

# **Springfield Metropolitan Housing Authority**

Financial Statements

September 30, 2014





# Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditors' Report* of the Springfield Metropolitan Housing Authority, Clark County, prepared by Salvatore Consiglio, CPA, Inc., for the audit period October 1, 2013 through September 30, 2014. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost  
Auditor of State

May 15, 2015

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## **Independent Auditors' Report**

Board of Commissioners  
Springfield Metropolitan Housing Authority

### **Report on the Financial Statements**

I have audited the accompanying financial statements of the business-type activities and the blended presented component units of Springfield Metropolitan Housing Authority, Ohio, as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

My responsibility is to express opinions on these financial statements based on my audit. I did not audit the financial statements of the component units of Springfield Metropolitan Housing Authority (see Note 1 for a description), which the statements reflect total assets constituting 7% of the total assets at September 30, 2014, and total operating revenues constituting 52% of total operating revenues for the year then ended. Those statements were audited by other auditors whose report has been furnished to me, and my opinion, insofar as it relates to the amounts included for the component units, is based solely on the report of such other auditors. I have conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## **Opinions**

In my opinion, based on my audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the blended presented component units of the Springfield Metropolitan Housing Authority, Ohio, as of September 30, 2014, and the respective change in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 and 9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Other auditors and I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.


### *Other Information*

My Audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the Springfield Metropolitan Housing Authority basic financial statements. The accompanying Schedule of Expenditure of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Government and Non-Profit Organizations* and is not a required part of the financial statements. The combining financial data schedule ("FDS"), the Asset Management Properties Schedules and The PHA Statement of Certificate of Actual Modernization Costs are presented for purposes of additional analysis as required by the Department of Housing and Urban Development and are not a required part of the Basic Financial Statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or

to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by me and other auditors. In my opinion, the information is fairly stated in all material respect in relation to the basic financial statements taken as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, I have also issued my report dated March 31, 2015, on my consideration of the Springfield Metropolitan Housing Authority's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Springfield Metropolitan Housing Authority's internal control over financial reporting and compliance.



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Salvatore Consiglio, CPA, Inc.  
North Royalton, Ohio  
March 31, 2015



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, 2014. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements.

### **Overview of the Financial Statements**

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

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

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

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

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

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

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

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

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

Significant programs consist of the following:

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

Housing Choice Voucher Program – Under the Housing Choice 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, 2013.

### **Financial Highlights**

During the fiscal year ending September 30, 2014:

- Total assets decreased by \$1,255,403 and capital assets decreased by \$641,135, net of current year depreciation of \$1,642,984. Current assets decreased by \$624,763, which was mostly due to a decrease in accounts receivable.
- Total liabilities decreased by \$188,352, which was mostly due to payment of long term liabilities.
- Total revenues decreased by \$81,018. Subsidy for Housing Assistance Payments decreased by \$616,728.
- Total expenses before depreciation increased by \$104,382. Utilities increased \$103,150 and Maintenance expenses increased \$176,243.

**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 Position**

	<b>2014</b>	<b>2013</b>	<b>Increase / (Decrease)</b>
Assets			
Current assets	\$ 2,969,973	\$ 3,594,736	\$ (624,763)
Capital assets	33,325,801	33,966,936	(641,135)
Other non-current assets	7,541,198	7,530,703	10,495
<b>Total assets</b>	<b>\$ 43,836,972</b>	<b>\$ 45,092,375</b>	<b>\$ (1,255,403)</b>
Liabilities			
Current liabilities	\$ 968,220	\$ 1,045,040	\$ (76,820)
Long-term liabilities	8,512,074	8,623,606	(111,532)
<b>Total liabilities</b>	<b>9,480,294</b>	<b>9,668,646</b>	<b>(188,352)</b>
Net Position			
Investments in capital assets	26,033,527	26,568,418	(534,891)
Restricted	970,643	1,603,935	(633,292)
Unrestricted	7,352,508	7,251,376	101,132
<b>Total net position</b>	<b>34,356,678</b>	<b>35,423,729</b>	<b>(1,067,051)</b>
<b>Total liabilities and net position</b>	<b>\$ 43,836,972</b>	<b>\$ 45,092,375</b>	<b>\$ (1,255,403)</b>

The largest portion of the Authority's Net Position (76 percent) reflects its investments in capital assets. The Authority uses these capital assets (land, building, furniture and equipment) to provide housing services to residents and are not readily available for future spending. The unrestricted net position of the Authority is available for future use to provide program services.

Springfield Metropolitan Housing Authority  
Management's Discussion And Analysis - Unaudited  
Year Ended September 30, 2014

**Statement of Revenues, Expenses and Changes in Net Position**

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

	<u>2014</u>	<u>2013</u>	<u>Increase / (Decrease)</u>
Revenues			
Tenant revenue	\$ 1,517,546	\$ 1,493,566	\$ 23,980
Operating subsidy and grants	3,780,178	3,474,740	305,438
Subsidy for housing assistance payment	4,358,887	4,975,615	(616,728)
Capital grants	815,209	440,486	374,723
Interest income	46,766	50,083	(3,317)
Other income	272,566	437,680	(165,114)
<b>Total revenues</b>	<b><u>10,791,152</u></b>	<b><u>10,872,170</u></b>	<b><u>(81,018)</u></b>
Expenses			
Administrative	1,909,028	1,958,971	(49,943)
Tenant services	234,878	246,817	(11,939)
Utilities	887,390	784,240	103,150
Maintenance	1,429,753	1,253,510	176,243
Protective services	112	393	(281)
General	257,855	297,454	(39,599)
Bad debts	137,423	93,655	43,768
Housing assistance payment	5,291,144	5,405,856	(114,712)
Non-operating expense	67,636	69,941	(2,305)
<b>Total expenses before depreciation</b>	<b><u>10,215,219</u></b>	<b><u>10,110,837</u></b>	<b><u>104,382</u></b>
<b>Change in net assets before depreciation</b>	<b><u>575,933</u></b>	<b><u>761,333</u></b>	<b><u>(185,400)</u></b>
<b>Depreciation</b>	<b><u>1,642,984</u></b>	<b><u>1,687,954</u></b>	<b><u>(44,970)</u></b>
<b>Change in net assets</b>	<b><u>\$ (1,067,051)</u></b>	<b><u>\$ (926,621)</u></b>	<b><u>\$ (140,430)</u></b>

**Capital Assets**

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

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Disposals / Reclassification</b>	<b>Ending Balance</b>
Capital assets, not being depreciated				
Land	\$ 3,268,308	\$ 17,990	\$ -	\$ 3,286,298
Construction in process	18,382	633,419	-	651,801
	<u>3,286,690</u>	<u>651,409</u>	<u>-</u>	<u>3,938,099</u>
Capital assets, not being depreciated				
Buildings	46,995,095	118,150	-	47,113,245
Furniture and Equipment	2,205,086	76,118	(540)	2,280,664
Infrastructure	5,195,670	122,432	-	5,318,102
	<u>54,395,851</u>	<u>316,700</u>	<u>(540)</u>	<u>54,712,011</u>
Accumulated depreciation				
Buildings	(20,102,767)	(959,108)	-	(21,061,875)
Furniture and Equipment	(1,158,062)	(152,013)	540	(1,309,535)
Infrastructure	(2,454,776)	(498,123)	-	(2,952,899)
	<u>(23,715,605)</u>	<u>(1,609,244)</u>	<u>540</u>	<u>(25,324,309)</u>
Capital assets, net	<u>\$33,966,936</u>	<u>\$ (641,135)</u>	<u>\$ -</u>	<u>\$ 33,325,801</u>

**Debt Outstanding**

The Authority has \$1,000,000 of debt outstanding at September 30, 2014, which represents amounts borrowed from the City of Springfield under the HOME Investment Partnership Program. The proceeds from this long-term note were used to make HOME loans to two of the component units. (See Note 5 for additional information)

**Economic Factors and Planned Events**

Significant economic factors affecting the Authority are as follows:

- ✓ Federal funding is at the discretion of the U.S. Department of Housing and Urban Development (HUD) and the Authority received a funding proration of 88% for low income public housing for the year ending September 30, 2014.
- ✓ The slow economy has an impact on low-income households' ability to pay rent and 2014 modernization activity reduced availability for leases and rental income.

**Contact Information**

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

**Springfield Metropolitan Housing Authority**  
**Statements of Net Position**  
**September 30, 2014**

**Assets**

**Current assets:**

Cash and cash equivalents	\$	1,101,233
Restricted cash and cash equivalents		1,331,145
Accounts receivable, net:		
Tenants, net of allowance of \$24,705		27,566
HUD		89,469
Other receivables, net of allowance of \$36,039		30,268
Investments - unrestricted		50,000
Investments - restricted		200,000
Inventory, net of allowance for obsolete of \$54,025		91,988
Prepaid expenses		48,304
<b>Total current assets</b>		<b>2,969,973</b>

**Non-current assets:**

Land		3,286,298
Property and equipment, net of accumulated depreciation		30,039,503
Notes receivable		6,935,024
Other assets		606,174
<b>Total non-current assets</b>		<b>40,866,999</b>
<b>Total assets</b>	<b>\$</b>	<b>43,836,972</b>

**Liabilities and Net Assets**

**Current liabilities:**

Accounts Payable		
Trade	\$	157,167
HUD		38,867
Accrued wages and benefits		79,585
Accrued compensated absences		38,256
Tenant security deposits payable from restricted assets		83,675
Unearned revenues		16,977
Other current liabilities		553,693
<b>Total current liabilities</b>		<b>968,220</b>

**Long-term liabilities:**

Accrued compensated absences, non-current portion		114,770
Long-term debt		8,292,274
Other long-term liabilities		105,030
<b>Total long-term liabilities</b>		<b>8,512,074</b>
<b>Total liabilities</b>		<b>9,480,294</b>

**Net Position:**

Net Investment in capital assets		26,033,527
Restricted net position		970,643
Unrestricted net position		7,352,508
<b>Total net position</b>		<b>34,356,678</b>
<b>Total liabilities and net position</b>	<b>\$</b>	<b>43,836,972</b>

See accompanying notes to the financial statements.

**Springfield Metropolitan Housing Authority**  
**Statements of Revenue, Expenses and Change in Net Position**  
**For the Year Ended September 30, 2014**

<b><u>Operating revenue:</u></b>	
Dwelling rent	\$ 1,435,822
Other tenant revenue	81,724
<b>Total tenant revenue</b>	<b>1,517,546</b>
Program operating grants/subsidies	8,024,147
Other grants	114,918
Other income	272,566
<b>Total operating revenue</b>	<b>9,929,177</b>
<b><u>Operating expenses:</u></b>	
Administrative	1,909,028
Tenant services	234,878
Utilities	887,390
Maintenance	1,429,753
Protective services	112
General	257,855
Bad debts	137,423
Housing assistance payments	5,291,144
Depreciation and amortization	1,642,984
<b>Total operating expenses</b>	<b>11,790,567</b>
<b>Operating loss</b>	<b>(1,861,390)</b>
<b><u>Non-operating revenue / (expense):</u></b>	
Interest income	46,766
Interest expense	(67,636)
<b>Total non-operating revenue / (expense)</b>	<b>(20,870)</b>
Change in net assets before capital grants and contributions	(1,882,260)
Capital grants	815,209
<b>Change in net assets</b>	<b>(1,067,051)</b>
Net position, beginning of the year	35,423,729
<b>Net position, end of the period</b>	<b>\$ 34,356,678</b>

See accompanying notes to the financial statements.



**Springfield Metropolitan Housing Authority**  
**Statements of Cash Flows**  
**For the Year Ended September 30, 2014**

<b>Cash flows from operating activities:</b>	
Cash received from HUD	\$ 7,788,875
Cash received from other governments	114,918
Cash received from tenants	1,597,010
Cash received from other income	272,566
Cash payments for housing assistance payments	(5,291,144)
Cash payments for administrative	(1,909,805)
Cash payments for other operating expenses	(2,760,151)
<b>Net cash provided by (used in) operating activities</b>	<b><u>(187,731)</u></b>
<b>Cash flows from investing activities:</b>	
Investment income	2,032
Interest expense	(67,636)
<b>Net cash provided by investing activities</b>	<b><u>(65,604)</u></b>
<b>Cash flows from capital and related financing activities:</b>	
Capital acquisitions	(968,109)
Payments on long-term debt	(106,244)
Purchase of investments	181,014
Loan and other deferred costs paid	499
Capital grant funds received	815,209
<b>Net cash provided by (used in) financing activities</b>	<b><u>(77,631)</u></b>
<b>Increase in cash and cash equivalents</b>	<b>(330,966)</b>
Cash and cash equivalents, beginning	<u>2,763,344</u>
<b>Cash and cash equivalents, ending</b>	<b><u>\$ 2,432,378</u></b>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>	
<b>Operating loss</b>	<b>\$ (1,861,390)</b>
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:	
Depreciation and amortization	1,642,984
(Increase) decrease in:	
Receivables - net of allowance	57,541
Inventory	17,009
Prepaid expenses and other assets	38,233
Increase (decrease) in:	
Accounts payable	(54,967)
Accrued wages and compensated absences	(35,356)
Tenant security deposits	(3,894)
Deferred credits and other liabilities	12,109
<b>Net cash provided by (used in) operating activities</b>	<b><u>\$ (187,731)</u></b>
<b>Composition of cash and cash equivalents:</b>	
Cash and cash equivalents	1,101,233
Restricted cash and cash equivalents	1,331,145
	<b><u>\$ 2,432,378</u></b>

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.

**New Accounting Pronouncements**

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* determines whether certain transactions previously reported as assets and liabilities should continue to be reported as such or should instead be reported as a deferred outflow of resources or an outflow of resources

or a deferred inflow of resources or an inflow of resources. SMHA's financial statements included the implementation of this statement with no material effect on presentation of the financial statements.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*. The objective of this Statement is to improve accounting and financial reporting by state and local government employers for the pension in which they are involved. This Statement will become effective for the reporting period ending September 30, 2015. The Authority is currently evaluating the effect of the implementation of this Statement.

GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. This Statement will become effective for the reporting period ending June 30, 2015. The Authority is currently evaluating the effect of the implementation of this Statement.

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. The objective of this Statement is to address an issue relating to amounts associated with contributions, if any, made by a local government employer contributing to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. This Statement will become effective for the reporting period ending June 30, 2015. The Authority is currently evaluating the effect of the implementation of this Statement.

#### **Basis of Presentation**

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

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

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

available for use, it is the Authority's policy to use restricted resources first, and then unrestricted resources as they are needed.

### **Fund Accounting**

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

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

### **Proprietary Fund Types**

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

#### **Enterprise Fund**

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

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

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

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

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

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

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

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

**Measurement Focus/Basis of Accounting**

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

**Capital Assets**

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

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

**Cash and Cash Equivalents**

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

**Compensated Absences**

The Authority accounts for compensated absences in accordance with GASB Statement No. 16. Sick leave and other compensated absences with similar characteristics are accrued as a liability based on the sick leave accumulated at the balance sheet date by those employees who currently

are eligible to receive termination payments. To calculate the liability, these accumulations are reduced to the maximum amount allowed as a termination payment. All employees who meet the termination policy of the authority for years of service are included in the calculation of the compensated absences accrual amount.

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

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

### **Budgetary Accounting**

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

### **Estimates**

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

### **Receivables – net of allowance**

Bad debts are provided on the allowance method based on management's evaluation of the collectability of outstanding receivable balances at the end of the year. The allowances for uncollectible tenant receivables were \$24,705 and for Section 8 fraud recovery receivables was \$36,039 for a total of \$60,744 at September 30, 2014.

### **Inventory**

Inventory consists of supplies and maintenance parts carried at cost and are expensed as they are consumed. The allowance for obsolete inventory was \$54,025 at September 30, 2014.

### **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

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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, 2014, the carrying amount of the Authority's deposits totaled \$553 and its bank balances (excluding money market funds and certificates of deposit) were \$553. Based on the criteria described in GASB Statement No. 40, "Deposit and Investment Risk Disclosure," as of September 30, 2014, \$0 was exposed to custodial risk as discussed below, as \$553 was covered by the Federal Depository Insurance Corporation.

*Investments* – At September 30, 2014, the Authority held amounts in money market funds and certificates of deposit listed below. Maturity dates of the funds' securities are less than one year. Maturity dates of the certificates of deposit, which are placed in three different institutions, range from six months to two years. The bank balances of the money market funds (carrying value below) were \$1,603,777 with \$459,664 covered by the Federal Deposit Insurance Corporation.

<u>Description</u>	<u>Fair Value / Carrying Value</u>
Key Public Money Market Funds	\$1,350,936
State Treasury Asset Reserve of Ohio	\$98
Huntington Bancshares Certificates of Deposit	\$209,111
Key Bank Certificates of Deposit	\$50,000

Custodial credit risk is the risk that in the event of bank failure, the Authority will not be able to recover the deposits. All money market deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at the Federal Reserve Banks or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the Authority.

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

*Blended Component Units* – At December 31, 2013, each component unit maintains cash accounts at a single financial institution, respectively, where balances at times may exceed the \$250,000 insured limit. The Component Units also have escrows and reserves held by the mortgage lender,



and the balances may exceed \$250,000. The total carrying value of cash for the component units was \$1,072,033.

### **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 \$90,068 at September 30, 2014.

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 \$14,934 at September 30, 2014.

#### **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 \$71,040 at September 30, 2014.

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 \$44,801 at September 30, 2014.

#### **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

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the development of 24 rental units (Phase II). Proceeds from the initial disbursement of the permanent loan were used to repay the predevelopment loan in full.

The Authority's permanent loan \$4,251,152 bears interest at 0.25% per year with a 50-year term beginning upon the completion of construction, and requiring debt service due out of cash flow pursuant to a Regulatory and Operating Agreement. Proceeds of the loan are provided for Bond Loan repayment and are secured by a leasehold mortgage on the Development having second priority during construction until bonds are repaid and thereafter being a first priority leasehold mortgage. The balance due from the partnership at September 30, 2032 was \$4,144,713. Accrued interest receivable on this loan was \$35,940 at September 30, 2014.

**4. CAPITAL ASSETS:**

The following is a summary of changes in the Authority's capital assets for the year ended September 30, 2014:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Disposals / Reclassification</b>	<b>Ending Balance</b>
Capital assets, not being depreciated				
Land	\$ 3,268,308	\$ 17,990	\$ -	\$ 3,286,298
Construction in process	18,382	633,419	-	651,801
	<u>3,286,690</u>	<u>651,409</u>	<u>-</u>	<u>3,938,099</u>
Capital assets, not being depreciated				
Buildings	46,995,095	118,150	-	47,113,245
Furniture and Equipment	2,205,086	76,118	(540)	2,280,664
Infrastructure	5,195,670	122,432	-	5,318,102
	<u>54,395,851</u>	<u>316,700</u>	<u>(540)</u>	<u>54,712,011</u>
Accumulated depreciation				
Buildings	(20,102,767)	(959,108)	-	(21,061,875)
Furniture and Equipment	(1,158,062)	(152,013)	540	(1,309,535)
Infrastructure	(2,454,776)	(498,123)	-	(2,952,899)
	<u>(23,715,605)</u>	<u>(1,609,244)</u>	<u>540</u>	<u>(25,324,309)</u>
Capital assets, net	<u>\$33,966,936</u>	<u>\$ (641,135)</u>	<u>\$ -</u>	<u>\$ 33,325,801</u>

The depreciation expense for the year ended September 30, 2014 was \$1,609,244.

**5. LONG-TERM LIABILITIES:**

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

Long-term debt is as follows for the Blended Component Units as of December 31, 2013:

	LPHPLP	LPHPIILP	LPHPIIILP	Total Component Units
First mortgage notes (A)	\$ 583,529	\$ 950,000	\$ 4,144,714	\$ 5,678,243
Second mortgage notes (A)	250,000	750,000	0	1,000,000
Third mortgage note (B)	619,476	0	0	619,476
<b>Total long-term debt</b>	<b>\$ 1,453,005</b>	<b>\$ 1,700,000</b>	<b>\$ 4,144,714</b>	<b>\$ 7,297,719</b>

(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 \$111,294. Accrued interest as of December 31, 2013 is \$12,093. The outstanding principal balance as of December 31, 2013 was \$623,588.

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, 2014 and December 31, 2013, respectively:

<i>The Authority:</i>	Balance	Payments /		Balance	Current	Non-Current
	9/30/2013	Forfeits	Additions	9/30/2014		
Compensated absences	\$ 187,605		\$ (34,579)	\$ 153,026	\$ 38,256	\$ 114,770
Long-term debt	1,000,000			1,000,000		1,000,000
Other long-term liabilities	106,738	21,335		128,073	23,043	105,030
	<b>1,294,343</b>	<b>21,335</b>	<b>(34,579)</b>	<b>1,281,099</b>	<b>61,299</b>	<b>1,219,800</b>

<i>Component Units:</i>	Balance	Payments /		Balance	Current	Non-Current
	12/31/2012	Forfeits	Additions	12/31/2013		
Long-term debt	\$ 7,398,518	\$ (100,799)		\$ 7,297,719		\$ 7,297,719
	<b>7,398,518</b>	<b>(100,799)</b>	<b>0</b>	<b>7,297,719</b>	<b>0</b>	<b>7,297,719</b>

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

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

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

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

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2014 and 2013, member and employer contribution rates were consistent across all three plans (TP, MD and CO). The 2014 and 2013 member contribution rates were 10% of covered payroll and the employer contribution rate was 14.00 percent of covered payroll during 2014 and 2013. 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, 2014, 2013 and 2012 were \$384,933, \$219,522, and \$239,915, respectively.

**7. POSTEMPLOYMENT BENEFITS – OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM:**

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

OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the TP and the CO plans. Members of the MD plan do not qualify for ancillary benefits, including post-employment health care coverage. In order to

qualify for post-retirement health care coverage, age and service retirees under the Traditional Pension and Combined Plans must have ten or more years of qualifying Ohio service credit. Health care coverage for disability recipients and qualified survivor recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post-employment Benefit (OPEB) as described in GASB Statement 45.

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

The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of postretirement health care coverage. Employer contribution rates are expressed as a percentage of the covered payroll of active members. The 2014, 2013, and 2012 employer contribution rate was 14.0% of covered payroll. This is the maximum rate permitted by the Ohio Revised Code. Active members do not make contributions to the OPEB Plan. OPERS' Post Employment Health Care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. The portion of employer contributions allocated to health care for members in the TP was 2.0% during the calendar years 2014, 2013 and 2012. The portion of employer contributions allocated to health care for members during calendar years 2014, 2013 and 2012 were \$54,968, \$15,674 and \$68,544 respectively. Effective January 1, 2013, the portion of the employer contributions allocated to health care was lowered to 1% for both plans, as recommended by the OPERS Actuary. The OPERS Board of Trustees is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care benefits provided. Payment amounts vary depending on the number of covered dependents and the coverage selected.

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

#### **8. RISK MANAGEMENT:**

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

#### **9. CONTINGENT LIABILITIES:**

The Authority is party to various legal proceedings from its normal course of business. No provision has been made in the financial statements for the effect, if any, of such contingencies. Although

the outcome of these proceedings is not presently determinable, in the opinion of the Authority, the ultimate disposition of these matters will not materially affect the financial position of the Authority.

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

The Authority's American Recovery and Reinvestment Act of 2009 Public Housing Capital Fund Stimulus (Formula) Recovery Act Funded Grant (ARRA) was audited by the Inspector General's Office (IG) and the report was issued in September 2011. The IG report included a finding that the Authority did not administer its capital fund grant in accordance with ARRA. As a result, the Authority has recognized a prior period adjustment (see Note 11) totaling \$170,705, of which \$38,867 is payable to HUD at September 30, 2014.

**10. CONCENTRATIONS:**

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

**11. BLENDED COMPONENT UNITS**

SMHA's financial statements included three entities as blended component units reported with the Public Housing Program, Lincoln Park Housing Partnership LP (LPHPLP), Lincoln Park Housing Partnership II LP (LPHPIILP), and Lincoln Park Housing Partnership III LP (LPHPIIILP). Descriptions of the three blended components are as follows:

***Lincoln Park Housing Partnership LP (LPHPLP)***

The Authority executed a Limited Partnership Agreement with Penrose GP LLC and the Ohio Equity Fund for Housing Limited Partnership XVI to form the Lincoln Park Housing Partnership LP on March 27, 2007. The Authority is a Special Limited Partner with a .001% ownership interest in this organization which developed, owns and operates 40 units of Low-Income Housing tax Credit housing at Lincoln Park. Under the terms of the Limited Partnership Agreement, no Limited Partner shall be personally liable for any loss or liability of the Partnership beyond the amount of such Limited Partner's agreed-upon Capital Contributions and no Limited Partner shall participate in the operation, management or control of the Partnership's business, transact any business in the Partnership's name or have any power to sign documents for or otherwise bind the Partnership. The Authority made Capital Contributions to the Partnership totaling \$1,032,500 through September 30, 2014 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 \$6,197,387 through September 30, 2014 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 \$277,605, 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.

**12. CONDENSE FINANCIAL STATEMENTS OF COMPONENT UNITS:**

The following are a condense summary of the blended component units' financial statements as of December 31, 2013:

	Lincoln Park Housing Partnership LP	Lincoln Park Housing Partnership II LP	Lincoln Park Housing Partnership III LP	Total
<b><u>Balance Sheet</u></b>				
Current Assets	\$254,808	\$531,358	\$300,438	\$1,086,604
Capital and Other Assets	5,992,706	10,286,374	5,425,148	21,704,228
Current Liabiliteis	(187,868)	(194,854)	(79,051)	(461,773)
Non-Current Liabilities	(1,447,560)	(1,700,000)	(4,144,714)	(7,292,274)
Net Position	<u>\$4,612,086</u>	<u>\$8,922,878</u>	<u>\$1,501,821</u>	<u>\$15,036,785</u>
<b><u>Revenue, Expenses and Change in Equity</u></b>				
Operating Revenue	\$273,028	\$266,621	\$111,874	\$651,523
Operating Expenses	(262,219)	(347,560)	(137,877)	(747,656)
Net Operating Revenue	10,809	(80,939)	(26,003)	(96,133)
Total Non-Operating Revenueu / (Expenses)	317	163	58	538
Excess Revenue over Expenses	<u>\$11,126</u>	<u>(\$80,776)</u>	<u>(\$25,945)</u>	<u>(\$95,595)</u>

**13. SCHEDULE OF EXPENDITURE OF FEDERAL AWARD:**

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

**14. SUBSEQUENT EVENTS:**

Generally accepted accounting principles define subsequent events as events or transactions that occur after the statement of financial position date, but before the financial statements as issued or are available to be issued. Management has evaluated subsequent events through March 31, 2015, the date on which the financial statements were available to be issued.



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FDS Line Item	Account Description	All AMP Total	14.871 Section 8 Vouchers Total	14.239 HOME Funds Total	14.238 Shelter Plus Care Total	14.879 Mainstream Vouchers Total	93.959 Project Choice Total	14.870 Service Coordinator Total
111	Cash-unrestricted	\$ 560,093	\$ 97,851	\$ 165	\$ 13,723	\$ 22,151	\$ -	\$ -
112	Cash-restricted-modernization and development	-	-	-	-	-	-	-
113	Cash-other restricted	985,255	85,822	-	-	-	-	-
114	Cash-tenant security deposits	83,575	-	-	-	-	-	-
115	Cash - Restricted for current liability	2,437	20,525	-	-	-	-	-
<b>100</b>	<b>Total Cash</b>	<b>1,631,360</b>	<b>204,198</b>	<b>165</b>	<b>13,723</b>	<b>22,151</b>	<b>-</b>	<b>-</b>
122	Accounts receivable - HUD other projects	1,696	-	-	53,382	-	-	10,370
124	Account receivable - other government	-	61	7,299	6,733	-	-	-
125	Account receivable - miscellaneous	1,538	-	-	-	-	-	-
126	Accounts receivable - tenants	51,971	-	-	-	-	-	-
126.1	Allowance for doubtful accounts - tenants	(24,705)	-	-	-	-	-	-
128	Fraud recovery	-	36,039	-	-	-	-	-
128.1	Allowance for doubtful accounts - fraud	-	(36,039)	-	-	-	-	-
129	Accrued interest receivable	164	-	-	-	-	-	-
<b>120</b>	<b>Total accounts receivables</b>	<b>30,664</b>	<b>61</b>	<b>7,299</b>	<b>60,115</b>	<b>-</b>	<b>-</b>	<b>10,370</b>
131	Investments - unrestricted	50,000	-	-	-	-	-	-
132	Investments - restricted	-	-	-	-	-	-	-
142	Prepaid expenses and other assets	39,280	2,132	-	-	-	-	-
143	Inventories	145,423	-	-	-	-	-	-
143.1	Allowance for obsolete inventories	(53,807)	-	-	-	-	-	-
144	Inter program - due from	44,208	48,280	-	312	-	-	-
<b>150</b>	<b>Total Current Assets</b>	<b>1,887,128</b>	<b>254,671</b>	<b>7,464</b>	<b>74,150</b>	<b>22,151</b>	<b>-</b>	<b>10,370</b>
161	Land	2,933,832	-	-	-	-	-	-
162	Buildings	47,113,245	-	-	-	-	-	-
163	Furniture and equipment - dwellings	1,419,380	-	-	-	-	-	-
164	Furniture and equipment - administration	416,366	14,050	-	-	-	-	-
166	Accumulated depreciation	(23,860,798)	(14,050)	-	-	-	-	-
167	Construction in progress	651,801	-	-	-	-	-	-
168	Infrastructure	2,958,737	-	-	-	-	-	-
<b>160</b>	<b>Total capital assets, net</b>	<b>31,632,563</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
171	Notes – Non-current	-	-	-	-	-	-	-
174	Other assets	606,174	-	-	-	-	-	-
<b>180</b>	<b>Total Non-current Assets</b>	<b>32,238,737</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>190</b>	<b>Total Assets</b>	<b>\$ 34,125,865</b>	<b>\$ 254,671</b>	<b>\$ 7,464</b>	<b>\$ 74,150</b>	<b>\$ 22,151</b>	<b>\$ -</b>	<b>\$ 10,370</b>

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FDS Line Item	Account Description	14.875 Neighborhood Networks Total	14.877 PH Self- Sufficiency Total	14.884 ARRA Total	Business Activities Total	14.866 HOPE VI Total	COCC Total	Elimination	Total
111	Cash-unrestricted	\$ -	\$ -	\$ -	\$ 231	\$ -	\$ 407,019	\$ -	\$ 1,101,233
112	Cash-restricted-modernization and development	-	-	-	-	-	-	-	-
113	Cash-other restricted	-	-	-	-	114,664	-	-	1,185,741
114	Cash-tenant security deposits	-	-	-	-	-	-	-	83,575
115	Cash - Restricted for current liability	-	-	38,867	-	-	-	-	61,829
<b>100</b>	<b>Total Cash</b>	<b>-</b>	<b>-</b>	<b>38,867</b>	<b>231</b>	<b>114,664</b>	<b>407,019</b>	<b>-</b>	<b>2,432,378</b>
122	Accounts receivable - HUD other projects	-	24,021	-	-	-	-	-	89,469
124	Account receivable - other government	-	-	-	-	-	-	-	14,093
125	Account receivable - miscellaneous	-	-	-	-	-	13,901	-	15,439
126	Accounts receivable - tenants	-	-	-	300	-	-	-	52,271
126.1	Allowance for doubtful accounts - tenants	-	-	-	-	-	-	-	(24,705)
128	Fraud recovery	-	-	-	-	-	-	-	36,039
128.1	Allowance for doubtful accounts - fraud	-	-	-	-	-	-	-	(36,039)
129	Accrued interest receivable	-	-	-	-	572	-	-	736
<b>120</b>	<b>Total accounts receivables</b>	<b>-</b>	<b>24,021</b>	<b>-</b>	<b>300</b>	<b>572</b>	<b>13,901</b>	<b>-</b>	<b>147,303</b>
131	Investments - unrestricted	-	-	-	-	-	-	-	50,000
132	Investments - restricted	-	-	-	-	200,000	-	-	200,000
142	Prepaid expenses and other assets	-	-	-	-	651	6,241	-	48,304
143	Inventories	-	-	-	-	-	590	-	146,013
143.1	Allowance for obsolete inventories	-	-	-	-	-	(218)	-	(54,025)
144	Inter program - due from	-	-	-	-	-	350,546	(443,346)	-
<b>150</b>	<b>Total Current Assets</b>	<b>-</b>	<b>24,021</b>	<b>38,867</b>	<b>531</b>	<b>315,887</b>	<b>778,079</b>	<b>(443,346)</b>	<b>2,969,973</b>
161	Land	-	-	-	-	197,229	155,237	-	3,286,298
162	Buildings	-	-	-	-	-	-	-	47,113,245
163	Furniture and equipment - dwellings	-	-	-	-	-	2,869	-	1,422,249
164	Furniture and equipment - administration	-	-	-	-	66,941	361,058	-	858,415
166	Accumulated depreciation	-	-	-	-	(1,084,195)	(365,266)	-	(25,324,309)
167	Construction in progress	-	-	-	-	-	-	-	651,801
168	Infrastructure	-	-	-	-	2,359,365	-	-	5,318,102
<b>160</b>	<b>Total capital assets, net</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,539,340</b>	<b>153,898</b>	<b>-</b>	<b>33,325,801</b>
171	Notes – Non-current	-	-	-	-	6,935,024	-	-	6,935,024
174	Other assets	-	-	-	-	-	-	-	606,174
<b>180</b>	<b>Total Non-current Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,474,364</b>	<b>153,898</b>	<b>-</b>	<b>40,866,999</b>
<b>190</b>	<b>Total Assets</b>	<b>\$ -</b>	<b>\$ 24,021</b>	<b>\$ 38,867</b>	<b>\$ 531</b>	<b>\$ 8,790,251</b>	<b>\$ 931,977</b>	<b>\$ (443,346)</b>	<b>\$ 43,836,972</b>

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FDS Line Item	Account Description	All AMP Total	14.871 Section 8 Vouchers	14.239 HOME Funds	14.238 Shelter Plus Care	14.879 Mainstream Vouchers	93.959 Project Choice	14.87 Service Coordinator
311	Bank overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,015	\$ -
312	Accounts payable <= 90 days	153,460	-	-	-	-	-	-
321	Accrued wage/payroll taxes payable	41,773	8,637	-	-	1,937	2,342	-
322	Accrued compensated absences - current	22,400	8,597	-	-	222	-	679
325	Accrued interest payable	244,920	-	-	-	-	-	-
331	Accounts payable - HUD	-	-	-	-	-	-	-
341	Tenant security deposits	83,575	-	-	-	-	-	-
342	Deferred revenue	16,977	-	-	-	-	-	-
345	Other current liabilities	57,420	20,525	-	-	-	-	-
346	Accrued liabilities - other	145,097	2,580	-	-	705	-	-
347	Inter program - due to	300,574	22,792	3,061	45,219	5,634	19,146	19,040
<b>310</b>	<b>Total Current Liabilities</b>	<b>1,066,196</b>	<b>63,131</b>	<b>3,061</b>	<b>45,219</b>	<b>8,498</b>	<b>27,503</b>	<b>19,719</b>
351	Capital Debt - Long Term	7,292,274	-	-	-	-	-	-
353	Non-current liabilities - other	22,672	82,358	-	-	-	-	-
354	Accrued compensated absences- Non-current	67,198	25,792	-	-	667	-	2,040
355	Loan liability – Non-current	-	-	-	-	-	-	-
<b>350</b>	<b>Total Non-current liabilities</b>	<b>7,382,144</b>	<b>108,150</b>	<b>-</b>	<b>-</b>	<b>667</b>	<b>-</b>	<b>2,040</b>
<b>300</b>	<b>Total Liabilities</b>	<b>8,448,340</b>	<b>171,281</b>	<b>3,061</b>	<b>45,219</b>	<b>9,165</b>	<b>27,503</b>	<b>21,759</b>
508.1	Investment in capital assets, net of related debt	24,340,289	-	-	-	-	-	-
511.1	Restricted net position	963,326	7,317	-	-	-	-	-
512.1	Unrestricted net position	373,910	76,073	4,403	28,931	12,986	(27,503)	(11,389)
<b>513</b>	<b>Total net position</b>	<b>25,677,525</b>	<b>83,390</b>	<b>4,403</b>	<b>28,931</b>	<b>12,986</b>	<b>(27,503)</b>	<b>(11,389)</b>
<b>600</b>	<b>Total liabilities and net position</b>	<b>\$ 34,125,865</b>	<b>\$ 254,671</b>	<b>\$ 7,464</b>	<b>\$ 74,150</b>	<b>\$ 22,151</b>	<b>\$ -</b>	<b>\$ 10,370</b>

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FDS Line Item	Account Description	14.875 Neighborhood Networks	14.877 PH Self- Sufficiency	14.884 ARRA	Business Activities	14.866 HOPE VI	COCC	Elimination	Total
311	Bank overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,015
312	Accounts payable <= 90 days	-	-	-	-	-	3,707	-	157,167
321	Accrued wage/payroll taxes payable	-	-	-	-	3,745	21,151	-	79,585
322	Accrued compensated absences - current	-	-	-	-	503	5,855	-	38,256
325	Accrued interest payable	-	-	-	-	59,735	-	-	304,655
331	Accounts payable - HUD	-	-	38,867	-	-	-	-	38,867
341	Tenant security deposits	-	-	-	100	-	-	-	83,675
342	Deferred revenue	-	-	-	-	-	-	-	16,977
345	Other current liabilities	-	-	-	-	-	-	-	77,945
346	Accrued liabilities - other	-	-	-	-	1,072	15,624	-	165,078
347	Inter program - due to	-	24,021	-	-	3,233	626	(443,346)	-
<b>310</b>	<b>Total Current Liabilities</b>	<b>-</b>	<b>24,021</b>	<b>38,867</b>	<b>100</b>	<b>68,288</b>	<b>46,963</b>	<b>(443,346)</b>	<b>968,220</b>
351	Capital Debt - Long Term	-	-	-	-	-	-	-	7,292,274
353	Non-current liabilities - other	-	-	-	-	-	-	-	105,030
354	Accrued compensated absences- Non-current	-	-	-	-	1,508	17,565	-	114,770
355	Loan liability – Non-current	-	-	-	-	1,000,000	-	-	1,000,000
<b>350</b>	<b>Total Non-current liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,001,508</b>	<b>17,565</b>	<b>-</b>	<b>8,512,074</b>
<b>300</b>	<b>Total Liabilities</b>	<b>-</b>	<b>24,021</b>	<b>38,867</b>	<b>100</b>	<b>1,069,796</b>	<b>64,528</b>	<b>(443,346)</b>	<b>9,480,294</b>
508.1	Investment in capital assets, net of related debt	-	-	-	-	1,539,340	153,898	-	26,033,527
511.1	Restricted net position	-	-	-	-	-	-	-	970,643
512.1	Unrestricted net position	-	-	-	431	6,181,115	713,551	-	7,352,508
<b>513</b>	<b>Total net position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>431</b>	<b>7,720,455</b>	<b>867,449</b>	<b>-</b>	<b>34,356,678</b>
<b>600</b>	<b>Total liabilities and net position</b>	<b>\$ -</b>	<b>\$ 24,021</b>	<b>\$ 38,867</b>	<b>\$ 531</b>	<b>\$ 8,790,251</b>	<b>\$ 931,977</b>	<b>\$ (443,346)</b>	<b>\$ 43,836,972</b>

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 Statement of Revenue, Expenses and Change in Net Positions  
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FDS Line Item	Account Description	All AMP Total	14.871 Section 8 Vouchers Total	14.239 HOME Funds Total	14.238 Shelter Plus Care Total	14.879 Mainstream Vouchers Total	93.959 Project Choice Total	14.870 Service Coordinator Total
70300	Net tenant rental revenue	\$ 1,435,391	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
70400	Tenant revenue - other	81,724	-	-	-	-	-	-
<b>70500</b>	<b>Total Tenant Revenue</b>	<b>1,517,115</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
70600	HUD PHA operating grants	2,664,118	4,928,707	-	117,697	187,571	-	57,610
70610	Capital grants	815,209	-	-	-	-	-	-
70700	Total Fee Revenue	-	-	-	-	-	-	-
70800	Other government grants	-	-	25,007	9,389	-	37,071	-
71100	Investment income - unrestricted	1,216	29	-	-	-	-	-
71200	Mortgage interest income	-	-	-	-	-	-	-
71400	Fraud recovery	-	9,916	-	-	-	-	-
71500	Other revenue	205,464	4,318	-	-	-	-	-
72000	Investment income - restricted	-	324	-	-	-	-	-
<b>70000</b>	<b>Total Revenue</b>	<b>5,203,122</b>	<b>4,943,294</b>	<b>25,007</b>	<b>127,086</b>	<b>187,571</b>	<b>37,071</b>	<b>57,610</b>
91100	Administrative salaries	368,530	124,165	66	272	40,550	7,968	-
91200	Auditing fees	38,921	5,515	-	-	-	-	-
91300	Management Fee	522,871	150,642	-	1,212	-	-	-
91310	Book-Keeping Fee	69,730	91,955	-	758	-	-	-
91400	Advertising and Marketing	7,433	-	-	-	-	-	-
91500	Employee benefit contributions - admin	116,059	36,305	-	-	14,704	2,843	1,027
91600	Office Expenses	91,366	5,296	-	-	-	534	-
91700	Legal Expense	29,348	-	-	-	-	-	-
91800	Travel	13,217	-	-	-	-	-	-
91900	Other	99,510	42,706	-	-	(1,388)	316	-
92000	Asset Management Fee	21,368	-	-	-	-	-	-
92100	Tenant services - salaries	-	18,355	-	-	-	29,278	44,054
92300	Employee benefit contributions - ten svcs	-	8,549	-	-	-	4,166	23,309
92400	Tenant services - other	1,020	26,800	-	-	-	1,796	-
93100	Water	125,718	396	-	-	-	-	-
93200	Electricity	352,640	3,751	-	-	-	-	-
93300	Gas	160,949	2,252	-	-	-	-	-
93600	Sewer	187,537	1	-	-	-	-	-
93800	Other utilities expense	348	-	-	-	-	-	-
94100	Ord maintenance & op - labor	446,477	39	-	-	-	-	-
94200	Ord maintenance & op - materials	157,928	2,136	-	-	-	214	-
94300	Ord maintenance & op - contract	586,691	3,478	-	-	-	-	-
94500	Employee benefit contribution - ord maint	143,969	-	-	-	-	-	-
95200	Protective services - other contract costs	112	-	-	-	-	-	-
96110	Property Insurance	43,665	-	-	-	-	-	-
96120	Liability Insurance	-	2,969	-	-	-	-	-
96130	Workmen's Compensation	20,625	2,045	-	-	367	301	609
96140	All other Insurance	139,585	-	-	-	-	-	-
96200	Other general expenses	77,456	2,036	-	-	-	-	-
96210	Compensated absences	(35,610)	-	-	-	-	(797)	-
96400	Bad debt - tenant rents	137,423	-	-	-	-	-	-
96710	Interest expense	57,145	-	-	-	-	-	-
96720	Interest on Notes Payable (Short and Long Term)	-	-	-	-	-	-	-
96730	Amortization of Bond Issue Costs	33,740	-	-	-	-	-	-
<b>96900</b>	<b>Total Operating Expenses</b>	<b>4,015,771</b>	<b>529,391</b>	<b>66</b>	<b>2,242</b>	<b>54,233</b>	<b>46,619</b>	<b>68,999</b>
<b>97000</b>	<b>Excess Revenue Over Operating Expenses</b>	<b>\$ 1,187,351</b>	<b>\$ 4,413,903</b>	<b>\$ 24,941</b>	<b>\$ 124,844</b>	<b>\$ 133,338</b>	<b>\$ (9,548)</b>	<b>\$ (11,389)</b>

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 Statement of Revenue, Expenses and Change in Net Positions  
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FDS Line Item	Account Description	14.875 Neighborhood Networks Total	14.877 PH Self- Sufficiency Total	14.884 ARRA	Business Activities Total	14.866 HOPE VI Total	COCC Total	Elimination	Total
70300	Net tenant rental revenue	\$ -	\$ -	\$ -	\$ 431	\$ -	\$ -	\$ -	\$ 1,435,822
70400	Tenant revenue - other	-	-	-	-	-	-	-	81,724
<b>70500</b>	<b>Total Tenant Revenue</b>	-	-	-	<b>431</b>	-	-	-	<b>1,517,546</b>
70600	HUD PHA operating grants	-	68,444	-	-	-	-	-	8,024,147
70610	Capital grants	-	-	-	-	-	-	-	815,209
70700	Total Fee Revenue	-	-	-	-	-	875,679	(875,679)	-
70800	Other government grants	-	-	-	-	-	43,451	-	114,918
71100	Investment income - unrestricted	-	-	-	-	86	132	-	1,463
71200	Mortgage interest income	-	-	-	-	44,734	-	-	44,734
71400	Fraud recovery	-	-	-	-	-	-	-	9,916
71500	Other revenue	-	-	-	-	150	52,718	-	262,650
72000	Investment income - restricted	-	-	-	-	245	-	-	569
<b>70000</b>	<b>Total Revenue</b>	-	<b>68,444</b>	-	<b>431</b>	<b>45,215</b>	<b>971,980</b>	<b>(875,679)</b>	<b>10,791,152</b>
91100	Administrative salaries	-	10	-	-	1,389	429,605	-	972,555
91200	Auditing fees	-	-	-	-	-	3,512	-	47,948
91300	Management Fee	-	17,144	-	-	-	-	(691,868)	1
91310	Book-Keeping Fee	-	-	-	-	-	-	(162,443)	-
91400	Advertising and Marketing	-	-	-	-	-	2,629	-	10,062
91500	Employee benefit contributions - admin	-	-	-	-	1,072	176,563	-	348,573
91600	Office Expenses	-	832	-	-	1,766	66,431	-	166,225
91700	Legal Expense	-	-	-	-	-	74,437	-	103,785
91800	Travel	-	-	-	-	-	3,514	-	16,731
91900	Other	-	-	-	-	25,411	76,593	-	243,148
92000	Asset Management Fee	-	-	-	-	-	-	(21,368)	-
92100	Tenant services - salaries	-	37,500	-	-	17,814	-	-	147,001
92300	Employee benefit contributions - ten svcs	-	12,435	-	-	180	296	-	48,935
92400	Tenant services - other	-	-	-	-	9,326	-	-	38,942
93100	Water	-	-	-	-	-	4,427	-	130,541
93200	Electricity	-	-	-	-	-	22,915	-	379,306
93300	Gas	-	-	-	-	-	18,875	-	182,076
93600	Sewer	-	-	-	-	-	5,932	-	193,470
93800	Other utilities expense	-	-	-	-	-	1,649	-	1,997
94100	Ord maintenance & op - labor	-	-	-	-	-	1,065	-	447,581
94200	Ord maintenance & op - materials	-	-	-	-	4,508	2,137	-	166,923
94300	Ord maintenance & op - contract	-	-	-	-	335	34,535	-	625,039
94500	Employee benefit contribution - ord maint	-	-	-	-	-	-	-	143,969
95200	Protective services - other contract costs	-	-	-	-	-	-	-	112
96110	Property Insurance	-	-	-	-	-	7,071	-	50,736
96120	Liability Insurance	-	-	-	-	-	5,441	-	8,410
96130	Workmen's Compensation	-	523	-	-	260	653	-	25,383
96140	All other Insurance	-	-	-	-	-	3,342	-	142,927
96200	Other general expenses	-	-	-	-	-	910	-	80,402
96210	Compensated absences	-	-	-	-	-	(13,596)	-	(50,003)
96400	Bad debt - tenant rents	-	-	-	-	-	-	-	137,423
96710	Interest expense	-	-	-	-	-	-	-	57,145
96720	Interest on Notes Payable (Short and Long Term)	-	-	-	-	10,491	-	-	10,491
96730	Amortization of Bond Issue Costs	-	-	-	-	-	-	-	33,740
<b>96900</b>	<b>Total Operating Expenses</b>	-	<b>68,444</b>	-	-	<b>72,552</b>	<b>928,936</b>	<b>(875,679)</b>	<b>4,911,574</b>
<b>97000</b>	<b>Excess Revenue Over Operating Expenses</b>	\$ -	\$ -	\$ -	\$ 431	\$ (27,337)	\$ 43,044	\$ -	\$ 5,879,578

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FDS Line Item	<u>Account Description</u>	All <u>AMP Total</u>	14.871 Section 8 Vouchers <u>Total</u>	14.239 HOME Funds <u>Total</u>	14.238 Shelter Plus Care <u>Total</u>	14.879 Mainstream Vouchers <u>Total</u>	93.959 Project Choice <u>Total</u>	14.870 Service Coordinator <u>Total</u>
97200	Casualty losses- Non-capitalized	\$ 46,241	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
97300	Housing assistance payments	-	5,009,509	24,611	108,471	148,553	-	-
97400	Depreciation expense	1,446,773	-	-	-	-	-	-
<b>90000</b>	<b>Total Expenses</b>	<b>5,508,785</b>	<b>5,538,900</b>	<b>24,677</b>	<b>110,713</b>	<b>202,786</b>	<b>46,619</b>	<b>68,999</b>
10010	Operating transfer in	145,547	-	-	-	-	-	-
10020	Operating transfer out	(145,547)	-	-	-	-	-	-
10091	Inter Project Excess Cash Transfer In	275,000	-	-	-	-	-	-
10092	Inter Project Excess Cash Transfer Out	(275,000)	-	-	-	-	-	-
10100	<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>10000</b>	<b>Excess (Deficiency) of Revenue Over (Under) Expenses</b>	<b>(305,663)</b>	<b>(595,606)</b>	<b>330</b>	<b>16,373</b>	<b>(15,215)</b>	<b>(9,548)</b>	<b>(11,389)</b>
11030	Beginning Net Position	25,983,188	678,996	4,073	12,558	28,201	(17,955)	-
11040	Equity Transfers	-	-	-	-	-	-	-
	<b>Ending Net Position</b>	<b>\$ 25,677,525</b>	<b>\$ 83,390</b>	<b>\$ 4,403</b>	<b>\$ 28,931</b>	<b>\$ 12,986</b>	<b>\$ (27,503)</b>	<b>\$ (11,389)</b>

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FDS Line Item	Account Description	14.875 Neighborhood Networks Total	14.877 PH Self- Sufficiency Total	14.884 ARRA Total	Business Activities Total	14.866 HOPE VI Total	COCC Total	Elimination	Total
97200	Casualty losses- Non-capitalized	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 46,241
97300	Housing assistance payments	-	-	-	-	-	-	-	5,291,144
97400	Depreciation expense	-	-	-	-	162,299	172	-	1,609,244
<b>90000</b>	<b>Total Expenses</b>	<b>-</b>	<b>68,444</b>	<b>-</b>	<b>-</b>	<b>234,851</b>	<b>929,108</b>	<b>(875,679)</b>	<b>11,858,203</b>
10010	Operating transfer in	-	-	-	-	-	-	(145,547)	-
10020	Operating transfer out	-	-	-	-	-	-	145,547	-
10091	Inter Project Excess Cash Transfer In	-	-	-	-	-	-	(275,000)	-
10092	Inter Project Excess Cash Transfer Out	-	-	-	-	-	-	275,000	-
10100	<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>10000</b>	<b>Excess (Deficiency) of Revenue Over (Under) Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>431</b>	<b>(189,636)</b>	<b>42,872</b>	<b>-</b>	<b>(1,067,051)</b>
11030	Beginning Net Position	-	-	-	-	7,910,091	824,577	-	35,423,729
11040	Equity Transfers	-	-	-	-	-	-	-	-
	<b>Ending Net Position</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 431</b>	<b>\$ 7,720,455</b>	<b>\$ 867,449</b>	<b>\$ -</b>	<b>\$ 34,356,678</b>



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FDS Line Item	Account Description	OH 021-22	OH 021-023	OH 021-024	OH 021-025	OH 021-026	OH 021-027	OH 021-028	Other Project	Total
111	Cash-unrestricted	\$ 33,434	\$ 166,052	\$ 333	\$ 160,635	\$ 899	\$ 20,085	\$ 68,172	\$ 110,483	\$ 560,093
113	Cash-other restricted	-	13,194	6,478	2,257	245,441	496,812	221,073	-	985,255
114	Cash-tenant security deposits	12,948	17,776	17,291	16,009	5,971	10,518	3,062	-	83,575
115	Cash - Restricted for current liability	-	1,466	720	251	-	-	-	-	2,437
<b>100</b>	<b>Total Cash</b>	<b>46,382</b>	<b>198,488</b>	<b>24,822</b>	<b>179,152</b>	<b>252,311</b>	<b>527,415</b>	<b>292,307</b>	<b>110,483</b>	<b>1,631,360</b>
122	Accounts receivable - HUD other projects	-	-	-	-	-	-	1,696	-	1,696
125	Account receivable - miscellaneous	323	375	344	340	-	-	156	-	1,538
126	Accounts receivable - tenants	16,057	14,546	9,436	10,156	452	805	519	-	51,971
126.1	Allowance for doubtful accounts - tenants	(9,651)	(4,335)	(4,900)	(5,248)	(36)	(72)	(463)	-	(24,705)
129	Accrued interest receivable	-	20	55	89	-	-	-	-	164
<b>120</b>	<b>Total accounts receivables</b>	<b>6,729</b>	<b>10,606</b>	<b>4,935</b>	<b>5,337</b>	<b>416</b>	<b>733</b>	<b>1,908</b>	<b>-</b>	<b>30,664</b>
	Capital Debt - Long Term									
131	Investments - unrestricted	-	6,128	16,701	27,171	-	-	-	-	50,000
142	Prepaid expenses and other assets	6,411	7,464	6,937	6,675	2,081	3,210	6,223	279	39,280
143	Inventories	37,199	31,762	43,334	33,128	-	-	-	-	145,423
143.1	Allowance for obsolete inventories	(13,764)	(11,752)	(16,034)	(12,257)	-	-	-	-	(53,807)
144	Inter program - due from	1,673	39,416	-	-	-	-	-	3,119	44,208
<b>150</b>	<b>Total Current Assets</b>	<b>84,630</b>	<b>282,112</b>	<b>80,695</b>	<b>239,206</b>	<b>254,808</b>	<b>531,358</b>	<b>300,438</b>	<b>113,881</b>	<b>1,887,128</b>
161	Land	210,838	387,568	734,473	566,832	215,457	510,233	308,431	-	2,933,832
162	Buildings	6,197,545	5,643,760	5,734,383	6,328,252	6,499,488	11,188,998	5,520,819	-	47,113,245
163	Furniture and equipment - dwellings	523,915	93,911	113,070	163,660	161,461	322,707	40,656	-	1,419,380
164	Furniture and equipment - administration	159,538	49,499	103,990	88,408	-	-	-	14,931	416,366
166	Accumulated depreciation	(5,567,245)	(4,457,892)	(5,233,290)	(4,917,247)	(1,089,327)	(1,907,529)	(673,340)	(14,928)	(23,860,798)
167	Construction in progress	605,176	5,395	15,863	25,367	-	-	-	-	651,801
168	Infrastructure	297,693	789,540	1,317,045	554,459	-	-	-	-	2,958,737
<b>160</b>	<b>Total capital assets, net</b>	<b>2,427,460</b>	<b>2,511,781</b>	<b>2,785,534</b>	<b>2,809,731</b>	<b>5,787,079</b>	<b>10,114,409</b>	<b>5,196,566</b>	<b>3</b>	<b>31,632,563</b>
171	Notes - Non-current	-	-	-	-	-	-	-	-	-
174	Other assets	-	-	-	-	205,627	171,965	228,582	-	606,174
<b>180</b>	<b>Total Non-current Assets</b>	<b>2,427,460</b>	<b>2,511,781</b>	<b>2,785,534</b>	<b>2,809,731</b>	<b>5,992,706</b>	<b>10,286,374</b>	<b>5,425,148</b>	<b>3</b>	<b>32,238,737</b>
<b>190</b>	<b>Total Assets</b>	<b>\$ 2,512,090</b>	<b>\$ 2,793,893</b>	<b>\$ 2,866,229</b>	<b>\$ 3,048,937</b>	<b>\$ 6,247,514</b>	<b>\$ 10,817,732</b>	<b>\$ 5,725,586</b>	<b>\$ 113,884</b>	<b>\$ 34,125,865</b>

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FDS Line Item	Account Description	OH 021-22	OH 021-023	OH 021-024	OH 021-025	OH 021-026	OH 021-027	OH 021-028	Other Project	Total
312	Accounts payable <= 90 days	\$ 7,458	\$ 3,100	\$ 3,070	\$ 10,136	\$ 62,626	\$ 55,909	\$ 11,161	\$ -	\$ 153,460
313	Accounts payable > 90 days past due	-	-	-	-	-	-	-	-	-
321	Accrued wage/payroll taxes payable	6,639	12,898	11,595	10,641	-	-	-	-	41,773
322	Accrued compensated absences - current	3,404	6,226	3,593	9,177	-	-	-	-	22,400
325	Accrued interest payable	-	-	-	-	110,968	94,410	39,542	-	244,920
341	Tenant security deposits	12,948	17,776	17,291	16,009	5,971	10,518	3,062	-	83,575
342	Deferred revenue	2,208	7,021	4,521	2,432	435	74	286	-	16,977
345	Other current liabilities	83	1,466	720	251	-	29,900	25,000	-	57,420
346	Accrued liabilities - other	79,566	14,563	22,046	16,905	7,868	4,043	-	106	145,097
347	Inter program - due to	74,462	38,237	90,765	61,712	-	-	-	35,398	300,574
<b>310</b>	<b>Total Current Liabilities</b>	<b>186,768</b>	<b>101,287</b>	<b>153,601</b>	<b>127,263</b>	<b>187,868</b>	<b>194,854</b>	<b>79,051</b>	<b>35,504</b>	<b>1,066,196</b>
351	Capital Debt - Long Term	-	-	-	-	1,447,560	1,700,000	4,144,714	-	7,292,274
353	Non-current liabilities - other	743	13,194	6,478	2,257	-	-	-	-	22,672
354	Accrued compensated absences- Non-current	10,211	18,677	10,778	27,532	-	-	-	-	67,198
<b>350</b>	<b>Total Non-current liabilities</b>	<b>10,954</b>	<b>31,871</b>	<b>17,256</b>	<b>29,789</b>	<b>1,447,560</b>	<b>1,700,000</b>	<b>4,144,714</b>	<b>-</b>	<b>7,382,144</b>
<b>300</b>	<b>Total Liabilities</b>	<b>197,722</b>	<b>133,158</b>	<b>170,857</b>	<b>157,052</b>	<b>1,635,428</b>	<b>1,894,854</b>	<b>4,223,765</b>	<b>35,504</b>	<b>8,448,340</b>
508.1	Invested in capital assets, net of related debt	2,427,460	2,511,781	2,785,534	2,809,731	4,339,519	8,414,409	1,051,852	3	24,340,289
511.1	Restricted net position	-	-	-	-	245,441	496,812	221,073	-	963,326
512.1	Unrestricted net position	(113,092)	148,954	(90,162)	82,154	27,126	11,657	228,896	78,377	373,910
<b>513</b>	<b>Total net position</b>	<b>2,314,368</b>	<b>2,660,735</b>	<b>2,695,372</b>	<b>2,891,885</b>	<b>4,612,086</b>	<b>8,922,878</b>	<b>1,501,821</b>	<b>78,380</b>	<b>25,677,525</b>
<b>600</b>	<b>Total liabilities and net position</b>	<b>\$ 2,512,090</b>	<b>\$ 2,793,893</b>	<b>\$ 2,866,229</b>	<b>\$ 3,048,937</b>	<b>\$ 6,247,514</b>	<b>\$ 10,817,732</b>	<b>\$ 5,725,586</b>	<b>\$ 113,884</b>	<b>\$ 34,125,865</b>

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FDS Line Item	Account Description	OH 021-022	OH 021-023	OH 021-024	OH 021-025	OH 021-026	OH 021-027	OH 021-028	Other Project	Total
70300	Net tenant rental revenue	\$ 220,561	\$ 328,120	\$ 332,378	\$ 341,036	\$ 63,354	\$ 103,114	\$ 46,828	\$ -	\$ 1,435,391
70400	Tenant revenue - other	20,833	11,552	16,289	23,652	2,800	5,153	1,445	-	81,724
<b>70500</b>	<b>Total Tenant Revenue</b>	<b>241,394</b>	<b>339,672</b>	<b>348,667</b>	<b>364,688</b>	<b>66,154</b>	<b>108,267</b>	<b>48,273</b>	<b>-</b>	<b>1,517,115</b>
70600	HUD PHA operating grants	513,815	633,848	621,567	534,889	96,613	156,593	60,570	46,223	2,664,118
70610	Capital grants	639,722	79,003	18,977	77,507	-	-	-	-	815,209
71100	Investment income - unrestricted	75	140	195	258	317	163	58	10	1,216
71500	Other revenue	6,667	22,812	8,647	7,715	110,261	1,761	3,031	44,570	205,464
<b>70000</b>	<b>Total Revenue</b>	<b>1,401,673</b>	<b>1,075,475</b>	<b>998,053</b>	<b>985,057</b>	<b>273,345</b>	<b>266,784</b>	<b>111,932</b>	<b>90,803</b>	<b>5,203,122</b>
91100	Administrative salaries	49,355	88,512	84,267	47,195	31,765	49,354	12,366	5,716	368,530
91200	Auditing fees	4,105	4,948	4,450	4,373	6,615	6,615	6,615	1,200	38,921
91300	Management Fee	116,644	136,941	126,323	123,432	-	-	-	19,531	522,871
91310	Book-Keeping Fee	13,149	15,525	14,310	13,950	-	-	-	12,796	69,730
91400	Advertising and Marketing	1,109	884	363	359	1,438	2,321	959	-	7,433
91500	Employee benefit contributions - admin	14,536	32,556	27,821	20,775	7,074	10,546	2,751	-	116,059
91600	Office Expenses	18,456	25,710	23,240	18,150	1,699	3,024	1,087	-	91,366
91700	Legal Expense	4,910	1,895	3,383	2,813	5,108	7,970	3,269	-	29,348
91800	Travel	-	-	-	-	4,101	6,212	2,904	-	13,217
91900	Other	12,070	18,283	18,866	16,392	9,956	16,190	7,753	-	99,510
92000	Asset Management Fee	-	20,880	-	-	-	-	-	488	21,368
92400	Tenant services - other	160	189	138	533	-	-	-	-	1,020
93100	Water	26,445	25,500	32,645	19,340	7,778	9,165	4,845	-	125,718
93200	Electricity	86,796	79,462	81,611	93,432	4,235	5,839	1,265	-	352,640
93300	Gas	61,824	33,845	25,622	34,639	1,891	2,749	379	-	160,949
93600	Sewer	43,258	38,369	43,981	27,192	11,525	15,159	8,053	-	187,537
94100	Ord maintenance & op - labor	78,619	99,496	98,555	119,782	17,592	24,988	7,445	-	446,477
94200	Ord maintenance & op - materials	25,225	34,170	36,583	32,858	13,174	11,782	4,136	-	157,928
94300	Ord maintenance & op - contract	85,469	129,217	123,664	107,808	45,584	73,830	21,119	-	586,691
94500	Employee benefit contribution - ord ma	32,789	36,474	21,503	42,783	3,425	5,339	1,656	-	143,969
95200	Protective services - other contract cost	-	-	-	-	34	58	20	-	112
96110	Property Insurance	-	-	-	-	13,226	21,577	8,862	-	43,665
96130	Workmen's Compensation	4,966	5,165	4,748	4,503	374	635	234	-	20,625
96140	All other Insurance	14,938	32,745	45,835	36,436	5,841	2,773	1,017	-	139,585
96200	Other general expenses	437	-	-	-	24,600	36,214	16,205	-	77,456
96210	Compensated absences	(10,743)	(10,622)	(12,265)	-	-	-	-	(1,980)	(35,610)
96400	Bad debt - tenant rents	36,526	9,044	44,057	33,688	4,282	5,462	4,364	-	137,423
96710	Interest expense	-	-	-	-	28,938	17,766	10,441	-	57,145
96730	Amortization of Bond Issue Costs	-	-	-	-	11,616	11,992	10,132	-	33,740
<b>96900</b>	<b>Total Operating Expenses</b>	<b>721,043</b>	<b>859,188</b>	<b>849,700</b>	<b>800,433</b>	<b>262,219</b>	<b>347,560</b>	<b>137,877</b>	<b>37,751</b>	<b>4,015,771</b>
<b>97000</b>	<b>Excess Revenue Over Operating Expenses</b>	<b>\$ 680,630</b>	<b>\$ 216,287</b>	<b>\$ 148,353</b>	<b>\$ 184,624</b>	<b>\$ 11,126</b>	<b>\$ (80,776)</b>	<b>\$ (25,945)</b>	<b>\$ 53,052</b>	<b>\$ 1,187,351</b>

Springfield Metropolitan Housing Authority  
Supplemental Financial Data Schedule  
Statement of Revenue, Expenses and Change in Net Positions  
Asset Management Properties  
September 30, 2014

FDS Line Item	Account Description	OH 021-022	OH 021-023	OH 021-024	OH 021-025	OH 021-026	OH 021-027	OH 021-028	Other Project	Total
97200	Casualty losses- Non-capitalized	\$ -	\$ -	\$ -	\$ 46,241	\$ -	\$ -	\$ -	\$ -	\$ 46,241
97300	Housing assistance payments	-	-	-	-	-	-	-	-	-
97350	HAP Portability-in	-	-	-	-	-	-	-	-	-
97400	Depreciation expense	224,164	185,368	176,234	176,298	189,406	337,508	157,507	288	1,446,773
97500	Fraud losses	-	-	-	-	-	-	-	-	-
97800	Dwelling units rent expense	-	-	-	-	-	-	-	-	-
<b>90000</b>	<b>Total Expenses</b>	<b>945,207</b>	<b>1,044,556</b>	<b>1,025,934</b>	<b>1,022,972</b>	<b>451,625</b>	<b>685,068</b>	<b>295,384</b>	<b>38,039</b>	<b>5,508,785</b>
10010	Operating transfer in	17,170	41,797	48,273	38,307	-	-	-	-	145,547
10020	Operating transfer out	(17,170)	(41,797)	(48,273)	(38,307)	-	-	-	-	(145,547)
10091	Inter Project Excess Cash Transfer In	-	-	275,000	-	-	-	-	-	275,000
10092	Inter Project Excess Cash Transfer Out	-	(219,000)	-	-	-	-	-	(56,000)	(275,000)
<b>10100</b>	<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(219,000)</b>	<b>275,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(56,000)</b>	<b>-</b>
<b>10000</b>	<b>Excess (Deficiency) of Revenue Over (Under) Expenses</b>	<b>456,466</b>	<b>(188,081)</b>	<b>247,119</b>	<b>(37,915)</b>	<b>(178,280)</b>	<b>(418,284)</b>	<b>(183,452)</b>	<b>(3,236)</b>	<b>(305,663)</b>
11030	Beginning Net Position	1,857,902	2,848,816	2,448,253	2,929,800	4,790,366	9,341,162	1,685,273	81,616	25,983,188
11040	Equity Transfers	-	-	-	-	-	-	-	-	-
	<b>Ending Net Position</b>	<b>\$ 2,314,368</b>	<b>\$ 2,660,735</b>	<b>\$ 2,695,372</b>	<b>\$ 2,891,885</b>	<b>\$ 4,612,086</b>	<b>\$ 8,922,878</b>	<b>\$ 1,501,821</b>	<b>\$ 78,380</b>	<b>\$ 25,677,525</b>

**Springfield Metropolitan Housing Authority**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended September 30, 2014**

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Housing and Urban Development:</u>		
PHA Owned Housing:		
Public and Indian Housing	14.850 a	\$ 2,225,791
Public Housing Capital Fund	14.872	1,253,536
ROSS - Service Coordinators	14.870	57,610
ROSS - PH Self-Sufficiency	14.877	68,444
		3,605,381
Housing Assistance Payments: Annual Contribution		
Housing choice vouchers	14.871	4,928,707
Mainstream vouchers	14.879	187,571
Total Housing Choice Voucher - Cluster		5,116,278
Shelter Plus Care	14.238	117,697
		5,233,975
<i>Passed through City of Springfield:</i>		
Shelter Plus Care	14.238	9,389
HOME Investment Partnership Program	14.239	25,007
		34,396
<b>Total U.S. Department of Housing and Urban Development</b>		<b>8,873,752</b>
<u>U.S. Department of Health and Human Services:</u>		
<i>Passed through Ohio Department Alcohol, Drug Addiction Services</i>		
<i>Passed through Mental Health and Recovery Board of Clark,</i>		
<i>Madison and Greene Counties:</i>		
Block Grant for Prevention and Treatment of Substance Abuse	93.959	37,071
<b>Total - all programs</b>		<b>\$ 8,910,823</b>

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.

**Springfield Metropolitan Housing Authority**  
PHA's Statement of Certification of Actual Modernization Cost  
September 30, 2014

Capital Fund Program Number (OH16P021501-09)

1. The Program Costs are as follows:

Funds Approved	\$ 970,438
Funds Expended	<u>970,438</u>
Excess (Deficiency) of Funds Approved	<u><u>\$ -</u></u>
Funds Advanced	\$ 970,438
Funds Expended	<u>970,438</u>
Excess (Deficiency) of Funds Advanced	<u><u>\$ -</u></u>

2. All Costs have been paid and there are no outstanding obligations.
3. The Final Financial Status Report was signed and filed on November 13, 2013.
4. The final costs on the certification agree with the Authority's records.

**Springfield Metropolitan Housing Authority**  
PHA's Statement of Certification of Actual Modernization Cost  
September 30, 2014

Capital Fund Program Number (OH16P021501-10)

1. The Program Costs are as follows:

Funds Approved	\$ 1,048,313
Funds Expended	<u>1,048,313</u>
Excess (Deficiency) of Funds Approved	<u><u>\$ -</u></u>
Funds Advanced	\$ 1,048,313
Funds Expended	<u>1,048,313</u>
Excess (Deficiency) of Funds Advanced	<u><u>\$ -</u></u>

2. All Costs have been paid and there are no outstanding obligations.
3. The Final Financial Status Report was signed and filed on June 25, 2014.
4. The final costs on the certification agree with the Authority's records.



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

Board of Commissioners  
Springfield Metropolitan Housing Authority

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Springfield Metropolitan Housing Authority, Ohio, as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise Springfield Metropolitan Housing Authority, Ohio's basic financial statements, and have issued my report thereon dated March 31, 2015. The financial statements of Lincoln Park Housing Partnership LP, Lincoln Park Housing Partnership II LP and Lincoln Park Housing Partnership III LP were not audited in accordance with *Government Auditing Standards*.

**Internal Control over Financial Reporting**

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

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

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

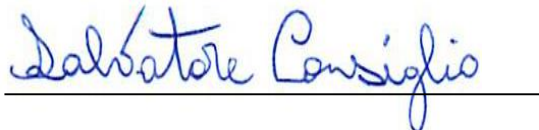


**Compliance and Other Matters**

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

**Purpose of this Report**

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

A handwritten signature in blue ink that reads "Salvatore Consiglio". The signature is written in a cursive style and is positioned above a horizontal line.

Salvatore Consiglio, CPA, Inc.  
North Royalton, Ohio  
March 31, 2015



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

Board of Commissioners  
Springfield Metropolitan Housing Authority

**Report on Compliance for Each Major Federal Program**

I have audited Springfield Metropolitan Housing Authority's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Springfield Metropolitan Housing Authority's major federal programs for the year ended September 30, 2014. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

**Opinion on Each Major Federal Program**

In my opinion, Springfield Metropolitan Housing Authority, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2014.

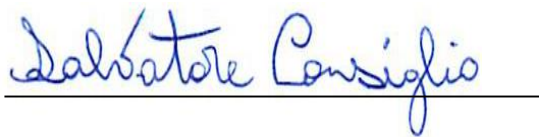
## Report on Internal Control over Compliance

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

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

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

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

A handwritten signature in blue ink that reads "Salvatore Consiglio". The signature is written in a cursive style and is positioned above a horizontal line.

Salvatore Consiglio, CPA, Inc.  
North Royalton, Ohio  
March 31, 2015

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

Type of Financial Statement Opinion	Unmodified
Were there any material weakness reported at the financial statement level (GAGAS)?	No
Were there any other significant control deficiencies reported at the financial statement level (GAGAS)?	No
Was there any reported non-compliance at the financial statement level (GAGAS)?	No
Were there any material internal control weakness reported for any major federal programs?	No
Were there any other significant internal control deficiency reported for the major federal programs?	No
Type of report issued on compliance for major programs	Unmodified
Are there any reportable findings under § .510?	No
Major Programs (list):	14.850 Low Rent Public Housing 14.872 Public Housing Capital Fund
Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: All Others
Low Risk Auditee?	Yes

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

There are no Findings or questioned costs for the year ended September 30, 2014.

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

There are no Findings or questioned costs for the year ended September 30, 2014.

Springfield Metropolitan Housing Authority  
 Schedule of Prior Audit Findings  
 September 30, 2014

The following is the status of prior year audit findings:

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Fully Corrected</b>	<b>Not Corrected; Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:</b>
2011-SMHA-2	Cash Management	No	Not Corrected – Current year financial statements still reflected Interprogram due to/from.

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# Dave Yost • Auditor of State

**SPRINGFIELD METROPOLITAN HOUSING AUTHORITY**

**CLARK COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
MAY 28, 2015**