

**BUTLER METROPOLITAN HOUSING AUTHORITY
BUTLER COUNTY
Single Audit
For the Year Ended June 30, 2012**

Perry & Associates
Certified Public Accountants, A.C.



Dave Yost • Auditor of State

Board of Commissioners
Butler Metropolitan Housing Authority
4110 Hamilton-Middletown Road
Hamilton, Ohio 45011

We have reviewed the *Independent Accountants' Report* of the Butler Metropolitan Housing Authority, Butler County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period July 1, 2011 through June 30, 2012. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Butler Metropolitan Housing Authority is responsible for compliance with these laws and regulations.

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

Dave Yost
Auditor of State

February 20, 2013

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**BUTLER METROPOLITAN HOUSING AUTHORITY
BUTLER COUNTY**

FOR THE YEAR ENDED JUNE 30, 2012

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INDEPENDENT ACCOUNTANTS' REPORT

November 27, 2012

Butler Metropolitan Housing Authority
Butler County
4110 Hamilton-Middletown Road
Hamilton, Ohio 45011

To the Board of Commissioners:

We have audited the accompanying financial statements of the business-type activities of the **Butler Metropolitan Housing Authority**, Butler County, Ohio (the Authority), as of and for the year ended June 30, 2012, which collectively comprise the Authority's basic financial statements as listed in the table of contents. 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 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 respective financial position of the business-type activities of the Butler Metropolitan Housing Authority, Butler County, Ohio, as of June 30, 2012, and the respective changes in financial position and the cash flows thereof 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 November 27, 2012, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

We conducted our audit to opine on the financial statements that collectively comprise the Authority's basic financial statements taken as a whole. The supplemental financial data submission summary schedules presented on pages 28 through 32 are presented for additional analysis as required by the U.S. Department of Housing and Urban Development and are not a required part of the basic financial statements. The schedule of expenditures of federal awards provides additional information required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The schedule of expenditures of federal awards and supplemental financial data submission summary schedules are management's responsibility, and are derived from and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. These schedules were subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Respectfully submitted,



Perry & Associates
Certified Public Accountants, A.C.

**BUTLER METROPOLITAN HOUSING AUTHORITY
BUTLER COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2012**

The Butler Metropolitan Housing Authority ("the Authority") management's discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority's financial activity, (c) identify changes in the Authority's financial position (its ability to address the next and subsequent year challenges), and (d) identify individual fund issues or concerns.

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

FINANCIAL HIGHLIGHTS

- The Authority's net assets increased by \$247,250 or 1.33% during 2012. Since the Authority engages only in business-type activities, the increase is in the category of business-type net assets. Net Assets were \$18.86 million and \$18.61 million for FY 2012 and FY 2011 respectively.
- The business-type activity revenue increased by \$1,276,265 or 8.11% during FY 2012. The primary reason for the increase in revenue was due to an increase in other income activity. Total revenue was \$17.02 million and \$15.74 million for FY 2012 and FY 2011 respectively.
- The total expenses of all Authority programs increased by \$2,428,943 or 16.93%. Primary reasons for increases in expense were attributable to increased HAP expense. Total expenses were \$16.77 million and \$14.34 million for FY 2012 and FY 2011 respectively.

Authority-Wide Financial Statements

The Authority-wide financial statements (see Tables I through V) are designed to be corporate-like in that all business type activities are consolidated into columns which add to a total for the entire Authority.

These Statements include a Statement of Net Assets, which is similar to a Balance Sheet. The Statement of Net Assets reports all financial and capital resources for the Authority. The statement is presented in the format where assets, minus liabilities, equal "Net Assets," formerly known as equity. Assets and liabilities are presented in order of liquidity, and are classified as "Current" (convertible into cash within one year), and "Non-current."

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

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

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

Unrestricted Net Assets: Consists of Net Assets that do not meet the definition of "Net Assets Invested in Capital Assets," "Net of Related Debt," or "Restricted Net Assets."

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

**BUTLER METROPOLITAN HOUSING AUTHORITY
BUTLER COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2012**

Authority-Wide Financial Statements (Continued)

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

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

Consolidated Financial Statements

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

Many of the programs maintained by the Authority are required by the Department of Housing and Urban Development. Others are segregated to enhance accountability and control.

AUTHORITY-WIDE STATEMENT

Statement of Net Assets

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

**Butler Metropolitan Housing Authority
Comparative Statement of Net Assets
TABLE I**

<u>Account Descriptions</u>	<u>2012</u>	<u>2011</u>	<u>Total Change</u>	<u>% Change</u>
Current Assets	\$ 4,890,350	\$ 4,149,473	\$ 740,877	17.85%
Capital Assets	15,312,574	16,368,952	(1,056,378)	-6.45%
Total Assets	20,202,924	20,518,425	(315,501)	-1.54%
Current Liabilities	661,530	757,855	(96,325)	-12.71%
Noncurrent Liabilities	681,800	1,148,226	(466,426)	-40.62%
Total Liabilities	1,343,330	1,906,081	(562,751)	-29.52%
Invested in Capital Assets				
Net of Related Debt	14,732,713	15,281,568	(548,855)	-3.59%
Restricted Net Assets	834,174	1,871,770	(1,037,596)	-55.43%
Unrestricted Net Assets	3,292,707	1,459,006	1,833,701	125.68%
Total Net Assets	18,859,594	18,612,344	247,250	1.33%
Total Liabilities & Net Assets	\$ 20,202,924	\$ 20,518,425	\$ (315,501)	-1.54%

**BUTLER METROPOLITAN HOUSING AUTHORITY
BUTLER COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2012**

Major Factors Affecting the Statement of Net Assets

Current assets increased by \$740,877 or 17.85% due to net operating income, thus increasing the cash position of the Authority.

Capital assets decreased by \$1,056,378 or 6.45% which is due to change in accumulated depreciation during the year as more assets were placed into service, and due to the sale of Knightsbridge.

Current liabilities decreased by \$96,325 due to decreases in accrued wages and unearned revenue, which was due to normal year-end timing differences. The current portion of long-term debt also decreased due to the write-off of the Knightsbridge debt. Consequently, noncurrent liabilities also decreased by \$466,426 or 40.62%.

Net Assets increased by \$247,250 or 1.33% during FY 2012. Table II presents details on the change in Net Assets.

**Butler Metropolitan Housing Authority
Change in Net Assets
TABLE II**

Net Assets @ 6/30/2011	\$ 18,612,344
Net Income	<u>247,250</u>
Net Assets @ 6/30/2012	<u><u>\$ 18,859,594</u></u>

While the results of operations are a significant measure of the Authority's activities, the analysis of the changes in Net Assets provides a clearer understating of the Authority's change in financial well-being.

**BUTLER METROPOLITAN HOUSING AUTHORITY
BUTLER COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2012**

The following schedule compares the revenues and expenses for the current and previous fiscal years. The Authority is engaged only in Business-Type Activities.

**Butler Metropolitan Housing Authority
Comparative Statement of Revenues and Expenses
TABLE III**

<u>Account Descriptions</u>	<u>2012</u>	<u>2011</u>	<u>Total Change</u>	<u>% Change</u>
Tenant Revenue	\$ 1,587,250	\$ 1,642,523	\$ (55,273)	-3.37%
Operating Grants	10,738,150	11,378,341	(640,191)	-5.63%
Capital Grants	1,706,149	2,457,309	(751,160)	-30.57%
Fraud Income	16,772	24,886	(8,114)	-32.60%
Investment Income	6,110	4,079	2,031	49.79%
Other Income	2,966,012	237,040	2,728,972	1151.27%
Total Revenue	17,020,443	15,744,178	1,276,265	8.11%
Administrative	2,199,579	2,433,110	(233,531)	-9.60%
Tenant Services	11,478	28,647	(17,169)	-59.93%
Utilities	974,690	997,946	(23,256)	-2.33%
Maintenance and Operation	2,085,251	2,314,376	(229,125)	-9.90%
Insurance	244,819	199,026	45,793	23.01%
General	158,868	161,563	(2,695)	-1.67%
Interest and Amortization-Bonds	49,393	51,492	(2,099)	-4.08%
Protective Services	1,740	30,852	(29,112)	-94.36%
Casualty Losses-Non-capitalized	9,809	5,374	4,435	82.53%
Extraordinary Maintenance	96,712	1,150	95,562	8309.74%
Housing Assistance Payments	8,607,651	5,654,182	2,953,469	52.24%
Depreciation	2,333,203	2,466,532	(133,329)	-5.41%
Total Expenses	16,773,193	14,344,250	2,428,943	16.93%
Change in Net Assets	247,250	1,399,928	(1,152,678)	-82.34%
Beginning Net Assets	18,612,344	17,212,416	1,399,928	8.13%
Ending Net Assets	\$ 18,859,594	\$ 18,612,344	\$ 247,250	1.33%

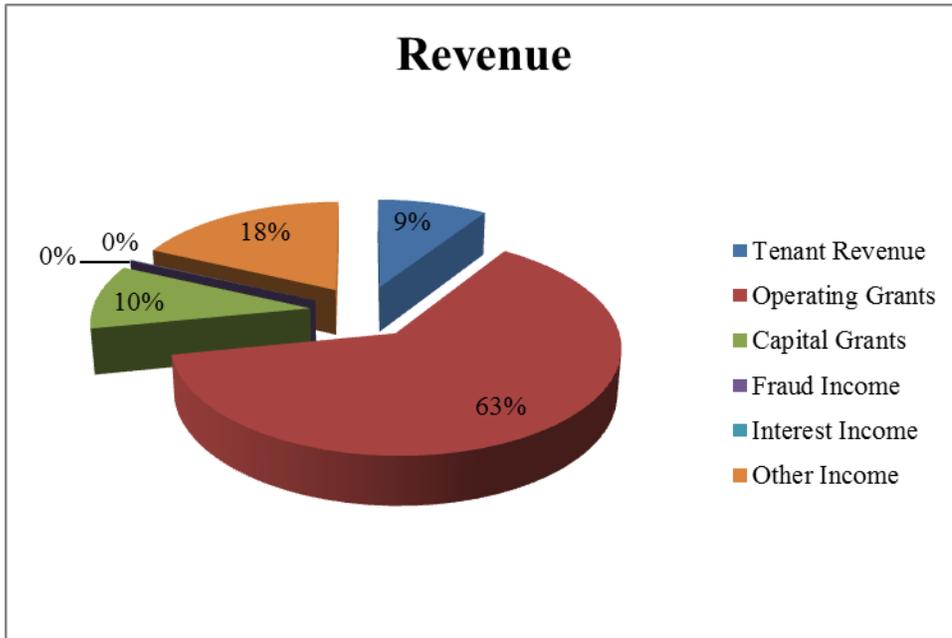
**BUTLER METROPOLITAN HOUSING AUTHORITY
BUTLER COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2012**

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

Total revenue increased by \$1,276,265 or 8.11% during fiscal year 2012.

- Tenant revenue decreased by \$55,273 or 3.37% due to the overall decreased incomes of the occupying tenants.
- Operating grants decreased by \$640,191 or 5.63% due to decreased funding due to the subsidy recapture in CY2012.
- Capital grants decreased by \$751,160 or 30.57% due to the decrease in capital fund construction activity, which is cyclical in nature.
- Fraud income decreased by \$8,114 or 32.60% due to the Authority's efforts in collecting these debts in the prior year, which was not again realized this year.
- Investment income increased by \$2,031 or 49.79% due to the retirement of investments.
- Other income increased by \$2,728,972. Of this amount, \$2,375,490 is due to the Authority's change in reporting of HAP port-in and port-out revenue and expenses. These amounts are now shown broad on the Authority's financial statements.

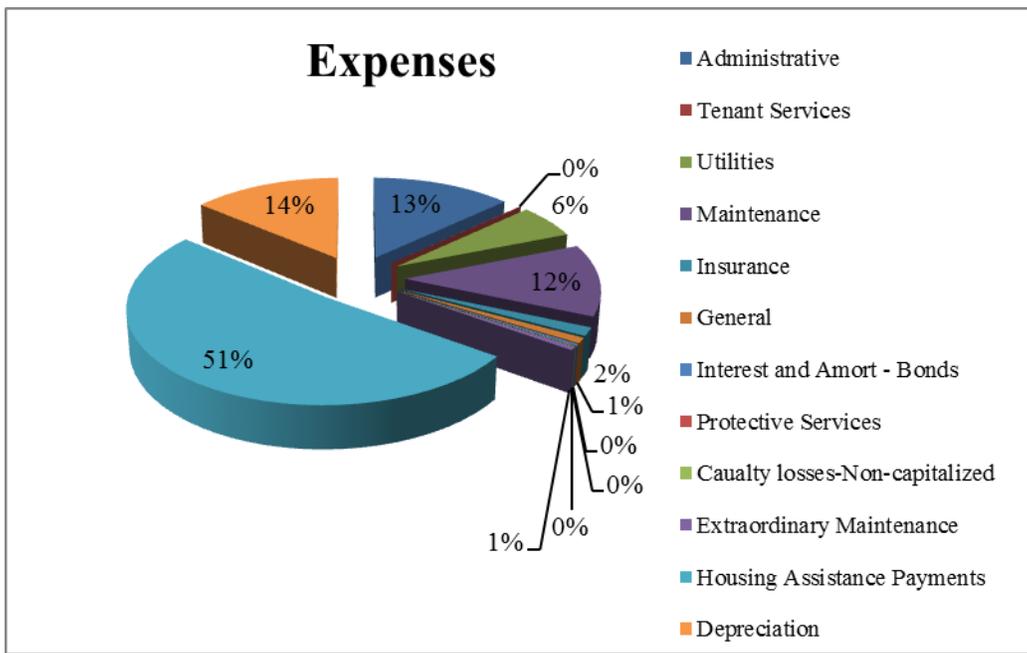


**BUTLER METROPOLITAN HOUSING AUTHORITY
BUTLER COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2012**

In fiscal year 2012, total expenses increased by \$2,428,943 or 16.93%.

- Administrative expenses decreased by \$233,531 or 9.6% due primarily to the decrease in allocated overhead. Allocated overhead was appropriately charged to the COCC during FY2012, and therefore has been eliminated.
- Tenant services decreased by \$17,169 or 59.93% due to a decrease in relocation costs.
- Utilities expenses decreased slightly by \$23,256 or 2.33% due to decreases in consumption as a result of the EPC project implemented to increase efficiency of appliances and equipment.
- Maintenance and operation expenses decreased by \$229,125 or 9.90% due to decreased construction activity during FY2012.
- Insurance expense increased by \$45,793 or 23.01% due to higher insurance rates.
- General expenses decreased by \$2,695 or 1.67%.
- Interest and Bond amortization expenses decreased by \$2,099 or 4.08% due to decreases in interest payments.
- Protective services decreased by \$29,112 due to the increases in security costs incurred during FY2011 that were not again realized in FY2012.
- Casualty losses that are non-capitalized increased by \$4,435 and cannot be anticipated from one year to the next.
- Housing Assistance Payments increased by \$2,953,469 or 52.24% which includes port-in expenses that the Authority has begun to show broad. This makes up \$2,242,359 of the increase in total expenses during the year.
- Depreciation expense decreased by \$133,329 or 5.41%, which is explained in greater detail in the Capital Assets section of this report.



**BUTLER METROPOLITAN HOUSING AUTHORITY
BUTLER COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2012**

CAPITAL ASSETS

As of year-end, the Authority had \$15,312,574 invested in a variety of capital assets as reflected in the following schedule, which represents a net decrease (addition, deductions and depreciation) of \$1,056,378 from the end of last fiscal year.

The following reconciliation summarizes the change in Capital Assets.

**Butler Metropolitan Housing Authority
Comparative Statement of Capital Assets**

TABLE IV

<u>Account Descriptions</u>	<u>2012</u>	<u>2011</u>	<u>Total Change</u>	<u>% Change</u>
Land	\$ 3,147,250	\$ 3,265,088	\$ (117,838)	-3.61%
Buildings & improvements	67,588,532	65,308,437	2,280,095	3.49%
Furniture and equipment	1,681,850	1,737,165	(55,315)	-3.18%
Construction in progress	1,006,494	2,189,329	(1,182,835)	-54.03%
	73,424,126	72,500,019	924,107	1.27%
Accumulated Depreciation	(58,111,552)	(56,131,067)	(1,980,485)	3.53%
Total Capital Assets	\$ 15,312,574	\$ 16,368,952	\$ (1,056,378)	-6.45%

Net (additions minus disposals) depreciation expense for the fiscal year was \$2,333,203 which was a 5.41% decrease over the prior year's net depreciation expense. The decrease in depreciation expense was due to the sale of assets during the year, which was offset by additional assets being placed into service.

DEBT OUTSTANDING

The Authority had the following debt outstanding at the end of its fiscal year.

**Butler Metropolitan Housing Authority
Schedule of Notes Payable Activity**

TABLE V

Notes Payable @ 6/30/2011	\$1,087,384
Retirements	(507,523)
Notes Payable @ 6/30/2012	<u>\$ 579,861</u>

The Authority's outstanding debt decreased during the year due to the normal retirements made during the year on the EPC loan, and due to the sale of Knightsbridge which liquidated the debt.

**BUTLER METROPOLITAN HOUSING AUTHORITY
BUTLER COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2012**

ECONOMIC FACTORS

The Housing Authority is primarily dependent upon HUD for the funding of operations; therefore, the Housing Authority is affected more by the federal budget than by local economic conditions. The funding of programs could be significantly affected by the 2012 federal budget. Although the Authority does not yet have a final subsidy amount for CY2013, it is likely that subsidy will again be underfunded or prorated as has been in the past, and will therefore not meet the financial needs of the agency.

FINANCIAL CONTACT

Our financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Housing Authority's finances and to show the Housing Authority's accountability for the money it receives. If you have any questions regarding these financial statements or supplemental information, you may contact Phyllis Hitte, Executive Director, at (513) 896-4411 or by writing: Butler Metropolitan Housing Authority, 4110 Hamilton-Middletown Road, Hamilton, Ohio 45011-6218.

**BUTLER METROPOLITAN HOUSING AUTHORITY
BUTLER COUNTY**

**STATEMENT OF NET ASSETS
AS OF JUNE 30, 2012**

ASSETS

Current Assets

Cash and Cash Equivalents - Unrestricted	\$	3,267,314
Cash and Cash Equivalents - Restricted		992,159
Accounts receivable		196,650
Prepaid expenses		277,707
Inventories		156,520
TOTAL CURRENT ASSETS		4,890,350

Noncurrent Assets

Capital Assets:

Land		3,147,250
Buildings & improvements		67,588,532
Furniture & equipment		1,681,850
Construction in progress		1,006,494
		73,424,126
Less: Accumulated depreciation		(58,111,552)
Total Capital Assets - Net		15,312,574

TOTAL NONCURRENT ASSETS		15,312,574
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TOTAL ASSETS	\$	20,202,924
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LIABILITIES & NET ASSETS

Current Liabilities

Accounts payable	\$	205,383
Accrued liabilities		143,024
Unearned revenue		5,350
Long-term liabilities - current portion		175,174
Tenant security deposits/escrow deposits		132,599
Total Current Liabilities		661,530

Noncurrent Liabilities

Mortgage & Notes payable		404,687
Accrued compensated absences		251,727
Trust deposit liabilities		25,386
Total Noncurrent Liabilities		681,800

TOTAL LIABILITIES		1,343,330
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NET ASSETS

Invested in capital assets, net of related debt		14,732,713
Restricted net assets		834,174
Unrestricted net assets		3,292,707

TOTAL NET ASSETS		18,859,594
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TOTAL LIABILITIES & NET ASSETS	\$	20,202,924
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The accompanying notes are an integral part of the financial statements

**BUTLER METROPOLITAN HOUSING AUTHORITY
BUTLER COUNTY**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2012**

<u>Operating Revenue</u>	
Dwelling rent	\$ 1,587,250
Governmental grants & subsidy	10,738,150
Other income	2,595,957
Total Operating Revenue	<u>14,921,357</u>
 <u>Operating Expenses</u>	
Administration	2,199,579
Tenant services	11,478
Utilities	974,690
Maintenance & operation	2,191,772
Protective services	1,740
General expense	403,687
Housing assistance payments	8,607,651
Depreciation & amortization	2,333,203
Total Operating Expense	<u>16,723,800</u>
Net Operating Income/(Loss)	<u>(1,802,443)</u>
 <u>Nonoperating Revenues/(Expenses)</u>	
Investment income	6,110
Gain on disposition of capital assets	386,827
Interest expense	(49,393)
Net Nonoperating Revenues/(Expenses)	<u>343,544</u>
Net Income/(Loss) before capital grants	(1,458,899)
Capital grants	<u>1,706,149</u>
Increase/(Decrease) in Net Assets	247,250
Total Net Assets - beginning	<u>18,612,344</u>
Total Net Assets - ending	<u>\$ 18,859,594</u>

The accompanying notes are an integral part of the financial statements

**BUTLER METROPOLITAN HOUSING AUTHORITY
BUTLER COUNTY**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2012**

<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Receipts from customers and users	\$ 4,183,207
Governmental grants & subsidy - operations	10,738,150
Payments to suppliers	(3,302,873)
Payments for housing assistance	(8,607,651)
Payments to employees	<u>(2,581,491)</u>
 NET CASH PROVIDED FROM OPERATING ACTIVITIES	 <u>429,342</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>	
Proceeds from investments	255,590
Interest received	<u>6,110</u>
 NET CASH PROVIDED FROM INVESTING ACTIVITIES	 <u>261,700</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>	
Grant revenue - capital grants	1,706,149
Acquisition of capital assets - capital grants	(1,706,149)
Proceeds of assets sold	816,157
Payment of interest	(49,393)
Payment on mortgage notes payable	<u>(507,523)</u>
 NET CASH PROVIDED FROM CAPITAL AND RELATED FINANCING ACTIVITIES	 <u>259,241</u>
 NET INCREASE/(DECREASE) IN CASH	 950,283
CASH AT BEGINNING OF PERIOD	<u>3,309,190</u>
 CASH AT END OF PERIOD	 <u>\$ 4,259,473</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Net Income/(Loss) from operations	\$ (1,802,443)
Prior period adjustment affecting working capital	-
Adjustments to reconcile net loss to	
net cash provided by operating activities:	
Depreciation & amortization	2,333,203
Decrease (Increase) in accounts receivable	77,338
Decrease (Increase) in prepaid expenses	(101,508)
Decrease (Increase) in inventories	(22,020)
Increase (Decrease) in accounts payable	8,746
Increase (Decrease) in accrued liabilities	(57,696)
Increase (Decrease) in unearned revenue	(18,705)
Increase (Decrease) in security deposits/escrow deposits	<u>12,427</u>
 NET CASH PROVIDED FROM OPERATING ACTIVITIES	 <u>\$ 429,342</u>

The accompanying notes are an integral part of the financial statements

**BUTLER METROPOLITAN HOUSING AUTHORITY
BUTLER COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE A - SUMMARY OF ORGANIZATION, SIGNIFICANT ACCOUNTING POLICIES AND REPORTING ENTITY:

1. Introduction:

The financial statements of 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. Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. The more significant of the government's accounting policies are described below.

2. Organization:

The Butler Metropolitan Housing Authority ("The Authority") is a public body and a body corporate and politic organized under the laws of the State of Ohio by the City of Hamilton for the purpose of providing adequate housing for qualified low-income individuals. To accomplish this purpose, the City appoints a Governing Board, but the Board designates its own management. Additionally, the Authority has entered into annual contribution contracts with the U.S. Department of Housing and Urban Development ("HUD") to be the administrator of the housing and housing related programs described herein. The Authority is not subject to Federal or State income taxes and is not required to file Federal or State income tax returns.

3. Reporting Entity:

In determining how to define the reporting entity, management has considered all potential component units by applying the criteria set forth in Section 2100 and 2600 of the *Codification of Government Accounting Standards Board and Financial Accounting Standards Board and Statement Number 14 of the Government Accounting Standards Board, the Financial Reporting Entity*.

Financial Accountability - The Authority is responsible for its debts, does not impose a financial burden on the City and is entitled to all surpluses. No separate agency receives a financial benefit nor imposes a financial burden on the Authority.

Appointment of a Voting Majority – the Board of Commissioners of the Authority is appointed to five-year terms by the Mayor of the City of Hamilton, Probate Court, Commons Please Court, and the Butler County Commissioners, but the Authority designates its own management. The City and County provide no financial support to the Authority and are not responsible for the debts or entitled to the net assets of the Authority. The Authority has the power to approve its own budget and maintains its own accounting system. Although the officials of the city of Hamilton and Butler County appoint the governing board of the Authority, no other criteria established by Government Accounting Standards Board for inclusion of the Authority in the financial reports of those entities are met. Therefore, a separate financial report is prepared for the Authority.

**BUTLER METROPOLITAN HOUSING AUTHORITY
BUTLER COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012**

(Continued)

NOTE A - SUMMARY OF ORGANIZATION, SIGNIFICANT ACCOUNTING POLICIES AND REPORTING ENTITY: (Cont'd)

3. Reporting Entity: (Cont'd)

Imposition of Will - The County has no influence over the management, budget, or policies of the Authority. The Authority's Board of Commissioners has the responsibility to significantly influence the Authority's operations. This includes, but is not limited to, adoption of the budget, personnel management, sole title to, and residual interest in all assets (including facilities and properties), signing contracts, issuing bonds, and deciding which programs are to be provided.

On the basis of the application of these criteria, the Authority is a legally separate entity that is fiscally independent of other governments, and there are no other entities that are to be reported as component units of the Authority nor for the Authority to be included in the City of Hamilton's financial reports therefore, the Authority reports independently. During the review of the Authority's budgets, annual contributions contract, minutes of the Board of Commissioner's meetings, cash receipts and cash disbursements for the reporting period disclosed that the Authority operated the following programs under Annual Contributions Contract:

- a. **Public Housing Program** – 13,869 units were available for rent by the Housing Authority. Included in this program is the Resident Opportunity and Supportive Services Program. In addition to this the PHA has a Capital Fund Program separately funded by HUD for the modernization of certain units.
- b. **Housing Choice Voucher** – The objective of this program is to provide housing for eligible low-income families through housing assistance payments to private landlords.
- c. **Capital Fund Program** – The objective of this program is to improve the physical condition of the Low-Income Public Housing units and upgrade the management of the Program.
- d. **Business Activities** – Business Activities represents a program to account for the activities of the Knightsbridge building which is a commercial property purchased in 2002 and which is leased for the purpose of providing additional income for the Authority.

4. Basis of Presentation, Basis of Accounting and Measurement Focus:

Basis of Accounting - The Authority uses the accrual basis of accounting for all funds. Under this method, revenues are recorded when earned, and expenses are recorded when liabilities are incurred, regardless of when the related cash flow takes place.

Basis of Presentation - The financial statements of the Authority are presented from a fund perspective. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain Authority functions. The fund is a separate accounting entity with a self-balancing set of accounts. The accounting and financial reporting method applied by a fund is determined by the fund's measurement focus. The accounting objectives are determination of net income, financial position and cash flows. All assets and liabilities associated with the Authority's activities are included on the Statement of Net Assets. The Authority uses the following fund:

**BUTLER METROPOLITAN HOUSING AUTHORITY
BUTLER COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012**

(Continued)

NOTE A - SUMMARY OF ORGANIZATION, SIGNIFICANT ACCOUNTING POLICIES AND REPORTING ENTITY: (Cont'd)

4. Basis of Presentation, Basis of Accounting and Measurement Focus: (Cont'd)

Enterprise fund - This type of fund is reported using an economic resources measurement focus. Additionally, it is used to account for operations that are financed and operated in a manner similar to private businesses where a fee is charged to external users for services provided.

The Authority's net assets are reported in three parts-invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The Authority first utilizes restricted resources to finance qualifying activities.

The Authority's net assets are reported in three components:

1. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted net assets – Consists of net assets with constraints placed on their use by external groups including HUD, creditors, grantors, contributors, or laws and regulations of other governments.
3. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested” in capital assets, net of related debt.

5. Revenues and Expenses:

Revenues and expenses are recognized in essentially the same manner as used in commercial accounting. Revenues relating to the Authority's operating activities including rental related income, interest income and other sources of revenues are recognized in the accounting period in which they are earned. Other major sources of revenues include the operating subsidy from HUD and other HUD funding for capital and operating expenses.

6. Encumbrances:

Encumbrances represent commitments related to unperformed contracts for goods or services. The Authority does not utilize encumbrance accounting.

7. Budgets:

The Authority adopts budgets on the basis of accounting consistent with the basis of accounting for the program to which the budget applies. The Authority prepares annual operating budgets, which are formally adopted by its Governing Board of Commissioners and submitted to HUD when required.

**BUTLER METROPOLITAN HOUSING AUTHORITY
BUTLER COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012**

(Continued)

NOTE A - SUMMARY OF ORGANIZATION, SIGNIFICANT ACCOUNTING POLICIES AND REPORTING ENTITY: (Cont'd)

8. Inventories:

Inventories are recorded on a first-in, first out basis. The periodic method is used to account for inventories. Under the periodic method, inventories are charged to expense when purchased and adjusted periodically upon physical inventory count.

9. Capital Assets and Depreciation:

Capital assets are stated at historical cost. Donated capital assets are stated at their fair value on the date donated. This includes site acquisition and improvement, structures and equipment. All infrastructure assets were capitalized at the conclusion of development then dedicated to the City of Hamilton for maintenance and repairs. Depreciation of exhaustible capital assets is charged as an expense against operations, and accumulated depreciation is reported on the Statement of Net Assets. The Authority has established a capitalization threshold of \$2,000 for equipment, buildings and improvements.

The estimated useful lives for each major class of depreciable capital assets are as follows:

Buildings & improvements	10-20 years
Furniture & equipment	3-10 years

10. Collection Losses:

Collection losses on accounts receivable are expensed, in the appropriate fund, on the specific write-off method.

11. Insurance:

The primary technique used for risk financing is the purchase of insurance policies from commercial insurers that include a large deductible amount. The use of a large deductible clause reduces the cost of insurance, but, should losses occur, the portion of the uninsured loss is not expected to be significant with respect to the financial position of the Authority. The Authority secures required insurance coverage through the competitive bid process. As of the date of the fieldwork, the Authority had the required coverage in force.

12. Cash and Investments:

- The Authority's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with an original maturity of three months or less when purchased.

**BUTLER METROPOLITAN HOUSING AUTHORITY
BUTLER COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012**

(Continued)

NOTE A - SUMMARY OF ORGANIZATION, SIGNIFICANT ACCOUNTING POLICIES AND REPORTING ENTITY: (Cont'd)

12. Cash and Investments: (Continued)

- Investments are stated at fair value, except for U. S. Treasury Bills, which are reported at amortized cost. The Authority reports all money market investments having a remaining maturity at time of purchase of three months or more at amortized cost. Investment securities are normally held to mature at par value and the Authority ignores all gains and losses due to the Held to Maturity status of the Authority's investment policy.

13. Compensated Absences:

Compensated absences are absences for which employees will be paid, i.e., sick leave, vacation, and other approved leaves. In accordance with GASB Statement No.16, *Accounting for Compensated Absences*, the Authority accrues the liability for those absences that the employee has earned the rights to the benefits. Accrued amounts are based on the current salary rates. Full-time, permanent employees are granted vacation and sick leave benefits in varying amounts to specified maximums depending on tenure with the Authority. Vacation and sick pay is recorded as an expense and related liability in the year earned by employees.

14. Operating Revenue:

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority are charges to customers for rents. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Subsidies received from HUD or other grantor agencies, for operating purposes, are recorded as operating revenue in the operating statement while capital grant funds are added to the net assets below the non-operating revenue and expense.

**BUTLER METROPOLITAN HOUSING AUTHORITY
BUTLER COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012**

(Continued)

NOTE B - CASH AND CASH EQUIVALENTS:

All the deposits of the Butler Metropolitan Housing Authority are either insured or collateralized by using the Dedicated Method whereby all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the Authority's agents in these units' names. The Butler Metropolitan Housing Authority has no policy regarding custodial credit risk for deposits.

At June 30, 2012, the Authority's deposits had a carrying amount of \$4,259,473 and a bank balance of \$4,220,695. Of the bank balances held in various financial institutions, \$500,000 was covered by federal depository insurance and the remainder was covered by collateral held under the dedicated method. At June 30, 2012, the Authority's petty cash/change funds totaled \$800.

Interest rate risk - As a means of limiting its exposure to market value losses arising from rising interest rates, the Authority's typically limits its investment portfolio to maturities of 12 months or less. The Butler Metropolitan Housing Authority has no specific policy regarding interest rate risk.

Credit risk - The Authority has no policy regarding credit risk.

Custodial credit risk - For an investment, the custodial risk is the risk that in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority had no funds that were considered to be investments and as such all funds were classified as cash & cash equivalents. The Authority has no policy on custodial credit risk.

Concentration of credit risk - The Authority places no limit on the amount that it may invest in any one issuer. The Authority has no policy regarding credit risk.

Cash & cash equivalents at June 30, 2012, consisted of the following:

Checking & Repurchase Agreements - Unrestricted	\$ 3,266,514
Cash - Restricted	992,159
Petty cash	<u>800</u>
	<u>\$ 4,259,473</u>

Restricted Cash and Investments:

Tenant security deposits	\$ 132,599
FSS Escrow	25,386
HCV equity	<u>834,174</u>
	<u>\$ 992,159</u>

**BUTLER METROPOLITAN HOUSING AUTHORITY
BUTLER COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012**

(Continued)

NOTE C - ACCOUNTS RECEIVABLE:

Accounts receivable at June 30, 2012, consisted of the following:

Tenants – (net of allowance \$36,085)	\$ 27,612
HUD	7,306
Miscellaneous	2,032
Other government	141,324
Delinquent Tenant Accounts	<u>18,376</u>
	<u>\$ 196,650</u>

The above receivable balance excludes \$440,399 of interfund balances that have been eliminated as a result of consolidated financial statements at June 30, 2012.

NOTE D - DEFERRED CHARGES:

Deferred charges consisted of the following at June 30, 2012:

Prepaid insurance & other assets	\$ 277,707
Inventory – (net of obsolete \$14,485)	<u>156,520</u>
	<u>\$ 434,227</u>

NOTE E - CAPITAL ASSETS:

The following is a summary of changes in the net capital assets during the fiscal year ended June 30, 2012:

	Balance 6/30/2011	Additions	Adjustments/ Transfers	Depreciation	Balance 6/30/2012
Enterprise Activities					
Capital assets not being depreciated:					
Land	\$ 3,265,088	\$ -	\$ (117,838)	\$ -	\$ 3,147,250
Construction in Process	2,189,329	1,706,149	(2,888,984)	-	1,006,494
Total capital assets not being depreciated	<u>5,454,417</u>	<u>1,706,149</u>	<u>(3,006,822)</u>	<u>-</u>	<u>4,153,744</u>
Buildings & improvements	65,308,437	-	2,280,095	-	67,588,532
Furniture & equipment	1,737,165	-	(55,315)	-	1,681,850
Total Capital Assets Being Depreciated	<u>67,045,602</u>	<u>-</u>	<u>2,224,780</u>	<u>-</u>	<u>69,270,382</u>
Less accumulated depreciation for:					
Buildings & improvements	(54,643,297)	-	307,213	(2,247,832)	(56,583,916)
Furniture & equipment	(1,487,770)	-	45,505	(85,371)	(1,527,636)
Total accumulated depreciation	<u>(56,131,067)</u>	<u>-</u>	<u>352,718</u>	<u>(2,333,203)</u>	<u>(58,111,552)</u>
Total capital assets being depreciated	<u>10,914,535</u>	<u>-</u>	<u>2,577,498</u>	<u>(2,333,203)</u>	<u>11,158,830</u>
Enterprise activity capital assets, net	<u>\$ 16,368,952</u>	<u>\$ 1,706,149</u>	<u>\$ (429,324)</u>	<u>\$ (2,333,203)</u>	<u>\$ 15,312,574</u>

**BUTLER METROPOLITAN HOUSING AUTHORITY
BUTLER COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012**

(Continued)

NOTE F - ACCOUNTS PAYABLE:

Accounts payable at June 30, 2012, consisted of the following:

Vendors & contractors payable	\$ 205,383
Tenant security deposits	<u>132,599</u>
	<u>\$ 337,982</u>

NOTE G - ACCRUED LIABILITIES & UNEARNED REVENUE:

Accrued liabilities and unearned revenue at June 30, 2012 consisted of the following:

Accrued salaries/fringes	\$ 74,343
Accrued interest payable	1,678
Accrued compensated absences – current portion	62,931
Unearned revenue	5,350
Other current liabilities – accrued utilities	4,072
Current portion – long-term debt	<u>175,174</u>
	<u>\$ 323,548</u>

NOTE H - OTHER NONCURRENT LIABILITIES:

Noncurrent liabilities at June 30, 2012 consisted of the following:

Accrued compensated absences	\$ 251,727
FSS Escrow deposits	<u>25,386</u>
	<u>\$ 277,113</u>

A schedule of changes in noncurrent liabilities is as follows:

	Balance July 1, 2011	Increases	Decreases	Balance June 30, 2012	Current Portion of Balance
Compensated absences	\$ 292,018	\$ 63,635	\$ (40,995)	\$ 314,658	\$ 62,931
FSS Escrow deposits	<u>19,909</u>	<u>5,477</u>	<u>-</u>	<u>25,386</u>	<u>-</u>
Total long-term liabilities	<u>\$ 311,927</u>	<u>\$ 69,112</u>	<u>\$ (40,995)</u>	<u>\$ 340,044</u>	<u>\$ 62,931</u>

NOTE I - LONG-TERM DEBT:

Energy Performance Contract - On May 1, 2003, the Authority issued a note for \$1,983,066 to provide funding to acquire and install certain energy saving equipment. The note is scheduled to mature on May 1, 2015, and is secured by a trust indenture dated May 1, 2006 to Fifth Third Bank, Cincinnati, Ohio as the lender. The note bears interest at the rate of 4.230 percent payable in monthly installments of \$17,614.55. The outstanding balance as of June 30, 2012, is \$579,861.

**BUTLER METROPOLITAN HOUSING AUTHORITY
BUTLER COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012**

(Continued)

NOTE I - LONG-TERM DEBT: (Continued)

Knightsbridge Loan - On September 10, 2002, the Authority obtained a loan from Fifth Third Bank, Cincinnati, Ohio for \$425,000 to finance the purchase of a commercial building. This note bore an interest rate of 6.5 percent fixed rate over 5 years. The interest was calculated based on a 30 day calendar month over a 360 day year. The original note matured on October 1, 2007, and was refinanced with First Financial Bank with an interest rate of 6.5 percent in the amount of \$340,000 on September 29, 2009. Monthly payments of \$2,553.66 are being made until maturity in September 2014. This property has been sold in the current year and the debt balance has been totally liquidated.

Principal and interest payments for the years following June 30, 2012, are as follows:

For the Year Ended June 30,	Principal	Interest	Total Payments
2013	175,174	36,595	211,769
2014	199,050	12,719	211,769
2015	205,637	4,010	209,647
Totals	<u>\$ 579,861</u>	<u>\$ 53,324</u>	<u>\$ 633,185</u>

The following is a summary of changes in long-term debt for the year ended June 30, 2012.

Description	Balance June 30, 2011	Additions	Retired	Balance June 30, 2012	Current Portion
Energy Performance Loan	\$ 945,503	\$ -	\$ 365,642	\$ 579,861	\$ 175,174
First Financial Bank-Knightsbridge	334,563	-	334,563	-	-
Total Changes in Long-Term Debt	\$ 1,280,066	\$ -	\$ 700,205	\$ 579,861	\$ 175,174

NOTE J - ECONOMIC DEPENDENCY:

Both the Authority owned Housing Program and the Housing Choice Voucher Programs are economically dependent on annual contributions and grants from HUD. Both programs operate at a loss prior to receiving the contributions and grants.

NOTE K - RISK MANAGEMENT:

The Authority is exposed to various risks of losses related to torts; theft or, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Claims liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. There were no claims in excess of commercial coverage during the previous three years. These losses include an estimate of claims that have been incurred but not reported. At June 30, 2012, there were no liabilities to be reported.

NOTE L - IMPAIRMENT OF CAPITAL ASSETS:

In accordance with new financial reporting standards issued by the Government Accounting Standards Board's, Statement No. 42, "Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries" requires certain note disclosures during the fiscal year ended June 30, 2012, the Butler Metropolitan Housing Authority experienced no impairments.

**BUTLER METROPOLITAN HOUSING AUTHORITY
BUTLER COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012**

(Continued)

NOTE M - PENSION PLAN:

Ohio Public Employees Retirement System

The Authority participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the Combined Plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to the Traditional Pension Plan benefit. Member contributions, whose investment is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor, death benefits, and annual cost of living adjustments to members of both the Traditional Pension and the Combined plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by State statute per Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. Effective January 1, 2009, the members of all three plans were required to contribute 10.00 percent of their annual covered salary to fund pension obligations.

The Authority's contribution rate for the Authority was 14.00 percent of covered payroll. The Authority's required contributions to OPERS for the years ended June 30, 2012, 2011, and 2010 were \$264,386, \$254,431, and \$274,405, respectively; 100 percent has been contributed for 2012, 2011, and 2010.

NOTE N - RELATED PARTY TRANSACTIONS:

There were no related party transactions to be reported for the fiscal year ended June 30, 2012.

NOTE O - COMMITMENTS & CONTINGENCIES:

The Authority is involved in various legal proceedings and litigation arising in the normal course of business. Management does not believe that the settlement of any such claims or litigation will have a material adverse effect on the Authority's financial position or results of operations.

NOTE P - SUPPLEMENTAL INFORMATION:

The supplemental information has been included in order to show the financial statements of the Housing Authority on the GAAP basis of accounting but in the format of the HUD Handbook 7476.3, *Audit Guide*. This is due to the fact that some supplemental information is reviewed by the field office and provides greater detail concerning the operations of the Authority.

Supplemental Information

**BUTLER METROPOLITAN HOUSING AUTHORITY
BUTLER COUNTY**

**FINANCIAL DATA SUBMISSION SUMMARY
NET ASSET ACCOUNTS
June 30, 2012**

<u>Account Description</u>	<u>Business Activities</u>	<u>Low-Rent Public Hsg</u>	<u>Capital Fund Recovery Prg</u>	<u>Housing Choice Vouchers</u>	<u>Central Office Cost Center</u>	<u>Elimination</u>	<u>TOTAL</u>
ASSETS:							
CURRENT ASSETS:							
Cash:							
Cash - unrestricted	\$ 252,955	\$ 2,297,267	\$ 0	\$ 211,866	\$ 505,226	\$ 0	\$ 3,267,314
Cash - restricted	0	0	0	859,560	0	0	859,560
Cash - tenant security deposits	8,000	124,599	0	0	0	0	132,599
Total Cash	260,955	2,421,866	0	1,071,426	505,226	0	4,259,473
Accounts and notes receivables:							
Accounts receivable - PHA projects	0	0	0	0	0	0	0
Accounts receivable - HUD	0	7,306	0	0	0	0	7,306
Accounts receivable - other government	0	0	0	141,324	0	0	141,324
Accounts receivable - miscellaneous	82	1,950	0	0	0	0	2,032
Accounts receivable - tenants rents	0	63,697	0	0	0	0	63,697
Allowance for doubtful accounts-tenants	0	(36,085)	0	0	0	0	(36,085)
Allowance for doubtful accounts-other	0	0	0	0	0	0	0
Notes Receivable - current	0	0	0	0	0	0	0
Accounts receivable - fraud recovery	0	19,723	0	0	0	0	19,723
Allowance for doubtful accounts-fraud	0	(1,347)	0	0	0	0	(1,347)
Accrued interest receivable	0	0	0	0	0	0	0
Total receivables - net	82	55,244	0	141,324	0	0	196,650
Current investments							
Investments - unrestricted	0	0	0	0	0	0	0
Investments - restricted	0	0	0	0	0	0	0
Prepaid expenses and other assets	0	229,018	0	17,317	31,372	0	277,707
Inventories	0	171,005	0	0	0	0	171,005
Allowance for obsolete inventories	0	(14,485)	0	0	0	0	(14,485)
Interprogram due from	0	0	0	0	440,399	(440,399)	0
TOTAL CURRENT ASSETS	261,037	2,862,648	0	1,230,067	976,997	(440,399)	4,890,350
NONCURRENT ASSETS:							
Capital Assets:							
Land	0	3,111,825	0	0	35,425	0	3,147,250
Buildings	0	66,115,680	0	0	1,472,852	0	67,588,532
Furniture & equipment	0	1,319,331	0	67,060	295,459	0	1,681,850
Improvements	0	0	0	0	0	0	0
Work in process	0	1,006,494	0	0	0	0	1,006,494
Accumulated depreciation	0	(56,365,971)	0	(63,335)	(1,682,246)	0	(58,111,552)
Total capital assets - net	0	15,187,359	0	3,725	121,490	0	15,312,574
Other assets							
Notes receivable - noncurrent	0	0	0	0	0	0	0
TOTAL NONCURRENT ASSETS	0	15,187,359	0	3,725	121,490	0	15,312,574
TOTAL ASSETS	\$ 261,037	\$ 18,050,007	\$ 0	\$ 1,233,792	\$ 1,098,487	\$ (440,399)	\$ 20,202,924

**BUTLER METROPOLITAN HOUSING AUTHORITY
BUTLER COUNTY**

**FINANCIAL DATA SUBMISSION SUMMARY
NET ASSET ACCOUNTS
June 30, 2012**

<u>Account Description</u>	<u>Business Activities</u>	<u>Low-Rent Public Hsg</u>	<u>Capital Fund Recovery Prg</u>	<u>Housing Choice Vouchers</u>	<u>Central Office Cost Center</u>	<u>Elimination</u>	<u>TOTAL</u>
LIABILITIES AND NET ASSETS:							
LIABILITIES:							
CURRENT LIABILITIES							
Cash overdraft	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Accounts payable < 90 days	1,879	167,891	0	15,176	20,437	0	205,383
Accrued salaries/payroll withholding	0	22,936	0	7,257	44,150	0	74,343
Accrued compensated absences	0	34,992	0	7,541	20,398	0	62,931
Accrued interest payable	1,678	0	0	0	0	0	1,678
Accounts payable - HUD PHA programs	0	0	0	0	0	0	0
Accounts payable - other gov.	0	0	0	0	0	0	0
Tenant security deposits	8,000	124,599	0	0	0	0	132,599
Unearned revenue	0	5,350	0	0	0	0	5,350
Current portion of L-T debt - capital projects	0	175,174	0	0	0	0	175,174
Current portion of L-T debt - operating	0	0	0	0	0	0	0
Accrued liabilities - other	0	0	0	0	0	0	0
Other current liabilities	137	931	0	3,000	4	0	4,072
Interprogram (due to)	0	7,306	0	433,093	0	(440,399)	0
TOTAL CURRENT LIABILITIES	<u>11,694</u>	<u>539,179</u>	<u>0</u>	<u>466,067</u>	<u>84,989</u>	<u>(440,399)</u>	<u>661,530</u>
NONCURRENT LIABILITIES							
Long-term debt, net of current - capital projects	0	404,687	0	0	0	0	404,687
Long-term debt, net of current - operating	0	0	0	0	0	0	0
Accrued comp. Absences - long term	0	139,971	0	30,164	81,592	0	251,727
Noncurrent liabilities - other	0	0	0	25,386	0	0	25,386
TOTAL NONCURRENT LIABILITIES	<u>0</u>	<u>544,658</u>	<u>0</u>	<u>55,550</u>	<u>81,592</u>	<u>0</u>	<u>681,800</u>
TOTAL LIABILITIES	<u>11,694</u>	<u>1,083,837</u>	<u>0</u>	<u>521,617</u>	<u>166,581</u>	<u>(440,399)</u>	<u>1,343,330</u>
NET ASSETS:							
Capital assets net of related debt	0	14,607,498	0	3,725	121,490	0	14,732,713
Restricted - Net Assets	0	0	0	834,174	0	0	834,174
Unrestricted - Net Assets	249,343	2,358,672	0	(125,724)	810,416	0	3,292,707
TOTAL NET ASSETS	<u>249,343</u>	<u>16,966,170</u>	<u>0</u>	<u>712,175</u>	<u>931,906</u>	<u>0</u>	<u>18,859,594</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 261,037</u>	<u>\$ 18,050,007</u>	<u>\$ 0</u>	<u>\$ 1,233,792</u>	<u>\$ 1,098,487</u>	<u>\$ (440,399)</u>	<u>\$ 20,202,924</u>

**BUTLER METROPOLITAN HOUSING AUTHORITY
BUTLER COUNTY**

**FINANCIAL DATA SUBMISSION SUMMARY
REVENUES, EXPENSES AND CHANGE IN FUND NET ASSET ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2012**

<u>Account Description</u>	<u>Business Activities</u>	<u>Low-Rent Public Hsg 14.850</u>	<u>Capital Fund Recovery Prg 14.885</u>	<u>Housing Choice Vouchers 14.871</u>	<u>Central Office Cost Center</u>	<u>Elimination</u>	<u>TOTAL</u>
REVENUES:							
Net tenant rental revenue	\$ 49,440	\$ 1,506,693	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,556,133
Tenant revenue - other	0	31,117	0	0	0	0	31,117
Total tenant revenue	49,440	1,537,810	0	0	0	0	1,587,250
HUD PHA grants - operating	0	4,762,281	29,851	5,946,018	0	0	10,738,150
HUD PHA grants - capital	0	1,470,375	235,774	0	0	0	1,706,149
Management fee	0	0	0	0	723,431	(723,431)	0
Asset management fee	0	0	0	0	138,720	(138,720)	0
Bookkeeping fee	0	0	0	0	95,355	(95,355)	0
Other government grants	0	0	0	0	0	0	0
Investment income - unrestricted	325	1,442	0	303	42	0	2,112
Mortgage interest income	0	0	0	0	0	0	0
Fraud income	0	0	0	16,772	0	0	16,772
Other revenue	28,037	141,264	0	2,375,490	34,394	0	2,579,185
Investment income - restricted	0	0	0	3,998	0	0	3,998
Gain/(loss) on disposition	386,827	0	0	0	0	0	386,827
TOTAL REVENUES	\$ 464,629	\$ 7,913,172	\$ 265,625	\$ 8,342,581	\$ 991,942	\$ (957,506)	\$ 17,020,443
EXPENSES:							
Administrative							
Administrative salaries	\$ 2,326	\$ 432,368	\$ 0	\$ 348,459	\$ 347,176	\$ 0	\$ 1,130,329
Auditing fees	0	5,444	0	10,584	0	0	16,028
Outside Management Fees	0	0	0	0	0	0	0
Management fees	0	723,431	0	0	0	(723,431)	0
Bookkeeping fees	0	95,355	0	0	0	(95,355)	0
Advertising & marketing	3,487	1,786	0	0	0	0	5,273
Employee benefits - administrative	0	202,509	0	181,093	140,589	0	524,191
Office expense	874	111,544	0	37,847	46,796	0	197,061
Allocated overhead	0	0	0	0	0	0	0
Legal expense	74,056	20,705	0	1,099	833	0	96,693
Travel expense	0	3,323	0	800	14,348	0	18,471
Other operating - administrative	8,763	125,895	4,323	15,241	57,311	0	211,533
Total Administrative Expense	89,506	1,722,360	4,323	595,123	607,053	(818,786)	2,199,579
Asset management fee	0	138,720	0	0	0	(138,720)	0
Tenant services							
Tenant services - salaries	0	0	0	0	0	0	0
Relocation costs	0	0	0	0	0	0	0
Employee benefits - tenant services	0	0	0	0	0	0	0
Other tenant services	0	0	0	0	11,478	0	11,478
Total Tenant Services	0	0	0	0	11,478	0	11,478

**BUTLER METROPOLITAN HOUSING AUTHORITY
BUTLER COUNTY**

**FINANCIAL DATA SUBMISSION SUMMARY
REVENUES, EXPENSES AND CHANGE IN FUND NET ASSET ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2012**

<u>Account Description</u>	<u>Business Activities</u>	<u>Low-Rent Public Hsg 14.850</u>	<u>Capital Fund Recovery Prg 14.885</u>	<u>Housing Choice Vouchers 14.871</u>	<u>Central Office Cost Center</u>	<u>Elimination</u>	<u>TOTAL</u>
Utilities							
Water	0	125,331	0	0	310	0	125,641
Electricity	0	435,588	0	0	22,624	0	458,212
Gas	0	186,780	0	0	0	0	186,780
Labor	0	0	0	0	0	0	0
Sewer	0	0	0	0	0	0	0
Other utilities	0	203,878	0	0	179	0	204,057
Employee benefits - utilities	0	0	0	0	0	0	0
Total Utilities Expense	0	951,577	0	0	23,113	0	974,690
Ordinary Maintenance & Operation							
Labor	0	613,915	0	0	0	0	613,915
Materials	0	211,649	25,528	16	3,419	0	240,612
Employee benefit contributions	0	313,056	0	0	0	0	313,056
Garbage & trash removal contracts	0	101,195	0	0	639	0	101,834
Heating & cooling contracts	3,967	59,697	0	2,141	6,158	0	71,963
Snow Removal contracts	0	2,560	0	0	170	0	2,730
Elevator contracts	0	45,414	0	0	0	0	45,414
Landscape & grounds contracts	1,740	75,636	0	0	2,038	0	79,414
Carpentry/General repairs	0	0	0	0	0	0	0
Electrical contracts	0	11,684	0	0	226	0	11,910
Plumbing contracts	218	21,315	0	0	0	0	21,533
Litter contracts	0	0	0	0	0	0	0
Extermination contracts	159	296,590	0	0	1,750	0	298,499
Janitorial contracts	0	118,685	0	0	12,202	0	130,887
Contract costs - other	785	142,804	0	3,578	6,317	0	153,484
Total Ordinary Maintenance & Operation	6,869	2,014,200	25,528	5,735	32,919	0	2,085,251
Protective services							
Protective services - salaries	0	0	0	0	0	0	0
Employee benefits - protective services	0	0	0	0	0	0	0
Other protective services	0	1,740	0	0	0	0	1,740
Total Protective Services	0	1,740	0	0	0	0	1,740
General Expenses							
Property insurance	0	111,885	0	0	12,949	0	124,834
Liability insurance	1,628	67,558	0	201	10,117	0	79,504
Workmen's compensation	0	29,609	0	0	10,872	0	40,481
Insurance - other	0	0	0	0	0	0	0
Other general expense	7,019	0	0	9,077	0	0	16,096
Compensated absences	0	24,555	0	13,938	15,095	0	53,588
Payments in lieu of taxes	0	0	0	0	0	0	0
Bad debt - tenant rents	0	89,184	0	0	0	0	89,184
Bad debt - other	0	0	0	0	0	0	0
Severance expense	0	0	0	0	0	0	0
Total General Expenses	8,647	322,791	0	23,216	49,033	0	403,687

**BUTLER METROPOLITAN HOUSING AUTHORITY
BUTLER COUNTY**

**FINANCIAL DATA SUBMISSION SUMMARY
REVENUES, EXPENSES AND CHANGE IN FUND NET ASSET ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2012**

<u>Account Description</u>	Business Activities	Low-Rent Public Hsg	Capital Fund Recovery Prg	Housing Choice Vouchers	Central Office Cost Center	Elimination	TOTAL
Financial Expenses							
Interest expense - Mortgage Payable	20,445	28,948	0	0	0	0	49,393
Interest expense - Notes Payable	0	0	0	0	0	0	0
Amortization - issuance costs	0	0	0	0	0	0	0
Total Financial Expenses	<u>20,445</u>	<u>28,948</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>49,393</u>
TOTAL OPERATING EXPENSE	<u>125,467</u>	<u>5,180,336</u>	<u>29,851</u>	<u>624,074</u>	<u>723,596</u>	<u>(957,506)</u>	<u>5,725,818</u>
EXCESS OPERATING REVENUE	<u>339,162</u>	<u>2,732,836</u>	<u>235,774</u>	<u>7,718,507</u>	<u>268,346</u>	<u>0</u>	<u>11,294,625</u>
Other Expenses							
Extraordinary maintenance	0	96,712	0	0	0	0	96,712
Casualty losses	0	9,809	0	0	0	0	9,809
Housing assistance payments	0	0	0	6,365,154	0	0	6,365,154
Portability - HAPs	0	0	0	2,242,497	0	0	2,242,497
Depreciation expense	32,557	2,280,893	0	4,230	15,523	0	2,333,203
Total Other Expenses	<u>32,557</u>	<u>2,387,414</u>	<u>0</u>	<u>8,611,881</u>	<u>15,523</u>	<u>0</u>	<u>11,047,375</u>
TOTAL EXPENSES	<u>\$ 158,024</u>	<u>\$ 7,567,750</u>	<u>\$ 29,851</u>	<u>\$ 9,235,955</u>	<u>\$ 739,119</u>	<u>\$ (957,506)</u>	<u>\$ 16,773,193</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ 306,605</u>	<u>\$ 345,422</u>	<u>\$ 235,774</u>	<u>\$ (893,374)</u>	<u>\$ 252,823</u>	<u>\$ 0</u>	<u>\$ 247,250</u>
Transfer of funds	0	0	0	0	0	0	0
Transfer of equity	0	(35,279)	(235,774)	(408,030)	679,083	0	0
Prior period adjustments	0	0	0	0	0	0	0
Beginning Net Assets	<u>(57,262)</u>	<u>16,656,027</u>	<u>0</u>	<u>2,013,579</u>	<u>0</u>	<u>0</u>	<u>18,612,344</u>
Ending Net Assets	<u>\$ 249,343</u>	<u>\$ 16,966,170</u>	<u>\$ 0</u>	<u>\$ 712,175</u>	<u>\$ 931,906</u>	<u>\$ 0</u>	<u>\$ 18,859,594</u>

**BUTLER METROPOLITAN HOUSING AUTHORITY
BUTLER COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012**

FEDERAL GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	EXPENDITURES
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>		
<i>Direct Programs:</i>		
<u>Public Housing Programs</u>		
Low Rent Public Housing Program	14.850	\$ 3,890,438
<i>Capital Fund Program Cluster:</i>		
Public Housing Capital Fund Program	14.872	2,342,218
Public Housing Capital Fund Stimulus (Formula)		
Recovery Act Funded - ARRA	14.885	265,625
<i>Total Capital Fund Program Cluster:</i>		<u>2,607,843</u>
<u>Section 8 Housing Assistance Program:</u>		
Housing Choice Vouchers	14.871	<u>5,946,018</u>
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		<u>12,444,299</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS		<u>\$ 12,444,299</u>

The accompanying notes to this schedule are an integral part of this schedule.

**BUTLER METROPOLITAN HOUSING AUTHORITY
BUTLER COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Authority and is presented on the full accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

NOTE B – SUBRECIPIENTS

The Authority provided no federal awards to subrecipients during the fiscal year ending June 30, 2012.

NOTE C – DISCLOSURE OF OTHER FORMS OF ASSISTANCE

The Authority received no federal awards of non-monetary assistance that are required to be disclosed for the fiscal year ended June 30, 2012.

The Authority had no loans, loan guarantees, or federally restricted endowment funds required to be disclosed for the fiscal year ended June 30, 2012.

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

November 27, 2012

Butler Metropolitan Housing Authority
Butler County
4110 Hamilton-Middletown Road
Hamilton, Ohio 45011

To the Board of Commissioners:

We have audited the financial statements of the business-type activities of the **Butler Metropolitan Housing Authority**, Butler County, Ohio (the Authority), as of and for the year ended June 30, 2012, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated November 27, 2012. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Authority's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Authority's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and timely corrected.

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

Butler Metropolitan Housing Authority
Butler County
Independent Accountants' Report on Internal Control
Over Financial Reporting and on Compliance and
Other Matters Required by *Government Auditing Standards*
Page 2

Compliance and Other Matters

As part of reasonably assuring whether the Authority's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We intend this report solely for the information and use of management, members of the Board of Commissioners, federal awarding agencies and others within the Authority. It is not intended for anyone other than these specified parties.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Perry & Associates CPAs A.C.".

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

November 27, 2012

Butler Metropolitan Housing Authority
Butler County
4110 Hamilton-Middletown Road
Hamilton, Ohio 45011

To the Board of Commissioners:

Compliance

We have audited the compliance of the **Butler Metropolitan Housing Authority**, Butler County, Ohio (the Authority) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the Butler Metropolitan Housing Authority's major federal program for the year ended June 30, 2012. The summary of auditor's results section of the accompanying schedule of audit findings identifies the Authority's major federal program. The Authority's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to opine on the Authority's compliance based on our audit.

Our compliance audit followed auditing standards generally accepted in the United States of America; the standards applicable to financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the Authority's compliance with these requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Government's compliance with these requirements.

In our opinion, the Butler Metropolitan Authority complied, in all material respects, with the requirements referred that could directly and materially affect its major federal program for the year ended June 30, 2012.

Internal Control Over Compliance

The Authority's management is responsible for establishing and maintaining effective internal control over compliance with the 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 directly and materially affect a major federal program in order to determine our auditing procedures for the purpose of opining on compliance, but not for the purpose of opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Authority's internal control over compliance.

Internal Control Over Compliance (Continued)

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected.

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

We intend this report solely for the information and use of management, members of the Board of Commissioners, federal awarding agencies and others within the Authority. It is not intended for anyone other than these specified parties.

Respectfully submitted,



Perry & Associates
Certified Public Accountants, A.C.

**BUTLER METROPOLITAN HOUSING AUTHORITY
BUTLER COUNTY
FOR THE YEAR ENDED JUNE 30, 2012**

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

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(I)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(I)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(I)(ii)</i>	Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(I)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(I)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(I)(iv)</i>	Were there any other significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(I)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(I)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(I)(vii)</i>	Major Programs (list):	Housing Choice Vouchers CFDA # 14.871
<i>(d)(I)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$ 373,329 Type B: all others
<i>(d)(I)(ix)</i>	Low Risk Auditee?	Yes

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

None

3. FINDINGS FOR FEDERAL AWARDS

None

**BUTLER METROPOLITAN HOUSING AUTHORITY
 BUTLER COUNTY
 FOR THE YEAR ENDED JUNE 30, 2012**

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

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2011-001	Untimely submission of unaudited FDS and accounting errors	Yes	



Dave Yost • Auditor of State

BUTLER METROPOLITAN HOUSING AUTHORITY

BUTLER 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
MARCH 5, 2013**