



OHIO AUDITOR OF STATE
KEITH FABER



**JACKSON METROPOLITAN HOUSING AUTHORITY
JACKSON COUNTY
SEPTEMBER 30, 2022**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Prepared by Management:	
Management's Discussion and Analysis	5
Basic Financial Statements:	
Statement of Net Position	13
Statement of Revenues, Expenses and Change in Net Position	15
Statement of Cash Flows	16
Notes to the Financial Statements.....	17
Required Supplementary Information:	
Schedule of Jackson Metropolitan Housing Authority Proportionate Share of the Net Pension Liability	45
Schedule of Jackson Metropolitan Housing Authority Proportionate Share of the Net OPEB Liability/(Asset).....	46
Schedule of Authority's Contributions - Pension Ohio Public Employees Retirement System	47
Schedule of Authority's Contributions - OPEB Ohio Public Employees Retirement System	48
Notes to the Required Supplementary Information	49
Supplementary Information:	
Schedule of Expenditures of Federal Awards	51
Notes to the Schedule of Expenditures of Federal Awards.....	52
Entity Wide Financial Data Schedule.....	53
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	59
Independent Auditor's Report on Compliance with Requirements Applicable to the Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance.....	61

JACKSON METROPOLITAN HOUSING AUTHORITY
JACKSON COUNTY
SEPTEMBER 30, 2022

TABLE OF CONTENTS
(Continued)

TITLE	PAGE
Schedule of Findings.....	65
Prepared by Management:	
Corrective Action Plan	68

OHIO AUDITOR OF STATE KEITH FABER



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

INDEPENDENT AUDITOR'S REPORT

Jackson Metropolitan Housing Authority
Jackson County
249 W 13th Street
P.O. Box 619
Wellston, OH 45692

To the Board of Commissioners:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the business-type activities of the Jackson Metropolitan Housing Authority, Jackson County, Ohio (the Authority), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Jackson Metropolitan Housing Authority, Jackson County, Ohio as of September 30, 2022, and the respective changes in financial position and cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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 Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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*, we

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis*, and Schedules of Proportionate Share of Net Pension and Other Post-Employment Benefit Liabilities/Asset 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements.

The 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 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Financial Data Schedule as required by the Department of Housing and Urban Development present additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 31, 2023, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

May 31, 2023

This page intentionally left blank.

JACKSON METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022

UNAUDITED

The Jackson 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, 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 statement.

FINANCIAL HIGHLIGHTS

- The Authority's Net Position increased by \$56,084 (or 1.94%) for the fiscal year ending September 30, 2022, resulting from the operations of the Authority. Since the Authority engages only in business-type activities, the decrease is all in the category of business-type Net Position. Net Position was \$2,954,393 and \$2,898,309 for 2022 and 2021 respectively.
- Revenues decreased by \$77,634 (or 2.68%) during 2022 and were \$2,822,141 and \$2,899,775 for 2022 and 2021 respectively.
- The total expenses of all Authority programs increased by \$307,575 (or 12.51%). Total expenses were \$2,766,057 and \$2,458,482 for 2022 and 2021 respectively.

USING THIS ANNUAL REPORT

The following graphic outlines the format of this 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~

Required Supplementary Information
~Pension and OPEB Schedules~

Other Supplementary Information
~Schedule of Expenditures of Federal Awards~
~Financial Data Schedule~

JACKSON METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022

UNAUDITED

Authority Financial Statements

The Authority financial statements are designed to be corporate-like in that all business type activities are consolidated into columns which add to a total for the entire Authority.

These Statements include a Statement of Net Position, which is like 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 and deferred outflows of resources minus liabilities and deferred inflows of resources, equals "Net Position". Assets and liabilities are presented in order of liquidity and are classified as "Current" (convertible into cash within one year), and "Non-current".

The focus of the Statement of Net Position (the "Unrestricted Net Position") is designed to represent the net available liquid (non-capital) assets and deferred outflows of resources, net of liabilities and deferred inflows of resources, for the entire Authority. Net Position are reported in three broad categories:

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

Restricted Net Position: This component of Net Position consists of restricted assets, when constraints are placed on the asset by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.

Unrestricted Net Position: Consists of Net Position that does not meet the definition of "Net Investment in Capital Assets" or "Restricted Net Position".

The Authority's financial statements also include a Statement of Revenues, Expenses and Changes in Net Position (like an Income Statement). This Statement includes Operating Revenue, such as rental income, Operating Expenses, such as administrative, utilities, and maintenance, and depreciation, and Non-Operating Revenue and Expenses, such as capital grant revenue, investment income and interest expense.

The focus of the Statement of Revenues, Expenses and Changes in Net Position is the "Change in Net Position", which is like Net Income or Loss.

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

JACKSON METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022

UNAUDITED

Fund Financial Statements

The Authority consists of exclusively Enterprise Funds. Enterprise funds utilize the full accrual basis of accounting. The Enterprise method of accounting is similar to accounting utilized by the private sector accounting.

Many of the programs maintained by the Authority are required by the Department of Housing and Urban Development. Others are segregated to enhance accountability and control.

The Authority's Programs

Conventional Public Housing – Under the Conventional Public Housing Program, the Authority rents units that it owns to low-income households. The Conventional Public Housing Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides Operating Subsidy and Capital Grant funding to enable the PHA to provide the housing at a rent that is based upon 30% of household income.

Capital Fund Program – This is the current primary funding source for the Authority's physical and management improvements to the Authority's properties. While the formula funding methodology used for the CGP was revised for the CFP, funds are still provided by formula allocations and based on size and age of your units.

Mainstream Vouchers – The Mainstream Vouchers Program provides subsidies (Housing Assistance Payments) on behalf of persons with disabilities (elderly and non-elderly) to participating owners.

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 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 household income.

Economic Development and Supportive Services Program – This is a grant program funded by the Department of Housing and Urban Development that encourages economic self-sufficiency among the Authority's resident population. These programs are identified on the FDS Schedule as the PIH Family Self-Sufficiency Program and the HOME investment Partnership Program.

Business Activity – Business activity represents other services that the PHA provides to the County. The revenue and expenses for these services are identified and tracked separate from the HUD activities.

JACKSON METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022

UNAUDITED

AUTHORITY STATEMENTS

STATEMENT OF NET POSITION

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

TABLE 1 - STATEMENT OF NET POSITION

	<u>2022</u>	<u>2021</u>
Current and Other Assets	\$ 1,558,171	\$ 1,303,854
Capital Assets	2,677,008	3,023,424
Deferred Outflows	75,512	55,602
Total Assets and Deferred Outflows of Resources	<u>\$ 4,310,691</u>	<u>\$ 4,382,880</u>
Current Liabilities	\$ 281,538	\$ 234,909
Non-Current Liabilities	738,149	944,056
Deferred Inflows	336,611	305,606
Total Liabilities and Deferred Inflows of Resources	<u>1,356,298</u>	<u>1,484,571</u>
Net Position:		
Net Investment in Capital Assets	2,133,603	2,423,819
Restricted	38,756	26,134
Unrestricted	782,034	448,356
Total Net Positions	<u>2,954,393</u>	<u>2,898,309</u>
Total Liabilities, Deferred Inflows and Net Position	<u>\$ 4,310,691</u>	<u>\$ 4,382,880</u>

For more detail information see Statement of Net Position presented elsewhere in this report.

Major Factors Affecting the Statement of Net Position

During 2022, current and other assets increased by \$254,317 and total liabilities and deferred inflows of resources decreased by \$128,273. The current and other assets, primarily cash and investments, mainly increased due to change in cash resulting from current fiscal year activities and change in GASB 75 resulting in a Net OPEB Asset.

The increase in current liabilities of \$46,629 was due to increase in accounts payable at fiscal year-end. The decrease in non-Current Liabilities of \$205,907 was due to changes in notes and loan payables and accrued Pension Liability at the fiscal year-end.

JACKSON METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022

UNAUDITED

Capital assets also changed, decreasing from \$3,023,424 to \$2,677,008. The \$346,416 decrease was contributed primarily to current year depreciation expense less additions.

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

Table 2 - Changes in Net Position

	Unrestricted	Net Investment in Capital Assets	Restricted
Beginning Balance - September 30, 2021	\$ 448,356	\$ 2,423,819	\$ 26,134
Results of Operations	43,462	-	12,622
Adjustments:			
Current year depreciation expense (1)	355,683	(355,683)	-
Capital expenditure (2)	(9,267)	9,267	-
Retirement of Debt	(52,200)	56,200	-
Ending Balance - September 30, 2022	<u>\$ 786,034</u>	<u>\$ 2,133,603</u>	<u>\$ 38,756</u>

- (1) Depreciation is treated as an expense and reduces the results of operations but does not have an impact on Unrestricted Net Position.
- (2) Capital expenditures represent an outflow of Unrestricted Net Position but are not treated as an expense against Results of Operations, and therefore must be deducted.

While the results of operations are a significant measure of the Authority's activities, the analysis of the changes in Unrestricted Net Position provides a clearer change in financial well-being. The following schedule compares the revenues and expenses for the current and previous fiscal year. The Authority is engaged only Business-Type Activities.

**** This space was intentionally left blank ****

JACKSON METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022

UNAUDITED

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

	<u>2022</u>	<u>2021</u>
<u>Revenues</u>		
Tenant Revenues	\$ 459,202	\$ 418,927
Operating Subsidies	2,155,898	2,142,337
Other Government Grants	67,692	59,810
Other Revenues	132,827	59,257
Capital Grants	5,230	217,864
Interest	1,292	1,580
Total Revenues	<u>2,822,141</u>	<u>2,899,775</u>
<u>Expenses</u>		
Administrative	398,251	258,625
Tenant Services	65,098	47,693
Utilities	192,820	210,896
Maintenance	487,004	556,205
General and Interest Expenses	130,460	112,848
Housing Assistance Payments	1,308,647	1,218,325
Depreciation	355,683	379,712
Pension & OPEB Expense	(171,906)	(325,822)
Total Expenses	<u>2,766,057</u>	<u>2,458,482</u>
Change in Net Position	56,084	441,293
Total Net Position - Beginning	<u>2,898,309</u>	<u>2,457,016</u>
Total Net Position - Ending	<u>\$ 2,954,393</u>	<u>\$ 2,898,309</u>

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

Total revenue decreased by \$77,634 compared to the prior fiscal year. The decrease is due to grant revenue earned from HUD for the operation and capital activities funded by HUD.

Total expenses increased by \$307,575 in comparison with prior fiscal year financials. The increase was mainly due to the change in the GASB 68 and 75 liability, and increase in administrative costs.

JACKSON METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022

UNAUDITED

CAPITAL ASSETS

As of fiscal year-end, the Authority had \$2,677,008 invested in a variety of capital assets as reflected in the following schedule, which represents a net decrease due to current fiscal year additions less depreciation expense. See table 5 for detail of current fiscal year change.

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

	2022	Restated 2021
Land	\$ 257,876	\$ 257,876
Buildings & Improvements	13,272,643	13,294,346
Equipment	270,655	244,785
Vehicles	122,262	122,262
Construction in Progress	5,100	-
Accumulated Depreciation	(11,251,528)	(10,895,845)
 Total	 \$ 2,677,008	 \$ 3,023,424

The following reconciliation summarizes the change in Capital Assets, which is presented in detail in Note 6 of the notes to the basic financial statements:

TABLE 5 - CHANGE IN CAPITAL ASSETS

Beginning Balance - September 30, 2021	\$ 3,023,424
Current year Additions	9,267
Current year Depreciation Expense	(355,683)
 Ending Balance - September 30, 2022	 \$ 2,677,008

Current year Additions are summarized as follows:

Intercom	1,047
New A/C 30 Fairview Terrace	3,120
Chiller Replacement	5,100
 Total 2022 Additions	 \$ 9,267

JACKSON METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022

UNAUDITED

DEBT OUTSTANDING

As of fiscal year-end, the Authority has \$543,405 in debt (mortgages) outstanding compared to \$599,605 in the prior fiscal year.

TABLE 6
CONDENSED STATEMENT OF CHANGE IN DEBT OUTSTANDING

Beginning Balance - September 30, 2021	\$ 599,605
Current Year Principal Payments	<u>(56,200)</u>
Ending Balance - September 30, 2022	<u><u>\$ 543,405</u></u>

There was no new debt issued in fiscal year 2022. See Note 9 in the notes to the basic financial statements for more information.

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

- Federal funding provided by Congress to the Department of Housing and Urban Development
- Local labor supply and demand, which can affect salary and wage rates
- Local inflationary, recessionary and employment trends, which can affect resident incomes and therefore the amount of rental income
- Inflationary pressure on utility rates, supplies and other costs
- Unknown financial and operational impacts as well as impacts to federal programs because of the COVID-19 pandemic

FINANCIAL CONTACT

The individual to be contacted regarding this report is Rhonda Downey, Executive Director of the Jackson Metropolitan Housing Authority, at (740) 384-5627. Specific requests may be submitted to the Jackson Metropolitan Housing Authority at 249 W. Thirteenth Street PO Box 619, Wellston, Ohio 45692.

**JACKSON METROPOLITAN HOUSING AUTHORITY
JACKSON COUNTY
STATEMENT OF NET POSITION
SEPTEMBER 30, 2022**

Assets

Current Assets:

Cash and Cash Equivalents	\$1,314,168
Restricted Cash and Cash Equivalents	118,679
Receivables, net	24,243
Prepaid Assets	31,234
Total Current Assets	<u>1,488,324</u>

Non-Current Assets:

Capital assets:

Nondepreciable Capital Assets	262,976
Depreciable Capital Assets	13,665,560
Accumulated Depreciation	(11,251,528)
Total Capital Assets	<u>2,677,008</u>

Other non-current assets:

Net OPEB Assets	69,847
Total Non-Current Assets	<u>2,746,855</u>

Total Assets

\$4,235,179

Deferred Outflow of Resources

Pension	\$73,254
OPEB	2,258
Total Deferred Outflows of Resources	<u><u>\$75,512</u></u>

Liabilities

Current Liabilities:

Accounts Payable	\$90,197
Accrued Liabilities	21,713
Accrued Wages and Payroll Taxes	27,875
Accrued Compensated Absences	25,609
Intergovernmental Payables	19,225
Tenant Security Deposits Payable	35,910
Unearned Revenue	4,809
Notes and Loans Payable	56,200
Total Current Liabilities	<u><u>\$281,538</u></u>

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

JACKSON METROPOLITAN HOUSING AUTHORITY
JACKSON COUNTY
STATEMENT OF NET POSITION (CONTINUED)
SEPTEMBER 30, 2022

Non-Current liabilities

Notes and Loans Payable	\$487,205
Accrued Compensated Absences	3,278
Noncurrent Liabilites - Other	39,204
Net Pension Liability	208,462
Total Non-Current Liabilities	<u>738,149</u>
<i>Total Liabilities</i>	<u><u>\$1,019,687</u></u>

Deferred Inflow of Resources

Pension	\$262,733
OPEB	73,878
<i>Total Deferred Inflows of Resources</i>	<u><u>\$336,611</u></u>

Net Positions

Net Investment in Capital Assets	\$2,133,603
Restricted	38,756
Unrestricted	782,034
<i>Total Net Position</i>	<u><u>\$2,954,393</u></u>

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

**JACKSON METROPOLITAN HOUSING AUTHORITY
JACKSON COUNTY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

Operating Revenues	
Tenant Revenue	\$459,202
Government Operating Grants	2,155,898
Other Government Grants	67,692
Other Revenue	132,827
Total Operating Revenues	<u>2,815,619</u>
 Operating Expenses	
Administrative	398,251
Tenant Services	65,098
Utilities	192,820
Maintenance	487,004
Pension & OPEB Expense	(171,906)
General and Insurance	130,460
Housing Assistance Payments	1,308,647
Depreciation	355,683
Total Operating Expenses	<u>2,766,057</u>
Operating Income	<u>49,562</u>
 Nonoperating Revenues	
Interest	1,292
Capital Grants	5,230
Total Nonoperating Revenues	<u>6,522</u>
Change in Net Position	56,084
Net Position at October 1, 2021	<u>2,898,309</u>
<i>Net Position at September 30, 2022</i>	<u><u>\$2,954,393</u></u>

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

**JACKSON METROPOLITAN HOUSING AUTHORITY
JACKSON COUNTY
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

Cash flows from operating activities:

Operating grants received	\$2,223,772
Tenant revenue received	449,558
Other revenue received	64,062
General and administrative expenses paid	(1,245,957)
Housing Assistance Payments	(1,308,647)
Net cash provided by operating activities	<u>182,788</u>

Cash flows from investing activities:

Interest earned	1,292
Net cash provided by investing activities	<u>1,292</u>

Cash flows from capital and related financing activities:

Capital grant received	5,230
Property and equipment purchased	(9,267)
Net cash used by capital and related activities	<u>(4,037)</u>

Net change in cash and cash equivalents	180,043
Cash and cash equivalents at October 1, 2021	1,252,804

Cash and cash equivalents September 30, 2022	<u><u>\$1,432,847</u></u>
---	----------------------------------

Reconciliation of operating loss to net cash provided in operating activities:

Net Operating Income	\$49,562
Adjust to reconcile operating loss to net cash provided by operating activities	
Depreciation	355,683
Amortization of Loan Liability	(56,200)
Changes in:	
Accounts receivable, net	(22,027)
Prepaid assets	(22,984)
Pension/OPEB assets	(29,263)
Deferred outflows	(19,910)
Accounts payable	47,763
Accrued wages and payroll taxes	8,184
Compensated absences	2,727
Intergovernmental payables	(11,649)
Tenant security deposits	4,500
Other liabilities	(5,674)
Unearned revenue	4,809
Deferred inflows	31,005
Net pension liability	(153,738)
Net cash provided by operating activities	<u><u>\$182,788</u></u>

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

JACKSON METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Summary of Significant Accounting Policies

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

Reporting Entity

The Jackson Metropolitan Housing 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 financial statements comply with the provision of Governmental Accounting Standards Board (GASB) Statement 14, the Financial Reporting Entity, in that the financial statements include all organizations, activities and functions for which the Authority is financially accountable. This report includes all activities considered by management to be part of the Authority by virtue of Section 2100 of the Codification of Governmental Accounting and Financial Reporting Standards.

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

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

A primary government can 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.

JACKSON METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

Management believes the financial statements included in this report represent all the funds of the Authority over which the Authority is financially accountable.

Basis of Presentation

The Authority's financial statements consist of a Statement of Net Position, a Statement of Revenue, Expenses and Changes Net Positions, and a Statement of Cash Flows.

Fund Accounting

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

Funds are classified into three categories: governmental, proprietary and fiduciary. The Authority uses the proprietary category for its programs.

Proprietary Fund Types

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

Enterprise Fund - This fund is used to account for the operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The enterprise fund is accounted for on a flow of economic resources measurement focus and the accrual basis of accounting.

Description of programs

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

A. **Public Housing Program**

The public housing program is designed to provide low-cost housing within the County. Under this program, HUD provides funding via an annual contribution contract. These funds, combined with the rental income received from tenants, are available solely to meet the operating expenses of the program.

B. **Capital Fund Program**

The capital fund program provides funds annually, via a formula, to Public Housing Agencies for capital and management activities, including modernization and development housing.

C. **Mainstream Vouchers**

The Mainstream Vouchers Program provides subsidies (Housing Assistance

JACKSON METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

Payments) on behalf of a person with disabilities (elderly and non-elderly) to participating housing owners. Under this program, the landlord-tenant relationship is between a housing owner and a family, rather than the Authority and a family as in Public Housing programs.

D. Housing Choice Voucher Program

The Housing Choice Voucher Program was authorized by Section 8 of the National Housing Act and provides housing assistance payments to private, not-for-profit or public landlords to subsidize rentals for low-income persons.

E. Business Activity

Business activity represents other services that the PHA provides to Jackson Metropolitan Housing Authority for a fee and services that the PHA provides to the County. The revenue and expenses for these services are identified and tracked separate from the HUD activities.

F. Economic Development and Supportive Services Program

The PIH Family Self-Sufficiency Program and the HOME investment Partnership Program are programs funded by the Department of Housing and Urban Development that encourages economic self-sufficiency among the Authority's resident population and also needy families with temporary housing assistance throughout the county.

Investments

The provisions of the HUD Regulations restrict investments. Investments are valued at fair value. The Authority categorizes its fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Cost based measures of fair value were applied to nonnegotiable certificates of deposit and money market investments. All investments of the Authority are reported at cost. Interest income earned in fiscal year ending September 30, 2022, totaled \$1,292.

Capital Assets

Capital assets are stated at cost. The capitalization policy of the Authority is to depreciate all non-expendable personal property having a useful life of more than one year and purchase price of \$1,000 or more per unit. Expenditures for repairs and maintenance are charged directly to expense as they are incurred. Depreciation is computed using the straight-line method over the following estimated useful lives:

Buildings	25-40 years
Buildings Improvements	15-25 years
Furniture, equipment and machinery	3-15 years
Vehicles	5-7 years

Net Position

Net Position represents the difference between all other elements of statement of net position.

JACKSON METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction or improvement of those assets. Net Position is recorded as restricted when there are limitations imposed on their use by internal or external restrictions. Unrestricted Net Position consists of all other assets that do not meet the definition of “restricted” or “net investment in capital assets”.

Operating Revenues and Expenses

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

Capital Contributions

This represents contributions made available by HUD with respect to all federally aided projects under an annual contribution contract.

Cash and Cash Equivalents

Cash and cash equivalents include all cash balances and highly liquid investments with a maturity of three months or less. The Authority places its temporary cash investments with high credit quality financial institutions. Amounts in excess of FDIC insurance limits are fully collateralized.

Unearned Revenues

Unearned revenue arises when assets are recognized before revenue recognition criteria has been satisfied. Grants associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as a receivable or revenue, or unearned revenue of the current fiscal year.

Accounts Receivable

Management considers all accounts receivable (excluding the tenant 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 in which services are consumed.

Compensated Absences

The Authority accounts for compensated absences in accordance with GASB Statement No. 16. Sick leave and other compensated absences with similar characteristics are accrued as a liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments. To calculate the liability, these accumulations are reduced to the maximum amount allowed as a termination payment. All employees who meet the termination policy of the Authority for years of service are included

JACKSON METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

in the calculation of the compensated absence accrual amount.

Vacation leave and other compensated absences with similar characteristics are accrued as a liability as the benefits are earned by the employees if both of the following conditions are met: (1) the employees' rights to receive compensation are attributable to services already rendered and are not contingent on a specific event that is outside the control of the employer and employee. (2) It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

Budgetary Accounting

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

Accounting and Reporting for Non-exchange Transactions

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

In conformity with the requirements of GASB 33, the Authority has recognized grant funds expended for capitalizable capital assets acquired after September 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 generally accepted accounting principles 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, liabilities, and deferred outflows and inflows of resources at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

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. The deferred outflows of resources related to pension and OPEB plans are explained in Note 7 and 8.

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

JACKSON METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

inflows of resources are reported on the statement of net position for pension and OPEB. The deferred inflows of resources related to pension and OPEB plans are explained in Notes 7 and 8.

Pensions / Other Post-Employment Benefits

For purposes of measuring the net pension/OPEB liability/asset/asset, 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.

NOTE 2: CHANGE IN ACCOUNTING PRINCIPLE

For fiscal year 2022, the Authority has implemented Governmental Accounting Standards Board (GASB) Statement No. 87 “Leases”, and related guidance from GASB Implementation Guide 2019-3, “Leases”.

GASB Statement No. 87 enhance the relevance and consistency of information of the government’s leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A Lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The implementation of GASB Statement No. 87 did not have an effect on the financial statements of the Authority.

Jackson Metropolitan Housing Authority did not have any contracts that met the GASB 87 definition of a lease. The Authority is also implementing Implementation Guide No. 2020-1, GASB Statement No. 92 –Omnibus 2020, and GASB Statement No. 97 -- Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. These changes were incorporated in the Jackson Metropolitan Housing Authority’s 2022 financial statements; however, there was no effect on beginning net position/fund balance.

NOTE 3: DEPOSITS AND INVESTMENTS

Deposits

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

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

JACKSON METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

- B. Inactive deposits are public deposits that the Authority has identified as not required for use within the current five period of designation of depositories. Inactive deposits must either be evidenced by certificate of deposits maturing not later than the end of the current period of designation of the depositories, or by savings or deposit accounts including, but not limited to passbook accounts.
- C. Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificate of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

Protection of the Authority deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by collateral held by Authority or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

At fiscal year-end September 30, 2022, the carrying amount of the Authority’s deposits totaled \$1,432,847 and its bank balance was \$1,457,935. Based on the criteria described in GASB Statement No. 40, “Deposit and Investment Risk Disclosure,” as of September 30, 2022, \$853,661 was exposed to custodial risk as discussed below, while \$604,274 was covered by the Federal Deposit Insurance Corporation. Of the carrying amount, \$230 represents petty cash.

Custodial credit risk is the risk that in the event of bank failure, the Authority will not be able to recover the deposits. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits.

Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at the Federal Reserve Banks or at member banks of the Federal Reserve System, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the Authority.

NOTE 4: RESTRICTED CASH

Restricted cash as of September 30, 2022 represent money held that can only be used for specific purpose or money held on behalf of the tenants:

- Cash restricted for used for Housing Assistance Payments	\$38,756
- FSS Escrow	39,204
- Unexpended FSS Coordinator Grant	4,809
- Tenant security deposit	35,910
Total Restricted Cash Balance	\$118,679

JACKSON METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

NOTE 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 fiscal year ending September 30, 2022 the Authority maintains comprehensive insurance coverage with private carriers for health, real property, building contents and vehicles. Vehicle policies include liability coverage for bodily injury and property damage.

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

NOTE 6: CAPITAL ASSETS

This is a summary of the changes in Capital Assets:

	Restated Balance 9/30/2021	Adj.	Additions	Deletions	Balance 9/30/2022
Capital Assets Not Depreciated:					
Land	\$257,876	\$0	\$0	\$0	\$257,876
Construction in process	0	0	5,100	0	5,100
Total Capital Assets Not Depreciated	257,876	0	5,100	0	262,976
Capital Assets Depreciated:					
Buildings and Improvements	13,294,346	(22,750)	1,047	0	13,272,643
Furniture, Machinery & Equipment	244,785	22,750	3,120	0	270,655
Vehicles	122,262	0	0	0	122,262
Total Capital Assets Being Depreciated	13,661,393	0	4,167	0	13,665,560
Accumulated Depreciation:					
Buildings and Improvements	(10,596,568)	0	(334,968)	0	(10,931,536)
Furniture, Machinery & Equipment	(211,989)	0	(12,942)	0	(224,931)
Vehicles	(87,288)	0	(7,773)	0	(95,061)
Total Accumulated Depreciation	(10,895,845)	0	(355,683)	0	(11,251,528)
Total Capital Assets Being Depreciated, Net	2,765,548	0	(351,516)	0	2,414,032
Total Capital Assets, Net	\$3,023,424	\$0	(\$346,416)	\$0	\$ 2,677,008

JACKSON METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

NOTE 7: DEFINED BENEFIT PENSION PLANS

Net Pension Liability

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions –between an employer and its employees - of salaries and benefits for employee services. Pensions are provided to an employee - on a deferred-payment basis - as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the Authority’s proportionate share of each pension plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan’s fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the Authority’s obligation for this liability to annually required payments. The Authority cannot control benefit terms or the manner in which pensions are financed; however, the Authority does receive the benefit of employees’ services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan’s unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually required pension contribution outstanding at the end of the year is included in *accrued wages and payroll taxes* on the accrual basis of accounting.

Plan Description - Authority employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. Authority employees) may elect the member-directed plan and combined plan, substantially all employees are in the OPERS’ traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

JACKSON METROPOLITAN HOUSING AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

OPERS provides retirement, disability, survivor and death benefits, and annual costs-of-living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (800) 222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS ACFR referenced above for additional information):

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

Final average Salary (FAS) represents the average of the three highest years of earnings over a member’s career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member’s career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a traditional benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

The OPERS Board of Trustees approved a proposal at its October 2019 meeting to create a new tier of membership in the OPERS traditional pension plan. OPERS currently splits its non-retired membership into Group A, B or C depending on age and service criteria. Retirement Group D would consist of OPERS contributing members hired in 2022 and beyond. Group D will have its own eligibility standards, benefit structure and unique member features designed

JACKSON METROPOLITAN HOUSING AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

to meet the changing needs of Ohio public workers. It also will help OPERS address expected investment market volatility and adjust to the lack of available funding for health care.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the members' contributions plus or minus the investment gains or losses resulting from the members' investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the purchase of a monthly defined benefit annuity from OPERS (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and <u>Local</u>
2021-2022 Statutory Maximum Contribution Rates	
Employer	14.0%
Employee*	10.0%
 2021-2022 Actual Contribution Rates	
Employer:	
Pension	14.0%
Post-employment Health Care Benefits	<u>0.0%</u>
Total Employer	<u>14.0%</u>
 Employee	 <u>10.0%</u>

*Member contributions within combined plan are not used to fund the defined benefit retirement allowance

**These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with remainder going to pension.

JACKSON METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Authority's contractually required contribution was \$49,597 for the fiscal year ended September 30, 2022. Of this amount \$4,124 was included in the accrued wages and payroll taxes payable.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on the Authority's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	Traditional Plan
Proportionate Share of Net Pension Liability	\$208,462
Proportion of the Net Pension Liability	
- Prior Measurement Date	0.002446%
- Current Measurement Date	0.002396%
Change in Proportion from Prior	-0.000050%
Pension Expense (Income)	(\$103,126)

At September 30, 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Traditional Plan
Deferred Outflows of Resources	
Assumption Changes	\$26,068
Difference between expected and actual experience	10,627
Authority contributions subsequent to the measurement date	36,559
Total Deferred Outflows of Resources	\$73,254

JACKSON METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Traditional Plan
Deferred Inflows of Resources	
Net Difference between projected and actual earning on pension plan investments	\$247,958
Difference between expected and actual experience	4,572
Change in proportionate share and difference between Employer contribution and proportionate share of contribution	10,203
Total Deferred Inflows of Resources	\$262,733

Amount of \$36,559 reported as deferred inflows of resources related to pension resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	Traditional Plan
Fiscal Year Ending September 30:	
2023	\$41,208
2024	87,081
2025	58,305
2026	39,444
Total	\$226,038

Actuarial Assumptions – OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all prior periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below:

JACKSON METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

Actuarial Information	Traditional Plan
Measurement and Valuation Date	December 31, 2021
Experience Study	5-year ended 12/31/2020
Actuarial Cost Method	Individual entry age
Actuarial Assumption:	
Investment Rate of Return	6.9%
Wage Inflation	2.75%
Future Salary Increases, including inflation 2.75%	2.75 - 10.75 %
Cost-of-Living Adjustment	Pre 01/07/13 Retirees: 3% Simple Post 01/07/13 Retirees: 3.0% Simple through 2022, then 2.05% Simple

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five-year period ended December 31, 2015. The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

OPERS manages investments in three investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investments expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a loss of 15.3 percent for 2021.

JACKSON METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2021 and the long-term expected real rates of return:

Asset Class	Target Allocation as of December 31, 2021	Weighted Average Long- Term Expected Real Rate of Return
Fixed Income	24.00%	1.03%
Domestic Equities	21.00%	3.78%
Real Estate	11.00%	3.66%
Private Equity	12.00%	7.43%
International Equities	23.00%	4.88%
Risk Parity	5.00%	2.92%
Other Investments	4.00%	2.85%
TOTAL	100.00%	4.21%

Discount Rate: The discount rate used to measure the total pension liability was 6.9 percent, post experience study results. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following table presents the Authority's proportionate share of the net pension liability calculated using the current period discount rate assumption 6.9 percent, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (5.9 percent) or one-percentage-point higher (7.9 percent) than the current rate:

	1% Discount (5.9%)	Current Discount Rate (6.9%)	1% Increase (7.9%)
Authority's proportionate share of the net pension liability			
- Traditional Pension Plan	\$542,191	\$208,462	\$87,214

JACKSON METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

Changes Between Measurement Date and Report Date

Subsequent to December 31, 2021, the global economy was impacted by the COVID-19 pandemic and market volatility increased significantly. It is likely that 2022 investment market conditions and other economic factors will be negatively impacted; however, the overall impact on the OPERS investment portfolio and funding position is unknown at this time.

NOTE 8 – DEFINED BENEFIT OPEB PLAN

Net OPEB liability/asset

The net OPEB asset reported on the statement of net position represents an asset to employees for OPEB. OPEB is a component of exchange transactions –between an employer and its employees - of salaries and benefits for employee services. OPEB are provided to an employee - on a deferred-payment basis - as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net OPEB asset represents the Authority’s proportionate share of each OPEB plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan’s fiduciary net position. The net OPEB liability/asset calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

Ohio Revised Code limits the Authority’s obligation for this liability/asset to annually required payments. The Authority cannot control benefit terms or the manner in which OPEB are financed; however, the Authority does receive the benefit of employees’ services in exchange for compensation including OPEB.

GASB 75 assumes the liability/asset is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability/asset. Resulting adjustments to the net OPEB liability/asset would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The proportionate share of each plan’s unfunded benefits is presented as a long-term *net OPEB liability/asset* on the accrual basis of accounting. Any liability/asset for the contractually-required OPEB contribution outstanding at the end of the fiscal year is included in *accrued wages and payroll taxes* on both the accrual basis of accounting.

JACKSON METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

Plan Description – OPERS

Health Care Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate plans: The traditional pension plan is a cost-sharing, multiple-employer defined benefit plan; The member-directed plan is a defined contribution plan; and the combined plan is a cost sharing, multiple-employer defined benefit plan with defined contribution features.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' ACFR referenced below for additional information.

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. During 2021, health care is not being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In calendar years 2021-2022, state and local employers contributed at a rate of 14.0 percent of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

JACKSON METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

As recommended by OPERS' actuary, beginning January 1, 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the combined plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2021-2022 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. Authority's contractually required contribution was \$0 for the fiscal year 2022.

OPEB Liabilities/Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability/asset and total OPEB liability/asset were determined by an actuarial valuation as of December 31, 2020, rolled forward to the measurement date of December 31, 2021, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The Authority's proportion of the net OPEB liability/asset was based on the Authority's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	Health Care Plan
Proportionate Share of Net OPEB Asset	(\$69,847)
Proportion of the Net OPEB Liability	
- Prior Measurement Date	0.002278%
- Current Measurement Date	0.002230%
Change in Proportion from Prior	-0.000048%
OPEB Expense (Revenue)	(\$68,780)

At September 30, 2022, The Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

JACKSON METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Health Care Plan
Deferred Outflows of Resources	
Change in proportionate share and difference between Employer contribution and proportionate share of contribution	\$2,258
Total Deferred Outflows of Resources	\$2,258
 Deferred Inflows of Resources	
Net Difference between projected and actual earning on pension plan investments	\$33,298
Assumption Changes	28,273
Difference between expected and actual experience	10,595
Change in proportionate share and difference between Employer contribution and proportionate share of contribution	1,712
Total Deferred Inflows of Resources	\$73,878

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	Health Care Plan
Fiscal Year Ending September 30:	
2023	\$44,862
2024	14,701
2025	7,275
2026	4,782
Total	\$71,620

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of

JACKSON METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

sharing of costs between OPERS and plan members. The total OPEB liability/asset was determined by an actuarial valuation as of December 31, 2020, rolled forward to the measurement date of December 31, 2021. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Actuarial Information	
Actuarial Valuation Date	December 31, 2020
Rolled-Forward Measurement Date	December 31, 2021
Experience Study	5-Year Period Ended December 31, 2020
Actuarial Cost Method	Individual entry age
Actuarial Assumptions	
Single Discount Rate	6.00%
Investment Rate of Return	6.00%
Municipal Bond Rate	1.84%
Wage Inflation	2.75%
Future Salary Increases, including inflation 2.75%	2.75 - 10.75%
Health Care Cost Trend Rate	5.5% initial, 3.5% ultimate in 2034

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five-year period ended December 31, 2015.

The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

During 2021, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the

JACKSON METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was 14.3 percent for 2021.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2021 and the long-term expected real rates of return:

Asset Class	Target Allocation as of December 31, 2021	Weighted Average Long-Term Expected Real Rate of Return
Fixed Income	34.00%	0.91%
Domestic Equities	25.00%	3.78%
REITs	7.00%	3.71%
International Equities	25.00%	4.88%
Risk Parity	2.00%	2.92%
Other Investments	7.00%	1.93%
TOTAL	100.00%	3.45%

Discount Rate A single discount rate of 6.00 percent was used to measure the OPEB liability/asset on the measurement date of December 31, 2021. A single discount rate of 6.00 percent was used to measure the OPEB liability/asset on the measurement date of December 31, 2020. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 1.84 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2121. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2121, and the municipal bond rate was applied to all health care costs after that date.

JACKSON METROPOLITAN HOUSING AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

Sensitivity of the Authority's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate The following table presents the Authority's proportionate share of the net OPEB asset calculated using the single discount rate of 6.00 percent, as well as what the Authority's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

	1% Decrease (5.00%)	Single Discount Rate (6.00%)	1% Increase (7.00%)
Authority's proportionate share of the net OPEB asset	(\$41,077)	(\$69,847)	(\$93,727)

Sensitivity of the Authority's Proportionate Share of the Net OPEB liability/asset to Changes in the Health Care Cost Trend Rate Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability/asset. The following table presents the net OPEB liability/asset calculated using the assumed trend rates, and the expected net OPEB liability/asset if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2022 is 5.5 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
Authority's proportionate share of the net OPEB asset	(\$70,602)	(\$69,847)	(\$68,952)

NOTE 9: LONG-TERM DEBT

On December 8, 2014, Jackson Metropolitan Housing Authority entered into an agreement with Jackson County Board of Developmental Disabilities (DD Board) in order to improve the availability of housing for individuals with disabilities in Jackson County. The Authority purchased a property located at 1672 Salem Road Wellston, Ohio to be rented to individuals with disabilities. In return the Authority received \$67,905 from the Ohio Department of

JACKSON METROPOLITAN HOUSING AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

Developmental Disabilities to be used for the purchase of the property. The \$67,905 will not be repaid if the Authority continues to comply with the Master Agreement signed and the balance is forgiven every year up to 15-year period. The outstanding balance as of September 30, 2022 is \$36,216.

On August 24, 2015, the Authority signed a promissory note with Milton Banking Company in the amount of \$29,300 to finance the renovation of the property located on 1672 Salem Road. The note matured on November 22, 2015 and bears a 2.750% interest rate. On December 9, 2015 the Authority entered into an agreement with that DD Board for a loan of \$29,300 to cover the renovation costs at the 1672 Salem Road property and to pay-off the loan with Milton Bank. According to the Master Agreement signed with the DD Board the loan bears a 0% interest rate and is not paid back if the Authority is following the agreement. The loan balance is forgiven every year up to 15-year period. The outstanding balance as of September 30, 2022 is \$17,582.

On November 12, 2015, Jackson Metropolitan Housing Authority entered into an agreement with Jackson County Board of Developmental Disabilities (DD Board) to finance the purchase of the follow's properties:

- Candlelight	\$82,890
- 110 Florance	53,739
- 480 S Michigan	27,000
- 4 Vine	66,150
- 518 E Six Street	41,850
 Total Amount	 \$271,629

The \$271,629 loan amount will not be repaid as long as the Authority continues to comply with the Master Agreement in place. This entire balance is forgiven every year up to 15-year period. The outstanding balance as of September 30, 2022 is \$162,975.

On March 15, 2017, Jackson Metropolitan Housing Authority entered into an agreement with Jackson County Board of Developmental Disabilities (DD Board) in order to renovate the properties located on Candlelight and Florance. In return the Authority received \$38,700 from the Ohio Department of Developmental Disabilities to be used for the renovations. The \$38,700 will not be repaid if the Authority continues to comply with the Master Agreement signed and the balance is forgiven every year up to 15-year period. The outstanding balance as of September 30, 2022 is \$25,800.

On November 7, 2016, Jackson Metropolitan Housing Authority entered into an agreement with Jackson County Board of Developmental Disabilities (DD Board) in order to renovate the properties located on Vine Street, S Michigan and E Six Street. In return the Authority received \$45,855 from the Ohio Department of Developmental Disabilities to be used for the renovations. The \$45,855 will not be repaid if the Authority continues to comply with the Master Agreement signed and the balance is forgiven every year up to 15-year period. The outstanding balance as of September 30, 2022 is \$30,565.

JACKSON METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

On November 28, 2016, Jackson Metropolitan Housing Authority entered into an agreement with Jackson County Board of Developmental Disabilities (DD Board) in order to improve the availability of housing for individuals with disabilities in Jackson County. The Authority purchased a property located at 132 W 13th St to be rented to individuals with disabilities. In return the Authority received \$52,515 from the Ohio Department of Developmental Disabilities to purchase the property. The \$52,515 will not be repaid as long as the Authority continues to comply with the Master Agreement signed and the balance is forgiven every year up to a 15-year period. The outstanding balance as of September 30, 2022 is \$35,010.

On August 30, 2017, Jackson Metropolitan Housing Authority entered into an agreement with Jackson County Board of Developmental Disabilities (DD Board) in order to improve the availability of housing for individuals with disabilities in Jackson County. The Authority purchased a property located at 154 W 13th St to be rented to individuals with disabilities. In return the Authority received \$85,500 from the Ohio Department of Developmental Disabilities to purchase the property. The \$85,500 will not be repaid if the Authority continues to comply with the Master Agreement signed and the balance is forgiven every year up to a 15-year period. The outstanding balance as of September 30, 2022 is \$57,000.

On November 20, 2017, Jackson Metropolitan Housing Authority entered into an agreement with Jackson County Board of Developmental Disabilities (DD Board) in order to improve the availability of housing for individuals with disabilities in Jackson County. The Authority purchased a property located at 414 East Broadway St to be rented to individuals with disabilities. In return the Authority received \$81,660 from the Ohio Department of Developmental Disabilities to purchase the property. The \$81,660 will not be repaid as long as the Authority continues to comply with the Master Agreement signed and the balance is forgiven every year up to a 15-year period. The outstanding balance as of September 30, 2022 is \$55,801.

On March 14, 2018, Jackson Metropolitan Housing Authority entered into an agreement with Jackson County Board of Developmental Disabilities (DD Board) in order to improve the availability of housing for individuals with disabilities in Jackson County. The Authority purchased a property located at 23887 St Rt 93 to be rented to individuals with disabilities. In return the Authority received \$72,900 from the Ohio Department of Developmental Disabilities to purchase the property. The \$72,900 will not be repaid as long as the Authority continues to comply with the Master Agreement signed and the balance is forgiven every year up to a 15-year period. The outstanding balance as of September 30, 2022 is \$51,030.

On April 10, 2018, Jackson Metropolitan Housing Authority entered into an agreement with Jackson County Board of Developmental Disabilities (DD Board) in order to renovate the property located at 132 West 13th Street. In return the Authority received \$16,875 from the Ohio Department of Developmental Disabilities to be used for renovations. The \$16,785 will not be repaid if the Authority continues to comply with the Master Agreement signed and the balance is forgiven every year up to a 15-year period. The outstanding balance as of September 30, 2022 is \$11,906.

On August 6, 2018, Jackson Metropolitan Housing Authority entered into an agreement with Jackson County Board of Developmental Disabilities (DD Board) in order to renovate the

JACKSON METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

property located at 154 West 13th Street. In return the Authority received \$26,540 from the Ohio Department of Developmental Disabilities to be used for renovations. The \$26,540 will not be repaid if the Authority continues to comply with the Master Agreement signed and the balance is forgiven every year up to a 15-year period. The outstanding balance as of September 30, 2022 is \$19,169.

On January 7, 2019, Jackson Metropolitan Housing Authority entered into an agreement with Jackson County Board of Developmental Disabilities (DD Board) in order to renovate the property located at 414 E Broadway. In return the Authority received \$27,775 from the Ohio Department of Developmental Disabilities to be used for renovations. The \$27,775 will not be repaid if the Authority continues to comply with the Master Agreement signed and the balance is forgiven every year up to a 15-year period. The outstanding balance as of September 30, 2022 is \$20,830.

On February 8, 2019, Jackson Metropolitan Housing Authority entered into an agreement with Jackson County Board of Developmental Disabilities (DD Board) in order to renovate the property located at 23887 St. Rt. 93. In return the Authority received \$25,835 from the Ohio Department of Developmental Disabilities to be used for renovations. The \$25,835 will not be repaid if the Authority continues to comply with the Master Agreement signed and the balance is forgiven every year up to a 15-year period. The outstanding balance as of September 30, 2022 is \$19,521.

The following is a summary of changes in long-term debt for the fiscal year ended September 30, 2022:

	Balance 9/30/2021	Additions	Deletions	Balance 9/30/2022	Due within One Year
Long-Term Payable:					
Ohio Depart of Develop Disabilities	\$599,605	\$0	(\$56,200)	\$543,405	\$56,200
Net Pension Liability	362,200	0	(153,738)	208,462	0
Total Liabilities	\$961,805	\$0	(\$209,938)	\$751,867	\$56,200

Debt maturities for the period after September 30, 2022 are as follows:

JACKSON METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

Year- September 30,	<u>Principal</u>	<u>Interest</u>
2023	\$56,200	\$0
2024	56,200	0
2025	56,200	0
2026	56,200	0
2027	56,200	0
2028-2032	251,882	0
2033-2034	10,523	0
Total	\$543,405	\$0

NOTE 10: COMPENSATED ABSENCES

Employees earn 2-5 weeks of annual vacation leave per calendar year, based on years of service. Annual leave may be taken after 1 year of employment. As of September 30, 2022, the compensated absences liability is \$28,887.

The following is a summary of changes in compensated absence for the year ended September 30, 2022:

<u>Description</u>	<u>Balance</u> <u>09/30/21</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>09/30/22</u>	<u>Due Within</u> <u>One Year</u>
Compensated Absences	\$26,160	\$50,459	(\$47,732)	\$28,887	\$25,609

NOTE 11: CONTINGENCIES

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 or excess reserve balances. Management cannot presently determine amounts grantors may disallow or recapture. However, based on prior experience, management believes any such disallowed claims or recaptured amounts would not have a material adverse effect on the overall financial position of the Authority at September 30, 2022.

Litigations and Claims

In the normal course of operations, the Authority may be subject to litigation and claims. At September 30, 2022 the Authority was involved in such matters. While the outcome of these matters cannot presently be determined, management believes that their ultimate resolution will not have a material effect on the financial statements.

NOTE 12: COVID-19

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency

JACKSON METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

measures will impact subsequent periods of the Authority. The investments of the pension and other employee benefit plan in which the Authority participates have incurred a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. 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.

This page intentionally left blank.

Jackson Metropolitan Housing Authority
 Required Supplementary Information
 Schedule of Jackson Metropolitan Housing Authority
 Proportionate Share of the Net Pension Liability
 Last Fiscal Years Available

Traditional Plan	2022	2021	2020	2019	2018	2017	2016	2015	2014
Authority's Proportion of the Net Pension Liability	0.002396%	0.002446%	0.002524%	0.002611%	0.002769%	0.002955%	0.002604%	0.002777%	0.002777%
Authority's Proportionate Share of the Net Pension Liability	\$208,462	\$362,200	\$498,885	\$715,100	\$434,401	\$671,029	\$451,046	\$334,937	\$327,373
Authority's Covered-Employee Payroll	\$347,750	\$344,540	\$355,032	\$353,295	\$364,229	\$359,851	\$361,307	\$330,150	\$330,150
Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	59.95%	105.13%	140.52%	202.41%	119.27%	186.47%	124.84%	101.45%	99.17%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	92.62%	86.88%	82.17%	74.70%	84.66%	77.25%	81.08%	86.45%	86.36%

1) The amounts presented for each fiscal year were determined as of the calendar year-end occurring within the fiscal year.

2) Information prior to 2014 is not available. This schedule is intended to show ten years of information, additional years will be displayed as it become available.

Jackson Metropolitan Housing Authority
Required Supplementary Information
Schedule of the Authority
Proportionate Share of the Net OPEB Liability (Asset)
For the Fiscal Years Available

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Authority's Proportion of the Net OPEB Liability/(Asset)	-0.00223%	-0.002278%	0.002350%	0.002431%	0.002590%	0.002764%
Authority's Proportionate Share of the Net OPEB Liability/(Asset)	(\$69,847)	(\$40,584)	\$324,596	\$316,945	\$281,255	\$279,173
Authority's Covered-Employee Payroll	\$347,750	\$344,540	\$355,032	\$353,295	\$364,229	\$359,851
Authority's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of its Covered Employee Payroll	(20.09%)	(11.78%)	91.43%	89.71%	77.22%	77.58%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	128.23%	115.57%	47.80%	46.33%	54.14%	68.52%

- 1) The amounts presented for each fiscal year were determined as of the calendar year-end occurring within the fiscal year.
- 2) Information prior to 2017 is not available. This schedule is intended to show ten years of information, additional years will be displayed as it become available.

Jackson Metropolitan Housing Authority
 Required Supplementary Information
 Schedule of Authority's Contributions - Pension
 Ohio Public Employees Retirement System
 For the Last Ten Fiscal Years

<u>Traditional Plan</u>	<u>2022</u>	<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>
Contractually Required Contribution Pension	\$49,597	\$49,263	\$48,289	\$49,206	\$49,936	\$45,794	\$43,361	\$39,618	\$34,744	\$42,839
Contributions in Relation to the Contractually Required Contribution	\$49,597	\$49,263	\$48,289	\$49,206	\$49,936	\$45,794	\$43,361	\$39,618	\$34,744	\$42,839
Contribution Deficiency (Excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Authority's Covered-Employee Payroll	\$354,266	\$351,878	\$344,920	\$351,478	\$364,229	\$359,851	\$361,307	\$330,150	\$277,952	\$372,837
Contributions as a Percentage of Covered-Employee Payroll Pension	14.00%	14.00%	14.00%	14.00%	13.71%	12.73%	12.00%	12.08%	12.50%	11.49%

Jackson Metropolitan Housing Authority
 Required Supplementary Information
 Schedule of Authority's Contributions - OPEB
 Ohio Public Employees Retirement System
 For the Last Ten Fiscal Years

	<u>2022</u>	<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>
Contractually Required Contribution OPEB	\$0	\$0	\$0	\$0	\$1,056	\$4,585	\$7,223	\$6,603	\$4,169	\$9,358
Contributions in Relation to the Contractually Required Contribution	0	0	0	0	1,056	4,585	7,223	6,603	4,169	9,358
Contribution Deficiency (Excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Authority's Covered-Employee Payroll	\$354,266	\$351,878	\$344,920	\$351,478	\$364,229	\$359,851	\$361,307	\$330,150	\$277,952	\$372,837
Contributions as a Percentage of Covered-Employee Payroll OPEB	0.00%	0.00%	0.00%	0.00%	0.29%	1.27%	2.00%	2.01%	1.50%	2.51%

**JACKSON METROPOLITAN HOUSING AUTHORITY
JACKSON COUNTY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

Ohio Public Employees' Retirement System

Net Pension Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2014-2022.

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 2022 to 0.50% simple through 2021, then 2.15% simple. For 2022, the following changes of assumptions affected the total pension since the prior measurement date: (a) the expected long-term average wage inflation rate was reduced from 3.25% to 2.75% (b) the cost of living adjustments for post 1/7/2013 retirees were increased from 0.50% simple through 2021 to 3.00% simple through 2022, then 2.05% simple (c) the expected investment return was reduced from 7.20% to 6.90%

Net OPEB liability/asset

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2018-2022.

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.

JACKSON METROPOLITAN HOUSING AUTHORITY
JACKSON COUNTY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022
(Continued)

For 2022, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the expected long-term average wage inflation rate was reduced from 3.25% to 2.75%. (b) the municipal bond rate changed from 2.00% to 1.84% (c) the health care cost trend rate changed from 8.50% initial and 3.50% ultimate in 2035 to 5.50% initial and 3.50% ultimate in 2034. For 2022, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the expected long-term average wage inflation rate was reduced from 3.25% to 2.75%. (b) the municipal bond rate changed from 2.00% to 1.84% (c) the health care cost trend rate changed from 8.50% initial and 3.50% ultimate in 2035 to 5.50% initial and 3.50% ultimate in 2034.

**JACKSON METROPOLITAN HOUSING AUTHORITY
JACKSON COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal AL Number	Total Federal Expenditures
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		
<i>Direct Program</i>		
Public and Indian Housing	14.850	\$555,473
Housing Voucher Cluster:		
Section 8 Housing Choice Vouchers	14.871	867,078
Mainstream Voucher Program	14.879	589,671
Total Housing Choice Voucher Cluster		<u>1,456,749</u>
Public Housing Capital Fund	14.872	92,130
Family Self Sufficiency Program	14.896	56,776
<i>Passed Through Jackson County</i>		
Home Investment Partnerships Program	14.239	<u>67,692</u>
Total U.S. Department of Housing and Urban Development		<u>2,228,820</u>
Total Expenditures of Federal Awards		<u>\$2,228,820</u>

The accompanying notes are an integral part of this Schedule.

**JACKSON METROPOLITAN HOUSING AUTHORITY
JACKSON COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Jackson Metropolitan Housing Authority, Jackson County (the Authority) under programs of the federal government for the year ended September 30, 2022. 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.

NOTE B – 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 Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

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

Jackson County Metropolitan Housing Authority (OH040)

WELLSTON, OH

Entity Wide Balance Sheet Summary

Submission Type: Unaudited/Single Audit

Fiscal Year End: 9/30/2022

	Project Total	14.896 PIH Family Self-Sufficiency Program	1 Business Activities	14.879 Mainstream Vouchers	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$639,208	\$0	\$236,901	\$89,230	\$0	\$348,829	\$1,314,168	\$0	\$1,314,168
113 Cash - Other Restricted	\$0	\$4,809	\$0	\$17,735	\$0	\$60,225	\$82,769	\$0	\$82,769
114 Cash - Tenant Security Deposits	\$30,810	\$0	\$5,100	\$0	\$0	\$0	\$35,910	\$0	\$35,910
100 Total Cash	\$670,018	\$4,809	\$242,001	\$106,965	\$0	\$409,054	\$1,432,847	\$0	\$1,432,847
124 Accounts Receivable - Other Government	\$6,233	\$0	\$0	\$0	\$6,332	\$0	\$12,565	\$0	\$12,565
126 Accounts Receivable - Tenants	\$5,744	\$0	\$5,934	\$0	\$0	\$0	\$11,678	\$0	\$11,678
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$11,977	\$0	\$5,934	\$0	\$6,332	\$0	\$24,243	\$0	\$24,243
142 Prepaid Expenses and Other Assets	\$16,909	\$0	\$1,147	\$0	\$0	\$13,178	\$31,234	\$0	\$31,234
144 Inter Program Due From	\$0	\$0	\$6,332	\$0	\$0	\$0	\$6,332	(\$6,332)	\$0
150 Total Current Assets	\$698,904	\$4,809	\$255,414	\$106,965	\$6,332	\$422,232	\$1,494,656	(\$6,332)	\$1,488,324
161 Land	\$189,315	\$0	\$68,561	\$0	\$0	\$0	\$257,876	\$0	\$257,876
162 Buildings	\$7,089,449	\$0	\$630,909	\$0	\$0	\$0	\$7,720,358	\$0	\$7,720,358
163 Furniture, Equipment & Machinery - Dwellings	\$32,076	\$0	\$1,017	\$0	\$0	\$0	\$33,093	\$0	\$33,093
164 Furniture, Equipment & Machinery - Administration	\$345,429	\$0	\$2,698	\$0	\$0	\$11,697	\$359,824	\$0	\$359,824
165 Leasehold Improvements	\$5,327,412	\$0	\$214,920	\$7,886	\$0	\$2,067	\$5,552,285	\$0	\$5,552,285
166 Accumulated Depreciation	(\$11,071,663)	\$0	(\$171,747)	(\$789)	\$0	(\$7,329)	(\$11,251,528)	\$0	(\$11,251,528)
167 Construction in Progress	\$5,100	\$0	\$0	\$0	\$0	\$0	\$5,100	\$0	\$5,100
160 Total Capital Assets, Net of Accumulated Depreciation	\$1,917,118	\$0	\$746,358	\$7,097	\$0	\$6,435	\$2,677,008	\$0	\$2,677,008
174 Other Assets	\$45,847	\$0	\$9,159	\$0	\$0	\$14,841	\$69,847	\$0	\$69,847
180 Total Non-Current Assets	\$1,962,965	\$0	\$755,517	\$7,097	\$0	\$21,276	\$2,746,855	\$0	\$2,746,855
200 Deferred Outflow of Resources	\$54,577	\$0	\$6,645	\$0	\$0	\$14,290	\$75,512	\$0	\$75,512
290 Total Assets and Deferred Outflow of Resources	\$2,716,446	\$4,809	\$1,017,576	\$114,062	\$6,332	\$457,798	\$4,317,023	(\$6,332)	\$4,310,691
312 Accounts Payable <= 90 Days	\$90,197	\$0	\$0	\$0	\$0	\$0	\$90,197	\$0	\$90,197
321 Accrued Wage/Payroll Taxes Payable	\$22,937	\$0	\$1,336	\$0	\$0	\$3,602	\$27,875	\$0	\$27,875

Jackson County Metropolitan Housing Authority (OH040)

WELLSTON, OH

Entity Wide Balance Sheet Summary

Submission Type: Unaudited/Single Audit

Fiscal Year End: 9/30/2022

	Project Total	14.896 PIH Family Self-Sufficiency Program	1 Business Activities	14.879 Mainstream Vouchers	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	Subtotal	ELIM	Total
322 Accrued Compensated Absences - Current Portion	\$17,917	\$0	\$1,981	\$0	\$0	\$5,711	\$25,609	\$0	\$25,609
333 Accounts Payable - Other Government	\$19,225	\$0	\$0	\$0	\$0	\$0	\$19,225	\$0	\$19,225
341 Tenant Security Deposits	\$30,810	\$0	\$5,100	\$0	\$0	\$0	\$35,910	\$0	\$35,910
342 Unearned Revenue	\$0	\$4,809	\$0	\$0	\$0	\$0	\$4,809	\$0	\$4,809
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	\$0	\$0	\$56,200	\$0	\$0	\$0	\$56,200	\$0	\$56,200
346 Accrued Liabilities - Other	\$19,078	\$0	\$629	\$0	\$0	\$2,006	\$21,713	\$0	\$21,713
347 Inter Program - Due To	\$0	\$0	\$0	\$0	\$6,332	\$0	\$6,332	(\$6,332)	\$0
310 Total Current Liabilities	\$200,164	\$4,809	\$65,246	\$0	\$6,332	\$11,319	\$287,870	(\$6,332)	\$281,538
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$0	\$0	\$487,205	\$0	\$0	\$0	\$487,205	\$0	\$487,205
353 Non-current Liabilities - Other	\$0	\$0	\$0	\$0	\$0	\$39,204	\$39,204	\$0	\$39,204
354 Accrued Compensated Absences - Non Current	\$2,293	\$0	\$254	\$0	\$0	\$731	\$3,278	\$0	\$3,278
357 Accrued Pension and OPEB Liabilities	\$194,252	\$0	\$1,031	\$0	\$0	\$13,179	\$208,462	\$0	\$208,462
350 Total Non-Current Liabilities	\$196,545	\$0	\$488,490	\$0	\$0	\$53,114	\$738,149	\$0	\$738,149
300 Total Liabilities	\$396,709	\$4,809	\$553,736	\$0	\$6,332	\$64,433	\$1,026,019	(\$6,332)	\$1,019,687
400 Deferred Inflow of Resources	\$235,643	\$0	\$41,429	\$0	\$0	\$59,539	\$336,611	\$0	\$336,611
508.4 Net Investment in Capital Assets	\$1,917,118	\$0	\$202,953	\$7,097	\$0	\$6,435	\$2,133,603	\$0	\$2,133,603
511.4 Restricted Net Position	\$0	\$0	\$0	\$17,735	\$0	\$21,021	\$38,756	\$0	\$38,756
512.4 Unrestricted Net Position	\$166,976	\$0	\$219,458	\$89,230	\$0	\$306,370	\$782,034	\$0	\$782,034
513 Total Equity - Net Assets / Position	\$2,084,094	\$0	\$422,411	\$114,062	\$0	\$333,826	\$2,954,393	\$0	\$2,954,393
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$2,716,446	\$4,809	\$1,017,576	\$114,062	\$6,332	\$457,798	\$4,317,023	(\$6,332)	\$4,310,691

Jackson County Metropolitan Housing Authority (OH040)

WELLSTON, OH

Entity Wide Revenue and Expense Summary

Submission Type: Unaudited/Single Audit

Fiscal Year End: 9/30/2022

	Project Total	14.896 PIH Family Self-Sufficiency Program	1 Business Activities	14.879 Mainstream Vouchers	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$382,684	\$0	\$76,518	\$0	\$0	\$0	\$459,202	\$0	\$459,202
70500 Total Tenant Revenue	\$382,684	\$0	\$76,518	\$0	\$0	\$0	\$459,202	\$0	\$459,202
70600 HUD PHA Operating Grants	\$642,373	\$56,776	\$0	\$589,671	\$0	\$867,078	\$2,155,898	\$0	\$2,155,898
70610 Capital Grants	\$5,230	\$0	\$0	\$0	\$0	\$0	\$5,230	\$0	\$5,230
70800 Other Government Grants	\$0	\$0	\$0	\$0	\$67,692	\$0	\$67,692	\$0	\$67,692
71100 Investment Income - Unrestricted	\$630	\$0	\$276	\$0	\$0	\$386	\$1,292	\$0	\$1,292
71400 Fraud Recovery	\$0	\$0	\$0	\$0	\$0	\$500	\$500	\$0	\$500
71500 Other Revenue	\$55,489	\$0	\$64,185	\$0	\$0	\$12,653	\$132,327	\$0	\$132,327
70000 Total Revenue	\$1,086,406	\$56,776	\$140,979	\$589,671	\$67,692	\$880,617	\$2,822,141	\$0	\$2,822,141
91100 Administrative Salaries	\$80,696	\$0	\$16,445	\$21,173	\$10,450	\$39,153	\$167,917	\$0	\$167,917
91200 Auditing Fees	\$5,131	\$0	\$156	\$829	\$0	\$1,284	\$7,400	\$0	\$7,400
91400 Advertising and Marketing	\$994	\$0	\$12	\$17	\$0	\$26	\$1,049	\$0	\$1,049
91500 Employee Benefit contributions - Administrative	-\$2,984	\$0	-\$10,871	\$5,918	\$0	-\$30,387	-\$38,324	\$0	-\$38,324
91600 Office Expenses	\$4,911	\$0	\$1,338	\$1,860	\$0	\$2,882	\$10,991	\$0	\$10,991
91700 Legal Expense	\$10,396	\$0	\$8	\$0	\$0	\$28	\$10,432	\$0	\$10,432
91800 Travel	\$1,518	\$0	\$300	\$442	\$0	\$685	\$2,945	\$0	\$2,945
91900 Other	\$55,713	\$0	\$40,992	\$13,458	\$0	\$19,045	\$129,208	\$0	\$129,208
91000 Total Operating - Administrative	\$156,375	\$0	\$48,380	\$43,697	\$10,450	\$32,716	\$291,618	\$0	\$291,618
92100 Tenant Services - Salaries	\$0	\$31,165	\$0	\$0	\$0	\$0	\$31,165	\$0	\$31,165
92300 Employee Benefit Contributions - Tenant Services	\$0	\$25,611	\$0	\$0	\$0	\$0	\$25,611	\$0	\$25,611
92400 Tenant Services - Other	\$8,322	\$0	\$0	\$0	\$0	\$0	\$8,322	\$0	\$8,322
92500 Total Tenant Services	\$8,322	\$56,776	\$0	\$0	\$0	\$0	\$65,098	\$0	\$65,098
93100 Water	\$32,919	\$0	\$61	\$82	\$0	\$127	\$33,189	\$0	\$33,189
93200 Electricity	\$78,782	\$0	\$260	\$359	\$0	\$555	\$79,956	\$0	\$79,956
93300 Gas	\$31,778	\$0	\$131	\$183	\$0	\$284	\$32,376	\$0	\$32,376
93600 Sewer	\$46,957	\$0	\$77	\$104	\$0	\$161	\$47,299	\$0	\$47,299

Jackson County Metropolitan Housing Authority (OH040)

WELLSTON, OH

Entity Wide Revenue and Expense Summary

Submission Type: Unaudited/Single Audit

Fiscal Year End: 9/30/2022

	Project Total	14.896 PIH Family Self-Sufficiency Program	1 Business Activities	14.879 Mainstream Vouchers	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	Subtotal	ELIM	Total
93000 Total Utilities	\$190,436	\$0	\$529	\$728	\$0	\$1,127	\$192,820	\$0	\$192,820
94100 Ordinary Maintenance and Operations - Labor	\$119,562	\$0	\$13,124	\$0	\$0	\$0	\$132,686	\$0	\$132,686
94200 Ordinary Maintenance and Operations - Materials and Other	\$131,003	\$0	\$436	\$0	\$0	\$0	\$131,439	\$0	\$131,439
94300 Ordinary Maintenance and Operations Contracts	\$137,183	\$0	\$670	\$0	\$0	\$0	\$137,853	\$0	\$137,853
94500 Employee Benefit Contributions - Ordinary Maintenance	\$18,991	\$0	\$762	\$0	\$0	\$0	\$19,753	\$0	\$19,753
94000 Total Maintenance	\$406,739	\$0	\$14,992	\$0	\$0	\$0	\$421,731	\$0	\$421,731
96110 Property Insurance	\$19,689	\$0	\$2,779	\$301	\$0	\$467	\$23,236	\$0	\$23,236
96120 Liability Insurance	\$5,964	\$0	\$121	\$1,455	\$0	\$2,255	\$9,795	\$0	\$9,795
96130 Workmen's Compensation	\$1,374	\$0	\$205	\$223	\$0	\$346	\$2,148	\$0	\$2,148
96100 Total insurance Premiums	\$27,027	\$0	\$3,105	\$1,979	\$0	\$3,068	\$35,179	\$0	\$35,179
96200 Other General Expenses	\$0	\$0	\$2,500	\$0	\$0	\$6,300	\$8,800	\$0	\$8,800
96210 Compensated Absences	\$34,969	\$0	\$5,125	\$4,065	\$0	\$0	\$44,159	\$0	\$44,159
96300 Payments in Lieu of Taxes	\$19,225	\$0	\$0	\$0	\$0	\$0	\$19,225	\$0	\$19,225
96400 Bad debt - Tenant Rents	\$23,097	\$0	\$0	\$0	\$0	\$0	\$23,097	\$0	\$23,097
96000 Total Other General Expenses	\$77,291	\$0	\$7,625	\$4,065	\$0	\$6,300	\$95,281	\$0	\$95,281
96900 Total Operating Expenses	\$866,190	\$56,776	\$74,631	\$50,469	\$10,450	\$43,211	\$1,101,727	\$0	\$1,101,727
97000 Excess of Operating Revenue over Operating Expenses	\$220,216	\$0	\$66,348	\$539,202	\$57,242	\$837,406	\$1,670,041	\$0	\$1,670,041
97300 Housing Assistance Payments	\$0	\$0	\$0	\$491,741	\$57,242	\$752,970	\$1,301,953	\$0	\$1,301,953
97350 HAP Portability-In	\$0	\$0	\$0	\$0	\$0	\$6,694	\$6,694	\$0	\$6,694
97400 Depreciation Expense	\$322,032	\$0	\$30,697	\$526	\$0	\$2,428	\$355,683	\$0	\$355,683
90000 Total Expenses	\$1,188,222	\$56,776	\$105,328	\$542,736	\$67,692	\$805,303	\$2,766,057	\$0	\$2,766,057
10010 Operating Transfer In	\$86,900	\$0	\$0	\$0	\$0	\$0	\$86,900	-\$86,900	\$0
10020 Operating transfer Out	-\$86,900	\$0	\$0	\$0	\$0	\$0	-\$86,900	\$86,900	\$0
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Jackson County Metropolitan Housing Authority (OH040)

WELLSTON, OH

Entity Wide Revenue and Expense Summary

Submission Type: Unaudited/Single Audit

Fiscal Year End: 9/30/2022

	Project Total	14.896 PIH Family Self-Sufficiency Program	1 Business Activities	14.879 Mainstream Vouchers	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	Subtotal	ELIM	Total
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$101,816	\$0	\$35,651	\$46,935	\$0	\$75,314	\$56,084	\$0	\$56,084
11020 Required Annual Debt Principal Payments	\$0	\$0	\$56,200	\$0	\$0	\$0	\$56,200	\$0	\$56,200
11030 Beginning Equity	\$2,185,910	\$0	\$386,760	\$67,127	\$0	\$258,512	\$2,898,309	\$0	\$2,898,309
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11170 Administrative Fee Equity	\$0	\$0	\$0	\$0	\$0	\$312,805	\$312,805	\$0	\$312,805
11180 Housing Assistance Payments Equity	\$0	\$0	\$0	\$0	\$0	\$21,021	\$21,021	\$0	\$21,021
11190 Unit Months Available	1,980	0	120	1,440	0	2,496	6,036	0	6,036
11210 Number of Unit Months Leased	1,925	0	120	1,360	0	2,108	5,513	0	5,513
11650 Leasehold Improvements Purchases	\$5,230	\$0	\$0	\$0	\$0	\$0	\$5,230	\$0	\$5,230

This page intentionally left blank.

OHIO AUDITOR OF STATE KEITH FABER



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

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

Jackson Metropolitan Housing Authority
Jackson County
249 W 13th Street
P.O. Box 619
Wellston, OH 45692

To the Board of Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the business-type activities of the Jackson Metropolitan Housing Authority, Jackson County, Ohio (the Authority) as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated May 31, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

May 31, 2023

OHIO AUDITOR OF STATE KEITH FABER



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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Jackson Metropolitan Housing Authority
Jackson County
249 W 13th Street
P.O. Box 619
Wellston, OH 45692

To the Board of Commissioners:

Report on Compliance for the Major Federal Program

Qualified Opinion

We have audited Jackson Metropolitan Housing Authority's, Jackson County, Ohio (the Authority) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on the Jackson Metropolitan Housing Authority's major federal program for the year ended September 30, 2022. Jackson Metropolitan Housing Authority's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings.

Qualified Opinion on Housing Voucher Cluster, AL #14.871/14.879

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion* section of our report, Jackson Metropolitan Housing Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Housing Choice Voucher Cluster, AL #14.871 and #14.879 for the year ended September 30, 2022.

Basis for Qualified Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by 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). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Matters Giving Rise to Qualified Opinion on Housing Choice Voucher Cluster, AL #14.871/14.879

As described in Findings 2022-001 and 2022-002 in the accompanying Schedule of Findings, the Authority did not comply with requirements regarding the following:

Finding #	Assistance Listing #	Program (or Cluster) Name	Compliance Requirement
2022-001	#14.871/14.879	<i>Housing Choice Voucher Cluster</i>	Section E – Eligibility, Section L – Reporting, Section N – Housing Assistance Payments
2022-002	#14.871/14.879	<i>Housing Choice Voucher Cluster</i>	Section N – Housing Quality Standards Enforcement

Compliance with such requirements is necessary, in our opinion, for the Authority to comply with requirements applicable to that program.

Responsibilities of Management for Compliance

The Authority's Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Authority's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, 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 Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's responses to the noncompliance findings identified in our compliance audit described in the accompanying Schedule of Findings and Corrective Action Plan. The Authority's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be a material weakness and a significant deficiency.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings as item 2022-001 to be a material weakness.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings as item 2022-002 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's responses to the internal control over compliance Findings identified in our audit described in the accompanying Schedule of Findings and Corrective Action Plan. The Authority's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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



Keith Faber
Auditor of State
Columbus, Ohio

May 31, 2023

**JACKSON METROPOLITAN HOUSING AUTHORITY
JACKSON COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
SEPTEMBER 30, 2022**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	Yes
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	Yes
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Qualified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	Yes
(d)(1)(vii)	Major Programs (list): <ul style="list-style-type: none"> • Housing Choice Voucher Cluster AL #14.871 and #14.879 	
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	Yes

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

None.

**JACKSON METROPOLITAN HOUSING AUTHORITY
JACKSON COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
SEPTEMBER 30, 2022
(Continued)**

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
--

1. Annual Income Verification

Finding Number:	2022-001
Assistance Listing Number and Title:	AL # 14.871- Section 8 Housing Choice Vouchers and AL #14.879 Mainstream Voucher Program
Federal Award Identification Number / Year:	2022
Federal Agency:	U.S. Department of Housing and Urban Development
Compliance Requirement:	Section E- Eligibility, Section L- Reporting, and Section N- Housing Assistance Payments
Pass-Through Entity:	N/A
Repeat Finding from Prior Audit?	No

Noncompliance and Material Weakness

24 CFR § 982.516(a) states the Public Housing Authority (PHA) must conduct a reexamination of family income and composition at least annually. Section 2 states the PHA must obtain and document in the tenant file third-party verification of the following factors or must document why third-party verification was not available: (i) reported family annual income; (2) the value of assets; (3) expenses related to deductions from annual income; and (4) other factors that affect the determination of adjusted income or income- based rent.

24 CFR § 908 states the Public Housing Authority (PHA) is required to submit HUD-50058 form electronically to HUD each time the Public Housing Authority (PHA) completes an admission, annual reexamination, interim reexamination, portability move-in, or other change of unit for a family.

24 CFR § 982.505(b) states the Public Housing Authority (PHA) shall pay a monthly housing assistance payment on behalf of the family that is equal to the lower of:

- (1) The payment standard for the family minus the total tenant payment; or
- (2) The gross rent minus the total tenant payment.

The Authority did not have third-party verification of account balances of 5 percent of the tenant files tested for the Housing Choice Voucher program. The failure to verify and maintain third-party verification support could lead to questions on the validity of the income reported and future questioned costs, reduced federal funding, and the requirement to repay the U.S. Department of Housing and Urban Development.

The Executive Director and Housing Choice Voucher employees should ensure all tenant files maintain the appropriate documentation to meet the requirements of income verification and housing assistance payments reporting.

Officials' Response: Third party employment verifications were provided to the housing authority by the tenants. Staff were able to verify the provided employment documents. Staff were able to ensure that the tenants met the mandatory income limits. Upon transferring of job descriptions, in the office, between staff documents were misplaced. Going forward, the Executive Director and staff will place a high emphasis on ensuring that all third-party verifications are stamped with the date received and placed in tenant files upon receipt of the documents. All tenant files will be inspected and reviewed by staff monthly to ensure all pertinent documentation is in place.

**JACKSON METROPOLITAN HOUSING AUTHORITY
JACKSON COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
SEPTEMBER 30, 2022
(Continued)**

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS (Continued)
--

2. Inspections

Finding Number:	2022-002
Assistance Listing Number and Title:	AL # 14.871 - Section 8 Housing Choice Vouchers / AL #14.879 Mainstream Voucher Program
Federal Award Identification Number / Year:	2022
Federal Agency:	U.S. Department of Housing and Urban Development
Compliance Requirements:	Section N – Housing Quality Standards Enforcement
Pass-Through Entity:	N/A
Repeat Finding from Prior Audit?	No

Noncompliance and Significant Deficiency

24 CFR 982.405(a) provides that the Public Housing Authority (PHA) must inspect the unit leased to a family prior to the initial term of the lease, at least biennially during assisted occupancy, and at other times as needed, to determine if the unit meets the Housing Quality Standards (HQS).

The Authority did not perform Housing Quality Inspections within the required time frame for 2.5 percent of the current tenant files tested for the Housing Choice Voucher program. The failure to perform Housing Quality Inspections could lead to future questioned costs, reduced future federal funding, and the requirement to repay the U.S. Department of Housing and Urban Development

The Executive Director and Housing Choice Voucher employees should ensure all tenant files maintain the appropriation documentation and meet the requirements for inspections.

Officials' Response: Jackson MHA completed the required inspection, but we were unable to provide the completed inspection report generated by our software company. After speaking with our software company, they were also unaware why the software did not have the inspection report under the inspections tab. The software does show the inspection was completed under the occupancy tab. JMHA was unable to provide a copy of the inspection report. Going forward, the Executive Director and staff will ensure that all required inspection documentation will be printed and placed in the tenant files immediately following the unit's inspection. If we are unable to print the inspection documentation, we will immediately contact our software company to address the situation and not wait until the documentation is requested. All tenant files will be inspected and reviewed by staff monthly to ensure that all pertinent documentation is in place.

JACKSON

Metropolitan Housing Authority

CORRECTIVE ACTION PLAN 2 CFR § 200.511(c) SEPTEMBER 30, 2022

Finding Number: 2022-001
Planned Corrective Action: Third party employment verifications were provided to the housing authority by the tenants. Staff were able to verify the provided employment documents. Staff were able to ensure that the tenants met the mandatory income limits. Upon transferring of job descriptions, in the office, between staff documents were misplaced. Going forward, the Executive Director and staff will place a high emphasis on ensuring that all third-party verifications are stamped with the date received and placed in tenant files upon receipt of the documents. All tenant files will be inspected and reviewed by staff monthly to ensure all pertinent documentation is in place.

Anticipated Completion Date: September 30, 2023
Responsible Contact Person: Rhonda Downey, Executive Director

Finding Number: 2022-002
Planned Corrective Action: Jackson MHA completed the required inspection, but we were unable to provide the completed inspection report generated by our software company. After speaking with our software company, they were also unaware why the software did not have the inspection report under the inspections tab. The software does show the inspection was completed under the occupancy tab. JMHA was unable to provide a copy of the inspection report. Going forward, the Executive Director and staff will ensure that all required inspection documentation will be printed and placed in the tenant files immediately following the unit's inspection. If we are unable to print the inspection documentation, we will immediately contact our software company to address the situation and not wait until the documentation is requested. All tenant files will be inspected and reviewed by staff monthly to ensure that all pertinent documentation is in place.

Anticipated Completion Date: September 30, 2023
Responsible Contact Person: Rhonda Downey, Executive Director

OHIO AUDITOR OF STATE KEITH FABER



JACKSON METROPOLITAN HOUSING AUTHORITY

JACKSON 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 6/27/2023

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