

Pike Metropolitan Housing Authority
General Purpose Financial Statements
For the Year Ended December 31, 2003



**Auditor of State
Betty Montgomery**

Board of Trustees
Pike Metropolitan Housing Authority
2626 Shyville Road
Piketon, Ohio 45661-9746

We have reviewed the Independent Auditor's Report of the Pike Metropolitan Housing Authority, Pike County, prepared by Salvatore Consiglio, CPA, Inc., for the audit period January 1, 2003 through December 31, 2003. 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 cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

September 21, 2004

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PIKE METROPOLITAN HOUSING AUTHORITY
AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2003

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Independent Auditors' Report

Board of Directors
Pike Metropolitan Housing Authority

Regional Inspector General of Audit
Department of Housing and Urban
Development

I have audited the accompanying general purpose financial statements of Pike Metropolitan Housing Authority, Ohio, as of and for the year ended December 31, 2003, as listed in the table of contents. These general purpose financial statements are the responsibility of the Pike Metropolitan Housing Authority, Ohio, management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the general purpose 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Pike Metropolitan Housing Authority, Ohio, as of December 31, 2003, and the results of its operations and the cash flows of its proprietary fund for the year then ended in conformity with accounting principles generally accepted in the United State of America.

In accordance with *Government Auditing Standards*, I have also issued a report dated June 11, 2004, on my consideration of Pike Metropolitan Housing Authority, Ohio's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants. That 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 result of my audit.

My Audit was performed for the purpose of forming and opinion on the general purpose financial statements taken as a whole. The schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements of the Pike Metropolitan Housing Authority, Ohio. The accompanying 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 Government and Non-Profit Organizations* and is not a required part of the general purpose financial statements. The combining financial data schedule ("FDS") is presented for purposes additional analysis as required by the Department of Housing and Urban Development and are not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly presented in all material respect in relation to the basic financial statements taken as a whole.



Salvatore Consiglio, CPA, Inc.
June 11, 2004

Pike Metropolitan Housing Authority
 Combined Balance Sheet
 Proprietary Fund Type - Enterprise Fund
 December 31, 2003

	<i><u>Enterprise Fund</u></i>	<i><u>Component Units</u></i>	<i><u>Total (Memo Only)</u></i>
<u>ASSETS</u>			
CURRENT ASSETS:			
Cash and Cash Equivalents	\$118,186	\$12,751	\$130,937
Investments	658,947	96,225	755,172
Receivables - Net of Allowance	16,307	3,236	19,543
Interprogram Due From	33,503	0	33,503
Inventory	7,253	0	7,253
Deferred Charges and Other Assets	4,202	1,225	5,427
TOTAL CURRENT ASSETS	838,398	113,437	951,835
NONCURRENT ASSETS:			
Fixed Assets - Net of Accumulated Depreciation	4,642,020	824,675	5,466,695
TOTAL NONCURRENT ASSETS	4,642,020	824,675	5,466,695
TOTAL ASSETS	\$5,480,418	\$938,112	\$6,418,530
<u>LIABILITIES AND FUND EQUITY</u>			
CURRENT LIABILITIES:			
Accounts payable	\$6,967	\$2,460	\$9,427
Interprogram Due To	33,503	0	33,503
Intergovernmental payables	10,641	0	10,641
Accrued expenses/expenditures	0	17,526	17,526
Accrued wages/payroll taxes	10,294	0	10,294
Tenant security deposits	16,673	10,900	27,573
Deferred credits and other liabilities	46,142	4,468	50,610
Total current liabilities	124,220	35,354	159,574
Noncurrent Liabilities			
Long-term debt, net of current	652,347	1,149,431	1,801,778
Other long-term liabilities	53,944	58,358	112,302
Total noncurrent liabilities	706,291	1,207,789	1,914,080
TOTAL LIABILITIES	830,511	1,243,143	2,073,654

The accompanying notes to the general purpose financial statements are an integral part of these statements.

Pike Metropolitan Housing Authority
 Combined Balance Sheet
 Proprietary Fund Type - Enterprise Fund
 December 31, 2003

	<i><u>Enterprise Fund</u></i>	<i><u>Component Units</u></i>	<i><u>Total (Memo Only)</u></i>
FUND EQUITY:			
Contributed Capital	3,928,728	0	3,928,728
Unreserved Fund	721,179	(305,031)	416,148
TOTAL FUND EQUITY	4,649,907	(305,031)	4,344,876
TOTAL LIABILITIES AND FUND EQUITY	\$5,480,418	\$938,112	\$6,418,530

The accompanying notes to the general purpose financial statements are an integral part of these statements.

Pike Metropolitan Housing Authority
 Combined Statement of Revenue, Expenses and Change in Fund Equity
 Proprietary Fund Type
 Enterprise Fund
 For the Year Ended December 31, 2003

	<i><u>Enterprise Fund</u></i>	<i><u>Component Units</u></i>	<i><u>Total (Memo Only)</u></i>
<u>REVENUE</u>			
Tenant Rental Revenue	\$227,911	\$205,271	\$433,182
Program Grant/Subsidies	2,531,827	0	2,531,827
Interest	9,814	0	9,814
Other Income	44,311	0	44,311
TOTAL REVENUE	<u>2,813,863</u>	<u>205,271</u>	<u>3,019,134</u>
<u>EXPENSES</u>			
Administrative	422,149	34,657	456,806
Tenant Services	1,601	0	1,601
Utilities	73,519	15,613	89,132
Maintenance	209,041	20,392	229,433
General	38,296	18,235	56,531
Housing Assistance Payments	1,788,210	0	1,788,210
Depreciation	207,728	57,578	265,306
Interest	29,896	101,844	131,740
TOTAL EXPENSES	<u>2,770,440</u>	<u>248,319</u>	<u>3,018,759</u>
EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) EXPENSES	<u>43,423</u>	<u>(43,048)</u>	<u>375</u>
Other Financing Sources (Uses)			
Operating transfers in	585,288	0	585,288
Operating transfers out	(585,288)	0	(585,288)
Total Other Financing Sources(Uses)	<u>0</u>	<u>0</u>	<u>0</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENSES AND OTHER FINANCING USES	<u>43,423</u>	<u>(43,048)</u>	<u>375</u>
Beginning Equity	4,813,301	(261,983)	4,551,318
Prior Period Adjustments	<u>(206,817)</u>	<u>0</u>	<u>(206,817)</u>
ENDING FUND EQUITY	<u>\$4,649,907</u>	<u>(\$305,031)</u>	<u>\$4,344,876</u>

The accompanying notes to the general purpose financial statements are an integral part of these statements.

Pike Metropolitan Housing Authority
 Combined Statement of Cash Flows
 Proprietary Fund Type
 Enterprise Fund
 For the Year Ended December 31, 2003

	<i><u>Enterprise Fund</u></i>	<i><u>Component Units</u></i>	<i><u>Total (Memo Only)</u></i>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net Operating Income/(Loss)	\$43,423	(\$43,048)	\$375
Adjustment to Reconcile Operating Loss to Net Cash Used by Operating Activities			
- Depreciation	207,728	57,578	265,306
- (Increases) Decreases in Accounts Receivable	(7,649)	(2,229)	(9,878)
- Increases (Decreases) Accounts Payable	(42,410)	0	(42,410)
- (Increases) Decreases in Inventory	(877)	0	(877)
- (Increases) Decreases in Prepaid Expenses	(633)	(545)	(1,178)
	<hr/>	<hr/>	<hr/>
Total Adjustments	156,159	54,804	210,963
	<hr/>	<hr/>	<hr/>
NET CASH PROVIDED BY OPERATING ACTIVITIES	199,582	11,756	211,338
	<hr/>	<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Cash Transfer to/from Investment Accounts	179,228	(11,584)	167,644
	<hr/>	<hr/>	<hr/>
NET CASH PROVIDED IN INVESTING ACTIVITIES	179,228	(11,584)	167,644
	<hr/>	<hr/>	<hr/>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from New Loan	50,198	0	50,198
Purchases of Assets	(449,245)	0	(449,245)
Debt Principal Payment	(46,143)	(4,085)	(50,228)
	<hr/>	<hr/>	<hr/>
NET CASH USED IN FINANCING ACTIVITIES	(445,190)	(4,085)	(449,275)
	<hr/>	<hr/>	<hr/>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(66,380)	(3,913)	(70,293)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	184,566	16,664	201,230
	<hr/>	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS - END OF YEAR	\$118,186	\$12,751	\$130,937
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The accompanying notes to the general purpose financial statements are an integral part of these statements.

PIKE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Summary of Significant Accounting Policies

The financial statements of the Pike Metropolitan Housing Authority (the Authority) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Authority's accounting policies are described below.

Reporting Entity

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

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

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

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

PIKE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003
(CONTINUED)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The accompanying financial statements present the Authority's primary government and Emmitt Station Limited Partnership, component unit, which the Authority exercises significant control.

Component Units

The component unit is reported in the Authority financial statements as shown below:

Discretely Presented Component Unit
Emmitt Station Limited Partnership

Brief Description and Relationship
The Partnership was formed in April 1989, under the laws of the State of Ohio, for the purpose of constructing and operating a 40-unit apartment community ("Emmitt Station") located in Waverly, Ohio. The community is financed by a U.S.D.A., Rural Housing Service Section 515 Loan, and therefore is regulated by Rural Housing Service as to rent charges and operating methods. The apartment community began operation in September 1989.

Pike Metropolitan Housing Authority is the General Partner of the Partnership and is the managing agent.

Fund Accounting

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

PIKE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003
(CONTINUED)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Proprietary Fund Types

Proprietary funds are used to account for the Authority's ongoing activities, which are similar to those found in the private sector. The following is the proprietary fund type:

Enterprise Fund - This fund is used to account for the operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Measurement Focus/Basis of Accounting

The proprietary funds are accounted for on the accrual basis of accounting. Revenues are recognized in the period earned and expenses are recognized in the period incurred. 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 FASB 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.

Investments

The provisions of the HUD Regulations restrict investments. Investments are valued at market value. Interest income earned in fiscal year ending December 31, 2003 totaled \$9,814.

Fixed Assets

Fixed assets are stated at cost and depreciation is computed using the straight line method over an estimated useful life of the assets. The cost of normal maintenance and repairs, that do not add to the value of the asset or materially extend the asset life, are not capitalized.

PIKE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003
(CONTINUED)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

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

Compensated Absences

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

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

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

Capital Contributions

This represents contributions made available by HUD with respect to all federally aided projects under an annual contribution contract.

Budgetary Accounting

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

PIKE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003
(CONTINUED)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Estimates

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

NOTE 2: CASH AND INVESTMENTS

Deposits – The PHA deposits are categorized to give an indication of the level of risk assumed by the PHA at fiscal year end. The categories are described as follows:

Category 1 – Insured or collateralized with securities held by the PHA or by its agent in the PHA’s name.

Category 2 – Collateralized with securities held by the pledging financial institution’s trust department or agent in the PHA’s name.

Category 3 – Uncollateralized.

Deposits, categorized by level of risk, are:

<u>DESCRIPTION</u>	<u>BANK BALANCE</u>	<u>CATEGORY</u>			<u>CARRYING AMOUNT</u>
		<u>1</u>	<u>2</u>	<u>3</u>	
Cash and Cash					
Equivalents:					
Primary Government	\$160,540	\$160,540	\$0	\$0	\$118,186
Component Unit	12,751	12,751	0	0	12,751
Investments:					
Primary Government	658,947	658,947	0	0	658,947
Component Unit	96,225	96,225	0	0	96,225
Total Deposits	<u>\$928,463</u>	<u>\$928,463</u>	<u>\$0</u>	<u>\$0</u>	<u>\$886,109</u>

PIKE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003
(CONTINUED)

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments - HUD Handbook 7475.1 Chapter 4, Section 1 authorizes the PHA to make investments in:

Direct Obligations of the Federal Government;
Obligations of Federal Government Agencies;
Securities of Government-Sponsored Agencies; and
Demand and Savings Deposits and Certificates of Deposit.

The PHA investments are categorized to give an indication of the level of risk assumed by the PHA at fiscal year end. The categories are described as follows:

Category 1 – Insured, registered, or securities held by the PHA or its agent in the PHA’s name.

Category 2 – Uninsured and unregistered, with securities held by the counter party’s trust department or agent in the PHA’s name.

Category 3 – Uninsured and unregistered, with securities held by the counterparty, or its trust department or agent but not in the PHA’s name.

The PHA’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: NOTE TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES

The accompanying Schedule of Federal Awards expenditures is a summary of the activity of the Authority’s federal awards programs. The schedule has been prepared on the accrual basis of accounting.

NOTE 4: RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year ending December 31, 2003 the Authority maintains comprehensive insurance coverage with private carriers for health, real property, building contents and vehicles. Vehicle policies include liability coverage for bodily injury and property damage.

PIKE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003
(CONTINUED)

NOTE 4: RISK MANAGEMENT (Continued)

Settled claims have not exceeded this coverage in any of the last three years. There has been no significant reduction in coverage from last year.

NOTE 5: FIXED ASSETS

The following is a summary:

	Primary Government	Component Unit	Total
Land	\$1,034,596	\$85,999	\$1,120,595
Buildings	5,744,998	1,517,006	7,262,004
Furniture and Equipment	419,016	1,270	420,286
Construction in Progress	307,823	0	307,823
Total Fixed Assets	7,506,433	1,604,275	9,110,708
Accumulated Depreciation	(2,864,413)	(779,600)	(3,644,013)
Net Fixed Assets	\$4,642,020	\$824,675	\$5,466,695

The following is a summary of changes:

	Balance <u>12/31/02</u>	<u>Adjustment</u>	<u>Additions</u>	<u>Deletion</u>	Balance <u>12/31/03</u>
Land	\$868,350	(\$22,255)	\$274,500	\$0	\$1,120,595
Buildings	7,408,145	(204,641)	58,500	0	7,262,004
Furnt. & Equip.	394,619	(1,896)	27,563	0	420,286
Constr in Progress	208,127	11,014	88,682	0	307,823
Total Fixed Assets	\$8,879,241	(\$217,778)	\$449,245	\$ 0	\$9,110,708

The depreciation expense for the year ended December 31, 2003 was \$207,728 for the primary government and \$101,844 for the component unit.

NOTE 6: DEFINED BENEFIT PENSION PLANS -PUBLIC EMPLOYEES RETIREMENT SYSTEM

All employees participate in the Public Employees Retirement System of Ohio (PERS), a cost sharing multiple employer public employee retirement system administered by the Public Employee Retirement Board. PERS provides basic retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Chapter 145 of the Ohio Revised Code establishes benefits. PERS issues a stand-alone financial report, which may be obtained by writing to the Public Employee Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642.

PIKE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003
(CONTINUED)

**NOTE 6: DEFINED BENEFIT PENSION PLANS -PUBLIC EMPLOYEES
RETIREMENT SYSTEM (Continued)**

Plan members are required to contribute 8.5 percent of their annual covered salary to fund pension obligations. The employer contribution rate was 13.55 percent of covered payroll. The Authority's required contributions to PERS for the years ended December 31, 2003, 2002 and 2001 were \$45,943, \$34,854, and \$38,089, respectively. The full amount has been contributed for 2001 and 2000. Ninety-three percent has been contributed for 2003, with the remainder being reported as a liability with the enterprise fund.

**NOTE 7: POSTEMPLOYMENT BENEFITS PUBLIC EMPLOYEES
RETIREMENT SYSTEM**

The Public Employees Retirement System of Ohio (OPERS) provides post-employment health care benefits to age and service retirants with ten or more years of qualifying Ohio service credit and to primary survivor recipients of such retirants. Health care coverage for disability recipients is also available. The health care coverage provided by the OPERS is considered an Other Post-employment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to the OPERS is set aside for the funding of post retirement health care. The Ohio Revised Code provides statutory authority requiring public employers to fund post-employment health care through their contributions to the OPERS. The portion of the 2002 employer contribution rate (identified above) that was used to fund health care for the year ended December 31, 2003 was 5.0 percent of covered payroll, which amounted to \$17,961. The significant actuarial assumptions and calculations relating to post-employment health care benefits were based on the OPERS' latest actuarial review performed as of December 31, 2001. An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted annually to reflect 25 percent of unrealized market appreciation or depreciation on investment assets. The investment assumption rate for 2001 was 8.0 percent. An annual increase of 4.0 percent compounded annually is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.0 percent base increase, were assumed to range from 0.51 percent to 6.3 percent. Health care costs were assumed to increase 4.0 percent annually.

PIKE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003
(CONTINUED)

**NOTE 7: POSTEMPLOYMENT BENEFITS PUBLIC EMPLOYEES
RETIREMENT SYSTEM** (Continued)

Benefits are advanced-funded on an actuarially determined basis. The number of active contributing participants was 402,041. The actuarial value of the OPERS' net assets available for OPEB at December 31, 2001 was \$11.6 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$16.4 billion and \$4.8 billion, respectively.

NOTE 8: PRIOR PERIOD ADJUSTMENTS

Prior period adjustment in total of \$206,817 was necessary to properly reconcile the beginning balance sheet amounts per the accounting records with the amounts reported in prior audit report. The adjustments were as follows:

- Adjustment to the State and Local Program to properly state fixed assets (\$217,313).
- Adjustment to the Capital Fund Program to properly state receivable from HUD \$11,014.
- Adjustment by HUD to the Voucher Program for Administration Fees earned (\$518).

NOTE 9: SCHEDULE OF EXPENDITURE OF FEDERAL AWARD

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

NOTE 10: LONG TERM DEBT

PIKE METROPOLITAN HOUSING AUTHORITY:

During the year, Pike MHA refinanced loan number 7841 with First National Bank and combined the balance it with a new loan number 00075 at Fifth Third Bank. The term of the loan was decreased from 15 years to 10 years and the interest rate was lowered from 7.0% to 4.89%.

PIKE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003
(CONTINUED)

NOTE 10: LONG TERM DEBT (Continued)

The Authority had the following mortgage loan for rental property owned:

	12/31/03		
	BALANCE	RATE	TERM
FIRST NATIONAL BANK:			
- Loan No. 7661	\$7,424	7.75%	15 Years
- Loan No. 8245	18,835	7.50%	15 Years
TOTAL FIRST NATIONAL	<u>\$26,259</u>		
FIFTH THIRD BANK:			
- Loan No. 00042	\$113,589	6.63%	15 Years
- Loan No. 00026	68,734	6.63%	12 Years
- Loan No. 00067	115,397	5.45%	15 Years
- Loan No. 00075	164,734	4.89%	10 Years
TOTAL FIFTH THIRD BANK	<u>\$462,454</u>		
COUNTY MR/DD:			
- 212 St. Anns Lane	\$6,900	0.00%	15 Years
- 77 Circleview Drive	6,079	0.00%	15 Years
- 337 Arlington Ave.	16,566	0.00%	15 Years
- 221 St Anns Lane	17,700	0.00%	15 Years
- 212 Grandview	39,507	0.00%	15 Years
- 107 Commercial Blvd.	39,000	0.00%	15 Years
-102 Sunrise	42,000	0.00%	15 Years
-599 Walnut	42,000	0.00%	15 Years
TOTAL COUNTY MR/DD	<u>\$209,752</u>		

The County MR/DD Loans are forgiven at the end of the term of the loan. The Authority amortizes the loans and annually recognizes as revenue the current year amount that expired.

The following is a summary of the change in the Long-Term Debt for the year ended December 31, 2003:

Description	Balance 01/01/03	Issued	Retired	Balance 12/31/03
Primary Government: Mortgage Loans	\$714,610	\$50,198	\$66,342	\$698,466
Component Unit: Mortgage Loans	\$1,157,983	\$0	\$4,085	\$1,153,899

PIKE METROPOLITAN HOUSING AUTHORITY
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2003
 (CONTINUED)

NOTE 10: LONG TERM DEBT (Continued)

Debt maturities for the next five years are as follows:

<u>YEAR</u>	<u>DEBT AMOUNT</u>	<u>MRDD FORGIVEN</u>
2004	25,920	20,199
2005	27,524	20,199
2006	29,229	19,675
2007	31,043	17,998
2008	32,972	17,998
Later Years	342,025	113,684
Total	<u>\$488,713</u>	<u>\$209,753</u>

EMMITT STATION (Component Unit):

The mortgage note is payable to Rural Housing Service in monthly installments of \$9,011, at an interest rate of 9% and a term of 50 years, maturing in year 2039. As part of the Loan Agreement, the Partnership entered into an Interest Credit and Rental Assistance Agreement that reduces the monthly mortgage payment to \$2,520, which effectively lowers the interest rate to approximately 1% over the term of the loan. The mortgage liability of the Partnership is limited to the underlying value of the real estate collateral pledged.

Maturities of the mortgage note in each of the next five years are approximated as follows:

<u>YEAR</u>	<u>AMOUNT</u>
2004	\$4,468
2005	4,887
2006	5,342
2007	5,865
2008	6,415
Future Years	<u>1,126,922</u>
Total	<u>\$1,153,899</u>

Under the Loan Agreement with Rural Housing Service, the Partnership is required to make monthly reserve for replacement deposits, and is subject to operating and returns to owner restrictions.

There has been no significant change in interest rates available to the Partnership. Therefore, the fair value of the mortgage does not approximate the book value.

Pike Metropolitan Housing Authority
Combining Balance Sheet
FDS Schedule Submitted To REAC
Proprietary Fund Type – Enterprise Fund
December 31, 2003

Line Item No.	Account Description	Low Rent Public Housing	Housing Choice Vouchers	Public Housing Capital Fund Program	State/Local	Component Units	Total
111	Cash – Unrestricted	\$53,811	\$5,532	\$0	\$42,170	\$12,751	\$114,264
114	Cash - Tenant Security Deposits	\$15,023	\$0	\$0	\$1,650	\$0	\$16,673
100	Total Cash	\$68,834	\$5,532	\$0	\$43,820	\$12,751	\$130,937
122	Accounts Receivable - HUD Other Projects	\$0	\$0	\$3,503	\$0	\$0	\$3,503
125	Accounts Receivable – Miscellaneous	\$0	\$7,650	\$0	\$0	\$2,514	\$10,164
126	Accounts Receivable - Tenants - Dwelling Rents	\$6,146	\$0	\$0	\$0	\$722	\$6,868
126.1	Allowance for Doubtful Accounts - Dwelling Rents	(\$2,500)	\$0	\$0	\$0	\$0	(\$2,500)
126.2	Allowance for Doubtful Accounts – Other	\$0	\$0	\$0	\$0	\$0	\$0
128	Fraud Recovery	\$1,508	\$0	\$0	\$0	\$0	\$1,508
128.1	Allowance for Doubtful Accounts – Fraud	\$0	\$0	\$0	\$0	\$0	\$0
120	Total Receivables, net of allowances for doubtful accounts	\$5,154	\$7,650	\$3,503	\$0	\$3,236	\$19,543
131	Investments – Unrestricted	\$179,567	\$129,785	\$0	\$349,595	\$0	\$658,947
132	Investments Restricted	\$0	\$0	\$0	\$0	\$96,225	\$96,225
142	Prepaid Expenses and Other Assets	\$3,638	\$564	\$0	\$0	\$1,225	\$5,427
143	Inventories	\$7,253	\$0	\$0	\$0	\$0	\$7,253
143.1	Allowance for Obsolete Inventories	\$0	\$0	\$0	\$0	\$0	\$0
144	Interprogram Due From	\$3,503	\$30,000	\$0	\$0	\$0	\$33,503
150	Total Current Assets	\$267,949	\$173,531	\$3,503	\$393,415	\$113,437	\$951,835
161	Land	\$615,223	\$0	\$0	\$419,373	\$85,999	\$1,120,595
162	Buildings	\$4,717,303	\$0	\$0	\$1,027,695	\$1,517,006	\$7,262,004
163	Furniture, Equipment & Machinery – Dwellings	\$186,891	\$0	\$0	\$0	\$0	\$186,891
164	Furniture, Equipment & Machinery – Administration	\$169,365	\$62,760	\$0	\$0	\$1,270	\$233,395

Pike Metropolitan Housing Authority
Combining Balance Sheet
FDS Schedule Submitted To REAC
Proprietary Fund Type – Enterprise Fund
December 31, 2003

Line Item No.	Account Description	Low Rent Public Housing	Housing Choice Vouchers	Public Housing Capital Fund Program	State/Local	Component Units	Total
165	Leasehold Improvements	\$0	\$0	\$0	\$0	\$0	\$0
166	Accumulated Depreciation	(\$2,607,920)	(\$30,909)	\$0	(\$225,584)	(\$779,600)	(\$3,644,013)
167	Construction In Progress	\$0	\$0	\$307,823	\$0	\$0	\$307,823
160	Total Fixed Assets, Net of Accumulated Depreciation	\$3,080,862	\$31,851	\$307,823	\$1,221,484	\$824,675	\$5,466,695
180	Total Non-Current Assets	\$3,080,862	\$31,851	\$307,823	\$1,221,484	\$824,675	\$5,466,695
190	Total Assets	\$3,348,811	\$205,382	\$311,326	\$1,614,899	\$938,112	\$6,418,530
312	Accounts Payable <= 90 Days	\$5,326	\$157	\$0	\$1,484	\$2,460	\$9,427
321	Accrued Wage/Payroll Taxes Payable	\$7,317	\$2,977	\$0	\$0	\$0	\$10,294
324	Accrued Contingency Liability	\$0	\$0	\$0	\$0	\$15,305	\$15,305
325	Accrued Interest Payable	\$0	\$0	\$0	\$0	\$2,221	\$2,221
331	Accounts Payable - HUD PHA Programs	\$0	\$4,274	\$0	\$0	\$0	\$4,274
333	Accounts Payable - Other Government	\$6,367	\$0	\$0	\$0	\$0	\$6,367
341	Tenant Security Deposits	\$15,023	\$0	\$0	\$1,650	\$10,900	\$27,573
342	Deferred Revenues	\$23	\$0	\$0	\$0	\$0	\$23
343	Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds	\$0	\$0	\$0	\$46,119	\$4,468	\$50,587
347	Interprogram Due To	\$30,000	\$0	\$3,503	\$0	\$0	\$33,503
310	Total Current Liabilities	\$64,056	\$7,408	\$3,503	\$49,253	\$35,354	\$159,574
351	Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue Bonds	\$0	\$0	\$0	\$652,347	\$0	\$652,347
354	Accrued Compensated Absences - Non Current	\$22,043	\$11,105	\$0	\$0	\$0	\$33,148
355	Loan Liability - Non Current	\$0	\$0	\$0	\$0	\$1,149,431	\$1,149,431

Pike Metropolitan Housing Authority
Combining Statement of Revenue, Expenses and Change In Retained Earnings
FDS Schedule Submitted to REAC
Proprietary Fund Type – Enterprise Fund
Year Ended December 31, 2003

Line Item No.	Account Description	Low Rent Public Housing	Housing Choice Vouchers	Public Housing Capital Fund Program	State/Local	Component Units	Total
703	Net Tenant Rental Revenue	\$110,727	\$0	\$0	\$106,638	\$200,428	\$417,793
704	Tenant Revenue – Other	\$10,351	\$195	\$0	\$0	\$4,843	\$15,389
705	Total Tenant Revenue	\$121,078	\$195	\$0	\$106,638	\$205,271	\$433,182
706	HUD PHA Operating Grants	\$284,059	\$2,084,814	\$74,272	\$0	\$0	\$2,443,145
706.1	Capital Grants	\$0	\$0	\$88,682	\$0	\$0	\$88,682
711	Investment Income – Unrestricted	\$1,435	\$2,631	\$0	\$5,748	\$0	\$9,814
713.1	Cost of Sale of Assets	\$0	\$0	\$0	\$0	\$0	\$0
715	Other Revenue	\$0	\$0	\$0	\$44,311	\$0	\$44,311
720	Investment Income – Restricted	\$0	\$0	\$0	\$0	\$0	\$0
700	Total Revenue	\$406,572	\$2,087,640	\$162,954	\$156,697	\$205,271	\$3,019,134
911	Administrative Salaries	\$74,937	\$135,959	\$20,000	\$0	\$5,362	\$236,258
912	Auditing Fees	\$2,500	\$2,500	\$0	\$400	\$2,000	\$7,400
913	Outside Management Fees	\$0	\$0	\$0	\$0	\$11,325	\$11,325
915	Employee Benefit Contributions – Administrative	\$39,505	\$26,347	\$0	\$0	\$6,370	\$72,222
916	Other Operating – Administrative	\$23,520	\$48,772	\$27,272	\$20,437	\$9,600	\$129,601
924	Tenant Services – Other	\$1,601	\$0	\$0	\$0	\$0	\$1,601
931	Water	\$35,951	\$0	\$0	\$10,098	\$10,744	\$56,793
932	Electricity	\$7,162	\$0	\$0	\$13,244	\$4,869	\$25,275
933	Gas	\$3,927	\$0	\$0	\$3,137	\$0	\$7,064
941	Ordinary Maintenance and Operations – Labor	\$98,842	\$0	\$0	\$9,323	\$14,794	\$122,959
942	Ordinary Maintenance and Operations - Materials and Other	\$26,638	\$0	\$0	\$7,850	\$4,648	\$39,136
943	Ordinary Maintenance and Operations – Contract Costs	\$23,062	\$0	\$0	\$1,250	\$950	\$25,262

Pike Metropolitan Housing Authority
Combining Statement of Revenue, Expenses and Change In Retained Earnings
FDS Schedule Submitted to REAC
Proprietary Fund Type – Enterprise Fund
Year Ended December 31, 2003

Line Item No.	Account Description	Low Rent Public Housing	Housing Choice Vouchers	Public Housing Capital Fund Program	State/Local	Component Units	Total
945	Employee Benefit Contributions – Ordinary Maintenance	\$39,223	\$0	\$0	\$2,853	\$0	\$42,076
961	Insurance Premiums	\$13,341	\$560	\$0	\$3,096	\$2,930	\$19,927
962	Other General Expenses	\$0	\$0	\$0	\$5,987	\$15,305	\$21,292
963	Payments in Lieu of Taxes	\$6,367	\$0	\$0	\$0	\$0	\$6,367
964	Bad Debt - Tenant Rents	\$8,945	\$0	\$0	\$0	\$0	\$8,945
967	Interest Expense	\$0	\$0	\$0	\$29,896	\$101,844	\$131,740
969	Total Operating Expenses	\$405,521	\$214,138	\$47,272	\$107,571	\$190,741	\$965,243
970	Excess Operating Revenue over Operating Expenses	\$1,051	\$1,873,502	\$115,682	\$49,126	\$14,530	\$2,053,891
973	Housing Assistance Payments	\$0	\$1,788,210	\$0	\$0	\$0	\$1,788,210
974	Depreciation Expense	\$169,163	\$3,878	\$0	\$34,687	\$57,578	\$265,306
900	Total Expenses	\$574,684	\$2,006,226	\$47,272	\$142,258	\$248,319	\$3,018,759
1001	Operating Transfers In	\$27,000	\$0	\$0	\$558,288	\$0	\$585,288
1002	Operating Transfers Out	\$0	(\$558,288)	(\$27,000)	\$0	\$0	(\$585,288)
1010	Total Other Financing Sources (Uses)	\$27,000	(\$558,288)	(\$27,000)	\$558,288	\$0	\$0
1000	Excess (Deficiency) of Operating Revenue Over (Under) Expenses	(\$141,112)	(\$476,874)	\$88,682	\$572,727	(\$43,048)	\$375
1103	Beginning Equity	\$3,399,468	\$647,821	\$208,127	\$557,885	(\$261,983)	\$4,551,318
1104	Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0	(\$518)	\$11,014	(\$217,313)	\$0	(\$206,817)
	Ending Equity	\$3,258,356	\$170,429	\$307,823	\$913,299	(\$305,031)	\$4,344,876

Pike Metropolitan Housing Authority
Combining Statement of Revenue, Expenses and Change In Retained Earnings
FDS Schedule Submitted to REAC
Proprietary Fund Type – Enterprise Fund
Year Ended December 31, 2003

Line Item No.	Account Description	Low Rent Public Housing	Housing Choice Vouchers	Public Housing Capital Fund Program	State/Local	Component Units	Total
1102	Debt Principal Payments - Enterprise Funds	\$0	\$0	\$0	\$66,342	\$4,085	\$70,427
1113	Maximum Annual Contributions Commitment (Per ACC)	\$0	\$2,099,085	\$0	\$0	\$0	\$2,099,085
1114	Prorata Maximum Annual Contributions Applicable to a Period of less than Twelve Months	\$0	\$0	\$0	\$0	\$0	\$0
1115	Contingency Reserve, ACC Program Reserve	\$0	\$114,825	\$0	\$0	\$0	\$114,825
1116	Total Annual Contributions Available	\$0	\$2,213,910	\$0	\$0	\$0	\$2,213,910
1120	Unit Months Available	1,164	6,300	0	0	480	7,944
1121	Number of Unit Months Leased	1,151	6,179	0	0	466	7,796

Pike Metropolitan Housing Authority
 Schedule of Expenditures of Federal Award
 For the Year Ended December 31, 2003

FEDERAL GRANTOR / PASS THROUGH GRANTOR PROGRAM TITLES	CFDA NUMBER	EXPENDITURES
U.S. Department of Housing and Urban Development Direct Program		
Low Rent Public Housing Program	14.850	\$284,059
Housing Choice Vouchers Program	14.871	2,084,814
Public Housing Capital Fund Program	14.872	<u>162,954</u>
TOTAL AWARDS		<u><u>\$2,531,827</u></u>



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**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 Directors
Pike Metropolitan Housing Authority

Regional Inspector General of Audit
Department of Housing and Urban
Development

I have audited the general purpose financial statements of the Pike Metropolitan Housing Authority, Ohio, as of and for the year ended December 31, 2003, and have issued my report thereon dated June 11, 2004. I conducted my audit in accordance with auditing standards generally accepted in the United State 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, Ohio's general purpose financial statements are free of material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my 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 my audit, I considered Pike Metropolitan Housing Authority, Ohio's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. My 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 component does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation the financial statements being auditing may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

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



Salvatore Consiglio, CPA, Inc.

June 11, 2004



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

Board of Directors
Pike Metropolitan Housing Authority

Regional Inspector General of Audit
Department of Housing and Urban
Development

Compliance

I have audited the compliance of the Pike Metropolitan Housing Authority, Ohio, 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, 2003. Pike Metropolitan Housing Authority, Ohio major federal programs are identified in the Summary of Auditor's result section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Pike Metropolitan Housing Authority, Ohio's management. My responsibility is to express an opinion on Pike Metropolitan Housing Authority, Ohio's compliance based on my audit.

I conducted my 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 I 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 Pike Metropolitan Housing Authority, Ohio's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on Pike Metropolitan Housing Authority, Ohio's compliance with those requirements.

In my opinion, Pike Metropolitan Housing Authority, Ohio, 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, 2003.

Internal Control Over Compliance

The management of Pike Metropolitan Housing Authority, Ohio 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 my audit, I considered Pike Metropolitan Housing Authority, Ohio's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

My 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. I noted no matters involving the internal control over compliance and its operation that I considered to be material weaknesses.

This report is intended for the information of the Board of Directors, management, and federal awarding agencies and is not intended to be and should not be used by anyone other than those specified parties.



Salvatore Consiglio, CPA, Inc.

June 11, 2004

Pike Metropolitan Housing Authority
 Schedule of Findings and Questioned Costs
 OMB Circular A-133 § .505
 December 31, 2003

1. SUMMARY OF AUDITOR'S RESULTS
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Type of Financial Statement Opinion	Unqualified
Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
Were there any material internal control weakness conditions reported for major federal programs?	No
Were there any other reportable internal control weakness conditions reported for major federal programs?	No
Type of Major Programs' Compliance Opinion	Unqualified
Are there any reportable findings under § .510?	No
Major Programs (list):	CFDA #14.850 and 14.871 Low Rent Public Housing and Housing Choice Voucher
Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: All Others
Low Risk Auditee?	Yes

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
--

There are no Findings or questioned costs for the year ended December 31, 2003.

3. FINDINGS REALTED TO FEDERAL AWARDS
--

There are no Findings or questioned costs for the year ended December 31, 2003.

Pike Metropolitan Housing Authority
Schedule of Prior Audit Findings
December 31, 2003

The audit report for the fiscal year ending December 31, 2002 contained not audit finding.



**Auditor of State
Betty Montgomery**

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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
OCTOBER 14, 2004**