

**GREENE METROPOLITAN  
HOUSING AUTHORITY**

**BASIC FINANCIAL STATEMENTS  
AND SINGLE AUDIT**

**FOR THE FISCAL YEAR  
ENDED MARCH 31, 2014**

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





# Dave Yost • Auditor of State

Board of Directors  
Greene Metropolitan Housing Authority  
538 North Detroit Street  
Xenia, Ohio 45385

We have reviewed the *Independent Auditor's Report* of the Greene Metropolitan Housing Authority, Greene County, prepared by James G. Zupka, CPA, Inc., for the audit period April 1, 2013 through March 31, 2014. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost  
Auditor of State

November 7, 2014

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**GREENE METROPOLITAN HOUSING AUTHORITY  
BASIC FINANCIAL STATEMENTS AND SINGLE AUDIT  
FOR THE FISCAL YEAR ENDED MARCH 31, 2014**

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

*Certified Public Accountants*

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

*Garfield Hts., Ohio 44125*

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**INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Greene Metropolitan Housing Authority  
Xenia, Ohio

Regional Inspector General of Audit  
Department of Housing and Urban  
Development

**Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities of the Greene Metropolitan Housing Authority, Ohio as of and for the year ended March 31, 2014, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

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

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

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Greene Metropolitan Housing Authority, as of March 31, 2014, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis information on pages 4 through 10 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Greene Metropolitan Housing Authority, Ohio's basic financial statements. The accompanying Supplemental Financial Data Schedules are presented for additional analysis and are not a required part of the basic financial statements of the Greene Metropolitan Housing Authority. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The above noted schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare basic the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplemental Financial Data Schedules and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the financial statements as a whole.



## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 19, 2014, on our consideration of the Greene Metropolitan Housing Authority, Ohio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Greene Metropolitan Housing Authority, Ohio's internal control over financial reporting and compliance.

James G. Zupka,  
CPA, President

Digitally signed by James G. Zupka, CPA,  
President  
DN: cn=James G. Zupka, CPA, President,  
o=James G. Zupka, CPA, Inc., ou=Accounting,  
email=jgzcpa@sbcglobal.net, c=US  
Date: 2014.10.31 12:20:09 -04'00'

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

September 19, 2014

**GREENE METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2014  
(Unaudited)**

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The Greene Metropolitan Housing Authority’s (the “Authority”) Management’s Discussion and Analysis is designed to **a)** assist the reader in focusing on significant financial issues, **b)** provide an overview of the Authority’s financial activity, **c)** identify changes in the Authority’s financial position (its ability to address the next and subsequent fiscal year challenges), and **d)** identify individual fund issues or concerns.

Since the Management’s Discussion and Analysis (MD&A) is designed to focus on the current year activities, resulting changes and current known facts, please read it in conjunction with the Authority’s financial statements, which begin on page 11.

**Financial Highlights**

During the fiscal year ending March 31, 2014:

- The Authority’s net position decreased by \$407,594 which is a 4 percent decrease from the prior year.
- Total liabilities decreased by \$124,544 or 10 percent.
- The Authority’s revenue (net of cost of sale) decreased by \$148,529 or 1 percent.
- The total expenses of the Authority decreased by \$50,617 or 0.5 percent.

**Using This Annual Report**

This report includes three major sections, the Management’s Discussion and Analysis (MD&A), the Basic Financial Statements, and Other Required Supplementary Information.

**MD&A**

Management’s Discussion and Analysis

**Basic Financial Statements**

Authority-Wide Financial Statements  
Notes to the Basic Financial Statements

**Other Required Supplementary Information**

Required Supplementary Information - Schedule of Expenditures and Federal Awards

The primary focus of the Authority’s financial statement is on the Authority as a whole (Authority-wide).

**GREENE METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)  
FOR THE FISCAL YEAR ENDED MARCH 31, 2014  
(Unaudited)**

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**Overview of the Financial Statements**

The financial statements provide information about the Authority’s overall financial position and results of operations. 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 the Financial Statements” section that provides additional information that is essential to a full understanding of the data provided in the Authority-wide statements.

The 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 Investment in Capital Assets* This component of net position consists of all capital assets, reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- *Restricted Net Position* This component of net position consists of restricted assets on which constraints are placed by grantors, contributors, laws, regulations, etc.
- *Unrestricted Net Position* Consists of net position that do not meet the definition of “Net Investment in Capital Assets”, or “Restricted Net Position”.

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

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

The Authority administers several programs that are presented as a single business activity enterprise.

**GREENE METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
FOR THE FISCAL YEAR ENDED MARCH 31, 2014  
(Unaudited)**

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**The Authority's Programs**

Significant programs consist of the following:

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

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

***Section 8 New Construction*** - The Authority administers Section 8 rental assistance programs where the Department of Housing and Urban Development enters into annual contribution contracts with a private owner. The owner rents housing to eligible low-income families who typically pay rent of 30 percent of adjusted gross income. The remaining portion of the rent for the unit is paid to the owner by HUD through the HAP contract. The Authority acts as the middleman between HUD and the private owner and ascertains that the owner is operating the program in compliance with HUD requirements. The Authority earns an administrative fee for the services rendered.

***Capital Fund Program (CFP)*** - the Capital Fund Program provides funding to improve the physical conditions and upgrade management of operations to ensure that properties continue to be available to service low-income families. CFP funding is based on a formula allocation that takes into consideration the size and age of the Authority's housing stock.

***Sensible Shelter Inc.*** - Operation of Individual Development Account Program, which is a restricted, matched saving program for qualified low-income families. Grants are received from governments, banks and foundations to assist low-income families reach self-sufficiency. Sensible Shelter assumed the assets and liabilities of Wise Manor Partnership which rented townhouses and homes to low income families. The homes were later sold below cost to long term renters who were given credit for time rented. Loans to Wise Manor Partnership were forgiven. The original funding for the loans was made possible by grants to Sensible Shelter, Inc. in prior years. The housing tax credit project was structured this way so that Sensible Shelter, Inc. could assume ownership and sell the homes below market value to the renters.

**GREENE METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
FOR THE FISCAL YEAR ENDED MARCH 31, 2014  
(Unaudited)**

**Business Activities** - The Authority purchased sixteen single-family homes to preserve affordable housing, which are being rented to low-income families. The Authority also purchased a property located at 514 N. Detroit Street which is adjacent to the current Authority offices.

**Notes to the Financial Statements**

The notes to the basic financial statements provide additional information essential to a full understanding of the data provided in the basic financial statements. Notes to the basic financial statements can be found on pages 14 through 25 of this report.

**Authority-Wide Statements**

The following is a condensed **Statement of Net Position** compared to the prior year-end. Greene Metropolitan Housing Authority is engaged only in business-type activities.

**Table 1 - Condensed Statement of Net Position Compared to Prior Year**

	2014	2013
<b><u>Assets</u></b>		
Current and Other Assets	\$ 3,148,205	\$ 3,318,053
Capital Assets	7,452,880	7,815,170
<b>Total Assets</b>	<b><u>\$10,601,085</u></b>	<b><u>\$11,133,223</u></b>
<b><u>Liabilities</u></b>		
Current Liabilities	\$ 405,832	\$ 458,905
Long-term Liabilities	773,599	845,070
<b>Total Liabilities</b>	<b><u>1,179,431</u></b>	<b><u>1,303,975</u></b>
<b><u>Net Position</u></b>		
Net Investment in Capital Assets	6,747,892	7,055,579
Restricted	595,870	618,625
Unrestricted	2,077,892	2,155,044
<b>Total Net Position</b>	<b><u>9,421,654</u></b>	<b><u>9,829,248</u></b>
<b>Total Liabilities and Net Position</b>	<b><u>\$10,601,085</u></b>	<b><u>\$11,133,223</u></b>

**Major Factors Affecting the Statement of Net Position**

Assets decreased by \$532,138 which is a 5 percent decrease from the prior year. The net capital assets decreased by \$362,290.

Current and other assets decreased by \$169,848 primarily as a result of Housing Choice Voucher funds being held by HUD in reserve as opposed to the funds being held by the Housing Authority.

**GREENE METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
FOR THE FISCAL YEAR ENDED MARCH 31, 2014  
(Unaudited)**

Total liabilities decreased by \$124,544 or 10 percent. Both mortgage debts were reduced, and some phases of the IDA program concluded during the fiscal year, reducing the liabilities for the match money.

Approximately 72 percent of the Authority's net position reflects its investments in capital assets. The Authority uses these capital assets (land, building, furniture and equipment) to provide housing services to residents and are not readily available for future spending. The unrestricted net position of the Authority are available for future use to provide program services.

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

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

**Table 2 - Revenue, Expenses and Change in Net Position**

	2014	2013
<b><u>Revenues</u></b>		
Tenant Revenue	\$ 579,312	\$ 540,366
Operating Subsidies and Grants	1,434,584	1,432,675
Subsidy for Housing Assistance Payments	7,748,622	7,774,427
Capital Grants	246,634	406,963
Other Revenues	192,491	195,741
<b>Total Revenues</b>	<u>10,201,643</u>	<u>10,350,172</u>
<b><u>Expenses</u></b>		
Administrative	\$ 1,372,837	\$ 1,463,504
Tenant Services	23,648	32,886
Utilities	114,559	107,135
Maintenance	798,394	773,880
General and Interest Expense	392,560	432,155
Housing Assistance Payments	7,291,356	7,171,519
Depreciation	615,883	680,150
<b>Total Expenses</b>	<u>10,609,237</u>	<u>10,661,229</u>
<b>Change in Net Position</b>	<u>\$ (407,594)</u>	<u>\$ (311,057)</u>

Revenues decreased by \$148,529 or 1 percent. This was primarily the result of lower Capital Grants received from HUD in the current fiscal year compared to the prior fiscal year.

Total expenses decreased by \$50,617. The majority of this decrease was the reduction in depreciation which reflects the reduction of capital grant funds during the current fiscal year.

**GREENE METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
FOR THE FISCAL YEAR ENDED MARCH 31, 2014  
(Unaudited)**

**Capital Assets**

As of March 31, 2014, the Authority's capital assets were \$7,452,880 (capital assets net of accumulated depreciation) as reflected in the following schedule.

**Table 3 - Capital Assets at Year-End (Net of Depreciation)**

Land	\$ 2,458,166
Buildings	21,378,273
Furniture and Equipment - Dwellings	147,901
Furniture and Equipment - Administrative	506,984
Leasehold Improvements	<u>2,171,462</u>
	26,662,786
Accumulated Depreciation	<u>(19,209,906)</u>
<b>Capital Assets, Net of Accumulated Depreciation</b>	<b><u>\$ 7,452,880</u></b>

Net capital assets decreased by \$362,290 from March 31, 2013 when net capital assets were \$7,815,170. Depreciation of \$615,883 and the additional assets from the capital grants and non-federal capitalizations (\$253,593) account for the change.

See Note 4 of the notes to the financial statements for detailed information.

**Debt**

As of March 31, 2014, the Authority had two outstanding loans totaling \$704,989, of which \$59,182 is due within one year. The following is a summary:

**Table 4 - Debt Outstanding at Year-End**

Federal Housing Administration Mortgage for Village Greene Project	\$ 170,920
US Bank Loan for Quail Run Single Homes Project	<u>534,069</u>
<b>Total</b>	<b><u>\$ 704,989</u></b>

See Note 10 of the notes to the financial statements for detailed information.

**Economic Factors**

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)
- Local inflationary, recessionary and employment trends, which can affect resident incomes and, therefore, the amount of rental income.
- Inflationary pressure on health insurance, property insurance and utility rates affect the cost of operating the programs.

**GREENE METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
FOR THE FISCAL YEAR ENDED MARCH 31, 2014  
(Unaudited)**

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**Contact Information**

Questions concerning any of the information provided in this report, or requests for additional information should be addressed to: Ms. Brenda Smallwood, Executive Director, Greene Metropolitan Housing Authority, 538 North Detroit Street, Xenia, Ohio 45385, or call (937) 376-2908.



**GREENE METROPOLITAN HOUSING AUTHORITY**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**MARCH 31, 2014**

**ASSETS**

**Current Assets**

Cash and Cash Equivalents	\$ 1,768,726
Restricted Cash and Cash Equivalents	781,210
Investments	204,108
Receivables, Net of Allowance	99,036
Inventory	23,754
Prepaid Expenses and Other Assets	79,488
<b>Total Current Assets</b>	<b><u>2,956,322</u></b>

**Property and Equipment**

Non-Depreciable Capital Assets	2,462,062
Depreciable Capital Assets, Net	4,990,818
<b>Total Property and Equipment</b>	<b><u>7,452,880</u></b>

**Other Assets**

Assets Held for Resale	<u>191,883</u>
<b>Total Other Assets</b>	<b><u>191,883</u></b>
<b>TOTAL ASSETS</b>	<b><u>\$ 10,601,085</u></b>

**LIABILITIES**

**Current Liabilities**

Accounts Payable	\$ 30,863
Accrued Compensated Absences	42,876
Tenant Security Deposits	86,251
Unearned Revenue	9,232
Accrued Wages and Payroll Taxes	26,313
Intergovernmental Payable	101,047
Other Current Liabilities	50,068
Current Portion of Long-Term Debt	59,182
<b>Total Current Liabilities</b>	<b><u>405,832</u></b>

**Noncurrent Liabilities**

Noncurrent Liabilities - Other	127,792
Long-Term Debt - Net of Current Portion	<u>645,807</u>
<b>Total Noncurrent Liabilities</b>	<b><u>773,599</u></b>
<b>Total Liabilities</b>	<b><u>1,179,431</u></b>

**NET POSITION**

Net Investment in Capital Assets	6,747,892
Unrestricted	2,077,892
Restricted	<u>595,870</u>
<b>Total Net Position</b>	<b><u>9,421,654</u></b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b><u>\$ 10,601,085</u></b>

See accompanying notes to the basic financial statements.

**GREENE METROPOLITAN HOUSING AUTHORITY**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED MARCH 31, 2014**

<b><u>Operating Revenues</u></b>	
Government Grants	\$ 9,259,239
Tenant Revenue	579,312
Other Revenue	<u>115,243</u>
<b>Total Operating Revenues</b>	<b><u>9,953,794</u></b>
 <b><u>Operating Expenses</u></b>	
Administrative	1,372,837
Tenant Services	23,648
Utilities	114,559
Maintenance	798,394
General	340,994
Housing Assistance Payments	<u>7,291,356</u>
<b>Total Operating Expenses Before Depreciation</b>	<b><u>9,941,788</u></b>
Income (Loss) Before Depreciation	12,006
Depreciation	<u>615,883</u>
 <b>Operating Income (Loss)</b>	 <b><u>(603,877)</u></b>
 <b><u>Non-Operating Revenues (Expenses)</u></b>	
Interest and Investment Revenue	1,215
Interest Expense	<u>(51,566)</u>
<b>Total Non-Operating Revenues (Expenses)</b>	<b><u>(50,351)</u></b>
Income (Loss) Before Capital Grants	(654,228)
 Capital Grants	 <u>246,634</u>
<b>Change in Net Position</b>	<b><u>(407,594)</u></b>
Total Net Position, Beginning of Year	<u>9,829,248</u>
 <b>Net Position, End of Year</b>	 <b><u><u>\$ 9,421,654</u></u></b>

See accompanying notes to the basic financial statements.

**GREENE METROPOLITAN HOUSING AUTHORITY**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED MARCH 31, 2014**

<b><u>Cash Flows from Operating Activities</u></b>	
Operating Grants Received	\$ 9,195,803
Tenant Revenue Received	572,204
Other Revenue Received	111,417
Administrative Expenses	(1,360,365)
Other Operating Expenses	(1,314,274)
Housing Assistance Payments	<u>(7,291,356)</u>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b><u>(86,571)</u></b>
 <b><u>Cash Flows from Capital and Related Financing Activities</u></b>	
Capital Grants Received	246,634
Retirement of Debt	(54,602)
Interest Paid on Debt	(51,755)
Property and Equipment Purchased	<u>(253,593)</u>
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b><u>(113,316)</u></b>
 <b><u>Cash Flows from Investing Activities</u></b>	
Interest Earned	1,215
Cost of Other Assets Purchased	(2,545)
Investment Purchased	<u>(1,090)</u>
<b>Net Cash Provided (Used) by Investing Activities</b>	<b><u>(2,420)</u></b>
 Net Increase (Decrease) in Cash and Cash Equivalents	 (202,307)
Cash and Cash Equivalents, Beginning Of Year	<u>2,752,243</u>
 <b>Cash and Cash Equivalents, End of the Year</b>	 <b><u>\$ 2,549,936</u></b>
 <b><u>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</u></b>	
Net Operating (Loss)	\$ (603,877)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities	
Depreciation	615,883
(Increase) Decrease in Accounts Receivable	(22,841)
(Increase) Decrease in Prepaid Assets	(9,863)
(Increase) Decrease in Inventory	3,880
Increase (Decrease) in Accounts Payable	(229)
Increase (Decrease) in Accrued Expenses	1,145
Increase (Decrease) in Prepaid Rents	(24,697)
Increase (Decrease) in Intergovernmental Payable	(29,322)
Increase (Decrease) in Tenant Security Deposits	2,490
Increase (Decrease) in Compensated Absence	12,472
Increase (Decrease) in Other Liabilities	<u>(31,612)</u>
<b>Net Cash Provided by Operating Activities</b>	<b><u>\$ (86,571)</u></b>

See accompanying notes to the basic financial statements.

**GREENE METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2014**

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NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization and Reporting Entity**

The Greene Metropolitan Housing Authority (the Authority) was created under the Ohio Revised Code Section 3735.27 to engage in the acquisition, development leasing, and administration of a low-rent housing program. An Annual Contributions Contract (ACC) was signed by the Authority and the U.S. Department of Housing and Urban Development (HUD) under the provisions of the United States Housing Act of 1937 (42 U.S.C. 1437) Section 1.1. The Authority was also created in accordance with state law to eliminate housing conditions which are detrimental to the public peace, health, safety, morals, or welfare by purchasing, acquiring, constructing, maintaining, operating, improving, extending, and repairing housing facilities.

The nucleus of the financial reporting entity as defined by the Governmental Accounting Standards Board (GASB) Statement No. 14 is the “primary government”. A fundamental characteristic of a primary government is that it is a fiscally independent entity. In evaluating how to define the financial reporting entity, management has considered all potential component units. A component unit is a legally separate entity for which the primary government is financially accountable. The criterion of financial accountability is the ability of the primary government to impose its will upon the potential component unit. These criteria were considered in determining the reporting entity. The Authority has no component units based on the above considerations.

**Basis of Presentation**

The financial statements of the Authority have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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

The Authority’s basic financial statements consist of a Statement of Net Position, a Statement of Revenues, Expenses, and Changes in Net Position, and a Statement of Cash Flows.

The Authority uses a single enterprise fund to maintain its financial records on an accrual basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

**GREENE METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED MARCH 31, 2014**  
**(CONTINUED)**

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

**Basis of Presentation** (Continued)

Enterprise fund reporting focuses on the determination of the change in net position, financial position, and cash flows. An enterprise fund may be used to account for any activity for which a fee is charged to external users for goods and services.

**Measurement Focus and Basis of Accounting**

The enterprise fund is accounted for on a flow of economic resources measurement focus and the accrual basis of accounting. All assets and all liabilities associated with the operation of the Authority are included on the Statement of Net Position. The Statement of Changes in Net Position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The Statement of Cash Flows provides information about how the Authority finances and meets the cash flow needs of its enterprise activity.

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 funds's principal ongoing operations. The principal operating revenues of the Authority's enterprise fund are charges to tenants for rent and operating subsidies from HUD. Operating expenses for the enterprise fund include the costs of facility maintenance, housing assistance payments, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**Use of Estimates**

The preparation of financial statements in accordance with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and Cash Equivalents**

The Authority considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

**GREENE METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED MARCH 31, 2014**  
**(CONTINUED)**

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

**Capital Assets**

Capital assets are recorded at cost. Costs that materially add to the productive capacity or extend the life of an asset are capitalized while maintenance and repair costs are expensed as incurred. Depreciation is computed on the straight line method based on the following estimated useful lives:

Buildings	40 years
Building Improvements	15-27.5 years
Land Improvements	15 years
Equipment	7 years
Automobiles	5 years
Computer Hardware and Software	3 years

**Capitalization of Interest**

The Authority's policy is not to capitalize interest related to the construction or purchase of capital assets.

**Investments**

Investments are stated at fair value. Cost based measures of fair value were applied to nonnegotiable certificates of deposit and money market investments, if any.

**Compensated Absences**

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

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

**GREENE METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED MARCH 31, 2014**  
**(CONTINUED)**

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

**Compensated Absences** (Continued)

In the proprietary fund, the compensated absences are expensed when earned with the amount reported as a liability. Information regarding compensated absences is detailed in Note 8.

**Net Position**

Net position is the residual amount when comparing assets. The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. The restricted component of net position is reported when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

NOTE 2: **DEPOSITS AND INVESTMENTS**

**Cash on Hand**

At March 31, 2014, the carrying amount of the Authority's deposits was \$2,754,044 (including \$204,108 non-negotiable CDs, \$781,210 of restricted funds, and \$100 of petty cash).

At March 31, 2014, the bank balance of the Authority's cash deposits was \$2,777,255. Based on criteria described in GASB Statement No. 40, *Deposits and Investments Risk Disclosures*, as of March 31, 2014, deposits totaling \$708,753 were covered by Federal Depository Insurance and deposits totaling \$2,068,502 were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, in the Authority's name.

Custodial credit is the risk that, in the event of a bank failure, the Authority's deposits may not be returned. The Authority's policy is to place deposits with major local banks approved by the Board. Multiple financial institution collateral pools that insure public deposits must maintain collateral in excess of 110 percent of deposits. All deposits, except for deposits held by fiscal and escrow agents, are collateralized with eligible securities in amounts equal to at least 110 percent of the carrying value of the deposits. Such collateral, as permitted by Chapter 135 of the Ohio Revised Code, is held in financial institution pools at Federal Reserve banks, or at member banks of the Federal Reserve system in the name of the respective depository bank, and pledged as a pool of collateral against all of the public deposits it holds, or as specific collateral held at a Federal Reserve bank in the name of the Authority.

**GREENE METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED MARCH 31, 2014**  
**(CONTINUED)**

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

**Interest Rate Risk**

As a means of limiting its exposure to fair value of losses caused by rising interest rates, the Authority's investment policy requires that operating funds be invested primarily in short-term investments maturing within 2 years from the date of purchase and that its investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity.

**Credit Risk**

The credit risk of the Authority's investments are in the table below. The Authority has no investment policy that would further limit its investment choices.

**Custodial Credit Risk**

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority has no investment policy dealing with the investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the controller or qualified trustee.

The Authority places no limit on the amount it may invest in any one institution. The Authority's deposits in financial institutions represent 100 percent of its deposits.

**Concentration of Credit Risk**

A reconciliation of cash and investments as shown on the statement of net assets at March 31, 2014 to the deposits and investments included in this note is as follows:

Cash and Cash Equivalents	\$1,768,726
Cash - Restricted	781,210
Investments	<u>204,108</u>
<b>Total</b>	<u>2,754,044</u>
Carrying Amount of Deposits	<u>2,754,044</u>
<b>Total</b>	<u>\$ 2,754,044</u>



**GREENE METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED MARCH 31, 2014**  
**(CONTINUED)**

**NOTE 3: RESTRICTED CASH**

The restricted cash balance of \$781,210 on the financial statements represents the following:

Excess cash advanced to the Housing Choice Voucher Program by HUD for Housing Assistance Payments	\$ 431,116
Cash Advanced for AFIA-IDA Program	98,000
Tenant Security Deposits	87,340
Mortgage Escrow - Village Greene	1,257
Reserve for Replacement - Village Greene	22,857
Residual Receipts - Village Greene	140,640
<b>Total Restricted Cash</b>	<b><u>\$ 781,210</u></b>

**NOTE 4: CAPITAL ASSETS**

A summary of capital assets, at March 31, 2014 by class, is as follows:

	Balance <u>03/31/2013</u>	<u>Adjustments</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>03/31/2014</u>
<b>Capital Assets Not Being Depreciated</b>					
Land	\$ 2,458,166	\$ 0	\$ 0	\$ 0	\$ 2,458,166
Construction in Progress	1,296	0	2,600	0	3,896
<b>Total Capital Assets Not Being Depreciated</b>	<u>2,459,462</u>	<u>0</u>	<u>2,600</u>	<u>0</u>	<u>2,462,062</u>
<b>Capital Assets Being Depreciated</b>					
Buildings	21,152,113	0	227,696	(1,536)	21,378,273
Furniture, Equipment, and Machinery -					
Dwellings	141,704	0	6,197	0	147,901
Administrative	530,248	0	2,822	(29,982)	503,088
Leasehold Improvements	2,157,184	0	14,278	0	2,171,462
<b>Subtotal Capital Assets Being Depreciated</b>	<u>23,981,249</u>	<u>0</u>	<u>250,993</u>	<u>(31,518)</u>	<u>24,200,724</u>
<b>Accumulated Depreciation</b>					
Buildings and Improvements	(18,150,086)	0	(565,498)	1,536	(18,714,048)
Furniture and Equipment	(475,455)	0	(50,385)	29,982	(495,858)
<b>Total Accumulated Depreciation</b>	<u>(18,625,541)</u>	<u>0</u>	<u>(615,883)</u>	<u>31,518</u>	<u>(19,209,906)</u>
Depreciable Assets, Net	<u>5,355,708</u>	<u>0</u>	<u>(364,890)</u>	<u>0</u>	<u>4,990,818</u>
<b>Total Capital Assets, Net</b>	<u>\$ 7,815,170</u>	<u>\$ 0</u>	<u>\$ (362,290)</u>	<u>\$ 0</u>	<u>\$ 7,452,880</u>

**GREENE METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2014  
(CONTINUED)**

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NOTE 5: **RESTRICTED NET POSITION**

The Authority's restricted net position is as follows:

Section 8 Housing Choice Voucher Funds Provided for Housing Assistance Payments in Excess of Amounts Used	\$ 431,116
Village Greene Replacement Reserve Escrow and Residual Receipts	<u>164,754</u>
<b>Total Restricted Net Position</b>	<b><u>\$ 595,870</u></b>

NOTE 6: **DEFINED BENEFIT PENSION PLANS**

**Ohio Public Employees Retirement System**

All full-time Authority employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans, as described below:

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

OPERS provides retirement, disability, survivor, death benefits, and annual cost of living adjustments to members of both the Traditional Pension and the Combined plans. Members of the Member-Directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by State statute per Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-7377 or by using the OPERS website at [www.opers.org](http://www.opers.org).

**GREENE METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED MARCH 31, 2014**  
**(CONTINUED)**

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NOTE 6: **DEFINED BENEFIT PENSION PLANS** (Continued)

**Ohio Public Employees Retirement System** (Continued)

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2014 and 2013, member and employer contribution rates were consistent across all three plans (TP, MD, and CO). Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations. The employer pension contribution rate for the Authority was 14 percent of covered payroll. The Authority's required contributions to OPERS for the years ended March 31, 2014, 2013, and 2012, were \$171,283, \$183,345, and \$184,843, respectively. The Authority had no employees in the Member-Directed Plan in the years ended March 31, 2014, 2013 and 2012 and no members in the combined plan in the years ended 2014, 2013, and 2012. The full amount has been contributed for 2014, 2013, and 2012.

NOTE 7: **POST-EMPLOYMENT BENEFITS**

**Plan Description**

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

OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health Care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

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

**GREENE METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED MARCH 31, 2014**  
**(CONTINUED)**

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NOTE 7: **POST-EMPLOYMENT BENEFITS** (Continued)

**Funding Policy**

The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care benefits.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In fiscal year ending 2013, the Authority contributed at a rate of 14.00 percent of covered payroll. The Ohio Revised code currently limits the employer contribution to a rate not to exceed 14.00 percent of covered payroll for state and local employer units. Active members do not make contributions to the OPEB Plan.

OPERS Post-Employment Health Care Plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 1.0 percent from April 1, 2013 through December 31, 2013 and 2.0 percent from January 1, 2014 through March 31, 2014.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care coverage by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Actual Authority contributions for the year ended March 31, 2014, 2013, and 2012 which were used to fund post-employment benefits were \$171,283, \$183,345, and \$184,843, respectively.

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

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**GREENE METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2014  
(CONTINUED)**

**NOTE 8: COMPENSATED ABSENCES**

Vacation and sick leave policies are established by the Board of Directors based on local and state laws.

All permanent employees will earn 120 hours sick leave per year of service. Unused sick leave may be accumulated without limit. At the time of separation, employees with 10 or more years of service receive payment for up to 1/3 of the hours accumulated but not to exceed 320 hours. All permanent employees will earn vacation hours accumulated based on length of service. Vacation can be carried over from one calendar year to the next, not to exceed 200 hours. Any vacation carryover in excess of 200 hours shall be forfeited.

At March 31, 2014, based on the vesting method, \$170,668 was accrued by the Authority for unused vacation and sick time. The current portion is \$42,876 and the long term portion is \$127,792.

**NOTE 9: INSURANCE**

The Authority is covered for property damage, general liability, automobile liability, public official's liability and other crime liabilities through membership in the State Housing Authority Risk Pool Association, Inc. (SHARP). SHARP is an insurance risk pool comprised of thirty-nine (39) Ohio housing authorities, of which Greene Metropolitan Housing Authority is one. Deductibles and coverage limits are summarized below:

<u>Type of Coverage</u>	<u>Deductible</u>	<u>Coverage Limits</u>
Property	\$ 1,500/500	\$60,590,600 (Per Occurrence)
Casualty Package		
General Liability	0	2,000,000
Employer Dishonesty	0	500,000
Public Officials Liability	0	2,000,000
Automobile	0	2,000,000
Excess Liability	0	4,000,000
Boiler and Machinery	1,000	100,000,000
Excess Crime	0	500,000

Additionally, Workers' Compensation insurance is maintained through the State of Ohio Bureau of Workers' Compensation, in which rates are calculated retrospectively. The Authority is also fully insured through a premium payment plan with Anthem for employee health care benefits. Settled claims have not exceeded the Authority's insurance in any of the past three years.

**GREENE METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED MARCH 31, 2014**  
**(CONTINUED)**

NOTE 10: **LONG-TERM DEBT**

**FHA Project No. 046-35438-NP-L8**

To raise funds for FHA Project No. 046-35438-NP-L8, a mortgage note payable was issued to the Federal Housing Administration, payable in monthly installments of \$3,682 including interest at 7.5 percent. The mortgage note matures in the year 2018 and is collateralized by a mortgage on the Project's land and buildings, and is insured by the FHA. The remaining principal balance as of March 31, 2014 was \$170,920.

**Business Activities**

On March 28, 2007, the Authority obtained a mortgage note in the amount of \$674,320 payable in monthly installments of \$5,180 including interest at 6.79%. The note matures on March 28, 2017 and is secured by real and personal property from sixteen rental properties owned and operated by the Authority in Greene County, Ohio. The outstanding principal balance as of March 31, 2014 was \$534,069.

A summary of debt and other long-term obligations are as follows:

	Balance <u>03/31/2013</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>03/31/2014</u>	Amount Due In <u>One Year</u>
<b><u>Loans</u></b>					
FHA Project No. 046-35438	\$ 201,050	\$ 0	\$ (30,130)	\$ 170,920	\$ 32,470
2007 US Bank, 6.79%	<u>558,541</u>	<u>0</u>	<u>(24,472)</u>	<u>534,069</u>	<u>26,712</u>
<b>Total Loans</b>	<u>759,591</u>	<u>0</u>	<u>(54,602)</u>	<u>704,989</u>	<u>59,182</u>
<b><u>Other Obligations</u></b>					
Compensated Absences	<u>158,196</u>	<u>24,481</u>	<u>(12,009)</u>	<u>170,668</u>	<u>42,876</u>
<b>Total Loans and Obligations</b>	<u>\$ 917,787</u>	<u>\$ 24,481</u>	<u>\$ (66,611)</u>	<u>\$ 875,657</u>	<u>\$ 102,058</u>

Combined principal and interest requirements to retire the above notes payable are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 59,182	\$ 47,160	\$ 106,342
2016	63,574	42,768	106,342
2017	516,480	37,067	553,547
2018	40,634	3,554	44,188
2019	<u>25,119</u>	<u>631</u>	<u>25,750</u>
Totals	<u>\$ 704,989</u>	<u>\$ 131,180</u>	<u>\$ 836,169</u>

**GREENE METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED MARCH 31, 2014**  
**(CONTINUED)**

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**NOTE 11: CONSTRUCTION AND OTHER COMMITMENTS**

The Authority had no material construction commitments at March 31, 2014.

**NOTE 12: INTERPROGRAM RECEIVABLES/PAYABLES**

The Agency has interprogram balances at March 31, 2014.

These interprogram Due From/Due To arise from allocation of wages and benefits, supplies and other costs. Those loans are repaid shortly after year end. Interprogram balances were eliminated in the statements of net assets.

**NOTE 13: CONTINGENCIES**

The Authority is party to various legal proceedings which seek damages or injunctive relief generally incidental to its operations and pending projects. The Authority's management is of the opinion that the ultimate disposition of various claims and legal proceedings will not have a material effect, if any, on the financial condition of the Authority.

The Authority has received several Federal and state grants for specific purposes which are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to grantor agencies for expenditures disallowed under the terms of the grant. Based upon prior experience, management believes such disallowances, if any, will be immaterial.

**NOTE 14: IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS**

For 2014, the Authority has implemented GASB No. 61, *The Financial Reporting Entity: Omnibus - an Amendment of GASB Statements No. 14 and No. 34*, and GASB Statement No. 66, *Technical Corrections - 2012 - An Amendment of GASB Statements No. 10 and No. 62*.

The objective of GASB No. 61, *The Financial Reporting Entity: Omnibus - an Amendment of GASB Statements No. 14 and No. 34*, is to improve financial reporting for a governmental financial reporting entity. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2012 and have been implemented by the Authority.

The objective of GASB Statement No. 66, *Technical Corrections - 2012 - An Amendment of GASB Statements No. 10 and No. 62*, is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The requirements for this Statement are effective for financial statements for periods beginning after December 15, 2012 and have been implemented by the Authority.

**GREENE METROPOLITAN HOUSING AUTHORITY  
ENTITY WIDE BALANCE SHEET SUMMARY  
MARCH 31, 2014**

	Project Total	14.871 Housing Choice Vouchers	14.238 Shelter Plus Care	14.135 Mortgage Insurance and Cooperative Housing for Moderate Income	93.602 New Assets for Independence Demonstration Program	State/Local	Business Activities	COOC	Sub total	ELIM	Total
111 Cash - Unrestricted	790,442	170,048	57,917	13,644	4,205		372,274	360,196	1,768,726		1,768,726
112 Cash - Restricted - Modernization and Development											
113 Cash - Other Restricted		431,116		164,754					595,870		595,870
114 Cash - Tenant Security Deposits	68,958			4,645			13,737		87,340		87,340
115 Cash - Restricted for Payment of Current Liabilities					98,000				98,000		98,000
<b>100 Total Cash</b>	<b>859,400</b>	<b>601,164</b>	<b>57,917</b>	<b>183,043</b>	<b>102,205</b>	<b>-</b>	<b>386,011</b>	<b>360,196</b>	<b>2,549,936</b>	<b>-</b>	<b>2,549,936</b>
121 Accounts Receivable - FHA Projects											
122 Accounts Receivable - HUD Other Projects		5,800	11,298						17,118		17,118
124 Accounts Receivable - Other Government		5,697					4,228		9,925		9,925
125 Accounts Receivable - Miscellaneous		100							100		100
126 Accounts Receivable - Tenants	10,423			966			1,657		13,046		13,046
126.1 Allowance for Doubtful Accounts - Tenants	-8,345			-434			-691		-9,470		-9,470
126.2 Allowance for Doubtful Accounts - Other											
127 Notes, Loans, & Mortgages Receivable - Current	1,866								1,866		1,866
128 Fraud Recovery		78,729	1,018						79,741		79,741
128.1 Allowance for Doubtful Accounts - Fraud		-13,290							-13,290		-13,290
129 Accrued Interest Receivable											
<b>120 Total Receivables, Net of Allowances for Doubtful Accounts</b>	<b>3,944</b>	<b>77,030</b>	<b>12,316</b>	<b>532</b>	<b>-</b>	<b>-</b>	<b>5,194</b>	<b>-</b>	<b>99,036</b>	<b>-</b>	<b>99,036</b>
131 Investments - Unrestricted	50,431								50,431		50,431
132 Investments - Restricted											
135 Investments - Restricted for Payment of Current Liability											
140 Prepaid Expenses and Other Assets	54,084	1,387		2,715			4,287	17,015	79,488		79,488
143 Inventories	951						162	22,641	23,754		23,754
143.1 Allowance for Obsolete Inventories											
144 Inter Program Due From											
145 Assets Held for Sale									163,144		163,144
<b>150 Total Current Assets</b>	<b>968,810</b>	<b>679,601</b>	<b>70,233</b>	<b>186,290</b>	<b>102,205</b>	<b>-</b>	<b>618,389</b>	<b>495,938</b>	<b>3,121,466</b>	<b>-165,144</b>	<b>2,956,322</b>
161 Land	2,095,091			31,400					2,458,166		2,458,166
162 Buildings	18,472,302	99,915		833,361		39,000	1,438,040	445,635	21,378,273		21,378,273
163 Furniture, Equipment & Machinery - Dwellings	147,901								147,901		147,901
164 Furniture, Equipment & Machinery - Administration	130,476	49,031		21,386				302,195	503,088		503,088
165 Leasehold Improvements	2,119,259						4,717	47,486	2,171,462		2,171,462
166 Accumulated Depreciation	-17,107,845	-95,087		-731,027		-29,900	-602,996	-643,051	-19,209,906		-19,209,906
167 Construction in Progress	1,296							2,600	3,896		3,896
168 Infrastructure											
<b>160 Total Capital Assets, Net of Accumulated Depreciation</b>	<b>5,838,480</b>	<b>53,839</b>	<b>-</b>	<b>205,120</b>	<b>-</b>	<b>9,100</b>	<b>1,139,406</b>	<b>186,915</b>	<b>7,452,880</b>	<b>-</b>	<b>7,452,880</b>



**GREENE METROPOLITAN HOUSING AUTHORITY  
ENTITY WIDE BALANCE SHEET SUMMARY  
MARCH 31, 2014**

	Project Total	14.871 Housing Choice Vouchers	14.238 Shelter Plus Care	14.135 Mortgage Insurance Rental and Cooperative Housing for Moderate Income	93.602 New Assets for Independence Demonstration Program	State/Local	Business Activities	OOCC	Sub total	ELIM	Total
171 Notes, Loans and Mortgages Receivable - Non-Current									-		-
172 Notes, Loans, & Mortgages Receivable - Non-Current - Past									-		-
173 Grants Receivable - Non-Current							191,883		191,883		191,883
174 Other Assets									-		-
176 Investments in Joint Ventures									-		-
<b>180 Total Non-Current Assets</b>	<b>5,838,480</b>	<b>53,839</b>	<b>-</b>	<b>205,120</b>	<b>-</b>	<b>9,100</b>	<b>1,331,289</b>	<b>186,915</b>	<b>7,644,763</b>	<b>-</b>	<b>7,644,763</b>
<b>190 Total Assets</b>	<b>6,827,290</b>	<b>733,460</b>	<b>70,233</b>	<b>391,410</b>	<b>102,205</b>	<b>9,100</b>	<b>1,949,678</b>	<b>682,833</b>	<b>10,766,229</b>	<b>-165,144</b>	<b>10,601,085</b>
200 Deferred Outflow of Resources									-		-
<b>290 Total Assets and Deferred Outflow of Resources</b>	<b>6,827,290</b>	<b>733,460</b>	<b>70,233</b>	<b>391,410</b>	<b>102,205</b>	<b>9,100</b>	<b>1,949,678</b>	<b>682,833</b>	<b>10,766,229</b>	<b>-165,144</b>	<b>10,601,085</b>
312 Accounts Payable <= 90 Days	21,080	3,396		1,146			1,199	4,042	30,863		30,863
321 Accrued Wage Payroll Taxes Payable							24,317	1,996	26,313		26,313
322 Accrued Compensated Absences - Current Portion	3,338	15,383		116			372	29,467	42,876		42,876
325 Accrued Interest Payable				1,068					1,068		1,068
333 Accounts Payable - Other Government	23,739			3,536	49,000		5,317	22,991	101,047		101,047
341 Tenant Security Deposits	68,938			31			13,737		86,251		86,251
342 Deferred Revenues	7,665						1,536		9,232		9,232
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds				32,470			26,712		59,182		59,182
345 Other Current Liabilities					49,000				49,000		49,000
347 Inter Program - Due To		27,608		8,913	109,123	19,500			165,144		-
<b>310 Total Current Liabilities</b>	<b>124,980</b>	<b>46,387</b>	<b>-</b>	<b>47,300</b>	<b>207,123</b>	<b>19,500</b>	<b>73,190</b>	<b>52,496</b>	<b>570,976</b>	<b>-165,144</b>	<b>405,832</b>
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue				138,450			507,357		645,807		645,807
354 Accrued Compensated Absences - Non-Current	31,836	46,335		1,044			3,346	45,211	127,792		127,792
<b>350 Total Non-Current Liabilities</b>	<b>31,836</b>	<b>46,335</b>	<b>-</b>	<b>139,494</b>	<b>-</b>	<b>-</b>	<b>510,703</b>	<b>45,211</b>	<b>773,599</b>	<b>-</b>	<b>773,599</b>
<b>300 Total Liabilities</b>	<b>156,816</b>	<b>92,742</b>	<b>-</b>	<b>186,794</b>	<b>207,123</b>	<b>19,500</b>	<b>583,893</b>	<b>97,707</b>	<b>1,344,575</b>	<b>-165,144</b>	<b>1,179,431</b>
508.4 Net Investment in Capital Assets		53,839		34,200		9,100	605,337	186,915	6,747,892		6,747,892
511.4 Restricted Net Position		481,116		164,754					595,870		595,870
512.4 Unrestricted Net Position	811,993	155,743	70,233	5,662	-104,918	-19,500	760,448	398,231	2,077,892		2,077,892
<b>513 Total Equity - Net Assets / Position</b>	<b>6,670,474</b>	<b>640,718</b>	<b>70,233</b>	<b>204,616</b>	<b>-104,918</b>	<b>-10,400</b>	<b>1,365,785</b>	<b>585,146</b>	<b>9,421,654</b>	<b>-</b>	<b>9,421,654</b>
<b>600 Total Liab., Def Inflow of Res., and Equity - Net Assets / Position</b>	<b>6,827,290</b>	<b>733,460</b>	<b>70,233</b>	<b>391,410</b>	<b>102,205</b>	<b>9,100</b>	<b>1,949,678</b>	<b>682,833</b>	<b>10,766,229</b>	<b>-165,144</b>	<b>10,601,085</b>

**GREENE METROPOLITAN HOUSING AUTHORITY  
ENTITY WIDE REVENUE AND EXPENSE SUMMARY  
FOR THE FISCAL YEAR ENDED MARCH 31, 2014**

	Project Total	14871 Housing Choice Vouchers	14238 Shelter Plus Care	Mortgage Insurance Rental and Cooperative Housing for Moderate	93.602 New Assets for Independence Demonstration Program	State/Local	Business Activities	COOC	Sub total	ELIM	Total
70300 Net Tenant Rental Revenue	370,318			781			165,621		536,720		536,720
70400 Tenant Revenues - Other	36,872			2,004			3,716		42,592		42,592
<b>70500 Total Tenant Revenue</b>	<b>407,190</b>			<b>2,785</b>			<b>169,337</b>		<b>579,312</b>		<b>579,312</b>
70600 HUD HIA Operating Grants	1,182,088	7,748,622	114,533	137,963					9,183,206		9,183,206
70610 Capital Grants	246,634								246,634		246,634
70710 Management Fee								227,775	227,775	-227,775	-
70720 Asset Management Fee								45,360	45,360	-45,360	-
70730 Book-Keeping Fee								34,020	34,020	-34,020	-
70740 Front Line Service Fee								412,444	412,444	-412,444	-
<b>70700 Total Fee Revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>719,599</b>	<b>719,599</b>	<b>-719,599</b>	<b>-</b>
70800 Other Government Grants					16,707	59,326			76,033		76,033
71100 Investment Income - Unrestricted	87			11			965	112	1,175		1,175
71400 Fraud Recovery		64,044							64,044		64,044
71500 Other Revenue	20,376	529		184	16,707		13,547	10,056	61,399	-10,800	50,599
71600 Gain or Loss on Sale of Capital Assets				40				600	600		600
72000 Investment Income - Restricted									40		40
<b>70000 Total Revenue</b>	<b>1,856,375</b>	<b>7,813,195</b>	<b>114,533</b>	<b>140,983</b>	<b>33,414</b>	<b>59,326</b>	<b>183,849</b>	<b>730,367</b>	<b>10,932,042</b>	<b>-730,399</b>	<b>10,201,643</b>
91100 Administrative Salaries	178,772	379,119	2,123	6,944	5,418	35,664	38,944	149,969	796,953		796,953
91200 Auditing Fees	6,143	5,413		122			244	618	12,540		12,540
91300 Management Fee	217,326			10,449			10,800		238,575	-238,575	-
91310 Book-keeping Fee	32,591	88		1,532			4		34,215	-34,020	195
91400 Advertising and Marketing	2,407	760				695	97	2,452	6,411		6,411
91500 Employee Benefit contributions - Administrative	86,823	222,147	1,050	3,154	1,551	16,892	7,634	62,622	401,873		401,873
91600 Office Expenses	44,961	57,689		2,189		2,485	4,800	31,012	143,136		143,136
91700 Legal Expense	5,413	1,219		1,236			1,214	1,110	10,192		10,192
91800 Travel								1,537	1,587		1,587
<b>91000 Total Operating - Administrative</b>	<b>574,436</b>	<b>666,435</b>	<b>3,173</b>	<b>25,626</b>	<b>6,969</b>	<b>55,736</b>	<b>63,737</b>	<b>249,320</b>	<b>1,645,482</b>	<b>-272,595</b>	<b>1,372,887</b>

**GREENE METROPOLITAN HOUSING AUTHORITY  
ENTITY WIDE REVENUE AND EXPENSE SUMMARY  
FOR THE FISCAL YEAR ENDED MARCH 31, 2014**

	Project Total	14871 Housing Choice Vouchers	14238 Shelter Plus Care	14.135 Mortgage Insurance Rental and Cooperative Housing for Moderate Income	93.602 New Assets for Independence Demonstration Program	State/Local	Business Activities	COCC	Sub total	ELIM	Total
92000 Asset Management Fee	43,320			2,040					45,360	-45,360	-
92100 Tenant Services - Salaries	14,047								14,047		14,047
92300 Employee Benefit Contributions - Tenant Services	4,706								4,706		4,706
92400 Tenant Services - Other	4,895								4,895		4,895
<b>92500 Total Tenant Services</b>	<b>23,648</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23,648</b>	<b>-</b>	<b>23,648</b>
93100 Water	22,075			41			650	124	22,890		22,890
93200 Electricity	27,554			379			2,622	353	30,908		30,908
93300 Gas	23,846			300			458	555	25,159		25,159
93600 Sewer	33,961			71			1,263	307	35,602		35,602
<b>93000 Total Utilities</b>	<b>107,436</b>	<b>-</b>	<b>-</b>	<b>791</b>	<b>-</b>	<b>-</b>	<b>4,993</b>	<b>1,339</b>	<b>114,559</b>	<b>-</b>	<b>114,559</b>
94100 Ordinary Maintenance and Operations - Labor	38,005							258,510	296,515		296,515
94200 Ordinary Maintenance and Operations - Materials and Other	97,961	3,627		2,450		262	4,882	36,676	145,258		145,258
94300 Ordinary Maintenance and Operations Contracts	587,985	6,655		30,406			44,099	5,271	674,436	-412,444	261,992
94500 Employee Benefit Contributions - Ordinary Maintenance	2,127							92,302	94,629		94,629
<b>94000 Total Maintenance</b>	<b>725,478</b>	<b>10,282</b>	<b>-</b>	<b>32,876</b>	<b>-</b>	<b>262</b>	<b>48,981</b>	<b>392,959</b>	<b>1,210,838</b>	<b>-412,444</b>	<b>798,394</b>
96110 Property Insurance	71,215	2,008		3,664		730	5,793		83,410		83,410
96120 Liability Insurance								11,396	11,396		11,396
<b>96100 Total Insurance Premiums</b>	<b>71,215</b>	<b>2,008</b>	<b>-</b>	<b>3,664</b>	<b>-</b>	<b>730</b>	<b>5,793</b>	<b>11,396</b>	<b>95,006</b>	<b>-</b>	<b>95,006</b>
96200 Other General Expenses	389	7,101					7,098		14,588		14,588
96210 Compensated Absences	37,247	81,230		1,088			2,690	55,628	177,903		177,903
96300 Payments in Lieu of Taxes	23,740								23,740		23,740
96400 Bad debt - Tenant Rents	24,094	1,163		335			4,165		29,757		29,757
<b>96000 Total Other General Expenses</b>	<b>85,470</b>	<b>89,514</b>	<b>-</b>	<b>1,423</b>	<b>-</b>	<b>-</b>	<b>13,953</b>	<b>55,628</b>	<b>245,988</b>	<b>-</b>	<b>245,988</b>

**GREENE METROPOLITAN HOUSING AUTHORITY  
ENTITY WIDE REVENUE AND EXPENSE SUMMARY  
FOR THE FISCAL YEAR ENDED MARCH 31, 2014**

	Project Total	14,871 Housing Choice Vouchers	14,238 Shelter Plus Care	14,135 Mortgage Insurance Rental and Cooperative Housing for Moderate Income	93,602 New Assets for Independence Demonstration Program	State/Local	Business Activities	COCC	Sub total	ELIM	Total
96710 Interest of Mortgage (or Bonds) Payable				13,884			37,682		51,566		51,566
<b>96700 Total Interest Expense and Amortization Cost</b>	-	-	-	13,884	-	-	37,682	-	51,566	-	51,566
<b>96900 Total Operating Expenses</b>	1,631,003	768,239	3,173	80,304	6,969	56,728	175,139	710,842	3,432,397	-730,399	2,701,998
<b>97000 Excess of Operating Revenue over Operating Expenses</b>	225,372	7,044,936	111,360	60,679	26,445	2,598	8,710	19,525	7,499,645	-	7,499,645
97100 Extraordinary Maintenance											
97200 Casualty Losses - Non-capitalized											
97300 Housing Assistance Payments		7,184,821	106,535						7,291,356		7,291,356
97330 HAP Portability-In											
97400 Depreciation Expense	474,445	7,507		29,096		2,600	57,914	44,321	615,883		615,883
<b>99000 Total Expenses</b>	2,105,448	7,960,567	109,708	109,400	6,969	59,328	293,053	755,163	11,339,636	-730,399	10,609,237
10080 Special Items (Net Gain/Loss)											
10091 Inter Project Excess Cash Transfer In	27,000								27,000		27,000
10092 Inter Project Excess Cash Transfer Out	-27,000								-27,000		-27,000
<b>10100 Total Other financing Sources (Uses)</b>	-	-	-	-	-	-	-	-	-	-	-
<b>10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses</b>	-249,073	-147,372	4,825	31,583	26,445	-2	-49,204	-24,796	-407,594	-	-407,594
11020 Required Annual Debt Principal Payments				32,470			26,712		59,182		59,182
11030 Beginning Equity	6,919,547	788,090	65,408	173,033	-131,363	-8,690	1,414,989	608,234	9,829,248		9,829,248
11040 Prior Period Adjustments, Equity Transfers and Connection of Errors						-1,708		1,708			
11170 Administrative Fee Equity		209,602							209,602		209,602
11180 Housing Assistance Payments Equity		431,116							431,116		431,116
11190 Unit Months Available	4,332	17,232	252	204			288		22,308		22,308
11210 Number of Unit Months Leased	4,288	16,562	252	200			279		21,581		21,581

**GREENE METROPOLITAN HOUSING AUTHORITY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2014**

Federal Grantor/ Pass Through Grantor/ Program Title	Federal CFDA Number	Expenditures	Loan Balance
<b><u>U.S. Department of Housing and Urban Development</u></b>			
<i>Direct Programs:</i>			
Low Rent Public Housing Program	14.850	\$ 1,014,979	\$ 0
Capital Fund Program	14.872	413,743	0
Section 8 Housing Choice Voucher Program	14.871	7,748,622	0
Section 8 New Construction	14.182	137,963	0
Shelter Plus Care	14.238	114,533	0
Mortgage Insurance Rental and Cooperative	14.135	0	170,920
<i>Total Direct Awards</i>		<u>9,429,840</u>	<u>170,920</u>
<b>Total U.S. Department of Housing and Urban Development</b>		<u>9,429,840</u>	<u>170,920</u>
<b>Total Federal Awards Expenditures</b>		<u>\$ 9,429,840</u>	<u>\$ 170,920</u>

This schedule is prepared on the accrual basis of accounting.

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

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

Board of Directors  
Greene Metropolitan Housing Authority  
Xenia, Ohio

Regional Inspector General for Audit  
Department of Housing and Urban  
Development

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Greene Metropolitan Housing Authority, Ohio, as of and for the year ended March 31, 2014, and the related notes to the financial statements, which collectively comprise the Greene Metropolitan Housing Authority, Ohio's basic financial statements, and have issued our report thereon dated September 19, 2014.

**Internal Control Over Financial Reporting**

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

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

## Compliance and Other Matters

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

## Purpose of the Report

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

James G. Zupka,  
CPA, President

Digitally signed by James G. Zupka, CPA,  
President  
DN: cn=James G. Zupka, CPA, President,  
o=James G. Zupka, CPA, Inc.,  
ou=Accounting,  
email=jgzcpa@sbcglobal.net, c=US  
Date: 2014.10.31 12:21:14 -0400'

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

September 19, 2014

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

*Certified Public Accountants*

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

*Garfield Hts., Ohio 44125*

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

Board of Directors  
Greene Metropolitan Housing Authority  
Xenia, Ohio

Regional Inspector General of Audit  
Department of Housing and Urban  
Development

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

We have audited the Greene Metropolitan Housing Authority, Ohio's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on the Greene Metropolitan Housing Authority, Ohio's major federal program for the year ended March 31, 2014. Greene Metropolitan Housing Authority, Ohio'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***

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

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Greene Metropolitan Housing Authority, Ohio's compliance.



### ***Opinion on Each Major Federal Program***

In our opinion, the Greene Metropolitan Housing Authority, Ohio, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended March 31, 2014.

### **Report on Internal Control Over Compliance**

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

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

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

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

James G. Zupka,  
CPA, President

Digitally signed by James G. Zupka, CPA,  
President  
DN: cn=James G. Zupka, CPA, President,  
o=James G. Zupka, CPA, Inc.,  
ou=Accounting,  
email=jgzcpa@sbcglobal.net, c=US  
Date: 2014.10.31 12:21:48 -0400

James G. Zupka CPA, Inc.  
Certified Public Accountants

September 19, 2014

**GREENE METROPOLITAN HOUSING AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
OMB CIRCULAR A-133 & .505  
MARCH 31, 2014**

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

2014(i)	Type of Financial Statement Opinion	Unmodified
2014(I)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
2014(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
2014(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
2014(iv)	Were there any material internal control weakness conditions reported for major Federal programs?	No
2014(iv)	Were there any other significant deficiency conditions reported for major Federal programs?	No
2014(v)	Type of Major Programs' Compliance Opinion	Unmodified
2014(vi)	Are there any reportable findings under .510?	No
2014(vii)	Major Programs (list):  <div style="margin-left: 40px;">Housing Choice Voucher Program - CFDA #14.871  Low Rent Public Housing Program - CFDA #14.850  Capital Fund Program - CFDA #14.872</div>	
2014(viii)	Dollar Threshold: Type A\B Programs	Type A: >\$300,000 Type B: all others
2014(ix)	Low Risk Auditee?	Yes

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

None.

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

None.

**GREENE METROPOLITAN HOUSING AUTHORITY  
STATUS OF PRIOR YEAR FINDINGS  
MARCH 31, 2014**

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The audit report for the prior year ended March 31, 2013 contained no findings or citations.



# Dave Yost • Auditor of State

**GREENE METROPOLITAN HOUSING AUTHORITY**

**GREENE 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  
NOVEMBER 20, 2014**