

**IRONTON METROPOLITAN HOUSING AUTHORITY
LAWRENCE COUNTY
Single Audit
For the Year Ended September 30, 2009**

Perry & Associates
Certified Public Accountants, A.C.



Mary Taylor, CPA

Auditor of State

Board of Commissioners
Ironton Metropolitan Housing Authority
720 Washington Street
Ironton, Ohio 45638

We have reviewed the *Independent Accountants' Report* of the Ironton Metropolitan Housing Authority, Lawrence County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period October 1, 2008 through September 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 Ironton Metropolitan Housing Authority is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

March 12, 2010

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**IRONTON METROPOLITAN HOUSING AUTHORITY
LAWRENCE COUNTY
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

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Perry & Associates
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Independent Accountants' Report

February 26, 2010

Board of Commissioners
Ironton Metropolitan Housing Authority
720 Washington Street
Ironton, OH 45638

To the Board of Commissioners:

We have audited the accompanying financial statements of the business-type activities of the **Ironton Metropolitan Housing Authority, Lawrence County, Ohio** (the "Authority"), as of and for the year ended September 30, 2009, which collectively comprise the Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Authority as of September 30, 2009, and the respective changes in financial position and the cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated February 26, 2010, on our consideration of the Authority's internal control over financial reporting and 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 conjunction with this report in considering 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 States of America. We have applied certain limited procedures, which consisted principally of inquiry 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.

Board of Commissioners
Ironton Metropolitan Housing Authority
Independent Accountants' Report
Page 2

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying schedule of federal awards expenditures is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Auditors of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The supplemental financial data presented on pages 20 through 22 and pages 30 and 31 is presented for additional analysis as required by the U.S. Department of Housing and Urban Development and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Respectfully submitted,



Perry & Associates
Certified Public Accountants, A.C.

IRONTON METROPOLITAN HOUSING AUTHORITY
LAWRENCE COUNTY
FOR THE YEAR ENDED SEPTEMBER 30, 2009

MANAGEMENT'S DISCUSSION AND ANALYSIS
Unaudited

It is a privilege to present for you the financial picture of Ironton Metropolitan Housing Authority. The Ironton Metropolitan Housing Authority's ("the Authority") management's 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), and (d) identify the single enterprise fund issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Authority's financial statements, which will begin on page 9.

FINANCIAL HIGHLIGHTS

- Total revenues decreased by \$466,658 (or 27.1%) during 2009, and were \$2,190,360 and \$1,723,702 for 2009 and 2008, respectively.
- Total expenses decreased by \$93,190 (or 5.09 %). Total expenses were \$1,923,518 and \$1,830,328 for 2009 and 2008, respectively.

USING THIS ANNUAL REPORT

The following is a summary of the presentation of the Authority's financial statements:

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

The focus is on the Authority as a single enterprise fund. This format allows the user to address relevant questions, broadens a basis for comparison (year to year or Authority to Authority) and enhances the Authority's accountability.

IRONTON METROPOLITAN HOUSING AUTHORITY
LAWRENCE COUNTY
FOR THE YEAR ENDED SEPTEMBER 30, 2009

MANAGEMENT'S DISCUSSION AND ANALYSIS
Unaudited

BASIC FINANCIAL STATEMENTS

The basic financial statements, beginning on page 9, 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." 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 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 Net Capital Assets (net of accumulated depreciation), 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."

The basic financial statements also include a Statement of Revenues, Expenses and Changes in Net Assets (similar to an Income Statement). This Statement includes Operating Revenues, such as rental income, Operating Expenses, such as administrative, utilities, 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 Net Assets is the "Change in Net Assets."

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:

Public Housing Program – The public housing program is designed to provide low-cost housing within Lawrence County. Under this program, HUD provides funding via an annual contributions contract. These funds, combined with the rental income received from tenants, are available solely to meet the operating expenses of the program.

Modernization Programs (CFP) – Substantially all additions to land, structures, and equipment are accomplished through modernization programs (included in the financial statements under the public housing program). Modernization funds replace or materially upgrade deteriorated portions of existing Authority property.

Housing Assistance Payments Program-Section 8 – The Authority administers a program of rental assistance payments to private owners on behalf of eligible low-income families under Section 8 of the Housing and Urban Development Act of 1974. The program provides payments covering the difference between the maximum rental on a dwelling unit, as approved by HUD, and the amount of rent contribution by a participating family.

IRONTON METROPOLITAN HOUSING AUTHORITY
LAWRENCE COUNTY
FOR THE YEAR ENDED SEPTEMBER 30, 2009

MANAGEMENT'S DISCUSSION AND ANALYSIS
Unaudited

BASIC FINANCIAL STATEMENTS

STATEMENT OF NET ASSETS

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

TABLE 1
STATEMENT OF NET ASSETS

	<u>2009</u>	<u>2008</u>	<u>Variance</u>
Current and Other Assets	\$ 2,081,251	\$ 1,842,002	\$ 239,249
Capital Assets	5,011,295	4,966,613	44,682
TOTAL ASSETS	7,092,546	6,808,615	283,931
Current and Other Liabilities	121,012	118,024	2,988
Long-term liabilities	114,970	100,869	14,101
TOTAL LIABILITIES	235,982	218,893	17,089
Net Assets:			
Invested in Capital Assets	5,011,295	4,966,613	44,682
Unrestricted	1,845,269	1,623,109	222,160
TOTAL NET ASSETS	\$ 6,856,564	\$ 6,589,722	\$ 266,842

MAJOR FACTORS AFFECTING THE STATEMENT OF NET ASSETS

Capital assets increased due to additions exceeding depreciation expense as shown in Table 4. Cash increased by \$261,944 primarily due to increased operating grants during 2009. Long term liabilities increased by \$14,101 due to additional compensated absences for the Authority in 2009.

IRONTON METROPOLITAN HOUSING AUTHORITY
LAWRENCE COUNTY
FOR THE YEAR ENDED SEPTEMBER 30, 2009

MANAGEMENT'S DISCUSSION AND ANALYSIS
Unaudited

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

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

	<u>2009</u>	<u>2008</u>	<u>Variance</u>
Revenues			
Tenant Revenue - Rents and Other	\$ 695,809	\$ 674,522	\$ 21,287
Operating Subsidies and Grants	894,325	671,844	222,481
Capital Grants	504,425	253,189	251,236
Investment Income/Other Revenues	95,801	124,147	(28,346)
TOTAL REVENUE	2,190,360	1,723,702	466,658
Expenses			
Administrative	270,962	289,397	(18,435)
Tenant Services	2,314	3,523	(1,209)
Utilities	306,701	298,409	8,292
Ordinary Maintenance and Operations	567,645	510,197	57,448
General	86,714	59,572	27,142
Housing Assistance Payment	259,072	252,395	6,677
Depreciation	430,110	416,835	13,275
TOTAL EXPENSES	1,923,518	1,830,328	93,190
NET INCREASE (DECREASE)	\$ 266,842	\$ (106,626)	\$ 373,468
Net Assets, Beginning of Year	6,589,722	6,696,348	(106,626)
Net Assets, End of Year	\$ 6,856,564	\$ 6,589,722	\$ 266,842

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

Tenant rental and other revenues increased by \$21,287 due to additional occupancy, while government operating grants increased by \$222,481 from fiscal year 2008 to 2009, due to increased government subsidy of rents and additional occupancy. Capital grants increased by \$251,236 from fiscal year 2008 to 2009 due to more ongoing construction during fiscal year 2009. Utilities expenses increased by \$8,292 from fiscal year 2008 to 2009, due to increased usage. Ordinary maintenance and operation expenses increased by \$57,448, from fiscal year 2008 to 2009, due to more ongoing maintenance required during 2009. General expense increased by \$27,142 due to more expenses required in this area during 2009. Other than these changes the Authority operated consistently between the years.

IRONTON METROPOLITAN HOUSING AUTHORITY
LAWRENCE COUNTY
FOR THE YEAR ENDED SEPTEMBER 30, 2009

MANAGEMENT'S DISCUSSION AND ANALYSIS
Unaudited

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS

As of year end, the Authority had \$5,011,295 invested in a variety of capital assets (net of accumulated depreciation) as reflected in the following schedule, which represents a net increase (addition, deductions and depreciation) of \$44,682 from the end of last year.

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

	<u>2009</u>	<u>2008</u>
Land and Land Rights	\$ 500,242	\$ 500,242
Buildings and Improvements	11,299,617	10,845,441
Equipment - Administrative	237,927	208,942
Equipment - Dwellings	208,942	245,242
Accumulated Depreciation	(7,714,388)	(7,284,278)
Construction in Progress	478,955	451,024
TOTAL	\$ 5,011,295	\$ 4,966,613

The following reconciliation summarizes the change in Capital Assets.

TABLE 4
CHANGE IN CAPITAL ASSETS

BEGINNING BALANCE	\$ 4,966,613
Additions (Net)	474,792
Depreciation	(430,110)
ENDING BALANCE	\$ 5,011,295

This year's major additions are:

Capital improvements (CFP) completed on the Authority's Public Housing complexes	\$ 484,043
TOTAL ADDITIONS	\$ 484,043

See Note 5 to the basic financial statements for more information regarding the Authority's capital assets.

IRONTON METROPOLITAN HOUSING AUTHORITY
LAWRENCE COUNTY
FOR THE YEAR ENDED SEPTEMBER 30, 2009

MANAGEMENT'S DISCUSSION AND ANALYSIS
Unaudited

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

- Federal funding levels of the Department of Housing and Urban Development
- Local labor supply and demand, which can affect salary and wage rates
- Local inflationary, recessionary and employment trends, which can affect resident incomes and therefore the amount of rental income
- Inflationary pressure on utility rates, supplies and other costs
- Market rates for rental housing

IN CONCLUSION

Ironton 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 Jim Johnson, Executive Director of the Ironton Metropolitan Housing Authority at 740-532-8658.

IRONTON METROPOLITAN HOUSING AUTHORITY
LAWRENCE COUNTY
STATEMENT OF NET ASSETS
PROPRIETARY FUND TYPE- ENTERPRISE FUND
AS OF SEPTEMBER 30, 2009

	<u>ENTERPRISE</u>
<i>Assets</i>	
Current Assets:	
Cash - Unrestricted	\$ 2,027,431
Accounts Receivable:	
Tenants - Dwelling Rents, net of allowance for doubtful accounts	21,656
Accrued Interest Receivable	2,534
Prepaid Expenses and Other Assets	<u>29,630</u>
Total Current Assets:	<u>2,081,251</u>
Noncurrent Assets:	
Capital Assets:	
Nondepreciable Capital Assets	979,197
Depreciable Capital Assets, Net of Accumulated Depreciation	<u>4,032,098</u>
Total Noncurrent Assets:	<u>5,011,295</u>
<i>Total Assets</i>	<u>\$ 7,092,546</u>
<i>Liabilities</i>	
Current Liabilities:	
Accrued Wages/Payroll Taxes Payable	\$ 9,765
Compensated Absences	20,846
Tenant Security Deposits	52,975
Intergovernmental Payable	<u>37,426</u>
Total Current Liabilities:	<u>121,012</u>
Long Term Liabilities:	
Compensated Absences	<u>114,970</u>
Total Long Term Liabilities:	<u>114,970</u>
<i>Total Liabilities</i>	<u>235,982</u>
Net Assets:	
Invested In Capital Assets	5,011,295
Unrestricted	<u>1,845,269</u>
<i>Total Net Assets</i>	<u>6,856,564</u>
<i>Total Liabilities and Net Assets</i>	<u>\$ 7,092,546</u>

See accompanying notes to the basic financial statements.

IRONTON METROPOLITAN HOUSING AUTHORITY
LAWRENCE COUNTY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
PROPRIETARY FUND TYPE- ENTERPRISE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	<u>ENTERPRISE</u>
<i>Operating Revenues</i>	
Tenant Rental Revenues	\$ 676,629
Tenant Revenue - Other	19,180
Government Operating Grants	894,325
Other	<u>75,530</u>
Total Operating Revenue	1,665,664
<i>Operating Expenses</i>	
Administrative	270,962
Tenant Services	2,314
Utilities	306,701
Ordinary Maintenance & Operation	567,645
General Expenses	86,714
Housing Assistance Payments	259,072
Depreciation Expense	<u>430,110</u>
Total Operating Expenses	1,923,518
Operating Loss	(257,854)
<i>Non-Operating Revenue</i>	
Capital Grants	504,425
Investment Income - Unrestricted	<u>20,271</u>
Total Non-Operating Revenues	<u>524,696</u>
Change in Net Assets	266,842
Net Assets, Beginning of Year	<u>6,589,722</u>
Net Assets, End of Year	<u>\$ 6,856,564</u>

See accompanying notes to the basic financial statements.

IRONTON METROPOLITAN HOUSING AUTHORITY
LAWRENCE COUNTY
STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE - ENTERPRISE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	<u>ENTERPRISE</u>
Cash flows from operating activities:	
Receipts from tenants	\$ 688,193
Receipts from operating grants	897,633
Other operating receipts	72,222
Housing assistance payments	(259,072)
Payments for general and administrative expense	(1,182,315)
Net cash provided by operating activities	<u>216,661</u>
Cash flows from capital and related financing activities:	
Construction and acquisitions of capital assets	(504,425)
Capital grants	<u>504,425</u>
Net cash flow used by capital and related financing activities	-
Cash flows from noncapitalized and related financing activities:	
Noncapitalized Equity Transfer	<u>20,382</u>
Net cash flow from noncapitalized and related financing activities	<u>20,382</u>
Cash flows from investing activities:	
Interest received on investments	<u>24,901</u>
Net cash provided by investing activities	<u>24,901</u>
Net increase in cash and cash equivalents	261,944
Cash at beginning of year	<u>1,765,487</u>
Cash at end of year	<u>\$ 2,027,431</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Net Operating Loss	\$ (257,854)
Adjustments to reconcile net (loss) to net cash provided by operating activities	
(Increase)Decrease In:	
Accounts Receivable	8,659
Prepaid Expenses and Other Assets	9,406
Interprogram Due From	9,292
Increase(Decrease) In:	
Accounts Payable	(1,207)
Accrued Wages/Payroll Taxes Payable	(760)
Compensated Absences	13,352
Tenant Security Deposits	3,443
Intergovernmental Payable	2,261
Interprogram Due To	(9,292)
Loss on Disposal of Assets	9,251
Depreciation Expense	<u>430,110</u>
Net Cash Provided By Operating Activities	<u>\$ 216,661</u>

See accompanying notes to the basic financial statements.

**IRONTON METROPOLITAN HOUSING AUTHORITY
LAWRENCE COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

1. DESCRIPTION OF THE HOUSING AUTHORITY AND REPORTING ENTITY

The Ironton Metropolitan Housing Authority (the Authority) is a political subdivision of the State of Ohio, created under Section 3735.27 of the Ohio Revised Code.

The Ironton Metropolitan Housing Authority was established for the purpose of engaging the development, acquisition, and administrative activities of the low-income housing program and other programs with similar objectives. The United States Department of Housing and Urban Development (HUD) has direct responsibility for administering the low-income housing program under the United States Housing Act of 1937, as amended. HUD is authorized to enter into contracts with local housing authorities to make grants to assist the local housing authorities in financing the acquisition, construction, and/or leasing of housing units and to make annual contributions (subsidies) to the local housing authorities for the purpose of maintaining the low-rent character of the local housing program.

DESCRIPTION OF PROGRAMS:

A. PUBLIC HOUSING PROGRAM

The public housing program is designed to provide low-cost housing within Lawrence County. Under this program, HUD provides funding via an annual contributions contract. These funds, combined with the rental income received from tenants, are available solely to meet the operating expenses of the program.

B. CAPITAL FUND PROGRAM (CFP)

The Capital Fund Program also is the primary funding source for physical and management improvements to the Authority's properties. CFP funding is based on a formula allocation that takes into consideration the size and age of the Authority's housing stock.

C. HOUSING ASSISTANCE PAYMENTS PROGRAM - SECTION 8

The Authority administers a program of rental assistance payments to private owners on behalf of eligible low-income families under Section 8 of the Housing and Urban Development Act of 1974. The program provides payments covering the difference between the maximum rental on a dwelling unit, as approved by HUD, and the amount of rent contribution by a participating family.

REPORTING ENTITY

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements of the Authority are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the Authority. For the Authority, this includes general operations, public housing, Section 8, and modernization programs. Component units are legally separate organizations for which the Authority is financially accountable.

The Authority is financially accountable for an organization if the Authority appoints a voting majority of the organization's governing board and (1) the Authority is able to significantly influence the programs or services performed or provided by the organization or (2) the Authority is legally entitled to or can otherwise access the organization's resources; (3) the Authority is legally obligated or has assumed responsibility to finance the deficits of, or provide fiscal support to, the organization; (4) the Authority is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Authority in that the Authority approves the budget, the levying of taxes or issuance of debt. The Authority did not have any component units or other related organizations in 2009.

IRONTON METROPOLITAN HOUSING AUTHORITY
LAWRENCE COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009
(Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Ironton Metropolitan Housing Authority have been prepared in conformity with accounting principles generally accepted in the United States of America as applies to governmental units. The Governmental Accounting Standards Board is the accepted standard - setting body for establishing governmental accounting and financial reporting principles. The more significant of the Authority's accounting policies are described below.

A. BASIS OF PRESENTATION - FUND ACCOUNTING

The Authority uses funds to report on its financial position and the results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain functions or activities.

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, Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins issued on or after November 30, 1989 that do not conflict with or contradict GASB pronouncements.

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special restrictions or limitations. For financial statement presentation purposes, the various programs of the Authority are grouped into the following fund type:

PROPRIETARY FUND TYPE: Proprietary funds are used to account for the Authority's ongoing activities which are similar to those found in a private sector. The following is the Authority's proprietary fund:

Enterprise Fund - The enterprise fund is used to account for operations 1) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs of providing goods or services of the general public on a continuing basis be financed or recovered primarily through user charges; or 2) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

B. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Proprietary fund type income statements represent increases (e.g. revenues and other financing sources) and decreases (e.g. expenditures and other financing uses) in net total assets.

C. BASIS OF ACCOUNTING

Proprietary fund types use accrual basis of accounting for reporting purposes. Revenues are recognized when they are earned and measurable and expenses are recorded at the time liabilities are incurred, if measurable.

**IRONTON METROPOLITAN HOUSING AUTHORITY
LAWRENCE COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009**
(Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. BUDGETARY DATA

The Authority is not required to follow the budgetary requirements of the Ohio Revised Code. However, the Authority does maintain a budget for management purposes.

E. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of funds deposited in checking accounts. Cash equivalents are stated at cost, which approximates market value.

The Authority has investments in the form of certificates of deposits. Except for nonparticipating investment contracts, investments are reported at fair value which is based upon quoted market prices. Nonparticipating investment contracts such as certificates of deposit are reported at cost.

For purposes of the Statement of Cash Flows and for presentation on the Statement of Net Assets, investments of the Authority with an original maturity of six months or less at the time they are purchased by the Authority are considered to be cash equivalents. Investments with an initial maturity of more than six months are reported as investments.

F. CAPITAL ASSETS

The capital asset values initially were determined by assigning original acquisition costs when such information was available. In cases where information supporting original costs was not available, estimated historical costs were developed. Donated capital assets are capitalized at estimated fair market value on the date donated.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements which extend the useful life or increase the capacity or operating efficiency of the asset are capitalized at cost.

Enterprise Fund Capital Assets: Capital assets reflected in the enterprise fund are stated at historical cost (or estimated historical cost) and are updated for the cost of additions and retirements during the year. Depreciation has been provided on a straight-line basis over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings	20-40 years
Building Improvements	20 years
Equipment, Furniture and Fixtures	5-10 years
Other Equipment and Machinery	3-10 years

Capital assets acquired from resources externally restricted for capital acquisition (e.g. capital grants) are recorded as revenue in the benefiting proprietary fund. Depreciation on these assets is recorded as an expense.

**IRONTON METROPOLITAN HOUSING AUTHORITY
LAWRENCE COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009**
(Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. PREPAID ITEMS

Payments made to vendors for services that will benefit periods beyond September 30, 2008, are recorded as prepaid items by using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expense is reported in the year in which services are consumed.

H. COMPENSATED ABSENCES

In 1999, the Authority implemented the provisions of GASB Statement No. 16, "Accounting for Compensated Absences". Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method.

The liability includes the employees who are currently eligible to receive termination benefits and by those employees for whom it is probable will become eligible to receive payment in the future. The amount is based on accumulated sick leave and employees' wage rates at year-end.

In proprietary funds, compensated absences are expensed when earned. The entire amount of compensated absences is reported as a fund liability.

H. TAX LIABILITY

The Authority is by law exempt from all federal, state, and local taxes and assessments. The Authority has elected to pay a Payment in Lieu of Taxes (PILOT) based principally on a percentage of tenant dwelling income received from HUD-assisted programs.

I. INTERGOVERNMENTAL REVENUES

Grants, entitlements or shared revenues received for enterprise fund operating purposes are recognized in the accounting period in which they are earned and become measurable. Such resources restricted for the construction of capital assets are recorded as revenue.

J. USE OF 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 certain reported amounts and accompanying notes. Accordingly, actual results could differ from those estimates.

L. 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 balance of any borrowing used for the acquisition, construction or improvement of those assets. Unrestricted net assets represents the portion of net assets not restricted.

IRONTON METROPOLITAN HOUSING AUTHORITY
LAWRENCE COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009
(Continued)

3. CASH AND INVESTMENTS

Deposits

At fiscal year end, the carrying amount of the Authority's deposits was \$2,027,431, and the bank balance was \$2,060,365. Based on criteria described in GASB Statement No. 40, *Deposits and Investments Risk Disclosures*, as of September 30, 2009, \$250,000 of the Authority's bank balance was covered by Federal Depository Insurance and \$1,810,365 was uninsured and collateralized with securities held by the pledging financial institution's trust department in the Authority's name.

Custodial credit risk is the risk that, in the event of bank failure, the Authority's deposits may not be returned. 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 Chapter 135 of the ORC, is held in financial institution pools at 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.

4. RECEIVABLES

Receivables at September 30, 2009 consisted of accounts receivable from tenants for rent and materials, miscellaneous receivables which includes late charges and utilities owed to the Authority by the tenants and HUD Project funding.

5. CAPITAL ASSETS

A summary of changes in the Authority's capital assets for the year ended September 30, 2009, follows:

	Balance - 09/30/08	Additions	Deletions	Balance - 09/30/09
Capital Assets Not Being Depreciated:				
Land and Land Rights	\$ 500,242	\$ -	\$ -	\$ 500,242
Construction in Progress	451,024	484,043	(456,112)	478,955
Total Capital Assets Not Being Depreciated	951,266	484,043	(456,112)	979,197
Capital Assets Being Depreciated:				
Buildings and Improvements	10,845,441	456,112	(1,936)	11,299,617
Equipment-Dwellings	245,242	-	(7,315)	237,927
Equipment-Administrative	208,942	-	-	208,942
Total Capital Assets Being Depreciated	11,299,625	456,112	(9,251)	11,746,486
Accumulated Depreciation:				
Buildings and Improvements	(6,928,369)	(411,136)	-	(7,339,505)
Equipment-Dwellings	(157,666)	(15,378)	-	(173,044)
Equipment-Administrative	(198,243)	(3,596)	-	(201,839)
Total Depreciation	(7,284,278)	(430,110)	-	(7,714,388)
Net Capital Assets Being Depreciated	4,015,347	26,002	(9,251)	4,032,098
Net Capital Assets	<u>\$ 4,966,613</u>	<u>\$ 510,045</u>	<u>\$ (465,363)</u>	<u>\$ 5,011,295</u>

*Certain reclassifications were made to beginning balances. These reclassifications had no effect on net assets.

**IRONTON METROPOLITAN HOUSING AUTHORITY
LAWRENCE COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009**
(Continued)

6. DEFINED BENEFIT PENSION PLAN

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM

All Ironton Metropolitan Housing Authority's full time employees participate in the Public Employees Retirement System of Ohio ("PERS"), a cost-sharing multiple-employer defined benefit pension plan. Ohio Public Employees Retirement System (OPERS) administers three separate pension plans as described below:

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

OPERS provides retirement and disability benefits, survivor and death benefits and annual cost-of-living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. The Public Employees Retirement System issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to OPERS, 277 East Town Street, Columbus, Ohio 43215-4562 or by calling (614) 222-6701 or 1-800-222-7377.

The Ohio Revised Code provides statutory authority for employee and employer contributions. For 2008, member and employer contribution rates were consistent across all three plans. The member contribution rates were 10% for 2009, 10% for 2008, and 9.5% for 2007 for the Authority. The employer contribution rates were 14% for 2009, 14% for 2008, and 13.85% for 2007 of covered payroll for the Authority. The Authority's contributions to OPERS for the years ended September 30, 2009, 2008, and 2007 were \$29,054, \$33,647, and \$36,489, respectively, which were equal to the required contributions for those years.

7. POSTEMPLOYMENT BENEFITS

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan—a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan—a defined contribution plan; and the Combined Plan—a cost sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan. OPERS provides retirement, disability, and survivor benefits as well as postretirement health care coverage to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including postemployment health care coverage.

In order to qualify for post-retirement health care coverage, age and service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement No. 45.

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

**IRONTON METROPOLITAN HOUSING AUTHORITY
LAWRENCE COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009**
(Continued)

7. POSTEMPLOYMENT BENEFITS (Continued)

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

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2009, the District contributed at 14% of covered payroll. In 2008 and 2007, the District contributed at 14% and 13.85% of covered payroll, respectively. The Ohio Revised Code currently limits the employer contribution rate not to exceed 14% of covered payroll. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits.

For January 1, 2008 through September 30, 2008, the employer contributions allocated to the health care plan was 7.0% of covered payroll. For July 1, 2007 through December 31, 2007, the employer contributions allocated to the health care plan was 6.0%. For January 1, 2007 through June 30, 2007 the employer contributions allocated to the health care plan was 5.0% and for 2006, the employer contributions allocated to the health care plan was 4.5%. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contributions that were used to fund post-employment benefits were \$14,527 for 2009, \$16,359 for 2008 and \$13,831 for 2007.

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.

8. OTHER EMPLOYEE BENEFITS

Compensated Absences: Vacation leave is earned at rates which vary depending upon length of service and standard work week. Current policy credits vacation on the employee's anniversary date. Vacation time can be carried over for one year, but must be taken in the year following the year earned. Employees are paid for earned, unused vacation leave at the time of termination.

Sick leave is earned at a rate of 4.60 hours per pay period (2 weeks). Employees who retire are paid for their earned, unused sick leave hours up to a maximum of 30 days, or the full balance may be transferred to another governmental agency. Such payment shall be based on the employee's rate of pay at the time of retirement. At September 30, 2009 the current amount of unpaid compensated absences was \$20,846 and the noncurrent amount was \$114,970.

The changes in the Authority's long-term liabilities during fiscal year 2009 were as follows:

	Balance at 9/30/2008	Increase	Decrease	Balance at 9/30/2009	Amount Due In One Year
Compensated Absences	\$122,464	\$34,947	\$21,595	\$135,816	\$20,846
Total Long-Term Liabilities	<u>\$122,464</u>	<u>\$34,947</u>	<u>\$21,595</u>	<u>\$135,816</u>	<u>\$20,846</u>

9. ECONOMIC DEPENDENCY

The Authority is economically dependent on receiving operating subsidies from the U.S. Department of Housing and Urban Development (HUD).

**IRONTON METROPOLITAN HOUSING AUTHORITY
LAWRENCE COUNTY**
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009
(Continued)

10. RISK MANAGEMENT

The Authority is covered for property damage, general liability, automobile liability, law enforcement liability, public officials' liability, and other crime liabilities through membership in the State Housing Authority Risk Pool Association, Inc. (SHARP). SHARP is an insurance risk pool comprised of thirty-nine (39) Ohio housing authorities, of which Ironton is a member. Deductibles and coverage limits are summarized below:

Type of Coverage	Deductible	Coverage Limits
Property	\$ 1,500	\$250,000,000 (per occurrence)
Boiler and Machinery	1,000	50,000,000
General Liability	0	2,000,000
Automobile	500/0	2,000,000
Public Officials	0	2,000,000
Employee Dishonesty	0	2,000,000

Settled claims have not exceeded this commercial coverage in any of the past three years. There has been no significant change in coverage from last year. Health, Dental, Vision, and Life insurance is offered to Authority employees through a commercial insurance company, McNelly, Patrick & Associates. Additionally, Workers' Compensation insurance is maintained through the State of Ohio Bureau of Workers' Compensation, in which rates are calculated retrospectively.

11. CONTINGENCIES

A. Grants

The Authority received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the Authority. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Authority at September 30, 2009.

B. Litigation

The Authority is party to legal proceedings. The Authority is of the opinion that the ultimate disposition of claims will not have a material adverse effect, if any, on the financial condition of the Authority.

12. SUBSEQUENT EVENT

The Authority was named in litigation filed after September 30, 2009. The Authority is of the opinion that the ultimate disposition of claims will not have a material adverse effect, if any, on the financial condition of the Authority.

Supplemental Information

IRONTON METROPOLITAN HOUSING AUTHORITY
LAWRENCE COUNTY
STATEMENT OF NET ASSETS BY PROGRAM
AS OF SEPTEMBER 30, 2009

	Section 8	Public Housing	Capital Fund	TOTAL ENTERPRISE
<i>Assets</i>				
Current Assets:				
Cash - Unrestricted	\$ 359,492	\$ 1,667,939	\$ -	\$ 2,027,431
Accounts Receivable:				
Tenants - Dwelling Rents, net of allowance for doubtful accounts	- 21,656	- 21,656	- 21,656	21,656
Accrued interest receivable	398 2,136	- 2,136	- 2,136	2,534
Interprogram Due From	- 37,717	- 37,717	- 37,717	37,717
Prepaid Expenses and Other Assets	- 29,630	- 29,630	- 29,630	29,630
Total Current Assets:	359,890	1,759,078	- -	2,118,968
Noncurrent Assets:				
Capital Assets:				
Land	- 500,242	- 500,242	- 500,242	500,242
Building	- 11,299,617	- 11,299,617	- 11,299,617	11,299,617
Furniture, Equipment & Machinery - Dwellings	- 237,927	- 237,927	- 237,927	237,927
Furniture, Equipment & Machinery - Administration	1,560 207,382	- 207,382	- 207,382	208,942
Construction in Progress	- -	- 478,955	- 478,955	478,955
Accumulated Depreciation	(1,560) (7,712,828)	- (7,712,828)	- (7,712,828)	(7,714,388)
Capital Assets, Net of Accumulated Depreciation	- 4,532,340	478,955	- 478,955	5,011,295
Total Noncurrent Assets:	- 4,532,340	478,955	- 478,955	5,011,295
<i>Total Assets</i>	359,890	6,291,418	478,955	7,130,263
<i>Liabilities</i>				
Current Liabilities:				
Accrued Wages/Payroll Taxes Payable	- 9,765	- 9,765	- 9,765	9,765
Compensated Absences	1,459 19,387	- 19,387	- 19,387	20,846
Tenant Security Deposits	- 52,975	- 52,975	- 52,975	52,975
Interprogram Due To	37,717 -	- -	- -	37,717
Intergovernmental Payable	- 37,426	- 37,426	- 37,426	37,426
Total Current Liabilities:	39,176 119,553	- 119,553	- -	158,729
Long Term Liabilities:				
Compensated Absences	7,426 107,544	- 107,544	- 107,544	114,970
Total Long Term Liabilities:	7,426 107,544	- 107,544	- -	114,970
<i>Total Liabilities</i>	46,602 227,097	- -	- -	273,699
Net Assets:				
Invested In Capital Assets	- 4,532,340	478,955	- 478,955	5,011,295
Unrestricted	313,288 1,531,981	- 1,531,981	- -	1,845,269
<i>Total Net Assets</i>	313,288 6,064,321	478,955	- 478,955	6,856,564
<i>Total Liabilities and Net Assets</i>	\$ 359,890 \$ 6,291,418	\$ 478,955	\$ 478,955	\$ 7,130,263

IRONTON METROPOLITAN HOUSING AUTHORITY
LAWRENCE COUNTY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS BY PROGRAM
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Section 8 Voucher	Public Housing	Capital Fund	ENTERPRISE
<i>Operating Revenues</i>				
Tenant Rental Revenue	\$ -	\$ 676,629	\$ -	\$ 676,629
Tenant Revenue - Other	-	19,180	-	19,180
HUD PHA Grants/Operating Grants	305,302	589,023	-	894,325
Other Revenue	10,695	64,835	-	75,530
Total Operating Revenues	315,997	1,349,667	-	1,665,664
<i>Operating Expenses</i>				
Administrative:				
Administrative Salaries	8,885	104,833	-	113,718
Auditing and Accounting Fees	2,888	8,663	-	11,551
Employee Benefit Contributions	5,256	56,063	-	61,319
Other Operating	29,573	54,801	-	84,374
Total Administrative	46,602	224,360	-	270,962
Tenant Services:				
Tenant Services- Other	-	2,314	-	2,314
Total Tenant Services	-	2,314	-	2,314
Utilities:				
Water	-	115,585	-	115,585
Electricity	-	133,053	-	133,053
Gas	-	58,063	-	58,063
Total Utilities	-	306,701	-	306,701
Ordinary Maintenance & Operation:				
Labor	-	132,020	-	132,020
Materials and Other	-	83,294	-	83,294
Contract Costs	-	291,596	-	291,596
Employee Benefit Contributions	-	60,735	-	60,735
Total Ordinary Maintenance & Operation	-	567,645	-	567,645
General Expenses:				
Insurance Premiums	-	29,570	-	29,570
Payments in Lieu of Taxes	-	37,426	-	37,426
Bad Debt - Tenant Rents	-	19,718	-	19,718
Total General Expenses	-	86,714	-	86,714
Housing Assistance Payments	259,072	-	-	259,072
Depreciation Expense	-	430,110	-	430,110
Total Operating Expenses	305,674	1,617,844	-	1,923,518
Operating Income/(Loss)	10,323	(268,177)	-	(257,854)
Other Non-Operating Revenues (Expenses):				
Capital Grants	-	-	504,425	504,425
Investment Income - Unrestricted	2,217	18,054	-	20,271
Equity Transfers	-	476,494	(476,494)	-
Total Other Income (Expenses)	2,217	494,548	27,931	524,696
Excess/(Deficiency) of Operating Revenue Over/(Under) Expenses	12,540	226,371	27,931	266,842
Net Assets, Beginning of the Year	300,748	5,837,950	451,024	6,589,722
Net Assets, End of Year	\$ 313,288	\$ 6,064,321	\$ 478,955	\$ 6,856,564

IRONTON METROPOLITAN HOUSING AUTHORITY
LAWRENCE COUNTY
STATEMENT OF CASH FLOWS BY PROGRAM
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Section 8 Voucher	Public Housing	Capital Fund	TOTAL ENTERPRISE
Cash flows from operating activities:				
Receipts from tenants	\$ -	\$ 688,193	\$ -	\$ 688,193
Receipts from operating grants	308,610	589,023	-	897,633
Other operating receipts	10,695	61,527	-	72,222
Housing assistance payments	(259,072)	-	-	(259,072)
Payments for general and administrative expense	(43,701)	(1,138,614)	-	(1,182,315)
Net cash provided by operating activities	<u>16,532</u>	<u>200,129</u>	-	<u>216,661</u>
Cash flows from capital and related financing activities:				
Construction and acquisitions of capital assets	-	-	(504,425)	(504,425)
Capital grants	-	-	504,425	504,425
Net cash flow used by capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from noncapitalized and related financing activities:				
Noncapitalized Equity Transfer	-	20,382	-	20,382
Net cash flow from noncapitalized and related financing activities	<u>-</u>	<u>20,382</u>	<u>-</u>	<u>20,382</u>
Cash flows from investing activities:				
Interest received on investments	<u>2,327</u>	<u>22,574</u>	<u>-</u>	<u>24,901</u>
Net cash provided by investing activities	<u>2,327</u>	<u>22,574</u>	<u>-</u>	<u>24,901</u>
Net increase in cash and cash equivalents	<u>18,859</u>	<u>243,085</u>	<u>-</u>	<u>261,944</u>
Cash at beginning of year	<u>340,633</u>	<u>1,424,854</u>	<u>-</u>	<u>1,765,487</u>
Cash at end of year	<u>\$ 359,492</u>	<u>\$ 1,667,939</u>	<u>\$ -</u>	<u>\$ 2,027,431</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Net Operating Income (Loss)	\$ 10,323	\$ (268,177)	\$ -	\$ (257,854)
Adjustments to reconcile net gain/(loss) to net cash provided by operation activities				
(Increase)Decrease In:				
Accounts Receivable	-	8,659	-	8,659
Prepaid Expenses and Other Assets	-	9,406	-	9,406
Interprogram Due From	3,308	5,984	-	9,292
Increase(Decrease) In:				
Accounts Payable	-	(1,207)	-	(1,207)
Accrued Wages/Payroll Taxes Payable	-	(760)	-	(760)
Compensated Absences	8,885	4,467	-	13,352
Tenant Security Deposits	-	3,443	-	3,443
Intergovernmental Payable	-	2,261	-	2,261
Interprogram Due To	(5,984)	(3,308)	-	(9,292)
Loss on Disposal of Assets	-	9,251	-	9,251
Depreciation Expense	-	430,110	-	430,110
Net Cash Provided By Operating Activities	<u>\$ 16,532</u>	<u>\$ 200,129</u>	<u>\$ -</u>	<u>\$ 216,661</u>

**IRONTON METROPOLITAN HOUSING AUTHORITY
LAWRENCE COUNTY
SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

FEDERAL GRANTOR/ PASS THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	2009 FEDERAL EXPENDITURES
<hr/>		
<i>DIRECT FROM U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:</i>		
Low Rent Public Housing	14.850a	\$ 589,023
Section 8 Housing Choice Vouchers	14.871	298,248
Public Housing Capital Fund	14.872	<u>504,425</u>
TOTAL - FEDERAL AWARDS EXPENDITURES		<u>\$ 1,391,696</u>

See accompanying notes to the Schedule of Federal Awards Expenditures.

**IRONTON METROPOLITAN HOUSING AUTHORITY
LAWRENCE COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

Perry & Associates
Certified Public Accountants, A.C.

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Marietta, OH 45750
(740) 373-0056

**INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

February 26, 2010

Board of Commissioners
Ironton Metropolitan Housing Authority
720 Washington Street
Ironton, OH 45638

To the Board of Commissioners:

We have audited the financial statements of the business-type activities of **Ironton Metropolitan Housing Authority** (the Authority), as of and for the year ended September 30, 2009, which collectively comprise the Authority's basic financial statements as listed in the table of contents and have issued our report thereon dated February 26, 2010. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Authority's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Authority's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and timely corrected.

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

Ironton Metropolitan Housing Authority
Independent Accountants' Report on Internal Control
Over Financial Reporting and on Compliance and
Other Matters Required by *Government Auditing Standards*
Page 2

Compliance and Other Matters

As part of reasonably assuring whether the Authority's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

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

Respectfully Submitted,



Perry & Associates
Certified Public Accountants, A.C.

Perry & Associates
Certified Public Accountants, A.C.

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

February 16, 2010

Board of Commissioners
Ironton Metropolitan Housing Authority
720 Washington Street
Ironton, OH 45638

To the Board of Commissioners:

Compliance

We have audited the compliance of **Ironton Metropolitan Housing Authority** (the Authority) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that apply to its major federal program for the year ended September 30, 2009. The summary of auditor's results section of the accompanying schedule of findings identifies the Authority's major federal program. The Authority's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

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

In our opinion, the Authority complied, in all material respects, with the requirements referred to above that apply to its major federal program for the year ended September 30, 2009.

Internal Control Over Compliance

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

Ironton Metropolitan Housing Authority
Independent Accountants' Report on Compliance with Requirements
Applicable To Each Major Program and on Internal Control
Over Compliance in Accordance with OMB Circular A-133
Page 2

Internal Control Over Compliance (continued)

A control deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect noncompliance with a federal program compliance requirement 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 the entity's internal control will not prevent or detect more-than-inconsequential noncompliance with a federal program compliance requirement.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that the Authority's internal control will not prevent or detect material noncompliance with a federal program's compliance requirements.

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.

We intend this report solely for the information and use of the management, members of the board of commissioners, and federal awarding agencies. It is not intended for anyone other than these specified parties.

Respectfully submitted,



Perry & Associates
Certified Public Accountants, A.C.

**IRONTON METROPOLITAN HOUSING AUTHORITY
LAWRENCE COUNTY
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505**

1. SUMMARY OF AUDITOR'S RESULTS
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(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
(d)(1)(iv)	Were there any other significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Programs (list):	Low Rent Public Housing, CFDA # 14.850a
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

None.

3. FINDINGS FOR FEDERAL AWARDS

None.

**IRONTON METROPOLITAN HOUSING AUTHORITY
LAWRENCE COUNTY
FOR THE YEAR ENDED SEPTEMBER 30, 2009
SUMMARY OF ACTIVITIES**

At the close of fiscal year-ended September 30, 2009, the Ironton Metropolitan Housing Authority had the following operations under management:

	<u>Units</u>
<u>Public Housing</u>	
Owned	251
<u>Section 8</u>	
Existing	<u>84</u>
TOTAL	<u>335</u>

Prior Audit Findings

No prior Audit Findings.

**IRONTON METROPOLITAN HOUSING AUTHORITY
LAWRENCE COUNTY
FOR THE YEAR ENDED SEPEMBER 30, 2009
ACTUAL MODERNIZATION COST CERTIFICATES**

Modernization Project Number : OH16P019501-08

Original Funds Approved:	\$ 462,230
Funds Disbursed:	\$ 13,135
Funds Expended (Actual Modernization Cost):	\$ 13,135
Amount to be Recaptured:	Not Applicable
Excess of Funds Disbursed:	Not Applicable

Modernization Project Number : OH16P019501-07

Original Funds Approved:	\$ 443,176
Funds Disbursed:	\$ 443,103
Funds Expended (Actual Modernization Cost):	\$ 443,103
Amount to be Recaptured:	Not Applicable
Excess of Funds Disbursed:	Not Applicable



Mary Taylor, CPA

Auditor of State

IRONTON METROPOLITAN HOUSING AUTHORITY

LAWRENCE 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.

A handwritten signature in cursive script that reads "Susan Babbitt".

CLERK OF THE BUREAU

CERTIFIED
MARCH 25, 2010