

**MONROE METROPOLITAN HOUSING AUTHORITY**

Monroe County

Single Audit

For the Fiscal Year Ended June 30, 2020



OHIO AUDITOR OF STATE  
KEITH FABER



88 East Broad Street  
Columbus, Ohio 43215  
IPAReport@ohioauditor.gov  
(800) 282-0370

Board of Trustees  
Monroe Metropolitan Housing Authority  
P. O. Box 1388  
1100 Maple Court  
Cambridge, Ohio 43725

We have reviewed the *Independent Auditor's Report* of the Monroe Metropolitan Housing Authority, Monroe County, prepared by Kevin L. Penn, Inc., for the audit period July 1, 2019 through June 30, 2020. 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 Metropolitan Housing Authority is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

January 7, 2021

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**MONROE METROPOLITAN HOUSING AUTHORITY  
MONROE, OHIO**

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Kevin L.  
**Penn, Inc.**

Certified Public Accountant  
11811 Shaker Boulevard, Suite 421  
Cleveland, Ohio 44120  
(216)421-1000  
Fax:(216)421-1001  
Email: klpenncpa@aol.com

## **INDEPENDENT AUDITOR'S REPORT**

Board of Trustees  
Monroe Metropolitan Housing Authority  
Cambridge, Ohio

### ***Report on the Financial Statements***

I have audited the accompanying financial statements of the business-type activities of the Monroe Metropolitan Housing Authority, Monroe County, Ohio (the Authority), as of and for the year ended June 30, 2020, 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 preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

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

My responsibility is to opine on these financial statements based on my audit. I audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on my judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, I consider internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Authority's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as my evaluation of the overall financial statement presentation.

I believe the audit evidence I obtained is sufficient and appropriate to support 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 Monroe Metropolitan Housing Authority, Monroe County, Ohio, as of June 30, 2020, and the respective changes in financial position and cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

## ***Emphasis of Matter***

As discussed in Note 7 to the financial statements, during 2020, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Monroe Metropolitan Housing Authority. I did not modify our opinion regarding this matter.

## ***Other Matters***

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, on pages 4 through 7 be presented to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. I applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, to the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not opine or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to opine or provide any other assurance.

### *Supplementary*

My audit was conducted to opine on the Monroe Metropolitan Housing Authority's basic financial statements taken as a whole. The Supplemental Financial Data Schedules present additional analysis and is not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards presents 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 Supplemental Financial Data Schedules and Schedule of Federal Award Expenditures is management's responsibility and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. I subjected these schedules to the auditing procedures I applied to the basic financial statements. I also applied certain additional procedures, including comparing and reconciling this 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, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, I have also issued my report dated November 20, 2020 on my consideration of the Monroe Metropolitan Housing 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 Monroe Metropolitan Housing Authority's internal control over financial reporting and compliance.

Kevin L. Penn, Inc.  
Cleveland, Ohio

November 20, 2020

MONROE METROPOLITAN HOUSING AUTHORITY  
 MONROE COUNTY  
 MANAGEMENT’S DISCUSSION AND ANALYSIS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
 (UNAUDITED)

**MANAGEMENT’S DISCUSSION AND ANALYSIS**

The Monroe Metropolitan Housing Authority’s (“the Authority”) Management’s Discussion and Analysis (MD&A) is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority’s financial activity, (c) identify changes in the Authority’s position, and (d) identify individual fund issues of concerns.

Since the MD&A is designed to focus of the 2020 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 increased by \$2,852 (or 23.88 percent) during fiscal year ended 2020. Since the Authority engages only in business-type activities, the increase is all in the category of business-type net position. Net Position is \$11,943 and \$14,795 for 2019 and 2020 respectively.

The business-type activities total revenue increased by \$41,922 (or 5.08 percent) during fiscal year ending 2020 and is and \$825,630 and \$867,552 for 2019 and 2020 respectively.

The total expenses of the Authority programs increased by \$38,574 (or 4.67 percent). Total expenses are \$826,126 and \$864,700 for fiscal year ending 2019 and 2020 respectively.

**USING THIS ANNUAL REPORT**

The Report includes the following sections:

MD&A ~ Management’s 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 the Basic Financial Statements ~
Other Required Supplementary Information ~ Required Supplementary Information (Pension Schedules) ~
Supplementary and Other Information ~ Financial Data Schedules ~ ~ Schedule of Federal Awards Expenditures ~

MONROE METROPOLITAN HOUSING AUTHORITY  
MONROE COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(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.

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.

MONROE METROPOLITAN HOUSING AUTHORITY  
 MONROE COUNTY  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
 (UNAUDITED)

**AUTHORITY STATEMENTS**

**Statement of Net Position**

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

**STATEMENT OF NET POSITION**

	<u>2020</u>	<u>2019</u>
Current Assets	\$ <u>57,699</u>	\$ <u>28,788</u>
Total Assets	\$ <u>57,699</u>	\$ <u>28,788</u>
Current Liabilities	\$ 27,430	\$ 7,199
Noncurrent Liabilities	<u>15,474</u>	<u>9,646</u>
Total Liabilities	\$ <u>42,904</u>	\$ <u>16,845</u>
Net Position:		
Restricted	\$ -	\$ -
Unrestricted	<u>14,795</u>	<u>11,943</u>
Total Net Position	\$ <u>14,795</u>	\$ <u>11,943</u>

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

During 2020, current assets increased by \$28,911 and current liabilities increased by \$20,231. The increase in current assets is mainly due to the Cares Act Funding received. The increase in liability is due to the increase in FSS liability and deferred revenue for the Care Act monies received but not yet expended.

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

	Unrestricted	
Beginning Balance – June 30, 2019	\$ 11,943	
Results of Operation	<u>2,852</u>	
Ending Balance – June 30, 2020	\$ <u>14,795</u>	

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

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

MONROE METROPOLITAN HOUSING AUTHORITY  
 MONROE COUNTY  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
 (UNAUDITED)

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

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

	<u>2020</u>	<u>2019</u>
Revenues:		
Operating Subsidies	\$ 867,532	\$ 824,926
Investment Income	20	10
Other Revenue	<u>0</u>	<u>694</u>
Total Revenues	867,552	825,630
Expenses:		
Administrative	102,359	99,208
Housing Assistance Payments	<u>762,341</u>	<u>726,918</u>
Total Expenses	<u>864,700</u>	<u>826,126</u>
Net Increases (Decreases)	<u>\$ 2,852</u>	<u>\$ ( 496)</u>

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

Operating Subsidy reflects an increase of \$42,606 or 5%. This increase was due to the way that the Department of Housing and Urban Development funds housing authorities for housing assistance payment.

Total expenses increased \$38,574 due mainly to increases in housing assistance payments and increase 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 Tammi DeMattio, 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, 2020

ASSETS

**Current Assets**

Cash and Cash Equivalents - Unrestricted (Note 2)	\$ 21,515
Restricted Cash (Note 3)	<u>36,184</u>
Total Current Assets	<u>57,699</u>

**TOTAL ASSETS**

\$ 57,699

LIABILITIES AND NET POSITION

**Current Liabilities**

Accounts Payable	\$ 46
Unearned Revenue	20,710
Accrued Liabilities - Other	<u>6,674</u>
Total Current Liabilities	27,430

**Non-Current Liabilities**

Noncurrent Liabilities - Other	<u>15,474</u>
Total Non-Current Liabilities	<u>15,474</u>
Total Liabilities	<u><u>\$ 42,904</u></u>

**Net Position**

Unrestricted	<u>\$ 14,795</u>
Total Net Position	<u><u>\$ 14,795</u></u>

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

MONROE METROPOLITAN HOUSING AUTHORITY  
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2020

**Operating Revenue:**

HUD Operating Subsidies and Grants	\$ 867,532
Total Operating Revenue	<u>867,532</u>

**Operating Expenses:**

Housing Assistance Payments	762,341
Administrative Expense	102,359
Total Operating Expenses	<u>864,700</u>

Operating Income (Loss)	2,832
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Non-Operating Revenues (Expenses)

Investment Income – Unrestricted	<u>20</u>
Total Non-Operating Revenues (Expenses)	20

Change in Net Position	2,852
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Net Position - Beginning of Year	<u>11,943</u>
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Net Position - End of Year	<u><u>\$ 14,795</u></u>
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The accompanying notes are an integral part of the financial statements.

MONROE METROPOLITAN HOUSING AUTHORITY  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020

Cash Flows From Operating Activities:	
Cash Received from HUD	\$ 867,532
Other Revenue Received - Cares Act Funds	20,710
Cash Payments for Housing assistance payments	(762,341)
Cash Payments for Administrative	(97,010)
Net Cash Provided (Used) by Operating Activities	<u>28,891</u>
Cash Flows From Capital and Related Financing Activities:	
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>0</u>
Cash Flows From Investing Activities:	
Investment Income	<u>20</u>
Net Cash Provided (Used) by Investing Activities	20
Increase (Decrease) in Cash and Cash Equivalents	28,911
Cash and Cash Equivalents - Beginning of Year	<u>28,788</u>
Cash and Cash Equivalents - End of Year	<u>\$ 57,699</u>
Reconciliation of Operating Income (Loss) to Net Cash Used in Operating Activities:	
Operating Income (Loss)	\$ 2,832
Adjustments to Reconcile Operating Income (Loss) to Net Cash Used in Operating Activities:	
Increase (decrease) in:	
Accounts Payable	(479)
Unearned Revenue	20,710
Noncurrent Liabilities - Other	5,828
Net cash used in operating activities	<u>\$ 28,891</u>

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



**MONROE METROPOLITAN HOUSING AUTHORITY**  
**MONROE, OHIO**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**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.

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.

**MONROE METROPOLITAN HOUSING AUTHORITY**  
**MONROE, OHIO**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**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**  
**MONROE, OHIO**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**NOTE 2 - Deposits and Investments:**

**Deposits**

At fiscal year end, the carrying amount of the Authority's deposits was \$57,699 and the bank balance was \$57,699. Based on criteria described in GASB Statement No. 40, Deposits and Investments Risk Disclosures, as of June 30, 2020, the Authority's bank balance of \$57,699 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, 2020. 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	\$15,474
Cares Act Funds	<u>20,710</u>
Total Restricted Assets	<u>\$36,184</u>

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

**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.

**MONROE METROPOLITAN HOUSING AUTHORITY**  
**MONROE, OHIO**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**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, 2020 were \$80,092.

**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 November 20, 2020, the date on which the financial statements were available to be issued.

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Monroe Metropolitan Housing Authority. The impact on the Monroe Metropolitan Housing Authority's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

**MONROE METROPOLITAN HOUSING AUTHORITY**  
**MONROE, OHIO**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**NOTE 8 - Schedule of Expenditures of Federal Awards:**

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) presents the activity of all federal financial assistance programs of the Monroe Metropolitan Housing Authority (the Authority) for the year ended June 30, 2020. The Authority’s reporting entity is defined in Note 1 to the Authority’s financial statements. The information in this schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

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

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

Monroe Metropolitan Housing Authority  
 Balance Sheet  
 June 30, 2020

Financial Data Schedule Submitted to U.S. Department of HUD

<b>Line item</b>	<b>Account Description</b>	<b>14.871 Housing Choice Voucher</b>
111	Cash - Unrestricted	\$ 21,515
113	Cash - Other Restricted	15,474
115	Cash - Restricted for Payment of Current Liabilities	20,710
100	Total Cash	<u>57,699</u>
<b>150</b>	<b>Total Current Assets</b>	<u>57,699</u>
<b>290</b>	<b>TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES</b>	<b><u>\$ 57,699</u></b>
312	A/P <= 90 days	\$ 46
342	Unearned Revenue	20,710
346	Accrued Liabilities - Other	6,674
310	Total Current Liabilities	<u>27,430</u>
353	Non-Current Liabilities - Other	15,474
	Total Liabilities	<u>42,904</u>
512.4	Unrestricted Net Position	14,795
513	Total Equity/Net Position	<u>14,795</u>
<b>600</b>	<b>TOTAL LIAB., DEFERRED INFLOWS OF RESOURCES AND EQUITY</b>	<b><u>\$ 57,699</u></b>

Monroe Metropolitan Housing Authority  
Statement of Revenue and Expenses  
June 30, 2020

Financial Data Schedule Submitted to U.S. Department of HUD

<b>Line item</b>	<b>Account Description</b>	<b>14.871 Housing Choice Voucher</b>
706	HUD PHA Operating Grants	\$ 867,532
711	Investment Income - PHA	20
700	TOTAL REVENUE	<u>867,552</u>
912	Audit	213
913	Management Fee	80,092
919	Other	22,054
	Total Operating - Admin.	<u>102,359</u>
	TOTAL OPERATING EXPENSES	<u>102,359</u>
970	Excess Oper. Rev. over Exp.	765,193
973	Housing Assistance Payments	<u>762,341</u>
900	TOTAL EXPENSES	<u>864,700</u>
1000	NET INCOME (LOSS)	<u><u>\$ 2,852</u></u>

Monroe Metropolitan Housing Authority  
Additional Information Required by HUD  
June 30, 2020

Financial Data Schedule Submitted to U.S. Department of HUD

<b>Line item</b>	<b>Account Description</b>	<b>14.871 Housing Choice Voucher</b>
11030	Beginning Equity	\$ 11,943
11170	Administrative Fee Equity	\$ 14,795
11180	Housing Assistance Payments Equity	\$ 0
11190	Unit Months Available	2,148
11210	Number of Unit Months Leased	2,188



Monroe Metropolitan Housing Authority

Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended June 30, 2020

Federal Grantor Pass Through Grantor/ Program Title	Federal CFDA Number	Expenditures
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT Direct Program		
<u>Housing Voucher Cluster:</u>		
Section 8 Housing Choice Vouchers	14.871	\$ 867,532
TOTAL EXPENDITURES OF FEDERAL AWARDS		<u>\$ 867,532</u>

The accompanying notes to this schedule are an integral part of this schedule.



Kevin L.  
enn, Inc.

Certified Public Accountant  
11811 Shaker Boulevard, Suite 421  
Cleveland, Ohio 44120  
(216)421-1000  
Fax:(216)421-1001  
Email: klpenncpa@aol.com

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

Board of Trustees  
Monroe Metropolitan Housing Authority  
Cambridge, Ohio

I have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States’ *Government Auditing Standards*, the financial statements of the business-type activities of the Monroe Metropolitan Housing Authority, Monroe County, (the Authority) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Authority’s basic financial statements and have issued my report thereon dated November 20, 2020.

***Internal Control Over Financial Reporting***

As part of my financial statement audit, I considered the Authority’s internal control over financial reporting (internal control) as a basis for designing audit procedures appropriate in the circumstances to the extent necessary to support our opinion(s) on the financial statements, but not to the extent necessary to opine on the effectiveness of the Authority’s internal control. Accordingly, I have not opined on it.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. *A material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Authority’s financial statements. *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 internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, I did not identify any deficiencies in internal control that I consider material weaknesses. However, unidentified material weaknesses may exist.

### ***Compliance and Other Matters***

As part of reasonably assuring whether the Authority's financial statements are free of material misstatement, I tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the financial statement. However, opining on compliance with those provisions was not an objective of my audit and accordingly, I do not express an opinion. The results of my tests disclosed no instances of noncompliance or other matters I must report under *Government Auditing Standards*.

### ***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and my testing results, and does not opine on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

Kevin L. Penn, Inc.  
Cleveland, Ohio

November 20, 2020



Kevin L.  
**enn, Inc.**

Certified Public Accountant  
11811 Shaker Boulevard, Suite 421  
Cleveland, Ohio 44120  
(216)421-1000  
Fax:(216)421-1001  
Email: klpenncpa@aol.com

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Board of Trustees  
Monroe Metropolitan Housing Authority  
Cambridge, Ohio

***Report on Compliance for each Major Federal Program***

I have audited Monroe Metropolitan Housing Authority's (the Authority) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect each of Monroe Metropolitan Housing Authority's major federal programs for the year ended June 30, 2020. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the Authority's major federal programs.

***Management's Responsibility***

The Authority's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

My responsibility is to opine on the Authority's compliance for each of the Authority's major federal programs based on my audit of the applicable compliance requirements referred to above. My compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require me to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### ***Opinion on each Major Federal Program***

In our opinion, Monroe Metropolitan Housing Authority complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal programs for the year ended June 30, 2020.

### ***Report on Internal Control Over Compliance***

The Authority's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing my compliance audit, I considered the Authority's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine my auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, I have not opined 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, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. *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 federal program compliance requirement will not be prevented, or timely detected and corrected. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement 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 would not necessarily 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.

This report only describes the scope of my internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.

Kevin L. Penn, Inc.  
Cleveland, Ohio

November 20, 2020

**Monroe Metropolitan Housing Authority**

Schedule of Findings

June 30, 2020

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? No

Significant Deficiency(ies) identified  
not considered to be material weaknesses? No

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over compliance:

Material weakness(es) identified? No

Significant Deficiency(ies) identified  
not considered to be material weaknesses? None Reported

Type of auditor's report issued on compliance  
for major program: Unmodified

Are there any reportable findings under 2 CFR Section 200.516(a)? No

Identification of major programs:

14.871 Housing Choice Vouchers

Dollar threshold used to distinguish  
between Type A and Type B programs: Type A: > \$750,000  
Type B: all others

Auditee qualified as low-risk auditee? Yes

Section II - Financial Statement Findings

No matters were reported.

Section III - Federal Award Findings

No matters were reported.

**Monroe Metropolitan Housing Authority**  
Summary Schedule of Prior Audit Findings  
Year Ended June 30, 2020

There were no audit findings, during the 2019 fiscal year.

# OHIO AUDITOR OF STATE KEITH FABER



**MONROE COUNTY METROPOLITAN HOUSING AUTHORITY**

**MONROE COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 1/19/2021**

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

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)