

Springfield Metropolitan Housing Authority

Financial Statements

September 30, 2013



Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditors' Report* of the Springfield Metropolitan Housing Authority, Clark County, prepared by Salvatore Consiglio, CPA, Inc., for the audit period October 1, 2012 through September 30, 2013. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost
Auditor of State

March 4, 2015

This page intentionally left blank.

TABLE OF CONTENTS

Independent Auditors' Report..... 1 - 3

Management's Discussion and Analysis 4 - 9

Financial Statements:

 Statements of Net Positions10

 Statements of Revenues, Expenses and Changes in Net Positions11

 Statements of Cash Flows12

 Notes to the Financial Statements 13 - 28

Supplemental Data:

 Statement of Net Positions – FDS schedule format 29 - 30

 Statement of Revenues, Expenses and Changes in
 Net Positions - FDS schedule format 31 - 32

 Statement of Net Positions – Asset Management Properties..... 33 - 34

 Statement of Revenues, Expenses and Changes in
 Net Positions – Asset Management Properties..... 35 - 36

 Schedule of Expenditures of Federal Awards37

Report on Internal Control over Financial Reporting and on Compliance
and on Other Matters Based on an Audit of Financial Statements Performed
in Accordance with Government Auditing Standards 38 – 39

Report on Compliance for Each Major Program and on
Internal Control over Compliance in Accordance with
OMB Circular A-133..... 40 – 41

Schedule of Finding and Questioned Costs..... 42

Schedule of Prior Audit Findings..... 43

This page intentionally left blank.



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

Independent Auditors' Report

Board of Commissioners
Springfield Metropolitan Housing Authority

Report on the Financial Statements

I have audited the accompanying financial statements of the business-type activities and the blended presented component units of Springfield Metropolitan Housing Authority, Ohio, as of and for the year ended September 30, 2013, 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

My responsibility is to express opinions on these financial statements based on my audit. I did not audit the financial statements of the component units of Springfield Metropolitan Housing Authority (see Note 1 for a description), which the statements reflect total assets constituting 68% of the total assets at September 30, 2013, and total operating revenues constituting 18% of total operating revenues for the year then ended. Those statements were audited by other auditors whose report has been furnished to me, and my opinion, insofar as it relates to the amounts included for the component units, is based solely on the report of such other auditors. I have conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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 entity'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 entity'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 financial statement presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, based on my audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the blended presented component units of the Springfield Metropolitan Housing Authority, Ohio, as of September 30, 2013, and the respective change in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 and 9 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. Other auditors and I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

My Audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the Springfield Metropolitan Housing Authority basic financial statements. The accompanying Schedule of Expenditure of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Government and Non-Profit Organizations* and is not a required part of the financial statements. The combining financial data schedule ("FDS") is presented for purposes of additional analysis as required by the Department of Housing and Urban Development and is not a required part of the Basic Financial Statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by me and other auditors. In my opinion, the information is fairly stated in all material respect in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated March 28, 2014, on my consideration of the Springfield Metropolitan Housing Authority's internal control over financial reporting and on my 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 my 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 Springfield Metropolitan Housing Authority's internal control over financial reporting and compliance.



Salvatore Consiglio, CPA, Inc.
North Royalton, Ohio
March 28, 2014

As management of the Springfield Metropolitan Housing Authority (the "Authority"), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended September 30, 2013. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements.

Overview of the Financial Statements

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

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

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

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

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

Unrestricted Net Position: This component of Net Position consists of Net Position that does not meet the definition of "Net Position Invested in Capital Assets, Net of related debt" or "Restricted Net Position."

The *Statement of Revenues, Expenses and Changes in Net Position* includes all of the revenues and expenses of the Authority regardless of when the cash is received or paid.

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

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

Significant programs consist of the following:

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

Section 8 Choice Voucher Program – Under the Section 8 Voucher Program, low-income tenants lease housing units directly from private landlords rather than from the Authority. Through Annual Contribution Contracts with HUD, the Authority receives funding to subsidize the rent of low-income

families in the private market. The Authority earns a fixed percentage administrative fee from HUD to cover the program's operating costs.

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

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

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

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

Financial Highlights

During the fiscal year ending September 30, 2013:

- Total assets decreased by \$410,936 and capital assets decreased by \$553,504, net of current year depreciation of \$1,687,954. Current assets decreased by \$69,979, which was mostly due to a decrease in accounts receivable.
- Total liabilities increased by \$35,137, which was mostly due to an increase in accounts payable.
- Total revenues decreased by \$1,198,956. Subsidy for Housing Assistance Payments decreased by \$1,010,102.
- Total expenses before depreciation decreased by \$1,058,740. Housing assistance payments decreased by \$346,027, general expenses decreased by \$217,828 and grant expense decreased by \$383,056.

Notes to the Financial Statements

The notes to the basic financial statements provide additional information essential to a full understanding of the data provided in the basis financial statements. Notes to the basis financial statements can be found on pages 13 through 28 of this report.

Financial Analysis of the Authority

Statement of Net Position

	2013	2012	Increase / (Decrease)
Assets			
Current assets	\$ 3,594,736	\$ 3,664,715	\$ (69,979)
Capital assets	33,966,936	34,520,440	(553,504)
Other non-current assets	7,530,703	7,318,156	212,547
Total assets	\$ 45,092,375	\$ 45,503,311	\$ (410,936)
Liabilities			
Current liabilities	\$ 1,045,040	\$ 946,867	\$ 98,173
Long-term liabilities	8,623,606	8,686,642	(63,036)
Total liabilities	9,668,646	9,633,509	35,137
Net Position			
Investments in capital assets	26,568,418	27,121,922	(553,504)
Restricted	1,603,935	1,425,997	177,938
Unrestricted	7,251,376	7,321,883	(70,507)
Total net position	35,423,729	35,869,802	(446,073)
Total liabilities and net position	\$ 45,092,375	\$ 45,503,311	\$ (410,936)

The largest portion of the Authority's Net Position (75 percent) reflects its investments in capital assets. The Authority uses these capital assets (land, building, furniture and equipment) to provide housing services to residents and are not readily available for future spending. The unrestricted net position of the Authority is available for future use to provide program services.

***** This space intentionally left blank *****

Statement of Revenues, Expenses and Changes in Net Position

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

	2013	2012	Increase / (Decrease)
Revenues			
Tenant revenue	\$ 1,493,566	\$ 1,809,579	\$ (316,013)
Operating subsidy and grants	3,474,740	3,587,489	(112,749)
Subsidy for housing assistance payment	4,975,615	5,985,717	(1,010,102)
Capital grants	440,486	283,439	157,047
Interest income	50,083	42,537	7,546
Other income	437,680	362,365	75,315
	10,872,170	12,071,126	(1,198,956)
Total revenues			-
Expenses			
Administrative	1,958,971	1,999,032	(40,061)
Tenant services	246,817	283,945	(37,128)
Utilities	784,240	856,798	(72,558)
Maintenance	1,253,510	1,314,369	(60,859)
Protective services	393	-	393
General	297,454	515,282	(217,828)
Bad debts	93,655	65,212	28,443
Grant expense - pass-through to component units	-	383,056	(383,056)
Housing assistance payment	5,405,856	5,751,883	(346,027)
Non-operating expense	69,941	-	69,941
	10,110,837	11,169,577	(1,058,740)
Total expenses before depreciation			-
Change in net position before depreciation	761,333	901,549	(140,216)
			-
Depreciation	1,687,954	1,786,188	(98,234)
Change in net position	\$ (926,621)	\$ (884,639)	\$ (41,982)

***** This space intentionally left blank *****

Capital Assets

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

	Beginning Balance	Additions	Disposals / Reclassification	Component Units	Ending Balance
Capital assets, not being depreciated					
Land	2,228,770	5,417		1,034,121	3,268,308
Construction in process		18,382			18,382
	<u>2,228,770</u>	<u>23,799</u>	<u>0</u>	<u>1,034,121</u>	<u>3,286,690</u>
Capital assets, not being depreciated					
Buildings	23,607,747	178,043		23,209,305	46,995,095
Furniture and Equipment	1,669,160	77,658	(66,556)	524,824	2,205,086
Infrastructure	5,038,363	171,307	(14,000)		5,195,670
	<u>30,315,270</u>	<u>427,008</u>	<u>(80,556)</u>	<u>23,734,129</u>	<u>54,395,851</u>
Accumulated depreciation					
Buildings	(16,457,567)	(673,425)	14,000	(2,985,775)	(20,102,767)
Furniture and Equipment	(1,049,856)	(167,231)	59,025		(1,158,062)
Infrastructure	(2,298,652)	(156,124)			(2,454,776)
	<u>(19,806,075)</u>	<u>(996,780)</u>	<u>73,025</u>	<u>(2,985,775)</u>	<u>(23,715,605)</u>
Capital assets, net	<u>12,737,965</u>	<u>(545,973)</u>	<u>(7,531)</u>	<u>21,782,475</u>	<u>33,966,936</u>

Debt Outstanding

The Authority has \$1,000,000 of debt outstanding at September 30, 2013, which represents amounts borrowed from the City of Springfield under the HOME Investment Partnership Program. The proceeds from this long-term note were used to make HOME loans to two of the component units. (See Note 5 for additional information)

Economic Factors and Planned Events

Significant economic factors affecting the Authority are as follows:

- ✓ Federal funding is at the discretion of the U.S. Department of Housing and Urban Development (HUD) and the Authority received a funding proration of 82% for low income public housing for the year ending September 30, 2013.
- ✓ The slow economy has an impact on low-income households' ability to pay rent and 2013 modernization activity reduced availability for leases and rental income.
- ✓ The HOPE VI Revitalization Plan for the Authority's Lincoln Park Project included the demolition of all 210 existing units and redevelopment of 132 units on site, an on-site

community center and park, and loan assistance to low-income households to purchase new housing to be developed in the revitalization area. The on-site component consists of 108 public/low-income housing tax credit units, and 24 lease-to-purchase units. The off-site component consists of loans assistance for affordable homeownership units.

Contact Information

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

Springfield Metropolitan Housing Authority
Statements of Net Position
September 30, 2013

Assets

Current assets:

Cash and cash equivalents	\$	833,361
Restricted cash and cash equivalents		1,929,983
Accounts receivable, net:		
Tenants		110,924
HUD		73,654
Other receivables		20,266
Investments - unrestricted		100,000
Investments - restricted		331,014
Inventory, net of allowance		108,997
Prepaid expenses		86,537
Total current assets		<u>3,594,736</u>

Non-current assets:

Land		3,268,308
Property and equipment, net		30,698,628
Notes receivable		6,890,789
Other assets		639,914
Total non-current assets		<u>41,497,639</u>
Total assets	\$	<u>45,092,375</u>

Liabilities and Net Assets

Current liabilities:

Accounts Payable		
Trade	\$	161,263
HUD		89,738
Accrued wages and benefits		80,362
Accrued compensated absences		46,901
Tenant security deposits		87,569
Unearned revenues		185,563
Other current liabilities		393,644
Total current liabilities		<u>1,045,040</u>

Long-term liabilities:

Accrued compensated absences, non-current portion		140,704
Long-term debt		8,398,518
Other long-term liabilities		84,384
Total long-term liabilities		<u>8,623,606</u>
Total liabilities		<u>9,668,646</u>

Net Position:

Investment in capital assets, net of related debt		26,568,418
Restricted net position		1,603,935
Unrestricted net position		7,251,376
Total net position		<u>35,423,729</u>
Total liabilities and net position	\$	<u>45,092,375</u>

See accompanying notes to the financial statements.

Springfield Metropolitan Housing Authority
Statements of Revenues, Expenses and Changes in Net Position
For the Year Ended September 30, 2013

Operating revenue:	
Dwelling rent	\$ 1,363,142
Other tenant revenue	130,424
Total tenant revenue	<u>1,493,566</u>
Program operating grants/subsidies	8,400,543
Other grants	49,812
Other income	435,927
Total operating revenue	<u>10,379,848</u>
Operating expenses:	
Administrative	1,958,971
Tenant services	246,817
Utilities	784,240
Maintenance	1,253,510
Protective services	393
General	297,454
Bad debts	93,655
Housing assistance payments	5,405,856
Depreciation and amortization	1,687,954
Total operating expenses	<u>11,728,850</u>
Operating loss	(1,349,002)
Non-operating revenue / (expense):	
Interest income	50,083
Interest expense	(69,941)
Gain on sale of assets	1,753
Total non-operating revenue / (expense)	<u>(18,105)</u>
Change in net assets before capital grants and contributions	(1,367,107)
Capital grants	<u>440,486</u>
Change in net assets	(926,621)
Net position, beginning of the period, as restated	<u>36,350,350</u>
Net position, end of the period	<u>\$ 35,423,729</u>

See accompanying notes to the financial statements.

Springfield Metropolitan Housing Authority
Statements of Cash Flows
For the Year Ended September 30, 2013

Cash flows from operating activities:	
Cash received from HUD	\$ 8,263,326
Cash received from other governments	49,812
Cash received from tenants	1,247,637
Cash received from other income	237,036
Cash payments for housing assistance payments	(5,405,856)
Cash payments for administrative	(1,713,039)
Cash payments for other operating expenses	(2,474,927)
Net cash provided by (used in) operating activities	<u>203,989</u>
Cash flows from investing activities:	
Investment income	49,412
Interest expense	(10,389)
Net cash provided by investing activities	<u>39,023</u>
Cash flows from capital and related financing activities:	
Capital acquisitions	(450,807)
Proceeds from disposal of property and equipment	9,284
Purchase of investments	(54,925)
Capital grant funds received	440,486
Net cash provided by (used in) financing activities	<u>(55,962)</u>
Increase in cash and cash equivalents	187,050
Cash and cash equivalents, beginning	2,576,294
Cash and cash equivalents, ending	<u>\$ 2,763,344</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating loss	\$ (1,349,002)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:	
Depreciation and amortization	1,687,954
Component unit PY net operating income included	(314,056)
(Increase) decrease in:	
Receivables - net of allowance	125,725
Inventory	(19,119)
Prepaid expenses and other assets	37,350
Increase (decrease) in:	
Accounts payable	(171,464)
Accrued wages and compensated absences	2,157
Tenant security deposits	3,539
Deferred credits and other liabilities	200,905
Net cash provided by (used in) operating activities	<u>\$ 203,989</u>
Composition of cash and cash equivalents:	
Cash and cash equivalents	\$ 833,361
Restricted cash and cash equivalents	1,929,983
	<u>\$ 2,763,344</u>

See accompanying notes to the financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

Reporting Entity

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

The accompanying financial statements comply with the provision of GASB Statement 61, the Financial Reporting Entity, in that the financial statements include all organizations, activities and functions for which the Authority is financially accountable. This report includes all activities considered by management to be part of the Authority by virtue of Section 2100 of the Codification of Governmental Accounting and Financial Reporting Standards.

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

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

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

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

New Accounting Pronouncements

GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34* modifies certain requirements for inclusion of component units in the financial reporting entity. This includes the concept of financial burden or benefit on the relationship

between the primary government and the component unit. The implementation of this new standard required the Authority to present the three component units presented discretely in the financial statements for the year ended September 30, 2012 to be presented as blended component units. The Authority's financial statements include the latest component unit financials statements, December 31, 2012, completed during SMHA's fiscal year of September 30, 2013. The presentation change was primarily determined on the basis that the component units are fiscally dependent on the primary government, SMHA, the existence of a financial benefit or burden between SMHA and the component units. SMHA's financial statements included three entities as blended component units reported with the Public Housing Program, Lincoln Park Housing Partnership LP (LPHPLP), Lincoln Park Housing Partnership II LP (LPHPIILP), and Lincoln Park Housing Partnership III LP (LPHPIIILP). Descriptions of the three blended components are as follows:

Lincoln Park Housing Partnership LP (LPHPLP)

The Authority executed a Limited Partnership Agreement with Penrose GP LLC and the Ohio Equity Fund for Housing Limited Partnership XVI to form the Lincoln Park Housing Partnership LP on March 27, 2007. The Authority is a Special Limited Partner with a .001% ownership interest in this organization which developed, owns and operates 40 units of Low-Income Housing tax Credit housing at Lincoln Park. Under the terms of the Limited Partnership Agreement, no Limited Partner shall be personally liable for any loss or liability of the Partnership beyond the amount of such Limited Partner's agreed-upon Capital Contributions and no Limited Partner shall participate in the operation, management or control of the Partnership's business, transact any business in the Partnership's name or have any power to sign documents for or otherwise bind the Partnership. The Authority made Capital Contributions to the Partnership totaling \$1,032,500 through September 30, 2013 in HOPE VI funds for the development of 40 rental units. Lincoln Park Housing Partnership LP has executed a long-term Ground Lease, a HOPE VI Loan Agreement (see note 3), a Regulatory and Operating Agreement and various other documents with the Authority for the purpose of financing, owning and operating the rental development commonly known as Lincoln Park Phase IA.

Lincoln Park Housing Limited Partnership II LP (LPHPIILP)

The Authority executed an Amended and Restated Limited Partnership Agreement with Penrose GP LLC and the Ohio Equity Fund for Housing Limited Partnership XVI to form the Lincoln Park Housing Partnership II LP on March 27, 2007. The Authority is a Special Limited Partner with a .001% ownership interest in this organization which developed, owns and operates 68 units of Low-Income Housing Tax Credit housing at Lincoln Park. Under the terms of the Limited Partnership Agreement, no Limited Partner shall be personally liable for any loss or liability of the Partnership beyond the amount of such Limited Partner's agreed-upon Capital Contributions and no Limited Partner shall participate in the operation, management or control of the Partnership's business, transact any business in the partnership's name or have any power to sign document for or otherwise bind the Partnership. The Authority made Capital Contributions to the Partnership totaling \$6,197,410 through September 30, 2013 in HOPE VI funds for the development of 68 rental units. Lincoln Park Housing Partnership II LP has executed a long-term Ground Lease, a HOPE VI Loan Agreement (see note 3), a Regulatory and Operating Agreement and various other documents with the Authority for the purpose of financing, owning and operating the rental development commonly known as Lincoln Park Phase IB.

Lincoln Park Housing Limited Partnership III LP (LPHPIII LP)

The Authority executed an Amended and Restated Limited Partnership Agreement with Penrose GP LLC and the Ohio Equity Fund for Housing Limited Partnership XVIII to form the Lincoln Park Housing Partnership III LP on December 22, 2008. The Authority is a Special Limited Partner with a .001% ownership interest in this organization which developed, owns and operates 24 units of Low-Income Housing Tax Credit housing at Lincoln Park. Under the terms of the Limited Partnership Agreement, no Limited Partner shall be personally liable for any loss or liability of the Partnership beyond the amount of such Limited Partner's agreed-upon Capital Contributions and no Limited Partner shall participate in the operation, management or control of the Partnership's business, transact any business in the partnership's name or have any power to sign document for or otherwise bind the Partnership. The Authority will make a Capital Contribution to the Partnership in the amount of \$277,613, equal to the amount of the developer's fee, for the development of 24 rental units. Lincoln Park Housing Partnership III LP has executed a long-term Ground Lease, a HOPE VI Loan Agreement (see note 3), a Regulatory and Operating Agreement and various other documents with the Authority for the purpose of financing, owning and operating the rental development commonly known as Lincoln Park Phase II.

Additional Partnership Provisions

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

GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* incorporates into GASB authoritative literature certain accounting and financial reporting guidance previously included in FASB, APB, and AICPA guidance issued before November 30, 1989. The implementation of this new standard had no impact on the Authority's 2013 financial statements.

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* revised the financial reporting for elements of the financial statements as a consumption or acquisition of net assets that are applicable to a future reporting period. These items are distinct from assets and liabilities. This statement also modified the previous financial statement caption and definition of Net Assets to Net Position. This new standard required revising the presentation in the financial statements for those items identified as deferred outflows and inflows, and revising the names of the statements presented and certain classifications within those statements. SMHA did not have any deferred inflows or deferred outflows, as defined, to report at September 30, 2013.

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* determines whether certain transactions previously reported as assets and liabilities should continue to be reported as such or should instead be reported as a deferred outflow of resources or an outflow of resources or a deferred inflow of resources or an inflow of resources. SMHA's financial statements did not include the implementation of this statement since the provisions of this Statement will not be effective for SMHA until the fiscal year ending September 30, 2014.

Basis of Presentation

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority are rents collected from tenants and subsidies provided by federal agencies. The Authority also recognized as operating revenue and expenses the portion of interest on bonds and notes related to housing developments of the Authority and its partnerships. Operating expenses include the cost of services, administrative expenses, depreciation on capital assets and amortization of bond discounts. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

Fund Accounting

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

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

Proprietary Fund Types

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

Enterprise Fund

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

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

Public Housing – The Public Housing Program includes 778 units of which the Authority owns, operates and maintains 646 units. The remaining units are part of the Authority's Blended Component Units. The properties were acquired through bonds and notes guaranteed by HUD and through grants, subject to the terms of an Annual Contributions Contract with HUD. Revenues consist primarily of rents and other fees collected from tenants, and an Operating Subsidy from HUD. Capital funds provided by HUD are used to maintain and improve this Public Housing portfolio. Substantially all additions to land, structures and equipment of Public Housing are accomplished through these modernization grant funds.

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

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

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

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

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

Measurement Focus/Basis of Accounting

The proprietary funds are accounted for on the accrual basis of accounting. Revenues are recognized in the period earned and expenses are recognized in the period incurred. Pursuant to GASB Statement No. 20 *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*, the Authority follows GASB guidance as applicable to proprietary funds and FASB Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989, that do not conflict with or contradict GASB pronouncements. The Authority has elected not to implement any such guidance after such date.

Capital Assets

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

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

Cash and Cash Equivalents

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

Compensated Absences

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

Vacation leave and other compensated absences with similar characteristics are accrued as a liability as the benefits are earned by the employees if both of the following conditions are met: 1) The employees’ rights to receive compensation are attributable to services already rendered and are not contingent on a specific event that is outside the control of the employer and employee, 2) It is

probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

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

Budgetary Accounting

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

Estimates

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

Receivables – net of allowance

Bad debts are provided on the allowance method based on management's evaluation of the collectability of outstanding tenant receivable balances at the end of the year. The allowance for uncollectible receivables was \$52,125 at September 30, 2013. Receivables do not include approximately \$38,000 of Section 8 fraud recovery funds whereby limited collections are expected, but cannot be reasonably estimated.

Inventory

Inventory consists of supplies and maintenance parts carried at cost and are expensed as they are consumed. The allowance for obsolete inventory was \$51,292 at September 30, 2013.

Accounting and Reporting for Nonexchange Transactions

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

- Derived tax revenues: result from assessments imposed on exchange transactions (i.e., income taxes, sales taxes and other assessments on earnings or consumption).
- Imposed nonexchange revenues: result from assessments imposed on nongovernmental entities, including individuals, other than assessments on exchange transactions (i.e. property taxes and fines).
- Government-mandated nonexchange transactions: occur when a government at one level provides resources to a government at another level and requires the recipient to use the resources for a specific purpose (i.e., federal programs that state or local governments are mandated to perform).
- Voluntary nonexchange transactions; result from legislative or contractual agreements, other than exchanges, entered into willingly by the parties to the agreement (i.e., certain grants and private donations).

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

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

- Time requirements specify (a) the period when resources are required to be used or when use may begin (for example, operating or capital grants for a specified period) or (b) that the resources are required to be maintained intact in perpetuity or until a specified date or event has occurred (for example, permanent endowments, term endowments, and similar agreements). Time requirements affect the timing of recognition of nonexchange transactions.
- Purpose restrictions specify the purpose for which resources are required to be used. (i.e. capital grants used for the purchase of capital assets). Purpose restrictions do not affect when a nonexchange transaction is recognized. However, PHAs that receive resources with purpose restrictions should report resulting net assets, equity, or fund balance as restricted.

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

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

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

2. CASH AND CASH EQUIVALENTS:

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

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

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

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

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

Deposits – As of September 30, 2013, the carrying amount of the Authority’s deposits totaled \$4,430 and its bank balances (excluding money market funds and certificates of deposit) were \$4,430. Based on the criteria described in GASB Statement No. 40, “Deposit and Investment Risk Disclosure,” as of September 30, 2013, \$0 was exposed to custodial risk as discussed below, as \$4,403 was covered by the Federal Depository Insurance Corporation.

Investments – At September 30, 2013, the Authority held amounts in money market funds and certificates of deposit listed below. Maturity dates of the funds’ securities are less than one year. Maturity dates of the certificates of deposit, which are placed in three different institutions, range from six months to two years. The bank balances of the money market funds (carrying value below) were \$1,780,491, with \$250,000 covered by the Federal Deposit Insurance Corporation.

<u>Description</u>	<u>Fair Value / Carrying Value</u>
Key Public Money Market Funds	\$1,692,375
State Treasury Asset Reserve of Ohio	\$98
Huntington Bancshares Certificates of Deposit	\$331,014
Key Bank Certificates of Deposit	\$100,000

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

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

Blended Component Units – At December 31, 2012, each component unit maintains cash accounts at a single financial institution, respectively, where balances at times may exceed the \$250,000 insured limit. The Component Units also have escrows and reserves held by the mortgage lender, and the balances may exceed \$250,000. The total carrying value of cash for the component units was \$1,066,241.

3. NOTES RECEIVABLE:

Hope VI Loan – Lincoln Park Phase IA

The Authority executed a HOPE VI Loan Agreement in the amount of \$583,529 with Lincoln Park Housing Partnership LP for the development of 40 rental units (Phase IA) on March 22, 2007. The term of the loan promissory note began March 22, 2007 and continues until fifty (50) years from the first day of the month following the Substantial Completion Date as defined in the loan agreement. Each advance under the note bears interest during its term at the rate of 2% per annum, compounded annually. The loan is secured by an Open End Leasehold Mortgage and Security Agreement between Lincoln Park Housing Partnership LP (mortgagor) and the Authority (mortgagee). As a condition to providing funding for the loan, the Authority received the required Completion and Development Deficiency Guarantee from Penrose Properties LLC and Penrose Development LLC, each of whom is an affiliate of the general partner, Penrose GP LLC, of Lincoln Park Housing Partnership LP. Accrued interest receivable on this loan was \$76,860 at September 30, 2013.

The Authority executed an additional promissory note with the partnership in December 2008. The total loan amount the Authority agreed to lend LPHPLP is \$250,000 under the HOME Investment Partnership program with interest at 1% per annum, compounded annually. No payments are to be made during the term of the loan. The balance of principal and interest are due on March 22, 2047. Accrued interest receivable on this loan was \$12,311 at September 30, 2013.

Hope VI Loan – Lincoln Park Phase IB

The Authority executed a HOPE VI Loan Agreement in the amount of \$950,000 with Lincoln Park Housing Partnership II LP for the development of 68 rental units (Phase IB) on March 22, 2007. The term of the loan promissory note began on March 22, 2007 and continues until fifty (50) years from the first day of the month following the Substantial Completion Date as defined in the loan agreement. Each advance under the note bears interest during its term at the rate of 1% per annum, compounded annually. The loan is secured by an Open End Leasehold Mortgage and Security Agreement between Lincoln Park Housing Partnership LP (mortgagor) and The Authority (mortgagee). As a condition to providing funding for the loan, the Authority received the required Completion and Development Deficiency Guarantee from Penrose Properties, LLC and Penrose Development LLC, each of whom is an affiliate of the general partner, Penrose GP LLC, of Lincoln Park Housing Partnership II LP. Accrued interest receivable on this loan was \$60,931 at September 30, 2013.

The Authority executed an additional promissory note with the partnership in December 2008. The total loan amount the Authority agreed to lend LPHPIILP is \$750,000 under the HOME Investment Partnership program with interest at 1% per annum, compounded annually. No payments are to be made during the term of the loan. The balance of principal and interest are due on March 22, 2047. Accrued interest receivable on this loan was \$36,932 at September 30, 2013.

Hope VI Loan – Lincoln Park Phase II

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

The Authority's permanent loan (\$4,251,152) bears interest at 0.25% per year with a 50-year term beginning upon the completion of construction, and requiring debt service due out of cash flow pursuant to a Regulatory and Operating Agreement. Proceeds of the loan are provided for Bond

Loan repayment and are secured by a leasehold mortgage on the Development having second priority during construction until bonds are repaid and thereafter being a first priority leasehold mortgage. The balance due from the partnership at September 30, 2032 was \$4,144,713. Accrued interest receivable on this loan was \$25,514 at September 30, 2013.

4. CAPITAL ASSETS:

The following is a summary of changes in the Authority's capital assets for the year ended September 30, 2013:

	Beginning Balance	Additions	Disposals / Reclassification	Component Units	Ending Balance
Capital assets, not being depreciated					
Land	2,228,770	5,417		1,034,121	3,268,308
Construction in process		18,382			18,382
	<u>2,228,770</u>	<u>23,799</u>	<u>0</u>	<u>1,034,121</u>	<u>3,286,690</u>
Capital assets, not being depreciated					
Buildings	23,607,747	178,043		23,209,305	46,995,095
Furniture and Equipment	1,669,160	77,658	(66,556)	524,824	2,205,086
Infrastructure	5,038,363	171,307	(14,000)		5,195,670
	<u>30,315,270</u>	<u>427,008</u>	<u>(80,556)</u>	<u>23,734,129</u>	<u>54,395,851</u>
Accumulated depreciation					
Buildings	(16,457,567)	(673,425)	14,000	(2,985,775)	(20,102,767)
Furniture and Equipment	(1,049,856)	(167,231)	59,025		(1,158,062)
Infrastructure	(2,298,652)	(156,124)			(2,454,776)
	<u>(19,806,075)</u>	<u>(996,780)</u>	<u>73,025</u>	<u>(2,985,775)</u>	<u>(23,715,605)</u>
Capital assets, net	<u>12,737,965</u>	<u>(545,973)</u>	<u>(7,531)</u>	<u>21,782,475</u>	<u>33,966,936</u>

The depreciation expense for the year ended September 30, 2013 was \$996,780 plus the component units depreciation expense of \$691,174 for a total of \$1,687,954 as reported on the financial statements.

5. LONG-TERM LIABILITIES:

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

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

	LPHPLP	LPHPIILP	LPHPIIILP	Total Component Units
First mortgage notes (A)	\$ 583,529	\$ 950,000	\$ 4,144,714	\$ 5,678,243
Second mortgage notes (A)	250,000	750,000	0	1,000,000
Fourth mortgage note (B)	<u>0</u>	<u>720,275</u>	<u>0</u>	<u>720,275</u>
Total long-term debt	<u>\$ 833,529</u>	<u>\$ 2,420,275</u>	<u>\$ 4,144,714</u>	<u>\$ 7,398,518</u>

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

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

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

Changes in long-term liabilities are as follows for the periods ended September 30, 2013 and December 31, 2012, respectively:

The Authority:	Balance 09/30/12	Payments / Forfeits	Additions	Balance 09/30/13	Current	Non-Current
Compensated absences	\$ 167,185		\$ 20,420	\$ 187,605	\$ 46,901	\$ 140,704
Long-term debt	1,000,000			1,000,000		1,000,000
Other long-term liabilities	112,735	(5,997)		106,738	22,354	84,384
	<u>1,279,920</u>	<u>(5,997)</u>	<u>20,420</u>	<u>1,294,343</u>	<u>69,255</u>	<u>1,225,088</u>
Component Units:	Balance 12/31/11	Payments / Forfeits	Additions	Balance 12/31/12	Current	Non-Current
Long-term debt	\$ 7,579,609	\$ (181,091)		\$ 7,398,518		\$ 7,398,518
	<u>7,579,609</u>	<u>(181,091)</u>	<u>0</u>	<u>7,398,518</u>	<u>0</u>	<u>7,398,518</u>

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

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

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

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

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2012 and 2011, member and employer contribution rates were consistent across all three plans (TP, MD and CO). The 2013 and 2012 member contribution rates were 10% of covered payroll and the employer contribution rate was 14.00 percent of covered payroll during 2012 and 2011. Total required contributions for all plans are equal to 100% of employer charges and should be extracted from the employer's records. The Authority's required contributions, including the pick up portion for certain employees for the periods ended September 30, 2013, 2012 and 2011 were \$219,522, \$239,915, and \$293,033, respectively.

7. POSTEMPLOYMENT BENEFITS – OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM:

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

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

The Ohio Revised Code permits, but does not mandate, OPERS to provide the OPEB Plan to it eligible members and beneficiaries. Authority to establish and amend benefits is provided in chapter

145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

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

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

8. RISK MANAGEMENT:

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

9. CONTINGENT LIABILITIES:

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

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

The Authority's American Recovery and Reinvestment Act of 2009 Public Housing Capital Fund Stimulus (Formula) Recovery Act Funded Grant (ARRA) was audited by the Inspector General's Office (IG) and the report was issued in September 2011. The IG report included a finding that the Authority did not administer its capital fund grant in accordance with ARRA. As a result, the Authority has recognized a prior period adjustment totaling \$170,705, of which \$86,867 is payable to HUD at September 30, 2013.

10. CONCENTRATIONS:

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

11. PRIOR PERIOD ADJUSTMENT:

The beginning net position of the Authority needed to be restated to reflect the change in financial presentation of the Springfield Metropolitan Housing Authority component units. Management re-assessed the component unit reporting presentation using the GASB 61 requirement and determined that the blended presentation is a true reporting of its component units. In prior year the component units were presented using the discretely presentation. In addition, management has determined that in order to expedite the preparation of its financial statements to comply with HUD reporting requirement of sixty-days from the end of the its fiscal year that it will present the component unit financial statements using the current available audited financial statements. Since the housing authority fiscal year ends on September 30, 2013, the most current available financial statements are December 31, 2012. This is a change from prior years were as the financial statements used was for the year ended December 31, 2013.

The net effect for these changes was to record a prior period adjustment of \$480,548 to restate the beginning net assets of the component units to the December 31, 2011 as follows:

	9/30/2012 Audit Report	Adjustment to Restate Component Unit Equity		9/30/2012 Restated Balance
		Debit	Credit	
Total Operating Revenue	\$11,546,259	\$667,309		\$10,878,950
Total Operating Expenses	12,955,765		1,347,419	11,608,346
Non-operating Revenue				
Interest Earned	42,537	671		41,866
Capital Grant	283,439			283,439
Capital Contributions	198,891	198,891		0
Change in Net Position	(884,639)	480,548		(404,091)
Beginning Net Position	36,754,441			36,754,441
Ending Net Position	\$35,869,802	\$1,347,419	\$1,347,419	\$36,350,350

12. SCHEDULE OF EXPENDITURE OF FEDERAL AWARD:

The accompanying Schedule of Expenditures of Federal Awards is a summary of the activity of the Authority's federal awards programs. The schedule has been prepared on the accrual basis of accounting prescribed by the U.S. Department of Housing and Urban Development.

13. SUBSEQUENT EVENTS:

Generally accepted accounting principles define subsequent events as events or transactions that occur after the statement of financial position date, but before the financial statements as issued or are available to be issued. Management has evaluated subsequent events through March 28, 2014, the date on which the financial statements were available to be issued.

Springfield Metropolitan Housing Authority
Supplemental Financial Data Schedules
Statement of Net Positions
September 30, 2013

FDS Line Item	Account Description	All AMP Total	14.871 Section 8 Vouchers	14.239 HOME Funds	14.238 Shelter Plus Care	14.879 Mainstream Vouchers	93.959 Project Choice	14.870 Service Coordinator	14.877 PH Self-Sufficiency	14.884 ARRA	14.866 HOPE VI	COCC	Elimination	Total Total
111	Cash-unrestricted	\$ 145,551	\$ 52,350	\$ 4,873	\$ -	\$ 33,726	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 596,861	\$ -	\$ 833,361
113	Cash-other restricted	974,585	713,734	-	-	-	-	-	-	-	42,599	-	-	1,730,918
114	Cash-tenant security deposits	87,569	-	-	-	-	-	-	-	-	-	-	-	87,569
115	Cash - Restricted for current liability	2,573	22,056	-	-	-	-	-	-	86,867	-	-	-	111,496
100	Total Cash	1,210,278	788,140	4,873	-	33,726	-	-	-	86,867	42,599	596,861	-	2,763,344
122	Accounts receivable - HUD other projects	43,465	-	-	15,146	-	-	11,390	3,653	-	-	-	-	73,654
124	Account receivable - other government	-	-	1,883	4,621	-	-	-	-	-	-	-	-	6,504
125	Account receivable - miscellaneous	210	-	-	-	-	-	-	-	-	-	12,364	-	12,574
126	Accounts receivable - tenants	163,049	-	-	-	-	-	-	-	-	-	-	-	163,049
126.1	Allowance for doubtful accounts - tenants	(52,125)	-	-	-	-	-	-	-	-	-	-	-	(52,125)
128	Fraud recovery	-	38,143	-	-	-	-	-	-	-	-	-	-	38,143
128.1	Allowance for doubtful accounts - fraud	-	(38,143)	-	-	-	-	-	-	-	-	-	-	(38,143)
129	Accrued interest receivable	68	-	-	-	-	-	-	-	-	1,120	-	-	1,188
120	Total accounts receivables	154,667	-	1,883	19,767	-	-	11,390	3,653	-	1,120	12,364	-	204,844
131	Investments - unrestricted	-	-	-	-	-	-	-	-	-	-	100,000	-	100,000
132	Investments - restricted	-	-	-	-	-	-	-	-	-	331,014	-	-	331,014
142	Prepaid expenses and other assets	60,376	3,174	-	-	710	-	1,022	1,277	-	7,812	12,166	-	86,537
143	Inventories	159,080	-	-	-	-	-	-	-	-	-	1,209	-	160,289
143.1	Allowance for obsolete inventories	(50,905)	-	-	-	-	-	-	-	-	-	(387)	-	(51,292)
144	Inter program - due from	519,471	-	-	-	-	-	-	-	-	-	34,775	(554,246)	-
150	Total Current Assets	2,052,967	791,314	6,756	19,767	34,436	-	12,412	4,930	86,867	382,545	756,988	(554,246)	3,594,736
161	Land	2,915,842	-	-	-	-	-	-	-	-	197,229	155,237	-	3,268,308
162	Buildings	46,995,095	-	-	-	-	-	-	-	-	-	-	-	46,995,095
163	Furniture and equipment - dwellings	1,358,289	-	-	-	-	-	-	-	-	-	2,869	-	1,361,158
164	Furniture and equipment - administration	401,879	14,050	-	-	-	-	-	-	-	66,941	361,058	-	843,928
166	Accumulated depreciation	(22,414,565)	(14,050)	-	-	-	-	-	-	-	(921,896)	(365,094)	-	(23,715,605)
167	Construction in progress	18,382	-	-	-	-	-	-	-	-	-	-	-	18,382
168	Infrastructure	2,836,305	-	-	-	-	-	-	-	-	2,359,365	-	-	5,195,670
160	Total capital assets, net	32,111,227	-	-	-	-	-	-	-	-	1,701,639	154,070	-	33,966,936
171	Notes - Non-current	-	-	-	-	-	-	-	-	-	6,890,789	-	-	6,890,789
174	Other assets	639,914	-	-	-	-	-	-	-	-	-	-	-	639,914
180	Total Non-current Assets	639,914	-	-	-	-	-	-	-	-	6,890,789	-	-	7,530,703
190	Total Assets	\$ 34,804,108	\$ 791,314	\$ 6,756	\$ 19,767	\$ 34,436	\$ -	\$ 12,412	\$ 4,930	\$ 86,867	\$ 8,974,973	\$ 911,058	\$ (554,246)	\$ 45,092,375

Springfield Metropolitan Housing Authority
 Supplemental Financial Data Schedules
 Statement of Net Positions
 September 30, 2013

FDS Line Item	Account Description	All AMP Total	14.871 Section 8 Vouchers	14.239 HOME Funds	14.238 Shelter Plus Care	14.879 Mainstream Vouchers	93.959 Project Choice	14.870 Service Coordinator	14.877 PH Self-Sufficiency	14.884 ARRA	14.866 HOPE VI	COCC	Elimination	Total
312	Accounts payable <= 90 days	\$ 122,590	\$ 968	\$ -	\$ -	\$ 77	\$ 24	\$ -	\$ -	\$ -	\$ 12,301	\$ 8,709	\$ -	\$ 144,669
313	Accounts payable > 90 days past due	4,751	1,276	2,683	-	85	24	-	-	-	-	7,775	-	16,594
321	Accrued wage/payroll taxes payable	36,280	9,462	-	-	2,199	1,320	1,448	176	-	3,230	26,247	-	80,362
322	Accrued compensated absences - current	33,778	2,115	-	-	569	141	471	573	-	-	9,254	-	46,901
325	Accrued interest payable	192,805	-	-	-	-	-	-	-	-	49,242	-	-	242,047
331	Accounts payable - HUD	-	1,274	-	-	1,597	-	-	-	86,867	-	-	-	89,738
341	Tenant security deposits	87,569	-	-	-	-	-	-	-	-	-	-	-	87,569
342	Deferred revenue	185,563	-	-	-	-	-	-	-	-	-	-	-	185,563
345	Other current liabilities	52,573	20,782	-	-	-	-	-	-	-	-	-	-	73,355
346	Accrued liabilities - other	63,328	8,071	-	-	-	-	-	-	-	109	6,734	-	78,242
347	Inter program - due to	519,473	-	-	7,209	-	16,022	9,081	2,461	-	-	-	(554,246)	-
310	Total Current Liabilities	1,298,710	43,948	2,683	7,209	4,527	17,531	11,000	3,210	86,867	64,882	58,719	(554,246)	1,045,040
351	Capital Debt - Long Term	7,398,518	-	-	-	-	-	-	-	-	-	-	-	7,398,518
353	Non-current liabilities - other	22,358	62,026	-	-	-	-	-	-	-	-	-	-	84,384
354	Accrued compensated absences- Non-current	101,334	6,344	-	-	1,708	424	1,412	1,720	-	-	27,762	-	140,704
355	Loan liability - Non-current	-	-	-	-	-	-	-	-	-	1,000,000	-	-	1,000,000
350	Total Non-current liabilities	7,522,210	68,370	-	-	1,708	424	1,412	1,720	-	1,000,000	27,762	-	8,623,606
300	Total Liabilities	8,820,920	112,318	2,683	7,209	6,235	17,955	12,412	4,930	86,867	1,064,882	86,481	(554,246)	9,668,646
508.1	Investment in capital assets, net of related debt	24,712,709	-	-	-	-	-	-	-	-	1,701,639	154,070	-	26,568,418
511.1	Restricted net position	952,227	651,708	-	-	-	-	-	-	-	-	-	-	1,603,935
512.1	Unrestricted net position	318,252	27,288	4,073	12,558	28,201	(17,955)	-	-	-	6,208,452	670,507	-	7,251,376
513	Total net position	25,983,188	678,996	4,073	12,558	28,201	(17,955)	-	-	-	7,910,091	824,577	-	35,423,729
600	Total liabilities and net position	\$ 34,804,108	\$ 791,314	\$ 6,756	\$ 19,767	\$ 34,436	\$ -	\$ 12,412	\$ 4,930	\$ 86,867	\$ 8,974,973	\$ 911,058	\$ (554,246)	\$45,092,375

Springfield Metropolitan Housing Authority
 Supplemental Financial Data Schedules
 Statement of Revenues, Expenses and Changes in Net Position
 September 30, 2013

FDS Line Item	Account Description	All AMP Total	14.871 Section 8 Vouchers Total	14.239 HOME Funds Total	14.238 Shelter Plus Care Total	14.879 Mainstream Vouchers Total	93.959 Project Choice Total	14.870 Service Coordinator Total	14.877 PH Self-Sufficiency Total	14.884 ARRA Total	14.866 HOPE VI Total	COCC Total	Elimination	Total Total
70300	Net tenant rental revenue	\$ 1,363,142	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,363,142
70400	Tenant revenue - other	130,424	-	-	-	-	-	-	-	-	-	-	-	130,424
70500	Total Tenant Revenue	1,493,566	-	-	-	-	-	-	-	-	-	-	-	1,493,566
70600	HUD PHA operating grants	2,621,360	5,375,118	-	126,434	179,959	-	63,377	34,295	-	-	-	-	8,400,543
70610	Capital grants	440,486	-	-	-	-	-	-	-	-	-	-	-	440,486
70700	Total Fee Revenue	-	-	-	-	-	-	-	-	-	-	797,336	(797,336)	-
70800	Other government grants	-	-	23,358	12,772	-	13,682	-	-	-	-	-	-	49,812
71100	Investment income - unrestricted	1,231	-	-	-	-	-	-	-	-	-	135	-	1,366
71200	Mortgage interest income	-	-	-	-	-	-	-	-	-	47,421	-	-	47,421
71400	Fraud recovery	-	11,561	-	-	-	-	-	-	-	-	-	-	11,561
71500	Other revenue	283,981	10,151	-	-	-	18,869	-	-	-	-	111,365	-	424,366
71600	Gain or loss on sale of capital assets	1,503	-	-	-	-	-	-	-	-	-	250	-	1,753
72000	Investment income - restricted	-	-	-	-	-	-	-	-	-	1,296	-	-	1,296
70000	Total Revenue	4,842,127	5,396,830	23,358	139,206	179,959	32,551	63,377	34,295	-	48,717	909,086	(797,336)	10,872,170
91100	Administrative salaries	335,113	175,299	2,536	5,878	24,745	6,078	-	24	-	-	423,069	-	972,742
91200	Auditing fees	26,455	5,500	-	-	-	-	-	-	-	-	3,205	-	35,160
91300	Management Fee	481,204	136,550	-	3,564	-	-	-	1,500	-	-	-	(622,818)	-
91310	Book-Keeping Fee	68,298	77,084	-	2,184	-	-	-	-	-	-	-	(147,566)	-
91400	Advertising and Marketing	5,081	-	-	-	-	-	-	-	-	-	836	-	5,917
91500	Employee benefit contributions - admin	108,944	72,285	33	97	8,877	333	5	-	-	12,638	165,500	-	368,712
91600	Office Expenses	127,847	1,911	-	-	-	50	-	783	-	572	65,274	-	196,437
91700	Legal Expense	14,486	-	-	-	-	-	-	-	-	-	74,143	-	88,629
91800	Travel	1,159	-	-	-	-	-	-	-	-	-	939	-	2,098
91900	Other	203,833	24,277	-	-	-	-	-	151	-	14,113	46,902	-	289,276
92000	Asset Management Fee	26,952	-	-	-	-	-	-	-	-	-	-	(26,952)	-
92100	Tenant services - salaries	-	13,034	-	-	-	23,723	44,872	19,798	-	29,139	-	-	130,566
92200	Relocation Costs	98	-	-	-	-	-	-	-	-	-	-	-	98
92300	Employee benefit contributions - ten svcs	-	6,017	-	-	-	3,371	20,186	9,508	-	1,531	-	-	40,613
92400	Tenant services - other	3,031	27,233	-	-	-	3,850	-	-	-	41,426	-	-	75,540
93100	Water	120,413	-	-	-	-	-	-	-	-	-	4,385	-	124,798
93200	Electricity	301,024	-	-	-	-	-	-	-	-	-	27,118	-	328,142
93300	Gas	138,170	-	-	-	-	-	-	-	-	-	13,826	-	151,996
93600	Sewer	172,722	-	-	-	-	-	-	-	-	-	5,231	-	177,953
93800	Other utilities expense	-	-	-	-	-	-	-	-	-	-	1,351	-	1,351
94100	Ord maintenance & op - labor	466,625	-	-	-	-	-	-	-	-	-	-	-	466,625
94200	Ord maintenance & op - materials	161,533	2,592	-	-	-	-	-	-	-	829	5,301	-	170,255
94300	Ord maintenance & op - contract	317,341	2,249	-	-	-	-	-	-	-	14,744	50,980	-	385,314
94500	Employee benefit contribution - ord maint	178,024	-	-	-	-	-	-	-	-	-	-	-	178,024
95200	Protective services - other contract costs	393	-	-	-	-	-	-	-	-	-	-	-	393
96110	Property Insurance	167,137	-	-	-	-	-	-	-	-	-	7,071	-	174,208
96120	Liability Insurance	12,560	420	-	-	-	-	-	-	-	-	5,441	-	18,421
96130	Workmen's Compensation	12,030	1,922	-	-	420	370	536	411	-	468	8,734	-	24,891
96140	All other Insurance	1,108	-	-	-	-	-	-	-	-	-	-	-	1,108
96200	Other general expenses	35,718	-	-	-	-	-	-	-	-	-	448	-	36,166
96210	Compensated absences	16,065	-	-	-	1,463	565	1,362	2,120	-	-	6,762	-	28,337
96400	Bad debt - tenant rents	93,655	-	-	-	-	-	-	-	-	-	-	-	93,655
96800	Severance expense	-	-	-	-	-	-	-	-	-	-	14,323	-	14,323
96710	Interest expense	59,552	-	-	-	-	-	-	-	-	10,389	-	-	69,941
96900	Total Operating Expenses	3,656,571	546,373	2,569	11,723	35,505	38,340	66,961	34,295	-	125,849	930,839	(797,336)	4,651,689
97000	Excess Revenue Over Operating Expenses	\$ 1,185,556	\$ 4,850,457	\$ 20,789	\$ 127,483	\$ 144,454	\$ (5,789)	\$ (3,584)	\$ -	\$ -	\$ (77,132)	\$ (21,753)	\$ -	\$ 6,220,481

Springfield Metropolitan Housing Authority
 Supplemental Financial Data Schedules
 Statement of Revenues, Expenses and Changes in Net Position
 September 30, 2013

FDS Line Item	Account Description	All AMP Total	14.871 Section 8 Vouchers Total	14.239 HOME Funds Total	14.238 Shelter Plus Care Total	14.879 Mainstream Vouchers Total	93.959 Project Choice Total	14.870 Service Coordinator Total	14.877 PH Self-Sufficiency Total	14.884 ARRA Total	14.866 HOPE VI Total	COCC Total	Elimination	Total Total
97200	Casualty losses- Non-capitalized	\$ 53,292	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 53,292
97300	Housing assistance payments	-	5,098,410	20,789	127,274	159,383	-	-	-	-	-	-	-	5,405,856
97400	Depreciation expense	1,520,642	110	-	-	-	-	-	-	-	162,298	4,904	-	1,687,954
90000	Total Expenses	5,230,505	5,644,893	23,358	138,997	194,888	38,340	66,961	34,295	-	288,147	935,743	(797,336)	11,798,791
10010	Operating transfer in	336,860	-	-	-	-	-	-	-	-	-	-	(336,860)	-
10020	Operating transfer out	(336,860)	-	-	-	-	-	-	-	-	-	-	336,860	-
10000	Excess (Deficiency) of Revenue Over (Under) Expenses	(388,378)	(248,063)	-	209	(14,929)	(5,789)	(3,584)	-	-	(239,430)	(26,657)	-	(926,621)
11030	Beginning Net Position	10,074,217	927,059	4,073	12,349	43,130	(12,166)	3,584	-	-	8,149,521	851,234	-	20,053,001
11040	Equity Transfers	16,297,349	-	-	-	-	-	-	-	-	-	-	-	16,297,349
	Ending Net Position	\$ 25,983,188	\$ 678,996	\$ 4,073	\$ 12,558	\$ 28,201	\$ (17,955)	\$ -	\$ -	\$ -	\$ 7,910,091	\$ 824,577	\$ -	\$ 35,423,729

Springfield Metropolitan Housing Authority
Supplemental Financial Data Schedules
Statement of Net Positions
Asset Management Properties
September 30, 2013

FDS Line Item	Account Description	OH 021-22	OH 021-023	OH 021-024	OH 021-025	OH 021-026	OH 021-027	OH 021-028	Other Project	Total
111	Cash-unrestricted	\$ -	\$ -	\$ -	\$ -	\$ 2,357	\$ 15,533	\$ 75,406	\$ 52,255	\$ 145,551
113	Cash-other restricted	-	10,474	5,301	6,583	244,916	487,930	219,381	-	974,585
114	Cash-tenant security deposits	13,968	17,203	18,050	17,630	6,568	10,974	3,176	-	87,569
115	Cash - Restricted for current liability	-	-	2,573	-	-	-	-	-	2,573
100	Total Cash	13,968	27,677	25,924	24,213	253,841	514,437	297,963	52,255	1,210,278
122	Accounts receivable - HUD other projects	11,161	26,127	181	5,654	-	-	-	342	43,465
125	Account receivable - miscellaneous	-	-	-	-	-	-	156	54	210
126	Accounts receivable - tenants	43,780	25,834	52,882	40,394	56	-	103	-	163,049
126.1	Allowance for doubtful accounts - tenants	(14,010)	(8,267)	(16,922)	(12,926)	-	-	-	-	(52,125)
129	Accrued interest receivable	-	23	23	22	-	-	-	-	68
120	Total accounts receivables	40,931	43,717	36,164	33,144	56	-	259	396	154,667
	Capital Debt - Long Term									
131	Investments - unrestricted	-	-	-	-	-	-	-	-	-
142	Prepaid expenses and other assets	5,572	9,376	10,493	9,711	7,461	11,844	5,379	540	60,376
143	Inventories	37,370	32,721	42,975	46,014	-	-	-	-	159,080
143.1	Allowance for obsolete inventories	(11,958)	(10,471)	(13,752)	(14,724)	-	-	-	-	(50,905)
144	Inter program - due from	-	352,564	-	108,031	-	-	-	58,876	519,471
150	Total Current Assets	85,883	455,584	101,804	206,389	261,358	526,281	303,601	112,067	2,052,967
161	Land	210,838	378,548	734,473	557,862	215,457	510,233	308,431	-	2,915,842
162	Buildings	6,176,899	5,583,187	5,715,711	6,309,993	6,499,488	11,188,998	5,520,819	-	46,995,095
163	Furniture and equipment - dwellings	523,915	94,450	113,070	102,030	161,461	322,707	40,656	-	1,358,289
164	Furniture and equipment - administration	145,051	49,499	103,990	88,408	-	-	-	14,931	401,879
166	Accumulated depreciation	(5,343,082)	(4,273,063)	(5,057,056)	(4,740,949)	(899,921)	(1,570,021)	(515,833)	(14,640)	(22,414,565)
167	Construction in progress	1,012	5,697	7,464	4,209	-	-	-	-	18,382
168	Infrastructure	296,681	720,789	1,268,584	550,251	-	-	-	-	2,836,305
160	Total capital assets, net	2,011,314	2,559,107	2,886,236	2,871,804	5,976,485	10,451,917	5,354,073	291	32,111,227
171	Notes – Non-current	-	-	-	-	-	-	-	-	-
174	Other assets	-	-	-	-	217,243	183,957	238,714	-	639,914
180	Total Non-current Assets	2,011,314	2,559,107	2,886,236	2,871,804	6,193,728	10,635,874	5,592,787	291	32,751,141
190	Total Assets	\$ 2,097,197	\$ 3,014,691	\$ 2,988,040	\$ 3,078,193	\$ 6,455,086	\$ 11,162,155	\$ 5,896,388	\$ 112,358	\$ 34,804,108

Springfield Metropolitan Housing Authority
Supplemental Financial Data Schedules
Statement of Net Positions
Asset Management Properties
September 30, 2013

FDS Line Item	Account Description	OH 021-22	OH 021-023	OH 021-024	OH 021-025	OH 021-026	OH 021-027	OH 021-028	Other Project	Total
312	Accounts payable <= 90 days	\$ 17,830	\$ 22,109	\$ 28,275	\$ 20,084	\$ 17,059	\$ 8,278	\$ 8,955	\$ -	\$ 122,590
313	Accounts payable > 90 days past due	778	843	2,286	844	-	-	-	-	4,751
321	Accrued wage/payroll taxes payable	9,311	8,214	8,036	10,693	-	-	-	26	36,280
322	Accrued compensated absences - current	6,139	8,937	6,672	12,030	-	-	-	-	33,778
325	Accrued interest payable	-	-	-	-	87,060	76,644	29,101	-	192,805
341	Tenant security deposits	13,968	17,203	18,050	17,630	6,568	10,974	3,176	-	87,569
342	Deferred revenue	35,309	41,248	40,515	37,280	229	97	169	30,716	185,563
345	Other current liabilities	-	-	2,573	-	-	25,000	25,000	-	52,573
346	Accrued liabilities - other	16,433	30,035	9,701	7,159	-	-	-	-	63,328
347	Inter program - due to	121,111	-	398,362	-	-	-	-	-	519,473
310	Total Current Liabilities	220,879	128,589	514,470	105,720	110,916	120,993	66,401	30,742	1,298,710
351	Capital Debt - Long Term	-	-	-	-	1,553,804	1,700,000	4,144,714	-	7,398,518
353	Non-current liabilities - other	-	10,474	5,301	6,583	-	-	-	-	22,358
354	Accrued compensated absences- Non-current	18,416	26,812	20,016	36,090	-	-	-	-	101,334
350	Total Non-current liabilities	18,416	37,286	25,317	42,673	1,553,804	1,700,000	4,144,714	-	7,522,210
300	Total Liabilities	239,295	165,875	539,787	148,393	1,664,720	1,820,993	4,211,115	30,742	8,820,920
508.1	Invested in capital assets, net of related debt	2,011,314	2,559,107	2,886,236	2,871,804	4,422,681	8,751,917	1,209,359	291	24,712,709
511.1	Restricted net position	-	-	-	-	244,916	487,930	219,381	-	952,227
512.1	Unrestricted net position	(153,412)	289,709	(437,983)	57,996	122,769	101,315	256,533	81,325	318,252
513	Total net position	1,857,902	2,848,816	2,448,253	2,929,800	4,790,366	9,341,162	1,685,273	81,616	25,983,188
600	Total liabilities and net position	\$ 2,097,197	\$ 3,014,691	\$ 2,988,040	\$ 3,078,193	\$ 6,455,086	\$ 11,162,155	\$ 5,896,388	\$ 112,358	\$ 34,804,108

Springfield Metropolitan Housing Authority
 Supplemental Financial Data Schedules
 Statement of Revenues, Expenses and Changes in Net Position
 Asset Management Properties
 September 30, 2013

FDS Line Item	Account Description	OH 021-022	OH 021-023	OH 021-024	OH 021-025	OH 021-026	OH 021-027	OH 021-028	Other Project	Total
70300	Net tenant rental revenue	\$ 192,504	\$ 316,195	\$ 316,266	\$ 324,132	\$ 67,131	\$ 94,126	\$ 52,788	\$ -	\$ 1,363,142
70400	Tenant revenue - other	22,547	22,714	35,085	26,651	2,493	3,529	17,405	-	130,424
70500	Total Tenant Revenue	215,051	338,909	351,351	350,783	69,624	97,655	70,193	-	1,493,566
70600	HUD PHA operating grants	491,359	591,799	594,604	497,229	128,703	201,041	86,668	29,957	2,621,360
70610	Capital grants	53,260	140,904	77,480	168,842	-	-	-	-	440,486
71100	Investment income - unrestricted	116	155	145	144	203	345	123	-	1,231
71500	Other revenue	746	20,208	6,670	54,448	111,293	-	87,598	3,018	283,981
71600	Gain or loss on sale of capital assets	478	364	161	500	-	-	-	-	1,503
70000	Total Revenue	761,010	1,092,339	1,030,411	1,071,946	309,823	299,041	244,582	32,975	4,842,127
91100	Administrative salaries	53,205	65,796	64,730	60,239	29,111	44,899	17,133	-	335,113
91200	Auditing fees	1,750	1,750	1,750	1,750	6,485	6,485	6,485	-	26,455
91300	Management Fee	109,374	126,727	117,168	115,792	-	-	-	12,143	481,204
91310	Book-Keeping Fee	13,254	15,383	14,220	14,055	-	-	-	11,386	68,298
91400	Advertising and Marketing	653	415	385	381	1,204	1,408	635	-	5,081
91500	Employee benefit contributions - admin	16,619	29,157	19,326	28,708	5,146	8,207	1,781	-	108,944
91600	Office Expenses	22,279	24,463	24,621	21,820	10,702	17,896	6,066	-	127,847
91700	Legal Expense	2,149	3,060	3,289	3,240	1,606	789	353	-	14,486
91800	Travel	273	312	289	285	-	-	-	-	1,159
91900	Other	35,656	23,392	23,948	23,033	28,202	49,971	19,631	-	203,833
92000	Asset Management Fee	-	20,880	-	-	-	-	-	6,072	26,952
92200	Relocation Costs	-	98	-	-	-	-	-	-	98
92400	Tenant services - other	348	315	158	636	-	-	-	1,574	3,031
93100	Water	18,588	26,102	33,039	21,796	7,412	8,980	4,496	-	120,413
93200	Electricity	65,976	73,469	71,214	79,234	4,112	5,692	1,327	-	301,024
93300	Gas	44,174	33,189	27,529	30,969	1,403	626	280	-	138,170
93600	Sewer	27,910	36,871	44,274	30,929	11,546	13,950	7,242	-	172,722
94100	Ord maintenance & op - labor	104,359	108,349	96,868	106,436	15,077	26,001	9,535	-	466,625
94200	Ord maintenance & op - materials	23,162	33,326	32,831	40,171	15,215	11,207	5,621	-	161,533
94300	Ord maintenance & op - contract	39,721	62,051	90,493	41,204	23,407	41,834	18,631	-	317,341
94500	Employee benefit contribution - ord maint	37,871	44,086	37,401	50,258	2,665	4,752	991	-	178,024
95200	Protective services - other contract costs	-	-	-	-	-	292	101	-	393
96110	Property Insurance	14,968	33,204	42,518	36,138	12,133	19,673	8,503	-	167,137
96120	Liability Insurance	2,199	2,251	5,281	2,829	-	-	-	-	12,560
96130	Workmen's Compensation	2,692	2,336	2,132	2,767	675	844	584	-	12,030
96140	All other Insurance	-	-	-	-	1,108	-	-	-	1,108
96200	Other general expenses	-	-	-	-	11,607	12,773	11,338	-	35,718
96210	Compensated absences	5,720	3,925	6,420	-	-	-	-	-	16,065
96400	Bad debt - tenant rents	18,486	25,846	18,623	26,507	666	2,884	643	-	93,655
96710	Interest expense	-	-	-	-	31,547	17,590	10,415	-	59,552
96900	Total Operating Expenses	661,386	796,753	778,507	739,177	221,029	296,753	131,791	31,175	3,656,571
97000	Excess Revenue Over Operating Expenses	\$ 99,624	\$ 295,586	\$ 251,904	\$ 332,769	\$ 88,794	\$ 2,288	\$ 112,791	\$ 1,800	\$ 1,185,556

Springfield Metropolitan Housing Authority
 Supplemental Financial Data Schedules
 Statement of Revenues, Expenses and Changes in Net Position
 Asset Management Properties
 September 30, 2013

FDS Line Item	Account Description	OH 021-022	OH 021-023	OH 021-024	OH 021-025	OH 021-026	OH 021-027	OH 021-028	Other Project	Total
97200	Casualty losses- Non-capitalized	\$ -	\$ 810	\$ 3,712	\$ 48,770	\$ -	\$ -	\$ -	\$ -	\$ 53,292
97300	Housing assistance payments	-	-	-	-	-	-	-	-	-
97400	Depreciation expense	260,077	197,225	183,263	194,717	189,406	337,508	157,507	939	1,520,642
90000	Total Expenses	921,463	994,788	965,482	982,664	410,435	634,261	289,298	32,114	5,230,505
10010	Operating transfer in	58,190	86,541	115,413	76,716	-	-	-	-	336,860
10020	Operating transfer out	(58,190)	(86,541)	(115,413)	(76,716)	-	-	-	-	(336,860)
10000	Excess (Deficiency) of Revenue Over (Under) Expenses	(160,453)	97,551	64,929	89,282	(100,612)	(335,220)	(44,716)	861	(388,378)
11030	Beginning Net Position	2,018,355	2,751,265	2,383,324	2,840,518	11,064	55,991	13,700	-	10,074,217
11040	Equity Transfers	-	-	-	-	4,879,914	9,620,391	1,716,289	80,755	16,297,349
	Ending Net Position	\$ 1,857,902	\$ 2,848,816	\$ 2,448,253	\$ 2,929,800	\$ 4,790,366	\$ 9,341,162	\$ 1,685,273	\$ 81,616	\$ 25,983,188

**Springfield Metropolitan Housing Authority
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2013**

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Housing and Urban Development:</u>		
PHA Owned Housing:		
Public and Indian Housing (operating subsidiary)	14.850 a	\$ 2,224,469
Public Housing Capital Fund	14.872	837,377
ROSS - Service Coordinators	14.870	63,377
ROSS - PH Self-Sufficiency	14.877	34,295
		3,159,518
Housing Assistance Payments: Annual Contribution		
Housing Choice Voucher Program - Cluster:		
Housing choice vouchers	14.871	5,375,118
Mainstream vouchers	14.879	179,959
Total Housing Choice Voucher - Cluster		5,555,077
Shelter Plus Care	14.238	126,434
		5,681,511
<i>Passed through City of Springfield:</i>		
HOME Investment Partnership Program	14.239	23,358
		23,358
Total U.S. Department of Housing and Urban Development		8,864,387
<u>U.S. Department of Health and Human Services:</u>		
<i>Passed through Ohio Department Alcohol, Drug Addiction Services</i>		
<i>Passed through Mental Health and Recovery Board of Clark, Madison and Greene Counties:</i>		
Block Grant for Prevention and Treatment of Substance Abuse	93.959	13,682
		13,682
Total - all programs		\$ 8,878,069

Note to the Schedule of Expenditures of Federal Awards:

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Springfield Metropolitan Housing Authority and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.



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

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

Board of Commissioners
Springfield Metropolitan Housing Authority

I have audited, 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 business-type activities of the Springfield Metropolitan Housing Authority, Ohio, as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise Springfield Metropolitan Housing Authority, Ohio's basic financial statements, and have issued my report thereon dated March 28, 2014. The financial statements of Lincoln Park Housing Partnership LP, Lincoln Park Housing Partnership II LP and Lincoln Park Housing Partnership III LP were not audited in accordance with *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, I considered Springfield 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 my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Springfield Metropolitan Housing Authority, Ohio's, internal control. Accordingly, I do not express an opinion on the effectiveness of Springfield 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 entity'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.

My 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 my audit I did not identify any deficiencies in internal control that I 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 Springfield Metropolitan Housing Authority, Ohio's financial statements are free from material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my 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 my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Salvatore Consiglio, CPA, Inc.
North Royalton, Ohio
March 28, 2014



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

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB
CIRCULAR A-133**

Board of Commissioners
Springfield Metropolitan Housing Authority

Report on Compliance for Each Major Federal Program

I have audited Springfield Metropolitan Housing Authority'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 Springfield Metropolitan Housing Authority's major federal programs for the year ended September 30, 2013. The Authority'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

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

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal program. However, my audit does not provide a legal determination of the Authority's compliance.

Opinion on Each Major Federal Program

In my opinion, Springfield Metropolitan Housing Authority, 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 its major federal programs for the year ended September 30, 2013.

Report on Internal Control over Compliance

Management of the Springfield Metropolitan Housing Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered the Authority'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, I do not express an opinion on the effectiveness of the Authority'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.

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



Salvatore Consiglio, CPA, Inc.
North Royalton, Ohio
March 28, 2014

1. SUMMARY OF AUDITOR'S RESULTS
--

Type of Financial Statement Opinion	Unmodified
Were there any material weakness reported at the financial statement level (GAGAS)?	No
Were there any other significant control deficiencies reported at the financial statement level (GAGAS)?	No
Was there any reported non-compliance at the financial statement level (GAGAS)?	No
Were there any material internal control weakness reported for any major federal programs?	No
Were there any other significant internal control deficiency reported for the major federal programs?	No
Type of report issued on compliance for major programs	Unmodified
Are there any reportable findings under § .510?	No
Major Programs (list):	CFDA #: 14.871 Housing Choice Voucher Program; 14.879 Mainstream Program
Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: All Others
Low Risk Auditee?	Yes

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

There are no Findings or questioned costs for the year ended September 30, 2013.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
--

There are no Findings or questioned costs for the year ended September 30, 2013.

The following is the status of prior year audit findings:

Finding Number	Finding Summary	Fully Corrected	Not Corrected; Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2011-SMHA-2	Cash Management	No	Not Corrected – Current year financial statements still reflected Interprogram due to/from.
2011-SMHA-3	Procurement	Yes	Corrected – Audit procedure revealed no exception.

This page intentionally left blank.



Dave Yost • Auditor of State

SPRINGFIELD METROPOLITAN HOUSING AUTHORITY

CLARK COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
APRIL 21, 2015**