

Springfield Metropolitan Housing Authority

Financial Statements

For the Year Ended September 30, 2018

OHIO AUDITOR OF STATE KEITH FABER



Board of Directors
Springfield Metropolitan Housing Authority
101 W High St
Springfield, OH 45502

We have reviewed the *Independent Auditor's Report* of the Springfield Metropolitan Housing Authority, Clark County, prepared by Salvatore Consiglio, CPA, Inc., for the audit period October 1, 2017 through September 30, 2018. 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 "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

April 18, 2019

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14129 State Road
North Royalton, Ohio 44133
Phone (440) 877-9870
Fax (440) 877-9237
sconsiglio@salcpa.com

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Springfield Metropolitan Housing Authority

I have audited the accompanying financial statements of the business-type activities of Springfield Metropolitan Housing Authority, Ohio, as of and for the year ended September 30, 2018, 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 represent 46%, 40% and 6%, respectively, of the total assets, net position and revenues of Springfield Metropolitan Housing Authority. 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 conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that 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 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 of the Springfield Metropolitan Housing Authority as of September 30, 2018, and the respective changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 8 to the financial statements, during 2018, the Authority adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pension". I did not modify my opinion regarding this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis 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. 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 my 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.

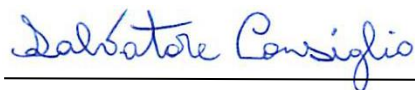
Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Springfield Metropolitan Housing Authority, Ohio's basic financial statements. The accompanying Financial Data Schedule - Entity Wide Balance Sheet Summary, Financial Data Schedule - Entity Wide Revenue and Expense Summary, PHA's Statement of Certification of Actual Modernization, FDS Project Balance Sheet Summary, and FDS Project Revenue and Expense Summary are not required part of the basic financial statements. The Schedule of Expenditure of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is not a required part of the financial statements.

The Financial Data Schedule - Entity Wide Balance Sheet Summary, Financial Data Schedule - Entity Wide Revenue and Expense Summary, PHA's Statement of Certification of Actual Modernization, FDS Project Balance Sheet Summary, and FDS Project Revenue and Expense Summary are presented for purposes of additional analysis as required by the Department of Housing and Urban Development and are the responsibility of management and information was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the Schedule of Expenditure of Federal Awards and Financial Data Schedule - Entity Wide Balance Sheet Summary, Financial Data Schedule - Entity Wide Revenue and Expense Summary, PHA's Statement of Certification of Actual Modernization, FDS Project Balance Sheet Summary, and FDS Project Revenue and Expense Summary are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated March 29, 2019, on my consideration of the Authority's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of my internal control testing over financial reporting and compliance, and the results of that testing, and does not opine 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 the Entity's internal control over financial reporting and compliance.



Salvatore Consiglio, CPA, Inc.
North Royalton, Ohio
March 29, 2019

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, 2018. 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 Statement of Cash Flows. The basic financial statements also include a "Notes to the 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 consist 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 Invested in Capital Assets" or Restricted Net Position."

The *Statement of Revenues, Expenses and Charges in Net Position* include all of the revenue 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 for 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 tenant lease housing units directly from private landlords rather than from the Authority. Through Annual Contribution Contract (ACC) 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 upgraded 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 owners.

Revitalization of Severely Distressed Public Housing (HOPE VI) – The HOPE VI demolition program supports site acquisition, demolition, and relocation cost for the HOPE VI revitalization program. Under this program, residents of identified neighborhood are relocated to other Public Housing and Housing Choice 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 neighborhood 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, 2017.

FINANCIAL HIGHLIGHTS

During the fiscal year ending September 30, 2018:

- Total assets decreased by \$1,973,139. Current assets increased by \$117,067, which was mostly due to an increase in cash and receivables. Capital assets decreased due to depreciation expense.
- Total liabilities decreased by \$198,101, which was mostly due to an increase accrued liability and the pension liability.
- Total revenues decreased by \$53,336. The decrease is due to less operating and capital grant funds received from HUD.
- Total expenses increased by \$602,512. The increase was mostly due to HAP voucher expenses, tenant services, utilities and maintenance contracts.

Notes to the Financial Statements

The notes to the basis financial statement provide additional information essential to a full understanding of the data provided in the basis financial statement.

Financial Analysis of the Authority –Statement of Net Position

The following table reflects the condensed Statement of Net Positions compared to prior year. The Authority is engaged only in business-type activities:

	<u>2018</u>	<u>Restated</u> <u>2017</u>	<u>Increase /</u> <u>(Decrease)</u>
Current Assets	\$ 4,380,504	\$ 4,263,437	117,067
Noncurrent Assets	36,196,357	38,109,633	(1,913,276)
Deferred Outflows of Resources	<u>567,649</u>	<u>744,579</u>	<u>(176,930)</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 41,144,510</u>	<u>\$ 43,117,649</u>	<u>(1,973,139)</u>
Current Liabilities	\$ 1,051,725	\$ 1,075,654	(23,929)
Noncurrent Liabilities	10,200,493	10,969,311	(768,818)
Deferred Inflows of Resources	<u>612,603</u>	<u>17,957</u>	<u>594,646</u>
Total Liabilities and Deferred Inflows of Resources	<u>11,864,821</u>	<u>12,062,922</u>	<u>(198,101)</u>
Net Position:			
Net Investment in Capital Assets	22,787,458	24,577,612	(1,790,154)
Restricted Net Position	888,931	1,118,603	(229,672)
Unrestricted Net Position	<u>5,603,300</u>	<u>5,358,512</u>	<u>244,788</u>
Total Net Position	<u>29,279,689</u>	<u>31,054,727</u>	<u>(1,775,038)</u>
Total Liabilities, Deferred Inflows and Net Position	<u>\$ 41,144,510</u>	<u>\$ 43,117,649</u>	<u>(1,973,139)</u>

For more detail information see Statement of Net Position presented elsewhere in this report.

The largest portion of the Authority's Net Position (77.8 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 is not readily available for future spending. The unrestricted net position of the Authority is available for future use to provide program services.

In accordance with GASB 68 and GASB 75, the Housing Authority's statements prepared on an accrual basis of accounting include an annual pension and OPEB expense for their proportionate share of each plan's *change* in net pension / OPEB liability not accounted for as deferred inflows/outflows and is reporting a net pension / OPEB liability and deferred inflows/outflows of resources related to pension / OPEB on the actual basis of accounting.

Net GASB 75 - OPEB Liability

The net pension liability (NPL) is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." For fiscal year 2018, the Authority adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the Authority's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability or net OPEB liability. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability to equal the Authority's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the Authority is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan as against the public employer. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the Authority's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's change in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

As a result of implementing GASB 75, the Authority is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting. This implementation of GASB 75 and the adjustment for proper presentation of the component unit had the effect of restating net position at September, 2017, from \$32,036,028 to \$31,054,727 (please see footnote 2 for detail explanation).

Statement of Revenue, Expenses and Changes in Net Position

The Statement of Revenue, Expense and Changes in the Net Position present the operating results of the Authority, as well as the non-operating revenues and expenses. Condensed information from 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:

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Springfield Metropolitan Housing Authority
Management's Discussion and Analysis -UNAUDITED
Year Ended September 30, 2018

	<u>2018</u>	<u>Restated</u> <u>2017</u>	<u>Increase /</u> <u>(Decrease)</u>
<u>Revenues</u>			
Total Tenant Revenues	\$ 2,163,879	\$ 2,063,783	100,096
Operating Subsidies	8,341,073	8,560,995	(219,922)
Capital Grants	183,050	325,950	(142,900)
Investment Income	66,771	54,495	12,276
Other Revenues	421,966	224,852	197,114
Total Revenues	<u>11,176,739</u>	<u>11,230,075</u>	<u>(53,336)</u>
<u>Expenses</u>			
Administrative	1,701,480	2,169,082	(467,602)
Tenant Services	373,395	162,464	210,931
Utilities	890,852	781,771	109,081
Maintenance	1,651,744	1,535,934	115,810
Protective Services	15,000	60,000	(45,000)
General and Interest	920,780	937,658	(16,878)
Housing Assistance Payments	5,336,358	5,084,403	251,955
Depreciation	2,062,168	1,617,953	444,215
Total Expenses	<u>12,951,777</u>	<u>12,349,265</u>	<u>602,512</u>
Net Increases (Decreases)	(1,775,038)	(1,119,190)	(655,848)
Beginning Net Position - Restated	31,054,727	32,173,917	(1,119,190)
Ending Net Position	<u>\$ 29,279,689</u>	<u>\$ 31,054,727</u>	<u>(1,775,038)</u>

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Springfield Metropolitan Housing Authority
Management's Discussion and Analysis -UNAUDITED
Year Ended September 30, 2018

Capital Assets

The following reconciliation summarizes the changes in capital assets:

	<u>2018</u>	<u>2017</u>
Land	\$ 3,338,757	\$ 3,338,757
Building and Improvement	55,879,390	55,622,360
Equipment	2,412,484	2,382,596
Construction in Progress	-	112,050
Accumulated Depreciation	<u>(32,267,263)</u>	<u>(30,205,096)</u>
 Total	 <u><u>\$ 29,363,368</u></u>	 <u><u>\$ 31,250,667</u></u>
 Beginning Balance - September 30, 2017		 \$ 31,250,667
Current year additions		174,868
Current year depreciation expense		(2,062,138)
Rounding adjustment		<u>1</u>
 Ending Balance - September 30, 2018		 <u><u>\$ 29,363,398</u></u>

Debt Outstanding

The Authority has \$1,000,000 debt plus \$194,609 of accrued interest payable outstanding at September 30, 2018, which represents amounts borrowed from the City of Springfield under the HOME Investment Partnership Program. The proceeds from the long-term note were used to make HOME loans to two of the components units. The balance of the debt belongs to the component units. Below is the change during the current fiscal year:

	<u>SMHA</u>	<u>Comp Unit</u>	<u>Total Combined</u>
Beginning Balance - Restated	\$ 1,091,845	\$ 7,035,668	\$ 8,127,513
Current Year Accrued Interest Payable	10,919	44,389	55,308
Current Year Debt Retired	<u>0</u>	<u>(97,145)</u>	<u>(97,145)</u>
 Ending Balance	 <u><u>\$ 1,102,764</u></u>	 <u><u>\$ 6,982,912</u></u>	 <u><u>\$ 8,085,676</u></u>

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 93% for low income public housing for the year ending September 30, 2018.
- ✓ The slow economy has an impact on low-income household's ability to pay rent and 2018 modernization activity reduced availability of 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 55502, or call (937) 325-7331, extension 202.

Springfield Metropolitan Housing Authority
Statement of Net Position
September 30, 2018

ASSETS

Current assets

Cash and cash equivalents	\$1,025,415
Restricted cash and cash equivalent	1,040,315
Investments - unrestricted	1,656,055
Investments - restricted	0
Receivables, net of allowance	576,995
Inventory, net of allowance	59,158
Prepaid expenses and other assets	22,566

Total current assets	4,380,504
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Noncurrent assets

Capital assets, not depreciated	3,338,757
Capital assets, being depreciated, net of depreciation	26,024,611
Notes receivable	6,678,242
Net pension asset	20,762
Other assets	133,985

Total noncurrent assets	36,196,357
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TOTAL ASSETS

\$40,576,861

DEFERRED OUTFLOWS OF RESOURCES

Pension	\$489,974
OPEB	77,675

TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$567,649
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LIABILITIES

Current liabilities

Accounts payable	\$148,229
Accrued liabilities	568,113
Tenant security deposits	85,595
Unearned Revenue	21,345
Other Current Liability	120,211
Current Portion of Long-Term Debt	108,232

Total current liabilities	1,051,725
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See accompanying notes to the financial statements.

Springfield Metropolitan Housing Authority
Statement of Net Position (Continued)
September 30, 2018

Noncurrent liabilities	
Notes and loans payable	7,467,678
Accrued compensated absences non-current	67,148
Net pension liability payable	1,560,805
Net OPEB payable	1,055,520
Noncurrent liabilities - other	49,342
<i>Total noncurrent liabilities</i>	<u>10,200,493</u>
TOTAL LIABILITIES	<u><u>\$11,252,218</u></u>
 DEFERRED INFLOWS OF RESOURCES	
Pension	\$527,141
OPEB	\$85,462
TOTAL DEFERRED INFLOWS OF RESOURCES	<u><u>\$612,603</u></u>
 NET POSITION	
Net investment in capital assets	\$22,787,458
Restricted net position	888,931
Unrestricted net position	5,603,300
Total net position	<u><u>\$29,279,689</u></u>

See accompanying notes to the financial statements.

Springfield Metropolitan Housing Authority
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended September 30, 2018

OPERATING REVENUES

Tenant Revenue	\$2,163,879
Operating grants revenue	8,341,073
Other revenue	421,966
Total operating revenues	<u>10,926,918</u>

OPERATING EXPENSES

Administrative	1,701,480
Tenant Services	373,395
Utilities	890,852
Maintenance	1,651,744
Protective services	15,000
General	838,343
Housing assistance payment	5,336,358
Depreciation	2,062,168
Total operating expenses	<u>12,869,340</u>
Operating income (loss)	<u>(1,942,422)</u>

NONOPERATING REVENUES (EXPENSES)

Capital Grant Revenue	183,050
Interest and investment revenue	66,771
Interest expense	(82,437)
Total nonoperating revenues (expenses)	<u>167,384</u>
Change in net position	(1,775,038)
Total net position - beginning - Restated	<u>31,054,727</u>
Total net position - ending	<u><u>\$29,279,689</u></u>

See accompanying notes to the financial statements.

Springfield Metropolitan Housing Authority
Statement of Cash Flows
For the Year Ended September 30, 2018

CASH FLOWS FROM OPERATING ACTIVITIES

Operating grants received	\$8,148,612
Tenant revenue received	2,163,879
Other revenue received	363,797
General and administrative expenses paid	(5,160,086)
Housing assistance payments	(5,336,358)

Net cash provided (used) by operating activities **179,844**

CASH FLOWS FROM INVESTING ACTIVITIES

Interest earned	66,771
Transfer to investments	(96,055)

Net cash provided (used) by investing activities **(29,284)**

CASH FLOWS FROM CAPITAL AND RELATED ACTIVITIES

Capital Grant Funds Received	183,050
Debt principal payment	(97,145)
Interest expense paid on debt	(82,437)
Property and equipment purchased	(174,868)

Net cash provided (used) by capital and related activities **(171,400)**

Net increase (decrease) in cash (20,840)

Cash and cash equivalents - Beginning of year 2,086,570

Cash and cash equivalents - End of year **\$2,065,730**

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES

Net Operating Income (Loss)	(\$1,942,422)
Adjustment to Reconcile Operating Loss to Net Cash Used by Operating Activities	
- Depreciation	2,062,168
- (Increases) Decreases in Accounts Receivable	(54,404)
- (Increases) Decreases in Prepaid Assets	3,198
- (Increases) Decreases in Inventory	9,354
- (Increases) Decreases in Accrued Interest in Note Receivable	46,739
- (Increases) Decreases in Pension Asset	(20,762)
- (Increases) Decreases in Deferred Outflows	176,930
- Increases (Decreases) in Accounts Payable	(7,506)
- Increases (Decreases) in Accrued Liabilities	(35,444)
- Increases (Decreases) in Other Current Liabilities	20,650
- Increases (Decreases) in Tenant Security Deposits	(439)
- Increases (Decreases) in Unearned Revenue	(2,677)
- Increases (Decreases) in Pension and OPEB Liability	(644,104)
- Increases (Decreases) in Accrued Compensated Absences	(32,884)
- Increases (Decreases) in Deferred Inflows	594,646
- Increases (Decreases) in Noncurrent Liabilities - Other	6,801

Net cash provided (used) by operating activities **\$179,844**

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 © 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 is 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 or, or provide financial support to, the organization; or (c) is obligated in some manner for the debt of the organization.

Basis of Presentation

All activities of the Authority are accounted for within a single proprietary (enterprise) fund. Proprietary funds are used to account for operation 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 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.

Fund Accounting

The Authority maintains its accounting 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 Type

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 and 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 781 units of which the Authority owns, operates and maintains 649 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, an Operating Subsidy from HUD. Capital funds provided by HUD are used to maintain and improve this Public Housing stocks and properties. Substantially all additions to land, structures and equipment of Public Housing are accomplished through these modernization grant funds.

Housing Choice Vouchers – Section of the Housing and Community Development Act of 1974, provide 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.

Project-based Vouchers – Project-based vouchers are a component of a public housing agencies (PHAs) housing choice voucher program. SMHA has 34 PBV units under the tenant-based housing choice voucher program, the PHA issues an eligible family a voucher and the family selects a unit of its choice. If the family moves out of the unit, the contract with the owner ends and the family can move with continued assistance to another unit. Under the project-based voucher program, a PHA enters into an assistance contract with the owner for specified units and for a specified term. The PHA refers families from its waiting list to the project owner to fill vacancies. Because the

assistance is tied to the unit, a family who moves from the project-based unit does not have any right to continued housing assistance. However, they may be eligible for a tenant based voucher when one becomes available.

Mainstream Vouchers – Mainstream vouchers program provides subsidies (Housing Assistance Payments) on behalf of person 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 housing neighborhoods through mixed financing, including construction and construction development agreements.

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.

Component Units – These projects at Lincoln Park was formed as a limited partnership under the laws of the State of Ohio, developed and constructed and to operate an affordable housing project with mixed financing partnership. Each project has been allocated to low-income housing tax credits pursuant to Section 42, which regulates the use of the project as to occupant eligibility and unit gross rent, among other requirements. Each project must meet the provisions of these regulations during each of 15 consecutive years through 2022 in order to continue to qualify to receive the tax credits.

Business Activities – These non-HUD resources were developed from a variety of activities. The Authority owned 32 units (Woodford Apartments) manages under leased agreement with Interfaith Hospitality Network (IHN).

Community & Social Services – These are grants funded under ROSS towards family self-sufficiency for residents as well as Project Choice for drug and alcohol prevention programs to youth and children residing in the Housing Authority projects.

Measurement Focus/Basis of Accounting

The propriety 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 conventional 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 the 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 accurate 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 the estimates.

Pension / Other Postemployment Benefits (OPEB)

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of net position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the Authority, deferred outflows of resources are reported on the statement of net position for pension for pension and OPEB. The deferred outflows or resources related to pension are explained in Note 7 and 8.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the Authority, deferred inflows of resources are reported on the statement of net position for pension and OPEB. The deferred inflows of resources related to pension and OPEB plans are explained in Note 7 and 8.

Receivables – net of allowance

Bad debts are provided on the allowance method based on management evaluation of the collectability of outstanding receivable balances at the end of the year. The allowances for uncollectible tenant receivables were \$5,921 and for Housing Choice Voucher Program fraud recovery was \$19,912. Total receivable net of allowance was \$576,995 at September 30, 2018.

Inventory

Inventory consists of supplies and maintenance parts carried at cost and are expensed as they are consumed. The allowance for obsolete inventory was \$27,840 at September 30, 2018.

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 requirement affect the timing or recognition or 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. CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF NET POSITION:

For fiscal year 2018, the Authority implemented Governmental Accounting Standards Board (GASB) Statement No. 85, Omnibus 2017, Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, and related guidance from (GASB) Implementation Guide No. 2017-3, *Accounting and Financial Reporting for Postemployment Benefits other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)*.

GASB 85 addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits (OPEB)). These changes were incorporated in the Authority’s fiscal year 2018 financial statements; however, there was no effect on beginning net position/fund balance.

GASB 75 established standards for measuring and recognizing Postemployment benefit liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditure. The implementation of this pronouncement had the following effect on net position as reported September 30, 2017:

Net Position – September 30, 2017	\$32,036,028
Adjustments:	
Net OPEB Liability	(991,853)
Deferred Outflows – Payment subsequent to measurement date	10,552
Restated Net Position – September 30, 2017	\$31,054,727

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

3. 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 depositions. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies, which are not needed for immediate use but which will be needed before the end of the current period of designated 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, 2018, the carrying amount of the Authority’s deposits totaled \$2,065,730 and its bank balances (excluding money market funds and certificates of deposit) were \$2,180,568. Based on the criteria described in GASB Statement No. 40, “Deposit and Investment Risk Disclosure,” as of September 30, 2018, \$1,916,191 was exposed to custodial risk as discussed below, as \$264,377 was covered by the Federal Depository Insurance Corporation and the Federal Reserve Bank Pledge.

Investments – At September 30, 2018, 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 \$1,656,055.

<u>Description</u>	<u>Fair Value / Carrying Value</u>
Key Bank Certificates of Deposit	\$1,656,055

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 as the Federal Reserve Banks or at member banks of the federal 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, 2017, 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 \$932,290.

4. NOTES RECEIVABLE

HOPE VI Loan – Lincoln Park Phase 1A

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, Penrose GP LLC, of Lincoln Park Housing Partnership LP. Accrued interest receivable on this loan was \$134,802 at September 30, 2018.

The Authority executed an additional promissory note with the partnership in December 2008. The total loan amount the Authority agreed to lend LPHLP is \$250,000 under the HOME Investment Partnership program with the interest of 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 payable on this loan was \$23,638 at December 31, 2017.

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 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 II 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 Pennrose Properties, LLC and Penrose Development LLC, each of whom is an affiliate of the general partner, Pennrose GP LLC, of Lincoln Park Housing Partnership II LP. Accrued interest receivable on this loan was \$104,582 at December 31, 2017.

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 payable on this loan was \$70,912 at December 31, 2017.

HOPE VI Loan – Lincoln Park Phase IIA

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

The Authority's permanent loan of \$4,251,152 bear's 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 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 \$70,006 at December 31, 2017.

5. CAPITAL ASSETS

The following is a summary of changes in the Authority's capital assets for the year ended September 30, 2018:

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Springfield Metropolitan Housing Authority
Notes to the Financial Statements
Year Ended September 30, 2018

	Balance 09/30/2017	Adjustments	Additions	Deletions	Balance 09/30/2018
Capital Assets Not Being Depreciated:					
Land	\$ 3,338,758	\$ (1)	\$ -	\$ -	\$ 3,338,757
Construction in Progress	112,050	(112,050)	-	-	-
Total Capital Assets Not Being Depreciated	3,450,808	(112,051)	-	-	3,338,757
Capital Assets Being Depreciated:					
Buildings and Improvements	55,622,360	112,050	144,980	-	55,879,390
Furniture, Machinery and Equipment	2,382,596	-	29,888	-	2,412,484
Total Capital Assets Being Depreciated:	58,004,956	112,050	174,868	-	58,291,874
Accumulated Depreciation					
Buildings	(28,043,870)	1	(1,716,543)	-	(29,760,412)
Furniture, Machinery and Equipment	(2,161,226)	-	(345,625)	-	(2,506,851)
Total Accumulated Depreciation	(30,205,096)	1	(2,062,168)	-	(32,267,263)
Total Capital Assets Being Depreciated, Net	27,799,860	112,051	(1,887,300)	-	26,024,611
Total Capital Assets, Net	\$ 31,250,668	\$ -	\$ (1,887,300)	\$ -	\$ 29,363,368

The depreciation expense for the year ended September 30, 2018 was \$2,062,168.

6. LONG-TERM LIABILITIES

The Authority borrowed \$1,000,000 from the City of Springfield under the HOME Investment Partnership program with interest at 1% per annum, compounded annually. No payments are to be made during the term of the loan. The balance of principal and interest are due on March 22, 2047. Funds from this loan were used to make HOME loans to the Blended Components Units, as described in Note 4.

Long-term debt is as follows for the Blended Component Units as of December 31, 2017:

	<u>LPHPPLP</u>	<u>LPHPILP</u>	<u>LPHPIILP</u>	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
	<u>833,529</u>	<u>1,700,000</u>	<u>4,144,714</u>	<u>6,678,243</u>
Third mortgage notes (B)	216,148	0	0	216,148
Total long-term debt	<u>\$ 1,049,677</u>	<u>\$ 1,700,000</u>	<u>\$ 4,144,714</u>	<u>\$ 6,894,391</u>

(A) Amounts due the Authority (See Note 4)

(B) The Ohio Housing Finance Agency has committed to lend a principal sum up to \$1,000,000 with interest of 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, 2017 is \$102,764. The outstanding principal balance as of December 31, 2017 was \$423,901.

Annual maturities for the mortgage payable over each of the next five years as of December 31, 2017, will be as follows:

2018	\$107,004
2019	109,144
2020	111,243
2021	113,342
2022	115,441
Thereafter	493,503
 Total	 \$1,049,677

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

The Regulatory agreement with the Springfield Metropolitan Housing Authority provides that 100% of the units will be united to tenants at or below 60% of the area median gross income ("AMGI").

Changes in long-term liabilities are as follows for the periods ended September 30, 2018 and December 31, 2017 respectively:

	Restated Balance 09/30/17	Additions	Deletions	Balance 09/30/18	Due Within One Year
Loan Payable	\$1,000,000	\$0	\$0	\$1,000,000	\$0
Accrued Interest Payable	91,845	10,919	0	102,764	0
FSS Escrow Payable	38,187	27,602	0	65,789	16,447
Compensated Absence	133,376	0	(43,844)	89,532	22,384
Net Pension Liability	2,268,576	0	(707,771)	1,560,805	0
Net OPEB Liability - Restated	991,853	63,667	0	1,055,520	0
 Total Long-Term Liabilities	 \$4,523,837	 \$102,188	 (\$751,615)	 \$3,874,410	 \$38,831

Component Units:

<u>Description</u>	<u>Balance 12/31/16</u>	<u>Addition</u>	<u>Retired</u>	<u>Balance 12/31/17</u>	<u>Due Within One Year</u>
Component Units:					
Long-Term	\$ 7,035,668	\$ 0	\$567,990	\$ 6,467,678	\$ 380,704

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7. DEFINE BENEFIT PENSION PLAN – OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM:

Net Pension Liability

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

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

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

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - Authority employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. Authority employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the

three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS' CAFR referenced above for additional information):

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 62 with 5 years of service credit or Age 57 with 25 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

2017 - 2018 Statutory Maximum Contribution Rates	<u>State and Local</u>
Employer	14.0 %
Employee	10.0 %

With the assistance of the System's actuary and Board approval, a portion of each employer contribution to OPERS may be set aside for the funding of post-employment health care coverage. The portion of the Traditional Pension Plan and Combined Plan employer contributions allocated to health care was 1.0 percent for 2017, and 0.0 percent for 2018.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Authority's contractually required contribution for pension was \$195,576 for fiscal year ending September 30, 2018.

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

The net pension liability/(asset) was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on the Authority's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

Springfield Metropolitan Housing Authority
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	OPERS Traditional Pension Plan	OPERS Combined Plan	Total
Proportion of the Net Pension Liability/Asset Prior Measurement Date	0.010028%	0.01548%	
Proportion of the Net Pension Liability/Asset Current Measurement Date	0.009949%	0.01525%	
Change in Proportionate Share	-0.000079%	-0.00022%	
Proportionate Share of the Net Pension Liability/(Asset)	\$ 1,560,805	\$ (20,762)	\$ 1,540,043
Pension Expense	\$ 306,924	\$ (4,814)	\$ 302,110

At September 30, 2018, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS Traditional Pension Plan	OPERS Combined Plan	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	\$ 1,595	\$ 0	\$ 1,595
Changes of assumptions	186,526	1,815	188,341
Changes in proportion and differences between Authority contributions and proportionate share of contributions	145,182	1,135	146,317
Authority contributions subsequent to the measurement date	146,779	6,942	153,721
Total Deferred Outflows of Resources	\$480,082	\$9,892	\$489,974
Deferred Inflows of Resources			
Net difference between projected and actual earnings on pension plan investments	\$ 335,086	\$ 3,279	\$ 338,365
Differences between expected and actual experience	30,757	6,186	36,943
Changes in proportion and differences between Authority contributions and proportionate share of contributions	150,804	1,029	151,833
Total Deferred Inflows of Resources	\$516,647	\$10,494	\$527,141

\$153,721 reported as deferred outflows of resources related to pension resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Springfield Metropolitan Housing Authority
Notes to the Financial Statements
Year Ended September 30, 2018

	OPERS Traditional Pension Plan	OPERS Combined Plan	Total
Year Ending September 30:			
2019	\$ 139,025	\$ (1,028)	\$ 137,997
2020	(37,123)	(1,117)	(38,240)
2021	(147,555)	(1,852)	(149,407)
2022	(137,691)	(1,774)	(139,465)
2023	0	(623)	(623)
Thereafter	0	(1,150)	(1,150)
Total	<u>\$ (183,344)</u>	<u>\$ (7,544)</u>	<u>\$ (190,888)</u>

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all prior periods included in the measurement in accordance with the requirements of GASB 67. In 2016, the Board of Trustees' actuarial consultants conducted an experience study for the period 2011 through 2015, comparing assumptions to actual results. The experience study incorporates both a historical view and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 8.0 percent down to 7.5 percent, for the defined benefit investments. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below:

Wage Inflation	3.25 percent
Future Salary Increases, including inflation COLA or Ad Hoc COLA	3.25 to 10.75 percent including wage inflation Pre 1/7/2013 retirees; 3 percent, simple Post 1/7/2013 retirees; 3 percent, simple through 2018, then 2.15 percent simple
Investment Rate of Return	7.5 percent
Actuarial Cost Method	Individual Entry Age

The total pension asset in the December 31, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation	3.25 percent
Future Salary Increases, including inflation COLA or Ad Hoc COLA	3.25 to 8.25 percent including wage inflation Pre 1/7/2013 retirees; 3 percent, simple Post 1/7/2013 retirees; 3 percent, simple through 2018, then 2.15 percent simple
Investment Rate of Return	7.5 percent
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five year period ended December 31, 2015.

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

OPERS manages investments in three investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investments expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio is 16.82 percent for 2017.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2017 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.20 %
Domestic Equities	19.00	6.37
Real Estate	10.00	5.26
Private Equity	10.00	8.97
International Equities	20.00	7.88
Other investments	18.00	5.26
Total	100.00 %	5.66 %

Discount Rate The discount rate used to measure the total pension liability was 7.5 percent, post-experience study results. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Authority’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the Authority’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.5 percent, as well as what the Authority’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.5 percent) or one-percentage-point higher (8.5 percent) than the current rate:

Authority's proportionate share of the net pension liability/(asset)	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Traditional Pension Plan	\$ 2,771,592	\$ 1,560,805	\$ 551,374
Combined Plan	\$ (11,286)	\$ (20,762)	\$ (27,299)

8. POST EMPLOYMENT BENEFITS (OPEB) – OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM:

Net OPEB Liability

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

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

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

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The proportionate share of each plan’s unfunded benefits is presented as a long-term net OPEB liability on the accrual basis of accounting. Any liability for the contractually-required OPEB contribution outstanding at the end of the year is

included in intergovernmental payable on both the accrual and modified accrual bases of accounting.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Authority employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan and the Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features.

OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

As of December 2016, OPERS maintains one health care trust, the 115 Health Care Trust (115 Trust), which was established in 2014 to initially provide a funding mechanism for a health reimbursement arrangement (HRA), as the prior trust structure could not support the HRA. In March 2016, OPERS received two favorable rulings from the Internal Revenue Service (IRS) allowing OPERS to consolidate health care assets into the 115 Trust. The 401(h) Health Care Trust (401(h) Trust) was a pre-funded trust that provided health care funding for eligible members of the Traditional Pension Plan and the Combined Plan through December 31, 2015, when plans funded through the 401(h) Trust were terminated. The Voluntary Employees' Beneficiary Association Trust (VEBA Trust) accumulated funding for retiree medical accounts for participants in the Member-Directed Plan through June 30, 2016. The 401(h) Trust and the VEBA Trust were closed as of June 30, 2016 and the net positions transferred to the 115 Trust on July 1, 2016. Beginning in 2016, the 115 Trust, established under Internal Revenue Code (IRC) Section 115, is the funding vehicle for all health care plans.

The OPERS health care plans are reported as other post-employment benefit plans (OPEB) based on the criteria established by the Governmental Accounting Standards Board (GASB). Periodically, OPERS modifies the health care program design to improve the ongoing solvency of the plans. Eligibility requirements for access to the OPERS health care options have changed over the history of the program for Traditional Pension Plan and Combined Plan members. Prior to January 1, 2015, 10 or more years of service were required to qualify for health care coverage. Beginning January 1, 2015, generally, members must be at least age 60 with 20 years of qualifying service credit to qualify for health care coverage or 30 years of qualifying service at any age. Beginning 2016, Traditional Pension Plan and Combined Plan retirees enrolled in Medicare A and B were eligible to participate in the OPERS Medicare Connector (Connector). The Connector, a vendor selected by OPERS, assists eligible retirees in the selection and purchase of Medicare supplemental coverage through the Medicare market. Retirees that purchase supplemental coverage through the Connector may receive a monthly allowance in their HRA that can be used to reimburse eligible health care expenses.

Upon termination or retirement, Member-Directed Plan participants can use vested retiree medical account funds for reimbursement of qualified medical expenses. Members who elect the Member-Directed Plan after July 1, 2015 will vest in health care over 15 years at a rate of 10% each year starting with the sixth year of participation. Members who elected the Member-Directed Plan prior to July 1, 2015, vest in health care over a five-year period at a rate of 20% per year. Health care coverage is neither guaranteed nor statutorily required.

The ORC permits, but does not require, OPERS to offer post-employment health care coverage. The ORC allows a portion of the employers' contributions to be used to fund health care coverage. The health care portion of the employer contribution rate for the Traditional Pension Plan and Combined Plan is comparable, as the same coverage options are provided to participants in both plans.

Prior to January 1, 2015, the System provided comprehensive health care coverage to retirees with 10 or more years of qualifying service credit and offered coverage to their dependents on a premium deduction or direct bill basis. Beginning January 1, 2015, the service eligibility criteria for health care coverage increased from 10 years to 20 years with a minimum age of 60, or 30 years of qualifying service at any age. Beginning with January 2016 premiums,

Medicare-eligible retirees could select supplemental coverage through the Connector, and may be eligible for monthly allowances deposited to an HRA to be used for reimbursement of eligible health care expenses. Coverage for non-Medicare retirees includes hospitalization, medical expenses and prescription drugs. The System determines the amount, if any, of the associated health care costs that will be absorbed by the System and attempts to control costs by using managed care, case management, and other programs. Additional details on health care coverage can be found in the Plan Statement in the OPERS 2017 CAFR.

Participants in the Member-Directed Plan are not eligible for health care coverage offered to benefit recipients in the Traditional Pension Plan and Combined Plan. A portion of employer contributions for these participants is allocated to a retiree medical account. Upon separation or retirement, participants may be reimbursed for qualified medical expenses from these accounts.

An additional retiree medical account (RMA) was also established several years ago when three health care coverage levels were available to retirees. Monthly allowance amounts in excess of the cost of the retiree’s selected coverage were notionally credited to the retiree’s RMA. Retirees and their dependents could seek reimbursements from the RMA balances for qualified medical expenses. In 2013, the number of health care options available to retirees was reduced from three to one, eliminating the majority of deposits to the RMA. Wellness incentive payments were the only remaining deposits made to this RMA. Wellness incentives are no longer awarded starting with the 2017 plan year. These RMA balances were transferred to the HRA for retirees with both types of accounts. In addition, OPERS initiated an automatic claims payment process for reimbursements for retiree health care costs paid through pension deduction. This process will reimburse members for eligible health care premiums paid to OPERS, currently through pension deduction, up to the member’s available RMA balance.

Funding Policy – The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

2018 Statutory Maximum Contribution Rates	<u>State and Local</u>
Employer	14.0 %
Employee	10.0 %

With the assistance of the System’s actuary and Board approval, a portion of each employer contribution to OPERS may be set aside for the funding of post-employment health care coverage. Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The portion of the Traditional Pension Plan and Combined Plan employer contributions allocated to health care was 1.0 percent for 2017, and decreased to 0.0 percent for 2018. The employer contribution as a percent of covered payroll deposited for Member-Directed Plan health care accounts was 4.0 percent for 2017. The Authority’s contractually required contribution was \$3,220 for fiscal year ending September 30, 2018.

OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability was determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017, by incorporating the expected value of health care cost accruals, the actual health care payments, and interest accruals during the year. The Authority's proportion of the net OPEB liability was based on the Authority’s share of total contributions relative to the total contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	OPERS
Proportion of the Net OPEB Liability:	
Prior Measurement Date	0.009820%
Proportion of the Net OPEB Liability:	
Current Measurement Date	0.009720%
Change in Proportionate Share	-0.000100%
Proportionate Share of the Net OPEB Liability	\$ 1,055,520
OPEB Expense	\$ 82,006

At September 30, 2018, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS
Deferred Outflows of Resources	
Differences between expected and actual experience	\$ 822
Changes of assumptions	76,853
Total Deferred Outflows of Resources	\$ 77,675
Deferred Inflows of Resources	
Net difference between projected and actual earnings on OPEB plan investments	\$ 78,630
Changes in proportion and differences between Authority contributions and proportionate share of contributions	6,832
Total Deferred Inflows of Resources	\$ 85,462

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	OPERS
Year Ending September 30:	
2019	\$ 14,212
2020	14,212
2021	(16,552)
2022	(19,659)
Total	\$ (7,787)

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between the System and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017. The total OPEB liability was determined using the following actuarial assumptions, applied to all prior periods included in the measurement in accordance with the requirements of GASB 74. In 2016, the Board of Trustees' actuarial consultants conducted an experience study for the period 2011 through 2015, comparing assumptions to actual results. The experience study incorporates both a historical view and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below:

Single Discount Rate	3.85 percent
Investment Rate of Return	6.50 percent
Municipal Bond Rate	3.31 percent
Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Actuarial Cost Method	Individual Entry Age Normal

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five year period ended December 31, 2015.

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

OPERS manages investments in three investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio is 15.2 percent for 2017.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. The System's primary goal is to achieve and maintain a fully funded status for benefits provided through the defined pension plans. The table below displays the Board-approved asset allocation policy for 2017 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	1.88 %
Domestic Equities	21.00	6.37
REITs	6.00	5.91
International Equities	22.00	7.88
Other investments	17.00	5.39
Total	100.00 %	4.98 %

Discount Rate – A single discount rate of 3.85 percent was used to measure the OPEB liability on the measurement date of December 31, 2017. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.50 percent and a municipal bond rate of 3.31 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the Authority’s Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate – The following table presents the Authority’s proportionate share of the net OPEB liability calculated using the single discount rate of 3.85 percent, as well as what the Authority’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.85 percent) or one percentage point higher (4.85 percent) than the current rate:

	1% Decrease (2.85%)	Single Discount Rate (3.85%)	1% Increase (4.85%)
Authority's proportionate share of the net OPEB liability	\$ 1,402,304	\$ 1,055,520	\$ 774,976

Sensitivity of the Authority’s Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate – Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the Authority’s proportionate share of the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2018 is 7.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries’ project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25 percent in the most recent valuation.

	Current Health Care Cost Trend Rate		
	1% Decrease	Assumption	1% Increase
Authority's proportionate share of the net OPEB liability	\$ 1,099,908	\$ 1,055,520	\$ 1,102,637

9. RISK MANAGEMENT:

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

10. CONTINGENT LIABILITIES:

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

11. CONCENTRATIONS:

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

12. 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 (LPHPIIILP), Description 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 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 \$242,527 through September 30, 2018 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, own 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 documents for or otherwise bind the Partnership. The Authority made Capital Contributions to the Partnership totaling \$50,660 through September 30, 2018 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 (LPHPIILP)

The Authority executed an Amended and Restated Limited Partnership Agreement with Pennrose 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 \$13,752, 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 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 partnership 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.

13. SUBSEQUENT EVENTS:

Generally accepted accountings principles define subsequent events as events or transactions that occur after the statement of the financial position date, but before the financial statements as issued or are available to be issued. Management has evaluated subsequent events through March 22, 2019, the date on which the financial statements were available to be issued.

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Balance Sheet Summary
Fiscal Year End: 09/30/2018

	Project Total	14.896 PIH Family Self- Sufficiency Program	93.959 Block Grants for Prevention and Treatment of Substance Abuse	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	14.877 Public Housing Family Self- Sufficiency under ROSS	14.879 Mainstream Vouchers	6.2 Component Unit - Blended	14.866 Revitalization of Severely Distressed Public Housing
111 Cash - Unrestricted	\$480,420	\$0	\$14,724	\$771	\$154,431	\$0	\$6,585	\$40,493	\$0
113 Cash - Other Restricted	\$0	\$0	\$0	\$0	\$49,342	\$0	\$0	\$871,579	\$0
114 Cash - Tenant Security Deposits	\$65,377	\$0	\$0	\$0	\$0	\$0	\$0	\$20,218	\$0
115 Cash - Restricted for Payment of Current Liabilities	\$0	\$0	\$0	\$0	\$16,447	\$0	\$0	\$0	\$0
100 Total Cash	\$545,797	\$0	\$14,724	\$771	\$220,220	\$0	\$6,585	\$932,290	\$0
122 Accounts Receivable - HUD Other Projects	\$17,946	\$8,466	\$0	\$5,309	\$34,364	\$0	\$0	\$0	\$0
124 Accounts Receivable - Other Government	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
125 Accounts Receivable - Miscellaneous	\$4,293	\$0	\$600	\$0	\$3,685	\$0	\$0	\$0	\$0
126 Accounts Receivable - Tenants	\$20,823	\$0	\$0	\$0	\$19,912	\$0	\$0	\$12,137	\$0
126.1 Allowance for Doubtful Accounts - Tenants	-\$5,921	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0	-\$19,912	\$0	\$0	\$0	\$0
128 Fraud Recovery	\$0	\$0	\$0	\$0	\$19,912	\$0	\$0	\$0	\$0
128.1 Allowance for Doubtful Accounts - Fraud	-\$9	\$0	\$0	\$0	-\$19,912	\$0	\$0	\$0	\$0
129 Accrued Interest Receivable	\$2,841	\$0	\$0	\$0	\$1,006	\$0	\$0	\$0	\$438,760
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$39,973	\$8,466	\$600	\$5,309	\$39,055	\$0	\$0	\$12,137	\$438,760
131 Investments - Unrestricted	\$600,000	\$0	\$0	\$0	\$150,000	\$0	\$0	\$0	\$0
142 Prepaid Expenses and Other Assets	\$20,384	\$0	\$0	\$0	\$215	\$0	\$0	\$0	\$0
143 Inventories	\$86,497	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
143.1 Allowance for Obsolete Inventories	-\$27,680	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
150 Total Current Assets	\$1,264,971	\$8,466	\$15,324	\$6,080	\$409,490	\$0	\$6,585	\$944,427	\$438,760

Springfield Metropolitan Housing
Authority (OH021)
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Balance Sheet Summary
Fiscal Year End: 09/30/2018

	Project Total	14.896 PIH Family Self- Sufficiency Program	93.959 Block Grants for Prevention and Treatment of Substance Abuse	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	14.877 Public Housing Family Self- Sufficiency under ROSS	14.879 Mainstream Vouchers	6.2 Component Unit - Blended	14.866 Revitalization of Severely Distressed Public Housing
161 Land	\$1,952,171	\$0	\$0	\$0	\$0	\$0	\$0	\$1,034,121	\$197,229
162 Buildings	\$30,254,174	\$0	\$0	\$0	\$0	\$0	\$0	\$23,265,851	\$17,500
163 Furniture, Equipment & Machinery - Dwellings	\$1,076,310	\$0	\$0	\$0	\$0	\$0	\$0	\$521,910	\$0
164 Furniture, Equipment & Machinery - Administration	\$325,687	\$0	\$0	\$0	\$49,777	\$0	\$0	\$0	\$66,941
165 Leasehold Improvements	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,341,865
166 Accumulated Depreciation	-\$23,082,902	\$0	\$0	\$0	-\$24,537	\$0	\$0	-\$7,085,928	-\$1,715,513
160 Total Capital Assets, Net of Accumulated Depreciation	\$10,525,440	\$0	\$0	\$0	\$25,240	\$0	\$0	\$17,735,954	\$908,022
171 Notes, Loans and Mortgages Receivable - Non-Current	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,678,242
174 Other Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$154,747	\$0
180 Total Non-Current Assets	\$10,525,440	\$0	\$0	\$0	\$25,240	\$0	\$0	\$17,890,701	\$7,586,264
200 Deferred Outflow of Resources	\$292,970	\$0	\$0	\$0	\$182,191	\$0	\$0	\$0	\$0
290 Total Assets and Deferred Outflow of Resources	\$12,083,381	\$8,466	\$15,324	\$6,080	\$616,921	\$0	\$6,585	\$18,835,128	\$8,025,024
311 Bank Overdraft	\$0	\$1,340	\$0	\$0	\$0	\$0	\$0	\$0	\$0
312 Accounts Payable <= 90 Days	\$96,768	\$0	\$45	\$0	\$4,466	\$0	\$0	\$43,573	\$0
321 Accrued Wage/Payroll Taxes Payable	\$17,593	\$204	\$795	\$1,711	\$4,044	\$0	\$220	\$0	\$0
322 Accrued Compensated Absences - Current Portion	\$11,891	\$1,278	\$0	\$546	\$1,648	\$0	\$237	\$0	\$0
325 Accrued Interest Payable	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$407,002	\$102,764
331 Accounts Payable - HUD PHA Programs	\$0	\$0	\$0	\$0	\$151	\$0	\$0	\$0	\$0
341 Tenant Security Deposits	\$65,377	\$0	\$0	\$0	\$0	\$0	\$0	\$20,218	\$0

Springfield Metropolitan Housing
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Fiscal Year End: 09/30/2018

	Project Total	14.896 PIH Family Self- Sufficiency Program	93.959 Block Grants for Prevention and Treatment of Substance Abuse	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	14.877 Public Housing Family Self- Sufficiency under ROSS	14.879 Mainstream Vouchers	6.2 Component Unit - Blended	14.866 Revitalization of Severely Distressed Public Housing
342 Unearned Revenue	\$17,225	\$0	\$0	\$0	\$1,006	\$0	\$0	\$331	\$0
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$108,232	\$0
344 Current Portion of Long-term Debt - Operating Borrowings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
345 Other Current Liabilities	\$0	\$0	\$0	\$0	\$16,447	\$0	\$0	\$50,000	\$0
346 Accrued Liabilities - Other	\$15,716	\$1,881	\$1,707	\$2,051	\$9,292	\$0	\$1,120	\$0	\$0
310 Total Current Liabilities	\$224,570	\$4,703	\$2,547	\$4,308	\$37,054	\$0	\$1,577	\$629,356	\$102,764
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,467,678	\$0
353 Non-current Liabilities - Other	\$0	\$0	\$0	\$0	\$49,342	\$0	\$0	\$0	\$0
354 Accrued Compensated Absences - Non Current	\$35,671	\$3,833	\$0	\$1,638	\$4,944	\$0	\$710	\$0	\$0
355 Loan Liability - Non Current	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,000,000
357 Accrued Pension and OPEB Liabilities	\$1,412,817	\$0	\$0	\$0	\$549,428	\$0	\$0	\$0	\$0
350 Total Non-Current Liabilities	\$1,448,488	\$3,833	\$0	\$1,638	\$603,714	\$0	\$710	\$6,467,678	\$1,000,000
300 Total Liabilities	\$1,673,058	\$8,536	\$2,547	\$5,946	\$640,768	\$0	\$2,287	\$7,097,034	\$1,102,764
400 Deferred Inflow of Resources	\$260,651	\$0	\$0	\$0	\$97,456	\$0	\$0	\$0	\$0
508.4 Net Investment in Capital Assets	\$10,525,440	\$0	\$0	\$0	\$25,240	\$0	\$0	\$11,160,044	\$908,022
511.4 Restricted Net Position	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$871,579	\$0
512.4 Unrestricted Net Position	-\$375,768	-\$70	\$12,777	\$134	-\$146,543	\$0	\$4,298	-\$293,529	\$6,014,238
513 Total Equity - Net Assets / Position	\$10,149,672	-\$70	\$12,777	\$134	-\$121,303	\$0	\$4,298	\$11,738,094	\$6,922,260
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$12,083,381	\$8,466	\$15,324	\$6,080	\$616,921	\$0	\$6,585	\$18,835,128	\$8,025,024

Springfield Metropolitan Housing
 Authority (OH021)
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	14.238 Shelter Plus Care	14.884 Competitive Capital Fund Stimulus Grant	14.239 HOME Investment Partnerships Program	8 Other Federal Program 1	1 Business Activities	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$11,024	\$0	\$1,529	\$0	\$0	\$315,438	\$1,025,415	\$0	\$1,025,415
113 Cash - Other Restricted	\$15,039	\$0	\$2,313	\$0	\$0	\$0	\$938,273	\$0	\$938,273
114 Cash - Tenant Security Deposits	\$0	\$0	\$0	\$0	\$0	\$0	\$85,595	\$0	\$85,595
115 Cash - Restricted for Payment of Current Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$16,447	\$0	\$16,447
100 Total Cash	\$26,063	\$0	\$3,842	\$0	\$0	\$315,438	\$2,065,730	\$0	\$2,065,730
122 Accounts Receivable - HUD Other Projects	\$0	\$0	\$0	\$0	\$0	\$0	\$66,085	\$0	\$66,085
124 Accounts Receivable - Other Government	\$7,757	\$0	\$3,673	\$0	\$0	\$0	\$11,430	\$0	\$11,430
125 Accounts Receivable - Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$18,482	\$27,060	\$0	\$27,060
126 Accounts Receivable - Tenants	\$0	\$0	\$0	\$0	\$0	\$0	\$52,872	\$0	\$52,872
126.1 Allowance for Doubtful Accounts - Tenants	\$0	\$0	\$0	\$0	\$0	\$0	-\$5,921	\$0	-\$5,921
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0	\$0	\$0	-\$19,912	\$0	-\$19,912
128 Fraud Recovery	\$0	\$0	\$0	\$0	\$0	\$0	\$19,912	\$0	\$19,912
128.1 Allowance for Doubtful Accounts - Fraud	\$0	\$0	\$0	\$0	\$0	\$0	-\$19,921	\$0	-\$19,921
129 Accrued Interest Receivable	\$0	\$0	\$0	\$0	\$0	\$2,783	\$445,390	\$0	\$445,390
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$7,757	\$0	\$3,673	\$0	\$0	\$21,265	\$576,995	\$0	\$576,995
131 Investments - Unrestricted	\$0	\$0	\$0	\$0	\$0	\$906,055	\$1,656,055	\$0	\$1,656,055
142 Prepaid Expenses and Other Assets	\$0	\$0	\$0	\$0	\$0	\$1,967	\$22,566	\$0	\$22,566
143 Inventories	\$0	\$0	\$0	\$0	\$0	\$501	\$86,998	\$0	\$86,998
143.1 Allowance for Obsolete Inventories	\$0	\$0	\$0	\$0	\$0	-\$160	-\$27,840	\$0	-\$27,840
150 Total Current Assets	\$33,820	\$0	\$7,515	\$0	\$0	\$1,245,066	\$4,380,504	\$0	\$4,380,504

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Balance Sheet Summary
Fiscal Year End: 09/30/2018

	14.238 Shelter Plus Care	14.884 Competitive Capital Fund Stimulus Grant	14.239 HOME Investment Partnerships Program	8 Other Federal Program 1	1 Business Activities	COCC	Subtotal	ELIM	Total
161 Land	\$0	\$0	\$0	\$0	\$0	\$155,236	\$3,338,757	\$0	\$3,338,757
162 Buildings	\$0	\$0	\$0	\$0	\$0	\$0	\$53,537,525	\$0	\$53,537,525
163 Furniture, Equipment & Machinery - Dwellings	\$0	\$0	\$0	\$0	\$0	\$0	\$1,598,220	\$0	\$1,598,220
164 Furniture, Equipment & Machinery - Administration	\$0	\$0	\$0	\$0	\$0	\$371,859	\$814,264	\$0	\$814,264
165 Leasehold Improvements	\$0	\$0	\$0	\$0	\$0	\$0	\$2,341,865	\$0	\$2,341,865
166 Accumulated Depreciation	\$0	\$0	\$0	\$0	\$0	-\$358,383	-\$32,267,263	\$0	-\$32,267,263
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$0	\$0	\$0	\$0	\$168,712	\$29,363,368	\$0	\$29,363,368
171 Notes, Loans and Mortgages Receivable - Non-Current	\$0	\$0	\$0	\$0	\$0	\$0	\$6,678,242	\$0	\$6,678,242
174 Other Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$154,747	\$0	\$154,747
180 Total Non-Current Assets	\$0	\$0	\$0	\$0	\$0	\$168,712	\$36,196,357	\$0	\$36,196,357
200 Deferred Outflow of Resources	\$0	\$0	\$0	\$0	\$0	\$92,488	\$567,649	\$0	\$567,649
290 Total Assets and Deferred Outflow of Resources	\$33,820	\$0	\$7,515	\$0	\$0	\$1,506,266	\$41,144,510	\$0	\$41,144,510
311 Bank Overdraft	\$0	\$0	\$0	\$0	\$0	\$0	\$1,340	\$0	\$1,340
312 Accounts Payable <= 90 Days	\$0	\$0	\$0	\$0	\$0	\$1,886	\$146,738	\$0	\$146,738
321 Accrued Wage/Payroll Taxes Payable	\$0	\$0	\$0	\$0	\$0	\$11,396	\$35,963	\$0	\$35,963
322 Accrued Compensated Absences - Current Portion	\$0	\$0	\$0	\$0	\$0	\$6,784	\$22,384	\$0	\$22,384
325 Accrued Interest Payable	\$0	\$0	\$0	\$0	\$0	\$0	\$509,766	\$0	\$509,766
331 Accounts Payable - HUD PHA Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$151	\$0	\$151
341 Tenant Security Deposits	\$0	\$0	\$0	\$0	\$0	\$0	\$85,595	\$0	\$85,595

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	14.238 Shelter Plus Care	14.884 Competitive Capital Fund Stimulus Grant	14.239 HOME Investment Partnerships Program	8 Other Federal Program 1	1 Business Activities	COCC	Subtotal	ELIM	Total
342 Unearned Revenue	\$0	\$0	\$0	\$0	\$0	\$2,783	\$21,345	\$0	\$21,345
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$108,232	\$0	\$108,232
344 Current Portion of Long-term Debt - Operating Borrowings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
345 Other Current Liabilities	\$0	\$0	\$0	\$0	\$0	\$20	\$66,467	\$0	\$66,467
346 Accrued Liabilities - Other	\$0	\$0	\$0	\$0	\$0	\$21,977	\$53,744	\$0	\$53,744
310 Total Current Liabilities	\$0	\$0	\$0	\$0	\$0	\$44,846	\$1,051,725	\$0	\$1,051,725
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$6,467,678	\$0	\$6,467,678
353 Non-current Liabilities - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$49,342	\$0	\$49,342
354 Accrued Compensated Absences - Non Current	\$0	\$0	\$0	\$0	\$0	\$20,352	\$67,148	\$0	\$67,148
355 Loan Liability - Non Current	\$0	\$0	\$0	\$0	\$0	\$0	\$1,000,000	\$0	\$1,000,000
357 Accrued Pension and OPEB Liabilities	\$0	\$0	\$0	\$0	\$0	\$654,080	\$2,616,325	\$0	\$2,616,325
350 Total Non-Current Liabilities	\$0	\$0	\$0	\$0	\$0	\$674,432	\$10,200,493	\$0	\$10,200,493
300 Total Liabilities	\$0	\$0	\$0	\$0	\$0	\$719,278	\$11,252,218	\$0	\$11,252,218
400 Deferred Inflow of Resources	\$0	\$0	\$0	\$0	\$0	\$254,496	\$612,603	\$0	\$612,603
508.4 Net Investment in Capital Assets	\$0	\$0	\$0	\$0	\$0	\$168,712	\$22,787,458	\$0	\$22,787,458
511.4 Restricted Net Position	\$15,039	\$0	\$2,313	\$0	\$0	\$0	\$888,931	\$0	\$888,931
512.4 Unrestricted Net Position	\$18,781	\$0	\$5,202	\$0	\$0	\$363,780	\$5,603,300	\$0	\$5,603,300
513 Total Equity - Net Assets / Position	\$33,820	\$0	\$7,515	\$0	\$0	\$532,492	\$29,279,689	\$0	\$29,279,689
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$33,820	\$0	\$7,515	\$0	\$0	\$1,506,266	\$41,144,510	\$0	\$41,144,510

Springfield Metropolitan Housing
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 Revenue and Expense Summary
 Fiscal Year End: 09/30/2018

	Project Total	14.896 PIH Family Self- Sufficiency Program	93.959 Block Grants for Prevention and Treatment of Substance Abuse	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	14.877 Public Housing Family Self- Sufficiency under ROSS	14.879 Mainstream Vouchers	6.2 Component Unit - Blended	14.866 Revitalization of Severely Distressed Public Housing
70300 Net Tenant Rental Revenue	\$1,458,510	\$0	\$0	\$0	\$0	\$0	\$0	\$610,725	\$0
70400 Tenant Revenue - Other	\$80,758	\$0	\$0	\$0	\$0	\$0	\$0	\$13,886	\$0
70500 Total Tenant Revenue	\$1,539,268	\$0	\$0	\$0	\$0	\$0	\$0	\$624,611	\$0
70600 HUD PHA Operating Grants	\$2,487,239	\$91,457	\$0	\$72,173	\$5,318,478	\$0	\$179,265	\$0	\$0
70610 Capital Grants	\$183,050	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
70710 Management Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
70720 Asset Management Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
70730 Book Keeping Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
70700 Total Fee Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
70800 Other Government Grants	\$0	\$0	\$34,560	\$0	\$0	\$0	\$0	\$0	\$0
71100 Investment Income - Unrestricted	\$5,765	\$0	\$0	\$0	\$2,043	\$0	\$0	\$1,683	\$0
71400 Fraud Recovery	\$0	\$0	\$0	\$0	\$7,427	\$0	\$0	\$0	\$0
71500 Other Revenue	\$43,882	\$0	\$5,000	\$0	\$35,884	\$0	\$0	\$139	\$0
72000 Investment Income - Restricted	\$26	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$46,265
70000 Total Revenue	\$4,259,230	\$91,457	\$39,560	\$72,173	\$5,363,832	\$0	\$179,265	\$626,433	\$46,265
91100 Administrative Salaries	\$309,540	\$1,291	\$0	\$0	\$49,614	\$0	\$0	\$101,061	\$0
91200 Auditing Fees	\$9,192	\$0	\$0	\$0	\$7,352	\$0	\$0	\$18,750	\$0
91300 Management Fee	\$522,275	\$0	\$0	\$0	\$115,001	\$0	\$0	\$12,360	\$0
91310 Book-keeping Fee	\$57,540	\$0	\$0	\$0	\$95,161	\$0	\$0	\$2,806	\$0
91400 Advertising and Marketing	\$2,491	\$0	\$0	\$0	\$1,345	\$0	\$0	\$28	\$0
91500 Employee Benefit contributions - Administrative	\$134,910	\$0	\$0	\$5,287	\$44,548	\$0	\$0	\$0	\$0

Springfield Metropolitan Housing
Authority (OH021)
Financial Data Schedule - Entity Wide
Revenue and Expense Summary
Fiscal Year End: 09/30/2018

	Project Total	14.896 PIH Family Self- Sufficiency Program	93.959 Block Grants for Prevention and Treatment of Substance Abuse	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	14.877 Public Housing Family Self- Sufficiency under ROSS	14.879 Mainstream Vouchers	6.2 Component Unit - Blended	14.866 Revitalization of Severely Distressed Public Housing
91600 Office Expenses	\$129,109	\$7,603	\$6,093	\$0	\$64,852	\$0	\$0	\$8,190	\$12,675
91700 Legal Expense	\$12,375	\$0	\$0	\$0	\$0	\$0	\$0	\$2,784	\$0
91800 Travel	\$17,764	\$822	\$0	\$0	\$5,279	\$0	\$0	\$3,794	\$0
91900 Other	\$6,388	\$893	\$0	\$21,395	\$3,532	\$0	\$0	\$82,768	\$0
91000 Total Operating - Administrative	\$1,201,584	\$10,609	\$6,093	\$26,682	\$386,684	\$0	\$0	\$232,541	\$12,675
92000 Asset Management Fee	\$78,680	\$0	\$0	\$0	\$0	\$0	\$0	\$2,376	\$0
92100 Tenant Services - Salaries	\$9,211	\$49,444	\$19,182	\$37,766	\$145,854	\$0	\$27,790	\$0	\$0
92200 Relocation Costs	\$1,505	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
92300 Employee Benefit Contributions - Tenant Services	\$134	\$21,777	\$2,953	\$6,096	\$32,223	\$0	\$11,273	\$0	-\$1,795
92400 Tenant Services - Other	\$3,768	\$0	\$6,070	\$0	\$115	\$0	\$0	\$0	\$0
92500 Total Tenant Services	\$14,618	\$71,221	\$28,205	\$43,862	\$178,192	\$0	\$39,063	\$0	-\$1,795
93100 Water	\$122,153	\$0	\$0	\$0	\$0	\$0	\$0	\$29,393	\$0
93200 Electricity	\$301,566	\$0	\$0	\$0	\$0	\$0	\$0	\$7,661	\$0
93300 Gas	\$130,722	\$0	\$0	\$0	\$0	\$0	\$0	\$8,187	\$0
93600 Sewer	\$221,287	\$0	\$0	\$0	\$0	\$0	\$0	\$23,822	\$0
93000 Total Utilities	\$775,728	\$0	\$0	\$0	\$0	\$0	\$0	\$69,063	\$0
94100 Ordinary Maintenance and Operations - Labor	\$422,476	\$0	\$0	\$0	\$0	\$0	\$0	\$102,203	\$0
94200 Ordinary Maintenance and Operations - Materials and Other	\$116,492	\$0	\$218	\$0	\$1,442	\$0	\$0	\$33,943	\$355
94300 Ordinary Maintenance and Operations Contracts	\$585,914	\$0	\$858	\$0	\$6,194	\$0	\$0	\$94,435	\$0

Springfield Metropolitan Housing
Authority (OH021)
Financial Data Schedule - Entity Wide
Revenue and Expense Summary
Fiscal Year End: 09/30/2018

	Project Total	14.896 PIH Family Self- Sufficiency Program	93.959 Block Grants for Prevention and Treatment of Substance Abuse	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	14.877 Public Housing Family Self- Sufficiency under ROSS	14.879 Mainstream Vouchers	6.2 Component Unit - Blended	14.866 Revitalization of Severely Distressed Public Housing
94500 Employee Benefit Contributions - Ordinary Maintenance	\$194,699	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
94000 Total Maintenance	\$1,319,581	\$0	\$1,076	\$0	\$7,636	\$0	\$0	\$230,581	\$355
95200 Protective Services - Other Contract Costs	\$15,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
95000 Total Protective Services	\$15,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96110 Property Insurance	\$78,963	\$0	-\$75	\$0	\$1,102	\$0	\$0	\$43,582	\$0
96120 Liability Insurance	\$30,112	\$0	\$0	\$0	\$1,729	\$0	\$0	\$0	\$0
96130 Workmen's Compensation	\$2,166	\$444	\$138	-\$4	\$1,342	\$0	\$180	\$0	\$0
96100 Total insurance Premiums	\$111,241	\$444	\$63	-\$4	\$4,173	\$0	\$180	\$43,582	\$0
96200 Other General Expenses	\$376,918	\$0	\$0	\$0	\$96,800	\$0	\$0	\$5,240	\$0
96210 Compensated Absences	\$0	\$2,448	\$0	\$2,185	\$0	\$0	\$42	\$0	\$0
96400 Bad debt - Tenant Rents	\$58,497	\$0	\$0	\$0	\$0	\$0	\$0	\$39,037	\$0
96800 Severance Expense	\$25,568	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96000 Total Other General Expenses	\$460,983	\$2,448	\$0	\$2,185	\$96,800	\$0	\$42	\$44,277	\$0
96710 Interest of Mortgage (or Bonds) Payable	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$50,778	\$0
96720 Interest on Notes Payable (Short and Long Term)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,918
96730 Amortization of Bond Issue Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$20,741	\$0
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$71,519	\$10,918
96900 Total Operating Expenses	\$3,977,415	\$84,722	\$35,437	\$72,725	\$673,485	\$0	\$39,285	\$693,939	\$22,153

Springfield Metropolitan Housing
Authority (OH021)
Financial Data Schedule - Entity Wide
Revenue and Expense Summary
Fiscal Year End: 09/30/2018

	Project Total	14.896 PIH Family Self- Sufficiency Program	93.959 Block Grants for Prevention and Treatment of Substance Abuse	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	14.877 Public Housing Family Self- Sufficiency under ROSS	14.879 Mainstream Vouchers	6.2 Component Unit - Blended	14.866 Revitalization of Severely Distressed Public Housing
97000 Excess of Operating Revenue over Operating Expenses	\$281,815	\$6,735	\$4,123	-\$552	\$4,690,347	\$0	\$139,980	-\$67,506	\$24,112
97300 Housing Assistance Payments	\$0	\$0	\$0	\$0	\$5,046,789	\$0	\$139,542	\$0	\$0
97350 HAP Portability-In	\$0	\$0	\$0	\$0	\$9,467	\$0	\$0	\$0	\$0
97400 Depreciation Expense	\$853,363	\$0	\$0	\$0	\$7,139	\$0	\$0	\$1,040,760	\$157,292
90000 Total Expenses	\$4,830,778	\$84,722	\$35,437	\$72,725	\$5,736,880	\$0	\$178,827	\$1,734,699	\$179,445
10010 Operating Transfer In	\$497,694	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10020 Operating transfer Out	-\$497,694	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10080 Special Items (Net Gain/Loss)	-\$80,385	\$0	\$0	\$0	\$0	\$0	\$0	\$209,807	\$0
10100 Total Other financing Sources (Uses)	-\$80,385	\$0	\$0	\$0	\$0	\$0	\$0	\$209,807	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$651,933	\$6,735	\$4,123	-\$552	-\$373,048	\$0	\$438	-\$898,459	-\$133,180
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$108,232	\$0
11030 Beginning Equity	\$11,326,400	-\$382	\$8,654	-\$76,147	\$485,543	\$0	-\$25,150	\$12,636,553	\$6,889,463
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-\$524,795	-\$6,423	\$0	\$76,833	-\$233,798	\$0	\$29,010	\$0	\$165,977
11170 Administrative Fee Equity	\$0	\$0	\$0	\$0	-\$121,303	\$0	\$0	\$0	\$0
11180 Housing Assistance Payments Equity	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11190 Unit Months Available	9,468	0	0	0	15,588	0	600	1,584	0
11210 Number of Unit Months Leased	9,079	0	0	0	12,674	0	564	1,369	0
11620 Building Purchases	\$183,050	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Springfield Metropolitan Housing
 Authority (OH021)
 Financial Data Schedule - Entity Wide
 Revenue and Expense Summary
 Fiscal Year End: 09/30/2018

	14.238 Shelter Plus Care	14.884 Competitive Capital Fund Stimulus Grant	14.239 HOME Investment Partnerships Program	8 Other Federal Program 1	1 Business Activities	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$2,069,235	\$0	\$2,069,235
70400 Tenant Revenue - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$94,644	\$0	\$94,644
70500 Total Tenant Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$2,163,879	\$0	\$2,163,879
70600 HUD PHA Operating Grants	\$0	\$0	\$0	\$0	\$0	\$0	\$8,148,612	\$0	\$8,148,612
70610 Capital Grants	\$0	\$0	\$0	\$0	\$0	\$0	\$183,050	\$0	\$183,050
70710 Management Fee	\$0	\$0	\$0	\$0	\$0	\$649,636	\$649,636	-\$649,636	\$0
70720 Asset Management Fee	\$0	\$0	\$0	\$0	\$0	\$81,056	\$81,056	-\$81,056	\$0
70730 Book Keeping Fee	\$0	\$0	\$0	\$0	\$0	\$155,507	\$155,507	-\$155,507	\$0
70700 Total Fee Revenue	\$0	\$0	\$0	\$0	\$0	\$886,199	\$886,199	-\$886,199	\$0
70800 Other Government Grants	\$113,183	\$0	\$44,718	\$0	\$0	\$0	\$192,461	\$0	\$192,461
71100 Investment Income - Unrestricted	\$0	\$0	\$0	\$0	\$0	\$10,936	\$20,427	\$0	\$20,427
71400 Fraud Recovery	\$0	\$0	\$0	\$0	\$0	\$0	\$7,427	\$0	\$7,427
71500 Other Revenue	\$0	\$0	\$0	\$0	\$0	\$155,808	\$240,713	\$0	\$240,713
72000 Investment Income - Restricted	\$0	\$0	\$0	\$0	\$0	\$53	\$46,344	\$0	\$46,344
70000 Total Revenue	\$113,183	\$0	\$44,718	\$0	\$0	\$1,052,996	\$11,889,112	-\$886,199	\$11,002,913
91100 Administrative Salaries	\$0	\$0	\$0	\$0	\$0	\$400,384	\$861,890	\$0	\$861,890
91200 Auditing Fees	\$0	\$0	\$0	\$0	\$0	\$1,027	\$36,321	\$0	\$36,321
91300 Management Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$649,636	-\$649,636	\$0
91310 Book-keeping Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$155,507	-\$155,507	\$0
91400 Advertising and Marketing	\$0	\$0	\$0	\$0	\$0	\$3,722	\$7,586	\$0	\$7,586
91500 Employee Benefit contributions - Administrative	\$0	\$0	\$0	\$0	\$0	\$74,462	\$259,207	\$0	\$259,207

Springfield Metropolitan Housing
 Authority (OH021)
 Financial Data Schedule - Entity Wide
 Revenue and Expense Summary
 Fiscal Year End: 09/30/2018

	14.238 Shelter Plus Care	14.884 Competitive Capital Fund Stimulus Grant	14.239 HOME Investment Partnerships Program	8 Other Federal Program 1	1 Business Activities	COCC	Subtotal	ELIM	Total
91600 Office Expenses	\$0	\$0	\$0	\$0	\$0	\$66,304	\$294,826	\$0	\$294,826
91700 Legal Expense	\$0	\$0	\$0	\$0	\$0	\$21,991	\$37,150	\$0	\$37,150
91800 Travel	\$0	\$0	\$0	\$0	\$0	\$6,836	\$34,495	\$0	\$34,495
91900 Other	\$0	\$0	\$0	\$0	\$0	\$55,029	\$170,005	\$0	\$170,005
91000 Total Operating - Administrative	\$0	\$0	\$0	\$0	\$0	\$629,755	\$2,506,623	-\$805,143	\$1,701,480
92000 Asset Management Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$81,056	-\$81,056	\$0
92100 Tenant Services - Salaries	\$0	\$0	\$0	\$0	\$0	\$0	\$289,247	\$0	\$289,247
92200 Relocation Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$1,505	\$0	\$1,505
92300 Employee Benefit Contributions - Tenant Services	\$0	\$0	\$0	\$0	\$0	\$0	\$72,661	\$0	\$72,661
92400 Tenant Services - Other	\$0	\$0	\$0	\$0	\$0	\$29	\$9,982	\$0	\$9,982
92500 Total Tenant Services	\$0	\$0	\$0	\$0	\$0	\$29	\$373,395	\$0	\$373,395
93100 Water	\$0	\$0	\$0	\$0	\$0	\$6,355	\$157,901	\$0	\$157,901
93200 Electricity	\$0	\$0	\$0	\$0	\$0	\$17,008	\$326,235	\$0	\$326,235
93300 Gas	\$0	\$0	\$0	\$0	\$0	\$14,121	\$153,030	\$0	\$153,030
93600 Sewer	\$0	\$0	\$0	\$0	\$0	\$8,577	\$253,686	\$0	\$253,686
93000 Total Utilities	\$0	\$0	\$0	\$0	\$0	\$46,061	\$890,852	\$0	\$890,852
94100 Ordinary Maintenance and Operations - Labor	\$0	\$0	\$0	\$0	\$0	\$2,687	\$527,366	\$0	\$527,366
94200 Ordinary Maintenance and Operations - Materials and Other	\$0	\$0	\$0	\$0	\$0	\$21,798	\$174,248	\$0	\$174,248
94300 Ordinary Maintenance and Operations Contracts	\$0	\$0	\$0	\$0	\$0	\$68,030	\$755,431	\$0	\$755,431

Springfield Metropolitan Housing
Authority (OH021)
Financial Data Schedule - Entity Wide
Revenue and Expense Summary
Fiscal Year End: 09/30/2018

	14.238 Shelter Plus Care	14.884 Competitive Capital Fund Stimulus Grant	14.239 HOME Investment Partnerships Program	8 Other Federal Program 1	1 Business Activities	COCC	Subtotal	ELIM	Total
94500 Employee Benefit Contributions - Ordinary Maintenance	\$0	\$0	\$0	\$0	\$0	\$0	\$194,699	\$0	\$194,699
94000 Total Maintenance	\$0	\$0	\$0	\$0	\$0	\$92,515	\$1,651,744	\$0	\$1,651,744
95200 Protective Services - Other Contract Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$15,000	\$0	\$15,000
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0	\$0	\$15,000	\$0	\$15,000
96110 Property Insurance	\$0	\$0	\$0	\$0	\$0	\$7,378	\$130,950	\$0	\$130,950
96120 Liability Insurance	\$0	\$0	\$0	\$0	\$0	\$3,203	\$35,044	\$0	\$35,044
96130 Workmen's Compensation	\$0	\$0	\$0	\$0	\$0	\$1,152	\$5,418	\$0	\$5,418
96100 Total insurance Premiums	\$0	\$0	\$0	\$0	\$0	\$11,733	\$171,412	\$0	\$171,412
96200 Other General Expenses	\$13,431	\$0	\$4,530	\$0	\$0	\$41,885	\$538,804	\$0	\$538,804
96210 Compensated Absences	\$0	\$0	\$0	\$0	\$0	\$350	\$5,025	\$0	\$5,025
96400 Bad debt - Tenant Rents	\$0	\$0	\$0	\$0	\$0	\$0	\$97,534	\$0	\$97,534
96800 Severance Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$25,568	\$0	\$25,568
96000 Total Other General Expenses	\$13,431	\$0	\$4,530	\$0	\$0	\$42,235	\$666,931	\$0	\$666,931
96710 Interest of Mortgage (or Bonds) Payable	\$0	\$0	\$0	\$0	\$0	\$0	\$50,778	\$0	\$50,778
96720 Interest on Notes Payable (Short and Long Term)	\$0	\$0	\$0	\$0	\$0	\$0	\$10,918	\$0	\$10,918
96730 Amortization of Bond Issue Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$20,741	\$0	\$20,741
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$82,437	\$0	\$82,437
96900 Total Operating Expenses	\$13,431	\$0	\$4,530	\$0	\$0	\$822,328	\$6,439,450	-\$886,199	\$5,553,251

Springfield Metropolitan Housing
Authority (OH021)
Financial Data Schedule - Entity Wide
Revenue and Expense Summary
Fiscal Year End: 09/30/2018

	14.238 Shelter Plus Care	14.884 Competitive Capital Fund Stimulus Grant	14.239 HOME Investment Partnerships Program	8 Other Federal Program 1	1 Business Activities	COCC	Subtotal	ELIM	Total
97000 Excess of Operating Revenue over Operating Expenses	\$99,752	\$0	\$40,188	\$0	\$0	\$230,668	\$5,449,662	\$0	\$5,449,662
97300 Housing Assistance Payments	\$99,345	\$0	\$41,215	\$0	\$0	\$0	\$5,326,891	\$0	\$5,326,891
97350 HAP Portability-In	\$0	\$0	\$0	\$0	\$0	\$0	\$9,467	\$0	\$9,467
97400 Depreciation Expense	\$0	\$0	\$0	\$0	\$0	\$3,614	\$2,062,168	\$0	\$2,062,168
90000 Total Expenses	\$112,776	\$0	\$45,745	\$0	\$0	\$825,942	\$13,837,976	-\$886,199	\$12,951,777
10010 Operating Transfer In	\$0	\$0	\$0	\$0	\$0	\$0	\$497,694	-\$497,694	\$0
10020 Operating transfer Out	\$0	\$0	\$0	\$0	\$0	\$0	-\$497,694	\$497,694	\$0
10080 Special Items (Net Gain/Loss)	\$0	\$0	\$0	\$0	\$0	\$44,404	\$173,826	\$0	\$173,826
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$44,404	\$173,826	\$0	\$173,826
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$407	\$0	-\$1,027	\$0	\$0	\$271,458	-\$1,775,038	\$0	-\$1,775,038
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$108,232	\$0	\$108,232
11030 Beginning Equity	\$33,413	\$0	\$8,542	\$0	\$0	\$749,139	\$32,036,028	\$0	\$32,036,028
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0	\$0	\$0	\$0	\$0	-\$488,105	-\$981,301	\$0	-\$981,301
11170 Administrative Fee Equity	\$0	\$0	\$0	\$0	\$0	\$0	-\$121,303	\$0	-\$121,303
11180 Housing Assistance Payments Equity	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11190 Unit Months Available	300	0	96	0	0	0	27,636	0	27,636
11210 Number of Unit Months Leased	257	0	82	0	0	0	24,025	0	24,025
11620 Building Purchases	\$0	\$0	\$0	\$0	\$0	\$0	\$183,050	\$0	\$183,050

Springfield Metropolitan Housing Authority (OH021)

Project Balance Sheet Summary

Fiscal Year End: 09/30/2018

	OH021000022	OH021000023	OH021000024	OH021000025	OTHER PROJ	Total
111 Cash - Unrestricted	\$80,839	\$161,693	\$31,409	\$92,789	\$113,690	\$480,420
114 Cash - Tenant Security Deposits	\$14,500	\$16,881	\$17,841	\$16,155	\$0	\$65,377
100 Total Cash	\$95,339	\$178,574	\$49,250	\$108,944	\$113,690	\$545,797
122 Accounts Receivable - HUD Other Projects	\$8,270	\$545	\$8,283	\$426	\$422	\$17,946
125 Accounts Receivable - Miscellaneous	\$4	\$129	\$856	\$4	\$3,300	\$4,293
126 Accounts Receivable - Tenants	\$6,751	\$5,863	\$2,878	\$5,331	\$0	\$20,823
126.1 Allowance for Doubtful Accounts -Tenants	(\$1,560)	(\$1,734)	(\$921)	(\$1,706)	\$0	(\$5,921)
128.1 Allowance for Doubtful Accounts - Fraud	\$0	\$0	(\$9)	\$0	\$0	(\$9)
129 Accrued Interest Receivable	\$68	\$846	\$819	\$1,108	\$0	\$2,841
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$13,533	\$5,649	\$11,906	\$5,163	\$3,722	\$39,973
131 Investments - Unrestricted	\$50,000	\$150,000	\$150,000	\$250,000	\$0	\$600,000
142 Prepaid Expenses and Other Assets	\$2,577	\$5,648	\$6,595	\$5,564	\$0	\$20,384
143 Inventories	\$17,467	\$23,059	\$28,608	\$17,363	\$0	\$86,497
143.1 Allowance for Obsolete Inventories	(\$5,590)	(\$7,379)	(\$9,155)	(\$5,556)	\$0	(\$27,680)
150 Total Current Assets	\$173,326	\$355,551	\$237,204	\$381,478	\$117,412	\$1,264,971
161 Land	\$210,838	\$404,648	\$759,463	\$577,222	\$0	\$1,952,171
162 Buildings	\$8,327,086	\$6,951,565	\$7,562,502	\$7,403,196	\$9,825	\$30,254,174
163 Furniture, Equipment & Machinery - Dwellings	\$648,308	\$155,021	\$186,052	\$86,929	\$0	\$1,076,310
164 Furniture, Equipment & Machinery - Administration	\$38,983	\$78,364	\$102,861	\$90,548	\$14,931	\$325,687
165 Leasehold Improvements	\$0	\$0	\$0	\$0	\$0	\$0
166 Accumulated Depreciation	(\$6,577,230)	(\$5,155,742)	(\$5,864,841)	(\$5,467,869)	(\$17,220)	(\$23,082,902)

Springfield Metropolitan Housing Authority (OH021)

Project Balance Sheet Summary

Fiscal Year End: 09/30/2018

	OH021000022	OH021000023	OH021000024	OH021000025	OTHER PROJ	Total
160 Total Capital Assets, Net of Accumulated Depreciation	\$2,647,985	\$2,433,856	\$2,746,037	\$2,690,026	\$7,536	\$10,525,440
180 Total Non-Current Assets	\$2,647,985	\$2,433,856	\$2,746,037	\$2,690,026	\$7,536	\$10,525,440
200 Deferred Outflow of Resources	\$88,040	\$87,125	\$56,102	\$61,703	\$0	\$292,970
290 Total Assets and Deferred Outflow of Resources	\$2,909,351	\$2,876,532	\$3,039,343	\$3,133,207	\$124,948	\$12,083,381
312 Accounts Payable <= 90 Days	\$12,492	\$9,602	\$12,355	\$59,019	\$3,300	\$96,768
321 Accrued Wage/Payroll Taxes Payable	\$1,678	\$5,520	\$3,304	\$7,091	\$0	\$17,593
322 Accrued Compensated Absences - Current Portion	\$513	\$3,432	\$5,605	\$2,341	\$0	\$11,891
341 Tenant Security Deposits	\$14,500	\$16,881	\$17,841	\$16,155	\$0	\$65,377
342 Unearned Revenue	\$2,233	\$4,283	\$6,401	\$4,308	\$0	\$17,225
346 Accrued Liabilities - Other	\$1,983	\$6,318	\$7,415	\$0	\$0	\$15,716
310 Total Current Liabilities	\$33,399	\$46,036	\$52,921	\$88,914	\$3,300	\$224,570
354 Accrued Compensated Absences - Non Current	\$1,538	\$10,297	\$16,814	\$7,022	\$0	\$35,671
357 Accrued Pension and OPEB Liabilities	\$327,041	\$431,694	\$327,041	\$327,041	\$0	\$1,412,817
350 Total Non-Current Liabilities	\$328,579	\$441,991	\$343,855	\$334,063	\$0	\$1,448,488
300 Total Liabilities	\$361,978	\$488,027	\$396,776	\$422,977	\$3,300	\$1,673,058
400 Deferred Inflow of Resources	\$57,823	\$76,093	\$69,096	\$57,639	\$0	\$260,651

Springfield Metropolitan Housing Authority (OH021)

Project Balance Sheet Summary

Fiscal Year End: 09/30/2018

	OH021000022	OH021000023	OH021000024	OH021000025	OTHER PROJ	Total
508.4 Net Investment in Capital Assets	\$2,647,985	\$2,433,856	\$2,746,037	\$2,690,026	\$7,536	\$10,525,440
511.4 Restricted Net Position	\$0	\$0	\$0	\$0	\$0	\$0
512.4 Unrestricted Net Position	(\$158,435)	(\$121,444)	(\$172,566)	(\$37,435)	\$114,112	(\$375,768)
513 Total Equity - Net Assets / Position	\$2,489,550	\$2,312,412	\$2,573,471	\$2,652,591	\$121,648	\$10,149,672
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$2,909,351	\$2,876,532	\$3,039,343	\$3,133,207	\$124,948	\$12,083,381

Springfield Metropolitan Housing Authority (OH021)

Project Revenue and Expense Summary

Fiscal Year End: 09/30/2018

	OH021000022	OH021000023	OH021000024	OH021000025	OTHER PROJ	Total
70300 Net Tenant Rental Revenue	\$266,378	\$392,708	\$400,740	\$398,684	\$0	\$1,458,510
70400 Tenant Revenue - Other	\$31,407	\$11,900	\$18,915	\$18,536	\$0	\$80,758
70500 Total Tenant Revenue	\$297,785	\$404,608	\$419,655	\$417,220	\$0	\$1,539,268
70600 HUD PHA Operating Grants	\$500,757	\$605,481	\$495,506	\$476,491	\$409,004	\$2,487,239
70610 Capital Grants	\$41,366	\$29,182	\$62,765	\$49,737	\$0	\$183,050
71100 Investment Income - Unrestricted	\$299	\$1,699	\$299	\$3,468	\$0	\$5,765
71500 Other Revenue	\$2,400	\$2,400	\$4,775	\$34,307	\$0	\$43,882
72000 Investment Income - Restricted	\$5	\$6	\$5	\$6	\$4	\$26
70000 Total Revenue	\$842,612	\$1,043,376	\$983,005	\$981,229	\$409,008	\$4,259,230
91100 Administrative Salaries	\$55,482	\$65,230	\$100,756	\$88,072	\$0	\$309,540
91200 Auditing Fees	\$1,890	\$2,200	\$2,064	\$1,999	\$1,039	\$9,192
91300 Management Fee	\$121,724	\$141,783	\$131,089	\$127,679	\$0	\$522,275
91310 Book-keeping Fee	\$13,433	\$15,645	\$14,422	\$14,040	\$0	\$57,540
91400 Advertising and Marketing	\$317	\$546	\$340	\$1,288	\$0	\$2,491
91500 Employee Benefit contributions - Administrative	\$22,043	\$32,920	\$38,590	\$41,357	\$0	\$134,910
91600 Office Expenses	\$33,994	\$33,625	\$38,165	\$23,325	\$0	\$129,109
91700 Legal Expense	\$5,000	\$400	\$3,585	\$2,700	\$690	\$12,375
91800 Travel	\$4,009	\$643	\$9,195	\$3,917	\$0	\$17,764
91900 Other	\$1,474	\$1,724	\$1,620	\$1,570	\$0	\$6,388
91000 Total Operating - Administrative	\$259,366	\$294,716	\$339,826	\$305,947	\$1,729	\$1,201,584
92000 Asset Management Fee	\$18,240	\$21,200	\$19,840	\$19,400	\$0	\$78,680

Springfield Metropolitan Housing Authority (OH021)

Project Revenue and Expense Summary

Fiscal Year End: 09/30/2018

	OH021000022	OH021000023	OH021000024	OH021000025	OTHER PROJ	Total
92100 Tenant Services - Salaries	\$2,131	\$2,481	\$2,328	\$2,271	\$0	\$9,211
92200 Relocation Costs	\$0	\$361	\$549	\$595	\$0	\$1,505
92300 Employee Benefit Contributions - Tenant Services	\$31	\$36	\$34	\$33	\$0	\$134
92400 Tenant Services - Other	\$7	\$1,997	\$733	\$1,031	\$0	\$3,768
92500 Total Tenant Services	\$2,169	\$4,875	\$3,644	\$3,930	\$0	\$14,618
93100 Water	\$32,891	\$25,750	\$38,269	\$25,243	\$0	\$122,153
93200 Electricity	\$71,191	\$73,663	\$74,662	\$82,050	\$0	\$301,566
93300 Gas	\$42,021	\$30,738	\$28,763	\$29,200	\$0	\$130,722
93600 Sewer	\$66,647	\$47,534	\$62,366	\$44,740	\$0	\$221,287
93000 Total Utilities	\$212,750	\$177,685	\$204,060	\$181,233	\$0	\$775,728
94100 Ordinary Maintenance and Operations - Labor	\$86,285	\$149,194	\$95,510	\$91,487	\$0	\$422,476
94200 Ordinary Maintenance and Operations - Materials and	\$21,707	\$27,443	\$38,614	\$28,728	\$0	\$116,492
94300 Ordinary Maintenance and Operations Contracts	\$107,619	\$154,183	\$167,609	\$156,196	\$307	\$585,914
94500 Employee Benefit Contributions - Ordinary Maintenance	\$32,811	\$62,626	\$54,106	\$45,156	\$0	\$194,699
94000 Total Maintenance	\$248,422	\$393,446	\$355,839	\$321,567	\$307	\$1,319,581
95200 Protective Services - Other Contract Costs	\$3,750	\$3,750	\$3,750	\$3,750	\$0	\$15,000
95000 Total Protective Services	\$3,750	\$3,750	\$3,750	\$3,750	\$0	\$15,000
96110 Property Insurance	\$5,863	\$21,474	\$28,337	\$23,289	\$0	\$78,963
96120 Liability Insurance	\$6,876	\$8,167	\$7,518	\$7,551	\$0	\$30,112

Springfield Metropolitan Housing Authority (OH021)

Project Revenue and Expense Summary

Fiscal Year End: 09/30/2018

	OH021000022	OH021000023	OH021000024	OH021000025	OTHER PROJ	Total
96130 Workmen's Compensation	\$217	\$42	\$1,168	\$739	\$0	\$2,166
96100 Total insurance Premiums	\$12,956	\$29,683	\$37,023	\$31,579	\$0	\$111,241
96200 Other General Expenses	\$0	\$0	\$1,363	\$0	\$375,555	\$376,918
96400 Bad debt - Tenant Rents	\$31,210	-\$1,031	\$14,546	\$13,772	\$0	\$58,497
96800 Severance Expense	\$0	\$1,959		\$23,609	\$0	\$25,568
96000 Total Other General Expenses	\$31,210	\$928	\$15,909	\$37,381	\$375,555	\$460,983
96900 Total Operating Expenses	\$788,863	\$926,283	\$979,891	\$904,787	\$377,591	\$3,977,415
97000 Excess of Operating Revenue over Operating Expenses	\$53,749	\$117,093	\$3,114	\$76,442	\$31,417	\$281,815
97400 Depreciation Expense	\$255,627	\$207,762	\$199,950	\$189,370	\$654	\$853,363
90000 Total Expenses	\$1,044,490	\$1,134,045	\$1,179,841	\$1,094,157	\$378,245	\$4,830,778
10010 Operating Transfer In	\$90,800	\$125,145	\$137,238	\$124,135	\$20,376	\$497,694
10020 Operating transfer Out	-\$90,800	-\$125,145	-\$137,238	-\$124,135	-\$20,376	-\$497,694
10080 Special Items (Net Gain/Loss)	-\$29,724	-\$25,140	-\$8,707	-\$16,814	\$0	-\$80,385
10100 Total Other financing Sources (Uses)	-\$29,724	-\$25,140	-\$8,707	-\$16,814	\$0	-\$80,385
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	-\$231,602	-\$115,809	-\$205,543	-\$129,742	\$30,763	-\$651,933
11030 Beginning Equity	\$2,842,528	\$2,574,664	\$2,872,623	\$2,889,361	\$147,224	\$11,326,400
11040 Prior Period Adjustments, Equity Transfers and	-\$121,376	-\$146,443	-\$93,609	-\$107,028	-\$56,339	-\$524,795

Springfield Metropolitan Housing Authority (OH021)

Project Revenue and Expense Summary

Fiscal Year End: 09/30/2018

	OH021000022	OH021000023	OH021000024	OH021000025	OTHER PROJ	Total
Correction						
11190 Unit Months Available	1,824	2,124	1,992	1,944	1,584	9,468
11210 Number of Unit Months Leased	1,791	2,088	1,920	1,876	1,404	9,079
11620 Building Purchases	\$41,366	\$29,182	\$62,765	\$49,737	\$0	\$183,050

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Springfield Metropolitan Housing Authority
 Schedule of Expenditures of Federal Awards
 Year Ended September 30, 2018

FEDERAL GRANTOR / PASS THROUGH GRANTOR PROGRAM TITLES	CFDA NUMBER	EXPENDITURES
<u>U.S. Department of Housing and Urban Development:</u>		
<i>Direct Programs:</i>		
PHA Owned Housing:		
Public and Indian Housing	14.850	\$ 2,266,128
Public Housing Capital Fund	14.872	404,161
PIH Family Self-Sufficiency	14.896	91,457
Residence Opportunity Self Sufficiency	14.870	72,173
		2,833,919
Housing Assistance Payments: Annual Contribution		
Housing choice vouchers	14.871	5,318,478
Mainstream vouchers	14.879	179,265
Total Housing Choice Voucher - Cluster		5,497,743
<i>Passed through City of Springfield:</i>		
Shelter Plus Care	14.238	113,183
HOME Investment Partnership Program	14.239	44,718
		157,901
Total U.S. Department of Housing and Urban Development		8,489,563
<u>U.S. Department of Health and Human Services:</u>		
<i>Passed through Ohio Department Alcohol, Drug Addiction Services</i>		
<i>Passed through Mental Health and Recovery Board of Clark, Madison and Greene Counties:</i>		
Block Grant for Prevention and Treatment of Substance Abuse	93.959	34,560
		34,560
Total Expenditure of Federal Award		\$ 8,524,123

Springfield Metropolitan Housing Authority
Notes to the Schedule of Expenditure of Federal Awards
For the Year Ended September 30, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Authority and is presented on the full accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

The Authority has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE B – SUBRECIPIENTS

The Authority provided no federal awards to subrecipients during the fiscal year ending September 30, 2018.

NOTE C – DISCLOSURE OF OTHER FORMS OF ASSISTANCE

The Authority received no federal awards of non-monetary assistance that are required to be disclosed for the fiscal year ended September 30, 2018.

The Authority had no loans, loan guarantees, or federally restricted endowment funds required to be disclosed for the fiscal year ended September 30, 2018.

Springfield Metropolitan Housing Authority
Statement of Certification of Actual Modernization Costs
September 30, 2018

CFP Program Number OH16P021

Capital Fund Program Number:	<u>501-14</u>	<u>501-15</u>	<u>501-16</u>
1. The Program Costs are as follows:			
Funds Approved	\$ 856,488	\$ 879,474	\$ 915,859
Funds Expended	<u>\$ 856,488</u>	<u>\$ 879,474</u>	<u>\$ 915,859</u>
Excess (Deficiency) of Funds Approved	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Funds Approved	\$ 856,488	\$ 879,474	\$ 915,859
Funds Expended	<u>\$ 856,488</u>	<u>\$ 879,474</u>	<u>\$ 915,859</u>
Excess (Deficiency) of Funds Approved	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
2. All Costs have been paid and there are no outstanding obligations	Yes	Yes	Yes
3. The Final Financial Status Report was signed and filed on:	01/09/18	01/09/18	04/19/18
4. The Final Costs on the Certification agree with the Authority's records	Yes	Yes	Yes

Springfield Metropolitan Housing Authority
Statement of Certification of Actual Modernization Costs
September 30, 2018

CFRG Program Number OH021S021

Capital Fund Recovery Program Number:	<u>501-09</u>
1. The Program Costs are as follows:	
Funds Approved	\$ 1,524,221
Funds Expended	<u>\$ 1,170,981</u>
Excess (Deficiency) of Funds Approved	<u>\$ 353,240</u>
Funds Approved	\$ 1,170,981
Funds Expended	<u>\$ 1,170,981</u>
Excess (Deficiency) of Funds Approved	<u>\$ -</u>
2. All Costs have been paid and there are no outstanding obligations	Yes
3. The Final Financial Status Report was signed and filed on:	02/08/18
4. The Final Costs on the Certification agree with the Authority's records	Yes

Springfield Metropolitan Housing Authority
Required Supplementary Information
Schedule of the Authority's Proportionate Share of the Net Pension Liability
Ohio Public Employees Retirement System
Last Five Fiscal Years (1)

Traditional Plan	2018	2017	2016	2015	2014
Authority's Proportion of the Net Pension Liability	0.009949%	0.010028%	0.009973%	0.006927%	0.006927%
Authority's Proportionate Share of the Net Pension Liability	\$1,560,805	\$2,277,188	\$1,727,449	\$1,161,124	\$1,134,898
Authority's Covered Payroll	\$1,314,731	\$1,296,263	\$1,241,215	\$1,180,320	\$1,200,819
Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	118.72%	175.67%	139.17%	98.37%	94.51%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.66%	77.25%	81.08%	86.45%	86.36%
Combined Plan	2018	2017	2016	2015	2014
Authority's Proportion of the Net Pension Asset	0.015251%	0.015475%	0.015460%	0.015625%	0.015625%
Authority's Proportionate Share of the Net Pension (Asset)	(\$20,762)	(\$8,613)	(\$7,523)	(\$6,016)	(\$1,640)
Authority's Covered Payroll	\$62,461	\$60,237	\$56,249	\$57,115	\$58,107
Authority's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Payroll	33.24%	14.30%	13.37%	10.53%	2.82%
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset	137.28%	116.55%	116.90%	114.83%	104.33%

(1) - Information prior to 2014 is not available. Schedule is intended to show ten years of information, and additional years' will be displayed as it becomes available.

Amounts presented as of the Authority's measurement date, which is the prior calendar year end.

See accompanying notes to the required supplementary information

Springfield Metropolitan Housing Authority
 Required Supplementary Information
 Schedule of the Authority's Proportionate Share of the Net OPEB Liability
 Ohio Public Employees Retirement System
 Last Two Fiscal Years (1)

	2018	2017
Authority's Proportion of the Net OPEB Liability	0.009720%	0.009820%
Authority's Proportionate Share of the Net OPEB Liability	\$ 1,055,520	\$ 991,853
Authority's Covered Payroll	\$ 1,377,194	\$ 1,356,499
Authority's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	76.64%	73.12%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	54.14%	54.05%

(1) Information prior to 2017 is not available. Schedule is intended to show ten years of information, and additional years' will be displayed as it becomes available.

Amounts presented as of the Authority's measurement date, which is the prior calendar year end.

See accompanying notes to the required supplementary information

Springfield Metropolitan Housing Authority
Required Supplementary Information
Schedule of the Authority's Contributions - Pension
Ohio Public Employees Retirement System
Last Ten Fiscal Years

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<u>Contractually Required Contributions</u>										
Traditional Plan	186,773	173,446	154,327	145,731	147,017	198,204	166,626	203,514	176,961	163,031
Combined Plan	8,803	8,205	7,209	6,600	4,187	5,644	4,745	5,795	5,039	5,039
Total Required Contributions	\$195,576	\$181,651	\$161,536	\$152,331	\$151,204	\$203,848	\$171,371	\$209,309	\$182,000	\$168,070
Contributions in Relation to the Contractually Required Contribution										
	(\$195,576)	(\$181,651)	(\$161,536)	(\$152,331)	(\$151,204)	(\$203,848)	(\$171,371)	(\$209,309)	(\$182,000)	(\$168,070)
Contribution Deficiency / (Excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<u>Authority's Covered Payroll</u>										
Traditional Plan	1,356,068	1,361,415	\$1,286,058	\$1,214,425	\$1,225,142	\$1,524,646	\$1,666,260	\$2,035,140	\$1,966,233	\$1,918,012
Combined Plan	63,905	64,403	\$60,075	\$55,000	\$34,892	\$43,415	\$59,686	\$72,893	\$51,576	\$54,358
<u>Pension Contributions as a Percentage of Covered Payroll</u>										
Traditional Plan	13.77%	12.74%	12.00%	12.00%	12.00%	13.00%	10.00%	10.00%	9.00%	8.50%
Combined Plan	13.78%	12.74%	12.00%	12.00%	12.00%	13.00%	7.95%	7.95%	9.77%	9.27%

(1) – Information prior to 2010 is not available for classification of OPERS contributions by plan. Total contributions reported include any amounts contributed to the Member-Directed plan.

See accompanying notes to the required supplementary information

Springfield Metropolitan Housing Authority
 Required Supplementary Information
 Schedule of the Authority's Proportionate Share of the Net OPEB Liability
 Ohio Public Employees Retirement System
 Last Two Fiscal Years (1)

	2018	2017
Authority's Proportion of the Net OPEB Liability	0.009720%	0.009820%
Authority's Proportionate Share of the Net OPEB Liability	\$ 1,055,520	\$ 991,853
Authority's Covered Payroll	\$ 1,377,194	\$ 1,356,499
Authority's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	76.64%	73.12%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	54.14%	54.05%

(1) Information prior to 2017 is not available. Schedule is intended to show ten years of information, and additional years' will be displayed as it becomes available.

Amounts presented as of the Authority's measurement date, which is the prior calendar year end.

See accompanying notes to the required supplementary information

Springfield Metropolitan Housing Authority
Notes to the Required Supplementary Information
For the Year Ended September 30, 2018

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Net Pension Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2014-2018.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016 and 2018. For 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the expected investment return was reduced from 8.00% to 7.50%, (b) the expected long-term average wage inflation rate was reduced from 3.75% to 3.25%, (c) the expected long-term average price inflation rate was reduced from 3.00% to 2.50%, (d) Rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality rates were updated to the RP-2014 Health Annuitant Mortality Table, adjusted for mortality improvement back to the observant period base year of 2006 and then established the base year as 2015 (f) mortality rates used in evaluating disability allowances were updated to the RP-2014 Disabled Mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and a base year of 2015 for males and 2010 for females (g) Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

Net OPEB Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2018.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2018.

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14129 State Road
North Royalton, Ohio 44133
Phone (440) 877-9870
Fax (440) 877-9237
sconsiglio@salcpa.com

**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, 2018, 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 29, 2019. My report includes a reference to other auditors who audited the financial statements of Lincoln Park Housing Partnership LP, Lincoln Park Housing Partnership II LP and Lincoln Park Housing Partnership III LP, as described in my report on the Springfield Metropolitan Housing Authority financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

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. Therefore, unidentified material weaknesses or significant deficiencies may exist. 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.

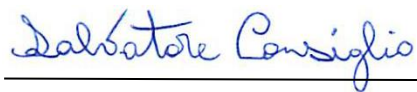
Compliance and Other Matters

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*.

I did note certain matter not requiring inclusion in this report that reported to the Authority management in a separate letter dated March 29, 2019.

Purpose of this Report

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



Salvatore Consiglio, CPA, Inc.
North Royalton, Ohio
March 29, 2019



14129 State Road
North Royalton, Ohio 44133
Phone (440) 877-9870
Fax (440) 877-9237
sconsiglio@salcpa.com

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

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 Compliance Supplement* that could have a direct and material effect on the Springfield Metropolitan Housing Authority's major federal program for the year ended September 30, 2018. The Authority's major federal program is 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 the Springfield Metropolitan Housing Authority's major federal program 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 the audit requirement of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 its major federal programs for the year ended September 30, 2018.

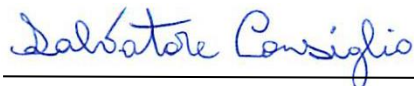
Report on Internal Control over Compliance

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 Uniform Guidance, 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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Salvatore Consiglio, CPA, Inc.
North Royalton, Ohio
March 29, 2019

Springfield Metropolitan Housing Authority
 Schedule of Findings
 2 CFR § 200.515
 September 30, 2018

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 Major Programs' Compliance Opinion	Unmodified
Are there any reportable findings under 2 CFR § 200.516(a)?	No
Major Programs (list):	CFDA # 14.850 Low Rent Public Housing Program
Dollar Threshold: Type A/B Programs	Type A: > \$750,000 Type B: All Others
Low Risk Auditee under 2 CFR § 200.520?	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, 2018.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There are no findings or questioned costs for the year ended September 30, 2018.

Springfield Metropolitan Housing Authority
 Schedule of Prior Audit Findings
 September 30, 2018

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2016-001	The Authority should have in place a system of controls to review the financial statements prior to issuance, to ascertain that the financial statements are complete and fairly presented.	No	Partially Corrected. The annual financial report filed with the Auditor of State required some adjustment and clean up for proper presentation.

OHIO AUDITOR OF STATE KEITH FABER



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 9, 2019**