/30/08</u>
Current and Other Assets	\$ 247,872	\$ 267,150
Capital Assets	<u>2,267,304</u>	<u>2,180,171</u>
<i>TOTAL ASSETS</i>	<u>\$ 2,515,176</u>	<u>\$ 2,447,321</u>
Other Liabilities	\$ 65,507	\$ 111,502
Long-Term Liabilities	<u>24,071</u>	<u>15,973</u>
<i>TOTAL LIABILITIES</i>	<u>\$ 89,578</u>	<u>\$ 127,475</u>
Net Assets:		
Invested in Capital Assets, net of Related Debt	\$ 2,267,304	\$ 2,180,171
Restricted Net Assets	-	7,624
Unrestricted	<u>158,294</u>	<u>132,051</u>
<i>TOTAL NET ASSETS</i>	<u>\$ 2,425,598</u>	<u>\$ 2,319,846</u>

NOTE: For more detailed information, see the *Statement of Net Assets*.

Major factors affecting the Statement of Net Assets: Total Assets increased by \$67,855. Liabilities decreased by \$37,897. Capital Assets increased by \$87,133 and unrestricted net assets increased by \$26,243. The majority of these changes were due to capital fund projects being completed in FY 08-09. Liabilities decreased because of a timing issue with the intercompany payable from Section 8 to PH. Section 8 payable was less in 08-09 than in 07-08.

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

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

	<u>FYE 6/30/09</u>	<u>FYE 6/30/08</u>
Revenue:		
Tenant Revenue (Rent and Other)	\$ 84,385	\$ 89,317
Operating Subsidies and Grants	922,522	840,318
Capital Grants	166,513	-
Fraud Recovery	6,282	645
Investment Income	3,885	7,274
Other Revenues	<u>14,384</u>	<u>17,258</u>
<i>TOTAL REVENUE</i>	<u>\$1,197,971</u>	<u>\$ 954,812</u>
Expenses:		
Administration	\$ 213,117	\$ 211,766
Tenant Services	1,136	-
Utilities	60,952	62,437
Maintenance	159,888	117,860
General Expenses	21,537	24,179
Housing Assistance Payments	487,754	510,680
Depreciation	142,358	138,722
Bad Debt	<u>5,475</u>	<u>(4,039)</u>
<i>TOTAL EXPENSES</i>	<u>\$1,092,217</u>	<u>\$1,061,605</u>

**MORGAN METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year Ended June 30, 2009**

**Unaudited**

Major factors affecting the Statement of Revenue, Expenses, and Changes in Net Asset: Total Revenue increased and total expenses increased from the previous year. The increase in income was due to increased HUD funding for PH and FSS and use of the Capital Fund grant.

The increase in expenses was affected by maintenance expenses in the PH program for renovation projects at Ridgeview Village.

**CAPITAL ASSETS**

As of year end, the Authority had \$2,267,304 invested in net capital assets as reflected in the following schedule which represents a net increase (addition, deductions and depreciation) of \$87,133 from the end of last year.

**TABLE 3  
CAPITAL ASSETS AT YEAR-END  
(Net of Depreciation)**

	<u>FYE 6/30/09</u>	<u>FYE 6/30/08</u>
Land and Land Rights	\$ 251,650	\$ 251,650
Buildings	3,825,585	3,596,074
Equipment-Administrative	153,368	153,388
Equipment-Dwellings	118,863	118,863
Leasehold Improvements	247,623	247,623
Accumulated Depreciation	<u>(2,329,785)</u>	<u>(2,187,427)</u>
<b>TOTAL</b>	<u><b>\$ 2,267,304</b></u>	<u><b>\$ 2,180,171</b></u>

**TABLE 4  
CHANGE IN CAPITAL ASSETS**

The following reconciliation summarizes the change in Capital Assets.

Beginning Balance	\$ 2,180,171	
Additions	229,491	
Depreciation	<u>(142,358)</u>	
Ending Balance:	<u><b>\$ 2,267,304</b></u>	

Changes relate to the Capital Fund projects completed at Ridgeview Village.

**MORGAN METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year Ended June 30, 2009**

**Unaudited**

**ECONOMIC FACTORS**

**Significant economic factors affecting the Authority are as follows:**

- **Federal funding 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**

**IN CONCLUSION**

**Morgan Metropolitan Housing Authority takes great pride in its financial management and is pleased to report on the consistent and sound financial condition of the Authority.**

**FINANCIAL CONTACT**

**If you have any questions regarding this report, you may contact Kelly Hardman, Executive Director of the Morgan Metropolitan Housing Authority at (740) 962-4930.**

**Respectfully submitted,**

**Kelly Hardman, Executive Director**

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

**ASSETS**

Cash and cash equivalents	\$	156,487
Investments		50,814
Receivables - net of allowance		18,047
Inventories - net of allowance		13,515
Prepaid expenses and other assets		9,009
		247,872
<b>TOTAL CURRENT ASSETS</b>		<b>247,872</b>

Land		251,650
Capital assets - net		2,015,654
		2,267,304
<b>TOTAL CAPITAL ASSETS</b>		<b>2,267,304</b>

		<b>2,515,176</b>
<b>TOTAL ASSETS</b>		<b>2,515,176</b>

**LIABILITIES**

Accounts payable		26,380
Accrued liabilities		4,595
Intergovernmental payables		2,650
Tenant security deposits		23,550
Accrued compensated absences		8,332
		65,507
<b>TOTAL CURRENT LIABILITIES</b>		<b>65,507</b>

Accrued compensated absences		5,499
FSS liability		18,572
		24,071
<b>TOTAL LONG TERM LIABILITIES</b>		<b>24,071</b>

		<b>89,578</b>
<b>TOTAL LIABILITIES</b>		<b>89,578</b>

**NET ASSETS**

Invested in capital assets - net of related debt		2,267,304
Unrestricted net assets		158,294
		2,425,598

		<b>\$ 2,425,598</b>
<b>NET ASSETS</b>		<b>\$ 2,425,598</b>

See accompanying notes to the basic financial statements

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

<b>OPERATING REVENUE</b>	
Tenant revenue	\$ 84,385
HUD operating grants	922,522
Capital grants	166,513
Other revenue	<u>24,551</u>
<b>TOTAL OPERATING REVENUE</b>	<b>1,197,971</b>
 <b>OPERATING EXPENSES</b>	
Administrative	195,817
Tenant services	1,136
Utilities	60,952
Insurance	18,887
Maintenance	159,888
General	25,425
Housing assistance payments	487,754
Depreciation	<u>142,358</u>
<b>TOTAL OPERATING EXPENSES</b>	<b><u>1,092,217</u></b>
<b>CHANGE IN NET ASSETS</b>	<b>105,754</b>
<b>NET ASSETS BEGINNING OF YEAR</b>	<b><u>2,319,844</u></b>
<b>NET ASSETS END OF YEAR</b>	<b><u><u>\$ 2,425,598</u></u></b>

See accompanying notes to the basic financial statements

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

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from tenants	\$ 105,784
Cash received from HUD	919,397
Cash received from capital grants	157,513
Cash payments for administrative	(435,714)
Cash payments for housing assistance payments	(487,754)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>259,226</u>
 <b>CASH FLOWS FROM CAPITAL ACTIVITIES</b>	
Acquisition of capital assets	(229,491)
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Investment activity	131,674
Investment purchases	(48,500)
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<u>83,174</u>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	112,909
<b>CASH AND CASH EQUIVALENTS, BEGINNING</b>	<u>43,578</u>
<b>CASH AND CASH EQUIVALENTS, ENDING</b>	<u><u>\$ 156,487</u></u>
 <b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Operating income	\$ 105,754
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	142,358
(Increase) decrease in:	
Receivables - net of allowance	(8,973)
Inventories - net of allowance	(2,761)
Prepaid expenses and other assets	2,153
Increase (decrease) in:	
Accounts payable	13,349
Accrued compensated absences	1,942
Intergovernmental payables	203
Accrued wages/payroll taxes	(242)
Other liabilities	11,057
Deferred revenue	(5,614)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u><u>\$ 259,226</u></u>

See accompanying notes to the basic financial statements

Morgan Metropolitan Housing Authority  
Notes to the basic financial statements  
June 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Summary of Significant Accounting Policies

The financial statements of the Morgan 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 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.

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.

Measurement Focus

The enterprise fund is accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the Authority are included on the statement of net 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 needs of its enterprise activity.

Enterprise Fund

The Authority uses the proprietary fund to report on its financial position and the results of its operations for 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.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

**Capital Fund Program (CFP)** – This is the current primary funding source for the Authority’s physical and management improvements. While the formula funding methodology used for the CFP was revised for the CFP, funds are still provided by formula allocation and based on the size and age of the units. The Authority received funding through this program as a result of the American Reinvestment and Recovery Act funds.

**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.

**Ross Program (ROSS)** – A grant program that provides funds for job training and supportive services to help residents of public housing transition from welfare to work. ROSS also provides funding to link elderly/disabled residents to critical services which can help them continue to live independently.

**Accounting and Reporting for Nonexchange Transactions**

The Authority 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 transactions.

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 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.



Morgan Metropolitan Housing Authority  
Notes to the basic financial statements  
June 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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 for both programs totaled \$3,885.

Deferred Revenue

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

Prepaid expenses

Payments made to vendors for services that will benefit periods beyond June 30, 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, that do not add to the value of the asset or materially extend the asset life, are not capitalized. The Authority's capitalization policy is \$500. The following are the estimated 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.

Due From/To Other Programs

On the basic financial statements, receivables and payables resulting from the short-term interprogram loans are eliminated.

Accrued Liabilities

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

Compensated Absences

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

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.

Morgan Metropolitan Housing Authority  
Notes to the basic financial statements  
June 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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

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 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. All receivables were believed to be collectible 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 \$1,500 at June 30, 2009.

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. There was no related debt as of June 30, 2009. Net assets are recorded as restricted when there are limitations imposed on their use either by internal or external restrictions.

Operating/Nonoperating 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.

Nonoperating revenues are HUD capital grants and interest income. HUD capital grants are the amounts received by the Authority for capital improvements and administration of the public housing programs.

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

2. CASH AND INVESTMENTS

Cash

Ohio 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.

**2. CASH AND INVESTMENTS - CONTINUED**

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 \$156,438 and its bank balance was \$168,153. Based on the criteria described in GASB Statement No. 40, "Deposit and Investment Risk Disclosure," as of June 30, 2009, \$0 was exposed to custodial risk.

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

**Investments**

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 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'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. The Authority had \$50,814 in certificates of deposit at June 30, 2009.

**3. NOTE TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES**

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

**4. 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 coverage and no settlements exceeded insurance coverage during the past three years.

**Morgan Metropolitan Housing Authority**  
**Notes to the basic financial statements**  
**June 30, 2009**

**4. RISK MANAGEMENT - CONTINUED**

The Authority maintained insurance with the SHARP insurance pool. SHARP is a comprehensive general liability insurance group operated as a joint venture by its public housing authority members.

**5. CAPITAL ASSETS**

The following is a summary:

	<u>Balance 6/30/08</u>	<u>Net Additions / Deletions</u>	<u>Balance 6/30/09</u>
<b>CAPITAL ASSETS, NOT BEING DEPRECIATED</b>			
Land	\$ 251,650	\$ -	\$ 251,650
<b>TOTAL CAPITAL ASSETS NOT BEING DEPRECIATED</b>	<u>\$ 251,650</u>	<u>\$ -</u>	<u>\$ 251,650</u>
<b>CAPITAL ASSETS, BEING DEPRECIATED</b>			
Buildings and Improvements	\$ 3,862,300	\$ 229,491	\$ 4,091,791
Furniture and equipment	253,648	-	253,648
Totals at Historical Costs	4,115,948	229,491	4,345,439
Less: Accumulated Depreciation	(2,187,427)	(142,358)	(2,329,785)
<b>TOTAL CAPITAL ASSETS, NET BEING DEPRECIATED</b>	<u>1,928,521</u>	<u>87,133</u>	<u>2,015,654</u>
<b>TOTAL</b>	<u>\$ 2,180,171</u>	<u>\$ 87,133</u>	<u>\$ 2,267,304</u>

**6. 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.

**Morgan Metropolitan Housing Authority**  
**Notes to the basic financial statements**  
**June 30, 2009**

**6. PENSION PLANS AND OTHER POSTEMPLOYMENT BENEFITS - CONTINUED**

The employer contributions that were used to fund post-employment benefits were approximately \$22,410, \$19,271, and \$19,757 for 2009, 2008, and 2007, respectively.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007 and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

**7. 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. These schedules can be used to tie the total assets and liabilities into the combined statements.

**8. CONTINGENT LIABILITIES**

Under the terms of Federal grants, periodic audits are required and certain costs may be questioned as not being appropriate expenses under the terms of the grants. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenses which may be disallowed by the grantor cannot be determined at this time, although the Authority expects such amounts, if any, to be immaterial.

**9. RELATED PARTY TRANSACTIONS**

An employee of the Authority has relatives that own HUD properties and receive Section 8 payments. The employee has received a conflict of interest waiver from HUD.

One of the board members is a pastor of a church renting facility space from the Authority.

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
	<b>Balance Sheet</b>					
111	Cash-unrestricted	\$ 96,591	\$ 36,346	\$ 132,937		\$ 132,937
114	Cash-tenant security deposits	\$ 23,550	\$ -	\$ 23,550		\$ 23,550
100	<b>Total Cash</b>	<b>\$ 120,141</b>	<b>\$ 36,346</b>	<b>\$ 156,487</b>	<b>\$ -</b>	<b>\$ 156,487</b>
122-020	Accounts receivable - HUD other projects - Capital fund	\$ 9,000	\$ -	\$ 9,000		\$ 9,000
122	<b>Accounts receivable - HUD other projects</b>	<b>\$ 9,000</b>	<b>\$ 3,465</b>	<b>\$ 12,465</b>		<b>\$ 12,465</b>
125-050	Account receivable - miscellaneous - Other	\$ 3,828	\$ -	\$ 3,828		\$ 3,828
125-060	Other - Comment					
125	<b>Account receivable - miscellaneous</b>	<b>\$ 3,828</b>	<b>\$ -</b>	<b>\$ 3,828</b>		<b>\$ 3,828</b>
126	Accounts receivable - tenants	\$ 1,354	\$ -	\$ 1,354		\$ 1,354
128	Fraud recovery	\$ -	\$ 400	\$ 400		\$ 400
120	<b>Total receivables, net of allowance for doubtful accounts</b>	<b>\$ 14,182</b>	<b>\$ 3,865</b>	<b>\$ 18,047</b>	<b>\$ -</b>	<b>\$ 18,047</b>
131	Investments - unrestricted	\$ 50,814	\$ -	\$ 50,814		\$ 50,814
142	Prepaid expenses and other assets	\$ 8,662	\$ 347	\$ 9,009		\$ 9,009
143	Inventories	\$ 15,015	\$ -	\$ 15,015		\$ 15,015
143.1	Allowance for obsolete inventories	\$ (1,500)	\$ -	\$ (1,500)		\$ (1,500)
144	Inter program - due from	\$ 12,292	\$ -	\$ 12,292	-\$12,292	\$ -
150	<b>Total Current Assets</b>	<b>\$ 219,606</b>	<b>\$ 40,558</b>	<b>\$ 260,164</b>	<b>\$ (12,292)</b>	<b>\$ 247,872</b>
161	Land	\$ 251,650	\$ -	\$ 251,650		\$ 251,650
162	Buildings	\$ 3,758,274	\$ 67,311	\$ 3,825,585		\$ 3,825,585
163	Furniture, equipment and machinery - dwellings	\$ 118,863	\$ -	\$ 118,863		\$ 118,863
164	Furniture, equipment and machinery - administration	\$ 110,607	\$ 42,761	\$ 153,368		\$ 153,368
165	Leasehold improvements	\$ 247,623	\$ -	\$ 247,623		\$ 247,623
166	Accumulated depreciation	\$ (2,300,667)	\$ (29,118)	\$ (2,329,785)		\$ (2,329,785)
160	<b>Total capital assets, net of accumulated depreciation</b>	<b>\$ 2,186,350</b>	<b>\$ 80,954</b>	<b>\$ 2,267,304</b>	<b>\$ -</b>	<b>\$ 2,267,304</b>
180	<b>Total Non-current Assets</b>	<b>\$ 2,186,350</b>	<b>\$ 80,954</b>	<b>\$ 2,267,304</b>	<b>\$ -</b>	<b>\$ 2,267,304</b>
190	<b>Total Assets</b>	<b>\$ 2,405,956</b>	<b>\$ 121,512</b>	<b>\$ 2,527,468</b>	<b>\$ (12,292)</b>	<b>\$ 2,515,176</b>

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
312	Accounts payable <= 90 days	\$ 24,051	\$ 2,329	\$ 26,380		\$ 26,380
321	Accrued wage/payroll taxes payable	\$ 2,053	\$ 2,542	\$ 4,595		\$ 4,595
322	Accrued compensated absences - current portion	\$ 4,134	\$ 4,198	\$ 8,332		\$ 8,332
333	Accounts payable - other government	\$ 2,650	\$ -	\$ 2,650		\$ 2,650
341	Tenant security deposits	\$ 23,550	\$ -	\$ 23,550		\$ 23,550
347	Inter program - due to	\$ 9,000	\$ 3,292	\$ 12,292	-\$12,292	\$ -
310	<b>Total Current Liabilities</b>	<b>\$ 65,438</b>	<b>\$ 12,361</b>	<b>\$ 77,799</b>	<b>\$ (12,292)</b>	<b>\$ 65,507</b>
353	Non-current liabilities - other	\$ -	\$ 18,572	\$ 18,572		\$ 18,572
354	Accrued compensated absences- Non-current	\$ 2,391	\$ 3,108	\$ 5,499		\$ 5,499
350	<b>Total Non-current liabilities</b>	<b>\$ 2,391</b>	<b>\$ 21,680</b>	<b>\$ 24,071</b>	<b>\$ -</b>	<b>\$ 24,071</b>
300	<b>Total Liabilities</b>	<b>\$ 67,829</b>	<b>\$ 34,041</b>	<b>\$ 101,870</b>	<b>\$ (12,292)</b>	<b>\$ 89,578</b>
508.1	Invested in capital assets, net of related debt	\$ 2,186,350	\$ 80,954	\$ 2,267,304		\$ 2,267,304
512.1	Unrestricted Net Assets	\$ 151,777	\$ 6,517	\$ 158,294		\$ 158,294
513	<b>Total Equity/Net Assets</b>	<b>\$ 2,338,127</b>	<b>\$ 87,471</b>	<b>\$ 2,425,598</b>	<b>\$ -</b>	<b>\$ 2,425,598</b>
600	<b>Total Liabilities and Equity/Net assets</b>	<b>\$ 2,405,956</b>	<b>\$ 121,512</b>	<b>\$ 2,527,468</b>	<b>\$ (12,292)</b>	<b>\$ 2,515,176</b>

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
<b>Income Statement</b>						
70300	Net tenant rental revenue	\$ 84,385	\$ -	\$ 84,385		\$ 84,385
70500	Total Tenant Revenue	\$ 84,385	\$ -	\$ 84,385	\$ -	\$ 84,385
70600-010	Housing assistance payments	\$ -	\$ 475,538	\$ 475,538		\$ 475,538
70600-020	Ongoing administrative fees earned	\$ -	\$ 94,699	\$ 94,699		\$ 94,699
70600-031	FSS Coordinator	\$ -	\$ 45,381	\$ 45,381		\$ 45,381
70600	<b>HUD PHA operating grants</b>	\$ 261,465	\$ 661,057	\$ 922,522		\$ 922,522
70610	Capital grants	\$ 166,513	\$ -	\$ 166,513		\$ 166,513
71100-020	Administrative Fee	\$ -	\$ 549	\$ 549		\$ 549
71100	<b>Investment income - unrestricted</b>	\$ 3,271	\$ 549	\$ 3,820		\$ 3,820
71400-010	Housing Assistance Payment	\$ -	\$ 3,141	\$ 3,141		\$ 3,141
71400-020	Administrative Fee	\$ -	\$ 3,141	\$ 3,141		\$ 3,141
71400	<b>Fraud recovery</b>	\$ -	\$ 6,282	\$ 6,282		\$ 6,282
71500	Other revenue	\$ 12,703	\$ 1,681	\$ 14,384		\$ 14,384
72000-010	Housing Assistance Payment	\$ -	\$ 65	\$ 65		\$ 65
72000	<b>Investment income - restricted</b>	\$ -	\$ 65	\$ 65		\$ 65
70000	<b>Total Revenue</b>	\$ 528,337	\$ 669,634	\$ 1,197,971	\$ -	\$ 1,197,971
91100	Administrative salaries	\$ 22,972	\$ 80,857	\$ 103,829		\$ 103,829
91200	Auditing fees	\$ 1,418	\$ 3,307	\$ 4,725		\$ 4,725
91500	Employee benefit contributions - administrative	\$ 12,634	\$ 34,063	\$ 46,697		\$ 46,697
91600	Office Expenses	\$ 17,771	\$ 22,796	\$ 40,567		\$ 40,567
91000	<b>Total Operating-Administrative</b>	\$ 54,795	\$ 141,023	\$ 195,818	\$ -	\$ 195,818
92400	Tenant services - other	\$ 1,136	\$ -	\$ 1,136		\$ 1,136
92500	<b>Total Tenant Services</b>	\$ 1,136	\$ -	\$ 1,136	\$ -	\$ 1,136

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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
93100	Water	\$ 48,434	\$ 339	\$ 48,773		\$ 48,773
93200	Electricity	\$ 6,249	\$ 1,382	\$ 7,631		\$ 7,631
93300	Gas	\$ 3,203	\$ 1,345	\$ 4,548		\$ 4,548
93000	<b>Total Utilities</b>	<b>\$ 57,886</b>	<b>\$ 3,066</b>	<b>\$ 60,952</b>	\$ -	<b>\$ 60,952</b>
94100	Ordinary maintenance and operations - labor	\$ 34,400	\$ -	\$ 34,400		\$ 34,400
94200	Ordinary maintenance and operations - materials and other	\$ 1,266	\$ -	\$ 1,266		\$ 1,266
94300-120	Ordinary Maintenance and Operations Contracts - Misc Contracts	\$ 98,264	\$ 7,168	\$ 105,432		\$ 105,432
94300	<b>Ordinary Maintenance and Operations Contracts</b>	<b>\$ 98,264</b>	<b>\$ 7,168</b>	<b>\$ 105,432</b>		<b>\$ 105,432</b>
94500	Employee benefit contribution - ordinary maintenance	\$ 18,790	\$ -	\$ 18,790		\$ 18,790
94000	<b>Total Maintenance</b>	<b>\$ 152,720</b>	<b>\$ 7,168</b>	<b>\$ 159,888</b>	\$ -	<b>\$ 159,888</b>
96140	All other Insurance	\$ 18,440	\$ 447	\$ 18,887		\$ 18,887
96100	<b>Total Insurance Premiums</b>	<b>\$ 18,440</b>	<b>\$ 447</b>	<b>\$ 18,887</b>	\$ -	<b>\$ 18,887</b>
96210	Compensated absences	\$ 9,000	\$ 8,300	\$ 17,300		\$ 17,300
96300	Payments in lieu of taxes	\$ 2,650	\$ -	\$ 2,650		\$ 2,650
96400	Bad debt - tenant rents	\$ 1,701	\$ 3,774	\$ 5,475		\$ 5,475
96000	<b>Total Other General Expenses</b>	<b>\$ 13,351</b>	<b>\$ 12,074</b>	<b>\$ 25,425</b>	\$ -	<b>\$ 25,425</b>
96900	<b>Total Operating Expenses</b>	<b>\$ 298,328</b>	<b>\$ 163,778</b>	<b>\$ 462,106</b>	\$ -	<b>\$ 462,106</b>
97000	<b>Excess Revenue Over Operating Expenses</b>	<b>\$ 230,009</b>	<b>\$ 505,856</b>	<b>\$ 735,865</b>	\$ -	<b>\$ 735,865</b>

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**Morgan 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
97300-050	All Other	\$ -	\$ 487,754	\$ 487,754		\$ 487,754
97300	<b>Housing assistance payments</b>	\$ -	\$ <b>487,754</b>	\$ <b>487,754</b>		\$ <b>487,754</b>
97400	Depreciation expense	\$ 139,276	\$ 3,082	\$ 142,358		\$ 142,358
90000	<b>Total Expenses</b>	\$ <b>437,604</b>	\$ <b>654,614</b>	\$ <b>1,092,218</b>	\$ -	\$ <b>1,092,218</b>
10000	<b>Excess (Deficiency) of Revenue Over (Under) Expenses</b>	\$ <b>90,733</b>	\$ <b>15,020</b>	\$ <b>105,753</b>	\$ -	\$ <b>105,753</b>
11030	Beginning equity	\$ 2,247,396	\$ 72,450	\$ 2,319,846		\$ 2,319,846
11170-001	Administrative Fee Equity- Beginning Balance	\$ -	\$ 64,826	\$ 64,826		\$ 64,826
11170-010	Administrative Fee Revenue	\$ -	\$ 94,699	\$ 94,699		\$ 94,699
11170-021	FSS Coordinator Grant	\$ -	\$ 45,381	\$ 45,381		\$ 45,381
11170-040	Investment Income	\$ -	\$ 549	\$ 549		\$ 549
11170-045	Fraud Recovery Revenue	\$ -	\$ 3,141	\$ 3,141		\$ 3,141
11170-050	Other Revenue	\$ -	\$ 1,262	\$ 1,262		\$ 1,262
11170-060	Total Admin Fee Revenues	\$ -	\$ 145,032	\$ 145,032		\$ 145,032
11170-080	Total Operating Expenses	\$ -	\$ 118,339	\$ 118,339		\$ 118,339
11170-090	Depreciation	\$ -	\$ 3,082	\$ 3,082		\$ 3,082
11170-100	Other Expenses	\$ -	\$ 966	\$ 966		\$ 966
11170-110	Total Expenses	\$ -	\$ 122,387	\$ 122,387		\$ 122,387
11170-002	Net Administrative Fee	\$ -	\$ 22,645	\$ 22,645		\$ 22,645
11170-003	Administrative Fee Equity- Ending Balance	\$ -	\$ 87,471	\$ 87,471		\$ 87,471
11170	<b>Administrative Fee Equity</b>	\$ -	\$ <b>87,471</b>	\$ <b>87,471</b>		\$ <b>87,471</b>

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**Morgan 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**

<b>Line Item No.</b>	<b>Description</b>	<b>Project Totals</b>	<b>Program Totals</b>	<b>Subtotal</b>	<b>Elimination</b>	<b>Total</b>
11180-010	Housing Assistance Payment Revenues	\$ -	\$ 475,538	\$ 475,538		\$ 475,538
11180-015	Fraud Recovery Revenue	\$ -	\$ 3,141	\$ 3,141		\$ 3,141
11180-020	Other Revenue	\$ -	\$ 1,386	\$ 1,386		\$ 1,386
11180-025	Investment Income	\$ -	\$ 65	\$ 65		\$ 65
11180-030	Total HAP Revenues	\$ -	\$ 480,130	\$ 480,130		\$ 480,130
11180-080	Housing Assistance Payments	\$ -	\$ 487,754	\$ 487,754		\$ 487,754
11180-100	Total Housing Assistance Payments Expenses	\$ -	\$ 487,754	\$ 487,754		\$ 487,754
11180-002	Net Housing Assistance Payments	\$ -	\$ (7,624)	\$ (7,624)		\$ (7,624)
11190-210	Total ACC HCV Units	0	1680	1680		1680
11190	<b>Unit Months Available</b>	<b>720</b>	<b>1680</b>	<b>2400</b>		<b>2400</b>
11210	<b>Unit Months Leased</b>	<b>701</b>	<b>1523</b>	<b>2224</b>		<b>2224</b>
11270	<b>Excess Cash</b>	<b>\$ 131,991</b>	<b>\$ -</b>	<b>\$ 131,991</b>		<b>\$ 131,991</b>
11620	Building Purchases	\$ 166,513	\$ -	\$ 166,513		\$ 166,513

See independent auditors' report

**Morgan 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	OH066000001	Other Project
111	Cash-unrestricted	\$ 96,591	\$96,591	
114	Cash-tenant security deposits	\$ 23,550	\$23,550	
100	<b>Total Cash</b>	<b>\$ 120,141</b>	<b>\$ 120,141</b>	<b>\$ -</b>
122-020	Accounts receivable - HUD other projects - Capital fund	\$ 9,000		\$9,000
122	<b>Accounts receivable - HUD other projects</b>	<b>\$ 9,000</b>	<b>\$ -</b>	<b>\$ 9,000</b>
125-050	Account receivable - miscellaneous - Other	\$ 3,828	\$3,828	
125	<b>Account receivable - miscellaneous</b>	<b>\$ 3,828</b>	<b>\$ 3,828</b>	<b>\$ -</b>
126	Accounts receivable - tenants	\$ 1,354	\$1,354	
120	<b>Total receivables, net of allowance for doubtful accounts</b>	<b>\$ 14,182</b>	<b>\$ 5,182</b>	<b>\$ 9,000</b>
131	Investments - unrestricted	\$ 50,814	\$50,814	
142	Prepaid expenses and other assets	\$ 8,662	\$8,662	
143	Inventories	\$ 15,015	\$15,015	
143.1	Allowance for obsolete inventories	\$ (1,500)	-\$1,500	
144	Inter program - due from	\$ 12,292	\$12,292	
150	<b>Total Current Assets</b>	<b>\$ 219,606</b>	<b>\$ 210,606</b>	<b>\$ 9,000</b>
161	Land	\$ 251,650	\$251,650	
162	Buildings	\$ 3,758,274	\$3,530,335	\$227,939
163	Furniture, equipment and machinery - dwellings	\$ 118,863	\$118,863	
164	Furniture, equipment and machinery - administration	\$ 110,607	\$110,607	
165	Leasehold improvements	\$ 247,623	\$247,623	
166	Accumulated depreciation	\$ (2,300,667)	-\$2,292,055	-\$8,612
160	<b>Total capital assets, net of accumulated depreciation</b>	<b>\$ 2,186,350</b>	<b>\$ 1,967,023</b>	<b>\$ 219,327</b>
180	<b>Total Non-current Assets</b>	<b>\$ 2,186,350</b>	<b>\$ 1,967,023</b>	<b>\$ 219,327</b>
190	<b>Total Assets</b>	<b>\$ 2,405,956</b>	<b>\$ 2,177,629</b>	<b>\$ 228,327</b>
312	Accounts payable <= 90 days	\$ 24,051	\$24,051	
321	Accrued wage/payroll taxes payable	\$ 2,053	\$2,053	
322	Accrued compensated absences - current portion	\$ 4,134	\$4,134	
333	Accounts payable - other government	\$ 2,650	\$2,650	
341	Tenant security deposits	\$ 23,550	\$23,550	
347	Inter program - due to	\$ 9,000		\$9,000
310	<b>Total Current Liabilities</b>	<b>\$ 65,438</b>	<b>\$ 56,438</b>	<b>\$ 9,000</b>
354	Accrued compensated absences- Non-current	\$ 2,391	\$2,391	
350	<b>Total Non-Current Liabilities</b>	<b>\$ 2,391</b>	<b>\$ 2,391</b>	<b>\$ -</b>
300	<b>Total Liabilities</b>	<b>\$ 67,829</b>	<b>\$ 58,829</b>	<b>\$ 9,000</b>
508.1	Invested in capital assets, net of related debt	\$ 2,186,350	\$1,967,023	\$219,327
512.1	Unrestricted Net Assets	\$ 151,777	\$151,777	
513	<b>Total Equity/Net Assets</b>	<b>\$ 2,338,127</b>	<b>\$ 2,118,800</b>	<b>\$ 219,327</b>
600	<b>Total Liabilities and Equity/Net assets</b>	<b>\$ 2,405,956</b>	<b>\$ 2,177,629</b>	<b>\$ 228,327</b>

See independent auditors' report

**Morgan 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	OH066000001	Operating Fund Program	Capital Fund Program
70300	Net tenant rental revenue	\$ 84,385	\$ 84,385	\$84,385	
70500	<b>Total Tenant Revenue</b>	<b>\$ 84,385</b>	<b>\$ 84,385</b>	<b>\$ 84,385</b>	<b>\$ -</b>
70600	<b>HUD PHA operating grants</b>	<b>\$ 261,465</b>	<b>\$ 261,465</b>	<b>\$261,465</b>	
70610	Capital grants	\$ 166,513	\$ 166,513		\$166,513
71100	<b>Investment income - unrestricted</b>	<b>\$ 3,271</b>	<b>\$ 3,271</b>	<b>\$3,271</b>	
71500	Other revenue	\$ 12,703	\$ 12,703	\$12,703	
70000	<b>Total Revenue</b>	<b>\$ 528,337</b>	<b>\$ 528,337</b>	<b>\$ 361,824</b>	<b>\$ 166,513</b>
91100	Administrative salaries	\$ 22,972	\$ 22,972	\$22,972	
91200	Auditing fees	\$ 1,418	\$ 1,418	\$1,418	
91500	Employee benefit contributions - administrative	\$ 12,634	\$ 12,634	\$12,634	
91600	Office Expenses	\$ 17,771	\$ 17,771	\$17,771	
91000	<b>Total Operating-Administrative</b>	<b>\$ 54,795</b>	<b>\$ 54,795</b>	<b>\$ 54,795</b>	<b>\$ -</b>
92400	Tenant services - other	\$ 1,136	\$ 1,136	\$1,136	
92500	<b>Total Tenant Services</b>	<b>\$ 1,136</b>	<b>\$ 1,136</b>	<b>\$ 1,136</b>	<b>\$ -</b>
93100	Water	\$ 48,434	\$ 48,434	\$48,434	
93200	Electricity	\$ 6,249	\$ 6,249	\$6,249	
93300	Gas	\$ 3,203	\$ 3,203	\$3,203	
93000	<b>Total Utilities</b>	<b>\$ 57,886</b>	<b>\$ 57,886</b>	<b>\$ 57,886</b>	<b>\$ -</b>
94100	Ordinary maintenance and operations - labor	\$ 34,400	\$ 34,400	\$34,400	
94200	Ordinary maintenance and operations - materials and other	\$ 1,266	\$ 1,266	\$1,266	
94300-120	Ordinary Maintenance and Operations Contracts - Misc Contracts	\$ 98,264	\$ 98,264	\$98,264	
94300	<b>Ordinary Maintenance and Operations Contracts</b>	<b>\$ 98,264</b>	<b>\$ 98,264</b>	<b>\$ 98,264</b>	<b>\$ -</b>
94500	Employee benefit contribution - ordinary maintenance	\$ 18,790	\$ 18,790	\$18,790	
94000	<b>Total Maintenance</b>	<b>\$ 152,720</b>	<b>\$ 152,720</b>	<b>\$ 152,720</b>	<b>\$ -</b>
96140	All other Insurance	\$ 18,440	\$ 18,440	\$18,440	
96100	<b>Total Insurance Premiums</b>	<b>\$ 18,440</b>	<b>\$ 18,440</b>	<b>\$ 18,440</b>	<b>\$ -</b>
96210	Compensated absences	\$ 9,000	\$ 9,000	\$9,000	
96300	Payments in lieu of taxes	\$ 2,650	\$ 2,650	\$2,650	
96400	Bad debt - tenant rents	\$ 1,701	\$ 1,701	\$1,701	
96000	<b>Total Other General Expenses</b>	<b>\$ 13,351</b>	<b>\$ 13,351</b>	<b>\$ 13,351</b>	<b>\$ -</b>
96900	<b>Total Operating Expenses</b>	<b>\$ 298,328</b>	<b>\$ 298,328</b>	<b>\$ 298,328</b>	<b>\$ -</b>
97000	<b>Excess Revenue Over Operating Expenses</b>	<b>\$ 230,009</b>	<b>\$ 230,009</b>	<b>\$ 63,496</b>	<b>\$ 166,513</b>
97400	Depreciation expense	\$ 139,276	\$ 139,276	\$134,015	\$5,261
90000	<b>Total Expenses</b>	<b>\$ 437,604</b>	<b>\$ 437,604</b>	<b>\$ 432,343</b>	<b>\$ 5,261</b>
10000	<b>Excess (Deficiency) of Revenue Over (Under) Expenses</b>	<b>\$ 90,733</b>	<b>\$ 90,733</b>	<b>\$ (70,519)</b>	<b>\$ 161,252</b>
11030	Beginning equity	\$ 2,247,396	\$ 2,247,396	\$2,105,822	\$141,574
11040-070	Equity Transfers	\$ -	\$ -	\$83,498	-\$83,498
11040	<b>Prior period adjustments, equity transfers, and correction of errors</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 83,498</b>	<b>\$ (83,498)</b>
11190	Unit Months Available	720	720	720	
11210	Unit Months Leased	701	701	701	
11270	<b>Excess Cash</b>	<b>\$ 131,991</b>	<b>\$ 131,991</b>	<b>\$ 131,991</b>	
11620	Building Purchases	\$ 166,513	\$ 166,513		\$166,513

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**Morgan 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	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers
<b>Balance Sheet</b>				
111	Cash-unrestricted	\$ 36,346	\$3,227	\$33,119
100	<b>Total Cash</b>	<b>\$ 36,346</b>	<b>\$ 3,227</b>	<b>\$ 33,119</b>
122	Accounts receivable - HUD other projects	\$ 3,465	\$3,465	
128	Fraud recovery	\$ 400		\$400
120	<b>Total receivables, net of allowance for doubtful accounts</b>	<b>\$ 3,865</b>	<b>\$ 3,465</b>	<b>\$ 400</b>
142	Prepaid expenses and other assets	\$ 347		\$347
150	<b>Total Current Assets</b>	<b>\$ 40,558</b>	<b>\$ 6,692</b>	<b>\$ 33,866</b>
162	Buildings	\$ 67,311		\$67,311
164	Furniture, equipment and machinery - administration	\$ 42,761		\$42,761
166	Accumulated depreciation	\$ (29,118)		-\$29,118
160	<b>Total capital assets, net of accumulated depreciation</b>	<b>\$ 80,954</b>	<b>\$ -</b>	<b>\$ 80,954</b>
180	<b>Total Non-current Assets</b>	<b>\$ 80,954</b>	<b>\$ -</b>	<b>\$ 80,954</b>
190	<b>Total Assets</b>	<b>\$ 121,512</b>	<b>\$ 6,692</b>	<b>\$ 114,820</b>
312	Accounts payable <= 90 days	\$ 2,329	\$705	\$1,624
321	Accrued wage/payroll taxes payable	\$ 2,542	\$827	\$1,715
322	Accrued compensated absences - current portion	\$ 4,198		\$4,198
347	Inter program - due to	\$ 3,292	\$1,933	\$1,359
310	<b>Total Current Liabilities</b>	<b>\$ 12,361</b>	<b>\$ 3,465</b>	<b>\$ 8,896</b>
353	Non-current liabilities - other	\$ 18,572	\$3,227	\$15,345
354	Accrued compensated absences- Non-current	\$ 3,108		\$3,108
350	<b>Total Non-current liabilities</b>	<b>\$ 21,680</b>	<b>\$ 3,227</b>	<b>\$ 18,453</b>
300	<b>Total Liabilities</b>	<b>\$ 34,041</b>	<b>\$ 6,692</b>	<b>\$ 27,349</b>
508.1	Invested in capital assets, net of related debt	\$ 80,954		\$80,954
512.1	Unrestricted Net Assets	\$ 6,517		\$6,517
513	<b>Total Equity/Net Assets</b>	<b>\$ 87,471</b>	<b>\$ -</b>	<b>\$ 87,471</b>
600	<b>Total Liabilities and Equity/Net assets</b>	<b>\$ 121,512</b>	<b>\$ 6,692</b>	<b>\$ 114,820</b>

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**Morgan 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	14.870	14.871
			Resident Opportunity and Supportive Services	Housing Choice Vouchers
70600-010	Housing assistance payments	\$ 475,538		\$475,538
70600-020	Ongoing administrative fees earned	\$ 94,699		\$94,699
70600-031	FSS Coordinator	\$ 45,381		\$45,381
70600	<b>HUD PHA operating grants</b>	<b>\$ 661,057</b>	<b>\$45,439</b>	<b>\$ 615,618</b>
71100-020	Administrative Fee	\$ 549		\$549
71100	<b>Investment income - unrestricted</b>	<b>\$ 549</b>		<b>\$ 549</b>
71400-010	Housing Assistance Payment	\$ 3,141		\$3,141
71400-020	Administrative Fee	\$ 3,141		\$3,141
71400	<b>Fraud recovery</b>	<b>\$ 6,282</b>		<b>\$ 6,282</b>
71500	Other revenue	\$ 1,681		\$1,681
72000-010	Housing Assistance Payment	\$ 65		\$65
72000	<b>Investment income - restricted</b>	<b>\$ 65</b>		<b>\$ 65</b>
70000	<b>Total Revenue</b>	<b>\$ 669,634</b>	<b>\$ 45,439</b>	<b>\$ 624,195</b>
91100	Administrative salaries	\$ 80,857	\$31,113	\$49,744
91200	Auditing fees	\$ 3,307		\$3,307
91500	Employee benefit contributions - administrative	\$ 34,063	\$14,235	\$19,828
91600	Office Expenses	\$ 22,796	\$91	\$22,705
91000	<b>Total Operating-Administrative</b>	<b>\$ 141,023</b>	<b>\$ 45,439</b>	<b>\$ 95,584</b>
93100	Water	\$ 339		\$339
93200	Electricity	\$ 1,382		\$1,382
93300	Gas	\$ 1,345		\$1,345
93000	<b>Total Utilities</b>	<b>\$ 3,066</b>	<b>\$ -</b>	<b>\$ 3,066</b>
94300-120	Ordinary Maintenance and Operations Contracts - Misc Contracts	\$ 7,168		\$7,168
94300	<b>Ordinary Maintenance and Operations Contracts</b>	<b>\$ 7,168</b>	<b>\$ -</b>	<b>\$ 7,168</b>
94000	<b>Total Maintenance</b>	<b>\$ 7,168</b>	<b>\$ -</b>	<b>\$ 7,168</b>
96140	All Other Insurance	\$ 447		\$447
96100	<b>Total Insurance Premiums</b>	<b>\$ 447</b>	<b>\$ -</b>	<b>\$ 447</b>
96210	Compensated absences	\$ 8,300		\$8,300
96400	Bad debt - tenant rents	\$ 3,774		\$3,774
96000	<b>Total Other General Expenses</b>	<b>\$ 12,074</b>	<b>\$ -</b>	<b>\$ 12,074</b>
96900	<b>Total Operating Expenses</b>	<b>\$ 163,778</b>	<b>\$ 45,439</b>	<b>\$ 118,339</b>
97000	<b>Excess Revenue Over Operating Expenses</b>	<b>\$ 505,856</b>	<b>\$ -</b>	<b>\$ 505,856</b>
97300-050	All Other	\$ 487,754		\$487,754
97300	<b>Housing assistance payments</b>	<b>\$ 487,754</b>		<b>\$ 487,754</b>
97400	Depreciation expense	\$ 3,082		\$3,082
90000	<b>Total Expenses</b>	<b>\$ 654,614</b>	<b>\$ 45,439</b>	<b>\$ 609,175</b>
10000	<b>Excess (Deficiency) of Revenue Over (Under) Expenses</b>	<b>\$ 15,020</b>	<b>\$ -</b>	<b>\$ 15,020</b>

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**Morgan 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	14.870	14.871
			Resident Opportunity and Supportive Services	Housing Choice Vouchers
11030	Beginning equity	\$ 72,450		\$72,450
11170-001	Administrative Fee Equity- Beginning Balance	\$ 64,826		\$64,826
11170-010	Administrative Fee Revenue	\$ 94,699		\$ 94,699
11170-021	FSS Coordinator Grant	\$ 45,381		\$ 45,381
11170-040	Investment Income	\$ 549		\$ 549
11170-045	Fraud Recovery Revenue	\$ 3,141		\$ 3,141
11170-050	Other Revenue	\$ 1,262		\$1,262
11170-060	Total Admin Fee Revenues	\$ 145,032		\$ 145,032
11170-080	Total Operating Expenses	\$ 118,339		\$ 118,339
11170-090	Depreciation	\$ 3,082		\$ 3,082
11170-100	Other Expenses	\$ 966		\$966
11170-110	Total Expenses	\$ 122,387		\$ 122,387
11170-002	Net Administrative Fee	\$ 22,645		\$ 22,645
11170-003	Administrative Fee Equity- Ending Balance	\$ 87,471		\$ 87,471
11170	<b>Administrative Fee Equity</b>	<b>\$ 87,471</b>		<b>\$ 87,471</b>
11180-001	Housing Assistance Payments Equity - Begining Balance	\$ 7,624		\$7,624
11180-010	Housing Assistance Payment Revenues	\$ 475,538		\$ 475,538
11180-015	Fraud Recovery Revenue	\$ 3,141		\$ 3,141
11180-020	Other Revenue	\$ 1,386		\$1,386
11180-025	Investment Income	\$ 65		\$ 65
11180-030	Total HAP Revenues	\$ 480,130		\$ 480,130
11180-080	Housing Assistance Payments	\$ 487,754		\$ 487,754
11180-100	Total Housing Assistance Payments Expenses	\$ 487,754		\$ 487,754
11180-002	Net Housing Assistance Payments	\$ (7,624)		\$ (7,624)
11190-210	Total ACC HCV Units	1680		1,680
11190	<b>Unit Months Available</b>	<b>1680</b>		<b>1680</b>
11210	<b>Unit Months Leased</b>	<b>1523</b>		<b>1523</b>

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**Morgan Metropolitan Housing Authority  
Schedule of Federal Awards Expenditures  
Year Ended June 30, 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	\$ 261,465
Public Housing Capital Fund	14.872	117,138
Resident Opportunities and Self-Sufficiency	14.870	44,734
Public Housing Capital Fund Stimulus Recovery Act	14.885	49,375
<b>Housing Assistance Payments:</b>		
<b>Annual Contribution -</b>		
Section 8 Housing Choice Vouchers	14.871	615,618
<b>Total - All Programs</b>		<b>\$ 1,088,330</b>

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125 West Mulberry Street  
Lancaster, Ohio 43130

[www.JCCcpa.com](http://www.JCCcpa.com)

740.653.9581 tel

614.837.2921 tel

740.653.0983 fax

**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  
Morgan Metropolitan Housing Authority  
McConnelsville, Ohio**

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

We have audited the basic financial statements of Morgan Metropolitan Housing Authority as of and for the year ended June 30, 2009, and have issued our report thereon dated November 30, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the 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 Morgan 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 Morgan 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 Morgan 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 Morgan Metropolitan Housing Authority in a separate letter dated November 30, 2009.

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 cursive script that reads "Jones, Cochenour & Co.".

Jones, Cochenour & Co.  
November 30, 2009



125 West Mulberry Street  
Lancaster, Ohio 43130

[www.JCCcpa.com](http://www.JCCcpa.com)

740.653.9581 tel

614.837.2921 tel

740.653.0983 fax

**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  
Morgan Metropolitan Housing Authority  
McConnelsville, Ohio

Regional Inspector General of Audit  
Department of Housing and Urban  
Development

**Compliance**

We have audited the compliance of Morgan 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 June 30, 2009. Morgan 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 Morgan Metropolitan Housing Authority's management. Our responsibility is to express an opinion on Morgan 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; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Morgan 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 Morgan Metropolitan Housing Authority's compliance with those requirements.

In our opinion, Morgan 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 Morgan 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 Morgan Metropolitan Housing Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of internal control over compliance.

*much more than an accounting firm*

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

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

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

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

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

Jones, Cochenour & Co.  
November 30, 2009

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

**Morgan Metropolitan Housing Authority  
Year Ended June 30, 2009**

<b>1. SUMMARY OF AUDITORS' RESULTS</b>
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<b>Type of Financial Statement Opinion</b>	<b>Unqualified</b>
<b>Were there any significant deficiencies reported as material weaknesses at the financial statement level (GAGAS)?</b>	<b>No</b>
<b>Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	<b>No</b>
<b>Were there any reported material non-compliances at the financial statement level (GAGAS)?</b>	<b>No</b>
<b>Were there any significant deficiencies reported for any major federal programs as material weakness?</b>	<b>No</b>
<b>Were there any other significant deficiencies reported for the major federal programs?</b>	<b>No</b>
<b>Type of Major Programs' Compliance Opinion</b>	<b>Unqualified</b>
<b>Are there any reportable findings under § .510?</b>	<b>No</b>
<b>Major Programs (list):</b>	<b>Public and Indian Housing CFDA#14.850A Public Housing Capital Fund CFDA#14.872 Public Housing Capital Fund Stimulus Recovery Act CFDA#14.885</b>
<b>Dollar Threshold: Type A/B Programs</b>	<b>\$300,000</b>
<b>Low Risk Auditee?</b>	<b>Yes</b>

**Morgan Metropolitan Housing Authority**

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

**Morgan Metropolitan Housing Authority  
Year Ended June 30, 2009**

**2. FINDINGS RELATED TO FINANCIAL STATEMENTS**

**There are no findings 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.**

**Morgan Metropolitan Housing Authority  
Status of Prior Year Findings  
Year Ended June 30, 2009**

<b>STATUS OF PRIOR YEAR FINDINGS</b>
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**Finding 2008-2424-001 –Completed**





**Mary Taylor, CPA**  
Auditor of State

**METROPOLITAN HOUSING AUTHORITY**

**MORGAN 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 16, 2010**