

**MORROW METROPOLITAN HOUSING AUTHORITY  
MORROW COUNTY**

Single Audit

For the Fiscal Year Ended September 30, 2023



OHIO AUDITOR OF STATE  
KEITH FABER



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Columbus, Ohio 43215  
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Board of Trustees  
Morrow Metropolitan Housing Authority  
201 A West High Street  
Mount Vernon, Ohio 43050

We have reviewed the *Independent Auditor's Report* of the Morrow Metropolitan Housing Authority, Morrow County, prepared by Kevin L. Penn, Inc, for the audit period October 1, 2022 through September 30, 2023. 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 Morrow 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

June 11, 2024

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**MORROW METROPOLITAN HOUSING AUTHORITY  
MORROW, OHIO**

Table of Content

Independent Auditor's Report	1
<b><u>Prepared by Management:</u></b>	
Management's Discussion and Analysis	4
<b><u>Basic Financial Statements:</u></b>	
Statement of Net Position	12
Statement of Revenues and Expenses and Changes in Net Position	13
Statement of Cash Flows	14
Notes to Financial Statements	15
<b><u>Required Supplementary Information:</u></b>	
Schedule of Authority's Contributions - Pension	22
Schedule of Authority's Contributions - OPEB	23
Schedule of Authority's Proportionate Share of the Net Pension Liability/(Asset)	24
Schedule of Authority's Proportionate Share of the Net OPEB Liability/(Asset)	25
Notes to the Required Supplementary Information	26
<b><u>Supplementary Information:</u></b>	
Financial Data Schedule – Balance Sheet	27
Financial Data Schedule – Statement of Revenue and Expenses	28
Schedule of Expenditures of Federal Awards	29
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required by Government Auditing Standards	30
Independent Auditors' Report on Compliance for each Major Program and Internal Control over Compliance Required by the Uniform Guidance	32
Schedule of Findings	34
Summary Schedule of Prior Audit Findings	35

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Kevin L.  
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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 Trustees

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

I have audited the financial statements of the business-type activities, of the Morrow Metropolitan Housing Authority, Morrow County, Ohio, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Morrow Metropolitan Housing Authority's basic financial statements as listed in the table of contents.

In my opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Morrow Metropolitan Housing Authority, Morrow County, Ohio as of September 30, 2023, and the respective changes in financial position and, cash flows thereof and for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Morrow Metropolitan Housing Authority's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Morrow Metropolitan Housing Authority's ability to continue as a going concern for a reasonable period of time.

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



## ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis*, and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge we obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary information***

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Morrow Metropolitan Housing Authority's basic financial statements. The Supplemental Financial Data Schedules and Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the Supplemental Financial Data Schedules and Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, I have also issued my report dated May 20, 2024, on my consideration of the Morrow 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. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Morrow Metropolitan Housing Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Morrow Metropolitan Housing Authority's internal control over financial reporting and compliance.

Kevin L. Penn, Inc.  
Cleveland, Ohio

May 20, 2024

**Morrow Metropolitan Housing Authority**  
**MORROW COUNTY**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**  
**(UNAUDITED)**

The Morrow Metropolitan Housing Authority’s (the Authority”) management’s discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority’s financial activity, (c) identify changes in the Authority’s financial position (its ability to address the next and subsequent fiscal year challenges), and (d) identify individual fund issues or concerns.

Since the Management’s Discussion and Analysis (MD&A) is designed to focus on the current years activities, resulting changes and currently known facts, please read it in conjunction with the Authority’s financial statements (beginning on page 12).

**FINANCIAL HIGHLIGHTS**

- The Authority’s net position increased by \$52,889, or 68%, during fiscal year 2023. Since the Authority engages only in business-type activities, the increase is all in the category of business-type net position. Net position was \$77,129 for fiscal year 2022 and \$130,018 for fiscal year 2023.
- Revenues increased by \$251,555, or 34%, during fiscal year 2023 and were \$721,391 and \$972,946 for fiscal year 2022 and fiscal year 2023, respectively.
- Expenses increased by \$224,936, or 32%, during fiscal year 2023. Total expenses were \$695,121 and \$920,057 for fiscal year 2022 and fiscal year 2023, respectively.

**USING THIS ANNUAL REPORT**

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

<b>MD&amp;A</b> 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 Schedule of Expenditures of Federal Awards

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 YEAR ENDED SEPTEMBER 30, 2023**  
**(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:

Net 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.

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 and Non-Operating Expenses, such as interest revenue and interest expense.

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 YEAR ENDED SEPTEMBER 30, 2023**  
**(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.

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**Morrow Metropolitan Housing Authority**  
**MORROW COUNTY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**  
**(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>2022</u>	<u>2023</u>
Current and Other Noncurrent Assets	\$ 116,516	\$ 180,678
Capital Assets	<u>4,016</u>	<u>1,432</u>
Total Assets	<u>120,532</u>	<u>182,110</u>
Current Liabilities	1,026	264
Non-Current Liabilities	<u>42,377</u>	<u>51,828</u>
Total Liabilities	<u>43,403</u>	<u>52,092</u>
Net Position		
Net Investment in Capital Assets	2,726	1,168
Restricted	430	8,557
Unrestricted	<u>73,973</u>	<u>120,293</u>
Total Net Position	<u>\$ 77,129</u>	<u>\$ 130,018</u>

For more detailed information see page 12 for the Statement of Net Position.

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

Current and other noncurrent assets increased \$64,578 primarily due positive net operating income.

Capital assets decreased of \$2,584 due to depreciation of equipment and amortization of lease right-of-use assets.

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 YEAR ENDED SEPTEMBER 30, 2023**  
**(UNAUDITED)**

**CHANGE OF UNRESTRICTED NET  
POSITION**

Unrestricted Net Position September 30, 2022		\$ 73,973
Results of Operations:	\$ 44,762	
Adjustments:		
Principal Payments on Lease Payable	(1,026)	
Depreciation (1)	<u>2,584</u>	
Adjusted Results from Operations		<u>46,320</u>
Unrestricted Net Position September 30, 2023		\$ <u>120,293</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, 2022		\$ 430
Results of Operations:		
HAP Funding in Excess of HAP Expenses	<u>8,127</u>	
Adjusted Results from Operations		<u>8,127</u>
Restricted Net Position September 30, 2023		\$ <u>8,557</u>

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**Morrow Metropolitan Housing Authority**  
**MORROW COUNTY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**  
**(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>2022</u>	<u>2023</u>
Revenues		
Operating Grants	\$ 721,388	\$ 961,002
Interest	3	508
Other Revenues	<u>-</u>	<u>11,436</u>
Total Revenue	<u>721,391</u>	<u>972,946</u>
Expenses		
Administrative	94,928	130,734
Tenant Services	3,000	-
Housing Assistance Payments	594,530	786,702
Pension and OPEB Expense	-	-
Interest	79	37
Depreciation	<u>2,584</u>	<u>2,584</u>
Total Expenses	<u>695,121</u>	<u>920,057</u>
Change in Net Position	26,270	52,889
Net Position (Deficit) at October 1	<u>50,859</u>	<u>77,129</u>
Net Position (Deficit) at September 30	<u>\$ 77,129</u>	<u>\$ 130,018</u>

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

The changes to be noted are corresponding increases to operating grant revenue and increase 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 are 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.

Administrative expenses also increased significantly, reflecting the administrative resources needed to assist more participants as indicated in the paragraph above.

**Morrow Metropolitan Housing Authority**  
**MORROW COUNTY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**  
**(UNAUDITED)**

**CAPTIAL ASSETS AND DEBT**  
**ADMINISTRATION**

Capital Assets

As of September 30, 2023, the Authority had \$1,432 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>2022</u>	<u>2023</u>
Furniture, Fixtures, and Equipment	\$ 22,131	\$ 22,131
Accumulated Depreciation	(18,115)	(20,699)
Total	\$ <u>4,016</u>	\$ <u>1,432</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**

	Business-type Activities
Beginning Balance	\$ 4,016
Additions	0
Depreciation and Amort.	<u>(2,584)</u>
Ending Balance	\$ <u>1,432</u>

The Authority had no disposals. Additions in fiscal year 2023 represent copier lease are result of implementation of GASB 87.

Debt Outstanding

During fiscal year 2023, the Authority entered into a lease agreement for the use of a copier lease. The initial lease liability was \$2,280 and outstanding balance as of September 30, 2023, is \$264. Lease liability is presented in detail on page 20 of the notes.



**Morrow Metropolitan Housing Authority**  
**MORROW COUNTY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**  
**(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 (419) 524-0029. Specific requests may be submitted to the Authority at 201A W. High Street, Mount Vernon, Ohio 43050.

MORROW METROPOLITAN HOUSING AUTHORITY  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2023

ASSETS

**Current Assets**

Cash and Cash Equivalents - Unrestricted (Note 2)	\$ 119,671
Accounts Receivable – HUD	<u>622</u>
Total Current Assets	120,293

**Non-Current Assets**

Restricted Cash (Note 2)	60,385
Capital Assets: (Note 4)	
Depreciable Capital Assets	22,131
Accumulated Depreciation	<u>(20,699)</u>
Total Capital Assets	<u>1,432</u>
TOTAL ASSETS	<u>\$ 182,110</u>

LIABILITIES AND NET POSITION

**Current Liabilities**

Lease Liability - Current Portion	<u>\$ 264</u>
Total Current Liabilities	264

**Non-Current Liabilities**

Family Self-Sufficiency Deposit Payable	<u>51,828</u>
Total Non-Current Liabilities	<u>51,828</u>
Total Liabilities	52,092

**Net Position**

Net Investment in Capital Assets	1,168
Restricted	8,557
Unrestricted	<u>120,293</u>
Total Net Position	<u>130,018</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 182,110</u>

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

MORROW METROPOLITAN HOUSING AUTHORITY  
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
 FOR THE YEAR ENDED SEPTEMBER 30, 2023

**Operating Revenue:**

Operating Grants	\$ 961,002
Other Revenue	11,436
Total Operating Revenue	<u>972,438</u>

**Operating Expenses:**

Housing Assistance Payments	786,702
Administrative	130,734
Depreciation and Amortization Expense	<u>2,584</u>
Total Operating Expenses	<u>920,020</u>

Operating Income (Loss)	52,418
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Non-Operating Revenues (Expenses)

Interest Income	508
Interest Expense	<u>(37)</u>
Total Non-Operating Revenues (Expenses)	<u>471</u>

Change in Net Position	52,889
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Net Position - Beginning of Year	<u>77,129</u>
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Net Position - End of Year	<u><u>\$ 130,018</u></u>
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The accompanying notes are an integral part of the financial statements.

MORROW METROPOLITAN HOUSING AUTHORITY  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Cash Flows From Operating Activities:	
Cash received from Operating Grants	\$ 968,938
Cash received from Other Revenue	11,436
Cash payments for Operating Expenses	(130,734)
Cash payments for Housing Assistance	<u>(776,987)</u>
Net Cash Provided (Used) by Operating Activities	72,653
Cash Flows From Capital and Related Financing Activities:	
Interest paid	(37)
Loan Debt Payments, Principal and Interest	<u>(1,026)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,063)
Cash Flows From Investing Activities:	
Interest Income	<u>508</u>
Net Cash Provided (Used) by Investing Activities	508
Increase (Decrease) in Cash and Cash Equivalents	72,098
Cash and Cash Equivalents - Beginning of Year	<u>107,958</u>
Cash and Cash Equivalents - End of Year	<u><u>\$ 180,056</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Used in Operating Activities:	
Operating Income (Loss)	\$ 52,418
Adjustments to Reconcile Operating Income (Loss) to Net Cash Used in Operating Activities:	
Depreciation and Amortization Expense	2,584
(Increase) decrease in:	
Accounts Receivable	7,936
Increase (decrease) in:	
Family Self-Sufficiency Deposits Payable	<u>9,715</u>
Net cash used in operating activities	<u><u>\$ 72,653</u></u>

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

MORROW METROPOLITAN HOUSING AUTHORITY  
MORROW COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

**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, 2023  
(CONTINUED)

**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, 2023  
(CONTINUED)

**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 unspent grant funds of \$60,385.

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, 2023.

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	5-7
Computer Hardware & Software	3

Total depreciation expense for the 2023 fiscal year was \$1,558.

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation less any related debt.

MORROW METROPOLITAN HOUSING AUTHORITY  
MORROW COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023  
(CONTINUED)

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES — (CONTINUED)**

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, 2023.

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.

**2. CASH AND CASH EQUIVALENTS**

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, 2023 are as follows:

	<u>Checking</u>	<u>Savings</u>	<u>Total</u>
Demand Deposits:			
Bank balance	\$130,340	\$ 51,828	\$ 182,168
Items-in-transit	<u>(2,112)</u>	<u>-</u>	<u>(2,112)</u>
Carrying balance	<u>\$ 128,228</u>	<u>\$ 51,828</u>	<u>\$ 180,056</u>

Of the fiscal year-end bank balance, \$182,168 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, 2023, the Authority is not subject to interest rate, credit, concentration, or custodial credit risks.



MORROW METROPOLITAN HOUSING AUTHORITY  
MORROW COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023  
(CONTINUED)

**3. CAPITAL ASSETS**

The following is a summary of capital assets at September 30, 2023:

	Balance 9/30/2022	Additions	Disposals	Balance 9/30/2023
Capital Assets depreciated				
Furniture and Equipment	\$ 19,851	\$ 0	\$ 0	\$ 19,851
Intangible Right-to-Use: Leased Equipment	2,280	0		2,280
Total Capital Assets Depreciated/Amortized	<u>22,131</u>	<u>0</u>	<u>0</u>	<u>22,131</u>
Accumulated Depreciation/Amortization				
Furniture and Equipment	(17,102)	(1,558)		(18,660)
Intangible Right-to-Use: Leased Equipment	( 1,013)	(1,026)		(2,039)
Total Accumulated Depreciation/Amortized	<u>(18,115)</u>	<u>(2,584)</u>	<u>0</u>	<u>(20,699)</u>
Total Capital Assets Depreciated – Net	<u>4,016</u>	<u>(2,584)</u>	<u>0</u>	<u>1,432</u>
Total Capital Assets – Net	<u>\$ 4,016</u>	<u>\$ (2,584)</u>	<u>0</u>	<u>\$1,432</u>

**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 2023, 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.

MORROW METROPOLITAN HOUSING AUTHORITY  
MORROW COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023  
(CONTINUED)

**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, 2023:

<u>Description</u>	<u>Balance</u> <u>09/30/22</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>09/30/23</u>	<u>Due Within</u> <u>One Year</u>
Lease Liability	\$ 1,290	\$ 0	(\$ 1,026)	\$ 264	\$ 264
Family Self-Sufficiency Payable	<u>42,113</u>	<u>9,715</u>	<u>-</u>	<u>51,828</u>	<u>0</u>
Total	<u>\$ 43,403</u>	<u>\$ 9,715</u>	<u>(\$ 1,026)</u>	<u>\$52,092</u>	<u>\$ 264</u>

The Authority entered into a sixty-month lease for a copier which requires monthly payments of \$88.62 beginning January 2019; the lease was added in October 2021 at the remaining balance due based on GASB 87 implementation. The equipment is being amortized over the remaining life of the lease. The imputed interest rate on the lease is 4.50%.

Lease commitments for fiscal years ending September 30 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	<u>\$ 264</u>	<u>\$ 2</u>	<u>\$ 266</u>

**7. SERVICE AGREEMENT**

The Authority entered into a service contract with the Morrow Metropolitan Housing Authority to provide fiscal and consulting services. The Morrow 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.

**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, 2023.

**B. Litigation**

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

MORROW METROPOLITAN HOUSING AUTHORITY  
MORROW COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023  
(CONTINUED)

**9. 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 May 20, 2024, the date on which the financial statements were available to be issued.

**10. SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Morrow Metropolitan Housing Authority (the Authority) under programs of the federal government for the fiscal year ended September 30, 2023. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

**Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

**Indirect Cost Rate**

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

**11. CHANGE IN ACCOUNTING PRINCIPLE**

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defined a SBITA; (2) establishes that a SWBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. These changes were incorporated in the Authority’s financial statements; however, there was no effect on the beginning net position.

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

	<u>2023 (1)</u>	<u>2022 (1)</u>	<u>2021 (1)</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required employer contribution										
Pension	\$ -	\$ -	\$ -	\$ 1,041	\$ 5,022	\$ 4,880	\$ 4,331	\$ 4,078	\$ 4,078	\$ 4,078
Contributions in relation to the										
contractually required contribution	\$ -	\$ -	\$ -	\$ (1,041)	\$ (5,022)	\$ (4,880)	\$ (4,331)	\$ (4,078)	\$ (4,078)	\$ (4,078)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Authority covered-employee payroll	\$ -	\$ -	\$ -	\$ 7,436	\$ 35,870	\$ 35,491	\$ 33,969	\$ 33,983	\$ 33,983	\$ 33,986
Contribution as a percentage of										
covered-employee payroll										
Pension	14.00%	14.00%	14.00%	14.00%	14.00%	13.75%	12.75%	12.00%	12.00%	12.00%

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

See accompanying notes to the required supplementary information.

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

	<u>2023 (1)</u>	<u>2022 (1)</u>	<u>2021 (1)</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required employer contribution										
OPEB	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 88	\$ 428	\$ 680	\$ 680	\$ 680
Contributions in relation to the										
contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (88)	\$ (428)	\$ (680)	\$ (680)	\$ (680)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Authority covered-employee payroll	\$ -	\$ -	\$ -	\$ 7,436	\$35,870	\$ 35,491	\$ 33,969	\$33,983	\$33,983	\$ 33,986
Contribution as a percentage of										
covered-employee payroll										
OPEB	0.00%	0.00%	0.00%	0.00%	0.00%	0.25%	1.26%	2.00%	2.00%	2.00%

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

See accompanying notes to the required supplementary information.

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

	<u>2023 (3)</u>	<u>2022 (3)</u>	<u>2021 (3)</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Authority's Proportion of the Net Pension Liability	0.00000%	0.00000%	0.00000%	0.000242%	0.000267%	0.000257%	0.000263%	0.000273%	0.000277%	0.000277%
Authority's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ 47,833	\$ 73,215	\$ 40,318	\$ 59,457	\$ 47,288	\$ 33,410	\$ 32,655
Authority's Covered Employee Payroll	\$ -	\$ -	\$ -	\$ 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 employee payroll	0.00%	0.00%	0.00%	133.35%	203.35%	118.63%	174.94%	139.14%	98.30%	96.08%
Plan Fiduciary Net Position as a percentage of the total Pension Liability	92.62%	92.62%	86.88%	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 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  
MORROW COUNTY  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY  
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM  
LAST SEVEN FISCAL YEARS (1) (2)**

	<u>2023 (3)</u>	<u>2022 (3)</u>	<u>2021 (3)</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Authority's Proportion of the Net OPEB Liability	0.000000%	0.000000%	0.000000%	0.000225%	0.000248%	0.000240%	0.000250%
Authority's Proportionate Share of the Net OPEB Liability	\$ -	\$ -	\$ -	\$ 31,077	\$ 32,333	\$ 26,062	\$ 25,251
Authority's Covered Employee Payroll	\$ -	\$ -	\$ -	\$ 35,870	\$ 36,005	\$ 33,987	\$ 33,983
Authority's Proportionate Share of the Net OPEB Liability as a percentage of its covered employee payroll	0.00%	0.00%	0.00%	86.64%	89.80%	76.68%	74.30%
Plan Fiduciary Net Position as a percentage of the total Pension Liability	0.00%	0.00%	0.00%	47.80%	43.33%	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 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  
MORROW COUNTY  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

***Ohio Public Employees' Retirement System***

**Net Pension Liability**

*Changes in benefit terms:* There were no changes in benefit terms from the amounts reported for 2014-2023.

*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% simple through 2023 to 0.50% simple through 2021, then 2.15% simple.

***Net OPEB Liability***

*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 since the prior measurement date: (a) the single discount rate changed from 3.16% to 6.00% (b) the municipal bond rate changed from 2.75% to 2.00% (c) the health care cost trend rate changed from 10.50% initial and 3.50% ultimate in 2030 to 8.50% initial and 3.50% ultimate in 2035.



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

Line item	Account Description	Housing Choice Voucher	Mainstream Voucher	Total
111	Cash - Unrestricted	\$ 111,074	\$ 8,597	\$ 119,671
113	Cash - Restricted	60,385		60,385
100	Total Cash	171,459	8,597	180,056
122	Accounts Receivable - HUD Other Projects		622	622
120	Net Total Receivables	-	622	622
<b>150</b>	<b>Total Current Assets</b>	<b>171,459</b>	<b>9,219</b>	<b>180,678</b>
163	F/E/M - Dwellings	19,851		19,851
165	Lease	2,280		2,280
166	Accum Depreciation and Amortization	(20,699)		(20,699)
160	Net Fixed Assets	1,432	-	1,432
<b>290</b>	<b>Total Assets and Deferred Outflow of Resources</b>	<b>172,891</b>	<b>9,219</b>	<b>182,110</b>
343	Current Portion of Long-Term Debt	264		264
310	Total Current Liabilities	264	-	264
353	Non-current Liabilities - Other	51,828		51,828
	Total Liabilities	52,092	-	52,092
508.1	Invested in Capital Assets Net	1,168	-	1,168
511.1	Restricted Net Position	8,557	9,219	17,776
512.1	Unrestricted Net Position	111,074		111,074
513	Total Equity/Net Position	120,799	9,219	130,018
<b>600</b>	<b>Total Liab., Deferred Inflows of Resources and Equity</b>	<b>\$ 172,891</b>	<b>\$ 9,219</b>	<b>\$ 182,110</b>

See Auditor's Report.

Morrow Metropolitan Housing Authority  
Statement of Revenue and Expenses  
September 30, 2023

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

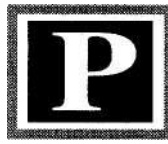
<b>Line item</b>	<b>Account Description</b>	<b>Housing Choice Voucher</b>	<b>Mainstream Voucher</b>	<b>Family Self-Sufficiency</b>	<b>Total</b>
70600	HUD PHA Operating Grants	\$ 725,571	\$ 187,056	\$ 48,375	\$ 961,002
711	Investment Income - PHA	508			508
715	Other Revenue	11,436			11,436
700	TOTAL REVENUE	737,515	187,056	48,375	972,946
912	Audit	5,364	1,623		6,987
913	Management Fee	39,842	12,058	48,375	100,275
916	Office Expenses	18,019	5,453		23,472
	Total Operating - Admin.	63,225	19,134	48,375	130,734
967.2	Interest Expense	37	-	-	37
	TOTAL OPERATING EXPENSES	63,262	19,134	48,375	130,771
970	Excess Oper. Rev. over Exp.	674,253	167,922	-	842,175
973	HAP	618,035	159,133		777,168
973.5	HAP - Portability-In	9,534			9,534
974	Depreciation and Amortization Expense	2,584			2,584
900	TOTAL EXPENSES	693,415	178,267	48,375	920,057
1000	NET INCOME (LOSS)	\$ 44,100	\$ 8,789	\$ -	\$ 52,889

See Auditor's Report.

Morrow Metropolitan Housing Authority  
 Schedule of Expenditures of Federal Awards  
 For the Fiscal Year Ended September 30, 2023

Federal Grantor/Pass-Through Grantor/Cluster Title	Assistance Listing Number	Pass Through Number	Total Federal Expenditures
U.S. Department of Housing and Urban Development			
Direct Program			
<b>Housing Voucher Cluster:</b>			
Section 8 Housing Choice Voucher	14.871	N/A	\$ 693,415
Mainstream Vouchers	14.879	N/A	<u>178,267</u>
Total Housing Voucher Cluster			871,682
Family Self-Sufficiency Program	14.896	N/A	<u>48,375</u>
Total Expenditures of Federal Awards			<u><u>\$ 920,057</u></u>

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



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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 Trustees

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 Morrow Metropolitan Housing Authority, Morrow County, (the Authority) as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority’s basic financial statements and have issued my report thereon dated May 20, 2024.

***Internal Control Over Financial Reporting***

As part of my financial statement audit, I considered the Morrow Metropolitan Housing Authority’s internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support my opinion(s) on the financial statements, but not to the extent necessary to opine on the effectiveness of the Morrow Metropolitan Housing 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 Morrow Metropolitan Housing 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 Morrow Metropolitan Housing 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 determination of financial statement amounts. 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 we must report under *Government Auditing Standards*.

I noted certain matters that I reported to management of the Authority's in a separate letter dated May 20, 2024.

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

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

Kevin L. Penn, Inc.  
Cleveland, Ohio

May 20, 2024



Kevin L.  
**enn, Inc.**

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

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

To the Board of Trustees

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

I have audited Morrow Metropolitan Housing Authority, Morrow County’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 Morrow Metropolitan Housing Authority’s major federal program for the year ended September 30, 2023. 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 my opinion, Morrow 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 September 30, 2023.

### ***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

May 20, 2024

**Morrow Metropolitan Housing Authority**

Schedule of Findings

September 30, 2023

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 and 14.879 Housing Voucher Cluster

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.



**Morrow Metropolitan Housing Authority**  
Summary Schedule of Prior Audit Findings  
Year Ended September 30, 2023

There were no audit findings, during the 2022 fiscal year.

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# 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 6/25/2024**

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

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