DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO

AUDIT REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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

Dave Yost • Auditor of State

Board of Commissioners
Dayton Metropolitan Housing Authority
400 Wayne Ave
Dayton, OH 45401

We have reviewed the *Independent Auditor's Report* of the Dayton Metropolitan Housing Authority, Montgomery County, prepared by James G. Zupka, CPA, Inc., for the audit period July 1, 2014 through June 30, 2015. 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 Dayton Metropolitan Housing Authority is responsible for compliance with these laws and regulations.

Dave Yost
Auditor of State

February 3, 2016

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DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
AUDIT REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Dayton Metropolitan Housing Authority
Dayton, Ohio

Regional Inspector General of Audit
Department of Housing and Urban Development

Report on the Financial Statements

We have audited the accompanying financial statements of the Dayton Metropolitan Housing Authority, Montgomery County, Ohio, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Dayton Metropolitan Housing Authority, as of June 30, 2015, and the changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 2 to the basic financial statements, the Dayton Metropolitan Housing Authority, Ohio, adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, and adjusted its net position at June 30, 2014. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of the Authority's Proportionate Share of the Net Pension Liability, and the Schedule of Authority Contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Dayton Metropolitan Housing Authority, Ohio's basic financial statements. The Statement of Modernization Costs - Completed and the Financial Data Schedules are presented for purposes of additional analysis and not a part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2015, on our consideration of the Dayton Metropolitan Housing Authority, Ohio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Dayton Metropolitan Housing Authority, Ohio's internal control over financial reporting and compliance.

James G. Zupka, CPA, President

Digitally signed by James G. Zupka, CPA, President
DN: cn=James G. Zupka, CPA, President, o=James G. Zupka, CPA, Inc., ou=Accounting, email=jgzcpa@sbcglobal.net, c=US
Date: 2015.12.30 13:24:05 -05'00'

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

November 20, 2015

DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

As management of the Dayton Metropolitan Housing Authority (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 June 30, 2015. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements, which begin on page 11.

FINANCIAL HIGHLIGHTS

- Total assets of the Authority exceeded its liabilities as of June 30, 2015, by $46,860,386 (a decrease of $9,073,656, or 16.2 percent, from June 30, 2014).

- Net investment in capital assets, net of debt, totaled $39,003,652 as of June 30, 2015 (a decrease of $2,072,752**,** or 5.0 percent, from June 30, 2014). Unrestricted net position totaled $6,708,602 as of June 30, 2015 (a decrease of $6,412,860, or 48.9 percent, from June 30, 2014).

- The Authority had total operating revenue of $38,999,031 (a decrease of $855,213, or 2.2 percent, from June 30, 2014). The Authority had total operating expenses of $43,130,253 (a $843,478 decrease, or 1.9 percent, from June 30, 2014) resulting in a net operating loss of $4,131,227 for the year ended June 30, 2015, and had other non-operating expenses, prior period adjustments, and losses in a net amount of $5,981,523 and $1,039,089 in capital contributions, resulting in a decrease in total net position of $9,073,656 for the year.

- The Authority implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* during FY 2015. This initial year of reporting resulted in the net addition of $5,438,139 of pension liability to the balance sheet, with a resultant reduction in net position.

- The Authority's capital additions for the year were $1,124,352.

USING THIS ANNUAL REPORT

This Management's Discussion and Analysis is intended to serve as an introduction to the Authority's financial statements. The following is a list of the financial statements included in this report:

MD&A
Management Discussion and Analysis

Financial Statements
Statement of Net Position,
Statement of Revenues, Expenses, and Changes in Net Position,
Statements of Cash Flows,
Notes to the Financial Statements

The financial statements are designed to provide readers with a broad overview of the Authority's finances in a manner similar to a private sector business.

The S*tatements of Net Position* presents information on all of the Authority's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The focus of the *Statement of Net Position* is to present the available assets, net of liabilities, which are available to the Authority.

> Net Investment in Capital Assets: This component of net position consists of capital assets, reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
>
> Restricted Net Position: This component of net position consists of restricted assets, which have constraints placed on the asset by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.
>
> Unrestricted Net Position: Consists of net position that does not meet the definition of "Net Investment in Capital Assets" or "Restricted Net Position".

The S*tatement of Revenues, Expenses, and Changes in Net Position* is similar to an income statement. This Statement includes operating revenues, such as rental income; operating expenses, such as administrative, utilities, maintenance, and depreciation; and non-operating revenue and expenses, such as grant revenue, investment income, gains and losses on capital assets disposals, and interest expense.

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

The S*tatement of Cash Flows* provides information about the Authority's cash receipts and cash payments during the reporting period. The Statement reports cash receipts, cash payments, and net changes in cash resulting from operating activities, capital and related financing activities, and investing activities.

The N*otes to the Financial Statements* provide additional information essential to a full understanding of the data provided in the basic financial statements.

The Authority administers several programs that are consolidated into a single proprietary-type enterprise fund. The more 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. Beginning in fiscal year 2008, the Authority adopted the HUD-directed Asset Management Project (AMP) structure for its public housing operations. Under Asset Management, public housing units were organized into AMPs. Each AMP is treated as a separate entity with the AMPs paying a fee to the Central Office Cost Center (COCC) for various centralized services. As in previous years, the HUD-provided operating subsidy allows the AMPs to provide housing at a rent that is based upon 30 percent of adjusted gross household income.

Under Asset Management, the operating subsidy is transferred in proportional shares to the individual AMPs as monthly subsidy revenue. Along with rent collection revenue, the AMPs administer their properties in a fashion similar to rental properties operated in the private sector. The AMP managers utilize program management, planning, bookkeeping, and other centralized services provided by the Authority's Central Office. The AMPs pay a monthly fee based on the number of units assigned and/or occupied for these services.

Public Housing Capital Fund Program (CFP) - The Public Housing Capital Fund Program is the primary funding source for physical and management improvements to the Authority's properties. CFP funding is based on a formula allocation that takes into consideration the size and age of the Authority's housing stock.

Section 8 Housing Choice Voucher Program -Under the Section 8 Housing Choice Voucher Program, low-income tenants lease housing units directly from private landlords rather than from the Authority. HUD contracts with the Authority, which in turn contracts with the private landlords and makes assistance payments for the difference between the approved contract rent and the actual rent paid by the low-income tenants.

Section 8 New Construction and Substantial Rehabilitation Program - The objective of the Program is to help eligible low-income families obtain decent, safe, and sanitary housing through a system of rental subsidies. Under this project-based cluster program, the rental subsidy is tied to a specific unit, and when a family moves from the unit they have no right to continued assistance.

Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation - The objective of the Program is to help eligible low-income families obtain decent, safe, and sanitary housing through a system of rental subsidies. Under this project-based cluster program, the rental subsidy is tied to a specific unit, and when a family moves from the unit they have no right to continued assistance.

Demolition and 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. Following the demolition of existing public housing units under the HOPE VI Demolition Grant, the Revitalization Program will seek to rebuild the neighborhood areas using a community anchor facility, new construction, and existing street patterns. While a significant portion of the redevelopment effort will be accomplished with HOPE VI funds, the majority will be completed using a variety of public and private resources.

Resident Opportunity and Supportive Services (ROSS) - The ROSS Program provides qualified public housing residents training in the skills necessary to achieve self-sufficiency. After completing the Family Self-Sufficiency Program, residents agree to seek and maintain suitable employment that matches their background, skills, and interests.

Business Activities Programs - The Business Activities Programs expand the supply of decent and affordable housing by using local non-federal resources to enable home ownership through loan assumption programs and affordable tenant rent units owned by the Authority.

Component Units – The Authority has established three component units to operate and develop mixed financing and/or tax credit housing. Each of the organizations listed below act as an affiliate unit as defined in HUD's PIH Notice 2008-15. The levels of participation and responsibility for each of the component units differs based on the type of development. The Authority's component units include:

Dayton Metro Homes, LLC – The Authority has established Dayton Metro Homes, LLC, dba Premier Asset Management (PAM), as a wholly-owned subsidiary. PAM was established for the purpose of owning an investment as general partner or ownership entity in tax credit and mixed financing projects. Currently, PAM operates 35 low-moderate income housing units in Germantown, Ohio. The assets, liabilities, and results of operations are included as part of the accompanying financial statements.

Windcliff Village II GP, Inc. – Windcliff Village II GP, Inc. was established as a single purpose for-profit corporation to manage the tax credit project Windcliff Village II. The development is operated by Windcliff Village II LP with Windcliff Village II GP, Inc. as the general partner. The assets, liabilities, and results of operations for Windcliff Village II GP, Inc., are included as part of the accompanying financial statements. The assets, liabilities, and results of operations for Windcliff Village II LP are not included in the accompanying financial statements, but are reported separately under provisions of the tax credit agreement.

North Star Commons, LLC – North Star Commons, LLC was formed to participate as a special partner in the Dayton View Commons II, LLC development. Under the provisions of the development agreement, North Star Commons, LLC will receive a partnership fee of which half must be held as a deferral until certain development objectives have been met. North Star Commons, LLC does not operate or own property in the Dayton View Commons II, LLC development. North Star Commons, LLC's assets, liabilities, and results of operations are included as part of the accompanying financial statements.

FINANCIAL ANALYSIS OF THE AUTHORITY

Statement of Net Position

The following table represents condensed Statements of Net Position.

	2015 (in thousands)	2014 (in thousands)
Assets and Deferred Outflows of Resources		
Current and Other Assets	$ 12,360	$ 14,530
Capital Assets	46,979	51,315
Other Non-Current Assets	3,344	193
Deferred Outflows of Resources	537	0
Total Assets and Deferred Outflows of Resources	63,220	66,038
Liabilities and Deferred Inflows of Resources		
Current Liabilities	2,109	3,407
Non-Current Liablities	14,153	9,968
Deferred Inflows of Resources	98	0
Total Liabilities and Deferred Inflows of Resources	16,360	13,375
Net Position		
Net Investment in Capital Assets	39,004	40,776
Restricted	1,148	1,706
Unrestricted	6,708	13,452
Total Net Position	$ 46,860	$ 55,934

By far the largest portion of the Authority's net position (83.2 percent) reflects its investment in capital assets, net of related debt. The decrease from 2014 was primarily the result of annual depreciation expense and the approved sale of excess property. The Authority uses these capital assets (e.g., buildings, machinery, and equipment) to provide housing services to residents; consequently, these assets are not available for future spending. The unrestricted net position of the Authority is available for future use to provide program services.

Statements of Revenues, Expenses, and Changes in Net Position

The following table represents condensed Statements of Revenues, Expenses, and Changes in Net Position.

	2015 (in thousands)	2014 (in thousands)
Revenue		
Tenant Rental Revenue	$ 4,044	$ 3,856
Government Operating Grants	33,679	35,467
Other Revenue	1,276	534
Total Operating Revenue	38,999	39,857
Expenses		
Operating Expenses		
Operating Expenses	18,998	18,467
Depreciation Expense	5,016	5,243
Housing Assistance Payments	19,116	20,284
Total Operating Expenses	43,130	43,994
Net Operating Loss	(4,131)	(4,137)
Non-Operating Revenue (Expenses)	(5,981)	(488)
Income Before Contributions	(10,112)	(4,625)
Capital Contributions	1,039	1,919
Change in Net Position	$ (9,073)	(2,706)
Total Net Position, End of Year	$ 46,860	$ 55,934

During 2015, the net position of the Authority decreased by a total of $9,073,656.

The Authority's revenues are largely governmental operating grants received from cost reimbursement and capital grants. The Authority draws down monies from the grant awards for allowable program expenses, except for non-cash transactions, such as depreciation expense and changes in compensated absences. The Authority's governmental operating grants and charges for services were sufficient to cover all non-depreciation related expenses incurred during the year.

The Authority's operating grants decreased by $1,787,926 and operating expenses increased by $530,261. Section 8 Housing Assistance payments decreased by $1,167,649 from the previous year as a result of reduced leasing.

Capital contributions decreased by $879,969 to $1,039,089 during 2015 due primarily to reduced Capital Fund Program funding. Total net non-operating expenses increased by $5,496,705. The greatest proportion of the increase in non-operating expenses, ($5,006,297), was due to the implementation of GASB Statement No. 68.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2015, the Authority's capital assets totaled $46,979,266 (capital assets net of accumulated depreciation) as reflected in the following schedule.

	2015 (in thousands)	2014 (in thousands)
Land	$ 8,999	$ 8,932
Buildings and Improvements	120,245	120,312
Equipment and Vehicles	5,318	5,201
Construction-in-Progress	646	340
Accumulated Depreciation	(88,229)	(83,470)
Total	$ 46,979	$ 51,315

The increase in Land is due to the purchase or properties, and the net decrease in Buildings and Improvements is a result of the net purchase and disposal of properties. Additional information on the Authority's capital assets can be found on page 24 of this report.

Debt

As of June 30, 2015, the Authority had $13,421,813 of debt, which included an increase of $5,446,199, and a decrease of $2,263,492 from the prior year. The increase was due to the FY 2015 implementation of GASB Statement No. 68, which increased long-term debt by $5,446,199. The decrease was due to payments made during the year, the sale of eight (8) New Vision properties, and the early retirement of EPC debt.

Debt consists of New Vision Program mortgages, Fannie Mae Capital Fund Financing Program (CFFP) note, and note to County Corp.

The New Vision mortgages have interest rates between 5 and 6 percent and are collateralized by real property. The mortgages are payable to a financial institution in monthly installments, with varying maturities through July 2032.

During 2010, the Authority obtained a modernization note from Fannie Mae for $9,235,000 for the purpose of modernizing public housing units at four AMP locations. The note is twenty (20) years with an interest rate of 6.0 percent *per annum*. Repayment will be through a portion of future capital grant funds.

During 2010, the Authority obtained a note from County Corp. for $250,092, for the purpose of real estate acquisition in Germantown, Ohio. The note term is twenty (20) years with an interest rate of 0.0 percent *per annum*.

Additional information on the Authority's long-term debt can be found on pages 25 through 26 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The following factors were considered in preparing the Authority's budget for the 2016 fiscal year.

The Authority has continued to implement site-specific budgeting and accounting. Both FY2015 and FY2016 budgets were prepared using the site-specific format as directed by HUD. Under site-specific budget format, there are strict guidelines on how the Central Office Cost Center (COCC) will be funded. Funding for the COCC will be derived from fees charged to Asset Management Projects (AMP). The AMPs represent site-specific public housing areas and are managed as separate subsidiary organizations. As such, AMPs will have their own financial statements with revenues coming from subsidy transfers, rental accounts, and capital fund transfers. Oversight and supportive services will be provided on a fee basis by the Authority's COCC. Additional revenue for the COCC will be from the service fees charged to the Voucher programs and other smaller programs. Failure to maintain occupancy rates of 97 percent or higher for the AMPs will also reduce operating subsidy transfers from HUD.

Public housing operating subsidy revenue from HUD for FY2016 is expected to remain at its current low level (85 percent) of calculated amounts.

The Housing Choice Voucher (HCV) Program generates revenue for operations from administrative fees earned from HUD. A portion of these revenues are paid to the COCC as fees for supportive services. At this time the COCC does not charge the HCV Program the maximum rate for administrative fees so the HCV Program can balance its administrative budget. In FY2016, the COCC will continue to give a discount to the HCV Program, if required. HCV revenues for FY2016 are expected to be consistent with or slightly lower than previous levels. The Authority expects HUD to continue withholds in the Administrative Fee schedule further reducing resources to administer the Voucher programs.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Executive Officer, Dayton Metropolitan Housing Authority, 400 Wayne Avenue, P.O. Box 8750, Dayton, Ohio 45401-8750, or call (937) 910-7500.

DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
STATEMENT OF NET POSITION
JUNE 30, 2015

ASSETS	
Current Assets	
Cash and Cash Equivalents	$ 9,093,348
Restricted Cash and Cash Equivalents	1,766,664
Accounts Receivable, Net:	
Tenants, Net of Allowance for Doubtful Accounts of $103,630	18,286
HUD and Other Grants	443,840
Other Receivables	166,307
Inventory, Net of Allowance for Obsolete Inventory of $19,511	630,871
Prepaid Expenses	241,022
Total Current Assets	12,360,338
Non-Current Assets	
Capital Assets	
Capital Assets, Not Depreciated	9,645,258
Capital Assets, Being Depreciated, Net of Accumulated Depreciation	37,334,008
Total Capital Assets	46,979,266
Notes, Loans, & Mortgages Receivable Non-Current	3,336,013
Pension Assets	8,060
Total Non-Current Assets	50,323,339
Total Assets	62,683,677
Deferred Outflows of Resources	
Pension	537,198
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	63,220,875
LIABILITIES	
Current Liabilities	
Accounts Payable	513,386
Accrued Wages and Benefits	668,290
Accrued Compensated Absences - Current Portion	36,536
Tenants' Security Deposits	260,095
Unearned Revenue	119,901
Other Current Liabilities	100,930
Current Portion of Mortgages Payable	5,428
Current Portion of Note Payable	359,148
Contractor Retentions	45,552
Total Current Liabilities	2,109,266
Non-Current Liabilities	
Mortgages Payable, Net of Current Portion	120,619
Notes Payable, Net of Current Portion	7,490,419
Compensated Absences, Net of Current Portion	871,907
Net Pension Liability	5,446,198
Other Non-Current Liabilities	223,940
Total Non-Current Liabilities	14,153,083
Total Liabilities	16,262,349
Deferred Inflows of Resources	
Pension	98,140
NET POSITION	
Net Investment in Capital Assets	39,003,652
Restricted	1,148,131
Unrestricted	6,708,603
TOTAL NET POSITION	$ 46,860,386

See accompanying notes to the financial statements.

DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Operating Revenues	
Rental Revenue	$ 4,043,863
Governmental Revenue	33,679,413
Other Revenue	1,275,755
Total Operating Revenues	38,999,031
Operating Expenses	
Administrative Expense	6,859,212
Tenant Services	284,185
Utilities Expense	2,676,849
Ordinary Maintenance and Operations	6,890,853
Protective Services	454,011
General Expenses	1,832,939
Housing Assistance Payments	19,116,285
Depreciation	5,015,919
Total Operating Expenses	43,130,253
Operating Loss	(4,131,222)
Nonoperating Revenues (Expenses)	
Interest and Investment Income	13,678
Interest Expense	(548,056)
Insurance Proceeds/(Casualty Losses)	(27,827)
Gain/(Loss) on Disposal of Capital Assets	(413,021)
Total Nonoperating Revenues (Expenses)	(975,226)
Income Before Contributions	(5,106,448)
Capital Contributions	1,039,089
Net Change in Net Position	(4,067,359)
Net Position - Beginning of Year	55,934,042
Prior Period Adjustments/Reclassifications	(5,006,297)
Net Position - End of Year	$ 46,860,386

See accompanying notes to the financial statements.

DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Cash Flows from Operating Activities	
Receipts from Residents and Other Deposits	$ 4,033,622
Governmental Operating Revenues	33,632,727
Other Receipts	1,545,815
Administrative Expenses	(6,217,570)
Other Operating Expenses	(13,190,578)
Housing Assistance Payments	(19,126,765)
Net Cash Provided by Operating Activities	677,251
Cash Flows from Capital and Related Financing Activities	
Capital Assets Additions	(1,124,352)
Casualty Loss	(27,827)
Principal Paid on Debt	(2,263,494)
Cash from Disposal of Assets	31,476
Interest Paid on Debt	(548,056)
Capital Grants	1,039,089
Net Cash Used in Capital and Related Financing Activities	(2,893,164)
Cash Flows from Investing Activities	
Investment Income	13,678
Investment in Notes Receivable	(66,492)
Proceeds from Sale of Non-Current Assets	193,080
Net Cash Used in Investing Activities	140,266
Net (Decrease) in Cash and Cash Equivalents	(2,075,647)
Cash and Cash Equivalents - Beginning of Year	12,935,659
Cash and Cash Equivalents - End of Year	$ 10,860,012
Reconciliation of Net Operating Income to	
Net Cash Provided by Operating Activities	
Operating Loss	$ (4,131,222)
Adjustments to Reconcile Net Income to Net	
Cash Provided by Operating Activities:	
Depreciation	5,015,919
Decrease (Increase) in Deferred Outfows and Pension Assets	(545,258)
Decrease (Increase) in Tenant Receivables	(5,733)
Decrease (Increase) in HUD Receivables	(50,255)
Decrease (Increase) in Other Assets/Receivables	227,950
Decrease (Increase) in Inventory	(80,816)
Decrease (Increase) in Prepaid Expenses	3,436
Increase (Decrease) in Wages and Benefits	197,498
Increase (Decrease) in Security Deposits	(6,049)
Increase (Decrease) in Accounts Payable	(418,587)
Increase (Decrease) in Compensated Absences	115,321
Increase (Decrease) in Accrued Liabilities	(207,842)
Increase (Decrease) in Unearned Revenue	(17,417)
Increase (Decrease) in Other Liabilities	42,265
Increase (Decrease) in Net Pension Liability	439,901
Increase (Decrease) in Net Pension Deferred Inflows	98,140
Net Cash Provided by Operating Activities	$ 677,251

See accompanying notes to the financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity and Programs

The Dayton Metropolitan Housing Authority (the "Authority") is a political subdivision created under Ohio Revised Code Section 3735.27 to engage in the acquisition, development, leasing, and administration of a low-rent housing program.

The United States Department of Housing and Urban Development (HUD) has direct responsibility for administering the Low-Rent Housing Program under the United States Housing Act of 1937, as amended. HUD is authorized to contract with local housing authorities in financing the acquisition, construction, and/or leasing of housing units, to make housing assistance payments, and to make annual contributions (subsidies) to the local housing authorities for the purposes of maintaining the low-rent character of the local housing program. Under an administrative form of contract, HUD has conveyed certain federally built housing units to the Authority for low-rent operations.

***Reporting Entity* –** The accompanying basic financial statements comply with the provisions of the Governmental Accounting Standard Board (GASB) Statement No. 14, *The Financial Reporting Entity* (as amended by GASB Statement No. 61), in that the financial statements include all divisions and operations for which the Authority is financially accountable. Financial accountability exists if a primary government/component unit appoints a majority of an organization's government board and is able to impose its will on that organization. Financial accountability may also be deemed to exist if there is a potential for the organization to provide financial benefits to, or to impose specific financial burdens on, the primary government/component unit. On this basis, no governmental organization other than the Authority itself is included in the financial reporting entity.

A summary of the significant programs administered by the Authority is provided below:

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. Beginning in fiscal year 2008, the Authority adopted the HUD-directed Asset Management Project (AMP) structure for its public housing operations. Under Asset Management, public housing units were organized into AMPs. Each AMP is treated as a separate entity with the AMPs paying a fee to the Central Office Cost Center (COCC) for various centralized services. As in previous years, the HUD-provided operating subsidy allows the AMPs to provide housing at a rent that is based upon 30 percent of adjusted gross household income.

Under Asset Management, the operating subsidy is transferred in proportional shares to the individual AMPs as monthly subsidy revenue. Along with rent collection revenue, the AMPs administer their properties in a fashion similar to rental properties operated in the private sector. The AMP managers utilize program management, planning, bookkeeping, and other centralized services provided by the Authority's Central Office. The AMPs pay a monthly fee based on the number of units assigned and/or occupied for these services.

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

A. **Description of the Entity and Programs** (Continued)

Public Housing Capital Fund Program (CFP) - The Public Housing Capital Fund Program also is the primary funding source for physical and management improvements to the Authority's properties. CFP funding is based on a formula allocation that takes into consideration the size and age of the Authority's housing stock.

Section 8 Housing Choice Voucher Program - Under the Section 8 Housing Choice Voucher Program, low-income tenants lease housing units directly from private landlords rather than from the Authority. HUD contracts with the Authority, which in turn contracts with the private landlords and makes assistance payments for the difference between the approved contract rent and the actual rent paid by the low-income tenants.

Section 8 New Construction and Substantial Rehabilitation Program - The objective of the Program is to help eligible low-income families obtain decent, safe, and sanitary housing through a system of rental subsidies. Under this project-based cluster program, the rental subsidy is tied to a specific unit, and when a family moves from the unit, they have no right to continued assistance.

Lower Income Housing Assistance Program – Section 8 Moderate Rehabilitation – The objective of the Program is to help eligible low-income families obtain decent, safe, and sanitary housing through a system of rental subsidies. Under this project-based cluster program, the rental subsidy is tied to a specified unit, and when a family moves from the unit, they have no right to continued assistance.

Demolition and 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. Following the demolition of existing public housing units under the HOPE VI Demolition Grant, the Revitalization Program will seek to rebuild the neighborhood areas using a community anchor facility, new construction, and existing street patterns. While a significant portion of the redevelopment effort will be accomplished with HOPE VI funds, the majority will be completed using a variety of public and private resources.

Resident Opportunity and Supportive Services (ROSS) - The ROSS Program provides qualified public housing residents and Housing Choice Voucher Program participants training in the skills necessary to achieve self-sufficiency. After completing the Family Self-Sufficiency Program, residents agree to seek and maintain suitable employment that matches their background, skills, and interests.

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

A. **Description of the Entity and Programs** (Continued)

Business Activities Programs **-** The Business Activities Programs expand the supply of decent and affordable housing by using local non-federal resources to enable home ownership through loan assumption programs and affordable tenant rent units owned by the Authority.

Component Units – The Authority has established three component units to operate and develop mixed financing and/or tax credit housing. Each of the organizations listed below act as an affiliate unit as defined in HUD's PIH Notice 2008-15. The levels of participation and responsibility for each of the component units differs based on the type of development. The Authority's component units include:

Dayton Metro Homes, LLC – The Authority has established Dayton Metro Homes, LLC, dba Premier Asset Management (PAM) as a wholly-owned subsidiary. PAM was established for the purpose of owning an investment as general partner or ownership entity in tax credit and mixed financing projects. Currently, PAM operates 35 low-moderate income housing units in Germantown, Ohio. The assets, liabilities, and results of operations are included as part of the accompanying financial statements.

Windcliff Village II GP, Inc. – Windcliff Village II GP, Inc. was established as a single purpose for-profit corporation to manage the tax credit project Windcliff Village II. The development is operated by Windcliff Village II, LP with Windcliff Village II GP, Inc. as the general partner. The assets, liabilities, and results of operations for Windcliff Village II GP, Inc., are included as part of the accompanying financial statements. The assets, liabilities, and results of operations for Windcliff Village II, LP are not included in the accompanying financial statements, but are reported separately under provisions of the tax credit agreement.

North Star Commons, LLC – North Star Commons, LLC was formed to participate as a special partner in the Dayton View Commons II, LLC development. Under the provisions of the development agreement, North Star Commons, LLC will receive a partnership fee of which half must be held as a deferral until certain development objectives have been met. North Star Commons, LLC does not operate or own property in the Dayton View Commons II, LLC development. North Star Commons, LLC's assets, liabilities, and results of operations are included as part of the accompanying financial statements.

B. **Summary of Significant Accounting Policies**

The financial statements of the Authority have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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

B. **Summary of Significant Accounting Policies** (Continued)

Basis of Accounting – The Authority's activities are financed and operated as a single enterprise fund such that the costs and expenses, including depreciation, of providing the services are recovered primarily through user charges. The measurement focus is on the determination of revenues, expenses, financial position, and cash flows as the identification of these items is necessary for appropriate capital maintenance, public policy, management control, and accountability. The Authority's financial transactions are recorded on the accrual basis of accounting where revenues are recognized when earned and expenses are recognized as incurred. Revenues received in advance are deferred and recognized as earned over the period to which they relate.

Cash and Cash Equivalents – During fiscal year 2015, cash and cash equivalents included amounts in demand deposits and the State Treasury Asset Reserve (STAR Ohio) and STAR Plus. Both STAR Ohio and STAR Plus investment programs are very liquid investments and are reported as a cash equivalent in the basic financial statements.

For the purpose of the Statement of Cash Flows, cash and cash equivalents include all highly liquid investment instruments with original maturities of three months or less.

Restricted Cash and Cash Equivalents and Investments – Cash and cash equivalents and investments have been classified as restricted on the balance sheet for funds held for public housing residents' security deposits, amounts held in escrow under the HCV Family Self-Sufficiency (FSS) Program, and funds on deposit under the Fannie Mae Modernization Program. Funds authorized by HUD for Housing Assistance Payments (HAP), Housing Development, and Energy Performance programs are also classified as restricted.

Investments – The provisions of the HUD Regulations restrict investments. Investments are valued at market value. Interest income earned in fiscal year 2015 totaled $13,677.

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

Inventory – Inventory consists of supplies and maintenance parts carried at the lower of cost and market using the average cost method, and are expensed as they are consumed.

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

B. **Summary of Significant Accounting Policies** (Continued)

Capital Assets – Land, structures, and equipment are recorded at historical cost. Donated land, structures, and equipment are recorded at their fair value on the date donated. Depreciation is calculated on a straight-line method using half-year convention over the estimated useful lives. When depreciable property is disposed of or sold, the cost and related accumulated depreciation are removed from the accounts, with any gain or loss reflected in operations. The Authority capitalizes all assets with a cost of $1,000 or more, excluding software purchases. Software purchases are capitalized if the cost exceeds $5,000. The estimated useful lives are as follows:

Equipment and Vehicles	3-7 years
Building and Site Improvements	15 years
Buildings	40 years

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.

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

Debt Obligations – Debt obligations of the Authority consist of mortgages for a homeownership program, capital projects, and property acquisition.

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

B. **Summary of Significant Accounting Policies** (Continued)

Net Position – Net position is the residual amount when comparing assets and deferred outflows of resources to liabilities and deferred inflows of resources. The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. The restricted component of net position is reported when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The amount reported as restricted net position at fiscal year end represents the amounts restricted by HUD for future housing assistance payments and amounts from unspent debt proceeds. When an expense is incurred for purposes which both restricted and unrestricted net position are available, the Authority first applied restricted net position.

Revenue Recognition – Grant revenue is recognized when the earnings process is complete and exchange has taken place, and any restrictions imposed by the terms of the grant have been met. Rent revenue is recognized over the period for which housing has been provided. Investment income is recognized and recorded when earned and is allocated to programs based upon monthly investment balances.

Operating Revenues and Expenses – Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the Authority, these revenues are tenant revenues, operating grants, and other miscellaneous revenue. Non-operating revenues are HUD capital grants, interest income, and gains on disposal of capital assets. Operating expenses are those that are expended directly for the primary activity of the propriety fund. For the Authority, these expenses are administrative, tenant services, utilities, maintenance and operation, protective services, general expenses, housing assistance payments, depreciation, and amortization. Non-operating expenses include interest expense and losses on disposal of capital assets.

Capital Contributions – Contributions of capital arise from the contributions of capital assets or from grants or outside contributions of resources restricted to capital acquisition and construction.

Budgetary Accounting – The Authority annually prepares its budget as prescribed by HUD. The Authority's budgets are submitted to HUD and, once approved, are adopted by the Board of the Authority.

Use of Estimates – The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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

B. **Summary of Significant Accounting Policies** (Continued)

Pensions – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the pension plans, and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments, including refunds of employee contributions, are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

Deferred Outflows/Inflows of Resources – In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditures) until then. For the Authority, deferred outflows of resources are reported on the government-wide Statement of Net Position for pension. The deferred outflows of resources related to pension are explained in Note 8.

In addition to liabilities, the Statement of Financial Position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applied to a future period and will not be recognized until that time. For the Authority, deferred inflows of resources include pension. Deferred inflows of resources related to pension are reported on the government-wide Statement of Net Position (see Note 8).

NOTE 2: **IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS AND ADJUSTMENT OF NET POSITION**

For fiscal year 2015, the Authority implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*, GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68.*

GASB Statement No. 69 establishes accounting and financial reporting standards related to government combinations and disposals of government operations. The Statement improves the decision usefulness of financial reporting by requiring that disclosures be made by governments about combination arrangements in which they engage and for disposals of government operations. The implementation of GASB Statement No. 69 did not have an effect on the Authority’s financial statements.

GASB Statement No. 68 improves the accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. The implementation of GASB Statement No. 68 affected the Authority’s financial statements, pension plan disclosures, as presented Note 8, and added required supplementary information which is presented on pages on pages 37 and 38.

NOTE 2: **IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS AND RESTATEMENT OF NET POSITION** (Continued)

GASB Statement No. 71 improves the accounting and financial reporting by addressing an issue in GASB Statement No. 68, concerning transition provisions related to certain pension contributions made to defined benefit pension plans prior to implementation of that Statement by employers and non-employer contributing entities. .

The implementation of GASB Statement No. 68 and GASB Statement No. 71 had the following effect on net position as reported at June 30, 2014:

Adjustments to Net Position:		
Net Pension Liability (OPERS Traditional Plan)	$	(5,323,186)
Net Pension Asset (OPERS Combined Plan)		2,196
Deferred Outflow - Payments Subsequent to Measurement Date		314,693
Total Adjustments to Net Position	$	(5,006,297)

Other than employer contributions subsequent to the measurement date, the Authority made no restatement for deferred inflows/outflows of resources, as the information needed to generate these restatements was not available.

NOTE 3: **DEPOSITS AND INVESTMENTS**

A. **Deposits**

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

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

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

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

NOTE 3: **DEPOSITS AND INVESTMENTS** (Continued)

A. **Deposits** (Continued)

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

At fiscal year end, the carrying amount of the Authority's deposits totaled $10,496,177, of which $2,400 was held in petty cash. The corresponding bank balances totaled $10,781,982. Based on criteria described in GASB Statement No. 40, *Deposit and Investment Risk Disclosure*, as of June 30, 2015, $5,095,275 was exposed to custodial risk as discussed below, while $5,686,707 was covered by the Federal Depository Insurance Corporation.

Custodial credit risk is the risk that, in the event of a bank failure, the Authority will not be able to recover the deposits. All deposits are collateralized with eligible securities in amounts equal to at least 105 percent 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 Federal Reserve banks or a member bank 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. At June 30, 2015, $5,095,275 was covered by pooled collateral.

B. **Investments**

HUD, state statute, and Board resolutions authorize the Authority to invest in obligations of the U.S. Treasury, agencies and instrumentalities, certificates of deposit, repurchase agreements, money market deposit accounts, municipal depository fund, super NOW accounts, sweep accounts, separate trading of registered interest and principal of securities, mutual funds, bonds, and other obligations of this State, and the State Treasurer's investment pool. Investments in stripped principal or interest obligations reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited.

An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the Authority, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

NOTE 3: **DEPOSITS AND INVESTMENTS** (Continued)

B. **Investments** (Continued)

The Authority's investments at June 30, 2015 were as follows:

Uncategorized Investments	Fair Value	Weighted Average Maturity	Rating
STAROhio	$ 363,835	60 days	AAAm*

* Standard & Poor's

Interest Rate Risk – The Ohio Revised Code generally limits security purchases to those that mature within five years of settlement date. The Authority's investment policy has no requirements beyond what the Ohio Revised Code requires.

Credit Risk – Credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Authority's investments in STAR Ohio are rated AAAm by Standards and Poor's. The Authority's investment in STAR Plus are FDIC insured.

Concentration of Credit Risk – The Authority places no limit on the amount the Authority may invest with one issuer.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that in the event of failure of the counterparty the Authority will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Authority has no policy beyond what the Ohio Revised Code requires for custodial credit risk.

A reconciliation of cash, cash equivalents, and investments is as follows:

	Cash and Cash Equivalents *	Investments
Per Statement of Net Position	$ 10,860,012	$ 0
STAR Ohio	(363,835)	363,835
Per GASB Statement No. 3	$ 10,496,177	$ 363,835

* Includes restricted cash and cash equivalents.

NOTE 3: **DEPOSITS AND INVESTMENTS** (Continued)

B. **Investments** (Continued)

Restricted cash consists of the following:

Payment of Current Liabilities	$ 3,546
Unspent Debt Proceeds	399,707
Security Deposits and FSS Escrow	291,682
HCV and Other Section 8 Programs	259,229
Proceeds from Public Housing Dispositions	717,331
Unspent EPC Debt Proceeds	95,169
	$ 1,766,664

Restricted net position consists of the following:

Unspent EPC and Other Debt Proceeds	$ 399,707
Proceeds from Public Housing Disposition	716,790
Unspent Housing Choice Voucher HAP Funding	28,245
Other Section 8 Program Funds	3,389
	$ 1,148,131

NOTE 4: **CAPITAL ASSETS**

A summary of changes in the Authority's capital assets for the year ended June 30, 2015 follows:

	Balance June 30, 2014	Additions	Deletions	Reclasses	Balance June 30, 2015
Capital Assets Not Being Depreciated					
Land	$ 8,931,563	$ 87,138	$ (19,840)	$ 0	$ 8,998,861
Construction in Progress	339,764	710,304	0	(403,671)	646,397
Total Capital Assets Not Being Depreciated	9,271,327	797,442	(19,840)	(403,671)	9,645,258
Capital Assets Being Depreciated					
Buildings and Improvements	120,312,582	197,963	(669,677)	403,671	120,244,539
Equipment and Vehicles	5,201,695	128,947	(12,273)	0	5,318,369
Subtotal Capital Assets Being Depreciated	125,514,277	326,910	(681,950)	403,671	125,562,908
Total Cost	134,785,604	1,124,352	(701,790)	0	135,208,166
Accumulated Depreciation -					
Buildings and Improvements	(79,326,009)	(4,565,994)	245,019	0	(83,646,984)
Equipment and Vehicles	(4,144,265)	(449,924)	12,273	0	(4,581,916)
Total Accumulated Depreciation	(83,470,274)	(5,015,918)	257,292	0	(88,228,900)
Total Capital Assets, Net	$ 51,315,330	$ (3,891,566)	$ (444,498)	$ 0	$ 46,979,266

During the year, the Authority continued with HUD approved sales and demolition of various projects.

NOTE 5: **LONG-TERM OBLIGATIONS**

Changes in the Authority's long-term obligations during fiscal year 2015 are as follows:

	Balance June 30, 2014	Additions	Reductions	Balance June 30, 2015	Due Within One Year
New Visions Mortgage	$ 467,409	$ 0	$ 341,362	$ 126,047	$ 5,428
Fannie Mae Note	7,998,925	0	326,509	7,672,416	346,643
County Corp. Note	189,654	0	12,503	177,151	12,505
EPC Capital Lease	1,583,118	0	1,583,118	0	0
Net Pension Liablity	0	5,446,199	0	5,446,199	0
Compensated Absences	793,122	613,651	498,330	908,443	36,536
Total Long-Term Obligations	$ 11,032,228	$ 6,059,850	$ 2,761,822	$ 14,330,256	$ 401,112

The Authority issued $720,000 of mortgages payable under the New Visions Program with an outstanding balance at June 30, 2015 of $126,047. Under the Program, the Authority purchases property, refurbishes, or builds a modular home on a lot. The Authority then obtains a commercially available low-interest mortgage on the property. Qualified tenants initially lease the property for a specified period. Once the tenant meets pre-determined home ownership criteria, the tenant may apply to assume the existing mortgage on the property. Once approved, the property and mortgage are transferred to the new homeowner. The mortgages have interest rates between 5 and 6 percent and are collateralized by real property and are payable in monthly installments.

During fiscal year 2010, the Authority entered into a note agreement with Fannie Mae for $9,235,000 for the purpose of property modernization. The note balance at June 30, 2015 was $7,672,416. The note payment is due monthly for 20 years, with an interest rate of 6.0 percent, and matures December 1, 2029.

During fiscal year 2010, the Authority entered into a note agreement for $250,092 for the purpose of acquiring real property in Germantown, Ohio with County Corp. The balance at June 30, 2015 was $177,419. The note is interest free and payable over 20 years maturing August 6, 2029.

The New Vision mortgages mature as follows:

Year Ended June 30	Principal Amount	Interest Amount	Total
2016	$ 5,428	$ 7,071	$ 12,499
2017	5,740	6,759	12,499
2018	6,071	6,428	12,499
2019	6,420	6,079	12,499
2020	6,790	5,709	12,499
2021-2025	40,293	22,202	62,495
2026-2030	42,036	9,878	51,914
2031-2033	13,269	741	14,010
Total	$ 126,047	$ 64,867	$ 190,914

NOTE 5: **LONG-TERM OBLIGATIONS** (Continued)

The Fannie Mae Modernization note matures as follows:

Year Ended June 30	Principal Amount	Interest Amount	Total
2016	$ 346,643	$ 450,915	$ 797,558
2017	368,025	429,535	797,560
2018	390,724	406,836	797,560
2019	414,823	382,737	797,560
2020	440,409	357,151	797,560
2021-2025	2,644,591	1,343,211	3,987,802
2026-2030	3,067,201	428,632	3,495,833
Total	$ 7,672,416	$ 3,799,017	$ 11,471,433

The County Corp. note matures as follows:

Year Ended June 30	Principal Amount	Interest Amount	Total
2016	$ 12,505	$ 0	$ 12,505
2017	12,505	0	12,505
2018	12,505	0	12,505
2019	12,505	0	12,505
2020	12,505	0	12,505
2021-205	62,525	0	62,525
2026-2030	52,099	0	52,099
Total	$ 177,149	$ 0	$ 177,149

NOTE 6: **CAPITAL LEASE PAYABLE**

On May 15, 2003, the Authority entered into a long-term lease to finance the installment of energy saving devices. The Energy Performance Contract is a HUD funded program that, in effect, rewards housing authorities who install energy efficient measures into their housing units. Funds for the payment of the debt service will be provided by the amount of savings realized from conserving energy while HUD reimburses the Authority for utilities at a rate set prior to installation of the energy saving devices. The lease includes an interest factor of 4.2 percent. Assets constructed under the lease total $8,911,155.

In May 2015, the Authority paid off the remaining balance of the capital lease using Local Housing Authority funds. The remaining balance of $677,000 owed by the Asset Management properties will be repaid beginning in fiscal year 2016 over a two year period at 2 percent annual interest. This cost saving measure was undertaken to compensate for reduced Operating Subsidy received from HUD during fiscal year 2014 and fiscal year 2015.

NOTE 7: RISK MANAGEMENT

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

The Authority is covered for property damage, general liability, automobile liability, public official's liability, and other crime liabilities through membership in the Ohio Housing Authority Property Casualty, Inc. (OHAPCI) and the Public Entity Risk Consortium (PERC). OHAPCI is an insurance risk sharing and purchasing pool comprised of three Ohio housing authorities. PERC is an Ohio public entity joint self-insurance pool restricted to mid-size public entities including pools (of which OHAPCI is a member).

OHAPCI is a corporation governed by a Board of Trustees, consisting of a representative appointed by each of the member housing authorities. The Board of Trustees elects the officers of the Corporation, with each Trustee having a single vote. The Board is responsible for its own financial matters, and the Corporation maintains its own books of account. Budgeting and financing of OHAPCI is subject to the approval of the Board. The following is a summary of insurance coverage in effect as of June 30, 2015:

Coverage	Limit
Real and Personal Property	$ 250,000,000
General Liability	8,000,000
Automobile	8,000,000
Public Officials	8,000,000
Crime	1,000,000
Pollution	1,000,000
Boiler and Machinery	100,000,000

As of June 30, 2015, the Pool maintained a reserve in excess of actual and estimated claims relative to the Authority. During the year, settled claims for the Authority did not exceed the coverage provided by OHAPCI.

The Authority also maintains employee bonding and employee major medical, dental, and vision coverage with private carriers.

NOTE 8: DEFINED BENEFIT PENSION PLAN

Net Pension Liability

The net pension liability reported on the Statement of Net Position represents a liability to employees for pensions. Pensions are a component of exchange transactions–between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the Authority's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments, and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the Authority's obligation for this liability to annually required payments. The Authority cannot control benefit terms or the manner in which pensions are financed; however, the Authority does receive the benefit of employees' services in exchange for compensation, including pension.

GASB Statement No. 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

NOTE 8: **DEFINED BENEFIT PENSION PLAN** (Continued)

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description – OPERS is a cost-sharing, multiple-employer public employee retirement system that provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information, and detailed information about OPERS' fiduciary net position. That report can be obtained by writing to OPERS, 277 E. Town St., Columbus, OH 43215-4642, by calling (800) 222-7377, or by visiting the OPERS web site at www.opers.org.

OPERS administers three retirement plans, as described below:

- The Traditional Pension Plan (TP) - a defined benefit plan;

- The Member-Directed Plan (MD) - a defined benefit contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of the member and (vested) employer contributions plus any investment earnings;

- The Combined Plan (CO) – a cost-sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, employer contributions are invested by the retirement system to provide a formula benefit similar in nature to the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

Pension Benefits – All benefits of the System, and any benefit increases, are established by the legislature pursuant to Ohio Revised Code Chapter 145. The Board, pursuant to ORC Chapter 145, has elected to maintain funds to provide health care coverage to eligible Traditional Pension and Combined Plan retirees and survivors of members. Health care coverage does not vest and is not required under ORC Chapter 145. As a result, coverage may be reduced or eliminated at the discretion of the Board.

Age-and-Service Defined Benefits – Benefits in the Traditional Pension Plan are calculated on the basis of age, final average salary (FAS), and service credit. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 25 years of service, or 30 years of service regardless of age. Age and service requirements for retirement will increase effective August 1, 2015, and will continue to increase periodically until they reach age 60 with 35 years of service or age 65 with five years of service on August 1, 2026. Members who retire before meeting the age and years of service credit requirement for unreduced benefit receive a percentage reduction in the benefit amount. The base amount of a member's pension benefit is locked in upon receipt of the initial benefit payment for calculation of annual cost-of-living adjustment.

NOTE 8: **DEFINED BENEFIT PENSION PLAN** (Continued)

Plan Description – Ohio Public Employees Retirement System (OPERS) (Continued)

Benefits in the Combined Plan consist of both an age-and-service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, FAS, and years of service. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions.

Defined Contribution Benefits – Member-Directed Plan and Combined Plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the Combined Plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined Plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-Directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the Member-Directed Plan consists of the members' contributions, vested employer contributions, and investment gains or losses resulting from the members' investment selections.

Disability Benefits – OPERS administers two disability plans for participants in the Traditional Pension and Combined plans. Members participating in the Member-Directed Plan are not eligible for disability benefits.

Survivor Benefits – Dependents of deceased members who participated in either the Traditional Pension Plan or the Combined Plan may qualify for survivor benefits.

Other Benefits – Once a benefit recipient retiring under the Traditional Pension Plan has received benefits for 12 months, an annual 3 percent cost-of-living adjustment is provided on the member's base benefit. Members retiring under the Combined Plan receive a 3 percent cost-of-living adjustment on the defined benefit portion of their benefit. A death benefit of $500-$2,500, determined by the number of years of service credit of the retiree, is paid to the beneficiary of a deceased retiree or disability benefit recipient under the Traditional Pension Plan and Combined Plan. Death benefits are not available to beneficiaries of Member-Directed Plan participants.

Contributions - The OPERS Funding Policy provides for periodic employee and employer contributions to all three plans (Traditional Pension, Combined, and Member-Directed) at rates established by the Board, subject to limits set in statute. The rates established for member and employer contribution rates were approved based upon the recommendations of the System's external actuary. All contribution rates were within the limits authorized by the Ohio Revised Code.

NOTE 8: **DEFINED BENEFIT PENSION PLAN** (Continued)

Plan Description – Ohio Public Employees Retirement System (OPERS) (Continued)

Contributions (Continued)

Member and employer contributions rates, as a percent of covered payroll, were the same for each covered group across all three plans for fiscal year ended June 30, 2015. Within the Traditional Pension Plan and Combined Plan, member and employer contributions (employer contributions only for the Combined Plan) and an actuarially determined rate of return are adequate to accumulate sufficient assets to pay defined benefits when due. Employee contributions within the Combined Plan are not used to fund the defined benefit retirement allowance. Employer contribution rates as a level percent of payroll dollars are determined using the entry age actuarial funding method. This formula determines the amount of contributions necessary to fund: (1) the current service cost, representing the estimated amount necessary to pay for defined benefits earned by the employees during the current service year; and (2) the prior service cost for service earned prior to the current year and subsequent benefit increases. These contributions represent the amount necessary to fund accrued liabilities for retirement allowances and survivor benefits over a period of time.

Plan members were required to contribute 10 percent of their annual covered salary. The Authority was required to contribute 14 percent, a portion of which is set aside for funding post-retirement health care coverage. The Authority's contractually required contributions to OPERS for fiscal year 2015 was $7,586 for the Traditional Plan and $12,866 for the Combined Plan. Total contractually required contributions, including contributions for the Member-Directed Plan and post-retirement health care, was $833,785. The full amount was contributed during the fiscal year.

Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on the Authority's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	Traditional	Combined	Total
Proportionate Share of the Net Pension Liability (Asset)	$ 5,446,198	$ (8,060)	$ 5,438,138
Proportion of the Net Pension Liability	0.045155%	0.020933%	
Pension Expense	$ 594,619	$ 5,356	$ 599,975

NOTE 8: **DEFINED BENEFIT PENSION PLAN** (Continued)

Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

At June 30, 2015, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Traditional	Combined	Total
Deferred Outflows of Resources			
Net difference between projected and actual earnings on pension plan investments	$ 290,593	$ 492	$ 291,085
Authority Contributions Subsequent to the Measurement Date	241,232	4,881	246,113
Total Deferred Outflows of Resources	$ 531,825	$ 5,373	$ 537,198
Deferred Inflows of Resources			
Difference between Expected and Actual Experience	$ 95,681	$ 2,459	$ 98,140
Total Deferred Inflows of Resources	$ 95,681	$ 2,459	$ 98,140

$246,113 reported as deferred outflows of resources related to pension resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	Traditional Plan Net Deferred Outflows of Resources	Combined Plan Net Deferred Inflow of Resources	Total
Fiscal Year Ending June 30:			
2016	$ 28,502	$ (170)	$ 28,332
2017	28,502	(170)	28,332
2018	65,262	(170)	65,092
2019	72,646	(170)	72,476
2020	0	(293)	(293)
Thereafter	0	(994)	(994)
Total	$ 194,912	$ (1,967)	$ 192,945

NOTE 8: **DEFINED BENEFIT PENSION PLAN** (Continued)

Actuarial Assumptions – OPERS

OPERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., future employment, mortality, cost trends). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation are presented below:

Actuarial Information	Traditional Plan	Combined Plan
Valuation Date	December 31, 2014	December 31, 2014
Experience Study	5 year Period Ended December 31, 2010	5 year Period Ended December 31, 2010
Actuarial Cost Method	Individual entry age	Individual entry age
Actuarial Assumptions:		
Investment Rate of Return	8.00%	8.00%
Wage Inflation	3.75%	3.75%
Projected Salary Increases	4.25%-10.05% (includes wage inflation at 3.75%)	4.25%-8.05% (includes wage inflation at 3.75%)
Cost-of-living Adjustments	3.00% Simple	3.00% Simple

Mortality rates are the RP-2000 mortality table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males, 120 percent of the disabled female mortality rates were used, set forward two years. For females, 100 percent of the disabled female mortality rates were used.

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The following table displays the Board-approved asset allocation policy for 2014 and the long-term expected real rates of return:

NOTE 8: **DEFINED BENEFIT PENSION PLAN** (Continued)

Actuarial Assumptions – OPERS (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	23.00%	2.31%
Domestic Equities	19.90%	5.84%
Real Estate	10.00%	4.25%
Private Equity	10.00%	9.25%
International Equities	19.10%	7.40%
Other Investments	18.00%	4.59%
Total	100.00%	5.28%

The long term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

Discount Rate The discount rate used to measure the total pension liability was 8.0 percent for both the Traditional Pension Plan and the Combined Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for both the Traditional Pension Plan and the Combined Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.0 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.0 percent), or one percentage point higher (9.0 percent) than the current rate.

Authority's proportionate share of the net pension liability (asset)	1% Decrease (7.0%)	Discount Rate (8.0%)	1% Increase (9.0%)
Traditional Plan	$ 10,019,443	$ 5,446,198	$ 1,594,423
Combined Plan	$ 1,047	$ (8,060)	$ (15,281)

NOTE 9: **POST-EMPLOYMENT BENEFITS**

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

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care plan, which includes a medical plan, prescription drug program, and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension Plan and the Combined Plan. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health care coverage, age and service retirees under the Traditional Pension Plan and Combined Plan must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by the retirement system meets the definition of an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone report. Interested parties may obtain a copy by writing OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, by calling 614-222-5601 or 800-222-7377, or by visiting the OPERS website at www.opers.org.

Funding Policy

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

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In fiscal year ending 2015, the Authority contributed at a rate of 14.00 percent of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.00 percent of covered payroll for state and local employer units. Active members do not make contributions to the OPEB Plan.

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 rates that will be set aside for funding post-employment health care benefits. The portion of employer contributions allocated to health care was 2.0 percent for calendar year 2014. Effective January 1, 2015, the portion of the employer contributions allocated to health care remains at 2.0 percent for both plans, as recommended by the OPERS Actuary.

NOTE 9: **POST-EMPLOYMENT BENEFITS** (Continued)

Funding Policy (Continued)
The OPERS Board of Trustees is also authorized to establish rules for the payment of a portion of the health care benefits provided by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Actual Authority contributions for the years ended June 30, 2015, 2014, and 2013, which were used to fund post-employment benefits were $112,377, $89,888, and $153,178, respectively.

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 percent of the employer contributions toward the Health Care Fund after the end of the transition period.

NOTE 10: **UNCOMPLETED CONTRACTS**

At June 30, 2015, the Authority had uncompleted contracts under the Capital Fund Program, Hope VI, Home Ownership, Public Housing, and ROSS of approximately $1,590,420.

DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TWO FISCAL YEARS (1)

Traditional Plan	2015	2014
Authority's Proportion of the Net Pension Liability/Asset	0.045155%	0.045155%
Authority's Proportionate Share of the Net Pension Liability	$ 5,446,198	$ 5,323,186
Authority's Covered-Employee Payroll	$ 5,734,167	$ 5,837,825
Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	94.98%	91.18%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.45%	86.36%
Combined Plan		
Authority's Proportion of the Net Pension Liability/Asset	0.020933%	0.020933%
Authority's Proportionate Share of the Net Pension (Asset)	$ (8,060)	$ (2,196)
Authority's Covered-Employee Payroll	$ 107,217	$ 54,108
Authority's Proportionate Share of the Net Pension (Asset) as a Percentage of its Covered Employee Payroll	-7.52%	-4.06%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	114.83%	104.33%

(1) Information prior to 2014 is not available.

Amounts presesnted as of Authority's measurement date, which is December 31, 2014 and 2013.

DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Contractually Required Contributions										
Traditional Plan	$ 688,100	$ 700,539	$ 772,257	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Combined Plan	12,866	6,493	11,297	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Total Required Contributions	$ 700,966	$ 707,032	$ 783,554	$ 943,804	$ 961,582	$ 974,333	$ 992,569	$ 920,072	$ 859,307	$ 1,351,189
Contribution In Relation to the Contractually Required Contributions	(700,966)	(707,032)	(783,554)	(943,804)	(961,582)	(974,333)	(992,569)	(920,072)	(859,307)	(1,351,189)
Contribution Deficiency/(Excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Authority's Covered-Employee Payroll										
Traditional Plan	$ 5,734,167	$ 5,837,825	$ 5,940,438	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Combined Plan	107,217	54,108	86,900	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Contributions as a Percentage of Covered-Employee - Payroll										
Traditonal Plan	12.00%	12.00%	13.00%	10.00%	10.00%	9.00%	8.50%	7.00%	7.77%	9.04%
Combined Plan	12.00%	12.00%	13.00%	7.95%	7.95%	9.77%	9.27%	8.10%	7.77%	9.04%

(1) - Information prior to 2013 is not available for classification of OPERS contributions by Plan. Total contributions reported include any amounts contributed to the Member-Directed Plan and other post-employment benefits in addition to the Traditional and Combined plans.

DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
STATEMENT OF MODERNIZATION COSTS - COMPLETED
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

1. Actual Modernization costs of the Project are as follows:

Modernization Project Number	OH10P00550109	OH10R00550205	OH10R00550206	OH10R00550207	OH10R00550208
Funds Approved	$ 5,633,970	$ 5,159	$ 217,893	$ 505,102	$ 252,556
Funds Expended	5,633,970	5,159	217,893	505,102	252,556
Excess of Funds Approved	$ 0	$ 0	$ 0	$ 0	$ 0
Funds Advanced	$ 5,633,970	$ 5,159	$ 217,893	$ 505,102	$ 252,556
Funds Expended	5,633,970	5,159	217,893	505,102	252,556
Excess of Funds Advanced	$ 0	$ 0	$ 0	$ 0	$ 0

Modernization Project Number	OH10R00550209	OH10R00550109	OH10R00550110	OH10P00550110	OH10P00550111
Funds Approved	$ 399,172	$ 857,355	$ 517,104	$ 5,495,517	$ 3,856,170
Funds Expended	399,172	857,355	517,104	5,495,517	3,856,170
Excess of Funds Approved	$ 0	$ 0	$ 0	$ 0	$ 0
Funds Advanced	$ 399,172	$ 857,355	$ 517,104	$ 5,495,517	$ 3,856,170
Funds Expended	399,172	857,355	517,104	5,495,517	3,856,170
Excess of Funds Advanced	$ 0	$ 0	$ 0	$ 0	$ 0

2. All modernization work in connection with the projects has been completed.

3. All modernization costs have been paid and all related liabilities have been discharged through payment.

DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
ENTITY WIDE BALANCE SHEET SUMMARY
ENDED JUNE 30, 2015

	Project Total	14.871 Housing Choice Vouchers	14.866 Revitalization of Severely Distressed Public Housing	14.182 N/C S/R Section 8 Programs	14.870 Resident Opportunity and Supportive Services	State/Local	Business Activities
111 Cash - Unrestricted	4,462,008	257,592		105,569		962,316	1,773,140
112 Cash - Restricted - Modernization and Development	1,117,038						
113 Cash - Other Restricted	31,587	222,774		22,288			
114 Cash - Tenant Security Deposits	251,670						3,950
115 Cash - Restricted for Payment of Current Liabilities		3,546					
100 Total Cash	5,862,303	483,912	-	127,857	-	962,316	1,777,090
122 Accounts Receivable - HUD Other Projects	231,805	25,932		11	182,604		
125 Accounts Receivable - Miscellaneous	144,479	51					1,214
126 Accounts Receivable - Tenants	110,724						1,598
126.1 Allowance for Doubtful Accounts -Tenants	-94,116						-1,359
128 Fraud Recovery		19,513					
128.1 Allowance for Doubtful Accounts - Fraud		-12,249					
129 Accrued Interest Receivable							
120 Total Receivables, Net of Allowances for Doubtful Accounts	392,892	33,247	-	11	182,604	-	1,453
142 Prepaid Expenses and Other Assets	232,470	343					3,405
143 Inventories	641,316						
143.1 Allowance for Obsolete Inventories	-19,239						
144 Inter Program Due From	2,493						813
150 Total Current Assets	7,112,235	517,502	-	127,868	182,604	962,316	1,782,761
161 Land	7,696,734		586,714			462,087	43,474
162 Buildings	112,139,757		2,168,842			3,341,472	642,987
163 Furniture, Equipment & Machinery - Dwellings	474,214	237,923					
164 Furniture, Equipment & Machinery - Administration	3,144,702					130,306	20,589
166 Accumulated Depreciation	-82,358,815	-162,595	-1,093,799			-2,367,058	-415,833
167 Construction in Progress	646,397						
160 Total Capital Assets, Net of Accumulated Depreciation	41,742,989	75,328	1,661,757	-	-	1,566,807	291,217
171 Notes, Loans and Mortgages Receivable - Non-Current	3,336,013					677,016	
174 Other Assets	3,933	1,070					
180 Total Non-Current Assets	45,082,935	76,398	1,661,757	-	-	2,243,823	291,217
190 Total Assets	52,195,170	593,900	1,661,757	127,868	182,604	3,206,139	2,073,978

DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
ENTITY WIDE BALANCE SHEET SUMMARY
ENDED JUNE 30, 2015

	Component Unit - Blended	14.856 Lower Income Housing Assistance Program Section 8 Moderate	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	117,135	50,254	1,365,334	9,093,348		9,093,348
112 Cash - Restricted - Modernization and Development				1,117,038		1,117,038
113 Cash - Other Restricted	95,169	14,167		385,985		385,985
114 Cash - Tenant Security Deposits	4,475			260,095		260,095
115 Cash - Restricted for Payment of Current Liabilities				3,546		3,546
100 Total Cash	216,779	64,421	1,365,334	10,860,012	-	10,860,012
122 Accounts Receivable - HUD Other Projects	688		2,800	443,840		443,840
125 Accounts Receivable - Miscellaneous	838		291,060	437,642	-281,405	156,237
126 Accounts Receivable - Tenants	9,594			121,916		121,916
126.1 Allowance for Doubtful Accounts -Tenants	-8,155			-103,630		-103,630
128 Fraud Recovery				19,513		19,513
128.1 Allowance for Doubtful Accounts - Fraud				-12,249		-12,249
129 Accrued Interest Receivable			2,806	2,806		2,806
120 Total Receivables, Net of Allowances for Doubtful Accounts	2,965	-	296,666	909,838	-281,405	628,433
142 Prepaid Expenses and Other Assets	4,412		392	241,022		241,022
143 Inventories	9,066			650,382		650,382
143.1 Allowance for Obsolete Inventories	-272			-19,511		-19,511
144 Inter Program Due From	7,567		244,553	255,426	-255,426	-
150 Total Current Assets	240,517	64,421	1,906,945	12,897,169	-536,831	12,360,338
161 Land	64,000		145,852	8,998,861		8,998,861
162 Buildings	1,754,623		196,859	120,244,540		120,244,540
163 Furniture, Equipment & Machinery - Dwellings			14,069	726,206		726,206
164 Furniture, Equipment & Machinery - Administration	42,082		1,254,483	4,592,162		4,592,162
166 Accumulated Depreciation	-559,402		-1,271,398	-88,228,900		-88,228,900
167 Construction in Progress				646,397		646,397
160 Total Capital Assets, Net of Accumulated Depreciation	1,301,303	-	339,865	46,979,266	-	46,979,266
171 Notes, Loans and Mortgages Receivable - Non-Current		-		4,013,029	-677,016	3,336,013
174 Other Assets	134	-	2,923	8,060		8,060
180 Total Non-Current Assets	1,301,437	-	342,788	51,000,355	-677,016	50,323,339
190 Total Assets	1,541,954	64,421	2,249,733	63,897,524	-1,213,847	62,683,677

DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
ENTITY WIDE BALANCE SHEET SUMMARY
ENDED JUNE 30, 2015

	Project Total	14.871 Housing Choice Vouchers	14.866 Revitalization of Severely Distressed Public Housing	14.182 N/C S/R Section 8 Programs	14.870 Resident Opportunity and Supportive Services	State/Local	Business Activities
200 Deferred Outflow of Resources	262,125	71,281					
290 Total Assets and Deferred Outflow of Resources	52,457,295	665,181	1,661,757	127,868	182,604	3,206,139	2,073,978
312 Accounts Payable <= 90 Days	336,028	14,045			2,070		
321 Accrued Wage/Payroll Taxes Payable	370,678	75,628			27,845		
322 Accrued Compensated Absences - Current Portion	18,020	4,356					
331 Accounts Payable - HUD PHA Programs		3,546		21,060			
332 Accounts Payable - PHA Programs		4,237					
341 Tenant Security Deposits	251,670						3,950
342 Unearned Revenues	115,973				1,568		
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds	346,643						5,428
344 Current Portion of Long-term Debt - Operating Borrowings							
345 Other Current Liabilities	46,316	5,000					
346 Accrued Liabilities - Other							
347 Inter Program - Due To	3,749	86,891		13,140	148,691		
310 Total Current Liabilities	1,489,077	193,703	-	34,200	180,174	-	9,378
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	8,002,791						120,619
353 Non-current Liabilities - Other	31,759	192,181					
354 Accrued Compensated Absences - Non Current	430,036	103,950					
357 Accrued Pension and OPEB Liabilities	2,657,472	722,657					
350 Total Non-Current Liabilities	11,122,058	1,018,788	-	-	-	-	120,619
300 Total Liabilities	12,611,135	1,212,491	-	34,200	180,174	-	129,997
400 Deferred Inflow of Resources	47,888	13,022					
508.4 Net Investment in Capital Assets	34,070,571	75,328	1,661,757			1,566,807	165,170
511.4 Restricted Net Position	1,116,498	28,245		1,228			
512.4 Unrestricted Net Position	4,611,203	-663,905		92,440	2,430	1,639,332	1,778,811
513 Total Equity - Net Assets / Position	39,798,272	-560,332	1,661,757	93,668	2,430	3,206,139	1,943,981
600 Total Liab., Def. Inflow of Res., and Equity - Net Assets / Position	52,457,295	665,181	1,661,757	127,868	182,604	3,206,139	2,073,978

DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
ENTITY WIDE BALANCE SHEET SUMMARY
ENDED JUNE 30, 2015

	Component Unit - Blended	14.856 Lower Income Housing Assistance Program Section 8 Moderate	COCC	Subtotal	ELIM	Total
200 Deferred Outflow of Resources	8,950		194,842	537,198		537,198
290 Total Assets and Deferred Outflow of Resources	1,550,904	64,421	2,444,575	64,434,722	-1,213,847	63,220,875
312 Accounts Payable <= 90 Days	6,286		114,107	472,536		472,536
321 Accrued Wage/Payroll Taxes Payable	6,116		188,023	668,290		668,290
322 Accrued Compensated Absences - Current Portion	864		13,296	36,536		36,536
331 Accounts Payable - HUD PHA Programs		12,007		36,613		36,613
				4,237		4,237
341 Tenant Security Deposits	4,475			260,095		260,095
342 Unearned Revenues	942		1,418	119,901		119,901
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds	12,505			364,576		364,576
344 Current Portion of Long-term Debt - Operating Borrowings				-		-
345 Other Current Liabilities	95,169		281,402	427,887	-281,405	146,482
346 Accrued Liabilities - Other				-		-
347 Inter Program - Due To		2,955		255,426	-255,426	-
310 Total Current Liabilities	126,357	14,962	598,246	2,646,097	-536,831	2,109,266
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	164,644			8,288,054	-677,016	7,611,038
353 Non-current Liabilities - Other				223,940		223,940
354 Accrued Compensated Absences - Non Current	20,618		317,303	871,907		871,907
357 Accrued Pension and OPEB Liabilities	90,733		1,975,336	5,446,198		5,446,198
350 Total Non-Current Liabilities	275,995	-	2,292,639	14,830,099	-677,016	14,153,083
300 Total Liabilities	402,352	14,962	2,890,885	17,476,196	-1,213,847	16,262,349
400 Deferred Inflow of Resources	1,635		35,595	98,140		98,140
508.4 Net Investment in Capital Assets	1,124,154		339,865	39,003,652		39,003,652
511.4 Restricted Net Position		2,160		1,148,131		1,148,131
512.4 Unrestricted Net Position	22,763	47,299	-821,770	6,708,603		6,708,603
513 Total Equity - Net Assets / Position	1,146,917	49,459	-481,905	46,860,386	-	46,860,386
600 Total Liab., Def. Inflow of Res., and Equity - Net Assets / Position	1,550,904	64,421	2,444,575	64,434,722	-1,213,847	63,220,875

DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
FINANCIAL DATA SCHEDULES
ENTITY WIDE REVENUE AND EXPENSE SUMMARY
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Project Total	14.871 Housing Choice Vouchers	14.866 Revitalization of Severely Distressed Public Housing	14.182 N/C S/R Section 8 Programs	14.870 Resident Opportunity and Supportive Services	State/Local	Business Activities
70300 Net Tenant Rental Revenue	3,867,552						68,676
70400 Tenant Revenue - Other	8,744						
70500 Total Tenant Revenue	3,876,296	-	-	-	-	-	68,676
70600 HUD PHA Operating Grants	12,297,160	19,716,208	215,991	686,315	306,471		99,592
70610 Capital Grants	1,039,089						
70710 Management Fee							
70720 Asset Management Fee							
70730 Book Keeping Fee							
70750 Other Fees							
70700 Total Fee Revenue	-	-	-	-	-	-	-
71100 Investment Income - Unrestricted	4,377	1		17		2,362	5,279
71400 Fraud Recovery		1,954					
71500 Other Revenue	678,321	75,231		1,288	2,429	732	3,539
71600 Gain or Loss on Sale of Capital Assets			-46,302				-366,719
72000 Investment Income - Restricted		36					
70000 Total Revenue	17,895,243	19,793,430	169,689	687,620	308,900	3,094	-189,633
91100 Administrative Salaries	1,269,567	590,851	10,534	60,025		85,000	1,378
91200 Auditing Fees							
91300 Management Fee	1,820,444	504,468		26,364			8,988
91310 Book-keeping Fee	98,440	315,293		16,478			1,155
91500 Employee Benefit contributions - Administrative	721,335	196,126		20,268	29,339		
91600 Office Expenses					1,200		
91900 Other	498,623	181,740	352,218	16,801	6,530	21,557	4,386
91000 Total Operating - Administrative	4,408,409	1,788,478	362,752	139,936	37,069	106,557	15,907
92000 Asset Management Fee							880
92100 Tenant Services - Salaries		10,780			186,844		
92300 Employee Benefit Contributions - Tenant Services		13,038			22,815		
92400 Tenant Services - Other	8,596	8			40,190		199
92500 Total Tenant Services	8,596	23,826	-	-	249,849	-	199

DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
FINANCIAL DATA SCHEDULES
ENTITY WIDE REVENUE AND EXPENSE SUMMARY
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Component Unit - Blended	14.856 Lower Income Housing Assistance Program Section 8 Moderate	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	98,891			4,035,119		4,035,119
70400 Tenant Revenue - Other				8,744		8,744
70500 Total Tenant Revenue	98,891	-	-	4,043,863	-	4,043,863
70600 HUD PHA Operating Grants	64,990	289,886	2,800	33,679,413		33,679,413
70610 Capital Grants				1,039,089		1,039,089
70710 Management Fee			2,384,631	2,384,631	-2,384,631	-
70720 Asset Management Fee			3,630	3,630	-3,630	-
70730 Book Keeping Fee			437,771	437,771	-437,771	-
70750 Other Fees			12,082	12,082		12,082
70700 Total Fee Revenue	-	-	2,838,114	2,838,114	-2,826,032	12,082
71100 Investment Income - Unrestricted	17	15	1,544	13,612		13,612
71400 Fraud Recovery				1,954		1,954
71500 Other Revenue	157,723	290	342,166	1,261,719		1,261,719
71600 Gain or Loss on Sale of Capital Assets				-413,021		-413,021
72000 Investment Income - Restricted			30	66		66
70000 Total Revenue	321,621	290,191	3,184,654	42,464,809	-2,826,032	39,638,777
91100 Administrative Salaries	6,510	53,229	1,620,160	3,697,254		3,697,254
91200 Auditing Fees			36,806	36,806		36,806
91300 Management Fee	18,439	5,928		2,384,631	-2,384,631	-
91310 Book-keeping Fee	2,700	3,705		437,771	-437,771	-
91500 Employee Benefit contributions - Administrative	11,683	17,858	440,780	1,437,389		1,437,389
91600 Office Expenses				1,200		1,200
91900 Other	84,763	15,933	504,012	1,686,563		1,686,563
91000 Total Operating - Administrative	124,095	96,653	2,601,758	9,681,614	-2,822,402	6,859,212
92000 Asset Management Fee	2,750			3,630	-3,630	-
92100 Tenant Services - Salaries				197,624		197,624
92300 Employee Benefit Contributions - Tenant Services				35,853		35,853
92400 Tenant Services - Other			1,715	50,708		50,708
92500 Total Tenant Services	-	-	1,715	284,185	-	284,185

DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
FINANCIAL DATA SCHEDULES
ENTITY WIDE REVENUE AND EXPENSE SUMMARY
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Project Total	14.871 Housing Choice Vouchers	14.866 Revitalization of Severely Distressed Public Housing	14.182 N/C S/R Section 8 Programs	14.870 Resident Opportunity and Supportive Services	State/Local	Business Activities
93100 Water	409,412						738
93200 Electricity	1,358,647						976
93300 Gas	489,177						
93600 Sewer	347,917						562
93000 Total Utilities	2,605,153	-	-	-	-	-	2,276
94100 Ordinary Maintenance and Operations - Labor	2,142,011						
94200 Ordinary Maintenance and Operations - Materials and Other	854,430	7,243		275			960
94300 Ordinary Maintenance and Operations Contracts	2,885,731	100,041		8,810	16,165	1,720	118,523
94500 Employee Benefit Contributions - Ordinary Maintenance	429,641						
94000 Total Maintenance	6,311,813	107,284	-	9,085	16,165	1,720	119,483
95100 Protective Services - Labor	42,916						
95200 Protective Services - Other Contract Costs	381,809						
95300 Protective Services - Other							775
95500 Employee Benefit Contributions - Protective Services	19,291						
95000 Total Protective Services	444,016	-	-	-	-	-	775
96110 Property Insurance	746,622	653		25		10,072	9,981
96130 Workmen's Compensation	77,864	15,305		574	2,086		
96140 All Other Insurance	26,101	127		5			
96100 Total insurance Premiums	850,587	16,085	-	604	2,086	10,072	9,981
96200 Other General Expenses	207,780	20,057					
96210 Compensated Absences	10,598	-33,805					
96300 Payments in Lieu of Taxes	151,441		16				1,250
96400 Bad debt - Tenant Rents	268,681						1,323
96800 Severance Expense	8,983	4,683		178	361		
96000 Total Other General Expenses	647,483	-9,065	16	178	361	-	2,573
96710 Interest of Mortgage (or Bonds) Payable	522,475					1,279	23,592
96700 Total Interest Expense and Amortization Cost	522,475	-	-	-	-	1,279	23,592
96900 Total Operating Expenses	15,798,532	1,926,608	362,768	149,803	305,530	119,628	175,666
97000 Excess of Operating Revenue over Operating Expenses	2,096,711	17,866,822	-193,079	537,817	3,370	-116,534	-365,299

DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
FINANCIAL DATA SCHEDULES
ENTITY WIDE REVENUE AND EXPENSE SUMMARY
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Component Unit - Blended	14.856 Lower Income Housing Assistance Program Section 8 Moderate	COCC	Subtotal	ELIM	Total
93100 Water	4,387		1,248	415,785		415,785
93200 Electricity	4,209		49,068	1,412,900		1,412,900
93300 Gas	1,157			490,334		490,334
93600 Sewer	8,470		881	357,830		357,830
93000 Total Utilities	18,223	-	51,197	2,676,849	-	2,676,849
94100 Ordinary Maintenance and Operations - Labor	23,258		26,506	2,191,775		2,191,775
94200 Ordinary Maintenance and Operations - Materials and Other	17,059	62	16,779	896,808		896,808
94300 Ordinary Maintenance and Operations Contracts	39,553	8,668	186,579	3,365,790		3,365,790
94500 Employee Benefit Contributions - Ordinary Maintenance	-676		7,515	436,480		436,480
94000 Total Maintenance	79,194	8,730	237,379	6,890,853	-	6,890,853
95100 Protective Services - Labor	420			43,336		43,336
95200 Protective Services - Other Contract Costs			8,256	390,065		390,065
95300 Protective Services - Other	355			1,130		1,130
95500 Employee Benefit Contributions - Protective Services	189			19,480		19,480
95000 Total Protective Services	964	-	8,256	454,011	-	454,011
96110 Property Insurance	12,686	6	5,905	785,950		785,950
96130 Workmen's Compensation	942	129	37,438	134,338		134,338
96140 All Other Insurance		1	3,529	29,763		29,763
96100 Total insurance Premiums	13,628	136	46,872	950,051	-	950,051
96200 Other General Expenses	27,999		42,270	298,106		298,106
96210 Compensated Absences	20,485		118,043	115,321		115,321
96300 Payments in Lieu of Taxes	1,107		8,872	162,686		162,686
96400 Bad debt - Tenant Rents	9,171			279,175		279,175
96800 Severance Expense		40	13,355	27,600		27,600
96000 Total Other General Expenses	58,762	40	182,540	882,888	-	882,888
96710 Interest of Mortgage (or Bonds) Payable		-	710	548,056		548,056
96700 Total Interest Expense and Amortization Cost	-	-	710	548,056	-	548,056
96900 Total Operating Expenses	297,616	105,559	3,130,427	22,372,137	-2,826,032	19,546,105
97000 Excess of Operating Revenue over Operating Expenses	24,005	184,632	54,227	20,092,672	-	20,092,672

DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
FINANCIAL DATA SCHEDULES
ENTITY WIDE REVENUE AND EXPENSE SUMMARY
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Project Total	14.871 Housing Choice Vouchers	14.866 Revitalization of Severely Distressed Public Housing	14.182 N/C S/R Section 8 Programs	14.870 Resident Opportunity and Supportive Services	State/Local	Business Activities
97200 Casualty Losses - Non-capitalized	41,720						
97300 Housing Assistance Payments		18,278,336		567,894			
97350 HAP Portability-In		6,371					
97400 Depreciation Expense	4,523,407	57,608	125,694			189,439	15,298
90000 Total Expenses	20,363,659	20,268,923	488,462	717,697	305,530	309,067	190,964
10010 Operating Transfer In							
10020 Operating transfer Out							
10091 Inter Project Excess Cash Transfer In	250,000						
10092 Inter Project Excess Cash Transfer Out	-250,000						
10093 Transfers between Program and Project - In	197,204						
10094 Transfers between Project and Program - Out							
10100 Total Other financing Sources (Uses)	197,204	-	-	-	-	-	-
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-2,271,212	-475,493	-318,773	-30,077	3,370	-305,973	-380,597
11020 Required Annual Debt Principal Payments	1,077,591					18,411	19,572
11030 Beginning Equity	44,512,307	579,447	1,980,530	123,745	-588	3,787,947	2,048,743
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-2,442,823	-664,286			-352	-275,835	275,835
11170 Administrative Fee Equity		-588,577					
11180 Housing Assistance Payments Equity		28,245					
11190 Unit Months Available	32,520	47,350		2,028			96
11210 Number of Unit Months Leased	31,694	42,039		1,836			84

DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
FINANCIAL DATA SCHEDULES
ENTITY WIDE REVENUE AND EXPENSE SUMMARY
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Component Unit - Blended	14.856 Lower Income Housing Assistance Program Section 8 Moderate	COCC	Subtotal	ELIM	Total
97200 Casualty Losses - Non-capitalized			-13,893	27,827		27,827
97300 Housing Assistance Payments		263,684		19,109,914		19,109,914
97350 HAP Portability-In				6,371		6,371
97400 Depreciation Expense	99,592		4,881	5,015,919		5,015,919
90000 Total Expenses	397,208	369,243	3,121,415	46,532,168	-2,826,032	43,706,136
10010 Operating Transfer In				-		-
10020 Operating transfer Out				-		-
10091 Inter Project Excess Cash Transfer In				250,000		250,000
10092 Inter Project Excess Cash Transfer Out				-250,000		-250,000
10093 Transfers between Program and Project - In				197,204		197,204
10094 Transfers between Project and Program - Out	-88,414		-108,790	-197,204		-197,204
10100 Total Other financing Sources (Uses)	-88,414	-	-108,790	-	-	-
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-164,001	-79,052	-45,551	-4,067,359	-	-4,067,359
11020 Required Annual Debt Principal Payments	12,505		5,474	1,133,553		1,133,553
11030 Beginning Equity	1,295,999	128,511	1,477,401	55,934,042		55,934,042
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	14,919		-1,913,755	-5,006,297		-5,006,297
11170 Administrative Fee Equity				-588,577		-588,577
11180 Housing Assistance Payments Equity				28,245		28,245
11190 Unit Months Available	300	456		82,750		82,750
11210 Number of Unit Months Leased	290	389		76,332		76,332

DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Federal Grantor Program/Title	Federal CFDA Number	Federal Expenditures
U.S. Department of Housing and Urban Development		
Direct Programs		
Section 8 Project Based Cluster:		
Section 8 New Construction and Moderate Rehabilitation Programs:		
N/C S/R Section 8 Programs	14.182	$ 686,315
Moderate Rehabilitation	14.856	289,886
Total Section 8 Project Based Cluster		976,201
Conventional Low-Income Housing Program - Subsidy	14.850	10,560,345
Revitalization of Severely Distressed Public Housing	14.866	215,991
Resident Opportunities and Self-Sufficiency (ROSS)	14.870	306,471
Housing Choice Voucher Program	14.871	19,716,208
Capital Fund Program	14.872	2,943,285
Total Direct Programs		34,718,501
Total U.S. Department of Housing and Urban Development		34,718,501
TOTAL EXPENDITURES OF FEDERAL AWARDS		$ 34,718,501

See accompanying notes to the Schedule of Expenditures of Federal Awards.

DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1: **BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards has been prepared using the accrual basis of accounting in accordance with the format as set forth in *Government Auditing* Standards, issued by the Comptroller General of the United States, and Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

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

Board of Commissioners
Dayton Metropolitan Housing Authority
Dayton, Ohio

Regional Inspector General for Audit
Department of Housing and Urban Development

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Dayton Metropolitan Housing Authority, Montgomery County, Ohio, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated November 20, 2015, wherein we noted that the Dayton Metropolitan Housing Authority, Ohio, adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, and adjusted its net position at June 30, 2014.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Dayton Metropolitan Housing Authority, Ohio's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

James G. Zupka, CPA, President

Digitally signed by James G. Zupka, CPA, President
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James G. Zupka, CPA, Inc.
Certified Public Accountants

November 20, 2015

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

Certified Public Accountants

5240 East 98th Street

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

Board of Directors
Dayton Metropolitan Housing Authority
Dayton, Ohio

Regional Inspector General of Audit
Department of Housing and Urban Development

Report on Compliance for Each Major Federal Program

We have audited the Dayton Metropolitan Housing Authority, Montgomery County, Ohio's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Dayton Metropolitan Housing Authority, Ohio's major federal programs for the year ended June 30, 2015. Dayton Metropolitan Housing Authority, Ohio's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Dayton Metropolitan Housing Authority, Ohio's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Dayton Metropolitan Housing Authority, Ohio's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Dayton Metropolitan Housing Authority, Ohio's compliance.

Opinion on Each Major Federal Program

In our opinion, the Dayton Metropolitan Housing Authority, Ohio, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of the major federal programs for the fiscal year ended June 30, 2015.

Report on Internal Control Over Compliance

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

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

James G. Zupka, CPA, President

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James G. Zupka CPA, Inc.
Certified Public Accountants

November 20, 2015

DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 & §.505
JUNE 30, 2015

1. SUMMARY OF AUDITOR'S RESULTS

2015(i)	Type of Financial Statement Opinion	Unmodified
2015(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
2015(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
2015(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
2015(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
2015(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
2015(v)	Type of Major Programs' Compliance Opinion	Unmodified
2015(vi)	Are there any reportable findings under §.510(a)?	No
2015(vii)	Major Programs (list):	
	Housing Choice Voucher Program - CFDA #14.871	
2015(viii)	Dollar Threshold: Type A\B Programs	$1,041,555 Type B: All Others
2015(ix)	Low Risk Auditee?	Yes

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
SCHEDULE OF PRIOR AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

The prior audit report, as of June 30, 2014, included no citations or instances of noncompliance. Management letter recommendations were corrected, repeated, or procedures instituted to prevent occurrences in this audit period.

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DAYTON METROPOLITAN HOUSING AUTHORITY

MONTGOMERY 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
FEBRUARY 18, 2016

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