SPRINGFIELD METROPOLITAN HOUSING AUTHORITY

REPORT ON AUDIT OF FINANCIAL STATEMENTS

And Required Federal Reports

For the Year Ended September 30, 2010

PARMS & COMPANY, LLC
CERTIFIED PUBLIC ACCOUNTANTS

Dave Yost • Auditor of State

Board of Directors
Springfield Metropolitan Housing Authority
101 West High Street
Springfield, Ohio45502

We have reviewed the *Independent Auditors' Report* of the Springfield Metropolitan Housing Authority, Clark County, prepared by Parms & Company, LLC, for the audit period October 1, 2009 through September 30, 2010. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Dave Yost
Auditor of State

September 1, 2011

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

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SPRINGFIELD METROPOLITAN HOUSING AUTHORITY

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PARMS & COMPANY, LLC
CERTIFIED PUBLIC ACCOUNTANTS

585 South Front Street
Suite 220
Columbus, OH 43215

Office: 614-224-3078
Fax: 614-224-4616
www.parms.com

INDEPENDENT AUDITORS' REPORT

Board of Directors
Springfield Metropolitan Housing Authority
Springfield, Ohio

We have audited the accompanying statement of net assets of Springfield Metropolitan Housing Authority (the Authority) as of September 30, 2010, and the related statements of revenues, expenses and changes in net assets, and of cash flows for the year then ended. These financial statements are the responsibility of Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the discretely presented component units Lincoln Park Housing Partnerships LP (LPHPLP), Lincoln Park Housing Partnerships II LP (LPHPIILP), and Lincoln Park Housing Partnerships III LP (LPHPIIILP) as of December 31, 2010 and for the year then ended. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for LPHPLP, LPHPIILP, and LPHPIIILP is based solely on the report of other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of LPHPLP, LPHPIILP, and LPHPIIILP were not audited in accordance with *Government Auditing Standards* but were audited in accordance with auditing standards generally accepted in the United States of America. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of September 30, 2010, and its discretely presented component units as of December 31, 2010, and the changes in its net assets and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis presented on pages 3 through 9 is not a required part of the basic financial statements but is supplemental information required by the Governmental Accounting Standards Board. This supplementary information is the responsibility of the Authority's management. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and we express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the Authority's basic financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* is presented for the purpose of additional analysis and is not a required part of the basic financial statements of the Authority. Such information is the responsibility of the Authority's management and has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2011, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Parms & Company LLC

June 20, 2011

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, 2010. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

Significant programs consist of the following:

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

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

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

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

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

Component Units – Lincoln Park Housing Partnership LP owns and operates 40 units of low-income housing tax credit apartments at Lincoln Park in Springfield, Ohio. Lincoln Park Housing Partnership II LP owns and operates 68 units of low-income housing tax credit apartments at Lincoln Park in Springfield, Ohio. Lincoln Park Housing Partnership III LP owns and operates 24 units of low-income housing tax credit housing at Lincoln Park in Springfield, Ohio. The component units have fiscal year-ends of December 31, 2010.

Financial Highlights
During the fiscal year ending September 30, 2010:

- Total assets increased by approximately $1,040,000 and capital assets increased by approximately $55,000, net of current year accumulated depreciation of approximately $1,059,000. Current and other assets increased by approximately $985,000, which was mostly due to an increase in notes receivable from the component units, net of a corresponding decrease in HOPE VI accounts receivable.

- Total liabilities decreased by approximately $538,000 of which current liabilities decreased by approximately $532,000. Accounts payable decreased by $363,000, primarily related to payment of prior year HOPE VI obligations.

- Total revenues decreased by approximately $1,834,000. Program operating grants and subsidies (including Section 8 and Hope VI) decreased by approximately $28,000 and capital grants decreased by approximately $1,783,000, primarily related to HOPE VI capital grant revenue.

- Total expenses before depreciation decreased by approximately $1,193,000. Tenant services expenses decreased approximately $129,000; pass-through grant expense decreased by approximately $476,000; and housing assistance payments decreased by approximately $311,000.

Notes to the Financial Statements
The notes to the basic financial statements provide additional information essential to a full understanding of the data provided in the basis financial statements. Notes to the basis financial statements can be found on pages 13 through 27 of this report.

Financial Analysis of the Authority

Statement of Net Assets

The following table represents a condensed statement of net assets.

		2010	2009
Assets			
Current and other assets	$	8,713,909	7,728,720
Capital assets		14,210,567	14,155,594
Total assets	$	22,924,476	21,884,314
Liabilities			
Current liabilities	$	750,579	1,282,477
Long-term liabilities		1,213,966	1,220,187
Total liabilities		1,964,545	2,502,664
Net Assets			
Invested in capital assets		14,210,567	14,155,594
Restricted net assets		697,630	354,746
Unrestricted		6,051,734	4,871,310
Total net assets		20,959,931	19,381,650
Total liabilities and net assets	$	22,924,476	21,884,314

By far the largest portion of the Authority's net assets (68%) reflects its investments in capital assets. The Authority uses these capital assets (land, building, furniture and equipment) to provide housing services to residents and are not readily available for future spending. The unrestricted net assets of the Authority are available for future use to provide program services.

Statement of Revenues, Expenses and Changes in Net Assets

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

	2010	2009
Revenues		
Tenant rental income	$ 1,114,267	1,174,953
Operating subsidy and grants	4,658,392	4,686,741
Subsidy for housing assistance payment	6,542,864	6,089,415
Capital grants	1,855,152	3,637,681
Other income	309,682	725,672
Total revenues	14,480,357	16,314,462
Expenses		
Administrative	2,515,107	2,451,704
Tenant services	274,726	403,948
Utilities	833,409	833,228
Maintenance	1,442,755	1,454,447
Protective services	63,256	97,676
General	583,217	850,780
Bad debts	42,943	70,713
Grant expense - pass-through to component units	254,249	729,855
Housing assistance payment	5,832,995	6,143,612
Total expenses before depreciation	11,842,657	13,035,963
Change in net assets before depreciation	2,637,700	3,278,499
Depreciation	1,059,419	1,091,034
Change in net assets	$ 1,578,281	2,187,465

Capital Assets

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

		Beginning Balance	Additions/ Reclassifications	Deletions/ Corrections	Ending Balance
Capital assets, not being depreciated					
Land	$	2,148,510	80,260	-	2,228,770
Capital assets being depreciated					
Buildings		25,453,318	358,701	(5,124)	25,806,895
Furniture and equipment		997,303	675,431	-	1,672,734
Land improvements		2,336,936	-	-	2,336,936
Less accumulated depreciation		(16,780,473)	(1,059,419)	5,124	(17,834,768)
		12,007,084	(25,287)	-	11,981,797
Capital assets, net	$	14,155,594	54,973	-	14,210,567

Major capital asset purchases during fiscal year 2010 included the following:

- Murray Street improvements
- Cole Manor interior renovations
- Roof replacements
- Furnace and water heater replacements

Debt Outstanding

The Authority has $1,000,000 of debt outstanding at December 31, 2010, 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 6 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 89% for low income public housing for the year ending September 30, 2010.

- ✓ The slow economy has as impact on low-income households' ability to pay rent and 2010 modernization activity reduced availability for leases and rental income.

- ✓ Projected continued increases in health insurance, property insurance and utility rates will affect the cost of operating the programs. In 2010, HUD did not fund excess utility expenses.

- ✓ The HOPE VI Revitalization Plan for the Authority's Lincoln Park Project included the demolition of all 210 existing units and redevelopment of 132 units on site, an on-site community center and park, and loan assistance to low-income households to purchase new housing to be developed in the revitalization area. The on-site component consists of 108 public/low-income housing tax credit units, and 24 lease-to-purchase units, constructed in 2009. 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: Ms. Barbara Stewart, Executive Director, Springfield Metropolitan Housing Authority, 101 West High Street, Springfield, Ohio 45502, or call (937) 325-7331, extension 203.

Springfield Metropolitan Housing Authority
Statements of Net Assets

Assets		September 30, 2010 Housing Authority	December 31, 2010 Component Units: Lincoln Park Housing Partnership LP	Lincoln Park Housing Partnership II LP	Lincoln Park Housing Partnership III LP	Total Component Units	Memorandum Total
Current assets:							
Cash and cash equivalents	$	414,429	2,136	52,293	207,081	261,510	675,939
Restricted cash and cash equivalents		911,036	321,948	455,106	197,003	974,057	1,885,093
Accounts receivable, net:							
Tenants		70,433	983	1,093	5,210	7,286	77,719
HUD		340,349	-	-	-	-	340,349
Other receivables		109,409	100	600	-	700	110,109
Inventory, net of allowance for obsolete of $32,083		90,336	-	-	-	-	90,336
Prepaid expenses		94,746	930	1,499	3,758	6,187	100,933
Total current assets		2,030,738	326,097	510,591	413,052	1,249,740	3,280,478
Non-current assets:							
Land		2,228,770	-	-	-	-	2,228,770
Property and equipment, net of accumulated depreciation		11,981,797	6,355,297	11,126,933	5,669,087	23,151,317	35,133,114
Notes receivable- due from component units		6,678,242	-	-	-	-	6,678,242
Other assets		4,929	240,475	207,941	258,978	707,394	712,323
Total non-current assets		20,893,738	6,595,772	11,334,874	5,928,065	23,858,711	44,752,449
Total assets	$	22,924,476	6,921,869	11,845,465	6,341,117	25,108,451	48,032,927
Liabilities and Net Assets							
Current liabilities:							
Accounts payable							
Trade	$	560,594	58,555	39,137	14,803	112,495	673,089
Accrued wages and benefits		96,576	-	-	-	-	96,576
Accrued compensated absences		14,803	-	-	-	-	14,803
Tenant security deposits, payable from restricted assets		59,482	9,174	13,367	4,587	27,128	86,610
Unearned revenues		936	79	341	7	427	1,363
Other current liabilities		18,188	56,859	41,569	8,133	106,561	124,749
Total current liabilities		750,579	124,667	94,414	27,530	246,611	997,190
Long-term liabilities:							
Accrued compensated absences, non-current portion		162,841	-	-	-	-	162,841
Long-term debt		1,000,000	908,378	-	-	908,378	1,908,378
Long-term debt- due to primary government		-	833,529	1,700,000	4,230,823	6,764,352	6,764,352
Other long-term liabilities		51,125	-	20,084	326,956	347,040	398,165
Total non-current liabilities		1,213,966	1,741,907	1,720,084	4,557,779	8,019,770	9,233,736
Total liabilities		1,964,545	1,866,574	1,814,498	4,585,309	8,266,381	10,230,926
Net Assets:							
Invested in capital assets, net of related debt		14,210,567	4,613,390	9,426,933	1,438,264	15,478,587	29,689,154
Restricted net assets		697,630	-	-	-	-	697,630
Unrestricted net assets		6,051,734	441,905	604,034	317,544	1,363,483	7,415,217
Total net assets		20,959,931	5,055,295	10,030,967	1,755,808	16,842,070	37,802,001
Total liabilities and net assets	$	22,924,476	6,921,869	11,845,465	6,341,117	25,108,451	48,032,927

See accompanying notes to the financial statements

Springfield Metropolitan Housing Authority
Statements of Revenues, Expenses and Changes in Net Assets

		Year Ended September 30, 2010	Year Ended December 31, 2010 Component Units				
		Housing Authority	Lincoln Park Housing Partnership LP	Lincoln Park Housing Partnership II LP	Lincoln Park Housing Partnership III LP	Total Component Units	Memorandum Total
Operating revenue:							
Dwelling rent	$	1,015,405	168,309	229,104	114,605	512,018	1,527,423
Non-dwelling rental		98,862	-	-	-	-	98,862
Total rental revenue		1,114,267	168,309	229,104	114,605	512,018	1,626,285
Program operating grants/subsidies		11,201,256	-	-	-	-	11,201,256
Other grants		32,299	-	-	-	-	32,299
Other income		245,873	5,680	4,888	3,555	14,123	259,996
Total operating revenue		12,593,695	173,989	233,992	118,160	526,141	13,119,836
Operating expenses:							
Administrative		2,515,107	91,460	156,013	46,917	294,390	2,809,497
Tenant services		274,726	-	1,147	-	1,147	275,873
Utilities		833,409	27,944	43,923	18,898	90,765	924,174
Maintenance		1,442,755	47,488	67,579	20,284	135,351	1,578,106
Protective services		63,256	-	-	-	-	63,256
General		583,217	48,164	30,322	23,714	102,200	685,417
Bad debts		42,943	-	-	1,298	1,298	44,241
Grant expense - pass-through to component units		254,249	-	-	-	-	254,249
Housing assistance payments		5,832,995	-	-	-	-	5,832,995
Depreciation and amortization		1,059,419	201,022	349,500	167,639	718,161	1,777,580
Total operating expenses		12,902,076	416,078	648,484	278,750	1,343,312	14,245,388
Operating loss		(308,381)	(242,089)	(414,492)	(160,590)	(817,171)	(1,125,552)
Non-operating revenue:							
Interest income		31,510	156	1,302	-	1,458	32,968
Total non-operating revenue		31,510	156	1,302	-	1,458	32,968
Change in net assets before capital grants and contributions		(276,871)	(241,933)	(413,190)	(160,590)	(815,713)	(1,092,584)
Capital grants		1,855,152	-	-	-	-	1,855,152
Capital contributions		-	145,594	409,476	879,248	1,434,318	1,434,318
Change in net assets		1,578,281	(96,339)	(3,714)	718,658	618,605	2,196,886
Net assets, beginning of the period		19,381,650	5,151,634	10,034,681	1,037,150	16,223,465	35,605,115
Net assets, end of the period	$	20,959,931	5,055,295	10,030,967	1,755,808	16,842,070	37,802,001

See accompanying notes to the financial statements

Springfield Metropolitan Housing Authority
Statements of Cash Flows

		Year Ended December 31, 2010 Component Units				
	Year Ended September 30, 2010 Housing Authority	Lincoln Park Housing Partnership LP	Lincoln Park Housing Partnership II LP	Lincoln Park Housing Partnership III LP	Total Component Units	Memorandum Total
Cash flows from operating activities:						
Cash received from HUD	$ 12,994,058	-	-	-	-	12,994,058
Cash received from other governments	32,299	-	-	-	-	32,299
Cash received from tenants	1,109,933	180,705	245,972	117,978	544,655	1,654,588
Cash received from other income	136,502	5,680	4,888	3,555	14,123	150,625
Cash payments for housing assistance payments	(5,832,995)	-	-	-	-	(5,832,995)
Cash passed-through to component units	(686,101)	-	-	-	-	(686,101)
Cash payments for administrative	(2,612,957)	(99,046)	(158,872)	(47,894)	(305,812)	(2,918,769)
Cash payments for other operating expenses	(3,259,222)	(110,601)	(106,217)	(82,090)	(298,908)	(3,558,130)
Net cash provided by operating activities	1,881,517	(23,262)	(14,229)	(8,451)	(45,942)	1,835,575
Cash flows from investing activities:						
Investment income	81,725	156	1,302	-	1,458	83,183
Cash flows from capital and related financing activities:						
Capital acquisitions	(1,114,392)	-	-	-	-	(1,114,392)
Payments on construction payables	-	-	-	(695,846)	(695,846)	(695,846)
Developer fee paid	-	-	-	(503,926)	(503,926)	(503,926)
Issuance of long-term debt	-	-	-	3,486,393	3,486,393	3,486,393
Payments on long-term debt	(1,869,422)	(91,622)	-	(2,757,000)	(2,848,622)	(4,718,044)
Capital contributions	-	145,594	409,476	879,248	1,434,318	1,434,318
Capital grant funds received	1,855,152	-	-	-	-	1,855,152
Net cash (used in) provided by financing activities	(1,128,662)	53,972	409,476	408,869	872,317	(256,345)
Increase in cash and cash equivalents	834,580	30,866	396,549	400,418	827,833	1,662,413
Cash and cash equivalents, beginning	490,885	293,218	110,850	3,666	407,734	898,619
Cash and cash equivalents, ending	$ 1,325,465	324,084	507,399	404,084	1,235,567	2,561,032
Reconciliation of operating income to net cash provided by operating activities:						
Operating loss	$ (308,381)	(242,089)	(414,492)	(160,590)	(817,171)	(1,125,552)
Adjustments to reconcile operating loss to net cash provided by operating activities:						
Depreciation and amortization	1,059,419	201,022	349,500	167,639	718,161	1,777,580
(Increase) decrease in:						
Receivables - net of allowance	1,679,327	12,396	16,868	(5,110)	24,154	1,703,481
Inventory	8,615	-	-	-	-	8,615
Prepaid expenses and other assets	(19,344)	(930)	(1,499)	(977)	(3,406)	(22,750)
Increase (decrease) in:						
Accounts payable	(372,008)	(6,656)	(1,360)	(19,194)	(27,210)	(399,218)
Accrued wages and compensated absences	(13,188)	-	-	-	-	(13,188)
Tenant security deposits	(8,187)	753	(261)	2,386	2,878	(5,309)
Deferred credits and other liabilities	(144,736)	12,242	37,015	7,395	56,652	(88,084)
Net cash provided by operating activities	$ 1,881,517	(23,262)	(14,229)	(8,451)	(45,942)	1,835,575
Composition of cash and cash equivalents:						
Cash and cash equivalents	$ 414,429	2,136	52,293	207,081	261,510	675,939
Restricted cash and cash equivalents	911,036	321,948	455,106	197,003	974,057	1,885,093
	$ 1,325,465	324,084	507,399	404,084	1,235,567	2,561,032

See accompanying notes to the financial statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

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

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

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

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

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

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

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

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

Lincoln Park Housing Partnership LP (LPHPLP)
The Authority executed a Limited Partnership Agreement with Penrose GP LLC and the Ohio Equity Fund for Housing Limited Partnership XVI to form the Lincoln Park Housing Partnership LP on March 27, 2007. The Authority is a Special Limited Partner with a .001% ownership interest in this organization which developed, owns and operates 40 units of Low-Income Housing tax Credit housing at Lincoln Park. Under the terms of the Limited Partnership Agreement, no Limited Partner shall be personally liable for any loss or liability of the Partnership beyond the amount of such Limited Partner's agreed-upon Capital Contributions and no Limited Partner shall participate in the operation, management or control of the Partnership's business, transact any business in the Partnership's name or have any power to sign documents for or otherwise bind the Partnership. The Authority made Capital Contributions to the Partnership totaling $1,032,500 through September 30, 2010 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, 2010 in HOPE VI funds for the development of 68 rental units. Lincoln Park Housing Partnership II LP has executed a long-term Ground Lease, a HOPE VI Loan Agreement (see note 3), a Regulatory and Operating Agreement and various other documents with the Authority for the purpose of financing, owning and operating the rental development commonly known as Lincoln Park Phase IB.

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

Capital Contributions and no Limited Partner shall participate in the operation, management or control of the Partnership's business, transact any business in the partnership's name or have any power to sign document for or otherwise bind the Partnership. The Authority will make a Capital Contribution to the Partnership in the amount of $277,613 ($86,110 through September 30, 2010), equal to the amount of the developer's fee, for the development of 24 rental units. Lincoln Park Housing Partnership III LP has executed a long-term Ground Lease, a HOPE VI Loan Agreement (see note 3), a Regulatory and Operating Agreement and various other documents with the Authority for the purpose of financing, owning and operating the rental development commonly known as Lincoln Park Phase II.

Additional Partnership Provisions

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

Basis of Presentation

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Measurement Focus/Basis of Accounting

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

Capital Assets

Capital assets over the Authority's capitalization threshold of $500 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 $48,924 at September 30, 2010. Receivables do not include approximately $132,000 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 $32,083 at September 30, 2010.

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, 2010, the carrying amount of the Authority's deposits totaled $592,716 and its bank balances (excluding money market funds) were $803,048. Based on the criteria described in GASB Statement No. 40, "Deposit and Investment Risk Disclosure," as of September 30, 2010, $553,048 was exposed to custodial risk as discussed below, while $250,000 was covered by the Federal Depository Insurance Corporation.

Custodial credit risk is the risk that in the event of bank failure, the Authority will not be able to recover the deposits. All deposits are collateralized with eligible securities in amounts equal to at least 119% 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.

Investments – At September 30, 2010, the Authority held amounts in a money market fund listed below with a stated credit quality rating. Average maturities of fund securities are less than one year.

Description	Fair Value / Carrying Value	Credit Rating (Standard & Poor's)
Victory Federal Money Market Fund	$732,549	AAAm

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. The Authority's total investments are in the money market fund.

Component Units – At December 31, 2010, each component unit maintains cash accounts at a single financial institution, respectively, where balances at times may exceed the $250,000 insured limit. The Component Units also have escrows and reserves held by the mortgage lender, and the balances may exceed $250,000.

3. NOTES RECEIVABLE:

Hope VI Loan – Lincoln Park Phase IA

The Authority executed a HOPE VI Loan Agreement in the amount of $583,529 with Lincoln Park Housing Partnership LP for the development of 40 rental units (Phase IA) on March 22, 2007. The term of the loan promissory note began March 22, 2007 and continues until fifty (50) years from the first day of the month following the Substantial Completion Date as defined in the loan agreement. Each advance under the note bears interest during its term at the rate of 2% per annum, compounded annually. The loan is secured by an Open End Leasehold Mortgage and Security Agreement between Lincoln Park Housing Partnership LP (mortgagor) and the Authority (mortgagee). As a condition to providing funding for the loan, the Authority received the required Completion and Development Deficiency Guarantee from Penrose Properties LLC and Penrose Development LLC, each of whom is an affiliate of the general partner, Penrose GP LLC, of Lincoln Park Housing Partnership LP. Accrued interest receivable on this loan was $35,712 at September 30, 2010.

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 $4,688 at September 30, 2010.

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 $29,060 at September 30, 2010.

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 $13,000 at September 30, 2010.

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, 2010 was $4,144,713. Accrued interest receivable on this loan was $3,854 at September 30, 2010.

4. CAPITAL ASSETS:

The following is a summary of changes in the Authority's capital assets for the year ended September 30, 2010:

	Beginning Balance	Additions/ Reclassifications	Deletions/ Corrections	Ending Balance
Capital assets, not being depreciated				
Land	$ 2,148,510	80,260	-	2,228,770
Other capital assets:				
Buildings	25,453,318	358,701	(5,124)	25,806,895
Furniture and equipment	997,303	675,431	-	1,672,734
Land improvements	2,336,936	-	-	2,336,936
Total other capital assets at historical cost	28,787,557	1,034,132	(5,124)	29,816,565
Less accumulated depreciation for:				
Buildings	(15,867,753)	(757,932)	1,181	(16,624,504)
Furniture and equipment	(235,454)	(155,796)	3,943	(387,307)
Land improvements	(677,266)	(145,691)	-	(822,957)
Total accumulated depreciation	(16,780,473)	(1,059,419)	5,124	(17,834,768)
Other capital assets, net	12,007,084	(25,287)	-	11,981,797
Capital assets, net	$ 14,155,594	54,973	-	14,210,567

The following is a summary of changes in the Component Units' capital assets for the period ended December 31, 2010:

LPHPLP		Beginning Balance	Additions	Disposals/ Reclassifications	Ending Balance
Capital assets being depreciated					
Buildings		6,499,488	-	-	6,499,488
Furniture and equipment		161,461	-	-	161,461
Land improvements		215,457	-	-	215,457
Less accumulated depreciation		(331,703)	(189,406)	-	(521,109)
Capital assets, net	$	6,544,703	(189,406)	-	6,355,297

LPHPIILP		Beginning Balance	Additions	Disposals/ Reclassifications	Ending Balance
Capital assets being depreciated					
Buildings		11,188,998	-	-	11,188,998
Furniture and equipment		322,707	-	-	322,707
Land improvements		510,233	-	-	510,233
Less accumulated depreciation		(557,497)	(337,508)	-	(895,005)
Capital assets, net	$	11,464,441	(337,508)	-	11,126,933

LPHPIIILP		Beginning Balance	Additions	Disposals/ Reclassifications	Ending Balance
Capital assets being depreciated					
Buildings		5,520,819	-	-	5,520,819
Furniture and equipment		40,656	-		40,656
Land improvements		308,431	-	-	308,431
Less accumulated depreciation		(43,312)	(157,507)	-	(200,819)
Capital assets, net	$	5,826,594	(157,507)	-	5,669,087

5. BONDS PAYABLE:

LPHPIIILP entered into a $3,350,000 loan agreement with Huntington National Bank (the trustee) and County of Clark, Ohio (the Issuer) on December 1, 2008. Interest accrues at the greater of the prime rate plus 2% or 12% per annum with semiannual payments beginning February 1, 2009. The loan was called on May 1, 2010. The principal balance as of December 31, 2010 is $0 and was repaid from HOPE VI loan proceeds.

6. LONG-TERM LIABILITIES:

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

Long-term debt is as follows for the Component Units as of December 31, 2010:

	Total Component Units	LPHPLP	LPHPIILP	LPHPIIILP
First mortgage notes (A)	$ 5,764,352	583,529	950,000	4,230,823
Second mortgage notes (A)	1,000,000	250,000	750,000	-
Fourth mortgage note (B)	908,378	908,378	-	-
Total long-term debt	$ 7,672,730	1,741,907	1,700,000	4,230,823

(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, 2010 is $17,688. The outstanding principal balance as of December 31, 2010 was $908,378.

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, 2010 and December 31, 2010, respectively:

The Authority:	Balance 09/30/09	Payments/ Forfeits	Additions	Balance 09/30/10	Current	Non-current
Compensated absences	$ 165,917	-	11,727	177,644	14,803	162,841
Long-term debt	1,000,000	-	-	1,000,000	-	1,000,000
Other long-term liabilities	64,899	13,774	-	51,125	-	51,125
	$ 1,230,816	13,774	11,727	1,228,769	14,803	1,213,966

Component Units:	Balance 12/31/09	Payments/ Forfeits	Additions	Balance 12/31/10	Current	Non-current
Long-term debt	$ 7,034,959	91,622	3,486,393	7,672,730	-	7,672,730
Other long-term liabilities	852,117	505,077	-	347,040	-	347,040
	$ 7,887,076	111,294	380,126	8,019,770	-	8,019,770

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

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

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

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the Traditional Plan and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report which may be obtaining by writing to the Ohio Public Employee Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-6701 or 1-800-222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2009, member and employer contribution rates were consistent across all three plans (TP, MD and CO). Plan members are required to contribute 10.00 percent of their annual covered payroll to fund pension obligations and the Authority was required to contribute 14.00 percent of covered payroll during 2009. 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, 2010, 2009 and 2008 were $299,779, $276,169, and $266,921, respectively.

8. 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).
The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits 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 benefits. Employer contribution rates are expressed as a percentage of the covered payroll of active members. The 2010 employer contribution rate was 14.00 percent of covered payroll. OPERS' Post Employment Health Care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post employment benefits. The portion of employer contributions allocated to health care was 7.00% from October 1, 2008 through March 31, 2009 and 5.5% from April 1 through September 30, 2009. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care coverage by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Prevention Plan (HCPP) with an effective date of January 1, 2007. Member and employer contribution rates for state and local employers increased on January 1 of each year from 2006 to 2008. Rates for law and public safety employers increased over a six year period beginning January 1, 2006, with a final rate increase on January 1, 2011. These rate increases allowed additional funds to be allocated to the health care plan.

9. 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.

10. CONTINGENT LIABILITIES:

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. The amount, if any, of expenses which may be disallowed by the grantor cannot be determined at this time, although the Authority expects such amounts, if any, to be immaterial.

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.

11. 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.

12. COMMITMENTS:

As of September 30, 2010, the Authority was committed to future capital expenditures as follows:

Contractual commitments:

All-Star Gutter – Roof replacements	$ 119,000
I.F. Weber - Renovations	97,037
Total future project costs	$ 216,037

Springfield Metropolitan Housing Authority
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2010

Federal Grantor/Program Title	Federal CFDA Number		Federal Expenditures
U.S. Department of Housing and Urban Development:			
PHA Owned Housing:			
Public and Indian Housing (operating subsidiary)	14.850 a	$	2,272,643
Public Housing Capital Fund	14.872		970,468
ARRA- Public Housing Capital Fund	14.884		751,969
ROSS	14.870		98,605
			4,093,685
Revitalization of Severely Distressed Public Housing	14.866		2,177,103
Housing Assistance Payments: Annual Contribution			
Housing choice vouchers	14.871		6,470,395
Mainstream vouchers	14.879		200,390
N/C S/R Section 8 Programs	14.182		15,525
Shelter Plus Care	14.238		99,310
			6,785,620
Total U.S. Deparment of Housing and Urban Development			13,056,408
U.S. Department of Health and Human Services:			
Passed through Ohio Department Alcohol, Drug Addiction Services			
Passed through Mental Health and Recovery Board of Clark, Madison and Greene Counties			
Block Grant for Prevention and Treatment of Substance Abuse	93.959		32,299
Total - all programs		$	13,088,707

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.

PARMS & COMPANY, LLC
CERTIFIED PUBLIC ACCOUNTANTS

585 South Front Street
Suite 220
Columbus, OH 43215

Office: 614-224-3078
Fax: 614-224-4616
www.parms.com

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

Board of Directors
Springfield Metropolitan Housing Authority

We have audited the financial statements of the Springfield Metropolitan Housing Authority as of and for the year ended September 30, 2010, and have issued our report thereon dated June 20, 2011**.** Our report includes a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Other auditors audited the financial statements of the discretely presented component units Lincoln Park Housing Partnerships LP (LPHPLP), Lincoln Park Housing Partnerships II LP (LPHPIILP), and Lincoln Park Housing Partnerships III LP (LPHPIIILP), as described in our report on Springfield Metropolitan Housing Authority's financial statements. These financial statements were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning an performing our audit, we considered Springfield Metropolitan Housing Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Springfield Metropolitan Housing Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Springfield Metropolitan Housing Authority's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, 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 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.

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

However, we did note certain matters that we reported to management of Springfield Metropolitan Housing Authority in a separate letter dated June 20, 2011.

Compliance and Other Matters

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

This report is intended solely for the information and use of management, of the Board of Directors of Springfield Metropolitan Housing Authority, management, others within the organization and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Parms & Company LLC

June 20, 2011

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585 South Front Street
Suite 220
Columbus, OH 43215

Office: 614-224-3078
Fax: 614-224-4616
www.parms.com

REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Directors
Springfield Metropolitan Housing Authority

Compliance

We 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, 2010. Springfield Metropolitan Housing Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Springfield Metropolitan Housing Authority's management. Our responsibility is to express an opinion on Springfield Metropolitan Housing Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and OMB Circular A-133. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Springfield Metropolitan Housing Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Springfield Metropolitan Housing Authority's compliance with those requirements.

In our opinion, Springfield Metropolitan Housing Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2010.

Internal Control Over Compliance

Management of Springfield Metropolitan Housing Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Springfield Metropolitan Housing Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Springfield Metropolitan Housing 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.

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

This report is intended solely for the information and use of the Board of Directors of Springfield Metropolitan Housing Authority, management, others within the organization and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Parms & Company LLC

June 20, 2011

1. SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

Type of auditors' report issued	Unqualified
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	No
Non-compliance material to the financial statement noted?	No

Federal Awards:

Internal Controls over major programs: Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses	No
Type of auditor's report issued on compliance for major programs:.	Unqualified
Any audit findings disclosed that are required to be reported under section 510(a) of OMB Circular A-133	No
Identification of major programs (list):	Public and Indian Housing CFDA #14.850a, Section 8 Housing Choice Vouchers CFDA #14.871, Public Housing Capital Fund CFDA #14.872, ARRA- Public Housing Capital Fund CFDA #14.884
Dollar Threshold used to distinguish between Type A and Type B Programs	Type A: > $392,661 Type B: all others
Auditee qualified as low risk?	No

2. FINANCIAL STATEMENT FINDINGS

No findings.

3. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

No findings.

SIGNIFICANT DEFICIENCY

Finding 2009-1 Significant Audit Adjustments – Material Weakness

Finding has been corrected in 2010.

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Office: 614-224-3078
Fax: 614-224-4616
www.parms.com

INDEPENDENT AUDITORS' REPORT ON ADDITIONAL INFORMATION

Board of Directors
Springfield Metropolitan Housing Authority
Springfield, Ohio

We have audited the financial statements of Springfield Metropolitan Housing Authority (the Authority) as of and for the year ended September 30, 2010, and have issued our report thereon dated June 20, 2011, which contained an unqualified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The supplementary Financial Data Schedules for the Authority is presented for the purpose of additional analysis as required by the U.S. Department of Housing and Urban Development and is not a required part of the 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 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. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Parms & Company, LLC

Columbus, Ohio
June 20, 2011

Springfield Metropolitan Housing Authority
Supplemental Financial Data Schedules
Statement of Net Assets
September 30, 2010

FDS Line Item	Account Description	Low Rent Public Housing 14.850a	Mainstream Vouchers 14.879	Section 8 Vouchers 14.871	Section 8 New Const 14.182	Shelter Plus Care 14.238	Project Choice 93.959	HOPE VI 14.866	ARRA 14.884	ROSS 14.870	Central Office Cost Center	Eliminations	Total
	ASSETS												
111	Cash - unrestricted	$ -	-	-	-	-	-	566,759	-	-	-	(152,330)	414,429
113	Cash - other restricted	6,930	78,571	654,684	1,560	7,010	-	-	-	-	-	-	748,755
114	Cash - tenant security deposits	59,482	-	-	-	-	-	-	-	-	-	-	59,482
115	Cash restricted for payment of												-
	current liability	8,655	-	-	-	-	-	94,144	-	-	-	-	102,799
100	Total cash	75,067	78,571	654,684	1,560	7,010	-	660,903	-	-	-	(152,330)	1,325,465
													-
122	Accounts receivable - HUD other project	50,538	-	-	-	495	-	150	269,727	19,589	-	-	340,499
124	Accounts receivable - other state local	-	-	-	1,106	5,010	-	-	-	-	-	-	6,116
125	Accounts receivable - miscellaneous	309	-	366		-	10,562	-	-	-	5,592	-	16,829
126	A/R Tenants - dwelling rents	103,578	-	-	-	-	-	-	-	-	-	-	103,578
126.1	Allowance for doubtful accounts	(33,145)	-	-	-	-	-	-	-	-	-	-	(33,145)
128	Fraud recovery		-	-	-	-	-	-	-	-	-	-	-
128.1	Allowance for doubtful accounts - FR	-	-	-	-	-	-	-	-	-	-	-	-
129	Accrued interest receivable	-	-	-	-	-	-	86,314	-	-	-	-	86,314
120	Total accounts receivable	121,280	-	366	1,106	5,505	10,562	86,464	269,727	19,589	5,592	-	520,191
													-
142	Prepaid expenses and other assets	58,722	817	25,664	-	-	90	5,428	1,380	90	2,555	-	94,746
143	Inventories	122,290	-	50	-	-	-	-	-	-	79	-	122,419
143	Allowance for obsolete inventory	(32,083)	-	-	-	-	-	-	-	-	-	-	(32,083)
144	Interprogram due from	309,516	-	12,661	-	109	-	-	-	-	829,361	(1,151,647)	-
150	Total current assets	654,792	79,388	693,425	2,666	12,624	10,652	752,795	271,107	19,679	837,587	(1,151,647)	2,030,738
													-
161	Land	1,881,721	-	-	-	-	-	197,229	-	-	149,820	-	2,228,770
162	Buildings	25,789,395	-	-	-	-	-	17,500	-	-	-	-	25,806,895
163	Furniture and equipment - dwellings	847,181	-	-	-	-	-	-	-	-	2,734	-	849,915
164	Furniture and equipment - admin	322,511	-	39,049	-	-	-	62,343	-	-	398,916	-	822,819
165	Land improvements	-	-	-	-	-	-	2,336,936	-	-	-	-	2,336,936
166	Accumulated depreciation	(17,003,271)	-	(38,498)	-	-	-	(433,236)	-	-	(359,763)	-	(17,834,768)
160	Total fixed assets, net	11,837,537	-	551	-	-	-	2,180,772	-	-	191,707	-	14,210,567
172	Notes receivable, long term	-	-	-	-	-	-	6,678,242	-	-	-	-	6,678,242
174	Other assets	-	-	-	-	-	-	4,929	-	-	-	-	4,929
													-
180	Total non-current assets	11,837,537	-	551	-	-	-	8,863,943	-	-	191,707	-	20,893,738
													-
190	Total assets	$ 12,492,329	79,388	693,976	2,666	12,624	10,652	9,616,738	271,107	19,679	1,029,294	(1,151,647)	22,924,476

Springfield Metropolitan Housing Authority
Supplemental Financial Data Schedules
Statement of Net Assets
September 30, 2010

FDS Line Item	Account Description	Low Rent Public Housing 14.850a	Mainstream Vouchers 14.879	Section 8 Vouchers 14.871	Section 8 New Const 14.182	Shelter Plus Care 14.238	Project Choice 93.959	HOPE VI 14.866	ARRA 14.884	ROSS 14.870	Central Office Cost Center	Eliminations	Total
	LIABILITIES												
311	Bank overdraft	$ -	-	72,643	-	-	-	-	-	-	79,687	(152,330)	-
312	Accounts payable >=90 days	434,420	145	41,086	-	447	-	58,428	-	-	26,068	-	560,594
321	Accrued wages/payroll taxes	42,681	1,063	20,069	-	-	1,184	10,390	-	2,053	19,136	-	96,576
322	Accrued compensated absences, current	10,007	42	1,888	-	-	18	-	-	-	2,848	-	14,803
325	Accrued interest payable	-	-	-	-	-	-	17,688	-	-	-	-	17,688
341	Tenant security deposits	59,482	-	-	-	-	-	-	-	-	-	-	59,482
342	Deferred revenue	936	-	-	-	-	-	-	-	-	-	-	936
345	Other current liabilities	-	-	-	-	-	-		-	-	500	-	500
347	Interprogram due to	1,135,736	12,770	-	-	-	3,141	-	-	-	-	(1,151,647)	-
310	Total current liabilities	1,683,262	14,020	135,686	-	447	4,343	86,506	-	2,053	128,239	(1,151,647)	750,579
353	Noncurrent liabilities - other	6,930	-	44,195	-	-	-	-	-	-	-	-	51,125
354	Accrued compensated absences, non-current	110,085	458	20,771	-	-	194	-	-	-	31,333	-	162,841
355	Loan liability	-	-	-	-	-	-	1,000,000	-	-	-	-	1,000,000
													-
350	Total noncurrent liabilities	117,015	458	64,966	-	-	194	1,000,000	-	-	31,333	-	1,213,966
													-
300	Total liabilities	1,800,277	14,478	200,652	-	447	4,537	1,086,506	-	2,053	159,572	(1,151,647)	1,964,545
													-
	NET ASSETS												-
508	Invested in capital assets,												-
	net of related debt	11,837,537	-	551	-	-	-	2,180,772	-	-	191,707	-	14,210,567
511	Restricted net assets	-	78,571	610,489	1,560	7,010	-	-	-	-	-	-	697,630
512	Unrestricted net assets	(1,145,485)	(13,661)	(117,716)	1,106	5,167	6,115	6,349,460	271,107	17,626	678,015	-	6,051,734
513	Total equity	10,692,052	64,910	493,324	2,666	12,177	6,115	8,530,232	271,107	17,626	869,722	-	20,959,931
													-
600	Total liabilities and equity	$ 12,492,329	79,388	693,976	2,666	12,624	10,652	9,616,738	271,107	19,679	1,029,294	(1,151,647)	22,924,476

Springfield Metropolitan Housing Authority
Supplemental Financial Data Schedules
Statement of Revenues, Expenses and Changes in Net Assets
Year Ended September 30, 2010

FDS Line Item	Account Description	Low Rent Public Housing 14.850a	Mainstream Vouchers 14.879	Section 8 Vouchers 14.871	Section 8 New Const 14.182	Shelter Plus Care 14.238	Project Choice 93.959	HOPE VI 14.866	ARRA 14.884	ROSS 14.870	Central Office Cost Center	Eliminations	Total
	REVENUE												
703	Net tenant rental revenue	$ 1,015,405	-	-	-	-	-	-	-	-	-	-	1,015,405
704	Tenant revenue - other	98,862	-	-	-	-	-	-	-	-	-	-	98,862
705	Total tenant revenue	1,114,267	-	-	-	-	-	-	-	-	-	-	1,114,267
706	PHA HUD grants	2,875,200	200,390	6,470,395	15,525	79,879	-	1,322,987	118,844	98,605	-	-	11,181,825
706.1	Capital grants	367,911	-	-	-	-	-	854,116	633,125	-	-	-	1,855,152
707.1	Management Fee	-	-	-	-	-	-	-	-	-	836,128	(836,128)	-
707.2	Asset Management Fee	-	-	-	-	-	-	-	-	-	121,900	(121,900)	-
707.3	Book Keeping Fee	-	-	-	-	-	-	-	-	-	82,763	(82,763)	-
708	Other government grants	-	-	-	-	19,431	32,299	-	-	-	-	-	51,730
711	Investment income - unrestricted	147	-	77	-	-	-	31,170	-	-	4	-	31,398
720	Investment income - restricted	-	-	112	-	-	-	-	-	-	-	-	112
714	Fraud recovery	-	-	24,185	-	-	-	-	-	-	-	-	24,185
715	Other revenue	97,753	111	17,324	305	499	-	30	-	-	105,666	-	221,688
	Total revenue	4,455,278	200,501	6,512,093	15,830	99,809	32,299	2,208,303	751,969	98,605	1,146,461	(1,040,791)	14,480,357
	EXPENSES												
911	Administrative salaries	302,084	21,398	403,629	385	481	2,739	184,771	-	31,688	302,144		1,249,319
912	Auditing fees	27,975	-	7,477	-	-	-	5,509	-	-	7,111		48,072
913	Management and book-keeping fees	837,891	-	-	-	-	-	-	81,000	-	-	(918,891)	-
914	Advertising and marketing	1,637	-	-	-	-	-	1,790	-	-	-		3,427
915	Employee benefit contribution - admin	92,046	10,191	136,115	-	-	4,147	35,707	-	7,050	111,361		396,617
916	Other operating - administrative	342,598	-	95,469	-	-	924	175,093	27,384	935	100,577		742,980
917	Legal services	14,286	-	372	-	-	-	15,446	-	-	22,460		52,564
918	Travel	812	-	619	-	-	-	1,161	-	-	5,032		7,624
920	Asset management fee	121,900	-	-	-	-	-	-	-	-	-	(121,900)	-
921	Tenant services - salaries	-	-	15,997	-	-	22,721	70,828	-	8,226	-		117,772
922	Relocation costs	-	-	-	-	-	-	3,578	-	-	-		3,578
923	Employee benefit contrib - ten svcs	-	-	11,067	-	-	676	43,493	-	3,891	-		59,127
924	Tenant services - other	7,998	-	26,949	-	-	3,372	28,888	-	27,042	-		94,249
931	Water	229,910	-	257	-	-	-	-	-	-	8,321		238,488
932	Electricity	307,382	-	3,898	-	-	-	63	-	-	28,507		339,850
933	Gas	182,309	-	1,418	-	-	-	138	-	-	12,298		196,163
938	Other utility expenses	58,228	-	150	-	-	-	-	-	-	530		58,908
941	Ord maintenance/op-labor	786,582	-	-	-	-	-	-	-	-	91,468		878,050
942	Ord maintenance/op - materials	162,158	-	2,379	-	-	-	2,381	-	-	1,651		168,569
943	Ord maintenance/op - cont costs	349,894	-	9,220	-	-	-	19,011	3,650	-	14,361		396,136
952	Protective services - other cont costs	63,256	-	-	-	-	-	-	-	-	-		63,256
961	Insurance premiums	175,339	-	5,641	-	-	-	950	-	-	7,245		189,175
962	Other general expenses	371,644	1,255	1,651	-	711	211	254,249	-	-	17,384		647,105
964	Bad debts - tenant rents	42,943	-	-	-	-	-	-	-	-	-		42,943
967	Interest expense	-	-	-	-	-	-	10,000	-	-	-	-	10,000
969	Total operating expenses	4,478,872	32,844	722,308	385	1,192	34,790	853,056	112,034	78,832	730,450	(1,040,791)	6,003,972
	EXCESS REVENUE OVER OPERATING EXPENSES	$ (23,594)	167,657	5,789,785	15,445	98,617	(2,491)	1,355,247	639,935	19,773	416,011	-	8,476,385

Springfield Metropolitan Housing Authority
Supplemental Financial Data Schedules
Statement of Revenues, Expenses and Changes in Net Assets
Year Ended September 30, 2010

FDS Line Item	Account Description	Low Rent Public Housing 14.850a	Mainstream Vouchers 14.879	Section 8 Vouchers 14.871	Section 8 New Const 14.182	Shelter Plus Care 14.238	Project Choice 93.959	HOPE VI 14.866	ARRA 14.884	ROSS 14.870	Central Office Cost Center	Total
970	EXCESS REVENUE OVER OPERATING EXPENSES	$ (23,594)	167,657	5,789,785	15,445	98,617	(2,491)	1,355,247	639,935	19,773	416,011	8,476,385
972	Casualty losses - non capitalized	5,690	-	-	-	-	-	-	-	-	-	5,690
973	Housing Assistance Payments	6,493	162,608	5,561,357	14,027	88,510	-	-	-	-	-	5,832,995
974	Depreciation expense	864,760	-	2,284	-	-	-	160,042	-	-	32,333	1,059,419
	Total expenses	5,355,815	195,452	6,285,949	14,412	89,702	34,790	1,013,098	112,034	78,832	762,783	6,898,104
100.93	Transfers between Project and Program In	21,193	-	-	-	-	-		157,127	-	-	178,320
100.94	Transfers between Project and Program Out	(165,456)	-	-	-	-	-	(735)	-	(12,129)	-	(178,320)
101	Total Other financing sources (uses)	(144,263)	-	-	-	-	-	(735)	157,127	(12,129)	-	-
1000	EXCESS OF REVENUE OVER EXPENSES	(1,044,800)	5,049	226,144	1,418	10,107	(2,491)	1,194,470	797,062	7,644	383,678	1,578,281
1103	Beginning equity	11,101,555	59,861	267,180	1,248	2,070	8,606	7,335,762	107,170	12,154	486,044	19,381,650
1104	Transfers of equity	635,297	-	-	-	-	-	-	(633,125)	(2,172)	-	-
	Ending equity	$ 10,692,052	64,910	493,324	2,666	12,177	6,115	8,530,232	271,107	17,626	869,722	20,959,931

Springfield Metropolitan Housing Authority
Supplemental Financial Data Schedules
Balance Sheet
Asset Management Properties
September 30, 2010

FDS Line Item	Account Description		021-21	021-22	021-23	021-24	021-25	021-26	021-27	021-28	Eliminations	Total
	ASSETS											
113	Cash - other restricted	$	-	262	5,114	1,554	-	-	-	-	-	6,930
114	Cash - tenant security deposits		-	8,697	17,022	16,749	17,014	-	-	-	-	59,482
115	Cash restricted for payment of current liability		-	-	1,158	-	7,497	-	-	-	-	8,655
100	Total cash		-	8,959	23,294	18,303	24,511	-	-	-	-	75,067
122	Accounts receivable - HUD other project		-	8,789	5,251	29,787	6,711	-	-	-	-	50,538
126	A/R Tenants - dwelling rents		-	32,973	18,268	15,737	36,600	-	-	-	-	103,578
126	Allowance for doubtful accounts		-	(10,551)	(5,846)	(5,036)	(11,712)	-	-	-	-	(33,145)
128	Fraud recovery		-	-	-	309	-	-	-	-	-	309
120	Total accounts receivable		-	31,211	17,673	40,797	31,599	-	-	-	-	121,280
142	Prepaid expenses and other assets		-	10,195	15,259	17,529	15,123	185	314	117	-	58,722
143	Inventories		-	22,396	29,077	41,455	29,362	-	-	-	-	122,290
143	Allowance for obsolete inventory		-	(4,097)	(6,906)	(14,038)	(7,042)	-	-	-	-	(32,083)
144	Interprogram due from		155,909	-	47,557	-	-	9,106	74,140	22,804	-	309,516
150	Total current assets		155,909	68,664	125,954	104,046	93,553	9,291	74,454	22,921	-	654,792
161	Land		-	210,838	378,548	734,473	557,862	-	-	-	-	1,881,721
162	Buildings		-	6,410,470	6,031,195	6,721,187	6,626,543	-	-	-	-	25,789,395
163	Furniture and equipment - dwellings		-	523,435	97,759	111,708	114,279				-	847,181
164	Furniture and equipment - admin		-	53,790	63,802	126,238	65,478	6,167	6,623	413	-	322,511
166	Accumulated depreciation		-	(4,542,240)	(3,745,609)	(4,559,222)	(4,150,323)	(2,866)	(2,942)	(69)	-	(17,003,271)
160	Total fixed assets, net		-	2,656,293	2,825,695	3,134,384	3,213,839	3,301	3,681	344	-	11,837,537
190	Total assets	$	155,909	2,724,957	2,951,649	3,238,430	3,307,392	12,592	78,135	23,265	-	12,492,329

Springfield Metropolitan Housing Authority
Supplemental Financial Data Schedules
Balance Sheet (Continued)
Asset Management Properties
September 30, 2010

FDS Line Item	Account Description		21-21	21-22	21-23	21-24	21-25	21-26	21-27	21-28	Eliminations	Total
	LIABILITIES											
312	Accounts payable >=90 days	$	-	262,036	45,583	65,875	55,069	660	1,117	4,080	-	434,420
321	Accrued wages/payroll taxes		-	6,906	10,535	13,877	9,627	522	880	334	-	42,681
322	Accrued compensated absences, current		-	725	3,438	2,322	3,379	43	73	27	-	10,007
341	Tenant security deposits		-	8,697	17,022	16,749	17,014	-	-	-	-	59,482
342	Deferred revenue		-	-	213	723	-	-	-	-	-	936
347	Interprogram due to		-	238,951	69,937	705,187	121,661	-	-	-	-	1,135,736
310	Total current liabilities		-	517,315	146,728	804,733	206,750	1,225	2,070	4,441	-	1,683,262
353	Noncurrent liabilities - other		-	262	5,114	1,554	-	-	-	-	-	6,930
354	Accrued compensated absences, non-current		-	7,972	37,820	25,540	37,166	476	809	302	-	110,085
350	Total noncurrent liabilities		-	8,234	42,934	27,094	37,166	476	809	302	-	117,015
300	Total liabilities		-	525,549	189,662	831,827	243,916	1,701	2,879	4,743	-	1,800,277
	NET ASSETS											
508	Invested in capital assets, net of related debt		-	2,656,293	2,825,695	3,134,384	3,213,839	3,301	3,681	344	-	11,837,537
512	Unrestricted net assets		155,909	(456,885)	(63,708)	(727,781)	(150,363)	7,590	71,575	18,178	-	(1,145,485)
513	Total equity		155,909	2,199,408	2,761,987	2,406,603	3,063,476	10,891	75,256	18,522	-	10,692,052
600	Total liabilities and equity	$	155,909	2,724,957	2,951,649	3,238,430	3,307,392	12,592	78,135	23,265	-	12,492,329

Springfield Metropolitan Housing Authority
Supplemental Financial Data Schedules
Statement of Income
Asset Management Properties
Year Ended September 30, 2010

FDS Line Item	Account Description		21-21	21-22	21-23	21-24	21-25	21-26	21-27	21-28	Total
	REVENUE										
703	Net tenant rental revenue	$	-	159,719	282,987	246,686	326,013	-	-	-	1,015,405
704	Tenant revenue - other		-	11,322	21,343	31,556	34,641	-	-	-	98,862
705	Total tenant revenue		-	171,041	304,330	278,242	360,654	-	-	-	1,114,267
706	PHA HUD grants		39,533	530,481	706,168	593,568	512,828	150,132	247,759	94,731	2,875,200
706.1	Capital grants		-	8,743	5,666	306,410	47,092	-	-	-	367,911
711	Investment income - unrestricted		-	36	36	36	36	1	1	1	147
715	Other revenue		-	24,821	6,678	41,920	24,186	148	-	-	97,753
	Total revenue		39,533	735,122	1,022,878	1,220,176	944,796	150,281	247,760	94,732	4,455,278
	EXPENSES										
911	Administrative salaries		-	50,558	59,788	121,835	71,012	520	883	329	304,925
912	Auditing fees		-	6,738	7,115	7,006	7,116	-	-	-	27,975
913	Management and book-keeping fees		-	192,385	228,149	206,166	211,191	-	-	-	837,891
914	Advertising and marketing		-	168	602	713	154	-	-	-	1,637
915	Employee benefit contribution - admin		-	16,048	26,627	28,901	19,953	156	259	102	92,046
916	Other operating - administrative		-	89,861	83,182	107,799	58,159	1,195	1,215	1,187	342,598
917	Legal services		-	4,227	3,452	3,774	2,833	-	-	-	14,286
918	Travel		-	-	562	73	177	-	-	-	812
920	Asset management fee		-	33,120	31,320	28,960	28,500	-	-	-	121,900
924	Tenant services - other		-	2,710	1,378	1,799	2,111	-	-	-	7,998
931	Water		-	36,816	63,956	76,315	52,823	-	-	-	229,910
932	Electricity		-	70,788	75,051	69,649	91,894	-	-	-	307,382
933	Gas		-	51,618	43,150	42,573	44,968	-	-	-	182,309
938	Other utility expenses		-	7,641	14,603	17,023	18,961	-	-	-	58,228
941	Ord maintenance/op-labor		-	168,547	213,297	228,576	176,162	-	-	-	786,582
942	Ord maintenance/op - materials		-	32,582	36,040	53,529	40,007	-	-	-	162,158
943	Ord maintenance/op - cont costs		-	108,727	71,516	93,213	76,438	-	-	-	349,894
953	Protective services - other		-	15,814	15,814	15,814	15,814	-	-	-	63,256
961	Insurance premiums		-	28,455	43,314	56,499	47,071	-	-	-	175,339
962	Other general expenses		-	745	170	535	676	114,971	177,111	74,595	368,803
964	Bad debts - tenant rents		-	5,067	8,458	19,231	10,187	-	-	-	42,943
969	Total operating expenses		-	922,615	1,027,544	1,179,983	976,207	116,842	179,468	76,213	4,478,872
	EXCESS REVENUE OVER OPERATING EXPENSES	$	39,533	(187,493)	(4,666)	40,193	(31,411)	33,439	68,292	18,519	(23,594)

Springfield Metropolitan Housing Authority
Supplemental Financial Data Schedules
Statement of Income
Asset Management Properties
Year Ended September 30, 2010

FDS Line Item	Account Description		21-21	21-22	21-23	21-24	21-25	21-26	21-27	21-28	Total
970	EXCESS REVENUE OVER OPERATING EXPENSES	$	39,533	(187,493)	(4,666)	40,193	(31,411)	33,439	68,292	18,519	(23,594)
972	Casualty losses - non capitalized		-	-	3,356	-	2,334	-	-	-	5,690
973	Port-out HAP payments		-	262	4,607	1,624	-	-	-	-	6,493
974	Depreciation expense		-	275,765	192,671	177,263	215,022	1,947	2,023	69	864,760
	Total expenses		-	1,198,642	1,228,178	1,358,870	1,193,563	118,789	181,491	76,282	876,943
1000	EXCESS OF REVENUE OVER EXPENSES		39,533	(628,635)	(20,107)	(135,178)	(245,666)	36,912	71,232	18,109	(1,044,800)
1103	Beginning equity		116,376	2,345,041	2,913,053	2,491,740	3,259,101	(26,672)	2,916	-	11,101,555
	Transfers from (to) programs		-	317,887	54,234	53,557	53,142	6,071	6,071	72	491,034
	Ending equity	$	155,909	2,199,408	2,761,987	2,406,603	3,063,476	10,891	75,256	18,522	10,692,052

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
SEPTEMBER 15, 2011

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