

Monroe Metropolitan Housing Authority

Financial Statements

For the Year Ended June 30, 2017





# Dave Yost • Auditor of State

Board of Commissioners  
Monroe County Metropolitan Housing Authority  
PO Box 1388  
Cambridge, OH 43725

We have reviewed the *Independent Auditor's Report* of the Monroe County Metropolitan Housing Authority, Monroe County, prepared by Salvatore Consiglio, CPA, Inc., for the audit period July 1, 2016 through June 30, 2017. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

January 18, 2018

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MONROE METROPOLITAN HOUSING AUTHORITY  
AUDIT REPORT  
FOR THE YEAR ENDED JUNE 30, 2017

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-8
Financial statements:	
Statement of Net Position	9
Statement of Revenue, Expenses and Change in Net position	10
Statement of Cash Flows	11
Notes to the Financial statements	12-16
Supplemental Data:	
Financial Data Schedule	17-18
Schedule of Expenditures of Federal Awards	19
Notes to the Schedule of Expenditure of Federal Awards	20
Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	21-22
Report on Compliance For Each Major Program and on Internal Control over Compliance in Accordance Required by the Uniform Guidance	23-24
Schedule of Findings	25
Schedule of Prior Audit Findings	26

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## INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Monroe Metropolitan Housing Authority

I have audited the accompanying financial statements of the business-type activities of Monroe Metropolitan Housing Authority, Ohio, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

## **Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Monroe Metropolitan Housing Authority as of June 30, 2017, and the respective changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Monroe Metropolitan Housing Authority, Ohio's basic financial statements. The accompanying financial data schedule (FDS) is not a required part of the basic financial statements. The Schedule of Expenditure of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is not a required part of the financial statements.

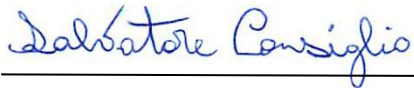
The financial data schedule (FDS) is presented for purposes of additional analysis as required by the Department of Housing and Urban Development and is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the Schedule of Expenditure of Federal Awards



and the financial data schedule ("FDS") 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*, I have also issued my report dated December 22, 2017, on my consideration of the Authority's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of my internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Entity's internal control over financial reporting and compliance.



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Salvatore Consiglio, CPA, Inc.  
North Royalton, Ohio  
December 22, 2017

MONROE METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
JUNE 30, 2017  
Unaudited

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 2017 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 \$22,589 (or 61.46 percent) during fiscal year ended 2017. Since the Authority engages only in business-type activities, the increase is all in the category of business-type net position. Net Position is \$14,164 and \$36,753 for 2017 and 2016 respectively.
- The business-type activities total revenue decreased by \$56,821 (or 6.28 percent) during fiscal year ending 2017, and the amounts were \$848,586 and \$905,407 for 2017 and 2016 respectively.
- The total expenses of the Authority programs decreased by \$6,161 (or .70 percent). Total expenses are \$871,175 and \$877,336 for fiscal year ending 2017 and 2016 respectively.

**USING THIS ANNUAL REPORT**

This is a different presentation of the Authority’s previous financial statements. The following graphic outlines these changes and are provided for your review:

M D & A -Management Discussion and Analysis-
Basic Financial Statements -Statement of Net Position- -Statement of Revenues, Expenses and Changes in Net Position- -Statement of Cash Flows- -Notes to Financial Statements-

MONROE METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2017  
Unaudited

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.

**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 position. 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 net position) 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.

MONROE METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2017  
Unaudited

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.

**AUTHORITY PROGRAMS**

Housing Choice Voucher Program (HCV) – Under the Housing Choice Voucher Program, the Authority administers contracts with independent landlords the 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.

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

**TABLE 1  
STATEMENT OF NET POSITION**

	<u>2017</u>	<u>2016</u>
Current Assets	\$ 21,759	\$ 47,817
Total Assets	<u>\$ 21,759</u>	<u>\$ 47,817</u>
Current Liabilites	\$ 6,402	\$ 10,280
Noncurrent Liabilities	1,193	784
Total Liabilities	<u>\$ 7,595</u>	<u>\$ 11,064</u>
Net Position:		
Restricted	\$ 1,395	\$ 23,436
Unrestricted	12,769	13,317
Total Net Position	<u>\$ 14,164</u>	<u>\$ 36,753</u>

**Major Factors Affecting the Statement of Net Position**

During 2017, current assets decreased by \$26,058, and total liabilities decreased by \$3,469. The decrease in current assets is mainly due to the change in cash due to funding received from HUD. The decrease in liability is due to the yearend outstanding balance due to Cambridge Metropolitan Housing Authority for management fee.

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

MONROE METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2017  
Unaudited

**TABLE 2**  
**CHANGE OF NET POSITION**

	<u>Unrestricted</u>	<u>Restricted</u>
Beginning Balance - June 30, 2016	\$ 13,317	\$ 23,436
Results of Operation	(548)	(22,041)
Ending Balance - June 30, 2017	\$ 12,769	\$ 1,395

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 on in Business-Type Activities.

**TABLE 3**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

	<u>2017</u>	<u>2016</u>
<b><u>Revenues</u></b>		
Operating Subsidies	\$ 848,360	\$ 902,451
Investment Income	17	16
Other Revenues	209	2,940
<b>Total Revenues</b>	<b>848,586</b>	<b>905,407</b>
<b><u>Expenses</u></b>		
Administrative	96,831	100,233
Housing Assistance Payments	774,344	777,103
<b>Total Expenses</b>	<b>871,175</b>	<b>877,336</b>
<b>Net Increases (Decreases)</b>	<b>\$ (22,589)</b>	<b>\$ 28,071</b>

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

Operating Subsidy reflects a decrease of \$54,091 or 5.99%. This decrease was due to the way that the Department of Housing and Urban Development funds housing authorities for housing assistance payment.

MONROE METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2017  
Unaudited

Total expenses decreased \$6,161 due mainly to decreases in housing assistance payments and decrease in administrative expenses.

**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 Jolinda Baranich, Executive Director, Monroe Metropolitan Housing Authority, P.O. Box 1388, Monroe, OH 43725.

**MONROE METROPOLITAN HOUSING AUTHORITY**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2017**

**ASSETS**

**Current assets**

Cash and cash equivalents	\$	19,171
Restricted cash and cash equivalents		2,588
<b>Total current assets</b>		<u><b>21,759</b></u>
<b>Total assets</b>	<b>\$</b>	<u><b>21,759</b></u>

**LIABILITIES**

**Current liabilities**

Accounts payable	\$	6,402
<b>Total current liabilities</b>		<u><b>6,402</b></u>

**Noncurrent liabilities**

Noncurrent liabilities - other		1,193
<b>Total noncurrent liabilities</b>		<u><b>1,193</b></u>
<b>Total liabilities</b>	<b>\$</b>	<u><b>7,595</b></u>

**NET POSITION**

Restricted net position	\$	1,395
Unrestricted net position		12,769
<b>Total net position</b>		<u><b>14,164</b></u>
<b>Total liabilities and net position</b>	<b>\$</b>	<u><b>21,759</b></u>

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, 2017**

***OPERATING REVENUES***

Government operating grants	\$ 848,360
Other revenue	209
<b>Total operating revenues</b>	<b><u>848,569</u></b>

***OPERATING EXPENSES***

Administrative	96,831
Housing assistance payment	774,344
<b>Total operating expenses</b>	<b><u>871,175</u></b>
<b>Operating income (loss)</b>	<b><u>(22,606)</u></b>

***NONOPERATING REVENUES (EXPENSES)***

Interest Income	<u>17</u>
<b>Total nonoperating revenues (expenses)</b>	<b><u>17</u></b>
Change in net position	(22,589)
Total net position - beginning	36,753
<b>Total net position - ending</b>	<b><u>\$ 14,164</u></b>

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



**MONROE METROPOLITAN HOUSING AUTHORITY**  
**Statement of Cash Flows**  
**Proprietary Fund Type**  
**For the Year Ended June 30, 2017**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Operating grants received	\$ 849,423
Other revenue received	209
Cash payments for administrative	(100,300)
Cash payments for HAP	(774,344)
	<u>(25,012)</u>

**Net cash provided (used) by operating activities** **(25,012)**

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest earned	<u>17</u>
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**Net cash provided (used) by investing activities** **17**

Net increase (decrease) in cash	(24,995)
Cash and cash equivalents - Beginning of year	<u>46,754</u>

**Cash and cash equivalents - End of year** **\$ 21,759**

**RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES**

Net Operating Income (Loss)	\$ (22,606)
Adjustment to Reconcile Operating Loss to Net Cash Used by Operating Activities	
- (Increases) Decreases in Accounts Receivable	1,063
- Increases (Decreases) in Accounts Payable	(3,878)
- Increases (Decreases) in Non-Current Liabilities Other	409
	<u>409</u>

**Net cash provided by operating activities** **\$ (25,012)**

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

**MONROE METROPOLITAN HOUSING AUTHORITY**  
**WOODSFIELD, OHIO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

**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**  
**WOODSFIELD, OHIO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**  
**(CONTINUED)**

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

**Basis of Presentation** (Continued)

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

**Measurement Focus and Basis of Accounting**

The enterprise fund is accounted for on a flow of economic resources measurement focus and the accrual basis of accounting. All assets and all liabilities associated with the operation of the Authority are included on the statement of net position. The statement of 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 charges to tenants for rent and 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 non-profit, tax exempt entity under the Internal Revenue Code.

**MONROE METROPOLITAN HOUSING AUTHORITY**  
**WOODSFIELD, OHIO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**  
**(CONTINUED)**

**NOTE 2: DEPOSITS AND INVESTMENTS**

**Deposits**

At fiscal year end, the carrying amount of the Authority's deposits was \$21,759 and the bank balance was \$21,759. Based on criteria described in GASB Statement No. 40, *Deposits and Investments Risk Disclosures*, as of June 30, 2017, the Authority's bank balance of \$46,754 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 at June 30, 2017. 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	\$1,193
HUD advances for housing assistance payments	\$1,395

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**  
**WOODSFIELD, OHIO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**  
**(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 transfers to Cambridge the monthly earned administrative fees as determinable by the Department of Housing and Urban Development. Total management fees for the fiscal year ended June 30, 2017 were \$75,233.

**MONROE METROPOLITAN HOUSING AUTHORITY**  
**WOODSFIELD, OHIO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**  
**(CONTINUED)**

**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 December 22, 2017, the date on which the financial statements were available to be issued.

Monroe Metropolitan Housing Authority (OH058)

Cambridge, OH

Financial Data Schedule

06/30/2017

	14.871 Housing Choice Vouchers	Total
111 Cash - Unrestricted	\$19,171	\$19,171
113 Cash - Other Restricted	\$2,588	\$2,588
100 Total Cash	\$21,759	\$21,759
150 Total Current Assets	\$21,759	\$21,759
290 Total Assets and Deferred Outflow of Resources	\$21,759	\$21,759
312 Accounts Payable <= 90 Days	\$6,402	\$6,402
345 Other Current Liabilities	\$1,193	\$1,193
310 Total Current Liabilities	\$7,595	\$7,595
350 Total Non-Current Liabilities	\$0	\$0
300 Total Liabilities	\$7,595	\$7,595
400 Deferred Inflow of Resources	\$0	\$0
508.4 Net Investment in Capital Assets	\$0	\$0
511.4 Restricted Net Position	\$1,395	\$1,395
512.4 Unrestricted Net Position	\$12,769	\$12,769
513 Total Equity - Net Assets / Position	\$14,164	\$14,164
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$21,759	\$21,759
70600 HUD PHA Operating Grants	\$848,360	\$848,360
71100 Investment Income - Unrestricted	\$17	\$17
71500 Other Revenue	\$209	\$209
70000 Total Revenue	\$848,586	\$848,586
91200 Auditing Fees	\$6,243	\$6,243
91300 Management Fee	\$75,233	\$75,233

Monroe Metropolitan Housing Authority (OH058)

Cambridge, OH

**Financial Data Schedule**

**06/30/2017**

	14.871 Housing Choice Vouchers	Total
91900 Other	\$15,355	\$15,355
91000 Total Operating - Administrative	\$96,831	\$96,831
96900 Total Operating Expenses	\$96,831	\$96,831
97000 Excess of Operating Revenue over Operating Expenses	\$751,755	\$751,755
97300 Housing Assistance Payments	\$774,168	\$774,168
97350 HAP Portability-In	\$176	\$176
90000 Total Expenses	\$871,175	\$871,175
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	(\$22,589)	-\$22,589
11030 Beginning Equity	\$36,753	\$36,753
11170 Administrative Fee Equity	\$12,769	\$12,769
11180 Housing Assistance Payments Equity	\$1,395	\$1,395
11190 Unit Months Available	2,148	2148
11210 Number of Unit Months Leased	2,141	2141



Monroe Metropolitan Housing Authority  
Schedule of Expenditure of Federal Award  
For the Year Ended June 30, 2017

<b>FEDERAL GRANTOR / PASS THROUGH GRANTOR PROGRAM TITLES</b>	<b>CFDA NUMBER</b>	<b>EXPENDITURES</b>
<b>U.S. Department of Housing and Urban Development Direct Program</b>		
Housing Choice Voucher Program	14.871	<u>\$848,360</u>
<b>Total Expenditure of Federal Award</b>		<u><b>\$848,360</b></u>

**MONROE METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Authority and is presented on the full accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

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

**NOTE B – SUBRECIPIENTS**

The Authority provided no federal awards to subrecipients during the year ended June 30, 2017.

**NOTE C – DISCLOSURE OF OTHER FORMS OF ASSISTANCE**

The Authority received no federal awards of non-monetary assistance that are required to be disclosed for the year ended June 30, 2017.

The Authority had no loans, loan guarantees, or federally restricted endowment funds required to be disclosed for the year ended June 30, 2017.



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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT  
AUDITING STANDARDS**

Board of Commissioners  
Monroe Metropolitan Housing Authority

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Monroe Metropolitan Housing Authority, Ohio, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Monroe Metropolitan Housing Authority, Ohio's basic financial statements, and have issued my report thereon dated December 22, 2017.

**Internal Control over Financial Reporting**

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

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

My 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 my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

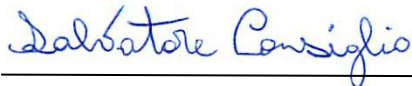
### **Compliance and Other Matters**

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

I did note a certain matter requiring inclusion in this report that I reported to the Authority's management in a separate letter dated December 22, 2017.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



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Salvatore Consiglio, CPA, Inc.  
North Royalton, Ohio  
December 22, 2017



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## **REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Board of Commissioners  
Monroe Metropolitan Housing Authority

### **Report on Compliance for Each Major Federal Program**

I have audited Monroe Metropolitan Housing Authority's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Monroe Metropolitan Housing Authority's major federal program for the year ended June 30, 2017. The Authority's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### ***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

#### ***Auditor's Responsibility***

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

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal program. However, my audit does not provide a legal determination of the Authority's compliance.

## **Opinion on Each Major Federal Program**

In my opinion, Monroe Metropolitan Housing Authority, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2017.

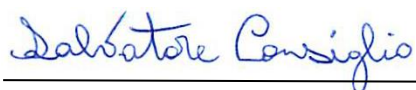
## **Report on Internal Control over Compliance**

Management of the Monroe Metropolitan Housing Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the Authority's internal control over compliance.

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

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

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



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Salvatore Consiglio, CPA, Inc.  
North Royalton, Ohio  
December 22, 2017

Monroe Metropolitan Housing Authority  
 Schedule of Findings  
 2 CFR § 200.515  
 June 30, 2017

**1. SUMMARY OF AUDITOR'S RESULTS**

Type of Financial Statement Opinion	Unmodified
Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
Were there any reported material noncompliance at the financial statement level (GAGAS)?	No
Were there any material weaknesses in internal control reported for major federal programs?	No
Were there any significant deficiencies in internal control reported for major federal programs?	No
Type of Major Programs' Compliance Opinion	Unmodified
Are there any reportable findings under 2 CFR § 200.516(a)?	No
Major Programs (list):	<ul style="list-style-type: none"> <li>• CFDA # 14.871 Housing Choice Voucher Program</li> </ul>
Dollar Threshold: Type A/B Programs	Type A: > \$750,000 Type B: All Others
Low Risk Auditee under 2 CFR § 200.520?	Yes

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
 REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

There are no Findings or questioned costs for the year ended June 30, 2017.

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

There are no Findings or questioned costs for the year ended June 30, 2017.

Monroe Metropolitan Housing Authority  
Schedule of Prior Audit Findings  
June 30, 2017

The audit report for the fiscal year ending June 30, 2016 contained no audit findings.





# Dave Yost • Auditor of State

**MONROE COUNTY METROPOLITAN HOUSING AUTHORITY**

**MONROE COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JANUARY 30, 2018**