

**BASIC FINANCIAL STATEMENTS  
AND SINGLE AUDIT**

**of the**

**BELMONT METROPOLITAN  
HOUSING AUTHORITY**

**for the**

**Year Ended March 31, 2010**





# Dave Yost • Auditor of State

Board of Directors  
Belmont Metropolitan Housing Authority  
100 South Third Street  
Martins Ferry, Ohio 43935

We have reviewed the *Independent Auditors' Report* of the Belmont Metropolitan Housing Authority, Belmont County, prepared by Jones, Cochenour & Co., for the audit period April 1, 2009 through March 31, 2010. 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 Belmont Metropolitan Housing Authority is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

May 2, 2011

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**BELMONT METROPOLITAN HOUSING AUTHORITY  
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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Belmont Metropolitan Housing Authority  
Martins Ferry, Ohio

Regional Inspector General of Audit  
Department of Housing and Urban  
Development

We have audited the accompanying basic financial statements of Belmont Metropolitan Housing Authority, as of and for the year ended March 31, 2010, as listed in the table of contents. These basic financial statements are the responsibility of the Belmont Metropolitan Housing Authority's management. Our responsibility is to express opinions on these basic financial statements based on our audit.

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

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of Belmont Metropolitan Housing Authority, as of March 31, 2010, and the results of its operations and the cash flows of its proprietary funds activities for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated July 29, 2010 on our consideration of Belmont Metropolitan Housing Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion thereon.

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

Jones, Cochenour & Co.  
July 29, 2010

*much more than an accounting firm*

**BELMONT METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year Ended March 31, 2010**

**Unaudited**

It is a privilege to present for you the financial picture of Belmont Metropolitan Housing Authority. The Belmont 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 individual fund issues or concerns.

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

**FINANCIAL HIGHLIGHTS**

- Net assets, defined as Assets net of Liabilities, were \$15.8 million and \$17.4 million for fiscal 2009 and fiscal 2010, respectively. The Authority-wide financial statements reflect an increase in total Net Assets \$1.6 million during fiscal year 2010.
- Total revenue, Authority-wide, increased by \$1.6 million (30%) during fiscal 2010, and was \$5.3 million and \$6.9 million for fiscal 2009 and fiscal 2010, respectively.
- Total expenses, Authority-wide, were about the same for both years presented. Total expenses were \$5.4 million for fiscal 2009 and fiscal 2010.

**USING THIS ANNUAL REPORT**

The following graphic outlines the format of this report:

<b>MD&amp;A</b> ~ Management Discussion and Analysis ~
<b>Basic Financial Statements</b> ~ Authority-wide Financial Statements ~ ~ Fund Financial Statement ~ ~ Notes to Financial Statements ~
<b>Other Required Supplementary Information</b> ~ Required Supplementary Information (other than MD&A) ~

The focus is on both the Authority as a whole (authority-wide) and the major individual funds. Both perspectives (authority-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year to year or Authority to Authority) and enhance the Authority's accountability.

**BELMONT METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED  
Year Ended March 31, 2010**

Unaudited

**Authority-Wide Financial Statements**

The Authority-wide financial statements are designed to be corporate-like in that all business type activities are consolidated into columns, which add to a total for the entire 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, equal "Net Assets", formerly known as equity. Assets and liabilities are presented in order of liquidity, and are classified as "Current" (convertible into cash within one year), and "Non-current".

The focus of the Statement of Net Assets (the "Unrestricted Net Assets") is designed to represent the net available liquid (non-capital) assets, net of liabilities, for the entire Authority. Net Assets (formerly equity) are reported in three broad categories:

Net Assets, Invested in Capital Assets, Net of Related Debt: This component of Net Assets consists of all Capital Assets, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Assets: This component of Net Assets consists of restricted assets, when constraints are placed on the asset by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.

Unrestricted Net Assets: Consists of Net Assets that do not meet the definition of "Net Assets Invested in Capital Assets, Net of Related Debt", or "Restricted Net Assets". This account resembles the old operating reserves account.

The Authority-wide financial statements also include a Statement of Revenues, Expenses and Changes in Fund Net Assets (similar to an Income Statement). This Statement includes Operating Revenues, such as rental income, Operating Expenses, such as administrative, utilities, and maintenance, and depreciation, and Non-Operating Revenue and Expenses, such as grant revenue, investment income and interest expense.

The focus of the Statement of Revenues, Expenses and Changes in Fund Net Assets is the "Change in Net Assets", which is similar to Net Income or Loss.

Finally, a Statement of Cash Flows is included, which discloses net cash provided by, or used for operating activities, non-capital financing activities, and from capital and related financing activities.

**Fund Financial Statements**

Traditional users of governmental financial statements will find the Fund Financial Statements presentation more familiar. The focus is now on Major Funds, rather than fund types. The Authority consists exclusively of Enterprise Funds. Enterprise funds utilize the full accrual basis of accounting. The Enterprise method of accounting is similar to accounting utilized by the private sector accounting.

The Department of Housing and Urban Development requires the funds be maintained by the Authority.

**Business Type Funds:**

Conventional Public Housing - Under the conventional Public Housing Program, the Authority rents units that it owns to low-income households. The Conventional Public Housing Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides Operating Subsidy and Capital Grant funding to enable the PHA to provide the housing at a rent that is based upon 30% of household income. The Conventional Public Housing Program also includes the Capital Fund Program, which is the primary funding source for physical and management improvements to the Authority's properties.

Formula Stimulus Grant – The Authority received funding through the American Recovery and Reinvestment Act as part of the Capital Fund Program. These funds were for physical improvements of the Authority's properties.

**BELMONT METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED  
Year Ended March 31, 2010**

Unaudited

**Central Office Cost Center (COCC)** – The Authority owns and operates more than 250 dwelling rental units and operates more than 250 dwelling rental units and established a COCC to account for non-project specific costs. These costs are funded from management fees, asset management fees and bookkeeping fees.

**Housing Choice Voucher Program** - Under the Housing Choice Voucher Program, the Authority administers contracts with independent landlords that own the property. The Authority subsidizes the family's rent through a Housing Assistance Payment made to the landlord. The program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides Annual Contributions Funding to enable the Authority to structure a lease that sets the participants' rent at 30% of household income.

**AUTHORITY-WIDE STATEMENT**

**Statement of Net Assets**

The following table reflects the condensed Statement of Net Assets compared to prior year. The Authority is engaged only in Business-Type Activities.

**TABLE 1  
STATEMENT OF NET ASSETS**

	2010 (in millions of dollars)	2009 (in millions of dollars)
Current and Other Assets	\$ 3.9	\$ 3.2
Capital Assets	14.0	13.1
<b>Total Assets</b>	<b>\$ 17.9</b>	<b>\$ 16.3</b>
Current Liabilities	0.4	0.4
Long-Term Liabilities	0.1	0.1
<b>Total Liabilities</b>	<b>\$ 0.5</b>	<b>\$ 0.5</b>
<b>Net Assets:</b>		
Invested in Capital Assets, Net of Related Debt	14.0	13.1
Restricted	-	0.1
Unrestricted	3.4	2.6
<b>Total Net Assets</b>	<b>\$ 17.4</b>	<b>\$ 15.8</b>

**Major Factors Affecting the Statement of Net Assets**

Current assets increased by \$0.7 million while current liabilities remained the same. The net of the Authority's increase in current assets and current liabilities reflects the Authority's positive net cash flow during the year of about \$0.7 million. Although the Authority's revenue exceeded expenses by \$1.5 million, this amount included non-cash expenses (depreciation) of \$1.1 million (added back to determine net cash flow) and Capital Grant funding of \$1.9 million (deducted because the related expenses are capitalized). Therefore net cash flow, after the items above are added back and deducted, was about \$0.7 million enabling the Authority to increase current assets.

Capital assets increased from \$13.1 million in fiscal 2009 to \$14.0 million in fiscal 2010. The change is explained by additions of about \$1.9 million, minus depreciation of about \$1.1 million. The additions were primarily related to capital grant and stimulus grant funds provided by HUD.

The unrestricted net assets account, which resembles net working capital, increased by \$0.8 million to \$3.4 million at the end of fiscal 2010, reflecting the results of operations and positive net cash flow mentioned earlier.

It was a very stable year and the Authority's unrestricted net assets increased, indicating a positive change in the financial well being of the Authority.

**BELMONT METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED  
Year Ended March 31, 2010**

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 year. The Authority is engaged only in Business-Type Activities.

	2010 (in millions of dollars)	2009 (in millions of dollars)
<b>Revenues</b>		
Tenant Revenue - Rents and Other	\$ 1.5	\$ 1.4
Operating Subsidies and Grants	3.4	3.1
Capital Grants	1.9	0.7
Investment Income	0.1	0.1
<b>Total Revenue</b>	<b>6.9</b>	<b>5.3</b>
<b>Expenses</b>		
Administrative	0.9	0.9
Utilities	1.0	1.0
Maintenance	1.1	1.1
General	0.3	0.3
Housing Assistance Payments	1.0	1.0
Depreciation	1.1	1.1
<b>Total Expenses</b>	<b>\$ 5.4</b>	<b>\$ 5.4</b>
<b>Net Increase (Decrease)</b>	<b>\$ 1.5</b>	<b>\$ (0.1)</b>

**Major Factors Affecting The Statement Of Revenue, Expenses And Changes In Net Assets**

Tenant revenue increased slightly due to higher occupancy levels. Operating funding increased slightly due to a combination of higher subsidies and soft cost funding on grants. Capital grants increased substantially, a function of a higher level capital spending as well as the new stimulus (ARRA) grant.

Expenses were very much consistent between fiscal 2009 and 2010. Increases in revenue and the stability of the expenses enabled the authority to achieve a large net increase in revenues over expenses, and therefore an increase in net assets.

**BELMONT METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED  
Year Ended March 31, 2010**

Unaudited

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

As of year end, the Authority had \$14.0 million invested in a variety of capital assets as reflected in the following schedule, which represents a modest net decrease (additions, deductions and depreciation) of \$.9 million from the end of last year.

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

	2010	2009
Land and Land Rights	\$ 1,446,016	\$ 1,446,016
Buildings	34,527,300	32,879,826
Equipment - Administrative	434,684	416,781
Accumulated Depreciation	(24,822,217)	(23,731,407)
Construction in Progress	2,456,100	2,174,701
<b>TOTAL</b>	<b>\$ 14,041,883</b>	<b>\$ 13,185,917</b>

**Debt Administration**

The Authority has no debt other than the normal accounts payable, accrued expenses, and accrued compensated absences.

The following reconciliation summarizes the change in Capital Assets.

**TABLE 4  
CHANGE IN CAPITAL ASSETS**

	<b>Business-Type Activities</b>
Beginning Balance	\$ 13,185,917
Additions and transfers-CFP	1,936,070
Additions - Projects	29,348
Depreciation	(1,111,172)
Correction	1,720
Ending Balance	\$ 14,041,883

**This year's major additions are:**

**Business-Type Activities**

Furniture and equipment	\$ 36,545
Buildings and improvements	1,647,474
Construction in progress	281,399
	\$ 1,965,418

**BELMONT METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED  
Year Ended March 31, 2010**

**Unaudited**

**ECONOMIC FACTORS**

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

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

**IN CONCLUSION**

**The Authority had a very good year financially as reflected in the \$.8 million increase in unrestricted net assets.**

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

**FINANCIAL CONTACT**

**If you have any questions regarding this report, you may contact Jody Geese, Executive Director of the Belmont Metropolitan Housing Authority at (740) 633-5085.**

**Respectfully submitted,**

*Jody Robinson Geese*

**Jody Robinson Geese  
Executive Director**

**BELMONT METROPOLITAN HOUSING AUTHORITY**  
**STATEMENT OF NET ASSETS**  
**March 31, 2010**

**ASSETS**

Cash and cash equivalents	\$	1,044,122
Cash and cash equivalents - restricted		32,845
Investments		2,597,618
Receivables - net of allowance		38,920
Inventories - net of allowance		61,815
Prepaid expenses		<u>133,569</u>

**TOTAL CURRENT ASSETS** 3,908,889

**CAPITAL ASSETS**

Land and construction in progress		3,902,116
Other capital assets - net		<u>10,139,767</u>

**TOTAL CAPITAL ASSETS** 14,041,883

**TOTAL ASSETS** 17,950,772

**LIABILITIES**

Accounts payable		62,449
Accounts payable - other government		47,464
Accrued wages and payroll taxes		51,061
Accrued compensated absences - current		83,271
Tenant security deposits		142,903
Deferred revenue		<u>35,312</u>

**TOTAL CURRENT LIABILITIES** 422,460

Accrued compensated absences - noncurrent		<u>101,768</u>
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**TOTAL LIABILITIES** 524,228

**NET ASSETS**

Invested in capital assets - net of related debt		14,041,883
Restricted net assets		32,845
Unrestricted net assets		<u>3,351,816</u>

**TOTAL NET ASSETS** \$ 17,426,544

See accompanying notes to the basic financial statements

**BELMONT METROPOLITAN HOUSING AUTHORITY**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**Year Ended March 31, 2010**

<b>OPERATING REVENUES</b>		
Tenant revenue	\$	1,490,955
HUD operating grants		3,391,794
Other operating revenues		<u>38,698</u>
<b>TOTAL OPERATING REVENUES</b>		<b>4,921,447</b>
<b>OPERATING EXPENSES</b>		
Administrative		891,327
Tenant services		17,072
Utilities		998,121
Maintenance		911,218
Protection services		130,897
Depreciation		1,111,172
PILOT		47,465
Insurance		142,703
Bad debts		20,724
General expenses		62,876
Housing assistance payments		1,032,798
HAP port in		<u>10,138</u>
<b>TOTAL OPERATING EXPENSES</b>		<b><u>5,376,511</u></b>
<b>OPERATING LOSS</b>		<b>(455,064)</b>
<b>NON-OPERATING REVENUE</b>		
Interest income		78,156
HUD capital grants		<u>1,936,070</u>
<b>TOTAL NON OPERATING REVENUE</b>		<b><u>2,014,226</u></b>
<b>CHANGE IN NET ASSETS</b>		<b>1,559,162</b>
Net Assets Beginning of Year		<u>15,867,382</u>
<b>NET ASSETS END OF YEAR</b>		<b><u>\$ 17,426,544</u></b>

See accompanying notes to the basic financial statements

**BELMONT METROPOLITAN HOUSING AUTHORITY**  
**STATEMENT OF CASH FLOWS**  
Year Ended March 31, 2010

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from tenants	\$ 1,502,163
Cash received from HUD	3,405,255
Cash received from other revenue	38,698
Cash payments for housing assistance payments	(1,032,798)
Cash payments for other operating expenses	(3,099,542)
Cash payments to HUD and other governments	<u>(41,461)</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>772,315</b>
 <b>CASH FLOWS FROM CAPITAL AND FINANCING ACTIVITIES</b>	
Capital grants received	1,936,070
Acquisition of capital assets	<u>(1,965,418)</u>
<b>NET CASH (USED) BY CAPITAL AND FINANCING ACTIVITIES</b>	<b>(29,348)</b>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Investment earnings/proceeds	116,497
Investment acquisitions	<u>(650,000)</u>
<b>NET CASH (USED) BY INVESTING ACTIVITIES</b>	<b>(533,503)</b>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>209,464</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING</b>	<u><b>867,503</b></u>
<b>CASH AND CASH EQUIVALENTS, ENDING</b>	<u><u><b>\$ 1,076,967</b></u></u>
 <b>RECONCILIATION OF OPERATING (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Operating (loss)	\$ (455,064)
Adjustments to reconcile operating loss to net cash provided by operating activities	
Depreciation	1,111,172
(Increase) decrease in:	
Receivables - net of allowance	(17,893)
Inventories - net of allowance	(9,889)
Prepaid expenses	(8,728)
Increase (decrease) in:	
Accounts payable	(6,564)
Accrued wages and payroll taxes	43,515
Accrued compensated absences	102,865
Accounts payable - other government	6,003
Tenant security deposits	7,250
Deferred revenue	<u>(352)</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u><u><b>\$ 772,315</b></u></u>

See accompanying notes to the basic financial statements

**BELMONT METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
March 31, 2010

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Summary of Significant Accounting Policies**

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

The Authority has implemented GASB 34, noting that the inclusion of Management's Discussion and Analysis, the presentation of net assets, and the utilization of the direct method of cash flows are the changes made to the financial statements to comply with the requirement.

**Reporting Entity**

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

The accompanying basic financial statements comply with the provision of Governmental Accounting Standards Board (GASB) Statement 14, the Financial Reporting Entity, in that the financial statements include all organizations, activities and functions for which the Authority is financially accountable. This report includes all activities considered by management to be part of the Authority by virtue of Section 2100 of the Codification of Governmental Accounting and Financial Reporting Standards.

Section 2100 indicates that the reporting entity consists of a) the primary government, b) organizations for which the primary government is financially accountable, and c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity.

It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's government body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization. A financial benefit or burden relationship exists if the primary government a) is entitled to the organization's resources; b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or is obligated in some manner for the debt of the organizations.

Management believes the financial statements included in this report represent all of the funds of the Authority over which the Authority is financially accountable.

**Basis of Presentation**

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

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

Enterprise fund reporting focuses on the determination of the change in net assets, financial position and cash flows. An enterprise fund may be used to account for any activity for which a fee is charged to external users for goods and services.

**BELMONT METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
March 31, 2010

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**Measurement Focus**

The enterprise fund is accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the Authority are included on the statement of net assets. The statement of changes in net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the Authority finances and meets the cash flow needs of its enterprise activity.

**Enterprise Fund**

The Authority uses the proprietary fund to report on its financial position and the results of its operations for the Section 8 and public housing programs. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Funds are classified into three categories: governmental, proprietary and fiduciary. The Authority uses the proprietary category for its programs.

The following are the various programs which are included in the single enterprise fund:

**Conventional Public Housing** - Under the conventional Public Housing Program, the Authority rents units that it owns to low-income households. The Conventional Public Housing Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides Operating Subsidy and Capital Grant funding to enable the PHA to provide the housing at a rent that is based upon 30% of household income. The Conventional Public Housing Program also includes the Capital Fund Program, which is the primary funding source for physical and management improvements to the Authority's properties.

**Formula Stimulus Grant** – The Authority received funding through the American Recovery and Reinvestment Act as part of the Capital Fund Program. These funds were for physical improvements of the Authority's properties.

**Central Office Cost Center (COCC)** – The Authority owns and operates more than 250 dwelling rental units and operates more than 250 dwelling rental units and established a COCC to account for non-project specific costs. These costs are funded from management fees, asset management fees and bookkeeping fees.

**Housing Choice Voucher Program** - Under the Housing Choice Voucher Program, the Authority administers contracts with independent landlords that own the property. The Authority subsidizes the family's rent through a Housing Assistance Payment made to the landlord. The program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides Annual Contributions Funding to enable the Authority to structure a lease that sets the participants' rent at 30% of household income.

**Accounting and Reporting for Nonexchange Transactions**

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

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

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

**BELMONT METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
March 31, 2010**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

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

- **Time requirements specify (a) the period when resources are required to be used or when use may begin (for example, operating or capital grants for a specific period) or (b) that the resources are required to be maintained intact in perpetuity or until a specified date or event has occurred (for example, permanent endowments, term endowments, and similar agreements). Time requirements affect the timing of recognition of nonexchange transactions.**
- **Purpose restrictions specify the purpose for which resources are required to be used. (i.e. capital grants used for the purchase of capital assets). Purpose restrictions do not affect when a nonexchange transaction is recognized. However, PHAs that receive resources with purpose restrictions should report resulting net assets, equity, or fund balance as restricted.**

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

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

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

**Deferred Revenue**

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

**Prepaid expenses**

**Payments made to vendors for services that will benefit periods beyond March 31, 2010, are recorded as prepaid expenses using the consumption method. A current asset for the amount is recorded at the time of the purchase and expense is reported in the year in which the services are consumed.**

**Investments**

**Investments are restricted by the provisions of the HUD Regulations (See Note 2). Investments are valued at market value. Interest income earned in fiscal year 2010 for both programs totaled \$78,156.**

**Capital Assets**

**Fixed assets are stated at cost and depreciation is computed using the straight line method over an estimated useful life of the assets. The cost of normal maintenance and repairs, that do not add to the value of the asset or materially extend the asset life, are not capitalized. The Authority's capitalization policy is \$2,000. The following are the useful lives used for depreciation purposes:**

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

**BELMONT METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
 March 31, 2010

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**Due From/To Other Programs**

On the basic financial statements, inter-program receivables and payables listed on the FDS are eliminated.

**Accrued Liabilities**

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

**Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets – net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are recorded as restricted when there are limitations imposed on their use either by internal or external restrictions.

**Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the Authority, these revenues are tenant revenues, operating grants from HUD and other miscellaneous revenue.

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

**Cash and Cash Equivalents**

For the purpose of the statement of cash flows, cash and cash equivalents include all highly liquid debt instruments with original maturities of three months or less.

**Compensated Absences**

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

Vacation leave and other compensated absences with similar characteristics are accrued as a liability as the benefits are earned by the employees if both of the following conditions are met: 1) The employees' rights to receive compensation are attributable to services already rendered and are not contingent on a specific event that is outside the control of the employer and employee, 2) It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

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

The following is a summary of changes in the compensated absence liability.

<u>Balance 3/31/09</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 3/31/10</u>	<u>Due within one year</u>
\$ 182,606	\$ 28,233	\$ (25,800)	\$ 185,039	\$ 83,271

**Budgetary Accounting**

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

**Estimates**

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

**BELMONT METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
March 31, 2010

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**Inventories**

Inventories are stated at cost on first-in, first-out basis. The allowance for obsolete inventory was \$6,665 at March 31, 2010.

**Capital Grant**

This represents grants provided by HUD that the Authority spends on capital assets.

**2. CASH AND INVESTMENTS**

**Cash**

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

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

Inactive deposits are public deposits that the Authority has identified as not required for use within the current two-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use, but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

Protection of Authority's deposits is provided by the Federal Deposit Insurance Corporation (FDIC) by eligible securities pledged by the financial institution as security for repayment, but surety company bonds deposited with the treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

At fiscal year end March 31, 2010, the carrying amount of the Authority's deposits totaled \$1,076,967 and its bank balance was \$664,875. Based on the criteria described in GASB Statement No. 40, "Deposit and Investment Risk Disclosure," as of March 31, 2010, \$394,438 was exposed to custodial risk as discussed below, while \$250,000 was covered by the Federal Depository Insurance Corporation. \$333,152 of the deposits are in the investment account described below.

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

**Investments**

HUD, State Statute and Board Resolutions authorize the Authority to invest in obligations of the U.S. Treasury, agencies and instrumentalities, certificates of deposit, repurchase agreements, money market deposit accounts, municipal depository fund, super NOW accounts, sweep accounts, separate trading of registered interest and principal of securities, mutual funds, bonds and other obligations of this State, and the State Treasurer's investment pool. Investments in stripped principal or interest and principal of securities, mutual funds, bonds and other obligations of this State, and the State Treasurer's investment pool. Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose or arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a

**BELMONT METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**March 31, 2010**

**2. CASH AND INVESTMENTS - CONTINUED**

specific obligation or debt of the Authority, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specific dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian. The Authority had investments of mutual funds in the amount of \$2,597,618 at March 31, 2010.

The Authority's investments are categorized to give an indication of the level of risk assumed by the entity at year-end. Category A includes investments that are insured or registered or for which the securities are held by the Authority or its agent in the Authority's name. Category B includes uninsured and unregistered investments for which the securities are held by the counterparty's Trust department or agent in the Authority's name. Category C includes uninsured and unregistered investments for which securities are held by the counterparty or its Trust department but not in the Authority's name. The investments of the Authority are classified as Category A.

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

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

**4. RISK MANAGEMENT**

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

**5. CAPITAL ASSETS**

The following is a summary of capital assets:

	<u>Restated Balance 3/31/2009</u>	<u>Additions</u>	<u>Transfers/ Disposals/ Corrections</u>	<u>Balance 3/31/2010</u>
<b>CAPITAL ASSETS, NOT BEING DEPRECIATED</b>				
Land	\$ 1,446,016	\$ -	\$ -	\$ 1,446,016
Construction in Progress	<u>2,174,701</u>	<u>281,399</u>		<u>2,456,100</u>
<b>TOTAL CAPITAL ASSETS,         NOT BEING DEPRECIATED</b>	<b><u>\$ 3,620,717</u></b>	<b><u>\$ 281,399</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 3,902,116</u></b>
 <b>CAPITAL ASSETS, BEING DEPRECIATED</b>				
Buildings and Improvements	\$ 32,879,826	1,647,474	-	\$ 34,527,300
Furniture and equipment	<u>416,781</u>	<u>36,545</u>	<u>(18,642)</u>	<u>434,684</u>
Totals at Historical Costs	33,296,607	1,684,019	(18,642)	34,961,984
Less: Accumulated Depreciation	<u>(23,731,407)</u>	<u>(1,111,172)</u>	<u>20,362</u>	<u>(24,822,217)</u>
<b>TOTAL CAPITAL         ASSETS, NET,         BEING DEPRECIATED</b>	<b><u>\$ 9,565,200</u></b>	<b><u>\$ 572,847</u></b>	<b><u>\$ 1,720</u></b>	<b><u>\$ 10,139,767</u></b>
<b>TOTAL CAPITAL ASSETS</b>	<b><u>\$ 13,185,917</u></b>	<b><u>\$ 854,246</u></b>	<b><u>\$ 1,720</u></b>	<b><u>\$ 14,041,883</u></b>
 Accumulated Depreciation by Class:				
Building and Improvements				\$ 24,510,738
Furniture and Fixtures				<u>311,479</u>
<b>TOTAL ACCUMULATED DEPRECIATION</b>				<b><u>\$ 24,822,217</u></b>

**BELMONT METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
March 31, 2010

**6. DEFINED BENEFIT PENSION PLANS – PUBLIC EMPLOYEES RETIREMENT SYSTEM**

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans as described below:

- a. The Traditional Pension Plan (TP) – cost-sharing multiple-employer defined benefit pension plan.
- b. The Member-Directed Plan (MD) – a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year.) Under the Member-Directed Plan members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings thereon.
- c. The Combined Plan (CO) – a cost-sharing multiple-employer defined benefit pension plan. Under the Combined Plan employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to the Traditional 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 basic retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the Traditional Plan and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by statute per Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report which may be obtained by writing to the Public Employee Retirement system, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-6705 or 1-800-222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2010, member and employer contribution rates were consistent across all three plans (TP, MD and CO). Plan members are required to contribute 10 percent of their annual covered payroll to fund pension obligations and the Authority was required to contribute 14 percent of covered payroll during 2010. The Authority's required contributions, including the pick up portion for certain employees for the years ended March 31, 2010, 2009 and 2008 were \$145,909, \$146,040, and \$142,499, respectively. All required payments of contributions have been made through March 31, 2010.

**7. POSTEMPLOYMENT BENEFITS**

- A. Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan (TP) – a cost-sharing multiple-employer defined benefit pension plan; the Member-Directed Plan (MD) – a defined contribution plan; and the Combined Plan (CO) – a cost-sharing multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program, and Medicare Part B premium reimbursement, to qualifying members of both the TP and the CO Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

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

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interest parties may obtain a copy by writing OPERS, Attention: Finance Director, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

- B. The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement healthcare 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.

**BELMONT METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
March 31, 2010

**7. POSTEMPLOYMENT BENEFITS - CONTINUED**

OPERS' Post Employment Health Care plan was established under, and is administrated 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 2009, the employer contributions allocated to the health care plan was 5.5% of covered payroll. For 2008, these percentages were 7.0%, for January through June 2007 the rate was 5% and 6.0% for July through December 2007. 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.

- C. The employer contributions that were used to fund post-employment benefits were approximately \$145,909.
- D. 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. FDS SCHEDULE SUBMITTED TO HUD**

For the fiscal year ended March 31, 2010, the Authority electronically submitted an unaudited version of the balance sheet, statement of revenues, expenses and changes in net asset and other data to HUD as required on the GAAP basis. The schedules are presented in the manner prescribed by Housing and Urban Development.

**9. CONTINGENT LIABILITIES**

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

**10. RESTRICTED NET ASSETS**

For the fiscal year ended March 31, 2010, the Authority had \$32,845 in its HAP reserve account for the Section 8 program.

**11. SUBSEQUENT EVENTS**

There were no subsequent events through July 29, 2010, the date the financial statements were available to be issued. Any subsequent events after that date have not been evaluated.

**BELMONT METROPOLITAN HOUSING AUTHORITY**  
**COMBINED - STATEMENT OF NET ASSETS**  
**March 31, 2010**

	Project Total	Housing Choice Vouchers	Formula Stimulus Grant	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	397,309	101,163		402,747	901,219		901,219
113 Cash - Other Restricted		32,845			32,845		32,845
114 Cash - Tenant Security Deposits	142,903				142,903		142,903
100 Total Cash	540,212	134,008	-	402,747	1,076,967	-	1,076,967
122 Accounts Receivable - HUD Other Projects	31,915				31,915		31,915
125 Accounts Receivable - Miscellaneous				2,599	2,599		2,599
126 Accounts Receivable - Tenants	9,219			-	9,219		9,219
126.1 Allowance for Doubtful Accounts - Tenants	(4,813)				(4,813)		(4,813)
120 Total Receivables, Net of Allowances for Doubtful Accounts	36,321	-	-	2,599	38,920	-	38,920
131 Investments - Unrestricted	2,191,629			405,989	2,597,618		2,597,618
142 Prepaid Expenses and Other Assets	99,447			34,122	133,569		133,569
143 Inventories	68,480				68,480		68,480
143.1 Allowance for Obsolete Inventories	(6,665)				(6,665)		(6,665)
150 Total Current Assets	2,929,424	134,008	-	845,457	3,908,889	-	3,908,889
161 Land	1,446,016				1,446,016		1,446,016
162 Buildings	34,527,300				34,527,300		34,527,300
164 Furniture, Equipment & Machinery - Administration	322,876	8,810		102,998	434,684		434,684
166 Accumulated Depreciation	(24,726,385)	(8,810)		(87,022)	(24,822,217)		(24,822,217)
167 Construction in Progress	2,456,100				2,456,100		2,456,100
160 Total Capital Assets, Net of Accumulated Depreciation	14,025,907	-	-	15,976	14,041,883	-	14,041,883
180 Total Non-Current Assets	14,025,907	-	-	15,976	14,041,883		14,041,883
190 Total Assets	16,955,331	134,008	-	861,433	17,950,772	-	17,950,772
312 Accounts Payable <= 90 Days	56,399			549	56,948		56,948
321 Accrued Wage/Payroll Taxes Payable	33,391	3,503		14,167	51,061		51,061
322 Accrued Compensated Absences - Current Portion	58,313	1,872		23,086	83,271		83,271
333 Accounts Payable - Other Government	47,464				47,464		47,464
341 Tenant Security Deposits	142,903				142,903		142,903
342 Deferred Revenues	35,312				35,312		35,312
345 Other Current Liabilities		87			87		87
346 Accrued Liabilities - Other				5,414	5,414		5,414
310 Total Current Liabilities	373,782	5,462	-	43,216	422,460	-	422,460
354 Accrued Compensated Absences - Non Current	71,264	2,287		28,217	101,768		101,768
350 Total Non-Current Liabilities	71,264	2,287	-	28,217	101,768	-	101,768
300 Total Liabilities	445,046	7,749	-	71,433	524,228	-	524,228
508.1 Invested In Capital Assets, Net of Related Debt	14,025,907			15,976	14,041,883		14,041,883
511.1 Restricted Net Assets		32,845			32,845		32,845
512.1 Unrestricted Net Assets	2,484,378	93,414		774,024	3,351,816		3,351,816
513 Total Equity/Net Assets	16,510,285	126,259	-	790,000	17,426,544	-	17,426,544
600 Total Liabilities and Equity/Net Assets	16,955,331	134,008	-	861,433	17,950,772	-	17,950,772

See independent auditors' report

**BELMONT METROPOLITAN HOUSING AUTHORITY**  
**COMBINED - STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**YEAR ENDED MARCH 31, 2010**

	Project Total	Housing Choice Vouchers	Formula Stimulus Grant	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	1,476,294				1,476,294		1,476,294
70400 Tenant Revenue - Other	14,661				14,661		14,661
70500 Total Tenant Revenue	1,490,955	-	-	-	1,490,955	-	1,490,955
							-
70600 HUD PHA Operating Grants	2,233,165	1,158,629			3,391,794		3,391,794
70610 Capital Grants	552,443		1,383,627		1,936,070		1,936,070
70710 Management Fee				553,784	553,784	(553,784)	-
70720 Asset Management Fee				86,000	86,000	(86,000)	-
70730 Book Keeping Fee				73,445	73,445	(73,445)	-
70700 Total Fee Revenue				713,229	713,229	(713,229)	-
							-
71100 Investment Income - Unrestricted	66,852	293		10,913	78,058		78,058
71500 Other Revenue	28,505	10,188		5	38,698		38,698
72000 Investment Income - Restricted		98			98		98
70000 Total Revenue	4,371,920	1,169,208	1,383,627	724,147	7,648,902	(713,229)	6,935,673
91100 Administrative Salaries	203,886	63,698		239,732	507,316		507,316
91200 Auditing Fees	4,242	2,448		3,100	9,790		9,790
91300 Management Fee	534,170	19,614			553,784	(553,784)	-
91310 Book-keeping Fee	63,638	9,807			73,445	(73,445)	-
91500 Employee Benefit contributions - Administrative	105,165	24,829		90,474	220,468		220,468
91600 Office Expenses	22,207	8,123		23,742	54,072		54,072
91700 Legal Expense		1,000		9,000	10,000		10,000
91800 Travel		801		3,859	4,660		4,660
91900 Other	38,321	6,944		39,756	85,021		85,021
91000 Total Operating - Administrative	971,629	137,264	-	409,663	1,518,556	(627,229)	891,327
92000 Asset Management Fee	86,000				86,000	(86,000)	-
92400 Tenant Services - Other	17,072				17,072		17,072
92500 Total Tenant Services	17,072	-	-	-	17,072	-	17,072
93100 Water	341,904				341,904		341,904
93200 Electricity	310,531				310,531		310,531
93300 Gas	77,238				77,238		77,238
93500 Labor	23,192				23,192		23,192
93600 Sewer	167,408				167,408		167,408
93800 Other Utilities Expense	77,848				77,848		77,848
93000 Total Utilities	998,121	-	-	-	998,121	-	998,121

See independent auditors' report

**BELMONT METROPOLITAN HOUSING AUTHORITY**  
**COMBINED - STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**YEAR ENDED MARCH 31, 2010**

	Project Total	Housing Choice Vouchers	Formula Stimulus Grant	COCC	Subtotal	ELIM	Total
94100 Ordinary Maintenance and Operations - Labor	479,983				479,983		479,983
94200 Ordinary Maintenance and Operations - Materials and Other	187,280			2,506	189,786		189,786
94300 Ordinary Maintenance and Operations Contracts	77,088				77,088		77,088
94500 Employee Benefit Contributions - Ordinary Maintenance	164,361				164,361		164,361
94000 Total Maintenance	908,712	-	-	2,506	911,218	-	911,218
95200 Protective Services - Other Contract Costs	130,897				130,897		130,897
95000 Total Protective Services	130,897	-	-	-	130,897	-	130,897
96110 Property Insurance	51,137			3,384	54,521		54,521
96120 Liability Insurance	51,138	1,859		3,384	56,381		56,381
96130 Workmen's Compensation	11,800	407		781	12,988		12,988
96140 All Other Insurance	17,046	639		1,128	18,813		18,813
96100 Total insurance Premiums	131,121	2,905	-	8,677	142,703	-	142,703
96200 Other General Expenses		1,010			1,010		1,010
96210 Compensated Absences	43,289	3,900		14,677	61,866		61,866
96300 Payments in Lieu of Taxes	47,465				47,465		47,465
96400 Bad debt - Tenant Rents	20,724				20,724		20,724
96000 Total Other General Expenses	111,478	4,910	-	14,677	131,065	-	131,065
96900 Total Operating Expenses	3,355,030	145,079	-	435,523	3,935,632	(713,229)	3,222,403
97000 Excess of Operating Revenue over Operating Expenses	1,016,890	1,024,129	1,383,627	288,624	3,713,270	-	3,713,270
97300 Housing Assistance Payments		1,032,798			1,032,798		1,032,798
97350 HAP Portability-In		10,138			10,138		10,138
97400 Depreciation Expense	1,100,478			10,694	1,111,172		1,111,172
90000 Total Expenses	4,455,508	1,188,015	-	446,217	6,089,740	(713,229)	5,376,511

See independent auditors' report

**BELMONT METROPOLITAN HOUSING AUTHORITY  
 COMBINED - STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
 YEAR ENDED MARCH 31, 2010**

	Project Total	Housing Choice Vouchers	Formula Stimulus Grant	COCC	Subtotal	ELIM	Total
10010 Operating Transfer In	185,705				185,705		185,705
10020 Operating transfer Out	(185,705)				(185,705)		(185,705)
10091 Inter Project Excess Cash Transfer In	120,000				120,000		120,000
10092 Inter Project Excess Cash Transfer Out	(120,000)				(120,000)		(120,000)
10100 Total Other financing Sources (Uses)	-				-	-	-
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	(83,588)	(18,807)	1,383,627	277,930	1,559,162	-	1,559,162
11030 Beginning Equity	15,210,246	145,066		512,070	15,867,382	-	15,867,382
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	1,383,627	-	(1,383,627)		-		-
Ending Equity	16,510,285	126,259	-	790,000	17,426,544		17,426,544
11170 Administrative Fee Equity		93,414			93,414		93,414
11180 Housing Assistance Payments Equity		32,845			32,845		32,845
11190 Unit Months Available	8,600	3,269	-	-	11,869		11,869
11210 Number of Unit Months Leased	8,485	3,269	-	-	11,754		11,754
11270 Excess Cash	2,123,136				2,123,136		2,123,136
11610 Land Purchases	-			-	-		-
11620 Building Purchases	1,936,070			-	1,936,070		1,936,070

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**BELMONT METROPOLITAN HOUSING AUTHORITY**  
**PROJECT - STATEMENT OF NET ASSETS**  
**MARCH 31, 2010**

	OH020000001	OH020000002	OH020000003	OH020000004	Total
111 Cash - Unrestricted	\$115,139	\$12,885	\$51,435		\$179,459
114 Cash - Tenant Security Deposits	\$56,774	\$21,700	\$41,414	\$23,015	\$142,903
115 Cash - Restricted for Payment of Current Liabilities					
100 Total Cash	\$171,913	\$34,585	\$92,849	\$23,015	\$322,362
122 Accounts Receivable - HUD Other Projects		\$13,719		\$18,196	\$31,915
126 Accounts Receivable - Tenants	\$3,181	\$4,695	\$268	\$1,075	\$9,219
126.1 Allowance for Doubtful Accounts -Tenants	-\$1,534	-\$3,006	-\$21	-\$252	-\$4,813
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$1,647	\$15,408	\$247	\$19,019	\$36,321
131 Investments - Unrestricted	\$602,370	\$666,386	\$436,938	\$703,785	\$2,409,479
142 Prepaid Expenses and Other Assets	\$37,730	\$15,826	\$27,028	\$18,863	\$99,447
143 Inventories	\$41,914	\$5,925	\$11,740	\$8,901	\$68,480
143.1 Allowance for Obsolete Inventories	-\$4,101	-\$592	-\$1,082	-\$890	-\$6,665
150 Total Current Assets	\$851,473	\$737,538	\$567,720	\$772,693	\$2,929,424
161 Land	\$396,085	\$160,777	\$495,489	\$393,665	\$1,446,016
162 Buildings	\$11,108,639	\$6,207,751	\$9,857,581	\$7,353,329	\$34,527,300
164 Furniture, Equipment & Machinery - Administration	\$123,846	\$37,560	\$59,604	\$101,866	\$322,876
166 Accumulated Depreciation	-\$8,422,298	-\$4,727,670	-\$6,652,380	-\$4,924,037	-\$24,726,385
167 Construction in Progress	\$272,256	\$611,863	\$131,886	\$1,440,095	\$2,456,100
160 Total Capital Assets, Net of Accumulated Depreciation	\$3,478,528	\$2,290,281	\$3,892,180	\$4,364,918	\$14,025,907
180 Total Non-Current Assets	\$3,478,528	\$2,290,281	\$3,892,180	\$4,364,918	\$14,025,907
190 Total Assets	\$4,330,001	\$3,027,819	\$4,459,900	\$5,137,611	\$16,955,331
311 Bank Overdraft				\$895	\$895
312 Accounts Payable <= 90 Days	\$10,146	\$14,339	\$12,154	\$18,865	\$55,504
322 Accrued Compensated Absences - Current Portion	\$19,042	\$18,656	\$8,959	\$11,656	\$58,313
341 Tenant Security Deposits	\$56,774	\$21,700	\$41,414	\$23,015	\$142,903
342 Deferred Revenues	\$14,908	\$3,808	\$12,367	\$4,229	\$35,312
345 Other Current Liabilities	\$25,349		\$21,062	\$1,053	\$47,464
346 Accrued Liabilities - Other	\$9,734	\$9,036	\$6,329	\$8,292	\$33,391
310 Total Current Liabilities	\$135,953	\$67,539	\$102,285	\$68,005	\$373,782
354 Accrued Compensated Absences - Non Current	\$23,274	\$22,801	\$10,943	\$14,246	\$71,264
350 Total Non-Current Liabilities	\$23,274	\$22,801	\$10,943	\$14,246	\$71,264
300 Total Liabilities	\$159,227	\$90,340	\$113,228	\$82,251	\$445,046
508.1 Invested in Capital Assets, Net of Related Debt	\$3,478,528	\$2,290,281	\$3,892,180	\$4,364,918	\$14,025,907
512.1 Unrestricted Net Assets	\$692,246	\$647,198	\$454,492	\$690,442	\$2,484,378
513 Total Equity/Net Assets	\$4,170,774	\$2,937,479	\$4,346,672	\$5,055,360	\$16,510,285
600 Total Liabilities and Equity/Net Assets	\$4,330,001	\$3,027,819	\$4,459,900	\$5,137,611	\$16,955,331

See independent auditors' report

**BELMONT METROPOLITAN HOUSING AUTHORITY  
PROJECT - STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
YEAR ENDED MARCH 31, 2009**

	Low Rent	Capital Fund	Total Project OH020000001	Low Rent	Capital Fund	Total Project OH020000002	Low Rent	Capital Fund	Total Project OH020000003	Low Rent	Capital Fund	Total Project OH020000004
70300 Net Tenant Rental Revenue	\$716,528		\$716,528	\$98,722		\$98,722	\$513,378		\$513,378	\$147,666		\$147,666
70400 Tenant Revenue - Other	\$2,241		\$2,241	\$5,216		\$5,216	\$1,889		\$1,889	\$5,315		\$5,315
70500 Total Tenant Revenue	\$718,769	\$0	\$718,769	\$103,938	\$0	\$103,938	\$515,267	\$0	\$515,267	\$152,981	\$0	\$152,981
70600 HUD PHA Operating Grants	\$624,084	\$26,219	\$650,303	\$468,771	\$188,905	\$657,676	\$401,275	\$28,519	\$429,794	\$453,253	\$62,139	\$515,392
70610 Capital Grants		\$23,368	\$23,368		\$1,389	\$1,389		\$36,151	\$36,151		\$479,746	\$479,746
71100 Investment Income - Unrestricted												
71500 Other Revenue	\$16,713		\$16,713	\$18,489		\$18,489	\$12,123		\$12,123	\$19,527		\$19,527
70000 Total Revenue	\$1,380,498	\$49,587	\$1,430,085	\$991,223	\$170,294	\$761,517	\$936,213	\$64,670	\$1,000,883	\$625,761	\$541,885	\$1,167,646
91100 Administrative Salaries	\$50,179		\$50,179	\$55,516		\$55,516	\$37,599		\$37,599	\$60,592		\$60,592
91200 Auditing Fees	\$1,061		\$1,061	\$1,173		\$1,173	\$769		\$769	\$1,239		\$1,239
91300 Management Fee	\$160,745	\$25,019	\$185,764	\$71,829	\$25,020	\$96,849	\$121,352	\$25,019	\$146,371	\$80,168	\$25,019	\$105,187
91310 Book-keeping Fee	\$23,565		\$23,565	\$10,530		\$10,530	\$17,790		\$17,790	\$11,753		\$11,753
91500 Employee Benefit Contributions - Administrative	\$28,393		\$28,393	\$31,412		\$31,412	\$17,359		\$17,359	\$28,001		\$28,001
91600 Office Expenses	\$3,533		\$3,533	\$4,096		\$4,096	\$10,451		\$10,451	\$4,127		\$4,127
91800 Other	\$4,845		\$4,845	\$3,611		\$3,611	\$5,276		\$5,276	\$24,588		\$24,588
91000 Total Operating - Administrative	\$272,321	\$25,019	\$297,340	\$178,167	\$25,020	\$203,187	\$210,596	\$25,019	\$235,615	\$210,468	\$25,019	\$235,487
92000 Asset Management Fee	\$31,800		\$31,800	\$14,160		\$14,160	\$23,760		\$23,760	\$16,280		\$16,280
92400 Tenant Services - Other	\$4,750		\$4,750	\$4,318		\$4,318	\$3,445		\$3,445	\$4,559		\$4,559
92500 Total Tenant Services	\$4,750	\$0	\$4,750	\$4,318	\$0	\$4,318	\$3,445	\$0	\$3,445	\$4,559	\$0	\$4,559
93100 Water	\$136,476		\$136,476	\$66,420		\$66,420	\$64,328		\$64,328	\$74,680		\$74,680
93200 Electricity	\$162,135		\$162,135	\$5,555		\$5,555	\$137,826		\$137,826	\$5,015		\$5,015
93300 Gas	\$50,044		\$50,044	\$2,103		\$2,103	\$23,408		\$23,408	\$1,683		\$1,683
93500 Labor	\$11,907		\$11,907				\$11,285		\$11,285			
93500 Sewer	\$63,452		\$63,452	\$28,523		\$28,523	\$43,732		\$43,732	\$31,701		\$31,701
93800 Other Utilities Expense	\$6,129		\$6,129	\$24,310		\$24,310	\$20,598		\$20,598	\$26,811		\$26,811
93000 Total Utilities	\$430,143	\$0	\$430,143	\$126,911	\$0	\$126,911	\$301,177	\$0	\$301,177	\$139,890	\$0	\$139,890
94100 Ordinary Maintenance and Operations - Labor	\$164,286		\$164,286	\$135,049		\$135,049	\$85,904		\$85,904	\$94,744		\$94,744
94200 Ordinary Maintenance and Operations - Materials and Other	\$30,692		\$30,692	\$31,618		\$31,618	\$16,688		\$16,688	\$38,383		\$38,383
94300 Ordinary Maintenance and Operations Contracts	\$56,544		\$56,544	\$21,169		\$21,169	\$48,349		\$48,349	\$20,925		\$20,925
94500 Employee Benefit Contributions - Ordinary Maintenance	\$61,286		\$61,286	\$45,283		\$45,283	\$28,272		\$28,272	\$29,520		\$29,520
94000 Total Maintenance	\$312,808	\$0	\$312,808	\$233,119	\$0	\$233,119	\$179,213	\$0	\$179,213	\$183,572	\$0	\$183,572

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**BELMONT METROPOLITAN HOUSING AUTHORITY  
PROJECT - STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
YEAR ENDED MARCH 31, 2009**

	Low Rent	Capital Fund	Total Project OH020000001	Low Rent	Capital Fund	Total Project OH020000002	Low Rent	Capital Fund	Total Project OH020000003	Low Rent	Capital Fund	Total Project OH020000004
96200 Protective Services - Other Contract Costs				\$130,897		\$130,897						
96000 Total Protective Services	\$0	\$0	\$0	\$130,897	\$0	\$130,897	\$0	\$0	\$0	\$0	\$0	\$0
96110 Property Insurance	\$13,290		\$13,290	\$11,307		\$11,307	\$9,097		\$9,097	\$17,443		\$17,443
96120 Liability Insurance	\$13,281		\$13,281	\$11,307		\$11,307	\$9,097		\$9,097	\$17,443		\$17,443
96130 Workmen's Compensation	\$3,067		\$3,067	\$2,808		\$2,808	\$2,099		\$2,099	\$4,025		\$4,025
96140 All Other Insurance	\$4,431		\$4,431	\$3,768		\$3,768	\$3,032		\$3,032	\$5,815		\$5,815
96100 Total Insurance Premiums	\$34,079	\$0	\$34,079	\$28,991	\$0	\$28,991	\$23,325	\$0	\$23,325	\$44,726	\$0	\$44,726
96210 Compensated Absences	\$13,859		\$13,859	\$11,667		\$11,667	\$9,252		\$9,252	\$9,511		\$9,511
96300 Payments in Lieu of Taxes	\$25,349		\$25,349	\$21,062		\$21,062	\$1,054		\$1,054	\$1,054		\$1,054
96400 Bad debt - Tenant Rents	\$3,213		\$3,213	\$8,038		\$8,038	\$4,658		\$4,658	\$4,615		\$4,615
96000 Total Other General Expenses	\$42,421	\$0	\$42,421	\$19,705	\$0	\$19,705	\$33,972	\$0	\$33,972	\$15,380	\$0	\$15,380
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$1,128,322	\$25,019	\$1,153,341	\$736,288	\$25,020	\$761,288	\$775,488	\$25,019	\$800,507	\$614,875	\$25,019	\$639,894
97000 Excess of Operating Revenue over Operating Expenses	\$252,176	\$24,568	\$276,744	-\$145,045	\$145,274	\$29	\$160,725	\$39,651	\$200,376	\$10,896	\$516,866	\$827,752
97400 Depreciation Expense	\$359,399		\$359,399	\$178,542		\$178,542	\$327,249		\$327,249	\$235,288		\$235,288
90000 Total Expenses	\$1,487,721	\$25,019	\$1,512,740	\$914,810	\$25,020	\$939,830	\$1,102,737	\$25,019	\$1,127,756	\$850,163	\$25,019	\$875,182
10010 Operating Transfer In	\$1,200		\$1,200	\$143,885		\$143,885	\$3,500		\$3,500	\$37,120		\$37,120
10020 Operating transfer Out		-\$1,200	-\$1,200		-\$143,885	-\$143,885		-\$3,500	-\$3,500		-\$37,120	-\$37,120
10091 Inter Project Excess Cash Transfer In				\$85,000		\$85,000				\$35,000		\$35,000
10092 Inter Project Excess Cash Transfer Out												
10100 Total Other financing Sources (Uses)	-\$59,800	-\$1,200	-\$60,000	\$228,885	-\$143,885	\$85,000	-\$56,500	-\$3,500	-\$60,000	\$72,120	-\$37,120	\$35,000
10000 Excess (deficiency) or total revenue over (under) total Expenses	-\$166,023	\$23,368	-\$142,655	-\$94,702	\$1,369	-\$93,313	-\$223,024	\$36,151	-\$186,873	-\$152,282	\$479,746	\$327,464
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$3,935,986	\$377,443	\$4,313,429	\$2,226,386	\$243,932	\$2,470,318	\$3,866,062	\$655,694	\$4,521,756	\$3,007,111	\$897,632	\$3,904,743
11040 Prior Period Adjustments, Equity Transfers and Corrections	\$128,555	-\$128,555	\$0	\$193,932	\$366,542	\$560,474	\$571,748	-\$659,959	\$11,789	\$760,436	\$62,717	\$823,153
11190 Unit Months Available	3180		3180	1416		1416	2376		2376	1628		1628
11210 Number of Unit Months Leased	3142		3142	1404		1404	2372		2372	1567		1567
11270 Excess Cash	\$545,951		\$545,951	\$587,485		\$587,485	\$363,125		\$363,125	\$626,575		\$626,575
11620 Building Purchases	\$0	\$23,368	\$23,368	\$0	\$561,863	\$561,863	\$0	\$47,940	\$47,940	\$0	\$1,302,869	\$1,302,869

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**BELMONT METROPOLITAN HOUSING AUTHORITY  
 SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
 Year Ended March 31, 2009**

	<b>FEDERAL CFDA NUMBER</b>	<b>FUNDS EXPENDED</b>
<b><u>FROM U.S. DEPARTMENT OF HUD</u></b>		
<b><u>DIRECT PROGRAMS</u></b>		
<b>PHA Owned Housing:</b>		
Public and Indian Housing	14.850a	\$ 1,947,383
Public Housing Capital Fund	14.872	826,436
Public Housing Capital Fund Stimulus Grant	14.885	1,395,416
<b>Housing Assistance Payments:</b>		
<b>Annual Contribution -</b>		
Section 8 Housing Choice Vouchers	14.871	1,158,629
<b>Total - All Programs</b>		<b>\$ 5,327,864</b>

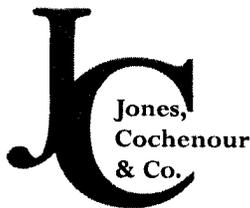
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**BELMONT METROPOLITAN HOUSING AUTHORITY  
COST CERTIFICATIONS  
Year Ended March 31, 2010**

	<u>OH16P02050107</u>	<u>ARRA OH16P02050109</u>
<b>TOTAL EXPENDITURES</b>	<b>\$ 1,000,769</b>	<b>\$ 1,383,627</b>
<b>TOTAL RECEIVED</b>	<b>\$ 1,000,769</b>	<b>\$ 1,383,627</b>

1. The grant cost certificates were approved by HUD.
2. The Authority records agree to the above total expenditures.
3. There are no outstanding liabilities.

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON  
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

**Board of Directors  
Belmont Metropolitan Housing Authority  
Martins Ferry, Ohio**

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

We have audited the basic financial statements of Belmont Metropolitan Housing Authority as of and for the year ended March 31, 2010, and have issued our report thereon dated July 29, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Belmont Metropolitan Housing Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Belmont Metropolitan Housing Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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

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**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Belmont Metropolitan Housing Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

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



Jones, Cochenour & Co.  
July 29, 2010



Certified Public Accountants

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

**Board of Directors  
Belmont Metropolitan Housing Authority  
Martins Ferry, Ohio**

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

**Compliance**

We have audited the compliance of Belmont Metropolitan Housing Authority with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133* that are applicable to each of its major federal programs for the year ended March 31, 2010. Belmont Metropolitan Housing Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Belmont Metropolitan Housing Authority's management. Our responsibility is to express an opinion on Belmont Metropolitan Housing Authority's compliance based on our audit.

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

In our opinion, Belmont Metropolitan Housing Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended March 31, 2010.

**Internal Control Over Compliance**

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

*much more than an accounting firm*

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

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

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



**Jones, Cochenour & Co.  
July 29, 2010**

**Summary of Auditors' Results and Schedule of Findings  
OMB Circular A-133 § .505**

**Belmont Metropolitan Housing Authority  
March 31, 2010**

**1. SUMMARY OF AUDITORS' RESULTS**

<b>Financial Statements:</b>	
<b>Type of Financial Statement Opinion</b>	<b>Unqualified</b>
<b>At the financial statement level, were there any material weaknesses reported?</b>	<b>No</b>
<b>At the financial statement level, were there any significant deficiencies identified that are not considered material weaknesses?</b>	<b>No</b>
<b>At the financial statement level, was there any material noncompliance?</b>	<b>No</b>
<b>Federal Awards:</b>	
<b>Were there any material weaknesses in internal control over major programs identified?</b>	<b>No</b>
<b>Were there any significant deficiencies that are not considered to be material weaknesses in internal control over major programs?</b>	<b>No</b>
<b>Type of Major Program Compliance Opinion</b>	<b>Unqualified</b>
<b>Are there any audit findings under § .510(a) of OMB Circular A-133?</b>	<b>No</b>
<b>Major Programs:</b>	<b>CFDA # 14.885 Public Housing Capital Fund Stimulus (Formula) CFDA # 14.872 Public Housing Capital Fund CFDA # 14.871 Housing Choice Voucher Program</b>
<b>Dollar Threshold: Type A/B Programs</b>	<b>\$300,000</b>
<b>Low Risk Auditee?</b>	<b>Yes</b>

**Summary of Auditors' Results and Schedule of Findings  
OMB Circular A-133 § .505 - Continued**

**Belmont Metropolitan Housing Authority  
March 31, 2010**

**2. FINDINGS RELATED TO FINANCIAL STATEMENTS**

**There are no findings or questioned costs for the year ended March 31, 2010.**

**3. FINDINGS RELATED TO FEDERAL AWARDS**

**There are no findings or questioned costs for the year ended March 31, 2010.**



# Dave Yost • Auditor of State

**BELMONT METROPOLITAN HOUSING AUTHORITY**

**ATHENS 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 24, 2011**