Jackson Metropolitan Housing Authority

Financial Statements

For the Year Ended September 30, 2009

Mary Taylor, CPA
Auditor of State

Board of Directors
Jackson Metropolitan Housing Authority
249 West 13th Street
Wellston, Ohio 45692

We have reviewed the *Independent Auditors' Report* of the Jackson Metropolitan Housing Authority, Jackson County, prepared by Salvatore Consiglio, CPA, Inc., for the audit period October 1, 2008 through September 30, 2009. 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.

Mary Taylor

Mary Taylor, CPA
Auditor of State

April 13, 2010

88 E. Broad St. / Fifth Floor / Columbus, OH 43215-3506
Telephone: (614) 466-4514 (800) 282-0370 Fax: (614) 466-4490
www.auditor.state.oh.us

This Page is Intentionally Left Blank.

JACKSON METROPOLITAN HOUSING AUTHORITY
AUDIT REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2009

TABLE OF CONTENTS

SALVATORE CONSIGLIO, CPA, INC.

6548 Royalton Road, Suite 104
North Royalton, Ohio 44133
Phone (440) 877-9870
Fax (440) 877-9237
sconsiglio@aol.com

Independent Auditors' Report

Board of Directors
Jackson Metropolitan Housing Authority

I have audited the accompanying financial statements of the business-type activities of Jackson Metropolitan Housing Authority, Ohio, as of and for the year ended September 30, 2009, which collectively comprise the Authority basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the Jackson Metropolitan Housing Authority, Ohio, management. My responsibility is to express an opinion on these basic financial statements based on my audit.

I conducted my audit 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. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Jackson Metropolitan Housing Authority, Ohio, as of September 30, 2009, and the respective change in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards,* I have also issued my report dated January 27, 2010, on my consideration of the Jackson Metropolitan Housing Authority, Ohio's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the result of my audit.

The Management's Discussion and Analysis is not a required part of the financial statements but is supplementary information required by the accounting principles generally accepted in the United State of America. I have applied certain limited procedures, which consisted principally of inquiry of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion thereon.

My Audit was performed for the purpose of forming an opinion on the basic financial statements that collectively comprise the Jackson Metropolitan Housing Authority financial statements. The accompanying Schedule of Expenditure of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Government and Non-Profit Organizations* and is not a required part of the financial statements. The combining financial data schedule ("FDS") and the PHA's statements and certification of actual modernization costs are presented for purposes additional analysis as required by the Department of Housing and Urban Development and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in my opinion, are fairly presented in all material respect in relation to the financial statements taken as a whole.

Salvatore Consiglio, CPA, Inc.

January 27, 2010

JACKSON METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2009

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 position, and (d) identify individual fund issues or concerns.

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

FINANCIAL HIGHLIGHTS

- The Authority's net assets decreased by $118,003 (or 2.21 %) during 2009, resulting from change from Operations. Since the Authority engages only in business-type activities, the decrease is all in the category of business-type net assets. Net Assets were $5,213,355 and $5,331,358 for 2009 and 2008 respectively.
- Revenues increased by $74,596 (or 4.25%) during 2009, and were $1,831,678 and $1,757,082 for 2009 and 2008 respectively.
- The total expenses of all Authority programs increased by $98,068 (or 5.30%). Total expenses were $1,949,681 and $1,851,613 for 2009 and 2008 respectively.

USING THIS ANNUAL REPORT

This Report includes three major sections, the "Management's Discussion and Analysis (MD&A)", "Basic Financial Statements", and "Other Required Supplementary information":

MD&A

~Management's Discussion
and Analysis – pgs 3-11~

Basic Financial Statement

~Authority Financial Statements – pgs 12-16~

Other Required Supplementary Information
~Required Supplementary Information pgs 28-34~
(Other than the MD&A)

UNAUDITED

Authority Financial Statements

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

These Statements include a Statement of Net Assets, which is similar to a Balance Sheet. The Statement of Net Assets reports all financial and capital resources for the Authority. The Statement is presented in the format where assets, minus liabilities, equals "Net Assets", formerly known as equity. 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 Assets (the "Unrestricted Net Assets") is designed represent the net available liquid (non-capital) assets, net of liabilities, for the entire Authority. Net Assets (formerly equity) are reported in three broad categories:

Net Assets, Invested in Capital Assets, net of Related Debt: This component of Net Assets 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 Assets: This component of Net Assets consists of restricted assets, when constraints are placed on the asset by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.

Unrestricted Net Assets: Consists of Net Assets that do not meet the definition of "Net Assets Invested in Capital Assets, Net of Related or Debt", or "Restricted Net Assets".

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

The focus of the Statement of Revenues, Expenses and Changes in Fund Net Assets is the "Change in Net Assets", which is similar to Net Income or Loss.

Fund Financial Statements

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

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

The Authority's Programs

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

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 and 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 – a grant program funded by the Department of Housing and Urban Development that encourages economic self-sufficiency among the Authority's resident population.

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

AUTHORITY STATEMENTS

Statement of Net Assets

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

UNAUDITED

TABLE 1

STATEMENT OF NET ASSETS

Table 1 - Condensed Statement of Net Assets Compared to Prior Year				
		2009		**2008**
Current and Other Assets	$	1,240,553	$	1,230,212
Capital Assets		4,353,282		4,494,109
Total Assets	$	5,593,835	$	5,724,321
Current Liabilities	$	127,335	$	125,759
Long-Term Liabilities		253,145		267,204
Total Liabilities		380,480		392,963
Net Assets:				
Investment in Capital Assets, net of Related Debt		4,112,185		4,227,627
Restricted Net Assets		59,150		85,626
Unrestricted Net Assets		1,042,020		1,018,105
Total Net Assets		5,213,355		5,331,358
Total Liabilities and Net Assets	$	5,593,835	$	5,724,321

Major Factors Affecting the Statement of Net Assets

During 2009, current and other assets increased by $10,341, and total liabilities decreased by $12,483. The current and other assets, primarily cash and investments, increased due to result from operation. Total liabilities decrease due to the payment on debt, the write-off of deferred revenue and changes in compensated absence.

Capital assets also changed, decreasing from $4,494,109 to $4,353,282. The $140,827 decrease may be contributed primarily to a current year depreciation expense and purchase of current year assets.

UNAUDITED

TABLE 2

CHANGE OF UNRESTRICTED NET ASSETS

Table 2 presents details on the change in Unrestricted Net Assets

Table 2 - Changes of Unrestricted Net Assets

Beginning Balance - September 30, 2008	$	1,018,105
Results of Operation		(118,003)
Adjustments:		
Current year Depreciation Expense (1)		367,989
Capital Expenditure (2)		(227,162)
Retirement of Debt		(25,385)
Transfer to Restricted Net Assets		26,476
Ending Balance - September 30, 2009	$	1,042,020

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

(2) Capital expenditures represent an outflow of unrestricted net assets, 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 Assets provides a clearer change in financial well-being.

TABLE 3

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

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

UNAUDITED

		2009		2008
Revenues				
Total Tenant Revenues	$	266,357	$	288,122
Operating Subsidies		1,462,780		1,376,816
Capital Grants		18,712		-
Investment Income		31,506		38,869
Other Revenues		52,323		53,275
Total Revenues		**1,831,678**		**1,757,082**
Expenses				
Administrative		420,566		421,621
Utilities		155,615		129,032
Maintenance		310,493		286,343
Protective Services		2,518		-
General and Interest Expenses		98,291		106,797
Housing Assistance Payments		594,209		547,743
Depreciation		367,989		360,077
Total Expenses		**1,949,681**		**1,851,613**
Net Increases (Decreases)	**$**	**(118,003)**	**$**	**(94,531)**

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

Total revenue increased compared to the prior year due to the fact that capital grants increased by $18,712 while HUD operating revenue increased by $85,964 in 2009. Tenant revenue decreased by $21,765 during the year.

The expenses increased moderately due to inflation. The causes for the increase were in utilities $26,583, maintenance $24,150, housing assistance payments $46,466 and depreciation expense $7,912.

UNAUDITED

CAPITAL ASSETS

Capital Assets

As of year end, the Authority had $4,353,282 invested in a variety of capital assets as reflected in the following schedule, which represents a net decrease due to depreciation expense. See table 5 for detail of current year change.

TABLE 4

CAPITAL ASSETS AT YEAR-END
(NET OF DEPRECIATON)

	2009	2008
Land and Land Rights	$ 189,315	$ 189,315
Buildings	10,085,506	9,942,539
Equipment	249,213	249,213
Construction in Progress	131,257	47,062
Accumulated Depreciation	(6,302,009)	(5,934,020)
Total	$ 4,353,282	$ 4,494,109

The following reconciliation summarizes the change in Capital Assets, which presented in detail on page 24 of the notes.

TABLE 5

CHANGE IN CAPITAL ASSETS

Table 5 - Changes in Capital Assets

Beginning Balance - September 30, 2008	$ 4,227,627
Current year Additions	227,162
Current Year Debt Payments	25,385
Current year Depreciation Expense	(367,989)
Ending Balance - September 30, 2009	$ 4,112,185

UNAUDITED

Current year Additions are summarized as follows:		
Retaining Wall Project	$	112,545
Flooring Project		59,705
Windows Project		51,462
Replacing doors at Cambrian		3,450
Total 2009 Additions	$	227,162

Debt Outstanding

As of year-end, the Authority has $241,097 in debt (mortgages) outstanding compared to $266,482 prior year.

TABLE 6

CONDENSED STATEMENT OF CHANGE IN DEBT OUTSTANDING

Table 6 - Condensed Statement of Changes in Debt Outstanding

Beginning Balance - September 30, 2008	$	266,482
Current Year Principal Payments		(25,385)
Ending Balance - September 30, 2009	$	241,097

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 Gary Keller, 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
Statement of Net Assets
Proprietary Funds
September 30, 2009

ASSETS	
Current assets	
Cash and cash equivalents	$1,131,929
Restricted cash and cash equivalents	100,415
Receivables, net	2,595
Prepaid expenses and other assets	5,614
Total current assets	**1,240,553**
Noncurrent assets	
Capital assets:	
Land	189,315
Building and equipment	10,334,719
Construction in Progress	131,257
Less accumulated depreciation	(6,302,009)
Total noncurrent assets	**4,353,282**
Total assets	**$5,593,835**
LIABILITIES	
Current liabilities	
Accounts payable	$ 20,904
Accrued liabilities	23,780
Accrued compensated absences non-current	28,197
Intergovernmental payables	11,179
Tenant security deposits	16,468
Deferred revenue	1,421
Bonds, notes, and loans payable	25,386
Total current liabilities	**127,335**
Noncurrent liabilities	
Bonds, notes, and loans payable	215,711
Accrued compensated absences non-current	12,637
Noncurrent liabilities - other	24,797
Total noncurrent liabilities	**253,145**
Total liabilities	**$380,480**

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

Jackson County Metropolitan Housing Authority
Statement of Net Assets (Continued)
Proprietary Funds
September 30, 2009

NET ASSETS	
Invested in capital assets, net of related debt	$4,112,185
Restricted net assets	59,150
Unrestricted net assets	1,042,020
Total net assets	**$5,213,355**

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

Jackson Metropolitan Housing Authority
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended September 30, 2009

OPERATING REVENUES	
Tenant Revenue	$ 266,357
Government operating grants	1,462,780
Other revenue	52,323
Total operating revenues	**1,781,460**
OPERATING EXPENSES	
Administrative	420,566
Utilities	155,615
Maintenance	310,493
Protective Services	2,518
General	86,715
Housing assistance payment	594,209
Depreciation	367,989
Total operating expenses	***1,938,105***
Operating income (loss)	**(156,645)**
NONOPERATING REVENUES (EXPENSES)	
Interest and investment revenue	31,506
Interest expense	(11,576)
Total nonoperating revenues (expenses)	***19,930***
Income (loss) before contributions and transfers	(136,715)
Capital Grants	18,712
Change in net assets	(118,003)
Total net assets - beginning	5,331,358
Total net assets - ending	**$5,213,355**

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

Jackson Metropolitan Housing Authority
Statement of Cash Flows
Proprietary Fund Type
For the Year Ended September 30, 2009

CASH FLOWS FROM OPERATING ACTIVITIES	
Operating grants received	$1,462,780
Tenant revenue received	266,357
Other revenue received	52,323
General and administrative expenses paid	(956,809)
Housing assistance payments	(594,209)
Net cash provided (used) by operating activities	**230,442**
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest earned	31,506
Net cash provided (used) by investing activities	**31,506**
CASH FLOWS FROM CAPITAL AND RELATED ACTIVITIES	
Capital grant funds received	18,712
Property and equipment purchased	(227,162)
Principal Payment	(25,385)
Interest Paid on Debt	(11,576)
Net cash provided (used) by financing activities	**(245,411)**
Net increase (decrease) in cash	16,537
Cash and cash equivalents - Beginning of year	1,215,807
Cash and cash equivalents - End of year	**$1,232,344**

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

Jackson Metropolitan Housing Authority
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended September 30, 2009

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Net Operating Income (Loss)	($156,645)
Adjustment to Reconcile Operating Loss to Net Cash Used by Operating Activities	
- Depreciation	367,989
- (Increases) Decreases in Accounts Receivable	6,504
- (Increases) Decreases in Prepaid Assets	(308)
- Increases (Decreases) in Accounts Payable	1,306
- Increases (Decreases) in Accounts Payable - Intergovernmental	(2,934)
- Increases (Decreases) in Accrued Compensated Absence	382
- Increases (Decreases) in Accrued Expenses Payable	3,157
- Increases (Decreases) in Deferred Revenue	(383)
- Increases (Decreases) in Tenant Security Deposits	430
- Increases (Decreases) in Other Liabilities	10,944
Net cash provided by operating activities	**$230,442**

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

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 generally accepted accounting principles (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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Basis of Presentation

The Authority's financial statements consist of a statement of net assets, a statement of revenue, expenses and changes net assets, 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 similar to 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus/Basis of Accounting

The proprietary funds are accounted for on the accrual basis of accounting. Revenues are recognized in the period earned and expenses are recognized in the period incurred. Pursuant to GASB Statement No. 20 Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use proprietary fund accounting, the Authority follows GASB guidance as applicable to proprietary funds and FASB Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued after November 30, 1989, that do not conflict with or contradict GASB pronouncements.

Description of programs

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

A. **Public Housing Program**

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

B. **Capital Fund Program**

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

C. **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.

D. **Business Activity**

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments
The provisions of the HUD Regulations restrict investments. Investments are valued at market value. Interest income earned in fiscal year ending September 30, 2009 totaled $31,506.

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	40 year
Buildings Improvements	15 years
Furniture, equipment and machinery	3-15 years

Net Assets
Net assets represent the difference between assets and liabilities. Net assets invested in capital assets – net of related debt 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 assets are recorded as restricted when there are limitations imposed on their use by internal or external restrictions.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences

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

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

In the proprietary fund, the compensated absences are expensed when earned with the amount reported as a fund liability.

The following is a summary of changes in compensated absence for the year ended September 30, 2009:

Description	Balance 09/30/08	Additions	Deletion	Balance 09/30/09	Due Within One Year
Compensated Absence	$39,228	$73,274	($71,668)	$40,834	$28,197
Total	**$39,228**	**$73,274**	**($71,668)**	**$40,834**	**$28,197**

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Combined Statement of Revenue and Expenses.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities 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.

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 two period of designation of depositories. Inactive deposits must either be evidenced by certificate of deposits maturing not later than the end of the current period of designation of the depositories, or by savings or deposit accounts including, but not limited to passbook accounts.

C. Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificate of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

NOTE 2: DEPOSITS AND INVESTMENTS (Continued)

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

At fiscal year end September 30, 2009, the carrying amount of the Authority's deposits totaled $1,232,344 and its bank balance was $1,253,260. Based on the criteria described in GASB Statement No. 40, "Deposit and Investment Risk Disclosure," as of September 30, 2009, $586,290 was exposed to custodial risk as discussed below, while $666,970 was covered by the Federal Depository Insurance Corporation. Of the carrying amount, $250 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, 2009 represent money held that can only be used for specific purpose or money held on behalf of the tenants:

Cash advance by HUD that is to be used for the Housing Assistance Payments	$59,150
Tenant security deposit	16,468
Money held for Tenant FSS escrow	24,797
Total Restricted Cash Balance	$100,415

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 fiscal year ending September 30, 2009 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 years. There has been no significant reduction in coverage from last year.

NOTE 5: CAPITAL ASSETS

The following is a summary of changes:

	Balance 09/30/08	Adj.	Additions	Deletions	Balance 09/30/09
Capital Assets Not Being Depreciated:					
Land	$189,315		$0	$0	$189,315
Construction in Progress	47,062	($47,062)	131,257	0	131,257
Total Capital Assets Not Being Depreciated	**236,377**	**($47,062)**	**131,257**	**0**	**320,572**
Capital Assets Being Depreciated:					
Buildings	9,942,539	47,062	95,905	0	10,085,506
Furnt, Mach. and Equip.	249,213	0	0	0	249,213
Total Capital Assets Being Depreciated	**10,191,752**	**47,062**	**95,905**	**0**	**10,334,719**
Accumulated Depreciation:					
Buildings	(5,778,395)	0	(345,712)	0	(6,124,107)
Furnt, Mach. and Equip.	(155,625)	0	(22,277)	0	(177,902)
Total Accumulated Depreciation	**(5,934,020)**	**0**	**(367,989)**	**0**	**(6,302,009)**
Total Capital Assets Being Depreciated, Net	**4,257,732**	**47,062**	**(272,084)**	**0**	**4,032,710**
Total Capital Assets, Net	**$4,494,109**	**$0**	**($140,827)**	**$0**	**$4,353,282**

NOTE 6: DEFINED BENEFIT PENSION PLANS -PUBLIC EMPLOYEES RETIREMENT SYSTEM

All full-time employees of Authority participate in the Ohio Public Employees Retirement System (OPERS), a cost-sharing multiple-employer public employee retirement system administered by the Public Employees Retirement Board. OPERS provide basic retirement, disability and survivor benefits, based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 145 of the Ohio Revised Code. OPERS issue a publicly available financial report that includes financial statements and required supplementary information for OPERS. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 466-2085 or (800) 222-PERS.

Ohio Public Employees Retirement System administers three separate pension plans as described below:

1. The Traditional Pension Plan – A cost sharing, multiple-employer defined benefit pension plan.

2. The Member-Direct Plan – A defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Direct Plan, members accumulate retirement assets equal to the value of member and (vested) employer contributions, plus any investment earnings.

3. The Combined Plan – A cost sharing, multiple-employer defined pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefits similar in nature to the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations. The 2009 employer pension contribution rate for Authority was 14 percent of covered payroll. Contributions are authorized by state statue. The contribution rates are determined actuarially. The Authority's required contributions to OPERS for the years ended September 30, 2009, 2008, and 2007 were $39,453, $35,951, and $35,459, respectively. The full amount has been contributed for 2008 and 2007. Ninety-one percent has been contributed for 2009, with the remainder being reported as a liability with the enterprise fund.

NOTE 7: POSTEMPLOYMENT BENEFITS PUBLIC EMPLOYEES RETIREMENT SYSTEM

The Public Employees Retirement System of Ohio (OPERS) provides post-employment health care benefits to age and service retirants with ten or more years of qualifying Ohio service credit and to primary survivor recipients of such retirants. Health care coverage for disability recipients is also available. The health care coverage provided by the OPERS is considered an Other Post-employment Benefit (OPEB) as described in GASB Statement No. 45. A portion of each employer's contribution to the OPERS is set aside for the funding of post retirement health care. The Ohio Revised Code provides statutory Authority requiring public employers to fund post-employment health care through their contributions to the OPERS. The portion of the 2009 employer contribution rate (identified above) that was used to fund health care was 5.0 percent of covered payroll, which amounted to $17,874. The significant actuarial assumptions and calculations relating to post-employment health care benefits were based on the OPERS' latest actuarial review performed as of December 31, 2007. An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted annually to reflect 25 percent of unrealized market appreciation or depreciation on investment assets. The investment assumption rate for 2007 was 6.5 percent. An annual increase of 4.0 percent compounded annually is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.0 percent base increase, were assumed to range from 0.50 percent to 6.3 percent. Health care costs were assumed to increase at a project wage inflation rate plus an additional factor ranging from .5% to 4% for the next 7 years. In subsequent years (8 and beyond), health care costs were assumed to increase at 4% (the projected wage inflation rate).

Benefits are advanced-funded on an actuarially determined basis. The number of active contributing participants was 364,076. The actuarial value of the OPERS' net assets available for OPEB at December 31, 2007 was $12.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were $29.8 billion and $17.0 billion, respectively.

OPERS Retirement Board Implemented its Health Care Preservation Plan (HCPP). HCPP was adopted on September 9, 2004, and is effective on January 1, 2007. In addition, OPERS created a separate investment pool for health care assets. Members and employers contribution rates increases in January 1, 2006, 2007, and 2008 will allow additional funds to be allocated to the health care plan.

NOTE 8: LONG-TERM DEBT

Jackson Metropolitan Housing Authority entered into an energy performance contract with Chevron Energy Solution Company for $341,475. CitiMortgage, Inc. provides the financing source for the project. The term of the loan is 12 year with a fixed interest rate of 4.54%. The loan is paid back in monthly installments of $3,080.05. The outstanding loan balance as of September 30, 2009 is $241,097.

The following is a summary of changes in long-term debt for the year ended September 30, 2009:

DESCRIPTION	BALANCE 09/30/08	ISSUED	RETIRED	BALANCE 09/30/09	Due Within One Year
Loan Payable	$266,482	$0	$25,385	$241,097	$25,386
TOTAL	$266,482	$0	$25,385	$241,097	$25,386

Debt maturities for the period after September 30, 2009 are as follows:

Years – September 30,	Principal	Interest
2010	$25,386	$11,575
2011	26,563	10,398
2012	27,794	9,167
2013	29,083	7,878
2014	30,431	6,530
2015 to 2019	101,840	6,258
Total	$241,097	$51,806

NOTE 9: NOTE TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES

The accompanying Schedule of expenditure of Federal Awards is a summary of the activity of the Authority's federal awards programs. The schedule has been prepared on the accrual basis of accounting.

Jackson Metropolitan Housing Authority
FDS Schedule Submitted to REAC
Proprietary Fund Type - Enterprise Fund
September 30, 2009

	Project Total	Formula Stimulus Grant	Housing Choice Vouchers	Business Activity	COCC	ELIM	Total
111 Cash - Unrestricted	$ 902,396	$ -	$ 158,564	$ 70,969	$ -	$ -	$ 1,131,929
113 Cash - Other Restricted	$ -	$ -	$ 83,947	$ -	$ -	$ -	$ 83,947
114 Cash - Tenant Security Deposits	$ 16,468	$ -	$ -	$ -	$ -	$ -	$ 16,468
100 Total Cash	$ 918,864	$ -	$ 242,511	$ 70,969	$ -	$ -	$ 1,232,344
122 Accounts Receivable - HUD Other Projects	$ -	$ 1,600	$ -	$ -	$ -	$ -	$ 1,600
126 Accounts Receivable - Tenants	$ 6,050	$ -	$ -	$ -	$ -	$ -	$ 6,050
126.1 Allowance for Doubtful Accounts -Tenants	$ (5,055)	$ -	$ -	$ -	$ -	$ -	$ (5,055)
120 Total Receivables, Net of Allowances for Doubtful Accounts	$ 995	$ 1,600	$ -	$ -	$ -	$ -	$ 2,595
142 Prepaid Expenses and Other Assets	$ 5,614	$ -	$ -	$ -	$ -	$ -	$ 5,614
144 Inter Program Due From	$ 52,041	$ -	$ -	$ 13,573	$ -	$ (65,614)	$ -
150 Total Current Assets	$ 977,514	$ 1,600	$ 242,511	$ 84,542	$ -	$ (65,614)	$ 1,240,553
161 Land	$ 189,315	$ -	$ -	$ -	$ -	$ -	$ 189,315
162 Buildings	$ 10,085,506	$ -	$ -	$ -	$ -	$ -	$ 10,085,506
164 Furniture, Equipment & Machinery - Administration	$ 223,517	$ -	$ 23,526	$ 2,170	$ -	$ -	$ 249,213
166 Accumulated Depreciation	$ (6,277,246)	$ -	$ (23,058)	$ (1,705)	$ -	$ -	$ (6,302,009)
167 Construction in Progress	$ 131,257	$ -	$ -	$ -	$ -	$ -	$ 131,257
160 Total Capital Assets, Net of Accumulated Depreciation	$ 4,352,349	$ -	$ 468	$ 465	$ -	$ -	$ 4,353,282
190 Total Assets	$ 5,329,863	$ 1,600	$ 242,979	$ 85,007	$ -	$ (65,614)	$ 5,593,835

Jackson Metropolitan Housing Authority
FDS Schedule Submitted to REAC
Proprietary Fund Type - Enterprise Fund
September 30, 2009

	Project Total	Formula Stimulus Grant	Housing Choice Vouchers	Business Activity	COCC	ELIM	Total
312 Accounts Payable <= 90 Days	$ 20,864	$ -	$ -	$ 40	$ -	$ -	$ 20,904
321 Accrued Wage/Payroll Taxes Payable	$ 20,990	$ -	$ 2,790	$ -	$ -	$ -	$ 23,780
322 Accrued Compensated Absences - Current Portion	$ 19,629	$ -	$ 8,568	$ -	$ -	$ -	$ 28,197
333 Accounts Payable - Other Government	$ 11,179	$ -	$ -	$ -	$ -	$ -	$ 11,179
341 Tenant Security Deposits	$ 16,468	$ -	$ -	$ -	$ -	$ -	$ 16,468
342 Deferred Revenues	$ -	$ -	$ -	$ 1,421	$ -	$ -	$ 1,421
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds	$ 25,386	$ -	$ -	$ -	$ -	$ -	$ 25,386
347 Inter Program - Due To	$ -	$ 1,600	$ 64,014	$ -	$ -	$ (65,614)	$ -
310 Total Current Liabilities	$ 114,516	$ 1,600	$ 75,372	$ 1,461	$ -	$ (65,614)	$ 127,335
351 Capital Projects/Mortgage Revenue Bonds	$ 215,711	$ -	$ -	$ -	$ -	$ -	$ 215,711
353 Non-current Liabilities - Other	$ -	$ -	$ 24,797	$ -	$ -	$ -	$ 24,797
354 Accrued Compensated Absences - Non Current	$ 8,797	$ -	$ 3,840	$ -	$ -	$ -	$ 12,637
350 Total Non-Current Liabilities	$ 224,508	$ -	$ 28,637	$ -	$ -	$ -	$ 253,145
300 Total Liabilities	$ 339,024	$ 1,600	$ 104,009	$ 1,461	$ -	$ (65,614)	$ 380,480
508.1 Invested In Capital Assets, Net of Related Debt	$ 4,111,252	$ -	$ 468	$ 465	$ -	$ -	$ 4,112,185
511.1 Restricted Net Assets	$ -	$ -	$ 59,150	$ -	$ -	$ -	$ 59,150
512.1 Unrestricted Net Assets	$ 879,587	$ -	$ 79,352	$ 83,081	$ -	$ -	$ 1,042,020
513 Total Equity/Net Assets	$ 4,990,839	$ -	$ 138,970	$ 83,546	$ -	$ -	$ 5,213,355

Jackson Metropolitan Housing Authority
FDS Schedule Submitted to REAC
Proprietary Fund Type - Enterprise Fund
September 30, 2009

	Project Total	Formula Stimulus Grant	Housing Choice Vouchers	Business Activity	COCC	ELIM	Total
600 Total Liabilities and Equity/Net Assets	$ 5,329,863	$ 1,600	$ 242,979	$ 85,007	$ -	$ (65,614)	$ 5,593,835
70300 Net Tenant Rental Revenue	$ 266,102	$ -	$ -	$ -	$ -	$ -	$ 266,102
70400 Tenant Revenue - Other	$ 255	$ -	$ -	$ -	$ -	$ -	$ 255
70500 Total Tenant Revenue	$ 266,357	$ -	$ -	$ -	$ -	$ -	$ 266,357
70600 HUD PHA Operating Grants	$ 748,096	$ -	$ 714,684	$ -	$ -	$ -	$ 1,462,780
70610 Capital Grants	$ -	$ 18,712	$ -	$ -	$ -	$ -	$ 18,712
71100 Investment Income - Unrestricted	$ 24,795	$ -	$ 6,415	$ 221	$ -	$ -	$ 31,431
71400 Fraud Recovery	$ -	$ -	$ 605	$ -	$ -	$ -	$ 605
71500 Other Revenue	$ 4,176	$ -	$ -	$ 47,542	$ -	$ -	$ 51,718
72000 Investment Income - Restricted	$ -	$ -	$ 75	$ -	$ -	$ -	$ 75
70000 Total Revenue	$ 1,043,424	$ 18,712	$ 721,779	$ 47,763	$ -	$ -	$ 1,831,678
91100 Administrative Salaries	$ 150,333	$ -	$ 87,556	$ 9,611	$ -	$ -	$ 247,500
91200 Auditing Fees	$ 6,254	$ -	$ 2,288	$ -	$ -	$ -	$ 8,542
91500 Employee Benefit contributions - Administrative	$ 62,099	$ -	$ 27,949	$ -	$ -	$ -	$ 90,048
91600 Office Expenses	$ 27,158	$ -	$ 5,222	$ -	$ -	$ -	$ 32,380
91700 Legal Expense	$ 8,905	$ -	$ -	$ -	$ -	$ -	$ 8,905
91800 Travel	$ 9,846	$ -	$ 8,371	$ -	$ -	$ -	$ 18,217
91900 Other	$ 5,025	$ -	$ 9,949	$ -	$ -	$ -	$ 14,974
91000 Total Operating - Administrative	$ 269,620	$ -	$ 141,335	$ 9,611	$ -	$ -	$ 420,566
93100 Water	$ 27,539	$ -	$ 199	$ -	$ -	$ -	$ 27,738
93200 Electricity	$ 59,820	$ -	$ 553	$ -	$ -	$ -	$ 60,373

Jackson Metropolitan Housing Authority
FDS Schedule Submitted to REAC
Proprietary Fund Type - Enterprise Fund
September 30, 2009

	Project Total	Formula Stimulus Grant	Housing Choice Vouchers	Business Activity	COCC	ELIM	Total
93300 Gas	$ 31,004	$ -	$ 298	$ -	$ -	$ -	$ 31,302
93600 Sewer	$ 36,202	$ -	$ -	$ -	$ -	$ -	$ 36,202
93000 Total Utilities	$ 154,565	$ -	$ 1,050	$ -	$ -	$ -	$ 155,615
94100 Ordinary Maintenance and Operations - Labor	$ 124,334	$ -	$ -	$ -	$ -	$ -	$ 124,334
94200 Ordinary Maintenance and Operations - Materials and Other	$ 94,723	$ -	$ -	$ -	$ -	$ -	$ 94,723
94300 Ordinary Maintenance and Operations Contracts	$ 38,072	$ -	$ 2,005	$ -	$ -	$ -	$ 40,077
94500 Employee Benefit Contributions - Ordinary Maintenance	$ 51,359	$ -	$ -	$ -	$ -	$ -	$ 51,359
94000 Total Maintenance	$ 308,488	$ -	$ 2,005	$ -	$ -	$ -	$ 310,493
95200 Protective Services - Other Contract Costs	$ 2,518	$ -	$ -	$ -	$ -	$ -	$ 2,518
95000 Total Protective Services	$ 2,518	$ -	$ -	$ -	$ -	$ -	$ 2,518
96120 Workmen's Compensation	$ 25,798	$ -	$ 6,000	$ -	$ -	$ -	$ 31,798
96130 Workmen's Compensation	$ 2,332	$ -	$ -	$ -	$ -	$ -	$ 2,332
96100 Total insurance Premiums	$ 28,130	$ -	$ 6,000	$ -	$ -	$ -	$ 34,130
96200 Other General Expenses	$ -	$ -	$ -	$ 28,242	$ -	$ -	$ 28,242
96210 Compensated Absences	$ 1,199	$ -	$ 408	$ -	$ -	$ -	$ 1,607
96300 Payments in Lieu of Taxes	$ 11,179	$ -	$ -	$ -	$ -	$ -	$ 11,179
96400 Bad debt - Tenant Rents	$ 11,557	$ -	$ -	$ -	$ -	$ -	$ 11,557
96000 Total Other General Expenses	$ 23,935	$ -	$ 408	$ 28,242	$ -	$ -	$ 52,585

Jackson Metropolitan Housing Authority
FDS Schedule Submitted to REAC
Proprietary Fund Type - Enterprise Fund
September 30, 2009

	Project Total	Formula Stimulus Grant	Housing Choice Vouchers	Business Activity	COCC	ELIM	Total
96710 Interest of Mortgage (or Bonds) Payable	$ 11,576	$ -	$ -	$ -	$ -	$ -	$ 11,576
96700 Total Interest Expense and Amortization Cost	$ 11,576	$ -	$ -	$ -	$ -	$ -	$ 11,576
96900 Total Operating Expenses	$ 798,832	$ -	$ 150,798	$ 37,853	$ -	$ -	$ 987,483
97000 Excess of Operating Revenue over Operating Expenses	$ 244,592	$ 18,712	$ 570,981	$ 9,910	$ -	$ -	$ 844,195
97300 Housing Assistance Payments	$ -	$ -	$ 594,209	$ -	$ -	$ -	$ 594,209
97400 Depreciation Expense	$ 366,743	$ -	$ 936	$ 310	$ -	$ -	$ 367,989
90000 Total Expenses	$ 1,165,575	$ -	$ 745,943	$ 38,163	$ -	$ -	$ 1,949,681
10010 Operating Transfer In	$ 270,432	$ -	$ -	$ -	$ -	$ -	$ 270,432
10020 Operating transfer Out	$ (270,432)	$ -	$ -	$ -	$ -	$ -	$ (270,432)
10040 Operating Transfers from/to CU	$ -	$ -	$ -	$ -	$ -	$ -	$ -
10070 Extraordinary Items, Net Gain/Loss	$ -	$ -	$ -	$ -	$ -	$ -	$ -
10100 Total Other financing Sources (Uses)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	$ (122,151)	$ 18,712	$ (24,164)	$ 9,600	$ -	$ -	$ (118,003)
11030 Beginning Equity	$ 5,094,278	$ -	$ 163,134	$ 73,946	$ -	$ -	$ 5,331,358
11040 Prior period adjustment, Equity Transfers, Corrections of Errors	$ 18,712	$ (18,712)					
Ending Equity	$ 4,990,839	$ -	$ 138,970	$ 83,546	$ -	$ -	$ 5,213,355

11020 Required Annual Debt Principal Payments	$ 25,386	$ -	$ -	$ -	$ -	$ -	$ 25,386
11170 Administrative Fee Equity	$ -	$ -	$ 79,820	$ -	$ -	$ -	$ 79,820

Jackson Metropolitan Housing Authority
FDS Schedule Submitted to REAC
Proprietary Fund Type - Enterprise Fund
September 30, 2009

	Project Total	Formula Stimulus Grant	Housing Choice Vouchers	Business Activity	COCC	ELIM	Total
11180 Housing Assistance Payments Equity	$ -	$ -	$ 59,150	$ -	$ -	$ -	$ 59,150
11190 Unit Months Available	1,980	-	2,496	-	-	-	4,476
11210 Number of Unit Months Leased	2,749	-	2,430	-	-	-	5,179
11270 Excess Cash	$ 790,815	$ -	$ -	$ -	$ -	$ -	$ 790,815
11610 Land Purchases	$ -	$ -	$ -	$ -	$ -	$ -	$ -
11620 Building Purchases	$ 18,712	$ -	$ -	$ -	$ -	$ -	$ 18,712
11630 Furniture & Equipment - Dwelling Purchases	$ -	$ -	$ -	$ -	$ -	$ -	$ -
11640 Furniture & Equipment - Administrative Purchases	$ -	$ -	$ -	$ -	$ -	$ -	$ -
11650 Leasehold Improvements Purchases	$ -	$ -	$ -	$ -	$ -	$ -	$ -
11660 Infrastructure Purchases	$ -	$ -	$ -	$ -	$ -	$ -	$ -
13510 CFFP Debt Service Payments	$ -	$ -	$ -	$ -	$ -	$ -	$ -
13901 Replacement Housing Factor Funds	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Jackson Metropolitan Housing Authority
PHA's Statement and Certification of Actual Modernization Cost
September 30, 2009

Capital Fund Program Number OH10P03850107

1. The Program Costs are as follows:

Funds Approved	$223,639
Funds Expended	223,639
Excess (Deficiency) of Funds Approved	$ -0-
Funds Advanced	$223,639
Funds Expended	223,639
Excess (Deficiency) of Funds Advanced	$ -0-

2. All costs have been paid and there are no outstanding obligations.

3. The Final Financial Status Report was signed and filed on October 29, 2009.

4. The final costs on the certification agree to the Authority's records.

Jackson Metropolitan Housing Authority
Schedule of Expenditures of Federal Award
For the Year Ended September 30, 2009

FEDERAL GRANTOR / PASS THROUGH GRANTOR PROGRAM TITLES	CFDA NUMBER	EXPENDITURES
U.S. Department of Housing and Urban Development Direct Program		
Formula Capital Fund Stimulus Grant	14.885	$18,712
Low Rent Public Housing	14.850	477,664
Housing Choice Vouchers	14.871	714,684
Public Housing Capital Fund Program	14.872	270,432
TOTAL AWARDS		**$1,481,492**

6548 Royalton Road, Suite 104
North Royalton, Ohio 44133
Phone (440) 877-9870
Fax (440) 877-9237
sconsiglio@aol.com

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
Jackson Metropolitan Housing Authority

I have audited the financial statements of the business-type activities of Jackson Metropolitan Housing Authority, Ohio, as of and for the year ended September 30, 2009, which collectively comprise the Jackson Metropolitan Housing Authority, Ohio's basic financial statements and have issued my report thereon dated January 27, 2010. I conducted my audit in accordance with auditing standards generally accepted in the United State of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing my audit, I considered Jackson Metropolitan Housing Authority, Ohio's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but no for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the entity's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the authority's financial statements that is more than inconsequential will not be prevented or detected by the authority's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the authority' internal control.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

This report is intended solely for the information and use of the board of directors, management, and federal awarding agencies and is not intended to be and should not be used by anyone other that these specified parties.

Salvatore Consiglio, CPA, Inc.

January 27, 2010

SALVATORE CONSIGLIO, CPA, INC.

6548 Royalton Road, Suite 104
North Royalton, Ohio 44133
Phone (440) 877-9870
Fax (440) 877-9237
sconsiglio@aol.com

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Directors
Jackson Metropolitan Housing Authority

Compliance

I have audited the compliance of the Jackson Metropolitan Housing Authority, Ohio, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended September 30, 2009. Jackson Metropolitan Housing Authority, Ohio major federal programs are identified in the summary of auditor's result section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Jackson Metropolitan Housing Authority, Ohio's management. My responsibility is to express an opinion on Jackson Metropolitan Housing Authority, Ohio's compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Jackson Metropolitan Housing Authority, Ohio's compliance with those requirements and performing such other procedures, as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on Jackson Metropolitan Housing Authority, Ohio's compliance with those requirements.

In my opinion, Jackson Metropolitan Housing Authority, Ohio, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2009.

Internal Control Over Compliance

The management of Jackson Metropolitan Housing Authority, Ohio is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing my audit, I considered Jackson Metropolitan Housing Authority, Ohio's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the entity's internal control over compliance.

A control deficiency in an Authority's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Authority's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the Authority's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the Authority's internal control.

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above.

This report is intended for the information of the Board of Directors, management, and federal awarding agencies and is not intended to be and should not be used by anyone other than those specified parties.

Salvatore Consiglio, CPA, Inc.

January 27, 2010

Jackson Metropolitan Housing Authority
Schedule of Findings and Questioned Costs
OMB Circular A-133 § .505
September 30, 2009

1. SUMMARY OF AUDITOR'S RESULTS

Type of Financial Statement Opinion	Unqualified
Were there any significant deficiency reported as material weakness at the financial statement level (GAGAS)?	No
Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
Were there any significant deficiency reported for any major federal programs as material weakness?	No
Were there any other significant deficiency reported for the major federal programs?	No
Type of Major Programs' Compliance Opinion	Unqualified
Are there any reportable findings under § .510?	No
Major Programs (list):	CFDA # 14.850– Low Rent Public Housing Program
Dollar Threshold: Type A/B Programs	Type A: > $300,000 Type B: All Others
Low Risk Auditee?	Yes

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS

There are no Findings or questioned costs for the year ended September 30, 2009.

3. FINDINGS REALTED TO FEDERAL AWARDS

There are no Findings or questioned costs for the year ended September 30, 2009.

Jackson Metropolitan Housing Authority
Schedule of Prior Audit Findings
September 30, 2009

The audit report for the fiscal year ending September 30, 2008 contained no audit findings.

Mary Taylor, CPA
Auditor of State

JACKSON METROPOLITAN HOUSING AUTHORITY

JACKSON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
MAY 6, 2010

88 E. Broad St. / Fourth Floor / Columbus, OH 43215-3506
Telephone: (614) 466-4514 (800) 282-0370 Fax: (614) 466-4490
www.auditor.state.oh.us