PICKAWAY METROPOLITAN HOUSING AUTHORITY
PICKAWAY COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2025

Pickaway 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

Pickaway Metropolitan Housing Authority
Pickaway County
176 Rustic Drive
Circleville, Ohio 43113

To the Board of Commissioners

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Pickaway Metropolitan Housing Authority, Pickaway County, Ohio (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, based on our audit and the report of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Pickaway Metropolitan Housing Authority, Pickaway 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.

We did not audit the financial statements of the blended component units, Pickaway Terrace LLC and PHMA Eden Place LLC, which represents 32 percent, -9 percent, and 17 percent, respectively, of the assets, net position, and revenues of the business-type activities as of December 31, 2025. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the blended component units, Pickaway Terrace LLC and PHMA Eden Place LLC, is based solely on the report of other auditors.

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

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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 the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

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

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis*, and schedules of net pension and other post-employment benefit liabilities 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 Financial Data Schedules and the Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 12, 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.

BHM CPA Group

BHM CPA Group, Inc.
Portsmouth, Ohio
July 12, 2026

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It is a privilege to present for you the financial picture of Pickaway Metropolitan Housing Authority. The Pickaway Metropolitan Housing Authority's ("the Authority") Management's Discussion and Analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority's financial activity, (c) identify changes in the Authority's financial position (its ability to address the next and subsequent year challenges), and (d) identify the single enterprise fund issues or concerns.

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

FINANCIAL HIGHLIGHTS

- Net position increased by $382,040 (or 9 percent) during 2025, and was $4,476,561 and $4,094,521 for 2025 and 2024, respectively.

- Revenue increased by $481,669 (or 7 percent) during 2025, and was $7,188,306 and $6,706,637 for 2025 and 2024, respectively.

- Total expenses decreased by $40,938 (or 1 percent) during 2025. Total expenses were $6,806,266 and $6,847,204 for 2025 and 2024, respectively.

FINANCIAL STATEMENTS

The financial statements are designed such that all programs are consolidated into one single enterprise fund for the Authority.

These statements include a Statement of Net Position, which is similar to a Balance Sheet. The Statement of Net Position reports all financial and capital resources for the Authority. The statement is presented in the format where assets and deferred outflows of resources minus liabilities and deferred inflows of resources equals "Net Position", similar to equity. Assets and liabilities are presented in order of liquidity, and are classified as "Current" (convertible into cash within one year), and "Non-current".

The focus of the Statement of Net 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 (as applicable):

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

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

Unrestricted Net Position: Consists of net position that does not meet the definition of "Net Investments in Capital Assets," or "Restricted Net Position."

The financial statements also include a Statement of Revenues, Expenses, and Change in Net Position (similar to 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 Change in Net Position is the "Change in Net Position", which is similar to Net Income or Loss.

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

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

Public Housing – Under the Public Housing program the Authority rents units that it owns to low-income households. Public Housing is operated under an Annual Contributions Contract with the United States Department of Housing and Urban Development (HUD), and HUD provides Operating Subsidy to enable the PHA to provide the housing at a rent that is based upon 30 percent of adjusted gross household income. Public Housing 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 size and age of the Authority's units.

Rural Rental Housing Loans – Williamsport Terrace is a multi-family housing project supported with funding by the United States Department of Agriculture (USDA). The USDA provides an interest subsidy on the mortgage and pays rental assistance to the Authority on 15 of the 16 units in the project to enable the Authority to set rents based on 30 percent of the family's adjusted gross income from those units. Each month the rental assistance is paid to the Authority and the USDA deducts the mortgage payment from that rental assistance.

Housing Choice Vouchers – Under the Housing Choice Voucher Program, the Authority subsidizes rents to 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 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 percent, and the Authority subsidizes the balance.

Blended Component Units – PMHA Pickaway Terrace, LLC (PT), an entity formed in 2019 with the Authority as its sole member, owns real estate consisting of land and an apartment complex that provides housing primarily to senior citizens. Tenant rents are based on 30 percent of the adjusted gross income of the tenant family. PT has an on-going Housing Assistance Payments contract whereby HUD provides a subsidy for the difference between the tenant rents and the fair market rent values for the units. Separately issued audited financial statements are available for the LLC.

The Board of Directors of Churches United for Senior Citizens, Inc., a nonprofit corporation owning real estate consisting of land and an apartment complex that provides housing primarily to senior citizens, entered into an agreement to become a subsidiary of the Authority in 2020. A new entity, PMHA Eden Place, LLC (EP), was formed with the Authority as its sole member. A loan closed on October 1, 2020 was used by EP to refinance existing debt and allow for renovations to the property. Tenant rents are based on 30 percent of the adjusted gross income of the tenant family. EP and HUD entered into a Housing Assistance Payments contract, effective October 1, 2020, whereby HUD provides a subsidy for the difference between the tenant rents and the fair market rent values for the units. Separately issued audited financial statements are available for the LLC.

<u>PIH Family Self-Sufficiency Program</u> – The Authority receives a grant from HUD that it uses to hire a coordinator who provides assistance and support for participants of the Housing Choice Voucher Program to move toward self-sufficiency and economic independence.

<u>Business Activities</u> – This is the activity of the Authority outside the scope of HUD and other government supported housing programs. This fund is used to account for operations related to management contracting performed by the Authority, and to account for operations related to residential rental housing owned by the Authority that is not supported by a Federal rental assistance contract, as well as other permissible miscellaneous activities the Authority undertakes.

<u>FSS Escrow Forfeiture Account Program</u> – within the Housing Choice Voucher program, the Family Self-Sufficiency program provides families opportunities for education, job training counseling and other support to help the families achieve self-sufficiency. As a participant's skills improve, earnings likely increase the participant's rent amount and under the program the increased rent amounts are placed into an escrow account for the family and upon graduation families withdraw funds from the escrow account. Escrows of participants failing to graduate or otherwise withdrawing from the program are forfeited to be used for the benefit of any FSS participant in good standing under the FSS Escrow Forfeiture Account program.

Statement of Net Position

The following table presents a condensed Statement of Net Position compared to the prior fiscal year:

Table 1 - Condensed Statement of Net Position

	2025	2024
Assets		
Current Assets	$ 3,137,480	$ 2,560,577
Capital Assets, Net	7,296,293	7,672,852
OPEB Net Asset	90,816	35,939
Other Non-Current Assets	9,529	9,529
Total Assets	10,534,118	10,278,897
Deferred Outflow of Resources	232,919	377,646
Total Assets and Deferred Outflow of Resources	$ 10,767,037	$ 10,656,543
Liabilities		
Current Liabilities	$ 299,625	$ 319,445
Non-Current Liabilities - Pension	994,841	1,118,165
Non-Current Liabilities - Other	4,933,470	5,055,039
Total Liabilities	6,227,936	6,492,649
Deferred Inflow of Resources	62,540	69,373
Net Position		
Net Investment in Capital Assets	2,341,363	2,605,804
Restricted	917,731	729,005
Unrestricted	1,217,467	759,712
Total Net Position	4,476,561	4,094,521
Total Liabilities, Deferred Inflow of Resources, and Net Position	$ 10,767,037	$ 10,656,543

Total assets increased modestly, by $255,221 (or 2%). Current assets increased $576,903 (or 23%). And despite the increase in current assets, current liabilities decreased $19,820. The increase in current assets was primarily to cash with the corresponding change reflected in the increase in unrestricted net position, an indication of the favorable results from operations in the period. Capital assets decreased $376,559 compared to the prior fiscal year-end as depreciation on assets outpaced capital additions in the period. And noncurrent liabilities – other decreased $121,569, largely due to routine retirement of debt in the period.

Otherwise, as has been the case in recent years, the other balances that changed by larger amounts, net OPEB asset, deferred outflows of resources and noncurrent liabilities – pension, were due to changes in balances reported in accordance with GASB 68 and GASB 75.

GASB 68 is an accounting standard that calls for Pickaway MHA to report what is determined to be its estimated share of the unfunded pension liability of the retirement system, the Ohio Public Employees Retirement System (OPERS). And GASB 75 is an accounting standard that calls for Pickaway MHA to report what is determined to be its estimated share of the unfunded OPEB (healthcare) liability (or OPEB funding surplus asset, at fiscal year-end 2025 the Authority reported a Net OPEB asset of $90,816) of OPERS.

Employees of Pickaway MHA are required by state law to be members of OPERS, and the Authority is required to make retirement contributions to OPERS for all of its employees. The net pension liability is unlike other liabilities the Authority has in that the liabilities do not represent invoices or debts to be paid by the Authority but rather is an attempt to estimate the extent to which contributions to OPERS would have to increase in order for OPERS to fully fund its future pension obligations. Contribution rates for employees and employers are set by state law, so any change in contribution rates would require a change in state law. In Ohio there is no legal means to enforce the unfunded liability of the pension plan against a public employer like Pickaway MHA. Similarly, there is no means for a public employer like the Authority to access the Net OPEB Asset. Some changes in the unfunded pension and OPEB liabilities of the retirement system are amortized over a five-year period, and those amortized balances are reported as deferred outflows of resources and deferred inflows of resources. That means the larger changes to these balances also do not represent changes in operations at Pickaway MHA but rather reflect changes is the funding of future obligations by the retirement system.

Many end users of this financial statement will gain a clearer understanding of the Authority's actual financial condition by adding deferred inflows resources and the net pension liability to the reported net position, and subtracting the related deferred outflows of resources. Reporting of these balances has the effect of lowering unrestricted net position at December 31, 2025 by $824,462.

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

The following table compares the revenues and expenses for the current and previous fiscal year. The Authority is engaged only in business-type activities:

Table 2 - Statements of Revenues, Expenses, and Changes in Net Position

	2025	2024
Revenues		
Tenant Revenue - Rents and Other	$ 1,733,740	$ 1,636,510
Operating Subsidies and Grants	5,183,446	4,847,634
Capital Grants	147,106	136,742
Investment Income/Other Revenues	124,014	85,751
Total Revenues	7,188,306	6,706,637
Expenses		
Administration	831,734	913,048
Tenant Services	38,190	51,515
Utilities	408,434	415,148
Maintenance	653,979	737,457
General/PILOT/Insurance	148,699	139,215
Bad Debt/Fraud Losses	27,785	43,135
Interest Expense	228,766	233,774
Housing Assistance Payment	3,832,720	3,675,349
Depreciation	635,959	638,563
Total Expenses	6,806,266	6,847,204
Changes in Net Position	382,040	(140,567)
Net Position - Beginning of Year	4,094,521	4,235,088
Net Position - End of Year	$ 4,476,561	$ 4,094,521

Increases are noted on all income lines on Table 2, with an increase in total income of $481,669 (or 7%). Tenant revenues increased $97,230 but the largest increase is noted in operating subsidies and grants which increased $335,812, with funding for the HCV program to make rental assistance payments making up $247,185 of the increase.

Expenses overall decreased $40,938 (or 1%), with decreases noted on every expense line in Table 2 except on two lines. Only one expense line increased by more than $10,000, that was HAP expense which increased $157,371. The biggest increase on the income side is related to the only sizable increase on the expense side.

HAP expense is recorded when the Authority makes rental assistance payments on behalf of families being assisted by the Housing Choice Voucher program. And HUD provides funding for the Authority to make rental assistance payments under the Housing Choice Voucher program based on reporting by the Authority of spending for that purpose. And the reason the revenue for this purpose increased more than spending for this purpose is at last fiscal year-end the Authority had cumulatively spent more than what had been received, and at the current year end the flow of funding from HUD was corrected and the Authority has a small surplus in funding for this purpose. The driving force is the amount of HAP paid and that is based on a formula provided by HUD that considers family income and composition, intended to make rents paid by families affordable. The extra HAP paid out in this period reflects the continuing trend of more recent years of increasing rental rates in the area. As rental rates increase, more HAP is needed to make rents affordable for families helped by the program.

CAPITAL ASSETS

As of the current fiscal year-end, the Authority had $7,296,293 invested in capital assets as reflected in the following schedule, which represents a net decrease (additions less depreciation) of $376,559 from the end of last fiscal year. The majority of additions in the period were from capital expenditures of Capital Fund Program funds.

Table 3 - Capital Assets at Fiscal Year-End, Net of Depreciation

	2025	2024
Land and Land Rights	$ 793,173	$ 793,173
Buildings	20,218,143	20,000,710
Equipment	801,854	781,735
Accumulated Depreciation	(14,516,877)	(13,902,766)
Total	$ 7,296,293	$ 7,672,852

The following reconciliation summarizes the change in capital assets. Capital fund projects were the main factors affecting a change in capital assets. See notes to the financial statements for more detail of the capital assets.

Table 4 - Change in Capital Assets

Beginning Balance	$ 7,672,852
Additions	259,400
Depreciation	(635,959)
Ending Balance	$ 7,296,293

DEBT OUTSTANDING

Debt Administration

Changes in debt in the period is summarized as follows:

Outstanding Principal Balance as of December 31, 2024	$ 5,067,048
Add:	
New Debt in period	0
Less:	
Principal Payments made during the Year	(112,118)
Outstanding Principal Balance as of December 31, 2025	$ 4,954,930

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

1. Federal funding of the U.S. Department of Housing and Urban Development.
2. Local labor supply and demand, which can affect salary and wage rates.
3. Local inflationary, recession, and employment trends, which can affect resident incomes and, therefore, the demand for housing assistance.
4. Inflationary pressure on utility rates, supplies, and other costs.
5. Market rates for rental housing create disincentives for landlords to participate in the HCV Program utilizing program utilization and admin fees earned by the Authority.
6. The growing Columbus metropolitan area southward toward Pickaway County is magnifying all supply, demand, and inflationary pressures.

FINANCIAL CONTACT

If you have any questions regarding this report, you may contact Joy Ewing, Executive Director of the Pickaway Metropolitan Housing Authority at (740) 477-2514.

PICKAWAY METROPOLITAN HOUSING AUTHORITY
PICKAWAY COUNTY, OHIO
STATEMENT OF NET POSITION
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025

Assets and Deferred Outflow of Resources	
Assets	
Current Assets	
Cash and Cash Equivalents - Unrestricted	$ 2,073,720
Cash and Cash Equivalents - Restricted	933,235
Receivables, Net	30,560
Prepaid Expenses and Other Assets	99,965
Total Current Assets	3,137,480
Noncurrent Assets	
Capital Assets:	
Non-Depreciable Capital Assets	793,173
Depreciable Capital Assets, Net	6,503,120
Total Capital Assets	7,296,293
Notes Receivable	3,350
Net OPEB Asset	90,816
Other	6,179
Total Noncurrent Assets	7,396,638
Total Assets	10,534,118
Deferred Outflows of Resources	
Pension	230,688
OPEB	2,231
Total Deferred Outflows of Resources	232,919
Total Assets and Deferred Outflow of Resources	$ 10,767,037
Liabilities, Deferred Inflow of Resources, and Net Position	
Liabilities	
Current Liabilities	
Accounts Payable	$ 55,357
Accrued Liabilities	31,774
Accrued Interest	7,914
Intergovernmental Payables	15,338
Tenant Security Deposits	71,376
Bonds, Notes, and Loans Payable	117,866
Total Current Liabilities	299,625
Noncurrent Liabilities	
Bonds, Notes, and Loans Payable - Net of Current Portion	4,837,064
FSS Escrow Liability	33,214
Accrued Compensated Absences Noncurrent	63,192
Net Pension Liability	994,841
Total Noncurrent Liabilities	5,928,311
Total Liabilities	6,227,936
Deferred Inflow of Resources	
Pension	44,921
OPEB	17,619
Total Deferred Inflow of Resources	62,540
Net Position	
Net Investment in Capital Assets	2,341,363
Restricted Net Position	917,731
Unrestricted Net Position	1,217,467
Total Net Position	4,476,561
Total Liabilities, Deferred Inflow of Resources, and Net Position	$ 10,767,037

See the accompanying notes to the financial statements.

PICKAWAY METROPOLITAN HOUSING AUTHORITY
PICKAWAY COUNTY, OHIO
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025

Operating Revenues	
Tenant Revenue	$ 1,733,740
Government Operating Grants	5,128,090
Other Revenue	119,320
Total Operating Revenues	6,981,150
Operating Expenses	
Administrative	831,734
Tenant Services	38,190
Utilities	408,434
Maintenance	653,979
Insurance	130,383
PILOT	15,395
Other General Expenses	30,706
Housing Assistance Payments	3,832,720
Depreciation	635,959
Total Operating Expenses	6,577,500
Operating Income (Loss)	403,650
Non-Operating Revenues (Expenses)	
Capital Grants - HUD	147,106
Interest and Investment Revenue	4,194
Interest Subsidy	55,356
Interest Expense	(228,766)
Gain on Disposition	500
Total Non-Operating Revenue (Expenses)	(21,610)
Change in Net Position	382,040
Total Net Position - Beginning of Year	4,094,521
Total Net Position - End of Year	$ 4,476,561

See the accompanying notes to the financial statements.

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

Cash Flows from Operating Activities	
Operating Grants Received	$ 5,143,211
Tenant Revenue Received	1,739,029
Other Revenue Received	123,370
General and Administrative Expenses Paid	(2,174,906)
Housing Assistance Payments	(3,834,376)
Net Cash Provided by Operating Activities	996,328
Cash Flows from Investing Activities	
Interest Earned Received	4,194
Net Cash Provided by Investing Activities	4,194
Cash Flows from Capital and Related Activities	
Capital Grant Funds Received	147,106
Capital Assets Acquisition	(259,400)
Proceeds from Disposition of Capital Assets	500
Principal Payments	(112,118)
Interest Payments	(173,565)
Net Cash (Used) by Capital and Related Activities	(397,477)
Change in Cash and Cash Equivalents	603,045
Cash and Cash Equivalents - Beginning of Year	2,403,910
Cash and Cash Equivalents - End of Year	$ 3,006,955
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities	
Net Operating Income (Loss)	$ 403,650
Adjustment to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	635,959
(Increases) Decreases in:	
Accounts Receivables	17,724
Prepaid Expenses and Other Assets	8,364
OPEB Asset	(54,823)
Deferred Outflow of Resources	144,727
Increases (Decreases) in:	
Accounts Payable	(294)
Accrued Liabilities	(27,065)
Tenant Security Deposits	1,751
Other Current Liabilities	(271)
Accrued Compensated Absence	155
Net Pension Liability	(123,324)
Other Non-Current Liabilities	(3,392)
Deferred Inflows of Resources	(6,833)
Net Cash Provided by Operating Activities	$ 996,328

See accompanying notes to the financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

The Authority was created under the Ohio Revised Code, Section 3735.27. The Authority contracts with the United States Department of Housing and Urban Development (HUD) to provide low and moderate-income persons with safe and sanitary housing through subsidies provided by HUD. The Authority depends on the subsidies from HUD to operate.

The accompanying basic financial statements comply with the provisions of GASB Statement No. 39, *Determining Whether Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, in that the financial statements include all organizations, activities, and functions for which the Authority is financially accountable. This report includes all activities considered by management to be part of the Authority by virtue of Section 2100 of the Codification of Governmental Accounting and Financial Reporting Standards.

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

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

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

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

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Basis of Presentation

The Authority's basic financial statements consist of a Statement of Net Position, a Statement of Revenue, Expenses, and Change in Net Position, and a Statement of Cash Flows.

The Authority uses a single enterprise fund to present its financial records for 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 to account 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 and all liabilities associated with the operation of the Authority are included on the Statement of Net Position. The Statement of Revenues, Expenses and Change in Net Position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The Statement of Cash Flows provides information about how the Authority finances meet 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's programs that are consolidated into a single enterprise fund are as follows:

Public Housing (PH) – Under the Conventional Public Housing Program, the Authority rents units that it owns to low-income households. PH is operated under an Annual Contributions Contract with HUD, and HUD provides Operating Subsidy to enable the Authority to provide the housing at a rent that is based upon 30 percent of adjusted gross household income. PH 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 size and age of the Authority's units.

Rural Rental Housing Loans–Williamsport Terrace (WT) is a multi-family housing project with funding provided by the United States Department of Agriculture (USDA). The USDA provides an interest subsidy on the mortgage and pays rental assistance to the Authority on 15 of the 16 units in the project to enable the Authority to set rents based on 30 percent of the family's adjusted gross income for those units. Each month the rental assistance is paid to the Authority and the USDA deducts a portion of the mortgage payment from that rental assistance payment.

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Enterprise Fund (Continued)

Housing Choice Vouchers (HCV) – Under the Housing Choice Voucher Program, the Authority subsidizes rents to 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 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 percent, and the Authority subsidizes the balance.

PIH Family Self-Sufficiency Program (FSS) – The Authority receives a grant from HUD that it uses to hire a coordinator who provides assistance and support for participants of the Housing Choice Voucher Program to move toward self-sufficiency and economic independence.

Business Activities – This is the activity of the Authority outside the scope of HUD and other government supported housing programs. This fund is used to account for operations related to management contracting performed by the Authority, and to account for operations related to residential rental housing owned by the Authority that is not supported by a Federal rental assistance contract, as well as other permissible miscellaneous activities the Authority undertakes.

FSS Escrow Forfeiture Account Program – within the Housing Choice Voucher program, the Family Self-Sufficiency program provides families opportunities for education, job training counseling and other support to help the families achieve self-sufficiency. As a participant's skills improve, earnings likely increase the participant's rent amount and under the program the increased rent amounts are placed into an escrow account for the family and upon graduation families withdraw funds from the escrow account. Escrows of participants failing to graduate or otherwise withdrawing from the program are forfeited to be used for the benefit of any FSS participant in good standing under the FSS Escrow Forfeiture Account program.

Blended Component Units – PMHA Pickaway Terrace, LLC (PT), an entity formed in 2019 with the Authority as its sole member, owns real estate consisting of land and an apartment complex that provides housing primarily to senior citizens. PT has an on-going Housing Assistance Payments Contract, whereby HUD provides a subsidy for the difference between the affordable tenant rent and the fair market rents for the units. Separately issued audited financial statements for the LLC can be obtained from the Authority.

PMHA Eden Place, LLC (EP), an entity formed in 2020 with the Authority as its sole member, owns real estate consisting of land and an apartment complex that provides housing primarily to senior citizens. EP has an on-going Housing Assistance Payments Contract, whereby HUD provides a subsidy for the difference between the affordable tenant rent and the fair market rents for the units. Separately issued audited financial statements for the LLC can be obtained from the Authority.

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

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

Tenant Receivables – Recognition of Bad Debts

Bad debts are provided on the allowance method based on management's evaluation of the collectability of outstanding tenant receivable balances at the end of the year. The allowance for bad debts at December 31, 2025 is $5,350.

Property and Equipment
Property and equipment is 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 $5,000.

Useful Lives	
Buildings	27-40 years
Buildings and Leasehold Improvements	15
Furniture and Equipment	7
Autos	5
Computers	3

Depreciation is recorded on the straight-line method.

Investments
Investments, if any, are stated at fair value. Non-negotiable certificates of deposit and money market investments are stated at cost.

Net Position
Net position represents the difference between assets and deferred outflow of resources, and liabilities and deferred inflow of resources. Net investment in capital assets consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvements of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Board of Commissioners or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments. PMHA applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available to be used.

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Compensated Absences
The Authority recognizes a liability for compensated absences for leave that that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. The liability is incurred in the proprietary fund financial statements. The liability for compensated absences includes salary-related benefits, where applicable.

Vacation - The Authority's policy permits employees to accumulate earned but unused benefits, which are eligible for payments at the employee's current pay rate upon separation from employment.

Sick - The Authority's policy permits employees to accumulate earned but unused sick leave. The amount is based on accumulated sick leave and employees' wage rates at year end, taking into consideration any limits specified in the Authority's termination policy. The Authority adopted the last-in first-out (LIFO) method for sick time used.

Deferred Inflow/Outflow 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 5 and 6. 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 5 and 6.

NOTE 2: **DEPOSITS AND INVESTMENTS**

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

- 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.

- 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.

NOTE 2: **DEPOSITS AND INVESTMENTS** (Continued)

- 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.

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

The carrying amount of the Authority's deposits was $3,006,955, including $450 petty cash and change fund, at December 31, 2025. The corresponding bank balances were $3,069,079. Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosure*, as of December 31, 2025. $1,000,000 was covered by federal depository insurance, while $1,571,463 was collateralized with securities pledged in the name of the Authority, and $460,909 was held in trust and $36,707 was uninsured and subject to custodial credit risk.

Custodial credit risk is the risk that in the event of bank failure, the Authority will not be able to recover the deposits. All deposits that are collateralized are with eligible securities in amounts equal to at least 105 percent of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at the Federal Reserve banks or at member banks of the Federal Reserve system, in the name of the respective depository banks and pledged as a pool of collateral against all the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the Authority.

Restricted Cash
The restricted cash balance of $933,235 on the financial statements represents the following:

HAP Payable	$ 1,730
Unspent HUD funding to make HCV HAP payments	70,102
Family Self-Sufficiency Escrows	33,214
Family Self-Sufficiency Forfeitures	12,265
Replacement Reserves of the Rural Housing Williamsport Terrace Project	99,869
Tenant Security Deposits	71,376
Replacement Reserves of the Eden Place Project	183,770
Replacement Reserve and Debt Related Escrows of the Pickaway Terrace Project	460,909
Total Restricted Cash	$ 933,235

Investments
In accordance with the Ohio Revised Code and HUD regulations, the Authority is permitted to invest in certain highly rated commercial paper, obligations of certain political subdivisions of Ohio and the United States government and its agencies, and repurchase agreements with any eligible depository or any eligible dealers. Public depositories must give security for all public funds on deposit. Repurchase agreements must be secured by the specific qualifying securities upon which the repurchase agreements are based.

NOTE 2: **DEPOSITS AND INVESTMENTS** (Continued)

The Authority is prohibited from investing in any financial instruments, contracts, or obligations whose value or return is based or linked to another asset or index, or both, separate from the financial instrument, contract or obligation itself (commonly known as a derivative). The Authority is also prohibited from investing in reverse purchase agreements.

Interest Rate Risk – The Authority does not have a formal investment policy that limits investments as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – HUD requires specific collateral on individual accounts in excess of amounts insured by the Federal Deposit Insurance Corporation. The Authority's depository agreement and investment policy specifically requires compliance with HUD requirements.

Concentration of Credit Risk – The Authority places no limit on the amount that may be invested with any one issuer. However, it is the Authority's practice to do business with more than one depository.

The Authority had no investments in 2025.

NOTE 3: **CAPITAL ASSETS**

A summary of capital assets at December 31, 2025, is as follows:

	Balance 12/31/2024	Additions	Disposals	Balance 12/31/2025
Capital Assets Not Being Depreciated				
Land	$ 793,173	$ 0	$ 0	$ 793,173
Construction in Progress	0	0	0	0
Total Capital Assets Not Being Depreciated	793,173	0	0	793,173
Capital Assets Being Depreciated				
Buildings and Improvements	20,000,710	217,433	0	20,218,143
Furniture and Equipment	781,735	41,967	(21,848)	801,854
Total Capital Assets Being Depreciated	20,782,445	259,400	(21,848)	21,019,997
Accumulated Depreciation				
Buildings and Improvements	(13,178,680)	(621,605)	0	(13,800,285)
Furniture and Equipment	(724,086)	(14,354)	21,848	(716,592)
Total Accumulated Depreciation	(13,902,766)	(635,959)	21,848	(14,516,877)
Net Depreciable Assets	6,879,679	(376,559)	0	6,503,120
Total Capital Assets, Net	$ 7,672,852	$ (376,559)	$ 0	$ 7,296,293

NOTE 4: **COMPENSATED ABSENCES**

At December 31, 2025, $63,192 was accrued by the Authority for unused vacation and sick time. The full liability is considered to be a noncurrent liability.

NOTE 5: **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 already have occurred.

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

Ohio Revised Code (ORC) 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 ORC permits but does not require the retirement systems to provide healthcare to eligible benefit recipients.

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 *current liabilities*.

NOTE 5: **DEFINED BENEFIT PENSION PLAN** (Continued)

Plan Description – Ohio Public Employees Retirement System (OPERS)

Authority employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer public employee retirement system comprised of two separate pension plans: the Traditional Pension Plan, a defined benefit plan, and the Member-Directed Plan, a defined contribution plan. The Traditional Pension Plan also includes members of the legacy Combined Plan, a hybrid defined benefit/defined contribution plan referred to as the Combined Plan division of the Traditional Pension Plan. Prior to January 1, 2024, the Combined Plan was a separate pension plan. Effective January 1, 2022, the Combined Plan is no longer available for member selection. In October 2023, the legislature approved House Bill (HB) 33, which allowed for the consolidation of the Combined Plan into the Traditional Pension Plan. Participating employers are divided into state, local, law enforcement and public safety divisions in the Traditional Pension Plan. Only the state and local divisions participate in the Member-Directed Plan.

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

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the Traditional Pension Plan and the legacy Combined Plan were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the Traditional Pension Plan (excluding the Combined Plan division) as per the reduced benefits adopted by SB 343 (see OPERS' Annual Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	**Group B** 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	**Group C** Members not in other Groups and members hired on or after January 7, 2013
State and Local	**State and Local**	**State and Local**
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 62 with 60 months of service credit or Age 57 with 25 years of service credit
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	**Traditional Plan Formula:** 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	**Traditional Plan Formula:** 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Combined Plan Division Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	**Combined Plan Division Formula:** 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	**Combined Plan Division Formula:** 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35

NOTE 5: **DEFINED BENEFIT PENSION PLAN** (Continued)

Plan Description – Ohio Public Employees Retirement System (OPERS) (Continued)

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The base amount of a member's pension benefit is locked in upon receipt of the initial benefit payment for calculation of the annual cost-of-living adjustment.

When a Traditional Pension 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. Members retiring under the Combined Plan division receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the COLA is 3%. For those retiring on or after January 7, 2013, beginning in 2019, the adjustment is based on the average percentage increase in the Consumer Price Index, capped at 3%.

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

Funding Policy – The following table displays the member and employer contribution rates as a percent of covered payroll for each employer division for 2024-2025. With the assistance of the System's actuary and Board approval, a portion of each employer contribution to OPERS may be set aside for the funding of post-employment health care coverage. For 2024-2025, no portion of the employer contribution rate was allocated to health care for the Traditional Pension Plan (excluding the Combined Plan division). The employer contribution as a percent of covered payroll deposited for the Combined Plan division and Member-Directed Plan health care programs in 2024-2025 was 2.0% and 4.0%, respectively.

NOTE 5: **DEFINED BENEFIT PENSION PLAN** (Continued)

Plan Description – Ohio Public Employees Retirement System (OPERS) (Continued)

Board of Trustees - Approved Contribution Rates - All Plans		
	2024-2025 Member Rate	**2024-2025 Employer Rate**
State Division	10.0%	14.0%
Local Division	10.0%	14.0%
Law Enforcement Division	13.0%	18.1%
Public Safety Division	12.0%	18.1%

The member and employer contribution rates for the State and Local divisions are currently set at the maximums authorized by the ORC of 10.0% and 14.0%, respectively. The Public Safety and Law Enforcement employer rates are also set at the maximum authorized rate of 18.1%. The member rate for Public Safety is determined by the Board and has no maximum rate established by the ORC. The member rate for Law Enforcement is also determined by the Board, but is limited by the ORC to not more than 2.0% greater than the Public Safety rate.

For fiscal year ending December 31, 2025, the Authority's contractually required contributions used to fund pension benefits was $94,292 for the Traditional Pension Plan.

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

The net pension liability for OPERS 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. Following is information related to the proportionate share and pension expense:

	OPERS Traditional Pension Plan
Proportion of the Net Pension Liability:	
Prior Measurement Date	0.004271%
Current Measurement Date	0.004058%
Change in Proportionate Share	-0.000213%
Proportionate Share of the Net Pension Liability	$ 994,841
Pension Expense	$ 82,522

NOTE 5: **DEFINED BENEFIT PENSION PLAN** (Continued)

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

At December 31, 2025, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS Traditional Pension Plan
Deferred Outflows of Resources	
Net difference between projected and actual earnings on pension plan investments	$ 117,361
Differences between expected and actual experience	19,035
Authority contributions subsequent to the measurement date	94,292
Total Deferred Outflows of Resources	$ 230,688
Deferred Inflows of Resources	
Changes in proportion and differences between Authority contributions and proportionate share of contributions	$ 44,921
Total Deferred Inflows of Resources	$ 44,921

$94,292 reported as deferred outflows of resources related to pension resulting from the Authority's contributions subsequent to 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:

	OPERS Traditional Pension Plan
Year Ending December 31:	
2026	$ 34,786
2027	116,716
2028	(45,282)
2029	(14,745)
Total	$ 91,475

NOTE 5: **DEFINED BENEFIT PENSION PLAN** (Continued)

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 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 actuarial assumptions and methods used in the latest actuarial valuation, reflecting experience study results, are presented below:

	Traditional Pension Plan
Wage Inflation	
Current Measurement Date:	2.75 percent
Prior Measurement Date:	2.75 percent
Future Salary Increases, including inflation	
Current Measurement Date:	2.75 to 10.75 percent including wage inflation
Prior Measurement Date:	2.75 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA	
Pre 1/7/2013 retirees:	3 percent, simple
Post 1/7/2013 retirees:	
Current Measurement Date:	2.9% Simple for 2025, then 2.05% Simple
Prior Measurement Date:	2.3% Simple for 2024, then 2.05% simple
Investment Rate of Return	
Current Measurement Date:	6.9 percent
Prior Measurement Date:	6.9 percent
Actuarial Cost Method	Individual Entry Age

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

NOTE 5: **DEFINED BENEFIT PENSION PLAN** (Continued)

Actuarial Assumptions – OPERS (Continued)

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

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 division, and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money weighted rate of return expressing investment performance, net of investments expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a gain of 8.8% for 2024.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return over a 20-year period are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of the geometric real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2024, these best estimates are summarized in the following table:

Asset Class	Target Allocation	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%. 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.

NOTE 5: **DEFINED BENEFIT PENSION PLAN** (Continued)

Actuarial Assumptions – OPERS (Continued)

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

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Authority's proportionate share of the net pension liability	$ 1,627,501	$ 994,841	$ 469,105

NOTE 6: **DEFINED BENEFIT OPEB PLANS**

Net OPEB Liability

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

The net OPEB liability 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 the OPEB plan's fiduciary net position. The net OPEB 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 these estimates annually.

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

GASB 75 assumes any liability 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. Resulting adjustments to the net OPEB liability 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.

NOTE 6: **DEFINED BENEFIT OPEB PLANS** (Continued)

Net OPEB Liability (Continued)

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

The Ohio Public Employees Retirement System (OPERS) administers two separate pension plans: the Traditional Pension Plan, a cost-sharing, multiple-employer defined benefit pension plan; and the Member-Directed Plan, a defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, the 115 Health Care Trust, which was established in 2014 to fund health care for the Traditional Pension, Combined, and Member-Directed plans. With one exception, OPERS-provided health care coverage is neither guaranteed nor statutorily required. Ohio law currently requires Medicare Part A equivalent coverage or Medicare Part A premium reimbursement for eligible retirees and their eligible dependents.

Retirees and eligible dependents enrolled in Medicare Parts A and B, and non-Medicare retirees beginning in 2022, are able to participate in the OPERS Connector in lieu of comprehensive health care coverage. The Connector, a vendor selected by OPERS, assist eligible retirees, spouses, and dependents in the evaluation, selection and purchase of a health care plan on the open market. Eligible retirees may receive a monthly allowance in their health reimbursement arrangement (HRA) account that can be used to reimburse eligible health care expenses.

OPERS members enrolled in the Traditional Pension Plan retiring with an effective date of January 1, 2022 or after must meet the following health care eligibility requirements to receive an HRA allowance:

1. **Age 65 or older** – minimum of 20 years of qualified health care service credit.
2. **Age 60 to 64** – based on the following age-and-service criteria:
   a. Group A – 30 years of total service with at least 20 years of qualified health care service credit;
   b. Group B – 31 years of total service with at least 20 years of qualified health care service credit; or
   c. Group C – 32 years of total service with at least 20 years of qualified health care service credit.
3. **Age 59 or younger** – based on the following age-and-service criteria:
   a. Group A – 30 years of qualified health care service credit;
   b. Group B - 32 years of qualified health care service credit at any age or 31 years of qualified heath care service credit and at least age 52; or
   c. Group C – 32 years of qualified health care service credit and at least age 55.

NOTE 6: **DEFINED BENEFIT OPEB PLANS** (Continued)

Plan Description – Ohio Public Employees Retirement System (OPERS) (Continued)

Retirees who don't meet the requirement for coverage as a non-Medicare participant can become eligible for coverage at age 65 if they have at least 20 years of qualifying service. Members with a retirement date prior to January 1, 2022 who were eligible to participate in the OPERS health care program will continue to be eligible after January 1, 2022, as summarized in the following table:

Retirement Date	Group A		Group B		Group C	
	Age	Service	Age	Service	Age	Service
December 1, 2014 or Prior	Any	10	Any	10	Any	10
January 1, 2015 through December 31, 2021	60	20	52 60	31 20	55	32
	Any	30	Any	32	60	20

Participants in the Member-Directed Plan have access to the Connector and have a separate health care funding mechanism. A portion of employer contributions for these participants is allocated to a retiree medical account (RMA). Upon separation or retirement, participants may use vested RMA funds for reimbursement of qualified medical expenses.

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

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

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

Employer contribution rates are expressed as a percentage of covered payroll. In 2024 and 2025, state and local employers contributed at a rate of 14.0% of earnable salary and public safety and law enforcement employers contributed at 18.1%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2024-2025, no portion of the employer contribution rate was allocated to health care for the Traditional Pension Plan (excluding the Combined Plan division). The employer contribution as a percent of covered payroll deposited for the Combined Plan division and Member-Directed Plan health care programs in 2024-2025 was 2.0% and 4.0%, respectively.

NOTE 6: **DEFINED BENEFIT OPEB PLANS** (Continued)

Plan Description – Ohio Public Employees Retirement System (OPERS) (Continued)

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. None of the Authority's contractually required contribution was allocated to health care for the year ending December 31, 2025.

OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB asset and total OPEB liability for OPERS 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 asset was based on the Authority's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	OPERS
Proportion of the Net OPEB Liability/Asset:	
Prior Measurement Date	0.003982%
Current Measurement Date	0.003874%
Change in Proportionate Share	-0.000108%
Proportionate Share of the Net OPEB Liability (Asset)	$ (90,816)
OPEB Expense	$ (28,537)

At December 31, 2025, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS
Deferred Outflows of Resources	
Net difference between projected and actual earnings on OPEB plan investments	$ 1,871
Changes in proportion and differences between Authority contributions and proportionate share of contributions	360
Total Deferred Outflows of Resources	$ 2,231
Deferred Inflows of Resources	
Differences between expected and actual experience	$ 4,420
Changes of assumptions	13,104
Changes in proportion and differences between Authority contributions and proportionate share of contributions	95
Total Deferred Inflows of Resources	$ 17,619

NOTE 6: **DEFINED BENEFIT OPEB PLANS** (Continued)

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

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

	OPERS
Year Ending December 31:	
2026	$ (9,046)
2027	8,461
2028	(10,946)
2029	(3,857)
Total	$ (15,388)

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 health care costs 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 and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

	December 31, 2024	December 31, 2023
Wage Inflation	2.75 percent	2.75 percent
Projected Salary Increases	2.75 to 10.75 percent, including wage inflation	2.75 to 10.75 percent, including wage inflation
Single Discount Rate	6.00 percemt	5.70 percemt
Investment Rate of Return	6.00 percent	6.00 percent
Municipal Bond Rate	4.08 percent	3.77 percent
Health Care Cost Trend Rate	5.50 percent initial, 3.50 percent ultimate in 2039	5.50 percent initial, 3.50 percent ultimate in 2038
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

NOTE 6: **DEFINED BENEFIT OPEB PLANS** (Continued)

Actuarial Assumptions – OPERS (Continued)

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

During 2024, 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 division and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a gain of 10.0% for 2024.

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 long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. 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	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	37.00 %	2.37 %
Domestic Equities	26.00	5.70
Real Estate Investment Trust	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 %	

NOTE 6: **DEFINED BENEFIT OPEB PLANS** (Continued)

Actuarial Assumptions – OPERS (Continued)

Discount Rate A single discount rate of 6.00% was used to measure the 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) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00%. 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 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.

Sensitivity of the Authority's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate The following table presents the Authority's proportionate share of the net OPEB liability calculated using the single discount rate of 6.00%, as well as what the Authority's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1.0% lower or 1.0% higher than the current rate:

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
Authority's proportionate share of the net OPEB liability (asset)	$ (45,093)	$ (90,816)	$ (128,965)

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

NOTE 6: **DEFINED BENEFIT OPEB PLANS** (Continued)

Actuarial Assumptions – OPERS (Continued)

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

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
Authority's proportionate share of the net OPEB liability (asset)	$ (92,201)	$ (90,816)	$ (89,257)

NOTE 7: **ECONOMIC DEPENDENCY**

The Authority is economically dependent on receiving operating subsidies from HUD.

NOTE 8: **RISK MANAGEMENT**

The Authority is exposed to various risk of loss related to torts; damage to and theft or destruction of assets; errors and omissions; injuries to employees and natural disasters. The Authority (to include the blended component unit PMHA Eden Place, LLC) is covered for property damage, general liability, automobile liability, law enforcement liability, public official's liability, and other crime liabilities through membership in the State Housing Authority Risk Pool Association, Inc. (SHARP). SHARP is an insurance pool comprised of forty (40) housing authorities in Ohio, of which the Authority is a member. The blended component unit PMHA Pickaway Terrace, LLC is insured against risks for property damage, general liability, and commercial crime through an insurance policy with a commercial insurance company.

Settled claims have not exceeded this commercial coverage in any of the past three years. There has been no significant change in coverage from last year. Health, dental, vision, and life insurance is offered to Authority employees through a commercial insurance company.

Additionally, workers' compensation insurance is maintained through the State of Ohio Bureau of Workers' Compensation, in which rates are calculated retrospectively.

NOTE 9: **LONG-TERM DEBT – DIRECT BORROWINGS**

The Authority manages a multiple family housing project funded by the USDA under its Rural Rental Housing program. The first Promissory Note secured by the property is a 50 year note dated May 10, 1985 in the amount of $538,620. The rate is 11.875% but is subsidized by the USDA in an amount of $4,244.53 monthly. The monthly installment on the note is $11,72.97. A second Promissory Note secured by the property is dated 4/19/2011 in the amount of $300,000. The rate is 4.625 percent but is subsidized by the USDA in a monthly amount of $649.01. The monthly installment on the note is $637.30. Payments on the note are based on a repayment of 50 years but all indebtedness on the note shall be due and payable on April 19, 2041.

NOTE 9: **LONG-TERM DEBT – DIRECT BORROWINGS** (Continued)

Payments required for the USDA mortgages vary based on a calculation performed on a monthly basis using the standard loan payment amount, overages on tenant rental amounts, and the rental assistance requested. In the event of default, the government may declare all indebtedness to be immediately due and payable. The outstanding balances on the notes at December 31, 2025 are $367,491 and $268,420 respectively.

The Authority has a mortgage note dated July 27, 2021 in the amount of $100,000 payable to The Savings Bank. The rate is 4 percent payable in monthly installments of $477.60 per month for 30 years. The mortgage is secured by property at 341 E High St., in Circleville. In the event of default, the rate on the note shall increase 2 percent and at the option of the lender all amounts of indebtedness shall become due and payable. The outstanding balance on the note at December 31, 2025 is $91,664.

The Authority has a mortgage note dated September 15, 2021 in the amount of $140,000 payable to The Savings Bank. The rate is 4% payable in monthly installments of $668.56 per month for 30 years. The mortgage is secured by property at 110 Park St., in Circleville. In the event of default, the rate on the note shall increase 2 percent and at the option of the lender all amounts of indebtedness shall become due and payable. The outstanding balance on the note at December 31, 2025 is $128,792.

The Authority has a mortgage note dated March 10, 2022 in the amount of $140,000 payable to The Savings Bank. The rate is 4% payable in monthly installments of $668.68 per month for 30 years. The mortgage is secured by property at 357 Eva Drive, in Circleville. In the event of default, the rate on the note shall increase 2% and at the option of the lender all amounts of indebtedness shall become due and payable. The outstanding balance on the note at December 31, 2025 is $130,232.

The Authority has a mortgage note dated July 29, 2022 in the amount of $196,000 payable to The Savings Bank. The rate is 5% payable in monthly installments of $1052.69 per month for 30 years. The mortgage is secured by property at 164 Fourth Avenue, in Circleville. In the event of default, the rate on the note shall increase 2% and at the option of the lender all amounts of indebtedness shall become due and payable. The outstanding balance on the note at December 31, 2025 is $185,499.

PMHA Pickaway Terrace, LLC, a wholly owned subsidiary of the Authority, has a mortgage note dated June 1, 2019 in the amount of $2,632,500 payable to Centennial Mortgage, Inc. The rate is 3.81 percent payable in monthly installments of $11,337.94 for 35 years. The mortgage is secured by the Pickaway Terrace property in Circleville, Ohio. PMHA Pickaway Terrace, LLC has the right to prepay this mortgage note in whole on the last day of any calendar month and concurrently pay to Centennial Mortgage, LLC, an initial prepayment premium of 10 percent, which decreases 1 percent each year until 2029, after which there is no prepayment premium. In the event of default continuing for 30 days, at the option of the lender all amounts of indebtedness shall become due and payable. The outstanding balance on the note at December 31, 2025 is $2,371,303.

NOTE 9: **LONG-TERM DEBT – DIRECT BORROWINGS** (Continued)

PMHA Eden Place, LLC, a wholly owned subsidiary of the Authority, has a mortgage note dated September 30, 2020 in the amount of $1,570,000 payable to The Savings Bank. The rate is 4 percent payable in monthly installments of $7,497.11 per month for 30 years. The mortgage is secured by a 40-unit Eden Place apartment property in Circleville, Ohio. In the event of default, the rate on the note shall increase 2 percent and at the option of the lender all amounts of indebtedness shall become due and payable. The outstanding balance on the note at December 31, 2025 is $1,411,529.

The following is a summary of changes in long-term liabilities for the year ended December 31, 2025:

	Balance at 12/31/2024	Issued	Retired	Balance at 12/31/2025	Due Within One Year
Long-Term Liabilities					
USDA Note Payable	$ 387,548	$ 0	$ (20,057)	$ 367,491	$ 22,573
USDA Note Payable	271,368	0	(2,948)	268,420	3,086
Note Payable - East High Street	93,685	0	(2,021)	91,664	2,103
Note Payable - Park Street	131,603	0	(2,811)	128,792	2,924
Note Payable - Eva Drive	132,987	0	(2,755)	130,232	2,867
Note Payable - Fourth Street	188,768	0	(3,269)	185,499	3,434
Note Payable - PMHA Pickaway Terrace, LLC	2,416,317	0	(45,014)	2,371,303	46,760
Note Payable - PMHA Eden Place, LLC	1,444,772	0	(33,243)	1,411,529	34,119
FSS Escrows	36,606	16,338	(19,730)	33,214	0
Accrued Compensated Absences *	63,037	155	0	63,192	0
Net Pension Liability	1,118,165	0	(123,324)	994,841	0
	$ 6,284,856	$ 16,493	$ (255,172)	$ 6,046,177	$ 117,866

* - Net change reported

Long-term debt principal and interest for the years ending December 31 are as follows:

Year	Principal	Interest	Total
2026	117,866	223,249	341,115
2027	124,540	216,575	341,115
2028	131,516	209,599	341,115
2029	139,473	201,642	341,115
2030	147,841	193,274	341,115
2031-2035	851,859	815,684	1,667,543
2036-2040	767,131	613,392	1,380,523
2041-2045	1,104,922	410,881	1,515,803
2046-2050	1,075,835	205,727	1,281,562
2051-2054	493,947	33,835	527,782
Total	$ 4,954,930	$ 3,123,858	$ 8,078,788

NOTE 10: **RESTRICTED NET POSITION**

Restricted net position of $917,731 is composed of the following:

Unspent HUD funding to make HCV HAP payments	$ 70,102
Unspent Family Self-Sufficiency Escrow Forfeitures	12,265
Restricted for Replacement Reserves and Debt Escrows	744,548
Restricted for the GASB 75 Net OPEB Asset	90,816
Total Restricted Net Position	$ 917,731

NOTE 11: **BLENDED COMBINING SCHEDULE**

	PMHA Eden Place LLC	PMHA Pickaway Terrace LLC	Total Blended Component Units
ASSETS			
Current Assets	$ 275,867	$ 761,757	$ 1,037,624
Capital Assets	589,299	1,808,133	2,397,432
Total Assets	865,166	2,569,890	3,435,056
LIABILITIES & NET POSITION			
Current Liabilities	59,210	93,451	152,661
Noncurrent Liabilities	1,377,410	2,324,543	3,701,953
Total Liabilities	1,436,620	2,417,994	3,854,614
Net Investment in Capital Assets	(822,229)	(563,171)	(1,385,400)
Restricted	183,770	460,909	644,679
Unrestricted	67,005	254,158	321,163
Total Net Position	(571,454)	151,896	(419,558)
Total Liabilities and Net Position	$ 865,166	$ 2,569,890	$ 3,435,056
STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION			
Operating Revenue	$ 420,222	$ 797,778	$ 1,218,000
Operating Expenses	(309,659)	(489,844)	(799,503)
Operating Income (Loss)	110,563	307,934	418,497
Nonoperating Revenues	93	1,048	1,141
Nonoperating Expenses	(56,723)	(91,138)	(147,861)
Income (Loss) Before Transfers	53,933	217,844	271,777
Begining Net Position	(612,110)	57,166	(554,944)
Transfers	(13,277)	(123,114)	(136,391)
End Net Position	$ (571,454)	$ 151,896	$ (419,558)
CASH FLOWS			
Net Cash Provided (Used) By			
Operating Activities	$ 142,537	$ 297,496	$ 440,033
Investing Activities	(70,747)	(168,128)	(238,875)
Financing Activities	(61,779)	(41,393)	(103,172)
Net Increase (Decrease) in Cash	10,011	87,975	97,986
Cash and Cash Equivalents - Beginning of Year	60,482	153,752	214,234
Cash and Cash Equivalents - End of Year	$ 70,493	$ 241,727	$ 312,220

NOTE 12: **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 Program 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.

PICKAWAY METROPOLITAN HOUSING AUTHORITY
PICKAWAY 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

Year	Authority's Proportion of the Net Pension Liability/Asset	Authority's Proportionate Share of the Net Pension Liability/(Asset)	Authority's Covered Payroll	Authority's Proportionate Share of the Net Pension Liability/Asset as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2025	0.004058%	$ 994,841	$ 727,371	136.77%	80.99%
2024	0.004271%	$ 1,118,165	$ 702,914	159.08%	79.01%
2023	0.004590%	$ 1,355,888	$ 711,514	190.56%	75.74%
2022	0.004914%	$ 427,538	$ 713,129	59.95%	92.62%
2021	0.004786%	$ 708,702	$ 674,043	105.14%	86.88%
2020	0.004450%	$ 879,573	$ 626,150	140.47%	82.17%
2019	0.004510%	$ 1,235,199	$ 609,236	202.75%	74.70%
2018	0.004085%	$ 640,857	$ 558,692	114.71%	84.66%
2017	0.005064%	$ 1,149,948	$ 561,020	204.97%	77.25%
2016	0.005180%	$ 897,242	$ 552,569	162.38%	81.08%

Amounts are presented as of the Authority's measurement date, which is the prior calendar year end.

See accompanying notes to the required supplementary information

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

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency / (Excess)	Authority's Covered Payroll	Pension Contributions as a Percentage of Covered Payroll
2025	$ 94,292	$ (94,292)	$ -	$ 673,514	14.00%
2024	$ 101,832	$ (101,832)	$ -	$ 727,371	14.00%
2023	$ 98,408	$ (98,408)	$ -	$ 702,914	14.00%
2022	$ 99,612	$ (99,612)	$ -	$ 711,514	14.00%
2021	$ 99,838	$ (99,838)	$ -	$ 713,129	14.00%
2020	$ 94,366	$ (94,366)	$ -	$ 674,043	14.00%
2019	$ 87,661	$ (87,661)	$ -	$ 626,150	14.00%
2018	$ 85,293	$ (85,293)	$ -	$ 609,236	14.00%
2017	$ 72,630	$ (72,630)	$ -	$ 558,692	13.00%
2016	$ 67,322	$ (67,322)	$ -	$ 561,020	12.00%

See accompanying notes to the required supplementary information

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

Year	Authority's Proportion of the Net OPEB Liability/Asset	Authority's Proportionate Share of the Net OPEB Liability/(Asset)	Authority's Covered Payroll	Authority's Proportionate Share of the Net OPEB Liability/Asset as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2025	0.003874%	$ (90,816)	$ 727,371	-12.49%	121.51%
2024	0.003982%	$ (35,939)	$ 702,914	-5.11%	107.76%
2023	0.004274%	$ 26,948	$ 711,514	3.79%	94.79%
2022	0.004574%	$ (143,265)	$ 713,129	-20.09%	128.23%
2021	0.004457%	$ (79,405)	$ 674,043	-11.78%	115.57%
2020	0.004144%	$ 572,394	$ 626,150	91.41%	47.80%
2019	0.004200%	$ 547,581	$ 609,236	89.88%	46.33%
2018	0.003970%	$ 431,113	$ 582,900	73.96%	54.14%
2017	0.004990%	$ 504,007	$ 586,350	85.96%	54.05%

(1) Information prior to 2017 is not available. Schedule is intended to show ten years of information, and additional years will be displayed as the information becomes available.

Amounts are presented as of the Authority's measurement date, which is the prior calendar year end.

See accompanying notes to the required supplementary information

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

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency / (Excess)	Authority's Covered Payroll	Pension Contributions as a Percentage of Covered Payroll
2025	$ -	$ -	$ -	$ 673,514	0.00%
2024	$ -	$ -	$ -	$ 727,371	0.00%
2023	$ -	$ -	$ -	$ 702,914	0.00%
2022	$ -	$ -	$ -	$ 711,514	0.00%
2021	$ -	$ -	$ -	$ 713,129	0.00%
2020	$ -	$ -	$ -	$ 674,043	0.00%
2019	$ -	$ -	$ -	$ 626,150	0.00%
2018	$ -	$ -	$ -	$ 609,236	0.00%
2017	$ 5,829	$ (5,829)	$ -	$ 582,900	1.00%
2016	$ 11,727	$ (11,727)	$ -	$ 586,350	2.00%

See accompanying notes to the required supplementary information

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Net Pension Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2014-2025.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016 and 2018. For 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the expected investment return was reduced from 8.00% to 7.50%, (b) the expected long-term average wage inflation rate was reduced from 3.75% to 3.25%, (c) the expected long-term average price inflation rate was reduced from 3.00% to 2.50%, (d) Rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality rates were updated to the RP-2014 Health Annuitant Mortality Table, adjusted for mortality improvement back to the observant period base year of 2006 and then established the base year as 2015 (f) mortality rates used in evaluating disability allowances were updated to the RP-2014 Disabled Mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and a base year of 2015 for males and 2010 for females (g) Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables. For 2019, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the expected investment return was reduced from 7.50% to 7.20%. For 2020, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the cost-of-living adjustments for post-1/7/2013 retirees were reduced from 3.00% simple through 2018 to 1.40% simple through 2020, then 2.15% simple. For 2021, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the cost-of-living adjustments for post-1/7/2013 retirees were reduced from 1.40% simple through 2020 to 0.50% simple through 2021, then 2.15% simple. For 2022, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the expected long-term average wage inflation rate was reduced from 3.25% to 2.75% (b) the cost-of-living adjustments for post-1/7/2013 retirees were increased from 0.50% simple through 2021 to 3.00% simple through 2022, then 2.05% simple (c) the expected investment return was reduced from 7.20% to 6.90%. There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2023. For 2024, 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 decreased from 3.00% simple through 2023 then 2.05% simple, to 2.30% simple through 2024 then 2.05% simple. For 2025, 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 increased from 2.30% simple through 2024 then 2.05% simple, to 2.90% simple through 2025 then 2.05% simple.

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS) (Continued)

Net OPEB Liability

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

Changes in assumptions: For 2018, the single discount rate changed from 4.23% to 3.85%. For 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the expected investment return was reduced from 6.50% to 6.00% (b) In January 2019, the Board adopted changes to health care coverage for Medicare and pre-Medicare retirees. It will include discontinuing the PPO plan for pre-Medicare retirees and replacing it with a monthly allowance to help participants pay for a health care plan of their choosing. The base allowance for Medicare eligible retirees will be reduced. The specific effect of these changes on the net OPEB liability and OPEB expense are unknown at this time (c) the single discount rate changed from 3.85% to 3.96%. For 2020, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 3.96% to 3.16%. For 2021, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 3.16% to 6.00% (b) the municipal bond rate changed from 2.75% to 2.00% (c) the health care cost trend rate changed from 10.50% initial and 3.50% ultimate in 2030 to 8.50% initial and 3.50% ultimate in 2035. For 2022, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the expected long-term average wage inflation rate was reduced from 3.25% to 2.75%. (b) the municipal bond rate changed from 2.00% to 1.84% (c) the health care cost trend rate changed from 8.50% initial and 3.50% ultimate in 2035 to 5.50% initial and 3.50% ultimate in 2034. For 2023, the following changes in 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 4.05% (c) the health care cost trend rate changed from 5.50% initial and 3.50% ultimate in 2034 to 5.50% initial and 3.50% ultimate in 2036. For 2024, the following changes in 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% (c) the health care cost trend rate changed from 5.50% initial and 3.50% ultimate in 2036 to 5.50% initial and 3.50% ultimate in 2038. For 2025, the following changes in 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% (c) the health care cost trend rate changed from 5.50% initial and 3.50% ultimate in 2038 to 5.50% initial and 3.50% ultimate in 2039.

Pickaway Metropolitan Housing Authority (OH059)
Circleville, OH
Entity Wide Balance Sheet Summary
Fiscal Year End 12/31/2025

	Project Total	14.EFA FSS Escrow Forfeiture Account	6.2 Component Unit - Blended	14.896 PIH Family Self-Sufficiency Program	1 Business Activities	10.415 Rural Rental Housing Loans	14.871 Housing Choice Vouchers	Subtotal	ELIM	Total
111 Cash - Unrestricted	385,696		312,219		342,406	7,494	1,025,905	2,073,720		2,073,720
112 Cash - Restricted - Modernization and Development										
113 Cash - Other Restricted		12,265	644,679			99,869	103,316	860,129		860,129
114 Cash - Tenant Security Deposits	13,768		39,581		9,747	8,280		71,376		71,376
115 Cash - Restricted for Payment of Current Liabilities							1,730	1,730		1,730
100 Total Cash	399,464	12,265	996,479	0	352,153	115,643	1,130,951	3,006,955	0	3,006,955
121 Accounts Receivable - PHA Projects							897	897		897
122 Accounts Receivable - HUD Other Projects										
125 Accounts Receivable - Miscellaneous							5,417	5,417		5,417
126 Accounts Receivable - Tenants	12,881		4,465			1,401		18,747		18,747
126.1 Allowance for Doubtful Accounts -Tenants	-4,000		0			0		-4,000		-4,000
126.2 Allowance for Doubtful Accounts - Other	-500		0		0	0	-850	-1,350		-1,350
127 Notes, Loans, & Mortgages Receivable - Current	2,742		908		7,099	100		10,849		10,849
120 Total Receivables, Net of Allowances for Doubtful Accounts	11,123	0	5,373	0	7,099	1,501	5,464	30,560	0	30,560
142 Prepaid Expenses and Other Assets	55,077		35,772		4,687	3,546	883	99,965		99,965
144 Inter Program Due From					17,445	2,275	11,502	31,222	-31,222	0
150 Total Current Assets	465,664	12,265	1,037,624	0	381,384	122,965	1,148,800	3,168,702	-31,222	3,137,480
161 Land	449,081		223,944		105,148	15,000		793,173		793,173
162 Buildings	12,514,148		5,390,195		928,526	1,354,616	30,658	20,218,143		20,218,143
163 Furniture, Equipment & Machinery - Dwellings	173,265		94,444		13,944			281,653		281,653
164 Furniture, Equipment & Machinery - Administration	227,292		174,864		45,011	4,653	68,381	520,201		520,201
166 Accumulated Depreciation	-9,620,839		-3,486,015		-335,734	-1,007,640	-66,649	-14,516,877		-14,516,877
160 Total Capital Assets, Net of Accumulated Depreciation	3,742,947	0	2,397,432	0	756,895	366,629	32,390	7,296,293	0	7,296,293
171 Notes, Loans and Mortgages Receivable - Non-Current					3,350			3,350		3,350
174 Other Assets	42,197				21,774		33,024	96,995		96,995
180 Total Non-Current Assets	3,785,144	0	2,397,432	0	782,019	366,629	65,414	7,396,638	0	7,396,638
200 Deferred Outflow of Resources	108,225				39,996		84,698	232,919		232,919
290 Total Assets and Deferred Outflow of Resources	4,359,033	12,265	3,435,056	0	1,203,399	489,594	1,298,912	10,798,259	-31,222	10,767,037

Pickaway Metropolitan Housing Authority (OH059)
Circleville, OH
Entity Wide Balance Sheet Summary
Fiscal Year End 12/31/2025

312 Accounts Payable <= 90 Days	23,763		23,394		1,478	2,319	1,309	52,263		52,263
321 Accrued Wage/Payroll Taxes Payable	25,736		1,278		1,303	380	3,056	31,753		31,753
325 Accrued Interest Payable			7,529			385		7,914		7,914
333 Accounts Payable - Other Government	15,338							15,338		15,338
341 Tenant Security Deposits	13,768		39,581		9,747	8,280		71,376		71,376
342 Unearned Revenue					21			21		21
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue			80,879		11,328	25,659		117,866		117,866
345 Other Current Liabilities	1,364						1,730	3,094		3,094
347 Inter Program - Due To	24,222					7,000		31,222	-31,222	0
310 Total Current Liabilities	104,191	0	152,661	0	23,877	44,023	6,095	330,847	-31,222	299,625
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue			3,701,953		524,859	610,252		4,837,064		4,837,064
353 Non-current Liabilities - Other							33,214	33,214		33,214
354 Accrued Compensated Absences - Non Current	21,514				20,377	2,898	18,403	63,192		63,192
357 Accrued Pension and OPEB Liabilities	462,250				170,831		361,760	994,841		994,841
350 Total Non-Current Liabilities	483,764	0	3,701,953	0	716,067	613,150	413,377	5,928,311	0	5,928,311
300 Total Liabilities	587,955	0	3,854,614	0	739,944	657,173	419,472	6,259,158	-31,222	6,227,936
400 Deferred Inflow of Resources	29,059				10,739		22,742	62,540		62,540
508.4 Net Investment in Capital Assets	3,742,947	0	-1,385,400	0	220,708	-269,282	32,390	2,341,363		2,341,363
511.4 Restricted Net Position	42,197	12,265	644,679	0	15,595	99,869	103,126	917,731		917,731
512.4 Unrestricted Net Position	-43,125	0	321,163	0	216,413	1,834	721,182	1,217,467		1,217,467
513 Total Equity - Net Assets / Position	3,742,019	12,265	-419,558	0	452,716	-167,579	856,698	4,476,561	0	4,476,561
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	4,359,033	12,265	3,435,056	0	1,203,399	489,594	1,298,912	10,798,259	-31,222	10,767,037

Pickaway Metropolitan Housing Authority (OH059)
Circleville, OH
Entity Wide Revenue and Expense Summary
Fiscal Year End: 12/31/2025

	Project Total	14.EFA FSS Escrow Forfeiture Account	6.2 Component Unit - Blended	14.896 PIH Family Self-Sufficiency Program	1 Business Activities	10.415 Rural Rental Housing Loans	14.871 Housing Choice Vouchers	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	337,196		1,200,989		118,351	47,870		1,704,406		1,704,406
70400 Tenant Revenue - Other	16,187		10,124			3,023		29,334		29,334
70500 Total Tenant Revenue	353,383	0	1,211,113	0	118,351	50,893	0	1,733,740	0	1,733,740
70600 HUD PHA Operating Grants	709,838			36,363			4,306,888	5,053,089		5,053,089
70610 Capital Grants	147,106							147,106		147,106
70800 Other Government Grants						130,357		130,357		130,357
71100 Investment Income - Unrestricted	11		17		109	53	2,880	3,070		3,070
71400 Fraud Recovery							4,186	4,186		4,186
71500 Other Revenue	1,191		6,887		129,272	2,919	59,527	199,796	-84,662	115,134
71600 Gain or Loss on Sale of Capital Assets	500							500		500
72000 Investment Income - Restricted			1,124					1,124		1,124
70000 Total Revenue	1,212,029	0	1,219,141	36,363	247,732	184,222	4,373,481	7,272,968	-84,662	7,188,306
91100 Administrative Salaries	181,667		43,148		67,589	21,417	186,355	500,176		500,176
91200 Auditing Fees	1,980		14,081		2,843	13	6,470	25,387		25,387
91300 Management Fee			73,526			11,136		84,662	-84,662	0
91400 Advertising and Marketing	1,270		2,349		100	208	3,523	7,450		7,450
91500 Employee Benefit contributions - Administrative	68,745		15,497		-68,484	5,035	80,438	101,231		101,231
91600 Office Expenses	27,895		35,695		14,846	2,874	81,254	162,564		162,564
91700 Legal Expense	2,775		425			1,175		4,375		4,375
91800 Travel	843							843		843
91900 Other	21,219		25		81	100	8,283	29,708		29,708
91000 Total Operating - Administrative	306,394	0	184,746	0	16,975	41,958	366,323	916,396	-84,662	831,734
92100 Tenant Services - Salaries				25,631				25,631		25,631
92300 Employee Benefit Contributions - Tenant Services				10,732				10,732		10,732
92400 Tenant Services - Other	1,827							1,827		1,827
92500 Total Tenant Services	1,827	0	0	36,363	0	0	0	38,190	0	38,190
93100 Water	158,072		61,483		5,682	9,336		234,573		234,573
93200 Electricity	14,815		136,356			1,289		152,460		152,460
93300 Gas	10,452		3,397			607		14,456		14,456
93800 Other Utilities Expense							6,945	6,945		6,945
93000 Total Utilities	183,339	0	201,236	0	5,682	11,232	6,945	408,434	0	408,434
94100 Ordinary Maintenance and Operations - Labor	58,218		45,947		20,659	9,441		134,265		134,265
94200 Ordinary Maintenance and Operations - Materials and Other	52,432		35,978		4,457	3,073		95,940		95,940

94300 Ordinary Maintenance and Operations Contracts	168,909		123,122		13,385	18,959	4,754	329,129		329,129
94500 Employee Benefit Contributions - Ordinary Maintenance	22,030		16,502		-20,932	1,947		19,547		19,547
94000 Total Maintenance	301,589	0	221,549	0	17,569	33,420	4,754	578,881	0	578,881
96110 Property Insurance	46,138		45,574		5,356	4,186		101,254		101,254
96120 Liability Insurance							3,141	3,141		3,141
96140 All Other Insurance	12,312		6,014		26	95	7,541	25,988		25,988
96100 Total insurance Premiums	58,450	0	51,588	0	5,382	4,281	10,682	130,383	0	130,383
96200 Other General Expenses		663					686	1,349		1,349
96210 Compensated Absences					1,309	226	37	1,572		1,572
96300 Payments in Lieu of Taxes	15,395							15,395		15,395
96400 Bad debt - Tenant Rents	17,918		3,090			6,777		27,785		27,785
96000 Total Other General Expenses	33,313	663	3,090	0	1,309	7,003	723	46,101	0	46,101
96710 Interest of Mortgage (or Bonds) Payable			147,861		23,554	57,351		228,766		228,766
96700 Total Interest Expense and Amortization Cost	0	0	147,861	0	23,554	57,351	0	228,766	0	228,766
96900 Total Operating Expenses	884,912	663	810,070	36,363	70,471	155,245	389,427	2,347,151	-84,662	2,262,489
97000 Excess of Operating Revenue over Operating Expenses	327,117	-663	409,071	0	177,261	28,977	3,984,054	4,925,817	0	4,925,817
97100 Extraordinary Maintenance	75,098							75,098		75,098
97300 Housing Assistance Payments							3,778,214	3,778,214		3,778,214
97350 HAP Portability-In							54,506	54,506		54,506
97400 Depreciation Expense	410,498		137,294		39,006	44,124	5,037	635,959		635,959
90000 Total Expenses	1,370,508	663	947,364	36,363	109,477	199,369	4,227,184	6,890,928	-84,662	6,806,266
10010 Operating Transfer In	94,692							94,692	-94,692	0
10020 Operating transfer Out	-94,692							-94,692	94,692	0
10100 Total Other financing Sources (Uses)	0	0	0	0	0	0	0	0	0	0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-158,479	-663	271,777	0	138,255	-15,147	146,297	382,040	0	382,040
11020 Required Annual Debt Principal Payments	0	0	97,019	0	10,851	21,715	0	129,585		129,585
11030 Beginning Equity	3,900,498	12,928	-554,944	0	178,070	-152,432	710,401	4,094,521		4,094,521
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	0		-136,391		136,391			0		0
11170 Administrative Fee Equity							786,596	786,596		786,596
11180 Housing Assistance Payments Equity							70,102	70,102		70,102
11190 Unit Months Available	1296		1200		120	192	7932	10740		10740

11210 Number of Unit Months Leased	1290		1176		120	186	5593	8365		8365
11270 Excess Cash	234,404							234,404		234,404
11620 Building Purchases	147,106							147,106		147,106

PICKAWAY METROPOLITAN HOUSING AUTHORITY
PICKAWAY COUNTY, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025

Federal Grantor/ *Pass-Through Grantor/* Program/Cluster Title	**Assistance Listing Number**	**Total Federal Expenditures**	**Loan Balance**
U.S. Department of Housing and Urban Development			
Direct Awards:			
Public Housing Operating Fund	14.850	$ 519,048	$ 0
Public Housing Capital Fund	14.872	337,896	0
Housing Voucher Cluster:			
Section 8 Housing Choice Vouchers	14.871	4,306,888	0
Total Housing Voucher Cluster		4,306,888	0
Family Self-Sufficiency Program	14.896	36,363	0
Total U.S. Department of Housing and Urban Development		5,200,195	0
U.S. Department of Agriculture			
Direct Award:			
Rural Rental Housing Loans	10.415	130,357	658,915
Total U.S. Department of Agriculture		130,357	658,915
TOTAL EXPENDITURES OF FEDERAL AWARDS		$ 5,330,552	$ 658,915

See the accompanying notes to the Schedule of Expenditures of Federal Awards

PICKAWAY METROPOLITAN HOUSING AUTHORITY
PICKAWAY COUNTY, OHIO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025

NOTE 1: **BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Pickaway 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 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the GAAP basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3: **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 4: **LOAN PROGRAMS WITH CONTINUING COMPLAINCE REQUIREMENTS**

The federal loan program listed on the Schedule of Expenditures of Federal Awards are administered directly by the Authority, and balances and transactions related to this program are included in the Authority's basic financial statements. Loan balances outstanding at the beginning of the year are includued in the federal expenditures presented in the schedule.

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

Pickaway Metropolitan Housing Authority
Pickaway County
176 Rustic Drive
Circleville, Ohio 43113

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 Pickaway Metropolitan Housing Authority, Pickaway 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 July 12, 2026. Our report includes a reference to other auditors who audited the financial statements of the blended component units, as described in our report on the Authority's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

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.

BHM CPA Group

BHM CPA Group, Inc.
Portsmouth, Ohio
July 12, 2026

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

Pickaway Metropolitan Housing Authority
Pickaway County
176 Rustic Drive
Circleville, Ohio 43113

To the Board of Commissioners:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Pickaway Metropolitan Housing Authority's, Pickaway County, Ohio (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 Pickaway Metropolitan Housing Authority's major federal program for the year ended December 31, 2025. Pickaway 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, Pickaway 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.

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
July 12, 2026

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