

**GREENE METROPOLITAN
HOUSING AUTHORITY
GREENE COUNTY, OHIO**

AUDIT REPORT

**FOR THE FISCAL YEAR
ENDED MARCH 31, 2018**

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



Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the Greene County Metropolitan Housing Authority, Greene County, prepared by James G. Zupka, CPA, Inc., for the audit period April 1, 2017 through March 31, 2018. 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 County Metropolitan Housing Authority is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Dave Yost".

Dave Yost
Auditor of State

October 31, 2018

This page intentionally left blank.

GREENE METROPOLITAN HOUSING AUTHORITY
GREENE COUNTY, OHIO
AUDIT REPORT
FOR THE FISCAL YEAR ENDED MARCH 31, 2018

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor's Report	1-3
Management's Discussion and Analysis	5-10
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	14-30
Required Supplementary Information:	
Schedule of the Authority's Proportionate Share of the Net Pension Liability – Last Five Fiscal Years	31
Schedule of the Authority's Contributions – Last Six Fiscal Years	32
Notes to the Required Supplementary Information	33
Supplemental Financial Data Schedules:	
Entity Wide Balance Sheet Summary	34-35
Entity Wide Revenue and Expense Summary	36-38
Schedule of Expenditures of Federal Awards	39
Notes to the Schedule of Expenditures of Federal Awards	40
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>	41-42
Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	43-44
Schedule of Findings and Questioned Costs	45
Schedule of Prior Audit Findings	46

This page intentionally left blank.

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

To the Members of the Board
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, (the Authority) as of and for the year ended March 31, 2018, 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 an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Greene Metropolitan Housing Authority as of March 31, 2018, and the 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 and Schedules of Net Pension Liabilities and Pension Contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The Financial Data Schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is also not a required part of the basic financial statements.

The Financial Data Schedules and the Schedule of Expenditures of Federal Awards are the responsibility of management and 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 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 September 17, 2018, on our consideration of the Authority'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 Authority's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "James G. Zupka, CPA, Inc." The signature is written in a cursive style.

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

September 17, 2018

This page intentionally left blank.

**GREENE METROPOLITAN HOUSING AUTHORITY
GREENE COUNTY, OHIO
MANAGEMENT’S DISCUSSION AND DUSCUSSION
FOR THE FISCAL YEAR ENDED MARCH 31, 2018
(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, 2018:

- The Authority’s net position increased by \$179,291 a 2.4 percent increase from the prior year.
- Total liabilities decreased by \$622,473 or 21.6 percent.
- The Authority’s revenue decreased by \$117,290 or 1.1 percent.
- The total expenses of the Authority decreased by \$566,160 or 5.1 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).

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.

**GREENE METROPOLITAN HOUSING AUTHORITY
GREENE COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND DUSCUSSION
FOR THE FISCAL YEAR ENDED MARCH 31, 2018
(Unaudited)**

The Statement of Net Position presents information on all of the Authority's assets and liabilities, with the difference between the two reported as net position. Net position is reported in three broad categories (as applicable):

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

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

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

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

The Authority's Programs

Significant programs consist of the following:

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

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

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

**GREENE METROPOLITAN HOUSING AUTHORITY
GREENE COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND DUSCUSSION
FOR THE FISCAL YEAR ENDED MARCH 31, 2018
(Unaudited)**

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. - Sensible Shelter assumed the assets and liabilities of Wise Manor Partnership which rented townhouses and homes to low income families. The homes were later sold below cost to long term renters who were given credit for time rented. Loans to Wise Manor Partnership were forgiven. The original funding for the loans was made possible by grants to Sensible Shelter, Inc. in prior years. The housing tax credit project was structured this way so that Sensible Shelter, Inc. could assume ownership and sell the homes below market value to the renters.

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

Notes to the Financial Statements

The notes to the basic financial statements provide additional information essential to a full understanding of the data provided in the basic financial statements. Notes to the basic financial statements can be found on pages 14 through 30 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

	2018	2017
<u>Assets</u>		
Current and Other Assets	\$ 3,438,645	\$ 3,014,068
Capital Assets	6,588,730	6,763,853
Deferred Outflows of Resources	246,847	643,673
Total Assets and Deferred Outflows of Resources	10,274,222	10,421,594
<u>Liabilities</u>		
Current Liabilities	323,915	335,283
Long-term Liabilities	1,932,725	2,543,830
Deferred Inflows of Resources	343,048	47,238
Total Liabilities and Deferred Inflows of Resources	2,599,688	2,926,351
<u>Net Position</u>		
Net Investment in Capital Assets	6,150,363	6,249,831
Restricted	418,236	197,934
Unrestricted	1,105,935	1,047,478
Total Net Position	7,674,534	7,495,243
Total Liabilities and Net Position	\$ 10,274,222	\$ 10,421,594

**GREENE METROPOLITAN HOUSING AUTHORITY
GREENE COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND DUSCUSSION
FOR THE FISCAL YEAR ENDED MARCH 31, 2018
(Unaudited)**

Major Factors Affecting the Statement of Net Position

The notable changes on the Statement of Net Position are to the liabilities. Liabilities in total decreased \$622,473, with current liabilities decreasing by more than \$11,000 and non-current liabilities decreasing by more than \$611,000.

The change in total liabilities closely corresponds to the change in net pension liability of more than \$558,000. The net pension liability is reported pursuant to the relatively new accounting standard called GASB Statement No. 68, and truly does not reflect an operating issue at the Authority but rather reflect changes at the Public Employees Retirement System. GASB Statement No. 68 requires the Authority to report on its financial statements what is determined to be its share of the unfunded pension liability and related balances of the Ohio Public Employees Retirement System (OPERS). The concept behind the standard is for OPERS to resolve the unfunded pension liability it has, it will have to impose an additional funding burden on the entities that contribute to it. State law mandates that employees of the Authority are participants in OPERS and that the Authority makes retirement contributions to OPERS on behalf of all of its employees. So unlike other liabilities the Authority reports at March 31, 2018, the net pension liability does not represent an invoice to be paid by the Authority after March 31, 2018.

The change in current liabilities was minimal in 2018. In addition to the change in net pension liability, long-term debt decreased by approximately \$76,000 due to annual principal payments made. Deferred inflows of resources increased almost \$300,000 based on the activity reported by OPERS relating to GASB Statement No. 68.

Statement of Revenues, Expenses and Changes in Net Position

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

Table 2 - Condensed Statement of Revenues, Expenses, and Changes in Net Position

	2018	2017
<u>Revenues</u>		
Tenant Revenue	\$ 966,034	\$ 813,821
Operating Subsidies and Grants	9,269,026	9,626,527
Capital Grants	398,882	288,954
Other Revenues	77,232	99,162
Total Revenues	10,711,174	10,828,464
<u>Expenses</u>		
Administrative	1,714,483	1,668,030
Tenant Services	35,245	35,107
Utilities	117,673	120,281
Maintenance	870,393	903,543
General and Interest Expense	374,748	429,711
Housing Assistance Payments	6,829,223	7,334,932
Depreciation	590,118	606,439
Total Expenses	10,531,883	11,098,043
Change in Net Position	\$ 179,291	\$ (269,579)

**GREENE METROPOLITAN HOUSING AUTHORITY
GREENE COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND DUSCUSSION
FOR THE FISCAL YEAR ENDED MARCH 31, 2018
(Unaudited)**

Major Factors Affecting the Statement of Revenues, Expenses and Changes in Net Position

Decreases in revenues over the past year were approximately \$117,000, while decreases in expenses were over \$566,000. The largest decreases in revenues were to subsidy for HAP which is funding for the Section 8 Housing Choice Vouchers program. The Capital Fund Program grants that are used to make capital improvements increased by almost \$110,000.

The largest decreases in expenses were to general expenses, maintenance expenses, and HAP expense. Contributing to the change in general expense was an improvement in losses to bad debts. The decrease in maintenance expense offsets the increase in administrative expense, due to normal year to year fluctuations. The reduction in expenses overall closely corresponds to the reduction in general expense and HAP expense. But the big reduction was in HAP expense, which decreased more than \$505,000, nearly 7 percent. Lease up in the Program decreased a little over 1 percent contributing to this, the rest was due to a decrease in average rental assistance being paid, reflecting higher incomes on the part of participant families.

Capital Assets

As of March 31, 2018, the Authority's capital assets were \$6,588,730 (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	22,579,820
Furniture and Equipment - Dwellings	215,339
Furniture and Equipment - Administrative	488,318
Leasehold Improvements and Construction-in-Progress	<u>2,267,492</u>
	28,009,135
Accumulated Depreciation	<u>(21,420,405)</u>
Capital Assets, Net of Accumulated Depreciation	<u>\$ 6,588,730</u>

Net capital assets decreased by \$175,123 from March 31, 2017 when net capital assets were \$6,763,853. Depreciation of \$590,118 was offset by the additions from capital grants of \$398,882 and non-federal capitalizations of \$16,113.

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

**GREENE METROPOLITAN HOUSING AUTHORITY
GREENE COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND DUSCUSSION
FOR THE FISCAL YEAR ENDED MARCH 31, 2018
(Unaudited)**

Debt

As of March 31, 2018, the Authority had two outstanding loans totaling \$438,367, of which \$62,155 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	\$ 25,119
US Bank Loan for Quail Run Single Homes Project	<u>413,248</u>
Total	<u><u>\$ 438,367</u></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.

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
GREENE COUNTY, OHIO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
MARCH 31, 2018

Assets

Current Assets

Cash and Cash Equivalents	\$ 2,281,163
Restricted Cash and Cash Equivalents	521,860
Investments	209,409
Receivables - Net of Allowance	120,326
Inventory	24,396
Prepaid Expenses and Other Assets	85,792
Total Current Assets	3,242,946

Property and Equipment

Non-Depreciable Capital Assets	2,472,346
Depreciable Capital Assets, Net	4,116,384
Total Capital Assets	6,588,730

Other Assets

Assets Held for Resale	195,699
Total Noncurrent Assets	195,699

Deferred Outflows of Resources

	246,847
Total Assets and Deferred Outflows of Resources	\$ 10,274,222

Liabilities

Current Liabilities

Accounts Payable	\$ 27,624
Accrued Compensated Absences	23,901
Tenant Security Deposits	103,624
Unearned Revenue	20,075
Accrued Wages and Payroll Taxes	18,441
Intergovernmental Payable	67,938
Interest Payable	157
Current Portion of Long-Term Debt	62,155
Total Current Liabilities	323,915

Noncurrent Liabilities

Accrued Compensated Absences - Net of Current Portion	142,548
Long-Term Debt - Net of Current Portion	376,212
Net Pension Liability	1,413,965
Total Noncurrent Liabilities	1,932,725
Total Liabilities	2,256,640

Deferred Inflows of Resources

	343,048
--	----------------

Net Position

Net Investment in Capital Assets	6,150,363
Restricted	418,236
Unrestricted	1,105,935
Total Net Position	7,674,534

Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 10,274,222
---	----------------------

The accompanying notes to the basic financial statements are an integral part of these statements.

**GREENE METROPOLITAN HOUSING AUTHORITY
GREENE COUNTY, OHIO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED MARCH 31, 2018**

<u>Operating Revenues</u>	
Government Grants	\$ 9,269,026
Tenant Revenue	966,034
Other Revenue	74,349
Total Operating Revenues	<u>10,309,409</u>
<u>Operating Expenses</u>	
Administrative	1,714,483
Tenant Services	35,245
Utilities	117,673
Maintenance	870,393
General	349,886
Housing Assistance Payments	6,829,223
Total Operating Expenses Before Depreciation	<u>9,916,903</u>
Income (Loss) Before Depreciation	392,506
Depreciation	590,118
Operating Income (Loss)	<u>(197,612)</u>
<u>Non-Operating Revenues (Expenses)</u>	
Interest and Investment Revenue	1,952
Interest Expense	(24,862)
Gain on Disposition of Assets	931
Total Non-Operating Revenue (Expenses)	<u>(21,979)</u>
Income (Loss) Before Capital Grants	(219,591)
Capital Grants	398,882
Change in Net Position	<u>179,291</u>
Total Net Position, Beginning of Year	<u>7,495,243</u>
Total Net Position, End of Year	<u>\$ 7,674,534</u>

The accompanying notes to the basic financial statements are an integral part of these statements.

**GREENE METROPOLITAN HOUSING AUTHORITY
GREENE COUNTY, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED MARCH 31, 2018**

<u>Cash Flows From Operating Activities</u>	
Operating Grants Received	\$ 9,231,920
Tenant Revenue Received	972,554
Other Revenue Received	74,349
Administrative Expenses	(1,606,206)
Other Operating Expenses	(1,336,929)
Housing Assistance Payments	<u>(6,829,223)</u>
Net Cash Provided (Used) by Operating Activities	<u>506,465</u>
 <u>Cash Flows From Capital And Related Financing Activities</u>	
Capital Grants Received	398,882
Cash from Asset Sale	931
Principal and Interest on Debt	(100,771)
Assets Held for Resale	(2,636)
Property and Equipment Purchased	<u>(414,995)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(118,589)</u>
 <u>Cash Flows From Investing Activities</u>	
Interest Earned	1,952
Investment Purchased	<u>(1,310)</u>
Net Cash Provided (Used) by Investing Activities	<u>642</u>
Net Increase (Decrease) in Cash and Cash Equivalents	388,518
 Cash And Cash Equivalents, Beginning of Year	<u>2,414,505</u>
Cash And Cash Equivalents, End of Year	<u><u>\$ 2,803,023</u></u>
 <u>Reconciliation of Operating Income To Net Cash Provided by Operating Activities</u>	
Net Operating (Loss)	\$ (197,612)
Adjustments To Reconcile Operating Loss To Net Cash Provided By Operating Activities	
Depreciation	590,118
(Increase)Decrease in:	
Accounts Receivable	(39,867)
Prepaid Assets	2,292
Inventory	5,462
Deferred Outflows	396,826
Increase (Decrease) in:	
Accounts Payable	41
Accrued Expenses	(1,614)
Unearned Revenue	2,761
Intergovernmental Payable	(1,255)
Tenant Security Deposits	6,520
Compensated Absences	5,688
Net Pension Liability	(558,705)
Deferred Inflows	<u>295,810</u>
Net Cash Provided By Operating Activities	<u><u>\$ 506,465</u></u>

The accompanying notes to the basic financial statements are an integral part of these statements.

GREENE METROPOLITAN HOUSING AUTHORITY
GREENE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2018

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.

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.

GREENE METROPOLITAN HOUSING AUTHORITY
GREENE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2018
(CONTINUED)

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

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 fund'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.

Capital Assets

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

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

Capitalization of Interest

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

GREENE METROPOLITAN HOUSING AUTHORITY
GREENE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2018
(CONTINUED)

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

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.

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.

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the Authority, deferred outflows of resources are reported on the statement of net position for pension. The deferred outflows of resources related to pension are explained in Note 6.

In addition to liabilities, the statements of financial position report a separate for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the Authority, deferred inflows of resources are reported on the statement of net position for pension. The deferred inflows of resources related to pension are explained in Note 6.

**GREENE METROPOLITAN HOUSING AUTHORITY
GREENE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2018
(CONTINUED)**

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

Pensions

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

NOTE 2: **DEPOSITS AND INVESTMENTS**

Cash on Hand

At March 31, 2018, the carrying amount of the Authority's deposits was \$3,012,432 (including \$209,409 non-negotiable CDs, \$521,860 of restricted funds, and \$100 of petty cash).

At March 31, 2018, the bank balance of the Authority's cash deposits was \$3,041,063. Based on criteria described in GASB Statement No. 40, *Deposits and Investments Risk Disclosures*, as of March 31, 2018, deposits totaling \$716,486 were covered by Federal Depository Insurance and deposits totaling \$2,284,382 were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, in the Authority's name, another \$40,195 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.

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.

**GREENE METROPOLITAN HOUSING AUTHORITY
GREENE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2018
(CONTINUED)**

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

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, 2018 to the deposits and investments included in this note is as follows:

Per Statement of Net Position

Cash and Cash Equivalents	\$ 2,281,163
Cash - Restricted	521,860
Investments	209,409
Total	<u>3,012,432</u>

Per Note Disclosure

Carrying Amount of Deposits	<u>3,012,432</u>
Total	<u>\$ 3,012,432</u>

NOTE 3: **RESTRICTED CASH**

The restricted cash balance of \$521,860 on the financial statements represents the following:

Excess cash advanced to the Housing Choice Voucher Program by	
HUD for Housing Assistance Payments	\$ 305,820
Tenant Security Deposits	103,624
Mortgage Escrow - Village Greene	1,465
Reserve for Replacement - Village Greene	41,661
Residual Receipts - Village Greene	69,290
Total Restricted Cash	<u>\$ 521,860</u>

**GREENE METROPOLITAN HOUSING AUTHORITY
GREENE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2018
(CONTINUED)**

NOTE 4: **CAPITAL ASSETS**

A summary of capital assets, at March 31, 2018 by class, is as follows:

	Balance 3/31/2017	Reclass	Additions	Deletions	Balance 3/31/2018
<u>Capital Assets Not Being Depreciated</u>					
Land	\$ 2,458,167	\$ (1)	\$ 0	\$ 0	\$ 2,458,166
Construction-in-Progress	14,896	(14,896)	14,180	0	14,180
Total Capital Assets Not Being Depreciated	<u>2,473,063</u>	<u>(14,897)</u>	<u>14,180</u>	<u>0</u>	<u>2,472,346</u>
<u>Capital Assets Being Depreciated</u>					
Buildings	22,182,793	14,897	382,130	0	22,579,820
Furniture, Equipment, and Machinery -					
Dwellings	215,339	0	0	0	215,339
Administrative	647,385	0	8,335	(167,402)	488,318
Leasehold Improvements	2,242,962	0	10,350	0	2,253,312
Subtotal Capital Assets Being Depreciated	<u>25,288,479</u>	<u>14,897</u>	<u>400,815</u>	<u>(167,402)</u>	<u>25,536,789</u>
<u>Accumulated Depreciation</u>					
Buildings and Improvements	(20,344,976)	0	(544,721)	0	(20,889,697)
Furniture and Equipment	(652,713)	0	(45,397)	167,402	(530,708)
Total Accumulated Depreciation	<u>(20,997,689)</u>	<u>0</u>	<u>(590,118)</u>	<u>167,402</u>	<u>(21,420,405)</u>
Depreciable Assets, Net	<u>4,290,790</u>	<u>14,897</u>	<u>(189,303)</u>	<u>0</u>	<u>4,116,384</u>
Total Capital Assets, Net	<u>\$ 6,763,853</u>	<u>\$ 0</u>	<u>\$ (175,123)</u>	<u>\$ 0</u>	<u>\$ 6,588,730</u>

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	\$ 305,820
Village Greene Replacement Reserve Escrow and Residual Receipts	<u>112,416</u>
Total Restricted Net Position	<u>\$ 418,236</u>

GREENE METROPOLITAN HOUSING AUTHORITY
GREENE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2018
(CONTINUED)

NOTE 6: **DEFINED BENEFIT PENSION PLAN**

Net Pension Liability

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

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

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

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

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

**GREENE METROPOLITAN HOUSING AUTHORITY
GREENE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2018
(CONTINUED)**

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

Plan Description - Ohio Public Employees Retirement System (OPERS)

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

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

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

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

**GREENE METROPOLITAN HOUSING AUTHORITY
GREENE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2018
(CONTINUED)**

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

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

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

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

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

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

	State and Local
2017 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
 2017 Actual Contribution Rates	
Employer:	
Pension	13.0 %
Post-employment Health Care Benefits	1.0
Total Employer	14.0 %
Employee	10.0 %

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Authority's contractually required contribution was \$159,936 for fiscal year end March 31, 2018.

**GREENE METROPOLITAN HOUSING AUTHORITY
GREENE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2018
(CONTINUED)**

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

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

The net pension liability for OPERS was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportionate of the net pension liability was based on the Authority's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

Proportionate Share of the Net Share Pension Liability/(Asset) - Prior Measurement Date	0.008687%
Proportion of the Net Pension Liability/Asset - Current Measurement Date	<u>0.009013%</u>
Change in Proportionate Share	<u><u>0.000326%</u></u>
Proportionate share of the Net Pension Liability/(Asset)	\$ 1,413,965
Pension Expense	\$ 176,219

At March 31, 2018, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows of Resources

Changes in assumptions	\$ 168,977
Differences between expected and actual experience	1,444
Changes in proportion and differences between Authority contributions and proportionate share of contributions	34,138
Authority contributions subsequent to the measurement date	<u>42,288</u>
Total Deferred Outflows of Resources	<u><u>\$ 246,847</u></u>

Deferred Inflows of Resources

Net difference between projected and actual earnings on pension plan investments	\$ 303,562
Differences between expected and actual experience	27,865
Changes in proportion and differences between Authority contributions and proportionate share of contributions	<u>11,621</u>
Total Deferred Outflows of Resources	<u><u>\$ 343,048</u></u>

\$42,288 reported as deferred outflows of resources related to pension resulting from Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending March 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

**GREENE METROPOLITAN HOUSING AUTHORITY
GREENE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2018
(CONTINUED)**

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

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

Year Ending March 31:		
2019	\$	133,205
2020		(13,284)
2021		(133,673)
2022		(124,737)
2023		0
Thereafter		0
Total	<u>\$</u>	<u>(138,489)</u>

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement in accordance with the requirements of GASB 67. In 2016, the Board of Trustee's actuarial consultants conducted an experience study for the period 2011 through 2015, comparing assumptions to actual results. The experience study incorporates both a historical view and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 8.0 percent down to 7.5 percent, for the defined benefit investments. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below:

Wage Inflation	3.25 percent
Future Salary Increases, including Inflation COLA or Ad Hoc COLA	3.25 to 10.75 percent including wage inflation Pre 1/7/2013 retirees: 3 percent, simple; Post 1/7/2013 retirees: 3 percent, simple through 2018, then 2.15 percent, simple
Investment Rate of Return	7.5 percent
Actuarial Cost Method	Individual Entry Age

GREENE METROPOLITAN HOUSING AUTHORITY
GREENE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2018
(CONTINUED)

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

Actuarial Assumptions – OPERS (Continued)

Mortality rates were based on the RP-2014 Health Annuitant Mortality Table. For males, Health Annuitant Mortality tables were used, adjusted for mortality improvement back to the observant period base of 2006 and then established the base year as 2015. For females, Health Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled Mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

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

During 2017, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 16.82% for 2017.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2017 and the long-term expected real rates of return:

**GREENE METROPOLITAN HOUSING AUTHORITY
GREENE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2018
(CONTINUED)**

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

Actuarial Assumptions – OPERS (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long- Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	23.00%	2.20%
Domestic Equities	19.00%	6.37%
Real Estate	10.00%	5.26%
Private Equity	10.00%	8.97%
International Equities	20.00%	7.88%
Other Investments	18.00%	5.26%
Total	<u>100.00%</u>	<u>5.66%</u>

Discount Rate The discount rate used to measure the total pension liability was 7.5 percent, post-experience study results. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Authority’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the Authority’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.5 percent, as well as what the Authority’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.5 percent) or one-percentage-point higher (8.5 percent) than the current rate:

	<u>1% Decrease (6.5%)</u>	<u>Current Discount Rate (7.5%)</u>	<u>1% Increase (8.5%)</u>
Authority's proportionate share of the net pension liability (asset)	\$ 2,510,842	\$ 1,413,965	\$ 499,500

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.

GREENE METROPOLITAN HOUSING AUTHORITY
GREENE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2018
(CONTINUED)

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

Plan Description (Continued)

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the Traditional Pension and the Combined plans. This trust is also used to fund health care for Member-Directed Plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, Member-Directed Plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for health care coverage, age and service retirees under the Traditional Pension and Combined plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 45. Please see the Plan Statement in the OPERS 2017 CAFR for details.

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

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

Funding Policy

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

Employer contribution rates are expressed as a percentage of the earnable salary payroll of active members. In fiscal year ending 2017, State and Local employers contributed at a rate of 14.0 percent of earnable salary. These are maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension and Combined Plan was 1.0 percent during calendar year 2017. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0.0 percent for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited to the RMA for participants in the Member-Directed Plan for 2017 was 4.0 percent. The portion of actual Authority contributions for the year ended March 31, 2018, 2017, and 2016 which were used by OPERS to fund post-employment benefits were \$9,051, \$19,920, and \$21,977, respectively.

**GREENE METROPOLITAN HOUSING AUTHORITY
GREENE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2018
(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, 2018, based on the vesting method, \$166,449 was accrued by the Authority for unused vacation and sick time. The current portion is \$23,901 and the long term portion is \$142,548.

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	\$ 250,000,000 (per occurrence)
Casualty Package		
General Liability	0	2,000,000
Employer Dishonesty	0	500,000
Public Officials Liability	5,000	1,000,000
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
GREENE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2018
(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, 2018 was \$25,119.

Business Activities

On October 27, 2016, the Authority amended and restated a loan agreement with U.S. Bank National Association to amend and restate in its entirety an agreement with the bank dated March 28, 2007, as amended on December 1, 2014. The renewed note is in the amount of \$465,242.71 at a rate of 4.75 percent to be repaid in monthly installments of \$4,655.52 each until June of 2027. The note is a continuation of the initial agreement and is secured by real and personal properties owned and operated by the Authority in Greene County, Ohio. The outstanding principal at March 31, 2018 was \$413,248.

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

	Balance 3/31/2017	Increases	Decreases	Balance 3/31/2018	Amount Due in One Year
<u>Loans</u>					
FHA Project No. 046-35438	\$ 65,753	\$ 0	\$ (40,634)	\$ 25,119	\$ 25,119
2007 US Bank Amended, 4.75%	448,269	0	(35,021)	413,248	37,036
Subtotal Loans	514,022	0	(75,655)	438,367	62,155
<u>Other Obligations</u>					
Compensated Absences	160,761	94,820	(89,132)	166,449	23,901
Net Pension Liability	1,972,670	0	(558,705)	1,413,965	0
Total Loans and Obligations	\$ 2,647,453	\$ 94,820	\$ (723,492)	\$ 2,018,781	\$ 86,056

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>
2019	\$ 62,155	\$ 19,461	\$ 81,616
2020	38,850	17,016	55,866
2021	40,737	15,129	55,866
2022	42,714	13,152	55,866
2023	44,787	11,079	55,866
2024-2028	209,124	21,193	230,317
Totals	\$ 438,367	\$ 97,030	\$ 535,397

**GREENE METROPOLITAN HOUSING AUTHORITY
GREENE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2018
(CONTINUED)**

NOTE 11: **CONSTRUCTION AND OTHER COMMITMENTS**

The Authority had no material construction commitments at March 31, 2018.

NOTE 12: **INTERPROGRAM RECEIVABLES/PAYABLES**

The Authority has interprogram balances at March 31, 2018.

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.

**GREENE METROPOLITAN HOUSING AUTHORITY
 GREENE COUNTY, OHIO
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
 LAST FIVE FISCAL YEARS (1)**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Authority's Proportion of the Net Pension Liability	0.009013%	0.008687%	0.008891%	0.009315%	0.009315%
Authority's Proportionate Share of the Net Pension Liability	\$1,413,965	\$1,972,670	\$1,540,033	\$1,123,493	\$1,098,117
Authority's Covered-Employee Payroll	\$1,140,408	\$1,098,875	\$1,130,208	\$1,221,150	\$1,309,608
Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	123.99%	179.52%	136.26%	92.00%	83.85%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.66%	77.25%	81.08%	86.45%	86.36%

(1) Information prior to 2014 is not available.

Amounts presented as of the Authority's measurement date, which is the prior calendar year end.

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contributions	\$159,936	\$136,849	\$131,865	\$135,625	\$146,538	\$170,249
Contributions in Relation to the Contractually Required Contribution	<u>(\$159,936)</u>	<u>(\$136,849)</u>	<u>(\$131,865)</u>	<u>(\$135,625)</u>	<u>(\$146,538)</u>	<u>(\$170,249)</u>
Contribution Deficiency / (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Authority's Covered-Employee Payroll	\$1,207,034	\$1,140,408	\$1,098,875	\$1,130,208	\$1,221,150	\$1,309,608
Pension Contributions as a Percentage of Covered-Employee Payroll	13.00% *	12.00%	12.00%	12.00%	12.00%	13.00%

(1) – Information prior to 2013 is not available.

* Contribution rate increased to 14.00% as of January 1, 2018.

**GREENE METROPOLITAN HOUSING AUTHORITY
GREENE COUNTY, OHIO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED MARCH 31, 2018**

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for fiscal years 2014-2018.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2016. For fiscal years 2017 and 2018, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the expected investment return was reduced from 8.00% to 7.50%, (b) the expected long-term average wage inflation rate was reduced from 3.75% to 3.25%, (c) the expected long-term average price inflation rate was reduced from 3.00% to 2.50%, (d) Rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality rates were updated to the RP-2014 Health Annuitant Mortality Table, adjusted for mortality improvement back to the observant period base year of 2006 and then established the base year as 2015 (f) mortality rates used in evaluating disability allowances were updated to the RP-2014 Disabled Mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and a base year of 2015 for males and 2010 for females (g) Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

GREENE METROPOLITAN HOUSING AUTHORITY
GREENE COUNTY, OHIO
FINANCIAL DATA SCHEDULES
ENTITY WIDE BALANCE SHEET SUMMARY
MARCH 31, 2018

	Project Total	14.871 Housing Choice Vouchers	14.238 Shelter Plus Care	14.135 Mortgage Insurance_Rent al 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	1,004,211	570,461	75,522	8,201	-	-	422,023	200,745	2,281,163	-	2,281,163
113 Cash - Other Restricted	-	305,820	-	112,416	-	-	-	-	418,236	-	418,236
114 Cash - Tenant Security Deposits	83,158	-	-	4,318	-	-	16,148	-	103,624	-	103,624
100 Total Cash	1,087,369	876,281	75,522	124,935	-	-	438,171	200,745	2,803,023	-	2,803,023
122 Accounts Receivable - HUD Other Projects	-	-	-	-	-	-	-	35,568	35,568	-	35,568
124 Accounts Receivable - Other Government	-	6,468	-	-	-	-	4,228	-	10,696	-	10,696
125 Accounts Receivable - Miscellaneous	-	5,889	-	-	-	-	-	5	5,894	-	5,894
126 Accounts Receivable - Tenants	7,096	-	-	422	-	-	3	-	7,521	-	7,521
126.1 Allowance for Doubtful Accounts -Tenants	-4,526	-	-	-272	-	-	-16	-	-4,814	-	-4,814
128 Fraud Recovery	616	100,377	-	-	-	-	-	-	100,993	-	100,993
128.1 Allowance for Doubtful Accounts - Fraud	-400	-35,132	-	-	-	-	-	-	-35,532	-	-35,532
120 Total Receivables, Net of Allowances for Doubtful Accounts	2,786	77,602	-	150	-	-	4,215	35,573	120,326	-	120,326
131 Investments - Unrestricted	52,250	-	-	-	-	-	104,909	52,250	209,409	-	209,409
142 Prepaid Expenses and Other Assets	53,063	1,160	-	1,820	-	-	4,335	25,414	85,792	-	85,792
143 Inventories	-	-	-	24	-	-	162	24,210	24,396	-	24,396
144 Inter Program Due From	-	-	-	-	-	-	-	50,052	50,052	-50,052	-
150 Total Current Assets	1,195,468	955,043	75,522	126,929	-	-	551,792	388,244	3,292,998	-50,052	3,242,946
161 Land	2,095,091	-	-	31,400	-	-	299,645	32,030	2,458,166	-	2,458,166
162 Buildings	19,542,608	99,915	-	958,068	-	39,000	1,473,838	466,391	22,579,820	-	22,579,820
163 Furniture, Equipment & Machinery - Dwellings	215,339	-	-	-	-	-	-	-	215,339	-	215,339
164 Furniture, Equipment & Machinery - Administration	99,672	64,513	-	21,386	-	-	-	302,747	488,318	-	488,318
165 Leasehold Improvements	2,201,110	-	-	-	-	-	4,716	47,486	2,253,312	-	2,253,312
166 Accumulated Depreciation	-18,888,791	-118,207	-	-842,707	-	-39,000	-841,595	-690,105	-21,420,405	-	-21,420,405
167 Construction in Progress	1,296	-	-	-	-	-	12,884	-	14,180	-	14,180
160 Total Capital Assets, Net of Accumulated Depreciation	5,266,325	46,221	-	168,147	-	-	949,488	158,549	6,588,730	-	6,588,730
174 Other Assets	-	-	-	-	-	-	195,699	-	195,699	-	195,699
180 Total Non-Current Assets	5,266,325	46,221	-	168,147	-	-	1,145,187	158,549	6,784,429	-	6,784,429
200 Deferred Outflow of Resources	61,161	82,167	-	3,234	-	-	8,516	91,769	246,847	-	246,847
290 Total Assets and Deferred Outflow of Resources	6,522,954	1,083,431	75,522	298,310	-	-	1,705,495	638,562	10,324,274	-50,052	10,274,222

GREENE METROPOLITAN HOUSING AUTHORITY
GREENE COUNTY, OHIO
FINANCIAL DATA SCHEDULES
ENTITY WIDE BALANCE SHEET SUMMARY
MARCH 31, 2018

	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
311 Bank Overdraft	-	-	-	-	-	-	-	-	-	-	-
313 Accounts Payable >90 Days Past Due	-	-	-	-	-	-	-	-	-	-	-
321 Accrued Wage/Payroll Taxes Payable	-	-	-	-	-	-	16,271	2,170	18,441	-	18,441
324 Accrued Contingency Liability	-	-	-	-	-	-	-	-	-	-	-
332 Account Payable - PHA Projects	-	-	-	-	-	-	-	-	-	-	-
333 Accounts Payable - Other Government	39,914	-	-	-	-	-	5,696	22,328	67,938	-	67,938
341 Tenant Security Deposits	83,158	-	-	4,318	-	-	16,148	-	103,624	-	103,624
342 Unearned Revenue	18,820	-	-	94	-	-	1,161	-	20,075	-	20,075
346 Accrued Liabilities - Other	-	-	-	-	-	-	-	-	-	-	-
348 Loan Liability - Current	-	-	-	-	-	-	-	-	-	-	-
310 Total Current Liabilities	163,688	18,765	-	60,860	-	19,500	77,455	33,699	373,967	-50,052	323,915
353 Non-current Liabilities - Other	-	-	-	-	-	-	-	-	-	-	-
356 FASB 5 Liabilities	-	-	-	-	-	-	-	-	-	-	-
357 Accrued Pension and OPEB Liabilities	350,344	470,663	-	18,521	-	-	48,777	525,660	1,413,965	-	1,413,965
350 Total Non-Current Liabilities	386,100	510,184	-	21,293	-	-	428,185	586,963	1,932,725	-	1,932,725
300 Total Liabilities	549,788	528,949	-	82,153	-	19,500	505,640	620,662	2,306,692	-50,052	2,256,640
400 Deferred Inflow of Resources	84,997	114,190	-	4,493	-	-	11,834	127,534	343,048	-	343,048
508.4 Net Investment in Capital Assets	5,266,325	46,221	-	143,028	-	-	536,240	158,549	6,150,363	-	6,150,363
511.4 Restricted Net Position	-	305,820	-	112,416	-	-	-	-	418,236	-	418,236
512.4 Unrestricted Net Position	621,844	88,251	75,522	-43,780	-	-19,500	651,781	-268,183	1,105,935	-	1,105,935
513 Total Equity - Net Assets / Position	5,888,169	440,292	75,522	211,664	-	-19,500	1,188,021	-109,634	7,674,534	-	7,674,534
600 Total Liabilities, Deferred Inflow of Resources, and Equity - Net	6,522,954	1,083,431	75,522	298,310	-	-	1,705,495	638,562	10,324,274	-50,052	10,274,222

**GREENE METROPOLITAN HOUSING AUTHORITY
GREENE COUNTY, OHIO
FINANCIAL DATA SCHEDULES
ENTITY WIDE REVENUE AND EXPENSE SUMMARY
FOR THE FISCAL YEAR ENDED MARCH 31, 2018**

	Project Total	14.871 Housing Choice Vouchers	14.238 Shelter Plus Care	14.135 Mortgage Insurance_Rent al 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	703,282	-	-	17,871	-	-	184,934	-	906,087	-	906,087
70400 Tenant Revenue - Other	48,523	-	-	4,762	-	-	6,662	-	59,947	-	59,947
70500 Total Tenant Revenue	751,805	-	-	22,633	-	-	191,596	-	966,034	-	966,034
70600 HUD PHA Operating Grants	1,377,802	7,768,234	-	122,990	-	-	-	-	9,269,026	-	9,269,026
70610 Capital Grants	398,882	-	-	-	-	-	-	-	398,882	-	398,882
70710 Management Fee	-	-	-	-	-	-	-	235,986	235,986	-235,986	-
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	-	-	-	-	-	-	-	438,781	438,781	-438,781	-
70700 Total Fee Revenue	-	-	-	-	-	-	-	754,147	754,147	-754,147	-
71100 Investment Income - Unrestricted	663	-	-	495	-	-	47	670	1,875	-	1,875
71400 Fraud Recovery	-	64,045	-	-	-	-	-	-	64,045	-	64,045
71500 Other Revenue	4,532	1,045	-	2,382	-	-	2,345	-	10,304	-	10,304
71600 Gain or Loss on Sale of Capital Assets	280	-	-	-	-	-	-	651	931	-	931
72000 Investment Income - Restricted	77	-	-	-	-	-	-	-	77	-	77
70000 Total Revenue	2,534,041	7,833,324	-	148,500	-	-	193,988	755,468	11,465,321	-754,147	10,711,174
91100 Administrative Salaries	264,712	347,210	-	15,354	-	-	40,748	175,665	843,689	-	843,689
91200 Auditing Fees	6,862	6,022	-	140	-	-	280	2,200	15,504	-	15,504
91300 Management Fee	225,526	-	-	10,460	-	-	-	-	235,986	-235,986	-
91310 Book-keeping Fee	32,490	-	-	1,530	-	-	-	-	34,020	-34,020	-
91400 Advertising and Marketing	8,135	-	-	-	-	-	-	3,421	11,556	-	11,556
91500 Employee Benefit contributions - Administrative	175,113	228,603	-	8,838	-	-	17,291	134,284	564,129	-	564,129
91600 Office Expenses	64,834	127,910	-	2,005	-	-	4,433	51,694	250,876	-	250,876
91700 Legal Expense	15,405	2,870	-	635	-	-	930	4,589	24,429	-	24,429
91800 Travel	-	-	-	1,604	-	-	-	2,696	4,300	-	4,300
91000 Total Operating - Administrative	793,077	712,615	-	40,566	-	-	63,682	374,549	1,984,489	-270,006	1,714,483
92000 Asset Management Fee	43,320	-	-	2,040	-	-	-	-	45,360	-45,360	-
92100 Tenant Services - Salaries	24,359	-	-	-	-	-	-	-	24,359	-	24,359
92300 Employee Benefit Contributions - Tenant Services	7,833	-	-	-	-	-	-	-	7,833	-	7,833
92400 Tenant Services - Other	2,617	-	-	436	-	-	-	-	3,053	-	3,053
92500 Total Tenant Services	34,809	-	-	436	-	-	-	-	35,245	-	35,245

**GREENE METROPOLITAN HOUSING AUTHORITY
GREENE COUNTY, OHIO
FINANCIAL DATA SCHEDULES
ENTITY WIDE REVENUE AND EXPENSE SUMMARY
FOR THE FISCAL YEAR ENDED MARCH 31, 2018**

	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	26,697	-	-	720	-	-	374	56	27,847	-	27,847
93200 Electricity	28,777	-	-	1,562	-	-	1,494	35	31,868	-	31,868
93500 Labor	-	-	-	-	-	-	-	-	-	-	-
93800 Other Utilities Expense	-	-	-	-	-	-	-	-	-	-	-
93000 Total Utilities	110,872	97	-	3,644	-	-	2,731	329	117,673	-	117,673
94100 Ordinary Maintenance and Operations - Labor	22,810	-	-	-	-	-	-	234,921	257,731	-	257,731
94200 Ordinary Maintenance and Operations - Materials and Other	145,179	1,899	-	2,731	-	-	2,215	26,919	178,943	-	178,943
94300 Ordinary Maintenance and Operations Contracts	647,608	7,109	-	57,542	-	-	43,116	16,287	771,662	-438,781	332,881
94500 Employee Benefit Contributions - Ordinary Maintenance	3,685	-	-	-	-	-	-	97,153	100,838	-	100,838
94000 Total Maintenance	819,282	9,008	-	60,273	-	-	45,331	375,280	1,309,174	-438,781	870,393
96140 All Other Insurance	-	-	-	-	-	-	-	-	-	-	-
96100 Total insurance Premiums	80,498	1,526	-	4,187	-	-	6,737	10,460	103,408	-	103,408
96200 Other General Expenses	-	-	-	-	-	-	-	-	-	-	-
96210 Compensated Absences	52,922	50,316	-	2,687	-	-	3,327	56,389	165,641	-	165,641
96300 Payments in Lieu of Taxes	40,589	-	-	-	-	-	7,458	-	48,047	-	48,047
96800 Severance Expense	-	-	-	-	-	-	-	-	-	-	-
96000 Total Other General Expenses	116,117	48,536	-	9,939	-	-	15,497	56,389	246,478	-	246,478
96720 Interest on Notes Payable (Short and Long Term)	-	-	-	-	-	-	-	-	-	-	-
96730 Amortization of Bond Issue Costs	-	-	-	-	-	-	716	-	716	-	716
96700 Total Interest Expense and Amortization Cost	-	-	-	3,300	-	-	21,562	-	24,862	-	24,862

**GREENE METROPOLITAN HOUSING AUTHORITY
GREENE COUNTY, OHIO
FINANCIAL DATA SCHEDULES
ENTITY WIDE REVENUE AND EXPENSE SUMMARY
FOR THE FISCAL YEAR ENDED MARCH 31, 2018**

	Project Total	14.871 Housing Choice Vouchers	14.238 Shelter Plus Care	14.135 Mortgage Insurance_Rent al and Cooperative Housing for Moderate Income	93.602 New Assets for Independence Demonstration Program	State/Local	Business Activities	COCC	Subtotal	ELIM	Total
96900 Total Operating Expenses	1,997,975	771,782	-	124,385	-	-	155,540	817,007	3,866,689	-754,147	3,112,542
97100 Extraordinary Maintenance	-	-	-	-	-	-	-	-	-	-	-
97200 Casualty Losses - Non-capitalized	-	-	-	-	-	-	-	-	-	-	-
97300 Housing Assistance Payments	-	6,825,389	-	-	-	-	-	-	6,825,389	-	6,825,389
97700 Debt Principal Payment - Governmental Funds	-	-	-	-	-	-	-	-	-	-	-
97800 Dwelling Units Rent Expense	-	-	-	-	-	-	-	-	-	-	-
90000 Total Expenses	2,448,026	7,611,580	-	151,786	-	1,300	215,900	857,438	11,286,030	-754,147	10,531,883
10093 Transfers between Program and Project - In	-	-	-	-	-	-	-	-	-	-	-
10094 Transfers between Project and Program - Out	-	-	-	-	-	-	-	-	-	-	-
10100 Total Other financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-	-
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	86,015	221,744	-	-3,286	-	-1,300	-21,912	-101,970	179,291	-	179,291
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents	-	-	-	-	-	-	-	-	-	-	-
11100 Changes in Allowance for Doubtful Accounts - Other	-	-	-	-	-	-	-	-	-	-	-
11170 Administrative Fee Equity	-	134,472	-	-	-	-	-	-	134,472	-	134,472
11180 Housing Assistance Payments Equity	-	305,820	-	-	-	-	-	-	305,820	-	305,820
13510 CFFP Debt Service Payments	-	-	-	-	-	-	-	-	-	-	-
13901 Replacement Housing Factor Funds	-	-	-	-	-	-	-	-	-	-	-

**GREENE METROPOLITAN HOUSING AUTHORITY
GREENE COUNTY, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED MARCH 31, 2018**

Federal Grantor/ Pass-Through Grantor/ Program/Title	Federal CFDA Number	Federal Expenditures	Loan Balance
U.S. Department of Housing and Urban Development			
<u>Direct Programs</u>			
Public and Indian Housing	14.850	\$ 1,243,491	\$ 0
Public Housing Capital Fund	14.872	533,193	0
Housing Voucher Cluster:			
Section 8 Housing Choice Vouchers	14.871	7,768,234	0
Total Housing Voucher Cluster		7,768,234	0
Section 8 Project-Based Cluster:			
Section 8 New Construction and Substantial Rehabilitation	14.182	122,990	0
Total Section 8 Project-Based Cluster		122,990	0
Mortgage Insurance Rental and Cooperative	14.135	0	65,753
Total Direct Programs		9,667,908	65,753
Total U.S. Department of Housing and Urban Development		9,667,908	65,753
TOTAL EXPENDITURES OF FEDERAL AWARDS		\$ 9,667,908	\$ 65,753

See accompanying notes to the Schedule of Expenditures of Federal Awards.

**GREENE METROPOLITAN HOUSING AUTHORITY
GREENE COUNTY, OHIO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED MARCH 31, 2018**

NOTE 1: **BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Greene Metropolitan Housing Authority under programs of the federal government for the year ended March 31, 2018. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Greene Metropolitan Housing Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Greene Metropolitan Housing Authority.

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3: **INDIRECT COST RATE**

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

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**

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

Regional Inspector General of Audit
Department of Housing and Urban
Development

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Greene Metropolitan Housing Authority, Ohio, (the Authority) as of and for the year ended March 31, 2018, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated September 17, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 Authority'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 Authority'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 This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 17, 2018

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 THE
UNIFORM GUIDANCE**

To the Members of the Board
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 (the Authority) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on the Authority's major federal program for the year ended March 31, 2018. The Authority's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Authority's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority'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 Authority's compliance.

Opinion on Each Major Federal Program

In our opinion, the Greene Metropolitan Housing Authority 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, 2018.

Report on Internal Control over Compliance

Management of the Authority 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 Authority's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

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

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

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



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

September 17, 2018

**GREENE METROPOLITAN HOUSING AUTHORITY
GREENE COUNTY, OHIO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
MARCH 31, 2018**

1. SUMMARY OF AUDITOR'S RESULTS

2018(i) Type of Financial Statement Opinion	Unmodified
2018(ii) Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
2018(ii) Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
2018(iii) Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
2018(iv) Were there any material internal control weaknesses reported for major federal programs?	No
2018(iv) Were there any significant deficiencies in internal control reported for major federal programs?	No
2018(v) Type of Major Programs' Compliance Opinion	Unmodified
2018(vi) Are there any reportable findings under 2 CFR 200.516(a)?	No
2018(vii) Major Programs (list): Section 8 Housing Choice Voucher Program - CFDA #14.871	
2018(viii) Dollar Threshold: Type A\B Programs	Type A: >\$750,000 Type B: All Others
2018(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
GREENE COUNTY, OHIO
SCHEDULE OF PRIOR AUDIT FINDINGS
MARCH 31, 2018**

The audit report for the prior year ended March 31, 2017 contained no findings or citations.



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
NOVEMBER 13, 2018**