

**PIKE METROPOLITAN HOUSING AUTHORITY  
PIKETON, OHIO**

**REPORT ON EXAMINATION OF FINANCIAL  
STATEMENTS AND SUPPLEMENTAL DATA FOR THE  
YEAR ENDED DECEMBER 31, 2000**

*J. E. Slaybaugh & Associates, Inc.*  
*Certified Public Accountant*  
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STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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Board of Commissioners  
Pike Metropolitan Housing Authority  
Piketon, Ohio

We have reviewed the independent auditor's report of the Pike Metropolitan Housing Authority, Pike County, prepared by J.E. Slaybaugh & Associates, Inc., for the audit period January 1, 2000 through December 31, 2000. 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.

JIM PETRO  
Auditor of State

December 21, 2001

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PIKE METROPOLITAN HOUSING AUTHORITY  
PIKETON, OHIO

DECEMBER 31, 2000

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*J. E. Slaybaugh & Associates, Inc.*

*12 East Main Street  
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Certified Public Accountant*

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Pike Metropolitan Housing Authority  
Piketon, Ohio

We have audited the accompanying balance sheet of the Pike Metropolitan Housing Authority, Piketon, Ohio, as of and for the year ended December 31, 2000, and the related statements of revenues, expenses, equity, and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

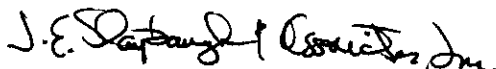
We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Pike Metropolitan Housing Authority as of December 31, 2000, and the results of its operations and the cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated August 22, 2001, on our consideration of Pike Metropolitan Housing Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental financial data schedules accompanying the financial statements are not necessary for fair presentation of the financial position, results of operations, and cash flows of the Authority in conformity with accounting principles generally accepted in the United States of America. The supplemental schedules listed in the table of contents are presented only for purposes of additional analysis and are not a required part of the financial statements. Such schedules have been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Our audit was made for the purpose of forming an opinion on the financial statements of Pike Metropolitan Housing Authority, taken as a whole. The accompanying schedule of expenditures of federal awards, as required by *U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations*, and is not a required part of the financial statements. The information in that Schedule has been subjected to the auditing procedures applied in the audit of the financial statements, and in our opinion, is stated fairly, in all material respects, in relation to the financial statements taken as a whole.

  
J.E. Slaybaugh & Associates, Inc.  
August 22, 2001

PIKE METROPOLITAN HOUSING AUTHORITY  
 PIKETON, OHIO  
 BALANCE SHEET  
 December 31, 2000

**ASSETS**

**Current Assets**

Cash and Cash Equivalents	\$ 196,488
Investments-Unrestricted	716,830
Intergovernmental Accounts Receivable	32,298
Tenant/Fraud Accounts Receivable- Net of \$ 4,602 Doubtful Accounts	847
Accounts Receivable-HUD	52,721
Accounts Receivable-Other	4,952
Prepaid Expenses	2,304
Inventory	<u>8,527</u>
 Total Current Assets	 1,014,967

Property and Equipment - Net of \$ 2,342,978 Accumulated Depreciation	<u>3,950,992</u>
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Total Assets	<u>\$ 4,965,959</u>
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**LIABILITIES AND EQUITY**

**Current Liabilities**

Accounts Payable	\$ 12,555
Accounts Payable- HUD	2,140
Accounts Payable- Governments	4,415
Tenant Security Deposits	12,104
Accrued Wages and Payroll Taxes	4,670
Accrued Compensated Absences	89,297
Deferred Revenues	117,247
Current portion of long-term debt	<u>9,964</u>
 Total Current Liabilities	 <u>252,392</u>

**Non-current Liabilities**

Long term debt- net of current portion	268,364
Other non-current liabilities	<u>22,655</u>
 Total Non-current Liabilities	 <u>291,019</u>

Total Liabilities	<u>543,411</u>
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Contributed Capital	3,348,802
Retained Earnings	<u>1,073,746</u>

Total Equity	<u>4,422,548</u>
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The accompanying notes are an integral part of these financial statements.

Total Liabilities and Equity	<u>\$ 4,965,959</u>
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PIKE METROPOLITAN HOUSING AUTHORITY  
 PIKETON, OHIO  
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN EQUITY  
 FOR THE YEAR ENDED DECEMBER 31 2000

<b><u>Revenue</u></b>	
HUD Grants	\$ 1,694,626
Rental Income	159,827
Investment Income-Unrestricted	42,085
Other Revenue	<u>41,156</u>
 Total Revenue	 1,937,694
<b><u>Expenses (before depreciation)</u></b>	
Housing Assistance Payments	1,197,948
Administrative Salaries	180,915
Compensated Absences	68,349
Employee Benefits	78,151
Other Administrative Expense	92,802
Material and Labor-Maintenancce	82,838
Contract Services	35,671
Tenant Services- Other	110
Utilities	64,999
General Expenses	25,365
Payments in Lieu of Taxes	5,020
Severance Expense	13,676
Bad Debt- Tenant Rents	<u>20,497</u>
 Total Expenses	 1,866,341
 Income (Loss) before Depreciation & Other Costs	 71,353
Depreciation	228,824
Interest Expense	<u>14,266</u>
 Operating Income (Loss)	 (171,737)
 Equity - Beginning of Year	 4,226,701
 Contributed Capital	 61,811
Adjustments, HUD, prior year	<u>305,773</u>
 Total Equity - End of Year	 <u>\$ 4,422,548</u>

The accompanying notes are an integral part of these financial statements.

PIKE METROPOLITAN HOUSING AUTHORITY  
PIKETON, OHIO  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2000

**Cash Flows from Operating Activities**

Operating Income (Loss)	\$ (171,737)
Adjustments to reconcile Operating Income(Loss) to Net Cash Provided By Operating Activities:	
Depreciation	228,824
Changes in Operating Assets and Liabilities that Increase (Decrease) Cash Flows:	
Tenant Accounts Receivable- Net	5,712
Accounts Receivable- Fraud	(1,508)
Accounts Receivable- HUD	(52,721)
Accounts Receivable-Intergovernmental	(32,298)
Accounts Receivable- Other	2,883
Prepaid Expenses	(255)
Inventory	(1,740)
Accounts Payable- Vendor	(2,836)
Accounts Payable-HUD	(45,724)
Accounts Payable- Other	4,415
Accrued Liabilities	(15,342)
Accrued Wages & Taxes Payable	(1,587)
Accrued Compensated Absences	50,093
Tenant Security Deposits	(1,462)
Deferred Revenues	28,580
Current portion of Long Term Debt	9,964
Other noncurrent liabilities	12,493
Total Adjustments	<u>187,491</u>
Net Cash (Used) Provided By Operating Activities	<u>15,754</u>

**Cash Flows from Investing Activities**

Change in Investments	(107,604)
Net Cash (Used) Provided By Investing Activities	<u>(107,604)</u>

**Cash Flows from Capital and Related Financing Activities**

Contributed Capital	61,811
Sale of Bonds	85,000
MMRD Contribution	49,275
Debt Retirement	(9,832)
Change in Property and Equipment	<u>(110,212)</u>
Net Cash (Used) Provided by Capital Financing Activities	<u>76,042</u>
Increase (Decrease) In Cash and Cash Equivalents	(15,808)
Cash and Cash Equivalents - Beginning of Year	<u>212,296</u>
Cash and Cash Equivalents - End of Year	<u>\$ 196,488</u>

The accompanying notes are an integral part of these financial statements.

PIKE METROPOLITAN HOUSING AUTHORITY  
PIKETON, OHIO  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Pike Metropolitan Housing Authority (PMHA or 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 Pike Metropolitan Housing 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 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.

Basis of Accounting

The accompanying combined financial statements have been prepared on the accrual basis of accounting, whereby revenues and expenses are recognized in the period earned or incurred. All transactions are accounted for in a single enterprise fund.

Pursuant to GASB Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting, the Authority follows GASB guidance as applicable to proprietary funds and Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements.

PIKE METROPOLITAN HOUSING AUTHORITY  
PIKETON, OHIO  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles 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 financial statements, and the reported amounts of revenues 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.

Tenant Receivables - Recognition of Bad Debts

Bad debts are provided on the allowance method based on management's evaluation of the collectability of outstanding tenant receivable balances at the end of the year.

Property and Equipment

Property and Equipment is 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.

Useful Lifes	
Buildings	40 Years
Land & Building Improvements	15 Years
Equipment	7 Years
Autos	5 Years

Depreciation is recorded on the straight-line method.

Capitalization of Interest

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

PIKE METROPOLITAN HOUSING AUTHORITY  
PIKETON, OHIO  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Investments

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

NOTE 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, by 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.

PIKE METROPOLITAN HOUSING AUTHORITY  
 PIKETON, OHIO  
 NOTES TO FINANCIAL STATEMENTS  
 YEAR ENDED DECEMBER 31, 2000

NOTE 2 - CASH AND INVESTMENTS, continued

The Authority's deposits are categorized to give an indication of the level of risk assumed by the entity at year end. Category 1 includes deposits that are insured or collateralized with securities held by the Authority or its safekeeping agent in the Authority's name. Category 2 includes uninsured deposits collateralize with securities held by the pledging financial institution's trust department or safekeeping agent in the Authority's name. Category 3 includes uninsured and uncollateralized with securities held by the pledging institution, or by its trust department or safekeeping agent, but not in the Authority's name.

The following show the Authority's deposits (bank balances) in each category:

Category 1. . . . \$ 199,679 was covered by federal depository insurance.  
 Category 2. . . . \$ 725,827 was covered by specific collateral pledged by the  
 financial institution in the name of the Authority.

Book balances were as follows:	<u>Cash</u>	<u>Investments</u>	<u>Total</u>
Public Housing	\$ 1,186	\$ 192,817	\$ 194,003
Section 8 Certificates	44,038	369,717	413,755
Section 8 Vouchers	110,881	77,277	188,158
State/Local	40,383	77,019	117,402
Total	<u>\$ 196,488</u>	<u>\$ 716,830</u>	<u>\$ 913,318</u>

Investments

HUD, State Statute and Board Resolutions authorize the Authority to invest in obligations of 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 obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of 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 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 specified 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 conformation of transfer from the custodian.

PIKE METROPOLITAN HOUSING AUTHORITY  
 PIKETON, OHIO  
 NOTES TO FINANCIAL STATEMENTS  
 YEAR ENDED DECEMBER 31, 2000

NOTE 2 - CASH AND INVESTMENTS, Continued

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 Authority's nonnegotiable certificates of deposit are classified as investments on the balance sheet but are considered as deposits for GASB 3 purposes. Therefore, the categories described above do not apply.

NOTE 3 - PROPERTY AND EQUIPMENT

A summary of property and equipment at December 31, 2000, by class is as follows:

Land	\$ 720,551
Buildings and Building Improvements	5,250,563
Furniture, Equipment- Dwelling	253,322
Furniture, Equipment- Administrative	<u>69,534</u>
Total	6,293,970
Less Accumulated Depreciation	<u>(2,342,978)</u>
Net Property and Equipment	<u>\$ 3,950,992</u>

NOTE 4 - EQUITY ADJUSTMENTS

The following details the adjustments recorded to equity for the year ended December 31, 2000:

Asset adjustments	\$ 647,208
Accum Depreciation	(197,514)
Accounts Receivable	(3,911)
Compensated Absences	(20,600)
Write-Off Soft Costs	(73,083)
Other	<u>(46,327)</u>
	<u>\$ 305,773</u>

PIKE METROPOLITAN HOUSING AUTHORITY  
 PIKETON, OHIO  
 NOTES TO FINANCIAL STATEMENTS  
 YEAR ENDED DECEMBER 31, 2000

NOTE 5 - ADMINISTRATIVE FEE

The Authority receives and "administrative fee" as part of the annual contribution from HUD to cover the costs (including overhead) of administering the Section 8 Housing Assistance Payments (HAP) Programs. The fee is a percentage of a HUD determined base rate for each unit per month under HAP contracts. The rates are as follows:

A. Certificates

Units per month x \$ 37.72/unit - Jan to March

B. Vouchers

Units per month x \$ 37.72/unit - Jan- Sept

Units per month x \$ 39.25/unit - Oct-Dec

NOTE 6 - ALLOCATION OF COSTS

The Authority allocated expenses not attributable to a specific program to all programs under management. The basis for this allocation was the cost allocation plan or estimated actual usage. Management considers this to be an equitable method of allocation.

NOTE 7 - RETIREMENT AND OTHER BENEFIT PLANS

The employees of the Authority are covered by the Public Employees Retirement System of Ohio (PERS), a statewide cost-sharing multiple-employer deferred benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, death benefits to plan members and beneficiaries. The authority to establish and amend benefit benefits is provided by the state statute per Chapter 145 of the Ohio Revised Code. PERS issues a publicly available financial report. Interested parties may obtain a copy by making a written request to 277 E. Town Street, Columbus, OH 43215-4642 or by calling (614) 466-2085.

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rate is 8.50% of qualifying gross wages for all employees. The total 2000 employer contribution rate was 13.55% of covered payroll. Required employer contributions are equal to 100% of the dollar amount billed to each employer and must be extracted from the employer's records. The Authority's contributions to P.E.R.S. for the years ending December 2000, were as follows:

	Contribution	%
12/31/00	\$ 28,473	13.55%
12/31/99	\$ 27,324	13.55%
12/31/98	\$ 26,545	13.55%

All required contributions were made prior to each of those fiscal year ends. PERS of Ohio provides post-retirement health care coverage to age and service retirants with 10 or more years of qualifying Ohio service credit and to primary survivor recipients of such retirants. Health care coverage for disability recipients is available. The health care coverage provided by the retirement system is considered an Other Post-employment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to PERS is set aside for the funding of post retirement health care. The Ohio Revised Code provides statutory authority for employee and employer contributions. The 2000 employer contribution rate for state employers was 10.84 % of covered payroll: 4.3 % was the portion that was used to fund health care for the year, under the new calculation methodology effective January 1, 1998. Under the prior method, which was actuarially based, accrued liabilities and normal cost rates were computed to determine the amount of employer contributions necessary to fund OPEB. OPEB is financed through employer contributions and investment earnings and is expected to be sufficient to sustain the program indefinitely. The number of benefit recipients eligible for OPEB at December 31, 2000, was 401339.



PIKE METROPOLITAN HOUSING AUTHORITY  
 PIKETON, OHIO  
 NOTES TO FINANCIAL STATEMENTS  
 YEAR ENDED DECEMBER 31, 2000

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 3.75 hours sick leave per (80) hours of service. Unused sick leave may be accumulated without limit.

At the time of separation, accumulated sick leave will be paid to the maximum of (30) days.

All permanent employees will earn vacation hours accumulated based on length of service. All vacation time accumulated will paid upon separation.

At December 31, 2000, \$ 89,297, using the vesting method, was accrued by the Authority for unused vacation and sick time.

NOTE 9 - INSURANCE

The Housing 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 coverages and no settlements exceeded insurance coverage during the past three years.

NOTE 10 - CONTINGENCIES

Litigation and Claims

In the normal course of operations, the Authority may be subject to litigation and claims. At December 31, 2000 the Authority was involved in no matters management believes would have a material effect on the financial statements.

NOTE 11 - LONG TERM DEBT

The Authority has the following financing agreements on rental properties purchased:

First National Bank	212 St Anns	3.00%	\$ 11,592
First National Bank	221 St Anns	7.50%	23,098
First National Bank	77 Circleview	3.00%	18,868
First National Bank	337 Arlington	7.75%	9,567
First National Bank	Duplex	5.00%	131,376
Fifth Third Bank	Various Bond Indenture	6.63%	<u>83,827</u>
	Total		<u>\$ 278,328</u>

PIKE METROPOLITAN HOUSING AUTHORITY  
 PIKETON, OHIO  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED DECEMBER 31, 2000

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Expenditures For The Year Ended</u>
<u>U.S. Department of Housing and Urban Development</u>		
<b>Direct Programs:</b>		
Public and Indian Housing- Low Rent	14.850	\$ <u>260,528</u>
Public Housing- Comprehensive Improvement Assistance Grant Program	14.852	<u>98,894</u>
 <b>Section 8 Tenant Based Cluster:</b>		
Section 8 Rental Certificate Program	14.857	49,447
Section 8 Rental Voucher Program	14.855	<u>1,347,568</u>
Sub-Total		<u>1,397,015</u>
 <b>Total Federal Awards Expended</b>		 <b>\$ <u>1,756,437</u></b>

NOTE: This schedule has been prepared on the accrual basis of accounting.

*See Independent Auditors' Report*

PIKE METROPOLITAN HOUSING AUTHORITY  
Supplemental Financial Data Schedule

Balance Sheet

As of December 31, 2000

	Low Rent Public Housing	Section 8 Rental Certificates	Section 8 Rental Vouchers	Section 8 Rental Vouchers	State/Local	TOTAL
	14,850	14,857	14,855			
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash-unrestricted	1,186	44,038	110,881		40,383	196,488
Total cash	1,186	44,038	110,881		40,383	196,488
<b>Accounts and notes receivables</b>						
Accounts receivable-PHA projects				32,298		32,298
Accounts receivable-HUD other projects	10,349		42,372			52,721
Accounts receivable-miscellaneous		4,952				4,952
Accounts receivable-tenants-dwelling rent	3,941					3,941
Allowance for doubtful accounts-dwelling rent	(4,602)					(4,602)
Fraud recovery	1,508					1,508
Total receivables, net of allowances for uncollectibles	11,196	4,952	42,372		32,298	90,818
<b>Current Investments</b>						
Investments-Unrestricted	192,817	369,717	77,277	77,019		716,830
Prepaid expenses and other assets	2,160	109	35			2,304
Inventories	8,527					8,527
Total investments	203,504	369,826	77,312	77,019		727,661
Total current assets	215,886	418,816	230,565	149,700		1,014,967
<b>Noncurrent assets</b>						
Land	615,223			105,328		720,551
Buildings	4,649,919			600,644		5,250,563
Furniture, equipment and machinery-dwelling	253,322					253,322
Furniture, equipment and machinery-admin.	32,441	30,268	6,825			69,534
Accumulated depreciation	(2,202,103)	(23,354)	(682)	(116,839)		(2,342,978)
Total fixed assets, net of accum. depreciation	3,348,802	6,914	6,143	589,133		3,950,992
Total non-current assets	3,348,802	6,914	6,143	589,133		3,950,992
Total assets	3,564,688	425,730	236,708	738,833		4,965,959

See Independent Auditors' Report

PIKE METROPOLITAN HOUSING AUTHORITY  
 Supplemental Financial Data Schedule

Balance Sheet, Continued  
 As of December 31, 2000

	Low Rent	Section 8 Certificates	Section 8 Vouchers	State/Local	TOTAL
	<u>14,859</u>	<u>14,857</u>	<u>14,855</u>		
<b>LIABILITIES AND EQUITY</b>					
Current liabilities					
Accounts payable < 90 days	11,380		1,175		12,555
Accrued wages/payroll taxes payable	3,724		946		4,670
Accrued compensated absences	63,887		25,410		89,297
Accounts payable-HUD PHA Program		2,140			2,140
Accounts payable-other government	4,415			1,400	4,415
Tenant Security Deposits	10,704				12,104
Deferred Revenues	125		117,122		117,247
Current portion of long-term debt-capital projects				9,964	9,964
Total current liabilities	<u>94,235</u>	<u>2,140</u>	<u>144,653</u>	<u>11,364</u>	<u>252,392</u>
Non-current liabilities					
Long term debt, net of current-capital projects				268,364	268,364
Non-current liabilities-other	3,989	11,187	7,479	-	22,655
Total non-current liabilities	<u>3,989</u>	<u>11,187</u>	<u>7,479</u>	<u>268,364</u>	<u>291,019</u>
Total Liabilities	<u>98,224</u>	<u>13,327</u>	<u>152,132</u>	<u>279,728</u>	<u>543,411</u>
Equity					
Net HUD PHA contributions	3,348,802				3,348,802
Undesignated fund balance/retained earnings	117,662	412,403	84,576	459,105	1,073,746
Total equity	<u>3,466,464</u>	<u>412,403</u>	<u>84,576</u>	<u>459,105</u>	<u>4,422,548</u>
Total liabilities & equity	<u>3,564,688</u>	<u>425,730</u>	<u>236,708</u>	<u>738,833</u>	<u>4,965,959</u>

See Independent Auditors' Report

PIKE METROPOLITAN HOUSING AUTHORITY  
PIKETON, OHIO

SCHEDULE OF REVENUE AND EXPENSE BY PROGRAM  
FOR THE YEAR ENDED DECEMBER 31, 2000

REVENUE	Low Rent Public Housing Program	Comprehensive Improvement Assistance Program	Section 8		Section 8 Rental Voucher Program	Total
			State/ Local Program	Rental Certificates Program		
HUD Grants	\$ 260,528	\$ 37,083	\$ -	\$ 49,447	\$ 1,347,568	\$ 1,694,626
Rental Income	99,187	60,640	-	-	-	159,827
Investment Income-Unrestricted	12,177	3,102	23,971	2,835	-	42,085
Other Revenue	20,983	-	20,173	-	-	41,156
<b>Total Revenue</b>	<b>392,875</b>	<b>37,083</b>	<b>83,915</b>	<b>73,418</b>	<b>1,350,403</b>	<b>1,937,694</b>
<b>EXPENSES</b>						
Housing Assistance Payments	82,647	-	-	43,877	1,154,071	1,197,948
Administrative Salaries	43,005	5,903	-	2,657	89,708	180,915
Compensated Absences	49,494	-	-	1,072	25,344	68,349
Employee Benefits	29,006	37,083	-	764	27,585	78,151
Other Administrative Expense	72,817	-	10,021	-	20,319	92,802
Material and Labor-Maintenance	27,769	-	7,902	-	-	82,838
Contract Services	110	-	-	-	110	35,671
Tenant Services-Other	48,987	-	15,647	-	365	64,999
Utilities	7,200	-	16,127	53	1,985	25,365
General Expenses	5,020	-	-	-	-	5,020
Payments in Lieu of Taxes	2,338	-	-	-	11,338	13,676
Severance Expense	20,497	-	-	-	-	20,497
Bad Debt- Tenant Rents	-	-	-	-	-	-
<b>Total Expenses</b>	<b>388,890</b>	<b>37,083</b>	<b>61,230</b>	<b>48,423</b>	<b>1,330,715</b>	<b>1,866,341</b>
<b>Income (Loss) before</b>	<b>3,985</b>	<b>-</b>	<b>22,685</b>	<b>24,995</b>	<b>19,688</b>	<b>71,353</b>
Depreciation & Other Costs	204,732	-	21,842	1,568	682	228,824
Depreciation	-	-	14,266	-	-	14,266
Interest	-	-	(13,423)	-	-	-
<b>Operating Income (Loss)</b>	<b>\$ (200,747)</b>	<b>\$ -</b>	<b>\$ (13,423)</b>	<b>\$ 23,427</b>	<b>\$ 19,006</b>	<b>\$ (171,737)</b>

See Independent Auditors' Report

PIKE METROPOLITAN HOUSING AUTHORITY  
PIKETON, OHIO  
SCHEDULE OF ACTIVITY  
DECEMBER 31, 2000

The PHA had 517 units under management.

<u>Management</u>	<u>Units</u>
Low Rent Public Housing Program	94
Section 8 Rental Certificates Program	16
Section 8 Rental Vouchers Program	<u>407</u>
TOTAL	<u>517</u>

REPORT ON PRIOR YEAR AUDIT FINDINGS

THERE WERE NO PRIOR AUDIT FINDINGS

*See Independent Auditors' Report*

PIKE METROPOLITAN HOUSING AUTHORITY  
PIKETON, OHIO

ACTUAL MODERNIZATION COST CERTIFICATION

At December 31, 2000

1. The Actual Modernization Grant Costs are as follows:

	<u>Project</u> <u>OH16-907-97</u>
Funds Approved	\$ 248,524
Funds Expended	<u>248,524</u>
Excess (Deficiency) of Funds Approved	<u>\$ -</u>
Funds Advanced	\$ 248,524
Funds Expended	<u>248,524</u>
Excess (Deficiency) of Funds Advanced	<u>\$ -</u>

2. The Distribution of Costs as shown on the Schedule/Report of Modernization Grant Expenditures submitted to HUD for approval are in agreement with the Authority's records.

3. All Modernization Grant Costs have been paid and all related liabilities have been discharged through payment

**See Independent Auditors' Report**

*J. E. Slaybaugh & Associates, Inc.*

*12 East Main Street  
Lexington, Ohio 44904*

*Member AICPA  
Member OSCP*

*John E. Slaybaugh III  
Certified Public Accountant*

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Commissioners  
Pike Metropolitan Housing Authority  
Piketon, Ohio

We have audited the financial statements of Pike Metropolitan Housing Authority, Piketon, Ohio, as of and for the year ended December 31, 2000, and have issued our report thereon dated August 22, 2001. 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.

Compliance

As part of obtaining reasonable assurance about whether Pike 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 grants, 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*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Pike Metropolitan Housing Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information and use of management and the Department of Housing and Urban Development and is not intended to be and should not be used by anyone other than these specified parties.

*J.E. Slaybaugh & Associates, Inc.*

J.E. Slaybaugh & Associates, Inc.

August 22, 2001



*J. E. Slaybaugh & Associates, Inc.*

*12 East Main Street  
Lexington, Ohio 44904*

*Member AICPA  
Member OSCPA*

*John E. Slaybaugh III  
Certified Public Accountant*

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

Board of Commissioners  
Pike Metropolitan Housing Authority  
Pike, Ohio

Compliance

We have audited the compliance of Pike Metropolitan Housing Authority with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2000. Pike Metropolitan Housing Authority's major federal programs are identified in the summary of auditor's 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 the Authority's management. Our responsibility is to express an opinion on Pike 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; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the provisions of the *Public and Indian Housing Compliance Supplement*, PIH Notice 97-30. 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 Pike 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 Pike Metropolitan Housing Authority's compliance with those requirements.

In our opinion, Pike 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 December 31, 2000.

Internal Control Over Compliance

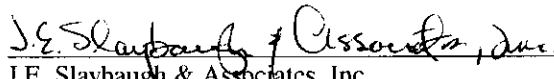
The management of Pike Metropolitan Housing Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Authority's 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 and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Report on Compliance and Internal Control

Page 2

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information and use of management and the Department of Housing and Urban Development and is not intended to be and should not be used by anyone other than these specified parties.

  
\_\_\_\_\_  
J.E. Slaybaugh & Associates, Inc.  
Lexington, Ohio  
August 22, 2001

PIKE METROPOLITAN HOUSING AUTHORITY  
PIKETON, OHIO

SCHEDULE OF FINDINGS

DECEMBER 31, 2000

PART I - SUMMARY OF AUDITOR'S RESULTS

1. The auditor has issued an unqualified opinion on the financial statements of Pike Metropolitan Housing Authority.
2. There were no reportable conditions in internal control disclosed by the audit of the financial statements.
3. There was no noncompliance material to the financial statements disclosed by the audit.
4. There were no reportable conditions in the internal control over major programs disclosed by the audit.
5. The auditor has issued an unqualified opinion on compliance for major programs for Pike Metropolitan Housing Authority.
6. The audit disclosed no audit findings.
7. The major programs are:  
  
Cluster- Tenant Based Section 8 Programs
8. The dollar threshold used to distinguish between Type A and Type B programs was \$ 300,000.
9. The auditor determined that Pike Metropolitan Housing Authority qualified as a low-risk auditee.

PART II - FINDINGS RELATED TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED  
TO BE REPORTED IN ACCORDANCE WITH *GAGAS*

1. None

PART III - FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS INCLUDING AUDIT FINDINGS

1. None





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**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  
JANUARY 3, 2002**