

**GREENE METROPOLITAN
HOUSING AUTHORITY**

**BASIC FINANCIAL STATEMENTS
AND SINGLE AUDIT**

**FOR THE FISCAL YEAR
ENDED MARCH 31, 2013**

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



Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the Greene Metropolitan Housing Authority, Greene County, prepared by James G. Zupka, CPA, Inc., for the audit period April 1, 2012 through March 31, 2013. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost
Auditor of State

November 25, 2013

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**GREENE METROPOLITAN HOUSING AUTHORITY
BASIC FINANCIAL STATEMENTS AND SINGLE AUDIT
FOR THE FISCAL YEAR ENDED MARCH 31, 2013**

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-10
Basic Financial Statements:	
Statement of Net Position	11
Statement of Revenues, Expenses and Changes in Net Position	12
Statement of Cash Flows	13
Notes to the Basic Financial Statements	14-26
Schedule of Expenditures of Federal Awards	27
Supplemental Financial Data Schedules:	
Entity Wide Balance Sheet Summary	28-29
Entity Wide Revenue and Expense Summary	30-32
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	33-34
Report on Compliance for Each Major Program and on Internal Control over Compliance Required by OMB Circular A-133	35-37
Schedule of Findings and Questioned Costs	38
Status of Prior Year Findings	39

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

Certified Public Accountants

5240 East 98th Street

Garfield Hts., Ohio 44125

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Greene Metropolitan Housing Authority
Xenia, Ohio

Regional Inspector General of Audit
Department of Housing and Urban
Development

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Greene Metropolitan Housing Authority, Ohio as of and for the year ended March 31, 2013, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Greene Metropolitan Housing Authority, as of March 31, 2013, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2013, 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.
Certified Public Accountants

September 25, 2013

**GREENE METROPOLITAN HOUSING AUTHORITY
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED MARCH 31, 2013
(Unaudited)**

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

Since the Management’s Discussion and Analysis (MD&A) is designed to focus on the current year activities, resulting changes and current known facts, please read it in conjunction with the Authority’s financial statements, which begin on page 10.

Financial Highlights

During the fiscal year ending March 31, 2013:

- The Authority’s net position decreased by \$311,057 which is a 3 percent decrease from the prior year.
- Total liabilities decreased by \$235,320 or 15 percent.
- The Authority’s revenue decreased by \$602,355 or 6 percent.
- The total expenses of the Authority decreased by \$112,471 or 1 percent.

Using This Annual Report

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

MD&A

Management’s Discussion and Analysis

Basic Financial Statements

Authority-Wide Financial Statements
Notes to the Basic Financial Statements

Other Required Supplementary Information

Required Supplementary Information - Schedule of Expenditures and Federal Awards

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

**GREENE METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE FISCAL YEAR ENDED MARCH 31, 2013
(Unaudited)**

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 Position, 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 Position, Net Investment in Capital Assets", or "Restricted Net Position".

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

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

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

**GREENE METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE FISCAL YEAR ENDED MARCH 31, 2013
(Unaudited)**

The Authority's Programs

Significant programs consist of the following:

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

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

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

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

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

**GREENE METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE FISCAL YEAR ENDED MARCH 31, 2013
(Unaudited)**

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

Notes to the Financial Statements

The notes to the basic financial statements provide additional information essential to a full understanding of the data provided in the basic financial statements. Notes to the basic financial statements can be found on pages 14 through 26 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

	2013	2012
<u>Assets</u>		
Current and Other Assets	\$ 3,318,053	\$ 3,631,664
Capital Assets	7,815,170	8,047,936
Total Assets	<u>\$11,133,223</u>	<u>\$11,679,600</u>
<u>Liabilities</u>		
Current Liabilities	\$ 458,905	\$ 643,633
Long-term Liabilities	845,070	895,662
Total Liabilities	<u>1,303,975</u>	<u>1,539,295</u>
<u>Net Position</u>		
Investment in Capital Assets	7,055,579	7,237,546
Restricted	618,625	659,359
Unrestricted	2,155,044	2,243,400
Total Net Position	<u>9,829,248</u>	<u>10,140,305</u>
Total Liabilities and Net Position	<u>\$11,133,223</u>	<u>\$11,679,600</u>

Major Factors Affecting the Statement of Net Position

Assets decreased by \$546,377 which is a 5 percent decrease from the prior year. The net capital assets decreased by \$232,766.

Current and other assets decreased by \$313,611 primarily as a result of Housing Choice Voucher funds being held by HUD in reserve as opposed to the funds being held by the Housing Authority.

**GREENE METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE FISCAL YEAR ENDED MARCH 31, 2013
(Unaudited)**

Total liabilities decreased by \$235,320 or 15 percent. Insurance Escrow from the Hail Damage was used during the past fiscal year, both mortgage debts were reduced, and Housing Choice Voucher funds that were owed by HUD for the prior fiscal year were paid during the current fiscal year.

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

Statement of Revenues, Expenses and Changes in Net Position

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

Table 2 - Revenue, Expenses and Change in Net Position

	2013	2012
<u>Revenues</u>		
Tenant Revenue	\$ 540,366	\$ 573,081
Operating Subsidies and Grants	1,432,675	1,661,997
Subsidy for Housing Assistance Payments	7,774,427	8,339,261
Capital Grants	406,963	311,310
Other Revenues	195,741	66,878
Total Revenues	<u>10,350,172</u>	<u>10,952,527</u>
<u>Expenses</u>		
Administrative	\$ 1,463,504	\$ 1,515,243
Tenant Services	32,886	33,648
Utilities	107,135	108,376
Maintenance	773,880	754,787
General and Interest Expense	432,155	427,075
Housing Assistance Payments	7,171,519	7,263,762
Depreciation	680,150	670,809
Total Expenses	<u>10,661,229</u>	<u>10,773,700</u>
Change in Net Position	<u>\$ (311,057)</u>	<u>\$ 178,827</u>

Revenues decreased by \$602,355 or 5 percent. This was primarily the result of lower HAP payments received from HUD in the current fiscal year compared to the prior fiscal year.

Total expenses decreased by \$112,471. The majority of this decrease was the reduction of Housing Assistance Payments during the current fiscal year and lower administrative costs compared to the prior fiscal year.

**GREENE METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE FISCAL YEAR ENDED MARCH 31, 2013
(Unaudited)**

Capital Assets

As of March 31, 2013, the Authority's capital assets were \$7,815,170 (capital assets net of accumulated depreciation) as reflected in the following schedule.

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

Land	\$ 2,458,166
Buildings	21,153,409
Furniture and Equipment - Dwellings	141,704
Furniture and Equipment - Administrative	530,248
Leasehold Improvements	<u>2,157,184</u>
	26,440,711
Accumulated Depreciation	<u>(18,625,541)</u>
Capital Assets, Net of Accumulated Depreciation	<u>\$ 7,815,170</u>

Net capital assets decreased by \$232,766 from March 31, 2012 when net capital assets were \$8,047,936. Depreciation of \$680,150 and the additional assets from the capital grants and non-federal capitalizations (\$447,384) account for the change.

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

Debt

As of March 31, 2013, the Authority had two outstanding loans totaling \$759,591, of which \$55,128 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	\$ 201,050
US Bank Loan for Quail Run Single Homes Project	<u>558,541</u>
Total	<u>\$ 759,591</u>

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

Economic Factors

Significant economic factors affecting the Authority are as follows:

- Federal funding is at the discretion of the U.S. Department of Housing and Urban Development (HUD)
- Local inflationary, recessionary and employment trends, which can affect resident incomes and, therefore, the amount of rental income.
- Inflationary pressure on health insurance, property insurance and utility rates affect the cost of operating the programs.

**GREENE METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE FISCAL YEAR ENDED MARCH 31, 2013
(Unaudited)**

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, 2013

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 1,887,293
Restricted Cash and Cash Equivalents	864,950
Investments	203,018
Receivables, Net of Allowance	76,195
Inventory	27,634
Prepaid Expenses and Other Assets	69,625
Total Current Assets	<u>3,128,715</u>

Property and Equipment

Non-Depreciable Capital Assets	2,459,462
Depreciable Capital Assets, Net	5,355,708
Total Property and Equipment	<u>7,815,170</u>

Other Assets

Assets Held for Resale	189,338
Total Other Assets	<u>189,338</u>
TOTAL ASSETS	<u>\$ 11,133,223</u>

LIABILITIES

Current Liabilities

Accounts Payable	\$ 31,092
Accrued Compensated Absences	17,589
Tenant Security Deposits	83,761
Prepaid Rent	33,929
Accrued Wages and Payroll Taxes	25,168
Intergovernmental Payable	130,369
Other Current Liabilities	81,869
Current Portion of Long-Term Debt	55,128
Total Current Liabilities	<u>458,905</u>

Noncurrent Liabilities

Noncurrent Liabilities - Other	140,607
Long-Term Debt - Net of Current Portion	704,463
Total Noncurrent Liabilities	<u>845,070</u>
Total Liabilities	<u>1,303,975</u>

NET POSITION

Net Investment in Capital Assets	7,055,579
Unrestricted	2,155,044
Restricted	618,625
Total Net Position	<u>9,829,248</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 11,133,223</u>

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, 2013

<u>Operating Revenues</u>	
Government Grants	\$ 9,298,506
Tenant Revenue	540,366
Other Revenue	<u>101,423</u>
Total Operating Revenues	<u>9,940,295</u>
<u>Operating Expenses</u>	
Administrative	1,463,504
Tenant Services	32,886
Utilities	107,135
Maintenance	773,880
General	376,898
Housing Assistance Payments	<u>7,171,519</u>
Total Operating Expenses Before Depreciation	<u>9,925,822</u>
Income (Loss) Before Depreciation	14,473
Depreciation	<u>680,150</u>
Operating Income (Loss)	<u>(665,677)</u>
<u>Non-Operating Revenues (Expenses)</u>	
Interest and Investment Revenue	2,914
Interest Expense	<u>(55,257)</u>
Total Non-Operating Revenues (Expenses)	<u>(52,343)</u>
Income (Loss) Before Capital Grants and Extraordinary Item	(718,020)
Capital Grants	<u>406,963</u>
Change in Net Position	<u>(311,057)</u>
Total Net Position, Beginning of Year	<u>10,140,305</u>
Net Position, End of Year	<u>\$ 9,829,248</u>

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, 2013

<u>Cash Flows from Operating Activities</u>	
Operating Grants Received	\$ 9,289,036
Tenant Revenue Received	488,064
Other Revenue Received	112,719
Administrative Expenses	(1,458,304)
Other Operating Expenses	(1,399,912)
Housing Assistance Payments	<u>(7,171,519)</u>
Net Cash Provided (Used) by Operating Activities	<u>(139,916)</u>
 <u>Cash Flows from Capital and Related Financing Activities</u>	
Capital Grants Received	406,963
Retirement of Debt	(50,799)
Interest Paid on Debt	(55,542)
Property and Equipment Purchased	<u>(447,384)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(146,762)</u>
 <u>Cash Flows from Investing Activities</u>	
Interest Earned	2,914
Cost of Other Assets Purchased	(2,478)
Investment Purchased	<u>(1,960)</u>
Net Cash Provided (Used) by Investing Activities	<u>(1,524)</u>
 Net Increase (Decrease) in Cash and Cash Equivalents	 (288,202)
Cash and Cash Equivalents, Beginning Of Year	<u>3,040,445</u>
 Cash and Cash Equivalents, End of the Year	 <u>\$ 2,752,243</u>
 <u>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</u>	
Net Operating (Loss)	\$ (665,677)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities	
Depreciation	680,150
(Increase) Decrease in Accounts Receivable	24,324
(Increase) Decrease in Prepaid Assets	4,706
(Increase) Decrease in Inventory	817
Increase (Decrease) in Accounts Payable	4,829
Increase (Decrease) in Accrued Expenses	(1,573)
Increase (Decrease) in Prepaid Rents	(46,962)
Increase (Decrease) in Intergovernmental Payable	(26,244)
Increase (Decrease) in Tenant Security Deposits	(1,594)
Increase (Decrease) in Compensated Absence	5,200
Increase (Decrease) in Other Liabilities	<u>(117,892)</u>
Net Cash Provided by Operating Activities	<u>\$ (139,916)</u>

See accompanying notes to the basic financial statements.

GREENE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2013

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

Organization and Reporting Entity

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

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

Basis of Presentation

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

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

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

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

GREENE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2013
(CONTINUED)

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

Basis of Presentation (Continued)

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

Measurement Focus and Basis of Accounting

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary funds's principal ongoing operations. The principal operating revenues of the Authority's enterprise fund are charges to tenants for rent and operating subsidies from HUD. Operating expenses for the enterprise fund include the costs of facility maintenance, housing assistance payments, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Use of Estimates

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

Cash and Cash Equivalents

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

GREENE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2013
(CONTINUED)

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

Capital Assets

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

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

Capitalization of Interest

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

Investments

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

Compensated Absences

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

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

GREENE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2013
(CONTINUED)

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

Compensated Absences (Continued)

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

Net Position

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

NOTE 2: **DEPOSITS AND INVESTMENTS**

Cash on Hand

At March 31, 2013, the carrying amount of the Authority's deposits was \$2,955,261 (including \$203,018 non-negotiable CDs, \$864,950 of restricted funds, \$19,188 held in trust by FHA and \$100 of petty cash).

At March 31, 2013, the bank balance of the Authority's cash deposits was \$2,970,016. Based on criteria described in GASB Statement No. 40, *Deposits and Investments Risk Disclosures*, as of March 31, 2013, deposits totaling \$831,987 were covered by Federal Depository Insurance and deposits totaling \$2,097,753 were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, in the Authority's name, and \$40,276 was uninsured and not collateralized.

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

**GREENE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2013
(CONTINUED)**

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

Investments

The Authority has a formal investment policy. The Authority follows GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, and records all its investments at fair value. At March 31, 2013, the Authority had no investments other than non-negotiable certificates of deposit..

Interest Rate Risk

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

Credit Risk

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

Custodial Credit Risk

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

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

Concentration of Credit Risk

A reconciliation of cash and investments as shown on the statement of net assets at March 31, 2013 to the deposits and investments included in this note is as follows:

Cash and Cash Equivalents	\$ 1,887,293
Cash - Restricted	864,950
Investments	<u>203,018</u>
Total	<u>\$ 2,955,261</u>
Carrying Amount of Deposits	<u>\$ 2,955,261</u>
Total	<u>\$ 2,955,261</u>

GREENE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2013
(CONTINUED)

NOTE 3: RESTRICTED CASH

The restricted cash balance of \$800,449 on the financial statements represents the following:

Excess cash advanced to the Housing Choice Voucher Program by	
HUD for Housing Assistance Payments	\$ 488,198
Cash Advanced for AFIA-IDA Program	156,605
Tenant Security Deposits	85,077
Mortgage Escrow - Village Greene	875
Reserve for Replacement - Village Greene	18,308
Residual Receipts - Village Greene	115,887
Total Restricted Cash	<u>\$ 864,950</u>

NOTE 4: CAPITAL ASSETS

A summary of capital assets, at March 31, 2013 by class, is as follows:

	Balance <u>03/31/2012</u>	<u>Adjustments</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>03/31/2013</u>
Capital Assets Not Being Depreciated					
Land	\$ 2,458,166	\$ 0	\$ 0	\$ 0	\$ 2,458,166
Construction in Progress	1,296	0	0	0	1,296
Total Capital Assets Not Being Depreciated	<u>2,459,462</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,459,462</u>
Capital Assets Being Depreciated					
Buildings	20,857,741	0	294,372	0	21,152,113
Furniture, Equipment, and Machinery -					
Dwellings	98,004	0	43,700	0	141,704
Administrative	470,113	0	61,671	(1,536)	530,248
Leasehold Improvements	2,109,543	0	47,641	0	2,157,184
Subtotal Capital Assets Being Depreciated	<u>23,535,401</u>	<u>0</u>	<u>447,384</u>	<u>(1,536)</u>	<u>23,981,249</u>
Accumulated Depreciation					
Buildings and Improvements	(17,522,638)	0	(627,448)	0	(18,150,086)
Furniture and Equipment	(424,289)	0	(52,702)	1,536	(475,455)
Total Accumulated Depreciation	<u>(17,946,927)</u>	<u>0</u>	<u>(680,150)</u>	<u>1,536</u>	<u>(18,625,541)</u>
Depreciable Assets, Net	<u>5,588,474</u>	<u>0</u>	<u>(232,766)</u>	<u>0</u>	<u>5,355,708</u>
Total Capital Assets, Net	<u>\$ 8,047,936</u>	<u>\$ 0</u>	<u>\$ (232,766)</u>	<u>\$ 0</u>	<u>\$ 7,815,170</u>

**GREENE METROPOLITAN HOUSING AUTHORITY
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED MARCH 31, 2013
 (CONTINUED)**

NOTE 5: RESTRICTED NET POSITION

The Authority's restricted net position is as follows:

Section 8 Housing Choice Voucher Funds Provided for Housing Assistance Payments in Excess of Amounts Used	\$ 488,198
Village Greene Replacement Reserve Escrow and Residual Receipts	<u>130,427</u>
Total Restricted Net Position	<u>\$ 618,625</u>

NOTE 6: DEFINED BENEFIT PENSION PLANS

Ohio Public Employees Retirement System

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

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

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

GREENE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2013
(CONTINUED)

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

Ohio Public Employees Retirement System (Continued)

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2013 and 2012, member and employer contribution rates were consistent across all three plans (TP, MD, and CO). Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations. The employer pension contribution rate for the Authority was 14 percent of covered payroll. The Authority's required contributions to OPERS for the years ended March 31, 2013, 2012, and 2011, were \$183,345, \$184,843, and \$186,485, respectively. The Authority had no employees in the Member-Directed Plan in the years ended March 31, 2013, 2012 and 2011 and no members in the combined plan in the years ended 2013, 2012, and 2011. The full amount has been contributed for 2013, 2012, and 2011.

NOTE 7: **POST-EMPLOYMENT BENEFITS**

Plan Description

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

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

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

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

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

GREENE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2013
(CONTINUED)

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

Funding Policy

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

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

OPERS Post-Employment Health Care Plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 4.0 percent from April 1, 2012 through December 31, 2012. This rate changed to 10 percent effective January 1, 2013.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care coverage by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Actual Authority contributions for the year ended March 31, 2013, 2012, and 2011 which were used to fund post-employment benefits were \$42,562, \$52,812, and \$63,272, respectively.

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

**GREENE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2013
(CONTINUED)**

NOTE 8: COMPENSATED ABSENCES

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

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

At March 31, 2013, based on the vesting method, \$158,196 was accrued by the Authority for unused vacation and sick time. The current portion is \$17,589 and the long term portion is \$140,607.

NOTE 9: INSURANCE

The Authority is covered for property damage, general liability, automobile liability, public official's liability, and other crime liabilities through membership in the State Housing Authority Risk Pool Association, Inc. (SHARP). SHARP is an insurance risk pool comprised of thirty-six (36) Ohio housing authorities, of which Greene Metropolitan Housing Authority is one. Deductibles and coverage limits are summarized below:

<u>Type of Coverage</u>	<u>Deductible</u>	<u>Coverage Limits</u>
Property	\$ 1,500/500	\$59,410,400 (Per Occurrence)
Casualty Package		
General Liability	0	2,000,000
Employer Dishonesty	0	500,000
Public Officials Liability	0	2,000,000
Automobile	0	2,000,000
Excess Liability	0	4,000,000
Boiler and Machinery	1,000	50,000,000
Excess Crime	0	500,000

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

**GREENE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2013
(CONTINUED)**

NOTE 10: LONG-TERM DEBT

FHA Project No. 046-35438-NP-L8

To raise funds for FHA Project No. 046-35438-NP-L8, a mortgage note payable was issued to the Federal Housing Administration, payable in monthly installments of \$3,682 including interest at 7.5 percent. The mortgage note matures in the year 2018 and is collateralized by a mortgage on the Project's land and buildings, and is insured by the FHA. The remaining principal balance as of March 31, 2013 was \$201,050.

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, 2027 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, 2013 was \$558,541.

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

	<u>Balance</u> <u>03/31/2012</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>03/31/2013</u>	<u>Amount</u> <u>Due In</u> <u>One Year</u>
<u>Loans</u>					
FHA Project No. 046-35438	\$ 229,010	\$ 0	\$ (27,960)	\$ 201,050	\$ 30,130
2007 US Bank, 6.79%	581,380	0	(22,839)	558,541	24,998
Total Loans	<u>810,390</u>	<u>0</u>	<u>(50,799)</u>	<u>759,591</u>	<u>55,128</u>
<u>Other Obligations</u>					
Compensated Absences	152,996	96,718	(91,518)	158,196	17,589
Total Loans and Obligations	<u>\$ 963,386</u>	<u>\$ 96,718</u>	<u>\$ (142,317)</u>	<u>\$ 917,787</u>	<u>\$ 72,717</u>

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 55,128	\$ 51,213	\$ 106,341
2015	59,219	47,123	106,342
2016	63,613	42,728	106,341
2017	68,335	38,007	106,342
2018	73,408	32,935	106,343
2019-2023	226,816	109,705	336,521
2024-2027	213,072	30,159	243,231
Totals	<u>\$ 759,591</u>	<u>\$ 351,870</u>	<u>\$ 1,111,461</u>

**GREENE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2013
(CONTINUED)**

NOTE 11: CONSTRUCTION AND OTHER COMMITMENTS

The Authority had no material construction commitments at March 31, 2013.

NOTE 12: INTERPROGRAM RECEIVABLES/PAYABLES

The Agency has interprogram balances at March 31, 2013.

These interprogram Due From/Due To arise from allocation of wages and benefits, supplies, and other costs. Those amounts are repaid periodically. Interprogram balances were eliminated in the statement of net position.

NOTE 13: CONTINGENCIES

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

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

NOTE 14: IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

During the fiscal year, the Authority adopted the following GASB statements.

GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*. The objective of this Statement is to improve financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-private partnership. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2011. The implementation of this Statement did not result in any change in the Authority's financial statements.

GREENE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2013
(CONTINUED)

NOTE 14: **IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS** (Continued)

GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the FASB and AICPA pronouncements which does not conflict with or contradict GASB pronouncements. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2011. The implementation of this Statement did not result in any change in the Authority's financial statements.

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This Statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2011, and have been implemented for the Authority. The implementation of this Statement had no effect on the beginning net position of the Authority.

GASB Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions - an amendment of GASB Statement No. 53*. This Statement enhances the comparability and improves financial reporting by clarifying the circumstances in which hedge accounting should continue when a swap counterparty, or a swap counterparty's credit support provider, is replaced. The requirements of this Statement are effective for financial statements for periods beginning after June 5, 2011. The implementation of this Statement did not have an effect on the Authority's financial statements.

GASB Statement No. 65, *Items Previously Reporting as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012. This implementation of this Statement had no effect on the financial statements of the Authority.

**GREENE METROPOLITAN HOUSING AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED MARCH 31, 2013**

Federal Grantor/ Pass Through Grantor/ Program Title	Federal CFDA Number	Expenditures	Loan Balance
<u>U.S. Department of Housing and Urban Development</u>			
<i>Direct Programs:</i>			
Low Rent Public Housing Program	14.850	\$ 1,023,959	\$ 0
Capital Fund Program	14.872	592,134	0
Section 8 Housing Choice Voucher Program	14.871	7,774,427	0
Section 8 New Construction	14.182	134,216	0
Shelter Plus Care	14.238	89,329	0
Mortgage Insurance Rental and Cooperative	14.135	0	201,050
<i>Total Direct Awards</i>		<u>9,614,065</u>	<u>201,050</u>
Total U.S. Department of Housing and Urban Development		<u>9,614,065</u>	<u>201,050</u>
<u>U.S. Department of Health and Human Services</u>			
<i>Passed through from Ohio CDC Association</i>			
New Assets for Independence Demonstration	93.602	1,597	0
<i>Total Passed Through Awards</i>		<u>1,597</u>	<u>0</u>
Total U.S. Department of Health and Human Services		<u>1,597</u>	<u>0</u>
Total Federal Awards Expenditures		<u>\$ 9,615,662</u>	<u>\$ 201,050</u>

This schedule is prepared on the accrual basis of accounting.

GREENE METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
ENTITY-WIDE BALANCE SHEET SUMMARY
MARCH 31, 2013

	Project Total	14,871 Housing Choice Vouchers	14,238 Shelter Plus Care	14,135 Mortgage Insurance Rental and Cooperative Housing for Moderate Income	93,602 New Assets for Independence Demonstration Program	State/Local	Business Activities	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$853,690	\$328,796		\$13,029	\$31,060	\$10,321	\$336,441	\$313,956	\$1,887,293		\$1,887,293
113 Cash - Other Restricted		\$488,198		\$135,070					\$623,268		\$623,268
114 Cash - Tenant Security Deposits	\$67,007			\$4,645			\$13,425		\$85,077		\$85,077
115 Cash - Restricted for Payment of Current Liabilities					\$156,605				\$156,605		\$156,605
100 Total Cash	\$920,697	\$816,994	\$0	\$152,744	\$187,665	\$10,321	\$349,866	\$313,956	\$2,752,243	\$0	\$2,752,243
122 Accounts Receivable - HUD Other Projects			\$7,330						\$7,330		\$7,330
124 Accounts Receivable - Other Government		\$4,126					\$4,228		\$8,354		\$8,354
125 Accounts Receivable - Miscellaneous		\$50						\$32	\$82		\$82
126 Accounts Receivable - Tenants	\$8,958			\$944			\$403		\$10,305		\$10,305
126.1 Allowance for Doubtful Accounts - Tenants	-\$5,564			-\$293			-\$218		-\$6,075		-\$6,075
126.2 Allowance for Doubtful Accounts - Other		\$0	\$0				\$0	\$0	\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current											
128 Fraud Recovery	\$2,564	\$68,313							\$70,877		\$70,877
128.1 Allowance for Doubtful Accounts - Fraud	-\$1,666	-\$13,012							-\$14,678		-\$14,678
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$4,292	\$59,477	\$7,330	\$651	\$0	\$0	\$4,413	\$32	\$76,195	\$0	\$76,195
131 Investments - Unrestricted	\$50,350						\$101,968	\$50,700	\$203,018		\$203,018
132 Investments - Restricted											
135 Investments - Restricted for Payment of Current Liability											
142 Prepaid Expenses and Other Assets	\$45,823	\$2,396		\$2,319	\$8	\$579	\$3,673	\$14,827	\$69,625		\$69,625
143 Inventories	\$1,847						\$162	\$25,625	\$27,634		\$27,634
144 Inter Program Due From	\$38,854		\$58,078			\$15,876	\$172,227	\$72,046	\$357,081	-\$357,081	\$0
150 Total Current Assets	\$1,061,863	\$878,867	\$65,408	\$155,714	\$187,673	\$26,776	\$632,309	\$477,186	\$3,485,796	-\$357,081	\$3,128,715
161 Land	\$2,095,091			\$31,400			\$299,645	\$32,030	\$2,458,166		\$2,458,166
162 Buildings	\$18,246,143	\$99,915		\$883,360		\$39,000	\$1,438,040	\$445,655	\$21,152,113		\$21,152,113
163 Furniture, Equipment & Machinery - Dwellings	\$141,704								\$141,704		\$141,704
164 Furniture, Equipment & Machinery - Administration	\$130,476	\$49,031		\$21,386				\$329,355	\$530,248		\$530,248
165 Leasehold Improvements	\$2,104,982						\$4,716	\$47,486	\$2,157,184		\$2,157,184
166 Accumulated Depreciation	-	-\$87,579		-\$701,931		-\$27,300	-\$545,082	-\$630,249	-\$1,825,541		-\$1,825,541
167 Construction in Progress	\$1,296								\$1,296		\$1,296
160 Total Capital Assets, Net of Accumulated Depreciation	\$6,086,292	\$61,367	\$0	\$234,215	\$0	\$11,700	\$1,197,319	\$224,277	\$7,815,170	\$0	\$7,815,170
174 Other Assets							\$189,338		\$189,338		\$189,338
180 Total Non-Current Assets	\$6,086,292	\$61,367	\$0	\$234,215	\$0	\$11,700	\$1,386,657	\$224,277	\$8,004,508	\$0	\$8,004,508
190 Total Assets	\$7,148,155	\$940,234	\$65,408	\$389,929	\$187,673	\$38,476	\$2,018,966	\$701,463	\$11,490,304	-\$357,081	\$11,133,223

GREENE METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
ENTITY-WIDE BALANCE SHEET SUMMARY
MARCH 31, 2013

	Project Total	14.871 Housing Choice Vouchers	14.238 Shelter Plus Care	14.135 Mortgage Insurance Rental and Cooperative Housing for Moderate Income	93.602 New Assets for Independence Demonstration Program	State/Local	Business Activities	COCC	Subtotal	ELIM	Total
312 Accounts Payable <= 90 Days	\$16,581	\$1,769		\$325	\$293	\$554	\$979	\$3,110	\$23,611		\$23,611
321 Accrued Wage/Payroll Taxes Payable						\$1,500	\$21,000	\$2,668	\$25,168		\$25,168
322 Accrued Compensated Absences - Current Portion	\$3,228	\$5,695		\$60		\$260	\$355	\$7,991	\$17,589		\$17,589
325 Accrued Interest Payable				\$1,257					\$1,257		\$1,257
331 Accounts Payable - HUD PHA Programs		\$6,861							\$6,861		\$6,861
332 Account Payable - PHA Projects	\$620								\$620		\$620
333 Accounts Payable - Other Government	\$23,847				\$75,993		\$5,289	\$25,240	\$130,369		\$130,369
341 Tenant Security Deposits	\$66,222			\$4,114			\$13,425		\$83,761		\$83,761
342 Deferred Revenues	\$9,653			\$75		\$23,013	\$1,188		\$33,929		\$33,929
343 Current Portion of Long-term Debt - Capital Projects				\$30,130			\$24,998		\$55,128		\$55,128
345 Other Current Liabilities					\$80,612				\$80,612		\$80,612
347 Inter Program - Due To	\$79,402	\$86,565		\$9,476	\$162,138	\$19,500			\$357,081	-\$357,081	\$0
310 Total Current Liabilities	\$199,553	\$100,890	\$0	\$45,437	\$319,036	\$44,827	\$67,234	\$39,009	\$815,986	-\$357,081	\$458,905
351 Long-term Debt, Net of Current - Capital Projects				\$170,920			\$533,543		\$704,463		\$704,463
354 Accrued Compensated Absences - Non Current	\$29,055	\$51,254		\$539		\$2,339	\$3,200	\$54,220	\$140,607		\$140,607
350 Total Non-Current Liabilities	\$29,055	\$51,254	\$0	\$171,459	\$0	\$2,339	\$536,743	\$54,220	\$845,070	\$0	\$845,070
300 Total Liabilities	\$228,608	\$152,144	\$0	\$216,896	\$319,036	\$47,166	\$603,977	\$93,229	\$1,661,056	-\$357,081	\$1,303,975
508.1 Invested In Capital Assets, Net of Related Debt	\$6,086,292	\$61,367		\$33,165		\$11,700	\$638,778	\$224,277	\$7,055,579		\$7,055,579
511.1 Restricted Net Assets		\$488,198		\$130,427					\$618,625		\$618,625
512.1 Unrestricted Net Assets	\$833,255	\$238,525	\$65,408	\$9,441	-\$131,363	-\$20,390	\$776,211	\$383,957	\$2,155,044	\$0	\$2,155,044
513 Total Equity/Net Assets	\$6,919,547	\$788,090	\$65,408	\$173,033	-\$131,363	-\$8,690	\$1,414,989	\$608,234	\$9,829,248	\$0	\$9,829,248
600 Total Liabilities and Equity/Net Assets	\$7,148,155	\$940,234	\$65,408	\$389,929	\$187,673	\$38,476	\$2,018,966	\$701,463	\$11,490,304	-\$357,081	\$11,133,223

**GREENE METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
ENTITY-WIDE REVENUE AND EXPENSE SUMMARY
FOR THE FISCAL YEAR ENDED MARCH 31, 2013**

	Project Total	14.871 Housing Choice Vouchers	14.238 Shelter Plus Care	14.135 Mortgage Insurance Rental and Cooperative Housing for Moderate Income	93.602 New Assets for Independence Demonstration Program	State/Local	Business Activities	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$35,6735			\$1,456			\$155,163		\$513,354		\$513,354
70400 Tenant Revenue - Other	\$24,223			\$1,408			\$1,381		\$27,012		\$27,012
70500 Total Tenant Revenue	\$38,0958	\$0	\$0	\$2,864	\$0	\$0	\$156,544	\$0	\$540,366	\$0	\$540,366
70600 HUD PHA Operating Grants	\$1,208,761	\$7,774,427	\$89,329	\$134,216				\$369	\$9,207,102		\$9,207,102
70610 Capital Grants	\$406,963								\$406,963		\$406,963
70710 Management Fee							\$232,379		\$232,379	-\$232,379	\$0
70720 Asset Management Fee							\$45,360		\$45,360	-\$45,360	\$0
70730 Book Keeping Fee							\$34,020		\$34,020	-\$34,020	\$0
70740 Front Line Service Fee							\$419,075		\$419,075	-\$419,075	\$0
70700 Total Fee Revenue							\$730,834		\$730,834	-\$730,834	\$0
70800 Other Government Grants					\$1,597	\$8,907			\$91,404		\$91,404
71100 Investment Income - Unrestricted	\$359	\$290		\$11			\$947	\$729	\$2,336		\$2,336
71400 Fraud Recovery		\$69,624							\$69,624		\$69,624
71500 Other Revenue	\$13,111			\$333	\$1,596		\$12,503	\$15,057	\$42,600	-\$10,801	\$31,799
72000 Investment Income - Restricted		\$537		\$41					\$578		\$578
70000 Total Revenue	\$2,010,152	\$7,844,878	\$89,329	\$137,465	\$3,193	\$8,907	\$169,994	\$746,989	\$11,091,807	-\$741,635	\$10,350,172
91100 Administrative Salaries	\$180,939	\$404,781	\$1,763	\$7,360	\$12,787	\$49,118	\$38,189	\$143,992	\$838,929		\$838,929
91200 Auditing Fees	\$5,865	\$5,147		\$120			\$240	\$599	\$11,971		\$11,971
91300 Management Fee	\$22,1929			\$12,491			\$10,800		\$245,220	-\$245,220	\$0
91310 Book-keeping Fee	\$32,580	\$79		\$1,532			\$4		\$34,195	-\$34,020	\$175
91400 Advertising and Marketing	\$2,273	\$64				\$1,823		\$82	\$4,242		\$4,242
91500 Employee Benefit contributions - Administrative	\$81,305	\$224,931	\$973	\$2,786	\$19,689	\$27,638	\$6,988	\$70,382	\$434,692		\$434,692
91600 Office Expenses	\$61,422	\$58,313	\$2	\$3,081	\$1,272	\$3,587	\$4,183	\$27,475	\$159,335		\$159,335
91700 Legal Expense	\$6,429	\$340		\$511			\$2	\$348	\$7,630		\$7,630
91800 Travel		\$48						\$6,473	\$6,521		\$6,521
91900 Other								\$9	\$9		\$9
91000 Total Operating - Administrative	\$592,742	\$693,703	\$2,738	\$27,881	\$33,748	\$82,166	\$60,406	\$249,360	\$1,742,744	-\$279,240	\$1,463,504

**GREENE METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
ENTITY-WIDE REVENUE AND EXPENSE SUMMARY
FOR THE FISCAL YEAR ENDED MARCH 31, 2013**

	Project Total	14.871 Housing Choice Vouchers	14.238 Shelter Plus Care	14.135 Mortgage Insurance Rental and Cooperative Housing for Moderate Income	93.602 New Assets for Independence Demonstration Program	State/Local	Business Activities	COCC	Subtotal	ELIM	Total
92000 Asset Management Fee	\$43,320								\$43,320	-\$43,320	\$0
92100 Tenant Services - Salaries	\$20,643								\$20,643		\$20,643
92300 Employee Benefit Contributions - Tenant Services	\$6,915								\$6,915		\$6,915
92400 Tenant Services - Other	\$5,328								\$5,328		\$5,328
92500 Total Tenant Services	\$32,886	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$32,886	\$0	\$32,886
93100 Water	\$19,494			\$136			\$204	\$60	\$19,894		\$19,894
93200 Electricity	\$29,660			\$511			\$1,710	\$425	\$32,306		\$32,306
93300 Gas	\$23,346						\$133	\$649	\$24,128		\$24,128
93600 Sewer	\$30,056			\$88			\$458	\$205	\$30,807		\$30,807
93000 Total Utilities	\$102,556	\$0	\$0	\$735	\$0	\$0	\$2,505	\$1,339	\$107,135	\$0	\$107,135
94100 Ordinary Maintenance and Operations - Labor	\$46,466							\$251,899	\$298,365		\$298,365
94200 Ordinary Maintenance and Operations - Materials and Other	\$90,011	\$3,874		\$8,250		\$579	\$5,754	\$42,424	\$150,892		\$150,892
94300 Ordinary Maintenance and Operations Contracts	\$550,815	\$5,874		\$51,116			\$41,070	\$8,403	\$657,278	-\$419,075	\$238,203
94500 Employee Benefit Contributions - Ordinary Maintenance	\$6,007							\$80,413	\$86,420		\$86,420
94000 Total Maintenance	\$693,299	\$9,748	\$0	\$59,366	\$0	\$579	\$46,824	\$383,139	\$1,192,955	-\$419,075	\$773,880
96110 Property Insurance	\$71,312	\$2,302		\$3,604		\$909	\$5,681	\$10,999	\$94,807		\$94,807
96120 Liability Insurance								\$439	\$439		\$439
96100 Total Insurance Premiums	\$71,312	\$2,302	\$0	\$3,604	\$0	\$909	\$5,681	\$11,438	\$95,246	\$0	\$95,246
96200 Other General Expenses	\$2,234						\$7,145		\$9,379		\$9,379
96210 Compensated Absences	\$47,360	\$73,510	\$313	\$987		\$6,457	\$4,337	\$68,261	\$201,225		\$201,225
96300 Payments in Lieu of Taxes	\$23,869								\$23,869		\$23,869
96400 Bad debt - Tenant Rents	\$9,599	\$37,441		-\$20			\$159		\$47,179		\$47,179
96000 Total Other General Expenses	\$83,062	\$110,951	\$313	\$967	\$0	\$6,457	\$11,641	\$68,261	\$281,652	\$0	\$281,652
96710 Interest of Mortgage (or Bonds) Payable				\$16,053			\$39,204		\$55,257		\$55,257
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$16,053	\$0	\$0	\$39,204	\$0	\$55,257	\$0	\$55,257
96900 Total Operating Expenses	\$1,619,177	\$816,704	\$3,051	\$108,606	\$33,748	\$90,111	\$166,261	\$713,537	\$3,551,195	-\$741,635	\$2,809,560

**GREENE METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
ENTITY-WIDE REVENUE AND EXPENSE SUMMARY
FOR THE FISCAL YEAR ENDED MARCH 31, 2013**

	Project Total	14.871 Housing Choice Vouchers	14.238 Shelter Plus Care	14.135 Mortgage Insurance Rental and Cooperative Housing for Moderate Income	93.602 New Assets for Independence Demonstration Program	State/Local	Business Activities	COCC	Subtotal	ELIM	Total
97000 Excess of Operating Revenue over Operating Expenses	\$390,975	\$7,028,174	\$86,278	\$28,859	-\$30,555	-\$304	\$3,733	\$33,452	\$7,540,612	\$0	\$7,540,612
97300 Housing Assistance Payments		\$7,090,090	\$81,429						\$7,171,519		\$7,171,519
97400 Depreciation Expense	\$532,886	\$8,910		\$29,029		\$2,600	\$57,517	\$49,208	\$680,150		\$680,150
90000 Total Expenses	\$2,152,063	\$7,915,704	\$84,480	\$137,635	\$33,748	\$92,711	\$223,778	\$762,745	\$11,402,864	-\$741,635	\$10,661,229
10091 Inter Project Excess Cash Transfer In	\$60,275								\$60,275		\$60,275
10092 Inter Project Excess Cash Transfer Out	-\$60,275								-\$60,275		-\$60,275
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$141,911	-\$70,826	\$4,849	-\$170	-\$30,555	-\$2,904	-\$53,784	-\$15,756	-\$311,057	\$0	-\$311,057
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$30,130	\$0	\$0	\$24,998	\$0	\$55,128	\$0	\$55,128
11030 Beginning Equity	\$7,061,458	\$858,916	\$60,559	\$173,203	-\$100,808	-\$5,786	\$1,468,773	\$623,990	\$10,140,305		\$10,140,305
11170 Administrative Fee Equity		\$299,892							\$299,892		\$299,892
11180 Housing Assistance Payments Equity		\$488,198							\$488,198		\$488,198
11190 Unit Months Available	4322	17232	252	204			288	0	22298	0	22298
11210 Number of Unit Months Leased	4277	16486	243	201			261	0	21468	0	21468
11270 Excess Cash	\$695,110								\$695,110		\$695,110
11620 Building Purchases	\$281,370							\$2,500	\$283,870		\$283,870
11630 Furniture & Equipment - Dwelling Purchases	\$43,700							\$0	\$43,700		\$43,700
11640 Furniture & Equipment - Administrative Purchases	\$34,254							\$25,882	\$60,136		\$60,136
11650 Leasehold Improvements Purchases	\$47,641							\$0	\$47,641		\$47,641

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

Board of Directors
Greene Metropolitan Housing Authority
Xenia, Ohio

Regional Inspector General for Audit
Department of Housing and Urban
Development

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Greene Metropolitan Housing Authority, Ohio, as of and for the year ended March 31, 2013, and the related notes to the financial statements, which collectively comprise the Greene Metropolitan Housing Authority, Ohio's basic financial statements, and have issued our report thereon dated September 25, 2013.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of the Report

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



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

September 25, 2013

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

Certified Public Accountants

5240 East 98th Street

Garfield Hts., Ohio 44125

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

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

Board of Directors
Greene Metropolitan Housing Authority
Xenia, Ohio

Regional Inspector General of Audit
Department of Housing and Urban
Development

Report on Compliance for Each Major Federal Program

We have audited the Greene Metropolitan Housing Authority, Ohio's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on the Greene Metropolitan Housing Authority, Ohio's major federal program for the year ended March 31, 2013. Greene Metropolitan Housing Authority, Ohio's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the Greene Metropolitan Housing Authority, Ohio, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended March 31, 2013.

Report on Internal Control Over Compliance

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

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

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

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


James G. Zupka CPA, Inc.
Certified Public Accountants

September 25, 2013

**GREENE METROPOLITAN HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 & .505
MARCH 31, 2013**

1. SUMMARY OF AUDITOR'S RESULTS

2013(i)	Type of Financial Statement Opinion	Unmodified
2013(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
2013(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
2013(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
2013(iv)	Were there any material internal control weakness conditions reported for major Federal programs?	No
2013(iv)	Were there any other significant deficiency conditions reported for major Federal programs?	No
2013(v)	Type of Major Programs' Compliance Opinion	Unmodified
2013(vi)	Are there any reportable findings under .510?	No
2013(vii)	Major Programs (list): Housing Choice Voucher Program - CFDA #14.871	
2013(viii)	Dollar Threshold: Type A\B Programs	Type A: >\$300,000 Type B: all others
2013(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, 2013**

The audit report for the prior year ended March 31, 2012 contained no findings or citations.

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Dave Yost • Auditor of State

GREENE METROPOLITAN HOUSING AUTHORITY

GREENE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
DECEMBER 5, 2013**