



OHIO AUDITOR OF STATE
KEITH FABER



**MONROE METROPOLITAN HOUSING AUTHORITY
MONROE COUNTY
JUNE 30, 2023**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Monroe County Metropolitan Housing Authority
Monroe County
P.O. Box 1388
Cambridge, OH 43725

To the Board of Commissioners:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the business-type activities of the Monroe County Metropolitan Housing Authority, Monroe County, Ohio (the Authority), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Monroe County Metropolitan Housing Authority, Monroe County, Ohio, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary 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 Schedule of Expenditures of Federal Awards 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 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Financial Data Schedule as required by the Department of Housing and Urban Development is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 Schedule of Expenditures of Federal Awards and Financial Data Schedule 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 March 11, 2024, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely 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 the effectiveness of the Authority's 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.



Keith Faber
Auditor of State
Columbus, Ohio

March 11, 2024

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**MONROE METROPOLITAN HOUSING AUTHORITY
MONROE COUNTY, OHIO
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

MANAGEMENT’S DISCUSSION AND ANALYSIS

The Monroe Metropolitan Housing Authority’s (“the Authority”) Management’s Discussion and Analysis (MD&A) 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 position, and (d) identify individual fund issues of concerns.

Since the MD&A is designed to focus of the 2023 year’s activities, resulting changes and currently known facts, please read it in conjunction with the Authority’s financial statement.

Financial Highlights

The Authority’s total net position decreased by (\$31,316) during the fiscal year ended 2023. Since the Authority engages only in business-type activities, the increase is all in the category of business-type net position. Net Position is \$11,938 and \$43,254 for 2023 and 2022 respectively.

The business-type activities’ total revenue decreased by \$78,999 (or 8 percent) during fiscal year ending 2023 and is \$868,466 and \$947,465 for 2023 and 2022 respectively.

The total expenses of the Authority programs decreased by \$9,733 (or 1 percent). Total expenses are \$899,782 and \$909,515 for the fiscal year ending 2023 and 2022 respectively.

USING THIS ANNUAL REPORT

The Report includes the following sections:

<p>MD&A ~ Management’s Discussion and Analysis ~</p>
<p>Basic Financial Statements ~ Statement of Net Position ~ ~ Statement of Revenues, Expenses and Changes in Net Position ~ ~ Statement of Cash Flows ~ ~ Notes to the Basic Financial Statements ~</p>
<p>Supplementary and Other Information ~ Financial Data Schedules ~ ~ Schedule of Federal Awards Expenditures ~</p>

The clearly preferable focus is on the Authority as a single enterprise fund. This format will allow the user to address relevant questions, broaden a basis for comparison (year to year or Authority to Authority) and enhance the Authority’s accountability.

MONROE METROPOLITAN HOUSING AUTHORITY
MONROE COUNTY, OHIO
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(CONTINUED)

Authority Financial Statements

The Authority financial statements are designed to be corporate-like in that all business type activities are consolidated into columns, which add to a total for the entire Authority. These Statements include a Statement of Net Position, which is similar to a Balance Sheet. The Statement of Net Position reports all financial and capital resources for the Authority. The Statement is presented in the format where assets, minus liabilities, equal “Net Position”, formerly known as net assets. Assets and liabilities are presented in order of liquidity and are classified as “current” (convertible into cash within one year), and “Noncurrent”.

The focus of the Statement of Net Position (the “Unrestricted Net Position”) is designed to represent the net available liquid (non-capital) assets, net of liabilities, for the entire Authority. Net Position (formerly net assets) is reported in three broad categories:

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, constructions, or improvement of those assets.

Restricted Net Position: This component of Net Position consists of restricted assets, when constraints are placed on the asset by creditor (such as debt covenants), grantors, contributors, laws, regulations, etc.

Unrestricted Net Position: Consists of Net Position that do not meet the definition of “Net Position Invested in Capital Assets, Net of Related Debt”, or “Restricted Net Position”.

The Authority financial statements also include a Statement of Revenues, Expenses and Changes in Fund Net Position (similar to an Income Statement). This Statement includes Operating Revenue, such as rental income, Operating Expenses, such as administrative, utilities, and maintenance, and depreciation, and Non-Operating Revenue and Expenses, such as capital grant revenue, investment income and interest expense.

The focus of the Statement of Revenues, Expenses and Changes in Fund Net Position is the “Change in Net Position”, which is similar to Net Income or Loss.

Finally, a Statement of Cash Flow is included, which discloses net cash provided by or used for operating activities, non-capital financing activities, and from capital and related financing activities.

The authority consists of exclusively Enterprise Funds. Enterprise Funds utilize the full accrual basis of accounting. The Enterprise method of accounting is similar to accounting utilized by the private sector accounting.

**MONROE METROPOLITAN HOUSING AUTHORITY
MONROE COUNTY, OHIO
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

(CONTINUED)

AUTHORITY PROGRAMS

Housing Choice Voucher Program (HCV) – Under the Housing Choice Voucher Program, the Authority administers contracts with independent landlords who own the property. The Authority subsidizes the family’s rent through a Housing Assistance Payment made to the landlord. The program is administered under an ACC with HUD. HUD provides Annual Contributions Funding to enable the Authority to structure a lease that sets the participants’ rent at 30% of household income. The Authority earns administrative fees to cover the cost of administering the program.

AUTHORITY STATEMENTS

Statement of Net Position

The following table reflects the condensed Statement of Net Position compared to the prior fiscal year. The Authority is engaged only in Business-Type Activities.

STATEMENT OF NET POSITION

	<u>2023</u>	<u>2022</u>	Net Change	Percent Variance
Current and Other Assets	\$24,764	\$54,939	-30,175	-55%
Total Assets	\$24,764	\$54,939	-30,175	-55%
Current Liabilities	\$9,715	\$9,489	226	2%
Noncurrent Liabilities	\$3,111	\$2,196	915	42%
Total Liabilities	\$12,826	\$11,685	1,141	10%
Net Position:				
Unrestricted Net Position	\$11,938	\$43,254	-31,316	72%
Total Net Position	\$11,938	\$43,254	-31,316	72%
Total Liabilities and Net Position	\$24,764	\$54,939	-30,175	

For more detail information see Statement of Net Position presented elsewhere in this report.

**MONROE METROPOLITAN HOUSING AUTHORITY
MONROE COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

(CONTINUED)

Major Factors Affecting the Statement of Net Position

During 2023, current assets decreased by \$30,175 and current liabilities increased by \$226. The decrease in current assets is due to the current year Administrative Loss and HUD underfunding HAP expenses. The increase in liability is minimal.

The following table presents details on the change in Net Position.

	Unrestricted
Beginning Balance – June 30, 2022	\$ 43,254
Results of Operation	<u>-31,316</u>
Ending Balance – June 30, 2023	<u>\$ 11,938</u>

While the results of operations are a significant measure of the Authority's activities, the analysis of the changes in Unrestricted Net Position provides a clearer presentation of financial position.

The following schedule compares the revenues and expenses for the current and previous fiscal year. The authority is engaged in Business-Type Activities.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	<u>2023</u>	<u>2022</u>	Net Change	Percent Variance
<u>Revenues</u>				
Operating Subsidies	868,442	942,506	(74,064)	-8%
Investment Income	24	26	(2)	-8%
Other Revenues	<u>0</u>	<u>4,933</u>	<u>(4,933)</u>	100%
Total Revenues	<u>868,466</u>	<u>947,465</u>	<u>(78,999)</u>	-8%
<u>Expenses</u>				
Administrative	130,231	162,326	(32,095)	-20%
Housing Assistance Payments	<u>769,551</u>	<u>747,189</u>	<u>22,362</u>	3%
Total Expenses	<u>899,782</u>	<u>909,515</u>	<u>(9,733)</u>	-1%
Net Increases (Decreases)	<u>(\$31,316)</u>	<u>\$37,950</u>	<u>(\$69,266)</u>	

**MONROE METROPOLITAN HOUSING AUTHORITY
MONROE COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

(CONTINUED)

MAJOR FACTORS AFFECTING THE STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION

Operating Subsidy reflects a decrease of \$74,064 or 8 percent. This decrease was due to a decrease in vouchers leased and an offset of HUD Held reserves.

Total expenses decreased \$9,733 and is a net effect of a decrease in administrative costs and an increase in Housing Assistance Payments.

DEBT OUTSTANDING

As of year-end, the Authority has no outstanding debt.

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

- Federal funding of the Department of Housing and Urban Development
- Local inflationary, recessionary and employment trends, which can affect resident incomes and therefore the amount of rental assistance
- Inflationary pressure on utility rates, supplies and other costs

FINANCIAL CONTACT

The individual to be contacted regarding this report is Tammi DeMattio, Executive Director, Monroe Metropolitan Housing Authority, P.O. Box 1388, Monroe, OH 43725.

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MONROE METROPOLITAN HOUSING AUTHORITY
Statement of Net Position
Proprietary Funds
For the Year Ended June 30, 2023

ASSETS

Current assets

Cash and cash equivalents	\$14,686
Receivables, net	10,078
Total current assets	24,764
Total assets	24,764

LIABILITIES

Current liabilities

Accounts payable	9,715
Total current liabilities	9,715

Noncurrent liabilities

Noncurrent liabilities - other	3,111
Total current liabilities	3,111
Total liabilities	12,826

NET POSITION

Unrestricted net position	11,938
Total net Position	11,938
Total liabilities and net position	\$24,764

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

MONROE METROPOLITAN HOUSING AUTHORITY
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2023

OPERATING REVENUES	
Government operating grants	\$868,442
Total operating revenues	868,442
 OPERATING EXPENSES	
Administrative	126,093
Maintenance	2,739
General	1,399
Housing assistance payment	769,551
Total operating expenses	899,782
Operating income (loss)	(31,340)
 NONOPERATING REVENUES (EXPENSES)	
Interest Income	24
Total nonoperating revenues	24
Change in net position	(31,316)
Total net position - beginning	43,254
Total net position - ending	\$11,938

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

MONROE METROPOLITAN HOUSING AUTHORITY
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Operating grants received	858,364
Cash payments for administrative	(129,319)
Cash payments for HAP	(769,322)
Net cash provided (used) by operating activities	(40,277)

CASH FLOWS FROM INVESTING ACTIVITIES

Interest earned	24
Net cash provided (used) by investing activities	24

Net increase(decrease) in cash	(40,253)
Cash and cash equivalents - Beginning of year	54,939

Cash and cash equivalents - End of year	14,686
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RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Net Operating Income (Loss)	(31,340)
Adjustment to Reconcile Operating Loss to Net Cash Used by Operating	
- (Increase) Decreases in Accounts Receivable	(10,078)
- Increase (Decreases) in Accounts Payable	227
- Increase (Decreases) in Accrued Liabilities	915
Net cash provided (used) by operating activities	(40,277)

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

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MONROE METROPOLITAN HOUSING AUTHORITY
MONROE COUNTY, OHIO
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1 - Summary of Significant Accounting Policies:

Organization and Reporting Entity

The Monroe 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. 61 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.

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.

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.

MONROE METROPOLITAN HOUSING AUTHORITY
MONROE COUNTY, OHIO
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(CONTINUED)

Basis of Presentation: (Continued)

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

Measurement Focus and Basis of Accounting

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

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 operating subsidies from HUD. Operating expenses for the enterprise fund include housing assistance payments and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating 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.

Income Taxes No provision for income taxes is recorded as the Authority is a nonprofit, tax exempt entity under the Internal Revenue Code.

MONROE METROPOLITAN HOUSING AUTHORITY
MONROE COUNTY, OHIO
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(CONTINUED)

NOTE 2 - Deposits and Investments:

Deposits

At fiscal year end, the carrying amount of the Authority's deposits was \$14,686 and the bank balance was \$14,686. Based on criteria described in GASB Statement No. 40, Deposits and Investments Risk Disclosures, as of June 30, 2023, the Authority's bank balance of \$14,686 was covered by Federal Depository Insurance.

Custodial credit risk is the risk that, in the event of 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 Authority's Board. All deposits are collateralized with eligible securities in amounts equal to 105 percent of the carrying value of deposits. Such collateral, as permitted by Chapter 135 of the ORC, 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 the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the Authority.

Investments

The Authority has a formal investment policy; however, the Authority held no investments on June 30, 2023. Therefore, the Authority is not subject to interest rate, credit, concentration, or custodial credit risks, and foreign currency risks.

NOTE 3 - Restricted Assets:

The Authority's assets restricted as to purpose are as follows:

Family Self Sufficiency (FSS) Program Escrow	<u>\$2,882</u>
Total Restricted Assets	<u>\$2,882</u>

The FSS Program is designed to promote employment and increase savings among families receiving Section 8 vouchers or living in public housing.

MONROE METROPOLITAN HOUSING AUTHORITY
MONROE COUNTY, OHIO
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(CONTINUED)

NOTE 4 – Risk Management:

The Authority is exposed to various risks of loss related to torts; damage to and theft or destruction of assets; errors and omissions; injuries to employees and natural disasters. The Authority is covered for property damage, general liability, automobile liability, law enforcement liability, public officials' 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 Monroe is one of the 39 members. Settled claims have not exceeded the Authority's insurance in any of the past three years.

NOTE 5 – Contingencies:

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

NOTE 6 – Management Agreement:

The Monroe Metropolitan Housing Authority (the Authority) entered into a housing management agreement with the Cambridge Metropolitan Housing Authority (Cambridge) on August 27, 1990. Pursuant to the agreement Cambridge provides all management services to the Authority in order that the Authority shall comply with all applicable laws of the State of Ohio and of the United States Government, and with the terms of all contracts which the Authority has executed or may, from time to time, execute with HUD. As compensation for these services, the Authority Reimburses to Cambridge the amount of monthly expenses allocated to Monroe Metropolitan Housing Authority. Total Reimbursements for the fiscal year ended June 30, 2023, were \$130,231.

NOTE 7 – Subsequent Events:

Generally accepted accounting principles define subsequent events as events or transactions that occur after the statement of financial position date, but before the financial statements as issued or are available to be issued. Management has evaluated subsequent events through August 31, 2023, the date on which the financial statements were available to be issued.

MONROE METROPOLITAN HOUSING AUTHORITY
MONROE COUNTY, OHIO
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(CONTINUED)

NOTE 8 - Schedule of Expenditures of Federal Awards:

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) presents the activity of all federal financial assistance programs of the Monroe Metropolitan Housing Authority (the Authority) for the year ended June 30, 2023. The Authority’s reporting entity is defined in Note 1 to the Authority’s financial statements. The information in this schedule is presented in accordance with the requirements of 2 CFR 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 Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

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

The Authority has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

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Monroe Metropolitan Housing Authority (OH058)
 Cambridge, OH
 Entity Wide Balance Sheet Summary

Submission Type: Unaudited/Single Audit

Fiscal Year End: 06/30/2023

	14.871 Housing Choice Vouchers	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$11,804	\$11,804		\$11,804
115 Cash - Restricted for Payment of Current Liabilities	\$2,882	\$2,882		\$2,882
100 Total Cash	\$14,686	\$14,686		\$14,686
122 Accounts Receivable - HUD Other Projects	\$10,078	\$10,078		\$10,078
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$10,078	\$10,078		\$10,078
150 Total Current Assets	\$24,764	\$24,764		\$24,764
290 Total Assets and Deferred Outflow of Resources	\$24,764	\$24,764		\$24,764
346 Accrued Liabilities - Other	\$9,715	\$9,715		\$9,715
310 Total Current Liabilities	\$9,715	\$9,715		\$9,715
353 Non-current Liabilities - Other	\$3,111	\$3,111		\$3,111
350 Total Non-Current Liabilities	\$3,111	\$3,111		\$3,111
300 Total Liabilities	\$12,826	\$12,826		\$12,826
512.4 Unrestricted Net Position	\$11,938	\$11,938		\$11,938
513 Total Equity - Net Assets / Position	\$11,938	\$11,938		\$11,938
600 Total Liabilities, Deferred Inflows of Resources and Equity	\$24,764	\$24,764		\$24,764

Monroe Metropolitan Housing Authority (OH058)
Cambridge, OH
Entity Wide Revenue and Expense Summary

Submission Type: Unaudited/Single Audit

Fiscal Year End: 06/30/2023

	14.871 Housing Choice Vouchers	Subtotal	ELIM	Total
70600 HUD PHA Operating Grants	\$868,442	\$868,442		\$868,442
71100 Investment Income - Unrestricted	\$24	\$24		\$24
70000 Total Revenue	\$868,466	\$868,466		\$868,466
91100 Administrative Salaries	\$47,576	\$47,576		\$47,576
91200 Auditing Fees	\$6,092	\$6,092		\$6,092
91400 Advertising and Marketing	\$109	\$109		\$109
91500 Employee Benefit contributions - Administrative	\$17,771	\$17,771		\$17,771
91600 Office Expenses	\$95	\$95		\$95
91700 Legal Expense	\$895	\$895		\$895
91900 Other	\$53,555	\$53,555		\$53,555
91000 Total Operating - Administrative	\$126,093	\$126,093		\$126,093
94300 Ordinary Maintenance and Operations Contracts	\$2,739	\$2,739		\$2,739
94000 Total Maintenance	\$2,739	\$2,739		\$2,739
96130 Workmen's Compensation	\$721	\$721		\$721
96140 All Other Insurance	\$678	\$678		\$678
96100 Total insurance Premiums	\$1,399	\$1,399		\$1,399
96900 Total Operating Expenses	\$130,231	\$130,231		\$130,231
97000 Excess of Operating Revenue over Operating Expenses	\$738,235	\$738,235		\$738,235
97300 Housing Assistance Payments	\$769,551	\$769,551		\$769,551
90000 Total Expenses	\$899,782	\$899,782		\$899,782
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	-\$31,316	-\$31,316		-\$31,316
11020 Required Annual Debt Principal Payments	\$0	\$0		\$0
11030 Beginning Equity	\$43,254	\$43,254		\$43,254
11170 Administrative Fee Equity	\$11,938	\$11,938		\$11,938
11180 Housing Assistance Payments Equity	\$0	\$0		\$0
11190 Unit Months Available	2,148	2,148		2,148
11210 Number of Unit Months Leased	1,890	1,890		1,890

MONROE METROPOLITAN HOUSING AUTHORITY
Schedule of Expenditures of Federal Award
Proprietary Funds
For the Year Ended June 30, 2023

FEDERAL GRANTOR / PASS THROUGH GRANTOR PROGRAM TITLES	AL NUMBER	EXPENDITURES
U.S Department of Housing and Urban Development		
Direct Program		
Housing Voucher Cluster		
Housing Choice Voucher Program	14.871	\$868,442
Total Housing Choice Voucher Cluster		<u>\$868,442</u>
Total Expenditures of Federal Award		<u><u>\$868,442</u></u>

NOTE - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Expenditures is a summary of the activity of the Agency's federal award programs. The Schedule has been prepared on the accrual basis of accounting.

The Agency did not use DeMinimus rate of 10% for indirect costs charged to federal grants.

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Monroe County Metropolitan Housing Authority
Monroe County
P.O. Box 1388
Cambridge, OH 43725

To the Board of Commissioners:

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 (*Government Auditing Standards*), the financial statements of the business-type activities of the Monroe County Metropolitan Housing Authority, Monroe County, Ohio (the Authority), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated March 11, 2024.

Report on 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) as a basis for designing 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 or significant deficiencies may exist that were not identified.

Report on 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 financial statements. 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.



Keith Faber
Auditor of State
Columbus, Ohio

March 11, 2024



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Monroe County Metropolitan Housing Authority
Monroe County
1100 Maple Court
Cambridge, Ohio 43725

To the Board of Commissioners:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Monroe County Metropolitan Housing Authority's, Monroe County, Ohio (the Authority), compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on Monroe County Metropolitan Housing Authority's major federal program for the year ended June 30, 2023. Monroe County Metropolitan Housing Authority's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings.

In our opinion, Monroe County Metropolitan Housing Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2023.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

The Authority's Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Authority's federal program.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 this testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

March 11, 2024

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**MONROE COUNTY METROPOLITAN HOUSING AUTHORITY
MONROE COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2023**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list): <ul style="list-style-type: none"> • Housing Choice Voucher Cluster, AL #14.871 	
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	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.

OHIO AUDITOR OF STATE KEITH FABER



MONROE COUNTY METROPOLITAN HOUSING AUTHORITY

MONROE COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 3/21/2024

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov