IRONTON METROPOLITAN HOUSING AUTHORITY
LAWRENCE COUNTY
Single Audit
For the Year Ended September 30, 2013

Perry & Associates
Certified Public Accountants, A.C.

Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the Ironton Metropolitan Housing Authority, Lawrence County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period October 1, 2012 through September 30, 2013. 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.

Dave Yost

Dave Yost
Auditor of State

April 9, 2014

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IRONTON METROPOLITAN HOUSING AUTHORITY
LAWRENCE COUNTY
FOR THE YEAR ENDED SEPTEMBER 30, 2013

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INDEPENDENT AUDITOR'S REPORT

March 31, 2014

Ironton Metropolitan Housing Authority
Lawrence County
720 Washington Street
Ironton, Ohio 45638

To the Board of Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the **Ironton Metropolitan Housing Authority,** Lawrence County, Ohio (the Authority), as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Authority's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Ironton Metropolitan Housing Authority, Lawrence County, as of September 30, 2013, and the changes in its financial position and its cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance

Supplementary and Other Information.

Our audit was conducted to opine on the Authority's basic financial statements taken as a whole.

The Financial Data Schedule presented on pages 22 and 23 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.

The Schedule of Federal Award Expenditures also presents additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and is also not a required part of the financial statements.

The schedules are management's responsibility and derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling the schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2014 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Perry & Associates CPA's A.C.

Perry & Associates
Certified Public Accountants, A.C.
Marietta, Ohio

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's 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 $85,337 (or -4.71%) during 2013, and were $1,727,441 and $1,812,778 for 2013 and 2012, respectively.

- Total expenses increased by $113,178 (or 6.08%). Total expenses were $1,976,147 and $1,862,969 for 2013 and 2012, 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 Position ~ ~ Statement of Revenues, Expenses, and Changes in Net Position ~ ~ Statement of Cash Flows ~ ~ Notes to the 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.

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 Position, which is similar to a Balance Sheet. The Statement of Net Position reports all financial and capital resources for the Authority. The statement is presented in the format where assets, minus liabilities, equals "Net Position." 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 Position (the "Unrestricted Net Position") is designed to represent the net available liquid (non-capital) assets, net of liabilities, for the entire Authority. Net Position is reported in three broad categories (as applicable):

> Net Investment in Capital Assets: This component of Net Position consists of all capital assets (net of accumulated depreciation).
>
> Restricted Net Position: This component of Net Position consists of restricted assets, when constraints are placed on the asset by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.
>
> Unrestricted Net Position: Consists of Net Position that do not meet the definition of "Net Investment in Capital Assets," or "Restricted Net Position."

The basic financial statements also include a Statement of Revenues, Expenses, and Changes in Net Position (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 Position is the "Change in Net Position."

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.

Capital Fund Program (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.

BASIC FINANCIAL STATEMENTS (Continued)

STATEMENT OF NET POSITION

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

TABLE 1
STATEMENT OF NET POSITION

	2013	2012 (Restated)	Variance
Current Assets	$ 2,107,632	$ 2,314,981	$ (207,349)
Noncurrent Assets	5,340,227	5,376,495	(36,268)
TOTAL ASSETS	7,447,859	7,691,476	(243,617)
Current and Other Liabilities	139,215	144,442	(5,227)
Long-term Liabilities	184,573	174,257	10,316
TOTAL LIABILITIES	323,788	318,699	5,089
Net Position:			
Net Investment in Capital Assets	5,340,227	5,376,495	(36,268)
Restricted	10,339	28,339	(18,000)
Unrestricted	1,773,505	1,967,943	(194,438)
TOTAL NET POSITION	$ 7,124,071	$ 7,372,777	$ (248,706)

MAJOR FACTORS AFFECTING THE STATEMENT OF NET POSITION

Current assets decreased by $207,349 primarily due to expenses exceeding revenues. Noncurrent assets decreased $36,268 due to depreciation expense which exceeded construction activity in 2013. Long-term liabilities increased by $10,316 due to additional compensated absences for the Authority in 2013.

BASIC FINANCIAL STATEMENTS (Continued)

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

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

	2013	2012	Variance
Revenues			
Tenant Rental Revenue	$ 760,136	$ 752,452	$ 7,684
Government Operating Grants	385,980	446,265	(60,285)
Capital Grants	474,490	533,974	(59,484)
Investment Income/Other Revenues	106,835	80,087	26,748
TOTAL REVENUE	1,727,441	1,812,778	(85,337)
Expenses			
Administrative	209,952	231,000	(21,048)
Tenant Services	2,252	-	2,252
Utilities	341,379	315,410	25,969
Ordinary Maintenance and Operation	580,323	584,990	(4,667)
General Expense	91,085	89,992	1,093
Housing Assistance Payments	233,508	244,745	(11,237)
Depreciation Expense	517,648	396,832	120,816
TOTAL EXPENSES	1,976,147	1,862,969	113,178
NET INCREASE (DECREASE)	(248,706)	(50,191)	(198,515)
Net Position, Beginning of Year- Restated for 2013	7,372,777	7,684,734	(311,957)
Net Position, End of Year	$ 7,124,071	$ 7,634,543	$ (510,472)

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

Government Operating Grants decreased by $60,285 from 2012 to 2013, due to decreased government subsidy of rents and less occupancy. Administrative expenses decreased by $21,048 due to a slight decrease in personnel which decreased salaries and benefits in 2013 in the administrative area. Utilities expense increased $25,969 from 2012 to 2013 due to more usage. Ordinary maintenance and operation expenses decreased $4,667 from 2012 to 2013 due to less maintenance being required during 2013. Capital grants decreased by $59,484 from 2012 to 2013 due to a decline in ongoing construction during 2013. There was a restatement for an error in recording depreciation expense, see Note 13. Other than these changes the Authority operated consistently between the years.

MANAGEMENT'S DISCUSSION AND ANALYSIS
Unaudited

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS

As of year-end, the Authority had $5,340,227 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 $91,968 from the end of last year, plus a restatement of $261,766, see Note 12.

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

	2013	2012 (Restated)
Construction in Progress	$ 799,376	$ 788,687
Land and Land Rights	500,242	500,242
Buildings and Improvements	13,250,858	12,790,113
Equipment	436,508	449,496
Accumulated Depreciation	(9,646,757)	(9,152,043)
TOTAL	$ 5,340,227	$ 5,376,495

The following reconciliation summarizes the change in capital assets.

TABLE 4
CHANGE IN CAPITAL ASSETS

BEGINNING BALANCE	$ 5,376,495
Additions (Net)	458,446
Depreciation	(494,714)
ENDING BALANCE	$ 5,340,227

This year's major additions are:

Capital improvements (CFP) still in progress at the Authority's Public Housing complexes	$ 471,434
TOTAL ADDITIONS	$ 471,434

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

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, OHIO

STATEMENT OF NET POSITION
AS OF SEPTEMBER 30, 2013

Assets	
Current Assets:	
Cash and Cash Equivalents- Unrestricted	$ 2,012,110
Cash and Cash Equivalents- Restricted	10,339
Accounts Receivable, Net	44,396
Accrued Interest Receivable	444
Prepaid Expenses and Other Assets	40,343
Total Current Assets	2,107,632
Noncurrent Assets:	
Capital Assets:	
Nondepreciable Capital Assets	1,299,618
Depreciable Capital Assets, Net of Accumulated Depreciation	4,040,609
Total Capital Assets	5,340,227
Total Noncurrent Assets	5,340,227
Total Assets	$ 7,447,859
Liabilities	
Current Liabilities:	
Accrued Wages/Payroll Taxes Payable	$ 13,841
Compensated Absences, Current Portion	13,229
Tenant Security Deposits	56,397
Intergovermental Payable	40,510
Other Current Liabilities	15,238
Total Current Liabilities	139,215
Long Term Liabilities:	
Compensated Absences	184,573
Total Long Term Liabilities	184,573
Total Liabilities	323,788
Net Position:	
Net Investment in Capital Assets	5,340,227
Restricted	10,339
Unrestricted	1,773,505
Total Net Position	7,124,071
Total Liabilities and Net Position	$ 7,447,859

See accompanying notes the the basic financial statements.

IRONTON METROPOLITAN HOUSING AUTHORITY
LAWRENCE, OHIO

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2013

Operating Revenues	
Tenant Rental Revenue	$ 760,136
Government Operating Grants	385,980
Other Revenue	103,308
Total Operating Revenues	1,249,424
Operating Expenses	
Administrative	209,952
Tenant Services	2,252
Utilities	341,379
Ordinary Maintenance & Operation	580,323
General Expense	91,085
Housing Assistance Payments	233,508
Depreciation Expense	517,648
Total Operating Expenses	1,976,147
Operating (Loss)	(726,723)
Non-Operating Revenues	
Capital Grants	474,490
Investment Income - Unrestricted	3,527
Total Non-Operating Revenues	478,017
Change in Net Position	(248,706)
Net Position, Beginning of Year (As Restated See Note 12)	7,372,777
Net Position, End of Year	$ 7,124,071

See accompanying notes the the basic financial statemetns.

IRONTON METROPOLITAN HOUSING AUTHORITY
LAWRENCE, OHIO

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

Cash Flows From Operating Activities:	
Receipts From Tenants	$ 756,351
Receipts From Operating Grants	385,980
Other Operating Receipts	103,308
Housing Assistance Payments	(233,508)
Payments for General and Administrative Expense	(1,215,229)
Net Cash Used in Operating Activities	(203,098)
Cash Flows From Capital and Related Financing Activities:	
Construction and Acquisition of Capital Assets	(484,207)
Capital Grants	474,490
Net Cash Used in Capital and Related Financing Activities	(9,717)
Cash Flows From Investing Activities:	
Interest Received on Investments	6,343
Net Cash Provided by Investing Activities	6,343
Net Decrease in Cash and Cash Equivalents	(206,472)
Cash at Beginning of Year	2,228,921
Cash at End of Year	$ 2,022,449
CASH FLOWS FROM OPERATING ACTIVITIES	
Net Operating Loss	$ (726,723)
Adjustments to Reconcile Net Loss to Net Cash Provided by Operating Activities	
Depreciation Expense	517,648
(Increase)Decrease In:	
Accounts Receivable	(3,785)
Prepaid Expenses and Other Assets	4,673
Increase(Decrease) In:	
Accrued Wages/Payroll Taxes Payable	(2,615)
Intergovenmental Payable	(4,070)
Compensated Absences	10,556
Tenant Security Deposits	1,218
Net Cash Used in Operating Activities	$ (203,098)

See accompanying notes to the basic financial statements.

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 2013.

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.

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 position.

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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Position, 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 Authority uses a capitalization threshold of $200.

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:

Description	Estimated Lives
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.

G. PREPAID ITEMS

Payments made to vendors for services that will benefit periods beyond September 30, 2013, 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

I. 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.

J. 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.

K. 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 POSITION

Net position represents the difference between assets and liabilities. Net investment in capital assets 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. Restricted net position represents the portion of net position restricted for Housing Assistance Payments. Unrestricted net position represents the portion of net position that does not meet the definition of net investment in capital assets or restricted net position.

M. RESTRICTED ASSETS

The Authority has recorded restricted assets to account for the cash held by the Authority which is restricted by HUD for Housing Assistance Payments.

N. MONIES HELD FOR MATURED BONDS AND INTEREST

The Authority received $15,238 during a prior period from a bank who was the fiscal agent for matured bonds and coupons from old debt issues. The District has recorded such monies as a liability as of September 30, 2013.

3. DEPOSITS AND INVESTMENTS

Cash on Hand

At year end, the Authority had $300 in un-deposited cash on hand which is included on the financial statements of the Authority as part of "cash - unrestricted."

Deposits

At year end, the carrying amount of the Authority's deposits was $2,022,149, and the bank balance was $2,049,733. Based on criteria described in GASB Statement No. 40, *Deposits and Investments Risk Disclosures*, as of September 30, 2013, $327,350 of the Authority's bank balance was covered by Federal Depository Insurance and $1,722,383 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, 2013, 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 accrued interest receivable.

5. CAPITAL ASSETS

A summary of changes in the Authority's capital assets for the year ended September 30, 2013, follows:

	Balance - 09/30/12 *	Additions	Deletions	Balance - 09/30/13
Capital Assets Not Being Depreciated:				
Land and Land Rights	$ 500,242	$ -	$ -	$ 500,242
Construction in Progress	788,687	471,434	(460,745)	799,376
Total Capital Assets Not Being Depreciated	1,288,929	471,434	(460,745)	1,299,618
Capital Assets Being Depreciated:				
Buildings and Improvements	12,790,113	460,745	-	13,250,858
Equipment	449,496	9,946	(22,934)	436,508
Total Capital Assets Being Depreciated	13,239,609	470,691	(22,934)	13,687,366
Accumulated Depreciation:				
Buildings and Improvements	(8,729,562)	(510,401)	-	(9,239,963)
Equipment	(422,481)	(7,247)	22,934	(406,794)
Total Accumulated Depreciation	(9,152,043)	(517,648)	22,934	(9,646,757)
Net Capital Assets Being Depreciated	4,087,566	(46,957)	-	4,040,609
Net Capital Assets	$ 5,376,495	$ 424,477	$ (460,745)	$ 5,340,227

* - As Restated - See Note 12

6. DEFINED BENEFIT PENSION PLAN

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM

All Ironton Metropolitan Housing Authority 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 visiting https://www.opers.org/investments/cafr.shtml, writing to, OPERS, 277 East Town Street, Columbus, Ohio 42315-4642 or by calling (614) 222-5601 or 1-800-222-7377.

The Ohio Revised Code provides statutory authority for employee and employer contributions. For 2013, member and employer contribution rates were consistent across all three plans. The member contribution rates were 10.0% for 2013, 2012, and 2011 for the Authority. The employer contribution rates were 14.0% of covered payroll for the Authority for 2013, 2012, and 2011. The Authority's contributions to OPERS for the years ended September 30, 2013, 2012, and 2011 were $26,141, $34,578, and $36,482, 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.

7. POSTEMPLOYMENT BENEFITS (Continued)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (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 coverage.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2013, 2012 and 2011, the Authority contributed at 14% of covered payroll. 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.

The portion of employer contributions allocated to health care for the traditional plan was 1.0% for calendar year 2013. Effective January 1, 2014, the portion of employer contributions allocated to healthcare was raised to 2 percent for both plans, as recommended by the OPERS Actuary. The OPERS Board of Trustees is also authorized to establish rules for the payment of a portion of the health care benefits provided. 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 for 2013, 2012, and 2011, were $1,867, $9,879, and $14,332, respectively.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contributions toward the health care fund after the end of the transition period.

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, 2013 the current amount of unpaid compensated absences was $13,229 and the noncurrent amount was $184,573.

The changes in the Authority's long-term liabilities during 2013 were as follows:

	Balance at 9/30/2012	Increase	Decrease	Balance at 9/30/2013	Amount Due In One Year
Compensated Absences	$187,246	$22,891	$12,335	$197,802	$13,229
Total Long-Term Liabilities	$187,246	$22,891	$12,335	$197,802	$13,229

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 (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
Automobile Physical Damage	500	(per occurrence)
Boiler and Machinery	1,000	50,000,000
Liability:		6,000,000
General	0	included
Automobile	0	included
Public Officials	0	included
Law Enforcement	0	included
Professional Liability	5,000	1,000,000

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, 2013.

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. CHANGES IN ACCOUNTING PRINCIPLES

For 2013, the Authority implemented Governmental Accounting Standard Board (GASB) Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements," GASB Statement No. 65, "Items Previously Reported as Assets and Liabilities," Governmental Accounting Standards Board (GASB) Statement No. 66, "Technical Corrections – 2012 – An Amendment of GASB Statements No. 10 and No. 62," GASB Statement No. 69, "Government Combinations and Disposals of Government Operations," and GASB Statement No. 70, "Accounting and Financial Reporting for Nonexchange Financial Guarantees."

GASB Statement No. 62 incorporated into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure issued on or before November 30, 1989 which does not conflict with or contradict GASB pronouncements.

Statement No. 65 provides guidance on how to properly classify items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources. In addition, guidance is provided on recognizing certain items that were previously reported as assets and liabilities as outflows of resources (expenses or expenditures) or inflows of resources (revenues).

Statement No. 66 resolves conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This Statement amends Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, by removing the provision that limits fund-based reporting of an entity's risk financing activities to the general fund and the internal service fund type. As a result, governments should base their decisions about fund type classification on the nature of the activity to be reported, as required in Statement 54 and Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. This Statement also amends Statement 62 by modifying the specific guidance on accounting for (1) operating lease payments that vary from a straight-line basis, (2) the difference between the initial investment (purchase price) and the principal amount of a purchased loan or group of loans, and (3) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current (normal) servicing fee rate. These changes clarify how to apply Statement No. 13, *Accounting for Operating Leases with Scheduled Rent Increases*, and result in guidance that is consistent with the requirements in Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, respectively.

Statement No. 69 establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term *government combinations* includes a variety of transactions referred to as mergers, and transfers of operations.

Statement No. 70 improves accounting and financial reporting by state and local governments that extend and receive non exchange financial guarantees. This statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee.

The implementation of GASB Statements No. 62, 65, 66, 69, and 70 had no effect on the financial statements.

13. RESTATEMENT

The Authority restated its net position as of September 30, 2012 to correct accumulated depreciation for certain building improvements. The effect on net position was to decrease net position by $261,766 from $7,634,543 to $7,372,777.

Supplementary Information

IRONTON METROPLOITAN HOUSING AUTHORITY
LAWRENCE COUNTY
FINANCIAL DATA SCHEDULE
AS OF SEPTEMBER 30,2013

	14.871 Housing Choice Vouchers	14.850 14.872 Project Totals	Subtotal	ELIM	TOTAL
111 Cash - Unrestricted	$281,473	$1,730,637	$2,012,110	$0	$2,012,110
113 Cash - Other Restricted	$10,339	$0	$10,339	$0	$10,339
100 Total Cash	$291,812	$1,730,637	$2,022,449	$0	$2,022,449
126 Accounts Receivable - Tenants	$0	$44,396	$44,396	$0	$44,396
129 Accrued Interest Receivable	$70	$374	$444	$0	$444
120 Total Receivables, Net of Allowances for Doubtful Accounts	$70	$44,770	$44,840	$0	$44,840
142 Prepaid Expenses and Other Assets	$2,490	$37,853	$40,343	$0	$40,343
144 Inter Program Due From	$0	$5,000	$5,000	-$5,000	$0
150 Total Current Assets	$294,372	$1,818,260	$2,112,632	-$5,000	$2,107,632
161 Land	$0	$500,242	$500,242	$0	$500,242
162 Buildings	$0	$13,250,858	$13,250,858	$0	$13,250,858
163 Furniture, Equipment & Machinery - Dwellings	$0	$180,208	$180,208	$0	$180,208
164 Furniture, Equipment & Machinery - Administration	$1,560	$254,740	$256,300	$0	$256,300
166 Accumulated Depreciation	-$1,560	-$9,645,197	-$9,646,757	$0	-$9,646,757
167 Construction in Progress	$0	$799,376	$799,376	$0	$799,376
168 Infrastructure			$0	$0	$0
160 Total Capital Assets, Net of Accumulated Depreciation	$0	$5,340,227	$5,340,227	$0	$5,340,227
174 Other Assets	$0	$0	$0	$0	$0
180 Total Non-Current Assets	$0	$5,340,227	$5,340,227	$0	$5,340,227
190 Total Assets	$294,372	$7,158,487	$7,452,859	-$5,000	$7,447,859
321 Accrued Wage/Payroll Taxes Payable	$0	$13,841	$13,841	$0	$13,841
322 Accrued Compensated Absences - Current Portion	$926	$12,303	$13,229		$13,229
333 Accounts Payable - Other Government	$0	$40,510	$40,510	$0	$40,510
341 Tenant Security Deposits	$0	$56,397	$56,397	$0	$56,397
345 Other Current Liabilities	$0	$15,238	$15,238	$0	$15,238
347 Inter Program - Due To	$5,000	$0	$5,000	-$5,000	$0
310 Total Current Liabilities	$5,926	$138,289	$144,215	-$5,000	$139,215
354 Accrued Compensated Absences - Non Current	$12,920	$171,653	$184,573	$0	$184,573
350 Total Non-Current Liabilities	$12,920	$171,653	$184,573	$0	$184,573
300 Total Liabilities	$18,846	$309,942	$328,788	-$5,000	$323,788
508.1 Invested In Capital Assets, Net of Related Debt	$0	$5,340,227	$5,340,227	$0	$5,340,227
511.1 Restricted Net Assets	$10,339	$0	$10,339	$0	$10,339
512.1 Unrestricted Net Assets	$265,187	$1,508,318	$1,773,505	$0	$1,773,505
513 Total Equity/Net Assets	$275,526	$6,848,545	$7,124,071	$0	$7,124,071
600 Total Liabilities and Equity/Net Assets	$294,372	$7,158,487	$7,452,859	-$5,000	$7,447,859

Note: This Statement of Net Assets by Program includes interprogram due to/from of $5,000, which are removed from the entity wide Statement of Net Position on page 9.

IRONTON METROPLOITAN HOUSING AUTHORITY
LAWRENCE COUNTY
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	14.871 Housing Choice Vouchers	14.850 14.872 Project Totals	TOTAL
70300 Net Tenant Rental Revenue	$0	$737,147	$737,147
70400 Tenant Revenue - Other	$0	$22,989	$22,989
70600 HUD PHA Operating Grants	$207,480	$178,500	$385,980
70610 Capital Grants	$0	$474,490	$474,490
71100 Investment Income - Unrestricted	$321	$3,206	$3,527
71500 Other Revenue	$39,723	$63,585	$103,308
71600 Gain or Loss on Sale of Capital Assets	$0	$0	$0
70000 Total Revenue	$247,524	$1,479,917	$1,727,441
91100 Administrative Salaries	$13,278	$99,640	$112,918
91200 Auditing Fees	$1,459	$8,267	$9,726
91500 Employee Benefit contributions - Administrative	$3,485	$50,164	$53,649
91900 Other	$6,377	$27,282	$33,659
91000 Total Operating - Administrative	$24,599	$185,353	$209,952
92400 Tenant Services - Other	$0	$2,252	$2,252
92500 Total Tenant Services	$0	$2,252	$2,252
93100 Water	$300	$110,319	$110,619
93200 Electricity	$0	$202,282	$202,282
93300 Gas	$0	$28,478	$28,478
93000 Total Utilities	$300	$341,079	$341,379
94100 Ordinary Maintenance and Operations - Labor	$0	$113,415	$113,415
94200 Ordinary Maintenance and Operations - Materials and Other	$0	$40,358	$40,358
94300 Ordinary Maintenance and Operations Contracts	$13,931	$355,521	$369,452
94500 Employee Benefit Contributions - Ordinary Maintenance	$0	$57,098	$57,098
94000 Total Maintenance	$13,931	$566,392	$580,323
96140 All Other Insurance	$0	$32,429	$32,429
96100 Total insurance Premiums	$0	$32,429	$32,429
96300 Payments in Lieu of Taxes	$0	$40,510	$40,510
96400 Bad debt - Tenant Rents	$0	$18,146	$18,146
96000 Total Other General Expenses	$0	$58,656	$58,656
96900 Total Operating Expenses	$38,830	$1,186,161	$1,224,991
97000 Excess of Operating Revenue over Operating Expenses	$208,694	$293,756	$502,450
97300 Housing Assistance Payments	$233,508	$0	$233,508
97400 Depreciation Expense	$0	$517,648	$517,648
90000 Total Expenses	$272,338	$1,703,809	$1,976,147
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-$24,814	-$223,892	-$248,706
11020 Required Annual Debt Principal Payments	$0	$0	$0
11030 Beginning Equity	$300,340	$7,334,203	$7,634,543
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	$0	-$261,766	-$261,766
11190 Unit Months Available	0	3012	3012
11210 Number of Unit Months Leased	0	2969	2969
11270 Excess Cash	$0	$1,543,272	$1,543,272
11620 Building Purchases	$0	$474,490	$474,490

IRONTON METROPOLITAN HOUSING AUTHORITY
LAWRENCE COUNTY
SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED SEPTEMBER 30, 2013

FEDERAL GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER		2013 FEDERAL EXPENDITURES
DIRECT FROM U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:			
Low Rent Public Housing	14.850	$	178,500
Section 8 Housing Choice Vouchers	14.871		238,739
Public Housing Capital Fund	14.872		474,490
TOTAL FEDERAL AWARDS EXPENDITURES		$	891,729

See accompanying note 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, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Expenditures, the "schedule," is a summary of the activity of the Authority's federal award programs. The schedule has been prepared on the cash basis of accounting. Consequently, certain revenues are recognized when received rather than when earned and certain expenditures are recognized when paid rather than when the obligation is incurred.

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

March 31, 2014

Ironton Metropolitan Housing Authority
Lawrence County
720 Washington Street
Ironton, Ohio 45638

To the Board of Commissioners:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the **Ironton Metropolitan Housing Authority**, Lawrence County, Ohio (the Authority), as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise Authority's basic financial statements, and have issued our report thereon dated March 31, 2014.

Internal Control over Financial Reporting

As part of our financial statement audit, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Authority's internal control. Accordingly, we have not opined on it.

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 a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Authority's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

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, opining 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.*

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Perry & Associates CPA's A.C.

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

March 31, 2014

Ironton Metropolitan Housing Authority
Lawrence County
720 Washington Street
Ironton, Ohio 45638

To the Board of Commissioners:

Report on Compliance for Each Major Federal Program

We have audited the **Ironton Metropolitan Housing Authority's**, (the Authority), compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the Authority's major federal program for the year ended September 30, 2013. The Summary of Audit Results in the accompanying schedule of audit findings identifies the Authority's major federal program.

Management's Responsibility

The Authority's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal program.

Auditor's Responsibility

Our responsibility is to opine on the Authority's compliance for each of the Authority's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the Authority's major program. However, our audit does not provide a legal determination of the Authority's compliance.

Opinion on the Major Federal Program

In our opinion, the Ironton Metropolitan Housing Authority complied, in all material respects, with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended September 30, 2013.

Report on Internal Control over Compliance

The Authority's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the Authority's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Authority's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control compliance tests and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.

Perry & Associates CPA's A.C.

Perry & Associates
Certified Public Accountants, A.C.
Marietta, Ohio

IRONTON METROPOLITAN HOUSING AUTHORITY
LAWRENCE COUNTY
FOR THE YEAR ENDED SEPTEMBER 30, 2013

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

1. SUMMARY OF AUDIT RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	Unmodified
(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**	Unmodified
(d)(1)(vi)	**Are there any reportable findings under § .510?**	No
(d)(1)(vii)	**Major Programs (list):**	Public Housing Capital Fund, CFDA # 14.872
(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.

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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
MAY 8, 2014

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