Springfield Metropolitan Housing Authority

Financial Statements

September 30, 2012

Dave Yost • Auditor of State

Board of Commissioners
Springfield Metropolitan Housing Authority
101 West High Street
Springfield, Ohio 45502

We have reviewed the *Independent Auditors' Report* of the Springfield Metropolitan Housing Authority, Clark County, prepared by Salvatore Consiglio, CPA, Inc., for the audit period October 1, 2011 through September 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 Springfield Metropolitan Housing Authority is responsible for compliance with these laws and regulations.

Dave Yost
Auditor of State

July 5, 2013

88 East Broad Street, Fifth Floor, Columbus, Ohio 43215-3506
Phone: 614-466-4514 or 800-282-0370 Fax: 614-466-4490
www.ohioauditor.gov

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SALVATORE CONSIGLIO, CPA, INC.

6548 Royalton Road, Suite 104
North Royalton, Ohio 44133
Phone (440) 877-9870
Fax (440) 877-9237
sconsiglio@salcpa.com

Independent Auditors' Report

Board of Commissioners
Springfield Metropolitan Housing Authority

I have audited the accompanying financial statements of the business-type activities and aggregate discretely presented component units of Springfield Metropolitan Housing Authority, Ohio, as of and for the year ended September 30, 2012, which collectively comprise the Authority basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the Springfield Metropolitan Housing Authority, Ohio's, management. My responsibility is to express an opinion on these basic financial statements based on my audit. I did not audit the financial statements of the component units of Springfield Metropolitan Housing Authority (see Note 1 for a description), which the statements reflect total assets constituting 52% of the total assets at September 30, 2012, and total operating revenues constituting 6.0% of total operating revenues for the year then ended. Those statements were audited by other auditors whose report has been furnished to me, and my opinion, insofar as it relates to the amounts included for the component units, is based solely on the report of such other auditors.

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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic 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 and the report of other auditors provide a reasonable basis for my opinion.

In my opinion, based on my audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and the aggregate discretely component units of the Springfield Metropolitan Housing Authority, Ohio, as of September 30, 2012, and the respective change in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards,* I have also issued my report dated May 24, 2013, on my consideration of the Springfield 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 agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the result of my audit.

Accounting principles generally accepted in the United States of America requires that the Management's Discussion and Analysis on page 3 through 8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

My Audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the Springfield Metropolitan Housing Authority basic financial statements. The accompanying Schedule of Expenditure 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 financial statements. The combining financial data schedule ("FDS") is presented for purposes of additional analysis as required by the Department of Housing and Urban Development and is not a required part of the Basic Financial Statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by me and other auditors. In my opinion, the information is fairly stated in all material respect in relation to the basic financial statements taken as a whole.

Salvatore Consiglio

Digitally signed by Salvatore Consiglio
DN: cn=Salvatore Consiglio, o=Salvatore Consiglio, CPA, Inc., ou, email=sconsiglio@salcpa.com, c=US
Date: 2013.06.24 15:40:05 -04'00'

Salvatore Consiglio, CPA, Inc.
May 24, 2013

As management of the Springfield Metropolitan Housing Authority (the "Authority"), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended September 30, 2012. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements.

Overview of the Financial Statements

The financial statements provide information about the Authority's overall financial position and results of operations, including those of the discretely-presented component units. These statements, which are presented on the accrual basis, consist of the Statement of Net Assets, the Statement of Revenues, Expenses and Changes in Net Assets and the Statement of Cash Flows. The basic financial statements also include a "Notes to Financial Statements" section that provides additional information that is essential to a full understanding of the data provided in the statements.

The financial statements report information about the Authority as a whole using accounting methods similar to those used by private sector business.

The *Statement of Net Assets* presents information on all of the Authority's assets and liabilities, with the difference between the two reported as net assets. Net assets are reported in three broad categories (as applicable):

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 borrowing that are attributable to the acquisition, construction or improvement of those assets.

Restricted Net Assets: This component of net assets consists of restricted assets which has constraints placed on them by grantors, contributors, laws, regulations, etc.

Unrestricted Net Assets: This component of 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 *Statement of Revenues, Expenses and Changes in Net Assets* includes all of the revenues and expenses of the Authority regardless of when the cash is received or paid.

The *Statement of Cash Flows* discloses net cash provided by or used in operating activities, investing activities and capital and related financing activities.

The Authority administers several programs that are consolidated into a single proprietary type-enterprise fund.

Significant programs consist of the following:

Public and Indian Housing - Under the conventional Public Housing Program, the Authority rents units it owns to low-income households. This program is operated under an Annual Contribution Contract (ACC) with HUD, and HUD provides Operating Subsidies to enable the PHA to provide the housing at a rent that is based upon 30 percent of adjusted gross household income.

Section 8 Choice Voucher Program – Under the Section 8 Voucher Program, low-income tenants lease housing units directly from private landlords rather than from the Authority. Through Annual Contribution Contracts with HUD, the Authority receives funding to subsidize the rent of low-income families in the private market. The Authority earns a fixed percentage administrative fee from HUD to cover the program's operating costs.

Capital Fund Program (CFP) – The Capital Fund Program provides funding to improve the physical conditions and upgrade management of operations to ensure that properties continue to be available to service low-income families. CFP funding is based on a formula allocation that takes into consideration the size and age of the Authority's housing stock. This program replaced the Comprehensive Grant Program in fiscal year 2000.

Mainstream Vouchers – The Mainstream Vouchers Program provides subsidies (Housing Assistance Payments) on behalf of persons with disabilities (elderly and non-elderly) to participating housing owners.

Revitalization of Severely Distressed Public Housing (HOPE VI) – The HOPE VI demolition program supports site acquisition, demolition, and relocation costs for the HOPE VI revitalization program. Under this program, residents of identified neighborhoods are relocated to other Public Housing and Section 8 Voucher units. Vacated public housing units are then demolished in preparation for the development under the HOPE VI revitalization program. This program seeks to rebuild public housing neighborhoods through various financing and construction development agreements.

Component Units – Lincoln Park Housing Partnership LP owns and operates 40 units of low-income housing tax credit apartments at Lincoln Park in Springfield, Ohio. Lincoln Park Housing Partnership II LP owns and operates 68 units of low-income housing tax credit apartments at Lincoln Park in Springfield, Ohio. Lincoln Park Housing Partnership III LP owns and operates 24 units of low-income housing tax credit housing at Lincoln Park in Springfield, Ohio. The component units have fiscal year-ends of December 31, 2012.

Financial Highlights

During the fiscal year ending September 30, 2012:

- Total assets decreased by approximately $439,000 and capital assets decreased by approximately $708,000, net of current year depreciation of approximately $1,068,000. Current assets increased by approximately $268,000, which was mostly due to an increase in accounts receivable.

- Total liabilities decreased by approximately $35,000, which was mostly due to a decrease in accounts payable.

- Total revenues decreased by approximately $754,000. Program operating grants and subsidies (including Section 8) decreased by approximately $643,000.

- Total expenses before depreciation decreased by approximately $715,000. Housing assistance payments decreased by approximately $510,000 and administrative expenses decreased by approximately $355,000.

Notes to the Financial Statements
The notes to the basic financial statements provide additional information essential to a full understanding of the data provided in the basis financial statements. Notes to the basis financial statements can be found on pages 12 through 26 of this report.

Financial Analysis of the Authority

Statement of Net Assets

		2012	2011
Assets			
Current assets	$	2,573,475	2,304,645
Capital assets		12,737,965	13,446,069
Other non-current assets		6,678,242	6,678,242
Total assets	$	21,989,682	22,428,956
Liabilities			
Current liabilities	$	698,557	594,384
Long-term liabilities		1,238,124	1,206,775
Total liabilities		1,936,681	1,801,159
Net Assets			
Invested in capital assets		12,737,965	13,446,069
Restricted net assets		1,425,997	1,500,946
Unrestricted		5,889,039	5,680,782
Total net assets		20,053,001	20,627,797
Total liabilities and net assets	$	21,989,682	22,428,956

The largest portion of the Authority's net assets (64 percent) reflects its investments in capital assets. The Authority uses these capital assets (land, building, furniture and equipment) to provide housing services to residents and are not readily available for future spending. The unrestricted net assets of the Authority are available for future use to provide program services.

Statement of Revenues, Expenses and Changes in Net Assets

The Statement of Revenues, Expenses and Changes in Net Assets present the operating results of the Authority, as well as the non-operating revenues and expenses. Condensed information from the Authority's statements of revenue, expenses and changes in net assets follows:

		2012	2011
Revenues			
Tenant rental income	$	1,165,697	1,129,881
Operating subsidy and grants		3,535,783	3,096,999
Subsidy for housing assistance payment		5,985,717	7,067,254
Capital grants		283,439	234,245
Other income		233,619	430,154
Total revenues		11,204,255	11,958,533
Expenses			
Administrative		1,749,841	2,104,765
Tenant services		259,843	187,074
Utilities		744,069	731,976
Maintenance		1,177,146	1,259,627
Protective services		-	21,085
General		413,462	322,117
Bad debts		61,019	73,083
Grant expense - pass-through to component units		383,056	293,788
Housing assistance payment		5,751,883	6,262,091
Total expenses before depreciation		10,540,319	11,255,606
Change in net assets before depreciation		663,936	702,927
Depreciation		1,068,027	1,035,061
Change in net assets	$	(404,091)	(332,134)

Capital Assets

The following reconciliation summarizes the changes in capital assets (see Note 4 for additional information):

	Beginning Balance	Additions	Disposals	Ending Balance
pital asset, not being depreciated				
Land	$ 2,228,770	0	0	2,228,770
pital assets being depreciated				
Building	23,512,782	94,965	0	23,607,747
Furniture and equipment	1,606,609	88,572	26,021	1,669,160
Leasehold improvement	4,860,626	177,737	0	5,038,363
	29,980,017	361,274	26,021	30,315,270
:cumulated Depreciation				
Building	15,736,527	721,040	0	16,457,567
Furniture and equipment	884,830	189,696	24,670	1,049,856
Leasehold improvement	2,141,361	157,291	0	2,298,652
	18,762,718	1,068,027	24,670	19,806,075
Capital asset, net	$ 13,446,069	(706,753)	1,351	12,737,965

Debt Outstanding

The Authority has $1,000,000 of debt outstanding at September 30, 2012, which represents amounts borrowed from the City of Springfield under the HOME Investment Partnership Program. The proceeds from this long-term note were used to make HOME loans to two of the component units. (See Note 5 for additional information)

Economic Factors and Planned Events

Significant economic factors affecting the Authority are as follows:

- ✓ Federal funding is at the discretion of the U.S. Department of Housing and Urban Development (HUD) and the Authority received a funding proration of 93% for low income public housing for the year ending September 30, 2012.

- ✓ The slow economy has an impact on low-income households' ability to pay rent and 2012 modernization activity reduced availability for leases and rental income.

- ✓ Projected continued increases in health insurance, property insurance and utility rates will affect the cost of operating the programs. In 2012, HUD did not fund excess utility expenses.

- ✓ The HOPE VI Revitalization Plan for the Authority's Lincoln Park Project included the demolition of all 210 existing units and redevelopment of 132 units on site, an on-site community center and park, and loan assistance to low-income households to purchase new housing to be developed in the revitalization area. The on-site component consists of 108 public/low-income housing tax credit units, and 24 lease-to-purchase units. The off-site component consists of loans assistance for affordable homeownership units.

Contact Information

Questions concerning any of the information provided in this report, or requests for additional information should be addressed to: Mr. Arlin J. Tolliver, Sr., Executive Director, Springfield Metropolitan Housing Authority, 101 West High Street, Springfield, Ohio 45502, or call (937) 325-7331, extension 202.

Assets		September 30, 2012 Housing Authority	December 31, 2012 Component Units Lincoln Park Housing Partnership LP	Lincoln Park Housing Partnership II LP	Lincoln Park Housing Partnership III LP	Total Component Units	Memorandum Total
Current assets:							
Cash and cash equivalents	$	108,337	2,357	15,533	75,406	93,296	201,633
Restricted cash and cash equivalents		1,401,716	251,484	498,904	222,557	972,945	2,374,661
Accounts receivable, net:							
Tenants		98,769	56	-	103	159	98,928
HUD		204,455	-	-	-	-	204,455
Other receivables		195,028	-	-	156	156	195,184
Investments - restricted		376,089	-	-	-	-	376,089
Inventory, net of allowance for obsolete of $42,294		89,878	-	-	-	-	89,878
Prepaid expenses		99,203	7,461	11,844	5,379	24,684	123,887
		2,573,475	261,358	526,281	303,601	1,091,240	3,664,715
Non-current assets:							
Land		2,228,770	-	-	-	-	2,228,770
Property and equipment, net of accumulated depreciation		10,509,195	5,976,485	10,451,917	5,354,073	21,782,475	32,291,670
Notes receivable		6,678,242	-	-	-	-	6,678,242
Other assets		-	217,243	183,957	238,714	639,914	639,914
		19,416,207	6,193,728	10,635,874	5,592,787	22,422,389	41,838,596
	$	21,989,682	6,455,086	11,162,155	5,896,388	23,513,629	45,503,311
Liabilities and Net Assets							
Current liabilities:							
Accounts payable							
Trade	$	265,306	17,059	8,278	8,955	34,292	299,598
HUD		122,867	-	-	-	-	122,867
Accrued wages and benefits		98,625	-	-	-	-	98,625
Accrued compensated absences		41,796	-	-	-	-	41,796
Tenant security deposits, payable from restricted assets		63,312	6,568	10,974	3,176	20,718	84,030
Unearned revenues		3,545	229	97	169	495	4,040
Other current liabilities		103,106	87,060	76,644	29,101	192,805	295,911
		698,557	110,916	95,993	41,401	248,310	946,867
Long-term liabilities:							
Accrued compensated absences, non-current portion		125,389	-	-	-	-	125,389
Long-term debt		1,000,000	1,553,804	1,700,000	4,144,714	7,398,518	8,398,518
Other long-term liabilities		112,735	-	25,000	25,000	50,000	162,735
		1,238,124	1,553,804	1,725,000	4,169,714	7,448,518	8,686,642
		1,936,681	1,664,720	1,820,993	4,211,115	7,696,828	9,633,509
Net Assets:							
Invested in capital assets, net of related debt		12,737,965	4,422,681	8,751,917	1,209,359	14,383,957	27,121,922
Restricted net assets		1,425,997	-	-	-	-	1,425,997
Unrestricted net assets		5,889,039	367,685	589,245	475,914	1,432,844	7,321,883
Total net assets		20,053,001	4,790,366	9,341,162	1,685,273	15,816,801	35,869,802
Total liabilities and net assets	$	21,989,682	6,455,086	11,162,155	5,896,388	23,513,629	45,503,311

See accompanying notes to the financial statements.

	Year Ended September 30, 2012	Year Ended December 31, 2012 Component Units				
	Housing Authority	Lincoln Park Housing Partnership LP	Lincoln Park Housing Partnership II LP	Lincoln Park Housing Partnership III LP	Total Component Units	Memorandum Total
Operating revenue:						
Dwelling rent	$ 1,062,116	199,438	301,693	142,751	643,882	1,705,998
Non-dwelling rental	103,581	-	-	-	-	103,581
Total rental revenue	1,165,697	199,438	301,693	142,751	643,882	1,809,579
Program operating grants/subsidies	9,521,500	-	-	-	-	9,521,500
Other grants	51,706	-	-	-	-	51,706
Other income	140,047	2,493	3,529	17,405	23,427	163,474
Total operating revenue	10,878,950	201,931	305,222	160,156	667,309	11,546,259
Operating expenses:						
Administrative	1,749,841	78,243	121,397	49,551	249,191	1,999,032
Tenant services	259,843	7,231	12,533	4,338	24,102	283,945
Utilities	744,069	38,796	51,626	22,307	112,729	856,798
Maintenance	1,177,146	43,744	64,803	28,676	137,223	1,314,369
General	413,462	44,337	38,044	19,439	101,820	515,282
Bad debts	61,019	666	2,884	643	4,193	65,212
Grant expense - pass-through to component units	383,056	-	-	-	-	383,056
Housing assistance payments	5,751,883	-	-	-	-	5,751,883
Depreciation and amortization	1,068,027	201,022	349,500	167,639	718,161	1,786,188
Total operating expenses	11,608,346	414,039	640,787	292,593	1,347,419	12,955,765
Operating loss	(729,396)	(212,108)	(335,565)	(132,437)	(680,110)	(1,409,506)
Non-operating revenue:						
Interest income	41,866	203	345	123	671	42,537
Total non-operating revenue	41,866	203	345	123	671	42,537
Change in net assets before capital grants and contributions	(687,530)	(211,905)	(335,220)	(132,314)	(679,439)	(1,366,969)
Capital grants	283,439	-	-	-	-	283,439
Capital contributions	-	111,293	-	87,598	198,891	198,891
Change in net assets	(404,091)	(100,612)	(335,220)	(44,716)	(480,548)	(884,639)
Net assets, beginning of the period, as restated	20,457,092	4,890,978	9,676,382	1,729,989	16,297,349	36,754,441
Net assets, end of the period	$ 20,053,001	4,790,366	9,341,162	1,685,273	15,816,801	35,869,802

See accompanying notes to the financial statements.

	Year Ended September 30, 2012 Housing Authority	Year Ended December 31, 2012 Component Units Lincoln Park Housing Partnership LP	Lincoln Park Housing Partnership II LP	Lincoln Park Housing Partnership III LP	Total Component Units	Memorandum Total
Cash flows from operating activities:						
Cash received from HUD	$ 9,165,369	-	-	-	-	9,165,369
Cash received from other governments	51,706	-	-	-	-	51,706
Cash received from tenants	1,187,634	198,721	298,813	126,979	624,513	1,812,147
Cash received from other income	26,449	2,493	3,529	17,405	23,427	49,876
Cash payments for housing assistance payments	(5,751,883)	-	-	-	-	(5,751,883)
Cash passed-through to component units	(814,908)	-	-	-	-	(814,908)
Cash payments for administrative	(1,184,046)	(104,373)	(132,947)	(50,862)	(288,182)	(1,472,228)
Cash payments for other operating expenses	(2,646,745)	(120,349)	(146,483)	(73,830)	(340,662)	(2,987,407)
Net cash provided by (used in) operating activities	33,576	(23,508)	22,912	19,692	19,096	52,672
Cash flows from investing activities:						
Investment income	41,866	203	345	123	671	42,537
Cash flows from capital and related financing activities:						
Capital acquisitions	(361,274)	-	-	-	-	(361,274)
Proceeds from disposal of property and equipment	25,507	-	-	-	-	25,507
Payments on long-term debt		(94,983)	-	-	(94,983)	(94,983)
Purchase of investments	94,823	-	-	-	-	94,823
Capital contributions	-	111,293	-	26,645	137,938	137,938
Capital grant funds received	283,439	-	-	-	-	283,439
Net cash provided by (used in) financing activities	42,495	16,310	-	26,645	42,955	85,450
Increase in cash and cash equivalents	117,937	(6,995)	23,257	46,460	62,722	180,659
Cash and cash equivalents, beginning	1,392,116	260,836	491,180	251,503	1,003,519	2,395,635
Cash and cash equivalents, ending	$ 1,510,053	253,841	514,437	297,963	1,066,241	2,576,294
Reconciliation of operating income to net cash provided by operating activities:						
Operating loss	$ (729,396)	(212,108)	(335,565)	(132,437)	(680,110)	(1,409,506)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:						
Depreciation and amortization	1,068,027	201,022	349,500	167,639	718,161	1,786,188
Gain on sale of assets	(24,156)	-	-	-	-	(24,156)
(Increase) decrease in:						
Receivables - net of allowance	(252,634)	(51)	4	(259)	(306)	(252,940)
Inventory	11,784	-	-	-	-	11,784
Prepaid expenses and other assets	(4,866)	(1,604)	(2,242)	(1,311)	(5,157)	(10,023)
Increase (decrease) in:						
Accounts payable	(53,600)	(24,526)	(9,308)	930	(32,904)	(86,504)
Accrued wages and compensated absences	(7,019)	-	-	-	-	(7,019)
Tenant security deposits	1,876	(1,599)	(1,976)	(388)	(3,963)	(2,087)
Deferred credits and other liabilities	23,560	15,358	22,499	(14,482)	23,375	46,935
Net cash provided by (used in) operating activities	$ 33,576	(23,508)	22,912	19,692	19,096	52,672
Composition of cash and cash equivalents:						
Cash and cash equivalents	$ 108,337	2,357	15,533	75,406	93,296	201,633
Restricted cash and cash equivalents	1,401,716	251,484	498,904	222,557	972,945	2,374,661
	$ 1,510,053	253,841	514,437	297,963	1,066,241	2,576,294

See accompanying notes to the financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

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

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

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

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

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

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

Discretely Presented Component Units
Component units are legally separate organizations for which the Authority is financially accountable. The Authority is financially accountable for an organization if the Authority appoints a voting majority of the organization’s governing board and (1) is able to significantly influence the programs or services performed or provided by the organization; or (2) is legally entitled to or can otherwise access the organization’s resources; is legally obligated or has otherwise assumed the responsibility to finance deficits of or provide financial support to the organization; or is obligated for the debt of the organization.

Component units may also include organizations that are fiscally dependent on the Authority in that the Authority approves their budget, the issuance of their debt or the levying of their taxes. Based upon the application of these criteria, the Authority has three component units as follows: Lincoln Park Housing Partnership LP, Lincoln Park Housing Partnership II LP, and Lincoln Park Housing Partnership III LP. These partnerships are fiscally dependent on the loans and capital contributions received from the Authority and also lease land from the Authority for their operations. Management believes the financial statements included in this report represent all of the funds of the Authority over which the Authority is financially accountable.

Lincoln Park Housing Partnership LP (LPHPLP)
The Authority executed a Limited Partnership Agreement with Penrose GP LLC and the Ohio Equity Fund for Housing Limited Partnership XVI to form the Lincoln Park Housing Partnership LP on March 27, 2007. The Authority is a Special Limited Partner with a .001% ownership interest in this organization which developed, owns and operates 40 units of Low-Income Housing tax Credit housing at Lincoln Park. Under the terms of the Limited Partnership Agreement, no Limited Partner shall be personally liable for any loss or liability of the Partnership beyond the amount of such Limited Partner's agreed-upon Capital Contributions and no Limited Partner shall participate in the operation, management or control of the Partnership's business, transact any business in the Partnership's name or have any power to sign documents for or otherwise bind the Partnership. The Authority made Capital Contributions to the Partnership totaling $1,032,500 through September 30, 2012 in HOPE VI funds for the development of 40 rental units. Lincoln Park Housing Partnership LP has executed a long-term Ground Lease, a HOPE VI Loan Agreement (see note 3), a Regulatory and Operating Agreement and various other documents with the Authority for the purpose of financing, owning and operating the rental development commonly known as Lincoln Park Phase IA.

Lincoln Park Housing Limited Partnership II LP (LPHPIILP)
The Authority executed an Amended and Restated Limited Partnership Agreement with Penrose GP LLC and the Ohio Equity Fund for Housing Limited Partnership XVI to form the Lincoln Park Housing Partnership II LP on March 27, 2007. The Authority is a Special Limited Partner with a .001% ownership interest in this organization which developed, owns and operates 68 units of Low-Income Housing Tax Credit housing at Lincoln Park. Under the terms of the Limited Partnership Agreement, no Limited Partner shall be personally liable for any loss or liability of the Partnership beyond the amount of such Limited Partner's agreed-upon Capital Contributions and no Limited Partner shall participate in the operation, management or control of the Partnership's business, transact any business in the partnership's name or have any power to sign document for or otherwise bind the Partnership. The Authority made Capital Contributions to the Partnership totaling $6,197,410 through September 30, 2012 in HOPE VI funds for the development of 68 rental units. Lincoln Park Housing Partnership II LP has executed a long-term Ground Lease, a HOPE VI Loan Agreement (see note 3), a Regulatory and Operating Agreement and various other documents with the Authority for the purpose of financing, owning and operating the rental development commonly known as Lincoln Park Phase IB.

Lincoln Park Housing Limited Partnership III LP (LPHPIIILP)
The Authority executed an Amended and Restated Limited Partnership Agreement with Penrose GP LLC and the Ohio Equity Fund for Housing Limited Partnership XVIII to form the Lincoln Park Housing Partnership III LP on December 22, 2008. The Authority is a Special Limited Partner with a .001% ownership interest in this organization which developed, owns and operates 24 units of Low-Income Housing Tax Credit housing at Lincoln Park. Under the terms of the Limited Partnership Agreement, no Limited Partner shall be personally liable for any loss or liability of the Partnership beyond the amount of

such Limited Partner's agreed-upon Capital Contributions and no Limited Partner shall participate in the operation, management or control of the Partnership's business, transact any business in the partnership's name or have any power to sign document for or otherwise bind the Partnership. The Authority will make a Capital Contribution to the Partnership in the amount of $277,613, equal to the amount of the developer's fee, for the development of 24 rental units. Lincoln Park Housing Partnership III LP has executed a long-term Ground Lease, a HOPE VI Loan Agreement (see note 3), a Regulatory and Operating Agreement and various other documents with the Authority for the purpose of financing, owning and operating the rental development commonly known as Lincoln Park Phase II.

Additional Partnership Provisions

At the time the Limited Partnership Agreements were executed, the Authority and partnerships entered into Right of Refusal and Option Agreements. During the term of the partnerships, the partnerships agree to give notice promptly to the Authority if the partnerships commence discussions with any third party regarding sale of the property. The Authority has the continuing right of refusal to purchase the property of the partnerships in the event the partnerships propose to sell substantially all of the partnership interests after the expiration of the compliance period (15 years). In addition, the partnerships grant the Authority the option to purchase the property following the close of the compliance period. This agreement provides the terms of the option price and sale of the property under the rights of refusal and options granted.

Basis of Presentation

All activities of the Authority are accounted for within a single proprietary (enterprise) fund. Proprietary funds are used to account for operations that are (a) financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily though user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management a control, accountability, or other purposes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result form 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 rents collected form tenants and subsidies provided by federal agencies. The Authority also recognized as operating revenue and expenses the portion of interest on bonds and notes related to housing developments of the Authority and its partnerships. Operating expenses include the cost of services, administrative expenses, depreciation on capital assets and amortization of bond discounts. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The accounting and financial reporting treatment applied to the Authority is determined by its measurement focus. The transactions of the Authority are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations are included on the statement of net assets. Net assets (i.e., total assets net of total liabilities) are segregated into invested in capital assets, net of related debt, restricted and unrestricted components. When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, and then unrestricted resources as they are needed.

Fund Accounting

The Authority maintains its accounting records in accordance with the principles of fund accounting. Fund accounting is designed to meet the needs of governmental entities in which legal or other restraints require the recording of specific receipts and disbursements. The transactions of each fund are reflected in self-balancing groups of accounts and accounting entities that are separate from the activities reported in other funds.

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.

A summary of each of the Authority's programs is provided below:

Public Housing – The Authority owns, operates and maintains 677 units of Public Housing. The properties were acquired through bonds and notes guaranteed by HUD and through grants, subject to the terms of an Annual Contributions Contract with HUD. Revenues consist primarily of rents and other fees collected from tenants, and an Operating Subsidy from HUD. Capital funds provided by HUD are used to maintain and improve this Public Housing portfolio. Substantially all additions to land, structures and equipment of Public Housing are accomplished through these modernization grant funds.

Housing Assistance Payments – Section 8 of the Housing and Community Development Act of 1974, provides subsidies (Housing Assistance Payments) on behalf of lower-income families to participating housing owners. Under this program, the landlord-tenant relationship is between a housing owner and a family, rather than the Authority and a family as in Public Housing programs. For existing housing, and in some cases for new construction and substantial rehabilitation, HUD contracts with the Authority to enter into contracts with owners to make assistance payments for the difference between the approval contract rent and the actual rent paid by lower-income families.

Mainstream Vouchers – Mainstream vouchers program provides subsidies (Housing Assistance Payments) on behalf of persons with disabilities (elderly and non-elderly) to participating housing owners. Under this program, the landlord-tenant relationship is between a housing owner and a family, rather than the Authority and a family as in Public Housing programs.

Revitalization of Severely Distressed Public Housing (HOPE VI) – The HOPE VI demolition program supports site acquisition, demolition, and relocation costs for the HOPE VI revitalization program. Under this program, residents of identified neighborhoods are relocated to other Public Housing and Section 8 Voucher units. Vacated public housing units are then demolished in preparation for the development under the HOPE VI revitalization program. This program seeks to rebuild public housing neighborhoods through mixed financing, including construction and construction development agreements.

Project Choice – Drug and alcohol prevention programs provided to children residing in the Housing Authority projects

Central Office Cost Center – The operating fund rule provides for a public housing authority to establish a central office cost center to account for non-project and non-federal program specific costs. The Authority's central office cost center is a cluster of activities that indirectly or directly support a project or program, but are not under direct control of a project or program manager. The costs for these activities are supported by management fees approved by HUD.

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. The Authority has elected not to implement any such guidance after such date.

Capital Assets

Capital assets over the Authority's capitalization threshold of $1,000 are recorded at cost and depreciated using the straight-line method over an estimated useful life of the assets. Donated capital assets are recorded at fair market value on the date of receipt. The cost of normal maintenance and repairs, that do not add to the value of the asset or materially extend the asset life, are not capitalized. The following are the useful lives used for depreciation purposes:

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

Cash and Cash Equivalents

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

Compensated Absences

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

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

The compensated absences are expensed when earned with the amount reported as a fund liability.

Budgetary Accounting

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

Estimates

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

Receivables – net of allowance

Bad debts are provided on the allowance method based on management's evaluation of the collectability of outstanding tenant receivable balances at the end of the year. The allowance for uncollectible receivables was $46,480 at September 30, 2012. Receivables do not include approximately $38,000 of Section 8 fraud recovery funds whereby limited collections are expected, but cannot be reasonably estimated.

Inventory

Inventory consists of supplies and maintenance parts carried at cost and are expensed as they are consumed. The allowance for obsolete inventory was $42,294 at September 30, 2012.

Accounting and Reporting for Nonexchange Transactions

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

- Derived tax revenues: result from assessments imposed on exchange transactions (i.e., income taxes, sales taxes and other assessments on earnings or consumption).
- Imposed nonexchange revenues: result from assessments imposed on nongovernmental entities, including individuals, other than assessments on exchange transactions (i.e. property taxes and fines).

- Government-mandated nonexchange transactions: occur when a government at one level provides resources to a government at another level and requires the recipient to use the resources for a specific purpose (i.e., federal programs that state or local governments are mandated to perform).
- Voluntary nonexchange transactions; result from legislative or contractual agreements, other than exchanges, entered into willingly by the parties to the agreement (i.e., certain grants and private donations).

Public Housing Authority (PHA) grants and subsidies will be defined as government-mandated or voluntary nonexchange transactions.

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

- Time requirements specify (a) the period when resources are required to be used or when use may begin (for example, operating or capital grants for a specified period) or (b) that the resources are required to be maintained intact in perpetuity or until a specified date or event has occurred (for example, permanent endowments, term endowments, and similar agreements). Time requirements affect the timing of recognition of nonexchange transactions.

- Purpose restrictions specify the purpose for which resources are required to be used. (i.e. capital grants used for the purchase of capital assets). Purpose restrictions do not affect when a nonexchange transaction is recognized. However, PHAs that receive resources with purpose restrictions should report resulting net assets, equity, or fund balance as restricted.

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

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

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

2. CASH AND CASH EQUIVALENTS:

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

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

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

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

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

Deposits – As of September 30, 2012, the carrying amount of the Authority's deposits totaled $1,405 and its bank balances (excluding money market funds and certificates of deposit) were $1,405. Based on the criteria described in GASB Statement No. 40, "Deposit and Investment Risk Disclosure," as of September 30, 2012, $0 was exposed to custodial risk as discussed below, as $1,405 was covered by the Federal Depository Insurance Corporation. In addition to the total deposit of $1,405, the carrying value in the financial statements includes $200 of petty cash balance.

Investments – At September 30, 2012, the Authority held amounts in money market funds and certificates of deposit listed below. Maturity dates of the funds' securities are less than one year. Maturity dates of the certificates of deposit, which are placed in three different institutions, range from six months to two years. The bank balances of the money market funds (carrying value below) were $1,529,619, with $250,000 covered by the Federal Deposit Insurance Corporation.

Description	Fair Value / Carrying Value
Key Public Money Market Funds	$1,508,350
State Treasury Asset Reserve of Ohio	$98
Huntington Bancshares Certificates of Deposit	$376,089

Custodial credit risk is the risk that in the event of bank failure, the Authority will not be able to recover the deposits. All money market deposits are collateralized with eligible securities in amounts equal to at least 116% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at the Federal Reserve Banks or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the Authority.

Interest rate risk is the risk of fair value losses arising from rising interest rates. The Ohio Revised Code generally limits investment to those having maturities within five years or less. The Authority has no limits on the amount the Authority may invest with one issuer.

Component Units – At December 31, 2012, each component unit maintains cash accounts at a single financial institution, respectively, where balances at times may exceed the $250,000 insured limit. The

Component Units also have escrows and reserves held by the mortgage lender, and the balances may exceed $250,000.

3. NOTES RECEIVABLE:

Hope VI Loan – Lincoln Park Phase IA
The Authority executed a HOPE VI Loan Agreement in the amount of $583,529 with Lincoln Park Housing Partnership LP for the development of 40 rental units (Phase IA) on March 22, 2007. The term of the loan promissory note began March 22, 2007 and continues until fifty (50) years from the first day of the month following the Substantial Completion Date as defined in the loan agreement. Each advance under the note bears interest during its term at the rate of 2% per annum, compounded annually. The loan is secured by an Open End Leasehold Mortgage and Security Agreement between Lincoln Park Housing Partnership LP (mortgagor) and the Authority (mortgagee). As a condition to providing funding for the loan, the Authority received the required Completion and Development Deficiency Guarantee from Penrose Properties LLC and Penrose Development LLC, each of whom is an affiliate of the general partner, Penrose GP LLC, of Lincoln Park Housing Partnership LP. Accrued interest receivable on this loan was $63,108 at September 30, 2012.

The Authority executed an additional promissory note with the partnership in December 2008. The total loan amount the Authority agreed to lend LPHPLP is $250,000 under the HOME Investment Partnership program with interest at 1% per annum, compounded annually. No payments are to be made during the term of the loan. The balance of principal and interest are due on March 22, 2047. Accrued interest receivable on this loan was $9,713 at September 30, 2012.

Hope VI Loan – Lincoln Park Phase IB
The Authority executed a HOPE VI Loan Agreement in the amount of $950,000 with Lincoln Park Housing Partnership II LP for the development of 68 rental units (Phase IB) on March 22, 2007. The term of the loan promissory note began on March 22, 2007 and continues until fifty (50) years from the first day of the month following the Substantial Completion Date as defined in the loan agreement. Each advance under the note bears interest during its term at the rate of 1% per annum, compounded annually. The loan is secured by an Open End Leasehold Mortgage and Security Agreement between Lincoln Park Housing Partnership LP (mortgagor) and The Authority (mortgagee). As a condition to providing funding for the loan, the Authority received the required Completion and Development Deficiency Guarantee from Penrose Properties, LLC and Penrose Development LLC, each of whom is an affiliate of the general partner, Penrose GP LLC, of Lincoln Park Housing Partnership II LP. Accrued interest receivable on this loan was $50,922 at September 30, 2012.

The Authority executed an additional promissory note with the partnership in December 2008. The total loan amount the Authority agreed to lend LPHPIILP is $750,000 under the HOME Investment Partnership program with interest at 1% per annum, compounded annually. No payments are to be made during the term of the loan. The balance of principal and interest are due on March 22, 2047. Accrued interest receivable on this loan was $29,140 at September 30, 2012.

Hope VI Loan – Lincoln Park Phase II
The Authority executed a non-recourse construction and permanent loan, on March 4, 2009, with Lincoln Park Housing Partnership III LP, from Hope VI grant funds in the amount of $4,251,152 for the development of 24 rental units (Phase II). Proceeds from the initial disbursement of the permanent loan were used to repay the predevelopment loan in full.

The Authority's permanent loan ($4,251,152) bears interest at 0.25% per year with a 50-year term beginning upon the completion of construction, and requiring debt service due out of cash flow pursuant to a Regulatory and Operating Agreement. Proceeds of the loan are provided for Bond Loan repayment and are secured by a leasehold mortgage on the Development having second priority during construction until bonds are repaid and thereafter being a first priority leasehold mortgage. The balance due from the partnership at September 30, 2012 was $4,144,713. Accrued interest receivable on this loan was $15,115 at September 30, 2012.

4. CAPITAL ASSETS:

The following is a summary of changes in the Authority's capital assets for the year ended September 30, 2012:

		Beginning Balance	Additions	Disposals/ Reclassifications	Ending Balance
Capital assets, not being depreciated					
Land	$	2,228,770	-	-	2,228,770
Capital assets being depreciated					
Buildings		23,512,782	94,965	-	23,607,747
Furniture and equipment		1,606,609	88,572	(26,021)	1,669,160
Leasehold improvements		4,860,626	177,737	-	5,038,363
		29,980,017	361,274	(26,021)	30,315,270
Accumulated depreciation					
Buildings		15,736,527	721,040	-	16,457,567
Furniture and equipment		884,830	189,696	(24,670)	1,049,856
Leasehold improvements		2,141,361	157,291	-	2,298,652
		18,762,718	1,068,027	(24,670)	19,806,075
Capital assets, net	$	13,446,069	(706,753)	(1,351)	12,737,965

The depreciation expense for the year ended September 30, 2012 was $1,068,027.

The following is a summary of changes in the Component Units' capital assets for the period ended December 31, 2012:

LPHPLP		Beginning Balance	Additions	Disposals/ Reclassifications	Ending Balance
Capital assets being depreciated					
Buildings		6,499,488	-	-	6,499,488
Furniture and equipment		161,461	-	-	161,461
Land improvements		215,457	-	-	215,457
Less accumulated depreciation		(710,515)	(189,406)	-	(899,921)
Capital assets, net	$	6,165,891	(189,406)	-	5,976,485

LPHPIILP		Beginning Balance	Additions	Disposals/ Reclassifications	Ending Balance
Capital assets being depreciated					
Buildings		11,188,998	-	-	11,188,998
Furniture and equipment		322,707	-	-	322,707
Land improvements		510,233	-	-	510,233
Less accumulated depreciation		(1,232,513)	(337,508)	-	(1,570,021)
Capital assets, net	$	10,789,425	(337,508)	-	10,451,917

LPHPIIILP		Beginning Balance	Additions	Disposals/ Reclassifications	Ending Balance
Capital assets being depreciated					
Buildings		5,520,819	-	-	5,520,819
Furniture and equipment		40,656	-		40,656
Land improvements		308,431	-	-	308,431
Less accumulated depreciation		(358,326)	(157,507)	-	(515,833)
Capital assets, net	$	5,511,580	(157,507)	-	5,354,073

5. LONG-TERM LIABILITIES:

The Authority borrowed $1,000,000 from the City of Springfield under the HOME Investment Partnership program with interest at 1% per annum, compounded annually. No payments are to be made during the term of the loan. The balance of principal and interest are due on March 22, 2047. Funds from this loan were used to make HOME loans to the Component Units, as described in Note 3.

Long-term debt is as follows for the Component Units as of December 31, 2012:

		Total Component Units	LPHPLP	LPHPIILP	LPHPIIILP
First mortgage notes (A)	$	5,678,243	583,529	950,000	4,144,714
Second mortgage notes (A)		1,000,000	250,000	750,000	-
Fourth mortgage note (B)		720,275	720,275	-	-
Total long-term debt	$	7,398,518	1,553,804	1,700,000	4,144,714

(A) Amounts due the Authority (see Note 3)

(B) The Ohio Housing Finance Agency has committed to lend a principal sum up to $1,000,000 with interest at 2% per annum. The loan will be amortized over a ten year period with annual principal and interest payments of $111,327. Accrued interest as of December 31, 2012 is $18,686. The outstanding principal balance as of December 31, 2012 was $720,275.

The above mortgages and bonds are collateralized by all land, buildings and equipment of the partnerships.

Changes in long-term liabilities are as follows for the periods ended September 30, 2012 and December 31, 2012, respectively:

The Authority:	Balance 09/30/11	Payments/ Forfeits	Additions	Balance 09/30/12	Current	Non-current
Compensated absences	$ 172,211	5,026	-	167,185	41,796	125,389
Long-term debt	1,000,000	-	-	1,000,000	-	1,000,000
Other long-term liabilities	77,617	-	35,118	112,735	-	112,735
	$ 1,249,828	5,026	35,118	1,279,920	41,796	1,238,124

Component Units:	Balance 12/31/11	Payments/ Forfeits	Additions	Balance 12/31/12	Current	Non-current
Long-term debt	$ 7,579,610	181,091	-	7,398,518	-	7,398,518
Other long-term liabilities	45,084	-	4,916	50,000	-	50,000
	$ 7,624,694	181,091	4,916	7,448,518	-	7,448,518

6. DEFINED BENEFIT PENSION PLANS – OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM:

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

a. The Traditional Pension Plan (TP) - a cost-sharing, multiple-employer defined benefit pension plan.
b. The Member-Directed Plan (MD) - a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings.
c. The Combined Plan (CO) - a cost-sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to the Traditional Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the Traditional Plan and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report which may be obtaining by writing to the Ohio Public Employee Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling 614-222-6701 or 800-222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2012 and 2011, member and employer contribution rates were consistent across all three plans (TP, MD and CO). The 2012 and 2011 member contribution rates were 10% of covered payroll and the employer contribution rate was 14.00 percent of covered payroll during 2012 and 2011. Total required contributions for all plans are equal to 100% of employer charges and should be extracted from the employer's records. The Authority's required contributions, including the pick up portion for certain employees for the periods ended September 30, 2012, 2011 and 2010 were $239,915, $293,033, and $299,779, respectively.

7. POSTEMPLOYMENT BENEFITS – OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM:

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

OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the TP and the CO plans. Members of the MD plan do not qualify for ancillary benefits, including post-employment health care coverage. In order to qualify for post-retirement health care coverage, age and service retirees under the Traditional Pension and Combined Plans must have ten or more years of qualifying Ohio service credit. Health care coverage for disability recipients and qualified survivor recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post-employment Benefit (OPEB) as described in GASB Statement 45.

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

The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of postretirement health care coverage. Employer contribution rates are expressed as a percentage of the covered payroll of active members. The 2012 and 2011 employer contribution rate was 14.0% of covered payroll. This is the maximum rate permitted by the Ohio Revised Code. Active members do not make contributions to the OPEB Plan. OPERS' Post Employment Health Care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. The portion of employer contributions allocated to health care for members in the TP was 4.0% during the calendar years 2012 and 2011. The portion of employer contributions allocated to health care for members in the CO was 6.05% during calendar years 2012 and 2011. Effective January 1, 2013, the portion of the employer contributions allocated to health care was lowered to 1% for both plans, as recommended by the OPERS Actuary. The OPERS Board of Trustees is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care benefits provided. Payment amounts vary depending on the number of covered dependents and the coverage selected.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4% of the employer contributions toward the health care fund after the end of the transition period.

8. RISK MANAGEMENT:

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

9. CONTINGENT LIABILITIES:

The Authority is party to various legal proceedings from its normal course of business. No provision has been made in the financial statements for the effect, if any, of such contingencies. Although the outcome of these proceedings is not presently determinable, in the opinion of the Authority, the ultimate disposition of these matters will not materially affect the financial position of the Authority.

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

The Authority's American Recovery and Reinvestment Act of 2009 Public Housing Capital Fund Stimulus (Formula) Recovery Act Funded Grant (ARRA) was audited by the Inspector General's Office (IG) and the report was issued in September 2011. The IG report included a finding that the Authority did not administer its capital fund grant in accordance with ARRA. As a result, the Authority has recognized a prior period adjustment (see Note 11) totaling $170,705, of which $122,867 is payable to HUD at September 30, 2012.

10. CONCENTRATIONS:

The Authority receives the majority of its revenue from the U.S. Department of Housing and Urban Development and is subject to mandated changes by HUD and changes in Congressional acts.

11. PRIOR PERIOD ADJUSTMENT:

The prior period adjustment described in Note 9 above in the amount of $170,705 and a reclassification adjustment between Restricted and Unrestricted Net Assets made in the housing choice voucher program in the amount of $36,715 to reconcile with VMS Reporting affects the amounts reported for the year ended September 30, 2011 as follows:

		As Previously Reported	Prior Period Adjustment	As Restated
Statement of Net Assets				
Accounts payable - HUD	$	171	170,705	170,876
Total Liabilities	$	1,801,159	170,705	1,971,864
Restricted net assets	$	1,500,946	(36,715)	1,464,231
Unrestricted net assets	$	5,680,782	(133,990)	5,546,792
Total net assets	$	20,627,797	(170,705)	20,457,092
Statement of Activities and Change in Net Assets:				
Net assets, beginning of year	$	20,959,931	(170,705)	20,789,226
Net assets, end of year	$	20,627,797	(170,705)	20,457,092

Springfield Metropolitan Housing Authority
Supplemental Financial Data Schedules
Statement of Net Assets
September 30, 2012

FDS Line Item	Account Description	Low Rent Public Housing 14.850a	Mainstream Vouchers 14.879	Section 8 Vouchers 14.871	HOME Funds 14.239	Shelter Plus Care 14.238	Project Choice 93.959	HOPE VI 14.866	ARRA 14.884	ROSS 14.870	Central Office Cost Center	Eliminations	Total
	ASSETS												
111	Cash - unrestricted	$ -	-	1,162	-	-	-	-	-	-	107,175	-	108,337
112	Cash-restricted-modernization and dev	3,618	-	-	-	-	-	-	-	-	-	-	3,618
113	Cash - other restricted	34,951	40,100	1,032,606	3,265	9,534	-	91,463	122,867	-	-	-	1,334,786
114	Cash - tenant security deposits	63,312	-	-	-	-	-	-	-	-	-	-	63,312
100	Total cash	101,881	40,100	1,033,768	3,265	9,534	-	91,463	122,867	-	107,175	-	1,510,053
122	Accounts receivable - HUD other project	163,813	-	-	1,243	-	-	-	-	39,399	-	-	204,455
124	Accounts receivable - other state local	-	-	-	-	4,268	-	-	-	-	-	-	4,268
125	Accounts receivable - miscellaneous	-	-	-	-	-	-	-	-	-	22,762	-	22,762
126	A/R Tenants - dwelling rents	145,249	-	-	-	-	-	-	-	-	-	-	145,249
126.1	Allowance for doubtful accounts	(46,480)	-	-	-	-	-	-	-	-	-	-	(46,480)
129	Accrued interest receivable	-	-	-	-	-	-	167,998	-	-	-	-	167,998
120	Total accounts receivable	262,582	-	-	1,243	4,268	-	167,998	-	39,399	22,762	-	498,252
132	Investments - restricted	-	-	-	-	-	-	376,089			-	-	376,089
142	Prepaid expenses and other assets	55,143	291	8,663	-	-	-	17,152	-	1,904	16,050	-	99,203
143	Inventories	130,908	-	-	-	-	-	-	-	-	1,264	-	132,172
143	Allowance for obsolete inventory	(41,890)	-	-	-	-	-	-	-	-	(404)	-	(42,294)
144	Interprogram due from	298,478	3,942	2,455	-	-	-	437	-	-	636,244	(941,556)	-
150	Total current assets	807,102	44,333	1,044,886	4,508	13,802	-	653,139	122,867	41,303	783,091	(941,556)	2,573,475
161	Land	1,881,721	-	-	-	-	-	197,229	-	-	149,820	-	2,228,770
162	Buildings	23,607,746	-	-	-	-	-	-	-	-	-	-	23,607,746
163	Furniture and equipment - dwellings	935,265	-	-	-	-	-	-	-	-	2,869	-	938,134
164	Furniture and equipment - admin	252,925	-	14,050	-	-	-	65,271	-	-	398,781	-	731,027
168	Infrastructure	2,678,999	-	-	-	-	-	2,359,365	-	-	-	-	5,038,364
166	Accumulated depreciation	(18,634,624)	-	(13,941)	-	-	-	(759,598)	-	-	(397,913)	-	(19,806,076)
160	Total fixed assets, net	10,722,032	-	109	-	-	-	1,862,267	-	-	153,557	-	12,737,965
172	Notes receivable, long term	-	-	-	-	-	-	6,678,242	-	-	-	-	6,678,242
174	Other assets	-	-	-	-	-	-	-	-	-	-	-	-
180	Total non-current assets	10,722,032	-	109	-	-	-	8,540,509	-	-	153,557	-	19,416,207
190	Total assets	$ 11,529,134	44,333	1,044,995	4,508	13,802	-	9,193,648	122,867	41,303	936,648	(941,556)	21,989,682

Springfield Metropolitan Housing Authority
Supplemental Financial Data Schedules
Statement of Net Assets
September 30, 2012

FDS Line Item	Account Description	Low Rent Public Housing 14.850a	Mainstream Vouchers 14.879	Section 8 Vouchers 14.871	HOME Funds 14.239	Shelter Plus Care 14.238	Project Choice 93.959	HOPE VI 14.866	ARRA 14.884	ROSS 14.870	Central Office Cost Center	Eliminations	Total
	LIABILITIES												
312	Accounts payable >=90 days	$ 238,406	-	8,456	-	-	-	1,890	-	1,859	14,695	-	265,306
321	Accrued wages/payroll taxes	46,898	325	17,321	-	-	1,167	2,237	-	2,181	28,496	-	98,625
322	Accrued compensated absences, current	30,874	203	2,869	-	-	-	287	-	-	7,563	-	41,796
325	Accrued interest payable	-	-	-	-	-	-	38,853	-	-	-	-	38,853
331	Accounts payable - HUD	-	-	-	-	-	-	-	122,867	-	-	-	122,867
341	Tenant security deposits	63,312	-	-	-	-	-	-	-	-	-	-	63,312
342	Deferred revenue	3,545	-	-	-	-	-	-	-	-	-	-	3,545
346	Accrued liabilities - other	50,079	-	2,434	-	-	400	-	-	-	11,340	-	64,253
347	Interprogram due to	894,229	64	467	435	1,453	10,599	-	-	33,679	630	(941,556)	-
310	Total current liabilities	1,327,343	592	31,547	435	1,453	12,166	43,267	122,867	37,719	62,724	(941,556)	698,557
353	Noncurrent liabilities - other	34,951	-	77,784	-	-	-	-	-	-	-	-	112,735
354	Accrued compensated absences, non-current	92,623	611	8,605	-	-	-	860	-	-	22,690	-	125,389
355	Loan liability	-	-	-	-	-	-	1,000,000	-	-	-	-	1,000,000
350	Total noncurrent liabilities	127,574	611	86,389	-	-	-	1,000,860	-	-	22,690	-	1,238,124
300	Total liabilities	1,454,917	1,203	117,936	435	1,453	12,166	1,044,127	122,867	37,719	85,414	(941,556)	1,936,681
	NET ASSETS												
508	Invested in capital assets, net of related debt	10,722,032	-	109	-	-	-	1,862,267	-	-	153,557	-	12,737,965
511	Restricted net assets	-	40,100	905,546	3,265	9,534	-	467,552	-	-	-	-	1,425,997
512	Unrestricted net assets	(647,815)	3,030	21,404	808	2,815	(12,166)	5,819,702	-	3,584	697,677	-	5,889,039
513	Total equity	10,074,217	43,130	927,059	4,073	12,349	(12,166)	8,149,521	-	3,584	851,234	-	20,053,001
600	Total liabilities and equity	$ 11,529,134	44,333	1,044,995	4,508	13,802	-	9,193,648	122,867	41,303	936,648	(941,556)	21,989,682

Springfield Metropolitan Housing Authority
Supplemental Financial Data Schedules
Statement of Revenues, Expenses and Changes in Net Assets
Year Ended September 30, 2012

FDS Line Item	Account Description	Low Rent Public Housing 14.850a	Mainstream Vouchers 14.879	Section 8 Vouchers 14.871	HOME Funds 14.239	Shelter Plus Care 14.238	Project Choice 93.959	HOPE VI 14.866	ARRA 14.884	ROSS 14.870	Central Office Cost Center	Eliminations	Total
	REVENUE												
703	Net tenant rental revenue	$ 1,062,116	-	-	-	-	-	-	-	-	-	-	1,062,116
704	Tenant revenue - other	103,581	-	-	-	-	-	-	-	-	-	-	103,581
705	Total tenant revenue	1,165,697	-	-	-	-	-	-	-	-	-	-	1,165,697
706	PHA HUD grants	2,966,778	223,036	5,985,717	-	132,429	-	-	-	213,540	-	-	9,521,500
706.1	Capital grants	283,439	-	-	-	-	-	-	-	-	-	-	283,439
707	Fee revenue	-	-	-	-	-	-	-	-	-	780,615	(780,615)	-
708	Other government grants	-	-	-	14,595	12,990	24,121	-	-	-	-	-	51,706
711	Investment income - unrestricted	244	-	-	-	-	-	-	-	-	52	-	296
720	Investment income - restricted	-	-	913	-	-	-	40,657	-	-	-	-	41,570
714	Fraud recovery	-	-	20,286	-	-	-	-	-	-	-	-	20,286
715	Other revenue	1,985	-	8,601	-	-	1,340	-	-	-	83,679	-	95,605
716	Gain on sale of capital assets	24,156	-	-	-	-	-	-	-	-	-	-	24,156
	Total revenue	4,442,299	223,036	6,015,517	14,595	145,419	25,461	40,657	-	213,540	864,346	(780,615)	11,204,255
	EXPENSES												
911	Administrative salaries	258,883	50,071	202,943	1,643	7,126	3,146	17,843	-	44,789	443,195	-	1,029,639
912	Auditing fees	11,889	-	-	-	-	-	-	-	-	5,742	-	17,631
913	Management and book-keeping fees	560,318	-	220,297	-	-	-	-	-	-	-	(780,615)	-
914	Advertising and marketing	2,073	-	223	-	-	-	-	-	-	85	-	2,381
915	Employee benefit contribution - admin	73,790	15,021	76,371	-	-	1,712	4,912	-	4,315	183,052	-	359,173
916	Office expenses	128,281	-	8,021	-		92	2,679	-	14,536	54,072	-	207,681
917	Legal services	12,312	-	-	-	-	-	-	-	-	16,470	-	28,782
918	Travel	7,942	-	1,542	-	-	-	-	-	-	7,529	-	17,013
919	Other administrative	44,269	-	9,421	-	-	-	11,165	-	-	22,686	-	87,541
921	Tenant services - salaries	-	-	19,496	-	-	28,667	-	-	77,308	-	-	125,471
923	Employee benefit contrib - ten svcs	6	-	5,107	-	-	2,155	6,434	-	33,194	-	-	46,896
924	Tenant services - other	1,161	-	26,800	-	-	5,170	32,395	-	21,950	-	-	87,476
931	Water	178,704	-	-	-	-	-	-	-	-	9,310	-	188,014
932	Electricity	299,090	-	-	-	-	-	-	-	-	27,928	-	327,018
933	Gas	140,694	-	4	-	-	-	-	-	-	11,451	-	152,149
936	Sewer	74,475	-	-	-	-	-	-	-	-	2,413	-	76,888
941	Ord maintenance/op-labor	405,752	-	-	-	-	-	-	-	-	13,497	-	419,249
942	Ord maintenance/op - materials	148,307	-	2,270	-	-	-	291	-	1,000	1,369	-	153,237
943	Ord maintenance/op - cont costs	397,753	-	1,179	-	-	500	-	-	-	16,906	-	416,338
945	Emp benefit contrib - ord main	187,905	-	-	-	-	-	-	-	-	417	-	188,322
961	Insurance premiums	175,390	930	10,995	-	-	583	636	-	4,047	31,775	-	224,356
962	Other general expenses	414,687	535	931	-	-	-	1,147	-	-	74,953	-	492,253
968	Severance expense	25,862	-	-	-	-	-	-	-	4,065	20,340	-	50,267
964	Bad debts - tenant rents	61,019	-	-	-	-	-	-	-	-	-	-	61,019
967	Interest expense	-	-	-	-	-	-	-	-	-	-	-	-
969	Total operating expenses	3,610,562	66,557	585,600	1,643	7,126	42,025	77,502	-	205,204	943,190	(780,615)	4,758,794
	EXCESS REVENUE OVER OPERATING EXPENSES	$ 831,737	156,479	5,429,917	12,952	138,293	(16,564)	(36,845)	-	8,336	(78,844)	-	6,445,461

Springfield Metropolitan Housing Authority
Supplemental Financial Data Schedules
Statement of Revenues, Expenses and Changes in Net Assets
Year Ended September 30, 2012

FDS Line Item	Account Description		Low Rent Public Housing 14.850a	Mainstream Vouchers 14.879	Section 8 Vouchers 14.871	HOME Funds 14.239	Shelter Plus Care 14.238	Project Choice 93.959	HOPE VI 14.866	ARRA 14.884	ROSS 14.870	Central Office Cost Center	Total
970	EXCESS REVENUE OVER OPERATING EXPENSES	$	831,737	156,479	5,429,917	12,952	138,293	(16,564)	(36,845)	-	8,336	(78,844)	6,445,461
972	Casualty losses - non capitalized		29,372	-	-	-	-	-	-	-	-	270	29,642
973	Housing Assistance Payments		18,930	153,182	5,428,748	12,952	138,071	-	-	-	-	-	5,751,883
974	Depreciation expense		878,801	-	221	-	-	-	163,117	-	-	25,888	1,068,027
	Total expenses		4,537,665	219,739	6,014,569	14,595	145,197	42,025	240,619	-	205,204	969,348	11,608,346
1000	EXCESS OF REVENUE OVER EXPENSES		(95,366)	3,297	948	-	222	(16,564)	(199,962)	-	8,336	(105,002)	(404,091)
1009	Transfers from (to) programs		2,283	-	-	-	-	-	-	-	(2,283)	-	-
1103	Beginning equity, as restated		10,167,300	39,833	926,111	4,073	12,127	4,398	8,349,483	-	(2,469)	956,236	20,457,092
	Ending equity	$	10,074,217	43,130	927,059	4,073	12,349	(12,166)	8,149,521	-	3,584	851,234	20,053,001

Springfield Metropolitan Housing Authority
Supplemental Financial Data Schedules
Balance Sheet
Asset Management Properties
September 30, 2012

FDS Line Item	Account Description		021-21	021-22	021-23	021-24	021-25	021-26	021-27	021-28	Eliminations	Total
	ASSETS											
111	Cash-Unrestricted	$	-	-	-	-	-	-	-	-	-	-
112	Cash-restricted-modernization		-	-	-	-	3,618	-	-	-	-	3,618
113	Cash - other restricted		-	-	25,969	5,118	3,864	-	-	-	-	34,951
114	Cash - tenant security deposits		-	11,823	16,487	17,693	17,309	-	-	-	-	63,312
115	Cash restricted for payment of		-	-	-	-	-	-	-	-	-	-
100	Total cash		-	11,823	42,456	22,811	24,791	-	-	-	-	101,881
122	Accounts receivable - HUD other project		-	65,878	32,507	38,288	27,140	-	-	-	-	163,813
126	A/R Tenants - dwelling rents		-	37,613	40,049	15,963	51,624	-	-	-	-	145,249
126	Allowance for doubtful accounts		-	(12,036)	(12,816)	(5,108)	(16,520)	-	-	-	-	(46,480)
120	Total accounts receivable		-	91,455	59,740	49,143	62,244	-	-	-	-	262,582
142	Prepaid expenses and other assets		-	8,646	14,042	17,642	14,813	-	-	-	-	55,143
143	Inventories		-	21,231	26,620	47,092	35,965	-	-	-	-	130,908
143	Allowance for obsolete inventory		-	(6,794)	(8,518)	(15,069)	(11,509)	-	-	-	-	(41,890)
144	Interprogram due from		-	1,587	210,523	1,579	1,856	11,700	57,307	13,926	-	298,478
150	Total current assets		-	127,948	344,863	123,198	128,160	11,700	57,307	13,926	-	807,102
161	Land		-	210,838	378,548	734,473	557,862	-	-	-	-	1,881,721
162	Buildings		-	6,176,899	5,504,945	5,676,594	6,249,308	-	-	-	-	23,607,746
163	Furniture and equipment - dwellings		-	586,596	103,504	121,275	108,959	6,743	7,199	989	-	935,265
164	Furniture and equipment - admin		-	36,098	41,403	94,414	81,010	-	-	-	-	252,925
168	Infrastructure		-	294,116	684,917	1,247,316	452,650	-	-	-	-	2,678,999
166	Accumulated depreciation		-	(5,086,416)	(4,098,519)	(4,881,649)	(4,554,339)	(6,344)	(6,724)	(633)	-	(18,634,624)
160	Total fixed assets, net		-	2,218,131	2,614,798	2,992,423	2,895,450	399	475	356	-	10,722,032
190	Total assets	$	-	2,346,079	2,959,661	3,115,621	3,023,610	12,099	57,782	14,282	-	11,529,134

Springfield Metropolitan Housing Authority
Supplemental Financial Data Schedules
Balance Sheet (Continued)
Asset Management Properties
September 30, 2012

FDS Line Item	Account Description	21-21	21-22	21-23	21-24	21-25	21-26	21-27	21-28	Eliminations	Total
	LIABILITIES										
312	Accounts payable >=90 days	$ -	83,799	58,365	52,630	41,176	754	1,226	456	-	238,406
321	Accrued wages/payroll taxes	-	10,282	12,162	11,555	12,899	-	-	-	-	46,898
322	Accrued compensated absences, current	-	4,709	7,956	5,067	12,969	52	89	32	-	30,874
341	Tenant security deposits	-	11,823	16,487	17,693	17,309	-	-	-	-	63,312
342	Deferred revenue	-	-	1,254	2,291	-	-	-	-	-	3,545
345	Other current liabilities	-	-	-	-	-	-	-	-	-	-
346	Accrued liabilities - other		12,878	12,418	19,590	5,193					50,079
347	Interprogram due to	-	190,106	49,916	603,152	50,776	71	208	-	-	894,229
310	Total current liabilities	-	313,597	158,558	711,978	140,322	877	1,523	488	-	1,327,343
353	Noncurrent liabilities - other	-	-	25,969	5,118	3,864	-	-	-	-	34,951
354	Accrued compensated absences, non-current	-	14,127	23,869	15,201	38,906	158	268	94	-	92,623
350	Total noncurrent liabilities	-	14,127	49,838	20,319	42,770	158	268	94	-	127,574
300	Total liabilities	-	327,724	208,396	732,297	183,092	1,035	1,791	582	-	1,454,917
	NET ASSETS										
508	Invested in capital assets, net of related debt	-	2,218,131	2,614,798	2,992,423	2,895,450	399	475	356	-	10,722,032
511	Restricted net assets	-	-	-	-	-	-	-	-	-	-
512	Unrestricted net assets	-	(199,776)	136,467	(609,099)	(54,932)	10,665	55,516	13,344	-	(647,815)
513	Total equity	-	2,018,355	2,751,265	2,383,324	2,840,518	11,064	55,991	13,700	-	10,074,217
600	Total liabilities and equity	$ -	2,346,079	2,959,661	3,115,621	3,023,610	12,099	57,782	14,282	-	11,529,134

Springfield Metropolitan Housing Authority
Supplemental Financial Data Schedules
Statement of Income
Asset Management Properties
Year Ended September 30, 2012

FDS Line Item	Account Description		21-21	21-22	21-23	21-24	21-25	21-26	21-27	21-28	Total
	REVENUE										
703	Net tenant rental revenue	$	-	181,715	308,303	260,892	311,206	-	-	-	1,062,116
704	Tenant revenue - other		-	23,175	22,855	21,670	35,881	-	-	-	103,581
705	Total tenant revenue		-	204,890	331,158	282,562	347,087	-	-	-	1,165,697
706	PHA HUD grants		-	681,236	661,760	636,672	566,698	128,493	209,760	82,159	2,966,778
706.1	Capital grants		-	60,546	37,340	158,658	26,895	-	-	-	283,439
708	Other government grants		-	-	-	-	-	-	-	-	-
711	Investment income - unrestricted		-	60	63	61	60	-	-	-	244
715	Other revenue		-	164	458	1,279	84	-	-	-	1,985
716	Gain or loss on sale of capital assets		-	2,571	2,550	16,463	2,572	-	-	-	24,156
	Total revenue		-	949,467	1,033,329	1,095,695	943,396	128,493	209,760	82,159	4,442,299
	EXPENSES										
911	Administrative salaries		-	64,926	66,722	54,013	71,835	147	802	438	258,883
912	Auditing fees		-	2,470	2,828	2,617	2,584	421	716	253	11,889
913	Management and book-keeping fees		-	114,417	151,625	136,234	139,562	5,600	9,520	3,360	560,318
914	Advertising and marketing		-	1,891	64	59	59	-	-	-	2,073
915	Employee benefit contribution - admin		-	17,096	11,120	18,486	25,763	654	671	-	73,790
916	Office expenses		-	29,581	32,166	35,544	28,181	92	1,864	853	128,281
917	Legal services		-	3,668	2,983	2,272	3,389	-	-	-	12,312
918	Travel		-	1,990	2,445	1,728	1,779	-	-	-	7,942
919	Other administrative		-	11,732	11,254	10,198	11,085				44,269
923	Employee benefit contrib - ten svcs		-	-	-	-	-	2	3	1	6
924	Tenant services - other		-	104	508	-	549	-	-	-	1,161
931	Water		-	36,239	49,111	53,426	39,928	-	-	-	178,704
932	Electricity		-	73,338	69,553	73,562	82,637	-	-	-	299,090
933	Gas		-	38,968	36,209	30,715	34,802	-	-	-	140,694
936	Sewer		-	15,816	23,039	20,648	14,972	-	-	-	74,475
941	Ord maintenance/op-labor		-	90,148	90,410	103,802	121,392	-	-	-	405,752
942	Ord maintenance/op - materials		-	36,634	38,438	34,469	38,766	-	-	-	148,307
943	Ord maintenance/op - cont costs		-	80,970	105,566	115,036	96,181	-	-	-	397,753
945	Emp benefit contrib - ord main		-	43,681	45,673	44,254	54,297				187,905
961	Insurance premiums		-	25,900	42,351	57,276	49,581	94	94	94	175,390
962	Other general expenses		-	7,224	4,099	7,515	13,940	114,283	183,592	84,034	414,687
968	Severance expense		-	3,888	21,053	-	-	307	307	307	25,862
964	Bad debts - tenant rents		-	26,597	6,130	12,995	15,297	-	-	-	61,019
969	Total operating expenses		-	727,278	813,347	814,849	846,579	121,600	197,569	89,340	3,610,562
	EXCESS REVENUE OVER OPERATING EXPENSES	$	-	222,189	219,982	280,846	96,817	6,893	12,191	(7,181)	831,737

Springfield Metropolitan Housing Authority
Supplemental Financial Data Schedules
Statement of Income
Asset Management Properties
Year Ended September 30, 2012

FDS Line Item	Account Description		21-21	21-22	21-23	21-24	21-25	21-26	21-27	21-28	Total
	EXCESS REVENUE OVER										
970	OPERATING EXPENSES	$	-	222,189	219,982	280,846	96,817	6,893	12,191	(7,181)	831,737
972	Casualty losses - non capitalized		-	12	516	27,282	1,562	-	-	-	29,372
973	Port-out HAP payments		-	-	13,669	1,852	3,409	-	-	-	18,930
974	Depreciation expense		-	284,065	204,399	182,403	204,800	1,326	1,478	330	878,801
	Total expenses		-	1,011,355	1,031,931	1,026,386	1,056,350	122,926	1,478	197,899	4,537,665
	EXCESS OF REVENUE										
1000	OVER EXPENSES		-	(61,888)	1,398	69,309	(112,954)	5,567	10,713	(7,511)	(95,366)
1009	Inter Project Excess Cash Transfer		(155,909)	50,203	-	53,165	52,541	-			-
1009	Transfers from (to) programs		-	-	-	-	1,711		285	287	2,283
1103	Beginning equity, as restated		155,909	2,030,040	2,749,867	2,260,850	2,899,220	5,497	44,993	20,924	10,167,300
	Ending equity	$	-	2,018,355	2,751,265	2,383,324	2,840,518	11,064	55,991	13,700	10,074,217

Springfield Metropolitan Housing Authority
Supplemental Financial Data Schedules
Balance Sheets
Discretely Presented Component Units
December 31, 2012

FDS Line Item	Account Description		Lincoln Park Housing Partnership LP	Lincoln Park Housing Partnership II LP	Lincoln Park Housing Partnership III LP	Total
	ASSETS					
111	Cash - unrestricted	$	2,357	15,533	75,406	93,296
113	Cash - other restricted		244,916	487,930	219,381	952,227
114	Cash - tenant security deposits		6,568	10,974	3,176	20,718
100	Total cash		253,841	514,437	297,963	1,066,241
125	Accounts receivable - miscellaneous		-	-	156	156
126	A/R Tenants - dwelling rents		56	-	103	159
120	Total accounts receivable		56	-	259	315
142	Prepaid expenses and other assets		7,461	11,844	5,379	24,684
150	Total current assets		261,358	526,281	303,601	1,091,240
162	Buildings		6,499,488	11,188,998	5,520,819	23,209,305
163	Furniture and equipment - dwellings		161,461	322,707	40,656	524,824
165	Land improvements		215,457	510,233	308,431	1,034,121
166	Accumulated depreciation		(899,921)	(1,570,021)	(515,833)	(2,985,775)
160	Total fixed assets, net		5,976,485	10,451,917	5,354,073	21,782,475
174	Other assets		217,243	183,957	238,714	639,914
180	Total non-current assets		6,193,728	10,635,874	5,592,787	22,422,389
190	Total assets	$	6,455,086	11,162,155	5,896,388	23,513,629
	LIABILITIES					
312	Accounts payable >=90 days	$	17,059	8,278	8,955	34,292
325	Accrued interest payable		87,060	76,644	29,101	192,805
341	Tenant security deposits		6,568	10,974	3,176	20,718
342	Deferred revenue		229	97	169	495
310	Total current liabilities		110,916	95,993	41,401	248,310
352	Long-term debt, net of current portion		1,553,804	1,700,000	4,144,714	7,398,518
353	Noncurrent liabilities - other		-	25,000	25,000	50,000
350	Total noncurrent liabilities		1,553,804	1,725,000	4,169,714	7,448,518
300	Total liabilities		1,664,720	1,820,993	4,211,115	7,696,828
	NET ASSETS					
508	Invested in capital assets, net of related debt		4,422,681	8,751,917	1,209,359	14,383,957
512	Unrestricted net assets		367,685	589,245	475,914	1,432,844
513	Total equity		4,790,366	9,341,162	1,685,273	15,816,801
600	Total liabilities and equity	$	6,455,086	11,162,155	5,896,388	23,513,629

Springfield Metropolitan Housing Authority
Supplemental Financial Data Schedules
Statement of Income
Discretely Presented Component Units
December 31, 2012

FDS Line Item	Account Description		Lincoln Park Housing Partnership LP	Lincoln Park Housing Partnership II LP	Lincoln Park Housing Partnership III LP	Total
	REVENUE					
703	Net tenant rental revenue	$	199,438	301,693	142,751	643,882
704	Tenant revenue - other		2,493	3,529	17,405	23,427
705	Total tenant revenue		201,931	305,222	160,156	667,309
711	Investment income - unrestricted		203	345	123	671
715	Other revenue (capital contributions)		111,293	-	87,598	198,891
	Total revenue		313,427	305,567	247,877	866,871
	EXPENSES					
911	Administrative salaries		21,880	32,366	12,795	67,041
912	Auditing fees		6,485	6,485	6,485	19,455
913	Management fee		21,885	32,384	14,532	68,801
914	Advertising and marketing		1,204	1,408	635	3,247
915	Employee benefit contribution - admin		8,486	13,803	3,356	25,645
916	Other operating - administrative		12,106	28,383	7,551	48,040
917	Legal services		1,606	789	353	2,748
918	Travel		4,591	5,779	3,844	14,214
921	Tenant services - salaries		7,231	12,533	4,338	24,102
931	Water		7,412	8,980	4,496	20,888
932	Electricity		4,112	5,692	1,327	11,131
933	Gas		1,403	626	280	2,309
936	Sewer		11,546	13,950	7,242	32,738
938	Other utility expenses		14,323	22,378	8,962	45,663
941	Ord maintenance/op-labor		15,077	26,001	9,535	50,613
942	Ord maintenance/op - materials		4,091	7,372	2,919	14,382
943	Ord maintenance/op - grounds		6,647	11,520	4,132	22,299
943	Ord maintenance/op - cont costs		17,929	19,910	12,090	49,929
961	Insurance premiums		12,133	19,673	8,503	40,309
962	Other general expenses		657	781	521	1,959
964	Bad debts - tenant rents		666	2,884	643	4,193
	Amortization		11,616	11,992	10,132	33,740
967	Interest expense		31,547	17,590	10,415	59,552
969	Total operating expenses		224,633	303,279	135,086	662,998
	EXCESS REVENUE OVER OPERATING EXPENSES		88,794	2,288	112,791	203,873
974	Depreciation expense		189,406	337,508	157,507	684,421
	Total expenses		414,039	640,787	292,593	1,347,419
	EXCESS OF REVENUE					
1000	OVER EXPENSES		(100,612)	(335,220)	(44,716)	(480,548)
1103	Beginning equity		4,890,978	9,676,382	1,729,989	16,297,349
	Ending equity	$	4,790,366	9,341,162	1,685,273	15,816,801

Springfield Metropolitan Housing Authority
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2012

Federal Grantor/Program Title	Federal CFDA Number		Federal Expenditures
U.S. Department of Housing and Urban Development:			
PHA Owned Housing:			
Public and Indian Housing (operating subsidiary)	14.850 a	$	2,477,765
Public Housing Capital Fund	14.872		772,452
ROSS	14.870		213,540
			3,463,757
Housing Assistance Payments: Annual Contribution			
Housing choice vouchers	14.871		5,985,717
Mainstream vouchers	14.879		223,036
Shelter Plus Care	14.238		132,429
			6,341,182
Passed through City of Springfield:			
HOME Investment Partnership Program	14.239		14,595
Total U.S. Department of Housing and Urban Development			9,819,534
U.S. Department of Health and Human Services:			
Passed through Ohio Department Alcohol, Drug Addiction Services			
Passed through Mental Health and Recovery Board of Clark, Madison and Greene Counties:			
Block Grant for Prevention and Treatment of Substance Abuse	93.959		24,121
Total - all programs		$	9,843,655

Note to the Schedule of Expenditures of Federal Awards:

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Springfield Metropolitan Housing Authority and is presented on the 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* . Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of , the basic financial statements.

SALVATORE CONSIGLIO, CPA, INC.

6548 Royalton Road, Suite 104
North Royalton, Ohio 44133
Phone (440) 877-9870
Fax (440) 877-9237
sconsiglio@salcpa.com

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

Board of Commissioners
Springfield Metropolitan Housing Authority

I have audited the financial statements of the business-type activities and the aggregate discretely presented component units of the Springfield Metropolitan Housing Authority, Ohio, as of and for the year ended September 30, 2012, which collectively comprise the Springfield Metropolitan Housing Authority, Ohio, basic financial statements and have issued my report thereon dated May 24, 2013. 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. I did not audit the financial statements of the component units of the Springfield Metropolitan Housing Authority, which statements reflect total assets of 52.0 percent of the total assets as of September 30, 2012 and total operating revenues constituting 6.0 percent of total operating revenues for the year then ended. These statements were audited by other auditors and these auditors have reported to you on the legal compliance and internal control over financial reporting of the component units. Accordingly, this report does not address the legal compliance and internal control over financial reporting of the component units of the Springfield Metropolitan Housing Authority.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Springfield Metropolitan Housing Authority, Ohio's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but no for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the entity'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 Government's financial statements will not be prevented, or detected and timely corrected.

My 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. I did not identify any deficiencies in internal control over financial reporting that I consider material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Springfield Metropolitan Housing Authority financial statements are free of material misstatement, I performed tests of its compliance with certain provision of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements 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 result of my tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

I noted certain matters that I have reported to management of Springfield Metropolitan Housing Authority in a separate letter dated May 24, 2013.

This report is intended for the information of the Board of Commissioners, 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

Digitally signed by Salvatore Consiglio
DN: cn=Salvatore Consiglio, o=Salvatore Consiglio, CPA, Inc., ou, email=sconsiglio@salcpa.com, c=US
Date: 2013.06.24 15:40:28 -04'00'

Salvatore Consiglio, CPA, Inc.
May 24, 2013

SALVATORE CONSIGLIO, CPA, INC.

6548 Royalton Road, Suite 104
North Royalton, Ohio 44133
Phone (440) 877-9870
Fax (440) 877-9237
sconsiglio@salcpa.com

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

Board of Commissioners
Springfield Metropolitan Housing Authority

Compliance

I have audited the compliance of the Springfield 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 could have a direct and material effect on each of its major federal programs for the year ended September 30, 2012. Springfield 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 Springfield Metropolitan Housing Authority, Ohio's management. My responsibility is to express an opinion on Springfield 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. 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 Springfield 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 Springfield Metropolitan Housing Authority, Ohio's compliance with those requirements.

In my opinion, Springfield 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 September 30, 2012.

Internal Control Over Compliance

The management of Springfield Metropolitan Housing Authority, Ohio 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 my audit, I considered Springfield Metropolitan Housing Authority's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of Springfield Metropolitan Housing Authority's internal control over compliance.

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

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

This report is intended for the information of the Board of Commissioners, 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

Digitally signed by Salvatore Consiglio
DN: cn=Salvatore Consiglio, o=Salvatore Consiglio, CPA, Inc., ou, email=sconsiglio@salcpa.com, c=US
Date: 2013.06.24 15:40:41 -04'00'

Salvatore Consiglio, CPA, Inc.
May 24, 2013

Springfield Metropolitan Housing Authority
Schedule of Findings and Questioned Costs
OMB Circular A-133 § .505
September 30, 2012

1. SUMMARY OF AUDITOR'S RESULTS

Type of Financial Statement Opinion	Unqualified
Were there any significant deficiency reported as material weakness at the financial statement level (GAGAS)?	No
Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
Were there any reported material non-compliance at the financial statement level (GAGAS)?	No
Were there any significant deficiency reported for any major federal programs as material weakness?	No
Were there any other significant deficiency reported for the 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 Low Rent Public Housing; 14.871 Housing Choice Voucher Program; and 14.872 Public Housing Capital Fund
Dollar Threshold: Type A/B Programs	Type A: > $300,000 Type B: All Others
Low Risk Auditee?	No

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS

There are no Findings or questioned costs for the year ended September 30, 2012.

3. FINDINGS AND QUESTIONED COTS FOR FEDERAL AWARDS

There are no Findings or questioned costs for the year ended September 30, 2012.

Springfield Metropolitan Housing Authority
Schedule of Prior Audit Findings
September 30, 2012

The following is the status of the September 30, 2011 audit finding:

Finding Number	Finding Summary	Fully Corrected	Not Corrected; Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2011-SMHA-1	Negative Unrestricted Net Asset	Yes	Corrected – the HCV Program did not report a negative UNA balance in the current financial statements.
2011-SMHA-2	Cash Management	No	Not Corrected – the Low Rent Public Housing Program still is carrying a negative equity balance and large interprogram payable to the COCC. Improvement was noted in current audit period, but must likely it will take several years to resolve this finding.
2011-SMHA-3	Procurement	No	Partially Corrected – Audit procedure revealed no new procurement procedures during the audit period. Discussion with the procurement officer revealed that training was provided and that the officer had an understanding of the policy and procedure. However, since no new awards took place, I could not conclude that the finding was resolved.

Dave Yost • Auditor of State

SPRINGFIELD METROPOLITAN HOUSING AUTHORITY

CLARK COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JULY 18, 2013