

JACKSON METROPOLITAN HOUSING AUTHORITY

JACKSON COUNTY

SINGLE AUDIT

OCTOBER 1, 2023 – SEPTEMBER 30, 2024



OHIO AUDITOR OF STATE KEITH FABER



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Board of Commissioners
Jackson Metropolitan Housing Authority
249 W. 13th Street
Wellston, Ohio 45692

We have reviewed the *Independent Auditor's Report* of the Jackson Metropolitan Housing Authority, Jackson County, prepared by Wilson, Shannon & Snow, Inc., for the audit period October 1, 2023 through September 30, 2024. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Keith Faber
Auditor of State
Columbus, Ohio

May 22, 2025

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**JACKSON METROPOLITAN HOUSING AUTHORITY
JACKSON COUNTY**

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INDEPENDENT AUDITOR'S REPORT

Jackson Metropolitan Housing Authority
Jackson County
249 W. 13th Street
Wellston, Ohio 45692

To the Board of Commissioners:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Jackson Metropolitan Housing Authority, Jackson County, Ohio (the Authority), as of and for the fiscal year ended September 30, 2024, 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 financial position of the Jackson Metropolitan Housing Authority, Jackson County, Ohio as of September 30, 2024, and the changes in financial position and its cash flows for the fiscal 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.

Jackson Metropolitan Housing Authority
Jackson County
Independent Auditor's Report

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 net pension and other post-employment benefit liabilities/assets 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.

Jackson Metropolitan Housing Authority
Jackson County
Independent Auditor's Report

Supplementary information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The Financial Data Schedules as required by the U.S. Department of Housing and Urban Development and 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 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Financial Data Schedules and the Schedule of Expenditures of Federal Awards, 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 March 14, 2025 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.

Wilson, Shumnn & Snow, Inc.
Newark, Ohio
March 14, 2025

**JACKSON METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024**

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.

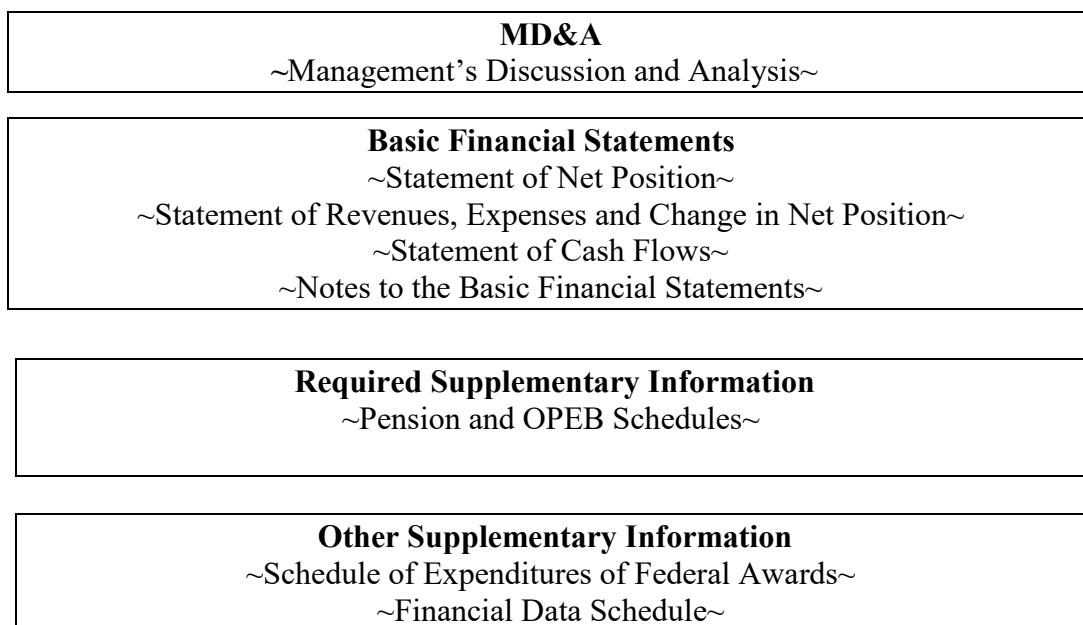
Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Authority's financial statement.

FINANCIAL HIGHLIGHTS

- The Authority's Net Position increased by \$436,026 (or 12.95%) for the fiscal year ended September 30, 2024, resulting from the operations of the Authority. Since the Authority engages only in business-type activities, the increase is all in the category of business-type Net Position. Net Position was \$3,802,060 and \$3,366,034 for 2024 and 2023, respectively.
- Revenues increased by \$197,597 (or 5.81%) during 2024 and were \$3,596,703 and \$3,399,106 for 2024 and 2023, respectively.
- The total expenses of all Authority programs increased by \$173,212 (or 5.80%). Total expenses were \$3,160,677 and \$2,987,465 for 2024 and 2023, respectively.

USING THIS ANNUAL REPORT

The following graphic outlines the format of this Report:



JACKSON METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024

UNAUDITED

Basic 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 Change 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 Change 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, 2024

UNAUDITED

The Authority's Programs

The Authority consists exclusively of Enterprise Funds. Enterprise funds utilize the full accrual basis of accounting. The Enterprise method of accounting is like 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.

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 separately from the HUD activities.

**JACKSON METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024**

UNAUDITED

AUTHORITY STATEMENTS

STATEMENT OF NET POSITION

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

TABLE 1 - STATEMENT OF NET POSITION

	2024	2023
Current and Other Assets	\$ 2,110,250	\$ 1,657,138
Capital Assets	2,848,451	2,852,638
Deferred Outflows of Resources	184,607	306,617
Total Assets and Deferred Outflows of Resources	<u><u>\$ 5,143,308</u></u>	<u><u>\$ 4,816,393</u></u>
Current Liabilities	\$ 323,662	\$ 237,743
Non-Current Liabilities	1,000,063	1,193,141
Deferred Inflows of Resources	17,523	19,475
Total Liabilities and Deferred Inflows of Resources	<u><u>1,341,248</u></u>	<u><u>1,450,359</u></u>
Net Position:		
Net Investment in Capital Assets	2,417,446	2,365,433
Restricted	22,374	1,483
Unrestricted	1,362,240	999,118
Total Net Position	<u><u>3,802,060</u></u>	<u><u>3,366,034</u></u>
Total Liabilities, Deferred Inflows and Net Position	<u><u>\$ 5,143,308</u></u>	<u><u>\$ 4,816,393</u></u>

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

Major Factors Affecting the Statement of Net Position

During fiscal year 2024, current and other assets increased by \$453,112 and total liabilities and deferred inflows of resources decreased by \$109,111. The current and other assets, primarily cash and investments, mainly increased due to a change in cash resulting from the current fiscal year's activities.

The increase in current liabilities of \$85,919 was due to an increase in accounts payable at the end of the fiscal year-end. The decrease in non-Current Liabilities of \$193,078 was due to changes in notes and loan payables and accrued Pension and OPEB Liability at the fiscal year-end.

**JACKSON METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024**

UNAUDITED

Capital assets also changed, decreasing from \$2,852,638 to \$2,848,451. The \$4,187 decrease was contributed primarily to current year capital improvements less depreciation expense.

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

	Unrestricted	Net Investment in Capital Assets	Restricted
Beginning Balance - September 30, 2023	\$ 999,118	\$ 2,365,433	\$ 1,483
Results of Operation	415,135	-	20,891
Adjustments:			
Current year Depreciation Expense (1)	370,418	(370,418)	-
Capital Expenditure (2)	(366,231)	366,231	-
Amortization of Loan Liability	<u>(56,200)</u>	<u>56,200</u>	<u>-</u>
Ending Balance - September 30, 2024	<u>\$ 1,362,240</u>	<u>\$ 2,417,446</u>	<u>\$ 22,374</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 expenditure represents 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 for 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 in Business-Type Activities.

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**JACKSON METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024**

UNAUDITED

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

	2024	2023
<u>Revenues</u>		
Tenant Revenues	\$ 578,789	\$ 529,548
Operating Subsidies	2,506,563	2,216,378
Other Government Grants	55,622	93,639
Other Revenues	101,122	100,071
Capital Grants	351,686	457,978
Interest	2,921	1,492
Total Revenues	<u>3,596,703</u>	<u>3,399,106</u>
<u>Expenses</u>		
Administrative	307,475	358,021
Tenant Services	58,629	74,621
Utilities	194,169	206,038
Maintenance	512,410	432,938
General and Interest Expenses	126,007	150,445
Housing Assistance Payments	1,471,388	1,359,900
Depreciation	370,418	362,820
Employee Benefits Expense	120,181	42,682
Total Expenses	<u>3,160,677</u>	<u>2,987,465</u>
Change in Net Position	436,026	411,641
Total Net Position - Beginning	<u>3,366,034</u>	<u>2,954,393</u>
Total Net Position - Ending	<u>\$ 3,802,060</u>	<u>\$ 3,366,034</u>

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

Total revenue increased by \$197,597 compared to the prior fiscal year. The increase is due to grant revenue earned from HUD for operations.

Total expenses increased by \$173,212 in comparison with the prior fiscal year financials. The increase was mainly due to the change in pension and OPEB liability, and an increase in housing assistance payments.

**JACKSON METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024**

UNAUDITED

CAPITAL ASSETS

As of fiscal year-end, the Authority had \$2,848,451 invested in a variety of capital assets as reflected in the following schedule, which represents a net increase due to current fiscal year additions less depreciation expense. See table 5 for details of the current fiscal year change.

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

	2024	2023
Land	\$ 257,876	\$ 257,876
Buildings & Improvements	14,167,878	13,616,288
Equipment	285,199	270,655
Vehicles	122,262	122,262
Construction in Progress	-	199,903
Accumulated Depreciation	<u>(11,984,764)</u>	<u>(11,614,346)</u>
 Total	 <u>\$ 2,848,451</u>	 <u>\$ 2,852,638</u>

The following reconciliation summarizes the change in Capital Assets, which is presented in detail in Note 5 of the notes to the basic financial statements:

TABLE 5 - CHANGE IN CAPITAL ASSETS

Beginning Balance - September 30, 2023	\$ 2,852,638
Current year Additions	366,231
Current year Depreciation Expense	<u>(370,418)</u>
 Ending Balance - September 30, 2024	 <u>\$ 2,848,451</u>
 Current year Additions are summarized as follows:	
Copier	\$ 7,494
Snow plow for truck	7,050
Roofing project	<u>351,687</u>
 Total 2024 Additions	 <u>\$ 366,231</u>

JACKSON METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024

UNAUDITED

DEBT OUTSTANDING

As of the fiscal year-end, the Authority has \$431,005 in debt (mortgages) outstanding compared to \$487,205 in the prior fiscal year.

TABLE 6
CONDENSED STATEMENT OF CHANGE IN DEBT OUTSTANDING

Beginning Balance - September 30, 2023	\$ 487,205
Current Year Loan Amortization	<u>(56,200)</u>
Ending Balance - September 30, 2024	<u><u>\$ 431,005</u></u>

There was no new debt issued in fiscal year 2024. See Note 8 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.

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, 2024

Assets

Current Assets:

Cash and Cash Equivalents	\$1,890,027
Restricted Cash and Cash Equivalents	184,999
Receivables, net	6,879
Prepaid Assets	9,690
Total Current Assets	<u>2,091,595</u>

Non-Current Assets:

Capital assets:

Nondepreciable Capital Assets	257,876
Depreciable Capital Assets	14,575,339
Accumulated Depreciation	(11,984,764)
Total Capital Assets	<u>2,848,451</u>

Other non-current assets:

Net OPEB Assets	18,655
Total Other Non-Current Assets	<u>18,655</u>
Total Non-Current Assets	<u>2,867,106</u>
Total Assets	<u>\$4,958,701</u>

Deferred Outflows of Resources

Pension	\$167,009
OPEB	17,598
Total Deferred Outflows of Resources	<u>\$184,607</u>

Liabilities

Current Liabilities:

Accounts Payable	\$34,518
Accrued Wages and Payroll Taxes	24,015
Accrued Compensated Absences	27,877
Intergovernmental Payables	58,729
Tenant Security Deposits Payable	45,250
Unearned Revenue	77,073
Notes and Loans Payable	56,200
Total Current Liabilities	<u>\$323,662</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, 2024

Non-Current liabilities

Notes and Loans Payable	\$374,805
Accrued Compensated Absences	3,131
Noncurrent Liabilities - Other	41,707
Net Pension Liability	580,420
Total Non-Current Liabilities	<u>1,000,063</u>
<i>Total Liabilities</i>	<u>\$1,323,725</u>

Deferred Inflows of Resources

Pension	\$6,849
OPEB	10,674
<i>Total Deferred Inflows of Resources</i>	<u>\$17,523</u>

Net Position

Net Investment in Capital Assets	\$2,417,446
Restricted	22,374
Unrestricted	1,362,240
<i>Total Net Position</i>	<u>\$3,802,060</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 CHANGE IN NET POSITION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

Operating Revenues

Tenant Revenue	\$578,789
Government Operating Grants	2,506,563
Other Government Grants	55,622
Other Revenue	101,122
Total Operating Revenues	<u>3,242,096</u>

Operating Expenses

Administrative	307,475
Tenant Services	58,629
Utilities	194,169
Maintenance	512,410
Employee Benefits Expense	120,181
General and Insurance	126,007
Housing Assistance Payments	1,471,388
Depreciation	370,418
Total Operating Expenses	<u>3,160,677</u>

Operating Income	<u>81,419</u>
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Nonoperating Revenues

Interest	2,921
Capital Grants	351,686
Total Nonoperating Revenues	<u>354,607</u>

Change in Net Position	436,026
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Net Position at Beginning Year	<u>3,366,034</u>
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<i>Net Position at End of Year</i>	<u>\$3,802,060</u>
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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, 2024**

Cash flows from operating activities:

Operating grants received	\$2,655,551
Tenant revenue received	576,403
Other revenue received	44,705
General and administrative expenses paid	(1,344,550)
Housing Assistance Payments	(1,471,388)
Net cash provided by operating activities	<u>460,721</u>

Cash flows from investing activities:

Interest earned	2,921
Net cash provided by investing activities	<u>2,921</u>

Cash flows from capital and related financing activities:

Capital grant received	351,686
Property and equipment purchased	(366,231)
Net cash used by capital and related activities	<u>(14,545)</u>
Net change in cash and cash equivalents	449,097
Cash and cash equivalents at October 1, 2023	1,625,929
Cash and cash equivalents September 30, 2024	<u>\$2,075,026</u>

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

Operating Income	\$81,419
Adjust to reconcile operating income to net cash provided by operating activities:	
Depreciation	370,418
Amortization of Loan Liability	(56,200)
Changes in:	
Accounts receivable, net	15,056
Prepaid assets	(416)
Pension/OPEB assets	(18,655)
Deferred outflows	122,010
Accounts payable	(12,984)
Accrued wages and payroll taxes	(21,753)
Compensated absences	8,209
Intergovernmental payables	33,067
Tenant security deposits	3,835
Other liabilities	(27,845)
Unearned revenue	75,707
Deferred inflows	(1,952)
Net pension liability	<u>(109,195)</u>
Net cash provided by operating activities	<u>\$460,721</u>

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

**JACKSON METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

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.

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

Basis of Presentation

The Authority's financial statements consist of a Statement of Net Position, a Statement of Revenues, Expenses and Change Net Position, 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.

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C. Mainstream Vouchers

The Mainstream Vouchers Program provides subsidies (Housing Assistance 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 separately 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 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 the fiscal year ended September 30, 2024, totaled \$2,921.

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

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Net Position

Net Position represents the difference between all other elements of statement of net position. 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 more than FDIC insurance limits are fully collateralized.

Unearned Revenues

Unearned revenue arises when assets are recognized before revenue recognition criteria have 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

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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 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 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 GAAP 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 6 and 7.

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In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the Authority, deferred inflows of resources are reported on the statement of net position for pension and OPEB. The deferred inflows of resources related to pension and OPEB plans are explained in Notes 6 and 7.

Pensions / Other Post-Employment Benefits

For purposes of measuring the net pension/OPEB liability/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: 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.
- 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 no 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.

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At fiscal year-end September 30, 2024, the carrying amount of the Authority's deposits totaled \$2,075,026 and its bank balance was \$2,116,818. Based on the criteria described in GASB Statement No. 40, "Deposit and Investment Risk Disclosure," as of September 30, 2024, \$1,512,544 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 3: RESTRICTED CASH

Restricted cash as of September 30, 2024 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	\$47,067
- FSS Escrow	41,707
- Unexpended FSS Coordinator Grant	44,311
- Tenant security deposit	45,250
- FSS Forfeiture for tenant assistance	<u>6,664</u>
 Total Restricted Cash Balance	 <u>\$184,999</u>

NOTE 4: RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During the fiscal year ended September 30, 2024 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 last fiscal year.

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NOTE 5: CAPITAL ASSETS

This is a summary of the changes in Capital Assets:

	Balance 9/30/2023	Additions	Deletions	Balance 9/30/2024
Capital Assets Not Depreciated:				
Land	\$257,876	\$0	\$0	\$257,876
Construction in process	199,903	0	(199,903)	0
Total Capital Assets Not Depreciated	457,779	0	(199,903)	257,876
Capital Assets Depreciated:				
Buildings and Improvements	13,616,288	351,687	199,903	14,167,878
Furniture, Machinery & Equipment	270,655	14,544	0	285,199
Vehicles	122,262	0	0	122,262
Total Capital Assets Being Depreciated	14,009,205	366,231	199,903	14,575,339
Accumulated Depreciation:				
Buildings and Improvements	(11,273,640)	(350,011)	0	(11,623,651)
Furniture, Machinery & Equipment	(237,873)	(12,636)	0	(250,509)
Vehicles	(102,833)	(7,771)	0	(110,604)
Total Accumulated Depreciation	(11,614,346)	(370,418)	0	(11,984,764)
Total Capital Assets Being Depreciated, Net	2,394,859	(4,187)	199,903	2,590,575
Total Capital Assets, Net	\$2,852,638	(\$4,187)	\$0	\$2,848,451

NOTE 6: 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 because of employment exchanges that have already 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

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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.

The Ohio Revised Code limits the Authority's obligation for this liability to annually required payments. The Authority cannot control benefit terms, or the way 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 fiscal 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.

OPERS provides retirement, disability, survivor and death benefits, and annual cost-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.

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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 members' 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. The base amount of a member's pension benefit is locked in upon receipt of the initial benefit payment for calculation of the annual cost-of-living adjustment.

When a 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 after 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.

A death benefit of \$500 - \$2,500, determined by the number of years of service credit of the retiree, is paid to the beneficiary of a deceased retiree or disability benefit recipient under the Tradition pension plan and the Combined Plan.

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

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defined benefit and defined contribution plans. Effective January 1, 2022 the combined plan is no longer available for member selection.

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:

	<u>State and Local</u>
2024 Statutory Maximum Contribution Rates	

Employer	14.0%
Employee	10.0%

With the assistance of the System's actuary and Board approval, a portion of each employer's contribution to OPERS may be set aside for the funding of post-employment health care coverage. The portion of the Traditional Pension Plan employer contributions allocated to health care was 0.0 percent for 2024.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Authority's contractually required contribution for the traditional plan was \$51,539 for the fiscal year ended September 30, 2024. Of this amount \$3,557 was included in the accrued wages and payroll taxes.

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, 2023, 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:

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	Traditional Plan
Proportionate Share of Net Pension Liability	\$580,420
Proportion of the Net Pension Liability	
- Prior Measurement Date	0.002289%
- Current Measurement Date	<u>0.002217%</u>
Change in Proportion from Prior	<u>-0.000072%</u>
Pension (Revenue) Expense	(\$8,698)

On September 30, 2024, 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	
Net Difference between projected and actual earning on pension plan investments	\$117,153
Difference between expected and actual experience	9,486
Change in proportionate share and difference between Employer contribution and proportionate share of contribution	0
Authority contributions subsequent to the measurement date	<u>40,370</u>
Total Deferred Outflows of Resources	<u><u>\$167,009</u></u>
 Traditional Plan	
Deferred Inflows of Resources	
Change in proportionate share and difference between Employer contribution and proportionate share of contribution	<u>6,849</u>
Total Deferred Inflows of Resources	<u><u>\$6,849</u></u>

\$40,370 reported as deferred outflows of resources related to pension resulting from the Authority's contributions after the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

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	Traditional Plan
Fiscal Year Ending September 30,:	
2025	\$22,425
2026	39,287
2027	74,761
2028	<u>(16,683)</u>
Total	<u><u>\$119,790</u></u>

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 in the December 31, 2023, using the following key actuarial assumptions and methods 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:

Actuarial Information	Traditional Plan
Measurement and Valuation Date	December 31, 2023
Experience Study	5-year ended 12/31/2020
Actuarial Cost Method	Individual entry age
Actuarial Assumption:	
Investment Rate of Return	6.90%
Wage Inflation	2.75%
Future Salary Increases, including inflation 2.75%	2.75 - 10.75 %
Cost-of-Living Adjustment	Pre 01/07/13 Retirees: 3.0% Simple Post 01/07/13 Retirees: 2.3% Simple through 2024, then 2.05% Simple

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010

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Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all these tables.

The most recent experience study was completed for the five-year period ending December 31, 2020.

During 2023, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains 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 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 invested, for the Defined Benefit portfolio was a gain of 11.2% for 2023.

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 long-term expected 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 rate of return by weighing the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. The best estimates of geometric real rates of return were provided by the Board's investment consultant. The table below displays the Board-approved asset allocation policy for 2022 and the long-term expected real rates of return:

Asset Class	Target Allocation as of December 31, 2023	Weighted Average Long- Term Expected Real Rate of Return (Geometric)
Fixed Income	24.00%	2.85%
Domestic Equities	21.00%	4.27%
Real Estate	13.00%	4.46%
Private Equity	15.00%	7.52%
International Equities	20.00%	5.16%
Risk Parity	2.00%	4.38%
Other Investments	5.00%	3.46%
 TOTAL	 <hr/> <hr/> 100.00%	

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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 contractually required rates, as actuarially determined. 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 of 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% Decrease (5.9%)	Current Discount Rate (6.9%)	1% Increase (7.9%)
Authority's proportionate share of the net pension liability			
- Traditional Pension Plan	\$913,737	\$580,420	\$303,197

NOTE 7 – DEFINED BENEFIT OPEB PLAN

Net OPEB Liability / Asset

The net OPEB liability / asset reported on the statement of net position represents a liability 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 because of employment exchanges that already have occurred.

The net OPEB liability / 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.

The Ohio Revised Code limits the Authority's obligation for this liability to annually required payments. The Authority cannot control benefit terms or the way OPEB are financed; however, the Authority does receive the benefit of employees' services in exchange for compensation including OPEB. GASB 75 assumes the liability is solely the obligation of the employer,

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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 pension costs paid in the form of withholdings from employees). OPERS may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. Any resulting legislative 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 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 for the contractually required OPEB contribution outstanding at the end of the fiscal year is included in accrued liabilities on the accrual basis of accounting.

Plan Description – Ohio Public Employees Retirement System (OPERS)

The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan. Effective January 1, 2022 the combined plan is no longer available for member selection.

OPERS maintains a cost-sharing, multiple-employer defined benefit postemployment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement (HRA) to qualifying benefit recipients of both the traditional pension and the combined plans. Currently, Medicare-eligible retirees can select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses, and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. Effective January 1, 2022, eligible non-Medicare retirees are part of a Connector program and may be eligible for monthly allowances deposited to an HRA, like Medicare-enrolled retirees. Additional details on health care coverage can be found in the Plan Statement in the annual report.

Medicare-eligible retirees who choose to become re-employed or survivors who become employed in an OPERS covered position are prohibited from participating in an HRA. For this group of retirees, OPERS sponsors secondary coverage through a professionally managed self-insured program. Retirees who enroll in this plan are provided with a monthly allowance to offset a portion of the monthly premium. Medicare-eligible spouses and dependents can also enroll in this plan as long as the retiree is enrolled.

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The health care 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 separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

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 with a minimum age of 60. Members in Group A are eligible for coverage at any age with 30 or more years of qualifying service. Members in Group B are eligible at any age with 32 years of qualifying service, or at age 52 with 31 years of qualifying service. Members in Group C are eligible for coverage with 32 years of qualifying service and a minimum age of 55. Current retirees eligible (or who became eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. 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' Annual Comprehensive Financial Report referenced later 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. Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2023, 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. Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2023. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2024 remained at 0 percent for both plans. The OPERS Board is also authorized to establish rules for retirees 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 2023 was 4.0 percent. Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Authority's contractually required contribution was \$0 for the year ending September 30, 2024.

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OPEB Liability/(Asset), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The total OPEB liability/(asset) was determined by an actuarial valuation as of December 31, 2022, rolled forward to the measurement date of December 31, 2023, 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 Liability/(Asset)	(\$18,655)
Proportion of the Net OPEB Liability/(Asset)	
- Prior Measurement Date	0.002132%
- Current Measurement Date	<u>0.002067%</u>
Change in Proportion from Prior	<u>-0.000065%</u>
OPEB Income	\$906

On September 30, 2024, The Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Health Care Plan
Deferred Outflows of Resources	
Net Difference between projected and actual earning on pension plan investments	\$11,203
Assumption Changes	4,803
Change in proportionate share and difference between Employer contribution and proportionate share of contribution	<u>1,592</u>
Total Deferred Outflows of Resources	<u><u>\$17,598</u></u>
Deferred Inflows of Resources	
Assumption Changes	\$8,019
Difference between expected and actual experience	<u>2,655</u>
Total Deferred Inflows of Resources	<u><u>\$10,674</u></u>

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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,: _____	
2025	\$1,119
2026	867
2027	8,721
2028	<u>(3,783)</u>
Total	<u><u>\$6,924</u></u>

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 sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2022, rolled forward to the measurement date of December 31, 2023. 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, 2022
Rolled-Forward Measurement Date	December 31, 2023
Experianse Study	5-Year Period Ended December 31, 2020
Actuarial Cost Method	Individual entry age
Actuarial Assumptions	
Single Discount Rate - Current Measurement Period	5.70%
Single Discount Rate - Prior Measurement Period	5.22%
Investment Rate of Return	6.00%
Municipal Bond Rate - Current Measurement Period	3.77%
Municipal Bond Rate - Prior Measurement Period	4.05%
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 2038

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Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the

Public Safety and Law Enforcement Divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all these tables.

The most recent experience study was completed for the five-year period ending December 31, 2020.

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 weighing 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 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 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 the same for all plans within the portfolio.

The allocation of investment assets with the Health Care 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 continuing to offer a sustainable health care program for current and future retirees. The System's primary goal is to achieve and maintain a fully funded status for benefits provided through the defined pension plans. The table below displays the Board-approved asset allocation policy for 2023 and the long-term expected real rates of return:

Asset Class	Target Allocation as of December 31, 2023	Weighted Average Long-Term Expected Real Rate of Return
Fixed Income	37.00%	2.82%
Domestic Equities	25.00%	4.27%
REITs	5.00%	4.68%
International Equities	25.00%	5.16%
Risk Parity	3.00%	4.38%
Other Investments	5.00%	2.43%
 TOTAL	 100.00%	

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Discount Rate A single discount rate of 5.70 percent was used to measure the OPEB liability/asset on the measurement date of December 31, 2023. A single discount rate of 5.22 percent was used to measure the OPEB liability/asset on the measurement date of December 31, 2022. 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 3.77% 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 2070. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2070, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the Authority's Proportionate Share of the Net OPEB liability/asset to Changes in the Discount Rate The following table presents the Authority's proportionate share of the net OPEB liability/asset calculated using the single discount rate of 5.70 percent, as well as what the Authority's proportionate share of the net OPEB liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower (4.70 percent) or one-percentage-point higher (6.70 percent) than the current rate:

	1% Decrease (4.70%)	Single Discount Rate (5.70%)	1% Increase (6.70%)
Authority's proportionate share of the net OPEB Liability/(Asset)	\$10,252	(\$18,655)	(\$42,601)

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 2024 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

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each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	Current Health Care Cost Trend		
	1% Decrease	Rate Assumption	1% Increase
Authority's proportionate share of the net OPEB liability/(Asset)	(\$19,430)	(\$18,655)	(\$17,776)

NOTE 8: LONG-TERM DEBT

On December 8, 2014, Jackson Metropolitan Housing Authority entered into an agreement with Jackson County Board of Developmental Disabilities (DD Board) 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 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, 2024 is \$27,162.

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 the 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 a 15-year period. The outstanding balance as of September 30, 2024 is \$13,676.

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	<u>41,850</u>
 Total Amount	 <u>\$271,629</u>

The \$271,629 loan amount will not be repaid if the Authority continues to comply with the Master Agreement in place. This entire balance is forgiven every year up to a 15-year period. The outstanding balance as of September 30, 2024 is \$126,757.

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On March 15, 2017, Jackson Metropolitan Housing Authority entered into an agreement with Jackson County Board of Developmental Disabilities (DD Board) 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 a 15-year period. The outstanding balance as of September 30, 2024 is \$20,640.

On November 7, 2016, Jackson Metropolitan Housing Authority entered into an agreement with Jackson County Board of Developmental Disabilities (DD Board) 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, 2024 is \$24,450.

On November 28, 2016, Jackson Metropolitan Housing Authority entered into an agreement with Jackson County Board of Developmental Disabilities (DD Board) 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 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, 2024 is \$28,008.

On August 30, 2017, Jackson Metropolitan Housing Authority entered into an agreement with Jackson County Board of Developmental Disabilities (DD Board) 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, 2024 is \$45,600.

On November 20, 2017, Jackson Metropolitan Housing Authority entered into an agreement with Jackson County Board of Developmental Disabilities (DD Board) 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 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, 2024 is \$44,913.

**JACKSON METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

On March 14, 2018, Jackson Metropolitan Housing Authority entered into an agreement with Jackson County Board of Developmental Disabilities (DD Board) 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 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, 2024 is \$41,310.

On April 10, 2018, Jackson Metropolitan Housing Authority entered into an agreement with Jackson County Board of Developmental Disabilities (DD Board) 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, 2024 is \$9,656.

On August 6, 2018, Jackson Metropolitan Housing Authority entered into an agreement with Jackson County Board of Developmental Disabilities (DD Board) to renovate the 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, 2024 is \$15,631.

On January 7, 2019, Jackson Metropolitan Housing Authority entered into an agreement with Jackson County Board of Developmental Disabilities (DD Board) 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, 2024 is \$17,126.

On February 8, 2019, Jackson Metropolitan Housing Authority entered into an agreement with Jackson County Board of Developmental Disabilities (DD Board) 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, 2024 is \$16,077.

The following is a summary of changes in long-term debt for the fiscal year ended September 30, 2024:

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	Balance 9/30/2023	Additions	Deletions	Balance 9/30/2024	Due within One Year
Long-Term Payable:					
Ohio Depart of Develop Disabilities	\$487,205	\$0	(\$56,200)	\$431,005	\$56,200
Net Pension Liability	676,172		(95,752)	580,420	0
Net OPEB Liability	13,443	0	(13,443)	0	0
Total Liabilities	\$1,176,820	\$0	(\$165,395)	\$1,011,425	\$56,200

Debt maturities for the period after September 30, 2024 are as follows:

Fiscal Year- September 30,	Principal	Interest
2025	56,200	0
2026	56,200	0
2027	56,200	0
2028	56,200	0
2029	56,200	0
2030-2031	<u>150,005</u>	<u>0</u>
Total	\$431,005	\$0

NOTE 9: 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, 2024, the compensated absences liability is \$31,008.

The following is a summary of changes in compensated absence for the fiscal year ended September 30, 2024:

Description	Balance 09/30/23	Additions	Deletions	Balance 09/30/24	Due Within One Year
Compensated Absences	\$22,799	\$44,908	(\$36,699)	\$31,008	\$27,877

NOTE 10: CONTINGENCIES

Grants

The amounts grantor agencies pay to the Authority are subject to audit and adjustment by the grantor, principally the federal government. Grantors may require a refunding of 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 on September 30, 2024.

Litigations and Claims

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

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

Traditional Plan	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Authority's Proportion of the Net Pension Liability	0.002217%	0.002289%	0.002396%	0.002446%	0.002524%	0.002611%	0.002769%	0.002955%	0.002604%	0.002777%
Authority's Proportionate Share of the Net Pension Liability	\$580,420	\$676,172	\$208,462	\$362,200	\$498,885	\$715,100	\$434,401	\$671,029	\$451,046	\$334,937
Authority's Covered-Employee Payroll	\$364,960	\$354,793	\$347,750	\$344,540	\$355,032	\$353,295	\$364,229	#	\$359,851	\$361,307
Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	159.04%	190.58%	59.95%	105.13%	140.52%	202.41%	119.27%	186.47%	124.84%	101.45%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.01%	75.74%	92.62%	86.88%	82.17%	74.70%	84.66%	77.25%	81.08%	86.45%

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

Jackson Metropolitan Housing Authority
 Required Supplementary Information
 Schedule of The Authority
 Proportionate Share of the Net OPEB Liability (Assets)
 Last Eight Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017
Authority's Proportion of the Net OPEB Liability/Asset	0.002067%	0.002132%	0.002230%	0.002278%	0.002350%	0.002431%	0.002590%	0.002764%
Authority's Proportionate Share of the Net OPEB Liability (Asset)	(\$18,655)	\$13,443	(\$69,847)	(\$40,584)	\$324,596	\$316,945	\$281,255	\$279,173
Authority's Covered-Employee Payroll	\$364,960	\$354,793	\$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	(5.11%)	3.79%	(20.09%)	(11.78%)	91.43%	89.71%	77.22%	77.58%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	107.76%	94.79%	128.23%	115.57%	47.80%	46.33%	54.14%	68.52%

1) Amounts presented for each year were determined as of the Authority's measurement date, which is the prior year end.

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>2024</u>	<u>2023</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>
Contractually Required Contribution										
Pension	\$51,539	\$53,035	\$49,597	\$49,263	\$48,289	\$49,206	\$49,936	\$45,794	\$43,361	\$39,618
Contributions in Relation to the Contractually Required Contribution	\$51,539	\$53,035	\$49,597	\$49,263	\$48,289	\$49,206	\$49,936	\$45,794	\$43,361	\$39,618
Contribution Deficiency (Excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Authority's Covered-Employee Payroll	\$368,139	\$378,824	\$354,266	\$351,878	\$344,920	\$351,478	\$364,229	\$359,851	\$361,307	\$330,150
Contributions as a Percentage of Covered-Employee Payroll										
Pension	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	13.71%	12.73%	12.00%	12.08%

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>2024</u>	<u>2023</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>
Contractually Required Contribution										
OPEB	\$0	\$0	\$0	\$0	\$0	\$0	\$1,056	\$4,585	\$7,223	\$6,603
Contributions in Relation to the Contractually Required Contribution	0	0	0	0	0	0	1,056	4,585	7,223	6,603
Contribution Deficiency (Excess)	<u>\$0</u>									
Authority's Covered-Employee Payroll	\$368,139	\$378,824	\$354,266	\$351,878	\$344,920	\$351,478	\$364,229	\$359,851	\$361,307	\$330,150
Contributions as a Percentage of Covered-Employee Payroll										
OPEB	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.29%	1.27%	2.00%	2.01%

**JACKSON METROPOLITAN HOUSING AUTHORITY
JACKSON COUNTY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

Ohio Public Employees' Retirement System

Net Pension Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2015-2024.

Changes in assumptions:

There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2015-2016 and 2023-2024.

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 2018, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) wage inflation changed from 3.75% to 3.25% (b) future salary increases changed from 4.25% - 10.05% to 3.25% - 10.75%.

For 2019, the following changes of assumptions affected the total pension liability since the prior measurement date: 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, then 2.15% simple 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 though 2020, then 2.15% simple to 0.50% simple through 2021 then 2.15% simple.

For 2022, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) wage inflation changed from 3.25% to 2.75% (b) future salary increases changed from 3.25% - 10.75% to 2.75% - 10.75% (c) the cost-of-living adjustments for post-1/7/2013 retirees was increase from 0.5% simple though 2021, then 2.15% simple to 3.0% simple through 2022 then 2.05% simple (d) Amounts reported beginning in 2022 use pre-retirement mortality rates based on 130 percent of the Pub- 2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all these tables.

**JACKSON METROPOLITAN HOUSING AUTHORITY
JACKSON COUNTY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

Net OPEB liability/asset

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2018-2020 and 2022-2024.

The 2021, the following change was reflected: on January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances, like the program for Medicare retirees.

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/asset 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 (c) the single discount rate changed from 3.85% to 3.96%. (d) the municipal bond rate changed from 3.31% to 3.71% (e) the healthcare cost trend rate changed from 7.5% initial, 3.25% ultimate in 2028 to 10.0% initial, 3.25% ultimate in 2029.

For 2020, the following changes of assumptions affected the total OPEB liability/asset since the prior measurement date: (a) the single discount rate changed from 3.96% to 3.16% (b) the municipal bond rate changed from 3.71% to 2.75% (c) the healthcare cost trend rate changed from 10.0% initial, 3.25% ultimate in 2029 to 10.5% initial, 3.5% ultimate in 2030.

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 healthcare cost trend rate changed from 10.5% initial, 3.5% ultimate in 2030 to 8.5% initial, 3.5% ultimate in 2035.

For 2022, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the single discount rate remained at 6.00% (b) the municipal bond rate changed from 2.00% to 1.84% (c) the projected salary increase changed from 3.25% - 10.75% to 2.75% - 10.75% (d) wage inflation changed from 3.25% to 2.75% (e) the healthcare cost trend rate changed from 8.5% initial, 3.5% ultimate in 2035 to 5.5% initial, 3.5% ultimate in 2034.

For 2023, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 6.00% to 5.22% (b) the municipal bond rate changed from 1.84% to 4.00% (c) the healthcare cost trend rate changed from 5.5% initial, 3.5% ultimate in 2034 to 5.5% initial, 3.5% ultimate in 2036.

For 2024, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 6.00% to 5.70% (b) the municipal bond rate changed from 4.00% to 3.77%.

Jackson County Metropolitan Housing Authority
Entity Wide Balance Sheet Summary - FDS Schedules Submitted to HUD
September 30, 2024

	Project Total	14.896 PIH Family Self-Sufficiency Program	1 Business Activities	14.879 Mainstream Vouchers	14.239 HU/M Investment Partnerships Program	14.871 Housing Choice Vouchers	14.EFA FSS Escrow Forfeiture Account	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$933,387	\$0	\$281,166	\$184,907	\$0	\$490,567	\$0	\$1,890,027	\$0	\$1,890,027
113 Cash - Other Restricted	\$0	\$44,311	\$0	\$0	\$31,357	\$57,417	\$6,664	\$139,749	\$0	\$139,749
114 Cash - Tenant Security Deposits	\$40,150	\$0	\$5,100	\$0	\$0	\$0	\$0	\$45,250	\$0	\$45,250
100 Total Cash	\$973,537	\$44,311	\$286,266	\$184,907	\$31,357	\$547,984	\$6,664	\$2,075,026	\$0	\$2,075,026
122 Accounts Receivable - HUD Other Projects	\$0	\$0	\$0	\$2,676	\$0	\$0	\$0	\$2,676	\$0	\$2,676
125 Accounts Receivable - Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$241	\$0	\$241	\$0	\$241
126 Accounts Receivable - Tenants	\$3,962	\$0	\$0	\$0	\$0	\$0	\$0	\$3,962	\$0	\$3,962
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$3,962	\$0	\$0	\$2,676	\$0	\$241	\$0	\$6,879	\$0	\$6,879
142 Prepaid Expenses and Other Assets	\$7,223	\$0	\$825	\$0	\$0	\$1,642	\$0	\$9,690	\$0	\$9,690
150 Total Current Assets	\$984,722	\$44,311	\$287,091	\$187,583	\$31,357	\$549,867	\$6,664	\$2,091,595	\$0	\$2,091,595
161 Land	\$189,315	\$0	\$68,561	\$0	\$0	\$0	\$0	\$257,876	\$0	\$257,876
162 Buildings	\$7,089,449	\$0	\$630,909	\$0	\$0	\$0	\$0	\$7,720,358	\$0	\$7,720,358
163 Furniture, Equipment & Machinery - Dwellings	\$32,076	\$0	\$1,017	\$0	\$0	\$0	\$0	\$33,093	\$0	\$33,093
164 Furniture, Equipment & Machinery - Administration	\$356,152	\$0	\$2,960	\$0	\$0	\$15,256	\$0	\$374,368	\$0	\$374,368
165 Leasehold Improvements	\$6,209,347	\$0	\$228,220	\$7,386	\$0	\$2,067	\$0	\$6,447,520	\$0	\$6,447,520
166 Accumulated Depreciation	-\$11,737,275	\$0	-\$233,898	-\$1,840	\$0	-\$11,751	\$0	-\$11,984,764	\$0	-\$11,984,764
160 Total Capital Assets, Net of Accumulated Depreciation	\$2,139,064	\$0	\$697,769	\$6,046	\$0	\$5,572	\$0	\$2,848,451	\$0	\$2,848,451
174 Other Assets	\$13,166	\$0	\$1,434	\$0	\$0	\$4,055	\$0	\$18,655	\$0	\$18,655
180 Total Non-Current Assets	\$2,152,230	\$0	\$699,203	\$6,046	\$0	\$9,627	\$0	\$2,867,106	\$0	\$2,867,106
200 Deferred Outflow of Resources	\$107,029	\$0	\$26,750	\$0	\$0	\$50,828	\$0	\$184,607	\$0	\$184,607
290 Total Assets and Deferred Outflow of Resources	\$3,243,981	\$44,311	\$1,013,044	\$193,629	\$31,357	\$610,322	\$6,664	\$5,143,308	\$0	\$5,143,308
312 Accounts Payable <= 90 Days	\$34,331	\$0	\$187	\$0	\$0	\$0	\$0	\$34,518	\$0	\$34,518
321 Accrued Wage/Payroll Taxes Payable	\$20,542	\$0	\$867	\$0	\$0	\$2,606	\$0	\$24,015	\$0	\$24,015
322 Accrued Compensated Absences - Current Portion	\$19,806	\$0	\$3,146	\$0	\$0	\$4,925	\$0	\$27,877	\$0	\$27,877
333 Accounts Payable - Other Government	\$58,729	\$0	\$0	\$0	\$0	\$0	\$0	\$58,729	\$0	\$58,729
341 Tenant Security Deposits	\$40,150	\$0	\$5,100	\$0	\$0	\$0	\$0	\$45,250	\$0	\$45,250
342 Unearned Revenue	\$0	\$44,311	\$1,405	\$0	\$31,357	\$0	\$0	\$77,073	\$0	\$77,073
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	\$0	\$0	\$56,200	\$0	\$0	\$0	\$0	\$56,200	\$0	\$56,200
310 Total Current Liabilities	\$173,556	\$44,311	\$66,905	\$0	\$31,357	\$7,531	\$0	\$323,662	\$0	\$323,662
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$0	\$0	\$374,805	\$0	\$0	\$0	\$0	\$374,805	\$0	\$374,805
353 Non-current Liabilities - Other	\$0	\$0	\$0	\$0	\$0	\$41,707	\$0	\$41,707	\$0	\$41,707
354 Accrued Compensated Absences - Non Current	\$2,225	\$0	\$353	\$0	\$0	\$553	\$0	\$3,131	\$0	\$3,131
357 Accrued Pension and OPEB Liabilities	\$407,095	\$0	\$53,343	\$0	\$0	\$119,982	\$0	\$580,420	\$0	\$580,420
350 Total Non-Current Liabilities	\$409,320	\$0	\$428,501	\$0	\$0	\$162,242	\$0	\$1,000,063	\$0	\$1,000,063
300 Total Liabilities	\$582,878	\$44,311	\$495,406	\$0	\$31,357	\$169,773	\$0	\$1,323,725	\$0	\$1,323,725
400 Deferred Inflow of Resources	\$13,958	\$0	\$2,208	\$0	\$0	\$1,357	\$0	\$17,523	\$0	\$17,523
508.4 Net Investment in Capital Assets	\$2,139,064	\$0	\$266,764	\$6,046	\$0	\$5,572	\$0	\$2,417,446	\$0	\$2,417,446
511.4 Restricted Net Position	\$0	\$0	\$0	\$0	\$0	\$15,710	\$6,664	\$22,374	\$0	\$22,374
512.4 Unrestricted Net Position	\$508,081	\$0	\$248,666	\$187,583	\$0	\$417,910	\$0	\$1,362,240	\$0	\$1,362,240
513 Total Equity - Net Assets / Position	\$2,647,145	\$0	\$515,430	\$193,629	\$0	\$439,192	\$6,664	\$3,802,060	\$0	\$3,802,060
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$3,243,981	\$44,311	\$1,013,044	\$193,629	\$31,357	\$610,322	\$6,664	\$5,143,308	\$0	\$5,143,308

Jackson Metropolitan Housing Authority
Entity Wide Revenue and Expense Summary - FDS Schedule Submitted to HUD
For the Fiscal Year Ended September 30, 2024

		14,896 PIH Family Self-Sufficiency Program	1 Business Activities	14,879 Mainstream Vouchers	14,239 AC/ME Investment Partnerships Program	14,871 Housing Choice Vouchers	14, EFA FSS Escrow Forfeiture Account	Subtotal	ELIM	Total	
70300 Net Tenant Rental Revenue	\$503,837	\$0	\$74,952	\$0	\$0	\$0	\$0	\$578,789	\$0	\$578,789	
70500 Total Tenant Revenue	\$503,837	\$0	\$74,952	\$0	\$0	\$0	\$0	\$578,789	\$0	\$578,789	
70600 HUD PHA Operating Grants	\$733,522	\$68,430	\$0	\$657,196	\$0	\$1,047,415	\$0	\$2,506,563	\$0	\$2,506,563	
70610 Capital Grants	\$351,686	\$0	\$0	\$0	\$0	\$0	\$0	\$331,686	\$0	\$351,686	
70800 Other Government Grants	\$0	\$0	\$0	\$0	\$55,622	\$0	\$0	\$55,622	\$0	\$55,622	
71100 Investment Income - Unrestricted	\$1,991	\$0	\$315	\$0	\$0	\$0	\$0	\$2,921	\$0	\$2,921	
71400 Fraud Recovery	\$0	\$0	\$0	\$0	\$0	\$2,040	\$0	\$2,040	\$0	\$2,040	
71500 Other Revenue	\$22,199	\$0	\$70,222	\$0	\$0	\$0	\$0	\$6,661	\$99,082	\$0	\$99,082
70000 Total Revenue	\$1,613,235	\$68,430	\$145,489	\$657,196	\$55,622	\$1,050,067	\$6,664	\$3,596,703	\$0	\$3,596,703	
91100 Administrative Salaries	\$103,062	\$0	\$4,891	\$18,027	\$8,500	\$30,378	\$0	\$164,858	\$0	\$164,858	
91200 Auditing Fees	\$2,846	\$0	\$378	\$1,913	\$0	\$3,220	\$0	\$8,355	\$0	\$8,355	
91400 Advertising and Marketing	\$1,330	\$0	\$50	\$0	\$0	\$0	\$0	\$1,380	\$0	\$1,380	
91500 Employee Benefit contributions - Administrative	\$17,949	\$0	\$1,505	\$4,644	\$0	\$7,825	\$0	\$31,323	\$0	\$31,323	
91600 Office Expenses	\$8,704	\$0	\$612	\$3,147	\$0	\$3,303	\$0	\$17,766	\$0	\$17,766	
91700 Legal Expense	\$3,535	\$0	\$0	\$0	\$0	\$0	\$0	\$3,535	\$0	\$3,535	
91800 Travel	\$1,158	\$0	\$72	\$358	\$0	\$694	\$0	\$2,192	\$0	\$2,192	
91900 Other	\$64,486	\$0	\$6,292	\$14,382	\$0	\$24,237	\$0	\$109,389	\$0	\$109,389	
91000 Total Operating - Administrative	\$203,072	\$0	\$13,790	\$42,469	\$8,500	\$71,567	\$0	\$339,398	\$0	\$339,398	
92100 Tenant Services - Salaries	\$0	\$38,670	\$0	\$0	\$0	\$0	\$0	\$38,670	\$0	\$38,670	
92300 Employee Benefit Contributions - Tenant Services	\$0	\$29,760	\$0	\$0	\$0	\$0	\$0	\$29,760	\$0	\$29,760	
92400 Tenant Services - Other	\$10,200	\$0	\$759	\$0	\$0	\$0	\$0	\$19,959	\$0	\$19,959	
92500 Total Tenant Services	\$19,200	\$68,430	\$759	\$0	\$0	\$0	\$0	\$88,389	\$0	\$88,389	
93100 Water	\$37,678	\$0	\$211	\$105	\$0	\$113	\$0	\$37,799	\$0	\$37,799	
93200 Electricity	\$81,406	\$0	\$74	\$367	\$0	\$616	\$0	\$82,465	\$0	\$82,465	
93300 Gas	\$19,194	\$0	\$38	\$177	\$0	\$298	\$0	\$19,707	\$0	\$19,707	
93300 Sewer	\$53,663	\$0	\$232	\$124	\$0	\$260	\$0	\$64,019	\$0	\$64,019	
93000 Total Utilities	\$191,938	\$0	\$158	\$773	\$0	\$1,300	\$0	\$194,169	\$0	\$194,169	
94100 Ordinary Maintenance and Operations - Labor	\$140,664	\$0	\$14,330	\$0	\$0	\$0	\$0	\$164,992	\$0	\$164,992	
94200 Ordinary Maintenance and Operations - Materials and Other	\$162,601	\$0	\$2,961	\$0	\$0	\$0	\$0	\$165,562	\$0	\$165,562	
94300 Ordinary Maintenance and Operations Contracts	\$186,566	\$0	\$5,290	\$0	\$0	\$0	\$0	\$191,856	\$0	\$191,856	
94500 Employee Benefit Contributions - Ordinary Maintenance	\$54,216	\$0	\$4,262	\$0	\$0	\$0	\$0	\$58,498	\$0	\$58,498	
94000 Total Maintenance	\$444,045	\$0	\$26,863	\$0	\$0	\$0	\$0	\$570,908	\$0	\$570,908	
96110 Property Insurance	\$30,905	\$0	\$4,471	\$265	\$0	\$444	\$0	\$38,079	\$0	\$38,079	
96120 Liability Insurance	\$5,289	\$0	\$107	\$1,324	\$0	\$2,231	\$0	\$8,951	\$0	\$8,951	
96130 Workmen's Compensation	\$1,700	\$0	\$116	\$525	\$0	\$884	\$0	\$3,225	\$0	\$3,225	
96100 Total Insurance Premiums	\$37,884	\$0	\$4,694	\$2,113	\$0	\$3,555	\$0	\$48,255	\$0	\$48,255	
96200 Other General Expenses	\$425	\$0	\$1,000	\$0	\$0	\$0	\$0	\$1,425	\$0	\$1,425	
96210 Compensated Absences	\$33,127	\$0	\$3,205	\$1,758	\$0	\$2,963	\$0	\$41,053	\$0	\$41,053	
96300 Payments in Lieu of Taxes	\$33,067	\$0	\$0	\$0	\$0	\$0	\$0	\$33,067	\$0	\$33,067	
96400 Bad debt - Tenant Rents	\$2,207	\$0	\$0	\$0	\$0	\$0	\$0	\$2,207	\$0	\$2,207	
96000 Total Other General Expenses	\$68,826	\$0	\$4,205	\$1,758	\$0	\$2,963	\$0	\$77,752	\$0	\$77,752	
96900 Total Operating Expenses	\$1,064,975	\$68,430	\$50,469	\$47,111	\$8,500	\$70,386	\$0	\$1,318,871	\$0	\$1,318,871	
97000 Excess of Operating Revenue over Operating Expenses	\$548,260	\$0	\$95,020	\$610,085	\$47,122	\$970,681	\$6,664	\$2,277,832	\$0	\$2,277,832	
97300 Housing Assistance Payments	\$0	\$0	\$0	\$544,238	\$47,122	\$880,030	\$0	\$1,471,388	\$0	\$1,471,388	
97400 Depreciation Expense	\$336,953	\$0	\$30,994	\$526	\$0	\$1,945	\$0	\$370,418	\$0	\$370,418	
90000 Total Expenses	\$1,401,928	\$68,430	\$81,463	\$591,874	\$55,622	\$981,361	\$0	\$3,160,677	\$0	\$3,160,677	
10010 Operating Transfer In	\$89,339	\$0	\$0	\$0	\$0	\$0	\$0	\$89,339	\$0	\$89,339	
10020 Operating transfer Out	\$89,339	\$0	\$0	\$0	\$0	\$0	\$0	\$89,339	\$0	\$89,339	
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$211,307	\$0	\$64,026	\$65,323	\$0	\$88,706	\$6,664	\$436,026	\$0	\$436,026	
11020 Required Annual Debt Principal Payments	\$0	\$0	\$56,200	\$0	\$0	\$0	\$0	\$56,200	\$0	\$56,200	
11030 Beginning Equity	\$2,436,828	\$0	\$451,404	\$128,306	\$0	\$350,469	\$0	\$3,366,034	\$0	\$3,366,034	
11170 Administrative Fee Equity	\$0	\$0	\$0	\$0	\$0	\$423,482	\$0	\$423,482	\$0	\$423,482	
11180 Housing Assistance Payments Equity	\$0	\$0	\$0	\$0	\$0	\$15,710	\$0	\$15,710	\$0	\$15,710	
11190 Unit Months Available	1,980	0	120	1,440	0	2,496	0	6,036	0	6,036	
11210 Number of Unit Months Leased	1,923	0	120	1,410	0	2,376	0	5,829	0	5,829	

JACKSON METROPOLITAN HOUSING AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

Federal Grantor/Pass Through Grantor Program/Cluster Title	Pass-Through Number	Assistance Listing Number	Total Federal Expenditures
<u>U.S. Department of Housing and Urban Development</u>			
<i>Direct Funding:</i>			
Public Housing Operating Fund	N/A	14.850	\$ 644,183
Housing Voucher Cluster:			
Section 8 Housing Choice Vouchers	N/A	14.871	1,047,415
Mainstream Vouchers	N/A	14.879	657,196
Total Housing Voucher Cluster			<u>1,704,611</u>
Public Housing Capital Fund	N/A	14.872	441,025
Family Self-Sufficiency Program	N/A	14.896	68,430
<i>Passed Through Jackson County:</i>			
Home Investment Partnerships Program	N/A	14.239	<u>55,622</u>
Total U.S. Department of Housing and Urban Development			2,913,871
Total Expenditures of Federal Awards			<u>\$ 2,913,871</u>

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Jackson Metropolitan Housing Authority (the Authority) under programs of the federal government for the fiscal year ended September 30, 2024. 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 the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior fiscal years.

NOTE C – INDIRECT COST RATE

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

**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
Wellston, Ohio 45692

To the Board of Commissioners:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Jackson Metropolitan Housing Authority, Jackson County, (the Authority) as of and for the fiscal year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated March 14, 2025.

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 purposes 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.

Jackson Metropolitan Housing Authority
Jackson County
Independent Auditor's Report on Internal Control
Over Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
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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.

Wilson, Shannon & Snow, Inc.

Newark, Ohio
March 14, 2025

**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
Wellston, Ohio 45692

To the Board of Commissioners:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Jackson Metropolitan Housing Authority's (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 Authority's major federal program for the fiscal year ended September 30, 2024. The Authority's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, the 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 its major federal program for the fiscal year ended September 30, 2024.

Basis for Opinion on the Major Federal Program

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.

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.

Jackson Metropolitan Housing Authority
Jackson County
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

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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.

Report on Internal Control Over Compliance

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

Jackson Metropolitan Housing Authority

Jackson County

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

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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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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.

Wilson, Shannon & Snow, Inc.

Newark, Ohio

March 14, 2025

**JACKSON METROPOLITAN HOUSING AUTHROITY
JACKSON COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
SEPTEMBER 30, 2024**

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?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	Housing Voucher Cluster
(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?	No

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

None.

3. FINDINGS FOR FEDERAL AWARDS

None.

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 6/3/2025

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

This report is a matter of public record and is available online at
www.ohioauditor.gov