

**IRONTON METROPOLITAN HOUSING AUTHORITY  
LAWRENCE COUNTY  
Single Audit  
For the Year Ended September 30, 2008**

***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, 2007 through September 30, 2008. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Ironton Metropolitan Housing Authority is responsible for compliance with these laws and regulations.

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

May 28, 2009

**This Page is Intentionally Left Blank.**

**IRONTON METROPOLITAN HOUSING AUTHORITY  
LAWRENCE COUNTY  
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

**TABLE OF CONTENTS**

TITLE	PAGE
Independent Accountants' Report .....	1
Management's Discussion and Analysis .....	3
Basic Financial Statements:	
Statement of Net Assets	
Proprietary Fund Type- Enterprise Fund	
For the Year Ended September 30, 2008.....	9
Statement of Revenues, Expenses, and Changes in Net Assets	
Proprietary Fund Type- Enterprise Fund	
For the Year Ended September 30, 2008.....	10
Statement of Cash Flows	
Proprietary Fund Type- Enterprise Fund	
For the Year Ended September 30, 2008.....	11
Notes to the Basic Financial Statements.....	12
Supplemental Financial Data:	
Statement of Net Assets by Program	
For the Year Ended September 30, 2008.....	20
Statement of Revenues, Expenses, and Changes in Net Assets by Program	
For the Year Ended September 30, 2008.....	21
Statement of Cash Flows by Program	
For the Year Ended September 30, 2008.....	22
Schedule of Federal Awards Expenditures.....	23
Notes to the Schedule of Federal Awards Expenditures.....	24
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	25
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 .....	27
Schedule of Findings- OMB Circular A -133 § .505.....	29
Summary of Activities.....	30
Actual Modernization Cost Certificates .....	31

# *Perry & Associates*

## Certified Public Accountants, A.C.

PARKERSBURG  
1035 Murdoch Avenue  
Parkersburg, WV 26101  
(304) 422-2203

MARIETTA  
428 Second Street  
Marietta, OH 45750  
(740) 373-0056

### Independent Accountants' Report

May 15, 2009

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

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, 2008, 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, 2008, 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 May 15, 2009, 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 Accountant's 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 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,

A handwritten signature in black ink that reads "Perry & Associates CPAs A.C." The signature is written in a cursive, flowing style.

**Perry & Associates**  
Certified Public Accountants, A.C.

**IRONTON METROPOLITAN HOUSING AUTHORITY**  
**LAWRENCE COUNTY**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008**

**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 \$763,534 (or 30.7%) during 2008, and was \$1,723,702 and \$2,487,236 for 2008 and 2007, respectively.
- Total expenses decreased by \$3,718 (or .2%). Total expenses were \$1,830,328 and \$1,834,046 for 2008 and 2007, respectively.

**USING THIS ANNUAL REPORT**

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

<b>MD&amp;A</b> ~ Management Discussion and Analysis ~
<b>Basic Financial Statements</b> ~ Statement of Net Assets ~ ~ Statement of Revenues, Expenses and Changes in Net Assets ~ ~ Statement of Cash Flows ~ ~ Notes to 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, 2008**

**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, 2008**

**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**

	2008	2007	Variance
Current and Other Assets	\$ 1,842,002	\$ 1,801,396	\$ 40,606
Capital Assets	4,966,613	5,113,727	(147,114)
<b>TOTAL ASSETS</b>	<b>6,808,615</b>	<b>6,915,123</b>	<b>(106,508)</b>
Current and Other Liabilities	118,024	116,429	1,595
Long-term liabilities	100,869	102,346	(1,477)
<b>TOTAL LIABILITIES</b>	<b>218,893</b>	<b>218,775</b>	<b>118</b>
Net Assets:			
Invested in Capital Assets	4,966,613	5,113,727	(147,114)
Unrestricted	1,623,109	1,582,621	40,488
<b>TOTAL NET ASSETS</b>	<b>\$ 6,589,722</b>	<b>\$ 6,696,348</b>	<b>\$ (106,626)</b>

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

Capital assets decreased due to depreciation expense exceeding additions as shown in Table 4. Cash increased by \$27,577 primarily due to cash basis interest receipts which offset the operating disbursements exceeding cash basis operating receipts during 2008. Accounts receivable for tenant dwelling rents increased from 2007 to 2008 by \$23,340 due to timing of collection of such receivables. Accounts payable decreased by \$7,470 due to timing of disbursements. Tenant security deposits increased by \$4,133.

**IRONTON METROPOLITAN HOUSING AUTHORITY**  
**LAWRENCE COUNTY**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008**

**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>2008</u>	<u>2007</u>	<u>Variance</u>
<b>Revenues</b>			
Tenant Revenue - Rents and Other	\$ 674,522	\$ 634,299	\$ 40,223
Operating Subsidies and Grants	671,844	827,992	(156,148)
Capital Grants	253,189	894,835	(641,646)
Investment Income/Other Revenues	124,147	130,110	(5,963)
TOTAL REVENUE	<u>1,723,702</u>	<u>2,487,236</u>	<u>(763,534)</u>
<b>Expenses</b>			
Administrative	289,397	282,736	6,661
Tenant services	3,523	4,485	(962)
Utilities	298,409	270,502	27,907
Ordinary Maintenance and Operations	510,197	535,656	(25,459)
General	59,572	91,752	(32,180)
Housing Assistance Payment	252,395	231,180	21,215
Depreciation	416,835	417,735	(900)
TOTAL EXPENSES	<u>1,830,328</u>	<u>1,834,046</u>	<u>(3,718)</u>
NET INCREASE	<u>\$ (106,626)</u>	<u>\$ 653,190</u>	<u>\$ (759,816)</u>
Net Assets, Beginning of Year	<u>6,696,348</u>	<u>6,043,158</u>	<u>653,190</u>
Net Assets, End of Year	<u>\$ 6,589,722</u>	<u>\$ 6,696,348</u>	<u>\$ (106,626)</u>

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

Tenant rental and other revenues increased by \$40,223 due to additional occupancy and less government subsidy of rents, while government operating grants decreased by \$156,148 from fiscal year 2007 to 2008, due to less government subsidy of rents. Utilities expenses increased by \$27,907 from fiscal year 2007 to 2008 due to increases in utility rates as well as increased usage. Ordinary maintenance and operation expenses decreased by \$25,459, from fiscal year 2007 to 2008, due to less ongoing maintenance required during 2008. General expense decreased by \$32,180 due to less expenses required in this area during 2008. Capital grants decreased by \$641,646 from fiscal year 2007 to 2008 due to less ongoing construction during fiscal year 2008. Other than these changes the Authority operated consistently between the years.

**IRONTON METROPOLITAN HOUSING AUTHORITY**  
**LAWRENCE COUNTY**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Unaudited**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**CAPITAL ASSETS**

As of year end, the Authority had \$4,966,613 invested in a variety of capital assets (net of accumulated depreciation) as reflected in the following schedule, which represents a net decrease (addition, deductions and depreciation) of \$147,114 from the end of last year.

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

	2008	2007
Land and Land Rights	\$ 500,242	\$ 500,242
Buildings and Improvements	10,845,441	10,370,033
Equipment - Administrative	208,942	208,942
Equipment - Dwellings	245,242	233,822
Accumulated Depreciation	(7,284,278)	(6,875,827)
Construction in Progress	451,024	676,515
<b>TOTAL</b>	<b>\$ 4,966,613</b>	<b>\$ 5,113,727</b>

The following reconciliation summarizes the change in Capital Assets.

**TABLE 4**  
**CHANGE IN CAPITAL ASSETS**

BEGINNING BALANCE		\$ 5,113,727
Additions (Net)		269,721
Depreciation		(416,835)
<b>ENDING BALANCE</b>		<b>\$ 4,966,613</b>

This year's major additions are:

Capital improvements (CFP) completed on the Authority's Public Housing complexes		\$ 249,917
<b>TOTAL ADDITIONS</b>		<b>\$ 249,917</b>

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, 2008**

**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  
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	<u>ENTERPRISE</u>
<i>Assets</i>	
Current Assets:	
Cash - Unrestricted	\$ 1,765,487
Accounts Receivable:	
Tenants - Dwelling Rents, net of allowance for doubtful accounts	30,315
Accrued Interest Receivable	7,164
Prepaid Expenses and Other Assets	<u>39,036</u>
Total Current Assets:	<u>1,842,002</u>
Noncurrent Assets:	
Capital Assets:	
Nondepreciable Capital Assets	951,266
Depreciable Capital Assets, Net of Accumulated Depreciation	<u>4,015,347</u>
Total Noncurrent Assets:	<u>4,966,613</u>
<i>Total Assets</i>	<u><u>\$ 6,808,615</u></u>
<i>Liabilities</i>	
Current Liabilities:	
Accrued Wages/Payroll Taxes Payable	\$ 10,525
Accounts Payable	1,207
Compensated Absences	21,595
Tenant Security Deposits	49,532
Intergovernmental Payable	<u>35,165</u>
Total Current Liabilities:	<u>118,024</u>
Long Term Liabilities:	
Compensated Absences	<u>100,869</u>
Total Long Term Liabilities:	100,869
<i>Total Liabilities</i>	<u>218,893</u>
Net Assets:	
Invested In Capital Assets	4,966,613
Unrestricted	<u>1,623,109</u>
<i>Total Net Assets</i>	<u>6,589,722</u>
<i>Total Liabilities and Net Assets</i>	<u><u>\$ 6,808,615</u></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, 2008**

---

	ENTERPRISE
<i>Operating Revenues</i>	
Tenant Rental Revenues	\$ 658,285
Tenant Revenue - Other	16,237
Government Operating Grants	671,844
Other	64,189
Total Operating Revenue	1,410,555
<i>Operating Expenses</i>	
Administrative	289,397
Tenant Services	3,523
Utilities	298,409
Ordinary Maintenance & Operation	510,197
General Expenses	59,572
Housing Assistance Payments	252,395
Depreciation Expense	416,835
Total Operating Expenses	1,830,328
Operating Loss	(419,773)
<i>Non-Operating Revenue</i>	
Capital Grants	253,189
Investment Income - Unrestricted	59,958
Total Non-Operating Revenues	313,147
Change in Net Assets	(106,626)
Net Assets, Beginning of Year	6,696,348
Net Assets, End of Year	\$ 6,589,722

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, 2008**

	<u>ENTERPRISE</u>
Cash flows from operating activities:	
Receipts from tenants	\$ 655,315
Receipts from operating grants	668,536
Other operating receipts	67,497
Housing assistance payments	(252,395)
Payments for general and administrative expense	(1,158,816)
Net cash provided by operating activities	<u>(19,863)</u>
Cash flows from capital and related financing activities:	
Construction and acquisitions of capital assets	(269,721)
Capital grants	253,189
Net cash flow used by capital and related financing activities	<u>(16,532)</u>
Cash flows from investing activities:	
Interest received on investments	63,972
Net cash provided by investing activities	<u>63,972</u>
Net increase in cash and cash equivalents	27,577
Cash at beginning of year	1,737,910
Cash at end of year	<u>\$ 1,765,487</u>
 <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Net Operating Loss	\$ (419,773)
Adjustments to reconcile net (loss) to net cash provided by operating activities	
(Increase)Decrease In:	
Accounts Receivable	(23,340)
Prepaid Expenses and Other Assets	6,297
Interprogram Due From	7,410
Increase(Decrease) In:	
Accounts Payable	(7,470)
Accrued Wages/Payroll Taxes Payable	5,562
Compensated Absences	(892)
Tenant Security Deposits	4,133
Intergovernmental Payable	(1,215)
Interprogram Due To	(7,410)
Depreciation Expense	416,835
Net Cash Provided By Operating Activities	<u>\$ (19,863)</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, 2008**

**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 2008.

**IRONTON METROPOLITAN HOUSING AUTHORITY  
LAWRENCE COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

**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, 2008**

**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, 2008**

**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, 2008**

**3. CASH AND INVESTMENTS**

**Deposits**

At fiscal year end, the carrying amount of the Authority's deposits was \$1,765,487, and the bank balance was \$1,869,733. Based on criteria described in GASB Statement No. 40, *Deposits and Investments Risk Disclosures*, as of September 30, 2008, \$200,000 of the Authority's bank balance was covered by Federal Depository Insurance and \$1,669,733 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, 2008 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, 2008, follows:

	Balance - 09/30/07	Additions	Deletions	Balance - 09/30/08
Capital Assets Not Being Depreciated:				
Land and Land Rights	\$ 500,242	\$ -	\$ -	\$ 500,242
Construction in Progress	676,515	249,917	(475,408)	451,024
Total Capital Assets Not Being Depreciated	1,176,757	249,917	(475,408)	951,266
Capital Assets Being Depreciated:				
Buildings and Improvements	10,370,033	475,408	-	10,845,441
Equipment-Dwellings	233,822	19,804	(8,384)	245,242
Equipment-Administrative	208,942	-	-	208,942
Total Capital Assets Being Depreciated	10,812,797	495,212	(8,384)	11,299,625
Accumulated Depreciation:				
Buildings and Improvements	(6,511,534)	(416,835)	-	(6,928,369)
Equipment-Dwellings	(151,129)		8,384	(142,745)
Equipment-Administrative	(213,164)		-	(213,164)
Total Depreciation	(6,875,827)	(416,835)	8,384	(7,284,278)
Net Capital Assets Being Depreciated	3,936,970	78,377	-	4,015,347
Net Capital Assets	\$ 5,113,727	\$ 328,294	\$ (475,408)	\$ 4,966,613

**IRONTON METROPOLITAN HOUSING AUTHORITY  
LAWRENCE COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

**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 42315-4562 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 10.0% for 2008, 9.5% for 2007, and 9.0% for 2006 for the Authority. The employer contribution rates were 14.0% for 2008, 13.85% for 2007, and 13.70% for 2006 of covered payroll for the Authority. The Authority's contributions to OPERS for the years ended September 30, 2008, 2007, and 2006 were \$33,647, \$36,489, and \$35,789, 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.

**IRONTON METROPOLITAN HOUSING AUTHORITY  
LAWRENCE COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

**7. POSTEMPLOYMENT BENEFITS (Continued)**

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.

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 2008, the District contributed at 14% of covered payroll. In 2007 and 2006, the District contributed at 13.85% and 13.70% 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 \$16,359 for 2008, \$13,831 for 2007 and \$10,565 for 2006.

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, 2008 the current amount of unpaid compensated absences was \$21,595 and the noncurrent amount was \$100,869.

The changes in the Authority's long-term liabilities during fiscal year 2008 were as follows:

	Balance at 9/30/2007	Increase	Decrease	Balance at 9/30/2008	Amount Due In One Year
Compensated Absences	\$102,346	\$45,705	\$25,587	\$122,464	\$21,595
Total Long-Term Liabilities	<u>\$102,346</u>	<u>\$45,705</u>	<u>\$25,587</u>	<u>\$122,464</u>	<u>\$21,595</u>

**IRONTON METROPOLITAN HOUSING AUTHORITY  
LAWRENCE COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

**9. ECONOMIC DEPENDENCY**

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

**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	6,000,000
Automobile	500/0	ACV/6,000,000
Public Officials	0	6,000,000
Employee Dishonesty	0	500,000

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, 2008.

**B. Litigation**

The Authority is not party to any legal proceedings.

**IRONTON METROPOLITAN HOUSING AUTHORITY  
LAWRENCE COUNTY  
STATEMENT OF NET ASSETS BY PROGRAM  
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	Section 8	Public Housing	Capital Fund	TOTAL ENTERPRISE
<i>Assets</i>				
Current Assets:				
Cash - Unrestricted	\$ 340,633	\$ 1,424,854	\$ -	\$ 1,765,487
Accounts Receivable:				
Tenants - Dwelling Rents, net of allowance for doubtful accounts	-	30,315	-	30,315
Accrued interest receivable	508	6,656	-	7,164
Interprogram Due From	3,308	43,701	-	47,009
Prepaid Expenses and Other Assets	-	39,036	-	39,036
Total Current Assets:	<u>344,449</u>	<u>1,544,562</u>	<u>-</u>	<u>1,889,011</u>
Noncurrent Assets:				
Capital Assets:				
Land	-	500,242	-	500,242
Building	-	10,845,441	-	10,845,441
Furniture, Equipment & Machinery - Dwellings	-	245,242	-	245,242
Furniture, Equipment & Machinery - Administration	1,560	207,382	-	208,942
Construction in Progress	-	-	451,024	451,024
Accumulated Depreciation	(1,560)	(7,282,718)	-	(7,284,278)
Capital Assets, Net of Accumulated Depreciation	<u>-</u>	<u>4,515,589</u>	<u>451,024</u>	<u>4,966,613</u>
Total Noncurrent Assets:	<u>-</u>	<u>4,515,589</u>	<u>451,024</u>	<u>4,966,613</u>
<i>Total Assets</i>	<u>344,449</u>	<u>6,060,151</u>	<u>451,024</u>	<u>6,855,624</u>
<i>Liabilities</i>				
Current Liabilities:				
Accrued Wages/Payroll Taxes Payable	-	10,525	-	10,525
Accounts Payable:				
<= 90 Days Past Due	-	1,207	-	1,207
Compensated Absences	-	21,595	-	21,595
Tenant Security Deposits	-	49,532	-	49,532
Interprogram Due To	43,701	3,308	-	47,009
Intergovernmental Payable	-	35,165	-	35,165
Total Current Liabilities:	<u>43,701</u>	<u>121,332</u>	<u>-</u>	<u>165,033</u>
Long Term Liabilities:				
Compensated Absences	-	100,869	-	100,869
Total Long Term Liabilities:	<u>-</u>	<u>100,869</u>	<u>-</u>	<u>100,869</u>
<i>Total Liabilities</i>	<u>43,701</u>	<u>222,201</u>	<u>-</u>	<u>265,902</u>
Net Assets:				
Invested In Capital Assets	-	4,515,589	451,024	4,966,613
Unrestricted	300,748	1,322,361	-	1,623,109
<i>Total Net Assets</i>	<u>300,748</u>	<u>5,837,950</u>	<u>451,024</u>	<u>6,589,722</u>
<i>Total Liabilities and Net Assets</i>	<u>\$ 344,449</u>	<u>\$ 6,060,151</u>	<u>\$ 451,024</u>	<u>\$ 6,855,624</u>

**IRONTON METROPOLITAN HOUSING AUTHORITY  
LAWRENCE COUNTY  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS BY PROGRAM  
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	Section 8 Voucher	Public Housing	Capital Fund	ENTERPRISE
<i>Operating Revenues</i>				
Tenant Rental Revenue	\$ -	\$ 658,285	\$ -	\$ 658,285
Tenant Revenue - Other	-	16,237	-	16,237
HUD PHA Grants/OperatingGrants	291,118	380,726	-	671,844
Other Revenue	-	64,189	-	64,189
<b>Total Operating Revenues</b>	<b>291,118</b>	<b>1,119,437</b>	<b>-</b>	<b>1,410,555</b>
<i>Operating Expenses</i>				
<i>Administrative:</i>				
Administrative Salaries	-	117,524	-	117,524
Auditing and Accounting Fees	2,213	11,843	-	14,056
Employee Benefit Contributions	4,134	57,238	-	61,372
Other Operating	37,743	58,702	-	96,445
<b>Total Administrative</b>	<b>44,090</b>	<b>245,307</b>	<b>-</b>	<b>289,397</b>
<i>Tenant Services:</i>				
Tenant Services - Salaries	-	147	-	147
Tenant Services- Other	-	3,376	-	3,376
<b>Total Tenant Services</b>	<b>-</b>	<b>3,523</b>	<b>-</b>	<b>3,523</b>
<i>Utilities:</i>				
Water	-	110,760	-	110,760
Electricity	-	126,210	-	126,210
Gas	-	61,439	-	61,439
<b>Total Utilities</b>	<b>-</b>	<b>298,409</b>	<b>-</b>	<b>298,409</b>
<i>Ordinary Maintenance &amp; Operation:</i>				
Labor	-	129,223	-	129,223
Materials and Other	-	46,113	-	46,113
Contract Costs	-	272,854	-	272,854
Employee Benefit Contributions	-	62,007	-	62,007
<b>Total Ordinary Maintenance &amp; Operation</b>	<b>-</b>	<b>510,197</b>	<b>-</b>	<b>510,197</b>
<i>General Expenses:</i>				
Insurance Premiums	-	29,865	-	29,865
Payments in Lieu of Taxes	-	29,707	-	29,707
Bad Debt - Tenant Rents	-	-	-	-
<b>Total General Expenses</b>	<b>-</b>	<b>59,572</b>	<b>-</b>	<b>59,572</b>
Housing Assistance Payments	252,395	-	-	252,395
Depreciation Expense	-	416,835	-	416,835
<b>Total Operating Expenses</b>	<b>296,485</b>	<b>1,533,843</b>	<b>-</b>	<b>1,830,328</b>
<b>Operating Income/(Loss)</b>	<b>(5,367)</b>	<b>(414,406)</b>	<b>-</b>	<b>(419,773)</b>
<i>Other Non-Operating Revenues (Expenses):</i>				
Capital Grants	-	-	253,189	253,189
Investment Income - Unrestricted	8,790	51,168	-	59,958
Equity Transfers	-	478,680	(478,680)	-
<b>Total Other Income (Expenses)</b>	<b>8,790</b>	<b>529,848</b>	<b>(225,491)</b>	<b>313,147</b>
<b>Excess/(Deficiency) of Operating Revenue Over Over/(Under) Expenses</b>	<b>3,423</b>	<b>115,442</b>	<b>(225,491)</b>	<b>(106,626)</b>
<b>Net Assets, Beginning of the Year</b>	<b>297,325</b>	<b>5,722,508</b>	<b>676,515</b>	<b>6,696,348</b>
<b>Net Assets, End of Year</b>	<b>\$ 300,748</b>	<b>\$ 5,837,950</b>	<b>\$ 451,024</b>	<b>\$ 6,589,722</b>

**IRONTON METROPOLITAN HOUSING AUTHORITY  
LAWRENCE COUNTY  
STATEMENT OF CASH FLOWS BY PROGRAM  
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	Section 8 Voucher	Public Housing	Capital Fund	TOTAL ENTERPRISE
Cash flows from operating activities:				
Receipts from tenants	\$ -	\$ 655,315	\$ -	\$ 655,315
Receipts from operating grants	287,810	380,726	-	668,536
Other operating receipts	-	67,497	-	67,497
Housing assistance payments	(252,395)	-	-	(252,395)
Payments for general and administrative expense	(64,268)	(1,094,548)	-	(1,158,816)
Net cash provided by operating activities	<u>(28,853)</u>	<u>8,990</u>	<u>-</u>	<u>(19,863)</u>
Cash flows from capital and related financing activities:				
Construction and acquisitions of capital assets	-	(16,532)	(253,189)	(269,721)
Capital grants	-	-	253,189	253,189
Net cash flow used by capital and related financing activities	<u>-</u>	<u>(16,532)</u>	<u>-</u>	<u>(16,532)</u>
Cash flows from investing activities:				
Interest received on investments	8,507	55,465	-	63,972
Net cash provided by investing activities	<u>8,507</u>	<u>55,465</u>	<u>-</u>	<u>63,972</u>
Net increase in cash and cash equivalents	(20,346)	47,923	-	27,577
Cash at beginning of year	360,979	1,376,931	-	1,737,910
Cash at end of year	<u>\$ 340,633</u>	<u>\$ 1,424,854</u>	<u>\$ -</u>	<u>\$ 1,765,487</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net Operating Income (Loss)	\$ (5,367)	\$ (414,406)	\$ -	\$ (419,773)
Adjustments to reconcile net gain/(loss) to net cash provided by operation activities				
(Increase)Decrease In:				
Accounts Receivable	-	(23,340)	-	(23,340)
Prepaid Expenses and Other Assets	-	6,297	-	6,297
Interprogram Due From	(3,308)	10,718	-	7,410
Increase(Decrease) In:				
Accounts Payable	(825)	(6,645)	-	(7,470)
Accrued Wages/Payroll Taxes Payable	-	5,562	-	5,562
Compensated Absences	(8,635)	7,743	-	(892)
Tenant Security Deposits	-	4,133	-	4,133
Intergovernmental Payable	-	(1,215)	-	(1,215)
Interprogram Due To	(10,718)	3,308	-	(7,410)
Depreciation Expense	-	416,835	-	416,835
Net Cash Provided By Operating Activities	<u>\$ (28,853)</u>	<u>\$ 8,990</u>	<u>\$ -</u>	<u>\$ (19,863)</u>

**IRONTON METROPOLITAN HOUSING AUTHORITY  
LAWRENCE COUNTY  
SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

---

<u>DIRECT FROM U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:</u>	<u>FEDERAL CFDA NUMBER</u>	<u>2008 FEDERAL EXPENDITURES</u>
Low Rent Public Housing	14.850a	\$ 380,726
Section 8 Housing Choice Vouchers	14.871	291,118
Public Housing Capital Fund	14.872	<u>253,189</u>
TOTAL - ALL PROGRAMS		<u>\$ 925,033</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 SEPTMEBER 30, 2008**

**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.

PARKERSBURG  
1035 Murdoch Avenue  
Parkersburg, WV 26101  
(304) 422-2203

MARIETTA  
428 Second Street  
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***

May 15, 2009

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

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, 2008, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated May 15, 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 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 expressing our opinion(s) on the financial statements, but not to opine 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 control deficiency exists when the design or operation of a control does not allow management or employees, in 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 Authority's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Authority's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Authority's internal control will not prevent or detect a material financial statement misstatement.

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 internal control deficiencies that might be 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.

We noted a certain matter that we reported to the Authority's management in a separate letter dated May 15, 2009.

### **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 directors, and federal awarding agencies and is not intended to be, and should not be used by anyone other than these specified parties.

Respectfully Submitted,

A handwritten signature in black ink that reads "Perry & Associates CPAs A.C." in a cursive script.

**Perry & Associates**  
Certified Public Accountants, A.C.

***Perry & Associates***  
Certified Public Accountants, A.C.

PARKERSBURG  
1035 Murdoch Avenue  
Parkersburg, WV 26101  
(304) 422-2203

MARIETTA  
428 Second Street  
Marietta, OH 45750  
(740) 373-0056

**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**

May 15, 2009

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

**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, 2008. The summary of auditor's results section of the accompanying schedule of findings and questioned costs identifies the Government'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, 2008.

**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

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 audit committee, management, members of the board, federal awarding agencies, and pass-through entities. 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, 2008**

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

**1. SUMMARY OF AUDITOR'S RESULTS**

<i>(d)(1)(i)</i>	<b>Type of Financial Statement Opinion</b>	Unqualified
<i>(d)(1)(ii)</i>	<b>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(ii)</i>	<b>Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(iii)</i>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(iv)</i>	<b>Were there any material internal control weakness conditions reported for major federal programs?</b>	No
<i>(d)(1)(iv)</i>	<b>Were there any other significant deficiencies in internal control reported for major federal programs?</b>	No
<i>(d)(1)(v)</i>	<b>Type of Major Programs' Compliance Opinion</b>	Unqualified
<i>(d)(1)(vi)</i>	<b>Are there any reportable findings under § .510?</b>	No
<i>(d)(1)(vii)</i>	<b>Major Programs (list):</b>	Public Housing Capital Fund, CFDA # 14.872
<i>(d)(1)(viii)</i>	<b>Dollar Threshold: Type A\B Programs</b>	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	<b>Low Risk Auditee?</b>	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, 2008  
SUMMARY OF ACTIVITIES**

At the close of fiscal year-ended September 30, 2008, the Ironton Metropolitan Housing Authority had the following operations management:

	<u>Units</u>
<u>Public Housing</u>	
Owned	251
<u>Section 8</u>	
Existing	<u>84</u>
TOTAL	<u><u>335</u></u>
<u>Prior Audit Findings</u>	
No prior Audit Findings.	

**IRONTON METROPOLITAN HOUSING AUTHORITY  
LAWRENCE COUNTY  
FOR THE YEAR ENDED SEPTEMBER 30, 2008  
ACTUAL MODERNIZATION COST CERTIFICATES**

Modernization Project Number : OH16P019501-06

Original Funds Approved:	\$ 454,112
Funds Disbursed:	\$ 454,112
Funds Expended (Actual Modernization Cost):	\$ 454,112
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.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JUNE 9, 2009**