



**MORROW METROPOLITAN HOUSING AUTHORITY
MORROW COUNTY**

REGULAR AUDIT

FOR THE YEAR ENDED SEPTEMBER 30, 2021

**MORROW METROPOLITAN HOUSING AUTHORITY
MORROW COUNTY
SEPTEMBER 30, 2021**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Morrow Metropolitan Housing Authority
Morrow County
201A West High Street
Mount Vernon, Ohio 43050

To the Board of Directors:

Report on the Financial Statements

We have audited the accompanying financial statements of the Morrow Metropolitan Housing Authority, Morrow County, Ohio (the Authority), as of and for the year ended September 30, 2021, 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

Our responsibility is to opine on these financial statements based on our audit. We 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 our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we 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, we 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 our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority, as of September 30, 2021, and the change in its 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.

Emphasis of Matter

As discussed in Note 9 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Authority. We 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*, and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions listed in the table of contents, 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. We 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 our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary Information

Our audit was conducted to opine on the Authority's basic financial statements taken as a whole.

The Financial Data Schedules present additional analysis and are not a required part of the basic financial statements.

The schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information to the auditing procedures we applied to the basic financial statements. We 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 in accordance with auditing standards generally accepted in the United States of America. In our 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*, we have also issued our report dated June 21, 2022 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. That report describes the scope of our 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 Authority's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

June 21, 2022

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**MORROW METROPOLITAN HOUSING AUTHORITY
MORROW COUNTY**

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021
(UNAUDITED)**

The Morrow Metropolitan Housing Authority, Morrow County, (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, and (d) identify individual fund issues or concerns.

Since the Management’s Discussion and Analysis (MD&A) is designed to focus on the current fiscal years activities, resulting changes and currently known facts, please read it in conjunction with the Authority’s financial statements (beginning on page 11).

FINANCIAL HIGHLIGHTS

- During fiscal year 2021, the Authority’s net position increased by \$64,188 (or 482%). Since the Authority engages only in business-type activities, the increase is all in the category of business-type net position. Net position for fiscal year 2020 was (\$13,329) and \$50,859 for fiscal year 2021.
- Revenues decreased by \$27,947 (or 4.2%) during fiscal year 2021, and were \$663,276 and \$635,329 for fiscal year 2020 and fiscal year 2021, respectively.
- Expenses decreased by \$67,172 (or 10.5%) during fiscal year 2021. Total expenses were \$638,313 and \$571,141 for fiscal year 2020 and fiscal year 2021, respectively.

USING THIS ANNUAL REPORT

The following is a graphic outlining the major sections of the report.

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 and OPEB Schedules) ~
Supplementary and Other Information ~ Financial Data Schedules ~

The primary focus of the Authority’s financial statements is on the Authority as a whole. The Authority operates as a single enterprise fund and this presentation allows the user to address relevant questions, broaden basis for comparison (fiscal year-to-fiscal year or Authority-to-Authority), and enhance the Authority’s accountability.

**MORROW METROPOLITAN HOUSING AUTHORITY
MORROW COUNTY**

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021
(UNAUDITED)**

Basic Financial Statements

The basic financial 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”. 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” portion) is designed to represent the net available liquid (non-capital) assets, net of liabilities, for the entire Authority. Net Position is reported in three broad categories:

Investment in Capital Assets: This component of Net Position consists of all Capital Assets, net of accumulated depreciation, 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. The Authority has no debt.

Restricted: 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: Consists of assets that do not meet the definition of “Investment in Capital Assets”, or “Restricted”.

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

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

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

**MORROW METROPOLITAN HOUSING AUTHORITY
MORROW COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021
(UNAUDITED)**

THE AUTHORITY'S FUND

The Authority consists exclusively of an Enterprise Fund. The Enterprise fund utilizes the full accrual basis of accounting. The Enterprise method of accounting is similar to accounting utilized in the private sector. The fund maintained by the Authority is required by the Department of Housing and Urban Development (HUD).

Business-Type Activities:

Housing Choice Voucher Program – Under the Housing Choice Voucher Program, the Authority administers contracts with 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 Annual Contributions Funding to enable the Authority to structure a lease that sets the participants' rent at 30% of adjusted household income. CARES Act Funding is also included in this program. The CARES Act provided additional funding to housing authorities to prevent, prepare for, and respond to coronavirus, including to maintain normal operations during the period the program was impacted by coronavirus.

Family Self-Sufficiency Program – Represents HUD resources to enable participating families to increase earned income and financial literacy, reduce or eliminate the need for welfare assistance, and make progress toward economic independence and self-sufficiency.

Supportive Housing for Persons with Disabilities/Mainstream Vouchers – Starting November 2018, these programs designated funding to assist clients with disabilities with a Housing Choice Voucher type program. CARES Act Funding is also included in this program. The CARES Act provided additional funding to housing authorities to prevent, prepare for, and respond to coronavirus, including to maintain normal operations during the period the program was impacted by coronavirus.

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**MORROW METROPOLITAN HOUSING AUTHORITY
MORROW COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021
(UNAUDITED)**

Statement of Net Position

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

STATEMENT OF NET POSITION

	<u>2021</u>	<u>2020</u>
Current and Other Noncurrent Assets	\$ 90,075	\$ 153,511
Capital Assets	<u>4,320</u>	<u>579</u>
Total Assets	<u>94,395</u>	<u>154,090</u>
Deferred Outflows of Resources	<u>-</u>	<u>7,474</u>
Current Liabilities	13,394	29,737
Non-Current Liabilities	<u>30,142</u>	<u>130,585</u>
Total Liabilities	<u>43,536</u>	<u>160,322</u>
Deferred Inflows of Resources	<u>-</u>	<u>14,571</u>
Net Position		
Investment in Capital Assets	4,320	579
Restricted	3,052	40,490
Unrestricted	<u>43,487</u>	<u>(54,398)</u>
Total Net Position	<u>\$ 50,859</u>	<u>\$ (13,329)</u>

For more detailed information see page 11 for the Statement of Net Position.

Major Factors Affecting the Statement of Net Position

Current and other noncurrent assets decreased \$63,436 (41.3%). A decrease of \$78,000 in restricted cash due to the timing of grant funding which includes CARES Act funding; amounts received in the prior fiscal year were spent in the current fiscal year. Total liabilities decreased \$116,786 which is primarily attributed to the Authority no longer having employees therefore impacting the net pension and net OPEB liabilities as well as deferred outflows of resources and deferred inflows of resources. See Note 7 for Service Agreement with Knox Metropolitan Housing Authority.

Capital assets increased of \$3,741 which represents the purchase of new computers off-set by the current fiscal year's depreciation expense. For more detail see "Capital Assets and Debt Administration" on page 9.

While the result of operations is a significant measure of the Authority's activities, the analysis of the changes in Unrestricted and Restricted Net Position provides a clearer change in financial well-being.

**MORROW METROPOLITAN HOUSING AUTHORITY
MORROW COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021
(UNAUDITED)**

CHANGE OF UNRESTRICTED NET POSITION

Unrestricted Net Position September 30, 2020		\$(54,398)
Results of Operations:	\$101,626	
Adjustments:		
Depreciation (1)	<u>972</u>	
Adjusted Results from Operations		102,598
Capital Expenditures		<u>(4,713)</u>
Unrestricted Net Position September 30, 2021		\$ <u>43,487</u>

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

CHANGE OF RESTRICTED NET POSITION

Restricted Net Position September 30, 2020		\$40,490
Results of Operations:		
Use of HCV HAP Reserves	(\$19,953)	
Use of Mainstream Reserves	(25,085)	
FSS Forfeitures	7,597	
Interest	3	
Adjusted Results from Operations		<u>(37,438)</u>
Restricted Net Position September 30, 2021		\$ <u>3,052</u>

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**MORROW METROPOLITAN HOUSING AUTHORITY
MORROW COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021
(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>2021</u>	<u>2020</u>
Revenues		
Operating Grants	\$ 627,729	\$ 661,052
Interest	3	10
Other Revenues	<u>7,597</u>	<u>2,214</u>
Total Revenue	<u>635,329</u>	<u>663,276</u>
Expenses		
Administrative	114,929	104,741
Tenant Services	8,000	-
General	-	1,252
Housing Assistance Payments	533,247	531,740
Pension and OPEB Expense	(86,007)	-
Depreciation	<u>972</u>	<u>580</u>
Total Expenses	<u>571,141</u>	<u>638,313</u>
Change in Net Position	64,188	24,963
Net Position (Deficit) at October 1	<u>(13,329)</u>	<u>(38,292)</u>
Net Position (Deficit) at September 30	<u>\$ 50,859</u>	<u>\$(13,329)</u>

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

Changes to be noted were corresponding decreases to operating grant revenue and increases to Housing Assistance Payments (HAP) expense. Part of the funding provided for the Housing Choice Voucher and Mainstream Voucher programs is used to support administration of the program and part is used to make rental assistance payments on behalf of program participants. The rental assistance payments made under the programs is reported as HAP expense. The corresponding increases to operating grant revenue and HAP expense primarily reflect an increase in rental assistance payments made on behalf of participants assisted by those programs and funding to enable the agency to make those assistance payments.

Most other expenses fluctuated moderately due to inflation and current fiscal year needs.

**MORROW METROPOLITAN HOUSING AUTHORITY
MORROW COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021
(UNAUDITED)**

CAPTIAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of September 30, 2021, the Authority had \$4,320 invested in Capital Assets as reflected in the following schedule, which represents an increase based on additions exceeding depreciation expense.

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

	Business-type Activities	
	<u>2021</u>	<u>2020</u>
Furniture, Fixtures, and Equipment	\$ 19,851	\$ 15,138
Accumulated Depreciation	(15,531)	(14,559)
Total	\$ <u>4,320</u>	\$ <u>579</u>

The following reconciliation summarizes the change in Capital Assets, which is presented in detail in Note 3 of the notes to the basic financial statements.

CHANGE IN CAPITAL ASSETS

	<u>Business-type Activities</u>
Beginning Balance	\$ 579
Additions	4,713
Depreciation	<u>(972)</u>
Ending Balance	\$ <u>4,320</u>

The Authority had no disposals. Additions in fiscal year 2021 represent new computers.

Debt Outstanding

The Authority has no debt.

**MORROW METROPOLITAN HOUSING AUTHORITY
MORROW COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021
(UNAUDITED)**

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

- Federal funding of the Department of Housing and Urban Development.
- Local labor supply and demand, which can affect salary and wage rates.
- Local inflationary, recession and employment trends, which can affect resident incomes and therefore the amount of housing assistance.
- Inflationary pressure on utility rates, supplies and other costs.
- Unknown financial and federal program impacts as a result of the COVID-19 pandemic.

FINANCIAL CONTACT

The individual to be contacted regarding this report is Shannon Treisch, Executive Director for the Morrow Metropolitan Housing Authority, at (740) 397-8787. Specific requests may be submitted to the Authority at 201A W. High Street, Mount Vernon, Ohio 43050.

**MORROW METROPOLITAN HOUSING AUTHORITY
MORROW COUNTY**

**STATEMENT OF NET POSITION
SEPTEMBER 30, 2021**

Assets

Current Assets:

Cash and Cash Equivalents	\$	41,930
Accounts Receivable		4,243
Total Current Assets		46,173

Non-Current Assets:

Restricted Cash and Cash Equivalents		43,902
Capital Assets:		
Depreciable Capital Assets		19,851
Accumulated Depreciation		(15,531)
Total Capital Assets		4,320
Total Non-Current Assets		48,222

Total Assets		94,395
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Liabilities

Current Liabilities:

Accounts Payable		2,686
Unearned Revenue		10,708
Total Current Liabilities		13,394

Non-Current Liabilities:

Family Self-Sufficiency Deposits Payable		30,142
Total Non-Current Liabilities		30,142

Total Liabilities		43,536
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Net Position

Investment in Capital Assets		4,320
Restricted		3,052
Unrestricted		43,487
		46,859

Total Net Position	\$	50,859
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The notes to the basic financial statements are an integral part of the statements.

**MORROW METROPOLITAN HOUSING AUTHORITY
MORROW COUNTY**

**STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

Operating Revenues		
Operating Grants	\$	627,729
Other Revenues		<u>7,597</u>
Total Operating Revenues		<u>635,326</u>
Operating Expenses		
Housing Assistance Payments	\$	533,247
Administrative		114,929
Tenant Services		8,000
Pension & OPEB Expense		(86,007)
Depreciation		<u>972</u>
Total Operating Expenses		<u>571,141</u>
Operating Income		<u>64,185</u>
Nonoperating Revenues		
Interest Revenue		<u>3</u>
Total Nonoperating Revenues		<u>3</u>
Change in Net Position		64,188
Net Position (Deficit) at October 1, 2020		<u>(13,329)</u>
Net Position at September 30, 2021	\$	<u><u>50,859</u></u>

The notes to the basic financial statements are an integral part of this statement.

**MORROW METROPOLITAN HOUSING AUTHORITY
MORROW COUNTY**

**STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

Cash flows from operating activities:

Cash received from HUD and local grant sources	\$ 603,957
Cash payments for good or services - HUD	(533,247)
Cash payments for goods or services	<u>(133,679)</u>
Net cash used in operating activities	<u>(62,969)</u>

Cash flows from investing activities:

Interest	<u>3</u>
Net cash provided by investing activities	<u>3</u>

Cash flows from capital and related financing activities:

Purchase of capital assets	<u>(4,713)</u>
Net cash used in capital and related financing activities	<u>(4,713)</u>
Net change in cash and cash equivalents	(67,679)
Cash and cash equivalents at October 1, 2020	<u>153,511</u>
Cash and cash equivalents at September 30, 2021	\$ <u><u>85,832</u></u>

Reconciliation of operating income to net cash used in operating activities:

Operating income	\$ 64,185
Adjustments to reconcile operating income to net cash used in operating activities	
Depreciation	972
Changes in:	
Accounts receivable, net	(4,243)
Accounts payable	2,686
Family self-sufficiency liability	(21,533)
Net pension liability	(47,833)
Net OPEB liability	(31,077)
Unearned revenue	(19,029)
Deferred outflows of resources	7,474
Deferred inflows of resources	<u>(14,571)</u>
Net cash used in operating activities	\$ <u><u>(62,969)</u></u>

The notes to the basic financial statements are an integral part of this statement.

**MORROW METROPOLITAN HOUSING AUTHORITY
MORROW COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Summary of Significant Accounting Policies

The financial statements of the Morrow Metropolitan Housing Authority (the Authority) have been prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Authority's accounting policies are described below.

Reporting Entity

The Authority was created under the Ohio Revised Code, Section 3735.27. 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 accompanying basic financial statements comply with the provisions of GASB Statement No. 39, *Determining Whether Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, in that the financial statements include all organizations, activities and functions for which the Authority is financially accountable. This report includes all activities considered by management to be part of the Authority by virtue of Section 2100 of the Codification of Governmental Accounting and Financial Reporting Standards.

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

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

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

Management believes the financial statements included in this report represent all of the funds over which the Authority is financially accountable. Based on the above criteria, the Authority has no component units.

MORROW METROPOLITAN HOUSING AUTHORITY
MORROW COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Fund Accounting

The Authority uses a proprietary fund to report on its financial position and the results of its operations for the Housing Choice Voucher and other programs. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Proprietary Fund Type:

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

Enterprise Fund – The Authority accounts for and reports all receipts on a flow of economic resources measurement focus. With this measurement focus, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources 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 total net position. The statement of cash flows provides information about how the Authority finances and meets cash flow needs.

The Authority accounts for and reports all operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body 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.

Accounting and Reporting for Nonexchange Transactions

The Authority accounts for nonexchange transactions in accordance with Governmental Accounting Standards Board (GASB) Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. Nonexchange transactions occur when the Authority receives (or gives) value without directly giving (or receiving) equal value in return. In conformity with the requirements of GASB Statement No. 33, the Authority has recognized grant funds expended for capitalizable capital assets acquired after June 30, 2000 as revenues and the related depreciation thereon, as expenses in the accompanying statement of revenues, expenses and changes in net position.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, and deferred outflows and inflows of resources and disclosure of contingent assets and liabilities at the date of the basic financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**MORROW METROPOLITAN HOUSING AUTHORITY
MORROW COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Cash and Cash Equivalents

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

Restricted Assets

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. The Authority had restricted assets for Family Self-Sufficiency Deposits of \$30,142, Housing Assistance Payment equity balance of \$3,052, and unspent grant funds of \$10,708. See Note 4 for additional information concerning Family Self-Sufficiency restricted assets.

Accounts Receivable

Management considers all accounts receivable to be collected in full.

Prepaid Items

Payments made to vendors for services that will benefit beyond fiscal year-end are reported as prepaid items via the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expense is reported in the fiscal year which services are consumed. The Authority did not report prepaid items at September 30, 2021.

Capital Assets

Capital assets are stated at cost and depreciation is computed using the straight line method over the estimated useful life of the assets. The cost of normal maintenance and repairs, that do not add to the value of the asset or materially extend the asset life, are not capitalized. The capitalization threshold used by the Authority is \$500. The following are the useful lives used for depreciation purposes:

<u>Description</u>	<u>Estimated Useful Lives - Years</u>
Equipment and Furniture	7
Computer Hardware & Software	3

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until then. For the Authority, deferred outflows of resources are reported on the statement of net position for pension and OPEB.

**MORROW METROPOLITAN HOUSING AUTHORITY
MORROW COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the Authority, deferred inflows of resources are reported on the statement of net position for pension and OPEB.

The Authority had no employees during fiscal year 2021, therefore, the Authority did not report deferred outflows of resources or deferred inflows of resources at September 30, 2021.

Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value. The Authority had no employees during fiscal year 2021, therefore, the Authority did not report net pension or other postemployment benefit liabilities at September 30, 2021.

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Investment in capital assets consists of capital assets, net of accumulated depreciation.

Net position is reported 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 amount reported as restricted net position at fiscal year-end represents the amounts restricted by HUD for future Housing Assistance Payments. When an expense is incurred for purposes which both restricted and unrestricted net position is available, the Authority first applies restricted resources. The Authority did not have net position restricted by enabling legislature at September 30, 2021.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the Authority, these revenues are for Housing and Urban Development Grants and other revenues. Operating expenses are necessary costs to provide goods or services that are the primary activity of the fund. All revenues not related to operating activities have been reported as nonoperating revenues.

**MORROW METROPOLITAN HOUSING AUTHORITY
MORROW COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash equivalents include short-term, highly liquid investments that are both readily convertible to known amounts of cash and are so near maturity that they present insignificant risk of changes in value because of changes in interest rates. Generally, only investments with original maturities of three months or less qualify under this definition. All monies are deposited into banks as determined by the Authority. Funds are deposited in either interest bearing or non-interest bearing accounts at the Authority's discretion. Security shall be furnished for all accounts in the Authority's name.

Cash and cash equivalents included in the Authority's cash position at September 30, 2021 are as follows:

	<u>Checking</u>	<u>Savings</u>	<u>Total</u>
Demand Deposits:			
Bank balance	\$ 55,708	\$ 30,142	\$ 85,850
Items-in-transit	<u>(18)</u>	<u>-</u>	<u>(18)</u>
Carrying balance	<u>\$ 55,690</u>	<u>\$ 30,142</u>	<u>\$ 85,832</u>

Of the fiscal year-end bank balance, \$85,832 of deposits of the total checking and saving account balances were covered by federal deposit insurance. Based on the Authority having only demand deposits at September 30, 2021, the Authority is not subject to interest rate, credit, concentration, or custodial credit risks.

3. CAPITAL ASSETS

The following is a summary of capital assets at September 30, 2021:

	<u>Balance</u> <u>9/30/2020</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>9/30/2021</u>
Capital Assets Depreciated				
Furniture and Equipment	\$ 15,138	\$ 4,713	\$ (0)	\$ 19,851
Total Capital Assets Depreciated	<u>15,138</u>	<u>4,713</u>	<u>(0)</u>	<u>19,851</u>
Accumulated Depreciation				
Furniture and Equipment	<u>(14,559)</u>	<u>(972)</u>	<u>0</u>	<u>(15,531)</u>
Total Accumulated Depreciation	<u>(14,559)</u>	<u>(972)</u>	<u>0</u>	<u>(15,531)</u>
Total Capital Assets, Net	<u>\$ 579</u>	<u>\$ 3,741</u>	<u>\$ 0</u>	<u>\$ 4,320</u>

**MORROW METROPOLITAN HOUSING AUTHORITY
MORROW COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

4. FSS ESCROW PAYABLE

The Authority is involved in the Family Self-Sufficiency program through the Housing Choice Vouchers Program. Each month contributions are deposited into the Authority’s savings account on behalf of the program participants. Participants are limited to a five year contract (with a two year extension option) at which time, they either meet their program goals and may withdraw their money earned from the savings account, or they fail to meet their goals and forfeit their money. If a forfeiture occurs, the money earned is used by the Authority to reinvest into the Housing Choice Voucher Program.

5. RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During the fiscal year 2021, the Authority purchased commercial insurance for public officials and employment practices liability for general insurance, property, crime, electronic equipment, and automobile insurance. Public officials’ liability and employment practices liability insurance each carries a \$2,500 deductible. Property and electronic equipment insurance each carries a \$500 deductible. Vehicle carries a \$250 deductible for comprehensive damages and \$500 deductible for collision.

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

6. LONG-TERM LIABILITIES

The following is a summary of changes in long-term debt and compensated absence for the fiscal year ended September 30, 2021:

<u>Description</u>	<u>Balance</u> <u>09/30/20</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>09/30/21</u>	<u>Due Within</u> <u>One Year</u>
Net Pension Liability	\$47,833	\$ 0	(\$47,833)	\$ 0	\$ 0
Net OPEB Liability	31,077	0	(31,077)	0	0
Family Self-Sufficiency Payable	<u>51,675</u>	<u>10,000</u>	<u>(31,533)</u>	<u>30,142</u>	<u>0</u>
Total	<u>\$130,585</u>	<u>\$ 10,000</u>	<u>(\$110,443)</u>	<u>\$30,142</u>	<u>\$ 0</u>

The Authority had no employees during fiscal year 2021, therefore, the Authority did not report net pension liability or net OPEB liability at September 30, 2021.

7. SERVICE AGREEMENT

The Authority entered into a service contract with the Knox Metropolitan Housing Authority to provide fiscal and consulting services. The Knox Metropolitan Housing Authority shall perform the following services for the Authority in accordance with the service agreement: 1) Month-end accounting; 2) Accounts payable/receivable; and 3) Accounting, fiscal support, tax reporting, and general office support.

**MORROW METROPOLITAN HOUSING AUTHORITY
MORROW COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

8. CONTINGENT LIABILITIES

A. Grants

Amounts grantor agencies pay to the Authority are subject to audit and adjustment by the grantor, principally the federal government. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any such disallowed claims could have a material adverse effect on the overall financial position of the Authority at September 30, 2021.

B. Litigation

The Authority is unaware of any outstanding lawsuits or other contingencies.

9. COVID-19

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

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MORROW METROPOLITAN HOUSING AUTHORITY
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
 LAST EIGHT FISCAL YEARS (1)(2)

Traditional Plan	2021 (3)	2020	2019	2018	2017	2016	2015	2014
Authority's Proportion of the Net Pension Liability	0.000000%	0.000242%	0.000267%	0.000257%	0.000263%	0.000273%	0.000277%	0.000277%
Authority's Proportionate Share of the Net Pension Liability	\$0	\$47,833	\$73,215	\$40,318	\$59,457	\$47,288	\$33,410	\$32,655
Authority's Covered Payroll	\$0	\$35,870	\$36,005	\$33,987	\$33,987	\$33,987	\$33,987	\$33,986
Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	0.00%	133.35%	203.35%	118.74%	174.94%	139.14%	98.30%	96.08%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	0.00%	82.17%	74.70%	84.66%	77.25%	81.08%	86.45%	86.36%

(1) - Information prior to 2014 is not available. Schedule is intended to show ten years of information, and additional years' will be displayed as it becomes available.

(2) - Amounts presented as of the Authority's plan measurement date, which is the prior calendar year-end.

(3) - The Authority did not have employees as of the plan measurement date.

See accompanying notes to the required supplementary information.

MORROW METROPOLITAN HOUSING AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS - PENSION
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<u>Contractually Required Contributions</u>										
Traditional Plan	\$0	\$1,041	\$5,022	\$4,880	\$4,331	\$4,078	\$4,078	\$4,078	\$4,418	\$4,636
Total Required Contributions	\$0	\$1,041	\$5,022	\$4,880	\$4,331	\$4,078	\$4,078	\$4,078	\$4,418	\$4,636
Contributions in Relation to the Contractually Required Contribution	\$0	(\$1,041)	(\$5,022)	(\$4,880)	(\$4,331)	(\$4,078)	(\$4,078)	(\$4,078)	(\$4,418)	(\$4,636)
Contribution Deficiency / (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Authority's Covered Payroll										
Traditional Plan	\$0	\$7,436	\$35,870	\$35,491	\$33,969	\$33,983	\$33,983	\$33,986	\$33,986	\$46,364
<u>Pension Contributions as a Percentage of Covered Payroll</u>										
Traditional Plan	14.00%	14.00%	14.00%	13.75%	12.75%	12.00%	12.00%	12.00%	13.00%	10.00%

See accompanying notes to the required supplementary information.

MORROW METROPOLITAN HOUSING AUTHORITY
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
 OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
 LAST FIVE FISCAL YEARS (1)(2)

	2021 (3)	2020	2019	2018	2017
Authority's Proportion of the Net OPEB Liability	0.0000000%	0.0002250%	0.0002480%	0.000240%	0.000250%
Authority's Proportionate Share of the Net OPEB Liability	\$0	\$31,077	\$32,333	\$26,062	\$25,251
Authority's Covered Payroll	\$0	\$35,870	\$36,005	\$33,987	\$33,983
Authority's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	0.00%	86.64%	89.80%	76.63%	71.82%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%	47.80%	46.33%	54.14%	68.52%

(1) Information prior to 2017 is not available. Schedule is intended to show ten years of information, and additional years' will be displayed as it becomes available.

(2) Amounts presented as of the Authority's plan measurement date, which is the prior calendar year end.

(3) The Authority did not have employees as of the plan measurement date.

See accompanying notes to the required supplementary information.

MORROW METROPOLITAN HOUSING AUTHORITY
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS - OPEB
 OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
 LAST TEN FISCAL YEARS

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually Required Contribution	\$0	\$0	\$0	\$ 88	\$ 428	\$ 680	\$ 680	\$ 680	\$ 340	\$ 1,855
Contributions in Relation to the Contractually Required Contribution	0	0	0	(88)	(428)	(680)	(680)	(680)	(340)	(1,855)
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority Covered Payroll	\$0	\$7,436	\$35,870	\$35,491	\$33,969	\$33,983	\$33,983	\$33,986	\$33,986	\$46,364
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.25%	1.26%	2.00%	2.00%	2.00%	1.00%	4.00%

See accompanying notes to the required supplementary information.

**MORROW METROPOLITAN HOUSING AUTHORITY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Net Pension Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2014-2021.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016 and 2018. For 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the expected investment return was reduced from 8.00% to 7.50%, (b) the expected long-term average wage inflation rate was reduced from 3.75% to 3.25%, (c) the expected long-term average price inflation rate was reduced from 3.00% to 2.50%, (d) Rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality rates were updated to the RP-2014 Health Annuitant Mortality Table, adjusted for mortality improvement back to the observant period base year of 2006 and then established the base year as 2015 (f) mortality rates used in evaluating disability allowances were updated to the RP-2014 Disabled Mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and a base year of 2015 for males and 2010 for females (g) Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables. For 2019, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the expected investment return was reduced from 7.50% to 7.20%. For 2020, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the cost-of-living adjustments for post-1/7/2013 retirees were reduced from 3.00% simple through 2018 to 1.40% simple through 2020, then 2.15% simple. For 2021, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the cost-of-living adjustments for post-1/7/2013 retirees were reduced from 1.40% to 0.5% simple through 2021, then 2.15% simple.

Net OPEB Liability/(Asset)

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2018-2021.

Changes in assumptions: For 2018, the single discount rate changed from 4.23% to 3.85%. For 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the expected investment return was reduced from 6.50% to 6.00% (b) In January 2020, the Board adopted changes to health care coverage for Medicare and pre-Medicare retirees. It will include discontinuing the PPO plan for pre-Medicare retirees and replacing it with a monthly allowance to help participants pay for a health care plan of their choosing. The base allowance for Medicare eligible retirees will be reduced. The specific effect of these changes on the net OPEB liability and OPEB expense are unknown at this time (c) the single discount rate changed from 3.85% to 3.96%. For 2020, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 3.96% to 3.16%. For 2021, the following changes of assumptions affected the total OPEB liability/(asset) since the prior measurement date: (a) the single discount rate changed from 3.16% to 6.00%, (b) municipal bond rate changed from 2.75% to 2.00%, (c) the health care cost trend rate changed from 10.5% initial, 3.50% ultimate in 2030 to 8.5% initial, 3.50% ultimate in 2035.

**MORROW METROPOLITAN HOUSING AUTHORITY
MORROW COUNTY**

**ENTITY WIDE BALANCE SHEET SUMMARY
FDS SCHEDULE SUBMITTED TO HUD
SEPTEMBER 30, 2021**

FDS Line Item No.	Account Description	14.MSC Mainstream Vouchers CARES	14.896 Family Self- Sufficiency Program	14.871 Housing Choice Vouchers	14.HCC Housing Choice Vouchers CARES	14.879 Mainstream Voucher Program	Elimination	Total
	Current Assets							
	Cash							
111	Cash - Unrestricted	\$ -	\$ -	\$ 41,930	\$ -	\$ -	\$ -	\$ 41,930
113	Cash - Other Restricted	-	30,142	3,052	10,708	-	-	43,902
100	Total Cash	-	30,142	44,982	10,708	-	-	85,832
	Accounts Receivable							
122	HUD Other Projects	-	-	-	-	4,243	-	4,243
120	Total Receivables, Net of Allowance for Doubtful Accounts	-	-	-	-	4,243	-	4,243
	Other Assets							
144	Inter Program Due From	-	-	4,243	-	-	(4,243)	-
150	Total Current Assets	-	30,142	49,225	10,708	4,243	(4,243)	90,075
	Noncurrent Assets							
	Capital Assets							
164	Furniture and Equipment - Administration	-	-	19,851	-	-	-	19,851
166	Accumulated Depreciation	-	-	(15,531)	-	-	-	(15,531)
160	Total Capital Assets net of accumulated depreciation	-	-	4,320	-	-	-	4,320
180	Total Noncurrent Assets	-	-	4,320	-	-	-	4,320
190	Total Assets	-	30,142	53,545	10,708	4,243	(4,243)	94,395
290	Total Assets and Deferred Outflow of Resources	\$ -	\$ 30,142	\$ 53,545	\$ 10,708	\$ 4,243	\$ (4,243)	\$ 94,395
	Current Liabilities							
312	Accounts Payable	\$ -	\$ -	\$ 2,686	\$ -	\$ -	\$ -	\$ 2,686
342	Unearned Revenue	-	-	-	10,708	-	-	10,708
347	Inter Program Due To	-	-	-	-	4,243	(4,243)	-
310	Total Current Liabilities	-	-	2,686	10,708	4,243	(4,243)	13,394
	Non-Current Liabilities							
353	Non-Current Liabilities - Other	-	30,142	-	-	-	-	30,142
350	Total Non-Current Liabilities	-	30,142	-	-	-	-	30,142
300	Total Liabilities	-	30,142	2,686	10,708	4,243	(4,243)	43,536
	Net Position							
508.1	Net Investment in Capital Assets	-	-	4,320	-	-	-	4,320
511.1	Restricted Net Position	-	-	3,052	-	-	-	3,052
512.1	Unrestricted Net Position	-	-	43,487	-	-	-	43,487
	Total Net Position	-	-	50,859	-	-	-	50,859
600	Total Liabilities, Deferred Inflow of Resources, and Net Position	\$ -	\$ 30,142	\$ 53,545	\$ 10,708	\$ 4,243	\$ (4,243)	\$ 94,395

NOTE FOR REAC REPORTING: The accompanying schedules have been prepared in accordance with the format as required for HUD's electronic filing REAC system. The format and classifications of various line items may differ from those used in the preparation of the financial statements presented in accordance with accounting principles generally accepted in the United States of America.

**MORROW METROPOLITAN HOUSING AUTHORITY
MORROW COUNTY**

**ENTITY WIDE REVENUE AND EXPENSE SUMMARY
FDS SCHEDULE SUBMITTED TO HUD
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

FDS Line Item No.	Account Description	14.MSC Mainstream Vouchers CARES	14.896 Family Self- Sufficiency Program	14.871 Housing Choice Vouchers	14.HCC Housing Choice Vouchers CARES	14.879 Mainstream Voucher Program	Total
	Revenue						
70600	HUD PHA Operating Grants	\$ 1,318	\$ 39,984	\$ 506,232	\$ 17,711	\$ 62,484	\$ 627,729
71100	Investment Income - Unrestricted	-	-	3	-	-	3
71500	Other Revenue	-	-	7,597	-	-	7,597
70000	Total Revenue	<u>1,318</u>	<u>39,984</u>	<u>513,832</u>	<u>17,711</u>	<u>62,484</u>	<u>635,329</u>
	Expenses						
91200	Auditing Fees	-	-	5,825	-	-	5,825
91300	Management Fee	-	39,984	21,916	-	13,484	75,384
91500	Employee Benefit Contribution - Administrative	-	-	(86,007)	-	-	(86,007)
91600	Office Expenses	-	-	24,951	5,571	-	30,522
91900	Other	-	-	1,953	1,245	-	3,198
91000	Total Operating - Administrative	<u>-</u>	<u>39,984</u>	<u>(31,362)</u>	<u>6,816</u>	<u>13,484</u>	<u>28,922</u>
92500	Tenant Services - Other	<u>1,318</u>	<u>-</u>	<u>500</u>	<u>6,182</u>	<u>-</u>	<u>8,000</u>
92500	Total Tenant Services	<u>1,318</u>	<u>-</u>	<u>500</u>	<u>6,182</u>	<u>-</u>	<u>8,000</u>
96900	Total Operating Expenses	<u>1,318</u>	<u>39,984</u>	<u>(30,862)</u>	<u>12,998</u>	<u>13,484</u>	<u>36,922</u>
97000	Excess Operating Revenue Over Operating Expenses	<u>-</u>	<u>-</u>	<u>544,694</u>	<u>4,713</u>	<u>49,000</u>	<u>598,407</u>
	Other Expenses						
97300	Housing Assistance Payments	-	-	459,162	-	74,085	533,247
97400	Depreciation Expense	-	-	972	-	-	972
	Total Other Expenses	<u>-</u>	<u>-</u>	<u>460,134</u>	<u>-</u>	<u>74,085</u>	<u>534,219</u>
90000	Total Expenses	<u>1,318</u>	<u>39,984</u>	<u>429,272</u>	<u>12,998</u>	<u>87,569</u>	<u>571,141</u>
10000	Excess of Revenues under Expenses	<u>-</u>	<u>-</u>	<u>84,560</u>	<u>4,713</u>	<u>(25,085)</u>	<u>64,188</u>
11030	Beginning Net Position	<u>-</u>	<u>-</u>	<u>(38,414)</u>	<u>-</u>	<u>25,085</u>	<u>(13,329)</u>
11040	Transfers	<u>-</u>	<u>-</u>	<u>4,713</u>	<u>(4,713)</u>	<u>-</u>	<u>-</u>
11170	Administrative Fee Equity	<u>-</u>	<u>-</u>	<u>47,807</u>	<u>-</u>	<u>-</u>	<u>47,807</u>
11180	Housing Assistance Payment Equity	<u>-</u>	<u>-</u>	<u>3,052</u>	<u>-</u>	<u>-</u>	<u>3,052</u>
	Total Ending Net Position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,859</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,859</u>

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

Morrow Metropolitan Housing Authority
Morrow County
201A West High Street
Mount Vernon, Ohio 43050

To the Board of Directors:

We 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 Morrow Metropolitan Housing Authority, Morrow County, Ohio (the Authority), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated June 21, 2022, wherein we noted the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Authority.

Internal Control Over Financial Reporting

As part of our financial statement audit, we 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 on the financial statements, but not to the extent necessary to opine on the effectiveness of the Authority's internal control. Accordingly, we 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.

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 internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we 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, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the financial statements. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our 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.



Keith Faber
Auditor of State
Columbus, Ohio

June 21, 2022

OHIO AUDITOR OF STATE KEITH FABER



MORROW METROPOLITAN HOUSING AUTHORITY

MORROW 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 6/30/2022

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