

**PIKE METROPOLITAN
HOUSING AUTHORITY**

**BASIC FINANCIAL STATEMENTS
AND SINGLE AUDIT**

**FOR THE YEAR ENDED
DECEMBER 31, 2012**

James G. Zupka, CPA, Inc.
Certified Public Accountants



Dave Yost • Auditor of State

Board of Directors
Pike Metropolitan Housing Authority
2626 Shyville Road
Piketon, Ohio 45661

We have reviewed the *Independent Auditor's Report* of the Pike Metropolitan Housing Authority, Pike County, prepared by James G. Zupka, CPA, Inc., for the audit period January 1, 2012 through December 31, 2012. 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 Pike 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

July 12, 2013

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**PIKE METROPOLITAN HOUSING AUTHORITY
BASIC FINANCIAL STATEMENTS AND SINGLE AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2012**

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JAMES G. ZUPKA, C.P.A., INC.

Certified Public Accountants

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Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Pike Metropolitan Housing Authority
Piketon, Ohio

Regional Inspector General of Audit
Department of Housing and Urban
Development

Report on the Financial Statements

We have audited the accompanying financial statements of the of the Pike Metropolitan Housing Authority, Ohio (the Authority) as of and for the year ended December 31, 2012, 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 the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers 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 for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Pike Metropolitan Housing Authority, Ohio, as of December 31, 2012, and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with 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 that the Management's Discussion and Analysis on pages 4 through 9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during the audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Pike Metropolitan Housing Authority, Ohio's basic financial statements. The Statement of Modernization Costs - Completed and the Financial Data Schedules are presented for purposes of additional analysis and not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by 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 basic financial statements.

The Statement of Modernization Cost - Completed, the Financial Data Schedules and the Schedule of Expenditures of Federal Awards, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Statement of Modernization Cost - Completed, the Financial Data Schedules, and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 6, 2013, on our consideration of the Pike Metropolitan Housing Authority, Ohio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or an 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.



James G. Zupka, CPA, Inc.
Certified Public Accountants

June 6, 2013

**PIKE METROPOLITAN HOUSING AUTHORITY
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012
(Unaudited)**

This Management’s Discussion and Analysis (MD&A) for the Pike Metropolitan Housing Authority (Pike MHA) is intended to assist the reader identify what management feels are significant financial issues, provide an overview of the financial activity for the year, and identify and offer a discussion about changes in Pike Metropolitan Housing Authority’s financial position. It is designed to focus on the financial activity for the fiscal year ended December 31, 2012, resulting changes and currently known facts. Please read it in conjunction with the financial statements found elsewhere in this report.

Financial Highlights

- The Authority’s net position decreased by \$217,824 during 2012, resulting from changes in operations. Since the Authority engages in only business-type activities, the increase is all in the category of business-type net position.
- Revenues increased by \$173,504 during 2012.
- The total expenses of all Authority programs increased by \$52,217.

Overview of the Authority’s Financial Statements

The Basic Financial Statements included elsewhere in this report are:

The Statement of Net Position,
The Statement of Revenues, Expenses and Changes in Net Position, and
The Statement of Cash Flows.

The **Statement of Net Position** is very similar to, and what most people would think of as, a Balance Sheet. In the first half it reports the value of assets Pike Metropolitan Housing Authority holds at December 31, 2012, that is, the cash Pike Metropolitan Housing Authority has, the amounts that are owed Pike Metropolitan Housing Authority from others, and the value of the equipment Pike Metropolitan Housing Authority owns. In the other half of the report it shows the liabilities Pike Metropolitan Housing Authority has, that is what Pike Metropolitan Housing Authority owes others at December 31, 2012; and what Net Position (or what is commonly referred to as Equity) Pike Metropolitan Housing Authority has at December 31, 2012. The two parts of the report are in balance, thus why many might refer to this type of report as a balance sheet, in that the total of the assets part equals the total of the liabilities plus net position (or equity) part.

In the statement, the Net Position part is broken out into three broad categories:

Net Position, Invested in Capital Assets, Net of Related Debt,
Restricted Net Position, and
Unrestricted Net Position.

**PIKE METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2012
(Unaudited)**

The balance in Net Position, Invested in Capital Assets, Net of Related Debt reflects the value of capital assets, that is assets such as land, buildings, and equipment, reported in the top part of the statement reduced by the amount of accumulated depreciation of those assets and by the outstanding amount of debt yet owned on those assets.

The balance in Restricted Net Position reflects the value of assets reported in the top part of the statement that are restricted for use by law or regulation, or when use of those assets is restricted by constraints placed on the assets by creditors.

The balance in Unrestricted Net Position is what is left over of Net Position after what is classified in the two previously mentioned components of Net Position. It reflects the value of assets available to Pike Metropolitan Housing to use to further its purposes.

The Authority's financial statements also include a Statement of Revenues, Expenses, and Changes in Net Position, which is similar to an Income Statement. It is in essence a report showing what Pike Metropolitan Housing Authority earned, that is what its revenues or incomes were, versus what expenses Pike Metropolitan Housing Authority had over the same period. It shows how the Fund Balance (or net position or equity) changed because of how the incomes exceeded or were less than what expenses were. It helps the reader to determine if Pike Metropolitan Housing Authority had more in revenues than in expenses or vice-versa, and then how that net gain or net loss affected the Fund Balance (or net position or equity). The bottom line of the report, the Ending Total Net Position, is what is referred to in the above discussion of the Statement of Net Position that when added to the liabilities Pike Metropolitan Housing Authority has equals the total assets Pike Metropolitan Housing Authority has.

The Statement of Cash Flows is a report that shows how the amount of cash Pike Metropolitan Housing Authority had at the end of the previous year was impacted by the activities of the current year. It breaks out in general categories the cash coming in, and the cash going out. It helps the reader to understand the sources and uses of cash by Pike Metropolitan Housing Authority during the year, to include a measurement of cash gained or used by operating activities, by activities related to acquiring capital assets, and by activities related to investing activities.

Pike Metropolitan Housing Authority's Business-Type Funds

The financial statements included elsewhere in this report are presented using the Authority-wide perspective meaning the activity reported reflects the summed results of all the programs, or business-type funds of Pike Metropolitan Housing Authority. Pike Metropolitan Housing Authority consists exclusively of Enterprise Funds. The full accrual basis of accounting is used for Enterprise Funds. That method of accounting is very similar to accounting used in the private sector.

Pike Metropolitan Housing Authority's programs include the following:

- The Low Rent Public Housing program,
- The Housing Choice Voucher program,
- The Capital Fund Program (CFP),
- The Business Activities, and
- The State and Local Program.

**PIKE METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2012
(Unaudited)**

Under the Low Rent Public Housing program, Pike Metropolitan Housing Authority rents dwelling units it owns to low to moderate-income families. Through an Annual Contributions Contract (commonly referred to as an ACC) with HUD, HUD provides an operating subsidy to Pike Metropolitan Housing Authority to help support the operations of the program. In addition, HUD provides funds for physical improvements to Pike Metropolitan Housing Authority's properties and funds for management improvements through Capital Fund Program grants.

Under the Section 8 Housing Choice Voucher program, Pike Metropolitan Housing Authority subsidizes the rents of low to moderate-income families through Housing Assistance Payments contracts when those families rent from private landlords. This is called a tenant-based program because when the tenant family moves, the rental assistance goes with the family to the new rental unit.

Under the Business Activities program, Pike Metropolitan Housing Authority owns several rental properties. These properties are not related to the HUD funded activities, and that is why it is reported as a business activity.

Under the State and Local program, the state and local funds represent Pike Metropolitan Authority's contracts with the Ohio Housing Finance Agency for construction of four residential housing facilities located at 193, 195, 197 and 199 Delay Drive.

Condensed Financial Statements

The following is a condensed **Statement of Net Position** compared to the prior year-end. Pike Metropolitan Housing Authority is engaged only in business-type activities.

Table 1 - Condensed Statement of Net Position Compared to Prior Year

	2012	2011
<u>Assets</u>		
Current and Other Assets	\$ 767,246	\$ 1,007,626
Capital Assets	6,370,845	6,119,866
Total Assets	<u>\$7,138,091</u>	<u>\$ 7,127,492</u>
<u>Liabilities</u>		
Current Liabilities	\$ 297,608	\$ 236,859
Long-term Liabilities	3,025,410	2,857,736
Total Liabilities	<u>3,323,018</u>	<u>3,094,595</u>
<u>Net Position</u>		
Invested in Capital Assets, Net of Related Debt	3,206,594	3,192,845
Restricted Net Position	341,927	362,947
Unrestricted Net Position	266,552	477,105
Total Net Position	<u>3,815,073</u>	<u>4,032,897</u>
Total Liabilities and Net Position	<u>\$ 7,138,091</u>	<u>\$ 7,127,492</u>

For more detail information, see Statement of Net Position presented on page 9.

**PIKE METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2012
(Unaudited)**

Total Net Position were decreased from the prior year-end by \$217,824. The changes in income and expense from the period causing that change is discussed more in the next section where we discuss Table 2, the Modified Statement of Revenues, Expenses and Changes in Net Position.

The change in Current Assets from the prior year-end is a decrease of \$240,380. As is discussed in the next section, a main factor causing the decrease is largely due to \$80,000 being used to purchase property, down payment of \$20,000 to purchase house and \$24,238 to remodel a current property under Business Activity.

Capital Assets increased in the period by \$250,979. This is largely due to the addition of new houses for DODD clients and property donated to the Housing Authority under Business Activity.

Of the components of Net Invested in Capital Assets, closely corresponds to the change in Capital Assets because that is what that component of Net Assets represents. The change in Unrestricted Net Position reflects that change in Restricted Net Position and the overall increase in Net Position discussed in the following section.

The following is a modified **Statement of Revenues, Expenses and Changes in Net Position**. Pike Metropolitan Housing Authority is engaged only in business-type activities.

Table 2 - Modified Statement of Revenues, Expenses, and Changes in Net Position

	2012	2011
Revenues		
Total Tenant Revenues - Rents and Other	\$ 400,117	\$ 400,489
Operating Subsidies and Grants	2,893,283	2,834,615
Capital Grants	37,419	46,582
Investment Income	304	2,600
Gain or (Loss) on Sales of Assets	(3,597)	23,293
Other Revenues	245,737	92,180
Total Revenues	3,573,263	3,399,759
Expenses		
Administrative	569,144	585,413
Tenant Services	2,300	2,300
Utilities	120,153	112,293
Maintenance	347,573	333,092
General Expenses	149,437	158,720
Housing Assistance Payments	2,180,920	2,124,314
Depreciation	421,560	422,738
Total Expenses	3,791,087	3,738,870
Net Increases (Decreases)	\$ (217,824)	\$ (339,111)

For more detailed information see Combined Statement of Revenues, Expenses and Changes in Net Position presented elsewhere in this report.

**PIKE METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2012
(Unaudited)**

Total tenant revenue remained relatively constant with a decrease of less than one percent.

Capital Fund Grants decreased by \$9,163, while operating subsidies increased \$51,817. The increase in operating subsidies was mainly in the Housing Choice Voucher Program.

Expenses increased in 2012 by \$52,217. This was primarily due to an increase in Housing Assistance Payments expense of \$56,606.

The following is a condensed **Statement of Changes in Capital Assets** comparing the balance in capital assets at the year-end versus at the end of the prior year.

Table 3 - Condensed Statement of Changes in Capital Assets

	2012	2011
Land	\$ 1,130,236	\$ 1,013,076
Buildings and Improvements	10,522,883	9,886,674
Equipment	264,539	398,313
Accumulated Depreciation	(5,618,835)	(5,263,007)
Construction in Progress	72,031	84,810
Total Capital Assets, Net	<u>\$ 6,370,854</u>	<u>\$ 6,119,866</u>

Land increased by \$117,160 and buildings and improvements increased by \$636,209. Most of the increase was due to the projects being completed for the NSP Program along with land and building being donated to the Housing Authority from County Commissioners. Equipment decrease from 2011 to 2012 was due to old equipment being written off. The decrease in Construction in Progress was caused primarily by transferring completed projects to the building account.

The following is a **comparison of debt outstanding** at the year-end versus at the end of the prior period.

Table 4 - Condensed Statement of Changes in Debt Outstanding

	2012	2011
Current Portion of Debt	\$ 203,899	\$ 121,385
Long-Term Portion of Debt	2,960,361	2,805,636
Total	<u>\$ 3,164,260</u>	<u>\$ 2,927,021</u>

Debt was increased by \$237,239 during year-end 2012. This was due to the new properties being added to the NSP Program.

**PIKE METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2012
(Unaudited)**

Economic Factors

Pike Metropolitan Housing Authority faces the continuing prospect of declining HUD subsidies used to administer their programs and maintain their properties. Unfavorable economic times, as reflected in the numbers of families earning less in addition to those leaving the community because they cannot find adequate employment opportunities, also mean revenues from tenants are reduced because generally rents are based on the tenant families' ability to pay as dictated by the Federal government. Rising insurance, utility and other operating rates compound the effect of the reduction in incomes available to Pike Metropolitan Housing Authority to administer its program, and continue to challenge management to cut operating costs. The reduction in government assistance for the administration of programs and ongoing operating cuts by management means Pike Metropolitan Housing Authority can provide lesser services to clients.

Financial Contact

Questions concerning this report or requests for additional information should be directed to Ken Reed, Executive Director of the Pike Metropolitan Housing Authority, 2626 Shyville Road, Piketon, Ohio 45661.

PIKE METROPOLITAN HOUSING AUTHORITY
STATEMENT OF NET POSITION
DECEMBER 31, 2012

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 308,941
Restricted Cash and Cash Equivalents	394,141
Receivables, Net	3,543
Inventory, Net	8,470
Prepaid Expenses	<u>52,142</u>
Total Current Assets	<u>767,237</u>

Noncurrent Assets

Non-depreciable Capital Assets	1,202,267
Depreciable Capital Assets, Net	<u>5,168,587</u>
Total Noncurrent Assets	<u>6,370,854</u>

TOTAL ASSETS	<u>\$ 7,138,091</u>
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LIABILITIES

Current Liabilities

Accounts Payable	\$ 12,115
Accrued Compensated Absences - Current	25,192
Tenant Security Deposits	33,147
Accrued Wages and Payroll Taxes	12,359
Intergovernmental Payable	10,896
Current Portion of Long-Term Debt	<u>203,899</u>
Total Current Liabilities	<u>297,608</u>

Noncurrent Liabilities

Noncurrent Liabilities - Other	19,067
Accrued Compensated Absences - Net of Current Portion	45,982
Long-Term Debt - Net of Current Portion	<u>2,960,361</u>
Total Noncurrent Liabilities	<u>3,025,410</u>
Total Liabilities	<u>3,323,018</u>

NET POSITION

Invested in Capital Assets, Net of Related Debt	3,206,594
Unrestricted Net Position	266,552
Restricted Net Position	<u>341,927</u>
Total Net Position	<u>3,815,073</u>

TOTAL LIABILITIES AND NET POSITION	<u>\$ 7,138,091</u>
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See accompanying notes to the basic financial statements.

PIKE METROPOLITAN HOUSING AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2012

<u>Operating Revenues</u>	
Government Grants	\$ 2,893,283
Tenant Revenue	400,117
Other Revenue	<u>245,737</u>
Total Operating Revenues	<u>3,539,137</u>
<u>Operating Expenses</u>	
Administrative	569,144
Tenant Services	2,300
Utilities	120,153
Maintenance	347,573
General	69,859
Housing Assistance Payments	<u>2,180,920</u>
Total Operating Expenses Before Depreciation	<u>3,289,949</u>
Income (Loss) Before Depreciation	249,188
Depreciation	<u>421,560</u>
Operating Income (Loss)	<u>(172,372)</u>
<u>Non-Operating Revenues (Expenses)</u>	
Interest and Investment Revenue	304
Loss on Sale of Capital Assets	(3,597)
Interest Expense	<u>(79,578)</u>
Total Non-Operating Revenues (Expenses)	<u>(82,871)</u>
Income (Loss) Before Capital Grants	(255,243)
Capital Grants	<u>37,419</u>
Change in Net Position	<u>(217,824)</u>
Total Net Position, Beginning of Year	<u>4,032,897</u>
Net Position, End of Year	<u>\$ 3,815,073</u>

See accompanying notes to the basic financial statements.

PIKE METROPOLITAN HOUSING AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2012

<u>Cash Flows from Operating Activities</u>	
Cash Received from Government Grants	\$ 2,893,283
Cash Received From Tenants	401,449
Cash Payments for Housing Assistance	(2,180,920)
Cash Payments for Administrative Expenses	(572,307)
Cash Payments for Other Operating Expenses	(536,251)
Cash Received - Other	<u>245,024</u>
Net Cash (Provided) by Operating Activities	<u>250,278</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Acquisition of Capital Assets	(749,730)
Cash from Asset Sales	73,585
Capital Grants Received	37,419
Debt Principal and Interest	(208,712)
Debt Proceeds	<u>366,373</u>
Net Cash Provided by Capital and Other Related Financing Activities	<u>(481,065)</u>
<u>Cash Flows from Investing Activities</u>	
Interest and Investment Income Received	<u>304</u>
Net Cash Provided by Investing Activities	<u>304</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(230,483)
Cash and Cash Equivalents, Beginning	<u>933,565</u>
Cash and Cash Equivalents, Ending	<u>\$ 703,082</u>
<u>Reconciliation of Operating Loss to Net Cash Provided by Operating Activities</u>	
Net Operating (Loss)	\$ (172,372)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities	
Depreciation	421,560
(Increase) Decrease in:	
Accounts Receivable - Tenant	1,432
Prepaid Expenses	7,678
Inventory	796
Increase (Decrease) in:	
Accounts Payable	(852)
Intergovernmental Payable	(390)
Accrued Compensated Absences - Current	(22,196)
Tenants' Security Deposits	(713)
Accrued Wages and Payroll Taxes	2,486
Deferred Revenue	(100)
Non-Current Liabilities	(6,084)
Accrued Compensated Absences - Long-Term	<u>19,033</u>
Net Cash Used by Operating Activities	<u>\$ 250,278</u>

See accompanying notes to the basic financial statements.

PIKE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Organization and Reporting Entity

The Pike Metropolitan Housing Authority (the Authority) was created under the Ohio Revised Code Section 3735.27 to engage in the acquisition, development leasing, and administration of a low-rent housing program. An Annual Contributions Contract (ACC) was signed by the Authority and the U.S. Department of Housing and Urban Development (HUD) under the provisions of the United States Housing Act of 1937 (42 U.S.C. 1437) Section 1.1. The Authority was also created in accordance with state law to eliminate housing conditions which are detrimental to the public peace, health, safety, morals, or welfare by purchasing, acquiring, constructing, maintaining, operating, improving, extending, and repairing housing facilities.

The nucleus of the financial reporting entity as defined by the Governmental Accounting Standards Board (GASB) Statement No. 14 is the “primary government”. A fundamental characteristic of a primary government is that it is a fiscally independent entity. In evaluating how to define the financial reporting entity, management has considered all potential component units. A component unit is a legally separate entity for which the primary government is financially accountable. The criteria of financial accountability is the ability of the primary government to impose its will upon the potential component unit. These criteria were considered in determining the reporting entity. The Authority has no component units based on the above considerations.

Basis of Presentation

The financial statements of 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.

Pursuant to GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance, Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, the Authority follows GASB guidance as applicable to enterprise funds.

The Authority’s basic financial statements consist of a statement of net position, a statement of revenues, expenses, and changes in net position, and a statement of cash flows.

PIKE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012
(CONTINUED)

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Basis of Presentation (Continued)

The Authority uses a single enterprise fund to maintain its financial records on an accrual basis. 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 position, financial position, and cash flows. An enterprise fund may be used to account for any activity for which a fee is charged to external users for goods and services.

Measurement Focus and Basis of Accounting

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority's enterprise fund are charges to tenants for rent and operating subsidies from HUD. Operating expenses for the enterprise fund include the costs of facility maintenance, housing assistance payments, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Authority considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

PIKE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012
(CONTINUED)

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Capital Assets

Capital assets are recorded at cost. Costs that materially add to the productive capacity or extend the life of an asset are capitalized while maintenance and repair costs are expensed as incurred. Depreciation is computed on the straight line method based on the following estimated useful lives:

Buildings	40 years
Building Improvements	15-27.5 years
Land Improvements	15 years
Equipment	7 years
Autos	5 years
Computers	5 years

Capitalization of Interest

The Authority's policy is not to capitalize interest related to the construction or purchase of capital assets.

Investments

Investments are stated at fair value. Cost based measures of fair value were applied to nonnegotiable certificates of deposit and money market investments, if applicable.

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; and **(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. Information regarding compensated absences is detailed in Note 8.

PIKE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012
(CONTINUED)

NOTE 2: **DEPOSITS AND INVESTMENTS**

Cash on Hand

At December 31, 2012, the Authority had undeposited cash on hand (petty cash) of \$150.

At December 31, 2012, the carrying amount of the Authority's cash deposits was \$702,932 and the bank balance was \$751,831. Based on criteria described in GASB Statement No. 40, *Deposits and Investments Risk Disclosures*, as of December 31, 2012, deposits totaling \$325,471 were covered by Federal Depository Insurance and deposits totaling \$426,360 were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent in the Authority's name.

Custodial credit is the risk that, in the event of a bank failure, the Authority's deposits may not be returned. The Authority's policy is to place deposits with major local banks approved by the Board. Multiple financial institution collateral pools that insure public deposits must maintain collateral in excess of 110 percent of deposits. All deposits, except for deposits held by fiscal and escrow agents, are collateralized with eligible securities in amounts equal to at least 110 percent of the carrying value of the deposits. Such collateral, as permitted by Chapter 135 of the Ohio Revised Code, 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 a Federal Reserve bank in the name of the Authority.

Investments

The Authority has a formal investment policy. The Authority follows GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, and records all its investments at fair value. At December 31, 2012, the Authority had no investments.

Interest Rate Risk

As a means of limiting its exposure to fair value of losses caused by rising interest rates, the Authority's investment policy requires that operating funds be invested primarily in short-term investments maturing within 2 years from the date of purchase and that its investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity.

PIKE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012
(CONTINUED)

NOTE 2: **DEPOSITS AND INVESTMENTS** (Continued)

Credit Risk

The Authority has no investments at December 31, 2012 and therefore is not subject to credit risk.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the controller or qualified trustee.

Concentration of Credit Risk

The Authority places no limit on the amount it may invest in any one insurer. The Authority's deposits in financial institutions represents 100 percent of its deposits.

NOTE 3: **RESTRICTED CASH**

The restricted cash balance of \$394,141 on the financial statements represents the following:

Excess cash advanced to the Housing Choice Voucher Program by HUD for Housing Assistance Payments	\$ 142,888
FSS Escrow Funds	19,067
Tenant Security Deposits	33,147
Insurance and Escrow - Emmitt Station	12,358
Reserve for Replacement - Emmitt Station	<u>186,681</u>
Total Restricted Cash	<u>\$ 394,141</u>

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**PIKE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012
(CONTINUED)**

NOTE 4: CAPITAL ASSETS

A summary of capital assets at December 31, 2012 by class is as follows:

	Balance 01/01/2012	Reclasses/ Adjustments	Additions	Deletions	Balance 12/31/2012
<u>Capital Assets Not Being Depreciated</u>					
Land	\$ 1,013,076	\$ 0	\$ 117,160	\$ 0	\$ 1,130,236
Construction in Progress	84,810	(44,118)	31,339	0	72,031
Total Capital Assets Not Being Depreciated	<u>1,097,886</u>	<u>(44,118)</u>	<u>148,499</u>	<u>0</u>	<u>1,202,267</u>
<u>Capital Assets Being Depreciated</u>					
Buildings and Improvements	9,886,674	44,118	592,091	0	10,522,883
Furniture, Equipment, and Machinery	398,313	0	9,139	(142,913)	264,539
Subtotal Capital Assets Being Depreciated	<u>10,284,987</u>	<u>44,118</u>	<u>601,230</u>	<u>(142,913)</u>	<u>10,787,422</u>
<u>Accumulated Depreciation</u>					
Buildings & Improvements	(4,897,336)	0	(407,119)	0	(5,304,455)
Furniture & Equipment	(365,671)	0	(14,440)	65,731	(314,380)
Total Accumulated Depreciation	<u>(5,263,007)</u>	<u>0</u>	<u>(421,559)</u>	<u>65,731</u>	<u>(5,618,835)</u>
Capital Assets Being Depreciated, Net	<u>5,021,980</u>	<u>44,118</u>	<u>179,671</u>	<u>(77,182)</u>	<u>5,168,587</u>
Total Capital Assets ,Net	<u>\$ 6,119,866</u>	<u>\$ 0</u>	<u>\$ 328,170</u>	<u>\$ (77,182)</u>	<u>\$ 6,370,854</u>

NOTE 5: RESTRICTED NET POSITION

The Authority's restricted net position are as follows:

Section 8 Housing Choice Voucher funds provided for Housing Assistance Payments in excess of the amounts used	\$ 142,888
Reserve for Replacement - Emmitt Station	186,681
Insurance and Escrow - Emmitt Station	12,358
Total	<u>\$ 341,927</u>

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PIKE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012
(CONTINUED)

NOTE 6: **DEFINED BENEFIT PENSION PLAN**

Ohio Public Employees Retirement System

All full-time Authority employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans, as described below:

- The Traditional Pension Plan (TP) - a cost-sharing, multiple-employer defined benefit pension plan;
- The Member-Directed Plan (MD) - a benefit contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the Member-Directed plan, members accumulate retirement assets equal to the value of the member and (vested) employer contributions plus any investment earnings.
- 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 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, disability, survivor, death benefits, and annual cost of living adjustments to members of both the Traditional Pension and the 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. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-7377 or by using the OPERS website at www.opers.org.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2011, 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 salary to fund pension obligations. The employer pension contribution rate for the Authority was 14 percent of covered payroll. The Authority's required contributions to OPERS for the years ended December 31, 2012, 2011, and 2010, were \$56,834, \$58,448, and \$57,874, respectively. The full amount has been contributed for 2012, 2011, and 2010.

PIKE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012
(CONTINUED)

NOTE 7: **POST-EMPLOYMENT BENEFITS**

A. **Plan Description**

The 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 maintains a cost-sharing, multiple-employer defined benefit post-employment health care plan, which includes a medical plan, prescription drug program, and Medicare Part B premium reimbursement, 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 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. Interested parties may obtain a copy by writing OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 1-800-222-7377.

B. **Funding Policy**

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

**PIKE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012
(CONTINUED)**

NOTE 7: **POST-EMPLOYMENT BENEFITS** (Continued)

B. Funding Policy (Continued)

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2012, the Authority contributed at a rate of 14.00 percent of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.00 percent of covered payroll for state and local employer units. Active members do not make contributions to the OPEB Plan.

OPER's 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 members in the Traditional Plan was 4.0 percent for calendar year 2012. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care coverage by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Actual Authority contributions for the year ended December 31, 2012, 2011 and 2010, which were used to fund post-employment benefits were \$16,238, \$16,699, and \$20,988, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of 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.

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**PIKE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012
(CONTINUED)**

NOTE 8: COMPENSATED ABSENCES

Vacation and sick leave policies are established by the Board of Commissioners based on local and state laws.

All permanent employees will earn 15 days sick leave per year of service. Unused sick leave may be accumulated without limit. At the time of separation, employees receive payment for up to sixty (60) days of unused sick leave. All permanent employees will earn vacation hours accumulated based on length of service. Vacation shall not be accrued for a period longer than two (2) years. Any vacation accrued in excess of two (2) years shall be forfeited.

At December 31, 2012, based on the vesting method, \$71,174 was accrued by the Authority for unused vacation and sick time. The current portion is \$25,192 and the long term portion is \$45,982.

NOTE 9: INSURANCE

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

<u>Type of Coverage</u>	<u>Deductible</u>	<u>Coverage Limits</u>
Property	\$ 1,500	\$27,654,200 (Per Occurrence)
Boiler and Machinery	1,000	50,000,000
General Liability	0	6,000,000
Automobile Liability	500/0	ACV/6,000,000
Law Enforcement	0	6,000,000
Public Officials	0	6,000,000
Crime	500	1,000,000

Additionally, Workers' Compensation insurance is maintained through the State of Ohio Bureau of Workers' Compensation, in which rates are calculated retrospectively. The Authority is also fully insured through a premium payment plan with Aetna Health, Inc. for employee health care benefits. Settled claims have not exceeded the Authority's insurance in any of the past three years.

PIKE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012
(CONTINUED)

NOTE 10: LONG-TERM DEBT

Change in Long-Term Liabilities:

	Balance 12/31/2011	Additions	Deletions	Balance 12/31/2012	Current Portion
Compensated Absences	\$ 74,337	\$ 44,225	\$ (47,388)	\$ 71,174	\$ 25,192
Long-Term Debt	2,927,021	366,373	(129,134)	3,164,260	203,899
Total	<u>\$ 3,001,358</u>	<u>\$ 410,598</u>	<u>\$ (176,522)</u>	<u>\$ 3,235,434</u>	<u>\$ 229,091</u>

The Long-Term debt is detailed below:

	Original Loan Amount	Range of Maturity Date	Interest Rate	Life of Loan	12/31/12 Balance	Due Within One Year
Fifth Third Bank:						
- Loan No. 00042	\$ 127,000	2001-2016	6.63%	15 Yrs.	\$ 42,459	\$ 10,899
- Loan No. 00067	\$ 120,000	2002-2022	5.45%	20 Yrs.	74,211	5,969
- Loan No. 00075	\$ 168,000	2003-2013	4.89%	10 Yrs.	78,171	78,171
- Loan No. 00083	\$ 163,000	2004-2014	4.44%	10 Yrs.	135,639	3,897
- Loan No. 00117	\$ 413,689	2006-2016	5.21%	10 Yrs.	318,229	17,171
- Loan No. 00158	\$ 38,000	2008-2018	5.12%	10 Yrs.	29,916	2,132
- Loan No. 00125	\$ 38,000	2008-2018	5.12%	10 Yrs.	28,826	2,190
Ohio Valley Bank:						
- 412 Market St.	\$ 41,140	2005-2024	6.25%	20 Yrs.	30,290	1,792
- 236 St. Mary's	\$ 55,009	2005-2025	7.25%	20 Yrs.	42,244	2,238
- 83 Circleview	\$ 50,000	2010-2025	5.75%	15 Yrs.	44,428	2,486
- 228 St. Mary's	\$ 46,206	2012-2027	5.63%	15 Yrs.	46,027	2,176
US Department of Agriculture:						
- Emmitt Station	\$ 1,146,858	2005-2036	5.375%	30 Yrs.	1,108,821	6,853
- Emmitt Station	\$ 350,000	2006-2036	5.375%	30 Yrs.	341,212	1,961
County MR/DD:						
- 212 St. Ann's Lane	\$ 4,560	2009-2024	0.00%	15 Yrs.	3,496	304
- 337 Arlington	\$ 3,580	2000-2015	0.00%	15 Yrs.	497	239
- 337 Arlington	\$ 6,300	2001-2016	0.00%	15 Yrs.	1,435	420
- 212 Grandview	\$ 49,275	2000-2015	0.00%	15 Yrs.	9,034	3,285
- 107 Commercial	\$ 45,000	2001-2016	0.00%	15 Yrs.	11,250	3,000
- 107 Commercial	\$ 3,285	2004-2019	0.00%	15 Yrs.	1,332	219
- 102 Sunrise	\$ 45,000	2002-2017	0.00%	15 Yrs.	12,750	3,000
- 102 Sunrise	\$ 3,961	2009-2024	0.00%	15 Yrs.	3,037	264
- 102 Sunrise	\$ 20,832	2009-2024	0.00%	15 Yrs.	16,202	1,389
- 599 Walnut	\$ 45,000	2002-2017	0.00%	15 Yrs.	13,750	3,000
- 412 Market	\$ 48,600	2005-2020	0.00%	15 Yrs.	24,840	3,240
- 510 Rose Drive	\$ 91,612	2008-2023	0.00%	15 Yrs.	62,092	6,108
- 221 St. Ann's Lane	\$ 8,911	2009-2024	0.00%	15 Yrs.	6,881	594
- 221 St. Ann's Lane	\$ 2,388	2003-2018	0.00%	15 Yrs.	929	159
- 83 Circleview	\$ 118,889	2010-2025	0.00%	15 Yrs.	100,395	7,926
- 83 Circleview	\$ 14,997	2010-2025	0.00%	15 Yrs.	12,664	1,000
- 107 Commercial	\$ 34,727	2012-2027	0.00%	15 Yrs.	34,341	2,315
- 514 Carroll	\$ 72,750	2012-2027	0.00%	15 Yrs.	70,729	4,850
County NSP:						
- 214 Grandview	\$ 204,751	2010-2029	0.00%	20 Yrs.	184,276	10,238
- 146 Valleyview	\$ 103,270	2012-2027	0.00%	20 Yrs.	98,107	5,164
Gallia-Meigs NSP:						
- 603 Church	\$ 185,000	2011-2030	0.00%	20 Yrs.	175,750	9,250
Total Debt					<u>\$ 3,164,260</u>	<u>\$ 203,899</u>

PIKE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012
(CONTINUED)

NOTE 10: **LONG-TERM DEBT** (Continued)

The following is a summary of the Authority's future debt service requirements for debt payable as of December 31, 2012:

<u>For the Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payments</u>
2013	\$ 203,899	\$ 73,150	\$ 277,049
2014	256,842	62,479	319,321
2015	127,526	58,040	185,566
2016	365,729	42,355	408,084
2017	90,344	39,092	129,436
2018-2022	463,568	157,832	621,400
2023-2027	315,596	110,891	426,487
2028-2032	198,346	80,653	278,999
2033-2037	<u>1,142,410</u>	<u>56,836</u>	<u>1,199,246</u>
Totals	<u>\$ 3,164,260</u>	<u>\$ 681,328</u>	<u>\$ 3,845,588</u>

NOTE 11: **CONSTRUCTION AND OTHER COMMITMENTS**

The Authority had no material construction commitments at December 31, 2012.

NOTE 12: **INTERPROGRAM RECEIVABLES/PAYABLES**

Interprogram balances at December 31, 2012, consists of the following receivables and payables:

	<u>Due From</u>	<u>Due To</u>
Business Activity	\$ 6,585	\$ 0
Neighborhood Stabilization	0	1,151
Housing Choice Voucher	0	22,751
Low Rent Public Housing	17,317	0
Total	<u>\$ 23,902</u>	<u>\$ 23,902</u>

NOTE 13: **OPERATING TRANSFER**

The Authority had the following operating transfers in 2012:

	<u>Transfer From</u>	<u>Transfer To</u>
Capital Fund	\$ 45,326	\$ 0
Public Housing	0	45,326
Total	<u>\$ 45,326</u>	<u>\$ 45,326</u>

This transfer represents the Capital Fund Grant allocation to support operations as permitted by the Department of Housing and Urban Development regulations.

PIKE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012
(CONTINUED)

NOTE 14: **CONTINGENCIES**

The Authority is party to various legal proceedings which seek damages or injunctive relief generally incidental to its operations and pending projects. The Authority's management is of the opinion that the ultimate disposition of various claims and legal proceedings will not have a material effect, if any, on the financial condition of the Authority.

The Authority has received several Federal and state grants for specific purposes which are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to grantor agencies for expenditures disallowed under the terms of the grant. Based upon prior experience, management believes such disallowances, if any, will be immaterial.

NOTE 15: **IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS**

For 2012, the Authority has implemented GASB No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*.

GASB Statement No. 60 addresses issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. An SCA is an arrangement between a transferor (a government) and an operator (governmental or non-governmental entity) in which (1) the transferor conveys to an operator the right and related obligation to provide services through the use of infrastructure or another public asset (a "facility) in exchange for significant consideration and (2) the operator collects and is compensated by fees from third parties. The implementation of GASB Statement No. 60 did not have an effect on the financial statements of the Authority.

**PIKE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012
(CONTINUED)**

NOTE 15: **IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS** (Continued)

GASB Statement No. 63 provides financial and reporting guidance for deferred outflows of resources and deferred inflows of resources which are financial statement elements that are distinct from assets and liabilities. GASB Statement No. 63 standardizes the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's net position. The implementation of GASB Statement No. 63 changed the presentation of the Authority's financial statements to incorporate the concept of net position.

GASB Statement No. 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. GASB Statement No. 65 also provides other financial reporting guidance related to the impact of the financial statement elements *deferred outflows of resources and deferred inflows of resources*, such as changes in the determination of the major fund calculations and limiting the use of the term *deferred* in financial statement presentations. The implementation of GASB Statement No. 65 did not have an effect on the financial statements of the Authority.

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**PIKE METROPOLITAN HOUSING AUTHORITY
STATEMENT OF MODERNIZATION COST - COMPLETED
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012**

Annual Contributions Contract C-5031

1. The total amount of modernization costs of the Capital Fund Program grants are shown below:

<u>OH16P06050108</u>	
Funds Approved	\$ 158,686
Funds Expended	<u>158,686</u>
Excess (Deficiency) of Funds Approved	<u>\$ 0</u>

Funds Advanced	\$ 158,686
Funds Expended	<u>158,686</u>
Excess (Deficiency) of Funds Advanced	<u>\$ 0</u>

<u>OH16P06050109</u>	
Funds Approved	\$ 158,177
Funds Expended	<u>158,177</u>
Excess (Deficiency) of Funds Approved	<u>\$ 0</u>

Funds Advanced	\$ 158,177
Funds Expended	<u>158,177</u>
Excess (Deficiency) of Funds Advanced	<u>\$ 0</u>

<u>OH16S06050109</u>	
Funds Approved	\$ 200,865
Funds Expended	<u>200,865</u>
Excess (Deficiency) of Funds Approved	<u>\$ 0</u>

Funds Advanced	\$ 200,865
Funds Expended	<u>200,865</u>
Excess (Deficiency) of Funds Advanced	<u>\$ 0</u>

2. All modernization work in connection with the Capital Fund Program has been completed.
3. The entire actual modernization cost or liabilities incurred by the Authority have been full paid.
4. There are no discharged mechanics, laborers, contractors, or material-mens liens against such modernization work on file in any public office where the same should be filed in order to be valid against such modernization work.

PIKE METROPOLITAN HOUSING AUTHORITY
ENTITY WIDE BALANCE SHEET SUMMARY
DECEMBER 31, 2012

	Project Total	14.871 Housing Choice Vouchers	14.256 Neighborhood Stabilization Program (Recovery Act Funded)	State/Local	Business Activities	Subtotal	ELIM	Total
111 Cash- Unrestricted	82,495	86,603	3,303	4,027	132,513	308,941		308,941
113 Cash- Other Restricted		161,955			199,039	360,994		360,994
114 Cash- Tenant Security Deposits	13,724		450	555	18,418	33,147		33,147
100 Total Cash	96,219	248,558	3,753	4,582	349,970	703,082	0	703,082
126 Accounts Receivable - Tenants	3,864		270		2,098	6,232		6,232
126.1 Allowance for Doubtful Accounts - Tenants	-2,300		0	0	-389	-2,689		-2,689
120 Total Receivables, Net of Allowances for Doubtful Accounts	1,564	0	270	0	1,709	3,543	0	3,543
142 Prepaid Expenses and Other Assets	23,622	6,644	689	1,041	20,146	52,142		52,142
143 Inventories	8,495					8,495		8,495
143.1 Allowance for Obsolete Inventories	-25					-25		-25
144 Inter Program Due From	17,317				6,585	23,902	-23,902	0
150 Total Current Assets	147,192	255,202	4,712	5,623	378,410	791,139	-23,902	767,237
161 Land	615,223		85,826	37,500	391,687	1,130,236		1,130,236
162 Buildings	5,660,003		389,635	279,540	3,353,809	9,682,987		9,682,987
163 Furniture, Equipment & Machinery - Dwellings	47,029					47,029		47,029
164 Furniture, Equipment & Machinery - Administration	158,594	29,724			29,192	217,510		217,510
165 Leasehold Improvements				13,172	826,724	839,896		839,896
166 Accumulated Depreciation	-4,155,483	-18,461	-8,496	-91,981	-1,344,414	-5,618,835		-5,618,835
167 Construction in Progress	72,031					72,031		72,031
160 Total Capital Assets, Net of Accumulated Depreciation	2,397,397	11,263	466,965	238,231	3,256,998	6,370,854	0	6,370,854
180 Total Non-Current Assets	2,397,397	11,263	466,965	238,231	3,256,998	6,370,854	0	6,370,854
190 Total Assets	2,544,589	266,465	471,677	243,854	3,635,408	7,161,993	-23,902	7,138,091

PIKE METROPOLITAN HOUSING AUTHORITY
ENTITY WIDE BALANCE SHEET SUMMARY
DECEMBER 31, 2012

	Project Total	14.871 Housing Choice Vouchers	14.256 Neighborhood Stabilization Program (Recovery Act Funded)	State/Local	Business Activities	Subtotal	ELIM	Total
312 Accounts Payable <= 90 Days	5,670	740			5,705	12,115		12,115
321 Accrued Wage Payroll Taxes Payable	8,623	3,736				12,359		12,359
322 Accrued Compensated Absences - Current Portion	16,585	8,607				25,192		25,192
333 Accounts Payable - Other Government	3,022		438		7,436	10,896		10,896
341 Tenant Security Deposits	13,724		450	555	18,418	33,147		33,147
343 Current Portion of Long-term Debt - Capital Projects/Mortgage			24,651	3,946	175,302	203,899		203,899
347 Inter Program - Due To		22,751	1,151			23,902	-23,902	0
310 Total Current Liabilities	47,624	35,834	26,690	4,501	206,861	321,510	-23,902	297,608
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue			433,482	131,477	2,395,402	2,960,361		2,960,361
353 Non-current Liabilities - Other		19,067				19,067		19,067
354 Accrued Compensated Absences - Non Current	35,014	10,968				45,982		45,982
350 Total Non-Current Liabilities	35,014	30,035	433,482	131,477	2,395,402	3,025,410	0	3,025,410
300 Total Liabilities	82,638	65,869	460,172	135,978	2,602,263	3,346,920	-23,902	3,323,018
508.1 Invested In Capital Assets, Net of Related Debt	2,397,397	11,263	8,832	102,807	686,295	3,206,594		3,206,594
511.1 Restricted Net Assets	0	142,888	0	0	199,039	341,927		341,927
512.1 Unrestricted Net Assets	64,554	46,445	2,673	5,069	147,811	266,552		266,552
513 Total Equity/Net Assets	2,461,951	200,596	11,505	107,876	1,033,145	3,815,073	0	3,815,073
600 Total Liabilities and Equity/Net Assets	2,544,589	266,465	471,677	243,854	3,635,408	7,161,993	-23,902	7,138,091

**PIKE METROPOLITAN HOUSING AUTHORITY
ENTITY WIDE REVENUE AND EXPENSE SUMMARY
FOR THE YEAR ENDED DECEMBER 31, 2012**

	Project Total	14,871 Housing Choice Vouchers	14256 Neighborhood Stabilization Program (Recovery Act Funded)	State/Local	Business Activities	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	91,802		3,820	22,902	274,167	392,691		392,691
70400 Tenant Revenue - Other	6,256			160	1,010	7,426		7,426
70500 Total Tenant Revenue	98,058	0	3,820	23,062	275,177	400,117	0	400,117
70600 HUD PHA Operating Grants	383,219	2,430,714				2,813,933		2,813,933
70610 Capital Grants	37,419					37,419		37,419
70800 Other Government Grants					79,350	79,350		79,350
71100 Investment Income - Unrestricted				3	65	68		68
71200 Mortgage Interest Income			2			2		2
71500 Other Revenue	14,643	5,149	7,922		216,221	243,935		243,935
71600 Gain or Loss on Sale of Capital Assets		-3,597				-3,597		-3,597
72000 Investment Income - Restricted	51	98			87	236		236
70000 Total Revenue	533,390	2,432,364	11,744	23,065	570,900	3,571,463	0	3,571,463
91100 Administrative Salaries	132,059	148,721		146	8,112	289,038		289,038
91200 Auditing Fees	3,000	3,000		756	5,269	12,025		12,025
91500 Employee Benefit contributions - Administrative	52,207	73,974		22	2,854	129,057		129,057
91600 Office Expenses	41,093	51,700	177	1,192	44,862	139,024		139,024
91000 Total Operating - Administrative	228,359	277,395	177	2,116	61,097	569,144	0	569,144
92400 Tenant Services - Other	2,300					2,300		2,300
92500 Total Tenant Services	2,300	0	0	0	0	2,300	0	2,300
93100 Water	45,500		824	1,831	40,093	88,248		88,248
93200 Electricity	12,232		22	41	14,635	26,930		26,930
93300 Gas	3,849				1,126	4,975		4,975
93000 Total Utilities	61,581	0	846	1,872	55,854	120,153	0	120,153
94100 Ordinary Maintenance and Operations - Labor	122,832			3,148	31,697	157,677		157,677
94200 Ordinary Maintenance and Operations - Materials and Other	35,684			2,535	24,543	62,762		62,762
94300 Ordinary Maintenance and Operations Contracts	6,646		16	702	45,424	52,788		52,788
94500 Employee Benefit Contributions - Ordinary Maintenance	58,188			1,869	14,289	74,346		74,346
94000 Total Maintenance	223,350	0	16	8,254	115,953	347,573	0	347,573

**PIKE METROPOLITAN HOUSING AUTHORITY
ENTITY WIDE REVENUE AND EXPENSE SUMMARY
FOR THE YEAR ENDED DECEMBER 31, 2012**

	Project Total	14.871 Housing Choice Vouchers	14.256 Neighborhood Stabilization Program (Recovery Act)	State/Local	Business Activities	Subtotal	ELIM	Total
96110 Property Insurance	28,610		545	1,177	24,157	54,489	0	54,489
96100 Total Insurance Premiums	28,610	0	545	1,177	24,157	54,489	0	54,489
96300 Payments in Lieu of Taxes	3,022		438		7,436	10,896		10,896
96400 Bad debt - Tenant Rents	3,020				1,454	4,474		4,474
96000 Total Other General Expenses	6,042	0	438	0	8,890	15,370	0	15,370
96710 Interest of Mortgage (or Bonds) Payable				6,746	72,832	79,578		79,578
96700 Total Interest Expense and Amortization Cost	0	0	0	6,746	72,832	79,578	0	79,578
96900 Total Operating Expenses	550,242	277,395	2,022	20,165	338,783	1,188,607	0	1,188,607
97000 Excess of Operating Revenue over Operating Expenses	-16,852	2,154,969	9,722	2,900	232,117	2,382,856		2,382,856
97300 Housing Assistance Payments		2,180,920				2,180,920		2,180,920
97400 Depreciation Expense	228,852	4,441	5,663	10,956	17,1648	421,560		421,560
90000 Total Expenses	779,094	2,462,756	7,685	31,121	510,431	3,791,087	0	3,791,087
10010 Operating Transfer In	45,326					45,326		45,326
10020 Operating transfer Out	-45,326					-45,326		-45,326
10100 Total Other financing Sources (Uses)	0	0	0	0	0	0	0	0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-245,704	-30,392	4,059	-8,056	60,469	-219,624	0	-219,624
11020 Required Annual Debt Principal Payments	0	0	24,651	3,915	103,453	132,019		132,019
11030 Beginning Equity	2,707,655	230,988	7,446	115,932	970,876	4,032,897		4,032,897
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	0	0	0	0	1,800	1,800		1,800
11170 Administrative Fee Equity		57,708				57,708		57,708
11180 Housing Assistance Payments Equity		142,888				142,888		142,888
11190 Unit Months Available	1,164	6,300	14	48	805	8,331		8,331
11210 Number of Unit Months Leased	1,121	6,050	14	47	779	8,011		8,011
11270 Excess Cash	22,456					22,456		22,456
11620 Building Purchases	35,759					35,759		35,759
11630 Furniture & Equipment - Dwelling Purchases	1,660					1,660		1,660

**PIKE METROPOLITAN HOUSING AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2012**

Federal Grantor/ Pass Through Grantor/ Program Title	Federal CFDA Number	Expenditures
<u>U.S. Department of Housing and Urban Development</u>		
<i>Direct Programs:</i>		
<u>Public Housing Programs</u>		
Low Rent Public Housing Program	14.850	\$ 327,893
Capital Fund Program	14.872	<u>92,745</u>
Total Public Housing Programs		<u>420,638</u>
<u>Section 8 Tenant Based Programs</u>		
Section 8 Housing Choice Voucher Program	14.871	<u>2,430,714</u>
Total Section 8 Tenant Based Programs		<u>2,430,714</u>
Total U.S. Department of Housing and Urban Development		<u>2,851,352</u>
<u>U.S. Department of Agriculture</u>		
Rural Rental Housing Loan Subsidy	10.415	<u>79,350</u>
Total U.S. Department of Agriculture		<u>79,350</u>
Total Federal Expenditures		<u>\$ 2,930,702</u>

This schedule is prepared on the accrual basis of accounting.

JAMES G. ZUPKA, C.P.A., INC.
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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
Pike Metropolitan Housing
Piketon, Ohio

Regional Inspector General for Audit
Department of Housing and Urban
Development

We have audited, in accordance with the 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, the financial statements of the Pike Metropolitan Housing Authority, Ohio, (the Authority) as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated June 6, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

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 and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected on a timely basis. *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 deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from 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 or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



James G. Zupka, CPA, Inc.
Certified Public Accountants

June 6, 2013

JAMES G. ZUPKA, C.P.A., INC.

Certified Public Accountants

5240 East 98th Street

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**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY OMB CIRCULAR A-133**

Board of Directors
Pike Metropolitan Housing Authority
Piketon, Ohio

Regional Inspector General of Audit
Department of Housing and Urban
Development

Report on Compliance for Each Major Federal Program

We have audited the Pike Metropolitan Housing Authority, Ohio's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on the Authority's major federal program for the year ended December 31, 2012. Pike Metropolitan Housing Authority, Ohio's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

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

Opinion on Each Major Federal Program

In our opinion, the Pike Metropolitan Housing Authority, Ohio, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012.

Report on Internal Control Over Compliance

The management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *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 type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program 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 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 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.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



James G. Zupka CPA, Inc.
Certified Public Accountants

June 6, 2013

**PIKE METROPOLITAN HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 & .505
DECEMBER 31, 2012**

1. SUMMARY OF AUDITOR'S RESULTS

2012(i)	Type of Financial Statement Opinion	Unmodified
2012(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
2012(ii)	Were there any significant deficiencies in internal control reported at the financial statements level (GAGAS)?	No
2012(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
2012(iv)	Were there any material internal control weakness conditions reported for major Federal programs?	No
2012(iv)	Were there any other significant deficiency conditions reported for major Federal programs?	No
2012(v)	Type of Major Programs' Compliance Opinion	Unmodified
2012(vi)	Are there any reportable findings under .510?	No
2012(vii)	Major Programs (list): Housing Choice Voucher Program - CFDA #14.871	
2012(viii)	Dollar Threshold: Type A\B Programs	Type A: >\$300,000 Type B: all others
2012(ix)	Low Risk Auditee?	Yes

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

**PIKE METROPOLITAN HOUSING AUTHORITY
STATUS OF PRIOR CITATIONS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2012**

The prior audit report, as of December 31, 2011, included no findings, but did include two management letter comments. Both management comment items have been resolved.



Dave Yost • Auditor of State

PIKE METROPOLITAN HOUSING AUTHORITY

PIKE 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
JULY 25, 2013