

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

FINANCIAL STATEMENTS AND
REPORT OF INDEPENDENT AUDITOR

DECEMBER 31, 2024



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CONTENTS

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	6
FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION - PROPRIETARY FUND AND DISCRETELY PRESENTED COMPONENT UNITS	14
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION - PROPRIETARY FUND AND DISCRETELY PRESENTED COMPONENT UNITS	16
STATEMENT OF CASH FLOWS - PROPRIETARY FUND	17
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUND	19
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUND	20
NOTES TO FINANCIAL STATEMENTS	21
REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS	95
SCHEDULE OF OPEB CONTRIBUTIONS	96
SCHEDULE OF OPEB INVESTMENT RETURNS	97
OTHER SUPPLEMENTARY INFORMATION	
COMBINING PROGRAM FINANCIAL SCHEDULES	
COMBINING SCHEDULE OF NET POSITION - PROPRIETARY FUND PROGRAMS	98
COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION - PROPRIETARY FUND PROGRAMS	104
COMBINING SCHEDULE OF CASH FLOWS - PROPRIETARY FUND PROGRAMS	107
COMBINING DISCRETELY PRESENTED COMPONENT UNITS FINANCIAL SCHEDULES	
COMBINING SCHEDULE OF NET POSITION - DISCRETELY PRESENTED COMPONENT UNITS	113
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - DISCRETELY PRESENTED COMPONENT UNITS	117
FINANCIAL DATA SCHEDULE - ENTITY WIDE BALANCE SHEET SUMMARY	119
FINANCIAL DATA SCHEDULE - ENTITY WIDE REVENUE AND EXPENSE SUMMARY	135
SCHEDULE OF CAPITAL FUND PROGRAM COSTS - UNCOMPLETED	159
FEDERAL FINANCIAL REPORT	165
COMPLIANCE SECTION	
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	169
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	171
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE	173
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	177



INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Newport News Redevelopment and Housing Authority
Newport News, Virginia

Report on the Audits of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities, the aggregate discretely presented component units and the fiduciary fund of Newport News Redevelopment and Housing Authority (the Authority), as of and for the eighteen-month period ended December 31, 2024 (except for Lower Jefferson Avenue, LLC, Choice Neighborhood I, LLC, Choice Neighborhood II, LLC, Carrier Point Commercial Partners, LLC, Choice Neighborhood Commercial Partners, LLC, Choice Neighborhood III, LLC and Choice Neighborhood IV, LLC, which are presented as of and for the twenty-four month period ended December 31, 2024), and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the aggregate discretely presented component units, and the fiduciary fund of the Authority, as of December 31, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the eighteen-month and twenty-four month periods then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Great Oaks Apartments, LLC, a blended component unit, which represent 5%, 2% and 2% of the assets, net position, and revenues of the aggregate discretely presented component units as of December 31, 2024. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Authority, is based solely on the reports of the other auditor.

We did not audit the financial statements of discretely presented component units Oyster Point-Brighton, LLC, Cypress Terrace, LLC, Lassiter Courts, LLC, Spratley House, LLC, Orcutt Townhomes III, LP, Orcutt TH 40, LLC, Lower Jefferson Avenue, LLC, Choice Neighborhood I, LLC and Choice Neighborhood II, LLC (collectively, the discretely presented component units), which represent 62%, 89% and 99% of the assets, net position, and revenues of the aggregate discretely presented component units as of December 31, 2024. Those statements, which were prepared in accordance with accounting principles generally accepted in the United States of America as issued by the Financial Accounting Standards Board (FASB), were audited by other auditors, whose report has been furnished to us. We have applied audit procedures on the conversion adjustments to the financial statements of the discretely presented component units mentioned above, which conform those financial statements with the accounting principles applicable to governmental entities as issued by the Governmental Accounting Standards Board (GASB). Our opinion, insofar as it relates to the amounts included for the discretely presented component units mentioned above, is based solely on the reports of the other auditors.

Cypress Terrace LLC, Lassiter Courts LLC, Spratley House LLC, Orcutt Townhomes III LP, Orcutt TH 40, LLC, Lower Jefferson Avenue, LLC, Choice Neighborhood I LLC and Choice Neighborhood II LLC were not audited in accordance with *Government Auditing Standards*.

Basis for Opinions

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

Emphasis of Matter

Change in Reporting Period Year-End and Change in Reporting Entity

As discussed in Note 1(P) and Note 21 of the financial statements, the Authority changed its fiscal-year end and reporting period. The Authority previously reported as of June 30 and changed its year-end to December 31.

In 2024, the Authority reclassified certain component units previously reported as blended component units to discretely presented component units, which resulted in a restatement to beginning net position for the eighteen-month period ended December 31, 2024.

In 2024, the Authority evaluated Great Oaks Apartments, LLC as a blended component unit, which resulted in a restatement to beginning net position for the eighteen-month period ended December 31, 2024.

Our opinion is not modified with respect to these matters.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Schedule of Changes in Net OPEB Liability and Related Ratios, OPEB Schedule of Contributions and the Schedule of OPEB Investment Returns be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The Combining Program Financial Schedules, Combining Discretely Presented Component Units Financial Schedules, Financial Data Schedule and Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (collectively, the supplementary information) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

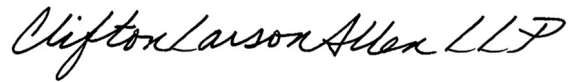
Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Statement and Certification of Capital Fund Program Costs, Statement of Capital Fund Program Costs and Federal Financial Report (other information) but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2025, on our consideration of the Authority’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Authority’s internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Arlington, Virginia
September 29, 2025

**Newport News Redevelopment and Housing Authority
Newport News, Virginia**

MANAGEMENT’S DISCUSSION AND ANALYSIS

Calendar Year Ended December 31, 2024

The Newport News Redevelopment and Housing Authority (“the Authority” or “NNRHA”) management’s discussion and analysis is designed to assist the reader in focusing on significant financial issues, provide an overview of the Authority’s financial activity, identify changes in the Authority’s financial position, and identify individual fund issues or concerns.

This management discussion and analysis is presented in accordance with the requirements of the Governmental Accounting Standards Board Statement No. 34 (GASB 34).

Financial Highlights

The Authority recently completed the process of changing its fiscal year-end and reporting period. Previously, the Authority reported as of June 30 and changed its year-end to December 31. This is the transition period; therefore, this report reflects activity from July 1, 2023 through December 31, 2024. The net position (assets and deferred outflows of resources over liabilities and deferred inflows of resources) may serve over time as a useful indicator of a Housing Authority’s financial position. For the Authority, assets exceeded liabilities by \$149,909,217, which is an increase of \$26,317,571 during the year ended December 31, 2024. This increase is mostly attributable to the additional grant funds related to the Choice Neighborhood Initiative (CNI) grant over the prior year, and contributions from the City of Newport News to invest in the Marshall-Ridley Choice Neighborhood Transformation Plan.

OVERVIEW OF THE ANNUAL FINANCIAL REPORTS

The following outline describes the integral parts of this financial presentation and is a guideline for understanding its components:

- I. **Management Discussion and Analysis (MD&A)**
Serves as an introduction to the Authority’s basic financial statements
- II. **Basic Financial Statements**
 - Fund Financial Statements
 - Notes to Financial Statements
- III. **Other Required Supplementary Information**

Proprietary Fund Financial Statements

The Authority’s proprietary fund financial statements account for its various programs (Public Housing, Rental Assistance, Central Office Cost Center, Community Development, HOME Investment Partnerships, Resident Self Sufficiency, Transition Center, State and Local Activities, Business Activities, Development properties for Lower Jefferson Avenue, Lofts on Jefferson, Orcutt Senior Housing and Orcutt Townhomes, and are presented on the full accrual basis of accounting. The proprietary fund financial statements include the following financial statements:

Statement of Net Position – The Statement of Net Position reports all financial and capital resources for the Authority similar to a balance sheet. Assets and liabilities are presented in order of liquidity and are classified as “Current” (convertible into cash within one year), “Restricted”, and “Non-current”.

**Newport News Redevelopment and Housing Authority
Newport News, Virginia**

MANAGEMENT’S DISCUSSION AND ANALYSIS

Calendar Year Ended December 31, 2024

Net Position is reported in three broad categories:

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

Restricted – 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, and regulations, etc.

Unrestricted – Consists of Net Position that do not meet the definition of “Net Investments Invested in Capital Assets, or “Restricted”.

The focus of the Statement of Net Position’s, unrestricted net position, is designed to represent the net available liquid (non-capital) assets, net of liabilities, for the entire Authority.

Statement of Revenues, Expenses and Changes in Fund Net Position – This Statement includes Operating Revenues (such as rental income), Operating Expenses (such as administrative, utilities, and maintenance, and depreciation) and Non-Operating Revenue and Expenses (such as investment income and interest expense).

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

Statement of Cash Flows – The Statement of Cash Flows discloses net cash provided by or used for operating activities, non-capital financing activities, and from capital and related financing and investment activities.

Further, during 2024, the Authority, through its affiliates, acquired the limited partnership interests of a low-income housing tax credit (LIHTC) property that it had developed in the past. In that the Authority’s wholly owned subsidiary affiliates are both the general partner and limited partner in this entity, the Authority determined that the criteria for presenting this component unit as blended component units were met.

Discretely Presented Component Unit

During 2024, the Authority reclassified certain component units previously reported as blended component units as discretely presented component units. These are component units where there was an equity interest held by an external party or investor was reclassified. Also, during 2021-2024 the Authority created various entities to redevelop the Marshall-Ridley area with the CNI grant, low-income tax credit equity and other leveraged resources.

Fiduciary Fund

In FY 2009 the Authority established the Other Post-employment Benefits (OPEB) Trust Fund to account for resources held in trust for employees, retirees, and their beneficiaries based on the Authority’s benefits plan. The Authority established the trust to accumulate and invest assets to fund OPEB liabilities by joining VACo/VML Pooled OPEB Trust Fund. The plan assets and activities are reported as a Fiduciary Fund in the fund financial statements. In FY 2018, the Authority was required to implement GASB 75 which requires reporting a liability on the face of the financial statements regarding the net OPEB liability.

**Newport News Redevelopment and Housing Authority
Newport News, Virginia**

MANAGEMENT'S DISCUSSION AND ANALYSIS

Calendar Year Ended December 31, 2024

Analysis of the Authority's Statement of Net Position

(Interfund due from and to amounts as well as interfund loans receivable and payable are excluded)

	CY 2024 Proprietary Fund	FY 2023 Proprietary Fund	Increases (Decreases)	Percent
ASSETS:				
Current Assets	\$ 42,786,665	\$ 41,463,939	\$ 1,322,726	3.2%
Capital Assets	49,798,850	79,320,219	\$ (29,521,369)	-37.2%
Other Assets	71,098,254	23,183,924	\$ 47,914,330	206.7%
TOTAL ASSETS	\$ 163,683,769	143,968,082	19,715,687	13.7%
DEFERRED OUTFLOWS OF RESOURCES	160,778	131,819	28,959	43.1%
LIABILITIES				
Current Liabilities	8,207,387	8,542,263	(334,876)	-3.9%
Non-Current Liabilities	5,518,248	11,898,003	(6,379,755)	-53.6%
TOTAL LIABILITIES	13,725,635	20,440,266	(6,714,631)	-32.9%
DEFERRED INFLOWS OF RESOURCES	209,695	67,989	141,706	208.4%
NET POSITION:				
Net Investment in Capital Assets	44,570,384	67,898,869	(23,328,485)	-34.4%
Restricted Net Position	18,202,741	18,336,020	(133,279)	-0.7%
Unrestricted Net Position	87,136,092	37,356,757	49,779,335	133.3%
TOTAL NET POSITION	149,909,217	\$ 123,591,646	\$ 26,317,571	21.3%

Net position (assets and deferred outflows of resources over liabilities and deferred inflows of resources) increased by \$26,317,571 which is mostly attributable to additional grant funds related to the CNI grant over the prior year, and funding from the City of Newport News to invest in the Marshall-Ridley Choice Neighborhood Transformation Plan. Also, the investment and renovation of Public Housing units under the Rental Assistance Demonstration (RAD) program allows the Authority to borrow money and to secure tax credit equity investments for the much needed financial reposition, renovation and improvements to the properties.

**Newport News Redevelopment and Housing Authority
Newport News, Virginia**

MANAGEMENT'S DISCUSSION AND ANALYSIS

Calendar Year Ended December 31, 2024

Analysis of the Authority's Changes in Net Position

	CY 2024	FY 2023	Increase / (Decrease)	Percent
	Proprietary Funds	Proprietary Funds		
OPERATING REVENUES:				
Rental and tenant income	\$ 4,202,193	\$ 3,507,891	\$ 694,302	19.8%
Intergovernmental	99,128,436	55,619,517	43,508,919	78.2%
Other income	1,260,563	1,874,277	(613,714)	-32.7%
Total operating revenues	<u>\$ 104,591,192</u>	<u>61,001,685</u>	<u>43,589,507</u>	<u>71.46%</u>
OPERATING EXPENSES:				
Administration	9,369,981	6,408,472	2,961,509	46.2%
Tenant services	2,188,875	1,169,134	1,019,741	87.2%
Utilities	3,711,979	2,729,684	982,295	36.0%
Ordinary maintenance and operations	4,511,279	4,351,391	159,888	3.7%
Protective services	134,291	108,805	25,486	23.4%
Insurance Expense	922,764	719,760	203,004	28.2%
General expenditures	4,644,422	2,529,786	2,114,636	83.6%
Nonroutine maintenance	94,725	312,246	(217,521)	-69.7%
Housing assistance payments	43,688,781	26,852,753	16,836,028	62.7%
Depreciation	3,244,822	3,959,103	(714,281)	-18.0%
Total operating expenses	<u>72,511,919</u>	<u>49,141,134</u>	<u>23,370,785</u>	<u>47.6%</u>
OPERATING INCOME / (LOSS)	<u>32,079,273</u>	<u>11,860,551</u>	<u>20,218,722</u>	<u>170.5%</u>
NONOPERATING REVENUES / (EXPENSES):				
Interest and investment revenue	2,942,107	444,181	2,497,926	562.4%
Interest Expense	(219,287)	(197,863)	(21,424)	10.8%
Developer Fees Earned	2,832,034	-	2,832,034	
Loan Forgiveness	(102,308)	-	(102,308)	
Gain or loss on sale or disposition fixed assets	1,771,087	(548,525)	2,319,612	-422.9%
Total nonoperating revenues / expenses	<u>7,223,633</u>	<u>(302,207)</u>	<u>7,525,840</u>	<u>-2490.3%</u>
INCOME / (LOSS) BEFORE CONTRIBUTIONS, TRANSFERS, AND ADJUSTMENTS:				
	39,302,906	11,558,344	27,744,562	240.0%
Transfers from / (to) component units	(2,425)	-	(2,425)	
HUD capital contributions	1,473,213	566,838	906,375	159.9%
Tax credit proceeds	-	136,470	(136,470)	-100.0%
CHANGE IN NET POSITION	<u>40,773,694</u>	<u>12,261,652</u>	<u>28,512,042</u>	<u>225.7%</u>
TOTAL NET POSITION - beginning of period, as previously stated				
	123,591,646	111,329,994	12,261,652	11.0%
Addition of blended component unit	2,303,121	-	2,303,121	
TOTAL NET POSITION - beginning of period, as restated				
	125,894,767	123,591,646	2,303,121	1.9%
Change from blended to discrete component unit	(16,759,244)	-	(16,759,244)	
TOTAL NET POSITION - ending	<u>\$ 149,909,217</u>	<u>\$ 123,591,646</u>	<u>\$ 12,632,720</u>	<u>10.2%</u>

**Newport News Redevelopment and Housing Authority
Newport News, Virginia**

MANAGEMENT'S DISCUSSION AND ANALYSIS

Calendar Year Ended December 31, 2024

Revenue and Expense Activities

Operating Revenues of Enterprise Funds Activities – The Authority's revenue increased by 71.46% or \$43,589,507 in CYE December 31, 2024, as compared to FYE June 30, 2023. Tenant income (rent, excess utilities, and maintenance charges) increased by \$694,302. The net intergovernmental revenue, operating grants and housing assistance payments incurred a significant net increase of \$43,508,919. Contributions from the City of Newport News to invest in the Marshall-Ridley Choice Neighborhood Transformation Plan experienced a significant increase due to increased construction activity. The Housing Choice Voucher program experienced a significant increase due to additional vouchers received by the Authority and our push to maximize vouchers leased. The Low-Rent Public Housing Program had modest increases in the operating subsidies and capital fund program.

Operating Expenses of Enterprise Funds Activities – The Authority's Enterprise Funds expenses increased by 47.6% or \$23,370,785 for the 18-month period ending December 31, 2024, as compared to FYE June 30, 2023. Most of the change is attributable to an increase of \$16,836,028 in housing assistance payments, offset with a decrease of \$217,521 in non-routine maintenance. Increases in Administration, Utilities, Tenant Services, General Expenditures and increases in ordinary maintenance costs are due to increases in materials, plumbing and HVAC contract costs, and the cost of using a temporary labor agency to fill vacant maintenance positions.

CAPITAL ASSETS

At the end of fiscal year December 31, 2024, the Enterprise Funds had \$108,499,354 before accumulated depreciation, invested in a broad range of capital assets, including multi-family residential property, commercial office and shop property, computer equipment, and vehicles. The Authority's Public Housing fund is capital assets intensive and reflects the costs of buildings purchased, constructed and decades of major renovations. The cost of these items are capitalized and depreciated over their useful lives, while the grants received from HUD to fund these capital costs are recognized as revenue in the year the costs are capitalized. During the current year, the Authority had a significant increase in construction in progress due to the construction activities for the Marshall-Ridley Transformation Plan. The Authority has continued the Phase VII work at Marshall Courts and has made significant progress in the renovation.

Additional information on the Authority's capital assets can be found in Note 4 to the financial statements.

**Newport News Redevelopment and Housing Authority
Newport News, Virginia**

MANAGEMENT’S DISCUSSION AND ANALYSIS

Calendar Year Ended December 31, 2024

	CY2024	FY 2023 (as restated) :	Increase / (Decrease)
Land and improvements	3,208,259	\$ 3,308,273	\$ (100,014)
Building	80,827,183	84,327,938	\$ (3,500,755)
Equipment	3,172,725	2,925,657	\$ 247,068
Subscription Asset	527,259	130,583	\$ 396,676
Construction in Progress	20,763,928	8,087,764	\$ 12,676,164
Total	108,499,354	98,780,215	9,719,139
Accumulated Depreciation and Amortization	(58,700,504)	(59,049,296)	348,792
TOTAL	49,798,850	\$ 39,730,919	\$ 10,067,931

LONG-TERM DEBT

At the end of calendar year December 31, 2024, the Authority and/or its discretely presented component units owed \$108,422,249 in long-term debt to external parties. The debt consists of a note payable due to VHDA Tax Credit Assistance Program and Tax Credit Exchange Program debt for the Orcutt Townhomes III property, and a note payable to VHDA for the Lofts on Jefferson/ROAM Building, notes payable to VHDA and deferred notes payable to Department of Community and Housing Development (DHCD) for the Oyster Point-Brighton and Cypress Terrace, Lassiter Courts and Spratley House properties. Additional information on the Authority’s long-term debt can be found in Note 9 to the financial statements.

ECONOMIC FACTORS

Several significant economic factors are present that may impact the Authority in the future:

- HUD has historically under-estimated the subsidy needs of public housing authorities. The Housing Act of 1998 made sweeping changes to the public housing program. Congress commissioned Harvard University to conduct a public housing cost study to establish a reasonable basis to project the cost of managing public housing and determine the amount of subsidy a housing authority should receive. Harvard proposed a new operating fund formula to calculate the operating subsidy and that the public housing program should move to a system which focused on asset management. The Authority successfully transitioned to asset management in FY 2009. However, no changes to the operating fund formula have been made in the intervening years. Also, several problems remain: an inflation factor that does not consider increasing costs of health benefits, providing an increase in funding for administering properties that are older, not using an inflation factor for items such as asset management fee, and the continued unwillingness of HUD to acknowledge the operating and regulatory differences that exist between public housing and the properties that were used to establish the benchmark. In February 2015, under the RAD program, the Authority was awarded a Commitment to Enter into a Housing Assistance Payment (CHAP) for 278 units at three separate properties. The purpose is to convert these public housing units to a form of project-based assistance under the Section 8 program. The conversion has allowed the Authority to borrow money for much-needed renovation and improvements to the properties. In late May 2018, the Housing Authority closed on the permanent financing for the conversion of these properties and construction was completed. We were also able to convert 30 additional public housing units to RAD in November 2016. This conversion did not require extensive renovation, only minor improvements to the property.

**Newport News Redevelopment and Housing Authority
Newport News, Virginia**

MANAGEMENT’S DISCUSSION AND ANALYSIS

Calendar Year Ended December 31, 2024

In October 2018, we began renovation of 100 units at Lassiter Courts under the RAD program. These public housing units were also converted to a form of project-based rental assistance, we closed on the permanent financing December 2020. In March 2021, we started renovation of Spratley House, a 50-unit senior property and we closed on permanent financing June 2022. In November 2023, we started renovation of the 40 units at Orcutt Townhomes. VHDA awarded Low-Income Housing Tax Credits for the necessary funds to renovate the property to allow for a RAD conversion.

- The Authority’s federal revenues have increased significantly over the past year due to the award of the CNI grant. The Housing Choice Voucher (Section 8) program was subject to a renewal funding of 100% last year; funding proration in CY 2026 is projected to remain the same, therefore we will be able to continue to maximize leasing. The Authority has been awarded 54 Veterans Affairs Supportive Housing (VASH) vouchers to administer in partnership with the Department of Veteran Affairs (VA) facility, Hampton VA Medical Center. These vouchers are intended to serve Veterans in Newport News. We also received a 141 Mainstream Vouchers to help low- income households that include persons with disabilities, and 32 Emergency Housing Vouchers to help assist individuals and families who are (1) homeless, (2) at risk of homelessness, (3) fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking, or (4) recently homeless. We have also received 88 tenant protection vouchers for those tenants that are relocating due to the planned demolition of units at Marshall Courts.
- The administrative fee funding continues to remain low at 90% of eligibility.
- The Authority is being funded at a rate of 102.58% of overall public housing subsidy eligibility for the first nine months of CY 2025. The Authority is expecting to receive funding of 100% for full 2025 calendar year.
- In the short term, health care and other insurance costs are expected to increase again this year. In the longer term, it is unknown at this time how future health care reform will affect Authority expenses.
- A decrease of approximately 6% in electrical utility costs is expected, this will most likely be offset with continued increases in water and sanitation costs.
- Post-retirement benefits other than pensions are estimated to be \$82,000 for CY 2025. The liability has been fully funded through a trust.

FINANCIAL CONTACT

Questions concerning any of the information provided in this Management Discussion & Analysis should be addressed to:

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FINANCIAL STATEMENTS

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

STATEMENT OF NET POSITION

PROPRIETARY FUND AND DISCRETELY PRESENTED COMPONENT UNITS

DECEMBER 31, 2024

	Proprietary Fund - Primary Government	Discrete Component Units
<u>ASSETS</u>		
Current assets:		
Cash and equivalents- unrestricted	\$ 18,915,789	\$ 2,915,016
Cash and equivalents - restricted	6,635,959	2,381,355
Accounts receivable (net of allowance)	7,211,333	1,298,251
Due from component units/primary government	4,099,253	-
Investments	4,803,300	-
Investments - restricted	753,825	1,378,340
Prepaid expenses	367,206	226,124
Total current assets	42,786,665	8,199,086
Noncurrent assets:		
Notes and mortgages receivable	56,964,940	-
Notes and mortgages receivable - restricted	6,857,492	-
Nondepreciable capital assets	23,972,187	62,797,048
Depreciable / amortizable Capital assets (net)	25,826,663	80,042,527
Accrued interest receivable	2,854,136	-
Net OPEB asset	453,914	-
Other noncurrent assets	3,967,772	169,500
Total noncurrent assets	120,897,104	143,009,075
TOTAL ASSETS	163,683,769	151,208,161
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Deferred outflows related to OPEB plan	160,778	-

The accompanying notes are integral part of this statement.

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

STATEMENT OF NET POSITION

PROPRIETARY FUND AND DISCRETELY PRESENTED COMPONENT UNITS

DECEMBER 31, 2024

	Proprietary Fund - Primary Government	Discrete Component Units
<u>LIABILITIES</u>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 6,270,740	\$ 5,819,413
Due to component units/primary government	-	4,099,253
Accrued salaries and wages	252,459	23,605
Accrued interest payable	28,913	51,706
Unearned revenues	1,246,157	144,168
Security deposit liabilities	102,694	192,789
Compensated absences	7,068	-
Current portion of subscription liability	161,644	-
Current portion of long-term liabilities	137,712	13,820,374
Total current liabilities	8,207,387	24,151,308
Long-term liabilities		
Compensated absences	349,032	27,286
Subscription liability	181,505	-
Notes and mortgages payable	3,839,954	91,747,738
Developer fee payable	-	4,341,560
Accrued interest payable	695,105	2,854,137
FSS escrow liabilities	452,652	-
Total long-term liabilities	5,518,248	98,970,721
TOTAL LIABILITIES	13,725,635	123,122,029
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred inflows related to OPEB	209,695	-
<u>NET POSITION</u>		
Net investment in capital assets	44,570,384	37,225,539
Restricted	18,202,741	3,566,906
Unrestricted	87,136,092	(12,706,313)
TOTAL NET POSITION	\$ 149,909,217	\$ 28,086,132

The accompanying notes are an integral part of this statement.

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

PROPRIETARY FUND AND DISCRETELY PRESENTED COMPONENT UNITS

FOR THE EIGHTEEN MONTHS ENDED DECEMBER 31, 2024

	Proprietary Fund - Primary Government	Discrete Component Units
OPERATING REVENUES:		
Rental and tenant income	\$ 4,202,193	\$ 4,706,023
Intergovernmental - operating grants	99,128,436	3,241,209
Fee revenue	475,754	-
Other income	784,809	247,912
Total operating revenues	104,591,192	8,195,144
OPERATING EXPENSES:		
Administration	9,369,981	2,326,618
Tenant services	2,188,875	294,849
Utilities	3,711,979	1,724,649
Ordinary maintenance	4,511,279	2,641,294
Protective services	134,291	63,960
Insurance expense	922,764	618,064
General expenses	4,644,422	2,377,328
Nonroutine maintenance	94,725	-
Housing assistance payments	43,688,781	-
Depreciation and amortization	3,244,822	4,653,739
Total operating expenses	72,511,919	14,700,501
OPERATING INCOME / (LOSS)	32,079,273	(6,505,357)
NONOPERATING REVENUES / (EXPENSES):		
Interest and investment revenue	2,942,107	83,696
Interest expense	(219,287)	(2,489,941)
Developer fees earned	2,832,034	-
Loan forgiveness	(102,308)	-
Gain or loss on sale or disposition fixed assets	1,771,087	-
Total nonoperating revenues / (expenses)	7,223,633	(2,406,245)
INCOME / (LOSS) BEFORE CONTRIBUTIONS, TRANSFERS AND ADJUSTMENTS	39,302,906	(8,911,602)
Transfers from / (to) component units	(2,425)	2,425
HUD Capital contributions	1,473,213	-
Tax credit and other proceeds	-	9,725,284
CHANGE IN NET POSITION	40,773,694	816,107
TOTAL NET POSITION - Beginning of period, as previously reported	123,591,646	10,510,781
Addition of blended component unit (Note 21)	2,303,121	-
TOTAL NET POSITION - Beginning of period, as restated	125,894,767	10,510,781
Change from blended to discrete component unit (Note 21)	(16,759,244)	16,759,244
TOTAL NET POSITION - End of period	\$ 149,909,217	\$28,086,132

The accompanying notes are an integral part of this statement.

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

STATEMENT OF CASH FLOWS

PROPRIETARY FUND

FOR THE EIGHTEEN MONTHS ENDED DECEMBER 31, 2024

	<u>Proprietary Fund - Primary Government</u>
Cash flows from operating activities:	
Cash received from tenants/others	\$ 4,121,701
Cash received for fees/services/donations	944,015
Cash operating grants received (net)	94,175,259
Cash transfers from (to) other funds and entities	(1,674,289)
Cash payments for goods, services, rental subsidies	(57,305,169)
Cash payments to/for employees and benefits	(10,133,049)
Cash payments for or in lieu of property taxes	<u>(222,192)</u>
Net cash provided by operating activities	<u>29,906,276</u>
Cash flows from capital and related financing activities:	
Purchase of equipment/capital assets	(14,645,523)
Transfers from/to other funds for capital activities	(2,739)
Contributions received for capital outlays	1,513,470
Loan principal payments	(318,716)
Interest payments	<u>(1,060,268)</u>
Net cash (used) in capital and related financing activities	<u>(14,513,776)</u>
Cash flows from noncapital financing activities:	
Loans made to borrowers	(22,575,804)
Receipt of interest on notes and loans	926,974
Loan payments received	<u>2,407,320</u>
Net cash (used) in noncapital financing activities	<u>(19,241,510)</u>
Cash flows from investing activities:	
Receipts of interest and dividends	198,033
Deposits (withdrawals) to/from reserve accounts	<u>(93,955)</u>
Net cash provided provided by investing activities	<u>104,078</u>
Net (decrease) in cash	(3,744,932)
Cash and equivalents at beginning of period	30,190,530
Change from blended to discrete component unit and addition of new blended component unit	<u>(893,850)</u>
Cash and equivalents at end of period	<u>\$ 25,551,748</u>

The accompanying notes are an integral part of this statement.

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

STATEMENT OF CASH FLOWS

PROPRIETARY FUND

FOR THE EIGHTEEN MONTHS ENDED DECEMBER 31, 2024

	Proprietary Fund - Primary Government
Reconciliation to statement of net position:	
Cash and equivalents - unrestricted	\$ 18,915,789
Cash and equivalents - restricted	6,635,959
	<u>\$ 25,551,748</u>
	-
Noncash Activities:	
Capital assets acquired as of year-end but not paid for until subsequent period	\$ (2,124,285)
HUD capital contributions recorded as of year-end but not received until subsequent period	4,829
Right of use assets acquired as of December 31, 2024	524,058
SBITA liabilities incurred as of December 31, 2024	(524,058)
Accounts and notes receivable	(4,829)
Accounts payable and liabilities	2,124,285
	<u>\$ -</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income (loss)	\$ 32,079,273
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	3,244,822
Operating expenses paid from non-cash assets	182
Change in assets and liabilities:	
Decrease / (Increase) in accounts receivable	(2,626,621)
Decrease / (Increase) in notes and mortgages receivable	310,186
Decrease / (Increase) in prepaid expenses and materials inventories	(248,401)
Increase / (Decrease) in deferred outflows of resources	(28,959)
Increase / (Decrease) in accounts payable	2,198,449
Decrease / (Increase) in due from other funds/programs	(2,014,991)
Increase / (Decrease) in accrued liabilities	174,020
Increase / (Decrease) in compensated absences	(82,417)
Increase / (Decrease) in trust, deposit, and escrow liabilities	157,008
Increase / (Decrease) in unearned revenues	(3,100,949)
Increase / (Decrease) in OPEB liabilities or asset	(297,032)
Increase / (Decrease) in deferred inflows of resources	141,706
	<u>\$ 29,906,276</u>

The accompanying notes are an integral part of this statement.

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUND

DECEMBER 31, 2024

	<u>OPEB Trust Fund</u>
<u>ASSETS</u>	
Investments, at fair value	<u>\$ 2,099,431</u>
TOTAL ASSETS	<u>2,099,431</u>
<u>NET POSITION</u>	
Net position restricted for other postemployment benefits	<u>2,099,431</u>
TOTAL NET POSITION	<u>\$ 2,099,431</u>

The accompanying notes are an integral part of this statement.

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FIDUCIARY FUND

FOR THE EIGHTEEN MONTHS ENDED DECEMBER 31, 2024

	<u>OPEB Trust Fund</u>
ADDITIONS	
Contributions:	
Employer	\$ 115,449
Total contributions	<u>115,449</u>
Investment income:	
Net appreciation in fair value of investments	256,699
Dividends	<u>2,132</u>
Net investment income	<u>258,831</u>
Total additions	<u>374,280</u>
DEDUCTIONS	
Benefits paid	115,449
Administrative expenses	<u>3,678</u>
Total deductions	<u>119,127</u>
Change in fiduciary net position	<u>255,153</u>
Net position restricted for other postemployment benefits - beginning of period	1,844,278
Net position restricted for other postemployment benefits - end of period	<u><u>\$ 2,099,431</u></u>

The accompanying notes are an integral part of this statement.

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Newport News Redevelopment and Housing Authority (“Authority” or “NNRHA”) have been prepared in conformity with accounting principles generally accepted in the United States of America (“U.S. 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.

A. Reporting Entity

The Authority is a public body and a body corporate and politic created under the Authority of the General Statutes of the State of Virginia. The Authority was created for the purpose of providing safe and sanitary housing for the citizens of Newport News, Virginia (“City”). The seven-member Board of Commissioners of the Authority is appointed to four-year terms by the City Council of the City but the Authority designates its own management. The City provides minimal financial support to the Authority and is not responsible for the debts or entitled to the surpluses of the Authority. The Authority has the power to approve its own budget and maintain its own accounting system. Although the City Council appoints the governing board of the Authority, no other criteria established by GASB for inclusion of the Authority in the financial reports of the City are met. Therefore, a separate financial report is prepared for the Authority.

The Authority reports and accounts for all of its programs and activities in a single enterprise fund. Programs Included in this fund are as follows:

Public Housing Program

This program owns and operates Department of Housing and Urban Development (“HUD”)-subsidized rental apartments and includes the activities of HUD grants provided specifically for public housing facilities, tenants, and activities. This program includes the Low-Rent Public Housing operating subsidy program and the Public Housing Capital Fund Program.

Rental Assistance Program

This program is used to account for the rental housing assistance programs administered by the Authority. These programs include the Housing Choice Voucher program, the Section 8 Moderate Rehabilitation Program, and the Shelter Plus Care Program.

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Central Office Cost Center Program	This program is used to account for administrative functions provided by the Authority for its other programs. This includes the costs of the Authority's Executive offices, Department of Administration, Department of Finance, and other centralized services.
Community Development Program	This program is used to carry-out community and economic development activities through the City of Newport News.
HOME Investment Partnerships Program	This program is used to carry-out community and economic development activities through the City of Newport News.
Resident Self Sufficiency and Service Coordinator Programs Program	This program is used to account for the costs of delivering services funded by HUD's ROSS grants.
Transition Center Program	This program includes all of the non-federal and non-governmental activities that generate non-federal revenues.
Business Activities Program	This program is used to account for the Virginia Housing Development Authority ("VHDA") funded Transition Center housing program.
Choice Neighborhood Grant Program	This program is used to account for the activities and expenditures related to redevelopment activities funded by an award under HUD's Choice Neighborhoods Implementation Grant program.
State and Local Activities Program	This program includes locally funded redevelopment activities and grants.
Orcutt Senior Housing, L.P.	This program includes the activity of an Authority subsidiary that owns Public Housing redeveloped as mixed finance, tax credit properties.

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Orcutt Townhomes, L.P.

This program includes the activity of an Authority subsidiary that owns Public Housing redeveloped as mixed finance, tax credit properties.

2713 Lofts, LLC

This program includes the activity of an Authority subsidiary that serves as the ownership entity that is developing and operating the Lofts on Jefferson development.

Great Oaks Apartments, LLC

This program includes the activity of an Authority subsidiary that serves as the ownership entity that has developed the Great Oaks Apartments.

Affordable Housing Development Corporations

Orcutt Senior Development Corporation

Orcutt Townhomes Development

Orcutt Townhomes 3 Development

2713 Lofts Development Corporation

Lower Jefferson Avenue Development Corporation

Oyster Point-Brighton Development Corporation

Cypress Terrace Development Corporation

Lassiter Courts Development Corporation

Spratley House Development Corporation

Choice Neighborhood I Development Corporation

Choice Neighborhood II Development Corporation

Carrier Point Partners Development Corporation

Choice Neighborhood Partners Development Corporation

Choice Neighborhood III-R Development Corporation

Choice Neighborhood IV Development Corporation

These entities have been created to serve as the general partner or management member of entities developing affordable housing using low income housing tax credits and other financing structures. The Authority is the sole member of these corporations.

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

In evaluating the Authority’s reporting entity in accordance with GASB standards management determined that the following entities or organizations met the criteria for inclusion in the Authority’s financial statements:

<u>Entity</u>	<u>Method of Inclusion / Reporting</u>
Orcutt Senior Development Corporation (including Orcutt Senior Housing, L.P.)	Blended
Orcutt Townhomes Development Corporation (including Orcutt Townhomes, L.P.)	Blended
Orcutt Townhomes 3 Development Corporation	Blended
Orcutt Townhomes 3, L.P.	Discretely
2713 Lofts Development Corporation and 2713 Lofts, LLC	Blended
Lower Jefferson Avenue Development Corporation	Blended
Oyster Point-Brighton Development Corporation	Blended
Oyster Point-Brighton, LLC	Discretely
Cypress Terrace Development Corporation	Blended
Cypress Terrace, LLC	Discretely
Lassiter Courts Development Corporation	Blended
Lassiter Courts, LLC	Discretely
Spratley House Development Corporation	Blended
Spratley House, LLC	Discretely
Great Oaks Apartments, LLC	Blended
Lower Jefferson Avenue, LLC	Discretely
Orcutt TH 40, LLC	Discretely
Choice Neighborhood I Development Corporation	Blended
Choice Neighborhood I, LLC	Discretely
Choice Neighborhood II Development Corporation	Blended
Choice Neighborhood II, LLC	Discretely
Carrier Point Partners Development Corporation	Blended
Carrier Point Commercial Partners, LLC	Discretely
Choice Neighborhood Partners Development Corporation	Blended
Choice Neighborhood Commercial Partners, LLC	Discretely
Choice Neighborhood III-R Development Corporation	Blended
Choice Neighborhood III-R, LLC	Discretely
Choice Neighborhood IV Development Corporation	Blended
Choice Neighborhood IV, LLC	Discretely

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

In accordance with the applicable guidance, management evaluated whether the Authority is financially accountable for an entity as well as the significance of the relationship. The following criteria were used in this evaluation: the ability of the Authority to appoint a voting majority of the organization's governing body; whether the Authority can impose its will on the organization; whether the organization provides specific financial benefits to or imposes a specific financial burden on the Authority; and whether the organization is fiscally dependent on the Authority.

B. Description of a Public Housing Authority

Funding for the Authority is from HUD and from payments received from tenants of the Authority owned housing. Under the Low-Rent Public Housing Program, low-income tenants pay a portion of the rental cost of public housing, based upon the income and need of the tenants. HUD funds the difference between the actual costs to operate the Authority and the amounts paid by tenants through operating subsidies. The subsidies are made to the Authority under the terms and conditions of the annual contributions contract with HUD.

The Rental Assistance Program provides rental supplements to the owners of existing private housing who rent to qualifying individuals. The Authority processes all applicants for the Section 8 Housing Choice Vouchers and Moderate Rehabilitation Programs, and Shelter Plus Care Programs places approved applicants in housing and pays the owner of the private housing monthly rental supplement. Under the conditions of an annual contributions contract, HUD provides funding for the rental supplements and for administrative costs. Under the Moderate Rehabilitation and Shelter Plus Care programs, housing assistance payments are funded by HUD on a reimbursement basis and an administrative fee is earned based on a formula proscribed by HUD. For the Housing Choice Voucher Program, HUD provides funding for housing assistance, administrative fees, and for other purposes based on an appropriated budget authority.

C. Fund Financial Statements

The Authority is a special-purpose government with no governmental activities. All of the Authority's funds are reported as one proprietary fund, which relies on a significant extent on fees and charges for support. In accordance with U.S. GAAP, the Authority's basic financial statements only include the proprietary fund financial statements. The fund financial statements reflect the elimination of inter-program balances or transactions.

Another postemployment benefit ("OPEB") trust fund is used to account for resources held in trust for employee, retirees, and their beneficiaries based on the postemployment benefits plan. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with plan terms.

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. Revenue Recognition, Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The fund level financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The significant revenue recognition policies and practices related to these revenues are as follows:

Charges to tenants, participants, or applicants – these revenues consist primarily of dwelling rental charges and related fees and charges. Such revenues are recognized when due. Rental charges are typically recorded and recognized at the beginning of the rental term while tenant charges and fees are recognized when the underlying transaction has occurred. The revenues associated with installment repayment agreements are recorded when collected.

Operating grants and contributions – the Authority receives various grants from other governments and entities. In general, for cost reimbursement-type grants, the revenues are recognized when the underlying expenses are incurred and as soon as all eligibility requirements imposed by the provider have been met. For fee formula-based operating subsidies, the revenues are recognized during the period for which the subsidy was approved and authorized by the grantor agency. For fee-based grants, the revenues are recognized when the services are performed and delivered. The principal operating grant revenues earned by the Authority include operating subsidies for its low-rent public housing program, annual contributions earned for operating housing assistance subsidy programs, the non-capital portions of modernization and capital improvement grants, as well as other grants used for non-capital purposes. The annual contribution earned for the housing assistance subsidy programs include a cost-reimbursement component associated with the direct reimbursement of housing assistance subsidies actually paid as well as a fee earned for administering the program. The administrative fee portion of these grants is reported as an operating revenue.

Capital grants and contributions – the Authority receives various grants from other governments. In general, for cost reimbursement-type grants, the revenues are recognized when the underlying expenses are incurred and as soon as all eligibility requirements imposed by the provider have been met. The principal capital grant revenues earned by the Authority include the capital portion of modernization and capital improvement grants.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues for the enterprise funds are rental and other charges to tenants or participants, and administrative fees earned for operating the housing assistance programs. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, utilities, maintenance expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted reserves are available for use it is the Authority's policy to use restricted resources first, and the unrestricted resources as they are needed.

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

E. Fund Accounting

The Authority uses a single enterprise fund to report on its financial position and results of its operations in the fund level financial statements. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain Authority functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

The fund types used by the Authority are described as follows:

Proprietary Fund Types – These funds account for virtually all other operations that are organized to be primarily self-supporting through user charges. The fund included in this category is the Enterprise Fund established to account for operations that are financed or operated in a manner similar to business enterprises, where the intent is that the costs of the program be recovered primarily through user charges.

OPEB trust fund – This fund accounts for resources held in trust for employee, retirees, and their beneficiaries based on the postemployment benefits plan.

F. Basis of Accounting – Fund Level Statements

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The proprietary fund and trust fund used the flow of economic resources measurement focus. With this measurement focus, the emphasis is on the measurement of net income similar to the approach used by commercial enterprise. Revenues are recognized when earned and expenses are recognized when incurred.

Generally, the fund financial statements reflect the elimination of inter-program balances and transfers.

G. Budgets and Budgetary Accounting

The Authority is required by its HUD Annual Contribution Contracts to adopt annual budgets for the Low-Rent Public Housing Program. Annual budgets are not required for capital projects grants; other HUD grants or Housing Assistance Payments Programs as their budgets are approved for the length of the project or grant. Project and grant length budgets require grantor approval. The annual operating budget is not approved by HUD and is not an appropriated budget.

Appropriations are authorized at the function level. Management may transfer budget authorizations between functions. All appropriations which are not used lapse at year end. Budgeted amounts are as originally adopted or as amended by the Board.

H. Cash and Investments

Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the Authority. Investments are stated at cost or at fair value.

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond the end of the reporting period are recorded as prepaid items.

J. Capital Assets

Capital assets, including construction or acquisition of infrastructure assets, are capitalized in the programs used to acquire or construct them. Capital assets also include right-to-use subscription assets related to subscription -based information technology arrangements. All purchased fixed assets are valued at cost where historical records are available, and at an estimated historical cost, where no historical records exist. Donated capital assets are valued at their acquisition value as of the date of the donation. Capital assets are items that exceed an initial cost of \$2,000 and have a useful life greater than one year.

The costs of normal maintenance and repairs that do not add to the life of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over their useful lives of the related capital assets, as applicable. Assets are depreciated over their useful lives using the straight-line method using the half-year convention. The useful lives for each class of depreciable assets are as follows:

Buildings and improvements	15-40 years
Furniture	10 years
Office equipment and maintenance equipment	7 years
Vehicles and automotive equipment	7 years
Computer equipment and software	3-10 years

K. Vacation and Sick Leave Compensation

Employees earn annual leave at varying rates based upon years of service up to a maximum of 24 days per year. At termination, employees are paid for any accumulated annual leave. The liability for accrued but unused annual leave is reported as a current or noncurrent liability. The maximum accrual is 40 days. Employees earn sick leave at the rate of 15 days per year with no maximum accumulation. At termination, employees are not paid for any accumulated balances.

L. Estimates

Preparing the Authority's financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The most significant estimates relate to allowance for uncollectible accounts receivable, and depreciation. These estimates may be adjusted as more current information becomes available and any adjustment could be significant.

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

M. Imputation of Interest

The Authority makes loans to homeowners, program participants, and affiliates and obtains loans from state agencies and other governmental entities for the purposes of carrying out the Authority's and the state's affordable housing objectives. Accordingly, some notes receivable or payable that bear no interest or bear a below market interest rate do not require the imputation of interest pursuant to Codification of Accounting and financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements (GASB 62, paragraph 147f).

N. Deferred outflows/inflows of resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Authority recognized deferred inflows and outflows related to the OPEB plan for contributions made subsequent to the measurement date, changes of assumptions, the net difference between the projected and actual earnings on OPEB plan investments, and differences between expected and actual experience. Amounts reported as deferred outflows resulting from contributions made subsequent to the measurement date will be recognized as a reduction of the liability in the following year. Other amounts reported as deferred inflows and outflows will be amortized according to the actuarial amortization calculation.

O. Postemployment Benefits Other than Pensions (OPEB)

For purposes of measuring the net OPEB asset, deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the NNRHA's OPEB Plan, and additions to/deductions from the NNRHA's OPEB Plan's fiduciary net position, have been determined on the same basis as they are reported by the NNRHA OPEB Plan. For this purpose, the NNRHA OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at amortized cost.

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

P. Change in Reporting Period Year-End and Differences in Periods Reporting

The Authority recently completed the process of changing its fiscal year-end and reporting period. Previously, the Authority reported as of June 30 and changed its year-end to December 31. Because of this change and the reporting periods of certain discretely presented component units, these financial statements include the revenues, expenses and changes in fund net position and cash flows of varying periods. Generally, for the Proprietary Fund (including blended component units), the revenues, expenses and changes in fund net position and cash flows reflect the eighteen months from July 1, 2023 through December 31, 2024. For discretely presented component units previously reported as blended component units (see note 21) the revenues, expenses and changes in fund net position and cash flows also reflect the eighteen months from July 1, 2023 through December 31, 2024. For discretely presented component units previously reported in that manner but as of December 31, 2022, the revenues, expenses and changes in fund net position cover the twenty-four months from January 1, 2023 through December 31, 2024.

Discrete Component Unit	Period presented
Oyster Point-Brighton LLC	Eighteen months ended December 31, 2024
Cypress Terrace LLC	Eighteen months ended December 31, 2024
Lassiter Courts LLC	Eighteen months ended December 31, 2024
Spratly House LLC	Eighteen months ended December 31, 2024
Orcutt Townhomes III LP	Eighteen months ended December 31, 2024
40 Orcutt TH LLC	Eighteen months ended December 31, 2024
Lower Jefferson Avenue LLC	Twenty-four months ended December 31, 2024
Choice Neighborhood Commercial Partners LLC	Twenty-four months ended December 31, 2024
Carrier Point Commercial Partners LLC	Twenty-four months ended December 31, 2024
Choice Neighborhood I LLC	Twenty-four months ended December 31, 2024
Choice Neighborhood II LLC	Twenty-four months ended December 31, 2024
Choice Neighborhood III LLC	Twenty-four months ended December 31, 2024
Choice Neighborhood IV LLC	Twenty-four months ended December 31, 2024

NOTE 2 – DEPOSITS AND INVESTMENTS

The Authority's funds are maintained in bank deposits or in investments in debt securities. The Authority is permitted to invest funds in deposit accounts at federally insured financial institutions; in obligations of the U.S. Treasury or U.S. Government agencies; Local or State Government Investment Pools; and Repurchase Agreements with financial institutions (as long as the entire balance is collateralized by specifically identified securities of the U.S. Government or its agencies). Investments in debt securities that have a remaining maturity at the time of purchase of more than one year and that have a determinable market value are valued at market value as of year-end. The market values are based on quoted market prices at year-end. Certificates of deposit are stated at cost as they are not traded in any market and are held for longer terms.

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 2 – DEPOSITS AND INVESTMENTS

BANK DEPOSITS

Deposits include amounts held in accounts that qualify for federal depository insurance and include demand deposits such as checking accounts, saving accounts and NOW accounts, as well as time deposits such as nonnegotiable certificates of deposit. In the financial statements, amounts held in demand deposits accounts and in time deposits with initial maturities of 90 days or less are classified as cash and cash equivalents. Amounts held in time deposits with initial maturities in excess of 90 days are classified as investments.

The Authority's deposits consist of the following:

	<u>Proprietary Fund</u>	<u>Discrete Component Units</u>
Demand deposit accounts (checking, savings, and money market account)	\$ 21,079,182	\$ 4,554,767
Time deposits - certificates of deposit	<u>146,018</u>	<u>151,569</u>
Total deposits	<u>\$ 21,225,200</u>	<u>\$ 4,706,336</u>

Deposits are required to be either covered by federal depository insurance or be collateralized with securities held by a third-party custodian in the Authority's name. At December 31, 2024, the Authority's deposits with financial institutions for all fund types, including blended component units, had a carrying amount of \$21,225,200 and a bank balance of \$21,614,455. For the discretely presented component unit, the carrying amount of such deposits amount to \$4,706,336 and bank balances of \$4,776,425. The bank balances are categorized as follows:

	<u>Proprietary Fund</u>	<u>Discrete Component Units</u>
Amount insured by the FDIC or collateralized with securities held by third party custodians in the Authority's name.	\$ 1,396,019	\$ 1,569,043
Collateralized under the Commonwealth's public depository fund in accordance with the laws of the Commonwealth of Virginia	20,218,436	-
Uninsured, uncollateralized	<u>-</u>	<u>3,207,382</u>
Total bank balance	<u>\$ 21,614,455</u>	<u>\$ 4,776,425</u>

The Authority deposits are classified in the financial statements as follows:

	<u>Proprietary Fund</u>	<u>Discrete Component Units</u>
Cash and cash equivalents	\$ 21,225,200	\$ 4,706,336
Investments	<u>-</u>	<u>-</u>
Total deposits	<u>\$ 21,225,200</u>	<u>\$ 4,706,336</u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 2 – DEPOSITS AND INVESTMENTS

INVESTMENTS

As of December 31, 2024 the Authority held the following investments:

Investment Type	Maturity	Issuer Credit Rating	Proprietary Fund - Fair Value or Cost	Fiduciary Fund - Fair Value	Discrete Component Units
Repurchase Agreements	Daily	N/A	\$ 4,322,998	\$ -	\$ 589,835
Virginia Investment Pool Stable NAV Liquidity Pool	70 days	S & P AAAm	4,459,768	-	-
Virginia Investment Pool 1-3 Year High Quality Bond Fund	668 days	S & P AA+f/S1	343,532	-	-
VACO / VML Pooled OPEB Trust	N/A	N/A	-	2,009,431	-
Total			<u>\$ 9,126,298</u>	<u>\$ 2,009,431</u>	<u>\$ 589,835</u>

As of December 31, 2024, the Authority's investments are classified in the financial statements as follows:

	Proprietary Fund	Fiduciary Fund	Discrete Component Units
Cash and cash equivalents	\$ 4,322,998	\$ -	\$ 589,835
Investments	4,803,300	2,009,431	-
Total investments	<u>\$ 9,126,298</u>	<u>\$ 2,009,431</u>	<u>\$ 589,835</u>

CLASSIFICATION IN FINANCIAL STATEMENTS:

The Authority's cash and cash equivalents consist of the following:

	Proprietary Fund	Discrete Component Units
Deposits with financial institutions	\$ 21,225,200	\$ 4,706,336
Investments - short-term	4,322,998	589,835
Petty cash and change funds	3,550	200
Total cash and cash equivalents	<u>\$ 25,551,748</u>	<u>\$ 5,296,371</u>
Restricted for:		
Capital improvements replacement reserve	\$ 135,355	\$ -
Security deposits	102,694	192,789
Rental Assistance HAP Reserve	90,725	-
Unearned Revenue	622,664	-
Program income and revolving construction funds	4,566,597	-
Family Self Sufficiency (FSS) program escrow	565,362	-
Replacement reserve and other reserve accounts	552,562	2,188,566
	<u>6,635,959</u>	<u>2,381,355</u>
Unrestricted	<u>\$ 18,915,789</u>	<u>\$ 2,915,016</u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 2 – DEPOSITS AND INVESTMENTS

In summary, the Authority's investments consist of the following:

	Proprietary Fund	Fiduciary Fund	Discrete Component Units
Unrestricted Investments	\$ 4,803,300	\$ 2,009,431	\$ -
Reserves held by mortgage servicer and fiscal agents	753,825	-	1,378,340
Restricted	753,825	-	1,378,340
Total investments	\$ 5,557,125	\$ 2,009,431	\$ 1,378,340

Interest rate risk – The Authority's formal investment policy does not specifically address the exposure to this risk. Investments held for longer periods are subject to increased risks from interest rate changes. Regarding the Authority's investment in the VIP Stable NAV Liquidity Pool, the dollar weighted average days to maturity (WAM) of the pool at June 30, 2025, is 42 days. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM. The weighted average life (WAL) of the pool at June 30, 2025, is 76 days. For the VIP 1-3 Year High Quality Bond Fund, The dollar weighted average days to maturity (WAM) of the fund at June 30, 2025, is 1.78 years (650 days).

Credit risk – The Authority's formal investment policy does not specifically address credit risk. Credit risk is generally evaluated based on the credit ratings issued by nationally recognized statistical rating organizations.

Custodial credit risk – investments – For an investment, this is the risk that, in the event of the failure of a counterparty, the authority would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority's \$4,912,833 investment in repurchase agreements are uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department, but not in the Authority's name. The Authority has no policy on custodial credit risk for investments.

Custodial credit risk – deposits – For deposits, this is the risk that, in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority has no policy on custodial credit risk for deposits. As of December 31, 2024, \$3,207,382 of the Authority's discretely presented component units' deposits are subject to custodial credit risk as the deposits are uninsured and uncollateralized or collateralized with securities not held in the Authority's name.

Concentration of credit risk – The Authority's investment policy does not restrict the amount that the Authority may invest in any one issuer.

Fair value – The Authority categorizes its fair value measurements within the fair value hierarchy established by the 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; and Level 3 inputs are significant unobservable inputs.

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 2 – DEPOSITS AND INVESTMENTS

The Virginia Investment Pool is in compliance with the requirements of GAAP and measure its investments at fair value for financial reporting. Therefore, participants (the Authority) in the Virginia Investment Pool also measure their investments in the Virginia Investment Pool at fair value (which approximates amortized cost) for financial reporting.

Investments measured at fair value using net asset value per share (VML/VACO Pooled OPEB Trust and Virginia Investment Pool) are not classified in the fair value hierarchy.

The VML/VACO Pooled OPEB Trust categorizes their investments within the fair value hierarchy established by GAAP. A government is permitted, in certain circumstances, to establish the fair value of an investment that does not have a readily determinable fair value by using the Net Asset Value (NAV) per share (or its equivalent) of the investment. Investments in the VML/VACO Pooled OPEB Trust are valued using the NAV per share, which is determined by dividing the total value of the Trust by the number of outstanding shares. The NAV per share changes with the value of the underlying investments in the Trust. Generally, VML/VACO Pooled OPEB Trust participants may redeem their investment at the end of a calendar quarter upon 90 days' written notice.

NOTE 3 – ACCOUNTS RECEIVABLE

Receivables at December 31, 2024 consist of the following:

	Proprietary Fund	Discrete Component Units
Tenants/Program Participants	\$ 370,867	\$ 413,316
Less: Allowance	(312,331)	(179,338)
	58,536	233,978
HUD - unrequisioned costs	2,016,003	-
HUD - housing assistance payments	1,550,265	993,044
Loan program participants	62,602	-
Other governments	2,812,557	59,719
Due from landlords/owners	711,370	-
Affiliates	-	5,794
Miscellaneous	-	5,716
	\$ 7,211,333	\$ 1,298,251

In the Low Rent Public Housing Program the allowance for doubtful accounts is an estimate of the amounts owed by residents that the Authority expects to become uncollectible. The estimate was based on an analysis of historical write-off amounts and the amounts owed by vacated and delinquent tenants. On the Housing Choice Voucher Program, the amounts due from participants represent installment repayment agreements associated with fraud recovery efforts. Due to the nature of these accounts, an allowance for doubtful accounts is recorded for the entire amount and the income realized from these agreements is recognized as payments are collected.

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 3 – ACCOUNTS RECEIVABLE

Receivables at December 31, 2024 consist of the following:

	Public Housing Program	Rental Assistance Program	Central Office Cost Center Program	Community Development Program	HOME Investment Partnership Program	Resident Self Sufficiency Programs	Transition Center Program
Tenants/Program Participants	\$ 68,299	\$ 268,598	\$ -	\$ -	\$ -	\$ -	\$ 2,285
Less: Allowance	(24,768)	(268,598)	-	-	-	-	(654)
	<u>43,531</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,631</u>
HUD - unrequitioned costs	15,790	-	-	-	-	12,615	-
HUD - housing assistance payments	-	1,546,534	-	-	-	-	-
Loan program participants	-	-	-	-	62,602	-	-
Other governments	506,048	4,886	5,554	9,370	28,341	-	-
Due from landlords/owners	-	711,370	-	-	-	-	-
	<u>\$ 565,369</u>	<u>\$ 2,262,790</u>	<u>\$ 5,554</u>	<u>\$ 9,370</u>	<u>\$ 90,943</u>	<u>\$ 12,615</u>	<u>\$ 1,631</u>

	State and Local Activities Program	Choice Neighborhoods Grant Program	Business Activities Program	Orcutt Senior Housing / Ashe Manor	Lofts on Jefferson	Great Oaks	Total
Tenants/Program Participants	\$ -	\$ -	\$ -	\$ 1,740	\$ 22,244	\$ 7,701	\$ 370,867
Less: Allowance	-	-	-	(638)	(8,854)	(8,819)	(312,331)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,102</u>	<u>13,390</u>	<u>(1,118)</u>	<u>58,536</u>
HUD - unrequitioned costs	-	1,987,598	-	-	-	-	2,016,003
HUD - housing assistance payments	-	-	-	-	-	3,731	1,550,265
Loan program participants	-	-	-	-	-	-	62,602
Other governments	105,557	-	2,152,801	-	-	-	2,812,557
Due from landlords/owners	-	-	-	-	-	-	711,370
	<u>\$ 105,557</u>	<u>\$ 1,987,598</u>	<u>\$ 2,152,801</u>	<u>\$ 1,102</u>	<u>\$ 13,390</u>	<u>\$ 2,613</u>	<u>\$ 7,211,333</u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 3 – ACCOUNTS RECEIVABLE

Receivables at December 31, 2024 consist of the following:

	Orcutt Townhomes III	Oyster Point- Brighton	Cypress Terrace	Lassiter Courts	Spratley House	Orcutt TH 40, LLC	Lower Jefferson Avenue, LLC
Tenants/Program Participants	\$ 27,261	\$ 140,356	\$ 76,553	\$ 62,927	\$ 23,425	\$ -	\$ 55,653
Less: Allowance	(13,487)	(51,854)	(23,711)	(33,762)	(11,085)	-	(34,416)
	<u>13,774</u>	<u>88,502</u>	<u>52,842</u>	<u>29,165</u>	<u>12,340</u>	-	<u>21,237</u>
HUD - housing assistance payments	23,182	274,208	138,607	316,696	636	214,000	6,609
Other governments	-	-	34,257	15,756	-	9,706	-
Affiliates	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
	<u>\$ 36,956</u>	<u>\$ 362,710</u>	<u>\$ 225,706</u>	<u>\$ 361,617</u>	<u>\$ 12,976</u>	<u>\$ 223,706</u>	<u>\$ 27,846</u>

	Choice Neighborhood I, LLC	Choice Neighborhood II, LLC	Carrier Point Commercial Partners, LLC	Choice Neighborhood Commercial Partners, LLC	Choice Neighborhood III, LLC	Choice Neighborhood IV, LLC	Total
Tenants/Program Participants	\$ 20,785	\$ 6,106	\$ -	\$ -	\$ 250	\$ -	\$ 413,316
Less: Allowance	(9,413)	(1,060)	-	-	(550)	-	(179,338)
	<u>11,372</u>	<u>5,046</u>	-	-	<u>(300)</u>	-	<u>233,978</u>
HUD - housing assistance payments	8,253	10,853	-	-	-	-	993,044
Other governments	-	-	-	-	-	-	59,719
Affiliates	-	-	-	-	-	5,794	5,794
	<u>\$ 25,341</u>	<u>\$ 15,899</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (300)</u>	<u>\$ 5,794</u>	<u>\$ 1,298,251</u>

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the eighteen months ended December 31, 2024 was as follows:

Proprietary Fund

	Balance at June 30, 2023 (as restated)	Additions	Transfers / Reductions	Balance at December 31, 2024
Business-type activities:				
Land and improvements	\$ 3,308,273	\$ -	\$ (100,014)	\$ 3,208,259
Construction in progress	8,087,764	15,268,636	(2,592,472)	20,763,928
Total capital assets, not being depreciated	<u>\$ 11,396,037</u>	<u>\$ 15,268,636</u>	<u>\$ (2,692,486)</u>	<u>\$ 23,972,187</u>
Buildings and Improvements	\$ 84,327,938	\$ 318,680	\$ (3,819,435)	\$ 80,827,183
Furniture, equipment, vehicles and fixtures	2,925,657	487,572	(240,504)	3,172,725
Subscription asset	130,583	527,259	(130,583)	527,259
Total capital assets, being depreciated / amortized	<u>87,384,178</u>	<u>1,333,511</u>	<u>(4,190,522)</u>	<u>84,527,167</u>
Accumulated depreciation and amortization				
Buildings and Improvements	(56,914,744)	(2,919,850)	3,281,575	(56,553,019)
Furniture, equipment, vehicles and fixtures	(2,003,969)	(226,128)	181,456	(2,048,641)
Accumulated amortization on subscription asset	<u>(130,583)</u>	<u>(98,844)</u>	<u>130,583</u>	<u>(98,844)</u>
Total accumulated depreciation and amortization	<u>(59,049,296)</u>	<u>(3,244,822)</u>	<u>3,593,614</u>	<u>(58,700,504)</u>
Total capital assets, being depreciated / amortized (net)	<u>\$ 28,334,882</u>	<u>\$ (1,911,311)</u>	<u>\$ (596,908)</u>	<u>\$ 25,826,663</u>
	<u>\$ 39,730,919</u>	<u>\$ 13,357,325</u>	<u>\$ (3,289,394)</u>	<u>\$ 49,798,850</u>

Depreciation expense of \$3,145,978 and \$98,844 in amortization of leased subscription-based IT assets was charged to the Proprietary Fund.

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 4 – CAPITAL ASSETS

During the period, the Authority reclassified several component units previously presented as blended component units as discretely presented component units. Further, during 2024, a subsidiary of the Authority obtained the limited partnership interest of a formerly excluded affiliated entity. As a result, this entity now meets the criteria to be reported as a blended component unit. Previously reported amounts related to capital assets have been modified as follows:

	Previously Report	Amounts Related to Previous Blended Component Units	Amounts Related to New Blended Component Units	As Restated
Land and improvements	\$ 6,946,688	\$ (4,843,415)	\$ 1,205,000	\$ 3,308,273
Buildings and improvements	\$ 124,091,975	\$ (48,970,010)	\$ 9,205,973	\$ 84,327,938
Furniture, equipment, vehicles, and fixtures	\$ 3,931,198	\$ (1,143,213)	\$ 137,672	\$ 2,925,657
Subscription asset	\$ 148,550	\$ (17,967)		\$ 130,583
Accumulated depreciation and amortization - Buildings and Improvements	\$ (60,929,379)	\$ 7,923,561	\$ (3,908,926)	\$ (56,914,744)
Accumulated depreciation and amortization - Furniture, equipment, vehicles, and fixtures	\$ (2,808,027)	\$ 804,058		\$ (2,003,969)
Accumulated amortization on subscription asset	\$ (148,550)	\$ 17,967		\$ (130,583)

Discretely Presented Component Units

Capital asset activity for the year was as follows:

	Balance at beginning of period (as restated)	Additions	Transfers / Reductions	Balance at end of period
Business-type activities:				
Land and improvements	\$ 5,095,716	\$ 800,000	\$ 266,078	\$ 6,161,794
Construction in progress	30,865,061	58,125,915	(32,355,722)	56,635,254
Total capital assets, not being depreciated	<u>\$ 35,960,777</u>	<u>\$ 58,925,915</u>	<u>\$ (32,089,644)</u>	<u>\$ 62,797,048</u>
Buildings and Improvements	\$ 56,560,340	\$ 4,717,472	\$ 31,834,343	\$ 93,112,155
Furniture, equipment, vehicles and fixtures	1,362,015	108,358	716,010	2,186,383
Subscription asset	17,967	-	(17,967)	-
Total capital assets, being depreciated	<u>57,940,322</u>	<u>4,825,830</u>	<u>32,532,386</u>	<u>95,298,538</u>
Accumulated depreciation				
Buildings and Improvements	(9,623,417)	(4,299,580)		(13,922,997)
Furniture, equipment, vehicles and fixtures	(987,070)	(352,332)	6,388	(1,333,014)
Accumulated amortization on subscription asset	(17,967)	(1,827)	19,794	-
Total accumulated depreciation	<u>(10,628,454)</u>	<u>(4,653,739)</u>	<u>26,182</u>	<u>(15,256,011)</u>
Total capital assets, being depreciated (net)	<u>\$ 47,311,868</u>	<u>\$ 172,091</u>	<u>\$ 32,558,568</u>	<u>\$ 80,042,527</u>
	<u>\$ 83,272,645</u>	<u>\$ 59,098,006</u>	<u>\$ 468,924</u>	<u>\$ 142,839,575</u>

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 4 – CAPITAL ASSETS

Depreciation expense of \$4,651,912 and \$1,827 in amortization of leased subscription-based IT assets was charged to the Discrete Component Units.

During the period, the Authority reclassified several component units previously presented as blended component units as discretely presented component units. Previously reported amounts related to capital assets have been modified as follows:

	Previously Report	Amounts Related to Previous Blended Component Units	Amounts Related to New Blended Component Units	As Restated
Land and improvements	\$ 252,300	\$ 4,843,416		\$ 5,095,716
Buildings and improvements	\$ 7,590,330	\$ 48,970,010		\$ 56,560,340
Furniture, equipment, vehicles, and fixtures	\$ 218,802	\$ 1,143,213		\$ 1,362,015
Subscription asset	\$ -	\$ 17,967		\$ 17,967
Accumulated depreciation and amortization - Buildings and Improvements	\$ (1,699,856)	\$ (7,923,561)		\$ (9,623,417)
Accumulated depreciation and amortization - Furniture, equipment, vehicles, and fixtures	\$ (183,012)	\$ (804,058)		\$ (987,070)
Accumulated amortization on subscription asset	\$ -	\$ (17,967)		\$ (17,967)

NOTE 5 - NOTES AND MORTGAGES RECEIVABLE

These balances represent amounts due from homebuyers, program participants, and affiliated entities for various program purposes. Loan terms vary but generally require repayment in from 20-30 years at minimal interest rates. Through the CDBG and HOME programs administered through the City of Newport News, the Authority administers several loan programs for the purposes authorized under these programs. These loans are secured by promissory notes and deeds to secure debt and represent legal assets of the Authority.

NEWPORT NEWS REVELPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 5 - NOTES AND MORTGAGES RECEIVABLE

Notes and mortgages receivable at December 31, 2024 consist of the following:

	Public Housing	Community Development Program	HOME Investment Partnerships Program	State & Local Activities Program	Choice Neighborhoods Grant Program	Business Activities Program	Proprietary Fund Total
<u>Noncurrent:</u>							
<u>Restricted:</u>							
Program loans due from program participants	\$ -	\$ 1,762,419	\$ 4,229,091	\$ 865,982	\$ -	\$ -	\$ 6,857,492
	-	1,762,419	4,229,091	865,982	-	-	6,857,492
<u>Other:</u>							
Due from Lower Jefferson Avenue, LLC, due June 1, 2028	-	-	-	-	-	180,000	180,000
Program loans due from program participant	-	-	-	-	-	7,147	7,147
Due from Oyster Point-Brighton, LLC, due February 1, 2046	5,812,903	-	1,372,000	-	-	-	7,184,903
Due from Cypress Terrace, LLC, due February 1, 2046	3,025,250	-	574,000	-	-	-	3,599,250
Due from Lassiter Courts, LLC, due October 1, 2048	2,312,704	-	590,000	-	-	117,147	3,019,851
Due from Lassiter Courts, LLC, due December 1, 2049	-	536,913	-	-	-	-	536,913
Due from Spratley House, LLC, due March 31, 2051	2,750,000	-	-	-	-	97,595	2,847,595
Due from Orcutt TH 40, LLC, due October 1, 2057	6,900,000	-	-	-	-	-	6,900,000
Due from Orcutt Townhomes III LP, due May 7, 2050	1,859,842	-	-	-	-	-	1,859,842
Due from Choice Neighborhood I, LLC, due June 1, 2056	-	-	700,000	-	2,308,559	650,000	3,658,559
Due from Choice Neighborhood II, LLC, due June 1, 2056	-	-	1,250,000	-	2,932,513	499,726	4,682,239
Due from Carrier Point Commercial Partners, LLC, due June 1,	-	-	-	-	-	903,953	903,953
Due from Choice Neighborhood III, LLC, due June 1, 2056	-	-	-	-	6,300,000	4,197,447	10,497,447
Due from Choice Neighborhood IV, LLC, due October 1, 2059	2,333,144	-	-	-	1,856,487	6,383,306	10,572,937
Due from Choice Neighborhod Commercial Partners, LLC, due October 1, 2052	-	-	-	-	-	494,073	494,073
Downpayment assistance loans due form homebuyers	-	-	-	-	-	20,231	20,231
	<u>24,993,843</u>	<u>536,913</u>	<u>4,486,000</u>	<u>-</u>	<u>13,397,559</u>	<u>13,550,625</u>	<u>56,964,940</u>
	<u>\$ 24,993,843</u>	<u>\$ 2,299,332</u>	<u>\$ 8,715,091</u>	<u>\$ 865,982</u>	<u>\$ 13,397,559</u>	<u>\$ 13,550,625</u>	<u>\$ 63,822,432</u>
Noncurrent accrued interest on notes receivable	<u>\$ 2,039,331</u>	<u>\$ -</u>	<u>\$ 61,544</u>	<u>\$ -</u>	<u>\$ 527,813</u>	<u>\$ 225,448</u>	<u>\$ 2,854,136</u>

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 6 - OTHER ASSETS

Other assets at December 31, 2024 consist of the following:

	Proprietary Fund	Discrete Component Units
<u>Other noncurrent assets:</u>		
Investment in Lower Jefferson Avenue, LLC - general partner capital	\$ 375,585	\$ -
Investment in Oyster Point-Brighton, LLC - general partner capital	62	-
Investment in Lower Cypress Terrace, LLC - general partner capital	10,791	-
Deferred developer fee due from Oyster Point-Brighton, LLC	631,115	-
Deferred developer fee due from Cypress Terrace, LLC	86,919	-
Deferred developer fee due from Lassiter Courts, LLC	614,000	-
Deferred developer fee due from Spratley House, LLC	700,000	-
Deferred developer fee due from Orcutt TH 40, LLC	1,500,000	-
Redevelopment costs for city funded redevelopment programs	49,300	-
Tax credit fees, net of amortization	-	160,500
	\$ 3,967,772	\$ 160,500

NOTE 7 - ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Payables at December 31, 2024 consist of the following:

	Proprietary Fund	Discrete Component Units
Vendors and contractors	\$ 4,672,206	\$ 5,488,223
Accrued utilities	226,422	115,123
Payroll withholdings	253,706	17,133
Payable to HUD - SRO settlement	1,811	-
Payable to HUD -excess administrative fees	85,185	-
US Treasury - interest on NRA / HAP	299	-
Other governments	752	-
PILOT payable to City of Newport News	120,879	47,937
Contract retention	907,650	45,923
Escrows held for participants	1,830	-
Due to affiliates	-	32,307
Miscellaneous	-	72,767
	\$ 6,270,740	\$ 5,819,413

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 7 - ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Detailed information by program is as follows:

	Public Housing Program	Rental Assistance Program	Central Office Cost Center Program	Community Development	HOME Investment Partnership	Transition Center Program	State & Local Activities Program
Vendors and contractors	\$ 104,241	\$ 1,121,505	\$ 18,803	\$ 156,929	\$ 1,404	\$ 607	\$ 2,315
Accrued utilities	184,885	1,471	3,591	-	-	2,422	-
Payroll withholdings	-	-	253,706	-	-	-	-
Payable to HUD - SRO settlement	-	-	1,811	-	-	-	-
Payable to HUD -excess administrative fees	-	85,185	-	-	-	-	-
US Treasury - interest on NRA / HAP	-	299	-	-	-	-	-
Other governments	-	752	-	-	-	-	-
PILOT payable to City of Newport News	75,871	-	-	-	-	-	-
Contract retention	-	-	-	-	-	-	-
Escrows held for participants	-	-	-	1,830	-	-	-
Due to affiliates	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
	<u>\$ 364,997</u>	<u>\$ 1,209,212</u>	<u>\$ 277,911</u>	<u>\$ 158,759</u>	<u>\$ 1,404</u>	<u>\$ 3,029</u>	<u>\$ 2,315</u>

	Choice Neighborhoods Grant Program	Business Activities Program	Orcutt Senior Housing / Ashe Manor	Orcutt Townhomes	Lofts on Jefferson	Great Oaks	Total Proprietary Fund
Vendors and contractors	\$ 1,984,255	\$ 1,239,646	\$ 28,454		\$ 2,689	\$ 11,358	\$ 4,672,206
Accrued utilities	-	-	10,587	-	781	22,685	226,422
Payroll withholdings	-	-	-	-	-	-	253,706
Payable to HUD - SRO settlement	-	-	-	-	-	-	1,811
Payable to HUD -excess administrative fees	-	-	-	-	-	-	85,185
US Treasury - interest on NRA / HAP	-	-	-	-	-	-	299
Other governments	-	-	-	-	-	-	752
PILOT payable to City of Newport News	-	-	11,558	33,450	-	-	120,879
Contract retention	-	907,650	-	-	-	-	907,650
Escrows held for participants	-	-	-	-	-	-	1,830
	<u>\$ 1,984,255</u>	<u>\$ 2,147,296</u>	<u>\$ 50,599</u>	<u>\$ 33,450</u>	<u>\$ 3,470</u>	<u>\$ 34,043</u>	<u>\$ 6,270,740</u>

NEWPORT NEWS REVELPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 7 - ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Detailed information by discrete component unit is as follows:

	Orcutt Townhomes III	Oyster Point- Brighton	Cypress Terrace	Lassiter Courts	Spratley House	Orcutt TH 40, LLC	Lower Jefferson Avenue, LLC
Vendors and contractors	\$ 9,757	\$ 28,149	\$ 6,810	\$ 14,578	\$ 6,228	\$ 168,699	\$ 13,304
Accrued utilities	879	48,143	30,666	4,586	11,544	6,674	12,631
Payroll withholdings	-	-	-	-	-	-	-
PILOT payable to City of Newport News	34,572	6,358	-	-	7,007	-	-
Contract retention	-	-	-	-	-	10,582	-
Due to affiliates	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
	<u>\$ 45,208</u>	<u>\$ 82,650</u>	<u>\$ 37,476</u>	<u>\$ 19,164</u>	<u>\$ 24,779</u>	<u>\$ 185,955</u>	<u>\$ 25,935</u>

	Choice Neighborhood I, LLC	Choice Neighborhood II, LLC	Carrier Point Commercial Partners, LLC	Choice Neighborhood Commercial Partners, LLC	Choice Neighborhood III, LLC	Choice Neighborhood IV, LLC	Total Discrete Component Units
Vendors and contractors	\$ 64,072	\$ 23,972	\$ 15,906	\$ -	\$ 1,216,366	\$ 3,920,382	\$ 5,488,223
Accrued utilities	-	-	-	-	-	-	115,123
Payroll withholdings	711	(200)	-	-	11,597	5,025	17,133
PILOT payable to City of Newport News	-	-	-	-	-	-	47,937
Contract retention	-	-	21,503	-	-	13,838	45,923
Due to affiliates	383	12,165	-	-	71,699	(51,940)	32,307
Miscellaneous	-	-	-	-	61,821	10,946	72,767
	<u>\$ 65,166</u>	<u>\$ 35,937</u>	<u>\$ 37,409</u>	<u>\$ -</u>	<u>\$ 1,361,483</u>	<u>\$ 3,898,251</u>	<u>\$ 5,819,413</u>

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 8 - UNEARNED REVENUE

Unearned revenues at December 31, 2024 consist of the following:

	Proprietary Fund	Discrete Component Units
Credit balances payable to residents	\$ 30,291	\$ 144,168
Unearned revenue - grants	1,205,395	-
Unearned fees charged to component units	10,471	-
	<u>\$ 1,246,157</u>	<u>\$ 144,168</u>

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 8 - UNEARNED REVENUE

Detailed information by program is as follows:

	Public Housing Program	Rental Assistance Program	Central Office Cost Center Program	Transition Center Program	State & Local Activities Program
Credit balances payable to residents	\$ 20,504	\$ -	\$ -	\$ 511	\$ -
Unearned revenue - grants	-	55,089	-	-	538,636
Unearned fees charged to component units	-	-	14,312	-	-
	<u>\$ 20,504</u>	<u>\$ 55,089</u>	<u>\$ 14,312</u>	<u>\$ 511</u>	<u>\$ 538,636</u>

	Business Activities Program	Orcutt Senior Housing / Ashe Manor	Great Oaks	Eliminations	Total Proprietary Fund
Credit balances payable to residents	\$ -	\$ 3,674	\$ 5,602	\$ -	\$ 30,291
Unearned revenue - grants	611,670	-	-	-	1,205,395
Unearned fees charged to component units	-	-	-	(3,841)	10,471
	<u>\$ 611,670</u>	<u>\$ 3,674</u>	<u>\$ 5,602</u>	<u>\$ (3,841)</u>	<u>\$ 1,246,157</u>

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 8 - UNEARNED REVENUE

Detailed information by discrete component unit is as follows:

	Orcutt Townhomes III	Oyster Point- Brighton	Cypress Terrace	Lassiter Courts	Spratley House
Credit balances payable to residents	\$ 3,623	\$ 96,464	\$ 10,828	\$ 21,941	\$ 739

	Lower Jefferson Avenue, LLC	Choice Neighborhood I, LLC	Choice Neighborhood II, LLC	Total Proprietary Fund
Credit balances payable to residents	\$ 4,199	\$ 1,329	\$ 5,045	\$ 144,168

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 9 - MORTGAGES PAYABLE AND INTERFUND NOTES PAYABLE

Lofts on Jefferson

The cost of the Lofts on Jefferson / ROAM Building were financed in part by a permanent first mortgage loan from the Virginia Housing Development Authority (VHDA). On March 10, 2015 a permanent first mortgage loan of \$600,000 payable in equal monthly installments of \$2,847 for 30 years with an interest rate of 3.95% per annum. This note matures on April 1, 2045.

This loan is secured by a deed of trust recorded for the 2713 Jefferson Avenue development.

The maturities over the next five years are as follows:

	Principal	Interest	Total
December 31, 2025	\$ 15,604	\$ 18,563	\$ 34,167
December 31, 2026	16,232	17,935	34,167
December 31, 2027	16,885	17,282	34,167
December 31, 2028	17,564	16,603	34,167
December 31, 2029	18,271	15,896	34,167
December 31, 2030 - 2034	102,984	67,849	170,833
December 31, 2035 - 2039	125,431	45,402	170,833
December 31, 2040 - 2044	152,769	18,064	170,833
December 31, 2045	11,297	93	11,390
	\$ 477,037	\$ 217,687	\$ 694,724

Great Oaks

Note Payable to VHDA	\$ 2,301,829
HOME Note Payable to the City of Newport News	400,000
HOME Note Payable to the City of Newport News	798,800
	\$ 3,500,629

The Virginia Housing (VH) mortgage has a stated interest rate of 5.552%. Payments of \$20,569 are made monthly, and consist of principal and interest. This mortgage is secured by a deed of trust. The mortgage was refinanced on February 28, 2014 to add \$950,000 in principal and extend the due date to February 1, 2038. At December 31, 2024, the principal and accrued interest payable on the mortgage are \$2,301,829 and \$10,677, respectively.

This loan is secured by a deed of trust recorded for the Great Oaks Apartments.

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 9 - MORTGAGES PAYABLE AND INTERFUND NOTES PAYABLE

The maturities over the next five years are as follows:

	Principal	Interest	Total
December 31, 2025	\$ 122,108	\$ 124,669	\$ 246,777
December 31, 2026	129,060	117,717	246,777
December 31, 2027	136,408	110,369	246,777
December 31, 2028	144,174	102,602	246,776
December 31, 2029	152,383	94,394	246,777
December 31, 2030 - 2034	902,448	331,673	1,234,121
December 31, 2035 - 2038	715,248	66,362	781,610
	<u>\$ 2,301,829</u>	<u>\$ 947,786</u>	<u>\$ 3,249,615</u>

A note owed to the City of Newport News is made up of two smaller notes. The first is for \$400,000, and has an interest rate of 3%, compounded annually. The second is for \$798,800 and accrues simple interest with an interest rate of 3%. Both are secured by a deed of trust and are due in June of 2047. At December 31, 2024, accrued interest payable on these notes totaled \$695,510.

INTER-PROGRAM NOTES PAYABLE:

Certain inter-program notes payables are recorded on the accounting records for programs that are combined in the single Proprietary Fund. These inter-program balances are not reflected in the fund financial statements, however, they are reflected in the Financial Data Schedule (FDS) presented as supplemental information. HUD requires that the FDS reflect the balance sheet for each public housing project / development. These loans are eliminated in the "Elimination" column of the FDS presented as supplemental information.

	Receivable Programs				Total
	Public Housing Program	Central Office Cost Center	Home Program	Business Activities Program	
Interprogram Loans Payable					
Orcutt Senior Housing - Non Public Housing	\$ -	\$ -	\$ -	\$ 714,000	\$ 714,000
Orcutt Senior Housing - Capital Funds Loan	2,475,000	-	-	-	2,475,000
Great Oaks Apartments	-	1,473,746	-	-	1,473,746
	<u>\$ 2,475,000</u>	<u>\$ 1,473,746</u>	<u>\$ -</u>	<u>\$ 714,000</u>	<u>\$ 4,662,746</u>
Accrued interest on notes payable					
Orcutt Senior Housing - Non Public Housing	\$ -	\$ -	\$ -	\$ 876,876	\$ 876,876
Great Oaks Apartments	-	370,380	-	-	370,380
	<u>\$ -</u>	<u>\$ 370,380</u>	<u>\$ -</u>	<u>\$ 876,876</u>	<u>\$ 1,247,256</u>

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 9 - MORTGAGES PAYABLE AND INTERFUND NOTES PAYABLE

Changes in long-term liabilities:

Long-term liability activity for the eighteen months ended December 2024, was as follows:

	Balance at June 30, 2023	Additions	Reductions	Balance at December 31, 2024	Due Within One Year
<u>Business-type activities:</u>					
VHDA Mortgage - 2713 Lofts	\$ 499,319	\$ -	\$ 22,282	\$ 477,037	\$ 15,604
VHDA Mortgage - Great Oaks	2,417,352	-	115,523	2,301,829	122,108
City of Newport news - HOME	1,198,800	-	-	1,198,800	-
Escrow liabilities	275,705	764,597	587,650	452,652	-
Compensated absences	450,939	469,655	537,208	383,386	7,068
	<u>\$ 4,842,115</u>	<u>\$ 1,234,252</u>	<u>\$ 1,262,663</u>	<u>\$ 4,813,704</u>	<u>\$ 144,780</u>

Debt for entities previously reported as blended component units recassified as discrete component units

10,922,031

Debt for an affiliate previously excluded from the reporting entity

(3,616,152)

As previously reported

\$ 15,764,146

DISCRETELY PRESENTED COMPONENT UNITS:

Orcutt Townhomes III

TCAP Note Payable to VHDA	\$ 1,004,231
TCEP Note Payable to VHDA	60,000
CFP Note Payable to Newport News Redevelopment and Housing Authority (NNRHA)	1,749,842
RHF Note Payable to Newport News Redevelopment and Housing Authority (NNRHA)	110,000
	<u>\$ 2,924,073</u>

Orcutt Townhomes III was partially financed with tax credit assistance program ("TCAP") funds from the Virginia Housing Development Authority. A Deferred Payment Note in the amount of \$1,004,231 was executed on December 23, 2009. This note bears no interest and payments are deferred through December 31, 2041. Beginning on December 31, 2042, one-twentieth (1/20th) of the principal balance of this note outstanding on December 31, 2041 shall be due-and payable on December 31st of each year until December 31, 2061, at which time the balance of principal remaining unpaid shall be due and payable.

This loan is secured by a deed of trust recorded for the Orcutt townhomes III development.

	Principal	Interest	Total
June 30, 2043 and thereafter	<u>\$ 1,004,231</u>	<u>\$ -</u>	<u>\$ 1,004,231</u>

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 9 - MORTGAGES PAYABLE AND INTERFUND NOTES PAYABLE

Orcutt Townhomes III was partially financed with funds received from the Virginia Housing Development Authority under the Tax Credit Exchange Program. Under this agreement, funding of \$900,000 was provided in the form of a "cash grant" in exchange for the low-income housing tax credits. This "revenue" will be recognized over the 15-year tax credit compliance period. This is in substance a loan that is being amortized over 15 years so it is reported as such with one fifteenth (1/15th) being forgiven each year. This agreement is secured by a credit line deed of trust and VHDA as a security interest in the real property until the end of the 15-year compliance period. As of December 31, 2024, \$60,000 was outstanding under this agreement.

This loan is secured by a deed of trust recorded for the Orcutt townhomes III development.

	Principal	Interest	Total
December 31, 2025	\$ 60,000	\$ -	\$ 60,000

Orcutt Townhomes III developed 30 units of family housing using a combination of tax credit proceeds, non-federal Authority resources, and public funds. A portion of this funding was derived from public housing capital funds grants. A note in the amount of \$1,749,892 was executed on May 7, 2010. The note is non-interest bearing and matures on May 7, 2050. Payment of this note is deferred until this date or upon the sale or conveyance of the property. This note is secured by a deed of trust. This note is recorded on the accounting records of the Low-rent Public Housing Program as a receivable and on the Orcutt Townhomes III as a liability.

This loan is secured by a deed of trust recorded for the Orcutt townhomes III development..

On November 17, 2016 a Promissory Note for \$110,000 was executed between the Authority and Orcutt Townhomes III (Maker) for Capital Fund RHF funds provided for this development. This note bears interest at a rate of 0.0% per annum and is due and payable on May 7, 2050 or upon the conveyance of the property. Annual principal payments, if any, on the outstanding balance of principal shall be made from Maker to Noteholder from Maker's Net Cash Flow, as defined in and in accordance with Section 11.03 of Maker's Amended and Restated Agreement of Limited Partnership, as amended by that Amendment to Amended and Restated Agreement of Limited Partnership. Any remaining balance shall be due and payable in full on May 7, 2050. As of December 31, 2024, the Authority had advanced \$110,000 to the Maker.

This loan is secured by a deed of trust recorded for the Orcutt townhomes III development.

Oyster Point-Brighton

Note Payable to VHDA	\$ 2,451,735
DHCD Note Payable to VHDA	700,000
HOME Note Payable to Newport News Redevelopment and Housing Authority (NNRHA)	1,372,000
Public Housing Note Payable to Newport News Redevelopment and Housing Authority (NNRHA)	400,000
Seller Note Payable to Newport News Redevelopment and Housing Authority (NNRHA)	4,377,000
RHF Note Payable to Newport News Redevelopment and Housing Authority (NNRHA)	1,035,903
	\$ 10,336,638

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 9 - MORTGAGES PAYABLE AND INTERFUND NOTES PAYABLE

The final cost of the Oyster Point-Brighton Apartments were financed in part by a permanent first mortgage loan from the Virginia Housing Development Authority (VHDA). On May 23, 2018 a permanent first mortgage loan of \$2,950,000 was executed, payable in equal monthly installments of \$10,904 for 30 years with an interest rate of 2.00% per annum. This note matures on June 1, 2048.

This loan is secured by a deed of trust recorded for the Oyster Point-Brighton development.

The maturities over the next five years are as follows:

	Principal	Interest	Total
December 31, 2025	\$ 82,564	\$ 48,281	\$ 130,845
December 31, 2026	84,231	46,614	130,845
December 31, 2027	85,931	44,914	130,845
December 31, 2028	87,666	43,179	130,845
December 31, 2029	89,435	41,410	130,845
December 31, 2030 - 2034	474,994	179,232	654,226
December 31, 2035 - 2039	524,906	129,320	654,226
December 31, 2040 - 2044	580,063	74,163	654,226
December 31, 2045 - 2048	441,945	15,997	457,942
	<u>\$ 2,451,735</u>	<u>\$ 623,110</u>	<u>\$ 3,074,845</u>

The final cost of the Oyster Point-Brighton Apartments were partially financed in part by a permanent deferred payment note from the Department of Housing and Community Development ("DHCD"). On May 23, 2018 a permanent loan of \$700,000 was executed requiring monthly payments of interest only for 15 years with an interest rate of 3.00% per annum. Monthly payments of interest shall be payable commencing on the first day of July 2018 and continuing on the first day of each month thereafter until the day which is Fifteen (15) years after the first day of the month immediately following the month in which this Note is dated or until such later date as may be established by the Noteholder, at which time the balance of principal, plus accrued interest thereon, shall be due and payable. In the sole discretion of Noteholder, the balance of principal and interest may be forgiven by 1/15th for each year during which the property securing the Underlying Loan remains in compliance with HOME program requirements.

The maturities over the next five years are as follows:

	Principal	Interest	Total
December 31, 2025	\$ -	\$ 21,000	\$ 21,000
December 31, 2026	-	21,000	21,000
December 31, 2027	-	21,000	21,000
December 31, 2028	-	21,000	21,000
December 31, 2029	-	21,000	21,000
December 31, 2030 - 2033	700,000	96,250	796,250
	<u>\$ 700,000</u>	<u>\$ 201,250</u>	<u>\$ 901,250</u>

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 9 - MORTGAGES PAYABLE AND INTERFUND NOTES PAYABLE

On January 29, 2016 a Promissory Note for \$1,372,000 was executed between the Authority and Oyster Point-Brighton LLC (Maker) for City HOME funds provided for this development. This note bears interest at a rate of 0.0% per annum and is due and payable on February 1, 2046 or upon either (1) the conveyance of the property or (2) if the property ceases to be maintained as affordable housing. This note is secured by a Leasehold Deed of Trust. As of December 31, 2024, the Authority had advanced \$1,372,000 to the Maker.

This loan is secured by a deed of trust recorded for the Oyster Point-Brighton development.

On January 29, 2016 a Promissory Note for \$1,035,903 was executed between the Authority and Oyster Point-Brighton LLC (Maker) for Capital Fund RHF funds provided for this development. This note bears interest at a rate of 0.0% per annum and is due and payable on February 1, 2046 or upon the conveyance of the property. This note is secured by a Leasehold Deed of Trust. Annual principal payments on the outstanding balance of principal shall be made from Maker to Noteholder from Maker's Net Cash Flow, as defined in and in accordance with Section 11.03 of Maker's Amended and Restated Operating Agreement. Any remaining balance shall be due and payable in full on February 1, 2046.

This loan is secured by a deed of trust recorded for the Oyster Point-Brighton development.

On January 29, 2016 a Promissory Note for \$400,000 was executed between the Authority and Oyster Point-Brighton LLC (Maker) for Public Housing Operating Reserve funds provided for this development. This note bears interest at a rate of 0.0% per annum and is due and payable on February 1, 2046 or upon the conveyance of the property. This note is secured by a Leasehold Deed of Trust. Annual principal payments on the outstanding balance of principal shall be made from Maker to Noteholder from Maker's Net Cash Flow, as defined in and in accordance with Section 11.03 of Maker's Amended and Restated Operating Agreement. Any remaining balance shall be due and payable in full on February 1, 2046.

This loan is secured by a deed of trust recorded for the Oyster Point-Brighton development.

On January 29, 2016 a Promissory Note for \$4,377,000 was executed between the Authority and Oyster Point-Brighton LLC (Maker) to convey long-term leasehold interests from the Authority to the Maker. This note bears interest at a rate of 2.61% per annum and is due and payable on February 1, 2046 or upon the conveyance of the property. This note is secured by a Leasehold Deed of Trust. Annual principal payments on the outstanding balance of principal shall be made from Maker to Noteholder from Maker's Net Cash Flow, as defined in and in accordance with Section 11.03 of Maker's Amended and Restated Operating Agreement. Any remaining balance and any accrued interest shall be due and payable in full on February 1, 2046.

This loan is secured by a deed of trust recorded for the Oyster Point-Brighton development.

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 9 - MORTGAGES PAYABLE AND INTERFUND NOTES PAYABLE

Cypress Terrace

Note Payable to VHDA	\$ 1,333,249
DHCD Note Payable to VHDA	700,000
HOME Note Payable to Newport News Redevelopment and Housing Authority (NNRHA)	574,000
RHF Note Payable to Newport News Redevelopment and Housing Authority (NNRHA)	480,000
Public Housing Note Payable to Newport News Redevelopment and Housing Authority (NNRHA)	600,000
Seller Note Payable to Newport News Redevelopment and Housing Authority (NNRHA)	1,945,250
	\$ 5,632,499

The final cost of the Oyster Point-Brighton Apartments were financed in part by a permanent first mortgage loan from the Virginia Housing Development Authority (VHDA). On May 23, 2018 a permanent first mortgage loan of \$1,650,000 was executed, payable in equal monthly installments of \$5,307 for 30 years with an interest rate of 1.00% per annum. This note matures on June 1, 2048.

This loan is secured by a deed of trust recorded for the Cypress Terrace development.

The maturities over the next five years are as follows:

	Principal	Interest	Total
December 31, 2025	\$ 50,583	\$ 13,102	\$ 63,685
December 31, 2026	51,092	12,593	63,685
December 31, 2027	51,605	12,080	63,685
December 31, 2028	52,124	11,561	63,685
December 31, 2029	52,647	11,038	63,685
December 31, 2030 - 2034	271,275	47,148	318,423
December 31, 2035 - 2039	285,178	33,245	318,423
December 31, 2040 - 2044	299,793	18,630	318,423
December 31, 2045 - 2048	218,952	3,945	222,897
	\$ 1,333,249	\$ 163,342	\$ 1,496,591

The final cost of the Cypress Terrace Apartments were partially financed in part by a permanent deferred payment note from the Department of Housing and Community Development (DHCD). On May 23, 2018 a permanent loan of \$700,000 was executed requiring monthly payments of interest only for 15 years with an interest rate of 3.00% per annum. Monthly payments of interest shall be payable commencing on the first day of July 2018 and continuing on the first day of each month thereafter until the day which is Fifteen (15) years after the first day of the month immediately following the month in which this Note is dated or until such later date as may be established by the Noteholder, at which time the balance of principal, plus accrued interest thereon, shall be due and payable. In the sole discretion of Noteholder, the balance of principal and interest may be forgiven by 1/15th for each year during which the property securing the Underlying Loan remains in compliance with HOME program requirements.

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 9 - MORTGAGES PAYABLE AND INTERFUND NOTES PAYABLE

The maturities over the next five years are as follows:

	Principal	Interest	Total
December 31, 2025	\$ -	\$ 21,000	\$ 21,000
December 31, 2026	-	21,000	21,000
December 31, 2027	-	21,000	21,000
December 31, 2028	-	21,000	21,000
December 31, 2029	-	21,000	21,000
December 31, 2030 - 2033	700,000	96,250	796,250
	<u>\$ 700,000</u>	<u>\$ 201,250</u>	<u>\$ 901,250</u>

On January 29, 2016 a Promissory Note for \$574,000 was executed between the Authority and Cypress Terrace LLC (Maker) for City HOME funds provided for this development. This note bears interest at a rate of 0.0% per annum and is due and payable on February 1, 2046 or upon either (1) the conveyance of the property or (2) if the property ceases to be maintained as affordable housing. This note is secured by a Leasehold Deed of Trust.

This loan is secured by a deed of trust recorded for the Cypress Terrace development.

On January 29, 2016 a Promissory Note for \$480,000 was executed between the Authority and Cypress Terrace LLC (Maker) for Capital Fund RHF funds provided for this development. This note bears interest at a rate of 0.0% per annum and is due and payable on February 1, 2046 or upon the conveyance of the property. This note is secured by a Leasehold Deed of Trust. Annual principal payments on the outstanding balance of principal shall be made from Maker to Noteholder from Maker's Net Cash Flow, as defined in and in accordance with Section 11.03 of Maker's Amended and Restated Operating Agreement. Any remaining balance shall be due and payable in full on February 1, 2046.

This loan is secured by a deed of trust recorded for the Cypress Terrace development.

On January 29, 2016 a Promissory Note for \$600,000 was executed between the Authority and Cypress Terrace LLC (Maker) for Public Housing Operating Reserve funds provided for this development. This note bears interest at a rate of 0.0% per annum and is due and payable on February 1, 2046 or upon the conveyance of the property. This note is secured by a Leasehold Deed of Trust. Annual principal payments on the outstanding balance of principal shall be made from Maker to Noteholder from Maker's Net Cash Flow, as defined in and in accordance with Section 11.03 of Maker's Amended and Restated Operating Agreement. Any remaining balance shall be due and payable in full on February 1, 2046.

This loan is secured by a deed of trust recorded for the Cypress Terrace development.

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 9 - MORTGAGES PAYABLE AND INTERFUND NOTES PAYABLE

On January 29, 2016 a Promissory Note for \$1,945,250 was executed between the Authority and Cypress Terrace LLC (Maker) to convey long-term leasehold interests from the Authority to the Maker. This note bears interest at a rate of 2.61% per annum and is due and payable on February 1, 2046 or upon the conveyance of the property. This note is secured by a Leasehold Deed of Trust. Annual principal payments on the outstanding balance of principal shall be made from Maker to Noteholder from Maker's Net Cash Flow, as defined in and in accordance with Section 11.03 of Maker's Amended and Restated Operating Agreement. Any remaining balance and any accrued interest shall be due and payable in full on February 1, 2046.

This loan is secured by a deed of trust recorded for the Cypress Terrace development.

Lassiter Courts

Note Payable to VHDA	\$ 1,331,483
DHCD Note Payable to VHDA	800,000
HOME Note Payable to Newport News Redevelopment and Housing Authority (NNRHA)	590,000
RHF Note Payable to Newport News Redevelopment and Housing Authority (NNRHA)	1,112,704
Public Housing Note Payable to Newport News Redevelopment and Housing Authority (NNRHA)	400,000
Non-Federal Note Payable to Newport News Redevelopment and Housing Authority (NNRHA)	117,147
Seller Note Payable to Newport News Redevelopment and Housing Authority (NNRHA)	300,000
CDBG Note Payable to Newport News Redevelopment and Housing Authority (NNRHA)	536,913
AHP Note Payable to Newport News Redevelopment and Housing Authority (NNRHA)	500,000
	<u>\$ 5,688,247</u>

The final cost of the Lassiter Courts Apartments were financed in part by a permanent first mortgage loan from the Virginia Housing Development Authority (VHDA). On December 18, 2020 a permanent first mortgage loan of \$1,500,000 was executed, payable in equal monthly installments of \$7,074 for 25 years with an interest rate of 2.95% per annum. This note matures on January 1, 2046.

This loan is secured by a deed of trust recorded for the Lassiter Courts development.

The maturities over the next five years are as follows:

	Principal	Interest	Total
December 31, 2025	\$ 46,234	\$ 35,657	\$ 81,891
December 31, 2026	47,616	37,275	84,891
December 31, 2027	49,040	35,851	84,891
December 31, 2028	50,506	34,385	84,891
December 31, 2029	52,017	32,874	84,891
December 31, 2030 - 2034	284,365	140,088	424,453
December 31, 2035 - 2039	329,501	94,952	424,453
December 31, 2040 - 2044	381,801	42,652	424,453
December 31, 2045 - 2046	90,403	1,562	91,965
	<u>\$ 1,331,483</u>	<u>\$ 455,296</u>	<u>\$ 1,786,779</u>

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 9 - MORTGAGES PAYABLE AND INTERFUND NOTES PAYABLE

The final cost of the Lassiter Courts Apartments were partially financed in part by a permanent deferred payment note from the Department of Housing and Community Development (DHCD). On December 18, 2020 a permanent loan of \$800,000 was executed requiring monthly payments of interest only for 30 years with an interest rate of 1.00% per annum. Monthly payments of interest shall be payable commencing on the first day of February 2021 and continuing on the first day of each month thereafter until the day which is thirty (30) years after the first day of the month immediately following the month in which this Note is dated or until such later date as may be established by the Noteholder, at which time the balance of principal, plus accrued interest thereon, shall be due and payable. In the sole discretion of Noteholder, the balance of principal and interest may be forgiven by 1/30th for each year during which the property securing the Underlying Loan remains in compliance with HOME program requirements.

The maturities over the next five years are as follows:

	Principal	Interest	Total
December 31, 2025	\$ -	\$ 8,000	\$ 8,000
December 31, 2026	-	8,000	8,000
December 31, 2027	-	8,000	8,000
December 31, 2028	-	8,000	8,000
December 31, 2029	-	8,000	8,000
December 31, 2030 - 2034	-	40,000	40,000
December 31, 2035 - 2039		40,000	40,000
December 31, 2040 - 2044		40,000	40,000
December 31, 2045 - 2049		40,000	40,000
December 31, 2050 - 2051	800,000	9,333	809,333
	\$ 800,000	\$ 209,333	\$ 1,009,333

On October 26, 2018 a Promissory Note for \$600,000 was executed between the Authority and Lassiter Courts LLC (Maker) for City HOME funds provided for this development. This note bears interest at a rate of 0.0% per annum and is due and payable on October 1, 2048 or upon either (1) the conveyance of the property or (2) if the property ceases to be maintained as affordable housing. This note is secured by a Leasehold Deed of Trust. As of December 31, 2024, the Authority had advanced \$590,000 to the Maker.

This loan is secured by a deed of trust recorded for the Lassiter Courts development.

On October 26, 2018 a Promissory Note for \$1,112,704 was executed between the Authority and Lassiter Courts LLC (Maker) for Capital Fund RHF funds provided for this development. This note bears interest at a rate of 0.0% per annum and is due and payable on October 1, 2048 or upon the conveyance of the property. This note is secured by a Leasehold Deed of Trust. Annual principal payments on the outstanding balance of principal shall be made from Maker to Noteholder from Maker's Net Cash Flow, as defined in and in accordance with Section 11.03 of Maker's Amended and Restated Operating Agreement. Any remaining balance shall be due and payable in full on October 1, 2048.

This loan is secured by a deed of trust recorded for the Lassiter Courts development.

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 9 - MORTGAGES PAYABLE AND INTERFUND NOTES PAYABLE

On October 26, 2018 a Promissory Note for \$400,000 was executed between the Authority and Lassiter Courts LLC (Maker) for Public Housing Operating Reserve funds provided for this development. This note bears interest at a rate of 0.0% per annum and is due and payable on October 1, 2048 or upon the conveyance of the property. This note is secured by a Leasehold Deed of Trust. Annual principal payments on the outstanding balance of principal shall be made from Maker to Noteholder from Maker's Net Cash Flow, as defined in and in accordance with Section 11.03 of Maker's Amended and Restated Operating Agreement. Any remaining balance shall be due and payable in full on October 1, 2048.

This loan is secured by a deed of trust recorded for the Lassiter Courts development.

On October 26, 2018 a Promissory Note for \$117,147 was executed between the Authority and Lassiter Courts LLC (Maker) for Development Funds Loan provided for this development. This note bears interest at a rate of 0.0% per annum and is due and payable on October 1, 2048 or upon the conveyance of the property. This note is secured by a Leasehold Deed of Trust. Annual principal payments on the outstanding balance of principal shall be made from Maker to Noteholder from Maker's Net Cash Flow, as defined in and in accordance with Section 11.03 of Maker's Amended and Restated Operating Agreement. Any remaining balance shall be due and payable in full on October 1, 2048.

This loan is secured by a deed of trust recorded for the Lassiter Courts development.

On October 26, 2018 a Promissory Note for \$300,000 was executed between the Authority and Lassiter Courts LLC (Maker) to convey long-term leasehold interests from the Authority to the Maker. This note bears interest at a rate of 2.99% per annum and is due and payable on October 1, 2048 or upon the conveyance of the property. This note is secured by a Leasehold Deed of Trust. Annual principal payments on the outstanding balance of principal shall be made from Maker to Noteholder from Maker's Net Cash Flow, as defined in and in accordance with Section 11.03 of Maker's Amended and Restated Operating Agreement. Any remaining balance and any accrued interest shall be due and payable in full on October 1, 2048.

This loan is secured by a deed of trust recorded for the Lassiter Courts development.

On December 3, 2019 a Deed of Trust Note for \$536,913 was executed between the Authority and Lassiter Courts LLC (Maker) for Development Funds Loan provided for this development. This note bears interest at a rate of 0.0% per annum and is due and payable on December 1, 2019 or upon the conveyance of the property. This note is secured by a Leasehold Deed of Trust. Annual principal payments on the outstanding balance of principal shall be made from Maker to Noteholder from Maker's Net Cash Flow, as defined in and in accordance with Section 11.03 of Maker's Amended and Restated Operating Agreement. Any remaining balance shall be due and payable in full on October 1, 2048.

This loan is secured by a deed of trust recorded for the Lassiter Courts development.

On December 18, 2020 a Promissory Note for \$500,000 was executed between the Authority and Lassiter Courts LLC (Maker) for an FHLB Affordable Housing Program (AHP) provided for this development. This note bears no interest and is due and payable in December 2060 or upon the conveyance of the property.

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 9 - MORTGAGES PAYABLE AND INTERFUND NOTES PAYABLE

Spratley House LLC

Note Payable to VHDA	\$ 1,291,069
DHCD Note Payable to VHDA	800,000
CFP Note Payable to Newport News Redevelopment and Housing Authority (NNRHA)	300,000
RHF Note Payable to Newport News Redevelopment and Housing Authority (NNRHA)	100,000
Non-Federal Note Payable to Newport News Redevelopment and Housing Authority (NNRHA)	97,595
Seller Note Payable to Newport News Redevelopment and Housing Authority (NNRHA)	1,850,000
AHP Note Payable to Newport News Redevelopment and Housing Authority (NNRHA)	500,000
	\$ 4,938,664

The final cost of the Spratley House Apartments were financed in part by a permanent first mortgage loan from the Virginia Housing Development Authority (VHDA). On June 23, 2022 a permanent first mortgage loan of \$1,400,000 was executed, payable in equal monthly installments of \$4,037 for 30 years with an interest rate of 0.25% per annum. This note matures on July 1, 2052.

This loan is secured by a deed of trust recorded for the Spratley House development.

The maturities over the next five years are as follows:

	Principal	Interest	Total
December 31, 2025	\$ 45,267	\$ 3,176	\$ 48,443
December 31, 2026	45,381	3,062	48,443
December 31, 2027	45,494	2,949	48,443
December 31, 2028	45,608	2,835	48,443
December 31, 2029	45,722	2,721	48,443
December 31, 2030 - 2034	230,335	11,882	242,217
December 31, 2035 - 2039	233,232	8,985	242,217
December 31, 2040 - 2044	236,165	6,052	242,217
December 31, 2045 - 2049	239,135	3,082	242,217
December 31, 2050 - 2052	124,730	416	125,146
	\$ 1,291,069	\$ 45,160	\$ 1,336,229

The final cost of the Spratley House Apartments were partially financed in part by a permanent deferred payment note from the Department of Housing and Community Development (DHCD). On June 23, 2022 a permanent loan of \$800,000 was executed requiring monthly payments of interest only for 30 years with an interest rate of 1.00% per annum. Monthly payments of interest shall be payable commencing on the first day of August 2022 and continuing on the first day of each month thereafter until the day which is thirty (30) years after the first day of the month immediately following the month in which this Note is dated or until such later date as may be established by the Noteholder, at which time the balance of principal, plus accrued interest thereon, shall be due and payable. In the sole discretion of Noteholder, the balance of principal and interest may be forgiven by 1/30th for each year during which the property securing the Underlying Loan remains in compliance with HOME program requirements.

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 9 - MORTGAGES PAYABLE AND INTERFUND NOTES PAYABLE

The maturities over the next five years are as follows:

	Principal	Interest	Total
December 31, 2025	\$ -	\$ 8,000	\$ 8,000
December 31, 2026	-	8,000	8,000
December 31, 2027	-	8,000	8,000
December 31, 2028	-	8,000	8,000
December 31, 2029	-	8,000	8,000
December 31, 2030 - 2034	-	40,000	40,000
December 31, 2035 - 2039		40,000	40,000
December 31, 2040 - 2044		40,000	40,000
December 31, 2045 - 2049		40,000	40,000
December 31, 2050 - 2051	800,000	21,333	821,333
	<u>\$ 800,000</u>	<u>\$ 221,333</u>	<u>\$ 1,021,333</u>

On March 31, 2021 a Promissory Note for \$300,000 was executed between the Authority and Spratley House LLC (Maker) for Capital Fund Program funds provided for this development. This note bears interest at a rate of 0.0% per annum and is due and payable on March 1, 2051 or upon the conveyance of the property. This note is secured by a Leasehold Deed of Trust. Annual principal payments on the outstanding balance of principal shall be made from Maker to Noteholder from Maker's Net Cash Flow, as defined in and in accordance with Section 11.03 of Maker's Amended and Restated Operating Agreement. Any remaining balance shall be due and payable in full on March 1, 2051.

This loan is secured by a deed of trust recorded for the Spratley House development.

On March 31, 2021 a Promissory Note for \$100,000 was executed between the Authority and Spratley House LLC (Maker) for Capital Fund RHF funds provided for this development. This note bears interest at a rate of 0.0% per annum and is due and payable on March 1, 2051 or upon the conveyance of the property. This note is secured by a Leasehold Deed of Trust. Annual principal payments on the outstanding balance of principal shall be made from Maker to Noteholder from Maker's Net Cash Flow, as defined in and in accordance with Section 11.03 of Maker's Amended and Restated Operating Agreement. Any remaining balance shall be due and payable in full on March 1, 2051.

This loan is secured by a deed of trust recorded for the Spratley House development.

On March 31, 2021 a Promissory Note for \$97,595 was executed between the Authority and Spratley House LLC (Maker) for NNRHA Development funds provided for this development. This note bears interest at a rate of 0.0% per annum and is due and payable on March 1, 2051 or upon the conveyance of the property. This note is secured by a Leasehold Deed of Trust. Annual principal payments on the outstanding balance of principal shall be made from Maker to Noteholder from Maker's Net Cash Flow, as defined in and in accordance with Section 11.03 of Maker's Amended and Restated Operating Agreement. Any remaining balance shall be due and payable in full on March 1, 2051.

This loan is secured by a deed of trust recorded for the Spratley House development.

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 9 - MORTGAGES PAYABLE AND INTERFUND NOTES PAYABLE

On March 31, 2021 a Promissory Note for \$1,850,000 was executed between the Authority and Spratley House LLC (Maker) to convey long-term leasehold interests from the Authority to the Maker. This note bears interest at a rate of 1.62% per annum and is due and payable on March 1, 2051 or upon the conveyance of the property. This note is secured by a Leasehold Deed of Trust. Annual principal payments on the outstanding balance of principal shall be made from Maker to Noteholder from Maker's Net Cash Flow, as defined in and in accordance with Section 11.03 of Maker's Amended and Restated Operating Agreement. Any remaining balance and any accrued interest shall be due and payable in full on March 1, 2051.

This loan is secured by a deed of trust recorded for the Spratley House development.

On March 31, 2021 a Promissory Note for \$500,000 was executed between the Authority and Spratley House LLC (Maker) for AHP program funds provided for this development. This note bears interest at a rate of 0.0% per annum and is due and payable on March 1, 2051 or upon the conveyance of the property.

Orcutt TH 40 LLC

CFP Note Payable to Newport News Redevelopment and Housing Authority (NNRHA)	\$ 2,750,000
Seller Note Payable to Newport News Redevelopment and Housing Authority (NNRHA)	4,150,000
Construction Loan Payable to Old Point National Bank	<u>3,530,678</u>
	<u>\$ 10,430,678</u>

On October 30, 2023 a Promissory Note for \$2,750,000 was executed between the Authority and Orcutt TH 40 LLC (Maker) for Capital Fund Program funds provided for this development. This note bears interest at a rate of 0.0% per annum and is due and payable on October 1, 2057 or upon the conveyance of the property. This note is secured by a Leasehold Deed of Trust. Annual principal payments in the amount of \$4,010.42 shall be due monthly on the first day of each month commencing in the first month following repayment of the senior loan from Old Point National Bank to Borrower in the amount of \$5,000,000 made on or about the date hereof and secured by the Property. Any remaining balance shall be due and payable in full on October 1, 2057.

This loan is secured by a deed of trust recorded for the Orcutt TH 40 development.

On October 30, 2023 a Promissory Note for \$4,150,000 was executed between the Authority and Orcutt TH 40 LLC (Maker) to convey long-term leasehold interests from the Authority to the Maker. This note bears interest at a rate of 4.03% per annum and is due and payable on October 1, 2057 or upon the conveyance of the property. This note is secured by a Leasehold Deed of Trust. This note is secured by a Leasehold Deed of Trust. Annual principal payments on the outstanding balance of principal shall be made from Maker to Noteholder from Maker's Net Cash Flow, as defined in and in accordance with Section 11.03 of Maker's Amended and Restated Operating Agreement. Any remaining balance and any accrued interest shall be due and payable in full on October 1, 2057.

This loan is secured by a deed of trust recorded for the Orcutt TH 40 development.

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 9 - MORTGAGES PAYABLE AND INTERFUND NOTES PAYABLE

The Orcutt TH 40, LLC executed a promissory note with the lender on October 30, 2023 in the amount of \$5,000,000 or so much thereof as may be advanced pursuant to a Construction Loan Agreement to partially fund development costs for the Orcutt TH 40 residential apartment community. This note bears interest at a rate of 6.430% per annum. Monthly interest payments of all accrued unpaid interest are due beginning December 5, 2023. The entire balance of this note, principal and interest, is due on the Maturity Date which is expected to be December 5, 2025. As of December 31, 2024, \$3,530,678 had been advanced under this note.

This loan is secured by a deed of trust recorded for the Orcutt TH 40 apartment development.

Lower Jefferson Avenue, LLC

Note Payable to VHDA	\$ 805,051
Non-Federal Note Payable to Newport News Redevelopment and Housing Authority (NNRHA)	180,000
	<hr/>
	\$ 985,051

The Lower Jefferson Avenue, LLC executed a promissory note with the Authority on June 13, 2013 and loaned \$180,000 to partially fund development costs for the Jefferson Brookville Apartments in September 2013. This note bears interest at a rate of 1% per annum. The entire balance of this note, principal and interest, is on June 1, 2028 or upon the sale, conveyance, or refinancing of this project.

This loan is secured by a deed of trust recorded for the Jefferson Brookville Apartments.

VHDA Permanent Financing

The Lower Jefferson Avenue, LLC executed a promissory note with Virginia Housing Development Authority on January 26, 2016 in the amount of \$1,400,000 to finance the ownership and operation of the Jefferson Brookville Apartments. This note bears interest at a rate of 2.95% per annum. The entire balance of this note, including principal and any unpaid interest, is due on September 21, 2015. Monthly payments of principal and interest shall be payable in the amount of \$8,361.68 commencing on the first day of March, 2016, and continuing thereafter on the first day of each succeeding month until the first day of February, 2034 (the "Final Maturity Date"), at which time the balance of principal remaining unpaid, plus accrued interest thereon, shall be due and payable. As of December 31, 2024 the balance of this loan was \$805,051 and interest expense of \$51,741 has been incurred and reported as expense.

This loan is secured by a deed of trust recorded for the Jefferson Brookville Apartments.

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 9 - MORTGAGES PAYABLE AND INTERFUND NOTES PAYABLE

The maturities over the next five years are as follows:

	Principal	Interest	Total
December 31, 2025	\$ 77,635	\$ 22,705	\$ 100,340
December 31, 2026	79,957	20,383	100,340
December 31, 2027	82,347	17,993	100,340
December 31, 2028	84,810	15,530	100,340
December 31, 2029	87,346	12,994	100,340
December 31, 2030 - 2034	392,956	25,127	418,083
	<u>\$ 805,051</u>	<u>\$ 114,732</u>	<u>\$ 919,783</u>

Choice Neighborhood I, LLC

Construction loan - Keybank National Association	\$ -
First Mortgage Note Payable to VHDA	2,320,420
DHCD Note Payable to VHDA	1,400,000
City Funds Note Payable to Newport News Redevelopment and Housing Authority (NNRHA)	3,658,559
	<u>\$ 7,378,979</u>

The Choice Neighborhood I, LLC executed a promissory note with the Authority on June 11, 2021 in the amount of \$6,800,000 or so much thereof as may be advanced pursuant to a Construction Loan Agreement to partially fund development costs for the Carrier Point I residential apartment community. This note bears interest at the Adjusted Daily LIBOR Rate. The entire balance of this note, principal and interest, is due on the Maturity Date which of June 11, 2023 but this was extended to March 1, 2024 at which time it was paid in full.

This loan is secured by a deed of trust recorded for the Lift and Rise on Jefferson I Apartments.

The Choice Neighborhood I, LLC's construction loan included a commitment to convert a portion of the construction loan to a permanent mortgage in the amount of \$2,347,000, secured by a first lien on the property. The first loan lender is VHDA. The loan bears interest at a rate of 3.391% and matures on March 1, 2059. Monthly payments of principal and interest in the amount of \$9,552 are due based on a 35-year amortization period. On March 1, 2024, the loan converted. For the year ended December 31, 2024, interest incurred was \$68,230, which includes amortization of debt issuance costs of \$2,282. As of December 31, 2024, the outstanding principal and accrued interest was \$2,320,420 and \$6,557, respectively.

This loan is secured by a deed of trust recorded for the Lift and Rise on Jefferson I Apartments.

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 9 - MORTGAGES PAYABLE AND INTERFUND NOTES PAYABLE

The maturities over the next five years are as follows:

	Principal	Interest	Total
December 31, 2025	\$ 36,506	\$ 78,121	\$ 114,627
December 31, 2026	37,763	76,864	114,627
December 31, 2027	39,064	75,563	114,627
December 31, 2028	40,409	74,218	114,627
December 31, 2029	41,801	72,826	114,627
December 31, 2030 - 2034	231,619	341,518	573,137
December 31, 2035 - 2039	274,350	298,787	573,137
December 31, 2040 - 2044	324,965	248,172	573,137
December 31, 2045 - 2049	384,917	188,220	573,137
December 31, 2050 - 2054	455,929	117,208	573,137
December 31, 2055 - 2059	453,097	34,070	487,167
	<u>\$ 2,320,420</u>	<u>\$ 1,605,567</u>	<u>\$ 3,925,987</u>

VHDA agreed to lend the Company \$1,400,000 through the Reach Strategic Program. The loan will bear interest at a rate of 2.00% and matures 34 years and 11 months from the conversion date (March 1, 2024). Payments of interest only in the amount of \$2,333 are due monthly. On March 1, 2024, the loan converted. As of December 31, 2024, the outstanding principal and accrued interest was \$1,400,000 and \$2,333, respectively.

This loan is secured by a deed of trust recorded for the Lift and Rise on Jefferson I Apartments.

The maturities over the next five years are as follows:

	Principal	Interest	Total
December 31, 2025	\$ -	\$ 28,000	\$ 28,000
December 31, 2026	-	28,000	28,000
December 31, 2027	-	28,000	28,000
December 31, 2028	-	28,000	28,000
December 31, 2029	-	28,000	28,000
December 31, 2030 - 2034	-	140,000	140,000
December 31, 2035 - 2039	-	140,000	140,000
December 31, 2040 - 2044	-	140,000	140,000
December 31, 2045 - 2049	-	140,000	140,000
December 31, 2050 - 2054	-	140,000	140,000
December 31, 2055 - 2058	1,400,000	93,333	1,493,333
	<u>\$ 1,400,000</u>	<u>\$ 933,333</u>	<u>\$ 2,333,333</u>

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 9 - MORTGAGES PAYABLE AND INTERFUND NOTES PAYABLE

Choice Neighborhood I, LLC executed a promissory note with the Authority on June 11, 2021 in the amount of \$6,126,678 with interest at the rate of three percent (3%) annually. At the time of the conversion of the Construction loan to a permanent loan, Maker shall make a \$2,000,000 principal curtailment. This payment was made on August 1, 2024. The entire amount of principal and interest shall be due and payable on that date which is the later of thirty-five (35) calendar years from the date hereof or June 1, 2056.

This loan is secured by a deed of trust recorded for the Lift and Rise on Jefferson I Apartments.

Choice Neighborhood II, LLC

Construction loan - CitiBank	\$ -
First Mortgage Note Payable to CitiBank	1,203,223
VHCD Note Payable to VHDA	1,000,000
City Funds Note Payable to Newport News Redevelopment and Housing Authority (NNRHA)	4,682,239
DHCD Note Payable to VHDA	1,400,000
	<hr/>
	\$ 8,285,462

CitiBank agreed to lend the Company \$6,800,000 financed by tax-exempt bonds to construct the project. The bonds are secured by the trust indenture. The bonds bore interest at a variable rate of SOFR that shall not be less than 0.50% plus 2.75%. Payments of interest was due monthly commencing June 1, 2021 through maturity at January 1, 2024. The construction loan was expected to be repaid from future capital contributions and proceeds from loan commitments. The construction loan was further extended to the first extended forward commitment maturity date of July 1, 2024. The construction loan and related accrued interest was repaid in full on May 22, 2024 and a portion was converted to the permanent loan.

This loan is secured by a deed of trust recorded for the Lift and Rise on Jefferson II Apartments.

Choice Neighborhood II LLC's construction loan includes a commitment to convert a portion of the construction loan to a permanent mortgage (converted portion was \$1,200,000), secured by a first lien on the Property. The first loan lender is CitiBank. The loan bears interest at a rate of 4.48% and matures 15 years from the conversion date, May 22, 2039. On May 22, 2024, the loan converted. Annual payments of principal and interest are due based on a 35-year amortization period. For the year ended December 31, 2024, total interest incurred was \$56,416, which includes amortization of debt issuance costs of \$22,927. As of December 31, 2024, the outstanding principal and accrued interest was \$1,203,223 and \$4,642, respectively.

This loan is secured by a deed of trust recorded for the Lift and Rise on Jefferson II Apartments.

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 9 - MORTGAGES PAYABLE AND INTERFUND NOTES PAYABLE

The maturities over the next five years are as follows:

	Principal	Interest	Total
December 31, 2025	\$ 14,937	\$ 53,600	\$ 68,537
December 31, 2026	13,051	55,486	68,537
December 31, 2027	13,675	54,862	68,537
December 31, 2028	14,329	54,208	68,537
December 31, 2029	15,014	53,523	68,537
December 31, 2030 - 2034	86,552	256,133	342,685
December 31, 2035 - 2039	109,321	233,364	342,685
December 31, 2040 - 2044	138,080	204,605	342,685
December 31, 2045 - 2049	174,405	168,280	342,685
December 31, 2050 - 2054	220,285	122,400	342,685
December 31, 2055 - 2059	403,574	64,265	467,839
	<u>\$ 1,203,223</u>	<u>\$ 1,320,726</u>	<u>\$ 2,523,949</u>

Virginia Department of Housing and Community Development agreed to lend the Choice Neighborhood II LLC \$1,000,000. The loan bears interest at a rate of 2.00% per annum and matures on June 1, 2059. Interest-only payments are due for at least 20 years from the completion of the Project, principal payments shall be deferred. The initial principal and any accrued interest shall be forgiven provided the Project has been in compliance for 35 years. As of December 31, 2024, the outstanding principal and accrued interest was \$1,000,000 and \$1,667, respectively. For the year ended December 31, 2024, interest incurred was \$12,167.

This loan is secured by a deed of trust recorded for the Lift and Rise on Jefferson II Apartments.

The maturities over the next five years are as follows:

	Principal	Interest	Total
December 31, 2025	\$ -	\$ 20,000	\$ 20,000
December 31, 2026	-	20,000	20,000
December 31, 2027	-	20,000	20,000
December 31, 2028	-	20,000	20,000
December 31, 2029	-	20,000	20,000
December 31, 2030 - 2034	-	100,000	100,000
December 31, 2035 - 2039	-	100,000	100,000
December 31, 2040 - 2044	-	100,000	100,000
December 31, 2045 - 2049	-	100,000	100,000
December 31, 2050 - 2054	-	100,000	100,000
December 31, 2055 - 2059	1,000,000	90,000	1,090,000
	<u>\$ 1,000,000</u>	<u>\$ 690,000</u>	<u>\$ 1,690,000</u>

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 9 - MORTGAGES PAYABLE AND INTERFUND NOTES PAYABLE

Choice Neighborhood II, LLC executed a promissory note with the Authority on June 11, 2021 in the amount of \$4,682,239 with interest at the rate of three percent (1%) annually. The entire amount of principal and interest shall be due and payable on that date which is the later of thirty-five (35) calendar years from the date hereof or June 1, 2056. As of December 31, 2024, the outstanding principal and accrued interest was \$4,682,239 and accrued interest was \$123,610.

This loan is secured by a deed of trust recorded for the Lift and Rise on Jefferson II Apartments.

Department of Housing and Community Development agreed to lend the Choice Neighborhood II LLC \$1,400,000. The loan bears interest at a rate of 2.00% per annum and matures on June 1, 2059. Payments of interest only are due monthly. All outstanding principal and unpaid interest will be due at maturity. As of December 31, 2024, the outstanding principal and accrued interest was \$1,400,000 and \$2,333, respectively. For the year ended December 31, 2024, interest incurred was \$17,033.

This loan is secured by a deed of trust recorded for the Lift and Rise on Jefferson II Apartments.

The maturities over the next five years are as follows:

	Principal	Interest	Total
December 31, 2025	\$ -	\$ 28,000	\$ 28,000
December 31, 2026	-	28,000	28,000
December 31, 2027	-	28,000	28,000
December 31, 2028	-	28,000	28,000
December 31, 2029	-	28,000	28,000
December 31, 2030 - 2034	-	140,000	140,000
December 31, 2035 - 2039	-	140,000	140,000
December 31, 2040 - 2044	-	140,000	140,000
December 31, 2045 - 2049	-	140,000	140,000
December 31, 2050 - 2054	-	140,000	140,000
December 31, 2055 - 2059	1,400,000	126,000	1,526,000
	<u>\$ 1,400,000</u>	<u>\$ 966,000</u>	<u>\$ 2,366,000</u>

Carrier Point Commercial Partners, LLC

Note Payable to Newport News Redevelopment and Housing Authority (NNRHA)	\$ 903,953
	<u>\$ 903,953</u>

The Carrier Point Commercial Partners, LLC executed a promissory note with the Authority on June 11, 2021 and loaned \$903,954 to partially fund development costs for the Carrier Point Commercial unit. This note does not bear interest. Payment of principal on the Loan shall be payable from a certain percentage of cash flow to the extent available as provided in the Maker's Operating Agreement, as the same may be amended from time to time. Notwithstanding the foregoing, the entire amount of unpaid principal shall be due and payable on that date which is the later of thirty (30) calendar years from the date hereof or June 1, 2051.

This loan is secured by a deed of trust recorded for the Carrier Point Commercial Condominiums.

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 9 - MORTGAGES PAYABLE AND INTERFUND NOTES PAYABLE

Choice Neighborhood Commercial Partners, LLC

Note Payable to Newport News Redevelopment and Housing Authority (NNRHA)	\$ 494,073
	<u>\$ 494,073</u>

The Choice Neighborhood Commercial Partners, LLC executed a promissory note with the Authority on November 1, 2022 in the amount of \$594,558 to partially fund development costs for the Ridley Commercial Condominium. This note does not bear interest. Payment of principal on the Loan shall be payable from a certain percentage of cash flow to the extent available as provided in the Maker's Operating Agreement, as the same may be amended from time to time. Notwithstanding the foregoing, the entire amount of unpaid principal shall be due and payable on that date which is the later of thirty (30) calendar years from the date hereof or October 1, 2052.

This loan is secured by a deed of trust recorded for the Ridley Commercial Condominium.

Choice Neighborhood III-R, LLC

Construction loan - JP Morgan Chase	\$ 9,935,970
Construction loan - Sentara Healthcare	4,448,466
City Funds Note Payable to Newport News Redevelopment and Housing Authority (NNRHA)	<u>10,497,447</u>
	<u>\$ 24,881,883</u>

The Choice Neighborhood III-R, LLC executed a promissory note with the lender on November 29, 2022 in the amount of \$11,642,107 or so much thereof as may be advanced pursuant to the Loan Agreement to partially fund development costs for the Marshall Ridley Choice Neighborhoods Initiative III residential apartment community. This note bears interest at the Term SOFR rate Plus Applicable Margin of 2.25% with respect to Term SOFR, Daily Simple SOFR or any SOFR Replacement, as applicable and minus 0.66% with respect to the CB Floating Rate. The entire balance of this note, principal and interest, is due on the Maturity Date which has been extended to November 29, 2025.

This loan is secured by a deed of trust recorded for the Marshall Ridley Choice Neighborhoods Initiative III.

The Choice Neighborhood III-R, LLC executed a promissory note with the Sentara Healthcare on November 29, 2022 in the amount of \$5,193,490 or so much thereof as may be advanced pursuant to the Loan Agreement to partially fund development costs for the Marshall Ridley Choice Neighborhoods Initiative III residential apartment community. This note bears interest at the rate of 3.25% per annum. The principal amount of this Note shall be paid down to no greater than \$4,912,545.00 on or before the Conversion Date. Beginning on the first day of the calendar month following the Conversion Date, and on the first day of each calendar month thereafter through the date that is twenty (20) years from the Conversion Date (the "Maturity Date"), level, mortgage-style payments of principal and interest, based on a forty-year amortization schedule of the outstanding advances, shall be due and payable.

This loan is secured by a deed of trust recorded for the Marshall Ridley Choice Neighborhoods Initiative III.

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 9 - MORTGAGES PAYABLE AND INTERFUND NOTES PAYABLE

Choice Neighborhood II, LLC executed a promissory note with the Authority on November 1, 2022 in the amount of \$10,497,447 with interest at the rate of three percent (1%) annually. The entire amount of principal and interest shall be due and payable on that date which is the later of thirty-five (35) calendar years from the date hereof or October 1, 2059. As of December 31, 2024, the outstanding principal and accrued interest was \$10,497,447 and accrued interest was \$139,799.

This loan is secured by a deed of trust recorded for Marshall Ridley Choice Neighborhoods Initiative III.

Choice Neighborhood IV, LLC

Construction loan - JP Morgan Chase	\$ 12,114,974
City Funds Note Payable to Newport News Redevelopment and Housing Authority (NNRHA)	<u>10,572,938</u>
	<u>\$ 22,687,912</u>

The Choice Neighborhood IV-R, LLC executed a promissory note with the JP Morgan Chase on November 29, 2022 in the amount of \$16,300,000 or so much thereof as may be advanced pursuant to the Funding Loan Agreement to partially fund development costs for the Marshall Ridley Choice Neighborhoods Initiative IV-R residential apartment community. This note bears interest at the Term SOFR rate Plus Applicable Margin of 2.25% with respect to Term SOFR, Daily Simple SOFR or any SOFR Replacement, as applicable and minus 0.66% with respect to the CB Floating Rate. The entire balance of this note, principal and interest, is due on the Maturity Date which is expected to be May 29, 2025 but may be extended up to two times to November 29, 2025 or May 29, 2026.

This loan is secured by a deed of trust recorded for the Marshall Ridley Choice Neighborhoods Initiative IV.

Choice Neighborhood II, LLC executed a promissory note with the Authority on November 1, 2022 in the amount of \$11,165,400 with interest at the rate of three percent (1%) annually. The entire amount of principal and interest shall be due and payable on that date which is the later of thirty-five (35) calendar years from the date hereof or October 1, 2059. As of December 31, 2024, the outstanding principal and accrued interest was \$10,572,938 and accrued interest was \$109,420.

This loan is secured by a deed of trust recorded for Marshall Ridley Choice Neighborhoods Initiative IV.

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 9 - MORTGAGES PAYABLE AND INTERFUND NOTES PAYABLE

Long-term liability activity for the period (1) was as follows:

	Balance at Beginning of Period (1)	Additions	Reductions	Balance at December 31, 2024	Due Within One Year
<u>Discrete component units</u>					
VHDA TCAP Note Payable - Orcutt Townhomes III	\$ 1,004,231	\$ -	\$ -	\$ 1,004,231	\$ -
VHDA Exchange Note Payable - Orcutt Townhomes III	180,000	-	120,000	60,000	-
NNRHA Note Payable - Orcutt Townhomes III	1,749,842	-	-	1,749,842	-
NNRHA Note Payable - Orcutt Townhomes III	110,000	-	-	110,000	-
VHDA Mortgage - Oyster Point- Brighton	2,572,529	-	120,794	2,451,735	82,564
DHCD Deferred Note - Oyster Point- Brighton	700,000	-	-	700,000	-
NNRHA HOME Note Payable - Oyster Point-Brighton	1,372,000	-	-	1,372,000	-
NNRHA RHF Note Payable - Oyster Point-Brighton	1,035,903	-	-	1,035,903	-
NNRHA Public Housing Note Payable - Oyster Point-Brighton	400,000	-	-	400,000	-
NNRHA Seller Note - Oyster Point- Brighton	4,377,000	-	-	4,377,000	-
Accrued interest - Loans payable to NNRHA - Oyster Point-Brighton	929,766	210,172	-	1,139,938	-
VHDA Mortgage - Cypress Terrace	1,408,183	-	74,934	1,333,249	50,583
DHCD Deferred Note - Cypress Terrace	700,000	-	-	700,000	-
NNRHA HOME Note Payable - Cypress Terrace	574,000	-	-	574,000	-
NNRHA RHF Note Payable - Cypress Terrace	480,000	-	-	480,000	-
NNRHA Public Housing Note Payable - Cypress Terrace	600,000	-	-	600,000	-
NNRHA Seller Note - Cypress Terrace	1,945,250	-	-	1,945,250	-
Accrued interest - Loans payable to NNRHA - Cypress terrace	413,212	93,406	-	506,618	-
VHDA Mortgage - Lassiter Courts LLC	1,398,329	-	66,846	1,331,483	46,234
DHCD Deferred Note - Lassiter Courts LLC	800,000	-	-	800,000	-
NNRHA HOME Note Payable - Lassiter Courts	590,000	-	-	590,000	-
NNRHA RHF Note Payable - Lasister Courts	1,112,704	-	-	1,112,704	-

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 9 - MORTGAGES PAYABLE AND INTERFUND NOTES PAYABLE

	Balance at Beginning of Period (1)	Additions	Reductions	Balance at December 31, 2024	Due Within One Year
NNRHA Public Housing Note Payable - Lassiter Courts	400,000	-	-	400,000	-
NNRHA Note Payable - Lassiter Courts	117,147	-	-	117,147	-
NNRHA Seller Note - Lassiter Courts	300,000	-	-	300,000	-
NNRHA CDBG Note Payable - Lassiter Courts	536,913	-	-	536,913	-
NNRHA AHP Note Payable - Lassiter Courts	500,000	-	-	500,000	-
Accrued interest - Loans payable to NNRHA - Lassiter Courts	44,250	15,541	-	59,791	-
VHDA Mortgage - Spratley House	1,358,759	-	67,690	1,291,069	45,267
DHCD Deferred Note - Spratley House	800,000	-	-	800,000	-
NNRHA CFP Note Payable - Spratley House	300,000	-	-	300,000	-
NNRHA RHF Note Payable - Spratley House	100,000	-	-	100,000	-
NNRHA Note Payable - Spratley House	97,595	-	-	97,595	-
NNRHA Seller Note - Spratley House	1,850,000	-	-	1,850,000	-
NNRHA AHP Note Payable - Spratley House	500,000	-	-	500,000	-
Accrued interest - Loans payable to NNRHA - Spratley Terrace	68,163	46,799	-	114,962	-
NNRHA CFP Note Payable - Orcutt TH 40	-	2,750,000	-	2,750,000	-
NNRHA Seller Note - Orcutt TH 40	-	4,150,000	-	4,150,000	-
Accrued interest - Loans payable to NNRHA - Orcutt TH 40	-	196,243	-	196,243	-
Construction Loan, Old Point National Bank - Orcutt TH 40	-	3,530,678	-	3,530,678	3,530,678
Loan payable to NNRHA - Jefferson Brookville	180,000	-	-	180,000	-
Accrued interest - Loan payable to NNRHA	16,650	3,600	-	20,250	-
VHDA Mortgage - Jefferson Brookville	953,625	-	148,574	805,051	77,635
Construction loan - Choice Neighborhood I	4,660,945	1,769,545	6,430,490	-	-
VHDA permanent loan - Choice Neighborhood I	-	2,347,000	26,580	2,320,420	36,506
DHCD VHDA permanent loan - Choice Neighborhood I, LLC	-	(70)1,400,000	-	1,400,000	-

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 9 - MORTGAGES PAYABLE AND INTERFUND NOTES PAYABLE

	Balance at Beginning of Period (1)	Additions	Reductions	Balance at December 31, 2024	Due Within One Year
Loan payable to NNRHA - Choice Neighborhood I, LLC	5,347,556	311,003	2,000,000	3,658,559	-
Accrued interest - Loan payable to NNRHA	203,364	265,563		468,927	-
Construction loan - Choice Neighborhood II-R, LLC	6,279,084	520,916	6,800,000	-	-
Citibank permanent loan - Choice Neighborhood II	-	1,210,000	6,777	1,203,223	14,937
Loan payable to NNRHA - Choice Neighborhood II, LLC	3,098,666	1,583,573	-	4,682,239	-
Accrued interest - Loan payable to NNRHA	16,941	81,248	-	98,189	-
VHDA DHCD VHDA permanent loan - Choice Neighborhood II	-	1,000,000	-	1,000,000	-
DHCD VHDA permanent loan - Choice Neighborhood II	-	1,400,000	-	1,400,000	-
Loan payable to NNRHA - Carrier Point Commercial	796,502	107,451	-	903,953	-
Loan payable to NNRHA - Choice Neighborhood Commercial	-	494,073	-	494,073	-
Construction loan - Choice Neighborhood III-R	1,234,152	8,701,818	-	9,935,970	9,935,970
Loan payable to NNRHA - Choice Neighborhood III-R	-	10,497,447	-	10,497,447	-
Accrued interest - Loan payable to NNRHA	-	139,799	-	139,799	-
Sentara Construction loan - Choice Neighborhood III-R	-	4,448,466	-	4,448,466	-
Construction loan - Choice Neighborhood IV-R	1,838,232	10,276,742	-	12,114,974	-
Loan payable to NNRHA - Choice Neighborhood IV-R	-	10,572,938	-	10,572,938	-
Accrued interest - Loan payable to NNRHA	-	109,420	-	109,420	-

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 9 - MORTGAGES PAYABLE AND INTERFUND NOTES PAYABLE

	Balance at Beginning of Period (1)	Additions	Reductions	Balance at December 31, 2024	Due Within One Year
Compensated absences	6,759	20,527	-	27,286	-
Deferred developer fee	719,190	3,622,370	-	4,341,560	-
	<u>\$ 56,777,442</u>	<u>\$ 71,876,338</u>	<u>\$ 15,862,685</u>	<u>\$ 112,791,095</u>	<u>\$ 13,820,374</u>

(1) - The discrete component units include entities where the prior amounts reported were as of December 2022 and entities where the prior amounts reported were as of June 2023.

Debt for entities previously reported as blended component	(10,922,031)
Previously eliminated debt payable to the Authority for entities previously reported as blended	(20,503,745)
Deferred developer fee for entities previously reported as blended component units reclassified as discrete component units	(700,000)
As previously reported	<u>\$ 24,651,666</u>

NOTE 10 - RESTRICTED NET POSITION

A portion of the Authority's programs generate net position that are restricted by HUD or via external legal requirements. As of December 31, 2024 restricted net position were as follows:

	Proprietary Fund - Primary Government	Discrete Component Units
Reserves and escrows:		
Tax credit operating and replacement reserves	\$ 234,213	\$ -
2713 Lofts escrow, operating and replacement reserves	53,198	-
Great Oaks escrow, operating and replacement reserves	1,018,975	-
Orcutt Townhomes III escrows and reserves	-	526,669
Oyster Point-Brighton escrow and reserves	-	1,094,319
Cypress Terrace escrow and reserves	-	453,300
Lassiter Courts escrow and reserves	-	440,315
Spratley House escrow and reserves	-	52,380
Lower jefferson Avenue escrow and reserves	-	233,105
Choice Neighborhood I escrow and reserves	-	285,633
Choice Neighborhood II escrow and reserves	-	299,835
Choice Neighborhood IV escrow and reserves	-	181,350
	<u>1,306,386</u>	<u>3,566,906</u>

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 10 - RESTRICTED NET POSITION

Forfeited FSS escrow deposits	112,711	
Housing Choice Voucher HAP reserves (RNP)	35,636	
	148,347	
Loan programs		
CDBG net position associated with loan balances	1,762,419	
HOME program net position associated with loan balances	4,229,091	
Façade program net position associated with loan balances	865,982	
	6,857,492	
Accumulated CD and HOME funds		
CDBG accumulated net position	1,152,121	
HOME City construction funds	1,426,102	
HOME unexpended program income	882,455	
HOME accumulated net position	4,489,259	
	7,949,937	
Restricted for redevelopment activities:		
Sales proceeds restricted for future development	135,356	
Program income from bridge loan repayment for CNI program	1,805,223	
	1,940,579	
	9,890,516	
	\$ 18,202,741	\$ 3,566,906

Specific details by program are as follows:

Public Housing program:

Restricted for Capital Activities:

The Authority sold the remaining real property and buildings in the former Harbor Court and Dickerson developments during 2021 and 2022. The proceeds from this sale are restricted for future development of affordable housing in the area.

Sales proceeds	\$ 2,004,394	
Expended for eligible redevelopment activities	(1,869,038)	
Balance at December 31, 2024	\$ 135,356	

These restricted net position are held in the general fund checking account.

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 10 - RESTRICTED NET POSITION

Rental Assistance program:

Housing Choice Voucher Program:

HUD regulations require that Section 8 housing assistance payments (HAP) funds provided in excess or the use of these funds to pay rental assistance be accumulated in a HAP restricted net position (RNP) account. Any such funds accumulated are normally "recaptured" by HUD via a reduction of HAP funds provided in future periods.

	Housing Choice Voucher	Mainstream Program	Emergency Housing Vouchers	Total
Balance at July 1, 2023	\$ -	\$ -	\$ -	\$ -
Current period excess / (deficiency) of funding	(5,642)	-	35,636	29,994
Fraud recoveries	3,998	-	-	3,998
Transfer from administrative fee equity	1,644	-	1,644	1,644
Balance at December 31, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,280</u>	<u>\$ 35,636</u>

Community Development Fund and HOME Investment Partnerships programs:

Through its CDBG and HOME programs administered through the City of Newport News, the Authority administers several loan programs for purposes authorized under these programs. These loans are secured by promissory notes and deeds to secure debt and represent legal assets of the Authority. The principal and interest received from these loans is considered program income under these programs and must be utilized for specific CDBG and HOME program purposes.

Further, any other accumulated income in excess of expenses / expenditures generated from these programs is generally restricted for the specific CDBG and HOME purposes allowable by the program regulations and City of Newport News determinations.

As of December 31, 2024 the restricted balances are as follows:

	Loans	Accumulated net position	Total
CDBG Program	\$ 1,762,419	\$ 1,152,121	\$ 2,914,540
HOME Program	4,229,091	6,797,816	11,026,907
Façade Program	865,982	-	865,982
	<u>\$ 6,857,492</u>	<u>\$ 7,949,937</u>	<u>\$ 14,807,429</u>

Restricted Reserves for Tax Credit Developments:

The Authority has developed three public housing communities using tax credits. The terms of various contracts and operating agreements related to these properties require that certain reserves be established and maintained. Generally, such reserves are controlled by the investor partner and access to these funds is limited to specific purposes. Accordingly, these net position are reported as restricted. The following is a summary of the changes in the net position restricted for these purposes for the eighteen months ended December 31, 2024:

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 10 - RESTRICTED NET POSITION

	Orcutt Senior Housing - Replacement Reserve	Orcutt Townhomes - Operating Reserve	Orcutt Townhomes - Replacement Reserve	Total
Balance at July 1, 2023	\$ 234,166	\$ 304,603	\$ 322,518	\$ 861,287
Interest earned	47	60	63	170
Deposits	-	-	-	-
Withdrawals / fees	-	(304,663)	(322,581)	(627,244)
Balance at December 31, 2024	<u>\$ 234,213</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 234,213</u>

These funds are held in checking accounts.

2713 Lofts Restricted Reserves:

The Authority owns and operates housing under the terms of a mortgage and regulatory agreement with the Virginia Housing Development Authority (VHDA). VHDA requires that certain reserves and escrow accounts be maintained and VHDA retains possession and control of such funds. Accordingly, these net position are reported as restricted. The following is a summary of the changes in the net position restricted for these purposes for the eighteen months ended December 31, 2024:

	Insurance Escrow	Replacement Reserve	Real Estate Tax Reserves	Total
Balance at July 1, 2023	\$ 3,490	\$ 36,468	\$ (612)	\$ 39,346
Interest earned	-	3,706	-	3,706
Deposits	14,521	6,300	24,137	44,958
Withdrawals	(13,101)	-	(21,711)	(34,812)
Balance at December 31, 2024	<u>\$ 4,910</u>	<u>\$ 46,474</u>	<u>\$ 1,814</u>	<u>\$ 53,198</u>

These funds are held by VHDA in various accounts.

Great Oaks Apartments

The Authority owns and operates housing under the terms of a mortgage and regulatory agreement with the Virginia Housing Development Authority (VHDA). VHDA requires that certain reserves and escrow accounts be maintained and VHDA retains control of such funds. Accordingly, these net position are reported as restricted. The following is a summary of the changes in the net position restricted for these purposes for the year ended December 31, 2024:

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 10 - RESTRICTED NET POSITION

	Insurance Escrow	Replacement Reserve	Real Estate Tax Reserves	Operatign Reserves	Total
Balance at January 1, 2024	\$ 51,152	\$ 531,121	\$ 3,106	\$ 134,617	\$ 719,996
Interest earned	-	33,930	-	2,124	36,054
Deposits	117,545	35,748	123,749	215,000	492,042
Withdrawals	(115,590)	-	(113,527)	-	(229,117)
Balance at December 31, 2024	<u>\$ 53,107</u>	<u>\$ 600,799</u>	<u>\$ 13,328</u>	<u>\$ 351,741</u>	<u>\$ 1,018,975</u>

These funds are held by VHDA in various accounts as well as demand deposit accounts maintained by the Authority.

Discretely Presented Component Units

Orcutt Townhomes III Restricted Reserves:

The Authority has developed three public housing communities using tax credits. The terms of various contracts and operating agreements related to these properties require that certain reserves be established and maintained. Generally, such reserves are controlled by the investor partner and access to these funds is limited to specific purposes. Accordingly, these net position are reported as restricted. The following is a summary of the changes in the net position restricted for these purposes for the eighteen months ended December 31, 2024:

	Operating Reserve	Replacement Reserve	Total
Balance at July 1, 2023	\$ 199,967	\$ 311,694	\$ 511,661
Interest earned	40	100	140
Deposits	-	14,868	14,868
Withdrawals / fees	-	-	-
Balance at December 31, 2024	<u>\$ 200,007</u>	<u>\$ 326,662</u>	<u>\$ 526,669</u>

These funds are held in checking accounts.

Oyster Point-Brighton Restricted Reserves:

The Authority owns and operates housing under the terms of a mortgage and regulatory agreement with the Virginia Housing Development Authority (VHDA). VHDA requires that certain reserves and escrow accounts be maintained and VHDA retains possession and control of such funds. Accordingly, these net position are reported as restricted. The following is a summary of the changes in the net position restricted for these purposes for the eighteen months ended December 31, 2024:

	Insurance Escrow	Real Estate Tax Reserves	Replacement Reserve	Operating Reserve	Total
Balance at July 1, 2023	\$ 52,559	\$ 5,972	\$ 306,752	\$ 562,481	\$ 927,764
Interest earned	-	-	32,671	348	33,019
Deposits	251,839	243,576	88,200	-	583,615
Withdrawals	(219,832)	(230,247)	-	-	(450,079)
Balance at December 31, 2024	<u>\$ 84,566</u>	<u>\$ 19,301</u>	<u>\$ 427,623</u>	<u>\$ 562,829</u>	<u>\$ 1,094,319</u>

These funds are held by VHDA in various accounts and in a checking account.

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 10 - RESTRICTED NET POSITION

Cypress Terrace Restricted Reserves:

The Authority owns and operates housing under the terms of a mortgage and regulatory agreement with the Virginia Housing Development Authority (VHDA). VHDA requires that certain reserves and escrow accounts be maintained and VHDA retains possession and control of such funds. Accordingly, these net position are reported as restricted. The following is a summary of the changes in the net position restricted for these purposes for the eighteen months ended December 31, 2024:

	Insurance Escrow	Real Estate Tax Reserves	Replacement Reserve	Operating Reserve	Total
Balance at July 1, 2023	\$ 35,623	\$ 4,014	\$ 128,335	\$ 240,196	\$ 408,168
Interest earned	-	-	13,316	148	13,464
Deposits	90,005	118,866	36,900	-	245,771
Withdrawals	(88,599)	(109,379)	(16,125)	-	(214,103)
Balance at December 31, 2024	<u>\$ 37,029</u>	<u>\$ 13,501</u>	<u>\$ 162,426</u>	<u>\$ 240,344</u>	<u>\$ 453,300</u>

These funds are held by VHDA in various accounts and in a checking account.

Lassiter Courts Restricted Reserves

The Authority owns and operates housing under the terms of a mortgage and regulatory agreement with the Virginia Housing Development Authority (VHDA). VHDA requires that certain reserves and escrow accounts be maintained and VHDA retains possession and control of such funds. Accordingly, these net position are reported as restricted. The following is a summary of the changes in the net position restricted for these purposes for the eighteen months ended December 31, 2024:

	Insurance Escrow	Real Estate Tax Reserves	Replacement Reserve	Operating Reserve	Total
Balance at July 1, 2023	\$ 35,101	\$ 953	\$ 74,874	\$ 290,043	\$ 400,971
Interest earned	-	-	8,973	59	9,032
Deposits	61,453	17,155	45,000	-	123,608
Withdrawals	(76,141)	(17,155)	-	-	(93,296)
Balance at December 31, 2024	<u>\$ 20,413</u>	<u>\$ 953</u>	<u>\$ 128,847</u>	<u>\$ 290,102</u>	<u>\$ 440,315</u>

Spratley House Restricted Reserves

The Authority owns and operates housing under the terms of a mortgage and regulatory agreement with the Virginia Housing Development Authority (VHDA). VHDA requires that certain reserves and escrow accounts be maintained and VHDA retains possession and control of such funds. Accordingly, these net position are reported as restricted. The following is a summary of the changes in the net position restricted for these purposes for the eighteen months ended December 31, 2024:

	Insurance Escrow	Real Estate Tax Reserves	Replacement Reserve	Total
Balance at July 1, 2023	\$ 24,608	\$ 79,806	\$ 14,031	\$ 118,445
Interest earned	-	-	2,281	2,281
Deposits	38,224	56,076	22,500	116,800
Withdrawals	(49,665)	(135,481)	-	(185,146)
Balance at December 31, 2024	<u>\$ 13,167</u>	<u>\$ 401</u>	<u>\$ 38,812</u>	<u>\$ 52,380</u>

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 10 - RESTRICTED NET POSITION

Lower Jefferson Avenue, LLC

Lower Jefferson Avenue, LLC owns and operates housing under the terms of a mortgage and regulatory agreement with the Virginia Housing Development Authority (VHDA) and an Operating Agreement with its investor limited partners. These agreements requires that certain reserves and escrow accounts be maintained. VHDA retains possession and control of tax and insurance escrow fund while the remaining required reserves are held in bank accounts controlled by Lower Jefferson Avenue, LLC. Accordingly, these net position are reported as restricted. The following is a summary of the changes in the net position restricted for these purposes for the twenty-four months ended December 31, 2024:

	VHDA Tax & Insurance Escrow	Replacement Reserve	Operating Reserve	Total
Balance at December 31, 2022	\$ 8,758	\$ 66,748	\$ 105,377	\$ 180,883
Interest earned	-	10,132	32	10,164
Deposits	158,438	31,827	-	190,265
Withdrawals	(148,207)	-	-	(148,207)
Balance at December 31, 2024	<u>\$ 18,989</u>	<u>\$ 108,707</u>	<u>\$ 105,409</u>	<u>\$ 233,105</u>

Choice Neighborhood IV, LLC

Choice Neighborhood I, LLC owns and operates housing under the terms of a mortgage and regulatory agreement with the Virginia Housing Development Authority (VHDA) and an Operating Agreement with its investor limited partners. These agreements requires that certain reserves and escrow accounts be maintained. VHDA retains possession and control of tax and insurance escrow fund while the remaining required reserves are held in bank accounts controlled by Choice Neighborhood I, LLC. Accordingly, these net position are reported as restricted. The following is a summary of the changes in the net position restricted for these purposes for the twenty-four months ended December 31, 2024:

	VHDA Insurance Escrow	VHDA Tax Escrow	VHDA Replacement Reserve	Operating Reserve	Total
Balance at December 31, 2022	\$ -	\$ -	\$ -	\$ 5,003	\$ 5,003
Interest earned	-	2	178	42	222
Deposits	61,133	101,306	15,050	243,810	421,299
Withdrawals	(38,027)	(97,489)	(5,375)	-	(140,891)
Balance at December 31, 2024	<u>\$ 23,106</u>	<u>\$ 3,819</u>	<u>\$ 9,853</u>	<u>\$ 248,855</u>	<u>\$ 285,633</u>

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 10 - RESTRICTED NET POSITION

Choice Neighborhood II, LLC

Choice Neighborhood II, LLC owns and operates housing under the terms of a mortgage and regulatory agreement with the Virginia Housing Development Authority (VHDA) and an Operating Agreement with its investor limited partners. These agreements requires that certain reserves and escrow accounts be maintained. VHDA retains possession and control of tax and insurance escrow fund while the remaining required reserves are held in bank accounts controlled by Choice Neighborhood II, LLC. Accordingly, these net position are reported as restricted. The following is a summary of the changes in the net position restricted for these purposes for the twenty-four months ended December 31, 2024:

	VHDA Insurance Escrow	VHDA Tax Escrow	VHDA Replacement Reserve	Operating Reserve	Total
Balance at December 31, 2022	\$ -	\$ -	\$ -	\$ -	\$ -
Interest earned	-	-	-	4,223	4,223
Deposits	54,354	86,867	9,500	210,135	360,856
Withdrawals	(24,502)	(40,742)	-	-	(65,244)
Balance at December 31, 2024	<u>\$ 29,852</u>	<u>\$ 46,125</u>	<u>\$ 9,500</u>	<u>\$ 214,358</u>	<u>\$ 299,835</u>

Choice Neighborhood IV, LLC

Choice Neighborhood IV, LLC is developing rental housing units and upon closing the fiscal agent of the construction lender retained \$181,350 in an interest escrow.

NOTE 11 - DEFICIT NET POSITION

At December 31, 2024, the following programs reflect a deficit in net position, which indicates that the liabilities of the program exceed the cumulative assets of the fund:

Orcutt Senior Housing/Ashe Manor

This program has a deficit in net position of \$1,376,055. This deficit stems from the cumulative depreciation of capital assets associated with the development of this project, while the debt associated with the costs requires no debt service and is ultimately forgivable at maturity.

NOTE 12 - DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

A deferred outflows of resources, represents a consumption of net position that applies to a future period. A deferred inflow of resources is an acquisition of net assets that is applicable to a future reporting period.

As further described in Note 11, the Authority has recorded deferred outflows and inflows associated with its OPEB plan.

	Deferred Outflows or Resources	Deferred Inflows or Resources
Deferred outflows and inflows for OPEB	<u>\$ 160,778</u>	<u>\$ 209,695</u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 13 - OTHER POSTEMPLOYMENT BENEFITS

Plan Description:

The Newport News Redevelopment and Housing Authority provides post-employment health care benefits to its employees and retirees. This plan is a single employer defined benefit plan that covers full and part-time (30 hours per week or more) employees and current retirees. There are approximately 129 plan members, including 87 active employees and 45 retirees.

A Newport News Redevelopment and Housing Authority retiree, eligible for post-retirement medical coverage, is defined as a full-time employee who retires directly from the Authority and is at least 55 years of age with 10 years of service, if hired after July 1, 2008. Retirees pay the full active contribution plus a portion of the Authority's contribution towards medical and dental coverage for retirees based on a system of vesting points, calculated by adding together the employee's age plus years of service. The percentage of employer contribution towards coverage is shown below.

Retiree Medical and Dental Insurance Vesting Schedule:

80 Vesting Points - 100% employer contribution
75 Vesting Points - 90% employer contribution
70 Vesting Points - 80% employer contribution
65 Vesting Points - 70% employer contribution
60 Vesting Points - 60% employer contribution

For the Cigna POS Plan, after a \$100 deductible, prescription drug copayments are \$10 for generic, \$30 for preferred brand, and \$50 for non-preferred brand. There is a \$20 co-pay for primary care and a \$40 co-pay for all other specialties in-network. Out-of-network, there is a \$3,000 deductible with 70% coinsurance and a \$7,500 out-of-pocket limit. Post-Medicare retirees and their spouses receive \$93.91 towards their Medicare Part B premium rate.

Benefits provisions have been established by the Authority's personnel manual and policies, which can be amended by the Authority's Board of Commissioners at any time.

The Newport News Redevelopment and Housing Authority has established a trust to accumulate and invest assets to fund other postemployment benefit (OPEB) liabilities by joining the VACo / VML Pooled OPEB Trust. This plan does not issue stand-alone financial reports, instead, the plan assets and activities are reported as a Fiduciary Fund in the basic financial statements.

Summary of Significant Accounting Policies:

The Plan's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value assets, consistent with the long-term perspective of the calculations. Short-term money market debt instruments, deposits, and repurchase agreements, are reported at cost or amortized cost, which approximates fair value. Certain longer term U.S. government and U.S. agency securities are valued at the last reported sales price. Administration costs of the Plan are financed through investment earnings.

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 13 - OTHER POSTEMPLOYMENT BENEFITS

Contributions:

The Board of Commissioners established the contribution requirements of plan members and may be amended by the Board. Retirees pay the full active contribution plus a portion of the Authority's contribution towards the active employee based on the vesting schedule described above. The Authority contributes a percentage of its normal active contribution towards medical and dental coverage for retirees based on the vesting schedule described above.

The Authority contributes to the plan in the form of employer contributions made in the form of premiums paid to insurers for retiree insurance coverage and in the form of stipends. From time-to-time contributions are made directly to the trust related to this plan. Contributions for the eighteen months ended December 31, 2024 are as follows:

Employer contributions to the Trust	\$	-
Employer stipends paid to retirees		39,912
Employer payments for insurance coverage for retirees		107,731
Less: retiree payments for coverage		(32,194)
		115,449
	\$	

Net OPEB Liability

The components of the net OPEB liability of the Authority at December 31, 2024 calculated in accordance with U.S. GAAP were as follows:

Total OPEB liability	\$	1,189,572
Plan fiduciary net position		2,099,431
Net OPEB liability (asset)		(909,859)
Plan fiduciary net position as a percentage of the total OPEB liability		176.49%

Plan Investments:

Investment policy. The Authority participates in the VACo / VML Pooled OPEB Trust Fund to manage funds invested funds. This trust fund is governed by a Board of Trustees. The Board of Trustees, as its primary responsibility under this Agreement, shall develop a written Investment Policy establishing guidelines applicable to the investment of the assets of the Trust Fund, and from time to time shall modify such Investment Policy, in light of the short and long-term financial needs of the Plans. The investment objective of the Fund is to maximize total long-term rate of return with reasonable risk by seeking capital appreciation and, secondary, principal protection. The Fund is segregated and managed as two distinct portfolios that are referred to as Portfolio I and Portfolio II. Portfolio I will be structured to achieve a compound annualized total expected rate of return over a market cycle, including current income and capital appreciation, of 7.5%. Portfolio II will be structured to achieve an expected rate of return of 6.0%. The investment performance of each Portfolio will be reviewed quarterly and compared on a rolling three-year basis and over other relevant time periods to the following: (a) a composite benchmark comprised of each asset classes' market index benchmarks, weighted by each Portfolio's long-term policy allocations, and (b) a peer group of other similar size fund sponsors.

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 13 - OTHER POSTEMPLOYMENT BENEFITS

Asset Class	Portfolio I Target Allocation	Portfolio II Target Allocation
Large Cap Equity	21%	16%
Small Cap Equity	10%	7%
International Developed Equity	13%	9%
Emerging Market Equity	5%	4%
Private Equity	10%	0%
Long/Short Equity	6%	4%
Total Equity	65%	40%
Core	5%	7%
Core Plus	11%	38%
Liquid Absolute Return	4%	5%
Total Fixed Income	20%	50%
Real Estate	10%	10%
Commodities	5%	0%
	15%	10%
Cash	0%	0%
Total	100%	100%

For the year eighteen months ended December 31, 2024, the annual money-weighted rate of return on investments, net of investment expense, was 9.15 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Asset:

The components of the employer's net OPEB asset reported by the Authority in the December 31, 2024 financial statements, calculated in accordance with U.S. GAAP, measured as of June 30, 2023, were as follows:

Total OPEB liability	\$ 1,390,364
Plan fiduciary net position	1,844,278
Net OPEB liability	\$ (453,914)
Plan fiduciary net position as a percentage of the total OPEB liability	132.65%

Actuarial Methods and Assumptions:

The total OPEB liability was determined by an actuarial valuation as of January 1, 2024, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increasees	3.5% to 5.35% based on years of service
Investment rate of return	6.5%
Healthcare cost trend rates	6.4% for 2024, 5.90% for 2025, then grading to an ultimate rate of 3.9% for fiscal 2072 and later

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 13 - OTHER POSTEMPLOYMENT BENEFITS

Mortality Rates

Pre-Retirement: Pub-2010 Amount Weighted General Employee Rates projected generationally; females set forward 2 years. Base rates are shown below. Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates. 25% of deaths are assumed to be service-related.

Post-Retirement: Pub-2010 Amount Weighted General Healthy Retiree Rates projected generationally; 110% of rates for females. Base rates are shown below. Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

Post-Disablement: Pub-2010 Amount Weighted General Disabled Rates projected generationally; males and females set forward 3 years. Base rates are shown below. Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

The demographic assumptions used to determine the Total OPEB Liability as of June 30, 2024 were predominantly based on the results of an actuarial experience study for the Virginia Retirement System covering the period from July 1, 2016 to June 30, 2020. The demographic assumptions recommended as a result of this study were adopted by the VRS Board of Trustees on April 20, 2021.

Long-Term Expected Rate of Return

The assumption for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions, including inflation, are per Milliman's investment consulting practice as of December 31, 2024.

Asset Class	Index	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return	Long-Term Expected Geometric Real Rate of Return
US Core Fixed Income	Bloomberg Barclays Aggregate	20.00%	2.36%	2.21%
US Large Cap US Equities	S&P 500 TR USD	21.00%	5.33%	3.71%
US Small Cap US Equities	Russell 2000 TR USD	10.00%	6.82%	4.24%
Foreign Developed Equities	MSCI EAFE NR USD	13.00%	6.91%	5.12%
Emerging Market Equities	MSCI EM NR USD	5.00%	9.29%	6.15%
Private Real Estate Property	NCREIF Property	15.00%	5.93%	4.51%
Private Equity	Cambridge US Private Equity	10.00%	10.37%	6.16%
Hedge FOF Strategic	HFRI FOF Diversified	6.00%	2.57%	1.85%
		100.00%		
Assumed Inflation			2.30%	2.30%
Assumed Infaltion - Standard Deviation			1.46%	1.46%
Portfolio Mean Return			5.72%	4.79%
Portfolio Nominal Mean Return			8.02%	7.20%
Portfolio Standard Deviation				13.28%
Long-Term Expected Rate of Return				6.50%

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 13 - OTHER POSTEMPLOYMENT BENEFITS

Discount Rate

The discount rate used to measure the total OPEB liability was 6.5 percent. The projection of cash flows used to determine the discount rate assumed that Authority contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB 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 OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

The Authority's net OPEB asset was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of July 1, 2022.

Changes in the Net OPEB Liability

	<u>Total OPEB Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net OPEB Liability (a)-(b)</u>
Balances as of June 30, 2022	\$ 1,558,943	\$ 1,715,825	\$ (156,882)
Changes for the year:			
Service Cost	59,443	-	59,443
Interest on Total OPEB Liability	102,583	-	102,583
Effect of Economic / Demographic Gains or Losses	(244,152)	-	(244,152)
Effect of Assumption Changes or Inputs	(4,793)	-	(4,793)
Benefit Payments	(81,660)	(81,660)	-
Employer Contributions	-	81,660	(81,660)
Net Investment Income	-	130,745	(130,745)
Administrative Expenses	-	(2,292)	2,292
Balances as of June 30, 2023	<u>\$ 1,390,364</u>	<u>\$ 1,844,278</u>	<u>\$ (453,914)</u>

Sensitivity of the Net OPEB liability to Changes in the Discount Rate.

The following presents the net OPEB liability of the Authority, as well as what the Authority's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current discount rate:

	<u>1 % Decrease (5.5%)</u>	<u>Discount Rate (6.5%)</u>	<u>1 % Increase (7.5%)</u>
Net OPEB liability (asset)	\$ (346,743)	\$ (453,914)	\$ (548,160)

Sensitivity of the Net OPEB liability to Changes in the Healthcare Cost Trend rates

The following presents the net OPEB liability of the Authority, as well as what the Authority's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage point lower or 1-percentage higher than the current healthcare cost trend rate:

	<u>1 % Decrease</u>	<u>Trend Rate</u>	<u>1 % Increase</u>
Net OPEB liability (asset)	\$ (527,635)	\$ (453,914)	\$ (369,763)

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 13 - OTHER POSTEMPLOYMENT BENEFITS

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

For the period ended December 31, 2024, the Authority recognized OPEB expense of \$5,059. At December 31, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 205,770
Changes of assumptions	9,821	3,925
Net difference between projected and actual earnings on OPEB plan investments	35,508	-
Contributions to OPEB plan between July 1, 2023 and December 31, 2024	115,449	
Total	\$ 160,778	\$ 209,695

\$115,449 reported as deferred outflows of resources related to OPEB resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2025. Other Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31, 2025	\$ (79,465)
Year ended December 31, 2026	(79,942)
Year ended December 31, 2027	(1,801)
Year ended December 31, 2028	(3,858)
	\$ (165,066)

NOTE 14 - EMPLOYEE RETIREMENT PLAN

The Authority contributes to the pension plan for the employees of the Authority, which is a defined contribution plan. This plan is administered by Charles Schwab as the custodian and Professional Capital Services as the recordkeeper.

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 14 - EMPLOYEE RETIREMENT PLAN

A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account, the returns earned on investments of those contributions, and the forfeitures of other participants' benefits that may be allocated to such participant's account. As established by the Authority's personnel policy, all full-time employees of the Authority with six months employment on the 1st day of the month following attaining the six months' eligibility requirements are eligible for enrollment into the Plan. Contributions made by an employee vest immediately and contributions made by the Authority vest after five years of full-time employment. An employee who leaves the employment of the Authority is entitled to his or her contributions and the Authority's contributions to the extent vested and the earnings on these amounts. As determined by the Plan provisions, employees are not required to contribute to the pension plan. The Authority is required to contribute an amount equal to 12% of the employee's annual salary as of July 1st of each year.

During the period ended December 31, 2024, the Authority's required and actual contributions amounted to \$733,464, which was 12% of its covered payroll. No contribution forfeitures were recognized for the period ended December 31, 2024.

No pension plan provision changes occurred during the year which affected the required contributions to be made by the Authority or its employees.

NOTE 15 - CONSTRUCTION COMMITMENTS

The Authority has active construction projects as of December 31, 2024. The projects include various modernization and capital improvement programs. At year end the Authority's commitments with contractors are as follows:

<u>Project</u>	<u>Contract Total</u>	<u>Spent or accrued to Date</u>	<u>Remaining Commitment</u>
<u>Proprietary Fund</u>			
Marshall Ridley Infrastructure	\$ 16,033,773	\$ 15,364,122	\$ 669,651
Marshall Ridley Wellness Trail	4,163,445	2,788,879	1,374,566
	<u>\$ 20,197,218</u>	<u>\$ 18,153,001</u>	<u>\$ 2,044,217</u>

These projects are funded with grant funds provided by the City of Newport News.

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 15 - CONSTRUCTION COMMITMENTS

<u>Discretely Presented Component Units</u>	<u>Contract Total</u>	<u>Spent or accrued to Date</u>	<u>Remaining Commitment</u>
Orcutt TH 40 apartment community	\$ 5,840,938	\$ 5,693,278	\$ 147,660
Carrier Point Commercial unit	903,954	903,953	1
Left and Rise Warm Shell	230,934	230,934	-
Marhsall Ridley CNI III construction	23,171,804	23139947	31,857
Marhsall Ridley CNI IV construction	22,423,054	22,416,949	6,105
Marhsall Ridley CNI III retail construction	490,957	490,957	-
	<u>\$ 47,220,703</u>	<u>\$ 47,182,740</u>	<u>\$ 185,623</u>

These projects are funded with various sources, including NNRHA loans and tax credit equity proceeds.

NOTE 16 - CONDUIT DEBT

From time to time, the Authority has issued Tax Exempt Mortgage Revenue Bonds and Limited Obligation Notes to provide financial assistance to private-sector entities for the acquisition and construction of affordable multi-family rental housing deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from rents received from the developments. The Authority is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2024, there were seven series of Tax-Exempt Mortgage Revenue Bonds outstanding with an aggregate principal amount payable of \$71,880,821.

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 17 - SEGMENT INFORMATION FOR BLENDED COMPONENT UNITS

The Authority includes certain component units that are presented as blended component units and are included in the single proprietary enterprise fund. Summary financial information for these entities are presented below:

	Lower Jefferson Avenue Development Corporation	Orcutt Senior Housing Development Corporation (including Orcutt Senior Housing, L.P.)	Orcutt Townhomes Housing Development Corporation	2713 Lofts Development Corporation and 2713 Lofts, LLC	Oyster Point- Brighton Development Corporation	Cypress Terrace Development Corporation	Great Oaks Development Corporation, G O Senior Living LLC and Great Oaks Apartments, LLC
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CONDENSED STATEMENT OF NET POSITION:

Assets:

Current assets	\$ -	\$ 547,597	\$ 593,578	\$ 133,326	\$ -	\$ -	\$ 2,317,007
Due from other funds and component units							
	-	-	-	-	-	-	-
Capital assets	-	2,262,324	-	1,100,026	-	-	6,394,071
Other assets	375,585	-	-	-	62	10,791	-
Total assets	375,585	2,809,921	593,578	1,233,352	62	10,791	8,711,078
Deferred Outflows of Resources	-	-	-	-	-	-	-

Liabilities:

Current liabilities	-	61,697	33,450	28,377	-	-	220,279
Due to other programs	-	53,872	1,485	314,718	-	-	9,440
Longterm liabilities	-	4,070,407	5,520	462,955	-	-	5,943,467
Total liabilities	-	4,185,976	40,455	806,050	-	-	6,173,186
Deferred Outflows of Resources	-	-	-	-	-	-	-

Net Position:

Investment in capital assets	-	(926,676)	-	621,717	-	-	1,419,696
Restricted net position	-	234,213	-	53,198	-	-	1,018,975
Unrestricted net position	375,585	(683,592)	553,123	(247,613)	62	10,791	99,221
Total net position	\$ 375,585	\$ (1,376,055)	\$ 553,123	\$ 427,302	\$ 62	\$ 10,791	\$ 2,537,892

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 17 - SEGMENT INFORMATION FOR BLENDED COMPONENT UNITS

	Lower Jefferson Avenue Development Corporation	Orcutt Senior Housing Development Corporation (including Orcutt Senior Housing, L.P.)	Orcutt Townhomes Housing Development Corporation	2713 Lofts Development Corporation and 2713 Lofts, LLC	Oyster Point- Brighton Development Corporation	Cypress Terrace Development Corporation	Great Oaks Development Corporation, G O Senior Living LLC and Great Oaks Apartments, LLC
<u>CONDENSED STATEMENT OF</u>							
<u>REVENUES, EXPENSES AND CHANGES</u>							
<u>IN NET POSITION:</u>							
Operating Revenues:							
Rental and tenant income	\$ -	\$ 288,222	\$ 14,957	\$ 150,839	\$ -	\$ -	\$ 561,598
Intergovernmental operating grants	-	-	-	-	-	-	1,240,928
Fee revenue	-	-	-	-	-	-	-
Other income	-	613	2	-	-	-	20
Operating Expenses:							
Operating expenses	-	(733,151)	(176,588)	(165,959)	-	-	(1,153,493)
Depreciation expense and amortization	-	(319,013)	(48,643)	(89,873)	-	-	(245,648)
Operating income (loss)	-	(763,329)	(210,272)	(104,993)	-	-	403,405
Nonoperating Revenues (Expenses):							
Investment income	(75)	452	431	3,719	62	10,791	77,454
Interest expense	-	(91,423)	-	(28,956)	-	-	(246,088)
Other non-operating revenues	-	-	1,771,087	-	-	-	-
Transfers to/from other funds	-	531,141	(1,550,871)	-	-	-	-
HUD capital contributions	-	-	-	-	-	-	-
Change in net position	(75)	(323,159)	10,375	(130,230)	62	10,791	234,771
Beginning net position (deficit)	375,660	(1,052,896)	542,748	557,532	-	-	2,303,121
Ending net position (deficit)	\$ 375,585	\$ (1,376,055)	\$ 553,123	\$ 427,302	\$ 62	\$ 10,791	\$ 2,537,892

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 17 - SEGMENT INFORMATION FOR BLENDED COMPONENT UNITS

	Lower Jefferson Avenue Development Corporation	Orcutt Senior Housing Development Corporation (including Orcutt Senior Housing, L.P.)	Orcutt Townhomes Housing Development Corporation	2713 Lofts Development Corporation and 2713 Lofts, LLC	Oyster Point- Brighton Development Corporation	Cypress Terrace Development Corporation	Great Oaks Development Corporation, G O Senior Living LLC and Great Oaks Apartments, LLC
CONDENSED STATEMENT OF CASH FLOWS:							
Net Cash Provided (used) by:							
Operating activities	\$ -	\$ (66,216)	\$ (183,052)	\$ 23,465	\$ -	\$ -	\$ 486,677
Capital and related financing activities	-	(129,935)	(2,425)	(57,368)	-	-	(1,146,824)
Non-capital and related financing activities	-	-	-	-	-	-	-
Investing activities	-	452	431	(10,133)	-	-	(6,354)
Net increase (decrease) in cash	-	(195,699)	(185,046)	(44,036)	-	-	(666,501)
Beginning cash	-	725,219	778,624	104,462	-	-	2,208,429
Ending cash	\$ -	\$ 529,520	\$ 593,578	\$ 60,426	\$ -	\$ -	\$ 1,541,928

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 18 - SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The Authority has entered into contracts granting the Authority the right to use vendor-provided information technology for various terms under long-term, non-cancelable subscription agreements, referred to as Subscription-Based Information Technology Agreements (SBITAs). The Authority has entered into such arrangements regarding its housing management and accounting software with a vendor that supplies this software on a subscription basis. The Authority records a subscription liability and subscription asset in its financial statements. The Authority initially calculates the subscription liability based on the present value of expected payments during the lease term, reducing it as payments are made. The value of the subscription asset is determined similarly, adjusted for payments and implementation costs, and is amortized over the lesser of its useful life or the lease term. The Authority monitors changes that may impact subscription liabilities and adjusts asset and liability values accordingly. Assets are reported alongside long-term capital assets, and liabilities with long-term debts.

The Authority entered into one arrangement in May 2018 with a start date of June 1. This subscription service is for a three-year term which automatically renews unless cancelled by either party. Either party may terminate the arrangement at the end of a subscription term. This subscription requires an annual payment at the beginning of each year. The subscription term most recently renewed on June 1, 2024 and the term ends on May 31, 2027. The most recent annual subscription payment for the annual period beginning June 1, 2024 was \$175,075. This arrangement resulted in the recording a right-to-use subscription asset and corresponding subscription liability. As of June 1, 2024, the Authority recorded a SBITA asset and liability of \$498,949 using a discount rate of 8.5%.

The Authority also entered another arrangement in October 2024 with a start date of November 1, 2024 and the term ends on May 31, 2027. The most recent annual subscription payment for the arrangement for the period from November 1, 2024 was \$5,835 and implementation costs were \$3,200. This arrangement resulted in the recording a right-to-use subscription asset and corresponding subscription liability. As of November 1, 2024, the Authority recorded a SBITA asset of \$28,310 and liability of \$25,110 using a discount rate of 8.00%.

During the eighteen months ended December 31, 2024 the following amounts have been recognized in the financial statements:

	<u>SBITA Asset</u>	<u>Accumulated Amortization</u>	<u>Asset as of December 31, 2024</u>	
Right-to-use subscription asset	\$ 527,259	\$ (98,844)	\$ 428,415	
	<u>Liability as of July 1, 2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>Liability as of December 31, 2024</u>
Subscription liability	\$ -	\$ 524,059	\$ 180,910	\$ 343,149
				<u>Interest</u>
				\$ 16,665

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 18 - SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

Future payments over the life of this arrangement are estimated as follows:

	Subscription Liability	Interest	Total Payments
For the year ended December 31, 2025	\$ 161,644	\$ 22,044	\$ 183,688
For the year ended December 31, 2026	181,505	6,824	188,329
	\$ 343,149	\$ 28,868	\$ 372,017

NOTE 19 - RISK MANAGEMENT

The Authority is exposed to various risks of losses related to torts; theft of, or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority has mitigated this risk by participating and obtaining insurance coverage from commercial insurance companies. Premiums paid for insurance coverage are recorded as expenses of the fund where the coverage is required. Insurance coverage provided includes property and casualty, general liability, fidelity bond, workers' compensation. During the current and subsequent fiscal period, there were no claims made or paid that were not covered by the Authority's insurance providers. There were no significant coverage decreases in the current or subsequent fiscal period.

NOTE 20 – CONTINGENT LIABILITIES

The Authority receives grant funds, principally from the federal government, to carry out its operations. Expenses from these grants are subject to audit by the grantor and the Authority is contingently liable to refund amounts received in excess of allowable costs. In the opinion of Authority management, any refunds that may be required as a result of costs disallowed by the grantors will not be material to the basic financial statements.

NOTE 21 - RECLASSIFICATION OF COMPONENTS UNIT AND ACQUISITION OF OTHER BLENDED COMPONENT UNITS

During 2024, the Authority, through its affiliates, acquired the limited partnership interests of a low-income housing tax credit (LIHTC) property that it had developed, co-developed, or facilitated in the past. In that the Authority's wholly owned subsidiary affiliates are both the general partner and limited partner in this entity, the Authority determined that the criteria for presenting this component unit as blended component units were met.

Further, during 2024, the Authority reclassified certain component units previously reported as blended component units as discretely presented component units. These are component units where there was an equity interest held by an external party or investor was reclassified.

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 21 - RECLASSIFICATION OF COMPONENTS UNIT AND ACQUISITION OF OTHER BLENDED COMPONENT UNITS

	Primary Government	Discrete Component Unit
Total net position as of July 1, 2023	\$ 123,591,646	\$ 10,510,781
Great Oaks Apartments net position on January 1, 2024 as adjusted for GASB vs FASB presentation differences	2,303,121	-
Restated Total net position as of July 1, 2023	\$ 125,894,767	\$ 10,510,781
Beginning net position for NNRHA-managed component units		
Orcutt Townhomes III	(857,920)	857,920
Oyster Point-Brighton	(6,019,590)	6,019,590
Cypress Terrace	(2,123,872)	2,123,872
Lassiter Courts	(5,714,969)	5,714,969
Spratley House	(2,042,893)	2,042,893
Change from blended to discrete component unit	(16,759,244)	16,759,244
	\$ 109,135,523	\$ 27,270,025

NOTE 21 - SUBSEQUENT EVENTS

Events that occur after the balance sheet date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about the conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the balance sheet date require disclosure in the accompanying notes. In preparing financial statements, management evaluated subsequent events through _____, the date the financial statements were issued (or the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

SUPPLEMENTARY INFORMATION

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS

DECEMBER 31, 2024

	December 31, 2024	2023	2022	2021	June 30, 2020	2019	2018	2017
Total OPEB liability								
Service cost	\$ 100,625	\$ 59,443	\$ 63,828	\$ 60,026	\$ 66,407	\$ 62,057	\$ 55,038	\$ 51,437
Interest	143,370	102,583	98,358	97,240	93,531	95,866	100,734	98,774
Changes in benefit terms	-	-	-	-	-	-	-	-
Effect of Economic/Demographic Gains or (Losses)	(372,210)	(244,152)	-	(84,776)	-	(116,555)	-	-
Differences between expected and actual experience	-	-	-	-	-	-	-	-
Changes of assumptions	17,129	(4,793)	-	34,376	(7,621)	1,914	-	-
Benefit payments	(89,706)	(81,660)	(103,605)	(83,632)	(93,962)	(95,442)	(135,423)	(116,524)
Net change in OPEB liability	(200,792)	(168,579)	58,581	23,234	58,355	(52,160)	20,349	33,687
Total OPEB liability - beginning	1,390,364	1,558,943	1,500,362	1,477,128	1,418,773	1,470,933	1,450,584	1,416,897
Total OPEB liability - ending (a)	<u>\$ 1,189,572</u>	<u>\$ 1,390,364</u>	<u>\$ 1,558,943</u>	<u>\$ 1,500,362</u>	<u>\$ 1,477,128</u>	<u>\$ 1,418,773</u>	<u>\$ 1,470,933</u>	<u>\$ 1,450,584</u>
Plan fiduciary net position								
Contributions - employer	\$ 89,706	\$ 81,660	\$ 103,605	\$ 83,632	\$ 93,962	\$ 95,442	\$ 195,423	\$ 116,524
Net investment income	258,705	130,745	(174,563)	437,922	43,277	62,307	117,508	134,772
Benefit payments	(89,706)	(81,660)	(103,605)	(83,632)	(93,962)	(95,442)	(135,423)	(116,524)
Administrative expenses	(3,552)	(2,292)	(2,533)	(2,151)	(2,073)	(1,973)	(1,865)	(1,751)
Net change in fiduciary net position	255,153	128,453	(177,096)	435,771	41,204	60,334	175,643	133,021
Plan fiduciary net position - beginning	1,844,278	1,715,825	1,892,921	1,457,150	1,415,946	1,355,612	1,179,969	1,046,948
Plan fiduciary net position - ending (b)	<u>\$ 2,099,431</u>	<u>\$ 1,844,278</u>	<u>\$ 1,715,825</u>	<u>\$ 1,892,921</u>	<u>\$ 1,457,150</u>	<u>\$ 1,415,946</u>	<u>\$ 1,355,612</u>	<u>\$ 1,179,969</u>
Net OPEB Liability - ending (a) - (b)	<u>\$ (909,859)</u>	<u>\$ (453,914)</u>	<u>\$ (156,882)</u>	<u>\$ (392,559)</u>	<u>\$ 19,978</u>	<u>\$ 2,827</u>	<u>\$ 115,321</u>	<u>\$ 270,615</u>
Plan fiduciary net position as a percentage of the total OPEB liability	176.49%	132.65%	110.06%	126.16%	98.65%	99.80%	92.16%	81.34%
Covered employee payroll	\$ 4,681,470	\$ 3,898,083	\$ 4,043,209	\$ 4,043,209	\$ 4,160,028	\$ 4,160,028	\$ 3,776,000	\$ 3,776,000
Net OPEB liability as a percentage of covered employee payroll	-19.44%	-11.64%	-3.88%	-9.71%	0.48%	0.07%	3.05%	7.17%

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required. If prior years are not reported in accordance with the current GASB standards, they should not be included.

The net OPEB (asset) liability reported by the Authority has a measurement date of one year prior to the reporting date.

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF OPEB CONTRIBUTIONS

	DECEMBER 31, 2024								
	December 31,							June 30,	
	2024	2023	2022	2021	2020	2019	2018	2017	
Actuarially determined contribution	\$ 62,660	\$ 30,167	\$ 66,266	\$ 62,310	\$ 68,277	\$ 63,970	\$ 85,600	\$ 81,100	
Contributions in relation to the actuarially determined contribution	(115,449)	(55,433)	(37,243)	(52,239)	(56,128)	(47,300)	(139,914)	(76,958)	
Contribution deficiency (excess)	<u>\$ (52,789)</u>	<u>\$ (25,266)</u>	<u>\$ 29,023</u>	<u>\$ 10,071</u>	<u>\$ 12,149</u>	<u>\$ 16,670</u>	<u>\$ (54,314)</u>	<u>\$ 4,142</u>	
Covered employee payroll	\$ 4,681,470	\$ 3,898,083	\$ 4,043,209	\$ 4,043,209	\$ 4,160,028	\$ 4,160,028	\$ 3,776,000	\$ 3,776,000	
Contributions as a percentage of covered employee payroll	2.47%	1.42%	0.92%	1.29%	1.35%	1.14%	3.71%	2.04%	

Notes to Schedule

Valuation date 1/1/2024
Actuarial valuations for funding purposes are performed biennially as of January 1. The most recent valuation was performed as of January 1, 2024.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Projected Unit Credit
Amortization Method	Level percentage of payroll, closed
Amortization period	20 years remaining as of January 1, 2024
Asset valuation method	Market Value
Inflation	2.50%
Healthcare cost trend rates	8.9% for 2024, 6.00% for 202, then grading to an ultimate rate of 3.9% for fiscal 2073 and later
Salary increases	3.5% to 5.35% based on years of service
Investment rate of return	6.50%
Mortality	
Pre-Retirement	Pub-2010 Amount Weighted General Employee Rates projected generationally; females set forward 2 years. Base rates are shown below. Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates. 25% of deaths are assumed to be service-related.
Post-Retirement	Pub-2010 Amount Weighted General Healthy Retiree Rates projected generationally; 110% of rates for females. Base rates are shown below. Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.
Post-Disablement	Pub-2010 Amount Weighted General Disabled Rates projected generationally; males and females set forward 3 years. Base rates are shown below. Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF OPEB INVESTMENT RETURNS

DECEMBER 31, 2024

	<u>December 31,</u>				<u>June 30,</u>			
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual money-weighted rate of return, net of investment expense	9.15%	7.63%	-9.23%	30.08%	3.06%	4.60%	9.52%	12.88%

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required. If prior years are not reported in accordance with the current GASB standards, they should not be included.

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

COMBINING SCHEDULE OF NET POSITION
PROPRIETARY FUND PROGRAMS

DECEMBER 31, 2024

	Public Housing Program	Rental Assistance Program	Central Office Cost Center Program	Community Development Program	HOME Investment Partnerships Program	Resident Self Sufficiency Programs	Transition Center Program
ASSETS							
Current assets:							
Cash and equivalents- unrestricted	\$ 5,447,878	\$ 4,180,897	\$ 711,501	\$ 844,144	\$ -	\$ -	\$ 349,528
Cash and equivalents - restricted	282,431	557,634	-	-	2,197,738	-	657
Accounts receivable (net of allowance)	565,369	2,262,790	5,554	9,370	90,943	12,615	1,631
Due from other programs	-	-	1,012,494	700	-	-	-
Due from component units/primary government	-	-	3,961,847	-	-	-	-
Investments	3,915,653	-	114,511	-	-	-	226,600
Investments - restricted	-	-	-	-	-	-	-
Prepaid expenses	212,315	17,653	36,615	-	504	-	1,534
Total current assets	<u>10,423,646</u>	<u>7,018,974</u>	<u>5,842,522</u>	<u>854,214</u>	<u>2,289,185</u>	<u>12,615</u>	<u>579,950</u>
Noncurrent assets:							
Notes and mortgages receivable	24,993,843	-	-	536,913	4,486,000	-	-
Notes receivable - restricted	-	-	-	1,762,419	4,229,091	-	-
Nondepreciable capital assets	1,831,157	32,000	-	-	-	-	17,201
Depreciable / amortizable capital assets (net)	16,019,490	262,627	316,192	1,853	4,182	-	75,947
Interprogram notes receivable	2,475,000	-	1,473,746	-	-	-	-
Accrued interest receivable	2,039,331	-	370,380	-	61,544	-	-
Net OPEB asset	-	-	453,914	-	-	-	-
Other noncurrent assets	-	-	-	-	-	-	-
Total noncurrent assets	<u>47,358,821</u>	<u>294,627</u>	<u>2,614,232</u>	<u>2,301,185</u>	<u>8,780,817</u>	<u>-</u>	<u>93,148</u>
TOTAL ASSETS	<u>57,782,467</u>	<u>7,313,601</u>	<u>8,456,754</u>	<u>3,155,399</u>	<u>11,070,002</u>	<u>12,615</u>	<u>673,098</u>
DEFERRED OUTFLOWS OF RESOURCES							
Deferred outflows related to OPEB plan	-	-	160,778	-	-	-	-

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

COMBINING SCHEDULE OF NET POSITION
PROPRIETARY FUND PROGRAMS

DECEMBER 31, 2024

	Public Housing Program	Rental Assistance Program	Central Office Cost Center Program	Community Development Program	HOME Investment Partnerships Program	Resident Self Sufficiency Programs	Transition Center Program
LIABILITIES							
Current liabilities:							
Accounts payable and accrued expenses	\$ 364,997	\$ 1,209,212	\$ 277,911	\$ 158,759	\$ 1,404	\$ -	\$ 3,029
Due to other programs	164,786	82,638	-	65,712	29,261	12,615	5,128
Accrued salaries and wages	78,945	39,722	87,479	7,601	1,937	-	831
Accrued interest payable	4,178	4,542	7,083	-	163	-	52
Unearned revenues	20,504	55,089	14,312	-	-	-	511
Security deposit liabilities	54,142	-	-	-	-	-	657
Compensated absences	-	7,068	-	-	-	-	-
Current portion of subscription liability	40,521	44,057	68,703	-	1,578	-	505
Current portion of long-term liabilities	-	-	-	-	-	-	-
Total current liabilities	728,073	1,442,328	455,488	232,072	34,343	12,615	10,713
Long-term liabilities							
Compensated absences	71,105	52,848	157,226	6,934	6,148	-	2,236
Subscription liability	45,500	49,470	77,145	-	1,772	-	566
Notes and mortgages payable	-	-	-	-	-	-	-
Interprogram notes payable	-	-	-	-	-	-	-
Accrued interest payable	-	-	-	-	-	-	-
FSS escrow liabilities	92,933	354,199	-	-	-	-	-
Total long-term liabilities	209,538	456,517	234,371	6,934	7,920	-	2,802
TOTAL LIABILITIES	937,611	1,898,845	689,859	239,006	42,263	12,615	13,515
DEFERRED INFLOWS OF RESOURCES							
Deferred inflows related to OPEB	-	-	209,695	-	-	-	-
NET POSITION							
Net investment in capital assets	17,764,626	201,100	170,344	1,853	832	-	92,077
Restricted	135,356	148,347	-	2,914,540	11,026,907	-	-
Unrestricted (deficit)	38,944,874	5,065,309	7,547,634	-	-	-	567,506
TOTAL NET POSITION	\$ 56,844,856	\$ 5,414,756	\$ 7,717,978	\$ 2,916,393	\$ 11,027,739	\$ -	\$ 659,583

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

COMBINING SCHEDULE OF NET POSITION
PROPRIETARY FUND PROGRAMS

DECEMBER 31, 2024

	State & Local Activities Program	Choice Neighborhoods Grant Program	Business Activities Program	Orcutt Senior Housing / Ashe Manor	Orcutt Townhomes	Lofts on Jefferson
<u>ASSETS</u>						
Current assets:						
Cash and equivalents- unrestricted	\$ -	\$ -	\$ 5,262,365	\$ 291,829	\$ 588,058	\$ 54,289
Cash and equivalents - restricted	563,636	1,805,223	622,664	237,691	5,520	6,137
Accounts receivable (net of allowance)	105,557	1,987,598	2,152,801	1,102	-	13,390
Due from other programs	-	-	-	-	-	-
Due from component units/primary government	-	-	137,406	-	-	-
Investments	-	-	546,536	-	-	-
Investments - restricted	-	-	-	-	-	53,198
Prepaid expenses	1,674	1,856	3,770	16,975	-	6,312
Total current assets	<u>670,867</u>	<u>3,794,677</u>	<u>8,725,542</u>	<u>547,597</u>	<u>593,578</u>	<u>133,326</u>
Noncurrent assets:						
Notes and mortgages receivable	-	13,397,559	13,550,625	-	-	-
Notes receivable - restricted	865,982	-	-	-	-	-
Nondepreciable capital assets	-	578,722	20,218,814	89,293	-	-
Depreciable / amortizable capital assets (net)	15,057	-	669,187	2,173,031	-	1,100,026
Interprogram notes receivable	-	-	714,000	-	-	-
Accrued interest receivable	-	527,813	1,102,324	-	-	-
Net OPEB asset	-	-	-	-	-	-
Other noncurrent assets	-	-	3,681,334	-	-	-
Total noncurrent assets	<u>881,039</u>	<u>14,504,094</u>	<u>39,936,284</u>	<u>2,262,324</u>	<u>-</u>	<u>1,100,026</u>
TOTAL ASSETS	<u>1,551,906</u>	<u>18,298,771</u>	<u>48,661,826</u>	<u>2,809,921</u>	<u>593,578</u>	<u>1,233,352</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>						
Deferred outflows related to OPEB plan	-	-	-	-	-	-

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

COMBINING SCHEDULE OF NET POSITION
PROPRIETARY FUND PROGRAMS

DECEMBER 31, 2024

	State & Local Activities Program	Choice Neighborhoods Grant Program	Business Activities Program	Orcutt Senior Housing / Ashe Manor	Orcutt Townhomes	Lofts on Jefferson
LIABILITIES						
Current liabilities:						
Accounts payable and accrued expenses	\$ 2,315	\$ 1,984,255	\$ 2,147,296	\$ 50,598	\$ 33,450	\$ 3,470
Due to other programs	92,714	27,830	152,995	53,872	1,485	314,718
Accrued salaries and wages	8,515	10,685	2,294	3,947	-	935
Accrued interest payable	586	-	-	-	-	1,632
Unearned revenues	538,636	-	611,670	3,674	-	-
Security deposit liabilities	-	-	-	3,478	-	6,137
Compensated absences	-	-	-	-	-	-
Current portion of subscription liability	5,681	-	-	-	-	599
Current portion of long-term liabilities	-	-	-	-	-	15,604
Total current liabilities	<u>648,447</u>	<u>2,022,770</u>	<u>2,914,255</u>	<u>115,569</u>	<u>34,935</u>	<u>343,095</u>
Long-term liabilities						
Compensated absences	3,775	11,478	6,187	4,531	-	849
Subscription liability	6,379	-	-	-	-	673
Notes and mortgages payable	-	-	-	-	-	461,433
Interprogram notes payable	-	-	-	3,189,000	-	-
Accrued interest payable	-	-	-	876,876	-	-
FSS escrow liabilities	-	-	-	-	5,520	-
Total long-term liabilities	<u>10,154</u>	<u>11,478</u>	<u>6,187</u>	<u>4,070,407</u>	<u>5,520</u>	<u>462,955</u>
TOTAL LIABILITIES	<u>658,601</u>	<u>2,034,248</u>	<u>2,920,442</u>	<u>4,185,976</u>	<u>40,455</u>	<u>806,050</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to OPEB	-	-	-	-	-	-
NET POSITION						
Net investment in capital assets	2,997	578,722	19,980,350	(926,676)	-	621,717
Restricted	865,982	1,805,223	-	234,213	-	53,198
Unrestricted (deficit)	24,326	13,880,578	25,761,034	(683,592)	553,123	(247,613)
TOTAL NET POSITION	<u>\$ 893,305</u>	<u>\$ 16,264,523</u>	<u>\$ 45,741,384</u>	<u>\$ (1,376,055)</u>	<u>\$ 553,123</u>	<u>\$ 427,302</u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

COMBINING SCHEDULE OF NET POSITION
PROPRIETARY FUND PROGRAMS

DECEMBER 31, 2024

	Great Oaks	Affordable Housing Development Corporations	NNRHA- managed Component Units	Total	Eliminations	Proprietary Fund
<u>ASSETS</u>						
Current assets:						
Cash and equivalents- unrestricted	\$ 1,185,300	\$ -	\$ -	\$ 18,915,789	\$ -	\$ 18,915,789
Cash and equivalents - restricted	356,628	-	-	6,635,959	-	6,635,959
Accounts receivable (net of allowance)	2,613	-	-	7,211,333	-	7,211,333
Due from other programs		-	-	1,013,194	(1,013,194)	-
Due from component units/primary government		-	-	4,099,253	-	4,099,253
Investments		-	-	4,803,300	-	4,803,300
Investments - restricted	700,627	-	-	753,825	-	753,825
Prepaid expenses	71,839	-	-	371,047	(3,841)	367,206
Total current assets	<u>2,317,007</u>	<u>-</u>	<u>-</u>	<u>43,803,700</u>	<u>(1,017,035)</u>	<u>42,786,665</u>
Noncurrent assets:						
Notes and mortgages receivable		-	-	56,964,940	-	56,964,940
Notes receivable - restricted		-	-	6,857,492	-	6,857,492
Nondepreciable capital assets	1,205,000	-	-	23,972,187	-	23,972,187
Depreciable / amortizable capital assets (net)	5,189,071	-	-	25,826,663	-	25,826,663
Interprogram notes receivable		-	-	4,662,746	(4,662,746)	-
Accrued interest receivable		-	-	4,101,392	(1,247,256)	2,854,136
Net OPEB asset		-	-	453,914	-	453,914
Other noncurrent assets		386,438	-	4,067,772	(100,000)	3,967,772
Total noncurrent assets	<u>6,394,071</u>	<u>386,438</u>	<u>-</u>	<u>126,907,106</u>	<u>(6,010,002)</u>	<u>120,897,104</u>
TOTAL ASSETS	<u>8,711,078</u>	<u>386,438</u>	<u>-</u>	<u>170,710,806</u>	<u>(7,027,037)</u>	<u>163,683,769</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>						
Deferred outflows related to OPEB plan	<u>-</u>	<u>-</u>	<u>-</u>	<u>160,778</u>	<u>-</u>	<u>160,778</u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

COMBINING SCHEDULE OF NET POSITION
PROPRIETARY FUND PROGRAMS

DECEMBER 31, 2024

	Great Oaks	Affordable Housing Development Corporations	NNRHA- managed Component Units	Total	Eliminations	Proprietary Fund
<u>LIABILITIES</u>						
Current liabilities:						
Accounts payable and accrued expenses	\$ 34,044	\$ -	\$ -	\$ 6,270,740	\$ -	\$ 6,270,740
Due to other programs	9,440	-	-	1,013,194	(1,013,194)	-
Accrued salaries and wages	9,568	-	-	252,459	-	252,459
Accrued interest payable	10,677	-	-	28,913	-	28,913
Unearned revenues	5,602	-	-	1,249,998	(3,841)	1,246,157
Security deposit liabilities	38,280	-	-	102,694	-	102,694
Compensated absences	-	-	-	7,068	-	7,068
Current portion of subscription liability	-	-	-	161,644	-	161,644
Current portion of long-term liabilities	122,108	-	-	137,712	-	137,712
Total current liabilities	<u>229,719</u>	<u>-</u>	<u>-</u>	<u>9,224,422</u>	<u>(1,017,035)</u>	<u>8,207,387</u>
Long-term liabilities						
Compensated absences	25,715	-	-	349,032	-	349,032
Subscription liability	-	-	-	181,505	-	181,505
Notes and mortgages payable	3,378,521	-	-	3,839,954	-	3,839,954
Interprogram notes payable	1,473,746	-	-	4,662,746	(4,662,746)	-
Accrued interest payable	1,065,485	-	-	1,942,361	(1,247,256)	695,105
FSS escrow liabilities	-	-	-	452,652	-	452,652
Total long-term liabilities	<u>5,943,467</u>	<u>-</u>	<u>-</u>	<u>11,428,250</u>	<u>(5,910,002)</u>	<u>5,518,248</u>
 TOTAL LIABILITIES	 <u>6,173,186</u>	 <u>-</u>	 <u>-</u>	 <u>20,652,672</u>	 <u>(6,927,037)</u>	 <u>13,725,635</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred inflows related to OPEB	-	-	-	209,695	-	209,695
<u>NET POSITION</u>						
Net investment in capital assets	1,419,696	-	-	39,907,638	4,662,746	44,570,384
Restricted	1,018,975	-	-	18,202,741	-	18,202,741
Unrestricted (deficit)	99,221	386,438	-	91,898,838	(4,762,746)	87,136,092
TOTAL NET POSITION	<u>\$ 2,537,892</u>	<u>\$ 386,438</u>	<u>\$ -</u>	<u>\$ 150,009,217</u>	<u>\$ (100,000)</u>	<u>\$ 149,909,217</u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND PROGRAMS

FOR THE EIGHTEEN MONTHS ENDED DECEMBER 31, 2024

	Public Housing Program	Rental Assistance Program	Central Office Cost Center Program	Community Development Program	HOME Investment Partnerships Program	Resident Self Sufficiency Programs	Transition Center Program
OPERATING REVENUES:							
Rental and tenant income	\$ 3,113,136	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 73,441
Intergovernmental - operating grants	12,111,989	47,985,253	-	2,688,172	1,459,747	393,368	100,205
Fee revenue	-	-	4,268,591	-	-	-	-
Other income	83,023	104,862	163,206	382,536	1,829	-	-
Total operating revenues	<u>15,308,148</u>	<u>48,090,115</u>	<u>4,431,797</u>	<u>3,070,708</u>	<u>1,461,576</u>	<u>393,368</u>	<u>173,646</u>
OPERATING EXPENSES:							
Administration	3,197,844	3,037,391	4,323,923	835,421	136,175	14,046	36,293
Tenant services	579,296	46,261	72	-	-	379,322	9
Utilities	3,092,549	29,249	62,584	-	-	-	42,572
Ordinary maintenance	3,392,374	52,629	188,531	-	-	-	41,347
Protective services	121,798	70	4,801	-	-	-	-
Insurance expense	549,583	47,470	86,375	-	1,571	-	3,971
General expenses	259,955	342	-	2,302,002	334,171	-	567
Nonroutine maintenance	78,275	1,749	15,000	-	-	-	-
Housing assistance payments	-	43,660,280	-	-	-	-	-
Depreciation and amortization	2,325,086	45,074	73,920	1,390	965	-	13,071
Total operating expenses	<u>13,596,760</u>	<u>46,920,515</u>	<u>4,755,206</u>	<u>3,138,813</u>	<u>472,882</u>	<u>393,368</u>	<u>137,830</u>
OPERATING INCOME / (LOSS)	<u>1,711,388</u>	<u>1,169,600</u>	<u>(323,409)</u>	<u>(68,105)</u>	<u>988,694</u>	<u>-</u>	<u>35,816</u>
NONOPERATING REVENUES / (EXPENSES):							
Interest and investment revenue	890,082	55,018	1,278,259	29,723	83,685	-	22,978
Interest expense	(4,178)	(4,542)	(7,083)	-	(163)	-	(52)
Developer fees earned	-	-	-	-	-	-	-
Loan forgiveness	-	-	-	-	-	-	-
Gain or loss on sale or disposition of capital or other assets	-	-	-	-	-	-	-
Total nonoperating revenues / (expenses)	<u>885,904</u>	<u>50,476</u>	<u>1,271,176</u>	<u>29,723</u>	<u>83,522</u>	<u>-</u>	<u>22,926</u>
INCOME / (LOSS) BEFORE CONTRIBUTIONS, TRANSFERS AND ADJUSTMENTS	2,597,292	1,220,076	947,767	(38,382)	1,072,216	-	58,742
Transfers from /to other programs	1,017,305	-	-	(156,929)	-	-	-
Transfers from / (to) component units	-	-	-	-	-	-	-
HUD Capital contributions	1,473,213	-	-	-	-	-	-
CHANGE IN NET POSITION	5,087,810	1,220,076	947,767	(195,311)	1,072,216	-	58,742
TOTAL NET POSITION as restated - July 1, 2023	51,757,046	4,194,680	6,770,211	3,111,704	9,955,523	-	600,841
Change from blended to discrete component unit	-	-	-	-	-	-	-
TOTAL NET POSITION - December 31, 2024	<u>\$ 56,844,856</u>	<u>\$ 5,414,756</u>	<u>\$ 7,717,978</u>	<u>\$ 2,916,393</u>	<u>\$ 11,027,739</u>	<u>\$ -</u>	<u>\$ 659,583</u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND PROGRAMS

FOR THE EIGHTEEN MONTHS ENDED DECEMBER 31, 2024

	State & Local Activities Program	Choice Neighborhoods Grant Program	Business Activities Program	Orcutt Senior Housing / Ashe Manor	Orcutt Townhomes	Lofts on Jefferson
OPERATING REVENUES:						
Rental and tenant income	\$ -	\$ -	\$ -	\$ 288,222	\$ 14,957	\$ 150,839
Intergovernmental - operating grants	4,923,396	11,045,482	17,179,896	-	-	-
Fee revenue	-	-	-	-	-	-
Other income	-	-	214,686	613	2	-
Total operating revenues	<u>4,923,396</u>	<u>11,045,482</u>	<u>17,394,582</u>	<u>288,835</u>	<u>14,959</u>	<u>150,839</u>
OPERATING EXPENSES:						
Administration	545,709	361,264	286,442	195,970	22,181	33,324
Tenant services	-	668,236	452,545	23,680	36,882	473
Utilities	6,328	-	2,617	177,873	15,322	15,762
Ordinary maintenance	48,385	142	68,187	279,836	54,313	68,877
Protective services	-	-	-	6,703	919	-
Insurance expense	22,179	5,765	10,931	31,162	38,261	12,834
General expenses	(6,894)	1,554,373	14,933	17,927	8,710	34,689
Nonroutine maintenance	-	-	(299)	-	-	-
Housing assistance payments	-	-	-	-	-	-
Depreciation and amortization	3,474	-	78,665	319,013	48,643	89,873
Total operating expenses	<u>619,181</u>	<u>2,589,780</u>	<u>914,021</u>	<u>1,052,164</u>	<u>225,231</u>	<u>255,832</u>
OPERATING INCOME / (LOSS)	<u>4,304,215</u>	<u>8,455,702</u>	<u>16,480,561</u>	<u>(763,329)</u>	<u>(210,272)</u>	<u>(104,993)</u>
NONOPERATING REVENUES / (EXPENSES):						
Interest and investment revenue	-	338,513	314,799	452	431	3,719
Interest expense	(586)	-	-	(91,423)	-	(28,956)
Developer fees earned	-	-	2,832,034	-	-	-
Loan forgiveness	(102,308)	-	-	-	-	-
Gain or loss on sale or disposition of capital or other assets	-	-	-	-	1,771,087	-
Total nonoperating revenues / (expenses)	<u>(102,894)</u>	<u>338,513</u>	<u>3,146,833</u>	<u>(90,971)</u>	<u>1,771,518</u>	<u>(25,237)</u>
INCOME / (LOSS) BEFORE CONTRIBUTIONS, TRANSFERS AND ADJUSTMENTS	4,201,321	8,794,215	19,627,394	(854,300)	1,561,246	(130,230)
Transfers from /to other programs	(3,305,310)	-	3,462,239	531,141	(1,548,446)	-
Transfers from / (to) component units	-	-	-	-	(2,425)	-
HUD Capital contributions	-	-	-	-	-	-
CHANGE IN NET POSITION	896,011	8,794,215	23,089,633	(323,159)	10,375	(130,230)
TOTAL NET POSITION as restated - July 1, 2023	(2,706)	7,470,308	22,651,751	(1,052,896)	542,748	557,532
Change from blended to discrete component unit	-	-	-	-	-	-
TOTAL NET POSITION - December 31, 2024	<u>\$ 893,305</u>	<u>\$ 16,264,523</u>	<u>\$ 45,741,384</u>	<u>\$ (1,376,055)</u>	<u>\$ 553,123</u>	<u>\$ 427,302</u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND PROGRAMS

FOR THE EIGHTEEN MONTHS ENDED DECEMBER 31, 2024

	Great Oaks	Affordable Housing Development Corporations	NNRHA- managed Component Units	Total	Eliminations	Proprietary Fund
OPERATING REVENUES:						
Rental and tenant income	\$ 561,598	\$ -	\$ -	\$ 4,202,193	\$ -	\$ 4,202,193
Intergovernmental - operating grants	1,240,928	-	-	99,128,436	-	99,128,436
Fee revenue	-	-	-	4,268,591	(3,792,837)	475,754
Other income	20	-	-	950,777	(165,968)	784,809
Total operating revenues	<u>1,802,546</u>	<u>-</u>	<u>-</u>	<u>108,549,997</u>	<u>(3,958,805)</u>	<u>104,591,192</u>
OPERATING EXPENSES:						
Administration	291,672	-	-	13,317,655	(3,947,674)	9,369,981
Tenant services	2,099	-	-	2,188,875	-	2,188,875
Utilities	267,123	-	-	3,711,979	-	3,711,979
Ordinary maintenance	327,789	-	-	4,522,410	(11,131)	4,511,279
Protective services	-	-	-	134,291	-	134,291
Insurance expense	112,662	-	-	922,764	-	922,764
General expenses	123,647	-	-	4,644,422	-	4,644,422
Nonroutine maintenance	-	-	-	94,725	-	94,725
Housing assistance payments	28,501	-	-	43,688,781	-	43,688,781
Depreciation and amortization	245,648	-	-	3,244,822	-	3,244,822
Total operating expenses	<u>1,399,141</u>	<u>-</u>	<u>-</u>	<u>76,470,724</u>	<u>(3,958,805)</u>	<u>72,511,919</u>
OPERATING INCOME / (LOSS)	<u>403,405</u>	<u>-</u>	<u>-</u>	<u>32,079,273</u>	<u>-</u>	<u>32,079,273</u>
NONOPERATING REVENUES / (EXPENSES):						
Interest and investment revenue	77,454	10,778	-	3,105,891	(163,784)	2,942,107
Interest expense	(246,088)	-	-	(383,071)	163,784	(219,287)
Developer fees earned	-	-	-	2,832,034	-	2,832,034
Loan forgiveness	-	-	-	(102,308)	-	(102,308)
Gain or loss on sale or disposition of capital or other assets	-	-	-	1,771,087	-	1,771,087
Total nonoperating revenues / (expenses)	<u>(168,634)</u>	<u>10,778</u>	<u>-</u>	<u>7,223,633</u>	<u>-</u>	<u>7,223,633</u>
INCOME / (LOSS) BEFORE CONTRIBUTIONS, TRANSFERS AND ADJUSTMENTS	<u>234,771</u>	<u>10,778</u>	<u>-</u>	<u>39,302,906</u>	<u>-</u>	<u>39,302,906</u>
Transfers from /to other programs	-	-	-	-	-	-
Transfers from / (to) component units	-	-	-	(2,425)	-	(2,425)
HUD Capital contributions	-	-	-	1,473,213	-	1,473,213
CHANGE IN NET POSITION	<u>234,771</u>	<u>10,778</u>	<u>-</u>	<u>40,773,694</u>	<u>-</u>	<u>40,773,694</u>
TOTAL NET POSITION as restated - July 1, 2023	2,303,121	375,660	16,759,244	125,994,767	(100,000)	125,894,767
Change from blended to discrete component unit	-	-	(16,759,244)	(16,759,244)	-	(16,759,244)
TOTAL NET POSITION - December 31, 2024	<u>\$ 2,537,892</u>	<u>\$ 386,438</u>	<u>\$ -</u>	<u>\$ 150,009,217</u>	<u>\$ (100,000)</u>	<u>\$ 149,909,217</u>

(106)

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

COMBINING SCHEDULE OF CASH FLOWS
PROPRIETARY FUND PROGRAMS

FOR THE EIGHTEEN MONTHS ENDED DECEMBER 31, 2024

	Public Housing Program	Rental Assistance Program	Central Office Cost Center Program	Community Development Program	HOME Investment Partnerships Program	Resident Self Sufficiency Programs	Transition Center Program
Cash flows from operating activities:							
Cash received from tenants/others	\$ 3,093,297	\$ 7,995	\$ -	\$ -	\$ -	\$ -	\$ 68,163
Cash received for fees/services/donations	-	13,300	404,510	382,536	-	-	-
Cash operating grants received (net)	12,037,967	47,604,875	-	2,661,179	1,531,406	484,568	100,205
Cash transfers from (to) other funds and entities	(2,289,343)	(1,119,177)	2,797,914	(479,289)	(30,636)	(88,854)	(18,521)
Cash payments for goods, services, rental subsidies	(6,791,320)	(43,537,160)	(919,441)	(2,062,490)	(182,370)	(14,363)	(79,699)
Cash payments to/for employees and benefits	(2,735,991)	(1,523,867)	(3,888,952)	(255,955)	(80,207)	(381,351)	(28,839)
Cash payments for or in lieu of property taxes	(103,630)	-	-	-	-	-	-
Net cash provided (used) by operating activities	<u>3,210,980</u>	<u>1,445,966</u>	<u>(1,605,969)</u>	<u>245,981</u>	<u>1,238,193</u>	<u>-</u>	<u>41,309</u>
Cash flows from capital and related financing activities:							
Purchase of equipment/capital assets	(1,629,179)	(126,232)	(79,023)	-	(31)	-	(16,010)
Transfers from/to other funds for capital activities	-	-	(2,739)	(156,929)	-	-	-
Contributions received for capital outlays	1,513,470	-	-	-	-	-	-
Principal payments on capital debt	(45,351)	(49,308)	(76,892)	-	(1,766)	-	(565)
Interest payments	-	-	-	-	-	-	-
Net cash (used) by capital and related financing activities	<u>(161,060)</u>	<u>(175,540)</u>	<u>(158,654)</u>	<u>(156,929)</u>	<u>(1,797)</u>	<u>-</u>	<u>(16,575)</u>
Cash flows from noncapital financing activities:							
Loans made to borrowers	(4,619,039)	-	-	(306,865)	(1,299,522)	-	-
Receipt of interest on notes and loans	-	-	900,000	15,653	11,321	-	-
Loan payments received	-	-	-	238,504	168,116	-	-
Net cash provided / (used) by noncapital financing activities	<u>(4,619,039)</u>	<u>-</u>	<u>900,000</u>	<u>(52,708)</u>	<u>(1,120,085)</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:							
Receipts of interest and dividends	3,543	55,018	-	14,070	30,533	-	5,434
(Deposits) to/ (withdrawals) from reserve accounts	-	-	-	-	-	-	-
Net cash provided (used) by investing activities	<u>3,543</u>	<u>55,018</u>	<u>-</u>	<u>14,070</u>	<u>30,533</u>	<u>-</u>	<u>5,434</u>
Net increase (decrease) in cash	(1,565,576)	1,325,444	(864,623)	50,414	146,844	-	30,168
Cash and equivalents at July 1, 2023	7,295,885	3,413,087	1,576,124	793,730	2,050,894	-	320,017
Change from blended to discrete component unit and addition of new blended component unit	-	-	-	-	-	-	-
Cash and equivalents at December 31, 2024	<u>\$ 5,730,309</u>	<u>\$ 4,738,531</u>	<u>\$ 711,501</u>	<u>\$ 844,144</u>	<u>\$ 2,197,738</u>	<u>\$ -</u>	<u>\$ 350,185</u>
Reconciliation to statement of net position:							
Cash and equivalents - unrestricted	\$ 5,447,878	\$ 4,180,897	\$ 711,501	\$ 844,144	\$ -	\$ -	\$ 349,528
Cash and equivalents - restricted	282,431	557,634	-	-	2,197,738	-	657
	<u>\$ 5,730,309</u>	<u>\$ 4,738,531</u>	<u>\$ 711,501</u>	<u>\$ 844,144</u>	<u>\$ 2,197,738</u>	<u>\$ -</u>	<u>\$ 350,185</u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

COMBINING SCHEDULE OF CASH FLOWS
PROPRIETARY FUND PROGRAMS

FOR THE EIGHTEEN MONTHS ENDED DECEMBER 31, 2024

	Public Housing Program	Rental Assistance Program	Central Office Cost Center Program	Community Development Program	HOME Investment Partnerships Program	Resident Self Sufficiency Programs	Transition Center Program
Noncash Activities:							
Capital assets are recorded on the accrual basis of accounting where the transaction is recorded when obligations are incurred. Accordingly, the financial statements can reflect acquisitions of capital assets that do not involve cash outlays. Information related to such non-cash capital asset transactions are as follows:							
Capital assets acquired as of December 31, 2024 but not paid for until 2025	\$ (10,486)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
HUD capital contributions recorded as of year-end but not received until subsequent period	4,829	-	-	-	-	-	-
Right of use assets acquired as of December 31, 2024	131,371	142,835	222,740	-	5,115	-	1,636
SBITA liabilities incurred as of December 31, 2024	(131,371)	(142,835)	(222,740)	-	(5,115)	-	(1,636)
Accounts and notes receivable	(4,829)	-	-	-	-	-	-
Accounts payable and liabilities	10,486	-	-	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of operating income to net cash provided by operating activities:							
Operating income (loss)	\$ 1,711,388	\$ 1,169,600	\$ (323,409)	\$ (68,105)	\$ 988,694	\$ -	\$ 35,816
Adjustments to reconcile operating income to net cash provided by operating activities:							
Depreciation	2,325,086	45,074	73,920	1,390	965	-	13,071
Operating transfers	(604,940)	-	-	-	-	-	-
Operating expenses paid from non-cash assets	-	-	182	-	-	-	-
Change in assets and liabilities:							
Decrease / (Increase) in accounts receivable	(123,510)	(865,545)	145,407	4,278	53,075	91,200	(1,298)
Decrease / (Increase) in due from other funds/programs	-	-	(1,305,499)	30,571	80	-	-
Decrease / (Increase) in notes and mortgages receivable	-	-	-	124,424	182,805	-	-
Decrease / (Increase) in prepaid expenses	(206,158)	(10,674)	(24,580)	-	(504)	-	(1,128)
Increase / (Decrease) in deferred outflows of resources	-	-	(28,959)	-	-	-	-
Increase / (Decrease) in accounts payable	(13,946)	1,050,265	57,621	115,088	85	(285)	491
Decrease / (Increase) in due to other funds/programs	38,638	(115,089)	(31,271)	65,632	20,284	(88,854)	(2,875)
Increase / (Decrease) in accrued liabilities	62,720	26,021	59,250	5,878	1,338	(2,061)	646
Increase / (Decrease) in compensated absences	2,860	(6,671)	(87,617)	(1,904)	(2,163)	-	134
Increase / (Decrease) in trust, deposit, and escrow liabilities	44,465	126,937	-	-	-	-	(3,368)
Increase / (Decrease) in unearned revenues	(25,623)	26,048	14,312	(31,271)	(6,466)	-	(180)
Increase / (Decrease) in OPEB liabilities or asset	-	-	(297,032)	-	-	-	-
Increase / (Decrease) in deferred inflows of resources	-	-	141,706	-	-	-	-
	<u>\$ 3,210,980</u>	<u>\$ 1,445,966</u>	<u>\$ (1,605,969)</u>	<u>\$ 245,981</u>	<u>\$ 1,238,193</u>	<u>\$ -</u>	<u>\$ 41,309</u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

COMBINING SCHEDULE OF CASH FLOWS
PROPRIETARY FUND PROGRAMS

FOR THE EIGHTEEN MONTHS ENDED DECEMBER 31, 2024

	State & Local Activities Program	Choice Neighborhoods Grant Program	Business Activities Program	Orcutt Senior Housing / Ashe Manor	Orcutt Townhomes	Lofts on Jefferson
Cash flows from operating activities:						
Cash received from tenants/others	\$ -	\$ -	\$ -	\$ 299,304	\$ 5,968	\$ 127,002
Cash received for fees/services/donations	-	-	214,686	613	2	-
Cash operating grants received (net)	5,030,772	9,465,583	14,023,256	-	-	-
Cash transfers from (to) other funds and entities	(3,482,270)	(175,740)	3,216,604	265,803	(29,745)	35,871
Cash payments for goods, services, rental subsidies	(161,162)	(1,044,245)	(1,269,115)	(472,549)	(124,864)	(84,363)
Cash payments to/for employees and benefits	(373,943)	(283,888)	(91,596)	(154,476)	(34,340)	(33,973)
Cash payments for or in lieu of property taxes	-	-	-	(4,911)	(73)	(21,072)
Net cash provided (used) by operating activities	<u>1,013,397</u>	<u>7,961,710</u>	<u>16,093,835</u>	<u>(66,216)</u>	<u>(183,052)</u>	<u>23,465</u>
Cash flows from capital and related financing activities:						
Purchase of equipment/capital assets	(113)	-	(12,657,127)	(129,935)	(2,425)	(5,448)
Transfers from/to other funds for capital activities	-	-	156,929	-	-	-
Contributions received for capital outlays	-	-	-	-	-	-
Principal payments on capital debt	(6,358)	-	-	-	-	(22,953)
Interest payments	-	-	-	-	-	(28,967)
Net cash (used) by capital and related financing activities	<u>(6,471)</u>	<u>-</u>	<u>(12,500,198)</u>	<u>(129,935)</u>	<u>(2,425)</u>	<u>(57,368)</u>
Cash flows from noncapital financing activities:						
Loans made to borrowers	(968,290)	(8,156,487)	(7,225,601)	-	-	-
Receipt of interest on notes and loans	-	-	-	-	-	-
Loan payments received	-	2,000,000	700	-	-	-
Net cash provided / (used) by noncapital financing activities	<u>(968,290)</u>	<u>(6,156,487)</u>	<u>(7,224,901)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:						
Receipts of interest and dividends	-	-	11,084	452	431	13
(Deposits) to/ (withdrawals) from reserve accounts	-	-	-	-	-	(10,146)
Net cash provided (used) by investing activities	<u>-</u>	<u>-</u>	<u>11,084</u>	<u>452</u>	<u>431</u>	<u>(10,133)</u>
Net increase (decrease) in cash	38,636	1,805,223	(3,620,180)	(195,699)	(185,046)	(44,036)
Cash and equivalents at July 1, 2023	525,000	-	9,505,209	725,219	778,624	104,462
Change from blended to discrete component unit and addition of new blended component unit	-	-	-	-	-	-
Cash and equivalents at December 31, 2024	<u>\$ 563,636</u>	<u>\$ 1,805,223</u>	<u>\$ 5,885,029</u>	<u>\$ 529,520</u>	<u>\$ 593,578</u>	<u>\$ 60,426</u>
Reconciliation to statement of net position:						
Cash and equivalents - unrestricted	\$ -	\$ -	\$ 5,262,365	\$ 291,829	\$ 588,058	\$ 54,289
Cash and equivalents - restricted	563,636	1,805,223	622,664	237,691	5,520	6,137
	<u>\$ 563,636</u>	<u>\$ 1,805,223</u>	<u>\$ 5,885,029</u>	<u>\$ 529,520</u>	<u>\$ 593,578</u>	<u>\$ 60,426</u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

COMBINING SCHEDULE OF CASH FLOWS
PROPRIETARY FUND PROGRAMS

FOR THE EIGHTEEN MONTHS ENDED DECEMBER 31, 2024

	State & Local Activities Program	Choice Neighborhoods Grant Program	Business Activities Program	Orcutt Senior Housing / Ashe Manor	Orcutt Townhomes	Lofts on Jefferson
Noncash Activities:						
Capital assets are recorded on the accrual basis of accounting where the transaction is recorded when obligations are incurred. Accordingly, the financial statements can reflect acquisitions of capital assets that do not involve cash outlays. Information related to such non-cash capital asset transactions are as follows:						
Capital assets acquired as of December 31, 2024 but not paid for until 2025	\$ -	\$ -	\$ (2,113,799)	\$ -	\$ -	\$ -
HUD capital contributions recorded as of year-end but not received until subsequent period	-	-	-	-	-	-
Right of use assets acquired as of December 31, 2024	18,418	-	-	-	-	1,943
SBITA liabilities incurred as of December 31, 2024	(18,418)	-	-	-	-	(1,943)
Accounts and notes receivable	-	-	-	-	-	-
Accounts payable and liabilities	-	-	2,113,799	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Reconciliation of operating income to net cash provided
by operating activities:

Operating income (loss)	\$4,304,215	\$ 8,455,702	\$ 16,480,561	\$ (763,329)	\$ (210,272)	\$ (104,993)
Adjustments to reconcile operating income to net cash provided by operating activities:						
Depreciation	3,474	-	78,665	319,013	48,643	89,873
Operating transfers	(3,305,310)	-	3,305,310	531,141	73,799	-
Operating expenses paid from non-cash assets	-	-	-	-	-	-
Change in assets and liabilities:						
Decrease / (Increase) in accounts receivable	16,873	(1,579,899)	(381,690)	15,319	6,798	(7,897)
Decrease / (Increase) in due from other funds/programs	5,899	-	(137,406)	-	-	-
Decrease / (Increase) in notes and mortgages receivable	-	-	2,957	-	-	-
Decrease / (Increase) in prepaid expenses	(1,674)	(1,856)	(1,007)	(15,457)	17,414	(476)
Increase / (Decrease) in deferred outflows of resources	-	-	-	-	-	-
Increase / (Decrease) in accounts payable	(79,450)	1,235,810	(183,453)	24,797	(8,371)	2,440
Decrease / (Increase) in due to other funds/programs	(27,760)	(161,990)	79,674	(180,801)	(99,240)	46,169
Increase / (Decrease) in accrued liabilities	5,557	8,215	1,388	2,870	(875)	671
Increase / (Decrease) in compensated absences	1,070	5,728	5,476	1,407	(2,529)	251
Increase / (Decrease) in trust, deposit, and escrow liabilities	-	-	-	(467)	(4,416)	(1,935)
Increase / (Decrease) in unearned revenues	90,503	-	(3,156,640)	(709)	(4,003)	(638)
Increase / (Decrease) in OPEB liabilities or asset	-	-	-	-	-	-
Increase / (Decrease) in deferred inflows of resources	-	-	-	-	-	-
	<u>\$1,013,397</u>	<u>\$ 7,961,710</u>	<u>\$ 16,093,835</u>	<u>\$ (66,216)</u>	<u>\$ (183,052)</u>	<u>\$ 23,465</u>

(110)

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

COMBINING SCHEDULE OF CASH FLOWS
PROPRIETARY FUND PROGRAMS

FOR THE EIGHTEEN MONTHS ENDED DECEMBER 31, 2024

	Great Oaks	Affordable Housing Development Corporations	NNRHA- managed Component Units	Total	Eliminations	Proprietary Fund
Cash flows from operating activities:						
Cash received from tenants/others	\$ 555,385	\$ -	\$ -	\$ 4,157,114	\$ (35,413)	\$ 4,121,701
Cash received for fees/services/donations	20	-	-	1,015,667	(71,652)	944,015
Cash operating grants received (net)	1,235,448	-	-	94,175,259	-	94,175,259
Cash transfers from (to) other funds and entities	(276,906)	-	-	(1,674,289)	-	(1,674,289)
Cash payments for goods, services, rental subsidies	(669,093)	-	-	(57,412,234)	107,065	(57,305,169)
Cash payments to/for employees and benefits	(265,671)	-	-	(10,133,049)	-	(10,133,049)
Cash payments for or in lieu of property taxes	(92,506)	-	-	(222,192)	-	(222,192)
Net cash provided (used) by operating activities	<u>486,677</u>	<u>-</u>	<u>-</u>	<u>29,906,276</u>	<u>-</u>	<u>29,906,276</u>
Cash flows from capital and related financing activities:						
Purchase of equipment/capital assets	-	-	-	(14,645,523)	-	(14,645,523)
Transfers from/to other funds for capital activities	-	-	-	(2,739)	-	(2,739)
Contributions received for capital outlays	-	-	-	1,513,470	-	1,513,470
Principal payments on capital debt	(115,523)	-	-	(318,716)	-	(318,716)
Interest payments	(1,031,301)	-	-	(1,060,268)	-	(1,060,268)
Net cash (used) by capital and related financing activities	<u>(1,146,824)</u>	<u>-</u>	<u>-</u>	<u>(14,513,776)</u>	<u>-</u>	<u>(14,513,776)</u>
Cash flows from noncapital financing activities:						
Loans made to borrowers	-	-	-	(22,575,804)	-	(22,575,804)
Receipt of interest on notes and loans	-	-	-	926,974	-	926,974
Loan payments received	-	-	-	2,407,320	-	2,407,320
Net cash provided / (used) by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(19,241,510)</u>	<u>-</u>	<u>(19,241,510)</u>
Cash flows from investing activities:						
Receipts of interest and dividends	77,455	-	-	198,033	-	198,033
(Deposits) to/ (withdrawals) from reserve accounts	(83,809)	-	-	(93,955)	-	(93,955)
Net cash provided (used) by investing activities	<u>(6,354)</u>	<u>-</u>	<u>-</u>	<u>104,078</u>	<u>-</u>	<u>104,078</u>
Net increase (decrease) in cash	(666,501)	-	-	(3,744,932)	-	(3,744,932)
Cash and equivalents at July 1, 2023	-	-	3,102,279	30,190,530	-	30,190,530
Change from blended to discrete component unit and addition of new blended component unit	2,208,429	-	(3,102,279)	(893,850)	-	(893,850)
Cash and equivalents at December 31, 2024	<u>\$ 1,541,928</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,551,748</u>	<u>\$ -</u>	<u>\$ 25,551,748</u>
Reconciliation to statement of net position:						
Cash and equivalents - unrestricted	\$ 1,185,300	\$ -	\$ -	\$ 18,915,789	\$ -	\$ 18,915,789
Cash and equivalents - restricted	356,628	-	-	6,635,959	-	6,635,959
	<u>\$ 1,541,928</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,551,748</u>	<u>\$ -</u>	<u>\$ 25,551,748</u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

COMBINING SCHEDULE OF CASH FLOWS
PROPRIETARY FUND PROGRAMS

FOR THE EIGHTEEN MONTHS ENDED DECEMBER 31, 2024

	Great Oaks	Affordable Housing Development Corporations	NNRHA- managed Component Units	Total	Eliminations	Proprietary Fund
Noncash Activities:						
Capital assets are recorded on the accrual basis of accounting where the transaction is recorded when obligations are incurred. Accordingly, the financial statements can reflect acquisitions of capital assets that do not involve cash outlays. Information related to such non-cash capital asset transactions are as follows:						
Capital assets acquired as of December 31, 2024 but not paid for until 2025	\$ -	\$ -	\$ -	\$ (2,124,285)	\$ -	\$ (2,124,285)
HUD capital contributions recorded as of year-end but not received until subsequent period	-	-	-	4,829	-	4,829
Right of use assets acquired as of December 31, 2024	-	-	-	524,058	-	524,058
SBITA liabilities incurred as of December 31, 2024	-	-	-	(524,058)	-	(524,058)
Accounts and notes receivable	-	-	-	(4,829)	-	(4,829)
Accounts payable and liabilities	-	-	-	2,124,285	-	2,124,285
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of operating income to net cash provided by operating activities:						
Operating income (loss)	\$ 403,405	\$ -	\$ -	\$ 32,079,273	\$ -	32,079,273
Adjustments to reconcile operating income to net cash provided by operating activities:						
Depreciation	245,648	-	-	3,244,822	-	3,244,822
Operating transfers	-	-	-	-	-	-
Operating expenses paid from non-cash assets	-	-	-	182	-	182
Change in assets and liabilities:						
Decrease / (Increase) in accounts receivable	268	-	-	(2,626,621)	-	(2,626,621)
Decrease / (Increase) in due from other funds/programs	-	-	-	(1,406,355)	1,406,355	-
Decrease / (Increase) in notes and mortgages receivable	-	-	-	310,186	-	310,186
Decrease / (Increase) in prepaid expenses	(6,142)	-	-	(252,242)	3,841	(248,401)
Increase / (Decrease) in deferred outflows of resources	-	-	-	(28,959)	-	(28,959)
Increase / (Decrease) in accounts payable	(2,643)	-	-	2,198,449	-	2,198,449
Decrease / (Increase) in due to other funds/programs	(151,153)	-	-	(608,636)	(1,406,355)	(2,014,991)
Increase / (Decrease) in accrued liabilities	2,402	-	-	174,020	-	174,020
Increase / (Decrease) in compensated absences	1,541	-	-	(82,417)	-	(82,417)
Increase / (Decrease) in trust, deposit, and escrow liabilities	(4,208)	-	-	157,008	-	157,008
Increase / (Decrease) in unearned revenues	(2,441)	-	-	(3,097,108)	(3,841)	(3,100,949)
Increase / (Decrease) in OPEB liabilities or asset	-	-	-	(297,032)	-	(297,032)
Increase / (Decrease) in deferred inflows of resources	-	-	-	141,706	-	141,706
	<u>\$ 486,677</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,906,276</u>	<u>\$ -</u>	<u>\$ 29,906,276</u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

COMBINING SCHEDULE OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS

DECEMBER 31, 2024

	Orcutt Townhomes III	Oyster Point- Brighton	Cypress Terrace	Lassiter Courts	Spratley House	Orcutt TH 40, LLC	Lower Jefferson Avenue, LLC
<u>ASSETS</u>							
Current assets:							
Cash and equivalents- unrestricted	\$ 81,464	\$ 262,253	\$ 210,744	\$ 254,662	\$ 69,969	\$ 630,755	\$ 111,093
Cash and equivalents - restricted	531,508	599,981	256,125	313,005	14,017	-	142,102
Accounts receivable (net of allowance)	36,956	362,710	225,706	361,617	12,976	223,706	27,846
Investments - restricted	-	531,490	212,955	150,213	52,380	-	127,697
Prepaid expenses	11,342	74,031	30,996	26,149	16,981	24,903	14,484
Total current assets	<u>661,270</u>	<u>1,830,465</u>	<u>936,526</u>	<u>1,105,646</u>	<u>166,323</u>	<u>879,364</u>	<u>423,222</u>
Noncurrent assets:							
Nondepreciable capital assets	37,800	2,800,000	1,190,000	15,616	800,000	800,000	252,300
Depreciable/amortizable capital assets (net)	3,041,441	13,400,737	6,700,743	10,595,593	6,445,188	10,826,584	5,507,944
Other noncurrent assets	-	-	-	-	25,496	42,837	-
Total noncurrent assets	<u>3,079,241</u>	<u>16,200,737</u>	<u>7,890,743</u>	<u>10,611,209</u>	<u>7,270,684</u>	<u>11,669,421</u>	<u>5,760,244</u>
TOTAL ASSETS	<u>3,740,511</u>	<u>18,031,202</u>	<u>8,827,269</u>	<u>11,716,855</u>	<u>7,437,007</u>	<u>12,548,785</u>	<u>6,183,466</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>							
Deferred outflows related to OPEB plan	-	-	-	-	-	-	-

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

COMBINING SCHEDULE OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS

DECEMBER 31, 2024

	Orcutt Townhomes III	Oyster Point- Brighton	Cypress Terrace	Lassiter Courts	Spratley House	Orcutt TH 40, LLC	Lower Jefferson Avenue, LLC
<u>LIABILITIES</u>							
Current liabilities:							
Accounts payable and accrued expenses	\$ 45,208	\$ 82,649	\$ 37,477	\$ 19,164	\$ 24,779	\$ 185,955	\$ 25,935
Due to component units/primary government	108,420	1,257,531	983,336	72,328	54,436	390,479	1,232,723
Accrued salaries	1,871	6,347	836	6,254	3,192	2,573	2,532
Accrued interest payable	-	5,836	2,861	3,940	936	18,622	1,979
Unearned revenues	3,623	96,464	10,828	21,941	739	-	4,199
Security deposit liabilities	4,839	37,152	15,780	22,903	14,017	-	36,694
Current portion of long-term liabilities	-	82,564	50,583	46,234	45,267	3,530,678	77,635
Total current liabilities	<u>163,961</u>	<u>1,568,543</u>	<u>1,101,701</u>	<u>192,764</u>	<u>143,366</u>	<u>4,128,307</u>	<u>1,381,697</u>
Long-term liabilities							
Compensated absences	1,698	2,379	399	12,134	2,865	2,334	5,477
Notes and mortgages payable	2,924,073	10,254,074	5,581,916	5,642,013	4,893,397	6,900,000	907,416
Developer fee payable	-	631,115	86,919	614,000	700,000	1,500,000	19,190
Accrued interest payable	-	1,139,938	506,618	59,791	114,962	196,243	20,250
Total long-term liabilities	<u>2,925,771</u>	<u>12,027,506</u>	<u>6,175,852</u>	<u>6,327,938</u>	<u>5,711,224</u>	<u>8,598,577</u>	<u>952,333</u>
TOTAL LIABILITIES	<u>3,089,732</u>	<u>13,596,049</u>	<u>7,277,553</u>	<u>6,520,702</u>	<u>5,854,590</u>	<u>12,726,884</u>	<u>2,334,030</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>							
Deferred inflows related to OPEB	-	-	-	-	-	-	-
<u>NET POSITION</u>							
Net investment in capital assets	155,168	5,864,099	2,258,244	4,922,962	2,306,524	1,185,323	4,775,193
Restricted for reserves and escrows	526,669	1,094,319	453,300	440,315	52,380	-	233,105
Unrestricted (deficit)	(31,058)	(2,523,265)	(1,161,828)	(167,124)	(776,487)	(1,363,422)	(1,158,862)
TOTAL NET POSITION	<u>\$ 650,779</u>	<u>\$ 4,435,153</u>	<u>\$ 1,549,716</u>	<u>\$ 5,196,153</u>	<u>\$ 1,582,417</u>	<u>\$ (178,099)</u>	<u>\$ 3,849,436</u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

COMBINING SCHEDULE OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS

DECEMBER 31, 2024

	Choice Neighborhood I, LLC	Choice Neighborhood II, LLC	Carrier Point Commercial Partners, LLC	Choice Neighborhood Commercial Partners, LLC	Choice Neighborhood III, LLC	Choice Neighborhood IV, LLC	Discrete Component Units
<u>ASSETS</u>							
Current assets:							
Cash and equivalents- unrestricted	\$ 306,385	\$ 106,356	\$ -	\$ -	\$ 202,920	\$ 678,415	\$ 2,915,016
Cash and equivalents - restricted	284,033	240,584	-	-	-	-	2,381,355
Accounts receivable (net of allowance)	25,341	15,899	-	-	(300)	5,794	1,298,251
Investments - restricted	36,778	85,477	-	-	-	181,350	1,378,340
Prepaid expenses	16,565	10,673	-	-	-	-	226,124
Total current assets	<u>669,102</u>	<u>458,989</u>	<u>-</u>	<u>-</u>	<u>202,620</u>	<u>865,559</u>	<u>8,199,086</u>
Noncurrent assets:							
Nondepreciable capital assets	147,623	118,455	1,142,954	494,073	27,726,723	27,271,504	62,797,048
Depreciable/amortizable capital assets (net)	12,794,110	10,730,187	-	-	-	-	80,042,527
Other noncurrent assets	53,155	48,012	-	-	-	-	169,500
Total noncurrent assets	<u>12,994,888</u>	<u>10,896,654</u>	<u>1,142,954</u>	<u>494,073</u>	<u>27,726,723</u>	<u>27,271,504</u>	<u>143,009,075</u>
TOTAL ASSETS	<u>13,663,990</u>	<u>11,355,643</u>	<u>1,142,954</u>	<u>494,073</u>	<u>27,929,343</u>	<u>28,137,063</u>	<u>151,208,161</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>							
Deferred outflows related to OPEB plan	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

COMBINING SCHEDULE OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS

DECEMBER 31, 2024

	Choice Neighborhood I, LLC	Choice Neighborhood II, LLC	Carrier Point Commercial Partners, LLC	Choice Neighborhood Commercial Partners, LLC	Choice Neighborhood III, LLC	Choice Neighborhood IV, LLC	Discrete Component Units
LIABILITIES							
Current liabilities:							
Accounts payable and accrued expenses	\$ 65,166	\$ 35,937	\$ 37,409	\$ -	\$ 1,361,483	\$ 3,898,251	\$ 5,819,413
Due to component units/primary government	-	-	-	-	-	-	4,099,253
Accrued salaries	-	-	-	-	-	-	23,605
Accrued interest payable	8,890	8,642	-	-	-	-	51,706
Unearned revenues	1,329	5,045	-	-	-	-	144,168
Security deposit liabilities	35,178	26,226	-	-	-	-	192,789
Current portion of long-term liabilities	36,506	14,937	-	-	9,935,970	-	13,820,374
Total current liabilities	<u>147,069</u>	<u>90,787</u>	<u>37,409</u>	<u>-</u>	<u>11,297,453</u>	<u>3,898,251</u>	<u>24,151,308</u>
Long-term liabilities							
Compensated absences	-	-	-	-	-	-	27,286
Notes and mortgages payable	7,342,473	8,270,525	903,953	494,073	14,945,913	22,687,912	91,747,738
Developer fee payable	338,475	451,861	-	-	-	-	4,341,560
Accrued interest payable	468,927	98,189	-	-	139,799	109,420	2,854,137
Total long-term liabilities	<u>8,149,875</u>	<u>8,820,575</u>	<u>903,953</u>	<u>494,073</u>	<u>15,085,712</u>	<u>22,797,332</u>	<u>98,970,721</u>
TOTAL LIABILITIES	<u>8,296,944</u>	<u>8,911,362</u>	<u>941,362</u>	<u>494,073</u>	<u>26,383,165</u>	<u>26,695,583</u>	<u>123,122,029</u>
DEFERRED INFLOWS OF RESOURCES							
Deferred inflows related to OPEB	-	-	-	-	-	-	-
NET POSITION							
Net investment in capital assets	5,562,754	2,563,180	217,498	-	2,844,840	4,569,754	37,225,539
Restricted for reserves and escrows	285,633	299,835	-	-	-	181,350	3,566,906
Unrestricted (deficit)	(481,341)	(418,734)	(15,906)	-	(1,298,662)	(3,309,624)	(12,706,313)
TOTAL NET POSITION	<u>\$ 5,367,046</u>	<u>\$ 2,444,281</u>	<u>\$ 201,592</u>	<u>\$ -</u>	<u>\$ 1,546,178</u>	<u>\$ 1,441,480</u>	<u>\$ 28,086,132</u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS

FOR THE EIGHTEEN MONTHS ENDED DECEMBER 31, 2024

	Orcutt Townhomes III	Oyster Point- Brighton	Cypress Terrace	Lassiter Courts	Spratley House	Orcutt TH 40, LLC	Lower Jefferson Avenue, LLC
OPERATING REVENUES:							
Rental and tenant income	\$ 143,417	\$ 717,442	\$ 336,084	\$ 448,080	\$ 276,424	\$ -	\$ 872,738
Intergovernmental - operating grants	121,712	1,286,849	602,060	681,602	334,986	214,000	-
Other income	-	395	3,517	462	579	-	250
Total operating revenues	<u>265,129</u>	<u>2,004,686</u>	<u>941,661</u>	<u>1,130,144</u>	<u>611,989</u>	<u>214,000</u>	<u>872,988</u>
OPERATING EXPENSES:							
Administration	82,383	471,941	126,340	275,248	152,735	66,095	166,286
Tenant services	622	15,654	2,417	1,889	1,355	260,627	2,149
Utilities	13,533	559,632	317,671	75,203	169,591	85,991	393,564
Ordinary maintenance	134,579	777,157	230,410	448,679	218,122	63,413	369,106
Protective services	-	37,800	13,052	12,117	-	-	-
Insurance expense	44,530	217,438	88,173	68,401	38,285	23,447	46,270
General expenses	48,430	316,205	138,953	108,556	39,467	347,795	150,736
Depreciation and amortization	268,640	911,292	467,600	581,081	392,934	244,295	449,882
Total operating expenses	<u>592,717</u>	<u>3,307,119</u>	<u>1,384,616</u>	<u>1,571,174</u>	<u>1,012,489</u>	<u>1,091,663</u>	<u>1,577,993</u>
OPERATING INCOME / (LOSS)	<u>(327,588)</u>	<u>(1,302,433)</u>	<u>(442,955)</u>	<u>(441,030)</u>	<u>(400,500)</u>	<u>(877,663)</u>	<u>(705,005)</u>
NONOPERATING REVENUES / (EXPENSES):							
Interest and investment revenue	447	34,940	14,236	10,082	3,785	116	11,825
Interest expense	-	(316,944)	(145,437)	(87,868)	(63,761)	(317,726)	(53,541)
Total nonoperating revenues / (expenses)	<u>447</u>	<u>(282,004)</u>	<u>(131,201)</u>	<u>(77,786)</u>	<u>(59,976)</u>	<u>(317,610)</u>	<u>(41,716)</u>
INCOME / (LOSS) BEFORE CONTRIBUTIONS, TRANSFERS AND ADJUSTMENTS							
	(327,141)	(1,584,437)	(574,156)	(518,816)	(460,476)	(1,195,273)	(746,721)
Transfers from / (to) component units	-	-	-	-	-	2,425	-
Tax credit and other proceeds	120,000	-	-	-	-	1,014,749	-
CHANGE IN NET POSITION	<u>(207,141)</u>	<u>(1,584,437)</u>	<u>(574,156)</u>	<u>(518,816)</u>	<u>(460,476)</u>	<u>(178,099)</u>	<u>(746,721)</u>
TOTAL NET POSITION - Beginning of year	-	-	-	-	-	-	4,596,157
Change from blended to discrete component unit	857,920	6,019,590	2,123,872	5,714,969	2,042,893	-	-
TOTAL NET POSITION - End of year	<u>\$ 650,779</u>	<u>\$ 4,435,153</u>	<u>\$ 1,549,716</u>	<u>\$ 5,196,153</u>	<u>\$ 1,582,417</u>	<u>\$ (178,099)</u>	<u>\$ 3,849,436</u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS

FOR THE EIGHTEEN MONTHS ENDED DECEMBER 31, 2024

	Choice Neighborhood I, LLC	Choice Neighborhood II, LLC	Carrier Point Commercial Partners, LLC	Choice Neighborhood Commercial Partners, LLC	Choice Neighborhood III, LLC	Choice Neighborhood IV, LLC	Discrete Component Units
OPERATING REVENUES:							
Rental and tenant income	\$ 987,062	\$ 912,216	\$ -	\$ -	\$ 12,560	\$ -	\$ 4,706,023
Intergovernmental - operating grants	-	-	-	-	-	-	3,241,209
Other income	-	305	202,854	-	24,850	14,700	247,912
Total operating revenues	<u>987,062</u>	<u>912,521</u>	<u>202,854</u>	<u>-</u>	<u>37,410</u>	<u>14,700</u>	<u>8,195,144</u>
OPERATING EXPENSES:							
Administration	465,266	356,696	1,030	-	105,916	56,682	2,326,618
Tenant services	211	147	-	-	9,778	-	294,849
Utilities	57,111	52,121	232	-	-	-	1,724,649
Ordinary maintenance	229,736	158,599	-	-	10,256	1,237	2,641,294
Protective services	991	-	-	-	-	-	63,960
Insurance expense	55,814	35,706	-	-	-	-	618,064
General expenses	523,698	702,938	-	-	550	-	2,377,328
Depreciation and amortization	730,960	607,055	-	-	-	-	4,653,739
Total operating expenses	<u>2,063,787</u>	<u>1,913,262</u>	<u>1,262</u>	<u>-</u>	<u>126,500</u>	<u>57,919</u>	<u>14,700,501</u>
OPERATING INCOME / (LOSS)	<u>(1,076,725)</u>	<u>(1,000,741)</u>	<u>201,592</u>	<u>-</u>	<u>(89,090)</u>	<u>(43,219)</u>	<u>(6,505,357)</u>
NONOPERATING REVENUES / (EXPENSES):							
Interest and investment revenue	479	7,600	-	-	67	119	83,696
Interest expense	(647,658)	(607,787)	-	-	(139,799)	(109,420)	(2,489,941)
Total nonoperating revenues / (expenses)	<u>(647,179)</u>	<u>(600,187)</u>	<u>-</u>	<u>-</u>	<u>(139,732)</u>	<u>(109,301)</u>	<u>(2,406,245)</u>
INCOME / (LOSS) BEFORE CONTRIBUTIONS, TRANSFERS AND ADJUSTMENTS							
	(1,723,904)	(1,600,928)	201,592	-	(228,822)	(152,520)	(8,911,602)
Transfers from / (to) component units	-	-	-	-	-	-	2,425
Tax credit and other proceeds	5,900,077	2,690,458	-	-	-	-	9,725,284
CHANGE IN NET POSITION	4,176,173	1,089,530	201,592	-	(228,822)	(152,520)	816,107
TOTAL NET POSITION - Beginning of year	1,190,873	1,354,751	-	-	1,775,000	1,594,000	10,510,781
Change from blended to discrete component unit	-	-	-	-	-	-	16,759,244
TOTAL NET POSITION - End of year	<u>\$ 5,367,046</u>	<u>\$ 2,444,281</u>	<u>\$ 201,592</u>	<u>\$ -</u>	<u>\$ 1,546,178</u>	<u>\$ 1,441,480</u>	<u>\$ 28,086,132</u>

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2024

	Project Total	14.EFA FSS Escrow Forfeiture Account	14.218 Community Development Block Grants/Entitlement Grants	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended
111 Cash - Unrestricted	\$5,447,879		\$844,144	\$2,915,015	\$2,119,475
112 Cash - Restricted - Modernization and Development					
113 Cash - Other Restricted	\$228,289	\$112,711		\$2,188,566	\$558,082
114 Cash - Tenant Security Deposits	\$54,142			\$192,789	\$47,894
115 Cash - Restricted for Payment of Current Liabilities					
100 Total Cash	\$5,730,310	\$112,711	\$844,144	\$5,296,370	\$2,725,451
121 Accounts Receivable - PHA Projects					
122 Accounts Receivable - HUD Other Projects	\$15,790			\$993,044	\$3,731
124 Accounts Receivable - Other Government	\$506,050		\$9,370	\$59,719	
125 Accounts Receivable - Miscellaneous				\$11,510	
126 Accounts Receivable - Tenants	\$68,300			\$413,318	\$31,684
126.1 Allowance for Doubtful Accounts -Tenants	-\$24,769			-\$179,338	-\$18,310
126.2 Allowance for Doubtful Accounts - Other	\$0		\$0	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current					
128 Fraud Recovery					
128.1 Allowance for Doubtful Accounts - Fraud					
129 Accrued Interest Receivable					
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$565,371	\$0	\$9,370	\$1,298,253	\$17,105
131 Investments - Unrestricted	\$3,915,652				
132 Investments - Restricted				\$1,378,339	\$753,825
135 Investments - Restricted for Payment of Current Liability					
142 Prepaid Expenses and Other Assets	\$212,313			\$226,124	\$95,128
143 Inventories					

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2024

	Project Total	14.EFA FSS Escrow Forfeiture Account	14.218 Community Development Block Grants/Entitlement Grants	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended
143.1 Allowance for Obsolete Inventories					
144 Inter Program Due From			\$700		
145 Assets Held for Sale					
150 Total Current Assets	\$10,423,646	\$112,711	\$854,214	\$8,199,086	\$3,591,509
161 Land	\$1,755,995			\$6,161,794	\$1,263,963
162 Buildings	\$56,309,870			\$82,922,613	\$16,861,188
163 Furniture, Equipment & Machinery - Dwellings	\$652,936			\$674,650	\$23,549
164 Furniture, Equipment & Machinery - Administration	\$980,166		\$87,648	\$1,511,733	\$142,483
165 Leasehold Improvements	\$4,585,111			\$9,471,509	\$374,479
166 Accumulated Depreciation	-\$46,508,594		-\$85,795	-\$15,256,013	-\$8,939,571
167 Construction in Progress	\$75,163			\$56,635,256	\$30,330
168 Infrastructure					
160 Total Capital Assets, Net of Accumulated Depreciation	\$17,850,647	\$0	\$1,853	\$142,121,542	\$9,756,421
171 Notes, Loans and Mortgages Receivable - Non-Current	\$27,468,844		\$2,299,332		
172 Notes, Loans, & Mortgages Receivable - Non Current - Past					
173 Grants Receivable - Non Current					
174 Other Assets	\$2,039,330			\$169,500	\$386,438
176 Investments in Joint Ventures					
180 Total Non-Current Assets	\$47,358,821	\$0	\$2,301,185	\$142,291,042	\$10,142,859
200 Deferred Outflow of Resources					
290 Total Assets and Deferred Outflow of Resources	\$57,782,467	\$112,711	\$3,155,399	\$150,490,128	\$13,734,368

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2024

	Project Total	14.EFA FSS Escrow Forfeiture Account	14.218 Community Development Block Grants/Entitlement Grants	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended
311 Bank Overdraft					
312 Accounts Payable <= 90 Days	\$93,754		\$156,929	\$349,938	\$42,502
313 Accounts Payable >90 Days Past Due					
321 Accrued Wage/Payroll Taxes Payable	\$78,944		\$7,601	\$23,605	\$14,450
322 Accrued Compensated Absences - Current Portion					
324 Accrued Contingency Liability					
325 Accrued Interest Payable	\$4,177			\$51,706	\$12,309
331 Accounts Payable - HUD PHA Programs					
332 Account Payable - PHA Projects					
333 Accounts Payable - Other Government	\$75,870			\$47,936	\$45,007
341 Tenant Security Deposits	\$54,142			\$192,789	\$47,894
342 Unearned Revenue	\$20,505			\$144,170	\$9,276
343 Current Portion of Long-term Debt - Capital	\$40,522			\$13,866,299	\$138,311
344 Current Portion of Long-term Debt - Operating Borrowings					
345 Other Current Liabilities	\$10,486		\$1,830	\$5,260,491	
346 Accrued Liabilities - Other	\$184,885			\$115,122	\$34,053
347 Inter Program - Due To	\$164,787		\$65,712	\$4,099,253	\$379,516
348 Loan Liability - Current					
310 Total Current Liabilities	\$728,072	\$0	\$232,072	\$24,151,309	\$723,318
351 Long-term Debt, Net of Current - Capital Projects/Mortgage	\$45,499			\$91,747,737	\$8,503,372
352 Long-term Debt, Net of Current - Operating Borrowings					
353 Non-current Liabilities - Other	\$92,934			\$6,477,662	\$1,947,883
354 Accrued Compensated Absences - Non Current	\$71,105		\$6,934	\$27,287	\$31,095
355 Loan Liability - Non Current					
356 FASB 5 Liabilities					

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2024

	Project Total	14.EFA FSS Escrow Forfeiture Account	14.218 Community Development Block Grants/Entitlement Grants	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended
357 Accrued Pension and OPEB Liabilities					
350 Total Non-Current Liabilities	\$209,538	\$0	\$6,934	\$98,252,686	\$10,482,350
300 Total Liabilities	\$937,610	\$0	\$239,006	\$122,403,995	\$11,205,668
400 Deferred Inflow of Resources					
508.3 Nonspendable Fund Balance					
508.4 Net Investment in Capital Assets	\$17,764,626		\$1,853	\$36,507,506	\$1,114,738
509.3 Restricted Fund Balance					
510.3 Committed Fund Balance					
511.3 Assigned Fund Balance					
511.4 Restricted Net Position	\$135,356	\$112,711	\$2,914,540	\$3,566,906	\$1,306,386
512.3 Unassigned Fund Balance					
512.4 Unrestricted Net Position	\$38,944,875	\$0	\$0	-\$11,988,279	\$107,576
513 Total Equity - Net Assets / Position	\$56,844,857	\$112,711	\$2,916,393	\$28,086,133	\$2,528,700
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$57,782,467	\$112,711	\$3,155,399	\$150,490,128	\$13,734,368

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2024

	14.896 PIH Family Self-Sufficiency Program	14.182 N/C S/R Section 8 Programs	1 Business Activities	2 State/Local	14.267 Continuum of Care Program
111 Cash - Unrestricted		\$349,528	\$5,262,365		
112 Cash - Restricted - Modernization and Development					
113 Cash - Other Restricted			\$622,664	\$563,636	
114 Cash - Tenant Security Deposits		\$657			
115 Cash - Restricted for Payment of Current Liabilities					
100 Total Cash	\$0	\$350,185	\$5,885,029	\$563,636	\$0
121 Accounts Receivable - PHA Projects					
122 Accounts Receivable - HUD Other Projects	\$12,615				
124 Accounts Receivable - Other Government			\$2,152,801	\$105,557	
125 Accounts Receivable - Miscellaneous					
126 Accounts Receivable - Tenants		\$2,285			
126.1 Allowance for Doubtful Accounts -Tenants		-\$654			
126.2 Allowance for Doubtful Accounts - Other	\$0		\$0	\$0	
127 Notes, Loans, & Mortgages Receivable - Current					
128 Fraud Recovery					
128.1 Allowance for Doubtful Accounts - Fraud					
129 Accrued Interest Receivable					
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$12,615	\$1,631	\$2,152,801	\$105,557	\$0
131 Investments - Unrestricted		\$226,600	\$546,536		
132 Investments - Restricted					
135 Investments - Restricted for Payment of Current Liability					
142 Prepaid Expenses and Other Assets		\$1,535	\$3,771	\$1,674	
143 Inventories					
143.1 Allowance for Obsolete Inventories					

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2024

	14.896 PIH Family Self-Sufficiency Program	14.182 N/C S/R Section 8 Programs	1 Business Activities	2 State/Local	14.267 Continuum of Care Program
144 Inter Program Due From			\$137,406		
145 Assets Held for Sale					
150 Total Current Assets	\$12,615	\$579,951	\$8,725,543	\$670,867	\$0
161 Land		\$17,201	\$139,100		
162 Buildings		\$339,094	\$1,451,349		
163 Furniture, Equipment & Machinery - Dwellings		\$23,221	\$2,885		
164 Furniture, Equipment & Machinery - Administration		\$1,646	\$12,036	\$35,758	
165 Leasehold Improvements		\$66,658	\$196,992		
166 Accumulated Depreciation		-\$354,672	-\$994,076	-\$20,701	
167 Construction in Progress			\$20,079,714		
168 Infrastructure					
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$93,148	\$20,888,000	\$15,057	\$0
171 Notes, Loans and Mortgages Receivable - Non-Current			\$15,346,699	\$865,982	
172 Notes, Loans, & Mortgages Receivable - Non Current - Past					
173 Grants Receivable - Non Current					
174 Other Assets			\$3,701,584		
176 Investments in Joint Ventures					
180 Total Non-Current Assets	\$0	\$93,148	\$39,936,283	\$881,039	\$0
200 Deferred Outflow of Resources					
290 Total Assets and Deferred Outflow of Resources	\$12,615	\$673,099	\$48,661,826	\$1,551,906	\$0
311 Bank Overdraft					

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2024

	14.896 PIH Family Self-Sufficiency Program	14.182 N/C S/R Section 8 Programs	1 Business Activities	2 State/Local	14.267 Continuum of Care Program
312 Accounts Payable <= 90 Days		\$607	\$1,239,646	\$2,315	
313 Accounts Payable >90 Days Past Due					
321 Accrued Wage/Payroll Taxes Payable		\$831	\$2,294	\$8,515	
322 Accrued Compensated Absences - Current Portion					
324 Accrued Contingency Liability					
325 Accrued Interest Payable		\$52		\$586	
331 Accounts Payable - HUD PHA Programs					
332 Account Payable - PHA Projects					
333 Accounts Payable - Other Government					
341 Tenant Security Deposits		\$657			
342 Unearned Revenue		\$511	\$611,670	\$538,636	
343 Current Portion of Long-term Debt - Capital		\$505	\$907,650	\$5,681	
344 Current Portion of Long-term Debt - Operating Borrowings					
345 Other Current Liabilities					
346 Accrued Liabilities - Other		\$2,422			
347 Inter Program - Due To	\$12,615	\$5,128	\$152,995	\$92,714	
348 Loan Liability - Current					
310 Total Current Liabilities	\$12,615	\$10,713	\$2,914,255	\$648,447	\$0
351 Long-term Debt, Net of Current - Capital Projects/Mortgage		\$567		\$6,379	
352 Long-term Debt, Net of Current - Operating Borrowings					
353 Non-current Liabilities - Other					
354 Accrued Compensated Absences - Non Current		\$2,236	\$6,187	\$3,775	
355 Loan Liability - Non Current					
356 FASB 5 Liabilities					
357 Accrued Pension and OPEB Liabilities					

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2024

	14.896 PIH Family Self-Sufficiency Program	14.182 N/C S/R Section 8 Programs	1 Business Activities	2 State/Local	14.267 Continuum of Care Program
350 Total Non-Current Liabilities	\$0	\$2,803	\$6,187	\$10,154	\$0
300 Total Liabilities	\$12,615	\$13,516	\$2,920,442	\$658,601	\$0
400 Deferred Inflow of Resources					
508.3 Nonspendable Fund Balance					
508.4 Net Investment in Capital Assets		\$92,077	\$19,980,350	\$2,997	
509.3 Restricted Fund Balance					
510.3 Committed Fund Balance					
511.3 Assigned Fund Balance					
511.4 Restricted Net Position				\$865,982	
512.3 Unassigned Fund Balance					
512.4 Unrestricted Net Position	\$0	\$567,506	\$25,761,034	\$24,326	\$0
513 Total Equity - Net Assets / Position	\$0	\$659,583	\$45,741,384	\$893,305	\$0
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$12,615	\$673,099	\$48,661,826	\$1,551,906	\$0

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2024

	14.879 Mainstream Vouchers	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	14.889 Choice Neighborhoods Implementation Grants
111 Cash - Unrestricted	\$154,047		\$3,979,954		
112 Cash - Restricted - Modernization and Development					
113 Cash - Other Restricted		\$2,197,738	\$354,198		\$1,805,223
114 Cash - Tenant Security Deposits					
115 Cash - Restricted for Payment of Current Liabilities					
100 Total Cash	\$154,047	\$2,197,738	\$4,334,152	\$0	\$1,805,223
121 Accounts Receivable - PHA Projects					
122 Accounts Receivable - HUD Other Projects	\$6,489		\$1,540,045		\$1,987,598
124 Accounts Receivable - Other Government		\$28,341	\$4,886		
125 Accounts Receivable - Miscellaneous	\$8,396	\$62,603	\$701,582		
126 Accounts Receivable - Tenants					
126.1 Allowance for Doubtful Accounts -Tenants					
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current					
128 Fraud Recovery	\$14		\$268,584		
128.1 Allowance for Doubtful Accounts - Fraud	-\$14		-\$268,584		
129 Accrued Interest Receivable					
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$14,885	\$90,944	\$2,246,513	\$0	\$1,987,598
131 Investments - Unrestricted					
132 Investments - Restricted					
135 Investments - Restricted for Payment of Current Liability					
142 Prepaid Expenses and Other Assets		\$504	\$17,653		\$1,855
143 Inventories					
143.1 Allowance for Obsolete Inventories					

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2024

	14.879 Mainstream Vouchers	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	14.889 Choice Neighborhoods Implementation Grants
144 Inter Program Due From					
145 Assets Held for Sale					
150 Total Current Assets	\$168,932	\$2,289,186	\$6,598,318	\$0	\$3,794,676
161 Land			\$32,000		
162 Buildings			\$634,667		
163 Furniture, Equipment & Machinery - Dwellings					
164 Furniture, Equipment & Machinery - Administration		\$25,168	\$387,489		
165 Leasehold Improvements			\$7,775		
166 Accumulated Depreciation		-\$20,986	-\$767,304		
167 Construction in Progress					\$578,722
168 Infrastructure					
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$4,182	\$294,627	\$0	\$578,722
171 Notes, Loans and Mortgages Receivable - Non-Current		\$8,776,635			\$13,925,372
172 Notes, Loans, & Mortgages Receivable - Non Current - Past					
173 Grants Receivable - Non Current					
174 Other Assets					
176 Investments in Joint Ventures					
180 Total Non-Current Assets	\$0	\$8,780,817	\$294,627	\$0	\$14,504,094
200 Deferred Outflow of Resources					
290 Total Assets and Deferred Outflow of Resources	\$168,932	\$11,070,003	\$6,892,945	\$0	\$18,298,770
311 Bank Overdraft					

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2024

	14.879 Mainstream Vouchers	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	14.889 Choice Neighborhoods Implementation Grants
312 Accounts Payable <= 90 Days	\$2,795	\$1,404	\$1,115,970		\$1,984,255
313 Accounts Payable >90 Days Past Due					
321 Accrued Wage/Payroll Taxes Payable		\$1,937	\$39,722		\$10,686
322 Accrued Compensated Absences - Current Portion			\$7,068		
324 Accrued Contingency Liability					
325 Accrued Interest Payable		\$163	\$4,542		
331 Accounts Payable - HUD PHA Programs	\$23,961		\$61,224		
332 Account Payable - PHA Projects					
333 Accounts Payable - Other Government			\$1,051		
341 Tenant Security Deposits					
342 Unearned Revenue					
343 Current Portion of Long-term Debt - Capital		\$1,578	\$44,057		
344 Current Portion of Long-term Debt - Operating Borrowings					
345 Other Current Liabilities					
346 Accrued Liabilities - Other			\$1,471		
347 Inter Program - Due To	\$2,613	\$29,261	\$79,459		\$27,829
348 Loan Liability - Current					
310 Total Current Liabilities	\$29,369	\$34,343	\$1,354,564	\$0	\$2,022,770
351 Long-term Debt, Net of Current - Capital Projects/Mortgage		\$1,772	\$49,470		
352 Long-term Debt, Net of Current - Operating Borrowings					
353 Non-current Liabilities - Other			\$354,198		
354 Accrued Compensated Absences - Non Current		\$6,148	\$52,848		\$11,478
355 Loan Liability - Non Current					
356 FASB 5 Liabilities					
357 Accrued Pension and OPEB Liabilities					

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2024

	14.879 Mainstream Vouchers	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	14.889 Choice Neighborhoods Implementation Grants
350 Total Non-Current Liabilities	\$0	\$7,920	\$456,516	\$0	\$11,478
300 Total Liabilities	\$29,369	\$42,263	\$1,811,080	\$0	\$2,034,248
400 Deferred Inflow of Resources					
508.3 Nonspendable Fund Balance					
508.4 Net Investment in Capital Assets		\$832	\$201,100		\$578,722
509.3 Restricted Fund Balance					
510.3 Committed Fund Balance					
511.3 Assigned Fund Balance					
511.4 Restricted Net Position		\$11,026,908			\$1,805,223
512.3 Unassigned Fund Balance					
512.4 Unrestricted Net Position	\$139,563	\$0	\$4,880,765	\$0	\$13,880,577
513 Total Equity - Net Assets / Position	\$139,563	\$11,027,740	\$5,081,865	\$0	\$16,264,522
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$168,932	\$11,070,003	\$6,892,945	\$0	\$18,298,770

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2024

	14.EHV Emergency Housing Voucher	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$46,895	\$711,501	\$21,830,803		\$21,830,803
112 Cash - Restricted - Modernization and Development					
113 Cash - Other Restricted	\$35,636		\$8,666,743		\$8,666,743
114 Cash - Tenant Security Deposits			\$295,482		\$295,482
115 Cash - Restricted for Payment of Current Liabilities	\$55,089		\$55,089		\$55,089
100 Total Cash	\$137,620	\$711,501	\$30,848,117	\$0	\$30,848,117
121 Accounts Receivable - PHA Projects					
122 Accounts Receivable - HUD Other Projects			\$4,559,312		\$4,559,312
124 Accounts Receivable - Other Government		\$5,554	\$2,872,278		\$2,872,278
125 Accounts Receivable - Miscellaneous	\$1,392		\$785,483		\$785,483
126 Accounts Receivable - Tenants			\$515,587		\$515,587
126.1 Allowance for Doubtful Accounts -Tenants			-\$223,071		-\$223,071
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current					
128 Fraud Recovery			\$268,598		\$268,598
128.1 Allowance for Doubtful Accounts - Fraud			-\$268,598		-\$268,598
129 Accrued Interest Receivable					
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$1,392	\$5,554	\$8,509,589	\$0	\$8,509,589
131 Investments - Unrestricted		\$114,511	\$4,803,299		\$4,803,299
132 Investments - Restricted			\$2,132,164		\$2,132,164
135 Investments - Restricted for Payment of Current Liability					
142 Prepaid Expenses and Other Assets		\$36,615	\$597,172	-\$3,841	\$593,331
143 Inventories					
143.1 Allowance for Obsolete Inventories					

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2024

	14.EHV Emergency Housing Voucher	COCC	Subtotal	ELIM	Total
144 Inter Program Due From		\$4,974,341	\$5,112,447	-\$1,013,194	\$4,099,253
145 Assets Held for Sale					
150 Total Current Assets	\$139,012	\$5,842,522	\$52,002,788	-\$1,017,035	\$50,985,753
161 Land			\$9,370,053		\$9,370,053
162 Buildings			\$158,518,781		\$158,518,781
163 Furniture, Equipment & Machinery - Dwellings			\$1,377,241		\$1,377,241
164 Furniture, Equipment & Machinery - Administration		\$1,324,997	\$4,509,124		\$4,509,124
165 Leasehold Improvements			\$14,702,524		\$14,702,524
166 Accumulated Depreciation		-\$1,008,805	-\$73,956,517		-\$73,956,517
167 Construction in Progress			\$77,399,185		\$77,399,185
168 Infrastructure					
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$316,192	\$191,920,391	\$0	\$191,920,391
171 Notes, Loans and Mortgages Receivable - Non-Current		\$1,473,746	\$70,156,610	-\$5,539,622	\$64,616,988
172 Notes, Loans, & Mortgages Receivable - Non Current - Past					
173 Grants Receivable - Non Current					
174 Other Assets		\$824,294	\$7,121,146	-\$470,380	\$6,650,766
176 Investments in Joint Ventures					
180 Total Non-Current Assets	\$0	\$2,614,232	\$269,198,147	-\$6,010,002	\$263,188,145
200 Deferred Outflow of Resources		\$160,778	\$160,778		\$160,778
290 Total Assets and Deferred Outflow of Resources	\$139,012	\$8,617,532	\$321,361,713	-\$7,027,037	\$314,334,676
311 Bank Overdraft					

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2024

	14.EHV Emergency Housing Voucher	COCC	Subtotal	ELIM	Total
312 Accounts Payable <= 90 Days	\$2,741	\$18,803	\$5,011,659		\$5,011,659
313 Accounts Payable >90 Days Past Due					
321 Accrued Wage/Payroll Taxes Payable		\$87,479	\$276,064		\$276,064
322 Accrued Compensated Absences - Current Portion			\$7,068		\$7,068
324 Accrued Contingency Liability					
325 Accrued Interest Payable		\$7,083	\$80,618		\$80,618
331 Accounts Payable - HUD PHA Programs		\$1,811	\$86,996		\$86,996
332 Account Payable - PHA Projects					
333 Accounts Payable - Other Government			\$169,864		\$169,864
341 Tenant Security Deposits			\$295,482		\$295,482
342 Unearned Revenue	\$55,089	\$14,312	\$1,394,169	-\$3,841	\$1,390,328
343 Current Portion of Long-term Debt - Capital		\$68,703	\$15,073,306		\$15,073,306
344 Current Portion of Long-term Debt - Operating Borrowings					
345 Other Current Liabilities			\$5,272,807		\$5,272,807
346 Accrued Liabilities - Other		\$257,297	\$595,250		\$595,250
347 Inter Program - Due To	\$565		\$5,112,447	-\$1,013,194	\$4,099,253
348 Loan Liability - Current					
310 Total Current Liabilities	\$58,395	\$455,488	\$33,375,730	-\$1,017,035	\$32,358,695
351 Long-term Debt, Net of Current - Capital Projects/Mortgage		\$77,145	\$100,431,941	-\$4,662,746	\$95,769,195
352 Long-term Debt, Net of Current - Operating Borrowings					
353 Non-current Liabilities - Other			\$8,872,677	-\$1,247,256	\$7,625,421
354 Accrued Compensated Absences - Non Current		\$157,226	\$376,319		\$376,319
355 Loan Liability - Non Current					
356 FASB 5 Liabilities					
357 Accrued Pension and OPEB Liabilities					

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2024

	14.EHV Emergency Housing Voucher	COCC	Subtotal	ELIM	Total
350 Total Non-Current Liabilities	\$0	\$234,371	\$109,680,937	-\$5,910,002	\$103,770,935
300 Total Liabilities	\$58,395	\$689,859	\$143,056,667	-\$6,927,037	\$136,129,630
400 Deferred Inflow of Resources		\$209,695	\$209,695		\$209,695
508.3 Nonspendable Fund Balance					
508.4 Net Investment in Capital Assets		\$170,344	\$76,415,145	\$4,662,746	\$81,077,891
509.3 Restricted Fund Balance					
510.3 Committed Fund Balance					
511.3 Assigned Fund Balance					
511.4 Restricted Net Position	\$35,636		\$21,769,648		\$21,769,648
512.3 Unassigned Fund Balance					
512.4 Unrestricted Net Position	\$44,981	\$7,547,634	\$79,910,558	-\$4,762,746	\$75,147,812
513 Total Equity - Net Assets / Position	\$80,617	\$7,717,978	\$178,095,351	-\$100,000	\$177,995,351
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$139,012	\$8,617,532	\$321,361,713	-\$7,027,037	\$314,334,676

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2024

	Project Total	14.EFA FSS Escrow Forfeiture Account	14.218 Community Development Block Grants/Entitlement Grants	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended
70300 Net Tenant Rental Revenue	\$3,064,670			\$4,615,371	\$1,012,263
70400 Tenant Revenue - Other	\$48,466			\$90,652	\$3,353
70500 Total Tenant Revenue	\$3,113,136	\$0	\$0	\$4,706,023	\$1,015,616
70600 HUD PHA Operating Grants	\$12,061,988		\$2,688,172		\$1,240,928
70610 Capital Grants	\$1,473,214				
70710 Management Fee					
70720 Asset Management Fee					
70730 Book Keeping Fee					
70740 Front Line Service Fee					
70750 Other Fees					
70700 Total Fee Revenue					
70800 Other Government Grants	\$50,000			\$3,241,210	
71100 Investment Income - Unrestricted	\$306,699		\$14,070	\$10,911	\$52,902
71200 Mortgage Interest Income	\$583,382		\$15,653		
71300 Proceeds from Disposition of Assets Held for Sale					
71310 Cost of Sale of Assets					
71400 Fraud Recovery					
71500 Other Revenue	\$83,410	\$78,682	\$382,536	\$9,973,196	\$635
71600 Gain or Loss on Sale of Capital Assets					\$1,771,087
72000 Investment Income - Restricted				\$72,785	\$39,932
70000 Total Revenue	\$17,671,829	\$78,682	\$3,100,431	\$18,004,125	\$4,121,100
91100 Administrative Salaries	\$870,057		\$174,655	\$758,332	\$177,293

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2024

	Project Total	14.EFA FSS Escrow Forfeiture Account	14.218 Community Development Block Grants/Entitlement Grants	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended
91200 Auditing Fees	\$32,241			\$20,844	\$3,874
91300 Management Fee	\$1,485,432		\$575,492	\$475,982	\$208,035
91310 Book-keeping Fee	\$91,343			\$61,830	\$7,028
91400 Advertising and Marketing	\$22,650			\$204,100	\$2,254
91500 Employee Benefit contributions - Administrative	\$273,814		\$85,274	\$220,506	\$54,056
91600 Office Expenses	\$186,014			\$224,057	\$54,737
91700 Legal Expense	\$1,750			\$62,657	\$900
91800 Travel	\$17,884	\$477		\$51,647	\$6,414
91810 Allocated Overhead					
91900 Other	\$82,224	\$75		\$215,987	\$19,557
91000 Total Operating - Administrative	\$3,063,409	\$552	\$835,421	\$2,295,942	\$534,148
92000 Asset Management Fee	\$134,820			\$30,675	\$9,000
92100 Tenant Services - Salaries	\$323,392			\$9,437	\$18,400
92200 Relocation Costs	\$126,417			\$273,302	\$33,492
92300 Employee Benefit Contributions - Tenant Services	\$98,321				\$6,029
92400 Tenant Services - Other	\$31,166			\$12,111	\$5,213
92500 Total Tenant Services	\$579,296	\$0	\$0	\$294,850	\$63,134
93100 Water	\$588,822			\$371,043	\$52,662
93200 Electricity	\$677,606			\$280,040	\$237,350
93300 Gas	\$95,437			\$41,849	\$20,759
93400 Fuel	\$62				
93500 Labor					
93600 Sewer	\$1,730,622			\$1,031,718	\$165,309
93700 Employee Benefit Contributions - Utilities					

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2024

	Project Total	14.EFA FSS Escrow Forfeiture Account	14.218 Community Development Block Grants/Entitlement Grants	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended
93800 Other Utilities Expense					
93000 Total Utilities	\$3,092,549	\$0	\$0	\$1,724,650	\$476,080
94100 Ordinary Maintenance and Operations - Labor	\$872,306			\$692,280	\$175,008
94200 Ordinary Maintenance and Operations - Materials and	\$718,931			\$470,452	\$135,924
94300 Ordinary Maintenance and Operations Contracts	\$1,547,173			\$1,280,656	\$367,290
94500 Employee Benefit Contributions - Ordinary Maintenance	\$253,963			\$197,907	\$52,593
94000 Total Maintenance	\$3,392,373	\$0	\$0	\$2,641,295	\$730,815
95100 Protective Services - Labor	\$74,495				\$5,738
95200 Protective Services - Other Contract Costs					
95300 Protective Services - Other	\$25,169	\$70		\$63,959	
95500 Employee Benefit Contributions - Protective Services	\$22,134				\$1,884
95000 Total Protective Services	\$121,798	\$70	\$0	\$63,959	\$7,622
96110 Property Insurance	\$451,347			\$511,143	\$162,041
96120 Liability Insurance	\$67,476			\$80,230	\$24,876
96130 Workmen's Compensation	\$12,768			\$11,262	\$4,262
96140 All Other Insurance	\$17,992			\$15,430	\$3,740
96100 Total insurance Premiums	\$549,583	\$0	\$0	\$618,065	\$194,919
96200 Other General Expenses	\$49,457		\$2,177,578	\$1,487,935	\$28,490
96210 Compensated Absences	\$13,089			\$3,879	\$3,199
96300 Payments in Lieu of Taxes	\$13,502			\$704,977	\$124,793
96400 Bad debt - Tenant Rents	\$183,907			\$180,536	\$28,491
96500 Bad debt - Mortgages			\$124,424		

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2024

	Project Total	14.EFA FSS Escrow Forfeiture Account	14.218 Community Development Block Grants/Entitlement Grants	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended
96600 Bad debt - Other					
96800 Severance Expense					
96000 Total Other General Expenses	\$259,955	\$0	\$2,302,002	\$2,377,327	\$184,973
96710 Interest of Mortgage (or Bonds) Payable				\$2,489,940	\$366,406
96720 Interest on Notes Payable (Short and Long Term)	\$4,178				\$62
96730 Amortization of Bond Issue Costs					
96700 Total Interest Expense and Amortization Cost	\$4,178	\$0	\$0	\$2,489,940	\$366,468
96900 Total Operating Expenses	\$11,197,961	\$622	\$3,137,423	\$12,536,703	\$2,567,159
97000 Excess of Operating Revenue over Operating Expenses	\$6,473,868	\$78,060	-\$36,992	\$5,467,422	\$1,553,941
97100 Extraordinary Maintenance	\$56,271				
97200 Casualty Losses - Non-capitalized	\$22,004				\$28,502
97300 Housing Assistance Payments					
97350 HAP Portability-In					
97400 Depreciation Expense	\$2,325,086		\$1,390	\$4,653,740	\$703,176
97500 Fraud Losses					
97600 Capital Outlays - Governmental Funds					
97700 Debt Principal Payment - Governmental Funds					
97800 Dwelling Units Rent Expense					
90000 Total Expenses	\$13,601,322	\$622	\$3,138,813	\$17,190,443	\$3,298,837
10010 Operating Transfer In	\$3,711,859				
10020 Operating transfer Out	-\$3,711,859				

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2024

	Project Total	14.EFA FSS Escrow Forfeiture Account	14.218 Community Development Block Grants/Entitlement Grants	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended
10030 Operating Transfers from/to Primary Government					-\$1,019,729
10040 Operating Transfers from/to Component Unit	\$1,017,304			\$2,425	
10050 Proceeds from Notes, Loans and Bonds					
10060 Proceeds from Property Sales					
10070 Extraordinary Items, Net Gain/Loss					
10080 Special Items (Net Gain/Loss)					
10091 Inter Project Excess Cash Transfer In	\$1,125,000				
10092 Inter Project Excess Cash Transfer Out	-\$1,125,000				
10093 Transfers between Program and Project - In					
10094 Transfers between Project and Program - Out			-\$156,929		
10100 Total Other financing Sources (Uses)	\$1,017,304	\$0	-\$156,929	\$2,425	-\$1,019,729
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	\$5,087,811	\$78,060	-\$195,311	\$816,107	-\$197,466
11020 Required Annual Debt Principal Payments	\$45,351	\$0	\$0	\$13,579,446	\$2,643,949
11030 Beginning Equity	\$51,757,046	\$34,651	\$3,111,704	\$10,510,782	\$17,182,289
11040 Prior Period Adjustments, Equity Transfers and				\$16,759,244	-\$14,456,123
11050 Changes in Compensated Absence Balance					
11060 Changes in Contingent Liability Balance					
11070 Changes in Unrecognized Pension Transition Liability					
11080 Changes in Special Term/Severance Benefits Liability					
11090 Changes in Allowance for Doubtful Accounts - Dwelling					
11100 Changes in Allowance for Doubtful Accounts - Other					
11170 Administrative Fee Equity					
11180 Housing Assistance Payments Equity					
11190 Unit Months Available	14426			8284	3806

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2024

	Project Total	14.EFA FSS Escrow Forfeiture Account	14.218 Community Development Block Grants/Entitlement Grants	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended
11210 Number of Unit Months Leased	13080			7363	3644
11270 Excess Cash	\$8,400,540				
11610 Land Purchases	\$0				
11620 Building Purchases	\$467,693				
11630 Furniture & Equipment - Dwelling Purchases	\$0				
11640 Furniture & Equipment - Administrative Purchases	\$0				
11650 Leasehold Improvements Purchases	\$1,005,521				
11660 Infrastructure Purchases	\$0				
13510 CFFP Debt Service Payments	\$0				
13901 Replacement Housing Factor Funds	\$0				

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2024

	14.896 PIH Family Self-Sufficiency Program	14.182 N/C S/R Section 8 Programs	1 Business Activities	2 State/Local	14.267 Continuum of Care Program
70300 Net Tenant Rental Revenue		\$73,441			
70400 Tenant Revenue - Other					
70500 Total Tenant Revenue	\$0	\$73,441	\$0	\$0	\$0
70600 HUD PHA Operating Grants	\$236,979				\$109,770
70610 Capital Grants					
70710 Management Fee					
70720 Asset Management Fee					
70730 Book Keeping Fee					
70740 Front Line Service Fee					
70750 Other Fees					
70700 Total Fee Revenue					
70800 Other Government Grants		\$100,205	\$17,179,896	\$4,923,396	
71100 Investment Income - Unrestricted		\$22,978	\$51,060		
71200 Mortgage Interest Income			\$263,739		
71300 Proceeds from Disposition of Assets Held for Sale					
71310 Cost of Sale of Assets					
71400 Fraud Recovery					
71500 Other Revenue			\$3,046,720		
71600 Gain or Loss on Sale of Capital Assets					
72000 Investment Income - Restricted					
70000 Total Revenue	\$236,979	\$196,624	\$20,541,415	\$4,923,396	\$109,770
91100 Administrative Salaries		\$13,149	\$81,769	\$242,150	
91200 Auditing Fees		\$547	\$547		

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2024

	14.896 PIH Family Self-Sufficiency Program	14.182 N/C S/R Section 8 Programs	1 Business Activities	2 State/Local	14.267 Continuum of Care Program
91300 Management Fee		\$15,646	\$30,973	\$155,099	\$1,417
91310 Book-keeping Fee					
91400 Advertising and Marketing			\$131	\$705	
91500 Employee Benefit contributions - Administrative		\$4,441	\$10,963	\$137,352	
91600 Office Expenses		\$663	\$52,416	\$7,649	
91700 Legal Expense				\$985	
91800 Travel		\$346	\$4,735	\$1,519	
91810 Allocated Overhead					
91900 Other		\$1,501	\$104,907	\$250	\$5,669
91000 Total Operating - Administrative	\$0	\$36,293	\$286,441	\$545,709	\$7,086
92000 Asset Management Fee					
92100 Tenant Services - Salaries	\$195,709				
92200 Relocation Costs					
92300 Employee Benefit Contributions - Tenant Services	\$41,270				
92400 Tenant Services - Other		\$9	\$452,545		\$16,000
92500 Total Tenant Services	\$236,979	\$9	\$452,545	\$0	\$16,000
93100 Water		\$4,748			
93200 Electricity		\$23,221		\$46	
93300 Gas					
93400 Fuel					
93500 Labor					
93600 Sewer		\$14,603	\$2,617	\$6,282	
93700 Employee Benefit Contributions - Utilities					
93800 Other Utilities Expense					

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2024

	14.896 PIH Family Self-Sufficiency Program	14.182 N/C S/R Section 8 Programs	1 Business Activities	2 State/Local	14.267 Continuum of Care Program
93000 Total Utilities	\$0	\$42,572	\$2,617	\$6,328	\$0
94100 Ordinary Maintenance and Operations - Labor		\$8,915	\$251		
94200 Ordinary Maintenance and Operations - Materials and		\$465	\$248	\$1,030	
94300 Ordinary Maintenance and Operations Contracts		\$28,986	\$67,688	\$47,356	
94500 Employee Benefit Contributions - Ordinary Maintenance		\$2,981			
94000 Total Maintenance	\$0	\$41,347	\$68,187	\$48,386	\$0
95100 Protective Services - Labor					
95200 Protective Services - Other Contract Costs					
95300 Protective Services - Other					
95500 Employee Benefit Contributions - Protective Services					
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0
96110 Property Insurance		\$3,347	\$8,871	\$17,942	
96120 Liability Insurance		\$437	\$1,314	\$2,113	
96130 Workmen's Compensation		\$179	\$732	\$2,043	
96140 All Other Insurance		\$8	\$14	\$80	
96100 Total insurance Premiums	\$0	\$3,971	\$10,931	\$22,178	\$0
96200 Other General Expenses			\$6,500	-\$7,963	
96210 Compensated Absences		\$134	\$5,477	\$1,069	
96300 Payments in Lieu of Taxes					
96400 Bad debt - Tenant Rents		\$432			
96500 Bad debt - Mortgages			\$2,957	\$102,308	
96600 Bad debt - Other					

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2024

	14.896 PIH Family Self-Sufficiency Program	14.182 N/C S/R Section 8 Programs	1 Business Activities	2 State/Local	14.267 Continuum of Care Program
96800 Severance Expense					
96000 Total Other General Expenses	\$0	\$566	\$14,934	\$95,414	\$0
96710 Interest of Mortgage (or Bonds) Payable					
96720 Interest on Notes Payable (Short and Long Term)		\$52		\$586	
96730 Amortization of Bond Issue Costs					
96700 Total Interest Expense and Amortization Cost	\$0	\$52	\$0	\$586	\$0
96900 Total Operating Expenses	\$236,979	\$124,810	\$835,655	\$718,601	\$23,086
97000 Excess of Operating Revenue over Operating Expenses	\$0	\$71,814	\$19,705,760	\$4,204,795	\$86,684
97100 Extraordinary Maintenance					
97200 Casualty Losses - Non-capitalized			-\$299		
97300 Housing Assistance Payments					\$86,684
97350 HAP Portability-In					
97400 Depreciation Expense		\$13,072	\$78,665	\$3,474	
97500 Fraud Losses					
97600 Capital Outlays - Governmental Funds					
97700 Debt Principal Payment - Governmental Funds					
97800 Dwelling Units Rent Expense					
90000 Total Expenses	\$236,979	\$137,882	\$914,021	\$722,075	\$109,770
10010 Operating Transfer In					
10020 Operating transfer Out					
10030 Operating Transfers from/to Primary Government					

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2024

	14.896 PIH Family Self-Sufficiency Program	14.182 N/C S/R Section 8 Programs	1 Business Activities	2 State/Local	14.267 Continuum of Care Program
10040 Operating Transfers from/to Component Unit					
10050 Proceeds from Notes, Loans and Bonds					
10060 Proceeds from Property Sales					
10070 Extraordinary Items, Net Gain/Loss					
10080 Special Items (Net Gain/Loss)					
10091 Inter Project Excess Cash Transfer In					
10092 Inter Project Excess Cash Transfer Out					
10093 Transfers between Program and Project - In			\$3,462,239		
10094 Transfers between Project and Program - Out				-\$3,305,310	
10100 Total Other financing Sources (Uses)	\$0	\$0	\$3,462,239	-\$3,305,310	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	\$0	\$58,742	\$23,089,633	\$896,011	\$0
11020 Required Annual Debt Principal Payments	\$0	\$565	\$0	\$6,358	\$0
11030 Beginning Equity	\$0	\$600,841	\$22,651,751	-\$2,706	\$0
11040 Prior Period Adjustments, Equity Transfers and					
11050 Changes in Compensated Absence Balance					
11060 Changes in Contingent Liability Balance					
11070 Changes in Unrecognized Pension Transition Liability					
11080 Changes in Special Term/Severance Benefits Liability					
11090 Changes in Allowance for Doubtful Accounts - Dwelling					
11100 Changes in Allowance for Doubtful Accounts - Other					
11170 Administrative Fee Equity					
11180 Housing Assistance Payments Equity					
11190 Unit Months Available		216			
11210 Number of Unit Months Leased		211			

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2024

	14.896 PIH Family Self-Sufficiency Program	14.182 N/C S/R Section 8 Programs	1 Business Activities	2 State/Local	14.267 Continuum of Care Program
11270 Excess Cash					
11610 Land Purchases					
11620 Building Purchases					
11630 Furniture & Equipment - Dwelling Purchases					
11640 Furniture & Equipment - Administrative Purchases					
11650 Leasehold Improvements Purchases					
11660 Infrastructure Purchases					
13510 CFFP Debt Service Payments					
13901 Replacement Housing Factor Funds					

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2024

	14.879 Mainstream Vouchers	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	14.889 Choice Neighborhoods Implementation Grants
70300 Net Tenant Rental Revenue					
70400 Tenant Revenue - Other					
70500 Total Tenant Revenue	\$0	\$0	\$0	\$0	\$0
70600 HUD PHA Operating Grants	\$2,042,810	\$1,359,747	\$45,182,469	\$156,389	\$11,045,482
70610 Capital Grants					
70710 Management Fee					
70720 Asset Management Fee					
70730 Book Keeping Fee					
70740 Front Line Service Fee					
70750 Other Fees					
70700 Total Fee Revenue					
70800 Other Government Grants		\$100,000			
71100 Investment Income - Unrestricted	\$1,104	\$30,533	\$53,030		
71200 Mortgage Interest Income		\$53,152			\$338,513
71300 Proceeds from Disposition of Assets Held for Sale					
71310 Cost of Sale of Assets					
71400 Fraud Recovery			\$7,995		
71500 Other Revenue		\$1,829	\$18,186		
71600 Gain or Loss on Sale of Capital Assets					
72000 Investment Income - Restricted					
70000 Total Revenue	\$2,043,914	\$1,545,261	\$45,261,680	\$156,389	\$11,383,995
91100 Administrative Salaries	\$54,812	\$68,331	\$1,096,001		\$238,774
91200 Auditing Fees	\$1,985		\$39,682		\$8,357

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2024

	14.879 Mainstream Vouchers	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	14.889 Choice Neighborhoods Implementation Grants
91300 Management Fee	\$28,452	\$51,000	\$581,880		\$13,750
91310 Book-keeping Fee	\$17,782		\$363,675		
91400 Advertising and Marketing	\$531	\$947	\$10,613		\$2,268
91500 Employee Benefit contributions - Administrative	\$18,521	\$11,050	\$355,810		\$53,329
91600 Office Expenses	\$12,492	\$4,454	\$250,196		\$4,027
91700 Legal Expense	\$60	\$392	\$1,194		\$39,006
91800 Travel	\$1,319		\$26,371		\$1,457
91810 Allocated Overhead					
91900 Other	\$6,516		\$128,579	\$14,046	\$296
91000 Total Operating - Administrative	\$142,470	\$136,174	\$2,854,001	\$14,046	\$361,264
92000 Asset Management Fee					
92100 Tenant Services - Salaries				\$108,842	
92200 Relocation Costs					\$26,156
92300 Employee Benefit Contributions - Tenant Services				\$33,469	
92400 Tenant Services - Other	\$15		\$291	\$32	\$642,079
92500 Total Tenant Services	\$15	\$0	\$291	\$142,343	\$668,235
93100 Water	\$47		\$939		
93200 Electricity	\$1,180		\$23,594		
93300 Gas	\$89		\$1,784		
93400 Fuel					
93500 Labor					
93600 Sewer	\$61		\$1,230		
93700 Employee Benefit Contributions - Utilities					
93800 Other Utilities Expense					

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2024

	14.879 Mainstream Vouchers	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	14.889 Choice Neighborhoods Implementation Grants
93000 Total Utilities	\$1,377	\$0	\$27,547	\$0	\$0
94100 Ordinary Maintenance and Operations - Labor	\$37		\$744		
94200 Ordinary Maintenance and Operations - Materials and	\$597		\$11,944		\$35
94300 Ordinary Maintenance and Operations Contracts	\$1,762		\$36,980		\$107
94500 Employee Benefit Contributions - Ordinary Maintenance					
94000 Total Maintenance	\$2,396	\$0	\$49,668	\$0	\$142
95100 Protective Services - Labor					
95200 Protective Services - Other Contract Costs					
95300 Protective Services - Other					
95500 Employee Benefit Contributions - Protective Services					
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0
96110 Property Insurance					
96120 Liability Insurance	\$1,405	\$957	\$28,089		\$3,827
96130 Workmen's Compensation	\$453	\$590	\$9,052		\$1,890
96140 All Other Insurance	\$378	\$24	\$7,567		\$48
96100 Total insurance Premiums	\$2,236	\$1,571	\$44,708	\$0	\$5,765
96200 Other General Expenses		\$152,426	\$65		\$1,548,646
96210 Compensated Absences					\$5,729
96300 Payments in Lieu of Taxes					
96400 Bad debt - Tenant Rents					
96500 Bad debt - Mortgages		\$181,745			
96600 Bad debt - Other					

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2024

	14.879 Mainstream Vouchers	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	14.889 Choice Neighborhoods Implementation Grants
96800 Severance Expense					
96000 Total Other General Expenses	\$0	\$334,171	\$65	\$0	\$1,554,375
96710 Interest of Mortgage (or Bonds) Payable					
96720 Interest on Notes Payable (Short and Long Term)		\$163	\$4,542		
96730 Amortization of Bond Issue Costs					
96700 Total Interest Expense and Amortization Cost	\$0	\$163	\$4,542	\$0	\$0
96900 Total Operating Expenses	\$148,494	\$472,079	\$2,980,822	\$156,389	\$2,589,781
97000 Excess of Operating Revenue over Operating Expenses	\$1,895,420	\$1,073,182	\$42,280,858	\$0	\$8,794,214
97100 Extraordinary Maintenance					
97200 Casualty Losses - Non-capitalized	\$82		\$1,648		
97300 Housing Assistance Payments	\$1,835,277		\$41,206,164		
97350 HAP Portability-In					
97400 Depreciation Expense		\$965	\$45,074		
97500 Fraud Losses					
97600 Capital Outlays - Governmental Funds					
97700 Debt Principal Payment - Governmental Funds					
97800 Dwelling Units Rent Expense					
90000 Total Expenses	\$1,983,853	\$473,044	\$44,233,708	\$156,389	\$2,589,781
10010 Operating Transfer In					
10020 Operating transfer Out					
10030 Operating Transfers from/to Primary Government					

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2024

	14.879 Mainstream Vouchers	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	14.889 Choice Neighborhoods Implementation Grants
10040 Operating Transfers from/to Component Unit					
10050 Proceeds from Notes, Loans and Bonds					
10060 Proceeds from Property Sales					
10070 Extraordinary Items, Net Gain/Loss					
10080 Special Items (Net Gain/Loss)					
10091 Inter Project Excess Cash Transfer In					
10092 Inter Project Excess Cash Transfer Out					
10093 Transfers between Program and Project - In					
10094 Transfers between Project and Program - Out					
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	\$60,061	\$1,072,217	\$1,027,972	\$0	\$8,794,214
11020 Required Annual Debt Principal Payments	\$0	\$1,766	\$49,308	\$0	\$0
11030 Beginning Equity	\$79,502	\$9,955,523	\$4,053,893	\$0	\$7,470,308
11040 Prior Period Adjustments, Equity Transfers and					
11050 Changes in Compensated Absence Balance					
11060 Changes in Contingent Liability Balance					
11070 Changes in Unrecognized Pension Transition Liability					
11080 Changes in Special Term/Severance Benefits Liability					
11090 Changes in Allowance for Doubtful Accounts - Dwelling					
11100 Changes in Allowance for Doubtful Accounts - Other					
11170 Administrative Fee Equity			\$5,081,865		
11180 Housing Assistance Payments Equity			\$0		
11190 Unit Months Available	2538		53250		
11210 Number of Unit Months Leased	2346		47109		

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2024

	14.879 Mainstream Vouchers	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	14.889 Choice Neighborhoods Implementation Grants
11270 Excess Cash					
11610 Land Purchases					
11620 Building Purchases					
11630 Furniture & Equipment - Dwelling Purchases					
11640 Furniture & Equipment - Administrative Purchases					
11650 Leasehold Improvements Purchases					
11660 Infrastructure Purchases					
13510 CFFP Debt Service Payments					
13901 Replacement Housing Factor Funds					

Newport News Redevelopment & Housng Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2024

	14.EHV Emergency Housing Voucher	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue			\$8,765,745		\$8,765,745
70400 Tenant Revenue - Other			\$142,471		\$142,471
70500 Total Tenant Revenue	\$0	\$0	\$8,908,216	\$0	\$8,908,216
70600 HUD PHA Operating Grants	\$650,204		\$76,774,938		\$76,774,938
70610 Capital Grants			\$1,473,214		\$1,473,214
70710 Management Fee		\$3,565,791	\$3,565,791	-\$3,153,872	\$411,919
70720 Asset Management Fee		\$143,820	\$143,820	-\$143,820	\$0
70730 Book Keeping Fee		\$545,842	\$545,842	-\$484,012	\$61,830
70740 Front Line Service Fee		\$13,138	\$13,138	-\$11,132	\$2,006
70750 Other Fees					
70700 Total Fee Revenue		\$4,268,591	\$4,268,591	-\$3,792,836	\$475,755
70800 Other Government Grants			\$25,594,707		\$25,594,707
71100 Investment Income - Unrestricted	\$884	\$7,879	\$552,050		\$552,050
71200 Mortgage Interest Income		\$1,270,380	\$2,524,819	-\$163,784	\$2,361,035
71300 Proceeds from Disposition of Assets Held for Sale					
71310 Cost of Sale of Assets					
71400 Fraud Recovery			\$7,995		\$7,995
71500 Other Revenue		\$163,206	\$13,748,400	-\$166,354	\$13,582,046
71600 Gain or Loss on Sale of Capital Assets			\$1,771,087		\$1,771,087
72000 Investment Income - Restricted			\$112,717		\$112,717
70000 Total Revenue	\$651,088	\$5,710,056	\$135,736,734	-\$4,122,974	\$131,613,760
91100 Administrative Salaries	\$12,917	\$2,697,885	\$6,486,125		\$6,486,125
91200 Auditing Fees	\$468	\$6,964	\$115,509		\$115,509

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2024

	14.EHV Emergency Housing Voucher	COCC	Subtotal	ELIM	Total
91300 Management Fee	\$6,696		\$3,629,854	-\$3,153,871	\$475,983
91310 Book-keeping Fee	\$4,185		\$545,843	-\$484,013	\$61,830
91400 Advertising and Marketing	\$125	\$14,255	\$258,579		\$258,579
91500 Employee Benefit contributions - Administrative	\$4,365	\$920,914	\$2,150,395		\$2,150,395
91600 Office Expenses	\$2,944	\$522,676	\$1,322,325	-\$166,354	\$1,155,971
91700 Legal Expense	\$14	\$19,494	\$126,452		\$126,452
91800 Travel	\$311		\$112,480		\$112,480
91810 Allocated Overhead					
91900 Other	\$1,257	\$141,734	\$722,598		\$722,598
91000 Total Operating - Administrative	\$33,282	\$4,323,922	\$15,470,160	-\$3,804,238	\$11,665,922
92000 Asset Management Fee			\$174,495	-\$143,820	\$30,675
92100 Tenant Services - Salaries			\$655,780		\$655,780
92200 Relocation Costs			\$459,367		\$459,367
92300 Employee Benefit Contributions - Tenant Services			\$179,089		\$179,089
92400 Tenant Services - Other	\$29,956	\$72	\$1,189,489		\$1,189,489
92500 Total Tenant Services	\$29,956	\$72	\$2,483,725	\$0	\$2,483,725
93100 Water	\$11	\$1,484	\$1,019,756		\$1,019,756
93200 Electricity	\$278	\$48,486	\$1,291,801		\$1,291,801
93300 Gas	\$21	\$9,166	\$169,105		\$169,105
93400 Fuel			\$62		\$62
93500 Labor					
93600 Sewer	\$14	\$3,448	\$2,955,904		\$2,955,904
93700 Employee Benefit Contributions - Utilities					
93800 Other Utilities Expense					

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2024

	14.EHV Emergency Housing Voucher	COCC	Subtotal	ELIM	Total
93000 Total Utilities	\$324	\$62,584	\$5,436,628	\$0	\$5,436,628
94100 Ordinary Maintenance and Operations - Labor	\$9	\$39,605	\$1,789,155		\$1,789,155
94200 Ordinary Maintenance and Operations - Materials and	\$141	\$29,766	\$1,369,533		\$1,369,533
94300 Ordinary Maintenance and Operations Contracts	\$415	\$106,066	\$3,484,479	-\$11,132	\$3,473,347
94500 Employee Benefit Contributions - Ordinary Maintenance		\$13,094	\$520,538		\$520,538
94000 Total Maintenance	\$565	\$188,531	\$7,163,705	-\$11,132	\$7,152,573
95100 Protective Services - Labor		\$3,609	\$83,842		\$83,842
95200 Protective Services - Other Contract Costs					
95300 Protective Services - Other			\$89,198		\$89,198
95500 Employee Benefit Contributions - Protective Services		\$1,193	\$25,211		\$25,211
95000 Total Protective Services	\$0	\$4,802	\$198,251	\$0	\$198,251
96110 Property Insurance			\$1,154,691		\$1,154,691
96120 Liability Insurance	\$331	\$45,136	\$256,191		\$256,191
96130 Workmen's Compensation	\$107	\$26,469	\$69,807		\$69,807
96140 All Other Insurance	\$89	\$14,770	\$60,140		\$60,140
96100 Total insurance Premiums	\$527	\$86,375	\$1,540,829	\$0	\$1,540,829
96200 Other General Expenses	\$278		\$5,443,412		\$5,443,412
96210 Compensated Absences			\$32,576		\$32,576
96300 Payments in Lieu of Taxes			\$843,272		\$843,272
96400 Bad debt - Tenant Rents			\$393,366		\$393,366
96500 Bad debt - Mortgages			\$411,434		\$411,434
96600 Bad debt - Other					

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2024

	14.EHV Emergency Housing Voucher	COCC	Subtotal	ELIM	Total
96800 Severance Expense					
96000 Total Other General Expenses	\$278	\$0	\$7,124,060	\$0	\$7,124,060
96710 Interest of Mortgage (or Bonds) Payable			\$2,856,346	-\$163,784	\$2,692,562
96720 Interest on Notes Payable (Short and Long Term)		\$7,083	\$16,666		\$16,666
96730 Amortization of Bond Issue Costs					
96700 Total Interest Expense and Amortization Cost	\$0	\$7,083	\$2,873,012	-\$163,784	\$2,709,228
96900 Total Operating Expenses	\$64,932	\$4,673,369	\$42,464,865	-\$4,122,974	\$38,341,891
97000 Excess of Operating Revenue over Operating Expenses	\$586,156	\$1,036,687	\$93,271,869	\$0	\$93,271,869
97100 Extraordinary Maintenance			\$56,271		\$56,271
97200 Casualty Losses - Non-capitalized	\$19	\$15,000	\$66,956		\$66,956
97300 Housing Assistance Payments	\$532,155		\$43,660,280		\$43,660,280
97350 HAP Portability-In					
97400 Depreciation Expense		\$73,920	\$7,898,562		\$7,898,562
97500 Fraud Losses					
97600 Capital Outlays - Governmental Funds					
97700 Debt Principal Payment - Governmental Funds					
97800 Dwelling Units Rent Expense					
90000 Total Expenses	\$597,106	\$4,762,289	\$94,146,934	-\$4,122,974	\$90,023,960
10010 Operating Transfer In			\$3,711,859	-\$3,711,859	\$0
10020 Operating transfer Out			-\$3,711,859	\$3,711,859	\$0
10030 Operating Transfers from/to Primary Government			-\$1,019,729	\$1,019,729	\$0

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2024

	14.EHV Emergency Housing Voucher	COCC	Subtotal	ELIM	Total
10040 Operating Transfers from/to Component Unit			\$1,019,729	-\$1,019,729	\$0
10050 Proceeds from Notes, Loans and Bonds					
10060 Proceeds from Property Sales					
10070 Extraordinary Items, Net Gain/Loss					
10080 Special Items (Net Gain/Loss)					
10091 Inter Project Excess Cash Transfer In			\$1,125,000	-\$1,125,000	\$0
10092 Inter Project Excess Cash Transfer Out			-\$1,125,000	\$1,125,000	\$0
10093 Transfers between Program and Project - In			\$3,462,239	-\$3,462,239	\$0
10094 Transfers between Project and Program - Out			-\$3,462,239	\$3,462,239	\$0
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	\$53,982	\$947,767	\$41,589,800	\$0	\$41,589,800
11020 Required Annual Debt Principal Payments	\$0	\$76,892	\$16,403,635		\$16,403,635
11030 Beginning Equity	\$26,635	\$6,770,211	\$134,202,430	-\$100,000	\$134,102,430
11040 Prior Period Adjustments, Equity Transfers and			\$2,303,121		\$2,303,121
11050 Changes in Compensated Absence Balance					
11060 Changes in Contingent Liability Balance					
11070 Changes in Unrecognized Pension Transition Liability					
11080 Changes in Special Term/Severance Benefits Liability					
11090 Changes in Allowance for Doubtful Accounts - Dwelling					
11100 Changes in Allowance for Doubtful Accounts - Other					
11170 Administrative Fee Equity			\$5,081,865		\$5,081,865
11180 Housing Assistance Payments Equity			\$0		\$0
11190 Unit Months Available	564		83084		83084
11210 Number of Unit Months Leased	555		74308		74308

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2024

	14.EHV Emergency Housing Voucher	COCC	Subtotal	ELIM	Total
11270 Excess Cash			\$8,400,540		\$8,400,540
11610 Land Purchases		\$0	\$0		\$0
11620 Building Purchases		\$0	\$467,693		\$467,693
11630 Furniture & Equipment - Dwelling Purchases		\$0	\$0		\$0
11640 Furniture & Equipment - Administrative Purchases		\$0	\$0		\$0
11650 Leasehold Improvements Purchases		\$0	\$1,005,521		\$1,005,521
11660 Infrastructure Purchases		\$0	\$0		\$0
13510 CFFP Debt Service Payments		\$0	\$0		\$0
13901 Replacement Housing Factor Funds		\$0	\$0		\$0

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

SCHEDULE OF CAPITAL FUND PROGRAM COSTS - UNCOMPLETED

DECEMBER 31, 2024

CFP 501-19

Annual Contributions Contract P-5545

1. The Capital Fund Program costs for Program Year 501-19 are as follows:

<u>Account</u>	<u>Budget</u>	<u>Amount</u>
Operations	\$ 407,413.00	\$ 407,413.00
Management Improvements	50,000.00	50,000.00
Administration	407,413.00	407,413.00
Fees & Costs	-	378,297.06
Dwelling structures	-	85,220.97
General capital activity	3,209,307.00	2,032,913.76
Total Cost	\$ 4,074,133.00	\$ 3,361,257.79

2. Costs examined during the current period totaled \$1,924,404.55

3. A reconciliation of development advances and costs are as follows:

Funds advanced:	
Grants - HUD	\$ 3,347,063.82
Funds expended	3,361,257.79
Excess (deficiency) of funds advanced	\$ (14,193.97)

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

SCHEDULE OF CAPITAL FUND PROGRAM COSTS - UNCOMPLETED

DECEMBER 31, 2024

CFP 501-20

Annual Contributions Contract P-5545

1. The Capital Fund Program costs for Program Year 501-20 are as follows:

<u>Account</u>	<u>Budget</u>	<u>Amount</u>
Operations	\$ 431,909.00	\$ 431,909.00
Management Improvements	100,000.00	100,000.00
Administration	431,909.00	431,909.00
General capital activity	3,055,276.00	-
RAD Investment Activity	300,000.00	300,000.00
Total Cost	\$ 4,319,094.00	\$ 1,263,818.00

2. Costs examined during the current period totaled \$100,000.00

3. A reconciliation of development advances and costs are as follows:

Funds advanced:	
Grants - HUD	\$ 1,263,818.00
Funds expended	1,263,818.00
Excess (deficiency) of funds advanced	\$ -

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

SCHEDULE OF CAPITAL FUND PROGRAM COSTS - UNCOMPLETED

DECEMBER 31, 2024

CFP 501-21

Annual Contributions Contract P-5545

1. The Capital Fund Program costs for Program Year 501-21 are as follows:

<u>Account</u>	<u>Budget</u>	<u>Amount</u>
Operations	\$ 368,928.80	\$ 367,256.00
Management Improvements	50,000.00	50,000.00
Administration	368,928.80	367,256.00
General capital activity	2,854,108.40	2,823,817.00
RAD-CFP	47,322.00	23,233.00
Total Cost	\$ 3,689,288.00	\$ 3,631,562.00

2. Costs were examined during the current period totaled \$2,800,000.00

3. A reconciliation of development advances and costs are as follows:

Funds advanced:

Grants - HUD	\$ 3,631,562.00
Funds expended	3,631,562.00
Excess (deficiency) of funds advanced	\$ -

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

SCHEDULE OF CAPITAL FUND PROGRAM COSTS - UNCOMPLETED

DECEMBER 31, 2024

CFP 501-22

Annual Contributions Contract P-5545

1. The Capital Fund Program costs for Program Year 501-22 are as follows:

<u>Account</u>	<u>Budget</u>	<u>Amount</u>
Operations	\$ 397,949.00	\$ 397,949.00
Management Improvements	50,000.00	50,000.00
Administration	397,949.00	397,949.00
General capital activity	3,133,601.00	-
Total Cost	\$ 3,979,499.00	\$ 845,898.00

2. Costs were examined during the current period totaled \$449,368.00

3. A reconciliation of development advances and costs are as follows:

Funds advanced:	
Grants - HUD	\$ 845,898.00
Funds expended	845,898.00
Excess (deficiency) of funds advanced	\$ -

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

SCHEDULE OF CAPITAL FUND PROGRAM COSTS - UNCOMPLETED

DECEMBER 31, 2024

CFP 501-23

Annual Contributions Contract P-5545

1. The Capital Fund Program costs for Program Year 501-23 are as follows:

<u>Account</u>	<u>Budget</u>	<u>Amount</u>
Reserved budget	\$ 11,455.00	\$ -
Operations	363,910.00	363,910.00
Management Improvements	50,000.00	-
Administration	363,910.00	365,055.00
General capital activity	2,838,047.00	-
RAD-CFP	23,233.00	-
Total Cost	\$ 3,650,555.00	\$ 728,965.00

2. Costs were examined during the current period totaled \$728,965.00
3. A reconciliation of development advances and costs are as follows:

Funds advanced:	
Grants - HUD	\$ 727,820.00
Funds expended	728,965.00
Excess (deficiency) of funds advanced	\$ (1,145.00)

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

SCHEDULE OF CAPITAL FUND PROGRAM COSTS - UNCOMPLETED

DECEMBER 31, 2024

CFP 501-24

Annual Contributions Contract P-5545

1. The Capital Fund Program costs for Program Year 501-24 are as follows:

<u>Account</u>	<u>Budget</u>	<u>Amount</u>
Operations	\$ 366,719.80	\$ -
Management Improvements	50,000.00	-
Administration	366,719.80	183,360.00
General capital activity	2,883,758.40	-
Total Cost	\$ 3,667,198.00	\$ 183,360.00

2. Costs were examined during the current period totaled \$183,360.00

3. A reconciliation of development advances and costs are as follows:

Funds advanced:	
Grants - HUD	\$ 182,909.40
Funds expended	183,360.00
Excess (deficiency) of funds advanced	\$ (450.60)

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

FEDERAL FINANCIAL REPORT

DECEMBER 31, 2024

ROSS221623

Federal Cash:

a. Cumulative federal cash received	\$ 232,799.00
b. Cumulative federal cash disbursements	232,799.00
c. Cash on Hand	<u>\$ -</u>

Federal Expenditures and Unobligated Balance:

d. Total federal funds authorized	\$ 240,299.00
e. Federal share of expenditures	232,799.00
f. Federal share of unliquidated obligations	-
g. Total federal share	<u>232,799.00</u>
h. Unobligated balance of federal funds	<u>\$ 7,500.00</u>

Recipient Share:

i. Total recipient share required	\$ -
j. Recipient share of expenditures	-
k. Remaining recipient share to be provided	<u>\$ -</u>

Program Income:

l. Total federal program income earned	\$ -
m. Program income expended in accordance with the deduction alternative	-
n. Program income expended in accordance with the addition alternative	-
o. Unexpended program income	<u>\$ -</u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

FEDERAL FINANCIAL REPORT

DECEMBER 31, 2024

FSS24VA5596

Federal Cash:

a. Cumulative federal cash received	\$ 134,638.21
b. Cumulative federal cash disbursements	134,638.21
c. Cash on Hand	<u>\$ -</u>

Federal Expenditures and Unobligated Balance:

d. Total federal funds authorized	\$ 168,047.00
e. Federal share of expenditures	134,638.21
f. Federal share of unliquidated obligations	-
g. Total federal share	<u>134,638.21</u>
h. Unobligated balance of federal funds	<u>\$ 33,408.79</u>

Recipient Share:

i. Total recipient share required	\$ -
j. Recipient share of expenditures	-
k. Remaining recipient share to be provided	<u>\$ -</u>

Program Income:

l. Total federal program income earned	\$ -
m. Program income expended in accordance with the deduction alternative	-
n. Program income expended in accordance with the addition alternative	-
o. Unexpended program income	<u>\$ -</u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

FEDERAL FINANCIAL REPORT

DECEMBER 31, 2024

FSS24VA559601

Federal Cash:

a. Cumulative federal cash received	\$ 163,854.37
b. Cumulative federal cash disbursements	176,449.00
c. Cash on Hand	<u>\$ (12,594.63)</u>

Federal Expenditures and Unobligated Balance:

d. Total federal funds authorized	\$ 176,449.00
e. Federal share of expenditures	176,449.00
f. Federal share of unliquidated obligations	-
g. Total federal share	<u>176,449.00</u>
h. Unobligated balance of federal funds	<u>\$ -</u>

Recipient Share:

i. Total recipient share required	\$ -
j. Recipient share of expenditures	-
k. Remaining recipient share to be provided	<u>\$ -</u>

Program Income:

l. Total federal program income earned	\$ -
m. Program income expended in accordance with the deduction alternative	-
n. Program income expended in accordance with the addition alternative	-
o. Unexpended program income	<u>\$ -</u>

COMPLIANCE SECTION

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE EIGHTEEN MONTHS ENDED DECEMBER 31, 2024

	Federal Assistance Listing Number	Program or Award Amount	Disbursements or Expenditures
FEDERAL GRANTOR			
U.S. Department of HUD			
Direct Programs:			
Public and Indian Housing Operating Fund	14.850	\$ 15,197,146	\$ 7,349,104
			7,349,104
Public Housing Capital Fund	14.872	\$ 23,379,767	6,186,098
Housing Voucher Cluster			
Section 8 Housing Choice Vouchers	14.871	\$ 45,184,104	45,184,104
Emergency Housing Vouchers	14.871	\$ 650,204	650,204
			45,834,308
Mainstream Voucher Program	14.879	\$ 2,041,175	2,041,175
		TOTAL HOUSING VOUCHER CLUSTER	47,875,483
Section 8 Project-Based Cluster			
Section 8 Moderate Rehabilitation Single			
Section 8 New Construction and Substantial Rehabilitation through the Virginia Housing Development Authority Transition Center, VA36H027032	14.195	\$ 100,205	100,205
Housing Assistance Payments Program:			
Section 8 Housing Assistance Payments Program Great Oak Apartments - VA36H027022	14.195	\$ 1,240,928	\$ 1,240,928
			1,240,928
		TOTAL SECTION 8 PROJECT BASED CLUSTER	1,341,133
Choice Neighborhoods Implementation Grant VAF003CNG118	14.889	\$ 30,000,000	11,045,482
		TOTAL HOPE VI CLUSTER	11,045,482
Family Self-Sufficiency Program			
Family Self-Sufficiency Program	14.896	\$ 344,496	236,979
			236,979
Resident Opportunity and Supportive Services Service Coordinators	14.870	\$ 240,299	156,389
			156,389
Continuum of Care Special Needs Assistance	14.267	\$ 124,270	109,770
			109,770
		TOTAL HUD	74,300,438
		TOTAL DIRECT	74,300,438

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE EIGHTEEN MONTHS ENDED DECEMBER 31, 2024

	Federal Assistance Listing Number	Program or Award Amount	Disbursements or Expenditures
U.S. Department of HUD			
Indirect Programs:			
Pass-through from the City of Newport News			
Community Development Block Grants /			
Entitlement Grants	14.218	\$ 2,688,172	2,688,172
TOTAL COMMUNITY DEVELOPMENT BLOCK GRANTS PROGRAM PROGRAM			2,688,172
HOME Investment Partnerships Program			
M-XX-MC-510202	14.239	\$ 1,359,747	1,359,747
TOTAL HOME INVESTMENT PARTNERSHIPS PROGRAM			1,359,747
		TOTAL INDIRECT	4,047,919
		TOTAL	\$ 78,348,357

Note 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Authority under programs of the federal government for the eighteen-months ended December 31, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Authority. Certain HUD-funded rental assistance programs are subject to final settlement adjustments that may affect amounts recognized as HUD revenues and expenditures in prior periods. Unless material, such adjustments are reported in the financial statements as adjustments to the current period HUD grant revenue.

Note 2 – Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, the cost principles contained in 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 are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3 – Indirect Cost Rate

The Authority is not reimbursed for indirect costs under any of its federal Awards and does not use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance or any other indirect cost rate.



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

Board of Commissioners
Newport News Redevelopment and Housing Authority
Newport News, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities, the aggregate discretely presented component units and the fiduciary fund of Newport News Redevelopment and Housing Authority (the Authority), as of and for the eighteen-month period ended December 31, 2024 (except for Lower Jefferson Avenue, LLC, Choice Neighborhood I, LLC, Choice Neighborhood II, LLC, Carrier Point Commercial Partners, LLC, Choice Neighborhood Commercial Partners, LLC, Choice Neighborhood III, LLC and Choice Neighborhood IV, LLC, which are presented as of and for the twenty-four month period ended December 31, 2024), 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 29, 2025.

Our report includes a reference to other auditors who audited the financial statements of blended component unit Great Oaks Apartments LLC.

Our reports includes a references to other auditors who audited the financial statements of discretely presented component units Oyster Point-Brighton, LLC, Cypress Terrace LLC, Lassiter Courts LLC, Spratley House LLC, Orcutt Townhomes III LP, Orcutt TH 40, LLC, Lower Jefferson Avenue, LLC, Choice Neighborhood I LLC and Choice Neighborhood II LLC, as described in our audit report on the Authority's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately on by those auditors.

The financial statements of Cypress Terrace LLC, Lassiter Courts LLC, Spratley House LLC, Orcutt Townhomes III LP, Orcutt TH 40, LLC, Lower Jefferson Avenue, LLC, Choice Neighborhood I LLC and Choice Neighborhood II LLC (the discretely presented component units) were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with those component units.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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



CliftonLarsonAllen LLP

Arlington, Virginia
September 29, 2025



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

Board of Commissioners
Newport News Redevelopment and Housing Authority
Newport News, Virginia

Report on Compliance for Each Major Federal Program

Qualified Opinion

We have audited Newport News Redevelopment and Housing Authority's (the Authority's) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the eighteen-month period ended December 31, 2024. The Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Qualified Opinion on Housing Voucher Cluster

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion section of our report, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on Housing Voucher Cluster for the eighteen-month period ended December 31, 2024.

Basis for Qualified Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified and unmodified opinions on compliance for each major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Matters Giving Rise to Qualified Opinion on Housing Voucher Cluster

As described in the accompanying schedule of findings and questioned costs, the Authority did not comply with requirements regarding Assistance Listing No. 14.871/14.879 Housing Voucher Cluster as described in finding numbers 2024-001 for Special Tests – Housing Quality Standards Inspections (HQS) – Quality Control Re-Inspections, 2024-003 for Eligibility, 2024-004 for Special Tests – Housing Quality Standards (HQS) Inspections – Biennial Inspections, and 2024-005 for Special Tests – Reasonable Rent.

Compliance with such requirements is necessary, in our opinion, for the Authority to comply with the requirements applicable to that program.

Other Matter – Federal Expenditures Not Included in the Compliance Audit

The Authority's financial statements include the aggregate discretely presented component units (as mentioned above). The federal award programs for these discretely presented component units are not included in the Authority's schedule of expenditures of federal awards for the 18-month period ended December 31, 2024. Our audit over the Authority's major federal programs, as described below, did not include the federal awards of these component units because these entities engaged other auditors to perform an audit of compliance, if applicable.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Authority's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2024-002 and 2024-006. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards require the auditor to perform limited procedures on the Authority's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. the Authority's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2024-001, 2024-003, 2024-004, and 2024-005 to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2024-002 and 2024-006 to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's response to internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



CliftonLarsonAllen LLP

Arlington, Virginia
September 29, 2025

**NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
EIGHTEEN MONTH PERIOD ENDED DECEMBER 31, 2024**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
3. Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? x yes _____ no
 - Significant deficiency(ies) identified? x yes _____ none reported
2. Type of auditors’ report issued on compliance for major federal programs: Qualified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? x yes _____ no

Identification of Major Federal Programs

Assistance Listing Number	Name of Federal Program or Cluster
14.871/14.879	Housing Voucher Cluster

- Dollar threshold used to distinguish between Type A and Type B programs: \$ 2,350,451
- Auditee qualified as low-risk auditee? _____ yes x no

**NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
EIGHTEEN MONTH PERIOD ENDED DECEMBER 31, 2024**

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major Federal Programs

2024 – 001 – Housing Voucher Cluster – HQS QC Inspections

Federal Agency: U.S. Department of Housing and Urban Development

Federal Program Name: Housing Voucher Cluster

Federal Award Identification Number and Year: VA003, 2023-2024

Assistance Listing Number: 14.871/14.879/14.EHV

Award Period: July 1, 2023 – December 31, 2024

Type of Finding: Material Weakness in Internal Control over Compliance, Material Noncompliance (Modified Opinion)

Criteria or specific requirement: The PHA must inspect the unit leased to a family at least biennially to determine if the unit meets Housing Quality Standards (HQS) and the PHA must conduct quality control re-inspections. The PHA must prepare a unit inspection report (24 CFR sections 982.158(d) and 982.405(b)). Per the Authority's administrative plan, the re-inspection must be performed within 3 months (90 days) of the original inspection.

Condition: During our testing, we noted the Authority did not have adequate internal controls designed to ensure compliance over HQS quality control re-inspection requirements was met.

Context: During our testing of 6 files for quality control re-inspections, we noted that 6 of the files contained re-inspections that were not performed within 3 months of the original inspection. 1 file did not list the QC inspector's name. 1 file had the same inspector for both the original and quality control re-inspection. Additionally, we noted only 19 quality control re-inspections were performed for the 18 month period.

Questioned costs: Unable to determine

Cause: The staff performing the inspections did not properly use the Yardi software program available to conduct and document the inspection process. Additional training will be provided to staff.

Effect: The Authority is not in compliance with HUD regulations.

Repeat Finding: Yes, 2023-004.

**NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
EIGHTEEN MONTH PERIOD ENDED DECEMBER 31, 2024**

Recommendation: We recommend the Authority review their quality control re-inspection process to ensure the inspections are performed timely and in accordance with the SEMAP requirements. We recommend that the Authority utilize Yardi software to its full potential in terms of inspection documentation.

Views of responsible officials: There is no disagreement with the audit finding.

2024 – 002 – Housing Voucher Cluster – HQS Enforcement - Failed Inspections

Federal Agency: U.S. Department of Housing and Urban Development

Federal Program Name: Housing Voucher Cluster

Federal Award Identification Number and Year: VA003, 2023-2024

Assistance Listing Number: 14.871/14.879/14.EHV

Award Period: July 1, 2023 – December 31, 2024

Type of Finding: Significant Deficiency in Internal Control over Compliance, Other Matters

Criteria or specific requirement: For units under HAP contract that fail to meet HQS, the PHA must require the owner to correct any life threatening HQS deficiencies within 24 hours after the inspections and all other HQS deficiencies within 30 calendar days or within a specified PHA-approved extension. If the owner does not correct the cited HQS deficiencies within the specified correction period, the PHA must stop (abate) HAP's beginning no later than the first of the month following the specified correction period or must terminate the HAP contract. For family-caused defects, if the family does not correct the cited HQS deficiencies within the specified correction period, the PHA must take prompt and vigorous action to enforce the family obligations (24 CFR sections 982.158(d) and 982.404).

Condition: During our testing, we noted the Authority did not have adequate internal controls designed to ensure compliance over HQS enforcement requirements was met.

Context: During our testing of 15 failed HQS inspections, we noted 1 instance where HAP was not abated and the tenant did not change units. There was no documentation that the unit ever passed inspection. Additionally, we noted there only 94 failed inspections per the population received.

Questioned costs: \$5,915

Cause: The staff performing the inspections did not properly use the Yardi software program available to conduct and document the inspection process.

Effect: The Authority is not in compliance with HUD regulations.

Repeat Finding: Yes, 2023-004.

Recommendation: We recommend the Authority review their failed inspection process to ensure that any abatement/contract modifications are performed timely and in accordance with the compliance requirements. We recommend that the Authority utilize Yardi software to its full potential in terms of inspection documentation.

Views of responsible officials: There is no disagreement with the audit finding.

**NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
EIGHTEEN MONTH PERIOD ENDED DECEMBER 31, 2024**

2024 – 003 – Housing Voucher Cluster - Eligibility

Federal Agency: U.S. Department of Housing and Urban Development

Federal Program Name: Housing Voucher Cluster

Assistance Listing Number: 14.871/14.879/14.EHV

Federal Award Identification Number and Year: VA003, 2023-2024

Award Period: July 1, 2023 – December 31, 2024

Type of Finding: Material Weakness in Internal Control over Compliance, Material Noncompliance
(Modified Opinion)

Criteria or specific requirement: The PHA must do the following: (1) As a condition of admission or continued occupancy, require the tenant and other family members to provide necessary information, documentation, and releases for the PHA to verify income eligibility (24 CFR sections 5.230, 5.609, and 982.516). (2) For both family income examinations and reexaminations, obtain and document in the family file third party verification of (1) reported family annual income; (2) the value of assets; (3) expenses related to deductions from annual income; and (4) other factors that affect the determination of adjusted income or income-based rent (24 CFR section 982.516). (3) Determine income eligibility and calculate the tenant's rent payment using the documentation from third party verification in accordance with 24 CFR Part 5 Subpart F (24 CFR section 5.601 et seq.) (24 CFR sections 982.201, 982.515, and 982.516). (4) Use the Enterprise Income Verification (EIV) system in its entirety to verify tenant employment and income information during mandatory reexaminations of family composition and income in accordance with 24CFR 5.233; and reduce administrative and subsidy payment errors in accordance with 24 CFR 5.236 and other administrative guidance issued by HUD. (5) Reexamine family income and composition at least once every 12months and adjust the tenant rent and housing assistance payment as necessary using the documentation from third party verification (24CFR section 982.516).

Condition: During our testing, we noted the Authority did not have adequate internal controls designed to ensure compliance over eligibility requirements was met.

Context: During our testing of 60 tenants for eligibility requirements, we noted the following:

- 6 of 60 tenant files tested did not have a signed Declaration 214 for all members of the household
- 12 of 60 tenant files tested did not have proper support for income
- 12 of 60 tenant files had improperly calculated rent due to missing and/or incorrect support for income, assets or expenses
- 9 of 60 tenant files tested did not have a signed HUD-9886 in place

Questioned costs: \$45,998.

Cause: The Authority has had vacancies and turnover in the staff who perform recertification processes, resulting in these processes being performed by less experienced and trained staff.

Effect: The Authority is not in compliance with HUD regulations over eligibility. This could have an impact on HAP calculations.

Repeat Finding: Yes, 2023-003.

**NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
EIGHTEEN MONTH PERIOD ENDED DECEMBER 31, 2024**

Recommendation: We recommend the Authority review their recertification process to ensure that all Eligibility requirements are met and documented.

Views of responsible officials: There is no disagreement with the audit finding.

2024 – 004 – Housing Voucher Cluster - HQS Biennial Inspections

Federal Agency: U.S. Department of Housing and Urban Development

Federal Program Name: Housing Voucher Cluster

Assistance Listing Number: 14.871/14.879/14.EHV

Federal Award Identification Number and Year: VA003, 2023-2024

Award Period: July 1, 2023 – December 31, 2024

Type of Finding: Material Weakness in Internal Control over Compliance, Material Noncompliance (Modified Opinion)

Criteria or specific requirement: The PHA must inspect the unit leased to a family at least biennially to determine if the unit meets Housing Quality Standards (HQS) and the PHA must conduct quality control re-inspections. The PHA must prepare a unit inspection report (24 CFR sections 982.158(d) and 982.405(b)).

Condition: During our testing, we noted the Authority did not have adequate internal controls designed to ensure compliance over HQS inspections requirements was met.

Context: During our testing of 60 units for biennial HQS requirements, we noted the following:

- 18 of 60 units tested did not have documentation of a completed HQS inspection within 24 months of the effective date.
- 36 of 60 units tested did not have inspections performed on a biennial basis.
- 1 of 60 inspections tested did not have an inspection report that was signed off as completed by the inspector.

Questioned costs: Unable to determine

Cause: The staff performing the inspections did not properly use the Yardi software program available to conduct and document the inspection process.

Effect: The Authority is not in compliance with HUD regulations regarding HQS inspections.

Repeat Finding: Yes, 2023-004.

Recommendation: We recommend the Authority review their inspection process to ensure that inspections are performed timely and that all documentation is maintained within Yardi or the tenant file. We recommend the Authority hiring additional inspectors or a third-party company to perform inspections to ensure compliance.

Views of responsible officials: There is no disagreement with the audit finding.

**NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
EIGHTEEN MONTH PERIOD ENDED DECEMBER 31, 2024**

2024 – 005 – Housing Voucher Cluster - Reasonable Rent

Federal Agency: U.S. Department of Housing and Urban Development

Federal Program Name: Housing Voucher Cluster

Federal Award Identification Number and Year: VA003, 2023-2024

Assistance Listing Number: 14.871/14.879/14.EHV

Award Period: July 1, 2023 – December 31, 2024

Type of Finding: Material Weakness in Internal Control over Compliance, Material Noncompliance (Modified Opinion)

Criteria or specific requirement: The PHA must determine that the rent to the owner is reasonable at the time of initial leasing. Also, the PHA must determine reasonable rent during the term of the contract (a) before any increase in the rent to owner, and (b) at the HAP contract anniversary if there is a 5% decrease in the published Fair Market Rent in effect 60 days before the HAP contract anniversary. The PHA must maintain records to document the basis for the determination that rent to owner is a reasonable rent (24 CFR sections 982.4, 982.54(d)(15), 982.158(f)(7), and 982.507).

Condition: During our testing, we noted the Authority did not have adequate internal controls designed to ensure compliance over reasonable rent requirements was met.

Context: During our testing of 120 files for rent reasonableness requirements, we noted the following:

- 60 out of 120 files did not have a tenant-signed lease amendment that tied to the approved rental request form.
- 53 of 120 files tested did not have a rent reasonableness determination form completed before the rent effective date.
- 44 of 120 files tested did not have a rent reasonableness determination form completed.

Questioned costs: None

Cause: The Authority has had turnover in the staff who perform the rent reasonableness determinations, resulting in these processes being performed by less experienced and trained staff.

Effect: The Authority is not in compliance with HUD's requirements over rent reasonableness. This could have an impact on HAP calculations.

Repeat Finding: Yes, 2023-005.

Recommendation: We recommend the Authority review their process and internal controls for rent reasonableness to ensure compliance with HUD requirements and their administrative plan.

Views of responsible officials: There is no disagreement with the audit finding.

**NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
EIGHTEEN MONTH PERIOD ENDED DECEMBER 31, 2024**

2024 – 006 – Housing Voucher Cluster – Waitlist – New Tenants

Federal Agency: U.S. Department of Housing and Urban Development

Federal Program Name: Housing Voucher Cluster

Federal Award Identification Number and Year: VA003, 2023-2024

Assistance Listing Number: 14.871/14.879/14.EHV

Award Period: July 1, 2023 – December 31, 2024

Type of Finding: Significant Deficiency in Internal Control over Compliance, Other Matters

Criteria or specific requirement: The Authority must have written policies in its HCVP administrative plan for selecting applicants from the waiting list and Authority documentation must show that the Authority follows these policies when selecting applicants for admission from the waiting list. Except as provided in 24 CFR section 982.203 Special admission (non-waiting list), all families admitted to the program must be selected from the waiting list. “Selection” from the waiting list generally occurs when the Authority notifies a family whose name reaches the top of the waiting list to come in to verify eligibility for admission (24 CFR sections 5.410, 982.54(d), and 982.201 through 982.207).

Condition: During our testing, we noted the Authority did not have adequate internal controls designed to ensure compliance over waitlist – new tenant requirements was met.

Context: During our testing of 24 files for new tenants selected off of the waitlist, the Authority was unable to locate 1 file.

Questioned costs: None

Cause: The Authority has had vacancies and turnover in the staff who perform these processes, resulting in these processes being performed by less experienced and trained staff.

Effect: The Authority is not in compliance with HUD regulations.

Repeat Finding: No.

Recommendation: We recommend the Authority review their process and internal controls for new tenants to ensure compliance with HUD requirements and their administrative plan.

Views of responsible officials: There is no disagreement with the audit finding.

Section III – Findings and Questioned Costs – Compliance With Virginia Specifications

Our audit did not disclose any matters required to be reported in accordance with the *Specifications for Audits of Authorities, Boards, and Commissions* issued by the Auditor of Public Accounts of the Commonwealth of Virginia.



Lysandra M. Shaw
Executive Director

**BOARD OF
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**NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
CORRECTIVE ACTION PLAN
EIGHTEEN MONTH PERIOD ENDED DECEMBER 31, 2024**

U.S. Department of Housing and Urban Development

Newport News Redevelopment and Housing Authority respectfully submits the following corrective action plan for the year ended December 31, 2024.

Audit period: July 1, 2023 through December 31, 2024

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS—FEDERAL AWARD PROGRAMS AUDITS

U.S. Department of Housing and Urban Development

2024-001 Housing Voucher Cluster – Assistance Listing No. 14.871/14.879/14.EHV

Recommendation: We recommend the Authority review their quality control re-inspection process to ensure the inspections are performed timely and in accordance with the SEMAP requirements. We recommend that the Authority utilize Yardi software to its full potential in terms of inspection documentation.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: The Director of Housing will ensure the re-inspection process is performed timely and the documentation is maintained within the Yardi software program. Processes will be reviewed and updated to ensure timely correction and enforcement.

Name(s) of the contact person(s) responsible for corrective action: Director of Housing

Planned completion date for corrective action plan: December 31, 2025



- 2024-002 Housing Voucher Cluster – Assistance Listing No. 14.871/14.879/14.EHV
- Recommendation: We recommend the Authority review their failed inspection process to ensure that any abatement/contract modifications are performed timely and in accordance with the compliance requirements. We recommend that the Authority utilize Yardi software to its full potential in terms of inspection documentation.
- Explanation of disagreement with audit finding: There is no disagreement with the audit finding.
- Action taken in response to finding: The Director of Housing will ensure the failed inspection process is performed timely and the documentation is maintained within the Yardi software program. Processes will be reviewed and updated to ensure timely correction and enforcement.
- Name(s) of the contact person(s) responsible for corrective action: Director of Housing
- Planned completion date for corrective action plan: December 31, 2025
- 2024-003 Housing Voucher Cluster – Assistance Listing No. 14.871/14.879/14.EHV
- Recommendation: We recommend the Authority review their recertification process to ensure that all Eligibility requirements are met and documented.
- Explanation of disagreement with audit finding: There is no disagreement with the audit finding.
- Action taken in response to finding: The Director of Housing will ensure staff perform the recertification process to ensure all requirements are met and documented.
- Name(s) of the contact person(s) responsible for corrective action: Director of Housing
- Planned completion date for corrective action plan: December 31, 2025
- 2024-004 Housing Voucher Cluster – Assistance Listing No. 14.871/14.879/14.EHV
- Recommendation: We recommend the Authority review their inspection process to ensure that inspections are performed timely and that all documentation is maintained within Yardi or the tenant file. We recommend the Authority hiring additional inspectors or a third-party company to perform inspections to ensure compliance.
- Explanation of disagreement with audit finding: There is no disagreement with the audit finding.
- Action taken in response to finding: The Director of Housing will ensure the inspection process is performed timely and the documentation is maintained within the Yardi software program. Processes will be reviewed and updated to ensure timely correction and enforcement.
- Name(s) of the contact person(s) responsible for corrective action: Director of Housing
- Planned completion date for corrective action plan: December 31, 2025

2024-005 Housing Voucher Cluster – Assistance Listing No. 14.871/14.879/14.EHV

Recommendation: We recommend the Authority review their process and internal controls for rent reasonableness to ensure compliance with HUD requirements and their administrative plan.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: The Director of Housing will review our process and internal controls to ensure staff perform the rent reasonableness in compliance with HUD requirements and our administrative plan.

Name(s) of the contact person(s) responsible for corrective action: Director of Housing

Planned completion date for corrective action plan: December 31, 2025

2024-006 Housing Voucher Cluster – Assistance Listing No. 14.871/14.879/14.EHV

Recommendation: We recommend the Authority review their process and internal controls for new tenants to ensure compliance with HUD requirements and their administrative plan.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: The Director of Housing will review our process and internal controls for new tenants to ensure compliance with HUD requirements and our administrative plan.

Name(s) of the contact person(s) responsible for corrective action: Director of Housing

Planned completion date for corrective action plan: December 31, 2025

If the U.S. Department of Housing and Urban Development has questions regarding this plan, please call the Executive Director at 757-928-2660.

**NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
EIGHTEEN MONTH PERIOD ENDED DECEMBER 31, 2024**

U.S. Department of Housing and Urban Development

The Newport News Redevelopment and Housing Authority respectfully submits the following summary schedule of prior audit findings for the eighteen-month period ended December 31, 2024.

Audit period: July 1, 2023 – December 31, 2024

The findings from the prior audit's schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the prior year.

FINDINGS—FINANCIAL STATEMENT AUDIT

There were no financial statement findings in the prior year.

FINDINGS— FEDERAL AWARD PROGRAMS AUDITS

2023 – 001 – Low Rent Public Housing Eligibility

Condition: The Authority did not have adequate internal controls designed to ensure the Public Housing annual recertification checklists are completed and retained.

Status: Corrected

2023 – 002 – Section 8 Project-Based Cluster Eligibility

Condition: The Authority did not have adequate internal controls designed to ensure the move-in or re-examination checklists are completed and retained.

Status: Corrected.

2023 – 003 – Housing Voucher Cluster Eligibility

Condition: The Authority did not have adequate internal controls designed to ensure the move-in or re-examination checklists are completed and retained.

Status: Not corrected. See current year finding 2024-003.

Reason for finding's recurrence: The Authority has continued to have turnover in the staffing who complete move-ins and re-examination checklists, resulting in checklists being performed by less experienced and trained staff.

Corrective Action: The Authority will continue its efforts to hire staff and ensure they are properly trained.

2023 – 004 – Housing Voucher Cluster - HQS Inspections

Condition: The Authority did not have sufficient internal controls over Housing Quality Standards to ensure compliance with HUD requirements.

Status: Not corrected. See current year findings 2024-001, 2024-002 and 2024-004.

**NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
EIGHTEEN MONTH PERIOD ENDED DECEMBER 31, 2024**

Reason for finding's recurrence: The Authority has continued to have turnover in the staffing who complete Housing Quality Standard Inspections.

Corrective Action: The Authority will continue its efforts to hire staff and ensure they are properly trained.

2023 – 005 – Housing Voucher Cluster - Reasonable Rent

Condition: The Authority did not have sufficient internal controls over reasonable rent determinations to ensure compliance with HUD requirements.

Status: Not corrected. See current year finding 2024-003.

Reason for finding's recurrence: The Authority has continued to have turnover in the staffing who complete reasonable rent determinations.

Corrective Action: The Authority will continue its efforts to hire staff and ensure they are properly trained.

2023 – 006 – Housing Voucher Cluster – HUD-50058 PIC Submissions

Condition: The Authority did not have sufficient internal controls over the PIC submission process to

Status: Corrected

If the U.S. Department of Housing and Urban Development has questions regarding this schedule, please call the Executive Director at 757-928-2620.



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