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CERTIFIED PUBLIC ACCOUNTANTS

PERRY COUNTY METROPOLITAN HOUSING AUTHORITY
PERRY COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2025

Perry County Metropolitan Housing Authority

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For the Year Ended December 31, 2025

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CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Perry County Metropolitan Housing Authority
Perry County
26 Brown Circle Dr.
Crooksville, Ohio 43731

To the Board of Commissioners

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Perry County Metropolitan Housing Authority, Perry County, Ohio (the Authority), as of and for the year ended December 31, 2025, 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 Perry County Metropolitan Housing Authority, Perry County, Ohio as of December 31, 2025, and the changes in financial position and its cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

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 opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 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 and pension and other post-employment benefit contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Financial Data Schedules and Certification of Actual Modernization Costs as required by the Department of Housing and Urban Development 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 Schedule of Expenditures of Federal Awards, Financial Data Schedules and Certification of Actual Modernization Costs 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 June 26, 2026, 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.

A handwritten signature in black ink that reads "BHM CPA Group". The letters are cursive and somewhat stylized, with the "B" and "H" being particularly large and connected.

BHM CPA Group, Inc.
Portsmouth, Ohio
June 26, 2026

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PERRY METROPOLITAN HOUSING AUTHORITY
MANAGEMENT’S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025

UNAUDITED

The Perry Metropolitan Housing Authority’s (“the Authority”) Management’s Discussion and Analysis is designed to (a) assist the reader in focusing on significant 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 conjuncture with the Authority’s financial statements.

FINANCIAL HIGHLIGHTS

- The Authority’s net position increased by \$133,471 (or 5.11%) during 2025 and were \$2,747,901 and \$2,614,430 for 2025 and 2024, respectively.
- Revenues increased by \$269,504 (or 12.14%) during 2025 and were \$2,489,822 and \$2,220,318, for 2025 and 2024, respectively.
- The total expenses of all Authority programs increased by \$183,050 (or 8.42%). Total expenses were \$2,356,351 and \$2,173,301 for 2025 and 2024, respectively.

USING THIS ANNUAL REPORT

This Report includes four major sections, the “Management’s Discussion and Analysis (MD&A)”, “Basic Financial Statements”, “Required Supplementary Information” and “Other Required Supplementary information”:

MD&A ~Management’s Discussion and Analysis ~
Basic Financial Statement ~Statement of Net Position ~ ~ Statement of Revenues, Expenses and Changes in Net Position ~ ~ Statement of Cash Flows ~ ~ Notes to Financial Statements ~
Required Supplementary Information ~Pension and OPEB Schedules ~
Other Supplementary Information ~Financial Data Schedules ~ ~Certification of Actual Modernization Costs~ ~Schedule of Expenditures of Federal Awards~

PERRY METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025

UNAUDITED

The primary focus of the Authority's financial statements is on both the Authority as a whole (Authority wide) and the major individual funds. Both perspectives (authority-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year to year or Authority to Authority) and enhance the Authority's accountability.

AUTHORITY-WIDE FINANCIAL STATEMENTS

The Authority-wide 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 on 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, equal "Net Position". Assets and liabilities are presented in order of liquidity and are classified as "Current" (convertible into cash within one year), and "Non-current".

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

Investment in Capital Assets: This component of Net Position consists of all Capital Assets, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowing that are attributable to the acquisition, construction, or improvement of those assets. The Authority does not have any debt related to capital 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 do not meet the definition of "Investment in Capital Assets", or "Restricted Net Position".

The Authority-wide financial statements also include a Statement of Revenues, Expenses, and changes in Net Position (like an Income Statement). This Statement includes Operating Revenues, 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 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, investing activities, and from capital and related financing activities.

The Authority consists of exclusively 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.

PERRY METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025

UNAUDITED

FUND FINANCIAL STATEMENTS

The Authority administers several programs that are consolidated into a single proprietary type-enterprise fund. The enterprise fund consists of the following 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 Fund 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 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.

Business Activities - Represents non-HUD resources developed from Supported Living Program (Perry County DD) activity.

AUTHORITY-WIDE STATEMENTS

STATEMENT OF NET POSITION

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

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PERRY METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025

UNAUDITED

	<u>2025</u>	<u>2024</u>
Current Assets	\$ 913,342	\$ 883,907
Capital Assets	2,289,137	2,204,410
Other Noncurrent Asset	39,477	15,676
Deferred Outflows of Resources	<u>104,871</u>	<u>166,067</u>
 Total Assets and Deferred Outflows of Resources	 <u>\$ 3,346,827</u>	 <u>\$ 3,270,060</u>
 Current Liabilities	 \$ 143,072	 \$ 153,582
Noncurrent Liabilities	<u>432,608</u>	<u>488,862</u>
 Total Liabilities	 <u>575,680</u>	 <u>642,444</u>
 Deferred Inflows of Resources	 <u>23,246</u>	 <u>13,186</u>
 Net Positions:		
Net Investment in Capital Assets	2,288,016	2,202,278
Restricted Net Positions	56,623	15,779
Unrestricted Net Positions	<u>403,262</u>	<u>396,373</u>
 Total Net Positions	 <u>2,747,901</u>	 <u>2,614,430</u>
 Total Liabilities, Deferred Inflows and Net Positions	 <u>\$ 3,346,827</u>	 <u>\$ 3,270,060</u>

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

MAJOR FACTORS AFFECTING THE STATEMENT OF NET POSITION

During 2025, current assets increased by \$29,435 (3.33%), while current liabilities decreased by \$10,510 (6.84%). The increase in current assets was primarily attributable to current year operating activities. The decrease in current liabilities was mainly due to a reduction in unpaid invoices at year-end.

Capital assets also increased during the year, from \$2,204,410 to \$2,289,137. The increase of \$84,727 (3.84%) was primarily the result of net capital asset acquisitions and dispositions, offset by current-year depreciation and amortization expense.

PERRY METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025

UNAUDITED

Change in Net Position

Details on the change in net position can be found below:

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Investment in Capital Assets</u>
Beginning Balance - December 31, 2024	\$ 396,373	\$ 15,779	\$ 2,202,278
Results of Operation	93,554	40,844	((927))
Adjustments:			
Current year Depreciation/Amortization Expense (1)	199,905	-	(199,905)
Capital Expenditure (2)	(287,632)	-	287,632
Lease liability, net	1,062	-	(1,062)
Ending Balance - December 31, 2025	<u>\$ 403,262</u>	<u>\$ 56,623</u>	<u>\$ 2,288,016</u>

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

(2) Capital expenditures represent an outflow of unrestricted net position, but are not treated as an expense against Results of Operations, and therefore must be deducted

While the results of operations are a significant measure of the Authority's activities, the analysis of the changes in Unrestricted Net Position provides for a clearer change in financial well-being.

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PERRY METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025

UNAUDITED

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITIONS

The Following schedule compares the revenues and expenses for the current and previous fiscal year.

	<u>2025</u>	<u>2024</u>
<u>Revenues</u>		
Total Tenant Revenues	\$ 325,608	\$ 369,765
Operating Subsidies	1,746,639	1,689,987
Capital Grants	320,513	135,166
Investment Income	11,822	14,944
Gain from sale of capital asset	75,567	625
Other Revenues	9,673	9,831
Total Revenues	<u>2,489,822</u>	<u>2,220,318</u>
<u>Expenses</u>		
Administrative	436,578	470,778
Tenant Services	14,166	3,987
Utilities	255,249	218,204
Maintenance	388,757	272,593
General and Insurance Expenses	57,179	51,211
Housing Assistance Payments	1,004,338	967,758
Interest Expense	179	80
Depreciation & Amortization	199,905	188,690
Total Expenses	<u>2,356,351</u>	<u>2,173,301</u>
Net Increases (Decreases)	133,471	47,017
Net Postion - Beginning	<u>2,614,430</u>	<u>2,567,413</u>
Net Position - Ending	<u>\$ 2,747,901</u>	<u>\$ 2,614,430</u>

PERRY METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025

UNAUDITED

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

Total revenue increased by \$269,504 due mainly by a increase in HUD capital grant funding for the year and gain from sale of capital asset.

Total Expenses increased in 2025 by \$183,050. The increase was due mainly by increase in maintenance expenses and additional housing assistance payments.

CAPITAL ASSETS AND DEBT ADMINISTRATION CAPITAL ASSETS

As of year-end, the Authority had \$2,289,137 invested in a variety of capital assets as reflected in the following schedule, which represents a net increase (additions, deductions and depreciation) of \$84,727 (or 3.84%) from the end of last year:

	<u>2025</u>	<u>2024</u>
Land	\$ 234,579	\$ 237,579
Buildings	10,595,368	10,334,736
Equipment	359,421	359,421
Intangible Right-To-Use: leased Equipment	5,280	5,280
Accumulated Depreciation / Amortization	<u>(8,905,511)</u>	<u>(8,732,606)</u>
Total	<u><u>\$ 2,289,137</u></u>	<u><u>\$ 2,204,410</u></u>

The following reconciliation summarizes the change in Capital Assets, which is presented in detail in Note 4 of the notes to the basic financial statements.

Beginning Balance - December 31, 2024	\$ 2,204,410
Current year additions	287,632
Current year deletions	(3,000)
Current year depreciation expense	(198,893)
Current year amortization expense	(1,012)
Ending Balance - December 31, 2025	<u><u>\$ 2,289,137</u></u>

PERRY METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025

UNAUDITED

Below are the details of current additions:

Trees Replacement	\$ 54,000
Heating and Cooling Replacement	118,870
Roofing Project	114,762
Total	\$ <u>287,632</u>

DEBT OUTSTANDING

At year end the Authority had no outstanding debt.

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

- Federal funding levels of 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
- Market rates for rental housing
- Local rental market rates and housing supply and demand, which affects the Authority's ability to maintain leasing rates.

IN CONCLUSION

Perry Metropolitan Housing Authority takes great pride in its financial management and is pleased to report on the consistent and sound financial condition of the Authority.

FINANCIAL CONTACT

If you have any questions regarding this report, you may contact Christina Curtis, Executive Director of the Perry Metropolitan Housing Authority at (740) 982-5991.

PERRY METROPOLITAN HOUSING AUTHORITY
STATEMENT OF NET POSITION
DECMEBER 31, 2025

Assets

Current Assets:

Cash and Cash Equivalents	\$805,036
Cash and Cash Equivalents - restricted	47,687
Receivables, net	986
Inventories, net	20,088
Prepaid Items	39,545

Total Current Assets	<u>913,342</u>
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Non-Current Assets:

Capital assets:

Nondepreciable Assets	234,579
Depreciable/Amortized capital assets, net	2,054,558
Total Capital Assets	<u>2,289,137</u>

Other Noncurrent Asset:

OPEB Asset	39,477
Total Other Noncurrent Asset	<u>39,477</u>

Total Non-Current Assets	<u>2,328,614</u>
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Total Assets	<u><u>\$3,241,956</u></u>
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Deferred Outflows of Resources

Pension	\$102,120
OPEB	2,751

Total Deferred Outflows of Resources	<u>\$104,871</u>
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Total Assets and Deferred Outflows of Resources	<u><u>\$3,346,827</u></u>
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Liabilities

Current Liabilities:

Accounts Payable	\$48,707
Accrued Wages and Payroll Taxes	14,392
Accrued Compensated Absences - current	32,784
Intergovernmental Payables	10,296
Tenant Security Deposits Payable	30,541
Unearned Revenue	5,387
Leases - current	965

Total Current Liabilities	<u>143,072</u>
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Non-Current liabilities

Leases - noncurrent	156
Net Pension Liability	432,452

Total Non-Current Liabilities	<u>432,608</u>
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Total Liabilities	<u><u>\$575,680</u></u>
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The notes to the basic financial statements are an integral part of the statements.

PERRY METROPOLITAN HOUSING AUTHORITY
STATEMENT OF NET POSITION (CONTINUED)
DECEMBER 31, 2025

Deferred Inflows of Resources

Pension	\$15,630
OPEB	7,616
Total Deferred Inflows of Resources	\$23,246

Total Liabilities and Deferred Inflows of Resources	\$598,926
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Net Position

Investment in Capital Assets	\$2,288,016
Restricted	56,623
Unrestricted	403,262
Total Net Position	\$2,747,901

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

PERRY METROPOLITAN HOUSING AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025

Operating Revenues	
Tenant Revenue	\$325,608
Government Operating Grants	1,746,639
Other Revenue	9,673
Total Operating Revenues	<u>2,081,920</u>
Operating Expenses	
Administrative	436,578
Tenant Services	14,166
Utilities	255,249
Maintenance	388,757
General and Insurance	57,179
Housing Assistance Payments	1,004,338
Amortization	1,012
Depreciation	198,893
Total Operating Expenses	<u>2,356,172</u>
Operating Loss	<u>(274,252)</u>
Nonoperating Revenues (Expenses)	
Investment Income	11,822
Interest Expense	(179)
Gain on Disposal of Capital Assets	75,567
Capital Grant Revenue	320,513
Total Nonoperating Revenues (Expenses)	<u>407,723</u>
Change in Net Position	133,471
Net Position - Beginning	<u>2,614,430</u>
Net Position - Ending	<u>\$2,747,901</u>

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

PERRY METROPOLITAN HOUSING AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025

Cash flows from operating activities:

Operating grants received	1,746,639
Tenant revenue received	325,071
Other revenue received	14,361
General and administrative expenses paid	(1,157,812)
Housing Assistance Payments	(1,004,338)
Net cash provided (used) by operating activities	<u>(76,079)</u>

Cash flows from investing activities:

Interest received	11,822
Net cash provided (used) by investing activities	<u>11,822</u>

Cash flows from capital and related financing activities:

Capital grants received	320,513
Lease liability, net	(1,012)
Interest payment on debt	(179)
Proceeds from sale of assets	78,567
Acquisition of capital assets	(287,632)
Net cash provided (used) by capital and related activities	<u>110,257</u>
Net change in cash and cash equivalents	46,000
Cash and cash equivalents at January 1, 2024	<u>806,723</u>
Cash and cash equivalents December 31, 2025	<u><u>\$852,723</u></u>

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

PERRY METROPOLITAN HOUSING AUTHORITY
STATEMENT OF CASH FLOWS - Continued
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025

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

Net Operating Income (Loss)	(\$274,252)
Adjust. to reconcile operating loss to net cash used by operating activities	
Depreciation	198,893
Amortization	1,012
Changes in:	
Accounts receivable, net	6,428
Inventories, net	277
Prepaid assets	9,860
OPEB Assets	(23,801)
Deferred outflows	61,196
Accounts payable	3,720
Accrued wages and payroll taxes	(3,075)
Accounts payable - Intergovernmental	(5,121)
Tenant security deposits	(400)
Deferred inflows	10,060
Pension liability	(55,290)
Accrued compensated absences	(3,309)
Unearned revenue	(2,277)
Net cash provided by operating activities	<u><u>(\$76,079)</u></u>

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

PERRY METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

1. DESCRIPTION OF THE HOUSING AUTHORITY AND REPORTING ENTITY

Summary of Significant Accounting Policies

The financial statements of the Perry 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.

Reporting Entity

The Authority was created pursuant to 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 rent subsidies provided by HUD. The Authority depends on the subsidies from HUD to operate.

The accompanying basic financial statements comply with the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 14, The Financial Reporting Entity (as amended by GASB Statement No. 61), 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 a 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 governing 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.

PERRY METROPOLITAN HOUSING AUTHORITY
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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. The 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 basic financial statements consist of a Statement of Net Position, a Statement of Revenues, Expenses, and Changes in Net Position, and a Statement of Cash Flows.

The Authority uses a single enterprise fund to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

Enterprise fund reporting focuses on the determination of the change in net position, financial position and cash flows. An enterprise fund may be used for any activity for which a fee is charged to external users for goods and services.

Measurement Focus

The enterprise fund is accounted for on a flow of economic resources measurement focus. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of the Authority are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Net Position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The Statement of Cash Flows provides information about how the Authority finances and meets the cash flow needs of its enterprise activity.

Fund Accounting

The Authority uses the enterprise fund to report on its financial position and 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. The enterprise fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

Enterprise Fund

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

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

The Authority's programs are consolidated into a single enterprise fund as follows:

Projects - Conventional Public Housing and Capital Fund Programs

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 to enable the PHA to provide the housing at a rent that is based upon 30% of adjusted gross household income. The Conventional Public Housing Program also includes the Capital Fund Program, which is the primary funding source for the Authority's physical and management improvement. Funds are allocated by a formula allocation and based on the size and age of the Authority's units.

Housing Choice Voucher Program

Under the Housing Choice Voucher Program, the Authority subsidizes rents to independent landlords that own the property. The Authority subsidizes the family's rent through a Housing Assistance Payment (HAP) made to the landlord. The program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides funding to enable the Authority to structure a lease that requires the participant to pay a rent based on a percentage of their adjusted gross household income, typically 30%, and the Housing Authority subsidizes the balance.

Business Activities

Business Activities are the miscellaneous activities of the authority that currently include housing activities outside the scope of the conventional and housing choice voucher programs. The Business Activity Program represents MR/DD Supported Living Program activities. The revenue and expenses for these services are identified and tracked separately from the HUD activities.

Accounting and Reporting for Nonexchange Transactions

Non-exchange transactions occur when the Authority receives (or gives) value without directly giving equal value in return. GASB 33 identifies four classes of non-exchange transactions as follows:

- Derived tax revenues: result from assessments imposed on exchange transactions (i.e., income taxes, sales taxes and other assessments on earnings or consumption).

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- Imposed non-exchange revenues: result from assessments imposed on non-governmental entities, including individuals, other than assessments on exchange transactions (i.e., property taxes and fines).
- Government-mandated non-exchange transactions: occur when a government at one level provides resources to a government at another level and requires the recipient to use the resources for a specific purpose (i.e., federal programs that state or local governments are mandated to perform).
- Voluntary non-exchange transactions: result from legislative or contractual agreements, other than exchanges, entered into willingly by the parties to the agreement (i.e., certain grants and private donations).

The Authority grants and subsidies will be defined as government-mandated or voluntary nonexchange transactions. GASB 33 establishes two distinct standards depending upon the kind of stipulation imposed by the provider.

The PHA will recognize assets (liabilities) when all applicable eligibility requirements are met, or resources received whichever is first. Eligibility requirements established by the provider may stipulate the qualifying characteristics of recipients, time requirements, allowable costs, and other contingencies.

- Time requirements specify (a) the period when resources are required to be used or when use may begin (for example, operating or capital grants for a specific period) or (b) that the resources are required to be maintained intact in perpetuity or until a specified date or event has occurred (for example, permanent endowments, term endowments, and similar agreements). Time requirements affect the timing of recognition of non-exchange transactions.
- Purpose restrictions specify the purpose for which resources are required to be used, (i.e., capital grants used for the purchase of capital assets). Purpose restrictions do not affect when a non-exchange transaction is recognized. However, authority's that receive resources with purpose restrictions should report resulting net assets, equity, or fund balance as restricted.

The PHA will recognize revenues (expenses) when all applicable eligibility requirements are met. For transactions that have a time requirement for the beginning of the following period, PHAs should record resources received prior to that period as deferred revenue and the provider of those resources would record an advance.

Cash and Cash Equivalents

For the Statement of Cash Flows, cash and cash equivalents include all highly liquid investments with original maturities of three months or less.

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Receivables – net of allowance

Total receivable as December 31, 2025, is \$986. This amount is net from the allowance of doubtful accounts of \$42,508. Bad debts are provided on the allowance method based on management's evaluation of the probability of collecting the outstanding tenant receivable balances at the end of the year.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2025, are recorded as prepaid expenses using the consumption method. A current asset for the amount is recorded at the time of the purchase and expense is reported in the year in which the services are consumed.

Property and Equipment

Property and equipment are recorded at cost. Costs that materially add to the productive capacity or extend the life of an asset are capitalized while maintenance and repair costs are expensed as incurred. The capitalization policy amount is \$2,500.

The following are the useful lives used for depreciation purposes:

Buildings	40 years
Building improvements	15 years
Furniture and Equipment	7 years
Vehicles	5 years
Computer Equipment	3 years

Depreciation is recorded on the straight-line method.

Investments

Investments are stated at fair value. The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure 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. Negotiable certificates of deposit are stated at cost.

Inventory

The Authority's inventory is comprised of maintenance materials and supplies. Inventory is stated at cost. The consumption method is used to record inventory. Under this method, the acquisition of materials and supplies is recorded initially in inventory accounts and charged as expenditures when used. The allowance for obsolete inventory was \$2,253 at December 31, 2025.

PERRY METROPOLITAN HOUSING AUTHORITY
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Compensated Absences

Sick leave benefits are accrued as a liability using the vesting method. Sick leave benefits are accrued as a liability for employees who are currently eligible to receive termination benefits and those identified as probable to receiving payment in the future. Vacation benefits are accrued as a liability as the benefits are earned by the employees if the employees' rights to receive compensation are attributed to services already rendered and it is probable that the Authority will compensate the employees for the benefits through paid time off or some other means. The liability for sick leave and vacation benefits is based on accumulated unused balances and employees' wage rates at fiscal year-end. Compensated absences are expensed when earned by the employees.

	Current Accrued Compensated Absence	Long-Term Accrued Compensated Absence	Total Accrued Compensated Absence
Public Housing	\$19,062	\$0	\$19,062
Housing Choice Voucher	2,217	0	2,217
Central Office	11,505	0	11,505
Total	\$32,784	\$0	\$32,784

The following is a summary of changes in compensated absence liability:

	Balance 12/31/2024	Earned	Used	Balance 12/31/2025	Due Within One Year
Compensated Absences	\$ 36,093	\$ 40,591	\$ (43,900)	\$ 32,784	\$ 32,784

Unearned Revenue

Unearned revenue arises when revenues are received before revenue recognition criteria have been satisfied. The unearned revenue reported of \$5,387 represents tenants prepaid rent.

Deferred Outflows and 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 Notes 7 and 8.

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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 7 and 8.

Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when they are due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

Net Position

The net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Investment in Capital Assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances 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.

The Authority applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted amounts are available.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the Authority, these revenues are tenant revenues, operating grant from HUD and other miscellaneous revenue.

Operating expenses are those expenses that are expended directly for the primary activity of the proprietary fund. For the Authority, these expenses are administrative, utilities, maintenance, tenant services, insurance, depreciation, and housing assistance payments.

Capital Grant

This represents grants provided by HUD that the Authority spends on capital assets.

PERRY METROPOLITAN HOUSING AUTHORITY
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Budgetary Accounting

The Authority annually prepares its program budgets as prescribed by the Department of Housing and Urban Development. These budgets are adopted by the Board of the Authority and submitted to the Federal agencies, as applicable.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets 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.

2. DEPOSITS

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 withdrawable 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-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of 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 certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

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Protection of the Authority's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

The carrying amount of the Authority's deposits was \$852,723 at December 31, 2025. The corresponding bank balances were \$891,808. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosure," as of December 31, 2025, \$641,808 was exposed to custodial risk as discussed below, while \$250,000 was covered by the Federal Depository Insurance Corporation.

3. RESTRICTED CASH

Restricted cash balance as of December 31, 2025, of \$47,687 represents cash on hand for the following:

Tenant Security Deposits	\$30,541
Housing Assistance Payments funds	<u>17,146</u>
	<u><u>\$47,687</u></u>

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PERRY METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

4. CAPITAL ASSETS

A summary of changes in the Authority's capital assets for the year ending December 31, 2025, follows:

	Balance 12/31/24	Additions	Disposal	Balance 12/31/25
<i>Capital Assets Not Being Depreciated:</i>				
Land	\$ 237,579	\$ -	\$ (3,000)	\$ 234,579
<i>Total Capital Assets Not Being Depreciated</i>	237,579	-	(3,000)	234,579
<i>Capital Assets Being Depreciated:</i>				
Buildings and Improvements	10,334,736	287,632	(27,000)	10,595,368
Furniture, Machinery and Equipment	359,421	-	-	359,421
Intangible Right-To Use: Leased Equipment	5,280	-	-	5,280
<i>Total Capital Assets Being Depreciated:</i>	10,699,437	287,632	(27,000)	10,960,069
<i>Accumulated Depreciation</i>				
Buildings	(8,478,174)	(176,141)	670	(8,653,645)
Furniture, Machinery and Equipment	(251,285)	(22,752)	26,330	(247,707)
Intangible Right-To Use: Leased Equipment	(3,147)	(1,012)	-	(4,159)
<i>Total Accumulated Depreciation</i>	(8,732,606)	(199,905)	27,000	(8,905,511)
<i>Total Capital Assets Being Depreciated, Net</i>	1,966,831	87,727	-	2,054,558
<i>Total Capital Assets, Net</i>	\$ 2,204,410	\$ 87,727	\$ (3,000)	\$ 2,289,137

5. LONG-TERM LIABILITIES

The balance of the long-term liabilities at December 31, 2025, consists of the following:

Description	Balance 12/31/2024	Issued	Retired	Balance 12/31/2025	Due Within One Year
Net Pension Liability	\$487,742	\$-	\$55,290	\$432,452	\$-
Leases Payable	2,132	-	1,011	1,121	965
TOTAL	\$489,874	\$-	\$56,301	\$433,573	\$965

See Note 7 for information on the Authority's net pension liability.

PERRY METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
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Leases Payable

The Authority has entered into lease agreements for the right-to-use certain leased equipment. Due to the implementation of GASB Statements No. 87, the Authority has reported an intangible capital asset and corresponding lease liability for the future schedule payments under certain lease agreements in which the Authority is the lessee. The lease is as follows:

PURPOSE	LEASE COMMENCEMENT DATE	TERM (YEARS)	LEASE END DATE	PAYMENT METHOD
Postage Meter	March 3, 2022	5	February 28, 2027	Monthly

FISCAL YEAR ENDING	PRINCIPAL	INTEREST	TOTAL
2026	\$965	\$227	\$1,192
2027	156	42	198
Total	\$1,121	\$269	\$1,390

6. MRDD PROJECT AGREEMENT

Perry Metropolitan Housing Authority and Perry County Board MRDD have a project agreement for a supported living program. The agreement outlines that monies received by MRDD for supported living will be forwarded to the Authority to purchase real estate with homes previously constructed and title to the said real estate will be in the name of the Authority. MRDD clients will benefit from these real estate transactions. The real estate monies will revert to MRDD if the property is not used by eligible people.

7. DEFINED BENEFIT PENSION PLAN

Net Pension Liability

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

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

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

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

The proportionate share of each plan's unfunded benefits is presented as a long-term net pension liability. Any liability for the contractually required pension contribution outstanding at the end of the year is included in *accrued liabilities*.

Plan Description – Ohio Public Employees Retirement Systems (OPERS)

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 pension plan with defined contribution features. While members (e.g., Authority employees) may elect the member-directed plan and the combined plan, substantially all employee members are in 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 www.opers.org/financial/reports.shtml, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (800) 222-PERS.

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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 the final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR reference 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 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 and Service Requirements:	Age and Service Requirements:
Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula:	Formula:	Formula:
2.2% of FAS multiplied by years of service form the first 30 years and 2.5% for service years in excess of 30	2.2% of FAS multiplied by years of service form the first 30 years and 2.5% for service years in excess of 30	2.2% of FAS multiplied by years of service form the first 30 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 upon receipt of the initial benefit payment for calculation of the annual cost-of-living adjustment.

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

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 Traditional pension plan and the Combined Plan.

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

Statutory Maximum Contribution Rates	<u>State and Local</u>
Employer	14.0 %
Employee	10.0 %

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Employer contribution rates are actuarially determined and are expressed as a percentage of the payroll covered. The Authority's contractually required contributions used to fund pension benefits were \$42,830 for the year ended December 31, 2025. Of this amount \$3,197 is reported as accrued wages and payroll taxes payable.

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

The net pension liability was measured as of December 31, 2024, 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. The following is information related to the proportionate share and pension expense:

	Traditional Plan
Proportionate Share of Net Pension Liability	\$432,452
Proportion of the Net Pension Liability	
- Prior Measurement Date	0.001863%
- Current Measurement Date	0.001764%
Change in Proportion from Prior	<u>-0.000099%</u>
Pension Expense	\$7,045

At December 31, 2025, 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	\$51,016
Difference between expected and actual experience	8,274
Authority contributions subsequent to the measurement date	<u>42,830</u>
Total Deferred Outflows of Resources	<u>\$102,120</u>

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	Traditional Plan
Deferred Inflows of Resources	
Change in proportionate share and difference between Employer contribution and proportionate share of contribution	<u>\$15,630</u>
Total Deferred Inflows of Resources	<u><u>\$15,630</u></u>

\$42,830 reported as deferred outflows of resources related to pension resulting from Authority contributions after the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	Traditional Plan
Fiscal Year Ending December 31,:	
2026	\$18,210
2027	51,544
2028	(19,683)
2029	<u>(6,411)</u>
Total	<u><u>\$43,660</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 December 31, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all prior periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below:

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Actuarial Information	Traditional Plan
Measurement and Valuation Date	December 31, 2024
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: 2.9% Simple for calendar year 2025, then 2.05% Simple

Pre-retirement mortality rates are based on 130% of the Pub-2010 General 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 of 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 of these tables.

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

The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by 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 Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2023 and the long-term expected real rates of return:

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Asset Class	Target Allocation as of December 31, 2024	Weighted Average Long- Term Expected Real Rate of Return (Geometric)
Fixed Income	24.00%	2.42%
Domestic Equities	21.00%	5.70%
Real Estate	13.00%	4.17%
Private Equity	15.00%	8.40%
International Equities	20.00%	6.10%
Risk Parity	2.00%	4.40%
Other Investments	5.00%	2.54%
TOTAL	100.00%	

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	\$707,470	\$432,452	\$203,918

PERRY METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

8. DEFINED BENEFIT OPEB PLAN

Net OPEB Liability/(Asset)

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

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

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

The proportionate share of each plan's unfunded benefits is presented as a long-term *net OPEB liability/(asset)*. Any liability for the contractually required OPEB contribution outstanding at the end of the year is included in *the accrued liabilities*.

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.

PERRY METROPOLITAN HOUSING AUTHORITY
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FOR THE YEAR ENDED DECEMBER 31, 2025

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

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

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

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

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

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 2024. The OPERS Board is also authorized to establish rules for the 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 2024 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of the payroll covered.

The Authority's contractually required contribution was \$0 for the year 2025.

PERRY METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

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

The net OPEB asset and total OPEB liability were determined by an actuarial valuation as of December 31, 2023, rolled forward to the measurement date of December 31, 2024, 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 was based on the Authority's share of contributions to the retirement plan relative to the contributions of all participating entities. The following is information related to the proportionate share and OPEB expenses:

	Health Care Plan
Proportionate Share of Net OPEB Liability / (Asset)	(\$39,477)
Proportion of the Net OPEB Liability	
- Prior Measurement Date	0.001737%
- Current Measurement Date	<u>0.001684%</u>
Change in Proportion from Prior	<u><u>-0.000053%</u></u>
OPEB Income	\$14,873

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PERRY METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

At December 31, 2025, 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	\$813
Change in proportionate share and difference between Employer contribution and proportionate share of contribution	1,938
Total Deferred Outflows of Resources	<u>\$2,751</u>
Deferred Inflows of Resources	
Assumption Changes	\$5,696
Difference between expected and actual experience	1,920
Total Deferred Inflows of Resources	<u>\$7,616</u>

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 December 31:	
2026	(\$2,717)
2027	4,284
2028	(4,758)
2029	(1,674)
Total	<u>(\$4,865)</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.

PERRY METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

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, 2023, rolled forward to the measurement date of December 31, 2024. 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, 2023
Rolled-Forward Measurement Date	December 31, 2024
Experience Study	5-Year Period Ended December 31, 2020
Actuarial Cost Method	Individual entry age
Actuarial Assumptions	
Single Discount Rate	6.00%
Investment Rate of Return	6.00%
Municipal Bond Rate	4.08%
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 2039

Pre-retirement mortality rates are based on 130% of the Pub-2010 General 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 of 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 of these tables.

The most recent experience study was completed for the five-year period ended 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 managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the 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.

PERRY METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Accordingly, the money-weighted rate of return is considered to be 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. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2024 and the long-term expected real rates of return:

Asset Class	Target Allocation as of December 31, 2024	Weighted Average Long-Term Expected Real Rate of Return
Fixed Income	37.00%	2.37%
Domestic Equities	26.00%	5.70%
REITs	5.00%	5.00%
International Equities	26.00%	6.10%
Risk Parity	3.00%	4.40%
Other Investments	3.00%	2.50%
TOTAL	100.00%	

Discount Rate A single discount rate of 6.00% was used to measure the total OPEB liability on the measurement date of December 31, 2024; however, the single discount rate used at the beginning of the year was 5.70%. 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) a 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). The single discount rate was based on the actuarial assumed rate of return of 6.00%. 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 the year 2124. As a result, the single discount rate was set as the actuarial assumed long-term expected rate of return on health care investments and was applied to projected costs through the year 2124, the duration of the projection period through which projected health care payments are fully funded. The tax-exempt municipal bond rate was not needed in the determination of the single discount rate.

The following table presents the net OPEB liability or asset calculated using the single discount rate of 6.00%, and the expected net OPEB liability or asset if it were calculated using a discount rate that is 1.0% lower or 1.0% higher than the current rate.

PERRY METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

	1% Decrease (5.00%)	Single Discount Rate (6.00%)	1% Increase (7.00%)
Authority's proportionate share of the net OPEB Liability/(Asset)	(\$19,602)	(\$39,477)	(\$56,060)

Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability or asset. The following table presents the net OPEB liability or asset calculated using the assumed trend rates, and the expected net OPEB liability or asset if it were calculated using a health care cost trend rate that is 1.0% lower or 1.0% higher than the current rate.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
Authority's proportionate share of the net OPEB liability/(Asset)	(\$40,079)	(\$39,477)	(\$38,799)

Retiree health care valuations use a health care cost trend assumption with changes over several years built into that assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2025 is 5.50%. 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 the health care cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50% in the most recent valuation.

9. 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 year ended December 31, 2025, the Authority maintained 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. There was no significant reduction in coverage and no settlements exceeded insurance coverage during the past three years.

Also, during 2025, the Authority was insured through the State Housing Authority Risk Pool Association, Inc. (SHARP), a public entity risk pool operating a common risk management and insurance program for its housing authority members. The State Housing Authority Risk Pool Association, Inc. is self-sustaining through member premiums and reinsures through commercial insurance companies.

PERRY METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

10. CONTINGENCIES

Grants

Amounts grantor agencies pay to the Authority are subject to audit and adjustments by the grantor, principally the federal government. Grantors may require refunding any disallowed costs or excess reserve balances. Management cannot presently determine amounts grantors may disallow or recapture. However, based on prior experience, management believes any such disallowed claims or recaptured amounts would not have a material adverse effect on the overall financial position of the Authority at December 31, 2025.

Commitments and Contingencies

The Authority has, under its normal operations, entered into commitments for the purchase of maintenance, cleaning, and other services. Such commitments are monthly and annually.

Litigations

In the normal course of operations, the Authority may be subject to litigations and claims. At December 31, 2025, the Authority was not aware of any such matters.

11. PAYMENT IN LIEU OF TAXES

The Authority has cooperation agreements with certain municipalities under which it makes payment in lieu of real estate taxes for various public services. Expense recognized for payment in lieu of taxes for the year ended December 31, 2025, totaled \$10,305.

12. FINANCIAL DATA SCHEDULE SUBMITTED TO HUD

For the fiscal year ending December 31, 2025, the Authority electronically submitted an unaudited version of the balance sheet, statement of revenue and expenses and changes in net position, and other data to HUD as required on the GAAP basis. The schedules are presented in the manner prescribed by HUD.

13. CHANGE IN ACCOUNTING PRINCIPLES

GASB Statement No. 102, Certain Risk Disclosures. The objective of this statement is to provide users of government financial statements with essential information about the risks related to a government's vulnerabilities due to certain concentrations or constraints. The Authority's Public Housing Program and the Section 8 Housing Programs are economically dependent on annual contributions and grants from HUD. These programs operate at a loss prior to receiving the contributions and grants. The GASB pronouncement relates to note disclosure only and had no effect on beginning net position.

PERRY METROPOLITAN HOUSING AUTHORITY
PERRY COUNTY, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

Traditional Plan	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Authority's Proportion of the Net Pension Liability	0.001764%	0.001863%	0.001974%	0.001926%	0.001931%	0.002234%	0.002554%	0.002445%	0.002387%	0.002295%
Authority's Proportionate Share of the Net Pension Liability	\$432,452	\$487,742	\$583,115	\$167,568	\$285,939	\$441,565	\$699,490	\$383,573	\$542,049	\$397,524
Authority's Covered-Employee Payroll	\$316,320	\$306,598	\$306,034	\$279,526	\$271,925	\$328,387	\$344,911	\$322,804	\$312,961	\$302,696
Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	136.71%	159.08%	190.54%	59.95%	105.15%	134.46%	202.80%	118.83%	173.20%	131.33%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.99%	79.01%	75.74%	92.62%	86.88%	82.17%	74.70%	84.66%	77.25%	81.08%

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

See accompanying notes to the required supplementary information.

PERRY METROPOLITAN HOUSING AUTHORITY
PERRY COUNTY, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY/(ASSETS)
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST NINE FISCAL YEARS (1)

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Authority's Proportion of the Net OPEB Liability/Asset	0.001684%	0.001737%	0.001839%	0.001793%	0.001798%	0.002080%	0.002378%	0.002280%	0.002280%
Authority's Proportionate Share of the Net OPEB Liability (Asset)	(\$39,477)	(\$15,676)	\$11,595	(\$56,159)	(\$32,032)	\$287,302	\$310,035	\$247,591	\$230,228
Authority's Covered-Employee Payroll	\$316,320	\$306,598	\$306,034	\$279,526	\$271,925	\$328,387	\$344,911	\$322,804	\$312,961
Authority's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Employee Payroll	(12.48%)	(5.11%)	3.79%	(20.09%)	(11.78%)	87.49%	89.89%	76.70%	73.56%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	121.51%	107.76%	94.79%	128.23%	115.57%	47.80%	46.33%	54.14%	68.52%

(1) Information prior to 2017 is not available. This schedule is to show ten years of information, additional years will be displayed as it becomes available. The amounts presented for each year were determined as of the Authority's measurement date which is the prior year. See accompanying notes to the required supplementary information.

Perry Metropolitan Housing Authority
Required Supplementary Information
Schedule of Perry Metropolitan Housing Authority's
PERS Schedule of Ten Year Contributions
For the Last Ten Fiscal Years

	<u>2025</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>
Contractually Required Contribution										
- Pension	\$42,830	\$44,283	\$42,924	\$41,935	\$39,134	\$38,069	\$46,037	\$48,288	\$41,965	\$37,556
- OPEB	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,228	\$6,259
Contributions in Relation to the Contractually Required Contribution	\$42,830	\$44,283	\$42,924	\$41,935	\$39,134	\$38,069	\$46,037	\$48,288	\$45,193	\$43,815
Contribution Deficiency (Excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Authority's Covered-Employee Payroll	\$305,930	\$316,307	\$306,598	\$299,533	\$279,526	\$271,925	\$328,387	\$344,911	\$322,804	\$312,961
Contributions as a Percentage of Covered-Employee Payroll										
- Pension	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.02%	14.00%	13.00%	12.00%
- OPEB	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.00%	2.00%

See accompanying notes to the required supplementary information.

PERRY METROPOLITAN HOUSING AUTHORITY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2025

Ohio Public Employees' Retirement System

Net Pension Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2015-2025.

Changes in assumptions:

There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2015-2016 and 2023-2025.

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 through 2020, then 2.15% simple to 0.50% simple through 2021 then 2.15% simple.

PERRY METROPOLITAN HOUSING AUTHORITY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2025

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 through 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.

Net OPEB liability/(asset)

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2018-2020 and 2022-2025.

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.

PERRY METROPOLITAN HOUSING AUTHORITY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2025

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 5.22% to 5.70% (b) the municipal bond rate changed from 4.05% to 3.77%.

For 2025, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 5.70% to 6.00% (b) the municipal bond rate changed from 3.77% to 4.08%.

PERRY METROPOLITAN HOUSING AUTHORITY

Certification of Actual Modernization Costs

Fiscal Year Ending December 31, 2025

	CFP
	501-2023
Funds approved	\$311,268
Funds expended	311,268
Excess of (deficiency) of funds approved	\$ -
Funds advanced	\$311,268
Funds expended	311,268
Excess of (deficiency) of funds advanced	\$ -

1. All modernization work in connection with the Capital Fund Program has been completed.
2. The entire Actual Modernization cost or liabilities incurred by the Authority have been fully paid.
3. There are no discharged mechanics, laborers, contractors, or material-mens liens against such modernization work on file in any public office where the same should be filed in order to be valid against such modernization work.

PERRY METROPOLITAN HOUSING AUTHORITY

Certification of Actual Modernization Costs

Fiscal Year Ending December 31, 2025

	CFP
	501-2024
Funds approved	\$329,620
Funds expended	329,620
Excess of (deficiency) of funds approved	\$ -
Funds advanced	\$329,620
Funds expended	329,620
Excess of (deficiency) of funds advanced	\$ -

1. All modernization work in connection with the Capital Fund Program has been completed.
2. The entire Actual Modernization cost or liabilities incurred by the Authority have been fully paid.
3. There are no discharged mechanics, laborers, contractors, or material-mens liens against such modernization work on file in any public office where the same should be filed in order to be valid against such modernization work.

Perry County Metropolitan Housing Authority (OH034)
Crooksville, OH
Entity Wide Balance Sheet Summary
Fiscal Year End: 12/31/2025

	Project Total	1 Business Activities	14.871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	360,882	68,766	180,915	194,473	805,036		805,036
112 Cash - Restricted - Modernization and Development							
113 Cash - Other Restricted			17,146		17,146		17,146
114 Cash - Tenant Security Deposits	30,541				30,541		30,541
115 Cash - Restricted for Payment of Current Liabilities							
100 Total Cash	391,423	68,766	198,061	194,473	852,723		852,723
121 Accounts Receivable - PHA Projects							
122 Accounts Receivable - HUD Other Projects							
124 Accounts Receivable - Other Government							
125 Accounts Receivable - Miscellaneous							
126 Accounts Receivable - Tenants	2,597				2,597		2,597
126.1 Allowance for Doubtful Accounts - Tenants	-1,611				-1,611		-1,611
126.2 Allowance for Doubtful Accounts - Other							
127 Notes, Loans, & Mortgages Receivable - Current							
128 Fraud Recovery			40,897		40,897		40,897
128.1 Allowance for Doubtful Accounts - Fraud			-40,897		-40,897		-40,897
129 Accrued Interest Receivable							
120 Total Receivables, Net of Allowances for Doubtful Accounts	986	0	0	0	986		986
131 Investments - Unrestricted							
132 Investments - Restricted							
135 Investments - Restricted for Payment of Current Liability							
142 Prepaid Expenses and Other Assets	31,269		6,461	1,815	39,545		39,545
143 Inventories	22,341				22,341		22,341
143.1 Allowance for Obsolete Inventories	-2,253				-2,253		-2,253
144 Inter Program Due From							
145 Assets Held for Sale							
150 Total Current Assets	443,766	68,766	204,522	196,288	913,342		913,342
161 Land	233,579			1,000	234,579		234,579
162 Buildings	8,586,943		29,361	16,500	8,632,804		8,632,804
163 Furniture, Equipment & Machinery - Dwellings	307,449			20,972	328,421		328,421
164 Furniture, Equipment & Machinery - Administration	28,382		7,898		36,280		36,280
165 Leasehold Improvements	1,962,564				1,962,564		1,962,564
166 Accumulated Depreciation	-8,834,273		-33,766	-37,472	-8,905,511		-8,905,511
167 Construction in Progress							
168 Infrastructure							
160 Total Capital Assets, Net of Accumulated Depreciation	2,284,644	0	3,493	1,000	2,289,137		2,289,137
171 Notes, Loans and Mortgages Receivable - Non-Current							
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due							
173 Grants Receivable - Non Current							
174 Other Assets	25,490		4,588	9,399	39,477		39,477
176 Investments in Joint Ventures							
180 Total Non-Current Assets	2,310,134	0	8,081	10,399	2,328,614		2,328,614
200 Deferred Outflow of Resources	67,506		12,152	25,213	104,871		104,871
290 Total Assets and Deferred Outflow of Resources	2,821,406	68,766	224,755	231,900	3,346,827		3,346,827
311 Bank Overdraft							
312 Accounts Payable <= 90 Days	47,469		1,000	238	48,707		48,707
313 Accounts Payable >90 Days Past Due							
321 Accrued Wage/Payroll Taxes Payable	985		174	13,233	14,392		14,392
322 Accrued Compensated Absences - Current Portion	19,062		2,217	11,505	32,784		32,784
324 Accrued Contingency Liability							
325 Accrued Interest Payable							
331 Accounts Payable - HUD PHA Programs							
332 Account Payable - PHA Projects							
333 Accounts Payable - Other Government	10,296				10,296		10,296
341 Tenant Security Deposits	30,541				30,541		30,541
342 Unearned Revenue	5,387				5,387		5,387
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	598		367		965		965
344 Current Portion of Long-term Debt - Operating Borrowings							
345 Other Current Liabilities							
346 Accrued Liabilities - Other							
347 Inter Program - Due To							
348 Loan Liability - Current							
310 Total Current Liabilities	114,338	0	3,758	24,976	143,072		143,072

Perry County Metropolitan Housing Authority (OH034)

Crooksville, OH

Entity Wide Balance Sheet Summary

Fiscal Year End: 12/31/2025

351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	97		59		156		156
352 Long-term Debt, Net of Current - Operating Borrowings							
353 Non-current Liabilities - Other							
354 Accrued Compensated Absences - Non Current							
355 Loan Liability - Non Current							
356 FASB 5 Liabilities							
357 Accrued Pension and OPEB Liabilities	277,953		50,037	104,462	432,452		432,452
350 Total Non-Current Liabilities	278,050	0	50,096	104,462	432,608		432,608
300 Total Liabilities	392,388	0	53,854	129,438	575,680		575,680
400 Deferred Inflow of Resources	15,013		2,702	5,531	23,246		23,246
508.4 Net Investment in Capital Assets	2,283,949		3,067	1,000	2,288,016		2,288,016
511.4 Restricted Net Position	25,490		21,734	9,399	56,623		56,623
512.4 Unrestricted Net Position	104,566	68,766	143,398	86,532	403,262		403,262
513 Total Equity - Net Assets / Position	2,414,005	68,766	168,199	96,931	2,747,901		2,747,901
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	2,821,406	68,766	224,755	231,900	3,346,827		3,346,827

Perry County Metropolitan Housing Authority (OH034)
Crooksville, OH
Entity Wide Revenue and Expense Summary
Fiscal Year End: 12/31/2025

	Project Total	1 Business Activities	14.871 Housing Choice Vouchers	COC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	324,108				324,108		324,108
70400 Tenant Revenue - Other	1,500				1,500		1,500
70500 Total Tenant Revenue	325,608	0	0	0	325,608	0	325,608
70600 HUD PHA Operating Grants	567,593		1,179,046		1,746,639		1,746,639
70610 Capital Grants	320,513				320,513		320,513
70710 Management Fee				111,583	111,583	-111,583	0
70720 Asset Management Fee							
70730 Book Keeping Fee				23,605	23,605	-23,605	0
70740 Front Line Service Fee							
70750 Other Fees							
70700 Total Fee Revenue				135,188	135,188	-135,188	0
70800 Other Government Grants							
71100 Investment Income - Unrestricted	5,844	1,465	2,875	1,638	11,822		11,822
71200 Mortgage Interest Income							
71300 Proceeds from Disposition of Assets Held for Sale							
71310 Cost of Sale of Assets							
71400 Fraud Recovery			1,056		1,056		1,056
71500 Other Revenue	8,387	230			8,617		8,617
71600 Gain or Loss on Sale of Capital Assets		75,567			75,567		75,567
72000 Investment Income - Restricted							
70000 Total Revenue	1,227,945	77,262	1,182,977	136,826	2,625,010	-135,188	2,489,822
91100 Administrative Salaries	109,183	12,000	34,385	75,749	231,317		231,317
91200 Auditing Fees	3,280		4,344	720	8,344		8,344
91300 Management Fee	90,695	48	20,840		111,583	-111,583	0
91310 Book-keeping Fee	10,620	30	12,955		23,605	-23,605	0
91400 Advertising and Marketing	2,062				2,062		2,062
91500 Employee Benefit contributions - Administrative	65,230		-1,139	25,888	89,979		89,979
91600 Office Expenses	39,447		10,949	4,963	55,359		55,359
91700 Legal Expense	3,667	995			4,662		4,662
91800 Travel	2,264	67	520		2,851		2,851
91810 Allocated Overhead							
91900 Other	10,666		30,038	1,300	42,004		42,004
91000 Total Operating - Administrative	337,114	13,140	112,892	108,620	571,766	-135,188	436,578
92000 Asset Management Fee							
92100 Tenant Services - Salaries							
92200 Relocation Costs							
92300 Employee Benefit Contributions - Tenant Services							
92400 Tenant Services - Other	14,166				14,166		14,166
92500 Total Tenant Services	14,166	0	0	0	14,166	0	14,166
93100 Water	90,889			458	91,347		91,347
93200 Electricity	64,236		1,953	214	66,403		66,403
93300 Gas	2,613	162			2,775		2,775
93400 Fuel							
93500 Labor							
93600 Sewer	94,456			268	94,724		94,724
93700 Employee Benefit Contributions - Utilities							
93800 Other Utilities Expense							
93000 Total Utilities	252,194	162	1,953	940	255,249	0	255,249
94100 Ordinary Maintenance and Operations - Labor	82,701	6,000			88,701		88,701
94200 Ordinary Maintenance and Operations - Materials and Other	72,509	60			72,569		72,569
94300 Ordinary Maintenance and Operations Contracts	178,389				178,389		178,389
94500 Employee Benefit Contributions - Ordinary Maintenance	49,098				49,098		49,098
94000 Total Maintenance	382,697	6,060	0	0	388,757	0	388,757
95100 Protective Services - Labor							
95200 Protective Services - Other Contract Costs							
95300 Protective Services - Other							
95500 Employee Benefit Contributions - Protective Services							
95000 Total Protective Services	0	0	0	0	0	0	0
96110 Property Insurance	35,828	423	701	2,664	39,616		39,616
96120 Liability Insurance							
96130 Workmen's Compensation							
96140 All Other Insurance							

Perry County Metropolitan Housing Authority (OH034)

Crooksville, OH

Entity Wide Revenue and Expense Summary

Fiscal Year End: 12/31/2025

96100 Total Insurance Premiums	35,828	423	701	2,664	39,616	0	39,616
96200 Other General Expenses							
96210 Compensated Absences							
96300 Payments in Lieu of Taxes	10,296	9			10,305		10,305
96400 Bad debt - Tenant Rents	7,258				7,258		7,258
96500 Bad debt - Mortgages							
96600 Bad debt - Other							
96800 Severance Expense							
96000 Total Other General Expenses	17,554	9	0	0	17,563	0	17,563
96710 Interest of Mortgage (or Bonds) Payable							
96720 Interest on Notes Payable (Short and Long Term)	111		68		179		179
96730 Amortization of Bond Issue Costs							
96700 Total Interest Expense and Amortization Cost	111	0	68	0	179	0	179
96900 Total Operating Expenses	1,039,664	19,794	115,614	112,224	1,287,296	-135,188	1,152,108
97000 Excess of Operating Revenue over Operating Expenses	188,281	57,468	1,067,363	24,602	1,337,714	0	1,337,714
97100 Extraordinary Maintenance							
97200 Casualty Losses - Non-capitalized							
97300 Housing Assistance Payments			1,004,338		1,004,338		1,004,338
97350 HAP Portability-In							
97400 Depreciation Expense	198,851		1,054		199,905		199,905
97500 Fraud Losses							
97600 Capital Outlays - Governmental Funds							
97700 Debt Principal Payment - Governmental Funds							
97800 Dwelling Units Rent Expense							
90000 Total Expenses	1,238,515	19,794	1,121,006	112,224	2,491,539	-135,188	2,356,351
10010 Operating Transfer In	32,881				32,881	-32,881	0
10020 Operating transfer Out	-32,881				-32,881	32,881	0
10030 Operating Transfers from/to Primary Government							
10040 Operating Transfers from/to Component Unit							
10050 Proceeds from Notes, Loans and Bonds							
10060 Proceeds from Property Sales							
10070 Extraordinary Items, Net Gain/Loss							
10080 Special Items (Net Gain/Loss)							
10091 Inter Project Excess Cash Transfer In							
10092 Inter Project Excess Cash Transfer Out							
10093 Transfers between Program and Project - In							
10094 Transfers between Project and Program - Out							
10100 Total Other financing Sources (Uses)	0	0	0	0	0	0	0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-10,570	57,468	61,971	24,602	133,471	0	133,471
11020 Required Annual Debt Principal Payments	97	0	59	0	156		156
11030 Beginning Equity	2,424,575	11,298	106,228	72,329	2,614,430		2,614,430
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	0				0		0
11050 Changes in Compensated Absence Balance							
11060 Changes in Contingent Liability Balance							
11070 Changes in Unrecognized Pension Transition Liability							
11080 Changes in Special Term/Severance Benefits Liability							
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents							
11100 Changes in Allowance for Doubtful Accounts - Other							
11170 Administrative Fee Equity			151,053		151,053		151,053
11180 Housing Assistance Payments Equity			17,146		17,146		17,146
11190 Unit Months Available	1416		2616		4032		4032
11210 Number of Unit Months Leased	1409		2253		3662		3662
11270 Excess Cash	194,675				194,675		194,675
11610 Land Purchases	0			0	0		0
11620 Building Purchases	0			0	0		0
11630 Furniture & Equipment - Dwelling Purchases	0			0	0		0
11640 Furniture & Equipment - Administrative Purchases	0			0	0		0
11650 Leasehold Improvements Purchases	320,513			0	320,513		320,513
11660 Infrastructure Purchases	0			0	0		0
13510 CFFP Debt Service Payments	0			0	0		0
13901 Replacement Housing Factor Funds	0			0	0		0

**PERRY METROPOLITAN HOUSING AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2025**

Federal Grantor Program/Cluster Title	Federal AL Number	Total Federal Expenditures
<u>U.S. Department of Housing and Urban Development</u>		
Direct Programs:		
Public Housing Operating Fund	14.850	\$ 501,831
Public Housing Capital Fund	14.872	386,275
Housing Voucher Cluster		
Section 8 Housing Choice Vouchers	14.871	1,179,046
Total Housing Voucher Cluster		<u>1,179,046</u>
Total U.S. Department of Housing and Urban Development		<u>2,067,152</u>
Total Expenditures of Federal Awards		<u><u>\$ 2,067,152</u></u>

The accompanying notes are an integral part of this schedule.

PERRY METROPOLITAN HOUSING AUTHORITY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR § 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Perry Metropolitan Housing Authority (the Authority) under programs of the federal government for the year ended December 31, 2025. The information in this schedule is presented 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 to reimbursement.

NOTE C – INDIRECT COST RATE

The Authority has elected not to use the 15 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D – SUBRECIPIENTS

The Authority provided no federal awards to subrecipients during the year ending December 31, 2025.

NOTE E – DISCLOSURE OF OTHER FORMS OF ASSISTANCE

The Authority received no federal awards of non-monetary assistance that are required to be disclosed for the year ended December 31, 2025.



bhm cpa group, inc.
CERTIFIED PUBLIC ACCOUNTANTS

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

Perry County Metropolitan Housing Authority
Perry County
26 Brown Circle Drive
Crooksville, Ohio 43731

To the Board of Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the Perry County Metropolitan Housing Authority, Perry County, Ohio (the Authority) as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated June 26, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

A handwritten signature in black ink that reads "BHM CPA Group". The letters are cursive and slightly slanted to the right.

BHM CPA Group, Inc.
Portsmouth, Ohio
June 26, 2026



bhm cpa group, inc.
CERTIFIED PUBLIC ACCOUNTANTS

**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**

Perry County Metropolitan Housing Authority
Perry County
26 Brown Circle Drive
Crooksville, Ohio 43731

To the Board of Commissioners:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Perry County Metropolitan Housing Authority's, Perry County, Ohio (the Authority) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on Perry County Metropolitan Housing Authority's major federal program for the year ended December 31, 2025. Perry County Metropolitan Housing Authority's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, Perry County 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 year ended December 31, 2025.

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.

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.

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.

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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.

BHM CPA Group

BHM CPA Group, Inc.
Portsmouth, Ohio
June 26, 2026

Perry County Metropolitan Housing Authority
Perry County
Schedule of Findings
2 CFR § 200.515
December 31, 2025

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, ALN 14.871
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$1,000,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	Yes

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

None.

3. FINDINGS FOR FEDERAL AWARDS

None.