WAYNE METROPOLITAN HOUSING AUTHORITY
WAYNE COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2025

Wayne Metropolitan Housing Authority
Wayne County
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For the Year Ended December 31, 2025

INDEPENDENT AUDITOR'S REPORT

Wayne Metropolitan Housing Authority
Wayne County
345 North Market Street
Wooster, Ohio 44691

To the Board of Commissioners

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Wayne Metropolitan Housing Authority, Wayne 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, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Wayne Metropolitan Housing Authority, Wayne County, Ohio as of December 31, 2025, and the changes in financial position and its cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

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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 Certification of Actual Modernization Costs, 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, the Certification of Actual Modernization Costs, Financial Data Schedules and Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 19, 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 19, 2026

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The Wayne Metropolitan Housing Authority's ("the Authority") Management's Discussion and Analysis (MD&A) is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority's financial activity, (c) identify changes in the Authority's position, and (d) identify individual fund issues or concerns.

Since the MD&A is designed to focus on the 2025 year's activities, resulting changes and currently known facts, please read it in conjunction with the Authority's financial statement.

FINANCIAL HIGHLIGHTS

- The Authority's net position increased by $25,509 or 0.4% from what was reported at December 31, 2024. Since the Authority engages only in business-type activities, the decrease is all in the category of business-type net position.
- Revenues increased by $293,185 or 3.2% during 2025.
- Total expenses of all Authority programs increased by $229,241, or 2.5% during 2025.

Authority Financial Statements

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

These Statements include a Statement of Net Position, which is 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, minus liabilities, equal "Net Position", formerly known as equity. Assets and liabilities are presented in order of liquidity, and are classified as "Current" (convertible into cash within one year), and "Non-Current".

The focus of the Statement of Net 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 (formerly equity) is reported in three broad categories:

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

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

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

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

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

Fund Financial Statements

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

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

THE AUTHORITY'S PROGRAMS

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

Housing Choice Voucher Program – Under the Housing Choice Voucher Program, the Authority administers contracts with independent landlords that own the property. The Authority subsidizes the family's rent through a Housing Assistance Payment made to the landlord. The program is administered under an ACC with HUD. HUD provides Annual Contributions Funding to enable the Authority to structure a lease that sets the participants' rent at 30% of household income. The Authority earns administrative fees to cover the cost of administering the program.

State / Local – State / Local represents Authority owned housing properties that are not subsidized by HUD; management services that the Authority provides to a local non-profit entity under contract for management (Secrest Village Apartments); Community Housing Impact and Preservation programs that the Authority administers and implements under contract with both Wayne County and the City of Wooster; and a multi-family project that is subsidized by USDA Rural Development (Shreve Manor Apartments). Revenues and expenses for these services are identified and tracked separate from the HUD activities.

The Authority's properties not subsidized by HUD or USDA Rural Development are generally dedicated to clients of the local Board of Developmental Disabilities (DD) or the local Mental Health and Recovery Board (MHRB). Some of these properties have debt attached to them, however most received a portion of their acquisition costs from either client-family contributions, from the State of Ohio Community Capital Assistance Funds applied for through the Board of DD, or from a forgivable grant received through the Ohio Department of Mental Health.

The Authority's management contract is with a not-for-profit entity that depends on the Authority to handle all of its management concerns including day-to-day operations as well as corporate accounting and reporting.

AUTHORITY STATEMENTS

Statement of Net Position

The following table reflects the condensed Statement of Net Position compared to prior year. The Authority is engaged only in business-type activities.

TABLE 1

STATEMENT OF NET POSITION

	2025	2024
Current Assets	$ 1,096,612	$ 1,187,763
Capital and Non-Current Assets	9,009,553	8,780,760
Total Assets	$ 10,106,165	$ 9,968,523
Deferred Outflows	$ 479,363	$ 806,315
Total Assets & Deferred Outflows	**$ 10,585,528**	**$ 10,774,838**
Current Liabilities	$ 849,279	$ 1,080,005
Long-Term Liabilities	3,616,617	3,654,939
Total Liabilities	$ 4,465,896	$ 4,734,944
Deferred Inflows	$ 133,603	$ 79,374
Net Position:		
Net Investment in Capital Assets	$ 7,072,684	$ 6,994,333
Restricted Net Position	471,969	183,182
Unrestricted Net Position	(1,558,624)	(1,216,995)
Total Net Position	$ 5,986,029	$ 5,960,520
Total Liabilities, Deferred Inflows, and Net Position	**$ 10,585,528**	**$ 10,774,838**

Major Factors Affecting the Statement Of Net Position

During 2025, current assets decreased by $91,151, and current liabilities decreased by $230,726. The decrease in current assets is mostly due to decreases in cash on hand and prepaid expenses, due to normal operations. The decrease in current liabilities is due primarily to the conversion of short-term construction debt into traditional long-term mortgage debt, as well as the recognition of revenue in the current period from deferred revenue that was received in the last period.

Net Investment in Capital Assets increased to $7,072,684 from $6,994,333. The $78,351 increase can be attributed to a net result of several property and equipment additions and improvements, and debt repayment and depreciation from normal operations. For more detail see "Capital Assets" presented later in this report.

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

TABLE 2

CHANGE OF UNRESTRICTED NET POSITION

	Unrestricted	Restricted	Investment In Capital Assets
Beginning Balance - January 1, 2025	$ (1,216,995)	$ 183,182	$ 6,994,333
Results of Operation	25,509		
Adjustments:			
Current Year Depreciation Expense (1)	632,219		(632,219)
Capital Expenditure, Net of Disposal (2)	(761,850)		761,850
Current Year Debt Proceeds, Net of Retirement	51,280		(51,280)
Transfer to (from) Restricted Net Position	(288,787)	288,787	
Ending Balance - December 31, 2025	**$ (1,558,624)**	**$ 471,969**	**$ 7,072,684**

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

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

While the results of operations are a significant measure of the Authority's activities, the analysis of the changes in Unrestricted Net Position provides a clearer presentation of financial position.

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

TABLE 3

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	2025	2024
Revenues		
Total Tenant Rent Revenues	$ 1,362,682	$ 1,281,417
Operating Subsidies	6,960,574	6,964,734
Capital Grants	645,170	465,531
Investment Income	2,644	2,709
Other Revenues	462,122	425,616
Total Revenues	**9,433,192**	**9,140,007**
Expenses		
Administrative	1,872,723	1,975,522
Utilities	500,800	448,752
Maintenance	1,083,183	973,620
General and Interest Expenses	379,985	335,439
Housing Assistance Payments	4,938,773	4,863,633
Depreciation	632,219	581,476
Total Expenses	**9,407,683**	**9,178,442**
Net Increases (Decreases)	**$ 25,509**	**$ (38,435)**

Major Factors Affecting The Statement Of Revenue, Expenses And Changes In Net Position

Tenant revenue increased by $81,265 during 2025 compared to the prior year. The increase was due to a higher tenant portion of rent in addition to increased occupancy. Capital Grants show an increase of $179,639 from 2024 due to increased capital improvement activity during the period. Overall total revenue increased by $293,185 from 2024, mostly due to higher tenant revenue, capital grants, and other sources of revenue.

Maintenance expense increased by $109,563, or 11.3%, largely due to increased maintenance activity and the cost of materials and supplies. Utilities expense increased by $52,048, or 11.6%, due to increased rates for all utilities across the board. All other expense categories in aggregate varied by less than 10% from the previous year.

CAPITAL ASSETS

Capital Assets

As of year-end, the Authority had $8,533,738 invested in a variety of capital assets as reflected in the following schedule, which represents an increase of $129,630 or 1.5% from the end of 2024. This increase was a net result of several property improvements, additions to equipment and work in progress, payment of mortgage debts, and the accumulated depreciation of all properties and other fixed assets.

TABLE 4

CAPITAL ASSETS AT YEAR-END (NET OF DEPRECIATON)

	2025	2024
Land and Land Rights	$ 2,357,513	$ 2,357,513
Buildings and Improvements/Additions	23,700,618	23,024,884
Furniture & Equipment	1,026,667	973,256
Construction in Progress	149,053	381,141
Accumulated Depreciation	(18,749,164)	(18,383,816)
Right-Of-Use Assets	52,770	52,770
Accumulated Amortization	(3,719)	(1,640)
Total	**$ 8,533,738**	**$ 8,404,108**

The following reconciliation identifies the change in Capital Assets.

TABLE 5

CHANGE IN CAPITAL ASSETS

Beginning Balance - January 1, 2025	$ 8,404,108
Current Year Additions	788,871
Current Year Depreciation Expense	(632,219)
Adjustments to A/D to Properly State Assets	264,792
Disposal of Assets	(291,814)
Ending Balance - December 31, 2025	**$ 8,533,738**
Current Year Additions are summarized as follows:	
Buildings Improvements & Additions	902,070
Equipment Additions	118,889
Change in Construction in Progress	(232,088)
Right-Of-Use Assets	-
Total Additions, 2025	$ 788,871

Debt Outstanding

As of year-end, the Authority has $1,621,054 in debt (mortgages, loans, and leases) outstanding compared to $1,569,774 in the previous year. The $51,280 increase was the net result of new mortgage debt and incurred and regular principal payments on existing loans.

TABLE 6

CONDENSED STATEMENT OF CHANGES IN DEBT OUTSTANDING

Beginning Balance - January 1, 2025	$ 1,569,774
Current Year Loans	$ 134,253
Current Year Loan Retirements	$ (73,602)
Current Year Leases	$ -
Current Year Lease Retirements	$ (9,371)
Ending Balance - December 31, 2025	**$ 1,621,054**

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

- Federal funding provided by Congress to the Department of Housing and Urban Development
- Local labor supply and demand, which can affect salary and wage rates
- Local inflationary, recessionary and employment trends, which can affect resident incomes and therefore the amount of rental income
- Inflationary pressure on utility rates, supplies and other costs

FINANCIAL CONTACT

The individual to be contacted regarding this report is Rodney J. Mitchell, Executive Director of the Wayne Metropolitan Housing Authority, who can be reached by phone at (330) 264-2727.

Specific requests may be submitted to the Wayne Metropolitan Housing Authority at:
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Email: rmitchell@waynemha.org

WAYNE METROPOLITAN HOUSING AUTHORITY
STATEMENT OF NET POSITION
DECEMBER 31, 2025

ASSETS		
Current Assets		
Cash and Cash Equivalents - Unrestricted	$	210,978
Cash and Cash Equivalents - Restricted		624,568
Receivables, Net of Allowance for Doubtful Accounts		129,222
Inventory, Net of Allowance for Obsolete		37,279
Prepaid Expenses		94,565
Total Current Assets		1,096,612
Noncurrent Assets		
Leased Equipment, Net of Amortization		49,051
Other Non-Current Assets		302,600
Net OPEB Asset		173,215
Non-Depreciable Capital Assets		2,506,566
Depreciable Capital Assets, Net of Depreciation		5,978,121
Total Noncurrent Assets		9,009,553
Deferred Outflow of Resources		479,363
TOTAL ASSETS & DEFERRED OUTFLOW OF RESOURCES	**$**	**10,585,528**
LIABILITIES		
Current Liabilities		
Accounts Payable	$	94,736
Accrued Wages & Payroll Taxes		60,262
Tenant Security Deposits		77,969
Accrued Compensated Absences, Current Portion		17,567
Accrued Intergovernmental Payable		227,476
Unearned Revenue		28,916
Lease Liability, Current Portion		9,850
Other Current Liabilities		100,141
Long-Term Debt, Current Portion		232,362
Total Current Liabilities		849,279
Noncurrent Liabilities		
Lease Liability, Net of Current Portion		27,557
Other Non-Current Liabilities		376,432
Net Pension Liability		1,785,467
Accrued Compensated Absences, Net of Current Portion		75,876
Long-Term Debt, Net of Current Portion		1,351,285
Total Noncurrent Liabilities		3,616,617
TOTAL LIABILITIES		4,465,896
Deferred Inflow of Resources		133,603
NET POSITION		
Net Investment in Capital Assets		7,072,684
Restricted Net Position		471,969
Unrestricted Net Position		(1,558,624)
TOTAL NET POSITION		5,986,029
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, & NET POSITION	**$**	**10,585,528**

See accompanying notes to the financial statements.

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

Operating Revenue		
Government Operating Subsidies and Grants	$	6,960,574
Tenant Revenue		1,362,682
Other Income		462,122
Total Operating Revenue		8,785,378
Operating Expenses		
Administration		1,872,723
Utilities		500,800
Maintenance		1,083,183
General		303,532
Housing Assistance Payments		4,938,773
Depreciation		632,219
Total Operating Expenses		9,331,230
Net Operating Income (Loss)		(545,852)
Nonoperating Revenues/(Expenses)		
Investment Income - Unrestricted		2,457
Investment Income - Restricted		187
Interest Expense		(62,431)
Gain (Loss) on Disposal of Assets		(14,022)
Total Nonoperating Revenues/(Expenses)		(73,809)
Excess of Revenue Over(Under) Expenses before Capital Grants		(619,661)
Capital Grants		645,170
Change in Net Position		25,509
Total Net Position - Beginning of Year		5,960,520
Total Net Position - Ending	**$**	**5,986,029**

See accompanying notes to the financial statements.

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

Cash Flows from Operating Activities		
Receipts from Operating Grants	$	6,963,882
Receipts from Residents		1,366,919
Other Receipts		416,314
Payments for Housing Assistance		(4,938,773)
Payments for Administrative Expenses		(1,731,115)
Payments for General Expenses		(1,985,876)
Net Cash Provided (Used) by Operating Activities		91,351
Cash Flows from Capital and Related Financing Activities		
Property and Equipment Additions		(788,871)
Gain (Loss) on Sale of Assets		13,000
Long-Term Debt Incurred		134,253
Payments on Long-Term Debt		(73,602)
Interest Paid on Long-Term Debt		(61,632)
Capital Grant Funds Received		645,170
Net Cash Provided (Used) by Capital and Related Financing Activities		(131,682)
Cash Flows from Investing Activities		
Investment Income		2,644
Net Cash Provided from Investing Activities		2,644
Net Increase (Decrease) in Cash		(37,687)
Cash and Cash Equivalents at Beginning of Year		873,233
Cash and Cash Equivalents at End of Year	$	835,546
Reconciliation of Net Operating Income to Net Cash Provided (Used) by Operating Activities		
Net Operating Income (Loss)	$	(545,852)
Adjustments to Reconcile Net Income to Net Cash:		
Provided by Operating Activities:		
Depreciation		632,219
(Increase) Decrease in:		
Accounts Receivable		(45,619)
Inventory		6,154
Other Non-Current Assets		(99,163)
Deferred Outflows		326,952
Prepaid Expenses		87,472
Increase (Decrease) in:		
Accounts Payable		1,609
Accrued Wages and Benefits Payable		3,233
Unearned Revenue		(212,050)
Compensated Absences		39,849
Other Liabilities		22,924
Intergovernmental Payable		84,611
Accrued Pension & OPEB Liabilities		(330,957)
Deferred Inflows		54,229
Tenant Security Deposits		7,356
Other Non-Current Liabilities		58,384
Net Cash provided (Used) by Operating Activities	$	91,351

See accompanying notes to the financial statements.

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Organization and Reporting Entity

The Wayne Metropolitan Housing Authority (the Authority) was created under the Ohio Revised Code Section 3735.27 to engage in the acquisition, development leasing, and administration of a low-rent housing program. An Annual Contributions Contract (ACC) was signed by the Authority and the U.S. Department of Housing and Urban Development (HUD) under the provisions of the United States Housing Act of 1937 (42 U.S.C. 1437) Section 1.1. The Authority was also created in accordance with state law to eliminate housing conditions which are detrimental to the public peace, health, safety, morals, or welfare by purchasing, acquiring, constructing, maintaining, operating, improving, extending, and repairing housing facilities.

The nucleus of the financial reporting entity as defined by the Governmental Accounting Standards Board (GASB) Statement No. 61 is the "primary government". A fundamental characteristic of a primary government is that it is a fiscally independent entity. In evaluating how to define the financial reporting entity, management has considered all potential component units. A component unit is a legally separate entity for which the primary government is financially accountable. The criteria of financial accountability are the ability of the primary government to impose its will upon the potential component unit. These criteria were considered in determining the reporting entity. The Authority has no component units based on the above considerations.

Basis of Presentation

The financial statements of the Authority have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The Authority has elected under GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, the Authority follows GASB guidance as applicable to enterprise funds.

The Authority's basic financial statements consist of a statement of net position, a statement of revenues and expenses, changes in net position, and a statement of cash flows.

The Authority uses a single enterprise fund to maintain its financial records on an accrual basis. 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 assets, 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.

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

Measurement Focus and Basis of Accounting

The enterprise fund is accounted for on a flow of economic resources measurement focus and the accrual basis of accounting. All assets and all liabilities associated with the operation of the Authority are included on the statement of net assets. The statement of changes in net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the Authority finances and meets the cash flow needs of its enterprise activity.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority's enterprise fund are charges to tenants for rent and operating subsidies from HUD. Operating expenses for the enterprise fund include the costs of facility maintenance, housing assistance payments, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles 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

The Authority considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased, and certificate of deposits regardless of maturity, to be cash equivalents.

Capital Assets

Capital assets are recorded at cost. Costs that materially add to the productive capacity or extend the life of an asset are capitalized while maintenance and repair costs are expensed as incurred. Depreciation is computed on the straight-line method based on the following estimated useful lives:

Buildings	30 years
Building Improvements	15 years
Land Improvements	15 years
Equipment	5 years
Autos	5 years
Computers	5 years

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

Capitalization of Interest
The Authority's policy is not to capitalize interest related to the construction or purchase of capital assets.

Investments
Investments are stated at fair value. Cost based measures of fair value were applied to nonnegotiable certificates of deposit and money market investments.

Compensated Absences
The Authority accounts for compensated absences in accordance with GASB Statement No. 101. Sick leave, vacation leave, and other compensated absences with similar characteristics are accrued as a liability as the benefits are earned by the employees if both the following conditions are met: 1) The employees' rights to receive compensation are attributable to services already rendered and are not contingent on a specific event that is outside the control of the employer and employee, 2) It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement. Vacation and sick leave policies are established by the Board of Commissioners. In the proprietary fund, the compensated absences are expensed when earned with the amount reported as a liability.

In the proprietary fund, the compensated absences are expensed when earned with the amount reported as a liability. Information regarding compensated absences is detailed in Note 8.

Deferred Outflows and Inflows of Resources
In addition to assets, the statement of financial position will sometimes report 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 other postemployment benefits (OPEB). The deferred outflows of resources related to pension/OPEB are explained in Notes 6 and 7.

In addition to liabilities, the statements of financial position report 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 as an inflow or resources (revenue) until that time. For the Authority, deferred inflows of resources include pension, OPEB and grants. Deferred inflows of resources related to pension, OPEB and grants are reported on the Statement of Net Position.

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

Pensions and Other Post-Employment Benefits (OPEB)
For purposes of measuring the net pension/OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the defined benefit retirement plans discussed in Notes 6 and 7 and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 2: **DEPOSITS AND INVESTMENTS**

Cash on Hand
At December 31, 2025, the carrying amount of the Authority's deposits was $835,546 (including $624,568 of restricted funds, and $100 of petty cash).

At December 31, 2025, the bank balance of the Authority's cash deposits was $874,001. Based on criteria described in GASB Statement No. 40, Deposits and Investments Risk Disclosures, as of December 31, 2024, deposits totaling $415,868 were covered by Federal Depository Insurance and deposits totaling $458,133 were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Authority's name.

Custodial credit is the risk that, in the event of a bank failure, the Authority's deposits may not be returned. The Authority's policy is to place deposits with major local banks approved by the Board. Multiple financial institution collateral pools that insure public deposits must maintain collateral in excess of 105 percent of deposits. All deposits, except for deposits held by fiscal and escrow agents, are collateralized with eligible securities in amounts equal to at least 105 percent of the carrying value of the deposits. Such collateral, as permitted by Chapter 135 of the Ohio Revised Code, is held in financial institution pools at Federal Reserve banks, or at member banks of the Federal Reserve system in the name of the respective depository bank, and pledged as a pool of collateral against all of the public deposits it holds, or as specific collateral held at a Federal Reserve bank in the name of the Authority.

Investments
The Authority has a formal investment policy. The Authority follows GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, and records all its investments at fair value. At December 31, 2025, the Authority had no investments.

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

Interest Rate Risk
As a means of limiting its exposure to fair value of losses caused by rising interest rates, the Authority's investment policy requires that operating funds be invested primarily in short-term investments maturing within 2 years from the date of purchase and that its investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity.

Credit Risk
The credit risks of the Authority's investments are in the table below. The Authority has no investment policy that would further limit its investment choices.

Custodial Credit Risk
For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the controller or qualified trustee.

Concentration of Credit Risk
The Authority places no limit on the amount it may invest in any one insurer. The Authority's deposits in financial institutions represent 100 percent of its deposits.

Cash and investments at year-end were as follows:

Cash and Investment Type	Fair Value	Investment Maturities (≤ 1 Year)
Carrying Amount of Deposits	$ 835,446	$ 835,446
Petty Cash	100	100
Totals	$ 835,546	$ 835,546

(This space left intentionally blank.)

NOTE 3: **RESTRICTED CASH**

The restricted cash balance of $624,568 on the financial statements represents the following:

Excess cash advanced to the Housing Choice Voucher Program by HUD for Housing Assistance Payments	$ 120,671
Tenant Security Deposits	77,969
FSS Escrow Funds	247,845
Reserve for Replacement and Mortgage Sinking Funds	105,035
Cash Reserved for Payment of Current Construction Costs	73,048
Total Restricted Cash	$ 624,568

NOTE 4: **CAPITAL ASSETS**

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

	Balance 12/31/2024	Reclasses	Additions	Deletions	Rounding	Balance 12/31/2025
Capital Assets Not Being Depreciated						
Land	$ 2,357,513	$ -	$ -	$ -	$ -	$ 2,357,513
Construction in Progress	381,141	(887,783)	827,412	(171,718)	1	149,053
Total Capital Assets Not Being Depreciated	2,738,654	(887,783)	827,412	(171,718)	1	2,506,566
Capital Assets Being Depreciated						
Buildings and Improvements	23,024,884	781,893	120,175	(226,336)	2	23,700,618
Furniture, Equipment, and Machinery - Dwelling	198,608	-	-	-	(1)	198,607
Furniture, Equipment, and Machinery - Admin	774,648	105,890	13,000	(65,478)	-	828,060
Right-Of-Use Assets	52,770	-	-	-	-	52,770
Subtotal Capital Assets Being Depreciated	24,050,910	887,783	133,175	(291,814)	1	24,780,055
Accumulated Depreciation & Amortization						
Buildings and Improvements	(17,550,533)	-	(549,124)	199,314	(1)	(17,900,344)
Furniture and Equipment - Dwelling	(192,110)	-	(3,036)	-	-	(195,146)
Furniture and Equipment - Admin	(641,173)	-	(77,979)	65,478		(653,674)
Right-Of-Use Assets Amortization	(1,640)	-	(2,078)	-	(1)	(3,719)
Subtotal Accumulated Depreciation & Amortization	(18,385,456)	-	(632,217)	264,792	(2)	(18,752,883)
Capital Assets Being Depreciated, Net	5,665,454	887,783	(499,042)	(27,022)	(1)	6,027,172
Total Capital Assets, Net	$ 8,404,108	$ -	$ 328,370	$ (198,740)	$ -	$ 8,533,738

NOTE 5: RESTRICTED NET ASSETS

The Authority's restricted net assets are as follows:

Section 8 Housing Choice Voucher funds provided for Housing Assistance Payments in excess of the amounts used	$ 120,671
Unspent loan proceeds for capital improvements	73,048
Reserve for Replacement and Mortgage Sinking Funds	105,035
Net OPEB Asset	173,215
Total Restricted Net Assets	$ 471,969

NOTE 6: DEFINED BENEFIT PENSION PLAN

Net Pension Liability (Asset)/Net OPEB Liability (Asset)

Pensions and OPEB 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 net pension/OPEB liability (asset) represents the Authority's proportionate share of each pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan's fiduciary net position. The net pension/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 this estimate annually.

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

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset).

NOTE 6: **DEFINED BENEFIT PENSION PLAN** (Continued)

Net Pension Liability (Asset)/Net OPEB Liability (Asset) (Continued)
Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio Revised Code permits but does not require the retirement systems to provide healthcare to eligible benefit recipients.

The remainder of this note includes the pension disclosures. See Note 7 for the OPEB disclosures.

Plan Description – Ohio Public Employees Retirement System
The Authority participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Effective January 1, 2022, new members may no longer select the Combined Plan, and current members may no longer make a plan change to this plan. In October 2023, the legislature approved House Bill (HB) 33 which allows for the consolidation of the combined plan with the traditional plan with the timing of the consolidation at the discretion of OPERS. As of December 31, 2023, the consolidation has not been executed. (The latest information available.) Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

Pension Benefits
OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. 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 were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS' CAFR referenced above for additional information, including requirements for reduced and unreduced benefits):

NOTE 6: **DEFINED BENEFIT PENSION PLAN** (Continued)

Pension Benefits (Continued)

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 57 with 25 years of service credit or Age 62 with 5 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 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 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 Formula:** 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35

Traditional plan state and local 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 amount of a member’s pension benefit vests at retirement.

Combined plan members retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit.

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.

When a traditional plan benefit recipient has received benefits for 12 months, current law provides for an annual cost of living adjustment (COLA). This COLA is calculated on the member’s original base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment of the defined benefit portion of their pension benefit. For those retiring prior to January 7, 2013, the COLA is 3 percent. For those retiring on or after January 7, 2013, beginning in calendar year 2019, the COLA is based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

NOTE 6: **DEFINED BENEFIT PENSION PLAN** (Continued)

Pension Benefits (Continued)

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (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 Ohio Revised Code provides statutory authority for member and employer contributions. For the fiscal year ended December 31, 2025, the contribution rate for members in the state and local classification remained 10 percent. The Authority's contribution rate for members in state and local classifications for the fiscal year ended December 31, 2025 was 14.0 percent. State statute sets a maximum contribution rate for the Authority of 14.0 percent.

The Authority's contractually required contribution to OPERS was $200,481 for the traditional for fiscal year 2025. The entire contribution has been made.

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

The net pension liability reported as of December 31, 2025 was measured as of December 31, 2024 for OPERS, 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 contribution of all participating entities. Following is information related to the proportionate share and pension expense:

NOTE 6: **DEFINED BENEFIT PENSION PLAN** (Continued)

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

	OPERS Traditional
Proportionate Share of the Net Pension Liability (Asset)	$ 1,785,467
Proportion of the Net Pension Liability (Asset) - Prior Year	0.008084%
Proportion of the Net Pension Liability (Asset) - Current Year	0.007283%
Change in Proportion	-0.000801%
Pension Expense (Gain)	$ 209,509

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
Deferred Outflows of Resources:	
Differences between expected and actual economic experience	$ 34,162
Differences between projected and actual investment earnings	$ 210,631
Changes in proportion	$ 24,750
Contributions subsequent to the measurement date	$ 200,481
Total	$ 470,024

	OPERS Traditional
Deferred Inflows of Resources:	
Changes in proportion	$ 98,054
Total	$ 98,054

NOTE 6: **DEFINED BENEFIT PENSION PLAN** (Continued)

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

$200,481 reported as deferred outflows of resources related to pension resulting from the Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS Traditional
Fiscal Year Ending September 30:	
2026	$ 82,147
2027	197,073
2028	(81,268)
2029	(26,463)
Thereafter	-
	$ 171,489

Actuarial Assumptions – OPERS

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

Projections of benefits for financial-reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2023, using the following key actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 67:

	OPERS Traditional Plan
Wage Inflation	2.75 percent
Future Salary Increases, including inflation	2.75-10.75 percent, including wage inflation
C.O.L.A. or Ad-Hoc C.O.L.A.:	
Pre-January 7, 2013 Retirees	3.0 percent, simple
Post-January 7, 2013 Retirees (Current Year)	2.3 percent, simple through 2025, then 2.05 percent, simple
Post-January 7, 2013 Retirees (Prior Year)	3.0 percent, simple through 2024, then 2.05 percent, simple
Investment Rate of Return	6.9 percent
Actuarial Cost Method	Individual Entry Age

NOTE 6: **DEFINED BENEFIT PENSION PLAN** (Continued)

Actuarial Assumptions – OPERS (Continued)
Pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all 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 Defined Contribution portfolio and the Health Care portfolio. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is 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 Defined Benefit portfolio was a gain of 8.8 percent for 2024.

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of 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:

NOTE 6: **DEFINED BENEFIT PENSION PLAN** (Continued)

Actuarial Assumptions – OPERS (Continued)

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%	

Sensitivity of The Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

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

	1% Decrease (5.9%)	Current Discount Rate (6.9%)	1% Increase (7.9%)
Authority's proportionate share of the net pension liability (asset) - Traditional	$2,920,920	$1,785,467	$841,915

NOTE 7: **DEFINED BENEFIT OPEB PLANS**

Net Other Postemployment Benefits (OPEB) Liability (Asset)

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

The net OPEB liability (asset) represents the Authority's proportionate share of each OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan's fiduciary net position. The net OPEB liability

NOTE 7: **DEFINED BENEFIT OPEB PLANS** (Continued)

Net Other Postemployment Benefits (OPEB) Liability (Asset) (Continued)
(asset) calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

Ohio Revised Code limits the Authority's obligation for this liability to annually required payments. The Authority cannot control benefit terms or the manner in which OPEB are financed; however, the Authority does receive the benefit of employees' services in exchange for compensation including OPEB. GASB 75 assumes the liability/asset is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability (asset). Resulting adjustments to the net OPEB liability (asset) would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. The proportionate share of each plan's unfunded benefits is presented as a long-term net OPEB liability (asset) on the accrual basis of accounting.

Ohio Public Employees Retirement System
Plan Description – The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust. The 115 Health Care Trust (115 Trust or Health Care Trust) was established in 2014, under Section 115 of the Internal Revenue Code (IRC). The purpose of the 115 Trust is to fund health care for the Traditional Pension, Combined and Member-Directed plans. 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. Retirees in the Traditional Pension and Combined plans may have an allowance deposited into a health reimbursement arrangement (HRA) account to be used toward the health care program of their choice and other eligible expenses. An OPERS vendor is available to assist with the selection of a health care program.

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.

NOTE 7: **DEFINED BENEFIT OPEB PLANS** (Continued)

Ohio Public Employees Retirement System (Continued)
OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents.

OPERS members enrolled in the Traditional Pension Plan or Combined 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:

Age 65 or Older Retirees Minimum of 20 years of qualifying service credit

Age 60 to 64 Retirees Based on the following age-and-service criteria:

Group A 30 years of total service with at least 20 years of qualified health care service credit;

Group B 31 years of total service credit with at least 20 years of qualified health care service credit; or

Group C 32 years of total service cred with at least 20 years of qualified health care service credit.

Age 59 or Younger Retirees Based on the following age-and-service criteria:

Group A 30 years of qualified health care service credit;

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

Group C 32 years of qualified health care service credit and at least age 55.

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:

NOTE 7: **DEFINED BENEFIT OPEB PLANS** (Continued)

Ohio Public Employees Retirement System (Continued)

Group A	Group B	Group C
Age and Service Requirements:	**Age and Service Requirements:**	**Age and Service Requirements:**
December 1, 2014 or Prior	**December 1, 2014 or Prior**	**December 1, 2014 or Prior**
Any Age with 10 years of service credit	Any Age with 10 years of service credit	Any Age with 10 years of service credit
January 1, 2015 through December 31, 2021	**January 1, 2015 through December 31, 2021**	**January 1, 2015 through December 31, 2021**
Age 60 with 20 years of service credit or Any Age with 30 years of service credit	Age 52 with 31 years of service credit or Age 60 with 20 years of service credit or Any Age with 32 years of service credit	Age 55 with 32 years of service credit or Age 60 with 20 years of service credit

See the Age and Service Retirement section of the OPERS ACFR for a description of Groups A, B and C.

Eligible retirees may receive a monthly HRA allowance for reimbursement of health care coverage premiums and other qualified medical expenses. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are provided to eligible retirees, and are deposited into their HRA account.

The base allowance is determined by OPERS and is currently $1,200 per month for non-Medicare retirees and $350 per month for Medicare retirees. The retiree receives a percentage of the base allowance, calculated based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care. Monthly allowances range between 51 percent and 90 percent of the base allowance for both non-Medicare and Medicare retirees.

Retirees will have access to the OPERS Connector, which is a relationship with a vendor selected by OPERS to assist retirees participating in the health care program. The OPERS Connector may assist retirees in selecting and enrolling in the appropriate health care plan.

When members become Medicare-eligible, recipients enrolled in OPERS health care programs must enroll in Medicare Part A (hospitalization) and Medicare Part B (medical).

OPERS reimburses retirees who are not eligible for premium-free Medicare Part A (hospitalization) for their Part A premiums as well as any applicable surcharges (late-enrollment fees). Retirees within this group must enroll in Medicare Part A and select medical coverage, and may select prescription coverage, through the OPERS Connector. OPERS also will reimburse 50 percent of the Medicare Part A premium and any applicable surcharges for eligible spouses. Proof of enrollment in Medicare Part A and confirmation that the retiree is not receiving reimbursement or payment from another source must be submitted. The premium reimbursement is added to the monthly pension benefit.

NOTE 7: **DEFINED BENEFIT OPEB PLANS** (Continued)

Ohio Public Employees Retirement System (Continued)
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). Members who elect the Member-Directed Plan after July 1, 2015, will vest in the RMA over 15 years at a rate of 10 percent each year starting with the sixth year of participation. Members who elected the Member-Directed Plan prior to July 1, 2015, vest in the RMA over a five-year period at a rate of 20 percent per year. Upon separation or retirement, participants may use vested RMA funds for reimbursement of qualified medical expenses.

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 allowing 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. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. For fiscal year 2025, state and local employers contributed at a rate of 14.0 percent of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2025, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan. Beginning July 1, 2022, there was a two percent allocation to health care for the Combined Plan which has continued through 2025. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2025 was 4.0 percent. Effective July 1, 2022, a portion of the health care rate was funded with reserves which has continued through 2025.

NOTE 7: **DEFINED BENEFIT OPEB PLANS** (Continued)

Funding Policy (Continued)
Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Authority's contractually required contribution was $0 for 2025.

Net Other Post Employment Benefit (OPEB) Liability (Asset), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Liability (Asset)
The net OPEB liability 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 liability (asset) was based on the Authority's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	OPERS
Proportionate Share of the Net OPEB Liability (Asset)	$ (173,215)
Proportion of the Net OPEB Liability (Asset) - Prior Year	0.008205%
Proportion of the Net OPEB Liability (Asset) - Current Year	0.007389%
Change in Proportionate Share	-0.000816%
OPEB Expense (Gain)	$ (57,967)

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:	
Differences between projected and actual investment earnings	$ 3,567
Changes in proportion	5,772
Total	$ 9,339
Deferred Inflows of Resources:	
Differences between expected and actual economic experience	$ 8,431
Changes of assumptions	24,994
Changes of proportions	2,124
Total	$ 35,549

There were no Authority contributions subsequent to the measurement date for OPEB.

NOTE 7: **DEFINED BENEFIT OPEB PLANS** (Continued)

Net Other Post Employment Benefit (OPEB) Liability (Asset), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Liability (Asset) (Continued)

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

Fiscal Year Ending December 31:	OPERS Traditional
2026	$ (16,255)
2027	18,276
2028	(20,878)
2029	(7,353)
	$ (26,210)

Actuarial Assumptions – OPERS

Actuarial valuations of an ongoing plan involve estimates of the value 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 (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between the System and plan members. The actuarial valuation used the following key actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	2.75 percent
Projected Salary Increases	2.75 to 10.75 percent including wage inflation at 2.75%
Single Discount Rate	6.00 percent
Prior-Year Discount Rate	5.70 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate	4.08 percent
Prior Year Municipal Bond Rate	3.77 percent
Health Care Cost Trend Rate	5.5 percent, initial 3.50 percent ultimate in 2039
Actuarial Cost Method	Individual Entry Age

NOTE 7: **DEFINED BENEFIT OPEB PLANS** (Continued)

Actuarial Assumptions – OPERS (Continued)

Pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all 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 Defined Contribution portfolio and the Health Care portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is 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 percent for 2024.

The allocation of investment assets within the Health Care portfolio is approved by the Board 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 benefits provided through the defined benefit 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 rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Health Care portfolio's target asset allocation as of December 31, 2024, these best estimates are summarized in the following table:

NOTE 7: **DEFINED BENEFIT OPEB PLANS** (Continued)

Actuarial Assumptions – OPERS (Continued)

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%	

Discount Rate

A single discount rate of 6.00 percent was used to measure the total OPEB liability on the measurement date of December 31, 2024; however, the single discount rate used at the beginning of the year was 5.70 percent. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on the actuarial assumed rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 4.08 percent. (Fidelity Index's "20-Year Municipal GO AA Index") The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2124. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2124, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the Authority's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates

The following table presents the Authority's proportionate share of the net OPEB liability calculated using the single discount rate of 6.00 percent, 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 one-percentage-point lower 5.00 percent) or one-percentage-point higher (7.00 percent) than the current rate:

NOTE 7: **DEFINED BENEFIT OPEB PLANS** (Continued)

Sensitivity of the Authority's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates (Continued)

	1% Decrease (5.00 %)	Current Discount Rate (6.00%)	1% Increase (7.00%)
Authority's proportionate share of the net OPEB liability (asset)	$ (86,008)	$ (173,215)	$ (245,980)

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

Retiree health care valuations use a health care cost trend assumption with changes over several years built into that assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2024 is 5.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health care cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
Authority's proportionate share of the net OPEB liability (asset)	$ (175,858)	$ (173,215)	$ (170,243)

NOTE 8: **COMPENSATED ABSENCES**

Vacation and sick leave policies are established by the Board of Commissioners based on local and state laws.

All permanent employees will earn 15 days sick leave per year of service. Unused sick leave may be accumulated without limit. At the time of separation, employees receive payment for up to thirty (30) days of unused sick leave. All permanent employees will earn vacation hours accumulated based on length of service. Vacation shall not be accrued for a period longer than two (2) years. Any vacation accrued in excess of two (2) years shall be forfeited.

At December 31, 2025, based on the vesting method, $93,443 was accrued by the Authority for unused vacation and sick time. The current portion is $17,567 and the long-term portion is $75,876.

NOTE 9: **INSURANCE**

The Authority is covered for property damage, general liability, automobile liability, law enforcement liability, public officials' liability, and other crime liabilities through membership in the State Housing Authority Risk Pool Association, Inc. (SHARP). SHARP is an insurance risk pool comprised of forty (40) Ohio housing authorities, of which the Authority is one. Deductibles and coverage limits are summarized below:

Type of Coverage	Coverage Deductible	Coverage Limits
Property	$1,500	$250,000,000 (Per Occurrence)
Boiler and Machinery	1,000	50,000,000
General Liability	0	6,000,000
Automobile Liability	500/0	ACV/6,000,000
Law Enforcement	0	6,000,000
Public Officials	0	6,000,000
Crime	500	1,000,000

Additionally, Workers' Compensation insurance is maintained through the State of Ohio Bureau of Workers' Compensation, in which rates are calculated retrospectively. The Authority is also fully insured through a premium payment plan with Cigna Healthcare for employee health care benefits. Settled claims have not exceeded the Authority's insurance in any of the past three years.

NOTE 10: **LONG-TERM DEBT**

As of December 31, 2025 the Authority's long-term debt is as follows:

	Balance at 12/31/2025
Loan payable to Commercial & Savings Bank to consolidate existing loans for the acquisition of 2 properties from the former Home Place Housing Corporation, and for the purchase and renovation of the property located at 224 East South Street, Shreve. The interest rate on this debt is at an adjustable rate of 6.71% for 15 years. Total amount borrowed for the financing was $209,409.	87,969
Mortgage Revenue Bond dated July 26, 2002 in the amount of $50,000, due in July 2032; interest rate 4.75% with an annual payment of principal and interest due July 1. Proceeds of the bond were used to purchase the property located at 1401 Moreland Road.	18,500
Mortgage Revenue Bond dated February 24, 2003 in the amount of $55,000, due in February 2033; interest rate of 4.625% with an annual payment of principal and interest due February 1. Proceeds of the bond were used to purchase a property located at 1701 Westwood Circle.	22,500
Mortgage Revenue Bond dated July 26, 2002 in the amount of $50,000 due in July 2032; interest rate 4.75% with an annual payment of principal and interest due July 1 of each year. Bond proceeds were used to purchase a property located at 617-619 Jefferson Avenue, Orrville.	18,500
The PHA entered into a contractual agreement with Ohio Department of Developmental Disabilities in June 2011 where the Authority received a grant for $9,250 to be used for renovations to the property located at 138 North Millborne Road. The grant has a restriction that the property shall be used as a residential facility for DD clients for a period of 15 years. In the event of violation of this restriction, the Authority shall pay back the amount equal to the grant amount less the prorated amount of number of months used by DD clients.	257
The PHA entered into a contractual agreement with Ohio Department of Mental Health in June 2012, where the Authority assumed the remaining forgivable loan balance from the former Home Place Housing Corporation. The original loan was dated April 1989 in the amount of $634,000 at 0% interest. The loan has a restriction that the properties shall be used for approved mental health purposes for a period of 40 years. In the event of violation of this restriction, the Authority shall pay back the amount equal to the grant amount less the prorated amount of number of months used.	51,111

NOTE 10: **LONG-TERM DEBT** (Continued)

	Balance at 12/31/2025
Loan payable to USDA Rural Development to finance the purchase of property located at 208 East South Street, Shreve. The total amount borrowed for this financing was $740,000 at a fixed rate of 3.25% over 50 years. USDA Rural Development subsidizes a portion of the interest for the first 30 years, and the Authority pays an effective interest rate of 1%.	638,089
Loan payable to Commercial & Savings Bank for the purchase of property located at 111 South Main Street, Rittman. The interest rate on this debt is at a fixed rate of 4.5% for 15 years. Total amount borrowed for the financing was $64,811.	31,593
Loan payable to Commercial & Savings Bank for the consolidation of construction debt for property located at 346 East Bowman Street, Wooster. The interest rate on this debt is at a fixed rate of 4.0% for 20 years. Total amount borrowed for the financing was $332,100.	282,111
Loan payable to Commercial & Savings Bank for the renovation and rehabilitation of 5 properties of the former Home Place Housing Corporation. The interest rate on this debt is at an adjustable rate of 4.0% for 20 years. Total amount borrowed for the financing was $275,000.	273,017
Revolving line of credit balance payable to Commercial & Savings Bank to assist with the operations of the Central Office Cost Center. The amount borrowed is $160,000 with an adjustable interest rate of 7.00%.	160,000
Lease payable to Perry ProTech for the leasing of copiers, printers, and other office equipment in the Authority's main office. The discount rate of this lease is 5% per year with a lease liability of $52,770.	37,407
Total Outstanding Debt	$1,621,054
Less Current Portion	(242,212)
Total Long-Term Debt	$1,378,842

NOTE 10: **LONG-TERM DEBT** (Continued)

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

Description	Balance 12/31/2024	Issued	Retired	Balance 12/31/2025	Current Portion
Loans Payable	$ 1,362,996	$ 134,253	$ (73,602)	$ 1,423,647	$ 72,362
Leases Payable	$ 46,778	$ -	$ (9,371)	$ 37,407	$ 9,850
Line Of Credit*	$ 160,000	$ -	$ -	$ 160,000	$ 160,000
Compensated Absences	$ 53,594	$ 293,975	$ (254,126)	$ 93,443	$ 17,567
Net Pension Liability	$ 2,116,424	$ -	$ (330,957)	$ 1,785,467	$ -
Total	$ 3,739,792	$ 428,228	$ (668,056)	$ 3,499,964	$ 259,779

*Unsecured line of credit was used at year-end for operating cash flow purposes. It is considered all current debt and will be fully repaid in the following period.

Maturities of the debt over the next five years are as follows:

For the Year Ended December 31,	Principal	Interest	Total Payments
2026	242,212	46,915	289,127
2027	84,850	44,744	129,594
2028	88,516	41,792	130,308
2029	75,058	38,708	113,766
2030	68,441	35,479	103,920
2031-2035	228,627	144,078	372,705
2036-2040	253,619	90,875	344,494
2041-2045	201,604	86,955	288,559
2046-2050	95,923	53,992	149,915
2051-2055	112,823	37,092	149,915
2056-2060	132,702	17,213	149,915
2061-2065	36,679	800	37,479
TOTAL	$ 1,621,054	$ 638,643	$ 2,259,697

NOTE 11: **CONSTRUCTION AND OTHER COMMITMENTS**

The Authority had no material construction commitments at December 31, 2025.

NOTE 12: **INTERPROGRAM RECEIVABLES/PAYABLES**

The Authority had the following inter-program receivable or payable balances at December 31, 2025:

Program/Project	Due From	Due To
Central Office Cost Center	18,806	-
Business Activities	47,503	
State & Local		(32,748)
14.850 Low Income Public Housing	224,986	
14.195 Section 8 HAP Special Allocations		(60,566)
10.427 Rural Rental Assistance Program	-	(197,981)
TOTAL	$ 291,295	$ (291,295)

These amounts represent funds that are owed from various programs to each other as a result of the movement of money between bank accounts, the timing of the payment of invoices, and other such purposes to support operations as permitted.

NOTE 13: **OPERATING TRANSFER**

The Authority had the following operating transfers in 2025:

Program/Project	Transfer From	Transfer To
Capital Fund	$ 63,339	$ -
Public Housing	-	63,339
TOTAL	$ 63,339	$ 63,339

The transfer represents the operating portion of the Capital Fund Grant into the Public Housing program to fund operations as permissible by the program regulations.

NOTE 14: **CONTINGENCIES**

The Authority is party to various legal proceedings which seek damages or injunctive relief generally incidental to its operations and pending projects. The Authority's management is of the opinion that the ultimate disposition of various claims and legal proceedings will not have a material effect, if any, on the financial condition of the Authority.

The Authority has received several Federal and state grants for specific purposes which are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to grantor agencies for expenditures disallowed under the terms of the grant. Based upon prior experience, management believes such disallowances, if any, will be immaterial.

NOTE 15: ACCOUNTABILITY AND COMPLIANCE

Change in Accounting Principles

For fiscal year 2025, the Authority has implemented GASB Statement No. 102, “Certain Risk Disclosures".

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

NOTE 16: SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) presents the activity of all federal financial assistance programs of the Wayne Metropolitan Housing Authority (the Authority) For the Year Ended December 31, 2025. The Authority’s reporting entity is defined in Note 1 to the Authority’s financial statements. The information in this schedule is presented in accordance with the requirements of 2 CFR 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.

Summary of Significant Accounting Policies

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

Indirect Cost Rate

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

NOTE 16: **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS** (Continued)

Loan Programs with Continuing Compliance Requirements

The federal loan programs listed below are administered directly by the Authority, and balances and transactions relating to these programs are included in the Authority's basic financial statements. Loans outstanding at the beginning of the year and loans made during the year are included amount presented in the Schedule of Federal Awards. The balances of loans outstanding at December 31, 2025 consist of:

ALN Number	Program Name	Outstanding Balance at December 31, 2025
10.415	Rural Rental Housing Loans	$638,089

NOTE 17: **NET POSITION**

Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources.

Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by any outstanding balances of any borrowings that have been used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by Authority or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Authority applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

WAYNE METROPOLITAN HOUSING AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY/(ASSET)
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN YEARS

Traditional Plan	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Authority's proportion of the net pension liability	0.007283%	0.008084%	0.007386%	0.008290%	0.006788%	0.006945%	0.006928%	0.006647%	0.006481%	0.006637%
Authority's proportionate share of the net pension liability	$ 1,785,467	$ 2,116,424	$ 2,181,828	$ 721,264	$ 1,005,155	$ 1,372,726	$ 1,897,439	$ 1,042,785	$ 1,471,725	$ 1,149,614
Authority's covered payroll	$ 1,432,007	$ 1,385,871	$ 1,448,421	$ 1,192,679	$ 1,218,812	$ 982,915	$ 989,324	$ 935,703	$ 895,935	$ 887,850
Authority's proportionate share of the net pension liability as a percentage of its covered payroll	124.68%	152.71%	150.63%	60.47%	82.47%	139.66%	191.79%	111.33%	164.27%	139.18%
Plan fiduciary net position as a percentage of the total pension liability	80.99%	79.01%	75.74%	92.62%	86.88%	82.17%	74.70%	84.66%	77.25%	81.08%

Combined Plan	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Authority's proportion of the net pension liability (asset)	0.000000%	0.000000%	0.000000%	0.003217%	0.006626%	0.001358%	0.001417%	0.001367%	0.001105%	0.001427%
Authority's proportionate share of the net pension liability	$ -	$ -	$ -	$ (12,675)	$ (19,127)	$ (5,670)	$ -	$ (5,817)	$ (3,451)	$ (3,265)
Authority's covered payroll	$ -	$ -	$ -	$ 15,000	$ 63,941	$ 59,871	$ 55,518	$ 53,528	$ 52,306	$ 26,233
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	0.00%	0.00%	0.00%	19.82%	29.91%	9.47%	0.00%	10.87%	6.60%	13.37%
Plan fiduciary net position as a percentage of the total pension liability	140.23%	144.55%	137.14%	169.88%	157.67%	145.28%	126.64%	137.28%	116.55%	116.90%

Amounts presented as of the Authority's measurement date which is the prior fiscal year.

See notes to accompanying required supplementary information.

WAYNE METROPOLITAN HOUSING AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S PENSION CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution										
Traditional Plan	$ 200,481	$ 194,022	$ 202,779	$ 166,975	$ 146,257	$ 117,950	$ 118,719	$ 112,284	$ 107,512	$ 106,542
Combined Plan	$ -	$ -	$ -	$ 2,100	$ 7,673	$ 7,184	$ 6,662	$ 6,423	$ 6,277	$ 3,148
Total Required Contributions	$ 200,481	$ 194,022	$ 202,779	$ 169,075	$ 153,930	$ 125,134	$ 125,381	$ 118,707	$ 113,789	$ 109,690
Contributions in relation to the contractually required contribution	(200,481)	(194,022)	(202,779)	(169,075)	(153,930)	(125,134)	(125,381)	(118,707)	(113,789)	(109,690)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Authority covered-employee payroll										
Traditional Plan	$ 1,432,007	$ 1,385,871	$ 1,448,421	$ 1,192,679	$ 1,218,812	$ 982,915	$ 989,324	$ 935,703	$ 895,935	$ 887,850
Combined Plan	$ -	$ -	$ -	$ 15,000	$ 63,941	$ 59,871	$ 55,518	$ 53,528	$ 52,306	$ 26,233
Contributions as a percentage of covered payroll:										
Traditional Plan	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	13.75%	12.00%	12.00%
Combined Plan										
Pension	12.00%	12.00%	12.00%	13.00%	12.52%	12.52%	12.52%	12.52%	12.52%	12.00%
OPEB	2.00%	2.00%	2.00%	1.00%	1.49%	1.49%	1.49%	1.49%	1.49%	2.00%

See notes to accompanying required supplementary information.

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016
Authority's proportion of the net OPEB liability (asset)	0.00738900%	0.00820500%	0.00725600%	0.00822000%	0.00689500%	0.00560000%	0.00615000%	0.00669000%	0.00610000%
Authority's proportionate share of the net OPEB liability (asset)	$ (173,215)	$ (74,052)	$ 45,750	$ (257,463)	$ (122,850)	$ 773,505	$ 801,815	$ 726,485	$ 61,612
Authority's covered-employee payroll	$ 1,432,007	$ 1,385,871	$ 1,448,421	$ 1,207,679	$ 1,282,753	$ 1,042,786	$ 1,044,842	$ 989,231	$ 948,241
Authority's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	-12.10%	-5.34%	3.16%	-21.32%	-9.58%	74.18%	76.74%	73.44%	6.50%
Plan fiduciary net position as a percentage of the total OPEB liability	121.51%	107.76%	94.79%	128.23%	115.57%	47.80%	46.33%	54.14%	68.52%

(1) Information prior to 2016 is not available.
Amounts presented as of the Authority's measurement
date which is the prior fiscal year.

See notes to accompanying required supplementary information.

WAYNE METROPOLITAN HOUSING AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S OPEB CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ -	$ -	$ -	$ 150	$ 2,053	$ 15,538	$ 15,568	$ 14,740	$ 14,129	$ 18,282
Contributions in relation to the contractually required contribution	-	-	-	(150)	(2,053)	(15,538)	(15,568)	(14,740)	(14,129)	(18,282)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Authority covered-employee payroll	$ 1,432,007	$ 1,385,871	$ 1,448,421	$ 1,207,679	$ 1,282,753	$ 1,042,786	$ 1,044,842	$ 989,231	$ 948,241	$ 914,083
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.16%	0.16%	1.49%	1.49%	1.49%	1.49%	2.00%

(1) Information prior to 2016 is not available.

See notes to accompanying required supplementary information.

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in Assumptions – OPERS Pension– Traditional Plan

There was a change in assumptions for 2025-2022. There were no changes in assumptions for 2021 and 2020. Amounts reported beginning in 2019 incorporate changes in assumptions used by OPERS in calculating the total pension liability in the latest actuarial valuation. These assumptions compared with those used beginning in 2017 and in 2016 are presented below:

	2025- 2024	2023	2022
Wage Inflation	2.75 percent	2.75 percent	2.75 percent
Future Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation	2.75 to 10.75 percent including wage inflation	2.75 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA:			
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	See below	See below	See below
Investment Rate of Return	6.9 percent	6.9 percent	6.9 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age	Individual Entry Age

	2021, 2020 and 2019	2018 and 2017	2016 and prior
Wage Inflation	3.25 percent	3.25 percent	3.75 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	3.25 to 10.75 percent including wage inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA:			
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	See below	See below	See below
Investment Rate of Return	7.2 percent	7.5 percent	8 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age	Individual Entry Age

The assumptions related COLA or Ad Hoc COLA for Post-January 7, 2013 Retirees are as follows:

2025	2.9 percent, simple through 2025 then 2.05 percent, simple
2024	2.3 percent, simple through 2024 then 2.05 percent, simple
2023	3.0 percent, simple through 2023 then 2.05 percent, simple
2022	3.0 percent, simple through 2022 then 2.05 percent, simple
2021	0.5 percent, simple through 2021 then 2.15 percent, simple
2020	1.4 percent, simple through 2020 then 2.15 percent, simple
2017 through 2019	3 percent, simple through 2018 then 2.15 percent, simple
2016 and prior	3 percent, simple through 2018 then 2.80 percent, simple

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS) (Continued)

Changes in Assumptions – OPERS Pension– Traditional Plan (Continued)

Amounts reported beginning in 2022 use mortality rates 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.

Amounts reported beginning in 2017 use mortality rates based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. 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. Amounts reported for 2016 and prior use mortality rates based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

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Changes in Assumptions – OPERS OPEB

Investment Return Assumption:	
2025-2019	6 percent
2018	6.5 percent
Municipal Bond Rate:	
2025	4.08 percent
2024	3.77 percent
2023	4.05 percent
2022	1.84 percent
2021	2.00 percent
2020	2.75 percent `
2019	3.71 percent
2018	3.31 percent
Single Discount Rate:	
2025	6.00 percent
2024	5.70 percent
2023	5.22 percent
2022-2021	6.00 percent
2020	3.16 percent
2019	3.96 percent
2018	3.85 percent
Health Care Cost Trend Rate:	
2025	5.5 percent, initial
	3.5 percent, ultimate in 2039
2024	5.5 percent, initial
	3.5 percent, ultimate in 2038
2023	5.5 percent, initial
	3.5 percent, ultimate in 2036
2022	5.5 percent, initial
	3.5 percent, ultimate in 2034
2021	8.5 percent, initial
	3.5 percent, ultimate in 2035
2020	10 percent, initial
	3.5 percent, ultimate in 2030
2019	10 percent, initial
	3.25 percent, ultimate in 2029
2018	7.5 percent, initial
	3.25 percent, ultimate in 2028

WAYNE METROPOLITAN HOUSING AUTHORITY
WAYNE COUNTY, OHIO
CERTIFICATON OF ACTUAL MODERNIZATION COSTS
COMPLETED FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2025

1. Actual Modernization Costs of the Project are as follows:

	OH12P036501-22
Fund Approved	$ 614,075
Funds Expended	614,075
Excess (Deficiency) of Funds Approved	$ 0
Funds Advanced	$ 614,075
Funds Expended	614,075
Excess (Deficiency) of Funds Advanced	$ 0
	OH12E036501-24
Fund Approved	$ 213,701
Funds Expended	213,701
Excess (Deficiency) of Funds Approved	$ 0
Funds Advanced	$ 213,701
Funds Expended	213,701
Excess (Deficiency) of Funds Advanced	$ 0

2. All modernization work in connection with the Project has been completed.

3. All modernization costs have been paid and all related liabilities have been discharged through payment.

4. There are no discharged mechanics, laborers, contractors, or material-mens liens against such modernization work on file in any public office where the same should be filed in order to be valid against such modernization work.

Wayne Metropolitan Housing Authority (OH036)
Wooster, OH
Entity Wide Balance Sheet Summary
Fiscal Year End: 12/31/2025

	Project Total	14.896 PIH Family Self-Sufficiency Program	1 Business Activities	2 State/ Local	10.415 Rural Rental Housing Loans	14.195 Section 8 Housing Assistance Payments Program Special Allocations	14.871 Housing Choice Vouchers	10.427 Rural Rental Assistance Payments	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	$129,989						$80,889		$100	$210,978		$210,978
112 Cash - Restricted - Modernization and Development												
113 Cash - Other Restricted		$247,845	$21,430		$83,605		$120,671			$473,551		$473,551
114 Cash - Tenant Security Deposits	$39,010		$4,996	$9,559		$4,778		$19,626		$77,969		$77,969
115 Cash - Restricted for Payment of Current Liabilities				$73,048						$73,048		$73,048
100 Total Cash	$168,999	$247,845	$26,426	$82,607	$83,605	$4,778	$201,560	$19,626	$100	$835,546	$0	$835,546
124 Accounts Receivable - Other Government			$1,935							$1,935		$1,935
125 Accounts Receivable - Miscellaneous			$19,291	$10,000			$1,187		$64,825	$95,303		$95,303
126 Accounts Receivable - Tenants	$17,386		$1,031	$4,070		$5,107		$4,317		$31,911		$31,911
126.1 Allowance for Doubtful Accounts -Tenants	-$10,951		-$437	-$3,123		-$3,965		-$3,043		-$21,519		-$21,519
128 Fraud Recovery	$96,179		$3,467	$13,044		$2,850	$407,823	$2,434		$525,797		$525,797
128.1 Allowance for Doubtful Accounts - Fraud	-$85,593		-$3,293	-$12,392		-$2,708	-$398,521	-$1,698		-$504,205		-$504,205
129 Accrued Interest Receivable												
120 Total Receivables, Net of Allowances for Doubtful Accounts	$17,021	$0	$21,994	$11,599	$0	$1,284	$10,489	$2,010	$64,825	$129,222	$0	$129,222
142 Prepaid Expenses and Other Assets	$47,463		$8,967	$7,720		$5,794	$7,800	$8,540	$8,281	$94,565		$94,565
143 Inventories			$642						$36,637	$37,279		$37,279
143.1 Allowance for Obsolete Inventories			$0						$0	$0		$0
144 Inter Program Due From	$224,986		$47,503						$18,806	$291,295	-$291,295	$0
150 Total Current Assets	$458,469	$247,845	$105,532	$101,926	$83,605	$11,856	$219,849	$30,176	$128,649	$1,387,907	-$291,295	$1,096,612
161 Land	$1,394,687		$344,074	$255,170	$65,690	$160,422			$137,470	$2,357,513		$2,357,513
162 Buildings	$15,844,481		$2,283,663	$1,408,185	$949,925	$1,435,740			$1,778,624	$23,700,618		$23,700,618
163 Furniture, Equipment & Machinery - Dwellings	$160,856			$14,160	$23,591					$198,607		$198,607
164 Furniture, Equipment & Machinery - Administration	$566,458		$59,717		$7,106		$46,670		$148,109	$828,060		$828,060
165 Leasehold Improvements									$52,770	$52,770		$52,770
166 Accumulated Depreciation	-$14,583,930		-$1,090,872	-$554,964	-$498,678	-$534,766	-$46,670		-$1,443,003	-$18,752,883		-$18,752,883
167 Construction in Progress	$11,846			$137,207						$149,053		$149,053
168 Infrastructure												
160 Total Capital Assets, Net of Accumulated Depreciation	$3,394,398	$0	$1,596,582	$1,259,758	$547,634	$1,061,396	$0	$0	$673,970	$8,533,738	$0	$8,533,738
171 Notes, Loans and Mortgages Receivable - Non-Current			$302,600							$302,600		$302,600
173 Grants Receivable - Non Current												
174 Other Assets	$29,504		$24,135	$2,425		$1,905	$35,047	$4,446	$75,753	$173,215		$173,215
176 Investments in Joint Ventures												
180 Total Non-Current Assets	$3,423,902	$0	$1,923,317	$1,262,183	$547,634	$1,063,301	$35,047	$4,446	$749,723	$9,009,553	$0	$9,009,553
200 Deferred Outflow of Resources	$81,651		$66,791	$6,711		$5,273	$96,991	$12,304	$209,642	$479,363		$479,363

Wayne Metropolitan Housing Authority (OH036)
Wooster, OH
Entity Wide Balance Sheet Summary
Fiscal Year End: 12/31/2025

290 Total Assets and Deferred Outflow of Resources	$3,964,022	$247,845	$2,095,640	$1,370,820	$631,239	$1,080,430	$351,887	$46,926	$1,088,014	$10,876,823	-$291,295	$10,585,528
312 Accounts Payable <= 90 Days	$104								$94,632	$94,736		$94,736
321 Accrued Wage/Payroll Taxes Payable									$60,262	$60,262		$60,262
322 Accrued Compensated Absences - Current Portion									$17,567	$17,567		$17,567
325 Accrued Interest Payable					$799					$799		$799
333 Accounts Payable - Other Government	$81,139		$72,604	$47,882		$6,850		$19,001		$227,476		$227,476
341 Tenant Security Deposits	$39,010		$4,996	$9,559		$4,778		$19,626		$77,969		$77,969
342 Unearned Revenue	$8,905		$9,209	$1,806		$572		$2,438	$5,986	$28,916		$28,916
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue			$40,518	$22,460	$9,384				$9,850	$82,212		$82,212
344 Current Portion of Long-term Debt - Operating Borrowings									$160,000	$160,000		$160,000
346 Accrued Liabilities - Other	$62,821		$7,749	$687		$6,608		$7,504	$13,973	$99,342		$99,342
347 Inter Program - Due To				$32,748		$60,566		$197,981		$291,295	-$291,295	$0
348 Loan Liability - Current												
310 Total Current Liabilities	$191,979	$0	$135,076	$115,142	$10,183	$79,374	$0	$246,550	$362,270	$1,140,574	-$291,295	$849,279
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue			$420,912	$301,668	$628,705				$27,557	$1,378,842		$1,378,842
352 Long-term Debt, Net of Current - Operating Borrowings												
353 Non-current Liabilities - Other		$247,845	$128,587							$376,432		$376,432
354 Accrued Compensated Absences - Non Current									$75,876	$75,876		$75,876
357 Accrued Pension and OPEB Liabilities	$304,124		$248,775	$24,997		$19,640	$361,259	$45,827	$780,845	$1,785,467		$1,785,467
350 Total Non-Current Liabilities	$304,124	$247,845	$798,274	$326,665	$628,705	$19,640	$361,259	$45,827	$884,278	$3,616,617	$0	$3,616,617
300 Total Liabilities	$496,103	$247,845	$933,350	$441,807	$638,888	$99,014	$361,259	$292,377	$1,246,548	$4,757,191	-$291,295	$4,465,896
400 Deferred Inflow of Resources	$22,757		$18,615	$1,870		$1,470	$27,032	$3,429	$58,430	$133,603		$133,603
508.4 Net Investment in Capital Assets	$3,394,398	$0	$1,135,152	$935,630	-$90,455	$1,061,396	$0	$0	$636,563	$7,072,684		$7,072,684
511.4 Restricted Net Position	$29,504	$0	$45,565	$75,473	$83,605	$1,905	$155,718	$4,446	$75,753	$471,969		$471,969
512.4 Unrestricted Net Position	$21,260	$0	-$37,042	-$83,960	-$799	-$83,355	-$192,122	-$253,326	-$929,280	-$1,558,624		-$1,558,624
513 Total Equity - Net Assets / Position	$3,445,162	$0	$1,143,675	$927,143	-$7,649	$979,946	-$36,404	-$248,880	-$216,964	$5,986,029	$0	$5,986,029
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	$3,964,022	$247,845	$2,095,640	$1,370,820	$631,239	$1,080,430	$351,887	$46,926	$1,088,014	$10,876,823	-$291,295	$10,585,528

Wayne Metropolitan Housing Authority (OH036)
Wooster, OH
Entity Wide Revenue and Expense Summary
Fiscal Year End: 12/31/2025

	Project Total	14.896 PIH Family Self-Sufficiency Program	1 Business Activities	2 State/ Local	10.415 Rural Rental Housing Loans	14.195 Section 8 Housing Assistance Payments Program Special Allocations	14.871 Housing Choice Vouchers	10.427 Rural Rental Assistance Payments	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	$734,503		$208,013	$94,092		$50,032		$116,587		$1,203,227		$1,203,227
70400 Tenant Revenue - Other	$4,005		$35,476	$63,303		$15		$56,656		$159,455		$159,455
70500 Total Tenant Revenue	$738,508	$0	$243,489	$157,395	$0	$50,047	$0	$173,243	$0	$1,362,682	$0	$1,362,682
70600 HUD PHA Operating Grants	$855,067	$91,337				$77,076	$5,695,064			$6,718,544		$6,718,544
70610 Capital Grants	$532,645								$112,525	$645,170		$645,170
70710 Management Fee									$334,329	$334,329	-$334,329	$0
70720 Asset Management Fee									$32,400	$32,400	-$32,400	$0
70730 Book Keeping Fee									$102,861	$102,861	-$102,861	$0
70740 Front Line Service Fee									$507,406	$507,406	-$507,406	$0
70750 Other Fees			$28,266						$54,856	$83,122		$83,122
70700 Total Fee Revenue			$28,266						$1,031,852	$1,060,118	-$976,996	$83,122
70800 Other Government Grants			$121,697	$25,850				$94,483		$242,030		$242,030
71100 Investment Income - Unrestricted	$2,260		$124			$7		$66		$2,457		$2,457
71400 Fraud Recovery							$10,397			$10,397		$10,397
71500 Other Revenue	$14,515		$85,702	$227		$255,617		$959	$11,583	$368,603		$368,603
71600 Gain or Loss on Sale of Capital Assets	$13,000					-$27,022				-$14,022		-$14,022
72000 Investment Income - Restricted			$66		$121					$187		$187
70000 Total Revenue	$2,155,995	$91,337	$479,344	$183,472	$121	$355,725	$5,705,461	$268,751	$1,155,960	$10,396,166	-$976,996	$9,419,170
91100 Administrative Salaries	$295,864	$58,008	$225,983	$23,449		$17,290	$292,047	$30,242	$195,064	$1,137,947		$1,137,947
91200 Auditing Fees	$1,655		$623	$64		$620	$4,858	$102	$2,626	$10,548		$10,548
91300 Management Fee	$148,873		$12,014	$20,494		$9,788	$116,100	$27,060		$334,329	-$334,329	$0
91310 Book-keeping Fee	$18,959		$1,530	$2,610		$3,600	$72,562	$3,600		$102,861	-$102,861	$0
91400 Advertising and Marketing	$61		$108					$224	$73	$466		$466
91500 Employee Benefit contributions - Administrative	$165,364	$33,329	$98,993	$9,232		$9,737	$153,622	$24,111	$33,248	$527,636		$527,636
91600 Office Expenses	$31,643		$5,661	$998		$983	$18,753	$5,315	$25,150	$88,503		$88,503
91700 Legal Expense	$58,407		$11,282						$1,036	$70,725		$70,725
91800 Travel	$13,114		$1,915	$76		$17	$915	$1,005	$1,920	$18,962		$18,962
91900 Other	$938		$8,400	$336		$243	$7,423	$596		$17,936		$17,936
91000 Total Operating - Administrative	$734,878	$91,337	$366,509	$57,259	$0	$42,278	$666,280	$92,255	$259,117	$2,309,913	-$437,190	$1,872,723
92000 Asset Management Fee	$26,880		$2,040	$3,480						$32,400	-$32,400	$0
93100 Water	$151,055		$18,262	$12,839		$1,785		$53,195	$4,320	$241,456		$241,456
93200 Electricity	$98,382		$37,055	$14,609		$3,128		$14,319	$16,466	$183,959		$183,959
93300 Gas	$27,356		$17,589	$12,979		$2,911		$3,100	$9,178	$73,113		$73,113

Wayne Metropolitan Housing Authority (OH036)
Wooster, OH
Entity Wide Revenue and Expense Summary
Fiscal Year End: 12/31/2025

93600 Sewer	$1,519		$753							$2,272		$2,272
93000 Total Utilities	$278,312	$0	$73,659	$40,427	$0	$7,824	$0	$70,614	$29,964	$500,800	$0	$500,800
94100 Ordinary Maintenance and Operations - Labor									$391,930	$391,930		$391,930
94200 Ordinary Maintenance and Operations - Materials and Other	$136,539		$14,324	$4,004		$13,572	$1,584	$11,307	$34,138	$215,468		$215,468
94300 Ordinary Maintenance and Operations Contracts	$458,068		$72,387	$39,264		$40,538	$1,601	$83,959	$44,828	$740,645	-$507,406	$233,239
94500 Employee Benefit Contributions - Ordinary Maintenance	$56,133		$47,402	$4,625		$4,172		$7,611	$122,603	$242,546		$242,546
94000 Total Maintenance	$650,740	$0	$134,113	$47,893	$0	$58,282	$3,185	$102,877	$593,499	$1,590,589	-$507,406	$1,083,183
96110 Property Insurance	$95,930		$19,423	$17,312		$12,756		$18,521	$7,584	$171,526		$171,526
96120 Liability Insurance							$2,783			$2,783		$2,783
96130 Workmen's Compensation	$1,023		$1,093	$113		$78	$1,707	$148	$4,271	$8,433		$8,433
96140 All Other Insurance	$1,928		$250			$100		$346	$618	$3,242		$3,242
96100 Total insurance Premiums	$98,881	$0	$20,766	$17,425	$0	$12,934	$4,490	$19,015	$12,473	$185,984	$0	$185,984
96300 Payments in Lieu of Taxes	$42,491		$16,137	$11,434		$4,096		$10,031	$20	$84,209		$84,209
96400 Bad debt - Tenant Rents	$26,371			$3,811				$3,157		$33,339		$33,339
96000 Total Other General Expenses	$68,862	$0	$16,137	$15,245	$0	$4,096	$0	$13,188	$20	$117,548	$0	$117,548
96710 Interest of Mortgage (or Bonds) Payable			$22,361	$14,469	$10,552				$15,049	$62,431		$62,431
96700 Total Interest Expense and Amortization Cost	$0	$0	$22,361	$14,469	$10,552	$0	$0	$0	$15,049	$62,431	$0	$62,431
96900 Total Operating Expenses	$1,858,553	$91,337	$635,585	$196,198	$10,552	$125,414	$673,955	$297,949	$910,122	$4,799,665	-$976,996	$3,822,669
97000 Excess of Operating Revenue over Operating Expenses	$297,442	$0	-$156,241	-$12,726	-$10,431	$230,311	$5,031,506	-$29,198	$245,838	$5,596,501	$0	$5,596,501
97300 Housing Assistance Payments							$4,938,773			$4,938,773		$4,938,773
97400 Depreciation Expense	$321,989		$87,050	$54,618	$42,106	$59,526	$627		$66,303	$632,219		$632,219
90000 Total Expenses	$2,180,542	$91,337	$722,635	$250,816	$52,658	$184,940	$5,613,355	$297,949	$976,425	$10,370,657	-$976,996	$9,393,661
10091 Inter Project Excess Cash Transfer In	$63,339									$63,339	-$63,339	$0
10092 Inter Project Excess Cash Transfer Out	-$63,339									-$63,339	$63,339	$0
10100 Total Other financing Sources (Uses)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-$24,547	$0	-$243,291	-$67,344	-$52,537	$170,785	$92,106	-$29,198	$179,535	$25,509	$0	$25,509
11020 Required Annual Debt Principal Payments	$0	$0	$46,649	$17,869	$9,084	$0	$0	$0	$9,371	$82,973		$82,973
11030 Beginning Equity	$3,469,709	$0	$1,386,966	$994,487	$3,948	$809,161	-$128,510	-$178,742	-$396,499	$5,960,520		$5,960,520
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	$0				$40,940			-$40,940	$0	$0		$0
11070 Changes in Unrecognized Pension Transition Liability												
11080 Changes in Special Term/Severance Benefits Liability												

11170 Administrative Fee Equity							-$157,075			-$157,075		-$157,075
11180 Housing Assistance Payments Equity							$120,671			$120,671		$120,671
11190 Unit Months Available	2688		204	348	0	192	11532	540	0	15504		15504
11210 Number of Unit Months Leased	2528		204	228	0	151	9675	451	0	13237		13237
11270 Excess Cash	70,526									70,526		70,526
11620 Building Purchases	121,760								112,525	234,285		234,285
11630 Furniture & Equipment - Dwelling Purchases	306,995								0	306,995		306,995
11640 Furniture & Equipment - Administrative Purchases	103,890								0	103,890		103,890

WAYNE METROPOLITAN HOUSING AUTHORITY
WAYNE COUNTY, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE 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 Programs:			
Housing Voucher Cluster:			
Section 8 Housing Choice Vouchers	14.871	$ 5,695,064	
Total Housing Voucher Cluster		5,695,064	
Public Housing Operating Fund	14.850	778,538	
Public Housing Capital Fund Programs			
Public Housing Capital Fund	14.872	507,998	
Public Housing Capital Fund - Emergency/Disaster - Safety and Security	14.872	213,701	
Total Public Housing Capital Fund Programs		721,699	
Section 8 Project Based Cluster			
Project Based Rental Assistance (PBRA)	14.195	77,076	
Total Section 8 Project Based Cluster		77,076	
Family Self-Sufficiency Program	14.896	91,337	
Total U.S. Department of Housing and Urban Development		7,363,714	
U.S. Department of Agriculture			
Direct Programs:			
Rural Rental Assistance Payments	10.427	$ 94,483	
Rural Rental Housing Loan	10.415		$ 647,174
Total U.S. Department of Agriculture		$ 94,483	$ 647,174
Total Expenditures of Federal Awards		$ 7,458,197	$ 647,174

The accompanying notes are an integral part of this schedule.

WAYNE METROPOLITAN HOUSING AUTHORITY
WAYNE COUNTY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE 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 Wayne Metropolitan Housing Authority (the Authority) under programs of the federal government for the year ended December 31, 2025. The information on this Schedule is prepared in accordance with the requirements of the 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 accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

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 COMPLIANCE REQUIREMENTS

The federal loan program listed on the Schedule of Expenditures of Federal Awards is administered directly by the Authority, and balances and transactions related to the program is included in the Authority's basic financial statements. Loans outstanding at the beginning of the year is included 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*

Wayne Metropolitan Housing Authority
Wayne County
345 North Market Street
Wooster, Ohio 44691

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 Wayne Metropolitan Housing Authority, Wayne 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 19, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

BHM CPA Group

BHM CPA Group, Inc.
Portsmouth, Ohio
July 19, 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

Wayne Metropolitan Housing Authority
Wayne County
345 North Market Street
Wooster, Ohio 44691

To the Board of Commissioners:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Wayne Metropolitan Housing Authority's, Wayne 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 Wayne Metropolitan Housing Authority's major federal program for the year ended December 31, 2025. Wayne 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, Wayne 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 19, 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: Section 8 Housing Choice Vouchers - 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