GREENE METROPOLITAN HOUSING AUTHORITY

General Purpose Financial Statements

March 31, 2004

with

Independent Auditors' Report

Auditor of State
Betty Montgomery

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

We have reviewed the Independent Auditor's Report of the Greene Metropolitan Housing Authority, Greene County, prepared by Clark, Schaefer, Hackett & Co., for the audit period April 1, 2003 through March 31, 2004. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Betty Montgomery

BETTY MONTGOMERY
Auditor of State

November 3, 2004

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GREENE METROPOLITAN HOUSING AUTHORITY

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Independent Auditors' Report

Board of Commissioners
Greene Metropolitan Housing Authority
Xenia, Ohio

We have audited the accompanying general-purpose financial statements of Greene Metropolitan Housing Authority, as of and for the year ended March 31, 2004, as listed in the table of contents. These general-purpose financial statements are the responsibility of the Greene Metropolitan Housing Authority's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provide s a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of Greene Metropolitan Housing Authority, as of March 31, 2004, and the results of its operations and the cash flows of its proprietary fund activities for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 30, 2004 on our consideration of Greene Metropolitan Housing Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying supplementary information on pages 16 to 26 is presented for purpose of additional analysis and is not a required part of the general purpose financial statements of Greene Metropolitan Housing Authority. The accompanying schedule of expenditures of federal awards on page 27 is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* and is also not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
July 30, 2004

GREENE METROPOLITAN HOUSING AUTHORITY

Balance Sheet

Proprietary Fund Type

March 31, 2004

Assets		
Current assets:		
Cash and cash equivalents, unrestricted	$	796,791
Restricted cash, other		59,218
Tenant security deposits held in trust		52,731
Investments		1,116,910
Intergovernmental accounts receivable		12,937
Receivables, net of allowance		190,270
Due from other funds		553,309
Inventories, net of allowance		18,099
Prepaid expenses and other assets		16,292
		2,816,557
Noncurrent assets:		
Notes receivable		572,410
Property and equipment, net of accumulated depreciation		9,641,122
		10,213,532
Total assets	$	13,030,089
Liabilities and Equity		
Current liabilities:		
Accounts payable	$	7,512
Accrued wages and payroll taxes		55,733
Accrued compensated absences, current portion		82,021
Accrued interest payable		3,944
Other accrued liabilities		621
Due to other funds		553,309
Intergovernmental payables		97,168
Tenant security deposits		53,342
Deferred revenues		54,418
Notes payable, current portion		718,064
		1,626,132
Long-term liabilities:		
Accrued compensated absences, non-current portion		33,979
Notes payable, net of current portion		457,177
		491,156
Total liabilities		2,117,288
Equity:		
Contributed capital		7,862,301
Retained earnings		3,050,500
Total equity		10,912,801
Total liabilities and equity	$	13,030,089

See accompanying notes to the financial statement.

GREENE METROPOLITAN HOUSING AUTHORITY

Statement of Revenues, Expenses and Changes in Retained Earnings
Proprietary Fund Type
For the Year Ended March 31, 2004

Operating revenue:		
Tenant revenue	$	505,350
HUD operating subsidies		9,606,395
Other grant revenue		86,444
Other income		25,692
Total operating revenue		10,223,881
Operating expenses:		
Administrative		1,340,724
Tenant services		25,503
Utilities		103,979
Maintenance		451,537
General		121,813
Bad debts		1,493
Housing assistance payments		7,243,352
Depreciation		699,221
Total operating expenses		9,987,622
Operating income		236,259
Non-operating revenue and (expenses):		
Interest income		42,899
Loss on sale of fixed assets		(7,891)
Interest expense		(34,311)
Net income		236,956
Retained earnings and other credits, beginning		10,686,095
Prior period adjustments		(10,250)
Retained earnings and other credits, ending	$	10,912,801

Retained earnings and other credits detail:

		Total	Contributed Capital	Retained Earnings
Beginning	$	10,686,095	8,108,532	2,577,563
Equity transfer		-	(246,231)	246,231
Prior period adjustments		(10,250)	-	(10,250)
Net income		236,956	-	236,956
	$	10,912,801	7,862,301	3,050,500

See accompanying notes to the financial statement.

GREENE METROPOLITAN HOUSING AUTHORITY

Statement of Cash Flows

Proprietary Fund Type

For the Year Ended March 31, 2004

Cash flows from operating activities:		
Cash received from HUD	$	9,536,681
Cash received from other governments		75,557
Cash received from tenants		510,858
Cash received from other income		16,192
Cash payments for housing assistance payments		(7,336,376)
Cash payments for administrative		(1,375,267)
Cash payments for other operating expenses		(684,256)
Net cash provided by operating activities		743,389
Cash flows from investing activities:		
Investment income		46,025
Net deposits to restricted cash		(3,948)
Redemption of investments		39,217
Net received from notes receivable		(30,307)
Interest expense		(32,901)
Net cash provided by investing activities		18,086
Cash flows from financing activities:		
Notes payable borrowings, net		661,620
Capital acquistions		(1,375,403)
Net cash used by investing activities		(713,783)
Increase in cash and cash equivalents		47,692
Cash and cash equivalents, beginning		749,099
Cash and cash equivalents, ending	$	796,791

(Continued)

See accompanying notes to the financial statement.

GREENE METROPOLITAN HOUSING AUTHORITY

Statement of Cash Flows (Continued)
Proprietary Fund Type
For the Year Ended March 31, 2004

Reconciliation of operating income to net cash provided by operating activities:		
Operating income	$	236,259
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation		699,221
(Increase) decrease in:		
Receivables, net of allowance		(81,467)
Tenant security deposits held in trust		(4,302)
Due from other funds		(167,634)
Inventories, net of allowance		4,153
Prepaid expenses and other assets		1,698
Increase (decrease) in:		
Accounts payable		(26,044)
Due to other funds		167,634
Intergovernmental payable		8,754
Accrued wages and payroll taxes		2,970
Accrued compensated absences		(2,556)
Accrued interest payable		1,410
Tenant security deposits		5,071
Deferred credits and other liabilities		(101,778)
Net cash provided by operating activities	$	743,389

See accompanying notes to the financial statement.

1. Summary of Significant Accounting Policies:

Description of the entity:

Greene Metropolitan Housing Authority (the Authority) is a political subdivision created under Ohio Revised Code Section 3735.27 for purposes of acquiring, developing, leasing, operating and administering low-rent housing programs.

The United States Department of Housing and Urban Development (HUD) has direct responsibility for administering the Low-Rent Housing Program under the United States Housing Act of 1937, as amended. HUD is authorized to contract with local housing authorities in financing the acquisition, construction and/or leasing of housing units, to make housing assistance payments, and to make annual contributions (subsidies) to the local housing authorities for the purposes of maintaining the low-rent character of the local housing program. Under an administrative form of contract, HUD has conveyed certain federally built housing units to the Authority for low-rent operations.

The Authority provided contracted services with certain housing authorities on behalf of HUD. These services are primarily the payment processing and administrative services of an assisted housing program.

Description of programs

A summary of the programs administered by the Authority is provided below:

Low-Rent Housing Program – Under this program, the Authority owns and operates apartments and single-family housing units. Funding is provided through tenant rent payments and HUD subsidies.

Section 8 Rental Voucher Program – Under Section 8 of the Housing Program, low-income tenants lease housing units directly from private landlords rather than from the Authority. HUD contracts with the Authority, which in turn contracts with private landlords and makes assistance payments for the difference between the approved contract rent and the actual rent paid by the low-income tenants.

Public Housing Capital Fund Program (CFP) – The CFP replaces the Comprehensive Grant Program (CGP) and Comprehensive Improvement Assistance Program (CIAP). The CFP provides funds to public housing agencies to carry out capital and management improvement activities and ensures that such developments continue to be available to serve low-income families.

Summary of significant accounting policies

The general-purpose financial statements of the Authority have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Authority's accounting policies are described below.

Reporting Entity

The accompanying general-purpose financial statements comply with the provision of GASB Statement 14, the Financial Reporting Entity, in that the financial statements include all organizations, activities and functions for which the Authority is financially accountable. This report includes all activities considered by management to be part of the Authority by virtue of Section 2100 of the Codification of Governmental Accounting and Financial Reporting Standards.

Section 2100 indicates that the reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity.

It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's government body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization. A financial benefit or burden relationship exists if the primary government (a) is entitled to the organization's resources; (b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or (c) is obligated in some manner for the debt of the organization.

Management believes the financial statements included in this report represent all of the funds of the Authority over which the Authority is financially accountable.

Basis of Accounting

The Authority uses the proprietary fund to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. The following is the proprietary fund type used by the Authority:

> Enterprise Fund - This fund is used to account for the operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Measurement Focus/Basis of Accounting

The proprietary funds are accounted for on the accrual basis of accounting. Revenues are recognized in the period earned and expenses are recognized in the period incurred. Pursuant to GASB Statement No. 20 *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*, the Authority follows GASB guidance as applicable to proprietary funds and FASB Statements and Interpretations, Accounting Principles Board Opinions and Accounting

Research Bulletins issued on or before November 30, 1989, that do not conflict with or contradict GASB pronouncements.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, cash and cash equivalents include all highly liquid debt instruments with original maturities of three months or less.

Restricted cash

Cash has been classified as restricted on the balance sheet for funds held in escrow and reserves under the FHA Project No. 046-35438-NP-L8 (Yellow Springs Village Greene) program.

Investments

The Authority's investments are recorded at fair value. Fair value generally represents quoted market value prices for investments traded in the public marketplace. Investment income, including changes in the fair value of investments, is recorded as revenue in the operating statements.

Receivables – net of allowance

Bad debts are provided on the allowance method based on management's evaluation of the collectability of outstanding tenant receivable balances at the end of the year. The allowance for uncollectible receivables was $10,687 at March 31, 2004.

Inventory

Inventory consists of supplies and maintenance parts carried at the lower of cost and market using the average cost method and are expensed as they are consumed. The allowance for obsolete inventory was $1,034 at March 31, 2004.

Fixed Assets

Fixed assets are stated at cost and depreciation is computed using the straight-line method over an estimated useful life of the assets. The cost of normal maintenance and repairs, that do not add to the value of the asset or materially extend the asset life, are not capitalized. The following are the useful lives used for depreciation purposes:

Buildings – residential	27.5
Buildings – non residential	40
Building improvements	15
Furniture – dwelling	7
Furniture – non-dwelling	7
Equipment – dwelling	5
Equipment – non-dwelling	7
Autos and trucks	5
Computer hardware	3
Computer software	3
Leasehold improvements	15
Land improvements	15

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, 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 fund liability.

Capital Contributions

This represents contributions made available by HUD with respect to all federally aided projects under an annual contributions contract.

Budgetary Accounting

The Authority annually prepares its budget as prescribed by the Department of Housing and Urban Development. This budget is submitted to the Department of Housing and Urban Development and once approved is adopted by the Board of the Housing Authority.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

2. Cash, Cash Equivalents and Investments:

The provisions of the Ohio Revised Code and the Authority's written investment policy govern the investment and deposit of Authority monies. Only banks located in Ohio and domestic building and loan associations are eligible to hold public deposits. The Authority is also generally permitted to invest its monies in certificates of deposit, savings accounts, money market accounts, certain highly rated commercial paper, the State Treasurer's investment pool (STAR Ohio), and obligations of certain political subdivisions of Ohio and the United States government and its agencies. These investments must mature within five years of their purchase. The Authority may also enter into repurchase agreements with any eligible depository or any eligible dealer for a period not exceeding thirty days.

Public depositories must give security for all public funds on deposit. HUD requires specific collateral on individual accounts in excess of amounts insured by the Federal Deposit Insurance Corporation. Repurchase agreements must be secured by the specific qualifying securities upon which the repurchase agreements are based. These securities must mature or be redeemable within five years of the date of the related repurchase agreement. The market value of the securities subject to a repurchase agreement must exceed the value of the principal by 2 percent and be marked to market daily. State law does not require security for public deposits and investments to be maintained in the Authority's name.

Deposits

The carrying amount of the Authority's deposits was $908.736 at March 31, 2004, (including restricted deposits) and the bank balances was $1,086,124. The carrying amount includes petty cash of $100. Of the bank balance, $100,000 was covered by federal depository insurance and $986,124 was covered by specific collateral pledged by the financial institution in the name of the Authority.

Investments

HUD, State Statute and Board resolutions authorize the Authority to invest in obligations of the U.S. Treasury, agencies and instrumentalities, certificates of deposit, repurchase agreements, money market deposit accounts, municipal depository fund, super NOW accounts, sweep accounts, separate trading of registered interest and principal of securities, mutual funds, bonds and other obligations of this State, and the State Treasurer's investment pool.

The Authority's investments are categorized to give an indication of the level of risk assumed by the entity at year-end. Category 1 includes deposits that are insured or collateralized with securities held by the Authority or its safekeeping agent in the Authority's name. Category 2 includes uninsured deposits collateralized with securities held by the pledging financial institution's trust department or safekeeping agent in the Authority's name. Category 3 includes uninsured and uncollateralized with securities held by the pledging institution, or by its trust department or safekeeping agent, but not in the Authority's name. The Authority had the following investments at March 31, 2004:

		Category 1	Category 2	Total
Certificates of deposit	$	38,404	-	38,404
Bonds		-	1,078,504	1,078,504
Total investments	$	38,404	1,078,504	1,116,908

3. Restricted cash:

Under the regulatory agreement, FHA Project No. 046-35438-NP-L8 is required to set aside amounts for the replacement of property and other expenditures approved by HUD. Restricted cash at March 31, 2004, are held in separate accounts and generally are not available for operating purposes, and consists of the following:

Replacement reserve	$	28.906
Residual receipts		20,685
Mortgage escrow deposits		9.626
	$	59,217

4. Accounts Receivable:

Accounts receivable at March 31, 2004 is detailed as follows:

Accounts receivable, HUD	$	149,937
Accounts receivable, tenant rent		8,417
Allowance for doubtful accounts, tenant rent		(3,806)
Fraud recovery		9,175
Allowance for doubtful accounts, fraud recovery		(6,881)
Accounts receivable, interest		11,738
Accounts receivable, other		21,690
	$	190,270

5. Notes Receivable:

On November 12, 1990, a wholly owned subsidiary of the Authority, Sensible Shelter, Inc. entered into three separate agreements with Wise Manor Limited Partnership for the construction of ten single family homes and eight town homes in the Wise Manor project. The principal and accrued interest on the notes receivables are deferred for 15 years and due on November 1, 2007. The notes are secured by an assignment of the rental receipts of the borrower. The outstanding principal and accrued interest on the notes receivables are as follows as of March 31, 2004:

Description	Interest Rate		Original Amount	Cumulative Principal and Interest	Accrued Interest
Note 1 - second mortgage	5.0%	$	148,500	276,787	3,460
Note 2 - third mortgage	6.0%		100,000	209,496	3,142
Note 3 - fourth mortgage	6.0%		40,000	86,127	1,292
		$	288,500	572,410	7,894

6. Fixed Assets:

The following is a summary:

Land	$	2,359,534
Buildings		16,476,803
Furniture and equipment - administrative		432,623
Leasehold improvements		1,804,067
Construction in progress		746,411
		21,819,438
Accumulated depreciation		(12,178,316)
Net fixed assets	$	9,641,122

The following is a summary of changes:

		Balance 03/31/03	Additions/ Reclass	Deletions/ Corrections	Balance 03/31/04
Land	$	2,387,529	-	27,995	2,359,534
Buildings		15,898,152	618,391	39,740	16,476,803
Furniture and equipment - administrative		405,893	48,681	21,951	432,623
Leasehold improvements		1,775,056	29,011	-	1,804,067
Construction in progress		29,696	733,700	16,985	746,411
Total fixed assets	$	20,496,326	1,429,783	106,671	21,819,438

The depreciation expense for the year ended March 31, 2004 was $699,221.

7. Payment in Lieu of Taxes

The Authority has executed Cooperation Agreements with the City of Xenia, Beavercreek, Cedarville, Yellow Springs and Fairborn that provides for tax exemption of the housing projects but requires the Authority to make payments in lieu of taxes for municipal services received based upon a prescribed formula related to rental income.

8. Notes Payable:

FHA Project No. 046-35438-NP-L8

To raise funds for FHA Project No. 046-35438-NP-L8, a mortgage note payable was issued to the Federal Housing Administration, payable in monthly installments of $3,682 including interest at 7.5%. The mortgage note matures in the year 2018 and is collateralized by a mortgage on the Project's land and buildings, and is insured by the FHA. The remaining principal balance as of March 31, 2004 was $391,139.

Public Housing
Greene Metropolitan Housing Authority obtained a loan in the amount of $114,078 on October 4, 2000. The proceeds were used for acquisition and installation of energy management equipment payable in monthly installments of $1,136.99. The maturity date is October 4, 2012. The remaining principal balance as of March 31, 2004 was $63,947.

State/Local
Greene Metropolitan Housing Authority obtained four loans through Greene County Department of Development (CHIP Program) for rehabilitation. The loans are deferred for a five-year period and the outstanding balances are forgiven at 10% per year during the deferment period. The remaining balance (50%) of each loan will be due and payable on August 7, 2007. The outstanding principal balance as of March 31, 2004 was $31,199.

Business Activities
On June 25, 2003, a wholly owned subsidiary of the Authority, Sensible Shelter, Inc. obtained a construction loan from US Bank at 4.25% interest rate with a maximum loan amount of $909,700 for the construction of eleven single family homes in the Wise Manor II project. The loan agreement requires monthly payment of accrued interest on the outstanding principal balance and matures on December 26, 2004. The loan is secured by a first mortgage on the real estate.

Future minimum principal payments are as follows:

Year		Greene County Development	FHA Project No. 046-3548 NP-L8	US Bank	Business Activities	Total
2005	$	3,900	15,910	9,300	688,954	718,064
2006		3,900	16,567	9,400	-	29,867
2007		3,900	17,853	10,100	-	31,853
2008		19,499	19,239	10,400	-	49,138
2009		-	20,604	12,703	-	33,307
Thereafter		-	300,966	12,044	-	313,010
	$	31,199	391,139	63,947	688,954	1,175,239

9. Defined Benefit Pension Plans – Ohio Public Employees Retirement System

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans as described below:

a. The Traditional Pension Plan (TP) - a cost-sharing multiple-employer defined benefit pension plan.
b. The Member-Directed Plan (MD) - a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings thereon.

c. The Combined Plan (CO) - a cost-sharing multiple-employer defined benefit pension plan. Under the Combined Plan employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to the Traditional Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides basic retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the Traditional Plan and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report which may be obtaining by writing to the Public Employee Retirement system, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-6705 or 1-800-222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2003, member and employer contribution rates were consistent across all three plans (TP, MD and CO). Plan members are required to contribute 8.5 percent of their annual covered payroll to fund pension obligations and the Authority was required to contribute 13.55 percent of covered payroll during 2003. The Authority's required contributions, including the pick up portion for certain employees for the periods ended March 31, 2004, 2003 and 2002 were $138,212, $133,173 and $134,702, respectively.

10. <u>Postemployment Benefits – Ohio Public Employees Retirement System</u>:

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

OPERS provides retirement, disability, survivor and post retirement health care benefits to qualifying members of both the Traditional and the Combined Plans; however, health care benefits are not statutorily guaranteed. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage. In order to qualify for post-retirement health care coverage, age and service retirees must have ten or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Post-employment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to OPERS is set aside for the funding of postretirement health care based on authority granted by the Ohio Revised Code. The 2003 employer contribution rate was 13.55 percent of covered payroll, and 5.00 percent was used to fund health care for the year.

The assumptions and calculations below were based on the System's latest actuarial review performed as of December 31, 2002.

An entry-age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of the unfunded actuarial accrued liability. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted to reflect 25% of unrealized market appreciation or depreciation on investment assets annually. The investment assumption rate for 2002 was 8.00 percent. An annual increase of 4.00%, compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.00% base increase, were assumed to range from 0.50% to 6.30%. Health care costs were assumed to increase 4.00 percent annually.

OPEBs are advance-funded on an actuarially determined basis. At year-end 2003, the number of active contributing participants in the Traditional and Combined Plans totaled 364,881. The Authority's actual contributions for 2003 that were used to fund post employment benefits were $51,000, including the employee pick up portion. The actuarial value of the Retirement System's net assets available for OPEB at December 31, 2002 were $10 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used were, $18.7 billion and $8.7 billion, respectively.

In December 2001, the Board adopted the Health Care "Choices" Plan in its continuing effort to respond to the rise in the cost of health care. The Choices Plan will be offered to all persons newly hired in an OPERS covered position after January 1, 2003, with no prior service credit accumulated toward health care coverage. Choices, as the name suggests, will incorporate a cafeteria approach, offering a more broad range of health care options. The plan uses a graded scale from ten to thirty years to calculate a monthly health care benefit. This is in contrast to the ten-year "cliff" eligibility standard for the present plan. The benefit recipient will be free to select the option that best meets their needs. Recipients will fund health care costs in excess of their monthly health care benefit. The plan will also offer a spending account feature, enabling the benefit recipient to apply his or her allowance toward specific medical expenses, much like a Medical Spending Account. In response to the adverse investment returns experienced by OPERS from 2000 through 2002 and the continued staggering rate of health care inflation, the OPERS Board, during 2003, considered extending "Choices" type cost cutting measures to all active members and benefit recipients. As of this date, the Board has not determined the exact changes that will be made to the health care plan. However, changes to the plan are expected to be approved by the summer of 2004.

11. Prior Period Adjustments:

The Authority recorded an adjustment to correct accounts receivable – HUD reported as of March 31, 2003. The adjustment reduced the reported equity amount by $10,250.

12. Risk Management:

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2004, the Authority was a member of the State Housing Authority Risk Pool Association, Inc. (SHARP), an insurance pool for housing authorities in Ohio. Property insurance carries a $500 deductible. There is no deductible for general liability insurance. Vehicle insurance carries a $500 per vehicle comprehensive deductible.

Settled claims have not exceeded this coverage in any of the last three years. There has been no significant reduction in coverage from last year.

SUPPLEMENTARY INFORMATION

GREENE METROPOLITAN HOUSING AUTHORITY
Balance Sheet
FDS Schedule Submitted to HUD
Proprietary Fund Type
March 31, 2004

FDS Line Item	Account Description		Low Rent Public Housing 14.850a	Capital Grant 14.872	Section 8 Vouchers 14.871	Section 8 N/C S/R 14.182	Shelter Plus Care 14.238	Mortgage Ins Rental Corp 14.135	Other Federal 1	Other Federal 2	State/Local Proj Total SNAP	Business Activities	Total
	ASSETS												
111	Cash - unrestricted	$	135,802	-	326,662	-	-	9,193	-	-	24,301	300,833	796,791
113	Cash - other restricted		-	-	-	-	-	59,218	-	-	-	-	59,218
114	Cash - tenant security deposits		50,081	-	-	-	-	2,650	-	-	-	-	52,731
100	Total cash		185,883	-	326,662	-	-	71,061	-	-	24,301	300,833	908,740
122	Accounts receivable - HUD other project		-	43,380	97,273	3,620	5,664	-	-	-	-	-	149,937
124	Accounts receivable - other state local		-	-	-	-	-	-	-	-	12,937	-	12,937
125	Accounts receivable - miscellaneous		-	-	-	-	-	-	-	-	150	21,540	21,690
126	A/R Tenants - dwelling rents		7,205	-	-	-	-	1,212	-	-	-	-	8,417
126.1	Allowance for doubtful accounts		(3,368)	-	-	-	-	(438)	-	-	-	-	(3,806)
128	Fraud recovery		-	-	9,175	-	-	-	-	-	-	-	9,175
128.1	Allowance for doubtful accounts		-	-	(6,881)	-	-	-	-	-	-	-	(6,881)
129	Accrued interest receivable		700	-	-	-	-	-	-	-	-	11,038	11,738
120	Total accounts receivable		4,537	43,380	99,567	3,620	5,664	774	-	-	13,087	32,578	203,207
131	Investments		196,324	-	-	-	-	-	-	-	-	920,586	1,116,910
142	Prepaid expenses and other assets		8,680	-	6,709	179	-	224	-	-	335	165	16,292
143	Inventories		19,133	-	-	-	-	-	-	-	-	-	19,133
143.1	Allowance for obsolete inventory		(1,034)	-	-	-	-	-	-	-	-	-	(1,034)
144	Interprogram due from		93,514	-	-	31,886	7,781	-	164,217	4,555	39	251,317	553,309
150	Total current assets		507,037	43,380	432,938	35,685	13,445	72,059	164,217	4,555	37,762	1,505,479	2,816,557
161	Land		2,131,567	-	-	-	-	31,400	-	-	-	196,567	2,359,534
162	Buildings		14,669,280	792,146	99,915	-	-	765,494	-	-	39,000	110,968	16,476,803
164	Furniture and equipment - admin		280,255	73,684	55,797	-	-	18,303	-	4,584	-	-	432,623
165	Leasehold improvements		1,757,481	46,586	-	-	-	-	-	-	-	-	1,804,067
166	Accumulated depreciation		(11,556,848)	(55,527)	(46,550)	-	-	(476,400)	-	(4,584)	(3,900)	(34,507)	(12,178,316)
167	Construction in progress		-	79,851	-	-	-	-	-	-	-	666,560	746,411
160	Total fixed assets, net		7,281,735	936,740	109,162	-	-	338,797	-	-	35,100	939,588	9,641,122
171	Notes receivable		-	-	-	-	-	-	-	-	-	572,410	572,410
180	Total non-current assets		7,281,735	936,740	109,162	-	-	338,797	-	-	35,100	1,511,998	10,213,532
190	Total assets	$	7,788,772	980,120	542,100	35,685	13,445	410,856	164,217	4,555	72,862	3,017,477	13,030,089

GREENE METROPOLITAN HOUSING AUTHORITY
Balance Sheet
FDS Schedule Submitted to HUD
Proprietary Fund Type
March 31, 2004

FDS Line Item	Account Description	Low Rent Public Housing 14.850a	Capital Grant 14.872	Section 8 Vouchers 14.871	Section 8 N/C S/R 14.182	Shelter Plus Care 14.238	Mortgage Ins Rental Corp 14.135	Other Federal 1	Other Federal 2	State/Local Proj Total SNAP	Business Activities	Total
	LIABILITIES											
312	Accounts payable >=90 days	$ 3,613	1,928	-	-	-	-	-	-	1,630	341	7,512
321	Accrued wages/payroll taxes	-	-	-	-	-	-	-	-	-	55,733	55,733
322	Accrued compensated absences, current	31,082	-	41,266	1,435	-	1,686	-	-	5,380	1,172	82,021
325	Accrued interest payable	-	-	-	-	-	2,445	-	-	-	1,499	3,944
331	Accounts payable - HUD PHA programs	-	-	-	-	-	14,694	-	4,555	-	-	19,249
333	Accounts payable - other govt	37,676	-	2,863	-	-	15,348	-	-	11,016	-	66,903
341	Tenant security deposits	50,562	-	-	-	-	2,780	-	-	-	-	53,342
342	Deferred revenue	4,933	-	-	-	-	92	-	-	-	49,393	54,418
343	Current portion of long-term debt	9,837	-	-	-	-	15,373	-	-	3,900	-	29,110
348	Loan liability - current	-	-	-	-	-	-	-	-	-	688,954	688,954
345	Other current liabilities	-	-	-	-	-	-	-	-	11,016	-	11,016
346	Accrued liabilities - other	621	-	-	-	-	-	-	-	-	-	621
347	Interprogram due to	-	41,452	189,683	-	-	197	-	-	8,491	313,486	553,309
310	Total current liabilities	138,324	43,380	233,812	1,435	-	52,615	-	4,555	41,433	1,110,578	1,626,132
351	Long-term debt, net of current portion	54,110	-	-	-	-	375,767	-	-	27,300	-	457,177
354	Accrued compensated absences, non-current	25,306	-	6,954	582	-	554	-	-	-	583	33,979
350	Total noncurrent liabilities	79,416	-	6,954	582	-	376,321	-	-	27,300	583	491,156
300	Total liabilities	217,740	43,380	240,766	2,017	-	428,936	-	4,555	68,733	1,111,161	2,117,288
504	Net HUD PHA contributions	7,293,127	-	-	-	-	-	-	-	-	-	7,293,127
507	Other contributions	22,219	-	-	-	-	61,155	-	-	-	485,800	569,174
508	Total contributed capital	7,315,346	-	-	-	-	61,155	-	-	-	485,800	7,862,301
512	Undesignated fund balance/retained earnings	255,686	936,740	301,334	33,668	13,445	(79,235)	164,217	-	4,129	1,420,516	3,050,500
513	Total equity	7,571,032	936,740	301,334	33,668	13,445	(18,080)	164,217	-	4,129	1,906,316	10,912,801
600	Total liabilities and equity	$ 7,788,772	980,120	542,100	35,685	13,445	410,856	164,217	4,555	72,862	3,017,477	13,030,089

GREENE METROPOLITAN HOUSING AUTHORITY
Statement of Revenues, Expenses and Changes in Retained Earnings
FDS Schedule Submitted to HUD
Proprietary Fund Type
For the Year Ended March 31, 2004

FDS Line Item	Account Description	Low Rent Public Housing 14.850a	Capital Grant 14.872	Section 8 Vouchers 14.871	Section 8 N/C S/R 14.182	Shelter Plus Care 14.238	Mortgage Ins Rental Corp 14.135	Other Federal 1	Other Federal 2	State/Local Proj Total SNAP	Business Activities	Total
	REVENUE											
703	Net tenant revenue	$ 478,709	-	-	-	-	10,681	-	-	-	-	489,390
704	Tenant revenue - other	14,751	-	-	-	-	1,209	-	-	-	-	15,960
705	Total tenant revenue	493,460	-	-	-	-	11,890	-	-	-	-	505,350
706	PHA HUD grants	438,882	162,938	7,285,069	454,649	57,144	113,410	334,405	18,545	-	-	8,865,042
706.1	Capital contribution	-	741,353	-	-	-	-	-	-	-	-	741,353
708	Other government grants	-	-	-	-	-	-	-	-	83,310	-	83,310
711	Investment income - unrestricted	2,723	-	456	199	-	151	309	-	69	38,593	42,500
714	Fraud recovery	-	-	13,964	-	-	-	-	-	-	-	13,964
715	Other revenue	1,200	-	-	-	-	-	-	-	3,134	10,528	14,862
716	Gain/(loss) on sale of fixed assets	(8,243)	-	352	-	-	-	-	-	-	-	(7,891)
720	Investment income - restricted	-	-	-	-	-	399	-	-	-	-	399
	Total revenue	928,022	904,291	7,299,841	454,848	57,144	125,850	334,714	18,545	86,513	49,121	10,258,889
	EXPENSES											
911	Administrative salaries	149,693	89,548	352,256	15,289	936	15,837	12,574	14,888	46,902	52,514	750,437
912	Auditing fees	5,132	-	4,399	111	-	151	131	-	-	121	10,045
914	Compensated absences	58,821	-	57,892	2,884	-	3,666	2,440	-	6,082	2,197	133,982
915	Employee benefit contribution - admin	73,309	19,227	137,028	5,054	306	5,825	4,502	3,278	12,298	5,982	266,809
916	Other operating - administrative	32,496	26,090	93,069	380	-	6,951	395	-	16,943	3,132	179,456
921	Tenant services - salaries	14,507	-	-	-	-	-	-	-	-	-	14,507
923	Employee benefit contrib - ten svcs	7,142	-	-	-	-	-	-	-	-	-	7,142
924	Tenant services - other	3,835	-	-	-	-	-	-	18	-	-	3,853
931	Water	15,140	-	-	-	-	154	-	-	-	-	15,294
932	Electricity	28,041	-	-	-	-	481	-	-	-	-	28,522
933	Gas	32,800	-	-	-	-	-	-	-	-	-	32,800
934	Fuel	5,287	-	-	-	-	-	-	-	-	-	5,287
938	Other utilities expense	21,885	-	-	-	-	191	-	-	-	-	22,076
941	Ord maintenance/op-labor	169,331	-	-	-	-	-	-	-	-	-	169,331
942	Ord maintenance/op - materials	58,782	7,445	9,320	-	-	1,466	123	-	73	94	77,303
943	Ord maintenance/op - cont costs	90,544	20,628	8,176	-	-	16,459	2	-	-	926	136,735
945	Emp benefit contrib - ord main	68,166	-	-	-	-	-	-	-	-	-	68,166
961	Insurance premiums	54,564	-	10,550	-	-	3,037	-	-	-	-	68,151
962	Other general expenses	664	-	-	-	-	15,322	-	-	-	-	15,986
963	PILOT	37,676	-	-	-	-	-	-	-	-	-	37,676
964	Bad debts - tenant rents	692	-	-	-	-	801	-	-	-	-	1,493
967	Interest expense	4,478	-	-	-	-	29,832	-	-	-	-	34,310
969	Total operating expenses	$ 932,985	162,938	672,690	23,718	1,242	100,173	20,167	18,184	82,298	64,966	2,079,361

GREENE METROPOLITAN HOUSING AUTHORITY
Statement of Revenues, Expenses and Changes in Retained Earnings
FDS Schedule Submitted to HUD
Proprietary Fund Type
For the Year Ended March 31, 2004

FDS Line Item	Account Description		Low Rent Public Housing 14.850a	Capital Grant 14.872	Section 8 Vouchers 14.871	Section 8 N/C S/R 14.182	Shelter Plus Care 14.238	Mortgage Ins Rental Corp 14.135	Other Federal 1	Other Federal 2	State/Local Proj Total SNAP	Business Activities	Total
970	EXCESS OPERATING REVENUE OVER EXPENSES	$	(4,963)	741,353	6,627,151	431,130	55,902	25,677	314,547	361	4,215	(15,845)	8,179,528
973	Housing Assistance Payments		-	-	6,594,964	425,407	50,390	-	172,590	-	-	-	7,243,351
974	Depreciation expense		611,784	44,670	9,539	-	-	26,794	-	764	2,600	3,070	699,221
	Total expenses		1,544,769	207,608	7,277,193	449,125	51,632	126,967	192,757	18,948	84,898	68,036	10,021,933
1000	EXCESS OF REVENUE OVER EXPENSES		(616,747)	696,683	22,648	5,723	5,512	(1,117)	141,957	(403)	1,615	(18,915)	236,956
1103	Beginning equity		7,783,473	644,363	388,936	27,945	7,933	(16,963)	22,260	403	2,514	1,825,231	10,686,095
1104	Prior period adjustments		-	-	(10,250)	-	-	-	-	-	-	-	(10,250)
1105	Transfer of equity		404,306	(404,306)	(100,000)	-	-	-	-	-	-	100,000	-
	Ending equity	$	7,571,032	936,740	301,334	33,668	13,445	(18,080)	164,217	-	4,129	1,906,316	10,912,801

GREENE METROPOLITAN HOUSING AUTHORITY
Yellow Springs Village Greene
Project No. 046-35438-NP-L8
Balance Sheet Data
March 31, 2004

Assets

Account Number:				
	Current assets:			
1120	Cash, operations		$	9,193
1130	Accounts receivable, tenants	1,212		
1135	Allowance for doubtful accounts	(438)		
1130N	Net accounts receivables			774
1200	Miscellaneous prepaid expenses			224
1100T	Total current assets			10,191
1191	Tenant deposits held in trust			2,650
	Restricted deposits:			
1310	Escrow deposits			9,627
1320	Replacement reserve			28,906
1340	Residual receipts			20,685
1300T	Total deposits			59,218
	Property:			
1410	Land			31,400
1420	Buildings			765,494
1440	Furniture and equipment			8,775
1490	Miscellaneous fixed assets			9,528
1400T	Total property			815,197
1495	Less accumulated depreciation			(476,400)
1400N	Net property			338,797
1000T	Total assets		$	410,856

Liabilities and Net Deficit

Account Number:			
	Current liabilities:		
2116	Accounts payable, Section 8 & other	$	14,694
2131	Accrued interest payable, first mortgage		2,445
2150	Accrued property taxes		15,348
2170	Mortgage payable, first mortgage, current portion		15,373
2190	Miscellaneous current liabilities		1,884
2210	Prepaid revenue		92
2122T	Total current liabilities		49,836
2191	Tenant deposits held in trust		2,780
	Long-term liabilities:		
2320	Mortgage payable, long term portion		375,766
2390	Miscellaneous long term liabilities		554
2300T	Total long term liabilities		376,320
2001T	Total liabilities		428,936
3131	Unrestricted net deficit		(18,080)
3130	Total net deficit		(18,080)
2033T	Total liabilities and net deficit	$	410,856

GREENE METROPOLITAN HOUSING AUTHORITY
Yellow Springs Village Greene
Project No. 046-35438-NP-L8
Statements of Activities Data
For the Year Ended March 31, 2004

Account Number:		
	REVENUE:	
	Rent revenue:	
5120	Rent revenue, gross potential	$ 15,830
5121	Tenant assistance payments	113,410
5100T	Total rent revenue	129,240
	Vacancies:	
5220	Apartments	(5,149)
5200T	Total vacancies	(5,149)
5152N	Net rental revenue	124,091
	Financial revenue:	
5410	Revenue from investments, operations	151
5440	Revenue from investments, replacement reserves	399
5400T	Total financial revenue	550
	Other revenue:	
5920	Tenant charges	1,209
5900T	Total other revenue	1,209
5000T	Total revenue	125,850
	EXPENSES:	
	Operating expenses:	
	Administrative expenses:	
6310	Office salaries	19,504
6311	Office expenses	7,009
6340	Legal expense - Project	3
6350	Audit expense	151
6351	Bookkeeping fees/accounting services	11
6370	Bad debts	801
6263T	Total administrative expenses	27,479
	Utilities expense:	
6450	Electricity	481
6451	Water	154
6453	Sewer	191
6400T	Total utilities expense	826

GREENE METROPOLITAN HOUSING AUTHORITY
Yellow Springs Village Greene
Project No. 046-35438-NP-L8
Statements of Activities Data
For the Year Ended March 31, 2004

	Operating and maintenance expenses:		
6515	Supplies		1,392
6520	Contracts		12,614
6525	Garbage and trash removal		3,845
6500T	Total operating and maintenance expenses		17,851
	Taxes and insurance:		
6710	Real estate taxes		15,322
6720	Property and liability insurance		3,037
6723	Health insurance and other employee benefits		5,825
6700T	Total taxes and insurance		24,184
	Financial expenses:		
6820	Interest on mortgage payable		29,833
6800T	Total financial expenses		29,833
6000T	Total cost of operations before depreciation		100,173
5060T	Change in net deficit before depreciation		25,677
6600	Depreciation expense		26,794
5060N	Change in net deficit		(1,117)
S1100-050	Net deficit, beginning of year		(16,963)
3131	Net deficit, end of year	$	(18,080)
S1000-010	Total mortgage principal payments required during the year	$	14,266
S1000-020	Total of 12 monthly deposits during the year into the replacement reserve account, as required by the regulatory agreement	$	3,709
S1000-030	Replacement reserve or residual receipts releases which are included as expense items on this profit and loss statement	$	-
S1000-040	Project improvement reserve releases under the flexible subsidy program that are included as expense items on this profit and loss statement	$	-

GREENE METROPOLITAN HOUSING AUTHORITY
Yellow Springs Village Greene
Project No. 046-35438-NP-L8
Computation of Surplus Cash
March 31, 2004

Cash (accounts 1120, 1191)	$	11,843
Tenant subsidy vouchers due for period covered by financial statement		-
Total cash		11,843
Current obligations:		
Accrued interest (account 2131)		2,445
Accounts payable (accounts 2110, 2116, 2123)		14,694
Accrued expenses (not escrowed)		1,883
Tenant security deposits liability (account 2191)		2,780
Total Current Obligations		21,802
Surplus Cash (Deficiency)	$	(9,959)

GREENE METROPOLITAN HOUSING AUTHORITY
Yellow Springs Village Greene
Project No. 046-35438-NP-L8
Supporting Data Required by HUD

Reserve for Replacements:

In accordance with the provisions of the regulatory agreement, restricted cash is held by the Federal Housing Administration to be used for replacement of property with approval of HUD.

Balance, April 1, 2003	$	24,798
Required deposit		3,709
Interest deposited		399
Less HUD approved withdrawals		-
Balance, March 31, 2004, confirmed or validated with depositories	$	28,906

Residual Receipts:

In accordance with the provisions of the regulatory agreement, surplus cash generated from operating income is restricted cash is held by the US Bank to be used with approval of HUD.

Balance, April 1, 2003	$	20,567
Required deposit		-
Interest deposited		118
Less HUD approved withdrawals		-
Balance, March 31, 2004, confirmed or validated with depositories	$	20,685

GREENE METROPOLITAN HOUSING AUTHORITY
Yellow Springs Village Greene
Project No. 046-35438-NP-L8
Schedule of Changes in Fixed Asset Accounts
March 31, 2004

	Assets				Depreciation			
	Balance 04/01/03	Additions	Disposals	Balance 03/31/04	Balance 04/01/03	Additions	Disposals	Balance 03/31/04
Changes in property for the year ended March 31, 2004:								
Land	$ 31,400	-	-	31,400	-	-	-	-
Buildings	763,041	2,453	-	765,494	437,259	24,179	-	461,438
Furniture and equipment	8,775	-	-	8,775	2,819	1,254	-	4,073
Miscellaneous fixed assets	9,528	-	-	9,528	9,528	1,361	-	10,889
	$ 812,744	2,453	-	815,197	449,606	26,794	-	476,400

Capital Fund Grant Number OH10P022501-01:

Management improvements	$	64,000
Administration		67,410
Fees and costs		5,067
Site improvement		42,890
Dwelling structure		312,758
Non-dwelling structure		125,393
Non-dwelling equipment		70,059
Total expensed	$	687,577
Total received	$	687,577

1 The actual modernization cost certificate was signed and filed on January 22, 2004.

2 The final costs on the certificate agree with the Authority's records.

GREENE METROPOLITAN HOUSING AUTHORITY

Schedule of Federal Awards Expenditures

March 31, 2004

Federal Grantor/Program Title	Federal CFDA Number		Funds Expended
U.S. Department of Housing and Urban Development:			
PHA Owned Housing:			
Public and Indian Housing (operating subsidiary)	14.850 a	$	438,882
Public Housing Capital Fund	14.872		904,291
			1,343,173
Housing Assistance Payments:			
Annual Contribution -			
Housing choice vouchers	14.871		7,285,069
Section 8 New Construction and Substantial Rehabilitation	14.182		454,649
Shelter Plus Care	14.238		57,144
Mortgage Insurance Rental and Cooperative	14.135	*	391,140
Section 8 Housing Assistance Payments	14.195	*	113,410
Moving to Work	14.XXX		334,405
Moving to Work Technical Assistance	14.XXX		18,545
U.S. Department of Health and Human Services:			
Passed through Ohio CDC Association:			
New Assets for Independence Demonstration Program	93.602		2,984
Total - All Programs		$	10,000,519

* Federal awards expended by Yellow Springs Village Greene, FHA Project No. 046-35438-NP-L8

Note: The accompanying schedule of expenditures of federal awards is prepared on the accrual basis of accounting.

Independent Auditors' Report on Compliance and On Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed In Accordance with *Government Auditing Standards*

Board of Commissioners
Greene Metropolitan Housing Authority
Xenia, Ohio

We have audited the financial statements of Greene Metropolitan Housing Authority as of and for the year ended March 31, 2004, and have issued our report thereon dated July 30, 2004. 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.

Compliance and other matters
As part of obtaining reasonable assurance about whether Greene Metropolitan Housing Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under *Government Auditing Standards.*

Internal Control Over Financial Reporting
In planning and performing our audit, we considered Greene Metropolitan Housing Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
July 30, 2004

Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133

Board of Commissioners
Greene Metropolitan Housing Authority
Xenia, Ohio

Compliance

We have audited the compliance of Greene Metropolitan Housing Authority with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal program for the year ended March 31, 2004. Greene Metropolitan Housing Authority major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of Greene Metropolitan Housing Authority's management. Our responsibility is to express an opinion on Greene Metropolitan Housing Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.* Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Greene Metropolitan Housing 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. Our audit does not provide a legal determination on Greene Metropolitan Housing Authority's compliance with those requirements.

In our opinion, Greene Metropolitan Housing Authority complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended March 31, 2004.

Internal Control Over Compliance

The management of Greene Metropolitan Housing Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal program. In planning and performing our audit, we considered Greene Metropolitan Housing Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulation, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the general-purpose financial statements of Greene Metropolitan Housing Authority as of and for the year ended March 31, 2004, and have issued our report thereon dated July 30, 2004. Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

This report is intended solely for the information and use of the audit committee, management and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
July 30, 2004

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 § .505

GREENE METROPOLITAN HOUSING AUTHORITY
MARCH 31, 2004

1. Summary of Auditors' Results

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported non-compliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under §.510?	No
(d)(1)(vii)	Major Programs (list):	<u>Program</u> <u>CFDA #</u> Section 8 Housing Choice Vouchers 14.871 Mortgage Insurance Rental and Cooperative 14.135
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > $300,000 Type B: All others
(d)(1)(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
MARCH 31, 2004

SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 § .315(b)[1]

-NONE-.

Auditor of State
Betty Montgomery

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GREENE METROPOLITAN HOUSING AUTHORITY

GREENE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
NOVEMBER 23, 2004