

**GREENE METROPOLITAN
HOUSING AUTHORITY**

**BASIC FINANCIAL STATEMENTS
AND SINGLE AUDIT**

**FOR THE FISCAL YEAR
ENDED MARCH 31, 2015**

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



Dave Yost • Auditor of State

Board of Directors
Green County Metropolitan Housing Authority
538 N. Detroit St
Xenia, OH 45385

We have reviewed the *Independent Auditor's Report* of the Green County Metropolitan Housing Authority, Greene County, prepared by James G. Zupka, CPA, Inc., for the audit period April 1, 2014 through March 31, 2015. 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 Green County 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 23, 2015

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**GREENE METROPOLITAN HOUSING AUTHORITY
BASIC FINANCIAL STATEMENTS AND SINGLE AUDIT
FOR THE FISCAL YEAR ENDED MARCH 31, 2015**

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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, 2015, 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, 2015, 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 Statement of Modernization Cost - Completed and the 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 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 basic 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 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 Statement of Modernization Cost - Completed, 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 27, 2015, on our consideration of the Greene Metropolitan Housing Authority, Ohio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Greene Metropolitan Housing Authority, Ohio's internal control over financial reporting and compliance.

James G. Zupka, CPA, President
CPA, President

Digitally signed by James G. Zupka, CPA,
President
DN: cn=James G. Zupka, CPA, President,
o=James G. Zupka, CPA, Inc., ou=Accounting,
email=jgzcpa@sbcglobal.net, c=US
Date: 2015.09.23 13:07:28 -0400

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

August 27, 2015

**GREENE METROPOLITAN HOUSING AUTHORITY
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED MARCH 31, 2015
(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 11.

Financial Highlights

During the fiscal year ending March 31, 2015:

- The Authority’s net position decreased by \$344,098 which is a 4 percent decrease from the prior year.
- Total liabilities decreased by \$69,549 or 6 percent.
- The Authority’s revenue (net of cost of sale) decreased by \$132,479 or 1 percent.
- The total expenses of the Authority decreased by \$205,975 or 2 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, 2015
(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 Investment in Capital Assets* This component of net position consists of all capital assets, reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- *Restricted Net Position* This component of net position consists of restricted assets on which constraints are placed by grantors, contributors, laws, regulations, etc.
- *Unrestricted Net Position* Consists of net position that do not meet the definition of "Net Investment in Capital Assets", or "Restricted Net Position".

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

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

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

**GREENE METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE FISCAL YEAR ENDED MARCH 31, 2015
(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, 2015
(Unaudited)**

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

Notes to the Financial Statements

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

Authority-Wide Statements

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

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

| | 2015 | 2014 |
|---|----------------------------|----------------------------|
| <u>Assets</u> | | |
| Current and Other Assets | \$ 2,854,326 | \$ 3,148,205 |
| Capital Assets | 7,343,112 | 7,452,880 |
| Total Assets | <u>\$10,197,438</u> | <u>\$10,601,085</u> |
| <u>Liabilities</u> | | |
| Current Liabilities | \$ 401,724 | \$ 405,832 |
| Long-term Liabilities | 708,158 | 773,599 |
| Total Liabilities | <u>1,109,882</u> | <u>1,179,431</u> |
| <u>Net Position</u> | | |
| Net Investment in Capital Assets | 6,696,802 | 6,747,892 |
| Restricted | 248,944 | 595,870 |
| Unrestricted | 2,141,810 | 2,077,892 |
| Total Net Position | <u>9,087,556</u> | <u>9,421,654</u> |
| Total Liabilities and Net Position | <u>\$10,197,438</u> | <u>\$10,601,085</u> |

Major Factors Affecting the Statement of Net Position

Assets decreased by \$403,647 which is a 4 percent decrease from the prior year. The net capital assets decreased by \$109,768 or 1.0 percent.

Current and other assets decreased by \$293,879 or 9 percent.

**GREENE METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE FISCAL YEAR ENDED MARCH 31, 2015
(Unaudited)**

Total liabilities decreased by \$69,549 or 6 percent.

Approximately 74 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

| | 2015 | 2014 |
|---|---------------------|---------------------|
| <u>Revenues</u> | | |
| Tenant Revenue | \$ 606,637 | \$ 579,312 |
| Operating Subsidies and Grants | 1,500,054 | 1,434,584 |
| Subsidy for Housing Assistance Payments | 7,439,074 | 7,748,622 |
| Capital Grants | 448,827 | 246,634 |
| Other Revenues | 74,572 | 192,491 |
| Total Revenues | 10,069,164 | 10,201,643 |
| <u>Expenses</u> | | |
| Administrative | 1,235,218 | \$ 1,372,837 |
| Tenant Services | 26,736 | 23,648 |
| Utilities | 118,807 | 114,559 |
| Maintenance | 840,240 | 798,394 |
| General and Interest Expense | 386,819 | 392,560 |
| Housing Assistance Payments | 7,194,174 | 7,291,356 |
| Depreciation | 601,268 | 615,883 |
| Total Expenses | 10,403,262 | 10,609,237 |
| Change in Net Position | \$ (334,098) | \$ (407,594) |

Revenues decreased by \$132,479 or 1 percent. This was primarily the result of less subsidy for the Housing Assistance Program payments.

Total expenses decreased by \$205,975. The majority of this decrease was the reduction in administrative expenses and Housing Assistance Program payments to Section 8 tenants.

**GREENE METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE FISCAL YEAR ENDED MARCH 31, 2015
(Unaudited)**

Capital Assets

As of March 31, 2015, the Authority's capital assets were \$7,343,112 (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 | 21,782,093 |
| Furniture and Equipment - Dwellings | 179,555 |
| Furniture and Equipment - Administrative | 514,392 |
| Leasehold Improvements and Construction in Progress | <u>2,220,080</u> |
| | 27,154,286 |
| Accumulated Depreciation | <u>(19,811,174)</u> |
| Capital Assets, Net of Accumulated Depreciation | <u>\$ 7,343,112</u> |

Net capital assets decreased by \$109,768 from March 31, 2014 when net capital assets were \$7,452,880. Depreciation of \$601,268 and the additional assets from the capital grants and non-federal capitalizations (\$491,500) account for the change.

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

Debt

As of March 31, 2015, the Authority had two outstanding loans totaling \$646,310, of which \$63,539 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 | \$ 138,451 |
| US Bank Loan for Quail Run Single Homes Project | <u>507,859</u> |
| Total | <u>\$ 646,310</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, 2015
(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, 2015

ASSETS

Current Assets

| | |
|--------------------------------------|-------------------------|
| Cash and Cash Equivalents | \$ 1,811,439 |
| Restricted Cash and Cash Equivalents | 427,696 |
| Investments | 205,181 |
| Receivables, Net of Allowance | 112,000 |
| Inventory | 33,983 |
| Prepaid Expenses and Other Assets | <u>69,575</u> |
| Total Current Assets | <u>2,659,874</u> |

Property and Equipment

| | |
|-------------------------------------|-------------------------|
| Non-Depreciable Capital Assets | 2,459,462 |
| Depreciable Capital Assets, Net | <u>4,883,650</u> |
| Total Property and Equipment | <u>7,343,112</u> |

Other Assets

| | |
|---------------------------|-----------------------------|
| Assets Held for Resale | <u>194,452</u> |
| Total Other Assets | <u>194,452</u> |
| TOTAL ASSETS | <u>\$ 10,197,438</u> |

LIABILITIES

Current Liabilities

| | |
|-----------------------------------|-----------------------|
| Accounts Payable | \$ 34,594 |
| Accrued Compensated Absences | 30,419 |
| Tenant Security Deposits | 88,052 |
| Unearned Revenue | 13,051 |
| Accrued Wages and Payroll Taxes | 25,990 |
| Intergovernmental Payable | 98,214 |
| Other Current Liabilities | 47,865 |
| Current Portion of Long-Term Debt | <u>63,539</u> |
| Total Current Liabilities | <u>401,724</u> |

Noncurrent Liabilities

| | |
|---|-------------------------|
| Noncurrent Liabilities - Other | 125,387 |
| Long-Term Debt - Net of Current Portion | <u>582,771</u> |
| Total Noncurrent Liabilities | <u>708,158</u> |
| Total Liabilities | <u>1,109,882</u> |

NET POSITION

| | |
|---|-----------------------------|
| Net Investment in Capital Assets | 6,696,802 |
| Unrestricted | 2,141,810 |
| Restricted | <u>248,944</u> |
| Total Net Position | <u>9,087,556</u> |
| TOTAL LIABILITIES AND NET POSITION | <u>\$ 10,197,438</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, 2015

| | |
|---|---------------------------------------|
| <u>Operating Revenues</u> | |
| Government Grants | \$ 8,939,128 |
| Tenant Revenue | 606,637 |
| Other Revenue | <u>73,357</u> |
| Total Operating Revenues | <u>9,619,122</u> |
| <u>Operating Expenses</u> | |
| Administrative | 1,235,218 |
| Tenant Services | 26,736 |
| Utilities | 118,807 |
| Maintenance | 840,240 |
| General | 339,359 |
| Housing Assistance Payments | <u>7,194,174</u> |
| Total Operating Expenses Before Depreciation | <u>9,754,534</u> |
| Income (Loss) Before Depreciation | (135,412) |
| Depreciation | <u>601,268</u> |
| Operating Income (Loss) | <u>(736,680)</u> |
| <u>Non-Operating Revenues (Expenses)</u> | |
| Interest and Investment Revenue | 1,215 |
| Interest Expense | <u>(47,460)</u> |
| Total Non-Operating Revenues (Expenses) | <u>(46,245)</u> |
| Income (Loss) Before Capital Grants | (782,925) |
| Capital Grants | <u>448,827</u> |
| Change in Net Position | <u>(334,098)</u> |
| Total Net Position, Beginning of Year | <u>9,421,654</u> |
| Net Position, End of Year | <u><u>\$ 9,087,556</u></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, 2015

| | |
|---|----------------------------|
| <u>Cash Flows from Operating Activities</u> | |
| Operating Grants Received | \$ 8,935,611 |
| Tenant Revenue Received | 600,738 |
| Other Revenue Received | 72,596 |
| Administrative Expenses | (1,250,080) |
| Other Operating Expenses | (1,324,050) |
| Housing Assistance Payments | <u>(7,194,174)</u> |
| Net Cash Provided (Used) by Operating Activities | <u>(159,359)</u> |
| <u>Cash Flows from Capital and Related Financing Activities</u> | |
| Capital Grants Received | 448,827 |
| Retirement of Debt | (58,679) |
| Interest Paid on Debt | (47,663) |
| Property and Equipment Purchased | <u>(491,500)</u> |
| Net Cash Provided (Used) by Capital and Related Financing Activities | <u>(149,015)</u> |
| <u>Cash Flows from Investing Activities</u> | |
| Interest Earned | 1,215 |
| Cost of Other Assets Purchased | (2,569) |
| Investment Purchased | <u>(1,073)</u> |
| Net Cash Provided (Used) by Investing Activities | <u>(2,427)</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | (310,801) |
| Cash and Cash Equivalents, Beginning Of Year | <u>2,549,936</u> |
| Cash and Cash Equivalents, End of the Year | <u>\$ 2,239,135</u> |
| <u>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</u> | |
| Net Operating (Loss) | \$ (736,680) |
| Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities | |
| Depreciation | 601,268 |
| (Increase) Decrease in Accounts Receivable | (12,964) |
| (Increase) Decrease in Prepaid Assets | 9,913 |
| (Increase) Decrease in Inventory | (10,229) |
| Increase (Decrease) in Accounts Payable | 3,731 |
| Increase (Decrease) in Accrued Expenses | (323) |
| Increase (Decrease) in Unearned Revenue | 3,819 |
| Increase (Decrease) in Intergovernmental Payable | (2,833) |
| Increase (Decrease) in Tenant Security Deposits | 1,801 |
| Increase (Decrease) in Compensated Absence | (14,862) |
| Increase (Decrease) in Other Liabilities | <u>(2,000)</u> |
| Net Cash Provided by Operating Activities | <u>\$ (159,359)</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, 2015

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, 2015
(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 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.

GREENE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2015
(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, 2015
(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 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.

NOTE 2: **DEPOSITS AND INVESTMENTS**

Cash on Hand

At March 31, 2015, the carrying amount of the Authority's deposits was \$2,444,316 (including \$205,181 non-negotiable CDs, \$427,696 of restricted funds, and \$100 of petty cash).

At March 31, 2015, the bank balance of the Authority's cash deposits was \$2,453,668. Based on criteria described in GASB Statement No. 40, *Deposits and Investments Risk Disclosures*, as of March 31, 2015, deposits totaling \$709,826 were covered by Federal Depository Insurance and deposits totaling \$1,714,906 were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, in the Authority's name, another \$28,936 was held in trust.

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, 2015
(CONTINUED)**

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

Interest Rate Risk

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

Credit Risk

The 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 position at March 31, 2015 to the deposits and investments included in this note is as follows:

| | |
|--------------------------------------|----------------------------|
| <u>Per Statement of Net Position</u> | |
| Cash and Cash Equivalents | \$1,811,439 |
| Cash - Restricted | 427,696 |
| Investments | <u>205,181</u> |
| Total | <u>2,444,316</u> |
| <u>Per Note Disclosure</u> | |
| Carrying Amount of Deposits | <u>2,444,316</u> |
| Total | <u>\$ 2,444,316</u> |

GREENE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2015
(CONTINUED)

NOTE 3: RESTRICTED CASH

The restricted cash balance of \$427,696 on the financial statements represents the following:

| | |
|---|--------------------------|
| Excess cash advanced to the Housing Choice Voucher Program by HUD for Housing Assistance Payments | \$ 79,049 |
| Cash Advanced for AFIA-IDA Program | 90,700 |
| Tenant Security Deposits | 88,052 |
| Mortgage Escrow - Village Greene | 1,521 |
| Reserve for Replacement - Village Greene | 27,721 |
| Residual Receipts - Village Greene | 140,653 |
| Total Restricted Cash | <u>\$ 427,696</u> |

NOTE 4: CAPITAL ASSETS

A summary of capital assets, at March 31, 2015 by class, is as follows:

| | Balance 03/31/2014 | Adjustments | Additions | Deletions | Balance 03/31/2015 |
|---|-----------------------|-------------|---------------------|-------------------|-----------------------|
| Capital Assets Not Being Depreciated | | | | | |
| Land | \$ 2,458,166 | \$ 0 | \$ 0 | \$ 0 | \$ 2,458,166 |
| Construction in Progress | 3,896 | 0 | 0 | (2,600) | 1,296 |
| Total Capital Assets Not Being Depreciated | <u>2,462,062</u> | <u>0</u> | <u>0</u> | <u>(2,600)</u> | <u>2,459,462</u> |
| Capital Assets Being Depreciated | | | | | |
| Buildings | 21,378,273 | 0 | 403,820 | 0 | 21,782,093 |
| Furniture, Equipment, and Machinery - | | | | | |
| Dwellings | 147,901 | 0 | 31,654 | 0 | 179,555 |
| Administrative | 503,088 | 0 | 11,304 | 0 | 514,392 |
| Leasehold Improvements | 2,171,462 | 0 | 47,322 | 0 | 2,218,784 |
| Subtotal Capital Assets Being Depreciated | <u>24,200,724</u> | <u>0</u> | <u>494,100</u> | <u>0</u> | <u>24,694,824</u> |
| Accumulated Depreciation | | | | | |
| Buildings and Improvements | (18,714,048) | 0 | (538,676) | 0 | (19,252,724) |
| Furniture and Equipment | (495,858) | 0 | (62,592) | 0 | (558,450) |
| Total Accumulated Depreciation | <u>(19,209,906)</u> | <u>0</u> | <u>(601,268)</u> | <u>0</u> | <u>(19,811,174)</u> |
| Depreciable Assets, Net | <u>4,990,818</u> | <u>0</u> | <u>(107,168)</u> | <u>0</u> | <u>4,883,650</u> |
| Total Capital Assets, Net | <u>\$ 7,452,880</u> | <u>\$ 0</u> | <u>\$ (107,168)</u> | <u>\$ (2,600)</u> | <u>\$ 7,343,112</u> |

**GREENE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2015
(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 | \$ 79,049 |
| Village Greene Replacement Reserve Escrow and Residual Receipts | 169,895 |
| Total Restricted Net Position | <u>\$ 248,944</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, 2015
(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 2015 and 2014, 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, 2015, 2014, and 2013, were \$158,229, \$171,283, and \$183,345, respectively. The Authority had no employees in the Member-Directed Plan in the years ended March 31, 2015, 2014 and 2013 and no members in the combined plan in the years ended 2015, 2014, and 2013. The full amount has been contributed for 2015, 2014, and 2013.

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, 2015
(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 2015, the Authority contributed at a rate of 14.00 percent of covered payroll. The Ohio Revised code currently limits the employer contribution to a rate not to exceed 14.00 percent of covered payroll for state and local employer units. Active members do not make contributions to the OPEB Plan.

OPERS Post-Employment Health Care Plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 1.0 percent from April 1, 2013 through December 31, 2013 and 2.0 percent from January 1, 2014 through March 31, 2015.

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, 2015, 2014, and 2013 which were used to fund post-employment benefits were \$22,604, \$15,264, and \$42,562, respectively.

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

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**GREENE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2015
(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, 2015, based on the vesting method, \$155,806 was accrued by the Authority for unused vacation and sick time. The current portion is \$30,419 and the long term portion is \$125,387.

NOTE 9: INSURANCE

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

| <u>Type of Coverage</u> | <u>Deductible</u> | <u>Coverage Limits</u> |
|----------------------------|-------------------|----------------------------------|
| Property | \$ 1,500/500 | \$59,757,600 (Per Occurrence) |
| Casualty Package | | |
| General Liability | 0 | 2,000,000 |
| Employer Dishonesty | 0 | 500,000 |
| Public Officials Liability | 0 | 2,000,000 |
| Automobile | 0 | 2,000,000 |
| Excess Liability | 0 | 4,000,000 |
| Boiler and Machinery | 1,000 | 100,000,000 |
| Excess Crime | 0 | 500,000 |

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

**GREENE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2015
(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, 2015 was \$138,451.

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, 2015 was \$507,859.

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

| | <u>Balance</u> <u>03/31/2014</u> | <u>Increases</u> | <u>Decreases</u> | <u>Balance</u> <u>03/31/2015</u> | <u>Amount</u> <u>Due In</u> <u>One Year</u> |
|------------------------------------|-------------------------------------|------------------|--------------------|-------------------------------------|---|
| <u>Loans</u> | | | | | |
| FHA Project No. 046-35438 | \$ 170,920 | \$ 0 | \$ (32,469) | \$ 138,451 | \$ 34,991 |
| 2007 US Bank, 6.79% | 534,069 | 0 | (26,210) | 507,859 | 28,548 |
| Total Loans | <u>704,989</u> | <u>0</u> | <u>(58,679)</u> | <u>646,310</u> | <u>63,539</u> |
| <u>Other Obligations</u> | | | | | |
| Compensated Absences | 170,668 | 11,489 | (26,351) | 155,806 | 30,419 |
| Total Loans and Obligations | <u>\$ 875,657</u> | <u>\$ 11,489</u> | <u>\$ (85,030)</u> | <u>\$ 802,116</u> | <u>\$ 93,958</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> |
|--------------------|-------------------|------------------|-------------------|
| 2016 | \$ 63,539 | \$ 43,403 | \$ 106,942 |
| 2017 | 517,018 | 38,087 | 555,105 |
| 2018 | 40,634 | 3,554 | 44,188 |
| 2019 | <u>25,119</u> | <u>631</u> | <u>25,750</u> |
| Totals | <u>\$ 646,310</u> | <u>\$ 85,675</u> | <u>\$ 731,985</u> |

**GREENE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2015
(CONTINUED)**

NOTE 11: CONSTRUCTION AND OTHER COMMITMENTS

The Authority had no material construction commitments at March 31, 2015.

NOTE 12: INTERPROGRAM RECEIVABLES/PAYABLES

The Agency has interprogram balances at March 31, 2015.

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 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

The Authority has implemented GASB No. 67, *Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25*, GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, and GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*.

The objective of GASB Statement No. 67, *Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25*, is to improve financial reporting by state and local governmental pension plans. The provisions of Statement 67 are effective for financial statements for fiscal years beginning after June 15, 2013 and 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, 2015
(CONTINUED)

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

The objective of GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, is to establish accounting and financial reporting standards related to government combinations and disposals of government operations. The provisions of Statement 69 are effective for government combinations and disposal of government operations occurring in financial reporting periods beginning after December 15, 2013 and the implementation of this statement did not result in any change in the Authority's financial statements.

The objective of GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. The provisions of Statement 70 are effective for financial statements for reporting beginning after June 15, 2013 and the implementation of this statement did not result in any change in the Authority's financial statements.

**GREENE METROPOLITAN HOUSING AUTHORITY
STATEMENT OF MODERNIZATION COST - COMPLETED
FOR THE TWELVE MONTHS ENDED MARCH 31, 2015**

Annual Contributions Contract C-5031

1. The total amount of modernization costs of the Capital Fund Program grants are shown below:

| | |
|---------------------------------------|----------------|
| <u>OH10PO22501-10</u> | |
| Funds Approved | \$ 580,324 |
| Funds Expended | <u>580,324</u> |
| Excess (Deficiency) of Funds Approved | <u>\$ 0</u> |
| | |
| Funds Advanced | \$ 580,324 |
| Funds Expended | <u>580,324</u> |
| Excess (Deficiency) of Funds Advanced | <u>\$ 0</u> |
| | |
| <u>OH10PO22501-11</u> | |
| Funds Approved | \$ 507,776 |
| Funds Expended | <u>507,776</u> |
| Excess (Deficiency) of Funds Approved | <u>\$ 0</u> |
| | |
| Funds Advanced | \$ 507,776 |
| Funds Expended | <u>507,776</u> |
| Excess (Deficiency) of Funds Advanced | <u>\$ 0</u> |
| | |
| <u>OH10PO22501-12</u> | |
| Funds Approved | \$ 415,759 |
| Funds Expended | <u>415,759</u> |
| Excess (Deficiency) of Funds Approved | <u>\$ 0</u> |
| | |
| Funds Advanced | \$ 415,759 |
| Funds Expended | <u>415,759</u> |
| Excess (Deficiency) of Funds Advanced | <u>\$ 0</u> |

2. All modernization work in connection with the Capital Fund Program has been completed.
3. The entire actual modernization cost or liabilities incurred by the Authority have been fully paid.
4. There are no discharged mechanics, laborers, contractors, or material-mens liens against such modernization work on file in any public office where the same should be filed in order to be valid against such modernization work.

GREENE METROPOLITAN HOUSING AUTHORITY
ENTITY WIDE BALANCE SHEET SUMMARY
MARCH 31, 2015

| | Project Total | 14871 Housing Choice Vouchers | 14238 Shelter Plus Care | 14.135 Mortgage Insurance Rental and Cooperative Housing for Moderate Income | 98.602 New Assets for Independence Demonstration Program | State/Local | Business Activities | COCC | Sub total | ELIM | Total |
|---|------------------|-------------------------------|-------------------------|--|--|--------------|---------------------|----------------|------------------|-----------------|------------------|
| 111 Cash - Unrestricted | 744,243 | 248,862 | 63,366 | 17,405 | 4,205 | | 394,008 | 399,855 | 1,811,439 | | 1,811,439 |
| 113 Cash - Other Restricted | | 79,049 | | 169,895 | | | | | 248,944 | | 248,944 |
| 114 Cash - Tenant Security Deposits | 69,539 | | | 4,339 | 90,700 | | 14,174 | | 88,052 | | 88,052 |
| 115 Cash - Restricted for Payment of Current Liabilities | | | | | 94,905 | | 348,177 | 399,855 | 90,700 | | 90,700 |
| 100 Total Cash | 813,782 | 327,411 | 63,366 | 191,639 | 94,905 | - | 348,177 | 399,855 | 2,239,135 | - | 2,239,135 |
| 122 Accounts Receivable - HUD Other Projects | | 12,902 | 8,719 | | | | | | 21,621 | | 21,621 |
| 124 Accounts Receivable - Other Government | | 8,414 | | | | | 4,228 | | 12,642 | | 12,642 |
| 125 Accounts Receivable - Miscellaneous | | 25 | | | | | | 5 | 30 | | 30 |
| 126 Accounts Receivable - Tenants | 4,150 | | | 690 | | | 3,215 | | 8,055 | | 8,055 |
| 126.1 Allowances for Doubtful Accounts - Tenants | -2,776 | | | -281 | | | -1,028 | | -4,085 | | -4,085 |
| 128 Fraud Recovery | 2,091 | 84,146 | 1,907 | | | | | | 88,144 | | 88,144 |
| 128.1 Allowances for Doubtful Accounts - Fraud | -1,488 | -12,909 | | | | | | | -14,407 | | -14,407 |
| 120 Total Receivables, Net of Allowances for Doubtful Accounts | 1,967 | 92,578 | 10,626 | 409 | - | - | 6,415 | 5 | 112,000 | - | 112,000 |
| 131 Investments - Unrestricted | 50,697 | | | | | | 108,438 | 51,046 | 205,181 | | 205,181 |
| 142 Prepaid Expenses and Other Assets | 53,575 | 1,178 | | 2,766 | | | 4,253 | 7,803 | 69,575 | | 69,575 |
| 143 Inventories | 4,855 | | | | | | 161 | 28,967 | 33,983 | | 33,983 |
| 144 Inter Program Due From | | | | | | | 118,600 | 46,139 | 164,739 | -164,739 | - |
| 150 Total Current Assets | 924,876 | 421,167 | 73,992 | 194,814 | 94,905 | - | 581,044 | 533,815 | 2,824,613 | -164,739 | 2,659,874 |
| 161 Land | | | | 31,400 | | | | | 2,458,166 | | 2,458,166 |
| 162 Buildings | 2,095,091 | 18,844,297 | 99,915 | 883,361 | | 39,000 | 1,449,129 | 466,391 | 21,782,093 | | 21,782,093 |
| 163 Furniture, Equipment & Machinery - Dwellings | 179,555 | | | 21,386 | | | | | 179,555 | | 179,555 |
| 164 Furniture, Equipment & Machinery - Administration | 130,476 | 57,131 | | | | | 4,717 | 305,399 | 514,392 | | 514,392 |
| 165 Leasehold Improvements | 2,166,581 | | | | | | | 47,486 | 2,218,784 | | 2,218,784 |
| 166 Accumulated Depreciation | -17,573,776 | -101,890 | | -758,983 | | -32,500 | -661,339 | -682,686 | -19,811,174 | | -19,811,174 |
| 167 Construction in Progress | 1,296 | | | | | | | | 1,296 | | 1,296 |
| 160 Total Capital Assets, Net of Accumulated Depreciation | 5,843,520 | 55,156 | - | 177,164 | - | 6,500 | 1,092,152 | 168,620 | 7,343,112 | - | 7,343,112 |
| 174 Other Assets | | | | | | | 194,452 | | 194,452 | | 194,452 |
| 180 Total Non-Current Assets | 5,843,520 | 55,156 | - | 177,164 | - | 6,500 | 1,286,604 | 168,620 | 7,537,564 | - | 7,537,564 |

**GREENE METROPOLITAN HOUSING AUTHORITY
ENTITY WIDE BALANCE SHEET SUMMARY
MARCH 31, 2015**

| | 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 | COC | Subtotal | ELIM | Total |
|--|------------------|---|--------------------------------|---|--|----------------|------------------------|----------------|-------------------|-----------------|-------------------|
| 200 Deferred Outflow of Resources | | | | | | | | | - | | - |
| 290 Total Assets and Deferred Outflow of Resources | 6,768,396 | 476,323 | 73,992 | 371,978 | 94,905 | 6,500 | 1,867,648 | 702,485 | 10,362,177 | -164,739 | 10,197,438 |
| 312 Accounts Payable <= 90 Days | 21,071 | 3,163 | | 126 | | | 447 | 9,787 | 34,594 | | 34,594 |
| 321 Accrued Wage/Payroll Taxes Payable | | | | | | | 20,000 | 5,990 | 25,990 | | 25,990 |
| 322 Accrued Compensated Absences - Current Portion | 3,113 | 11,646 | | 353 | | | 578 | 14,729 | 30,419 | | 30,419 |
| 325 Accrued Interest Payable | | | | 865 | | | | | 865 | | 865 |
| 333 Accounts Payable - Other Government | 26,980 | | | | 43,700 | | 5,408 | 22,126 | 98,214 | | 98,214 |
| 341 Tenant Security Deposits | 69,539 | | | 4,339 | | | 14,174 | | 88,052 | | 88,052 |
| 342 Unnamed Revenue | 9,616 | | | 667 | | | 2,768 | | 13,051 | | 13,051 |
| 343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds | | | | 34,991 | | | 28,548 | | 63,539 | | 63,539 |
| 345 Other Current Liabilities | | | | | 47,000 | | | | 47,000 | | 47,000 |
| 347 Inter Program - Due To | | 27,761 | | 8,272 | 109,206 | 19,500 | | | 164,739 | -164,739 | - |
| 310 Total Current Liabilities | 130,319 | 42,570 | - | 49,613 | 199,906 | 19,500 | 71,923 | 52,632 | 566,463 | -164,739 | 401,724 |
| 351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue | | | | 108,460 | | | 479,311 | | 582,771 | | 582,771 |
| 354 Accrued Compensated Absences - Non Current | 28,024 | 38,037 | | 1,695 | | | 3,717 | 53,914 | 125,387 | | 125,387 |
| 350 Total Non-Current Liabilities | 28,024 | 38,037 | - | 105,155 | - | - | 483,028 | 53,914 | 708,158 | - | 708,158 |
| 300 Total Liabilities | 158,343 | 80,607 | - | 154,768 | 199,906 | 19,500 | 554,951 | 106,546 | 1,274,621 | -164,739 | 1,109,882 |
| 400 Deferred Inflow of Resources | | | | | | | | | - | | - |
| 508.4 Net Investment in Capital Assets | 5,843,520 | 55,156 | | 38,713 | | 6,500 | 584,293 | 168,620 | 6,696,802 | | 6,696,802 |
| 511.4 Restricted Net Position | | 79,049 | | 169,895 | | | | | 248,944 | | 248,944 |
| 512.4 Unrestricted Net Position | 766,533 | 261,511 | 73,992 | 8,602 | -105,001 | -19,500 | 728,404 | 427,269 | 2,141,810 | | 2,141,810 |
| 513 Total Equity - Net Assets / Position | 6,610,053 | 395,716 | 73,992 | 217,210 | -105,001 | -13,000 | 1,312,697 | 595,889 | 9,087,556 | - | 9,087,556 |
| 600 Total Liab., Def Inflow of Res., and Equity - Net Assets / Position | 6,768,396 | 476,323 | 73,992 | 371,978 | 94,905 | 6,500 | 1,867,648 | 702,485 | 10,362,177 | -164,739 | 10,197,438 |

**GREENE METROPOLITAN HOUSING AUTHORITY
ENTITY WIDE REVENUE AND EXPENSE SUMMARY
FOR THE FISCAL YEAR ENDED MARCH 31, 2015**

| | 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 | 394,404 | | | 2,349 | | | 161,619 | | 558,372 | | 558,372 |
| 70400 Tenant Revenue - Other | 41,564 | | | 1,448 | | | 5,253 | | 48,265 | | 48,265 |
| 70500 Total Tenant Revenue | 435,968 | | | 3,797 | | | 166,872 | | 606,637 | | 606,637 |
| 70600 HUD/PHA Operating Grants | 1,236,389 | 7,439,074 | 122,986 | 140,611 | | | | 68 | 8,939,128 | | 8,939,128 |
| 70610 Capital Grants | 448,827 | | | | | | | | 448,827 | | 448,827 |
| 70710 Management Fee | | | | | | | | 235,401 | 235,401 | -235,401 | - |
| 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 | | | | | | | | 465,823 | 465,823 | -465,823 | - |
| 70700 Total Fee Revenue | - | - | - | - | - | - | - | 780,604 | 780,604 | -780,604 | - |
| 71100 Investment Income - Unrestricted | 273 | | | 62 | | | 577 | 303 | 1,215 | | 1,215 |
| 71400 Fraud Recovery | | 52,430 | | | | | | | 52,430 | | 52,430 |
| 71500 Other Revenue | 16,292 | 598 | | 127 | | | 14,710 | | 31,727 | -10,800 | 20,927 |
| 70000 Total Revenue | 2,137,749 | 7,492,102 | 122,986 | 144,597 | - | - | 182,159 | 780,975 | 10,860,568 | -791,404 | 10,069,164 |
| 91100 Administrative Salaries | 173,727 | 324,322 | 2,387 | 11,421 | | | 26,411 | 160,228 | 698,496 | | 698,496 |
| 91200 Auditing Fees | 6,630 | 5,818 | | 135 | | | 270 | 697 | 13,550 | | 13,550 |
| 91300 Management Fee | 224,884 | | | 10,516 | | | 10,800 | | 246,200 | -246,200 | - |
| 91310 Book-keeping Fee | 32,641 | 132 | | 1,533 | | | 6 | | 34,312 | -34,020 | 292 |
| 91400 Advertising and Marketing | 2,860 | 1,434 | | 12 | | | 26 | 1,308 | 5,840 | | 5,840 |
| 91500 Employee Benefit contributions - Administrative | 84,201 | 171,290 | 1,143 | 4,116 | | | 7,365 | 61,396 | 329,511 | | 329,511 |
| 91600 Office Expenses | 56,930 | 70,730 | | 5,582 | 83 | | 4,330 | 33,674 | 171,349 | | 171,349 |
| 91700 Legal Expense | 11,465 | 2,654 | | 432 | | | 1,404 | | 15,955 | | 15,955 |
| 91800 Travel | | | | | | | | 225 | 225 | | 225 |
| 91000 Total Operating - Administrative | 593,338 | 576,380 | 3,530 | 33,747 | 83 | - | 50,632 | 257,728 | 1,515,438 | -280,220 | 1,235,218 |
| 92000 Asset Management Fee | 43,320 | | | 2,040 | | | | | 45,360 | -45,360 | - |
| 92100 Tenant Services - Salaries | 16,082 | | | | | | | | 16,082 | | 16,082 |
| 92300 Employee Benefit Contributions - Tenant Services | 5,276 | | | | | | | | 5,276 | | 5,276 |
| 92400 Tenant Services - Other | 5,378 | | | | | | | | 5,378 | | 5,378 |
| 92500 Total Tenant Services | 26,736 | - | - | - | - | - | - | - | 26,736 | - | 26,736 |

**GREENE METROPOLITAN HOUSING AUTHORITY
ENTITY WIDE REVENUE AND EXPENSE SUMMARY
FOR THE FISCAL YEAR ENDED MARCH 31, 2015**

| | 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 |
|--|------------------|--------------------------------|--------------------------|--|--|-------------|---------------------|----------------|------------------|-----------------|------------------|
| 93100 Water | 21,549 | | | 129 | | | 443 | 118 | 22,239 | | 22,239 |
| 93200 Electricity | 31,121 | | | 28 | | | 2,943 | 500 | 34,592 | | 34,592 |
| 93300 Gas | 27,810 | | | | | | 321 | 614 | 28,745 | | 28,745 |
| 93600 Sewer | 31,721 | | | 138 | | | 1,068 | 304 | 33,231 | | 33,231 |
| 931000 Total Utilities | 112,201 | - | - | 295 | - | - | 4,775 | 1,536 | 118,807 | - | 118,807 |
| 94100 Ordinary Maintenance and Operations - Labor | 55,444 | | | | | | | 251,033 | 306,477 | | 306,477 |
| 94200 Ordinary Maintenance and Operations - Materials and Other | 117,853 | 3,315 | | 4,495 | | | 8,509 | 28,984 | 163,156 | | 163,156 |
| 94300 Ordinary Maintenance and Operations Contracts | 604,229 | 6,621 | | 45,612 | | | 54,918 | 13,629 | 725,009 | -465,824 | 259,185 |
| 94500 Employee Benefit Contributions - Ordinary Maintenance | 3,555 | | | | | | | 107,867 | 111,422 | | 111,422 |
| 94000 Total Maintenance | 781,081 | 9,936 | - | 50,107 | - | - | 63,427 | 401,513 | 1,306,064 | -465,824 | 840,240 |
| 96110 Property Insurance | 78,967 | | | 4,038 | | | 6,414 | 13,388 | 102,867 | | 102,867 |
| 96120 Liability Insurance | | 1,976 | | | | | | | 1,976 | | 1,976 |
| 96130 Workmen's Compensation | | | | | | | | | - | | - |
| 96140 All Other Insurance | | | | | | | | | - | | - |
| 96100 Total Insurance Premiums | 78,967 | 1,976 | - | 4,038 | - | - | 6,414 | 13,388 | 104,843 | - | 104,843 |
| 96200 Other General Expenses | 376 | | | | | | 7,364 | | 7,740 | | 7,740 |
| 96210 Compensated Absences | 38,302 | 61,981 | | 2,203 | | | 3,646 | 56,432 | 162,514 | | 162,514 |
| 96300 Payments in Lieu of Taxes | 26,980 | | | | | | | | 26,980 | | 26,980 |
| 96400 Bad debt - Tenant Rents | 30,939 | | | 42 | | | 4,701 | | 35,682 | | 35,682 |
| 96000 Total Other General Expenses | 96,597 | 61,981 | - | 2,245 | - | - | 15,711 | 56,432 | 232,916 | - | 232,916 |
| 96710 Interest of Mortgage (or Bonds) Payable | | | | 11,515 | | | 35,945 | | 47,460 | | 47,460 |
| 96700 Total Interest Expense and Amortization Cost | - | - | - | 11,515 | - | - | 35,945 | - | 47,460 | - | 47,460 |
| 96900 Total Operating Expenses | 1,732,240 | 650,223 | 3,530 | 104,047 | 83 | - | 176,904 | 730,597 | 3,397,624 | -791,404 | 2,606,220 |
| 97000 Excess of Operating Revenue over Operating Expenses | 405,509 | 6,841,879 | 119,456 | 40,550 | -83 | - | 5,255 | 50,378 | 7,462,944 | - | 7,462,944 |

**GREENE METROPOLITAN HOUSING AUTHORITY
ENTITY WIDE REVENUE AND EXPENSE SUMMARY
FOR THE FISCAL YEAR ENDED MARCH 31, 2015**

| | Project Total | 14,871 Housing Choice Vouchers | 14,238 Shelter Plus Care | 14,135 Mortgage Insurance Rental and Cooperative Housing for Moderate Income | 93,602 New Assets for Independence Demonstration Program | State/Local | Business Activities | COCC | Sub total | F.I.M. | Total |
|---|------------------|--------------------------------|--------------------------|--|--|---------------|---------------------|----------------|-------------------|-----------------|-------------------|
| 97200 Casualty Losses - Non-capitalized | | 1,600 | | | | | | | 1,600 | | 1,600 |
| 97300 Housing Assistance Payments | | 7,078,477 | 115,697 | | | | | | 7,194,174 | | 7,194,174 |
| 97400 Depreciation Expense | 465,990 | 6,804 | | 27,936 | | 2,600 | 58,343 | 39,635 | 601,268 | | 601,268 |
| 90000 Total Expenses | 2,198,170 | 7,737,104 | 119,227 | 132,003 | 83 | 2,600 | 235,247 | 770,232 | 11,194,666 | -791,404 | 10,403,262 |
| 10091 Inter Project Excess Cash Transfer In | 42,400 | | | | | | | | 42,400 | | 42,400 |
| 10092 Inter Project Excess Cash Transfer Out | -42,400 | | | | | | | | -42,400 | | -42,400 |
| 10100 Total Other financing Sources (Uses) | - | - | - | - | - | - | - | - | - | - | - |
| 10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses | -60,421 | -245,002 | 3,759 | 12,594 | -83 | -2,600 | -53,088 | 10,743 | -334,098 | - | -334,098 |
| 11020 Required Annual Debt Principal Payments | | | | 34,991 | | | 28,548 | | 63,539 | | 63,539 |
| 11030 Beginning Equity | 6,670,474 | 640,718 | 70,293 | 204,616 | -104,918 | -10,400 | 1,365,785 | 585,146 | 9,421,654 | | 9,421,654 |
| 11170 Administrative Fee Equity | | 316,667 | | | | | | | 316,667 | | 316,667 |
| 11180 Housing Assistance Payments Equity | | 79,049 | | | | | | | 79,049 | | 79,049 |
| 11190 Unit Months Available | 4,329 | 17,232 | 252 | 204 | | | 276 | | 22,293 | | 22,293 |
| 11210 Number of Unit Months Leased | 4,274 | 16,759 | 252 | 200 | | | 266 | | 21,751 | | 21,751 |

**GREENE METROPOLITAN HOUSING AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED MARCH 31, 2015**

| 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 | \$ 1,112,952 | \$ 0 |
| Capital Fund Program | 14.872 | 572,332 | 0 |
| Section 8 Housing Choice Voucher Program | 14.871 | 7,439,074 | 0 |
| Section 8 New Construction | 14.182 | 140,611 | 0 |
| Shelter Plus Care | 14.238 | 122,986 | 0 |
| Mortgage Insurance Rental and Cooperative | 14.135 | 0 | 138,451 |
| <i>Total Direct Awards</i> | | <u>9,387,955</u> | <u>138,451</u> |
| Total U.S. Department of Housing and Urban Development | | <u>9,387,955</u> | <u>138,451</u> |
| Total Federal Awards Expenditures | | <u>\$ 9,387,955</u> | <u>\$ 138,451</u> |

This schedule is prepared on the accrual basis of accounting.

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, 2015, 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 August 27, 2015.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of the Report

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

James G. Zupka,
CPA, President

Digitally signed by James G. Zupka, CPA,
President
DN: cn=James G. Zupka, CPA, President,
o=James G. Zupka, CPA, Inc.,
ou=Accounting,
email=jgzcpa@sbcglobal.net, c=US
Date: 2015.09.23 13:08:48 -04'00'

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

August 27, 2015

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, 2015. 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, 2015.

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 its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Greene Metropolitan Housing Authority, Ohio's internal control over compliance.

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

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

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

James G. Zupka
CPA, President

Digitally signed by James G. Zupka, CPA,
President
DN: cn=James G. Zupka, CPA, President,
o=James G. Zupka, CPA, Inc., ou=Accounting,
email=jgzcpa@sbcglobal.net, c=US
Date: 2015.09.23 13:09:27 -0400

James G. Zupka CPA, Inc.
Certified Public Accountants

August 27, 2015

**GREENE METROPOLITAN HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 & .505
MARCH 31, 2015**

1. SUMMARY OF AUDITOR'S RESULTS

| | | |
|------------|--|--|
| 2015(i) | Type of Financial Statement Opinion | Unmodified |
| 2015(ii) | Were there any material control weakness conditions reported at the financial statement level (GAGAS)? | No |
| 2015(ii) | Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)? | No |
| 2015(iii) | Was there any reported material noncompliance at the financial statement level (GAGAS)? | No |
| 2015(iv) | Were there any material internal control weakness conditions reported for major Federal programs? | No |
| 2015(iv) | Were there any other significant deficiency conditions reported for major Federal programs? | No |
| 2015(v) | Type of Major Programs' Compliance Opinion | Unmodified |
| 2015(vi) | Are there any reportable findings under .510? | No |
| 2015(vii) | Major Programs (list): | |
| | Housing Choice Voucher Program - CFDA #14.871 | |
| 2015(viii) | Dollar Threshold: Type A\B Programs | Type A: >\$300,000 Type B: all others |
| 2015(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, 2015**

The audit report for the prior year ended March 31, 2014 contained no findings or citations.

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Dave Yost • Auditor of State

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 3, 2015