GREENE METROPOLITAN HOUSING AUTHORITY

BASIC FINANCIAL STATEMENTS AND SINGLE AUDIT

FOR THE FISCAL YEAR ENDED MARCH 31, 2016

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

Dave Yost • Auditor of State

Board of Directors
Greene Metropolitan Housing Authority
538 N. Detroit St.
Xenia, OH 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, 2015 through March 31, 2016. 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.

Dave Yost
Auditor of State

November 30, 2016

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BASIC FINANCIAL STATEMENTS AND SINGLE AUDIT
FOR THE FISCAL YEAR ENDED MARCH 31, 2016

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JAMES G. ZUPKA, C.P.A., INC.
Certified Public Accountants
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INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of
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, (Housing Authority) as of and for the year ended March 31, 2016, and the related notes to the financial statements, which collectively comprise the Housing 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 an opinion 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 Housing 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 Housing 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.

Opinion

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, Ohio, as of March 31, 2016, 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.

Emphasis of Matter

As described in Note 2 to the basic financial statements, the Housing Authority adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, and restated its net position at March 31, 2015 for business-type activities. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Schedules of Net Pension Liabilities and Pension Contributions, as listed in the table of contents, 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 opinions on the financial statements that collectively comprise the Greene Metropolitan Housing Authority, Ohio's basic financial statements. The Financial Data Schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is not a required part of the basic financial statements.

The Financial Data Schedules and the Schedule of Expenditures of Federal Awards are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Financial Data Schedules, and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated August 25, 2016, 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, Inc.

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

August 25, 2016

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, 2016:

- The Authority implemented GASB 68 which resulted in a prior period adjustment of $1,050,109 and the recording of a net pension liability of $1,540,109 at year end 2016. The Authority's net position decreased by $272,625 adjusting the prior period adjustment due to the implementation of GASB 68, which is a 3 percent decrease from the prior year.

- Total liabilities increased by $280,087 or 13 percent.

- The Authority's revenue increased by $61,961 or 1 percent.

- The total expenses of the Authority increased by $488.

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 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.

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 (IDA) Program, which was a restricted, matched saving program for qualified low-income families. Grants were received from governments, banks and foundations to assist low-income families reach self-sufficiency. The IDA Program came to a close in this period. 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 14 through 33 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

	2016	2015 *
Assets		
Current and Other Assets	$ 2,894,507	$ 2,854,326
Capital Assets	6,962,353	7,343,112
Deferred Outflows of Resources	484,922	93,122
Total Assets and Deferred Outflows of Resources	$10,341,782	$10,290,560
Liabilities		
Current Liabilities	$ 773,961	$ 401,724
Long-term Liabilities	1,739,501	1,831,651
Deferred Inflows of Resources	63,498	19,738
Total Liabilities and Deferred Inflows of Resources	2,576,960	2,253,113
Net Position		
Net Investment in Capital Assets	6,379,014	6,696,802
Restricted	146,131	248,944
Unrestricted	1,239,677	1,091,701
Total Net Position	7,764,822	8,037,447
Total Liabilities and Net Position	$10,341,782	$10,290,560

*Restated

Major Factors Affecting the Statement of Net Position

To allow for a better comparison of 2016 to 2015 the Authority restated the 2015 numbers which reduced Net Position by $1,050,109. This was the result of the implementation of GASB Statement No. 68. GASB Statement No. 68 has been prominently cited throughout this MD&A because implementation of the new accounting standard had a very big impact of the financial statements of the Authority. The implementation of GASB No. 68 will have a similar impact on the financial statements of almost all units of government in Ohio. Essentially it requires Greene MHA to report on its financial statements what is determined to be its share of the unfunded pension liability of the Ohio Public Employees Retirement System (OPERS). Despite that the very large Net Pension Liability reported by Greene Metropolitan Housing Authority does not represent a true liability of the Authority in terms of if operations ceased today there is no invoice in that amount to be paid. The concept behind the standard is that ultimately for OPERS to resolve the unfunded pension liability it has, it will have to impose an additional funding burden on the entities that contribute to it. State law mandates that employees of Greene MHA are participants in OPERS and that Greene MHA makes retirement contributions to OPERS on behalf of its employees.

Current and other assets increased by $40,181 which is a 1 percent increase from the prior year. The net capital assets decreased by $380,759.

Total liabilities increased by $280,087 or 13 percent. Pension Liability from GASB 68 increased $416,540.

Approximately 82 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.

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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 - Condensed Statement of Revenues, Expenses and Change in Net Position

	2016	2015
Revenues		
Tenant Revenue	$ 716,637	$ 606,637
Operating Subsidies and Grants	1,513,894	1,500,054
Subsidy for Housing Assistance Payments	7,718,787	7,439,074
Capital Grants	64,635	448,827
Other Revenues	117,172	74,572
Total Revenues	10,131,125	10,069,164
Expenses		
Administrative	1,448,701	$ 1,235,218
Tenant Services	35,584	26,736
Utilities	115,326	118,807
Maintenance	746,992	840,240
General and Interest Expense	378,648	386,819
Housing Assistance Payments	7,098,424	7,194,174
Depreciation	580,075	601,268
Total Expenses	10,403,750	10,403,262
Change in Net Position	$ (272,625)	$ (334,098)

Revenues increased by $61,961 or 1 percent. This was primarily the result of increased tenant rents. Total expenses increased by $488.

Capital Assets

As of March 31, 2016, the Authority's capital assets were $6,962,353 (capital assets net of accumulated depreciation) as reflected in the following schedule.

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

Land	$ 2,458,167
Buildings	21,929,623
Furniture and Equipment - Dwellings	179,555
Furniture and Equipment - Administrative	558,152
Leasehold Improvements and Construction in Progress	2,228,104
	27,353,601
Accumulated Depreciation	(20,391,248)
Capital Assets, Net of Accumulated Depreciation	$ 6,962,353

Net capital assets decreased by $380,759 from March 31, 2015 when net capital assets were $7,343,112. Depreciation of $580,075 and the additional assets from the capital grants and non-federal capitalizations ($199,316) account for the change.

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

Debt

As of March 31, 2016, the Authority had two outstanding loans totaling $583,339, of which $517,586 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	$ 103,460
US Bank Loan for Quail Run Single Homes Project	479,879
Total	$ 583,339

See Note 11 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. 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, 2016

ASSETS	
Current Assets	
Cash and Cash Equivalents	$ 1,996,190
Restricted Cash and Cash Equivalents	238,833
Investments	206,865
Receivables, Net of Allowance	138,311
Inventory	39,604
Prepaid Expenses and Other Assets	77,602
Total Current Assets	2,697,405
Property and Equipment	
Non-Depreciable Capital Assets	2,459,463
Depreciable Capital Assets, Net	4,502,890
Total Property and Equipment	6,962,353
Other Assets	
Assets Held for Resale	197,102
Total Other Assets	197,102
Deferred Outflow of Resources	484,922
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 10,341,782
LIABILITIES	
Current Liabilities	
Accounts Payable	$ 35,580
Accrued Compensated Absences	14,857
Tenant Security Deposits	92,702
Unearned Revenue	20,338
Accrued Wages and Payroll Taxes	21,317
Intergovernmental Payable	70,935
Other Current Liabilities	646
Current Portion of Long-Term Debt	517,586
Total Current Liabilities	77e,961
Noncurrent Liabilities	
Noncurrent Liabilities - Other	133,715
Long-Term Debt - Net of Current Portion	65,753
Net Pension Liability	1,540,033
Total Noncurrent Liabilities	1,739,501
Total Liabilities	2,513,462
Deferred Inflows of Resources	63,498
NET POSITION	
Net Investment in Capital Assets	6,379,014
Restricted	146,131
Unrestricted	1,239,677
Total Net Position	7,764,822
TOTAL LIABILITIES AND NET POSITION	$ 10,341,782

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, 2016

Operating Revenues	
Government Grants	$ 9,233,881
Tenant Revenue	716,637
Other Revenue	114,009
Total Operating Revenues	10,064,527
Operating Expenses	
Administrative	1,448,701
Tenant Services	35,584
Utilities	115,326
Maintenance	746,992
General	335,495
Housing Assistance Payments	7,098,424
Total Operating Expenses Before Depreciation	9,780,522
Income (Loss) Before Depreciation	284,005
Depreciation	580,075
Operating Income (Loss)	(296,070)
Non-Operating Revenues (Expenses)	
Interest and Investment Revenue	1,963
Interest Expense	(43,153)
Total Non-Operating Revenues (Expenses)	(41,190)
Income (Loss) Before Capital Grants	(337,260)
Capital Grants	64,635
Change in Net Position	(272,625)
Total Net Position, Beginning of Year	9,087,556
Prior Period Adjustment	(1,050,109)
Net Position, End of Year	$ 7,764,822

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, 2016

Cash Flows from Operating Activities	
Operating Grants Received	$ 9,218,667
Tenant Revenue Received	698,327
Other Revenue Received	105,880
Administrative Expenses	(1,387,435)
Other Operating Expenses	(1,297,732)
Housing Assistance Payments	(7,098,424)
Net Cash Provided (Used) by Operating Activities	239,283
Cash Flows from Capital and Related Financing Activities	
Capital Grants Received	64,635
Retirement of Debt	(62,971)
Interest Paid on Debt	(43,372)
Property and Equipment Purchased	(199,316)
Net Cash Provided (Used) by Capital and Related Financing Activities	(241,024)
Cash Flows from Investing Activities	
Interest Earned	1,963
Cost of Other Assets Purchased	(2,650)
Investment Purchased	(1,684)
Net Cash Provided (Used) by Investing Activities	(2,371)
Net Increase (Decrease) in Cash and Cash Equivalents	(4,112)
Cash and Cash Equivalents, Beginning Of Year	2,239,135
Cash and Cash Equivalents, End of the Year	$ 2,235,023
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Net Operating (Loss)	$ (296,070)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities	
Depreciation	580,075
(Increase) Decrease in Accounts Receivable	(26,311)
(Increase) Decrease in Prepaid Assets	(8,027)
(Increase) Decrease in Inventory	(5,621)
(Increase) Decrease in Deferred Outflows	(391,800)
Increase (Decrease) in Accounts Payable	986
Increase (Decrease) in Accrued Expenses	(4,673)
Increase (Decrease) in Unearned Revenue	7,287
Increase (Decrease) in Intergovernmental Payable	(27,279)
Increase (Decrease) in Tenant Security Deposits	4,650
Increase (Decrease) in Compensated Absence	(7,234)
Increase (Decrease) in Other Liabilities	(47,000)
Increase (Decrease) in Net Pension Liability	416,540
Increase (Decrease) in Deferred Inflows	43,760
Net Cash Provided by Operating Activities	$ 239,283

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.

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.

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 total net position. 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 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 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.

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 9.

Net Position
Net position is the residual amount when comparing assets and liabilities. 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.

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

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

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

NOTE 2: **CHANGE IN ACCOUNTING PRINCIPLE AND PRIOR PERIOD ADJUSTMENT**

For fiscal year 2016, the Authority implemented the Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions,* GASB Statement No. 69, *Government Combinations and Disposals of Government Operations,* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68.*

The objective of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27,* is to improve accounting and financial reporting by state and local governments for pensions. The provisions of this Statement are effective for periods beginning after June 15, 2014, and have been implemented by the Authority.

The objective of GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68,* is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions.* The provisions of this Statement should be applied simultaneously with the provisions of Statement No. 68, and have been implemented by the Authority.

A prior period adjustment at March 31, 2016 is required in order to implement GASB Statements No. 68 and 71 as follows:

Prior Period Adjustments:	
Net Pension Liability	$(1,123,493)
Deferred Outflows	93,122
Deferred Inflows	(19,738)
Total Prior Period Adjustments	$(1,050,109)

NOTE 3: **DEPOSITS AND INVESTMENTS**

Cash on Hand

At March 31, 2016, the carrying amount of the Authority's deposits was $2,441,888 (including $206,865 non-negotiable CDs, $238,833 of restricted funds, and $100 of petty cash).

At March 31, 2016, the bank balance of the Authority's cash deposits was $2,420,483. Based on criteria described in GASB Statement No. 40, *Deposits and Investments Risk Disclosures*, as of March 31, 2016, deposits totaling $711,160 were covered by Federal Depository Insurance and deposits totaling $1,709,323 were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, in the Authority's name, another $33,516 was held in trust.

NOTE 3: **DEPOSITS AND INVESTMENTS** (Continued)

Cash on Hand (Continued)

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.

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 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.

NOTE 3: **DEPOSITS AND INVESTMENTS** (Continued)

Concentration of Credit Risk

A reconciliation of cash and investments as shown on the statement of net position at March 31, 2016 to the deposits and investments included in this note is as follows:

Per Statement of Net Position	
Cash and Cash Equivalents	$1,996,190
Cash - Restricted	238,833
Investments	206,865
Total	2,441,888
Per Note Disclosure	
Carrying Amount of Deposits	2,441,888
Total	$ 2,441,888

NOTE 4: **RESTRICTED CASH**

The restricted cash balance of $238,833 on the financial statements represents the following:

Excess cash advanced to the Housing Choice Voucher Program by HUD for Housing Assistance Payments	$ 43,339
Tenant Security Deposits	92,702
Mortgage Escrow - Village Greene	1,514
Reserve for Replacement - Village Greene	32,002
Residual Receipts - Village Greene	69,276
Total Restricted Cash	$ 238,833

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NOTE 5: CAPITAL ASSETS

A summary of capital assets, at March 31, 2016 by class, is as follows:

	Balance 03/31/2015	Adjustments	Additions	Deletions	Balance 03/31/2016
Capital Assets Not Being Depreciated					
Land	$ 2,458,166	$ 1	$ 0	$ 0	$ 2,458,167
Construction in Progress	1,296	0	0	0	1,296
Total Capital Assets Not Being Depreciated	2,459,462	1	0	0	2,459,463
Capital Assets Being Depreciated					
Buildings	21,782,093	0	147,530	0	21,929,623
Furniture, Equipment, and Machinery -					
Dwellings	179,555	0	0	0	179,555
Administrative	514,392	0	43,760	0	558,152
Leasehold Improvements	2,218,784	0	8,024	0	2,226,808
Subtotal Capital Assets Being Depreciated	24,694,824	0	199,314	0	24,894,138
Accumulated Depreciation					
Buildings and Improvements	(19,252,724)	1	(531,209)	0	(19,783,932)
Furniture and Equipment	(558,450)	0	(48,866)	0	(607,316)
Total Accumulated Depreciation	(19,811,174)	1	(580,075)	0	(20,391,248)
Depreciable Assets, Net	4,883,650	1	(380,761)	0	4,502,890
Total Capital Assets, Net	$ 7,343,112	$ 2	$ (380,761)	$ 0	$ 6,962,353

NOTE 6: 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	$ 43,339
Village Greene Replacement Reserve Escrow and Residual Receipts	102,792
Total Restricted Net Position	$ 146,131

NOTE 7: **DEFINED BENEFIT PENSION PLANS**

Net Pension Liability

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

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

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

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

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

NOTE 7: **DEFINED BENEFIT PENSION PLANS** (Continued)

Plan Description - Ohio Public Employees Retirement System (OPERS)

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

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

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

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

NOTE 7: **DEFINED BENEFIT PENSION PLANS** (Continued)

Plan Description - Ohio Public Employees Retirement System (OPERS) (Continued)

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

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

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

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

	State and Local
2015 Statutory Maximum Contribution Rates:	
Employer	14.0%
Employee	10.0%
2015 Actual Contribution Rates:	
Employer:	
Pension	12.0%
Post-employment Health Care Benefits	2.0%
Total Employer	14.0%
Employee	10.0%

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Authority's contractually required contribution was $131,865 for fiscal year ending 2016.

NOTE 7: **DEFINED BENEFIT PENSION PLANS** (Continued)

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

The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportionate of the net pension liability was based on the Authority's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

Proportionate Share of the Net Pension Liability	$ 1,540,033
Proportion of the Net Pension Liability	0.008891%
Pension Expense	$ 216,388

At March 31, 2016, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows of Resources	
Net difference between projected and actual earnings on pension plan investments	$ 452,674
Authority contributions subsequent to the measurement date	32,248
Total Deferred Outflows of Resources	$ 484,922
Deferred Inflows of Resources	
Differences between expected and actual experience	$ 29,756
Change in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	33,742
Totals	$ 63,498

$32,248 reported as deferred outflows of resources related to pension resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending March 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	
2017	$ 83,435
2018	90,674
2019	112,626
2020	102,441
Total	$ 389,176

NOTE 7: **DEFINED BENEFIT PENSION PLANS** (Continued)

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation	3.75 percent
Future Salary Increases, including inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA	Pre 1/7/2013 Retirees: 3 percent, simple Post 1/7/2013 Retirees: 3 percent, simple Through 2018, then 2.8 percent, simple
Investment Rate of Return	8 percent
Actuarial Cost Method	Individual Entry Age

Mortality rates were based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

The most recent experience study was completed for the five year period ended December 31, 2010.

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

NOTE 7: **DEFINED BENEFIT PENSION PLANS** (Continued)

Actuarial Assumptions - OPERS (Continued)

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 0.4 percent for 2015.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2015 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00%	2.31%
Domestic Equities	20.70%	5.84%
Real Estate	10.00%	4.25%
Private Equity	10.00%	9.25%
International Equities	18.30%	7.40%
Other Investements	18.00%	4.59%
Total	100.00%	5.28%

NOTE 7: **DEFINED BENEFIT PENSION PLANS** (Continued)

Actuarial Assumptions - OPERS (Continued)

Discount Rate The discount rate used to measure the total pension liability was 8 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the Authority's proportionate share of the net pension liability calculated using the current period discount rate assumption of 8 percent, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (7 percent) or one-percentage-point higher (9 percent) than the current rate:

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
Authority's proportionate share of the net pension liability	$ 2,453,649	$ 1,540,033	$ 769,427

NOTE 8: **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 two cost-sharing, multiple-employer defined benefit post-employment health care trusts, which fund multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the Traditional Pension and the Combined plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage.

NOTE 8: **POST-EMPLOYMENT BENEFITS** (Continued)

Plan Description (Continued)

In order to qualify for health care coverage, age and service retirees under the Traditional Pension and Combined plans must have 20 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 No. 45. Please see the Plan Statement in the OPERS 2015 CAFR for details.

The Ohio Revised Code permits, but does not require, OPERS to provide the health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting https://www.opers.org/financial/reports.shtml#CAFR, by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy

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

Employer contribution rates are expressed as a percentage of the earnable salary payroll of active members. In fiscal year ending 2016, State and Local employers contributed at a rate of 14.0 percent of earnable salary. These are maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

OPERS maintains three health care trusts. The two cost-sharing, multiple-employer trusts, the 401(h) Health Care Trust and the 115 Health Care Trust, work together to provide health care funding to eligible retirees of the Traditional Pension and Combined plans. The third trust is a Voluntary Employee's Beneficiary Association (VEBA) that provides funding for a Retiree Medical Account for Member-Directed Plan members. Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund health care plans.

NOTE 8: **POST-EMPLOYMENT BENEFITS** (Continued)

B. **Funding Policy** (Continued)

The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0 percent during calendar year 2015. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2016 remained at 2.0 percent for both plans. The Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited to the VEBA for participants in the Member-Directed Plan for 2015 was 4.5 percent. The portion of actual Authority contributions for the year ended March 31, 2016, 2015 and 2014, which were used by OPERS to fund post-employment benefits were $21,977, $22,604, and $15,264, respectively.

NOTE 9: **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, 2016, based on the vesting method, $148,572 was accrued by the Authority for unused vacation and sick time. The current portion is $14,857 and the long term portion is $133,715.

NOTE 10: **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:

Type of Coverage	Coverage Deductible	Limits
Property	$ 1,500/500	$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	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.

NOTE 11: **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, 2016 was $103,460.

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, 2016 was $479,879. This note is currently being renegotiated to take advantage of lower interest rates, as well as extending the loan to be paid by the end of the original amortization period of 20 years.

NOTE 11: **LONG-TERM DEBT** (Continued)

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

	Balance 03/31/2015	Increases	Decreases	Balance 03/31/2016	Amount Due In One Year
Loans					
FHA Project No. 046-35438	$ 138,451	$ 0	$ (34,991)	$ 103,460	$ 37,707
2007 US Bank, 6.79%	507,859	0	(27,980)	479,879	479,879
Total Loans	646,310	0	(62,971)	583,339	517,586
Other Obligations					
Compensated Absences	155,806	8,609	(15,843)	148,572	14,857
Net Pension Liability	1,123,493	416,540	0	1,540,033	0
Total Loans and Obligations	$ 1,925,609	$ 425,149	$ (78,814)	$2,271,944	$ 532,443

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

Fiscal Year	Principal	Interest	Total
2017	$ 517,586	$ 40,052	$ 557,638
2018	40,634	3,554	44,188
2019	25,119	631	25,750
Totals	$ 583,339	$ 44,237	$ 627,576

NOTE 12: **CONSTRUCTION AND OTHER COMMITMENTS**

The Authority had no material construction commitments at March 31, 2016.

NOTE 13: **INTERPROGRAM RECEIVABLES/PAYABLES**

The Agency has interprogram balances at March 31, 2016.

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 position.

NOTE 14: **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
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST THREE FISCAL YEARS (1)

	2016	2015	2014
Authority's Proportion of the Net Pension Liability	0.008891%	0.009315%	0.009315%
Authority's Proportionate Share of the Net Pension Liability	$ 1,540,033	$ 1,123,493	$ 1,098,117
Authority's Covered-Employee Payroll	$ 1,098,875	$ 1,130,208	$ 1,221,150
Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	140.15%	99.41%	89.92%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.08%	86.45%	86.36%

(1) Information prior to 2014 is not available.

Amount presented as of the Authority's fiscal year end.
The plan measurement date is the prior calendar year end.

GREENE METROPOLITAN HOUSING AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST FOUR FISCAL YEARS (1)

	2016	2015	2014	2013
Contractually Required Contributions	$ 131,865	$ 135,625	$ 146,538	$ 170,249
Contributions in Relation to the Contractually Required Contribution	(131,865)	(135,625)	(146,538)	(170,249)
Contribution Deficiency/(Excess)	$ 0	$ 0	$ 0	$ 0
Authority's Covered-Employee Payroll	$ 1,098,875	$ 1,130,208	$ 1,221,150	$ 1,309,608
Contributions as a Percentage of Covered-Employee Payroll	12.00%	12.00%	12.00%	13.00%

(1) Information prior to 2013 is not available.

GREENE METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL SCHEDULE
ENTITY WIDE BALANCE SHEET SUMMARY
FOR THE FISCAL YEAR ENDED MARCH 31, 2016

	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	2 State/Local	1 Business Activities	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	820,215	343,702	64,634	5,017			501,521	261,101	1,996,190		1,996,190
113 Cash - Other Restricted		43,339		102,792					146,131		146,131
114 Cash - Tenant Security Deposits	76,144			3,709			12,849		92,702		92,702
100 Total Cash	896,359	387,041	64,634	111,518	-	-	514,370	261,101	2,235,023	-	2,235,023
121 Accounts Receivable - PHA Projects	6,892								6,892		6,892
122 Accounts Receivable - HUD Other Projects			9,951						9,951		9,951
124 Accounts Receivable - Other Government		16,266					4,228		20,494		20,494
125 Accounts Receivable - Miscellaneous		302						5	307		307
126 Accounts Receivable - Tenants	3,284			503			1,193		4,980		4,980
126.1 Allowance for Doubtful Accounts -Tenants	-2,320			-273			-450		-3,043		-3,043
128 Fraud Recovery	2,522	107,702	2,632						112,856		112,856
128.1 Allowance for Doubtful Accounts - Fraud	-1,639	-12,487							-14,126		-14,126
120 Total Receivables, Net of Allowances for Doubtful Accounts	8,739	111,783	12,583	230	-	-	4,971	5	138,311	-	138,311
131 Investments - Unrestricted	51,203						104,110	51,552	206,865		206,865
142 Prepaid Expenses and Other Assets	53,782	1,190		1,908			4,451	16,271	77,602		77,602
143 Inventories	2,252			4,130			162	33,060	39,604		39,604
144 Inter Program Due From								104,542	104,542	-104,542	-
150 Total Current Assets	1,012,335	500,014	77,217	117,786	-	-	628,064	466,531	2,801,947	-104,542	2,697,405
161 Land	2,095,092			31,400			299,645	32,030	2,458,167		2,458,167
162 Buildings	18,900,904	99,915		949,575		39,000	1,473,838	466,391	21,929,623		21,929,623
163 Furniture, Equipment & Machinery - Dwellings	179,555								179,555		179,555
164 Furniture, Equipment & Machinery - Administration	130,477	82,442		21,386				323,847	558,152		558,152
165 Leasehold Improvements	2,174,606						4,716	47,486	2,226,808		2,226,808
166 Accumulated Depreciation	-18,012,029	-112,574		-786,822		-35,100	-720,875	-723,848	-20,391,248		-20,391,248
167 Construction in Progress	1,296								1,296		1,296
160 Total Capital Assets, Net of Accumulated Depreciation	5,469,901	69,783	-	215,539	-	3,900	1,057,324	145,906	6,962,353	-	6,962,353
174 Other Assets							197,102		197,102		197,102
180 Total Non-Current Assets	5,469,901	69,783	-	215,539	-	3,900	1,254,426	145,906	7,159,455	-	7,159,455
200 Deferred Outflow of Resources	120,124	161,407		6,339			16,738	180,314	484,922		484,922
290 Total Assets and Deferred Outflow of Resources	6,602,360	731,204	77,217	339,664	-	3,900	1,899,228	792,751	10,446,324	-104,542	10,341,782

GREENE METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL SCHEDULE
ENTITY WIDE BALANCE SHEET SUMMARY
FOR THE FISCAL YEAR ENDED MARCH 31, 2016

	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	2 State/Local	1 Business Activities	COCC	Subtotal	ELIM	Total
312 Accounts Payable <= 90 Days	21,588	4,067		2,247			4,396	3,282	35,580		35,580
321 Accrued Wage/Payroll Taxes Payable							18,000	3,317	21,317		21,317
322 Accrued Compensated Absences - Current Portion	3,320	4,155		252			352	6,778	14,857		14,857
325 Accrued Interest Payable				646					646		646
331 Accounts Payable - HUD PHA Programs		8,429							8,429		8,429
333 Accounts Payable - Other Government	35,281						5,658	21,567	62,506		62,506
341 Tenant Security Deposits	76,144			3,709			12,849		92,702		92,702
342 Unearned Revenue	19,018			97			1,223		20,338		20,338
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds				37,707			479,879		517,586		517,586
347 Inter Program - Due To		22,341			62,701	19,500			104,542	-104,542	-
310 Total Current Liabilities	155,351	38,992	-	44,658	62,701	19,500	522,357	34,944	878,503	-104,542	773,961
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue				65,753					65,753		65,753
354 Accrued Compensated Absences - Non Current	29,889	37,393		2,271			3,164	60,998	133,715		133,715
357 Accrued Pension and OPEB Liabilities	381,493	512,603		20,131			53,157	572,649	1,540,033		1,540,033
350 Total Non-Current Liabilities	411,382	549,996	-	88,155	-	-	56,321	633,647	1,739,501	-	1,739,501
300 Total Liabilities	566,733	588,988	-	132,813	62,701	19,500	578,678	668,591	2,618,004	-104,542	2,513,462
400 Deferred Inflow of Resources	15,730	21,135		830			2,191	23,612	63,498		63,498
508.4 Net Investment in Capital Assets	5,469,901	69,783		112,079		3,900	577,445	145,906	6,379,014		6,379,014
511.4 Restricted Net Position		43,339		102,792					146,131		146,131
512.4 Unrestricted Net Position	549,996	7,959	77,217	-8,850	-62,701	-19,500	740,914	-45,358	1,239,677		1,239,677
513 Total Equity - Net Assets / Position	6,019,897	121,081	77,217	206,021	-62,701	-15,600	1,318,359	100,548	7,764,822	-	7,764,822
600 Total Liabilities, Deferred Inflow of Resources, and Equity - Net	6,602,360	731,204	77,217	339,664	-	3,900	1,899,228	792,751	10,446,324	-104,542	10,341,782

GREENE METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL SCHEDULE
ENTITY WIDE REVENUE AND EXPENSE SUMMARY
FOR THE FISCAL YEAR ENDED MARCH 31, 2016

	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	2 State/Local	1 Business Activities	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	485,042			10,989			165,108		661,139		661,139
70400 Tenant Revenue - Other	47,727			1,866			5,905		55,498		55,498
70500 Total Tenant Revenue	532,769	-	-	12,855	-	-	171,013	-	716,637	-	716,637
70600 HUD PHA Operating Grants	1,268,027	7,718,787	123,393	122,474					9,232,681		9,232,681
70610 Capital Grants	64,635								64,635		64,635
70710 Management Fee								235,085	235,085	-235,085	-
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								448,950	448,950	-448,950	-
70700 Total Fee Revenue	-	-	-	-	-	-	-	763,415	763,415	-763,415	-
70800 Other Government Grants					1,200				1,200		1,200
71100 Investment Income - Unrestricted	627			87			708	541	1,963		1,963
71400 Fraud Recovery		53,158							53,158		53,158
71500 Other Revenue	15,277	1,980		150			43,166	278	60,851		60,851
70000 Total Revenue	1,881,335	7,773,925	123,393	135,566	1,200	-	214,887	764,234	10,894,540	-763,415	10,131,125
91100 Administrative Salaries	203,887	314,598	2,692	12,355			32,624	136,675	702,831		702,831
91200 Auditing Fees	5,960	5,230		122			243	608	12,163		12,163
91300 Management Fee	224,674			10,411					235,085	-235,085	-
91310 Book-keeping Fee	32,490			1,530					34,020	-34,020	-
91400 Advertising and Marketing	3,615	200		289				1,294	5,398		5,398
91500 Employee Benefit contributions - Administrative	127,172	198,797	1,439	6,142			11,082	84,128	428,760		428,760
91600 Office Expenses	97,385	125,090		2,717			5,539	49,312	280,043		280,043
91700 Legal Expense	11,815	3,506		490			2,002	1,687	19,500		19,500
91800 Travel	6								6		6
91000 Total Operating - Administrative	707,004	647,421	4,131	34,056	-	-	51,490	273,704	1,717,806	-269,105	1,448,701
92000 Asset Management Fee	43,320			2,040					45,360	-45,360	-
92100 Tenant Services - Salaries	19,720								19,720		19,720
92300 Employee Benefit Contributions - Tenant Services	6,605								6,605		6,605
92400 Tenant Services - Other	9,259								9,259		9,259
92500 Total Tenant Services	35,584	-	-	-	-	-	-	-	35,584	-	35,584
93100 Water	20,810			222			526	68	21,626		21,626
93200 Electricity	33,873			946			1,894	521	37,234		37,234
93300 Gas	21,584						1	674	22,259		22,259
93600 Sewer	32,794			258			936	219	34,207		34,207
93000 Total Utilities	109,061	-	-	1,426	-	-	3,357	1,482	115,326	-	115,326

GREENE METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL SCHEDULE
ENTITY WIDE REVENUE AND EXPENSE SUMMARY
FOR THE FISCAL YEAR ENDED MARCH 31, 2016

	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	2 State/Local	1 Business Activities	COCC	Subtotal	ELIM	Total
94100 Ordinary Maintenance and Operations - Labor	30,245							214,775	245,020		245,020
94200 Ordinary Maintenance and Operations - Materials and Other	99,390	2,080		3,986			8,251	19,894	133,601		133,601
94300 Ordinary Maintenance and Operations Contracts	559,873	7,620		46,424			52,859	12,528	679,304	-448,950	230,354
94500 Employee Benefit Contributions - Ordinary Maintenance	3,131							134,886	138,017		138,017
94000 Total Maintenance	692,639	9,700	-	50,410	-	-	61,110	382,083	1,195,942	-448,950	746,992
96110 Property Insurance	79,619			4,142			6,479		90,240		90,240
96120 Liability Insurance		1,773						11,681	13,454		13,454
96100 Total insurance Premiums	79,619	1,773	-	4,142	-	-	6,479	11,681	103,694	-	103,694
96200 Other General Expenses	384	1,347					7,837		9,568		9,568
96210 Compensated Absences	43,098	46,139		2,769			2,940	58,988	153,934		153,934
96300 Payments in Lieu of Taxes	35,280								35,280		35,280
96400 Bad debt - Tenant Rents	27,118	-422		1,367			4,956		33,019		33,019
96000 Total Other General Expenses	105,880	47,064	-	4,136	-	-	15,733	58,988	231,801	-	231,801
96710 Interest of Mortgage (or Bonds) Payable				8,979			34,174		43,153		43,153
96700 Total Interest Expense and Amortization Cost	-	-	-	8,979	-	-	34,174	-	43,153	-	43,153
96900 Total Operating Expenses	1,773,107	705,958	4,131	105,189	-	-	172,343	727,938	3,488,666	-763,415	2,725,251
97000 Excess of Operating Revenue over Operating Expenses	108,228	7,067,967	119,262	30,377	1,200	-	42,544	36,296	7,405,874	-	7,405,874
97300 Housing Assistance Payments		6,982,387	116,037						7,098,424		7,098,424
97400 Depreciation Expense	438,254	10,684		27,839		2,600	59,536	41,162	580,075		580,075
90000 Total Expenses	2,211,361	7,699,029	120,168	133,028	-	2,600	231,879	769,100	11,167,165	-763,415	10,403,750
10010 Operating Transfer In	56,739								56,739	-56,739	-
10020 Operating transfer Out	-56,739								-56,739	56,739	-
10091 Inter Project Excess Cash Transfer In	43,000								43,000	-43,000	-
10092 Inter Project Excess Cash Transfer Out	-43,000								-43,000	43,000	-
10100 Total Other financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-	-
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-330,026	74,896	3,225	2,538	1,200	-2,600	-16,992	-4,866	-272,625	-	-272,625
11030 Beginning Equity	6,610,053	395,716	73,992	217,210	-105,001	-13,000	1,312,697	595,889	9,087,556		9,087,556
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-260,130	-349,531		-13,727	41,100		22,654	-490,475	-1,050,109		-1,050,109
11170 Administrative Fee Equity		77,742							77,742		77,742
11180 Housing Assistance Payments Equity		43,339							43,339		43,339
11190 Unit Months Available	4,325	17,232	360	197			276		22,390		22,390
11210 Number of Unit Months Leased	4,266	17,129	327	193			265		22,180		22,180

GREENE METROPOLITAN HOUSING AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED MARCH 31, 2016

Federal Grantor/ **Pass Through Grantor/** Program Title	**Federal** **CFDA** **Number**	**Expenditures**	**Loan** **Balance**
U.S. Department of Housing and Urban Development			
Direct Programs:			
Low Rent Public Housing Program	14.850	$ 1,158,212	$ 0
Capital Fund Program	14.872	174,450	0
Section 8 Housing Choice Voucher Program	14.871	7,718,787	0
Section 8 New Construction	14.182	122,474	0
Shelter Plus Care	14.238	123,393	0
Mortgage Insurance Rental and Cooperative	14.135	0	103,460
Total Direct Awards		9,297,316	103,460
Total U.S. Department of Housing and Urban Development		9,297,316	103,460
Total Federal Awards Expenditures		$ 9,297,316	$ 103,460

This schedule is prepared on the accrual basis of accounting.

The Authority has elected not to use the 10% de minimus indirect cost rate as allowed under the Uniform Guidance.

JAMES G. ZUPKA, C.P.A., INC.
Certified Public Accountants
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Garfield Hts., Ohio 44125

Member American Institute of Certified Public Accountants (216) 475 - 6136 Ohio Society of Certified Public Accountants

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

To the Members of the Board of
Greene Metropolitan Housing Authority
Xenia, Ohio

Regional Inspector General of 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, (Housing Authority) as of and for the year ended March 31, 2016, and the related notes to the financial statements, which collectively comprise the Housing Authority's basic financial statements, and have issued our report thereon dated August 25, 2016, wherein we noted that the Housing Authority adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68*, and restated its net position at March 31, 2015 for business-type activities.

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, Ohio's internal control. Accordingly, we do not express an opinion on the effectiveness of the Greene Metropolitan Housing Authority, Ohio's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Greene Metropolitan Housing Authority, Ohio'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 *Governmental Auditing Standards.*

Purpose of This 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 Greene Metropolitan Housing Authority, Ohio'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 Greene Metropolitan Housing Authority, Ohio's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

James G. Zupka, CPA, Inc.

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

August 25, 2016

JAMES G. ZUPKA, C.P.A., INC.
Certified Public Accountants
5240 East 98th Street
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REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Members of the Board of
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 (Housing Authority) compliance with the types of compliance requirements described in the OMB 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, 2016. The 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 federal statutes, regulations, and the terms and conditions of its federal awards 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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, 2016.

Report on Internal Control over Compliance

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

James G. Zupka, CPA, Inc.

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

August 25, 2016

1. SUMMARY OF AUDITOR'S RESULTS

2016 (i)	Type of Financial Statement Opinion	Unmodified
2016(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
2016(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
2016(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
2016(iv)	Were there any material internal control weakness conditions reported for major Federal programs?	No
2016(iv)	Were there any other significant deficiency conditions reported for major Federal programs?	No
2016(v)	Type of Major Programs' Compliance Opinion	Unmodified
2016(vi)	Are there any reportable findings under 2 CFR 200.516(a)?	No
2016(vii)	Major Programs (list): Housing Choice Voucher Program - CFDA #14.871	
2016(viii)	Dollar Threshold: Type A\B Programs	Type A: >$750,000 Type B: all others
2016(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, 2016

The audit report for the prior year ended March 31, 2015 contained no findings or citations.

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GREENE COUNTY 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
DECEMBER 13, 2016

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