GREENE METROPOLITAN HOUSING AUTHORITY

BASIC FINANCIAL STATEMENTS AND SINGLE AUDIT

FOR THE YEAR ENDED MARCH 31, 2009

Mary Taylor, CPA
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, 2008 through March 31, 2009. 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.

Mary Taylor

Mary Taylor, CPA
Auditor of State

October 14, 2009

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GREENE METROPOLITAN HOUSING AUTHORITY
BASIC FINANCIAL STATEMENTS AND SINGLE AUDIT
FOR THE YEAR ENDED MARCH 31, 2009

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Certified Public Accountants
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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

We have audited the accompanying financial statements of the Greene Metropolitan Housing Authority, Ohio as of and for the year ended March 31, 2009, which collectively comprise the Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Greene Metropolitan Housing Authority, Ohio's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Greene Metropolitan Housing Authority, as of March 31, 2009, and the respective changes in financial position, and the cash flows, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated September 16, 2009, on our consideration of the Greene Metropolitan Housing Authority, Ohio's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3 through 9 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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 Schedule of Modernization Costs Completed is presented for additional analysis and is 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 Government and Non-Profit Organizations* and is also not a required part of the basic financial statements of the Greene Metropolitan Housing Authority, Ohio. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

The Authority has not presented the Financial Data Schedules (FDS) required by the Department of Housing and Urban Development for additional analysis, although not required to be part of the basic financial statements. The FDS are not available due to revisions in the reporting system that the Department is now undertaking.

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

September 16, 2009

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 10.

Financial Highlights

During the fiscal year ending March 31, 2009:

- The Authority's net assets decreased by $294,243 which is a 3 percent decrease from the prior year.
- Total liabilities decreased by $510,311 or 23 percent.
- The Authority's revenue (net of cost of sale) decreased by $539,267 or 5 percent.
- The total expenses of the Authority increased by $323,930 or 3 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).

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 Assets, the Statement of Revenues, Expenses and Changes in Net Assets and the Statement of Cash Flows. The basic financial statements also include a "Notes to 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 Assets presents information on all of the Authority's assets and liabilities, with the difference between the two reported as net assets. Net assets are reported in three broad categories (as applicable):

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

- *Restricted Net Assets* This component of net assets consists of restricted assets on which constraints are placed by grantors, contributors, laws, regulations, etc.

- *Unrestricted Net Assets* Consists of net assets that do not meet the definition of "Net Assets Invested in Capital Assets, Net of Related Debt", or "Restricted Net Assets".

The Statement of Revenues, Expenses and Changes in Net Assets 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 operation activities, investing activities and capital and related financing activities.

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

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 loss.

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.

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 13 through 24 of this report.

Authority-Wide Statements

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

Table 1 - Condensed Statement of Net Assets Compared to Prior Year

	2009	2008
Assets		
Current and Other Assets	$ 3,133,612	$ 3,467,099
Capital Assets	8,694,117	9,165,184
Total Assets	$11,827,729	$12,632,283
Liabilities		
Current Liabilities	$ 595,426	$ 1,050,042
Long-term Liabilities	1,134,054	1,189,749
Total Liabilities	1,729,480	2,239,791
Net Assets		
Invested in Capital Assets, Net of Related Debt	7,505,117	7,556,965
Restricted Net Assets	523,374	924,817
Unrestricted Net Assets	2,069,758	1,910,710
Total Net Assets	10,098,249	10,392,492
Total Liabilities and Net Assets	$11,827,729	$12,632,283

Major Factors Affecting the Statement of Net Assets

Assets decreased by $804,554 which is a 6 percent decrease from the prior year. The net capital assets decreased by $471,067, primarily as a result of the sale of five homes in Sensible Shelter, Inc.

Current and other assets decreased by $333,487 primarily as a result of using funds for the capital improvement in Quail Run and the sale of two houses which were under land contracts.

Total liabilities decreased by $510,311 or 23 percent. Debt decreased primarily due to the sale of the five homes in Sensible Shelter.

Approximately 74 percent of the Authority's net assets reflect its investments in capital assets. The Authority uses these capital assets (land, building, furniture and equipment) to provide housing services to residents and are not readily available for future spending. The unrestricted net assets of the Authority are available for future use to provide program services.

Statement of Revenues, Expenses and Changes in Net Assets

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

Table 2 - Revenue, Expenses and Change in Net Assets

	2009	2008
Revenues		
Tenant Revenue	$ 642,658	$ 643,991
Operating Subsidies and Grants	1,353,287	1,822,917
Subsidy for Housing Assistance Payments	7,934,584	7,924,747
Capital Grants	548,381	495,154
Other Revenues	125,494	252,848
Revenue before Sale of Houses	10,604,404	11,139,657
Proceeds from Sale of Houses	666,550	263,000
Total Revenues	11,270,954	11,402,657
Cost of Sale	(654,332)	(246,768)
Total Revenue Net of Cost of Sale	$10,616,622	$11,155,889
Expenses		
Administrative	$ 1,438,289	$ 1,653,290
Tenant Services	33,777	44,539
Utilities	147,262	143,481
Maintenance	620,478	627,983
General and Interest Expense	427,489	306,904
Housing Assistance Payments	7,467,494	7,044,792
Depreciation	776,076	765,946
Total Expenses	10,910,865	10,586,935
Change in Net Assets	$ (294,243)	$ 568,954

Revenues (net of cost of sale) decreased by $539,267 or 5 percent. This was primarily the result of a decrease in operating subsidies ($469,630) and a decrease in other income ($127,354), partially offset by an increase in capital grants ($53,227).

Total expenses increased by 3 percent or $323,930. This was primarily the result of an increase in housing assistance payments.

Capital Assets

As of March 31, 2009, the Authority's capital assets were $8,694,117 (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	19,250,808
Furniture, Equipment and Machinery - Administrative and Dwellings	462,441
Leasehold Improvements	1,950,360
Construction in Progress	416,953
	24,538,728
Accumulated Depreciation	(15,844,611)
Capital Assets, Net of Accumulated Depreciation	$ 8,694,117

Net capital assets decreased by $471,067 from March 31, 2008 when net capital assets were $9,165,184. Depreciation of $776,076 and the reduction of construction in progress ($384,033) as a result of the sale of the five homes lowered the assets.

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

Debt

As of March 31, 2009, the Authority had five outstanding loans totaling $1,189,000, of which $184,033 is due within one year.

Table 4 - Changes in Debt Outstanding

Federal Housing Administration Mortgage for Village Greene Project	$ 301,375
US Bank Loan for Energy Management Equipment	8,002
Huntington Bank for Wise Manor II Homes Construction	128,825
US Bank Loan for Wise Manor Town Homes	109,675
US Bank Loan for Quail Run Single Homes Project	641,123
Total	$ 1,189,000

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.

Contact Information

Questions concerning any of the information provided in this report, or requests for additional information should be addressed to: Ms. Susan Stiles, 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 ASSETS
PROPRIETARY FUNDS
MARCH 31, 2009

ASSETS	
Current Assets	
Cash and Cash Equivalents	$ 1,109,096
Restricted Cash and Cash Equivalents	146,681
Investments	1,239,510
Restricted Investments	376,693
Receivables, Net of Allowance	127,844
Inventory	29,436
Prepaid Expenses and Other Assets	97,609
Total Current Assets	3,126,869
Property and Equipment	
Non-Depreciable Capital Assets	2,875,119
Depreciable Capital Assets, Net	5,818,998
Total Property and Equipment	8,694,117
Other Assets	
Grants Receivable	6,743
Total Other Assets	6,743
TOTAL ASSETS	$ 11,827,729
LIABILITIES AND NET ASSETS	
Current Liabilities	
Accounts Payable	$ 32,559
Accrued Compensated Absences	24,041
Tenant Security Deposits	78,467
Deferred Revenue	14,724
Accrued Wages and Payroll Taxes	52,146
Intergovernmental Payable	109,283
Other Current Liabilities	100,173
Current Portion of Long-Term Debt	184,033
Total Current Liabilities	595,426
Noncurrent Liabilities	
Noncurrent Liabilities - Other	129,087
Long-Term Debt - Net of Current Portion	1,004,967
Total Noncurrent Liabilities	1,134,054
Total Liabilities	1,729,480
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	7,505,117
Unrestricted Net Assets	2,069,758
Restricted Net Assets	523,374
Total Net Assets	10,098,249
TOTAL LIABILITIES AND NET ASSETS	$ 11,827,729

See accompanying notes to the basic financial statements.

GREENE METROPOLITAN HOUSING AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED MARCH 31, 2009

Operating Revenues	
Government Grants	$ 9,287,871
Tenant Revenue	642,658
Other Revenue	41,673
Total Operating Revenues	9,972,202
Operating Expenses	
Administrative	1,438,289
Tenant Services	33,777
Utilities	147,262
Maintenance	620,478
General	349,905
Housing Assistance Payments	7,467,494
Total Operating Expenses Before Depreciation	10,057,205
Income (Loss) Before Depreciation	(85,003)
Depreciation	776,076
Operating Income (Loss)	(861,079)
Non-Operating Revenues (Expenses)	
Interest and Investment Revenue	67,674
Gain on Sale of Capital Assets	16,147
Gain of Sale of Assets Held for Sale	12,218
Interest Expense	(77,584)
Total Non-Operating Revenues (Expenses)	18,455
Income (Loss) Before Capital Grants	(842,624)
Capital Grants	548,381
Change in Net Assets	(294,243)
Total Net Assets, Beginning of Year	10,392,492
Net Assets, End of Year	$ 10,098,249

See accompanying notes to the basic financial statements.

GREENE METROPOLITAN HOUSING AUTHORITY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED MARCH 31, 2009

Cash Flows from Operating Activities	
Operating Grants Received	$ 9,344,048
Tenant Revenue Received	645,458
Other Revenue Received	101,934
Administrative Expenses - Other	(1,438,042)
Operating Expenses	(1,226,549)
Housing Assistance Payments	(7,467,494)
Net Cash Provided (Used) by Operating Activities	(40,645)
Cash Flows from Capital and Related Financing Activities	
Capital Grants Received	548,381
Retirement of Debt	(524,219)
Debt Proceeds	105,000
Interest Paid on Debt	(77,758)
Property and Equipment Purchased	(965,799)
Cash from Assets Sold	689,155
Net Cash Provided (Used) by Capital and Related Financing Activities	(225,240)
Cash Flows from Investing Activities	
Interest Earned	74,455
Proceeds from Investments	114,910
Net Cash Provided (Used) by Investing Activities	189,365
Net Increase (Decrease) in Cash and Cash Equivalents	(76,520)
Cash and Cash Equivalents, Beginning Of Year	1,332,297
Cash and Cash Equivalents, End of the Year	$ 1,255,777
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Net Operating (Loss)	$ (861,079)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities	
Depreciation	776,076
(Increase) Decrease in Accounts Receivable	137,597
(Increase) Decrease in Prepaid Assets	7,134
(Increase) Decrease in Inventory	(9,455)
Increase (Decrease) in Accounts Payable	(96,141)
Increase (Decrease) in Accrued Payables	5,874
Increase (Decrease) in Intergovernmental Payable	(24,622)
Increase (Decrease) in Tenant Security Deposits	5,142
Increase (Decrease) in Compensated Absence	247
Increase (Decrease) in Other Liabilities	18,582
Net Cash Provided by Operating Activities	$ (40,645)

See accompanying notes to the basic financial statements.

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.

The Authority has elected under GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Activities That use Proprietary Fund Accounting*, to apply all applicable GASB pronouncements as well as any applicable pronouncements of the Financial Accounting Standards Board, the Accounting Principles Board, or any Accounting Research Bulletins issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements. The Authority has elected not to follow FASB guidance issued after November 30, 1989.

The Authority's basic financial statements consist of a statement of net assets, a statement of revenues, expenses, and changes in net assets, and a statement of cash flows.

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

Basis of Presentation (Continued)
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.

Enterprise fund reporting focuses on the determination of the change in net assets, 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 assets. The statement of changes in net assets presents increases (i.e., revenues) and decreased (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.

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 money market investments and government securities as authorized by the Authority.

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.

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.

Change in Accounting Principles
For fiscal year 2009, the Authority implemented GASB Statement No. 49, "*Accounting and Financial Reporting for Pollution Remediation Obligations*", and GASB Statement No. 50 "*Pension Disclosures*". GASB Statement No. 49 provides guidance on how to calculate and report the costs and obligations associated with pollution cleanup efforts. GASB Statement No. 50 more closely aligns the financial reporting requirements for pensions with those for other postemployment benefits. The implementation of GASB Statements No. 49 and No. 50 did not affect the presentation of the financial statements of the Authority.

NOTE 2: **DEPOSITS AND INVESTMENTS**

Cash on Hand
At March 31, 2009, the carrying amount of the Authority's deposits was $1,255,777 (including $146,681 of restricted funds, and $100 of petty cash).

At March 31, 2009, the bank balance of the Authority's cash deposits was $1,340,197. Based on criteria described in GASB Statement No. 40, *Deposits and Investments Risk Disclosures*, as of March 31, 2009, deposits totaling $345,683 were covered by Federal Depository Insurance and deposits totaling $994,514 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 manner of the Authority.

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

Investments

The Authority has a formal investment policy. The Authority follows GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, and records all its investments at fair value. At March 31, 2009, the Authority had the following investments:

		Investment Maturing			
Investment Type	Fair Value	Less Than One Year	One to Five Years	Percent	Rating
Fannie Mae	$ 264,740	$ 209,654	$ 55,086	16.4%	AAA
Fannie Mae Discount Notes	199,825	199,825	0	12.4%	AAA
Federal Farm Credit Bank	46,800	0	46,800	2.9%	AAA
Federal Home Loan Bank	387,295	243,139	144,156	24.0%	AAA
Federal Home Loan Discount Notes	244,752	244,752	0	15.1%	AAA
Freddie Mac	187,847	136,909	50,938	11.6%	AAA
Freddie Mac Discount Notes	55,000	55,000	0	3.4%	AAA
U.S. Treasury Bills	94,841	94,841	0	5.9%	AAA
U.S. Treasury Notes	95,951	95,951	0	5.9%	AAA
Money Markets	39,152	39,152	0	2.4%	AAA
	$ 1,616,203	$ 1,319,223	$ 296,980	100.00%	

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 this 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 above. 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.

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

Concentration of Credit Risk

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

Cash and investments at year-end were as follows:

	Fair Value	Investment Maturities <1 in Years	Investment Maturities 1<3yrs
Carrying Amount of Deposits	$ 1,255,677	$ 1,255,677	$ 0
Investments	1,616,203	1,319,223	296,980
Petty Cash	100	100	0
Totals	$ 2,871,980	$ 2,575,000	$ 296,980

NOTE 3: **RESTRICTED CASH AND INVESTMENTS**

The restricted cash and investments balance of $523,374 on the financial statements represents the following:

Excess cash advanced to the Housing Choice Voucher Program by HUD for Housing Assistance Payments	$ 485,141
Mortgage Escrow - Village Greene	6,867
Reserve for Replacement -Village Greene	18,654
Residual Receipts - Village Greene	12,712
Total Restricted Cash	$ 523,374

NOTE 4: **CAPITAL ASSETS**

A summary of capital assets, at March 31, 2009 by class, is as follows:

	Balance March 31, 2008	Additions	Deletions	Balance March 31, 2009
Capital Assets Not Being Depreciated:				
Land	$ 2,464,624	$ 0	$ (6,458)	$ 2,458,166
Construction in Progress	800,986	270,299	(654,332)	416,953
Total Capital Assets Not Being Depreciated	3,265,610	270,299	(660,790)	2,875,119
Capital Assets Being Depreciated:				
Buildings	18,623,297	627,511	0	19,250,808
Furniture, Equipment, and Machinery - Dwellings	0	22,786	0	22,786
Furniture, Equipment, and Machinery - Administrative	454,449	19,585	(34,379)	439,655
Leasehold Improvements	1,924,742	25,618	0	1,950,360
Subtotal Capital Assets Being Depreciated	21,002,488	695,500	(34,379)	21,663,609
Accumulated Depreciation-Buildings and Improvements	(14,775,140)	(728,994)	0	(15,504,134)
Accumulated Depreciation-Furniture and Equipment	(327,774)	(47,082)	34,379	(340,477)
Subtotal Accumulated Depreciation	(15,102,914)	(776,076)	34,379	(15,844,611)
Depreciable Assets, Net	5,899,574	(80,576)	0	5,818,998
Total Capital Assets, Net	$ 9,165,184	$ 189,723	$ (666,790)	$ 8,694,117

NOTE 5: **RESTRICTED NET ASSETS**

The Authority's restricted net assets are as follows:

Section 8 Housing Choice Voucher Funds Provided for Housing Assistance Payments in Excess of Amounts Used	$ 485,141
Village Greene Replacement Reserve and Residual Receipts	38,233
Total Restricted Net Assets	$ 523,374

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.

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

Ohio Public Employees Retirement System (Continued)
The Ohio Revised Code provides statutory authority for member and employer contributions. For 2008 and 2009, 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, 2009, 2008, and 2007, were $176,576, $166,766, and $148,988, respectively. The full amount has been contributed for 2009, 2008, and 2007. The Authority had no employees participating in the Member-Directed Plan for the years ended March 31, 2007. The Authority had employees participating in the Member-Directed Plan for the years ended March 31, 2009 and 2008. With regard to the contribution amounts cited above for those years, $4,293 of the contributions were made for the year ended March 31, 2009 and $3,808 of the contributions were made for March 31, 2008 were in the Member-Directed Plan.

NOTE 7: **POST-EMPLOYMENT BENEFITS**

Ohio Public Employees Retirement System

A. **Plan Description**

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.

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

Ohio Public Employees Retirement System (Continued)

A. **Plan Description**

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.

B. **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 2009 and 2008 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. 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 contributions rate that will be set aside for funding of post-employment health care benefits. For 2009 and 2008 the portion of employer contributions allocated to health care was 7.00 percent of covered payroll. Actual Authority contributions for the year ended March 31, 2009 which were used to fund post-employment benefits was $88,288. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007, and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

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, 2009, based on the vesting method, $153,128 was accrued by the Authority for unused vacation and sick time. The current portion is $24,041 and the long term portion is $129,087.

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-six (36) Ohio housing authorities, of which Greene Metropolitan Housing Authority is one. Deductibles and coverage limits are summarized below:

Type of Coverage	Deductible	Coverage Limits
Property	$ 1,500	$250,000,000 (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	50,000,000
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.

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%. 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, 2009 was $301,375.

Public Housing

Greene Metropolitan Housing Authority obtained a loan in the amount of $114,078 on October 4, 2000. The proceeds were used for acquisition and installation of energy management equipment payable in monthly installments of $1,136.99. The maturity date is October 4, 2012. The remaining principal balance as of March 31, 2009 was $8,002.

Business Activities

On August 3, 2006, the Authority obtained a loan in the amount of $122,000 payable in monthly installments of $1,140 including interest at 7.49%. The note matures on August 10, 2021 and is collateralized by the land and property of Sensible Shelter, Inc. The outstanding principal balance as of March 31, 2009 was $109,675.

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, 2009 was $641,123.

On May 22, 2007, the Authority obtained a draw down line of credit loan in the maximum amount of $1,447,200. The note accrues interest at a rate of 5% and is secured by a mortgage on the property of Sensible Shelter, Inc. All accrued interest and outstanding principal is due on May 22, 2009. The outstanding principal balance as of March 31, 2009 was $128,825.

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

Loans	Balance 03/31/08	Increases	Decreases	Balance 03/31/09	Amount Due In One Year
FHA Project No. 046-35438	$ 322,108	$ 0	$ (20,733)	$ 301,375	$ 22,342
2000 US Bank, 6.40%	20,686	0	(12,684)	8,002	8,002
2006 US Bank, 7.49%	114,808	0	(5,133)	109,675	5,651
2007 US Bank, 6.79%	658,486	0	(17,363)	641,123	19,213
2008 Huntington, 5.00%	492,131	105,000	(468,306)	128,825	128,825
Total Loans	1,608,219	105,000	(524,219)	1,189,000	184,033
Other Obligations					
Compensated Absences	152,881	80,075	(79,828)	153,128	24,041
Total Loans and Obligations	$ 1,761,100	$ 185,075	$ (604,047)	$ 1,342,128	$ 208,074

NOTE 10: **LONG-TERM DEBT** (Continued)

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

Fiscal Year	Principal	Interest	Total
2010	$ 184,033	$ 73,990	$ 258,023
2011	50,725	69,292	120,017
2012	54,507	65,511	120,018
2013	58,570	61,446	120,016
2014	62,938	57,079	120,017
2015-2019	370,227	207,762	577,989
2020-2024	244,080	95,948	340,028
Thereafter	163,920	15,965	179,885
Totals	$ 1,189,000	$ 646,993	$ 1,835,993

NOTE 11: **CONSTRUCTION AND OTHER COMMITMENTS**

The Authority had no material construction commitments at March 31, 2009.

NOTE 12: **INTERPROGRAM RECEIVABLES/PAYABLES**

Interprogram balance at March 31, 2009, consists of the following receivables and payables:

	Due From	Due To
Program and Business Activities	$ 146,088	$ 144,789
Public Housing Projects	27,353	2,042
Central Office Cost Center	0	26,610
Total	$ 173,441	$ 173,441

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 statement 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.

GREENE METROPOLITAN HOUSING AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MARCH 31, 2009

Federal Grantor/ **Pass Through Grantor/** Program Title	**Federal** **CFDA** **Number**	**Expenditures**	**Loan** **Balance**
U.S. Department of Housing and Urban Development			
Direct Programs:			
Public Housing Programs			
Public Housing	14.850	$ 1,007,550	$ 0
Public Housing Capital Fund	14.872	621,476	0
Total Public Housing		1,629,026	0
Section 8 Programs			
Housing Choice Voucher Program	14.871	7,201,113	0
Shelter Plus Care Program	14.238	96,979	0
Total Section 8 Programs		7,298,092	0
Section 8 Project - Based Cluster			
Section 8 New Construction	14.182	512,326	0
Section 8 Housing Assistance Payments - Special Allocations	14.195	124,166	0
Total Section 8 Project - Based Cluster		636,492	0
Mortgage Insurance Rental and Cooperative	14.135	0	301,375
Total Direct Awards		9,563,610	301,375
Passed Through Funds - Department of Housing and Urban Development			
Passed through the City of Xenia			
Community Development Block Grants/State's Program (State-Administered Small Cities Program)	14.228	115,422	0
Total U.S. Department of Housing and Urban Development		9,679,032	301,375
U.S. Department of Health and Human Services			
Passed through from Greene County Department of Jobs and Family Services:			
Temporary Assistance for Needy Families	93.558	48,527	0
Passed through Ohio CDC Association:			
New Assets for Independence Demonstration	93.602	17,293	0
Total Pass Through from Department of Health and Human Services		65,820	0
Total U.S. Department of Health and Human Services		65,820	0
Total Federal Awards Expenditures		$ 9,744,852	$ 301,375

This schedule is prepared on the accrual basis of accounting.

GREENE METROPOLITAN HOUSING AUTHORITY
STATEMENT OF MODERNIZATION COST - COMPLETED
FOR THE TWELVE MONTHS ENDED MARCH 31, 2009

Annual Contributions Contract C-5007

1. The total amount of modernization costs of the Capital Fund Program grant is shown below:

OH10P02250103

Funds Approved	$ 537,248
Funds Expended	537,248
Excess (Deficiency) of Funds Approved	$ 0
Funds Advances	$ 537,248
Funds Expended	537,248
Excess (Deficiency) of Funds Advanced	$ 0

2. All modernization work in connection with the Capital Fund Program has been completed.

3. The entire actual modernization cost or liabilities incurred by the Authority have been fully paid.

4. There are no discharged mechanics, laborers, contractors, or material-mens liens against such modernization work on file in any public office where the same should be filed in order to be valid against such modernization work.

JAMES G. ZUPKA, C.P.A., INC.
Certified Public Accountants
5240 East 98th 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
Xenia, Ohio

Regional Inspector General for Audit
Department of Housing and Urban Development

We have audited the basic financial statements of the Greene Metropolitan Housing Authority, Ohio, as of and for the year ended March 31, 2009, and have issued our report thereon dated September 16, 2009. 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.

Internal Control Over Financial Reporting

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

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Greene Metropolitan Housing Authority, Ohio's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Greene Metropolitan Housing Authority, Ohio's financial statements that is more than inconsequential will not be prevented or detected by the Greene Metropolitan Housing Authority, Ohio's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Greene Metropolitan Housing Authority, Ohio's internal control.

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

Compliance and Other Matters

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

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

James G. Zupka

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

September 16, 2009

JAMES G. ZUPKA, C.P.A., INC.
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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Directors
Greene Metropolitan Housing Authority
Xenia, Ohio

Regional Inspector General of Audit
Department of Housing and Urban
Development

Compliance

We have audited the compliance of the Greene Metropolitan Housing Authority, Ohio, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended March 31, 2009. The Greene Metropolitan Housing Authority, Ohio's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Greene Metropolitan Housing Authority, Ohio's management. Our responsibility is to express an opinion on the Greene Metropolitan Housing Authority, Ohio's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *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. Our audit does not provide a legal determination of the Greene Metropolitan Housing Authority, Ohio's compliance with those requirements.

In our opinion, the Greene Metropolitan Housing Authority, Ohio, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended March 31, 2009.

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 requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Greene Metropolitan Housing Authority, Ohio's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

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

James G. Zupka

James G. Zupka CPA, Inc.
Certified Public Accountants

September 16, 2009

GREENE METROPOLITAN HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 & .505
MARCH 31, 2009

1. SUMMARY OF AUDITOR'S RESULTS

2009(i)	Type of Financial Statement Opinion	Unqualified
2009(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
2009(ii)	Were there any significant deficiencies in internal control reported at the financial statements level (GAGAS)?	No
2009(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
2009(iv)	Were there any material internal control weakness conditions reported for major Federal programs?	No
2009(iv)	Were there any other significant deficiency conditions reported for major Federal programs?	No
2009(v)	Type of Major Programs' Compliance Opinion	Unqualified
2009(vi)	Are there any reportable findings under .510?	No
2009(vii)	Major Programs (list): Housing Choice Voucher Program - CFDA #14.871 Public Housing Capital Fund Program - CFDA #14.872	
2009(viii)	Dollar Threshold: Type A\B Programs	Type A: >$301,387 Type B: all others
2009(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, 2009

The audit report for the prior year ended March 31, 2008 contained no findings or citations.

Mary Taylor, CPA
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 5, 2009

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