



OHIO AUDITOR OF STATE
KEITH FABER



**BROWN METROPOLITAN HOUSING AUTHORITY
BROWN COUNTY
MARCH 31, 2024**

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OHIO AUDITOR OF STATE KEITH FABER



65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

INDEPENDENT AUDITOR'S REPORT

Brown Metropolitan Housing Authority
Brown County
406 W. Plum Street
Georgetown, Ohio 45121

To the Board of Directors:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Brown Metropolitan Housing Authority, Brown County, Ohio (Authority), as of and for the year ended March 31, 2024, 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 Brown Metropolitan Housing Authority, Brown County, Ohio as of March 31, 2024, and the changes in financial position and its cash flows 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 opinion. 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 Financial Data Schedules required by the Department of Housing and Urban Development are presented for purposes of additional analysis and are 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 Financial Data Schedules 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 November 27, 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
November 27, 2024

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**BROWN METROPOLITAN HOUSING AUTHORITY
MANAGEMENT’S DISCUSSION AND ANALYSIS
Year Ended March 31, 2024**

Unaudited

It is a privilege to present for you the financial picture of Brown Metropolitan Housing Authority. The Brown Metropolitan Housing Authority’s (the “Authority”) management’s discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority’s financial activity, (c) identify changes in the Authority’s financial position (its ability to address the next and subsequent year challenges), and (d) identify the single enterprise fund issues or concerns.

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

FINANCIAL HIGHLIGHTS

- The revenue increased by \$46,336 during 2024. Total revenues were \$403,235 and \$449,571 for 2023 and 2024, respectively.
- The total expenses increased by \$52,314. Total expenses were \$439,436 and \$491,750 for 2023 and 2024, respectively.

USING THIS ANNUAL REPORT

The 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.

MD&A ~ Management’s Discussion and Analysis ~
Basic Financial Statements ~ Statement of Net Position ~ ~ Statement of Revenues, Expenses and Change in Net Position ~ ~ Statement of Cash Flows ~ ~ Notes to the Basic Financial Statements ~
Supplementary Information ~ Financial Data Schedules ~ ~ Actual Modernization Costs ~

**BROWN METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED
Year Ended March 31, 2024**

Unaudited

BASIC FINANCIAL STATEMENTS

The basic financial statements are designed to be corporate-like in that all business-type programs are consolidated into one single enterprise fund for the 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, equals “Net Position”, formerly known as equity. Assets and liabilities are presented in order of liquidity, and are classified as “Current” (convertible into cash within one year), and “Non-current”.

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 equity) are reported in three broad categories (as applicable):

Net Position, Invested in Capital Assets, Net of Related Debt: This component of Net Position consists of all Capital Assets, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position: This component of Net Position consists of restricted assets, when constraints are placed on the asset by creditors (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”. This account resembles the old operating reserves account.

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

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

Finally, a Statement of Cash Flows 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’s programs that are consolidated into a single enterprise fund are as follows:

Project Total (Low-rent Public Housing & Capital Fund) – Under the Projects Program, the Authority rents units that it owns to low-income households. The Conventional Public Housing Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides Operating Subsidy to enable the PHA to provide the housing at a rent that is based upon 30% of adjusted gross household income. The Conventional Public Housing Program also includes the Capital Fund Program, which is the primary funding source for the Authority’s physical and management improvements. Funds are allocated by a formula allocation and based on size and age of the Authority’s units.

Housing Choice Voucher Program – Under the Housing Choice Voucher Program, the Authority subsidizes rents to independent landlords that own the property. The Authority subsidizes the family’s rent through a Housing Assistance Payment (HAP) made to the landlord. The program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides funding to enable the Authority to structure a lease that requires the participant to pay a rent based on a percentage of their adjusted gross household income, typically 30%, and the Housing Authority subsidizes the balance.

**BROWN METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED
Year Ended March 31, 2024**

Unaudited

BASIC FINANCIAL STATEMENTS

The following table reflects the condensed Statement of Net Position for this fiscal year compared to the prior year.

**TABLE 1
STATEMENT OF NET POSITION**

		2023	2024
Current and other assets		\$ 100,491	\$ 87,251
Capital assets		777,373	746,046
	TOTAL ASSETS	877,864	833,297
Current liabilities		22,670	20,282
	TOTAL LIABILITIES	22,670	20,282
Net Position:			
Invested in capital assets, net of related debt		777,373	746,046
Restricted net position		845	36,094
Unrestricted net position		76,976	30,875
	TOTAL NET POSITION	\$ 855,194	\$ 813,015

MAJOR FACTORS AFFECTING THE STATEMENT OF NET POSITION:

Current assets decreased due to the increase in operational expense.

Capital assets decreased due to the depreciation expense.

Net position decreased due to the decrease in unrestricted net position.

**BROWN METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED
Year Ended March 31, 2024**

Unaudited

The following schedule compares the revenues and expenses for the current and previous fiscal year.

**TABLE 2
STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION**

		2023	2024
Revenues			
Tenant Revenue - rents		\$ 46,119	\$ 42,484
Operating subsidies and grants		334,130	383,152
Capital grants		-	-
Interest income/other revenues		22,986	23,935
	TOTAL REVENUE	403,235	449,571
Expenses			
Administration		74,384	84,602
Utilities		26,719	28,458
Insurance		8,109	9,582
Maintenance		56,964	53,541
General		-	4,294
Bad Debt		-	-
Housing assistance payments		196,066	232,574
Depreciation		77,194	76,197
	TOTAL EXPENSES	439,436	489,248
Non-Operating Revenue (Expenses)			
Loss on Disposal of Assets		-	2,502
Beginning Net Position		891,395	855,194
	CHANGE IN NET POSITION	\$ (36,201)	\$ (42,179)
Ending Net Position		\$ 855,194	\$ 813,015

MAJOR FACTORS AFFECTING THE STATEMENT OF REVENUE, EXPENSES AND CHANGE IN NET ASSETS:

Total revenue increased due to increase in operating subsidies from HUD.

Total expenses also increased due to increases in HAP payments on behalf of the families we serve.

**BROWN METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED
Year Ended March 31, 2024**

Unaudited

**TABLE 3
CHANGE IN UNRESTRICTED NET POSITION**

Unrestricted Net Position 3/31/2023		\$ 76,976
Results from operations	(82,816)	
Adjustments:		
Depreciation (1)	76,197	
Adjusted results from operations		(6,619)
Net Capital expenditures		(39,482)
Unrestricted Net Position 3/31/2024		\$ 30,875

- (1) Depreciation is treated as an expense and reduces the results of operations, but does not have an impact on Unrestricted Net Position.

**BROWN METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED
Year Ended March 31, 2024**

Unaudited

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS

As of year-end, the Authority had \$746,046 invested in a variety of capital assets as reflected in the following schedule, which represents a net decrease of \$31,327 from the end of last fiscal year. See Note 5 for additional information

**TABLE 4
CAPITAL ASSETS AT YEAR-END
(NET OF DEPRECIATION)**

	2023	2024
Land and land rights	\$ 1,049	\$ 1,049
Building	2,150,794	2,190,276
Equipment - dwellings	25,303	25,303
Accumulated depreciation	(1,399,773)	(1,470,582)
TOTAL	\$ 777,373	\$ 746,046

The following reconciliation summarizes the change in Capital Assets.

**TABLE 5
CHANGE IN CAPITAL ASSETS**

BEGINNING BALANCE	\$ 777,373
Capital asset additions	39,482
Disposal of fixed asset	5,388
Depreciation	(76,197)
ENDING BALANCE	\$ 746,046

See Note 5 for additional information.

DEBT ADMINISTRATION

As of March 31, 2023, the Authority had no debt. There is no outstanding debt at March 31, 2024.

**BROWN METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED
Year Ended March 31, 2024**

Unaudited

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

- **COVID-19 spread through Ohio causing the State to close down. Many COVID funded program, like ARPA HRG, are ending and tenants are now expected to pay their rent on their own. Tenant rent revenue has decreased again this year. More jobs are available but the cost of living has increased more than the hourly wage. The Authority did receive 9 additional vouchers. Five vouchers specifically for veterans.**

FINANCIAL CONTACT

If you have any questions regarding this report, you may contact Samantha Patterson, Executive Director of the Brown Metropolitan Housing Authority at (937) 378-6041.

Respectfully submitted,

**Samantha Patterson
Executive Director.**

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BROWN METROPOLITAN HOUSING AUTHORITY
STATEMENT OF NET POSITION
March 31, 2024

ASSETS

Current Assets

Cash and cash equivalents	\$	46,402
Cash and cash equivalents-restricted	\$	36,094
Accounts receivable-net of allowance	\$	4,755
TOTAL CURRENT ASSETS	\$	87,251

Noncurrent Assets

Capital Assets

Land	\$	1,049
Other capital assets-net	\$	744,997
TOTAL NONCURRENT ASSETS	\$	746,046

TOTAL ASSETS \$ 833,297

LIABILITIES

Current Liabilities

Accounts payable	\$	11,681
Tenant security deposits	\$	8,601.00
TOTAL LIABILITIES	\$	20,282

NET POSITION

Net investment in capital assets	\$	746,046
Restricted net position	\$	36,094
Unrestricted net position	\$	30,875
TOTAL NET POSITION	\$	813,015

see accompanying notes to the basic financial statements

BROWN METROPOLITAN HOUSING AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION
Year Ended March 31, 2024

OPERATING REVENUES

HUD operating grants	\$	383,152
Tenant rental revenue	\$	42,484
Other revenue	\$	23,935
TOTAL OPERATING REVENUES	\$	449,571

OPERATING EXPENSES

Administrative	\$	84,602
Utilities	\$	28,458
Insurance	\$	9,582
Maintenance	\$	53,541
General	\$	4,294
Housing assistance payments	\$	232,574
Depreciation	\$	76,197
TOTAL OPERATING EXPENSES	\$	489,248

NET OPERATING (LOSS) \$ (39,677)

NON-OPERATING REVENUE (EXPENSES)

Loss on Disposal of Assets	\$	(2,502)
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CHANGE IN NET POSITION \$ (42,179)

NET POSITION BEGINNING OF YEAR

\$ 855,194

NET POSITION END OF YEAR \$ 813,015

see accompanying notes to the basic financial statements

BROWN METROPOLITAN HOUSING AUTHORITY
STATEMENT OF CASH FLOWS
Year Ended March 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash received from HUD	\$ 383,152.00
Cash received from tenants	\$ 41,686.00
Cash received from other revenue	\$ 23,935.00
Cash payments for housing assistance payments	\$ (232,574.00)
Cash payments for other operating expenses	<u>\$ (182,865.00)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 33,334.00

CASH FLOW FROM CAPITAL ACTIVITIES

Acquisition of capital assets	<u>\$ (47,372.00)</u>
NET CASH PROVIDED (USED) BY CAPITAL ACTIVITIES	\$ (47,372.00)

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS \$ (14,038.00)

CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR \$ 96,534.00

CASH AND CASH EQUIVALENTS AT END OF YEAR \$ 82,496.00

RECONCILIATION OF CHANGE IN NET POSITON TO NET CASH

PROVIDED BY OPERATING ACTIVITIES:

Change in net position	\$ (39,677.00)
Adjustments to reconcile change in net position to net cash provided by operating activities	
Depreciation	\$ 76,197.00
(Increase) decrease in:	
Receivables- net of allowance	\$ (798.00)
Increase (decrease) in:	
Accounts payable	\$ (1,714.00)
Tenant security deposits	<u>\$ (674.00)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ 33,334.00</u></u>

see accompanying notes to the basic financial statements

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BROWN METROPOLITAN HOUSING AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended March 31, 2024

1. DESCRIPTION OF THE REPORTING ENTITY

Reporting Entity

The Authority was created under the Ohio Revised Code, Section 3735.27 for the purpose of engaging in the development, acquisition and administrative activities of the low-income housing program and other programs with similar objectives. The Authority contracts with the United States Department of Housing and Urban Development (HUD) to provide low- and moderate-income persons with safe and sanitary housing through subsidies provided by HUD. The Authority depends on the subsidies from HUD to operate.

The financial statements of the Brown Metropolitan Housing Authority (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 in Note 2.

The accompanying basic 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 is obligated in some manner for the debt of the organizations.

Management believes the financial statements included in this report represent all of the funds of the Authority over which the Authority is financially accountable. The housing authority has no component units.

The following are the various programs which are included in the single enterprise fund:

Project Total (Low-rent Public Housing & Capital Fund) – Under the Projects Program, the Authority rents units that it owns to low-income households. The Conventional Public Housing Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides Operating Subsidy to enable the PHA to provide the housing at a rent that is based upon 30% of adjusted gross household income. The Conventional Public Housing Program also includes the Capital Fund Program, which is the primary funding source for the Authority’s physical and management improvements. Funds are allocated by a formula allocation and based on size and age of the Authority’s units.

BROWN METROPOLITAN HOUSING AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended March 31, 2024

1. DESCRIPTION OF THE REPORTING ENTITY - CONTINUED

Housing Choice Voucher Program – Under the Housing Choice Voucher Program, the Authority subsidizes rents to independent landlords that own the property. The Authority subsidizes the family’s rent through a Housing Assistance Payment (HAP) made to the landlord. The program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides funding to enable the Authority to structure a lease that requires the participant to pay a rent based on a percentage of their adjusted gross household income, typically 30%, and the Housing Authority subsidizes the balance.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Authority’s basic financial statements consist of a statement of net position, a statement of revenue, expenses and change in net position, and a statement of cash flows.

Fund Accounting

The Authority uses the proprietary fund to report on its financial position and the results of its operations for its programs. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. Funds are classified into three categories: governmental, proprietary and fiduciary. The Authority uses the proprietary category for its programs.

Proprietary Fund Types

Proprietary funds are used to account for the Authority’s ongoing activities, which are similar to those found in the private sector. The following is the proprietary fund type:

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 Authority has prepared its financial statements in conformity with accounting principles generally accepted in the United States of America. The Authority follows the business-type activities reporting requirements of GASB Statement No. 34, *Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments*. In accordance with GASB Statement No. 34, the accompanying basic financial statements are reported on an Authority-wide basis. GASB Statement No. 34 (as amended by GASB Statement No. 63) requires the following, which collectively make up the Authority’s basic financial statements: Statement of Net Position, Statement of Revenues, Expenses, and Change in Net Position, Statement of Cash Flows, and Notes to the Financial Statements.

Accounting and Reporting for Nonexchange Transactions

The Authority accounts for non-exchange transactions in accordance with Governmental Accounting Standards Board (GASB) Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*. Non-exchange transactions occur when the Public Housing Authority (PHA) receives (or gives) value without directly giving or receiving equal value in return.

PHA grants and subsidies will be defined as government-mandated or voluntary non-exchange transactions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

BROWN METROPOLITAN HOUSING AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended March 31, 2024

Accounting and Reporting for Nonexchange Transactions - Continued

GASB 33 establishes two distinct standards depending upon the kind of stipulation imposed by the provider.

- **Time requirements specify (a) the period when resources are required to be used or when use may begin (for example, operating or capital grants for a specific period) or (b) that the resources are required to be maintained intact in perpetuity or until a specified date or event has occurred (for example, permanent endowments, term endowments, and similar agreements). Time requirements affect the timing of recognition of nonexchange transactions.**
- **Purpose restrictions specify the purpose for which resources are required to be used. (i.e. capital grants used for the purchase of capital assets). Purpose restrictions do not affect when a nonexchange transaction is recognized. However, PHAs that receive resources with purpose restrictions should report resulting net position, equity, or fund balance as restricted.**

The PHA will recognize assets (liabilities) when all applicable eligibility requirements are met or resources received whichever is first. Eligibility requirements established by the provider may stipulate the qualifying characteristics of recipients, time requirements, allowable costs, and other contingencies.

The PHA will recognize revenues (expenses) when all applicable eligibility requirements are met. For transactions that have a time requirement for the beginning of the following period, PHAs should record resources received prior to that period as deferred revenue and the provider of those resources would record an advance.

The PHA receives government-mandated or voluntary nonexchange transactions, which do not specify time requirements. Upon award, the entire subsidy should be recognized as a receivable and revenue in the period when applicable eligibility requirements have been met.

Use of 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include all cash balances and highly liquid investments with a maturity of three months or less and include unrestricted cash of \$46,402 and restricted cash of \$36,094 for a total cash and cash equivalents of \$82,496. There were no amounts in excess of FDIC Insurance limits.

Investments

The provisions of the HUD Regulations restrict investments. Interest income earned in fiscal year ended March 31, 2024 for both programs totaled \$0.

Receivables – Net of Allowance

Bad debts are provided on the allowance method based on management’s evaluation of the collectability of outstanding tenant receivables at the end of the year. Management identified no receivables they believe to be uncollectible for the year ending March 31, 2024.

Capital Assets

Capital assets are stated at cost. The capitalization policy of the Authority is to depreciate all non-expendable personal property having a useful life of more than one year and purchase price of \$1,000 or more per unit. Depreciation is calculated using the straight-line method over the estimated useful lives as follows:

Buildings and improvements	15 – 40 years
Furniture, fixtures and equipment	3 – 7 years
Vehicles	5 years

Expenditures for repairs and maintenance are charged directly to expense as they are incurred. Expenditures

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

BROWN METROPOLITAN HOUSING AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended March 31, 2024

determined to represent additions or betterments are capitalized.

Due From/To Other Programs

On the basic financial statements, receivables and payables resulting from the short-term inter-program loans classified as due to/due from other programs on the FDS are eliminated.

Net Position

Net position represents the difference between assets and liabilities. Net position invested in capital assets – net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is recorded as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Authority or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The amounts reported as restricted net position at fiscal year-end represents the amounts restricted by HUD for future Housing Assistance Payments and amounts restricted as tenant security deposits. When an expense is incurred for purposes which both restricted and unrestricted net position is available, the Authority first applies restricted resources.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activities of the proprietary fund. For the Authority, operating revenues are tenant rent charges, operating subsidy from HUD and other miscellaneous revenue.

Operating expenses are those expenses that are expended directly for the primary activities of the proprietary fund. For the Authority, these expenses are administrative, utilities, maintenance, insurance, depreciation, bad debt and housing assistance payments.

Capital Grant

This represents grants provided by HUD that the Authority spends on capital assets. A Small PHA, with less than 250 units and is not listed as troubled under PHAS, may use up to 100% of its Capital Fund grant for operations. The Authority utilize capital grants this grant year of \$146 to help with operations of the program.

Budgetary Accounting

The Authority is required by contractual agreements to adopt annual, appropriated operating budgets for all its Enterprise Funds receiving federal expenditure awards. All budgets are prepared on a HUD basis, which is materially consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at fiscal year end. The Board of Commissioners adopts the budget through passage of a budget resolution.

3. DEPOSITS AND INVESTMENTS

Deposits

State statutes classify monies held by the Authority into three categories.

Active deposits are public deposits necessary to meet demands on the treasury. Such monies must be maintained either as cash in the Authority's treasury, in commercial accounts payable or withdrawn on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits identified as not required for use within the current two-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit account including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies, which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

Protection of Authority deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible

BROWN METROPOLITAN HOUSING AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended March 31, 2024

securities pledged by the financial institution as security for repayment, by collateral held by the Authority or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Based on the criteria described in GASB Statement No. 40, "Deposit and Investment Risk Disclosure," as of March 31, 2024, the Authority was not exposed to custodial risk because all of the funds on deposit were covered by federal depository insurance or by collateral held by the Authority's agent. Custodial credit risk is the risk that in the event of bank failure, the Authority will not be able to recover the deposits. At fiscal year-end March 31, 2024, the carrying amount of the Authority's deposits totaled \$82,496 and its bank balance was \$84,887.

Investments

In accordance with the Ohio Revised Code and HUD investment policy, the Authority is permitted to invest in certificates of deposit, savings accounts, money market accounts, certain highly rated commercial paper, obligations of certain political subdivisions of Ohio and the United States government and its agencies, and repurchase agreements with any eligible depository or any eligible dealer. Public depositories must give security for all public funds on deposit. Repurchase agreement must be secured by the specific qualifying securities upon which the repurchase agreements are based.

The Authority is prohibited from investing in any financial instruments, contracts, or obligations whose value or return is based upon or linked to another asset or index, or both, separate from the financial investment, contract, or obligation itself (commonly known as a derivative). The Authority is also prohibited from investing in reverse purchase agreements.

Interest Rate Risk – The Authority does not have a formal investment policy that limits investments as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – HUD requires specific collateral on individual accounts in excess of amounts insured by the Federal Deposit Insurance Corporation. The Authority depository agreement specifically requires compliance with HUD requirements.

Concentration of Credit Risk - The Authority places no limit on the amount that may be invested with any one issuer.

At March 31, 2024, the Authority did not have any investments.

4. INSURANCE AND 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.

The Authority participates in the State Housing Authorities Risk Pool (SHARP), a public entity risk plan that operates as a common risk management and insurance program for housing authorities. The authority pays insurance premiums directly to SHARP.

The authority continues to carry commercial insurance for other risks of loss. There has been no significant reduction in insurance coverage from the prior year. In addition, settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

5. CAPITAL ASSETS

The following is a summary of capital assets:

BROWN METROPOLITAN HOUSING AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended March 31, 2024

					Balance 3/31/2023	Additions/ Disposals/ Corrections	Balance 3/31/2024
CAPITAL ASSETS, NOT BEING DEPRECIATED							
	Land				\$ 1,049	\$ -	\$ 1,049
CAPITAL ASSETS, BEING DEPRECIATED							
	Buildings and improvements				\$ 2,150,794	\$ 39,482	\$ 2,190,276
	Furniture and equipment				\$ 25,303	\$ -	\$ 25,303
	Totals at Historical Costs				\$ 2,176,097	\$ 39,482	\$ 2,215,579
	Accumulated depreciation				\$ (1,399,773)	\$ (70,809)	\$ (1,470,582)
		TOTAL CAPITAL ASSETS, NET, BEING DEPRECIATED			\$ 776,324	\$ (31,327)	\$ 744,997
		TOTAL NET CAPITAL ASSETS			\$ 777,373	\$ (31,327)	\$ 746,046
	Accumulated Depreciation by Class:						
	Building and improvements						\$ 1,445,279
	Furniture and equipment						\$ 25,303
		TOTAL ACCUMULATED DEPRECIATION					\$ 1,470,582

6. FDS SCHEDULE SUBMITTED TO HUD

For the fiscal year ended March 31, 2024, the Authority electronically submitted an unaudited version of the balance sheet, statement of revenues, expenses and change in net position and other data to HUD as required on the GAAP basis. The FDS schedules follow the footnotes. The schedules are presented in the manner prescribed by the Department of Housing and Urban Development.

7. CONTRACT SERVICES

The Authority contracts with:

- Adams Brown Counties Economic Opportunities Inc. to provide financial services for the housing authority. The Authority does not have any employees; instead, services are subcontracted from Adams Brown Counties Economic Opportunities Inc.
- Adams Brown Counties Economic Opportunities Inc. to provide management and financial reporting services. Compensation shall be based on the amount allowed by HUD for performing these services.

8. CONTINGENT LIABILITIES

Under the terms of Federal grants, periodic audits are required, and certain costs may be questioned as not being appropriate expenses under the terms of the grants. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenses which may be disallowed by the grantor cannot be determined at this time, although the Authority expects such amounts, if any, to be immaterial.

9. HAP AND ADMINISTRATIVE TRACKING ACCOUNTS

The Authority is required to track its housing choice voucher program equity accounts in two tracking accounts as follows:

BROWN METROPOLITAN HOUSING AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended March 31, 2024

	Restricted		Total
	HAP	Administrative	
Balance 3/31/2023	\$ 845	\$ 15,772	\$ 16,617
HAP received	\$ 237,696	\$ -	\$ 237,696
Administrative received	\$ -	\$ 41,735	\$ 41,735
HAP expenses	\$ (211,048)	\$ (4,294)	\$ (215,342)
Administrative expenses	\$ -	\$ (36,746)	\$ (36,746)
Other income	\$ -	\$ 2,359	\$ 2,359
Balance 3/31/2024	\$ 27,493	\$ 18,826	\$ 46,319

10. SUBSEQUENT EVENTS

Management has evaluated subsequent events through August 30, 2024, the date the financial statements were available to be issued. Any subsequent events after that date have not been evaluated.

The Housing Authority's operations were affected by the recent and ongoing outbreak of the coronavirus disease (Covid-19) which was declared a pandemic by the World Health Organization in March 2020. The ultimate disruption caused an adverse impact on the Housing Authority's financial position, operations and cash flows. The reduction of tenant's dwelling rent due to the increased unemployment, absenteeism in the Housing Authority's workforce, unavailability of products and supplies, and reduced accessibility to contractors was due to COVID-19.

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Brown Metropolitan Housing Authority (OH081)

GEORGETOWN, OH

Entity Wide Balance Sheet Summary

Submission Type: Unaudited/Non Single Audit

Fiscal Year End: 03/31/2024

	Project Total	14.871 Housing Choice Vouchers	Subtotal	Total
111 Cash - Unrestricted	\$27,575	\$18,827	\$46,402	\$46,402
112 Cash - Restricted - Modernization and Development				
113 Cash - Other Restricted		\$27,493	\$27,493	\$27,493
114 Cash - Tenant Security Deposits	\$8,601		\$8,601	\$8,601
115 Cash - Restricted for Payment of Current Liabilities				
100 Total Cash	\$36,176	\$46,320	\$82,496	\$82,496
121 Accounts Receivable - PHA Projects				
122 Accounts Receivable - HUD Other Projects				
124 Accounts Receivable - Other Government				
125 Accounts Receivable - Miscellaneous				
126 Accounts Receivable - Tenants	\$4,713		\$4,713	\$4,713
126.1 Allowance for Doubtful Accounts -Tenants	\$0		\$0	\$0
126.2 Allowance for Doubtful Accounts - Other		\$0	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current	\$2,199		\$2,199	\$2,199
128 Fraud Recovery				
128.1 Allowance for Doubtful Accounts - Fraud	-\$2,157		-\$2,157	-\$2,157
129 Accrued Interest Receivable				
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$4,755	\$0	\$4,755	\$4,755
131 Investments - Unrestricted				
132 Investments - Restricted				
135 Investments - Restricted for Payment of Current Liability				
142 Prepaid Expenses and Other Assets				
143 Inventories				
143.1 Allowance for Obsolete Inventories				
144 Inter Program Due From				
145 Assets Held for Sale				
150 Total Current Assets	\$40,931	\$46,320	\$87,251	\$87,251
161 Land	\$1,049		\$1,049	\$1,049
162 Buildings	\$2,190,276		\$2,190,276	\$2,190,276
163 Furniture, Equipment & Machinery - Dwellings	\$25,303		\$25,303	\$25,303
164 Furniture, Equipment & Machinery - Administration				
165 Leasehold Improvements				
166 Accumulated Depreciation	-1470582.00		-1470582.00	-1470582.00
167 Construction in Progress				
168 Infrastructure				
160 Total Capital Assets, Net of Accumulated Depreciation	\$746,046	\$0	\$746,046	\$746,046

Brown Metropolitan Housing Authority (OH081)

GEORGETOWN, OH

Entity Wide Balance Sheet Summary

Submission Type: Unaudited/Non Single
Audit

Fiscal Year End: 03/31/2024

	Project Total	14.871 Housing Choice Vouchers	Subtotal	Total
171 Notes, Loans and Mortgages Receivable - Non-Current				
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due				
173 Grants Receivable - Non Current				
174 Other Assets				
176 Investments in Joint Ventures				
180 Total Non-Current Assets	\$746,046	\$0	\$746,046	\$746,046
200 Deferred Outflow of Resources				
290 Total Assets and Deferred Outflow of Resources	\$786,977	\$46,320	\$833,297	\$833,297.00
311 Bank Overdraft				
312 Accounts Payable <= 90 Days	\$11,681		\$11,681	\$11,681
313 Accounts Payable >90 Days Past Due				
321 Accrued Wage/Payroll Taxes Payable				
322 Accrued Compensated Absences - Current Portion				
324 Accrued Contingency Liability				
325 Accrued Interest Payable				
331 Accounts Payable - HUD PHA Programs				
332 Account Payable - PHA Projects				
333 Accounts Payable - Other Government				
341 Tenant Security Deposits	\$8,601		\$8,601	\$8,601
342 Unearned Revenue				
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue				
344 Current Portion of Long-term Debt - Operating Borrowings				
345 Other Current Liabilities				
346 Accrued Liabilities - Other				
347 Inter Program - Due To				
348 Loan Liability - Current				
310 Total Current Liabilities	\$20,282	\$0	\$20,282	\$20,282
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue				
352 Long-term Debt, Net of Current - Operating Borrowings				
353 Non-current Liabilities - Other				
354 Accrued Compensated Absences - Non Current				
355 Loan Liability - Non Current				
356 FASB 5 Liabilities				
357 Accrued Pension and OPEB Liabilities				
350 Total Non-Current Liabilities	\$0	\$0	\$0	\$0
300 Total Liabilities	\$20,282	\$0	\$20,282	\$20,282
400 Deferred Inflow of Resources				
508.4 Net Investment in Capital Assets	\$746,046	\$0	\$746,046	\$746,046
511.4 Restricted Net Position	\$8,601	\$27,493	\$36,094	\$36,094
512.4 Unrestricted Net Position	\$12,048	\$18,827	\$30,875	\$30,875
513 Total Equity - Net Assets / Position	\$766,695	\$46,320	\$813,015	\$813,015
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$786,977	\$46,320	\$833,297	\$833,297

Brown Metropolitan Housing Authority (OH081)

GEORGETOWN, OH

Entity Wide Revenue and Expense Summary

Submission Type: Unaudited/Non Single Audit

Fiscal Year End:

03/31/2024

	Project Total	14.871 Housing Choice Vouchers	Subtotal	Total
70300 Net Tenant Rental Revenue	\$42,235		\$42,235	\$42,235
70400 Tenant Revenue - Other	\$249		\$249	\$249
70500 Total Tenant Revenue	\$42,484	\$0	\$42,484	\$42,484
70600 HUD PHA Operating Grants	\$103,721	\$279,431	\$383,152	\$383,152
71500 Other Revenue	\$50	\$23,885	\$23,935	\$23,935
71600 Gain or Loss on Sale of Capital Assets	(2502)		(2502)	(2502)
72000 Investment Income - Restricted				
70000 Total Revenue	\$143,753	\$303,316	\$447,069	\$447,069
91100 Administrative Salaries				
91200 Auditing Fees	\$3,003	\$3,003	\$6,006	\$6,006
91300 Management Fee	\$35,000	\$33,742	\$68,742	\$68,742
91310 Book-keeping Fee				
91400 Advertising and Marketing	\$566		\$566	\$566
91500 Employee Benefit contributions - Administrative				
91600 Office Expenses	\$8,693		\$8,693	\$8,693
91700 Legal Expense	\$550		\$550	\$550
91800 Travel	\$45		\$45	\$45
91810 Allocated Overhead				
91900 Other				
91000 Total Operating - Administrative	\$47,857	\$36,745	\$84,602	\$84,602
93100 Water	\$6,961		\$6,961	\$6,961
93200 Electricity	\$264		\$264	\$264
93300 Gas	\$187		\$187	\$187
93400 Fuel				
93500 Labor				
93600 Sewer	\$12,532		\$12,532	\$12,532
93700 Employee Benefit Contributions - Utilities				
93800 Other Utilities Expense	\$8,514		\$8,514	\$8,514
93000 Total Utilities	\$28,458	\$0	\$28,458	\$28,458
94100 Ordinary Maintenance and Operations - Labor	\$17,759		\$17,759	\$17,759
94200 Ordinary Maintenance and Operations - Materials and Other	\$11,762		\$11,762	\$11,762
94300 Ordinary Maintenance and Operations Contracts	\$24,020		\$24,020	\$24,020
94500 Employee Benefit Contributions - Ordinary Maintenance				
94000 Total Maintenance	\$53,541	\$0	\$53,541	\$53,541

Brown Metropolitan Housing Authority (OH081)

GEORGETOWN, OH

Entity Wide Revenue and Expense Summary

Submission Type: Unaudited/Non Single Audit

Fiscal Year End:

03/31/2024

	Project Total	14.871 Housing Choice Vouchers	Subtotal	Total
96110 Property Insurance	\$9,582		\$9,582	\$9,582
96120 Liability Insurance				
96130 Workmen's Compensation				
96140 All Other Insurance				
96100 Total insurance Premiums	\$9,582	\$0	\$9,582	\$9,582
96200 Other General Expenses		\$4,294	\$4,294	\$4,294
96210 Compensated Absences				
96300 Payments in Lieu of Taxes				
96400 Bad debt - Tenant Rents				
96500 Bad debt - Mortgages				
96600 Bad debt - Other				
96800 Severance Expense				
96000 Total Other General Expenses	\$0	\$4,294	\$4,294	\$4,294
96900 Total Operating Expenses	\$139,438	\$41,039	\$180,477	\$180,477
97000 Excess of Operating Revenue over Operating Expenses	\$4,315	\$262,277	\$266,592	\$266,592
97100 Extraordinary Maintenance				
97200 Casualty Losses - Non-capitalized				
97300 Housing Assistance Payments		\$211,048	\$211,048	\$211,048
97350 HAP Portability-In		\$21,526	\$21,526	\$21,526
97400 Depreciation Expense	\$76,197		\$76,197	\$76,197
97500 Fraud Losses				
97600 Capital Outlays - Governmental Funds				
97700 Debt Principal Payment - Governmental Funds				
97800 Dwelling Units Rent Expense				
90000 Total Expenses	\$215,635	\$273,613	\$489,248	\$489,248
10010 Operating Transfer In	\$146		\$146	\$146
10020 Operating transfer Out	(\$146)		(\$146)	(\$146)
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	(\$71,882)	\$29,703	(\$42,179)	(\$42,179)
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$838,577	\$16,617	\$855,194	\$855,194
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors				
11170 Administrative Fee Equity		\$18,827	\$18,827	\$18,827
11180 Housing Assistance Payments Equity		\$27,493	\$27,493	\$27,493
11190 Unit Months Available	228	564	792	792
11210 Number of Unit Months Leased	224	504	728	728
11270 Excess Cash	\$9,030		\$9,030	\$9,030
11610 Land Purchases	\$0		\$0	\$0
11620 Building Purchases	\$39,482		\$39,482	\$39,482
11630 Furniture & Equipment - Dwelling Purchases	\$0		\$0	\$0
11640 Furniture & Equipment - Administrative Purchases	\$0		\$0	\$0
11650 Leasehold Improvements Purchases	\$0		\$0	\$0
11660 Infrastructure Purchases	\$0		\$0	\$0
13510 CFFP Debt Service Payments	\$0		\$0	\$0
13901 Replacement Housing Factor Funds	\$0		\$0	\$0

OHIO AUDITOR OF STATE KEITH FABER



65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

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

Brown Metropolitan Housing Authority
Brown County
406 W. Plum Street
Georgetown, Ohio 45121

To the Board of Directors:

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 Brown Metropolitan Housing Authority, Brown County, (the Authority) as of and for the year ended March 31, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated November 27, 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
November 27, 2024

OHIO AUDITOR OF STATE KEITH FABER



BROWN METROPOLITAN HOUSING AUTHORITY

BROWN 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 12/5/2024

65 East State 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