

BELMONT METROPOLITAN HOUSING AUTHORITY

BELMONT COUNTY

SINGLE AUDIT

APRIL 1, 2020 – MARCH 31, 2021



WILSON, SHANNON & SNOW
INC.
CPAs & ADVISORS

OHIO AUDITOR OF STATE
KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
IPAReport@ohioauditor.gov
(800) 282-0370

Board of Directors
Belmont County Metropolitan Housing Authority
100 South 3rd Street
Martins Ferry, Ohio 43935

We have reviewed the *Independent Auditor's Report* of Belmont County Metropolitan Housing Authority, Belmont County, prepared by Wilson, Shannon & Snow, Inc., for the audit period April 1, 2020 through March 31, 2021. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

November 03, 2021

This page intentionally left blank.

**BELMONT METROPOLITAN HOUSING AUTHORITY
BELMONT COUNTY**

TABLE OF CONTENTS

| <u>TITLE</u> | <u>PAGE</u> |
|---|--------------------|
| INDEPENDENT AUDITOR’S REPORT | 1 |
| MANAGEMENT’S DISCUSSION AND ANALYSIS | 4 |
| BASIC FINANCIAL STATEMENTS: | |
| STATEMENT OF NET POSITION | 11 |
| STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION | 12 |
| STATEMENT OF CASH FLOWS | 13 |
| NOTES TO THE BASIC FINANCIAL STATEMENTS | 14 |
| REQUIRED SUPPLEMENTARY INFORMATION: | |
| SCHEDULE OF THE AUTHORITY’S PROPORTIONATE SHARE OF NET PENSION LIABILITY | 35 |
| SCHEDULE OF THE AUTHORITY’S PENSION CONTRIBUTIONS | 36 |
| SCHEDULE OF THE AUTHORITY’S PROPORTIONATE SHARE OF NET OPEB LIABILITY/ASSET | 37 |
| SCHEDULE OF THE AUTHORITY’S OPEB CONTRIBUTIONS | 38 |
| NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION | 39 |
| SUPPLEMENTARY INFORMATION: | |
| FINANCIAL DATA SCHEDULES | 40 |
| SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS | 42 |
| INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY <i>GOVERNMENT AUDITING STANDARDS</i> | 43 |
| 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 | 45 |
| SCHEDULE OF FINDINGS – 2 CFR § 200.515 | 47 |

This page intentionally left blank.

INDEPENDENT AUDITOR'S REPORT

Belmont Metropolitan Housing Authority
Belmont County
100 S. 3rd Street
Martins Ferry, Ohio 43935

To the Board of Directors:

Report on the Financial Statements

We have audited the accompanying financial statements of the Belmont Metropolitan Housing Authority, Belmont County, Ohio (the Authority), as of and for the fiscal year ended March 31, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our opinion.

Belmont Metropolitan Housing Authority
Belmont County
Independent Auditor's Report

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Belmont Metropolitan Housing Authority, Belmont County as of March 31, 2021, and the changes in its financial position and its cash flows for the fiscal year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 11 to the financial statements, during fiscal year 2021, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Authority. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary Information

Our audit was conducted to opine on the Authority's basic financial statements taken as a whole.

The Financial Data Schedules as required by the Department of Housing and Urban Development present additional analysis and are not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards presents additional analysis 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 and is not a required part of the financial statements.

The schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Belmont Metropolitan Housing Authority
Belmont County
Independent Auditor's Report

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report September 27, 2021, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Wilson, Shuman & Snow, Inc.

Newark, Ohio
September 27, 2021

BELMONT METROPOLITAN HOUSING AUTHORITY
 MANAGEMENT’S DISCUSSION AND ANALYSIS
 FOR THE FISCAL YEAR ENDED MARCH 31, 2021
 (UNAUDITED)

It is a privilege to present for you the financial condition of Belmont Metropolitan Housing Authority (“the Authority”), as described in this “Management’s Discussion and Analysis” (MD&A). The Authority’s Management’s Discussion and Analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority’s financial activity, (c) identify changes in the Authority’s financial position (its ability to address the next and subsequent year challenges), and (d) identify other issues or concerns.

Since the Management’s Discussion and Analysis is designed to focus on the current fiscal year activities, resulting changes and currently known facts, please read it in conjunction with the Authority’s financial statements.

FINANCIAL HIGHLIGHTS

- The Authority’s net position, defined as assets and deferred outflows of resources, net of liabilities and deferred inflows of resources, was \$16.4 million for fiscal year 2020 and \$19.5 million for fiscal year 2021.
- The basic financial statements reflect a \$3.1 million increase in total net position. The increase was due to revenues substantially exceeding expenses during fiscal year 2021.
- Total revenues for the Authority, increased by \$.6 million (8.2%) during fiscal year 2021, and was \$7.3 million and \$7.9 million for fiscal year 2020 and fiscal year 2021, respectively.
- Total expenses for the Authority, decreased by \$1.4 million (22.6%) during fiscal year 2021, and were \$6.2 million for fiscal year 2020 and \$4.8 million for fiscal year 2021.

USING THIS ANNUAL REPORT

The following chart outlines the format of this report:

| |
|--|
| <p>MD&A ~ Management Discussion and Analysis ~</p> |
| <p>Basic Financial Statements ~ Statement of Net Position ~ ~ Statement of Revenues, Expenses and Changes in Net Position ~ ~ Statement of Cash Flows ~ ~ Notes to Financial Statements ~</p> |
| <p>Required Supplementary Information ~ Pension and OPEB Schedules ~</p> |
| <p>Other Supplementary Information ~ Financial Data Schedules ~ ~ Schedule of Expenditures of Federal Awards ~</p> |

BELMONT METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED MARCH 31, 2021
(UNAUDITED)

Basic Financial Statements

The basic 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 plus deferred outflows of resources, minus liabilities and deferred inflows of resources, equals "Net Position". Assets and liabilities are presented in order of liquidity, and are classified as "Current" (convertible into cash within one year), and "Non-current".

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

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

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

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

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

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

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

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.

The Authority administers several programs that are consolidated into a single proprietary type-enterprise fund. The enterprise fund consists of the following programs (required to be maintained by the Department of Housing and Urban Development).

BELMONT METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED MARCH 31, 2021
(UNAUDITED)

Business Type Funds:

Conventional Public Housing (PH) – Under the Conventional Public Housing Program, the Authority rents units that it owns to low-income households. The Conventional Public Housing Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides Operating Subsidy to enable the Authority to provide the housing at a rent that is based upon 30% of adjusted gross household income. CARES Act Funding is also included in this program. The CARES Act provided additional funding to PHAs to prevent, prepare for, and respond to the coronavirus pandemic, including to maintain normal operations during the period the program was impacted by coronavirus.

Capital Fund Program (CFP) – This is the current primary funding source for the Authority's physical (i.e. capital) and management improvements. Funds are provided by formula allocation and based on size and age of the units.

Housing Choice Voucher Program (HCVP) – Under the Housing Choice Voucher Program, the Authority subsidizes rents to independent landlords that own the property. The Authority subsidizes the family's rent through a Housing Assistance Payment (HAP) made to the landlord. The program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides funding to enable the Authority to structure a lease that requires the participant to pay a rent based on a percentage of their adjusted gross household income, typically 30%, and the Housing Authority subsidizes the balance. CARES Act Funding is also included in this program. The CARES Act provided additional funding to PHAs to prevent, prepare for, and respond to the coronavirus pandemic, including to maintain normal operations during the period the program was impacted by coronavirus.

This space intentionally left blank.

BELMONT METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED MARCH 31, 2021
(UNAUDITED)

AUTHORITY-WIDE STATEMENTS

Statement of Net Position

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

**TABLE 1
STATEMENT OF NET POSITION**

| | Fiscal Year 2020 (in millions of dollars) | Fiscal Year 2021 (in millions of dollars) |
|---|---|---|
| Current and Other Assets | \$ 9.1 | \$11.3 |
| Capital Assets | 10.4 | 10.4 |
| Total Assets | 19.5 | 21.7 |
| Deferred Outflows of Resources | 0.3 | 0.2 |
| Total Assets and Deferred Outflows of Resources | 19.8 | 21.9 |
| | | |
| Current Liabilities | 0.4 | 0.4 |
| Long-Term Liabilities | 2.1 | 0.9 |
| Total Liabilities | 2.5 | 1.3 |
| Deferred Inflows of Resources | 0.9 | 1.1 |
| Total Liabilities and Deferred Inflows of Resources | 3.4 | 2.4 |
| | | |
| Net Position: | | |
| Investment in Capital Assets | 10.4 | 10.4 |
| Restricted | 0.0 | 0.0 |
| Unrestricted | 6.0 | 9.1 |
| Total Net Position | \$16.4 | \$19.5 |

For more detailed information see the Statement of Net Position on page 11.

MAJOR FACTORS AFFECTING THE STATEMENT OF NET POSITION

Current and other assets increased by \$2.2 million. This reflects the positive net operating results of the Authority during fiscal year 2021.

Capital assets remained consistent, as additions and depreciation net. Additions were about \$1.3 million, minus depreciation of about \$1.3 million. The additions were primarily in the category of building improvements funded with capital grants provided by HUD.

Deferred outflows and inflows of resources reflect items related to the Authority's defined benefit pension plan, OPERS, as well as other post employment benefits (OPEB), to account for changes in expense that under GASB 68 and GASB 75 should not be recognized in the current period, but should be spread out over 3-5 years.

Long-term liabilities decreased by \$1.2 million due to decreases in unfunded net pension and OPEB liabilities.

The increase in Net Position was primarily caused by revenue exceeding expenditures by \$3.1 million.

BELMONT METROPOLITAN HOUSING AUTHORITY
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED MARCH 31, 2021
(UNAUDITED)

TABLE 2
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

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

| | Fiscal Year 2020 (millions of dollars) | Fiscal Year 2021 (millions of dollars) |
|-------------------------------------|--|--|
| Revenues | | |
| Tenant Revenues | \$ 1.6 | \$ 1.5 |
| Operating Subsidies and Grants | 4.2 | 5.1 |
| Capital Grants | 1.4 | 1.2 |
| Interest Revenue and Other Revenues | 0.1 | 0.1 |
| Total Revenues | 7.3 | 7.9 |
| Expenses | | |
| Administrative | 0.9 | 0.7 |
| Utilities | 1.2 | 1.2 |
| Maintenance | 1.4 | 1.0 |
| General and Insurance | 0.3 | 0.2 |
| Housing Assistance Payments | 1.2 | 1.3 |
| Pension and OPEB Expenses | - | (0.9) |
| Depreciation | 1.2 | 1.3 |
| Total Expenses | 6.2 | 4.8 |
| Change in Net Positon | 1.1 | 3.1 |
| Net Positon – Beginning | 15.3 | 16.4 |
| Net Positon – Ending | \$16.4 | \$19.5 |

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

Tenant Revenue decreased slightly during fiscal 2021. The Authority’s occupancy at its properties remained very strong.

Operating Subsidies and Grants increased, reflecting improvement in the level of Operating funding from HUD and funding from the CARES Act. Capital Grants decreased during fiscal 2021; this reflects a slow in capital improvement activity at the Authority’s housing sites. Investment and other income remained consistent.

Expenses were relatively stable in fiscal year 2021, with slight decreases in administrative and maintenance expenses. Fluctuations in the pension and OPEB expenses are the result of recording GASB 68 and 75 accruals (in prior years, these amounts were reflected within administrative and maintenance).

The Authority’s revenues exceeded expenses by approximately \$3.1 million.

BELMONT METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED MARCH 31, 2021
(UNAUDITED)

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of fiscal year end 2021, the Authority had \$10,370,286 invested in a variety of capital assets as reflected in the following schedule.

**TABLE 3
CAPITAL ASSETS AT YEAR-END
(NET OF DEPRECIATION)**

| | Fiscal Year 2020 | Fiscal Year 2021 |
|--------------------------------|---------------------|---------------------|
| Land | \$ 1,446,016 | \$ 1,446,016 |
| Buildings | 44,649,171 | 46,172,332 |
| Leasehold Improvements | 208,408 | 208,408 |
| Equipment – Administrative | 722,077 | 837,791 |
| Less: Accumulated Depreciation | (37,217,201) | (38,521,752) |
| Construction In Progress | 626,664 | 227,491 |
| Total | \$10,435,135 | \$10,370,286 |

The following reconciliation summarizes the changes in Capital Assets, which is presented in detail in Note 3 of the notes to the basic financial statements.

**TABLE 4
CHANGES IN CAPITAL ASSETS**

| | |
|----------------------------------|---------------------|
| Beginning Balance, April 1, 2020 | \$10,435,135 |
| Additions | 1,265,898 |
| Disposals, Net | (5,013) |
| Less: Current Year Depreciation | (1,325,734) |
| Ending Balance, March 31, 2021 | <u>\$10,370,286</u> |

This fiscal year's major additions are:

| | |
|--|-------------|
| Capital improvements completed through the Authority's Capital Fund Program on a variety of the Authority's complexes | \$1,150,184 |
| Equipment – Vehicles | 115,714 |

Disposals consisted of removal of assets from capital projects within the Authority complexes with total costs of \$26,196 and accumulated depreciation of \$21,183.

Debt Administration

As of March 31, 2021, the Authority's has no outstanding debt.

BELMONT METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED MARCH 31, 2021
(UNAUDITED)

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

- Federal funding of the Department of Housing and Urban Development.
- Local labor supply and demand, which can affect salary and wage rates.
- Local inflationary, recessionary and employment trends, which can affect resident incomes and therefore the amount of rental income.
- Inflationary pressure on utility rates, supplies and other costs.
- Market rates for rental housing.
- Local rental market rates and housing supply and demand, which affects the Authority's ability to maintain leasing rates.
- Unknown financial and operational impacts as well as impacts to federal programs as a result of the COVID-19 pandemic.

IN CONCLUSION

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

FINANCIAL CONTACT

If you have any questions regarding this report, you may contact Jody Geese, Executive Director of the Belmont Metropolitan Housing Authority at (740) 633-5085.

Respectfully submitted,

Jody Geese

Jody Geese
Executive Director

BELMONT METROPOLITAN HOUSING AUTHORITY
 BELMONT COUNTY
 STATEMENT OF NET POSITION
 MARCH 31, 2021

ASSETS

CURRENT ASSETS

| | | |
|--|----|-------------------|
| Cash and cash equivalents | \$ | 7,265,650 |
| Cash and cash equivalents - restricted | | 200,147 |
| Receivables - net of allowance | | 156,922 |
| Investments- unrestricted | | 3,435,217 |
| Inventories - net of allowance | | 73,459 |
| Prepaid items | | 105,919 |
| | | <u>11,237,314</u> |
| TOTAL CURRENT ASSETS | | <u>11,237,314</u> |

NON-CURRENT ASSETS

CAPITAL ASSETS

| | | |
|---------------------------------|--|-------------------|
| Land | | 1,446,016 |
| Construction in progress | | 227,491 |
| Depreciable capital assets, net | | 8,696,779 |
| | | <u>10,370,286</u> |
| TOTAL CAPITAL ASSETS | | <u>10,370,286</u> |

| | | |
|----------------|--|----------------|
| Net OPEB asset | | <u>101,176</u> |
|----------------|--|----------------|

| | | |
|--------------|--|-------------------|
| TOTAL ASSETS | | <u>21,708,776</u> |
|--------------|--|-------------------|

DEFERRED OUTFLOWS OF RESOURCES

| | | |
|--------------------------------------|--|----------------|
| Net Pension liability | | 164,100 |
| Net OPEB liability/asset | | 49,739 |
| | | <u>213,839</u> |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | | <u>213,839</u> |

| | | |
|---|----|-------------------|
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | \$ | <u>21,922,615</u> |
|---|----|-------------------|

LIABILITIES

CURRENT LIABILITIES

| | | |
|--|----|----------------|
| Accounts payable | \$ | 61,271 |
| Accrued wages/payroll taxes | | 12,180 |
| Accrued compensated absences - current | | 45,930 |
| Accrued liabilities - other | | 55,172 |
| Intergovernmental payables | | 29,073 |
| Tenant security deposits | | 154,563 |
| Unearned Revenue | | 42,720 |
| | | <u>400,909</u> |
| TOTAL CURRENT LIABILITIES | | <u>400,909</u> |

LONG-TERM LIABILITIES

| | | |
|--|--|----------------|
| Accrued compensated absences - non-current | | 56,135 |
| Net Pension liability | | 882,843 |
| | | <u>938,978</u> |
| TOTAL LONG-TERM LIABILITIES | | <u>938,978</u> |

| | | |
|-------------------|--|------------------|
| TOTAL LIABILITIES | | <u>1,339,887</u> |
|-------------------|--|------------------|

DEFERRED INFLOWS OF RESOURCES

| | | |
|-------------------------------------|--|------------------|
| Net Pension liability | | 693,375 |
| Net OPEB liability/asset | | 383,960 |
| | | <u>1,077,335</u> |
| TOTAL DEFERRED INFLOWS OF RESOURCES | | <u>1,077,335</u> |

| | | |
|---|--|------------------|
| TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES | | <u>2,417,222</u> |
|---|--|------------------|

NET POSITION

| | | |
|------------------------------|--|-------------------|
| Investment in capital assets | | 10,370,286 |
| Restricted | | 39,915 |
| Unrestricted | | 9,095,192 |
| | | <u>19,505,393</u> |
| TOTAL NET POSITION | | <u>19,505,393</u> |

| | | |
|---|----|-------------------|
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION | \$ | <u>21,922,615</u> |
|---|----|-------------------|

See accompanying notes to the basic financial statements.

BELMONT METROPOLITAN HOUSING AUTHORITY
 BELMONT COUNTY
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 FOR THE FISCAL YEAR ENDED MARCH 31, 2021

| | |
|---|----------------------|
| OPERATING REVENUES | |
| Tenant revenues | \$ 1,547,006 |
| Operating subsidies | 5,124,355 |
| Other revenues | <u>23,994</u> |
| TOTAL OPERATING REVENUES | <u>6,695,355</u> |
| OPERATING EXPENSES | |
| Administrative | 692,621 |
| Tenant services | 18,072 |
| Utilities | 1,209,152 |
| Maintenance | 1,022,684 |
| Insurance | 65,197 |
| General | 136,484 |
| Housing assistance payments | 1,306,585 |
| Pension expense | (346,716) |
| OPEB expense | (612,303) |
| Depreciation | <u>1,325,734</u> |
| TOTAL OPERATING EXPENSES | <u>4,817,510</u> |
| OPERATING INCOME | 1,877,845 |
| NON-OPERATING REVENUES/(EXPENSES) | |
| Interest revenue | 80,737 |
| Loss on disposal of assets | (5,013) |
| Capital grants | <u>1,150,184</u> |
| TOTAL NON-OPERATING REVENUES/(EXPENSES) | <u>1,225,908</u> |
| CHANGE IN NET POSITION | 3,103,753 |
| NET POSITION BEGINNING OF FISCAL YEAR | <u>16,401,640</u> |
| NET POSITION END OF FISCAL YEAR | <u>\$ 19,505,393</u> |

See accompanying notes to the basic financial statements.

BELMONT METROPOLITAN HOUSING AUTHORITY
 BELMONT COUNTY
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED MARCH 31, 2021

| | |
|---|----------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | |
| Cash received from HUD | \$ 5,023,060 |
| Cash received from tenants | 1,492,668 |
| Cash received from other revenue | 23,994 |
| Cash payments for housing assistance payments | (1,306,585) |
| Cash payments for administrative and other operating expenses | (3,127,388) |
| Cash payments to HUD and other government | <u>(35,884)</u> |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | <u>2,069,865</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | |
| Capital grants received | 1,150,184 |
| Acquisition of capital assets | <u>(1,265,898)</u> |
| NET CASH (USED) BY CAPITAL AND FINANCING ACTIVITIES | <u>(115,714)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | |
| Sale of Investments | (834,863) |
| Interest | <u>80,737</u> |
| NET CASH PROVIDED BY INVESTING ACTIVITIES | <u>(754,126)</u> |
| CHANGE IN CASH AND CASH EQUIVALENTS | 1,200,025 |
| CASH AND CASH EQUIVALENTS, BEGINNING | <u>6,265,772</u> |
| CASH AND CASH EQUIVALENTS, ENDING | <u><u>\$ 7,465,797</u></u> |
| RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES: | |
| Operating income | \$ 1,877,845 |
| Adjustments to reconcile operating income to net cash provided by operating activities | |
| Depreciation | 1,325,734 |
| (Increase) decrease in: | |
| Receivables - net of allowance | (114,578) |
| Inventories - net of allowance | (9,240) |
| Prepaid expenses | (11,498) |
| Net OPEB asset | (101,175) |
| Deferred outflows of resources | 64,157 |
| Increase (decrease) in: | |
| Accounts payable | 28,712 |
| Accrued wages/payroll taxes | 1,263 |
| Accrued compensated absences | 7,858 |
| Accrued liabilities other | (20,259) |
| Accounts payable - other government | (6,811) |
| Tenant security deposits | (313) |
| Unearned revenue | 16,299 |
| Accrued pension and OPEB liabilities | (1,205,728) |
| Deferred inflows of resources | <u>217,599</u> |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | <u><u>\$ 2,069,865</u></u> |

See accompanying notes to the basic financial statements.

BELMONT METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

Reporting Entity

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

The accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, The Financial Reporting Entity (as amended by GASB Statement No. 61), in that the financial statements include all organizations, activities, and functions for which the Authority is financially accountable. This report includes all activities considered by management to be part of the Authority by virtue of Section 2100 of the Codification of Governmental Accounting and Financial Reporting Standards.

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

The definition of a reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it. A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization. The financial benefit or burden relationship exists if the primary government a) is entitled to the organization's resources; b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or c) is obligated in some manner for the debt of the organization. Management believes the financial statements included in this report represent all of the funds of the Authority over which the Authority is financially accountable.

Basis of Presentation

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

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

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

BELMONT METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus

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

Enterprise Fund

The Authority uses the proprietary fund to report on its financial position and the results of its operations for its housing programs. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. Funds are classified into three categories: governmental, proprietary and fiduciary. The Authority uses the proprietary category for its programs. The following are the various programs which are included in the single enterprise fund:

Projects - Conventional Public Housing and Capital Fund Programs - Under the Conventional Public Housing Program, the Authority rents units that it owns to low-income households. The Conventional Public Housing Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides Operating Subsidy to enable the PHA to provide the housing at a rent that is based upon 30 percent of household income. The Conventional Public Housing Program also includes the Capital Fund Program, which is the primary funding source for physical (i.e. capital) and management improvements to the Authority's properties. Funds are provided by formula allocation and based on size and age of the units. The CARES Act provided additional funding to PHAs to prevent, prepare for, and respond to the coronavirus pandemic, including to maintain normal operations during the period the program was impacted by coronavirus.

Central Office Cost Center (COCC) – The Authority owns and operates more than 250 dwelling rentals and established a COCC to account for non-project specific costs. These costs are funded from management fees, asset management fees and bookkeeping fees.

Housing Choice Voucher Program – Under the Housing Choice Voucher Program, the Authority administers contracts with independent landlords that own the property. The Authority subsidizes the family's rent through a Housing Assistance Payment made to the landlord. The program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides Annual Contributions Funding to enable the Authority to structure a lease that sets the participants' rent at 30 percent of household income. The CARES Act provided additional funding to PHAs to prevent, prepare for, and respond to the coronavirus pandemic, including to maintain normal operations during the period the program was impacted by coronavirus.

Accounting and Reporting for Nonexchange Transactions

Nonexchange transactions occur when the Authority receives (or gives) value without directly giving equal value in return. GASB Statement No. 33 identifies four classes of nonexchange transactions as follows:

- Derived tax revenues: result from assessments imposed on exchange transactions (i.e., income taxes, sales taxes and other assessments on earnings or consumption).
- Imposed nonexchange revenues: result from assessments imposed on nongovernmental entities, including individuals, other than assessments on exchange transactions (i.e. property taxes and fines).

BELMONT METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- Government-mandated nonexchange transactions: occur when a government at one level provides resources to a government at another level and requires the recipient to use the resources for a specific purpose (i.e., federal programs that state or local governments are mandated to perform).
- Voluntary nonexchange transactions: result from legislative or contractual agreements, other than exchanges, entered into willingly by the parties to the agreement (i.e., certain grants and private donations).

The Authority grants and subsidies will be defined as a government-mandated or voluntary nonexchange transactions.

GASB Statement No. 33 establishes two distinct standards depending upon the kind of stipulation imposed by the provider.

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

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

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

The Authority receives government-mandated or voluntary nonexchange transactions, which do not specify time requirements. Upon award, the entire subsidy should be recognized as a receivable and revenue in the period when applicable eligibility requirements have been met.

Cash and Cash Equivalents

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

Investments

Investments are restricted by the provisions of the HUD Regulations (See Note 2). Investments are valued at market value. Interest revenue in fiscal year ending March 31, 2021 totaled \$80,737.

Receivables – Net of Allowance

Bad debts are provided on the allowance method based on management's evaluation of the collectability of outstanding tenant receivable balances at the end of the fiscal year. The allowance for doubtful accounts was \$13,461 at March 31, 2021.

BELMONT METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Prepaid Items

Payments made to vendors for services that will benefit periods beyond March 31, 2021, are recorded as prepaid expenses using the consumption method. A current asset for the amount is recorded at the time of the purchase and expense is reported in the year in which the services are consumed.

Inventory

The Authority's inventory is comprised of maintenance materials and supplies. Inventory is valued at cost and uses the first-in, first-out (FIFO) flow assumption in determining cost. The consumption method is used to record inventory. Under this method, the acquisition of materials and supplies is recorded initially in inventory accounts and charges as expenditures when used. The allowance for obsolete inventory was \$8,162 at March 31, 2021.

Capital Assets

Capital assets are stated at cost and depreciation is computed using the straight line method over an estimated useful life of the assets. The cost of normal maintenance and repairs, that do not add to the value of the asset or materially extend the asset life are expensed as incurred. The Authority's capitalization policy is \$5,000. The following are the useful lives used for depreciation purposes:

| | |
|-----------------------------|----------|
| Buildings – Residential | 40 years |
| Buildings – Non residential | 40 years |
| Building Improvements | 15 years |
| Furniture – Dwelling | 5 years |
| Furniture – Non-dwelling | 5 years |
| Equipment –Dwelling | 5 years |
| Equipment – Non-dwelling | 5 years |
| Autos and Trucks | 5 years |
| Computer Hardware | 5 years |
| Computer Software | 5 years |

Due From/To Other Programs

On the basic financial statements, inter-program receivables and payables listed on the FDS are eliminated.

Compensated Absences

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

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

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

BELMONT METROPOLITAN HOUSING AUTHORITY
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED MARCH 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The following is a summary of changes in the compensated absence liability.

| | <u>Balance</u> <u>3/31/2020</u> | <u>Increases</u> | <u>Decreases</u> | <u>Balance</u> <u>3/31/2021</u> | <u>Due</u> <u>Within</u> <u>One Year</u> |
|----------------------|------------------------------------|------------------|------------------|------------------------------------|--|
| Compensated Absences | \$ 94,207 | \$ 61,931 | (\$ 54,073) | \$ 102,065 | \$ 45,930 |

Accrued Liabilities

All payables and accrued liabilities are reported in the basic financial statements.

Unearned Revenue

Unearned revenue arises when revenues are received before revenue recognition criteria have been satisfied.

Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net position investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is recorded as restricted when there are limitations imposed on their use by internal or external restrictions. The Authority applies restricted first when expenditures are incurred for purposes for which either restricted or unrestricted amounts are available.

Operating Revenues and Expenses

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

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

Capital Grant

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

Budgetary Accounting

The Authority annually prepares its budget as prescribed by the Department of Housing and Urban Development. This budget is submitted to the Department of Housing and Urban Development and once approved is adopted by the Board of the Housing Authority.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

BELMONT METROPOLITAN HOUSING AUTHORITY
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED MARCH 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pensions and Other Post Employment Benefits (OPEB)

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

| | <u>Balance</u> <u>3/31/2020</u> | <u>Increases</u> | <u>Decreases</u> | <u>Balance</u> <u>3/31/2020</u> | <u>Due</u> <u>Within</u> <u>One Year</u> |
|----------------------------|------------------------------------|------------------|------------------|------------------------------------|--|
| Net Pension Liability | \$ 1,265,201 | \$ - | (\$382,358) | \$ 882,843 | \$ - |
| Net OPEB Liability/(Asset) | 823,369 | - | (\$924,545) | (101,176) | - |

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows or 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/expenditure) until then. For the Authority, deferred outflows of resources are reported on the statement of net position for pension and OPEB. The deferred outflows of resources related to pension and OPEB are explained in Notes 5 and 6.

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 until that time. For the Authority, deferred inflows of resources include pension. Deferred inflow of resources related to pension and OPEB are reported on the statement of net pension (see related explanations at Notes 5 and 6).

NOTE 2: DEPOSITS AND INVESTMENTS

Deposits

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

- A. Active deposits are public deposits necessary to meet demands on the treasury. Such monies must be maintained either as cash in the Authority's Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.
- B. Inactive deposits are public deposits that the Authority has identified as not required for use within the current two-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing no later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.
- C. Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

BELMONT METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2021

NOTE 2: DEPOSITS AND INVESTMENTS (Continued)

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

At fiscal year end March 31, 2021, the carrying amount of the Authority's deposits totaled \$6,446,083 (including \$1,305,997 cash equivalents with maturities of three months or less and \$300 petty cash) and its bank balance was \$6,542,847. Based on the criteria described in GASB Statement No. 40, *Deposits and Investments Risk Disclosures*, as of March 31, 2021, \$4,986,850 was exposed to custodial risk as discussed below, while \$1,555,997 was covered by the Federal Depository Insurance Corporation.

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

Investments

In accordance with the Ohio Revised Code and HUD investment policy, the Authority is permitted to invest in certificates of deposit, savings accounts, money market accounts, certain highly rated commercial paper, obligations of certain political subdivision of Ohio and the United States government and its agencies, and repurchase agreements with any eligible depository or any eligible dealers. Public depositories must give security for all public funds on deposit. Repurchase agreements must be secured by the specific qualifying securities upon which the repurchase agreements are based. The Authority is prohibited from investing in any financial instruments, contracts, or obligations whose value or return is based upon or linked to another asset or index, or both, separate from the financial instrument, contract, or obligation itself (commonly known as a derivative). The Authority is also prohibited from investing in reverse purchase agreements.

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The Authority's investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data. (Level 2 inputs).

Interest Rate Risk – The Authority does not have a formal investment policy that limits investments as a means of managing its exposure to fair value losses arising from increasing interest rates. However, it is the Authority's practice to limit its investments to three years or less.

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

BELMONT METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2021

NOTE 2: DEPOSITS AND INVESTMENTS (Continued)

Concentration of Credit Risk – The Authority places no limit on the amount that may be invested with any one issuer. However, it is the Authority’s practice to do business with more than one depository. At March 31, 2021, the Authority had 22.9% invested in money market mutual funds, and 77.1% invested in certificates of deposit.

The carrying amount of the Authority’s investments was \$4,454,931 at March 31, 2021 with the same corresponding bank balance.

As of March 31, 2021, the Authority had the following investments:

| Investment Type | Measurement Value | Credit Rating | Level | Maturity |
|--|--------------------|---------------|-------|------------------|
| Money Market Mutual Funds [^] | \$1,019,714 | N/A | 1 | 6 Months or Less |
| Negotiable Certificates of Deposit: | - | | | 6 Months or Less |
| | 654,727 | | | 7 to 12 Months |
| | 1,267,602 | | | 1 to 2 Years |
| | 1,512,888 | | | 2 to 3 Years |
| Total Certificates of Deposit | <u>3,435,217</u> | N/A | 1 | |
| Total Investments | <u>\$4,454,931</u> | | | |

[^] Reported as cash and cash equivalents

A reconciliation of cash and investments as shown on the Statement of Net Position at March 31, 2021 to the deposits and investments included in this note is as follows:

| | |
|--------------------------------|---------------------|
| Cash and Cash Equivalents | \$ 7,465,797 |
| Investments | 3,435,217 |
| Total | <u>\$10,901,014</u> |
| Carrying Amount of Deposits | \$ 6,446,083 |
| Carrying Amount of Investments | 4,454,931 |
| Total | <u>\$10,901,014</u> |

Restricted cash consists of:

| | |
|-------------------------------------|-------------------|
| Housing Assistance Payment Reserves | \$ 39,915 |
| Unspent CARES funds | 5,669 |
| Tenant Security Deposit | 154,563 |
| Total | <u>\$ 200,147</u> |

BELMONT METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2021

NOTE 3: CAPITAL ASSETS

A summary of changes in the Authority's capital assets for the fiscal year ended March 31, 2021, follows:

| | <u>Balance at April 1, 2020</u> | <u>Additions</u> | <u>Disposals/ Transfers</u> | <u>Balance at March 31, 2021</u> |
|---------------------------------------|-------------------------------------|--------------------|---------------------------------|--------------------------------------|
| Capital Assets Not Depreciated | | | | |
| Land | \$ 1,446,016 | \$ - | \$ - | \$ 1,446,016 |
| Construction in Progress | <u>626,664</u> | <u>-</u> | <u>(399,173)</u> | <u>227,491</u> |
| Total Capital Assets Not Depreciated | <u>2,072,680</u> | <u>-</u> | <u>(399,173)</u> | <u>1,673,507</u> |
| Capital Assets Depreciated | | | | |
| Building and Improvements | 44,857,579 | 1,150,184 | 372,977 | 46,380,740 |
| Furniture and Equipment | <u>722,077</u> | <u>115,714</u> | <u>-</u> | <u>837,791</u> |
| Total Capital Assets Depreciated | <u>45,579,656</u> | <u>1,265,898</u> | <u>372,977</u> | <u>47,218,531</u> |
| Accumulated Depreciation | | | | |
| Building and Improvements | (36,626,178) | (1,244,619) | 21,183 | (37,849,614) |
| Furniture and Equipment | <u>(591,023)</u> | <u>(81,115)</u> | <u>-</u> | <u>(672,138)</u> |
| Total Accumulated Depreciation | <u>(37,217,201)</u> | <u>(1,325,734)</u> | <u>21,183</u> | <u>(38,521,752)</u> |
| Total Capital Assets Depreciated, Net | <u>8,362,455</u> | <u>(59,836)</u> | <u>394,160</u> | <u>8,696,779</u> |
| Total Capital Assets, Net | <u>\$ 10,435,135</u> | <u>\$ (59,836)</u> | <u>\$ (5,013)</u> | <u>\$ 10,370,286</u> |

NOTE 4: RISK MANAGEMENT

The Authority maintains comprehensive insurance coverage with private carriers for health, real property, building contents and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. There was no significant reduction in coverage and no settlements exceeded insurance coverage during the past three fiscal years.

NOTE 5: DEFINED BENEFIT PENSION PLAN

Net Pension Liability

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

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

BELMONT METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2021

NOTE 5: DEFINED BENEFIT PENSION PLAN (Continued)

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

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

The proportionate share of each plan's unfunded benefits is presented as long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the fiscal year is included in *accrued wages/payroll taxes* on the accrual basis of accounting.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description- Authority employees participant in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contributions features. While members (e.g. Authority employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees 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 reduced benefits adopted by SB 343 (see OPERS Comprehensive Annual Financial Report referenced above for additional information):

BELMONT METROPOLITAN HOUSING AUTHORITY
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED MARCH 31, 2021

NOTE 5: DEFINED BENEFIT PENSION PLAN (Continued)

| Group A | Group B | Group C |
|--|--|--|
| Eligible to retire prior to January 7, 2013 or five years after January 7, 2013 | 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013 | Members not in other Groups and members hired on or after January 7, 2013 |
| State and Local Age and Service Requirements: | State and Local Age and Service Requirements: | 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 60 with 60 months of service credit or Age 55 with 25 years of service credit | Age 57 with 25 years of service credit or Age 62 with 5 years of service credit |
| Formula: | Formula: | Formula: |
| 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30 | 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30 | 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35 |

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

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

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

| Fiscal 2021 Statutory Maximum Contribution Rates: | <u>State and Local</u> |
|--|------------------------|
| Employer | 14.0% |
| Employee | 10.0% |
| Fiscal 2021 Actual Contribution Rates: | |
| Employer: | |
| Pension | 14.0% |
| Post Employment Health Care Benefits | 0.0% |
| Total Employer | <u>14.0%</u> |
| Employee | <u>10.0%</u> |

Employee contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Authority’s contractually required contribution was \$125,675 for fiscal year ending March 31, 2021.

BELMONT METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2021

NOTE 5: DEFINED BENEFIT PENSION PLAN (Continued)

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

The net pension liability was measured as of December 31, 2020, 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 proportionate of the net pension liability was based on the Authority's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

| | |
|--|-------------|
| Proportionate Share of the Net Pension Liability | \$882,843 |
| Proportion of the Net Pension Liability | 0.005962% |
| Change in Proportion from Prior Measurement Date | (0.000439%) |
| Pension Expense | \$16,236 |

At March 31, 2021, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows of Resources

| | |
|--|-----------|
| Contributions subsequent to measurement date | \$ 29,764 |
| Change in proportion | 134,336 |
| Total Deferred Outflows of Resources | \$164,100 |

Deferred Inflows of Resources

| | |
|--|-----------|
| Net difference between projected and actual | |
| Investment earnings | \$344,106 |
| Change in proportion | 312,339 |
| Differences between expected and actual experience | 36,930 |
| Total Deferred Inflows of Resources | \$693,375 |

\$29,764 reported as deferred outflows of resources related to pension resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending March 31, 2022. Change in proportionate share, is amortized over 5 years. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending March 31:

| | |
|-------|-------------|
| 2022 | (\$180,863) |
| 2023 | (84,175) |
| 2024 | (175,870) |
| 2025 | (82,532) |
| 2026 | (35,599) |
| Total | (\$559,039) |

BELMONT METROPOLITAN HOUSING AUTHORITY
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED MARCH 31, 2021

NOTE 5: DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial Assumptions-OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|--|--|
| Wage Inflation | 3.25 percent |
| Future Salary Increases, including inflation | 3.25 to 10.75 percent including wage inflation |
| COLA or Ad Hoc COLA | Pre 1/7/2013 Retirees: 3 percent, simple Post 1/7/2013 Retirees: 1.4 percent, simple Through 2018, then 2.15 percent, simple |
| Investment Rate of Return | 7.2 percent |
| Actuarial Cost Method | Individual Entry Age |

Mortality rates are 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.

The most recent experience study was completed for the five year period ended December 31, 2015.

The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. 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.

BELMONT METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2021

NOTE 5: DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial Assumptions-OPERS (continued)

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2020 and the long term expected real rates of return.

| Asset Class | Target Allocation | Weighted Average Long-Term Expected Real Rate of Return (Arithmetic) |
|-------------------------------|-------------------|--|
| Fixed Income | 25.00% | 1.32% |
| Domestic Equities | 21.00% | 5.64% |
| Real Estate | 10.00% | 5.39% |
| Private Equity | 12.00% | 10.42% |
| International Equities | 23.00% | 7.36% |
| Other Investments | 9.00% | 4.75% |
| Total | 100.00% | 5.43% |

Discount Rate The discount rate used to measure the total pension liability was 7.2 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following table presents the Authority’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.2 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 (6.2 percent) or one-percentage-point higher (8.2 percent) than the current rate:

| Authority's proportionate share of the net pension liability (rounded to thousands) | 1% Decrease (6.2%) | Current Discount Rate (7.2%) | 1% Increase (8.2%) |
|---|-----------------------|---------------------------------|-----------------------|
| | \$ 1,684,000 | \$ 883,000 | \$ 217,000 |

Plan Fiduciary Net Position Detailed information about the Plan’s fiduciary net position is available in the separately issued OPERS’s financial report.

BELMONT METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2021

NOTE 6: POST EMPLOYMENT BENEFITS

Net 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/(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 on the accrual basis of accounting. Any liability/(asset) for the contractually-required OPEB contribution outstanding at the end of the year is included in accrued wages/payroll taxes on the accrual basis of accounting.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Authority employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan and the Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. 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.

BELMONT METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2021

NOTE 6: POST EMPLOYMENT BENEFITS (continued)

As of December 2016, OPERS maintains one health care trust, the 115 Health Care Trust (115 Trust), which was established in 2014 to initially provide a funding mechanism for a health reimbursement arrangement (HRA), as the prior trust structure could not support the HRA. In March 2016, OPERS received two favorable rulings from the Internal Revenue Service (IRS) allowing OPERS to consolidate health care assets into the 115 Trust. The 401(h) Health Care Trust (401(h) Trust) was a pre-funded trust that provided health care funding for eligible members of the Traditional Pension Plan and the Combined Plan through December 31, 2015, when plans funded through the 401(h) Trust were terminated. The Voluntary Employees' Beneficiary Association Trust (VEBA Trust) accumulated funding for retiree medical accounts for participants in the Member-Directed Plan through June 30, 2016. The 401(h) Trust and the VEBA Trust were closed as of June 30, 2016 and the net positions transferred to the 115 Trust on July 1, 2016. Beginning in 2016, the 115 Trust, established under Internal Revenue Code (IRC) Section 115, is the funding vehicle for all health care plans.

The OPERS health care plans are reported as other post-employment benefit plans (OPEB) based on the criteria established by the Governmental Accounting Standards Board (GASB). Periodically, OPERS modifies the health care program design to improve the ongoing solvency of the plans. Eligibility requirements for access to the OPERS health care options have changed over the history of the program for Traditional Pension Plan and Combined Plan members. Prior to January 1, 2015, 10 or more years of service were required to qualify for health care coverage. Beginning January 1, 2015, generally, members must be at least age 60 with 20 years of qualifying service credit to qualify for health care coverage or 30 years of qualifying service at any age. Beginning 2016, Traditional Pension Plan and Combined Plan retirees enrolled in Medicare A and B were eligible to participate in the OPERS Medicare Connector (Connector). The Connector, a vendor selected by OPERS, assists eligible retirees in the selection and purchase of Medicare supplemental coverage through the Medicare market. Retirees that purchase supplemental coverage through the Connector may receive a monthly allowance in their HRA that can be used to reimburse eligible health care expenses. Upon termination or retirement, Member-Directed Plan participants can use vested retiree medical account funds for reimbursement of qualified medical expenses. Members who elect the Member-Directed Plan after July 1, 2015 will vest in health care over 15 years at a rate of 10% each year starting with the sixth year of participation. Members who elected the Member-Directed Plan prior to July 1, 2015, vest in health care over a five-year period at a rate of 20% per year. Health care coverage is neither guaranteed nor statutorily required. The ORC permits, but does not require, OPERS to offer post-employment health care coverage. The ORC allows a portion of the employers' contributions to be used to fund health care coverage. The health care portion of the employer contribution rate for the Traditional Pension Plan and Combined Plan is comparable, as the same coverage options are provided to participants in both plans.

Prior to January 1, 2015, the System provided comprehensive health care coverage to retirees with 10 or more years of qualifying service credit and offered coverage to their dependents on a premium deduction or direct bill basis. Beginning January 1, 2015, the service eligibility criteria for health care coverage increased from 10 years to 20 years with a minimum age of 60, or 30 years of qualifying service at any age. Beginning with January 2016 premiums, Medicare-eligible retirees could select supplemental coverage through the Connector, and may be eligible for monthly allowances deposited to an HRA to be used for reimbursement of eligible health care expenses. Coverage for non-Medicare retirees includes hospitalization, medical expenses and prescription drugs. The System determines the amount, if any, of the associated health care costs that will be absorbed by the System and attempts to control costs by using managed care, case management, and other programs. Additional details on health care coverage can be found in the Plan Statement in the OPERS 2017 Comprehensive Annual Financial Report.

BELMONT METROPOLITAN HOUSING AUTHORITY
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED MARCH 31, 2021

NOTE 6: POST EMPLOYMENT BENEFITS (continued)

Participants in the Member-Directed Plan are not eligible for health care coverage offered to benefit recipients in the Traditional Pension Plan and Combined Plan. A portion of employer contributions for these participants is allocated to a retiree medical account. Upon separation or retirement, participants may be reimbursed for qualified medical expenses from these accounts.

An additional retiree medical account (RMA) was also established several years ago when three health care coverage levels were available to retirees. Monthly allowance amounts in excess of the cost of the retiree’s selected coverage were notionally credited to the retiree’s RMA. Retirees and their dependents could seek reimbursements from the RMA balances for qualified medical expenses. In 2013, the number of health care options available to retirees was reduced from three to one, eliminating the majority of deposits to the RMA. Wellness incentive payments were the only remaining deposits made to this RMA. Wellness incentives are no longer awarded starting with the 2017 plan year. These RMA balances were transferred to the HRA for retirees with both types of accounts. In addition, OPERS initiated an automatic claims payment process for reimbursements for retiree health care costs paid through pension deduction. This process will reimburse members for eligible health care premiums paid to OPERS, currently through pension deduction, up to the member’s available RMA balance.

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

| | <u>State and Local</u> |
|--|------------------------------------|
| Fiscal Year 2021 Statutory Maximum Contribution Rates (Pension and OPEB combined) | Employer 14.0 % Employee 10.0 % |

With the assistance of the System’s actuary and Board approval, a portion of each employer contribution to OPERS may be set aside for the funding of post-employment health care coverage. Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The portion of traditional and combined plans employer contributions allocated to health care was zero for 2020 and 2021.

Other Post Employment Benefit (OPEB) Liabilities/(Assets), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net other post employee benefits (OPEB) liability was measured as of December 31, 2020, and the total OPEB liability/(asset) used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of that date. The Authority’s proportionate of the net pension liability/(asset) was based on the Authority’s share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense/income:

| | |
|--|-------------|
| Proportionate Share of the Net OPEB Asset | \$101,176 |
| Proportion of the Net OPEB Asset | 0.005679% |
| Change in Proportion from Prior Measurement Date | (0.000012%) |
| OPEB Income | \$612,303 |

At March 31, 2021, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

BELMONT METROPOLITAN HOUSING AUTHORITY
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED MARCH 31, 2021

NOTE 6: POST EMPLOYMENT BENEFITS (continued)

Deferred Outflows of Resources

| | |
|--------------------------------------|----------|
| Changes of assumptions | \$49,739 |
| Total Deferred Outflows of Resources | \$49,739 |

Deferred Inflows of Resources

| | |
|--|-----------|
| Differences between expected and actual experience | \$91,311 |
| Net difference between projected and actual | |
| Investment earnings | 53,888 |
| Changes of assumptions | 163,935 |
| Change in Proportion | 74,826 |
| Totals | \$383,960 |

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 March 31:

| | |
|-------|-------------|
| 2022 | (\$150,395) |
| 2023 | (109,163) |
| 2024 | (38,382) |
| 2025 | (21,315) |
| 2026 | (14,966) |
| Total | (\$334,221) |

Actuarial Assumptions – OPERS OPEB

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

Projections of health care costs for financial reporting purposes are based on the substantive Plan (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 total OPEB liability/(asset) was determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020. The total OPEB liability/(asset) was determined using the following actuarial assumptions, applied to all prior periods included in the measurement in accordance with the requirements of GASB 74. In 2016, the Board of Trustees’ actuarial consultants conducted an experience study for the period 2011 through 2015, comparing assumptions to actual results. The experience study incorporates both a historical view and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below:

| | |
|---|--------------------------------------|
| Single Discount Rate | 6.00 percent |
| Investment Rate of Return | 6.00 percent |
| Municipal Bond Rate | 2.00 percent |
| Wage Inflation | 3.25 percent |
| Health Care Cost Trend Rate | 8.5% initial, 3.50% ultimate in 2035 |
| Actuarial Cost Method Individual Entry Age Normal | |

BELMONT METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2021

NOTE 6: POST EMPLOYMENT BENEFITS (continued)

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables. The most recent experience study was completed for the five-year period ended December 31, 2015. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

During 2020, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio.

| Asset Class | Target Allocation | Weighted Average Long-Term Expected Real Rate of Return (Arithmetic) |
|-------------------------------|----------------------|---|
| Fixed Income | 34.00% | 1.07% |
| Domestic Equities | 25.00% | 5.64% |
| Real Estate | 7.00% | 6.48% |
| International Equities | 25.00% | 7.36% |
| Other Investments | 9.00% | 4.02% |
| Total | 100.00% | 4.43% |

Discount Rate – A single discount rate of 6.00% was used to measure the OPEB liability/(asset) on the measurement date of December 31, 2020. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 2.00%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the OPEB plan’s fiduciary net position and future contributions were sufficient to finance the health care costs through the year 2120. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2120, the duration of the projection period through which projected health care payments are fully funded.

BELMONT METROPOLITAN HOUSING AUTHORITY
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED MARCH 31, 2021

NOTE 6: POST EMPLOYMENT BENEFITS (continued)

Sensitivity of the Authority's Proportionate Share of the Net OPEB Liability/(Asset) to Changes in the Discount Rate

The following table presents the Authority's proportionate share of the net OPEB liability/(asset) calculated using the single discount rate of 6.00 percent, as well as what the Authority's proportionate share of the net OPEB liability/(asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

| Authority's proportionate share of the net opeb liability/(asset) (rounded to thousands) | 1% Decrease (5.00%) | Current Discount Rate (6.00%) | 1% Increase (7.00%) |
|--|------------------------|-------------------------------------|------------------------|
| | \$ (25,000) | (\$ 101,000) | (\$ 164,000) |

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

Sensitivity of Net OPEB Liability/(Asset) to Changes in the Health Care Cost Trend Rate

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2021 is 8.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50% in the most recent valuation.

| Authority's proportionate share of the net opeb liability/(asset) (rounded to thousands) | 1% Decrease | Current Health Care Cost Rate Assumption | 1% Increase |
|--|--------------|--|-------------|
| | (\$ 104,000) | (\$ 101,000) | (\$ 98,000) |

NOTE 7: FDS SCHEDULE SUBMITTED TO HUD

For the fiscal year ended March 31, 2021, the Authority electronically submitted an unaudited version of the balance sheet, statement of revenues, expenses and changes in net assets and other data to HUD as required on the GAAP basis. The schedules are presented in the manner prescribed by Housing and Urban Development.

NOTE 8: ECONOMIC DEPENDENCY

Both the Low Rent Public Housing Program and the Voucher Program are economically dependent on annual contributions and grants from HUD.

BELMONT METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2021

NOTE 9: RESTRICTED NET POSITION

For the fiscal year ended March 31, 2021, the Authority had \$39,915 in Restricted Net Position, related to Housing Choice Voucher restricted reserve funds on hand.

NOTE 10: CONTINGENCIES

Grants

Amounts grantor agencies pay to the Authority are subject to audit and adjustments by the grantor, principally the federal government. Grantors may require refunding any disallowed costs or excess reserve balances. Management cannot presently determine amounts grantors may disallow or recapture. However, based on prior experience, management believes any such disallowed claims or recaptured amounts would not have a material adverse effect on the overall financial position of the Authority at March 31, 2021.

Commitments and Contingencies

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

Litigations

In the normal course of operations, the Authority may be subject to litigations and claims. At March 31, 2021, the Authority was not aware of any such matters.

NOTE 11: COVID-19

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Authority. The investments of the pension and other employee benefit plan in which the Authority participates have incurred a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the Authority's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

**BELMONT METROPOLITAN HOUSING AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST EIGHT FISCAL YEARS (1)**

| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Authority's Proportion of the Net Pension Liability | 0.005962% | 0.006401% | 0.006111% | 0.007433% | 0.008003% | 0.007324% | 0.007738% | 0.007738% |
| Authority's Proportionate Share of the Net Pension Liability | \$882,843 | \$1,265,201 | \$1,673,679 | \$1,166,094 | \$1,817,346 | \$1,268,543 | \$933,235 | \$912,156 |
| Authority's Covered-Employee Payroll | \$897,678 | \$855,386 | \$834,671 | \$951,212 | \$1,024,673 | \$932,525 | \$948,217 | \$953,917 |
| Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll | 98.34% | 147.91% | 200.51% | 122.50% | 177.36% | 136.03% | 98.42% | 95.62% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 86.88% | 82.17% | 74.70% | 84.66% | 77.25% | 81.08% | 86.45% | 86.36% |

(1) Information prior to 2014 is not available.

Amounts presented as of the Authority's fiscal year end.

The plan measurement date is the prior calendar year end.

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

| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Contractually Required Contributions | \$125,675 | \$119,745 | \$116,854 | \$123,657 | \$122,960 | \$111,903 | \$113,786 | \$114,470 | \$122,248 | \$114,943 |
| Contributions in Relation to the Contractually Required Contribution | (\$125,675) | (\$119,745) | (\$116,854) | (\$123,657) | (\$122,960) | (\$111,903) | (\$113,786) | (\$114,470) | (\$122,248) | (\$114,943) |
| Contribution Deficiency / (Excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Authority's Covered Employee Payroll | \$897,678 | \$855,386 | \$834,671 | \$951,212 | \$1,024,673 | \$932,525 | \$948,217 | \$953,917 | \$940,369 | \$957,862 |
| Contributions as a Percentage of Covered-Employee Payroll | 14.00% | 14.00% | 14.00% | 13.00% | 12.00% | 12.00% | 12.00% | 12.00% | 12.00% | 12.00% |

**BELMONT METROPOLITAN HOUSING AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF
OTHER POST EMPLOYMENT BENEFITS (OPEB) LIABILITY/(ASSET)
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST FOUR FISCAL YEARS (1)**

| | 2021 | 2020 | 2019 | 2018 |
|---|-------------|-------------|-------------|-------------|
| Authority's Proportion of the Other Post-Employment Benefits Liability/(Asset) (OPEB) | 0.005679% | 0.005691% | 0.005691% | 0.006940% |
| Authority's Proportionate Share of the OPEB Liability/(Asset) | (\$101,176) | \$823,369 | \$741,972 | \$753,633 |
| Authority's Covered-Employee Payroll | \$897,678 | \$855,386 | \$834,671 | \$951,212 |
| Authority's Proportionate Share of the OPEB Liability/(Asset) as a Percentage of its Covered Employee Payroll | (11.27%) | 96.25% | 88.89% | 79.23% |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/(Asset) | 115.57% | 47.80% | 46.33% | 54.14% |

(1) Information prior to 2018 is not available.

Amounts presented as of the Authority's fiscal year end.

The plan measurement date is the prior calendar year end.

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

| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|--|-----------|-----------|-----------|-----------|-------------|------------|------------|------------|------------|------------|
| Contractually Required Contributions | \$ - | \$ - | \$ - | \$9,512 | \$20,493 | \$18,651 | \$18,964 | \$19,078 | \$18,807 | \$19,157 |
| Contributions in Relation to the Contractually Required Contribution | (\$ -) | (\$ -) | (\$ -) | (\$9,512) | (\$20,493) | (\$18,651) | (\$18,964) | (\$19,078) | (\$18,807) | (\$19,157) |
| Contribution Deficiency / (Excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Authority's Covered Employee Payroll | \$897,678 | \$855,386 | \$834,671 | \$951,212 | \$1,024,673 | \$932,525 | \$948,217 | \$953,917 | \$940,369 | \$957,862 |
| Contributions as a Percentage of Covered-Employee Payroll | 0.00% | 0.00% | 0.00% | 1.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% |

BELMONT METROPOLITAN HOUSING AUTHORITY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED MARCH 31, 2021

Ohio Public Employees' Retirement System

Net Pension Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2014-2021.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016 and 2018. For 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the expected investment return was reduced from 8.00% to 7.50%, (b) the expected long-term average wage inflation rate was reduced from 3.75% to 3.25%, (c) the expected long-term average price inflation rate was reduced from 3.00% to 2.50%, (d) Rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality rates were updated to the RP-2014 Health Annuitant Mortality Table, adjusted for mortality improvement back to the observant period base year of 2006 and then established the base year as 2015 (f) mortality rates used in evaluating disability allowances were updated to the RP-2014 Disabled Mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and a base year of 2015 for males and 2010 for females (g) Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables. For 2019, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the expected investment return was reduced from 7.50% to 7.20%. For 2020, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the cost-of-living adjustments for post-1/7/2013 retirees were reduced from 3.00% simple through 2018 to 1.40% simple through 2020, then 2.15% simple. For 2021, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the cost-of-living adjustments for post-1/7/2013 retirees were reduced from 1.40% to 0.5% simple through 2021, then 2.15% simple.

Net OPEB Liability/(Asset)

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2018-2021.

Changes in assumptions: For 2018, the single discount rate changed from 4.23% to 3.85%. For 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the expected investment return was reduced from 6.50% to 6.00% (b) In January 2020, the Board adopted changes to health care coverage for Medicare and pre-Medicare retirees. It will include discontinuing the PPO plan for pre-Medicare retirees and replacing it with a monthly allowance to help participants pay for a health care plan of their choosing. The base allowance for Medicare eligible retirees will be reduced. The specific effect of these changes on the net OPEB liability and OPEB expense are unknown at this time (c) the single discount rate changed from 3.85% to 3.96%. For 2020, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 3.96% to 3.16%. For 2021, the following changes of assumptions affected the total OPEB liability/(asset) since the prior measurement date: (a) the single discount rate changed from 3.16% to 6.00%, (b) municipal bond rate changed from 2.75% to 2.00%, (c) the health care cost trend rate changed from 10.5% initial, 3.50% ultimate in 2030 to 8.5% initial, 3.50% ultimate in 2035.

BELMONT METROPOLITAN HOUSING AUTHORITY
 ENTITY WIDE BALANCE SHEET SUMMARY
 FINANCIAL DATA SCHEDULES SUBMITTED TO HUD
 MARCH 31, 2021

| | Project Total | 14.PHC Public Housing CARES Act Funding | 14.HCC HCV CARES Act Funding | 14.871 Housing Choice Vouchers | COCC | Subtotal | ELIM | Total |
|---|---------------|---|------------------------------|--------------------------------|-------------|---------------|------|---------------|
| 111 Cash - Unrestricted | \$3,099,922 | \$0 | \$0 | \$141,271 | \$4,024,457 | \$7,265,650 | | \$7,265,650 |
| 113 Cash - Other Restricted | \$0 | \$0 | \$5,669 | \$39,915 | \$0 | \$45,584 | | \$45,584 |
| 114 Cash - Tenant Security Deposits | \$154,563 | \$0 | \$0 | \$0 | \$0 | \$154,563 | | \$154,563 |
| 100 Total Cash | \$3,254,485 | \$0 | \$5,669 | \$181,186 | \$4,024,457 | \$7,465,797 | \$0 | \$7,465,797 |
| 122 Accounts Receivable - HUD Other Projects | \$126,551 | \$0 | \$0 | \$0 | \$0 | \$126,551 | | \$126,551 |
| 125 Accounts Receivable - Miscellaneous | \$0 | \$0 | \$0 | \$0 | \$5,599 | \$5,599 | | \$5,599 |
| 126 Accounts Receivable - Tenants | \$38,233 | \$0 | \$0 | \$0 | \$0 | \$38,233 | | \$38,233 |
| 126.1 Allowance for Doubtful Accounts - Tenants | -\$13,461 | \$0 | \$0 | \$0 | \$0 | -\$13,461 | | -\$13,461 |
| 120 Total Receivables, Net of Allowances for Doubtful Accounts | \$151,323 | \$0 | \$0 | \$0 | \$5,599 | \$156,922 | \$0 | \$156,922 |
| 131 Investments - Unrestricted | \$2,347,678 | \$0 | \$0 | \$0 | \$1,087,539 | \$3,435,217 | | \$3,435,217 |
| 142 Prepaid Expenses and Other Assets | \$97,208 | \$0 | \$0 | \$0 | \$8,711 | \$105,919 | | \$105,919 |
| 143 Inventories | \$81,621 | \$0 | \$0 | \$0 | \$0 | \$81,621 | | \$81,621 |
| 143.1 Allowance for Obsolete Inventories | -\$8,162 | \$0 | \$0 | \$0 | \$0 | -\$8,162 | | -\$8,162 |
| 150 Total Current Assets | \$5,924,153 | \$0 | \$5,669 | \$181,186 | \$5,126,306 | \$11,237,314 | \$0 | \$11,237,314 |
| 161 Land | \$1,446,016 | \$0 | \$0 | \$0 | \$0 | \$1,446,016 | | \$1,446,016 |
| 162 Buildings | \$46,172,332 | \$0 | \$0 | \$0 | \$0 | \$46,172,332 | | \$46,172,332 |
| 164 Furniture, Equipment & Machinery - Administration | \$722,486 | \$0 | \$0 | \$1,188 | \$114,117 | \$837,791 | | \$837,791 |
| 165 Leasehold Improvements | \$0 | \$0 | \$0 | \$0 | \$208,408 | \$208,408 | | \$208,408 |
| 166 Accumulated Depreciation | -\$38,351,606 | \$0 | \$0 | -\$1,188 | -\$168,958 | -\$38,521,752 | | -\$38,521,752 |
| 167 Construction in Progress | \$227,491 | \$0 | \$0 | \$0 | \$0 | \$227,491 | | \$227,491 |
| 160 Total Capital Assets, Net of Accumulated Depreciation | \$10,216,719 | \$0 | \$0 | \$0 | \$153,567 | \$10,370,286 | \$0 | \$10,370,286 |
| 174 Other Assets | \$74,324 | \$0 | \$0 | \$2,985 | \$23,867 | \$101,176 | | \$101,176 |
| 180 Total Non-Current Assets | \$10,291,043 | \$0 | \$0 | \$2,985 | \$177,434 | \$10,471,462 | \$0 | \$10,471,462 |
| 200 Deferred Outflow of Resources | \$156,361 | \$0 | \$0 | \$7,103 | \$50,375 | \$213,839 | \$0 | \$213,839 |
| 290 Total Assets and Deferred Outflow of Resources | \$16,371,557 | \$0 | \$5,669 | \$191,274 | \$5,354,115 | \$21,922,615 | \$0 | \$21,922,615 |
| 312 Accounts Payable <= 90 Days | \$61,253 | \$0 | \$0 | \$0 | \$18 | \$61,271 | | \$61,271 |
| 321 Accrued Wage/Payroll Taxes Payable | \$9,551 | \$0 | \$0 | \$514 | \$2,115 | \$12,180 | | \$12,180 |
| 322 Accrued Compensated Absences - Current Portion | \$19,274 | \$0 | \$0 | \$1,537 | \$25,119 | \$45,930 | | \$45,930 |
| 333 Accounts Payable - Other Government | \$29,073 | \$0 | \$0 | \$0 | \$0 | \$29,073 | | \$29,073 |
| 341 Tenant Security Deposits | \$154,563 | \$0 | \$0 | \$0 | \$0 | \$154,563 | | \$154,563 |
| 342 Unearned Revenue | \$37,051 | \$0 | \$5,669 | \$0 | \$0 | \$42,720 | | \$42,720 |
| 346 Accrued Liabilities - Other | \$46,798 | \$0 | \$0 | \$845 | \$7,529 | \$55,172 | | \$55,172 |
| 310 Total Current Liabilities | \$357,563 | \$0 | \$5,669 | \$2,896 | \$34,781 | \$400,909 | \$0 | \$400,909 |
| 354 Accrued Compensated Absences - Non Current | \$23,557 | \$0 | \$0 | \$1,878 | \$30,700 | \$56,135 | | \$56,135 |
| 357 Accrued Pension and OPEB Liabilities | \$648,403 | \$0 | \$0 | \$26,228 | \$498,214 | \$882,843 | | \$882,843 |
| 350 Total Non-Current Liabilities | \$671,960 | \$0 | \$0 | \$28,104 | \$238,914 | \$938,978 | \$0 | \$938,978 |
| 300 Total Liabilities | \$1,029,523 | \$0 | \$5,669 | \$31,000 | \$273,695 | \$1,339,887 | \$0 | \$1,339,887 |
| 400 Deferred Inflow of Resources | \$803,073 | \$0 | \$0 | \$41,492 | \$232,770 | \$1,077,335 | \$0 | \$1,077,335 |
| 508.4 Net Investment in Capital Assets | \$10,216,719 | \$0 | \$0 | \$0 | \$153,567 | \$10,370,286 | | \$10,370,286 |
| 511.4 Restricted Net Position | \$0 | \$0 | \$0 | \$39,915 | \$0 | \$39,915 | | \$39,915 |
| 512.4 Unrestricted Net Position | \$4,322,242 | \$0 | \$0 | \$78,867 | \$4,694,083 | \$9,095,192 | | \$9,095,192 |
| 513 Total Equity - Net Assets / Position | \$14,538,961 | \$0 | \$0 | \$118,782 | \$4,847,650 | \$19,505,393 | \$0 | \$19,505,393 |
| 600 Total Liabilities, Deferred Inflows of Resources and Equity - Net | \$16,371,557 | \$0 | \$5,669 | \$191,274 | \$5,354,115 | \$21,922,615 | \$0 | \$21,922,615 |

BELMONT METROPOLITAN HOUSING AUTHORITY
 ENTITY WIDE REVENUE AND EXPENSE SUMMARY
 FINANCIAL DATA SCHEDULES SUBMITTED TO HUD
 FOR THE FISCAL YEAR ENDED MARCH 31, 2021

| | Project Total | 14.PHC Public Housing CARES Act Funding | 14.HCC HCV CARES Act Funding | 14.871 Housing Choice Vouchers | COCC | Subtotal | ELIM | Total |
|---|---------------|---|------------------------------|--------------------------------|-------------|--------------|------------|--------------|
| 70300 Net Tenant Rental Revenue | \$1,509,746 | \$0 | \$0 | \$0 | \$0 | \$1,509,746 | | \$1,509,746 |
| 70400 Tenant Revenue - Other | \$37,260 | \$0 | \$0 | \$0 | \$0 | \$37,260 | | \$37,260 |
| 70500 Total Tenant Revenue | \$1,547,006 | \$0 | \$0 | \$0 | \$0 | \$1,547,006 | | \$1,547,006 |
| 70600 HUD PHA Operating Grants | \$3,172,146 | \$400,108 | \$86,519 | \$1,465,582 | \$0 | \$5,124,355 | | \$5,124,355 |
| 70610 Capital Grants | \$1,150,184 | | | \$0 | \$0 | \$1,150,184 | | \$1,150,184 |
| 70710 Management Fee | | | | | \$666,093 | \$666,093 | -\$666,093 | \$0 |
| 70720 Asset Management Fee | | | | | | | | |
| 70730 Book Keeping Fee | | | | | \$72,050 | \$72,050 | -\$72,050 | \$0 |
| 70700 Total Fee Revenue | | | | | \$823,823 | \$823,823 | -\$823,823 | \$0 |
| 70800 Other Government Grants | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | | \$0 |
| 71100 Investment Income - Unrestricted | \$44,853 | \$0 | \$0 | \$2 | \$35,882 | \$80,737 | | \$80,737 |
| 71500 Other Revenue | \$1,821 | \$0 | \$0 | \$22,007 | \$166 | \$23,994 | | \$23,994 |
| 71600 Gain or Loss on Sale of Capital Assets | \$0 | \$0 | \$0 | \$0 | -\$5,013 | -\$5,013 | | -\$5,013 |
| 72000 Investment Income - Restricted | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | | \$0 |
| 70000 Total Revenue | \$5,916,010 | \$400,108 | \$86,519 | \$1,487,591 | \$854,858 | \$8,745,086 | -\$823,823 | \$7,921,263 |
| 91100 Administrative Salaries | \$93,833 | \$70,569 | \$24,975 | \$166 | \$196,481 | \$386,024 | | \$386,024 |
| 91200 Auditing Fees | \$3,829 | \$0 | \$0 | \$3,160 | \$2,307 | \$9,296 | | \$9,296 |
| 91300 Management Fee | | | | | \$85,680 | \$85,680 | -\$666,093 | \$0 |
| 91310 Book-keeping Fee | \$62,738 | \$0 | \$0 | \$9,312 | | \$72,050 | -\$72,050 | \$0 |
| 91500 Employee Benefit contributions - Administrative | -\$651,922 | \$32,190 | \$13,178 | -\$94,780 | -\$146,187 | -\$847,521 | | -\$847,521 |
| 91600 Office Expense | \$21,491 | \$0 | \$0 | \$6,700 | \$12,372 | \$40,563 | | \$40,563 |
| 91700 Legal Expense | \$38,437 | \$0 | \$0 | \$0 | \$0 | \$38,437 | | \$38,437 |
| 91900 Other | \$23,847 | \$0 | \$21,050 | \$6,874 | \$55,032 | \$106,803 | | \$106,803 |
| 91000 Total Operating - Administrative | \$239,722 | \$102,759 | \$59,203 | -\$49,944 | \$120,005 | \$471,745 | -\$738,143 | \$266,398 |
| 92000 Asset Management Fee | \$85,680 | \$0 | \$0 | \$0 | | \$85,680 | -\$85,680 | \$0 |
| 92400 Tenant Services - Other | \$18,072 | \$0 | \$0 | \$0 | \$0 | \$18,072 | | \$18,072 |
| 92500 Total Tenant Services | \$18,072 | \$0 | \$0 | \$0 | \$0 | \$18,072 | \$0 | \$18,072 |
| 93100 Water | \$479,682 | \$0 | \$0 | \$0 | \$0 | \$479,682 | | \$479,682 |
| 93200 Electricity | \$270,594 | \$70,520 | \$0 | \$0 | \$1,124 | \$340,914 | | \$340,914 |
| 93300 Gas | \$62,158 | \$0 | \$0 | \$0 | \$27 | \$62,185 | | \$62,185 |
| 93500 Labor | \$29,298 | \$0 | \$0 | \$0 | \$0 | \$29,298 | | \$29,298 |
| 93600 Sewer | \$297,073 | \$0 | \$0 | \$0 | \$0 | \$297,073 | | \$297,073 |
| 93000 Total Utilities | \$1,138,605 | \$70,520 | \$0 | \$0 | \$27 | \$1,209,152 | \$0 | \$1,209,152 |
| 94100 Ordinary Maintenance and Operations - Labor | \$266,409 | \$146,676 | \$0 | \$0 | \$0 | \$413,085 | | \$413,085 |
| 94200 Ordinary Maintenance and Operations - Materials and Other | \$258,715 | \$0 | \$0 | \$0 | \$0 | \$258,715 | | \$258,715 |
| 94300 Ordinary Maintenance and Operations Contracts | \$260,248 | \$0 | \$0 | \$0 | \$0 | \$260,248 | | \$260,248 |
| 94500 Employee Benefit Contributions - Ordinary Maintenance | \$22,507 | \$67,620 | \$0 | \$0 | \$509 | \$90,636 | | \$90,636 |
| 94000 Total Maintenance | \$807,879 | \$214,296 | \$0 | \$0 | \$509 | \$1,022,684 | \$0 | \$1,022,684 |
| 96110 Property Insurance | \$25,141 | \$0 | \$0 | \$0 | \$0 | \$25,141 | | \$25,141 |
| 96120 Liability Insurance | \$25,141 | \$0 | \$0 | \$0 | \$0 | \$25,141 | | \$25,141 |
| 96130 Workmen's Compensation | \$5,801 | \$0 | \$0 | \$103 | \$0 | \$5,904 | | \$5,904 |
| 96140 All Other Insurance | \$8,381 | \$0 | \$0 | \$161 | \$0 | \$8,542 | | \$8,542 |
| 96100 Total Insurance Premiums | \$64,464 | \$0 | \$0 | \$733 | \$0 | \$65,197 | \$0 | \$65,197 |
| 96200 Other General Expenses | \$0 | \$0 | \$0 | \$195 | \$0 | \$195 | | \$195 |
| 96210 Compensated Absences | \$23,849 | \$12,533 | \$1,441 | \$10 | \$12,029 | \$49,862 | | \$49,862 |
| 96300 Payments in Lieu of Taxes | \$29,073 | \$0 | \$0 | \$0 | \$0 | \$29,073 | | \$29,073 |
| 96400 Bad debt - Transfer Out | \$57,354 | \$0 | \$0 | \$0 | \$0 | \$57,354 | | \$57,354 |
| 96000 Total Other General Expenses | \$110,276 | \$12,533 | \$1,441 | \$205 | \$12,029 | \$136,484 | \$0 | \$136,484 |
| 96900 Total Operating Expenses | \$2,464,698 | \$400,108 | \$60,644 | -\$49,006 | \$132,570 | \$3,009,014 | -\$823,823 | \$2,185,191 |
| 97000 Excess of Operating Revenue over Operating Expenses | \$3,451,312 | \$0 | \$25,875 | \$1,536,587 | \$722,288 | \$5,736,072 | \$0 | \$5,736,072 |
| 97300 Housing Assistance Payments | \$0 | \$0 | \$25,875 | \$1,259,322 | \$0 | \$1,285,197 | | \$1,285,197 |
| 97350 HAP Portability In | \$0 | \$0 | \$0 | \$21,388 | \$0 | \$21,388 | | \$21,388 |
| 97400 Depreciation Expense | \$1,308,312 | \$0 | \$0 | \$0 | \$17,422 | \$1,325,734 | | \$1,325,734 |
| 90000 Total Expenses | \$3,773,010 | \$400,108 | \$86,519 | \$1,231,704 | \$149,992 | \$5,641,333 | -\$823,823 | \$4,817,510 |
| 10010 Operating Transfer In | \$207,912 | \$0 | \$0 | \$0 | \$0 | \$207,912 | -\$207,912 | \$0 |
| 10020 Operating Transfer Out | \$207,912 | \$0 | \$0 | \$0 | \$0 | \$207,912 | \$207,912 | \$0 |
| 10100 Total Other financing Sources (Uses) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses | \$2,143,000 | \$0 | \$0 | \$255,887 | \$704,866 | \$3,103,753 | \$0 | \$3,103,753 |
| 11030 Beginning Equity | \$12,395,961 | \$0 | \$0 | -\$137,105 | \$4,142,784 | \$16,401,640 | | \$16,401,640 |
| 11040 Prior Period Adjustments, Equity Transfers and Correction of Errors | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | | \$0 |
| 11170 Administrative Fee Equity | | | | \$78,867 | | \$78,867 | | \$78,867 |
| 11180 Housing Assistance Payments Equity | | | | \$39,915 | | \$39,915 | | \$39,915 |
| 11190 Unit Months Available | 8568 | 0 | 0 | 3300 | 0 | 11868 | | 11868 |
| 11210 Number of Unit Months Leased | 8365 | 0 | 0 | 3095 | 0 | 11460 | | 11460 |

BELMONT METROPOLITAN HOUSING AUTHORITY

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED MARCH 31, 2021**

| <u>Federal Grantor/Pass Through Grantor Program/Cluster Title</u> | <u>Pass-Through Number</u> | <u>Federal CFDA Number</u> | <u>Total Federal Expenditures</u> |
|---|----------------------------|----------------------------|-----------------------------------|
| <u>U.S. Department of Housing and Urban Development</u> | | | |
| Direct Programs: | | | |
| Public and Indian Housing - Low Rent Public Housing: | | | |
| Public and Indian Housing - Low Rent Public Housing | N/A | 14.850 | \$ 2,747,254 |
| COVID-19 - Public Housing CARES Act Funding | N/A | 14.PHC | 400,108 |
| Total Public and Indian Housing - Low Rent Public Housing | | | <u>3,147,362</u> |
| Housing Choice Voucher Cluster: | | | |
| Section 8 Housing Choice Vouchers | N/A | 14.871 | 1,465,582 |
| COVID-19 - Housing Choice Vouchers CARES Act Funding | N/A | 14.HCC | 86,519 |
| Total Housing Choice Voucher Cluster | | | <u>1,552,101</u> |
| Public Housing Capital Fund | N/A | 14.872 | 1,575,076 |
| Total Expenditures of Federal Awards | | | <u><u>\$ 6,274,539</u></u> |

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Belmont Metropolitan Housing Authority (the Authority) under programs of the federal government for the year ended March 31, 2021. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The Authority has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

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

Belmont Metropolitan Housing Authority
Belmont County
100 S. 3rd Street
Martins Ferry, Ohio 43935

To the Board of Directors:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Belmont Metropolitan Housing Authority, Belmont County, (the Authority) as of and for the fiscal year ended March 31, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated September 27, 2021, wherein we noted the Authority considered the financial impact of COVID-19 as disclosed in Note 11.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Authority's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Authority's financial statements. 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the Authority's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Newark, Ohio
September 27, 2021

**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**

Belmont Metropolitan Housing Authority
Belmont County
100 S. 3rd Street
Martins Ferry, Ohio 43935

To the Board of Directors:

Report on Compliance for the Major Federal Program

We have audited the Belmont Metropolitan Housing Authority's (the Authority) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the Belmont Metropolitan Housing Authority's major federal program for the fiscal year ended March 31, 2021. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the Authority's major federal program.

Management's Responsibility

The Authority's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

Auditor's Responsibility

Our responsibility is to opine on the Authority's compliance for the Authority's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in 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). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the Authority's major program. However, our audit does not provide a legal determination of the Authority's compliance.

Opinion on the Major Federal Program

In our opinion, the Belmont Metropolitan Housing Authority complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the fiscal year ended March 31, 2021.

Report on Internal Control Over Compliance

The Authority's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the Authority's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Authority's 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, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. 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 federal program compliance requirement will not be prevented, or timely detected and corrected. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement 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 first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.



Newark, Ohio
September 27, 2021

**BELMONT METROPOLITAN HOUSING AUTHORITY
BELMONT COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
MARCH 31, 2021**

1. SUMMARY OF AUDITOR'S RESULTS

| | | |
|---------------------|---|---|
| <i>(d)(1)(i)</i> | Type of Financial Statement Opinion | Unmodified |
| <i>(d)(1)(ii)</i> | Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)? | No |
| <i>(d)(1)(ii)</i> | Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)? | No |
| <i>(d)(1)(iii)</i> | Was there any reported material noncompliance at the financial statement level (GAGAS)? | No |
| <i>(d)(1)(iv)</i> | Were there any material weaknesses in internal control reported for major federal programs? | No |
| <i>(d)(1)(iv)</i> | Were there any significant deficiencies in internal control reported for major federal programs? | No |
| <i>(d)(1)(v)</i> | Type of Major Programs' Compliance Opinion | Unmodified |
| <i>(d)(1)(vi)</i> | Are there any reportable findings under 2 CFR § 200.516(a)? | No |
| <i>(d)(1)(vii)</i> | Major Programs (list): | 14.872/Public Housing Capital Fund |
| <i>(d)(1)(viii)</i> | Dollar Threshold: Type A\B Programs | Type A: > \$750,000 Type B: all others |
| <i>(d)(1)(ix)</i> | 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.

This page intentionally left blank.

OHIO AUDITOR OF STATE KEITH FABER



BELMONT METROPOLITAN HOUSING AUTHORITY

BELMONT COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 11/16/2021

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

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