

**DAYTON METROPOLITAN  
HOUSING AUTHORITY  
MONTGOMERY COUNTY, OHIO**

**AUDIT REPORT**

**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2014**

***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, 2013 through June 30, 2014. 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.

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

Dave Yost  
Auditor of State

February 2, 2015

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**DAYTON METROPOLITAN HOUSING AUTHORITY**  
**MONTGOMERY COUNTY, OHIO**  
**AUDIT REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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**JAMES G. ZUPKA, C.P.A., INC.**  
*Certified Public Accountants*  
*5240 East 98<sup>th</sup> Street*  
*Garfield Hts., Ohio 44125*

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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, 2014, 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, 2014, 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.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis 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 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 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 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 December 15, 2014, 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: 2014.12.22 16:38:08 -05'00'

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

December 15, 2014



**DAYTON METROPOLITAN HOUSING AUTHORITY  
MONTGOMERY COUNTY, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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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, 2014. 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, 2014, by \$55,934,042 (a decrease of \$2,706,207, or 4.6 percent, from June 30, 2013).
- Net investment in capital assets totaled \$41,076,224 as of June 30, 2014 (a decrease of \$1,692,948, or 3.9 percent, from June 30, 2013). Unrestricted net position totaled \$13,151,463 as of June 30, 2014 (a decrease of \$972,363, or 6.9 percent, from June 30, 2013).
- The Authority had total operating revenue of \$39,854,244 (a decrease of \$3,231,086, or 7.5 percent, from June 30, 2013). The Authority had total operating expenses of \$43,994,691 (a \$3,982 decrease, or 0.01 percent, from June 30, 2013) resulting in a net operating loss of \$4,140,447 for the year ended June 30, 2014, and had other non-operating expenses and losses in a net amount of \$484,818 and \$1,919,058 in capital contributions, resulting in a decrease in total net position of \$2,706,207 for the year.
- The Authority's capital additions for the year were \$2,450,437.

**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 *Statements 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.

**DAYTON METROPOLITAN HOUSING AUTHORITY**  
**MONTGOMERY COUNTY, OHIO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**  
**(CONTINUED)**

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The focus of the *Statement of Net Position* represents the net available liquid (non-capital) assets, net of liabilities, for the entire Authority. Net position is reported in three broad categories.

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 *Statement 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 capital 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 *Statement 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 *Notes 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.

**DAYTON METROPOLITAN HOUSING AUTHORITY  
MONTGOMERY COUNTY, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
(CONTINUED)**

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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 METROPOLITAN HOUSING AUTHORITY  
MONTGOMERY COUNTY, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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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.

	2014 <u>(in thousands)</u>	2013 <u>(in thousands)</u>
<b><u>Assets</u></b>		
Current Assets	\$ 14,530	\$ 15,101
Capital Assets	51,315	54,117
Other Non-Current Assets	3,463	3,347
<b>Total Assets</b>	<u>69,308</u>	<u>72,565</u>
<b><u>Liabilities</u></b>		
Current Liabilities	3,325	2,779
Non-Current Liabilities	10,049	11,146
<b>Total Liabilities</b>	<u>13,374</u>	<u>13,925</u>
<b><u>Net Position</u></b>		
Net Investment in Capital Assets	41,076	42,769
Restricted	1,706	1,747
Unrestricted	13,152	14,124
<b>Total Net Position</b>	<u>\$ 55,934</u>	<u>\$ 58,640</u>

**DAYTON METROPOLITAN HOUSING AUTHORITY**  
**MONTGOMERY COUNTY, OHIO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**  
**(CONTINUED)**

By far the largest portion of the Authority's net position (73.4 percent) reflects its net investment in capital assets. The decrease from 2013 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.

	2014 <u>(in thousands)</u>	2013 <u>(in thousands)</u>
<b><u>Revenue</u></b>		
Tenant Rental Revenue	\$ 3,856	\$ 3,715
Government Operating Grants	35,467	38,214
Other Revenue	531	1,156
<b>Total Operating Revenue</b>	<u>39,854</u>	<u>43,085</u>
<b><u>Expenses</u></b>		
<b><u>Operating Expenses</u></b>		
Operating Expenses	18,467	18,757
Depreciation Expense	5,243	5,087
Housing Assistance Payments	20,284	20,154
Total Operating Expenses	<u>43,994</u>	<u>43,998</u>
<b>Net Operating Loss</b>	(4,140)	(913)
Non-Operating Revenue (Expenses)	<u>(485)</u>	<u>(682)</u>
Income Before Contributions	(4,625)	(1,595)
Capital Contributions	<u>1,919</u>	<u>1,785</u>
<b>Change in Net Position</b>	(2,706)	190
Total Net Position, Beginning of Year	<u>58,640</u>	<u>58,450</u>
<b>Total Net Position, End of Year</b>	<u>\$ 55,934</u>	<u>\$ 58,640</u>

During 2014, the net position of the Authority decreased by a total of \$2,706,207.

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 \$2,746,485 and operating expenses decreased by \$3,982. Section 8 Housing Assistance payments increased by \$129,726 from the previous year as a result of program reserve spending.

Capital contributions increased by \$133,976 to \$1,919,058 during 2014 due primarily to increase Capital Fund Program funding from Replacement Housing funds. Total net non-operating expenses decreased by \$197,308.

**DAYTON METROPOLITAN HOUSING AUTHORITY  
MONTGOMERY COUNTY, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
(CONTINUED)**

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**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

As of June 30, 2014, the Authority's capital assets totaled \$51,315,330 (capital assets net of accumulated depreciation) as reflected in the following schedule.

	2014 <u>(in thousands)</u>	2013 <u>(in thousands)</u>
Land	\$ 8,932	\$ 8,933
Buildings and Improvements	120,312	117,924
Equipment and Vehicles	5,201	4,956
Construction-in-Progress	340	710
Accumulated Depreciation	<u>(83,470)</u>	<u>(78,406)</u>
<b>Total</b>	<u>\$ 51,315</u>	<u>\$ 54,117</u>

The increase in buildings and improvement is a result of the completion of HUD approved capital improvements and acquisitions funded by CFFP and capital grants awarded to the Authority. Additional information on the Authority's capital assets can be found on page 25 of this report.

**Debt**

As of June 30, 2014, the Authority had \$10,239,106 of debt, a decrease of \$1,108,488 from the prior year. The decrease was due to payments made during the year.

Debt consists of New Vision Program mortgages, the Energy Performance Contract capital lease, Fannie Mae 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.

The Energy Performance Contract is a HUD funded program that, in effect, rewards housing authorities who install energy efficient measures into their housing units. The Authority entered into a long-term lease to finance the installation of the energy saving devices. All installations were completed in 2005. Funds for the payment of the lease will come from 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 lending institution advanced the loan proceeds in May 2003 and its retirement will take place in equal payments through June 2016.

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*.

**DAYTON METROPOLITAN HOUSING AUTHORITY  
MONTGOMERY COUNTY, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
(CONTINUED)**

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Additional information on the Authority's long-term debt can be found on pages 23 through 25 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 2015 fiscal year.

The Authority has continued to implement site-specific budgeting and accounting. Both FY2014 and FY2015 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 FY2015 is expected to decrease from its current low level (88 percent) of calculated amounts to approximately 83 percent beginning in January 2015.

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 FY2015, the COCC will continue to give a discount to the HCV Program, if required. HCV revenues for FY2015 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, 2014**

**ASSETS**

**Current Assets**

Cash and Cash Equivalents	\$ 10,766,428
Restricted Cash and Cash Equivalents	2,169,231
Accounts Receivable, Net:	
Tenants, Net of Allowance for Doubtful Accounts of \$62,119	12,553
HUD and Other Grants	393,583
Other Receivables	394,257
Inventory, Net of Allowance for Obsolete Inventory of \$17,014	550,055
Prepaid Expenses	244,458
<b>Total Current Assets</b>	<b>14,530,565</b>

**Non-Current Assets**

Capital Assets	
Capital Assets, Not Depreciated	9,271,327
Capital Assets, Being Depreciated, Net of Accumulated Depreciation	42,044,003
<b>Total Capital Assets</b>	<b>51,315,330</b>
Notes, Loans, & Mortgages Receivable Non-Current	3,269,521
Other Non-Current Assets	193,080
<b>Total Non-Current Assets</b>	<b>54,777,931</b>
<b>TOTAL ASSETS</b>	<b>69,308,496</b>

**LIABILITIES**

**Current Liabilities**

Accounts Payable	931,973
Accrued Wages and Benefits	470,792
Accrued Liabilities - Other	171,105
Accrued Compensated Absences - Current Portion	35,820
Tenants' Security Deposits	266,144
Unearned Revenue	137,318
Other Current Liabilities	95,717
Current Portion of Mortgages Payable	19,572
Current Portion of Note Payable	339,012
Current Portion of Capital Lease Payable	774,968
Contractor Retentions	82,289
<b>Total Current Liabilities</b>	<b>3,324,710</b>

**Non-Current Liabilities**

Mortgages Payable, Net of Current Portion	447,837
Notes Payable, Net of Current Portion	7,849,567
Capital Lease Payable, Net of Current Portion	808,150
Compensated Absences, Net of Current Portion	757,302
Other Non-Current Liabilities	186,888
<b>Total Non-Current Liabilities</b>	<b>10,049,744</b>
<b>TOTAL LIABILITIES</b>	<b>13,374,454</b>

**NET POSITION**

Net Investment in Capital Assets	41,076,224
Restricted	1,706,355
Unrestricted	13,151,463
<b>TOTAL NET POSITION</b>	<b>\$ 55,934,042</b>

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, 2014**

<b><u>Operating Revenues</u></b>	
Rental Revenue	\$ 3,856,410
Governmental Revenue	35,467,339
Other Revenue	530,495
<b>Total Operating Revenues</b>	<b><u>39,854,244</u></b>
<b><u>Operating Expenses</u></b>	
Administrative Expense	5,894,867
Tenant Services	376,169
Utilities Expense	2,584,603
Ordinary Maintenance and Operations	7,581,847
Protective Services	454,541
General Expenses	1,575,761
Housing Assistance Payments	20,283,934
Depreciation	5,242,969
<b>Total Operating Expenses</b>	<b><u>43,994,691</u></b>
Operating Loss	<b><u>(4,140,447)</u></b>
<b><u>Nonoperating Revenues (Expenses)</u></b>	
Interest and Investment Income	12,025
Interest Expense	(524,449)
Insurance Proceeds/(Casualty Losses)	(31,819)
Gain/(Loss) on Disposal of Capital Assets	59,425
<b>Total Nonoperating Revenues (Expenses)</b>	<b><u>(484,818)</u></b>
Income Before Contributions	(4,625,265)
Capital Contributions	<u>1,919,058</u>
<b>Net Change in Net Position</b>	<b>(2,706,207)</b>
Net Position - Beginning of Year	<u>58,640,249</u>
<b>Net Position - End of Year</b>	<b><u>\$ 55,934,042</u></b>

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, 2014**

<b><u>Cash Flows from Operating Activities</u></b>	
Receipts from Residents and Other Deposits	\$ 3,851,903
Governmental Operating Revenues	35,471,213
Other Receipts	334,885
Administrative Expenses	(5,749,165)
Other Operating Expenses	(12,246,438)
Housing Assistance Payments	(20,283,934)
<b>Net Cash Provided by Operating Activities</b>	<b><u>1,378,464</u></b>
<b><u>Cash Flows from Capital and Related Financing Activities</u></b>	
Capital Assets Additions	(2,450,437)
Casualty Loss	(31,819)
Principal Paid on Debt	(1,108,488)
Cash from Disposal of Assets	68,329
Interest Paid on Debt	(524,449)
Capital Grants	1,919,058
<b>Net Cash Used in Capital and Related Financing Activities</b>	<b><u>(2,127,806)</u></b>
<b><u>Cash Flows from Investing Activities</u></b>	
Investment Income	12,025
Investment in Notes Receivable	(115,014)
<b>Net Cash Used in Accounting Activities</b>	<b><u>(102,989)</u></b>
Net (Decrease) in Cash and Cash Equivalents	(852,331)
Cash and Cash Equivalents - Beginning of Year	<u>13,787,990</u>
<b>Cash and Cash Equivalents - End of Year</b>	<b><u>\$ 12,935,659</u></b>
<b><u>Reconciliation of Net Operating Income to</u></b>	
<b><u>Net Cash Provided by Operating Activities</u></b>	
Operating Loss	\$ (4,140,447)
Adjustments to Reconcile Net Income to Net	
Cash Provided by Operating Activities:	
Depreciation	5,242,969
Decrease in Tenant Receivables	4,897
Decrease in HUD Receivables	40,187
Increase in Other Assets/Receivables	(260,491)
Increase in Inventory	(28,589)
Increase in Prepaid Expenses	(38,168)
Increase in Wages and Benefits	147,832
Decrease in Security Deposits	(9,404)
Increase in Accounts Payable	229,618
Decrease in Compensated Absences	(2,130)
Increase in Accrued Liabilities	193,204
Decrease in Unearned Revenue	(36,313)
Increase in Other Liabilities	35,299
<b>Net Cash Provided by Operating Activities</b>	<b><u>\$ 1,378,464</u></b>

A non-cash transaction of \$364,356 was made decreasing capital assets and increasing notes receivable.

See accompanying notes to the financial statements.

**DAYTON METROPOLITAN HOUSING AUTHORITY  
MONTGOMERY COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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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.

**DAYTON METROPOLITAN HOUSING AUTHORITY**  
**MONTGOMERY COUNTY, OHIO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**  
**(CONTINUED)**

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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.

**DAYTON METROPOLITAN HOUSING AUTHORITY  
MONTGOMERY COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
(CONTINUED)**

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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.

**DAYTON METROPOLITAN HOUSING AUTHORITY  
MONTGOMERY COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
(CONTINUED)**

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

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

Pursuant to GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance, Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, the Authority follows GASB guidance as applicable to enterprise funds.

***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 2014, 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 2014 totaled \$12,025.

***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.

**DAYTON METROPOLITAN HOUSING AUTHORITY**  
**MONTGOMERY COUNTY, OHIO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**  
**(CONTINUED)**

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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, property acquisition, and a capital lease to finance the installment of energy saving devices.

**DAYTON METROPOLITAN HOUSING AUTHORITY**  
**MONTGOMERY COUNTY, OHIO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**  
**(CONTINUED)**

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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 proprietary 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.



**DAYTON METROPOLITAN HOUSING AUTHORITY**  
**MONTGOMERY COUNTY, OHIO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**  
**(CONTINUED)**

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NOTE 2: **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.

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 \$12,579,066, of which \$2,400 was held in petty cash. The corresponding bank balances totaled \$12,755,835. Based on criteria described in GASB Statement No. 40, *Deposit and Investment Risk Disclosure*, as of June 30, 2014, \$6,423,385 was exposed to custodial risk as discussed below, while \$6,332,450 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, 2014, \$6,423,385 was covered by specific collateral.

**DAYTON METROPOLITAN HOUSING AUTHORITY  
MONTGOMERY COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
(CONTINUED)**

NOTE 2: **DEPOSITS AND INVESTMENTS** (Continued)

**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.

The Authority's investments at June 30, 2014 were as follows:

<u>Uncategorized Investments</u>	<u>Fair Value</u>	<u>Weighted Average Maturity</u>	<u>Rating</u>
STAROhio	\$ 356,593	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.

**DAYTON METROPOLITAN HOUSING AUTHORITY  
MONTGOMERY COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
(CONTINUED)**

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NOTE 2: **DEPOSITS AND INVESTMENTS** (Continued)

B. **Investments** (Continued)

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

	<u>Cash and Cash Equivalents *</u>	<u>Investments</u>
Per Statement of Net Position	\$ 12,935,659	\$ 0
STAR Ohio	(356,593)	356,593
Per GASB Statement No. 3	<u>\$ 12,579,066</u>	<u>\$ 356,593</u>

\* Includes restricted cash and cash equivalents.

Restricted cash consists of the following:

Payment of Current Liabilities	\$ 3,489
Unspent Debt Proceeds	400,014
Security Deposits and FSS Escrow	421,678
HCV and Other Section 8 Programs	470,590
Proceeds from Public Housing Dispositions	764,755
Unspent EPC Debt Proceeds	108,705
	<u>\$ 2,169,231</u>

Restricted net position consists of the following:

Unspent EPC and Other Debt Proceeds	\$ 508,719
Proceeds from Public Housing Disposition	764,505
Unspent Housing Choice Voucher HAP Funding	429,907
Other Section 8 Program Funds	3,224
	<u>\$ 1,706,355</u>

**DAYTON METROPOLITAN HOUSING AUTHORITY**  
**MONTGOMERY COUNTY, OHIO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**  
**(CONTINUED)**

**NOTE 3: CAPITAL ASSETS**

A summary of changes in the Authority's capital assets for the year ended June 30, 2014 follows:

	Balance June 30, 2013	Additions	Deletions	Reclasses	Balance June 30, 2014
<b><u>Capital Assets Not Being Depreciated</u></b>					
Land	\$ 8,933,063	\$ 0	\$ (1,500)	\$ 0	\$ 8,931,563
Construction in Progress	525,696	1,814,652	0	(2,000,584)	339,764
Software Under Development	184,153	0	0	(184,153)	0
<b>Total Capital Assets Not Being Depreciated</b>	<b>9,642,912</b>	<b>1,814,652</b>	<b>(1,500)</b>	<b>(2,184,737)</b>	<b>9,271,327</b>
<b><u>Capital Assets Being Depreciated</u></b>					
Buildings and Improvements	117,923,900	433,136	(45,038)	2,000,584	120,312,582
Equipment and Vehicles	4,956,163	202,649	(141,270)	184,153	5,201,695
<b>Subtotal Capital Assets Being Depreciated</b>	<b>122,880,063</b>	<b>635,785</b>	<b>(186,308)</b>	<b>2,184,737</b>	<b>125,514,277</b>
<b>Total Cost</b>	<b>132,522,975</b>	<b>2,450,437</b>	<b>(187,808)</b>	<b>0</b>	<b>134,785,604</b>
Accumulated Depreciation -					
Buildings and Improvements	(74,608,464)	(4,756,672)	39,127	0	(79,326,009)
Equipment and Vehicles	(3,797,745)	(486,297)	139,777	0	(4,144,265)
<b>Total Accumulated Depreciation</b>	<b>(78,406,209)</b>	<b>(5,242,969)</b>	<b>178,904</b>	<b>0</b>	<b>(83,470,274)</b>
<b>Total Capital Assets, Net</b>	<b>\$ 54,116,766</b>	<b>\$ (2,792,532)</b>	<b>\$ (8,904)</b>	<b>\$ 0</b>	<b>\$ 51,315,330</b>

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

**NOTE 4: LONG-TERM OBLIGATIONS**

Changes in the Authority's long-term obligations during fiscal year 2014 are as follows:

	Balance June 30, 2013	Additions	Reductions	Balance June 30, 2014	Due Within One Year
New Visions Mortgage	\$ 485,984	\$ 0	\$ 18,575	\$ 467,409	\$ 19,572
Fannie Mae Note	8,333,187	0	334,262	7,998,925	326,507
County Corp. Note	202,157	0	12,503	189,654	12,505
EPC Capital Lease	2,326,266	0	743,148	1,583,118	774,968
Compensated Absences	795,252	508,437	510,567	793,122	35,820
<b>Total Long-Term Obligations</b>	<b>\$ 12,142,846</b>	<b>\$ 508,437</b>	<b>\$ 1,619,055</b>	<b>\$ 11,032,228</b>	<b>\$ 1,169,372</b>

The Authority issued \$720,000 of mortgages payable under the New Visions Program with an outstanding balance at June 30, 2014 of \$467,409. 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.

**DAYTON METROPOLITAN HOUSING AUTHORITY**  
**MONTGOMERY COUNTY, OHIO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**  
**(CONTINUED)**

NOTE 4: **LONG-TERM OBLIGATIONS** (Continued)

During fiscal year 2010, the Authority entered into a note agreement with Fannie Mae for \$9,235,000 for the purpose of property modernization with Fannie Mae Corp. The note balance at June 30, 2014 was \$7,998,925. 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, 2014 was \$189,654. 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
2015	\$ 19,572	\$ 24,300	\$ 43,872
2016	20,622	23,250	43,872
2017	21,730	22,142	43,872
2018	22,898	20,974	43,872
2019	24,128	19,794	43,922
2020-2024	141,566	77,795	219,361
2025-2029	165,288	36,166	201,454
2030-2033	51,605	3,431	55,036
<b>Total</b>	<b>\$ 467,409</b>	<b>\$ 227,852</b>	<b>\$ 695,261</b>

The Fannie Mae Modernization note matures as follows:

Year Ended June 30	Principal Amount	Interest Amount	Total
2015	\$ 326,507	\$ 472,657	\$ 799,164
2016	346,645	452,519	799,164
2017	368,025	431,139	799,164
2018	390,724	408,440	799,164
2019	414,823	384,341	799,164
2020-2024	2,490,954	1,504,865	3,995,819
2025-2029	3,359,924	635,895	3,995,819
2030	301,323	4,269	305,592
<b>Total</b>	<b>\$ 7,998,925</b>	<b>\$ 4,294,125</b>	<b>\$ 12,293,050</b>

**DAYTON METROPOLITAN HOUSING AUTHORITY  
MONTGOMERY COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
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(CONTINUED)**

NOTE 4: **LONG-TERM OBLIGATIONS** (Continued)

The County Corp. note matures as follows:

Year Ended June 30	Principal Amount	Interest Amount	Total
2015	\$ 12,505	\$ 0	\$ 12,505
2016	12,505	0	12,505
2017	12,505	0	12,505
2018	12,505	0	12,505
2019	12,505	0	12,505
2020-2024	62,525	0	62,525
2025-2029	62,525	0	62,525
2030	2,079	0	2,079
<b>Total</b>	<b>\$ 189,654</b>	<b>\$ 0</b>	<b>\$ 189,654</b>

NOTE 5: **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.

The Authority's future minimum payments under the capital lease obligation as of June 30, 2014 are as follows:

Year Ended June 30	Amount
2015	\$ 826,654
2016	826,654
Total Minimum Lease Payments	1,653,308
Less: Amount Representing Interest	(70,190)
Present Value of Future Minimum Lease Payments	<b>\$ 1,583,118</b>

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NOTE 6: **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, 2014:

<u>Coverage</u>	<u>Limit</u>
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, 2014, 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.

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**(CONTINUED)**

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**NOTE 7: DEFINED BENEFIT PENSION PLAN**

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

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of both the Traditional Pension and the Combined plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that can be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 1-800-222-7377, or by using the OPERS website at [www.OPERS.org](http://www.OPERS.org).

Employee and employer contributions to OPERS are established under the Ohio Revised Code and are based upon percentages of covered employees' gross salaries, with the contribution rate percentages being calculated annually by the Retirement Board's actuaries. For calendar years 2014 and 2013, the employee and the employer contribution rates were 10 percent and 14 percent, respectively, for all Authority employees.

The Authority's contributions to the OPERS for the years ending June 30, 2014, 2013, and 2012, were \$839,888, \$857,797, and \$943,804, respectively, which were equal to the required contributions for each year.

**NOTE 8: POST-EMPLOYMENT BENEFITS**

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.

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.



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NOTE 8: **POST-EMPLOYMENT BENEFITS** (Continued)

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. Disclosures for the health care plans are presented separately in the OPERS financial report, which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling 800-222-7377, or by using the OPERS website at [www.OPERS.org](http://www.OPERS.org).

Employer contribution rate is expressed as a percentage of the covered payroll of active members. In fiscal year ending 2014, 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.

A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care based on authority granted by state statute. OPERS' Post-Employment Health Care Plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the previously mentioned employer contribution rates that will be set aside for funding post-employment health care benefits. The amount of the employer contribution that was allocated to fund post-employment health care was 1.0 percent of covered payroll from July 1, 2013 through December 31, 2013, and 2.0 percent from January 1, 2014 through June 30, 2014.

The Authority's actual contributions that were used to fund OPEB for the years ending June 30, 2014, 2013, and 2012, were \$89,988, \$153,178, and \$269,658, respectively. The OPERS Retirement Board 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.

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 charges, 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 9: **UNCOMPLETED CONTRACTS**

At June 30, 2014, the Authority had uncompleted contracts under the Capital Fund Program, Hope VI, Home Ownership, Public Housing, CFFP, NSP, and ROSS of approximately \$1,635,541.

**DAYTON METROPOLITAN HOUSING AUTHORITY**  
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**(CONTINUED)**

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NOTE 10: **GASB STATEMENT IMPLEMENTATION**

For 2014, the Authority implemented GASB Statement No. 66, *Technical Corrections – 2012 – an amendment of GASB Statements No. 10 and No. 62*, , GASB Statement No. 67, *Financial Reporting for Pension Plan – an amendment of GASB Statement No. 25*, and GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*.

The objective of GASB Statement No. 66, *Technical Corrections – 2012 – an amendment of GASB Statement No. 10 and No. 62* is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The requirements of these Statements are effective for financial statements for periods beginning after December 15, 2012, and the implementation of this statement did not result in any change in the Authority’s financial statements.

The objective of GASB Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25* is to improve financial reporting by state and local governmental pensions plans. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2013 and did not result in any change in the Authority’s financial statements.

The objective of GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantee* is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2013, and did not result in any change in the Authority’s financial statements.

**DAYTON METROPOLITAN HOUSING AUTHORITY  
MONTGOMERY COUNTY, OHIO  
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	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	5,116,496	168,325		122,900		1,745,558	1,757,680
113 Cash - Other Restricted	1,164,769	603,246		18,553			-
114 Cash - Tenant Security Deposits	255,969						5,675
115 Cash - Restricted for Payment of Current Liabilities		3,489					
<b>100 Total Cash</b>	<b>6,537,234</b>	<b>775,060</b>	<b>-</b>	<b>141,453</b>	<b>-</b>	<b>1,745,558</b>	<b>1,763,355</b>
122 Accounts Receivable - HUD Other Projects	135,164	21,055	150,239	11	85,139		725
125 Accounts Receivable - Miscellaneous	94,755	819				299,588	10,000
126 Accounts Receivable - Tenants	70,584				49		49
126.1 Allowance for Doubtful Accounts - Tenants	-58,848						-39
128 Fraud Recovery	19,647						
128.1 Allowance for Doubtful Accounts - Fraud	-12,249						
129 Accrued Interest Receivable							
<b>120 Total Receivables, Net of Allowances for Doubtful Accounts</b>	<b>241,655</b>	<b>29,272</b>	<b>150,239</b>	<b>11</b>	<b>85,139</b>	<b>299,588</b>	<b>10,735</b>
142 Prepaid Expenses and Other Assets	232,142					4,916	2,178
143 Inventories	557,680						
143.1 Allowance for Obsolete Inventories	-16,732						
144 Inter Program Due From	138	98,033				19,247	
<b>150 Total Current Assets</b>	<b>7,552,117</b>	<b>902,365</b>	<b>150,239</b>	<b>141,464</b>	<b>85,139</b>	<b>2,069,309</b>	<b>1,776,268</b>
161 Land	7,698,234		586,714			462,087	61,814
162 Buildings	111,733,808		2,168,842			3,341,472	1,312,663
163 Furniture, Equipment & Machinery - Dwellings	897,581		9,934				
164 Furniture, Equipment & Machinery - Administration	2,663,220	200,308				130,306	20,589
166 Accumulated Depreciation	-77,837,747	-104,986	-978,040			-2,177,618	-645,556
167 Construction in Progress	339,764						
<b>160 Total Capital Assets, Net of Accumulated Depreciation</b>	<b>45,494,860</b>	<b>95,322</b>	<b>1,787,450</b>	<b>-</b>	<b>-</b>	<b>1,756,247</b>	<b>749,510</b>
171 Notes, Loans and Mortgages Receivable - Non-Current	3,269,521						
174 Other Assets			193,080				
<b>180 Total Non-Current Assets</b>	<b>48,764,381</b>	<b>95,322</b>	<b>1,980,530</b>	<b>-</b>	<b>-</b>	<b>1,756,247</b>	<b>749,510</b>
<b>190 Total Assets</b>	<b>56,316,498</b>	<b>997,687</b>	<b>2,130,769</b>	<b>141,464</b>	<b>85,139</b>	<b>3,825,556</b>	<b>2,525,778</b>

**DAYTON METROPOLITAN HOUSING AUTHORITY  
MONTGOMERY COUNTY, OHIO  
FINANCIAL DATA SCHEDULES  
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	Component Unit - Blended	14.856 Lower Income Housing Assistance Program Section 8 Moderate	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	140,957	126,132	1,588,380	10,766,428		10,766,428
113 Cash - Other Restricted		4,325	108,705	1,899,598		1,899,598
114 Cash - Tenant Security Deposits	4,500	-		266,144		266,144
115 Cash - Restricted for Payment of Current Liabilities		-		3,489		3,489
<b>100 Total Cash</b>	<b>145,457</b>	<b>130,457</b>	<b>1,697,085</b>	<b>12,935,659</b>	<b>-</b>	<b>12,935,659</b>
122 Accounts Receivable - HUD Other Projects	1,250	-		393,583		393,583
125 Accounts Receivable - Miscellaneous	266,825	-	12,066	684,053	-300,000	384,053
126 Accounts Receivable - Tenants	4,039	-		74,672		74,672
126.1 Allowance for Doubtful Accounts - Tenants	-3,232	-		-62,119		-62,119
128 Fraud Recovery		-		19,647		19,647
128.1 Allowance for Doubtful Accounts - Fraud		-		-12,249		-12,249
129 Accrued Interest Receivable		-	2,806	2,806		2,806
<b>120 Total Receivables, Net of Allowances for Doubtful Accounts</b>	<b>268,882</b>	<b>-</b>	<b>14,872</b>	<b>1,100,393</b>	<b>-300,000</b>	<b>800,393</b>
142 Prepaid Expenses and Other Assets	2,890	-	2,332	244,458		244,458
143 Inventories	9,389	-		567,069		567,069
143.1 Allowance for Obsolete Inventories	-282	-		-17,014		-17,014
144 Inter Program Due From	2,772	-	210,212	330,402	-330,402	-
<b>150 Total Current Assets</b>	<b>429,108</b>	<b>130,457</b>	<b>1,924,501</b>	<b>15,160,967</b>	<b>-630,402</b>	<b>14,530,565</b>
161 Land	64,000	-	58,714	8,931,563		8,931,563
162 Buildings	1,754,623	-	1,174	120,312,582		120,312,582
163 Furniture, Equipment & Machinery - Dwellings		-	14,069	921,584		921,584
164 Furniture, Equipment & Machinery - Administration	11,205	-	1,254,483	4,280,111		4,280,111
166 Accumulated Depreciation	-459,810	-	-1,266,517	-83,470,274		-83,470,274
167 Construction in Progress		-		339,764		339,764
<b>160 Total Capital Assets, Net of Accumulated Depreciation</b>	<b>1,370,018</b>	<b>-</b>	<b>61,923</b>	<b>51,315,330</b>	<b>-</b>	<b>51,315,330</b>
171 Notes, Loans and Mortgages Receivable - Non-Current		-		3,269,521		3,269,521
174 Other Assets		-		193,080		193,080
<b>180 Total Non-Current Assets</b>	<b>1,370,018</b>	<b>-</b>	<b>61,923</b>	<b>54,777,931</b>	<b>-</b>	<b>54,777,931</b>
<b>190 Total Assets</b>	<b>1,799,126</b>	<b>130,457</b>	<b>1,986,424</b>	<b>69,938,898</b>	<b>-630,402</b>	<b>69,308,496</b>

**DAYTON METROPOLITAN HOUSING AUTHORITY  
MONTGOMERY COUNTY, OHIO  
FINANCIAL DATA SCHEDULES  
ENTITY WIDE BALANCE SHEET SUMMARY  
JUNE 30, 2014**

	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							
<b>290 Total Assets and Deferred Outflow of Resources</b>	<b>56,316,498</b>	<b>997,687</b>	<b>2,130,769</b>	<b>141,464</b>	<b>85,139</b>	<b>3,825,556</b>	<b>2,525,778</b>
312 Accounts Payable <= 90 Days	850,769	9,340					3,950
321 Accrued Wage/Payroll Taxes Payable	261,236	65,199			10,014		
322 Accrued Compensated Absences - Current Portion	19,757	6,418					
331 Accounts Payable - HUD PHA Programs		4,093		17,719			
341 Tenant Security Deposits	255,969						5,675
342 Unearned Revenues	137,318						
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds	1,077,591					18,410	19,572
344 Current Portion of Long-term Debt - Operating Borrowings							
345 Other Current Liabilities	92,287	17,805					
346 Accrued Liabilities - Other	96,369	24,159			3,730		
347 Inter Program - Due To	108,180		150,239		71,983		
<b>310 Total Current Liabilities</b>	<b>2,899,476</b>	<b>127,014</b>	<b>150,239</b>	<b>17,719</b>	<b>85,727</b>	<b>18,410</b>	<b>29,197</b>
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	8,455,660					19,199	447,838
353 Non-current Liabilities - Other	31,354	155,534					
354 Accrued Compensated Absences - Non Current	417,701	135,692					
<b>350 Total Non-Current Liabilities</b>	<b>8,904,715</b>	<b>291,226</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,199</b>	<b>447,838</b>
<b>300 Total Liabilities</b>	<b>11,804,191</b>	<b>418,240</b>	<b>150,239</b>	<b>17,719</b>	<b>85,727</b>	<b>37,609</b>	<b>477,035</b>
400 Deferred Inflow of Resources							
508.4 Net Investment in Capital Assets	35,961,609	95,322	1,787,450			1,718,638	282,100
511.4 Restricted Net Position	1,164,519	429,907		845			-
512.4 Unrestricted Net Position	7,386,179	54,218	193,080	122,900	-588	2,069,309	1,766,643
<b>513 Total Equity - Net Assets / Position</b>	<b>44,512,307</b>	<b>579,447</b>	<b>1,980,530</b>	<b>123,745</b>	<b>-588</b>	<b>3,787,947</b>	<b>2,048,743</b>
<b>600 Total Liab., Def. Inflow of Res., and Equity - Net Assets / Position</b>	<b>56,316,498</b>	<b>997,687</b>	<b>2,130,769</b>	<b>141,464</b>	<b>85,139</b>	<b>3,825,556</b>	<b>2,525,778</b>

**DAYTON METROPOLITAN HOUSING AUTHORITY  
MONTGOMERY COUNTY, OHIO  
FINANCIAL DATA SCHEDULES  
ENTITY WIDE BALANCE SHEET SUMMARY  
JUNE 30, 2014**

	Component Unit - Blended	14.856 Lower Income Housing Assistance Program Section 8 Moderate	COCC	Subtotal	ELIM	Total
200 Deferred Outflow of Resources				-		-
<b>290 Total Assets and Deferred Outflow of Resources</b>	1,799,126	130,457	1,986,424	69,938,898	-630,402	69,308,496
312 Accounts Payable <= 90 Days	4,850	-	39,306	908,215		908,215
321 Accrued Wage/Payroll Taxes Payable	2,271	-	132,072	470,792		470,792
322 Accrued Compensated Absences - Current Portion	45	-	9,600	35,820		35,820
331 Accounts Payable - HUD PHA Programs		1,946		23,758		23,758
341 Tenant Security Deposits	4,500	-		266,144		266,144
342 Unearned Revenues		-		137,318		137,318
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds	12,505	-	5,474	1,133,552		1,133,552
344 Current Portion of Long-term Debt - Operating Borrowings	300,000	-		300,000	-300,000	-
345 Other Current Liabilities		-	67,914	178,006		178,006
346 Accrued Liabilities - Other	855	-	45,992	171,105		171,105
347 Inter Program - Due To		-		330,402	-330,402	-
<b>310 Total Current Liabilities</b>	325,026	1,946	300,358	3,955,112	-630,402	3,324,710
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	177,149	-	5,708	9,105,554		9,105,554
353 Non-current Liabilities - Other		-		186,888		186,888
354 Accrued Compensated Absences - Non Current	952	-	202,957	757,302		757,302
<b>350 Total Non-Current Liabilities</b>	178,101	-	208,665	10,049,744	-	10,049,744
<b>300 Total Liabilities</b>	503,127	1,946	509,023	14,004,856	-630,402	13,374,454
400 Deferred Inflow of Resources				-		-
508.4 Net Investment in Capital Assets	1,180,364	-	50,741	41,076,224		41,076,224
511.4 Restricted Net Position		2,379	108,705	1,706,355		1,706,355
512.4 Unrestricted Net Position	115,635	126,132	1,317,955	13,151,463		13,151,463
<b>513 Total Equity - Net Assets / Position</b>	1,295,999	128,511	1,477,401	55,934,042	-	55,934,042
<b>600 Total Liab., Def. Inflow of Res., and Equity - Net Assets / Position</b>	1,799,126	130,457	1,986,424	69,938,898	-630,402	69,308,496

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MONTGOMERY COUNTY, OHIO  
FINANCIAL DATA SCHEDULES  
ENTITY WIDE REVENUE AND EXPENSE SUMMARY  
JUNE 30, 2014**

	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	3,691,230						76,237
70400 Tenant Revenue - Other	9,005						
<b>70500 Total Tenant Revenue</b>	<b>3,700,235</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>76,237</b>
70600 HUD PHA Operating Grants	12,619,087	21,451,660		705,467	298,991		21,623
70610 Capital Grants	1,919,058						
70710 Management Fee							
70720 Asset Management Fee							
70730 Book Keeping Fee							
<b>70700 Total Fee Revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
71100 Investment Income - Unrestricted	5,500	-		2		3,051	2,243
71400 Fraud Recovery		1,556					
71500 Other Revenue	274,615	129,144					5,585
71600 Gain or Loss on Sale of Capital Assets	50,398	2,267				1,378	
72000 Investment Income - Restricted		58					
<b>70000 Total Revenue</b>	<b>18,568,893</b>	<b>21,584,685</b>	<b>-</b>	<b>705,469</b>	<b>298,991</b>	<b>4,429</b>	<b>105,688</b>
91100 Administrative Salaries	1,249,440	729,870		26,950		13,278	911
91200 Auditing Fees	31,353	3,706		141			
91300 Management Fee	1,936,475	175,400		12,209			10,991
91310 Book-keeping Fee	233,830	162,125		7,630			1,335
91500 Employee Benefit contributions - Administrative	394,888	302,649		11,269	309	2,415	
91600 Office Expenses					2,400	6,260	
91900 Other	708,391	223,498		8,164	3,487	84,441	7,784
<b>91000 Total Operating - Administrative</b>	<b>4,554,377</b>	<b>1,597,248</b>	<b>-</b>	<b>66,363</b>	<b>6,196</b>	<b>106,394</b>	<b>21,021</b>
92000 Asset Management Fee	314,120						960
92100 Tenant Services - Salaries		63,010			162,741		
92300 Employee Benefit Contributions - Tenant Services		29,789			52,088		
92400 Tenant Services - Other	12,240				54,391		
<b>92500 Total Tenant Services</b>	<b>12,240</b>	<b>92,799</b>	<b>-</b>	<b>-</b>	<b>269,220</b>	<b>-</b>	<b>-</b>

**DAYTON METROPOLITAN HOUSING AUTHORITY  
MONTGOMERY COUNTY, OHIO  
FINANCIAL DATA SCHEDULES  
ENTITY WIDE REVENUE AND EXPENSE SUMMARY  
JUNE 30, 2014**

	Component Unit - Blended	14.856 Lower Income Housing Assistance Program Section 8 Moderate	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	79,938	-		3,847,405		3,847,405
70400 Tenant Revenue - Other		-		9,005		9,005
<b>70500 Total Tenant Revenue</b>	<b>79,938</b>	<b>-</b>	<b>-</b>	<b>3,856,410</b>	<b>-</b>	<b>3,856,410</b>
70600 HUD PHA Operating Grants	89,136	281,375		35,467,339		35,467,339
70610 Capital Grants		-		1,919,058		1,919,058
70710 Management Fee		-	2,159,449	2,159,449	-2,159,449	-
70720 Asset Management Fee		-	318,080	318,080	-318,080	-
70730 Book Keeping Fee		-	409,269	409,269	-409,269	-
<b>70700 Total Fee Revenue</b>	<b>-</b>	<b>-</b>	<b>2,886,798</b>	<b>2,886,798</b>	<b>-2,886,798</b>	<b>-</b>
71100 Investment Income - Unrestricted	24	1	1,138	11,959		11,959
71400 Fraud Recovery		-		1,556		1,556
71500 Other Revenue	20,237	-	99,358	528,939		528,939
71600 Gain or Loss on Sale of Capital Assets		-	5,382	59,425		59,425
72000 Investment Income - Restricted		-	8	66		66
<b>70000 Total Revenue</b>	<b>189,335</b>	<b>281,376</b>	<b>2,992,684</b>	<b>44,731,550</b>	<b>-2,886,798</b>	<b>41,844,752</b>
91100 Administrative Salaries	11,482	6,071	1,335,066	3,373,068		3,373,068
91200 Auditing Fees	35	32		35,267		35,267
91300 Management Fee	21,629	2,745		2,159,449	-2,159,449	-
91310 Book-keeping Fee	2,633	1,716		409,269	-409,269	-
91500 Employee Benefit contributions - Administrative	1,962	2,539	500,949	1,216,980		1,216,980
91600 Office Expenses		-	91	8,751		8,751
91900 Other	8,251	1,839	214,946	1,260,801		1,260,801
<b>91000 Total Operating - Administrative</b>	<b>45,992</b>	<b>14,942</b>	<b>2,051,052</b>	<b>8,463,585</b>	<b>-2,568,718</b>	<b>5,894,867</b>
92000 Asset Management Fee	3,000	-		318,080	-318,080	-
92100 Tenant Services - Salaries		-		225,751		225,751
92300 Employee Benefit Contributions - Tenant Services		-		81,877		81,877
92400 Tenant Services - Other		-	1,910	68,541		68,541
<b>92500 Total Tenant Services</b>	<b>-</b>	<b>-</b>	<b>1,910</b>	<b>376,169</b>	<b>-</b>	<b>376,169</b>



**DAYTON METROPOLITAN HOUSING AUTHORITY  
MONTGOMERY COUNTY, OHIO  
FINANCIAL DATA SCHEDULES  
ENTITY WIDE REVENUE AND EXPENSE SUMMARY  
JUNE 30, 2014**

	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	364,767						703
93200 Electricity	1,307,810						2,030
93300 Gas	502,504					244	
93600 Sewer	339,082						561
<b>93000 Total Utilities</b>	<b>2,514,163</b>	-	-	-	-	244	3,294
94100 Ordinary Maintenance and Operations - Labor	2,093,668	192					
94200 Ordinary Maintenance and Operations - Materials and Other	1,391,651	11,666		399			
94300 Ordinary Maintenance and Operations Contracts	2,727,709	77,838		1,496	15,894	926	24,454
94500 Employee Benefit Contributions - Ordinary Maintenance	903,960						
<b>94000 Total Maintenance</b>	<b>7,116,988</b>	89,696	-	1,895	15,894	926	24,454
95100 Protective Services - Labor	41,406						
95200 Protective Services - Other Contract Costs	380,957						
95300 Protective Services - Other	119						
95500 Employee Benefit Contributions - Protective Services	22,278						
<b>95000 Total Protective Services</b>	<b>444,760</b>	-	-	-	-	-	-
96110 Property Insurance	641,385					4,401	7,277
96130 Workmen's Compensation	133,852	31,340		1,034	6,694	668	
96140 All Other Insurance	15,934	6,399		244			
<b>96100 Total Insurance Premiums</b>	<b>791,171</b>	37,739	-	1,278	6,694	5,069	7,277
96200 Other General Expenses	173,722	11,816					30
96210 Compensated Absences	102,053	8,195					
96300 Payments in Lieu of Taxes	99,074						292
96400 Bad debt - Tenant Rents	142,006						4,420
96800 Severance Expense	28,747	1,888		54	1,649		
<b>96000 Total Other General Expenses</b>	<b>545,602</b>	21,899	-	54	1,649	-	4,742
96710 Interest of Mortgage (or Bonds) Payable	496,538					2,021	25,297
<b>96700 Total Interest Expense and Amortization Cost</b>	<b>496,538</b>	-	-	-	-	2,021	25,297
<b>96900 Total Operating Expenses</b>	<b>16,789,959</b>	1,839,381	-	69,590	299,653	114,654	87,045
<b>97000 Excess of Operating Revenue over Operating Expenses</b>	<b>1,778,934</b>	19,745,304	-	635,879	-662	-110,225	18,643

**DAYTON METROPOLITAN HOUSING AUTHORITY  
MONTGOMERY COUNTY, OHIO  
FINANCIAL DATA SCHEDULES  
ENTITY WIDE REVENUE AND EXPENSE SUMMARY  
JUNE 30, 2014**

	Component Unit - Blended	14,856 Lower Income Housing Assistance Program Section 8 Moderate	COCC	Subtotal	ELJM	Total
93100 Water	4,111	-	1,281	370,862		370,862
93200 Electricity	5,176	-	43,807	1,358,823		1,358,823
93300 Gas	3,600	-		506,348		506,348
93600 Sewer	8,020	-	907	348,570		348,570
<b>93000 Total Utilities</b>	<b>20,907</b>	<b>-</b>	<b>45,995</b>	<b>2,584,603</b>	<b>-</b>	<b>2,584,603</b>
94100 Ordinary Maintenance and Operations - Labor	20,517	-	21,276	2,135,653		2,135,653
94200 Ordinary Maintenance and Operations - Materials and Other	7,213	90	22,881	1,433,900		1,433,900
94300 Ordinary Maintenance and Operations Contracts	44,136	335	203,110	3,095,898		3,095,898
94500 Employee Benefit Contributions - Ordinary Maintenance	2,258	-	10,178	916,396		916,396
<b>94000 Total Maintenance</b>	<b>74,124</b>	<b>425</b>	<b>257,445</b>	<b>7,581,847</b>	<b>-</b>	<b>7,581,847</b>
95100 Protective Services - Labor	558	-		41,964		41,964
95200 Protective Services - Other Contract Costs		-	8,923	389,880		389,880
95300 Protective Services - Other		-		119		119
95500 Employee Benefit Contributions - Protective Services	300	-		22,578		22,578
<b>95000 Total Protective Services</b>	<b>858</b>	<b>-</b>	<b>8,923</b>	<b>454,541</b>	<b>-</b>	<b>454,541</b>
96110 Property Insurance	9,657	-	19,265	681,985		681,985
96130 Workmen's Compensation	1,297	233	60,361	235,479		235,479
96140 All Other Insurance		55	9,819	32,451		32,451
<b>96100 Total Insurance Premiums</b>	<b>10,954</b>	<b>288</b>	<b>89,445</b>	<b>949,915</b>	<b>-</b>	<b>949,915</b>
96200 Other General Expenses	264	-	75	185,907		185,907
96210 Compensated Absences		-		110,248		110,248
96300 Payments in Lieu of Taxes	1,011	-	2,085	102,462		102,462
96400 Bad debt - Tenant Rents	970	-		147,396		147,396
96800 Severance Expense	1,307	12	46,176	79,833		79,833
<b>96000 Total Other General Expenses</b>	<b>3,552</b>	<b>12</b>	<b>48,336</b>	<b>625,846</b>	<b>-</b>	<b>625,846</b>
96710 Interest of Mortgage (or Bonds) Payable		-	593	524,449		524,449
<b>96700 Total Interest Expense and Amortization Cost</b>	<b>-</b>	<b>-</b>	<b>593</b>	<b>524,449</b>	<b>-</b>	<b>524,449</b>
<b>96900 Total Operating Expenses</b>	<b>159,387</b>	<b>15,667</b>	<b>2,503,699</b>	<b>21,879,035</b>	<b>-2,886,798</b>	<b>18,992,237</b>

**DAYTON METROPOLITAN HOUSING AUTHORITY  
MONTGOMERY COUNTY, OHIO  
FINANCIAL DATA SCHEDULES  
ENTITY WIDE REVENUE AND EXPENSE SUMMARY  
JUNE 30, 2014**

	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	31,819						
97300 Housing Assistance Payments		19,383,357		588,088			
97350 HAP Portability-In		57,506					
97400 Depreciation Expense	4,738,823	57,640	125,694			189,693	32,366
<b>90000 Total Expenses</b>	<b>21,560,601</b>	<b>21,337,884</b>	<b>125,694</b>	<b>657,678</b>	<b>299,653</b>	<b>304,347</b>	<b>119,411</b>
10010 Operating Transfer In							130,000
10020 Operating transfer Out						-130,000	
10091 Inter Project Excess Cash Transfer In	1,159,965						
10092 Inter Project Excess Cash Transfer Out	-1,159,965						
10093 Transfers between Program and Project - In	15,209						
10094 Transfers between Project and Program - Out							
<b>10100 Total Other financing Sources (Uses)</b>	<b>15,209</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-130,000</b>	<b>130,000</b>
<b>10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses</b>	<b>-2,976,499</b>	<b>246,801</b>	<b>-125,694</b>	<b>47,791</b>	<b>-662</b>	<b>-429,918</b>	<b>116,277</b>
11020 Required Annual Debt Principal Payments	1,027,718						
11030 Beginning Equity	46,699,825	332,646	2,106,224	75,954	74	17,749	18,575
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	788,981	-				4,217,865	1,932,466
11170 Administrative Fee Equity		149,540					
11180 Housing Assistance Payments Equity		429,907					
11190 Unit Months Available	32,382	47,244		2,028			96
11210 Number of Unit Months Leased	31,813	43,201		1,833			85

**DAYTON METROPOLITAN HOUSING AUTHORITY  
MONTGOMERY COUNTY, OHIO  
FINANCIAL DATA SCHEDULES  
ENTITY WIDE REVENUE AND EXPENSE SUMMARY  
JUNE 30, 2014**

	Component Unit Blended	14,856 Lower Income Housing Assistance Program Section 8 Moderate	COCC	Subtotal	ELJM	Total
97200 Casualty Losses - Non-capitalized		-		31,819		31,819
97300 Housing Assistance Payments		254,983		20,226,428		20,226,428
97350 HAP Portability-In		-		57,506		57,506
97400 Depreciation Expense	97,051	-	1,702	5,242,969		5,242,969
<b>90000 Total Expenses</b>	<b>256,438</b>	<b>270,650</b>	<b>2,505,401</b>	<b>47,437,757</b>	<b>-2,886,798</b>	<b>44,550,959</b>
10010 Operating Transfer In		-		130,000		130,000
10020 Operating transfer Out		-		-130,000		-130,000
10091 Inter Project Excess Cash Transfer In		-		1,159,965		1,159,965
10092 Inter Project Excess Cash Transfer Out		-		-1,159,965		-1,159,965
10093 Transfers between Program and Project - In		-		15,209		15,209
10094 Transfers between Project and Program - Out	-15,209	-		-15,209		-15,209
<b>10100 Total Other financing Sources (Uses)</b>	<b>-15,209</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses</b>	<b>-82,312</b>	<b>10,726</b>	<b>487,283</b>	<b>-2,706,207</b>	<b>-</b>	<b>-2,706,207</b>
11020 Required Annual Debt Principal Payments	12,505	-	5,263	1,081,810		1,081,810
11030 Beginning Equity	-	117,785	990,118	56,472,957		56,472,957
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	1,378,311	-		2,167,292		2,167,292
11170 Administrative Fee Equity		-		149,540		149,540
11180 Housing Assistance Payments Equity		-		429,907		429,907
11190 Unit Months Available	300	456		82,506		82,506
11210 Number of Unit Months Leased	275	376		77,583		77,583

**DAYTON METROPOLITAN HOUSING AUTHORITY  
MONTGOMERY COUNTY, OHIO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

<b>Federal Grantor Program/Title</b>	<b>Federal CFDA Number</b>	<b>Federal Expenditures</b>
<b><u>U.S. Department of Housing and Urban Development</u></b>		
<b><u>Direct Programs</u></b>		
<i>Section 8 Cluster:</i>		
Section 8 New Construction and Substantial Rehabilitation	14.182	\$ 705,467
Lower Income Housing Program - Section 8 Moderate Rehabilitation	14.856	281,375
<i>Total Section 8 Cluster</i>		<u>986,842</u>
Section 8 Housing Choice Vouchers	14.871	<u>21,451,660</u>
Public and Indian Housing	14.850	<u>10,105,956</u>
Resident Opportunities and Self-Sufficiency (ROSS)	14.870	<u>298,991</u>
Public Housing Capital Fund Program	14.872	<u>4,542,948</u>
<b><i>Total Direct Programs</i></b>		<u>37,386,397</u>
<b>Total U.S. Department of Housing and Urban Development</b>		<u>37,386,397</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>		<u><u>\$ 37,386,397</u></u>

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, 2014**

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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*.

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

*Certified Public Accountants*

*5240 East 98<sup>th</sup> Street*

*Garfield Hts., Ohio 44125*

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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, 2014, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated December 15, 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**

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

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: 2014.12.22 16:38:55 -05'00'

December 15, 2014



**JAMES G. ZUPKA, C.P.A., INC.**  
*Certified Public Accountants*  
5240 East 98<sup>th</sup> Street  
Garfield Hts., Ohio 44125

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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, 2014. 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, 2014.

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

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: 2014.12.22 16:39:16 -05'00'

December 15, 2014

**DAYTON METROPOLITAN HOUSING AUTHORITY  
MONTGOMERY COUNTY, OHIO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
OMB CIRCULAR A-133 & §.505  
JUNE 30, 2014**

**1. SUMMARY OF AUDITOR'S RESULTS**

2014(i) Type of Financial Statement Opinion	Unmodified
2014(ii) Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
2014(ii) Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
2014(iii) Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
2014(iv) Were there any material internal control weaknesses reported for major federal programs?	No
2014(iv) Were there any significant deficiencies in internal control reported for major federal programs?	No
2014(v) Type of Major Programs' Compliance Opinion	Unmodified
2014(vi) Are there any reportable findings under §.510(a)?	No
2014(vii) Major Programs (list):  Public and Indian Housing - CFDA #14.850 Public Housing Capital Fund Program - CFDA #14.872	
2014(viii) Dollar Threshold: Type A\B Programs	\$1,121,592 Type B: All Others
2014(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, 2014**

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The prior audit report, as of June 30, 2013, included no citations or instances of noncompliance. Management letter recommendations were corrected, repeated, or procedures instituted to prevent occurrences in this audit period.



# Dave Yost • Auditor of State

**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 12, 2015**