

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY  
NEWPORT NEWS, VIRGINIA

FINANCIAL STATEMENTS AND  
REPORT OF INDEPENDENT AUDITOR

JUNE 30, 2021

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## Report of Independent Auditor

To the Commissioners  
Newport News Redevelopment and Housing Authority

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities, the aggregate discretely presented component units and the aggregate remaining fund information of the Newport News Redevelopment and Housing Authority (the "Authority"), as of and for the year ended June 30, 2021, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Lower Jefferson Avenue, LLC, which represents 63.8%, 78.5%, and 26.5%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. That statement was audited by another auditor whose report has been furnished to us, and our opinion, insofar as it relates to the amount included for the discretely presented component unit, is based solely on the report of the other auditor. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards and specifications require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Lower Jefferson Avenue, LLC were not audited in accordance with *Government Auditing Standards* or the *Specifications for Audits of Authorities, Boards, and Commissions*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## ***Opinions***

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, aggregate discretely presented component units, and aggregate remaining fund information of the Authority, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Emphasis of Matter***

### ***Correction of an Error***

As described in Note 21 to the financial statements, certain errors resulting in the overstatement of previously reported other noncurrent assets and other expenses were discovered by management of the Authority during the current fiscal year. Accordingly, adjustments have been made to related net position and fund balance as of June 30, 2020 to correct these errors. Our opinion is not modified with respect to this matter.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Required Supplementary Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other 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 Other Supplementary Information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and is also not a required part of the basic financial statements.

The Other Supplementary Information and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2022 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 the Authority's internal control over financial reporting.

*Cherry Bekaert LLP*

Virginia Beach, Virginia  
September 29, 2022

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

**Management's Discussion and Analysis  
June 30, 2021**

The Newport News Redevelopment and Housing Authority ("the Authority" or "NRRHA") management's discussion and analysis ("MD&A") 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 accounting principles generally accepted in the United States of America ("U.S. GAAP").

**Financial Highlights**

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 \$98,697,274, which is an increase of \$6,328,565 during the year ended June 30, 2021. This increase is mostly attributable to increased developer fees and subsidy earned over the prior year from tax credit equity investments for the conversion of properties to the Rental Assistance Demonstration ("RAD") program.

**Overview of the Financial Statements**

The following outline describes the integral parts of this 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, Orcutt Townhomes, Orcutt Townhomes III, Oyster Point-Brighton, Cypress Terrace Developments, Lassiter Courts Developments, and Spratley House Developments) and are presented on the full accrual basis of accounting. The proprietary fund financial statements include the following financial statements:

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 "Noncurrent".

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 in Capital Assets" or "Restricted".

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

**Management's Discussion and Analysis  
June 30, 2021**

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 Nonoperating 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 – Discloses net cash provided by or used for operating activities, non-capital financing activities, and from capital and related financing and investment activities.

**Discretely Component Unit**

During 2014, the Authority teamed with a developer and created the Lower Jefferson Avenue, LLC to construct 50 apartment units in the Jefferson Avenue Corridor. The Authority created a wholly-owned subsidiary to serve as the managing member of this entity. The Authority assumed day-to-day management functions for these units in January 2020.

During 2021, the Authority created the Choice Neighborhood Development I and II LLC to redevelop the Marshall-Ridley area with the Choice Neighborhood Implement grant.

**Fiduciary Fund Financial Statements**

In FY 2009, the Authority established the Other Postemployment 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.

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

**Management's Discussion and Analysis  
June 30, 2021**

**Analysis of the Authority's Statement of Net Position**

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

	<b>FY 2021 Proprietary Fund</b>	<b>FY 2020 Proprietary Fund (restated)</b>	<b>Increases (Decreases)</b>	<b>Percent</b>
<b>ASSETS:</b>				
Current Assets	\$ 24,575,190	\$ 18,318,140	\$ 6,257,050	34.16%
Capital Assets	75,679,428	73,735,247	1,944,181	2.64%
Other Assets	14,091,168	14,643,270	(552,102)	-3.77%
<b>TOTAL ASSETS</b>	<b>114,345,786</b>	<b>106,696,657</b>	<b>7,649,129</b>	<b>7.17%</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>98,671</b>	<b>63,919</b>	<b>34,752</b>	<b>54.37%</b>
<b>LIABILITIES:</b>				
Current Liabilities	5,413,227	5,978,790	(565,563)	-9.46%
Noncurrent Liabilities	10,248,383	8,198,632	2,049,751	25.00%
<b>TOTAL LIABILITIES</b>	<b>15,661,610</b>	<b>14,177,422</b>	<b>1,484,188</b>	<b>10.47%</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>85,573</b>	<b>214,445</b>	<b>(128,872)</b>	<b>-60.10%</b>
<b>NET POSITION:</b>				
Net Investment in Capital Assets	65,930,744	62,327,373	3,603,371	5.78%
Restricted Net Position	15,350,711	15,684,126	(333,415)	-2.13%
Unrestricted Net Position	17,415,819	14,357,210	3,058,609	21.30%
<b>TOTAL NET POSITION</b>	<b>\$ 98,697,274</b>	<b>\$ 92,368,709</b>	<b>\$ 6,328,565</b>	<b>6.85%</b>

Net position (assets and deferred outflows of resources over liabilities and deferred inflows of resources) increased by \$6,328,565, which is mostly attributable to increase developer fees earned, additional tax credit and AHP subsidy, and capital contributions over the prior year. This also includes the effects of a restatement of beginning net position of \$990,188 due to the reduction in the investment in the Brooks Crossing LLC due to accumulated operating losses. The investment and renovation of Public Housing units under the RAD program allows the Authority to borrow money and to secure tax credit equity investments for the much-needed renovation and improvements to the properties.

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

**Management's Discussion and Analysis  
June 30, 2021**

**Analysis of the Authority's Changes in Net Position**

	<u>FY2021</u>	<u>FY2020</u>		
	<u>Proprietary</u>	<u>Proprietary</u>	<u>Increase/</u>	<u>Percent</u>
	<u>Funds</u>	<u>Funds</u>	<u>Decrease</u>	
<b>OPERATING REVENUES:</b>				
Rental and tenant income	\$ 3,595,386	\$ 3,830,009	\$ (234,623)	-6.13%
Intergovernmental	37,525,018	34,759,152	2,765,866	7.96%
Other income	462,253	603,563	(141,310)	-23.41%
Total operating revenues	<u>41,582,657</u>	<u>39,192,724</u>	<u>2,389,933</u>	<u>6.10%</u>
<b>OPERATING EXPENSES:</b>				
Administration	5,811,238	5,893,490	(82,252)	-1.40%
Tenant services	1,809,473	1,578,622	230,851	14.62%
Utilities	2,659,727	2,557,829	101,898	3.98%
Ordinary maintenance and operations	2,869,629	3,335,116	(465,487)	-13.96%
Protective services	115,611	124,181	(8,570)	-6.90%
Insurance expense	668,566	722,284	(53,718)	-7.44%
General expense	2,520,189	1,266,870	1,253,319	98.93%
Nonroutine maintenance	20,988	346,418	(325,430)	-93.94%
Housing assistance payments	22,505,898	21,467,091	1,038,807	4.84%
Depreciation	3,535,222	3,479,896	55,326	1.59%
Total operating expenses	<u>42,516,541</u>	<u>40,771,797</u>	<u>1,744,744</u>	<u>4.28%</u>
<b>OPERATING LOSS</b>	<u>(933,884)</u>	<u>(1,579,073)</u>	<u>645,189</u>	<u>-40.86%</u>
<b>NONOPERATING REVENUES / (EXPENSES):</b>				
Interest and investment revenues	58,871	133,940	(75,069)	-56.05%
Interest expense	(271,434)	(262,781)	(8,653)	3.29%
Developer fees earned	1,019,661	(583)	1,020,244	-174998.97%
Contributions for AHP subsidy	500,000	-	500,000	100.00%
Loss on disposition of capital assets	660,229	-	660,229	100.00%
Total nonoperating revenues (expenses), net	<u>1,967,327</u>	<u>(129,424)</u>	<u>2,096,751</u>	<u>-1620.06%</u>
<b>GAIN (LOSS) BEFORE CONTRIBUTIONS, TRANSFERS, AND SPECIAL ITEM:</b>				
HUD capital contributions	1,033,443	(1,708,497)	2,741,940	-160.49%
Tax credit proceeds	1,509,122	544,609	964,513	177.10%
	3,786,000	4,072,000	(286,000)	-7.02%
<b>CHANGE IN NET POSITION</b>	<u>6,328,565</u>	<u>2,908,112</u>	<u>3,420,453</u>	<u>117.62%</u>
<b>TOTAL NET POSITION - beginning</b>	92,368,709	90,450,795	1,917,914	2.12%
<b>RESTATEMENT</b>	-	(990,198)	990,198	-100.00%
<b>TOTAL NET POSITION - beginning, as restated</b>	<u>92,368,709</u>	<u>89,460,597</u>	<u>2,908,112</u>	<u>3.25%</u>
<b>TOTAL NET POSITION - ending</b>	<u>\$ 98,697,274</u>	<u>\$ 92,368,709</u>	<u>\$ 6,328,565</u>	<u>6.85%</u>

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

**Management's Discussion and Analysis  
June 30, 2021**

**Revenue and Expense Activities**

Operating Revenues – The Authority's revenue increased by 6.10% or \$2,389,933 in FYE June 30, 2021 as compared to FYE June 30, 2020. Income (rent, excess utilities, and maintenance charges) decreased by \$234,623. The net intergovernmental revenue, operating grants, and housing assistance payments incurred a significant net increase of \$2,765,866. The Housing Choice Voucher program experienced a significant increase of \$1.5 million due to HUD's push to maximize vouchers leased and additional funds to assist with housing authorities incurring additional expense due to COVID-19. The Low-Rent Public Housing Program had modest increases in the operating subsidies and capital fund program.

Operating Expenses – The Authority's Enterprise Funds expenses increased by 4.28% or \$1,744,744 in FYE June 30, 2021 as compared to FYE June 30, 2020. Most of the change is attributable to an increase of \$1,038,807 in housing assistance payments, utilities, general expenditures, depreciation, and administration. These were offset with a decrease in maintenance, insurance, protective services, and nonroutine maintenance expenditures.

**CAPITAL ASSETS**

At the end of fiscal year June 30, 2021, the Authority had \$142,346,302 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 an increase in construction in progress, with an offsetting decrease in buildings. The Authority has continued the Phase VI work at Marshall Courts, and has made significant progress in the renovation. Additionally, A&E and construction costs have been incurred due to the planned renovation and conversion of the Spratley House public housing property under the RAD program.

Additional information on the Authority's capital assets can be found in Note 5 to the financial statements.

	<u>FY 2021</u>	<u>FY 2020</u>	<u>Increase/ Decrease</u>
Land and improvements	\$ 7,677,821	\$ 6,877,821	\$ 800,000
Building	128,192,955	118,511,458	9,681,497
Equipment	3,681,630	3,380,180	301,450
Construction in progress	2,793,896	11,574,496	(8,780,600)
Total	<u>142,346,302</u>	<u>140,343,955</u>	<u>2,002,347</u>
Accumulated depreciation	(66,666,874)	(66,608,708)	(58,166)
TOTAL	<u>\$ 75,679,428</u>	<u>\$ 73,735,247</u>	<u>\$ 1,944,181</u>

**LONG-TERM DEBT**

At the end of fiscal year June 30, 2021, the Authority owed \$9,748,684 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; 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, Cypress Terrace, and Lassiter Courts properties. Additional information on the Authority's long-term debt can be found in Note 4 to the financial statements.

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

**Management's Discussion and Analysis  
June 30, 2021**

**ECONOMIC FACTORS**

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

- In March 2020, the Center for Disease Control and Prevention (CDC) responded to a pandemic of respiratory disease spreading from person-to-person caused by a novel (new) coronavirus. The disease has been named "coronavirus disease 2019" (abbreviated "COVID-19"). This situation has posed a serious public health risk; over 500,000 Americans have died from the pandemic. The federal government has been working closely with state, local, tribal, and territorial partners, as well as public health partners, to respond to this situation. Last year, the President signed the COVID-19 Relief Bill to provide emergency assistance and response to the coronavirus pandemic. In addition to relief provided to families and businesses, the bill provides supplemental appropriations for various governmental activities including the Department of Housing and Urban Development's housing, homelessness, and community development programs. The relief bill includes additional funds for HUD's Public and Indian Housing (PIH), Community Planning and Development (CPD), and Office of Housing programs. The Community Development Block Grant (CDBG) funding is \$5 billion. All the funding in the bill is in addition to the previously appropriated FY2021 funding.
- 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. The Authority was 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. In October 2018, the Authority 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, the Authority closed on the permanent financing in December 2020. In January 2019, HUD approved a CHAP for Spratley House, a 50-unit senior property and in July 2019, 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 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 2022 is projected to remain the same; therefore, the Authority will be able to continue to maximize leasing. The Authority has been awarded 46 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. The Authority also received a 141 Mainstream Vouchers to help low income households that include persons with disabilities. However, the administrative fee funding continues to remain low at 80% of eligibility.
- The Authority is being funded at a rate of 97% of public housing subsidy eligibility for the first six months of FY 2021. The Authority is expecting to receive funding of 95% for full 2021 calendar year.

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

**Management's Discussion and Analysis  
June 30, 2021**

- In the short-term, healthcare and other insurance costs are expected to increase dramatically. In the longer term, it is unknown at this time how future healthcare reform will affect Authority expenses.
- An increase of approximately 5% in utility costs is expected.
- Postretirement benefits, other than pensions, are estimated to be \$81,000 for FY 2021. The liability has been funded through a trust.

**FINANCIAL CONTACT**

Questions concerning any of the information provided in this MD&A should be addressed to:

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Executive Director  
Newport News Redevelopment and Housing Authority  
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## BASIC FINANCIAL STATEMENTS

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY  
NEWPORT NEWS, VIRGINIA

STATEMENT OF NET POSITION

PROPRIETARY FUND AND DISCRETELY PRESENTED COMPONENT UNIT

JUNE 30, 2021

	Proprietary Fund - Primary Government	Discrete Component Units
<u>ASSETS</u>		
Current assets:		
Cash and equivalents - unrestricted	\$ 17,978,718	\$ 557,270
Accounts receivable (net of allowance)	1,772,235	10,741
Due from component units	300,677	-
Investments	4,277,405	-
Prepaid expenses	217,972	8,681
Materials inventory (net of allowance)	28,183	-
Total current assets	24,575,190	576,692
Restricted assets:		
Cash and equivalents - restricted	4,784,102	203,978
Investments - restricted	429,859	58,155
Notes receivable (noncurrent)	6,741,295	-
Total restricted assets	11,955,256	262,133
Noncurrent assets:		
Notes and mortgages receivable	1,710,754	-
Nondepreciable capital assets	10,471,717	4,003,681
Capital assets (net)	65,207,711	6,280,400
Other noncurrent assets	425,158	-
Total noncurrent assets	77,815,340	10,284,081
TOTAL ASSETS	114,345,786	11,122,906
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Deferred outflows related to OPEB plan	98,671	-

The accompanying notes are an integral part of this statement.

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY  
NEWPORT NEWS, VIRGINIA

STATEMENT OF NET POSITION  
(CONTINUED)

PROPRIETARY FUND AND DISCRETELY PRESENTED COMPONENT UNIT

JUNE 30, 2021

	Proprietary Fund - Primary Government	Discrete Component Units
<u>LIABILITIES</u>		
Current liabilities:		
Accounts payable and accrued expenses	2,674,670	115,754
Due to Primary Government	-	430,532
Accrued salaries	147,120	1,823
Accrued interest payable	18,778	2,689
Unearned revenues	2,199,173	10,980
Security deposit liabilities	170,602	31,296
Compensated absences	21,758	-
Current portion of long-term liabilities	181,126	69,004
Total current liabilities	5,413,227	662,078
Long-term liabilities:		
Compensated absences	495,347	4,310
Net OPEB liability	19,978	-
Notes and mortgages payable	9,567,558	3,692,819
Developer fee payable	-	19,190
Accrued interest payable	-	13,050
Trust, deposit, and escrow liabilities	165,500	-
Total long-term liabilities	10,248,383	3,729,369
TOTAL LIABILITIES	15,661,610	4,391,447
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred inflows related to OPEB plan and grant income	85,573	-
Total deferred inflows	85,573	-
<u>NET POSITION</u>		
Net investment in capital assets	65,930,744	6,522,258
Restricted for:		
Reserves and escrows	2,366,122	230,837
HAP reserves	721,877	-
Loan programs	4,205,295	-
Other	8,057,417	-
Unrestricted	17,415,819	(21,636)
TOTAL NET POSITION	\$ 98,697,274	\$ 6,731,459

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 UNIT

YEAR ENDED JUNE 30, 2021

	Proprietary Fund - Primary Government	Discrete Component Units
<b>OPERATING REVENUES:</b>		
Rental and tenant income	\$ 3,595,386	\$ 401,094
Intergovernmental - operating grants	37,525,018	926
Fee revenue	95,638	-
Other income	366,615	120,272
Total operating revenues	41,582,657	522,292
<b>OPERATING EXPENSES:</b>		
Administration	5,811,238	62,314
Tenant services	1,809,473	99
Utilities	2,659,727	170,334
Ordinary maintenance	2,869,629	153,651
Protective services	115,611	-
Insurance expense	668,566	34,229
General expenses	2,520,189	48,842
Non-routine maintenance	20,988	-
Housing assistance payments	22,505,898	-
Depreciation	3,535,222	225,101
Total operating expenses	42,516,541	694,570
<b>OPERATING LOSS</b>	<b>(933,884)</b>	<b>(172,278)</b>
<b>NONOPERATING REVENUES/EXPENSES:</b>		
Interest and investment revenue	58,871	372
Interest expense	(271,434)	(34,375)
Developer fees earned	1,019,661	-
Contributions for AHP subsidy	500,000	-
Loss on disposition of capital assets	660,229	-
Total nonoperating expenses, net	1,967,327	(34,003)
<b>LOSS BEFORE CONTRIBUTIONS AND PROCEEDS</b>	1,033,443	(206,281)
HUD capital contributions	1,509,122	-
Tax credit and other proceeds	3,786,000	1,450,133
<b>CHANGE IN NET POSITION</b>	<b>6,328,565</b>	<b>1,243,852</b>
<b>TOTAL NET POSITION - July 1, 2020, as restated (See Note 21)</b>	<b>92,368,709</b>	<b>5,487,607</b>
<b>TOTAL NET POSITION - June 30, 2021</b>	<b>\$ 98,697,274</b>	<b>\$ 6,731,459</b>

The accompanying notes are an integral part of this statement.

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY  
NEWPORT NEWS, VIRGINIA

STATEMENT OF CASH FLOWS  
(CONTINUED)

PROPRIETARY FUND

YEAR ENDED JUNE 30, 2021

	Proprietary Fund - Primary Government	Discrete Component Units
Cash flows from operating activities:		
Cash received from tenants/others	\$ 3,351,274	\$ 399,774
Cash received for fees/services/donations	396,367	41
Cash operating grants received (net)	39,109,145	926
Cash payments for goods, services, rental subsidies	(32,032,380)	-
Cash payments for employees and benefits	(6,117,074)	-
Cash payments in lieu of property taxes	(346,803)	-
Net cash provided by operating activities	<u>4,360,529</u>	<u>400,741</u>
Cash flows from capital and related financing activities:		
Purchase of equipment/capital assets	(3,708,205)	(3,667,297)
Proceeds from issuing notes and other debt	2,669,271	2,488,126
Proceeds from sale of tax credits	3,726,000	1,450,133
Contributions received for capital outlays	1,956,766	-
Loan principal payments	(4,268,461)	(67,000)
Interest payments	(263,904)	(33,340)
Net cash provided by capital and related financing activities	<u>111,467</u>	<u>170,622</u>
Cash flows from noncapital financing activities:		
Developer fees received	1,019,661	-
Contributions received for investments in joint ventures	500,000	-
Loans made to borrowers	(728,288)	-
Receipt of interest on notes and loans	35,267	-
Loan payments received	545,350	-
Net cash provided by noncapital and financing activities	<u>1,371,990</u>	<u>-</u>
Cash flows from investing activities:		
Receipts of interest and dividends	16,350	372
Deposits (withdrawals) to/from reserve accounts	(150,380)	(17,104)
Net cash used in investing activities	<u>(134,030)</u>	<u>(16,732)</u>
Net increase in cash	5,709,956	554,631
Cash and equivalents at July 1, 2020	<u>17,052,864</u>	<u>206,617</u>
Cash and equivalents at June 30, 2021	<u>\$ 22,762,820</u>	<u>\$ 761,248</u>

The accompanying notes are an integral part of this statement.

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY  
NEWPORT NEWS, VIRGINIA

STATEMENT OF CASH FLOWS  
(CONTINUED)

PROPRIETARY FUND

YEAR ENDED JUNE 30, 2021

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

Operating loss	\$ (933,884)	\$ (172,278)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation	3,535,222	225,101
Change in assets and liabilities:		
Change in assets and liabilities:		
Decrease in accounts receivable	(265,182)	(1,737)
Decrease in notes and mortgages receivable	265,791	-
(Increase) decrease in prepaid expenses and materials inventory	(76,997)	10,664
Increase in deferred outflows of resources	(34,752)	-
Decrease in accounts payable	195,982	365,749
Increase in accrued expenses	33,439	(37,863)
Increase in compensated absences	60,406	4,310
Increase in trust, deposit, and escrow liabilities	(67,738)	3,751
Increase in unearned revenues	1,759,963	3,044
Decrease in net OPEB liabilities	17,151	-
Increase in deferred inflows of resources	(128,872)	-
Net cash provided by operating activities	\$ 4,360,529	\$ 400,741

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

Operating loss	\$ (933,884)	\$ (172,278)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation	3,535,222	225,101
Change in assets and liabilities:		
Change in assets and liabilities:		
Increase (decrease) in accounts receivable	(265,182)	(1,737)
Decrease in notes and mortgages receivable	265,791	-
Decrease (increase) in prepaid expenses and materials inventory	(76,997)	10,664
Increase in deferred outflows of resources	(34,752)	-
Decrease in accounts payable	195,982	365,749
Increase in accrued expenses	33,439	(37,863)
Increase in compensated absences	60,406	4,310
Increase in trust, deposit, and escrow liabilities	(67,738)	3,751
Increase in unearned revenues	1,759,963	3,044
Decrease in net OPEB liabilities	17,151	-
Increase in deferred inflows of resources	(128,872)	-
Net cash provided by operating activities	\$ 4,360,529	\$ 400,741

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

JUNE 30, 2021

	<u>OPEB Trust Fund</u>
<u>ASSETS</u>	
Investments, at fair value	\$ 1,892,921
TOTAL ASSETS	<u>1,892,921</u>
<u>NET POSITION</u>	
Net position restricted for other postemployment benefits	<u>1,892,921</u>
TOTAL NET POSITION	<u><u>\$ 1,892,921</u></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

YEAR ENDED JUNE 30, 2021

	OPEB Trust Fund
<b>ADDITIONS</b>	
Contributions:	
Employer	\$ 83,632
Total contributions	83,632
Investment income:	
Net appreciation in fair value of investments	436,838
Dividends	1,084
Net investment income	437,922
Total additions	521,554
<b>DEDUCTIONS</b>	
Benefits paid	83,632
Administrative expenses	2,151
Total deductions	85,783
Changes in fiduciary net position	435,771
Net position restricted for other postemployment benefits - July 1, 2020	1,457,150
Net position restricted for other postemployment benefits - June 30, 2021	\$ 1,892,921

The accompanying notes are an integral part of this statement.

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY  
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

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 Commonwealth 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 within U.S. GAAP for inclusion of the Authority in the financial reports of the City are met. Therefore, a separate financial report is prepared for the Authority.

Included within the reporting entity:

BUSINESS-TYPE ACTIVITIES (PROPRIETARY FUND)

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 program administered by the Authority. These programs include the Housing Choice Voucher Program, the Section 8 Moderate Rehabilitation Program, and the Shelter Plus Care Program.
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 is used to account for the Virginia Housing Development Authority (“VHDA”) funded Transition Center housing program.

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY  
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

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

A. Reporting Entity (Continued)

Business Activities Program	This program includes all of the non-federal and non-governmental activities that generate non-federal revenues.
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.
Lower Jefferson Avenue	This program is used to account for the costs of subsidiary that serves as the general partner/managing member of an entity created to develop the Jefferson Brookville Apartments.
Orcutt Senior Development Corporation (including Orcutt Senior Housing, L.P.)	This program includes the activity of an Authority subsidiary that owns Public Housing redeveloped as a mixed finance, tax credit property.
Orcutt Townhomes Development Corporation (including Orcutt Townhomes, L.P.)	This program includes the activity of an Authority subsidiary that owns Public Housing redeveloped as a mixed finance, tax credit property.
Orcutt Townhomes III Development Corporation (including Orcutt Townhomes III, L.P.)	This program includes the activity of an Authority subsidiary that owns former Public Housing redeveloped as a mixed finance, tax credit property. During the current period, this property converted to Project-based Rental Assistance under HUD's HUD's Rental Assistance Determination ("RAD") Program.
2713 Lofts Development Corporation and 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.
Oyster Point-Brighton Development Corporation and Oyster Point-Brighton, LLC	This program includes the activity of an Authority subsidiary that serves as the ownership entity that is converting and renovating the former public housing developments to Project-based Rental Assistance under HUD's RAD Program.
Lassiter Courts Development Corporation and Lassiter Courts, LLC	This program includes the activity of an Authority subsidiary that serves as the ownership entity that has converted and is renovating the former public housing developments to Project-based Rental Assistance under HUD's RAD Program.
Cypress Terrace Development Corporation and Cypress Terrace, LLC	This program includes the activity of an Authority subsidiary that serves as the ownership entity that has converted and is renovating the former public housing developments to Project-based Rental Assistance under HUD's RAD Program.

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY  
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

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

A. Reporting Entity (Continued)

Spratley House Development Corporation  
and Spratley House, LLC

This program includes the activity of an Authority subsidiary that serves as the ownership entity that has converted and is renovating the former public housing developments to Project-based Rental Assistance under HUD's RAD Program.

In evaluating the Authority's reporting entity in accordance with U.S. GAAP, 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 Housing Development Corporation (including Orcutt Senior Housing, L.P.)	Blended
Orcutt Townhomes Development Corporation (including Orcutt Townhomes, L.P.)	Blended
Orcutt Townhomes Development Corporation (including Orcutt Townhomes III, L.P.)	Blended
2713 Lofts Development Corporation and 2713 Lofts, LLC	Blended
Lower Jefferson Avenue Development Corporation	Blended
Oyster Point-Brighton Development Corporation and Oyster Point-Brighton, LLC	Blended
Cypress Terrace Development Corporation and Cypress Terrace, LLC	Blended
Lassiter Courts Development Corporation and Lassiter Courts, LLC	Blended
Spratley House Development Corporation and Spratley House, LLC	Blended
Lower Jefferson Avenue, LLC	Discretely as of December 31, 2020
Choice Neighborhood I Development Corporation and Choice Neighborhood I, LLC	Discretely as of June, 2021
Choice Neighborhood II Development Corporation and Choice Neighborhood II, LLC	Discretely as of June, 2021
Carrier Point Partners Development Corporation and Carrier Point Commercial Partners, LLC	Discretely as of June, 2021

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY  
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

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

A. Reporting Entity (Continued)

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.

One of the discretely presented component units has a different fiscal year-end; the information presented for Lower Jefferson Avenue, LLC is as of and for the year ended December 31, 2019. Separate financial statements for Lower Jefferson Avenue, LLC can be obtained from 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 formulae 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.

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.

Amounts reported as program revenues include 1) charges to tenants, participants, or applicants for goods, services, or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions, including special assessment.

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY  
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

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

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

The significant revenue recognition policies and practice 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 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, administrative fees for the Section 8 housing assistance programs, and the non-capital portions of modernization and capital improvement grants.

Capital 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. 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 nonoperating 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 fund are rental and other charges to tenants or participants and the Section 8 administrative fee earned on the housing assistance program. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expense not meeting this definition are reported as nonoperating revenues and expenses.

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

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.

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY  
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

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

F. Basis of Accounting

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. Annual 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 authorization 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 Equivalents and Investments

Generally, 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. Security deposit investments are reported as cash regardless of the investment term. Investments are stated at amortized cost or at fair value.

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2021 are recorded as prepaid items.

J. Inventories

Inventories are valued at cost using the average-cost method. Inventory is accounted for under the consumption method.

K. Capital Assets

Capital assets, including construction or acquisition of infrastructure assets, are capitalized in the proprietary funds used to acquire or construct them. 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.

The cost of normal maintenance and repairs, that do not add to the asset or materially extend asset lives, are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. Assets are depreciated over their useful lives using the straight-line method. 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

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY  
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

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

L. 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 at June 30, 2021 is \$521,415 and 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.

M. Estimates

Preparing the Authority's financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect reported amounts of 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, inventory obsolescence, depreciation, and other postemployment benefits. These estimates may be adjusted as more current information becomes available and any adjustment could be significant.

N. 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 in accordance with accounting standards.

O. 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, differences between expected and actual experience, and for grant funds received before time requirements have been met. 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.

P. Postemployment Benefits Other than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred flows 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

JUNE 30, 2021

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. Securities with a remaining maturity at the time of purchase of one year or less are reported at amortized cost.

Bank Deposits

Bank deposits include amounts held in accounts that qualify for federal depository insurance and include demand deposits such as checking accounts, saving accounts, and negotiable order of withdrawal (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.

As of June 30, 2021, the Authority's deposits consist of the following:

	Proprietary Fund	Discrete Component Units
Demand deposit accounts (checking, savings, and money market accounts)	\$ 17,222,482	\$ 728,723
Time deposits - certificates of deposit	211,715	32,525
Total deposits	\$ 17,434,197	\$ 761,248

Deposits are required to be either covered by federal depository insurance ("FDIC") or be collateralized with securities held by third-party custodians in the Authority's name. At June 30, 2021, the Authority's deposits with financial institutions for all fund types, including fiduciary funds and blended component units, had a carrying amount of \$17,434,197 and a bank balance of \$17,824,658. For the discretely presented component units, the carrying amount of such deposits amount to \$761,248 and bank balances of \$761,972. The bank balance is categorized as follows:

	Proprietary Fund	Discrete Component Units
Amounts insured by the FDIC or collateralized with securities held by third-party custodians in the Authority's name	\$ 1,911,676	\$ 532,598
Collateralized under the Commonwealth's public depository fund in accordance with the laws of the Commonwealth of Virginia	15,912,982	178,627
Uninsured, uncollateralized	-	50,747
Total bank balance	\$ 17,824,658	\$ 761,972

As of June 30, 2021, the Authority's deposits are classified in the financial statements as follows:

	Proprietary Fund	Discrete Component Units
Cash and cash equivalents	\$ 17,434,197	\$ 761,248

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY  
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 2 – DEPOSITS AND INVESTMENTS: (Continued)

Investments:

As of June 30, 2021, the Authority held the following investments:

Investment Type	Maturity	Issuer Credit Rating	Proprietary Fund	Fiduciary Fund
			Fair Value or Cost	Fair Value
Repurchase Agreements	Daily	N/A	\$ 5,324,823	\$ -
Virginia Investment Pool Stable NAV Liquidity Pool	60 days	AAAm	3,946,307	-
Virginia Investment Pool High Quality Bond Fund	668 days	AA+f/S1	331,098	-
VML/VACo Pooled OPEB Trust	N/A	N/A	-	1,892,921
Total			<u>\$ 9,602,228</u>	<u>\$ 1,892,921</u>

As of June 30, 2021, the Authority's investments are classified in the financial statements as follows:

	Proprietary Fund	Fiduciary Fund
Cash and cash equivalents	\$ 5,324,823	\$ -
Investments	4,277,405	1,892,921
Total investments	<u>\$ 9,602,228</u>	<u>\$ 1,892,921</u>

Classification in Financial Statements:

In summary, as of June 30, 2021, the Authority's cash and cash equivalents consist of the following:

	Proprietary Fund	Fiduciary Fund	Discrete Component Units
Deposits with financial institutions	\$ 17,434,197	\$ -	\$ 761,248
Investments - short-term	5,324,823	-	-
Petty cash and change funds	3,800	-	-
Total cash and cash equivalents	<u>\$ 22,762,820</u>	<u>\$ -</u>	<u>\$ 761,248</u>
Restricted for:			
Security deposits	\$ 170,601		\$ 31,296
Housing Choice Voucher HAP Reserve	721,877		-
Rental Assistance Unearned Revenue	149,222		-
Program income and revolving construction loans	1,640,638		-
Family Self Sufficiency (FSS) program escrow	165,500		-
Replacement reserve and other reserve accounts	1,936,264		172,682
	<u>4,784,102</u>		<u>203,978</u>
Unrestricted	<u>\$ 17,978,718</u>		<u>\$ 557,270</u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY  
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 2 – DEPOSITS AND INVESTMENTS: (Continued)

In summary, as of June 30, 2021, the Authority's investments consist of the following:

	Proprietary Fund	Fiduciary Fund	Discrete Component Units
Investments	\$ 4,277,405	\$ 1,892,921	\$ -
Unrestricted	4,277,405	1,892,921	-
Reserves held by VHDA			
Restricted	429,859	-	58,155
Restricted	429,859	-	58,155
Total investments	<u>\$ 4,707,264</u>	<u>\$ 1,892,921</u>	<u>\$ 58,155</u>

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, 2021, is 47 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, 2021, is 60 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, 2021, is 1.83 years (668 days). The Authority's investment in securities with maturities of six months or less minimized interest rate risk.

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. Generally, the Authority only invests in debt securities of U.S. government sponsored entities which minimizes credit risk.

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 \$5,324,823 investment in repurchase agreements are uninsured and unregistered investments for which the securities are held by the counterparty, or 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.

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 U.S. GAAP. 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.

The Virginia Investment Pool is in compliance with the requirements of U.S. GAAP and elects to measure its investments at amortized cost for financial reporting. Therefore, participants (the Authority) in the Virginia Investment Pool also measure their investments in the Virginia Investment Pool at amortized cost for financial reporting.

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

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY  
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 2 – DEPOSITS AND INVESTMENTS: (Continued)

The VML/VACo Pooled OPEB Trust categorizes their investments within the fair value hierarchy established by U.S. 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 NAV per share, which is determined by dividing the total value of the Trust by the number of outstanding shares. 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 June 30, 2021 consist of the following:

	Proprietary Fund	Discrete Component Units
Tenants/program participants	\$ 699,915	\$ 16,964
Less: Allowance	(506,620)	(6,378)
	193,295	10,586
HUD - unrequisioned costs	720,859	-
HUD - housing assistance payments	66,725	155
HUD - administrative fees	50,790	-
Loan program participants	33,745	-
Other governments	461,709	-
Due from landlords/owners	208,286	-
Interest	13,950	-
Affiliated property owners:		
Great Oak	22,421	-
Miscellaneous	455	-
Total	\$ 1,772,235	\$ 10,741

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 tenants.

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY  
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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 3 – ACCOUNTS RECEIVABLES: (Continued)

Detailed information by program is as follows:

	Public Housing Program	Rental Assistance Program	Central Office Cost Center Program	Community Development Program	HOME Investment Partnership Program	Resident Self Sufficiency Program	Transition Center Program	State and Local Activities Program	Choice Neighborhoods Grant Program
Tenants/program participants	\$ 198,347	\$ 268,013	\$ -	\$ -	\$ -	\$ -	\$ 1,414	\$ -	\$ -
Less: Allowance	(106,484)	(267,942)	-	-	-	-	(770)	-	-
	<u>91,863</u>	<u>71</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>644</u>	<u>-</u>	<u>-</u>
HUD - unrequisioned costs	263,784	2,191	-	-	-	24,739	-	-	430,145
HUD - housing assistance payments	-	66,725	-	-	-	-	-	-	-
HUD - administrative fees	-	50,790	-	-	-	-	-	-	-
Loan program participants	-	-	-	1,628	32,117	-	-	-	-
Other governments	178,994	-	51,337	-	100,000	-	-	80,713	-
Due from landlords/owners	-	208,286	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Affiliated property owners:									
Great Oak	-	-	22,421	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-
Total	<u>\$ 534,641</u>	<u>\$ 328,063</u>	<u>\$ 73,758</u>	<u>\$ 1,628</u>	<u>\$ 132,117</u>	<u>\$ 24,739</u>	<u>\$ 644</u>	<u>\$ 80,713</u>	<u>\$ 430,145</u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY  
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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 3 – ACCOUNTS RECEIVABLES: (Continued)

	Business Activities Program	Orcutt Senior Housing/ Ashe Manor	Orcutt Townhomes	Orcutt Townhomes III	Lofts on Jefferson	Oyster Point - Brighton	Cypress Terrace	Lassiter Courts	Spratley House	Total
Tenants/program participants	\$ -	\$ 10,552	\$ 13,628	\$ 39,240	\$ 22,020	\$ 86,854	\$ 13,450	\$ 43,434	\$ 2,963	\$ 699,915
Less: Allowance	-	(5,276)	(7,125)	(21,979)	(11,010)	(52,077)	(6,806)	(24,856)	(2,295)	(506,620)
	<u>-</u>	<u>5,276</u>	<u>6,503</u>	<u>17,261</u>	<u>11,010</u>	<u>34,777</u>	<u>6,644</u>	<u>18,578</u>	<u>668</u>	<u>193,295</u>
HUD - unrequisioned costs	-	-	-	-	-	-	-	-	-	720,859
HUD - housing assistance payments	-	-	-	-	-	-	-	-	-	66,725
HUD - administrative fees	-	-	-	-	-	-	-	-	-	50,790
Loan program participants	-	-	-	-	-	-	-	-	-	33,745
Other governments	17,079	-	-	-	-	-	8,462	24,907	217	461,709
Due from landlords/owners	-	-	-	-	-	-	-	-	-	208,286
Interest	13,950	-	-	-	-	-	-	-	-	13,950
Affiliated property owners:										
Great Oak	-	-	-	-	-	-	-	-	-	22,421
Miscellaneous	455	-	-	-	-	-	-	-	-	455
<b>Total</b>	<u>\$ 31,484</u>	<u>\$ 5,276</u>	<u>\$ 6,503</u>	<u>\$ 17,261</u>	<u>\$ 11,010</u>	<u>\$ 34,777</u>	<u>\$ 15,106</u>	<u>\$ 43,485</u>	<u>\$ 885</u>	<u>\$ 1,772,235</u>

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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 4 – MORTGAGES AND INTERFUND NOTES PAYABLES:

Orcutt Townhomes III:

Orcutt Townhomes III was partially financed with tax credit assistance program (“TCAP”) funds from the VHDA. 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 (1/20<sup>th</sup>) of the principal balance of this note outstanding on December 31, 2041 shall be due and payable on December 31<sup>st</sup> of each year until December 31, 2061, at which time the balance of principal remaining unpaid shall be due and payable.

	Principal	Interest	Total Payments
For the years ending June 30, 2043 and thereafter	\$ 1,004,231	\$ -	\$ 1,004,231

Orcutt Townhomes III was partially financed with funds received from the VHDA under the TCAP. 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 (1/15<sup>th</sup>) being forgiven each year. This agreement is secured by a credit line deed of trust and VHDA has a security interest in the real property until the end of the 15-year compliance period. As of June 30, 2021, \$300,000 was deferred or outstanding under this agreement.

	Principal	Interest	Total Payments
Forgiven for the year ending June 30, 2022	\$ 60,000	\$ -	\$ 60,000
Forgiven for the year ending June 30, 2023	60,000	-	60,000
Forgiven for the year ending June 30, 2024	60,000	-	60,000
Forgiven for the year ending June 30, 2025	60,000	-	60,000
Forgiven for the year ending June 30, 2026	60,000	-	60,000
	\$ 300,000	\$ -	\$ 300,000

Lofts on Jefferson:

The cost of the Lofts on Jefferson/ROAM Building were financed in part by a permanent first mortgage loan from the VHDA. On March 10, 2015, a permanent first mortgage loan of \$600,000 payable in equal monthly installments of \$2,847.22 for 30 years with an interest rate of 3.95% per annum was executed. This note matures on April 1, 2045. Future maturities are as follows:

	Principal	Interest	Total Payments
For the year ending June 30, 2022	\$ 13,592	\$ 20,575	\$ 34,167
For the year ending June 30, 2023	14,139	20,028	34,167
For the year ending June 30, 2024	14,708	19,459	34,167
For the year ending June 30, 2025	15,300	18,867	34,167
For the year ending June 30, 2026	15,915	18,252	34,167
For the years ending June 30, 2027-2031	89,707	81,126	170,833
For the years ending June 30, 2032-2036	109,261	61,572	170,833
For the years ending June 30, 2037-2041	133,075	37,758	170,833
For the years ending June 30, 2042-2045	121,354	9,619	130,973
	\$ 527,051	\$ 287,256	\$ 814,307

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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 4 – MORTGAGES AND INTERFUND NOTES PAYABLES: (Continued)

Oyster Point-Brighton:

The final cost of the Oyster Point-Brighton Apartments were financed in part by a permanent first mortgage loan from the VHDA. On May 23, 2018, a permanent first mortgage loan of \$2,950,000 was executed, payable in equal monthly installments of \$10,903.77 for 30 years with an interest rate of 2% per annum. This note matures on June 1, 2048. Future maturities are as follows:

	Principal	Interest	Total Payments
For the year ending June 30, 2022	\$ 76,987	\$ 53,858	\$ 130,845
For the year ending June 30, 2023	78,541	52,304	130,845
For the year ending June 30, 2024	80,126	50,719	130,845
For the year ending June 30, 2025	81,744	49,101	130,845
For the year ending June 30, 2026	83,394	47,451	130,845
For the years ending June 30, 2027-2031	442,907	211,319	654,226
For the years ending June 30, 2032-2036	489,447	164,779	654,226
For the years ending June 30, 2037-2041	540,878	113,348	654,226
For the years ending June 30, 2042-2046	597,713	56,613	654,326
For the years ending June 30, 2047-2048	256,320	5,355	261,675
	<u>\$ 2,728,057</u>	<u>\$ 804,847</u>	<u>\$ 3,532,904</u>

The final cost of the Oyster Point-Brighton Apartments was partially financed 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% 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 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 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 1/15<sup>th</sup> for each year during which the property securing the underlying loan remains in compliance with HOME Program requirements.

	Principal	Interest	Total Payments
For the year ending June 30, 2022	\$ -	\$ 21,000	\$ 21,000
For the year ending June 30, 2023	-	21,000	21,000
For the year ending June 30, 2024	-	21,000	21,000
For the year ending June 30, 2025	-	21,000	21,000
For the year ending June 30, 2026	-	21,000	21,000
For the years ending June 30, 2027-2031	-	105,000	105,000
For the years ending June 30, 2032-2034	700,000	43,750	743,750
	<u>\$ 700,000</u>	<u>\$ 253,750</u>	<u>\$ 953,750</u>

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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 4 – MORTGAGES AND INTERFUND NOTES PAYABLES: (Continued)

Cypress Terrace:

The final cost of the Cypress Terrace Apartments were financed in part by a permanent first mortgage loan from the VHDA. On May 23, 2018, a permanent first mortgage loan of \$1,650,000 was executed, payable in equal monthly installments of \$5,307.05 for 30 years with an interest rate of 1% per annum. This note matures on June 1, 2048. Future maturities are as follows:

	Principal	Interest	Total Payments
For the year ending June 30, 2022	\$ 48,844	\$ 14,841	\$ 63,685
For the year ending June 30, 2023	49,335	14,350	63,685
For the year ending June 30, 2024	49,831	13,854	63,685
For the year ending June 30, 2025	50,331	13,354	63,685
For the year ending June 30, 2026	50,837	12,848	63,685
For the years ending June 30, 2027-2031	261,950	56,473	318,423
For the years ending June 30, 2032-2036	275,373	43,050	318,423
For the years ending June 30, 2037-2041	289,486	28,937	318,423
For the years ending June 30, 2042-2046	304,322	14,101	318,423
For the years ending June 30, 2047-2048	126,053	1,318	127,371
	<u>\$ 1,506,362</u>	<u>\$ 213,126</u>	<u>\$ 1,719,488</u>

The final cost of the Cypress Terrace Apartments was partially financed by a permanent deferred payment note from the 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% 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 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 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 1/15<sup>th</sup> for each year during which the property securing the Underlying Loan remains in compliance with HOME Program requirements. Future maturities are as follows:

	Principal	Interest	Total Payments
For the year ending June 30, 2022	\$ -	\$ 21,000	\$ 21,000
For the year ending June 30, 2023	-	21,000	21,000
For the year ending June 30, 2024	-	21,000	21,000
For the year ending June 30, 2025	-	21,000	21,000
For the year ending June 30, 2026	-	21,000	21,000
For the years ending June 30, 2027-2031	-	105,000	105,000
For the years ending June 30, 2032-2033	700,000	43,750	743,750
	<u>\$ 700,000</u>	<u>\$ 253,750</u>	<u>\$ 953,750</u>

Lassiter Courts:

As part of the renovation of the Lassiter Courts apartments, a temporary construction loan in the amount of \$5,000,000 dated October 26, 2018 was executed by Lassiter Courts Development Corporation and Access National Bank. Under this note, funds are advanced as needed to pay construction and related costs. This note bears interest at a rate of 4.65% per annum. This note initially matured on November 1, 2020, but on October 29, 2020 was extended to May 1, 2021. All amounts drawn under this loan were repaid in December 2020.

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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 4 – MORTGAGES AND INTERFUND NOTES PAYABLES: (Continued)

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 \$7,074.22 for 25 years with an interest rate of 2.95% per annum. This note matures on January 1, 2046.

The maturities over the next five years are as follows:

	Principal	Interest	Total Payments
For the year ending June 30, 2022	\$ 41,703	\$ 43,188	\$ 84,891
For the year ending June 30, 2023	42,951	41,940	84,891
For the year ending June 30, 2024	44,235	40,656	84,891
For the year ending June 30, 2025	45,558	39,333	84,891
For the year ending June 30, 2026	46,920	37,971	84,891
For the years ending June 30, 2027-2031	256,503	167,950	424,453
For the years ending June 30, 2032-2036	297,214	127,239	424,453
For the years ending June 30, 2037-2041	344,390	80,063	424,453
For the years ending June 30, 2042-2046	363,508	25,572	389,080
	<u>\$ 1,482,982</u>	<u>\$ 603,912</u>	<u>\$ 2,086,894</u>

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 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 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 1/30<sup>th</sup> 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 Payments
For the year ending June 30, 2022	\$ -	\$ 8,000	\$ 8,000
For the year ending June 30, 2023	-	8,000	8,000
For the year ending June 30, 2024	-	8,000	8,000
For the year ending June 30, 2025	-	8,000	8,000
For the year ending June 30, 2026	-	8,000	8,000
For the years ending June 30, 2027-2031	-	40,000	40,000
For the years ending June 30, 2032-2036	-	40,000	40,000
For the years ending June 30, 2037-2041	-	40,000	40,000
For the years ending June 30, 2042-2046	-	40,000	40,000
For the years ending June 30, 2047-2051	800,000	41,333	841,333
	<u>\$ 800,000</u>	<u>\$ 241,333</u>	<u>\$ 1,041,333</u>

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 basic 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.

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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 4 – MORTGAGES AND INTERFUND NOTES PAYABLES: (Continued)

Inter-program note payable – Orcutt Senior Housing – Non-Public Housing Funds Notes:

The Authority developed 50 units of senior housing using a combination of tax credit proceeds, non-federal Authority resources, and public funds. A portion of this funding was derived from non-public funds, specifically excess administrative fees earned by the Authority. A note in the amount of \$762,676 was executed on December 24, 2003; however, only \$714,000 was actually utilized for this project. The note bears interest at a rate of 4% per year and matures on December 24, 2033. Payment of this note and the accrued interest thereon is deferred until this date or upon the sale of conveyance of the property. This note is secured by a deed of trust. This note is recorded on the accounting records of the Excess Earned Administrative Fee Fund, which is part of the Business Activities Program as a receivable and on the Public Housing Program as a liability.

Principal loaned through June 30, 2020	\$	714,000
Accrued interest for the year ended June 30, 2005	\$	21,678
Accrued interest for the year ended June 30, 2006		29,427
Accrued interest for the year ended June 30, 2007		30,604
Accrued interest for the year ended June 30, 2008		31,829
Accrued interest for the year ended June 30, 2009		33,432
Accrued interest for the year ended June 30, 2010		34,784
Accrued interest for the year ended June 30, 2011		36,188
Accrued interest for the year ended June 30, 2012		37,755
Accrued interest for the year ended June 30, 2013		39,175
Accrued interest for the year ended June 30, 2014		40,759
Accrued interest for the year ended June 30, 2015		42,405
Accrued interest for the year ended June 30, 2016		44,240
Accrued interest for the year ended June 30, 2017		45,906
Accrued interest for the year ended June 30, 2018		47,760
Accrued interest for the year ended June 30, 2019		49,689
Accrued interest for the year ended June 30, 2020		51,841
Accrued interest for the year ended June 30, 2021		53,791
Total accrued interest due as of June 30, 2021	\$	671,263

In the REAC FDS presented as supplemental information, the accrued interest payable of \$671,263 is reported on line 353, Noncurrent Liabilities – Other, and the interest receivable of \$671,263 is reported on line 171, Notes, Loans, and Mortgages Receivable – Noncurrent along with the related principal.

Interfund note payable – Orcutt Senior Housing – Capital Funds Loan:

The Authority developed 50 units of senior 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 \$2,556,800 was executed on December 24, 2003; however, only \$2,475,000 in capital funds were actually utilized for this project. The note is non-interest bearing and matures on December 24, 2034. Payment of this note is deferred until this date or upon the sale or conveyance of the property. This note is recorded 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 Senior Housing Development Corporation as a liability.	\$ 2,475,000
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NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY  
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 4 – MORTGAGES AND INTERFUND NOTES PAYABLES: (Continued)

Inter-program note payable – Oyster Point-Brighton RAD Conversion Loans:

During 2016, the Authority closed on a transaction to convert 196 units of a public housing development to project-based rental assistance under HUD's RAD Program. This conversion involves substantial renovation costs, and the Authority provided a portion of the funding for these renovations in the form of HOME funds, Capital Fund Replacement Housing Factor ("RHF") funds, and Public Housing Operating Reserves. This funding is provided in the form of loans executed between the Authority and the ownership entity created to own and operate these rental units. Further, the Authority conveyed the real property and existing structures and improvements to this ownership entity in the form of a 99-year ground lease in exchange for a seller loan.

These loans are described as follows:

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 June 30, 2021, the Authority had advanced \$1,372,000 to the Maker.	\$ 1,372,000
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 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.	1,035,903
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.	400,000
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.	4,377,000
	<u>\$ 7,184,903</u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY  
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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 4 – MORTGAGES AND INTERFUND NOTES PAYABLES: (Continued)

Inter-Program note payable – Cypress Terrace RAD Conversion Loans:

During 2016, the Authority closed on a transaction to convert 82 units of a public housing development to project-based rental assistance under HUD's RAD program. This conversion involves substantial renovation costs and the Authority provided a portion of the funding for these renovations in the form of HOME funds, Capital Fund RHF funds, and Public Housing Operating Reserves. This funding is provided in the form of loans executed between the Authority and the ownership entity created to own and operate these rental units. Further, the Authority conveyed the real property and existing structures and improvements to this ownership entity in the form of a 99-year ground lease in exchange for a seller loan.

These loans are described as follows:

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. As of June 30, 2021, the Authority had advanced \$574,000 to the Maker.	\$ 574,000
On January 29, 2016, a promissory note for \$480,000 was executed between the Authority and Cypress Terrace, LLC ("Maker") for Capital Fund RHF 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.	480,000
On January 29, 2016, a promissory note for \$400,000 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.	600,000
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.	1,945,250
	<u><u>\$ 3,599,250</u></u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY  
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 4 – MORTGAGES AND INTERFUND NOTES PAYABLES: (Continued)

Inter-program note payable – Lassiter Courts RAD Conversion Loans:

During 2018, the Authority closed on a transaction to convert 100 units of a public housing development to project-based rental assistance under HUD's RAD program. This conversion involves substantial renovation costs and the Authority provided apportionment of the funding for these renovations in the form of HOME funds, Capital Fund RHF funds, and Public Housing Operating Reserves. This funding is provided in the form of loans executed between the Authority and the ownership entity created to own and operate these rental units. Further, the Authority conveyed the real property and existing structures and improvements to this ownership entity in the form of 99 year ground lease in exchange for a seller loan.

These loans are described as follows:

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 June 30, 2021, the Authority had advanced \$590,000 to the Maker. \$ 590,000

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. 1,112,704

On October 26, 2018, a Promissory Note for \$400,000 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 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 Flows, 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. 400,000

On October 26, 2018, a Promissory Note for \$117,147 was executed between the Authority and Lassiter Courts, LLC ("Maker") to convey long-term leasehold interest from the Authority to the Maker. This note bears interest at rate of 0.00% 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. 117,147

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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 4 – MORTGAGES AND INTERFUND NOTES PAYABLES: (Continued)

Inter-program note payable – Lassiter Courts RAD Conversion Loans (Continued):

On October 26, 2018, a Promissory Note for \$300,00 was executed between the Authority and Lassiter Courts, LLC ("Maker") to convey long-term leasehold interest from the Authority to the Maker. This note bears interest at 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.

\$ 300,000

On December 3, 2019 a Deed of Trust Note for \$536,913 was executed between the Authority and Lassiter Courts LLC ("Maker") to convey long-term leasehold interest from the Authority to the Maker. This note bears interest at rate of 0.00% 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 and any accrued interest shall be due and payable in full on October 1, 2048.

536,913

\$ 3,056,764

Interfund note payable – Orcutt Townhomes I – Capital Funds Loan:

The Authority developed 40 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 \$2,527,755 was executed on December 29, 2005. The note bears interest at a rate of 5.03% and matures on December 29, 2035. 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 I as a liability. During the interim period before the note was executed, no interest is due. A total of \$1,570,861 was advanced under this agreement.

\$ 1,570,861

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NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 4 – MORTGAGES AND INTERFUND NOTES PAYABLES: (Continued)

Interfund note payable – Orcutt Townhomes III – Capital Funds Loan:

The Authority 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. A total of \$1,749,842 was advanced under this agreement. \$ 1,749,842

During 2016, the Authority closed on a transaction to convert this development to project-based rental assistance under HUD's RAD program. This conversion involves some renovation costs and the Authority provided a portion of the funding for these renovations in the form of Capital Fund RHF funds. This funding is provided in the form of loans executed between the Authority and the ownership entity of these rental units.

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 conveyance of the property. This note is secured by a Deed of Trust. 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 June 30, 2021, the Authority had advanced \$110,000 to the Maker. 110,000

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1,859,842

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NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 4 – MORTGAGES AND INTERFUND NOTES PAYABLES: (Continued)

Inter-program note payable – Spratley House RAD Conversion Loans:

During 2020, the Authority closed on a transaction to convert 50 units of a public housing development to project-based rental assistance under HUD's RAD program. This conversion involves substantial renovation costs and the Authority provided apportion of the funding for these renovations in the form of HOME funds, Capital Fund RHF funds, and Public Housing Operating Reserves. This funding is provided in the form of loans executed between the Authority and the ownership entity created to own and operate these rental units. Further, the Authority conveyed the real property and existing structures and improvements to this ownership entity in the form of 99 year ground lease in exchange for a seller loan.

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 Amedned and Restated Operating Agreement. Any remaining balance shall be due and payable in full on March 1, 2051. \$ 300,000

On March 31, 2021, a Promissory Note for \$100,000 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 Amedned and Restated Operating Agreement. Any remaining balance shall be due and payable in full on March 1, 2051. 100,000

On March 31, 2021, a Promissory Note for \$97,595 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 Amedned and Restated Operating Agreement. Any remaining balance shall be due and payable in full on March 1, 2051. 97,595

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY  
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 4 – MORTGAGES AND INTERFUND NOTES PAYABLES: (Continued)

On March 31, 2021, a Promissory Note for \$1,850,000 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 Ameded and Restated Operating Agreement. Any remaining balance shall be due and payable in full on March 1, 2051.

\$ 1,850,000

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.

500,000  
2,847,595

Total inter-program loans/receivable/payable eliminated in the single Proprietary Fund

\$ 23,308,215

Change in long-term liabilities:

Long-term liabilities activity for the year ended June 30, 2021 was as follows:

	Balance at June 30, 2020	Additions	Reductions	Balance at June 30, 2021	Due Within One Year
<u>Proprietary Fund:</u>					
VHDA TCAP Note Payable	\$ 1,004,231	\$ -	\$ -	\$ 1,004,231	\$ -
VHDA Exchange Note Payable	360,000	-	60,000	300,000	-
VHDA Mortgage - 2713 Lofts	540,118	-	13,067	527,051	13,592
VHDA Mortgage - Oyster Point-Brighton LLC	2,803,521	-	75,464	2,728,057	76,987
DHCD Deferred Note - Oyster Point-Brighton LLC	700,000	-	-	700,000	-
VHDA Mortgage - Cypress Terrace LLC	1,554,721	-	48,359	1,506,362	48,844
DHCD Deferred Note - Cypress Terrace LLC	700,000	-	-	700,000	-
Access National Bank - Lassiter Courts, LLC	3,745,283	369,271	4,114,554	-	-
VHDA Mortgage - Lassiter Courts, LLC	-	1,500,000	17,017	1,482,983	41,703
DHCD Deferred Note - Lassiter Courts LLC	-	800,000	-	800,000	-
Escrow liabilities	214,976	367,867	417,343	165,500	-
Compensated absences	456,700	295,822	235,417	517,105	21,758
Net OPEB Liability	2,827	162,011	144,860	19,978	-
	<u>\$ 12,082,377</u>	<u>\$ 3,494,971</u>	<u>\$ 5,126,081</u>	<u>\$ 10,451,267</u>	<u>\$ 202,884</u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY  
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 4 – MORTGAGES AND INTERFUND NOTES PAYABLES: (Continued)

Discretely Presented Component Units:

Lower Jefferson Avenue, LLC –

Note payable to Newport News Redevelopment and Housing Authority

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 due on June 1, 2028 or upon the sale, conveyance, or refinancing of this project. \$ 180,000

VHDA Permanent Financing

The Lower Jefferson Avenue, LLC executed a promissory note with VHDA 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. 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, 2020, the balance of this loan was \$1,255,752 and interest expense of \$37,018 has been incurred and reported as expense. 1,093,697

\$ 1,273,697

Future maturities are as follows:

	Principal	Interest	Total Payments
For the year ending December 31, 2021	\$ 69,004	\$ 31,336	\$ 100,340
For the year ending December 31, 2022	71,067	29,273	100,340
For the year ending December 31, 2023	73,193	27,147	100,340
For the year ending December 31, 2024	75,381	24,959	100,340
For the year ending December 31, 2025	77,635	22,705	100,340
For the years ending December 31, 2026-2030	424,419	77,281	501,700
For the years ending December 31, 2031-2033	302,998	14,744	317,742
	<u>\$ 1,093,697</u>	<u>\$ 227,445</u>	<u>\$ 1,321,142</u>

Choice Neighborhood I, LLC – Note payable to Keybank National Association:

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 is expected to be June 11, 2023 but may be extended to December 11, 2023.

\$ 1,160,372

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY  
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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 4 – MORTGAGES AND INTERFUND NOTES PAYABLES: (Concluded)

Choice Neighborhood II, LLC – Note payable to Citibank, N.A.:

The Choice Neighborhood II, 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 is expected to be January 1, 2024 but may be extended to July 1, 2024.

\$ 1,316,761

Carrier Point Commercial Partners, LLC – Note payable to Newport News Redevelopment and Housing Authority:

The Carrier Point Commercial Partners, LLC executed a promissory note with the Authority on June 11, 2021 in the amount of \$903,954 or so much thereof as may be advanced pursuant to a Construction Loan Agreement 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.

\$ 10,993

Total discretely presented component unit

\$ 3,761,823

Long-term liability activity for the year was as follows:

	Balance at Beginning of Year	Additions	Reductions	Balance at End of Year	Due Within One Year
<u>Lower Jefferson Avenue, LLC:</u>					
Loan payable to NNRHA	\$ 180,000	\$ -	\$ -	\$ 180,000	\$ -
VHDA Mortgage - Jefferson Brookville Apartments	1,160,697	-	67,000	1,093,697	69,004
Construction Loan - Choice Neighborhood I, LLC	-	1,160,372	-	1,160,372	-
Construction Loan - Choice Neighborhood II, LLC	-	1,316,761	-	1,316,761	-
Loan payable to NNRHA - Carrier Point Commercial	-	10,993	-	10,993	-
Compensated absences	-	4,310	-	4,310	-
	<u>\$ 1,340,697</u>	<u>\$ 2,492,436</u>	<u>\$ 67,000</u>	<u>\$ 3,766,133</u>	<u>\$ 69,004</u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY  
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 5 – CAPITAL ASSETS:

Capital asset activity for the year ended June 30, 2021 was as follows:

	Balance at June 30, 2020	Additions	Transfers/ Reductions	Balance at June 30, 2021
<b>Proprietary Fund:</b>				
Land and improvements	\$ 6,877,821	\$ 800,000	\$ -	\$ 7,677,821
Construction in progress	11,574,496	4,204,786	(12,985,386)	2,793,896
Total capital assets, not being depreciated	<u>18,452,317</u>	<u>5,004,786</u>	<u>(12,985,386)</u>	<u>10,471,717</u>
Buildings and improvements	118,511,458	1,209,499	8,471,998	128,192,955
Furniture, equipment, vehicles, and fixtures	3,380,180	460,890	(159,440)	3,681,630
Total capital assets, being depreciated	<u>121,891,638</u>	<u>1,670,389</u>	<u>8,312,558</u>	<u>131,874,585</u>
Accumulated depreciation				
Buildings and improvements	(64,058,028)	(3,339,704)	3,317,616	(64,080,116)
Furniture, equipment, vehicles, and fixtures	(2,550,680)	(195,518)	159,440	(2,586,758)
Total accumulated depreciation	<u>(66,608,708)</u>	<u>(3,535,222)</u>	<u>3,477,056</u>	<u>(66,666,874)</u>
Total capital assets, being depreciated (net)	<u>55,282,930</u>	<u>(1,864,833)</u>	<u>11,789,614</u>	<u>65,207,711</u>
<b>Total</b>	<u>\$ 73,735,247</u>	<u>\$ 3,139,953</u>	<u>\$ (1,195,772)</u>	<u>\$ 75,679,428</u>

Depreciation expense was charged to functions/programs of the Authority as follows:

<b>Proprietary Fund:</b>	
Public Housing Program	\$ 1,668,648
Rental Assistance Program	14,464
Central Office Cost Center Program	38,261
Community Development Program	2,627
HOME Investment Partnerships Program	-
Transition Center Program	7,862
State & Local Activities Program	1,723
Business Activities Program	50,978
Orcutt Senior Housing/Ashe Manor	209,267
Orcutt Townhomes	192,512
Orcutt Townhomes III	184,224
Lofts on Jefferson	58,393
Oyster Point-Brighton	603,662
Cypress Terrace	308,251
Lassiter Courts	194,193
Spratley House	157
Total depreciation expense - Proprietary Fund	<u>\$ 3,535,222</u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY  
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 5 – CAPITAL ASSETS: (Concluded)

Discretely Presented Component Units:

Capital asset activity was as follows:

	Balance at Beginning of Year	Additions	Transfers/ Reductions	Balance at End of Year
<u>Lower Jefferson Avenue, LLC:</u>				
Land and improvements	\$ 252,300	\$ -	\$ -	\$ 252,300
Construction in progress	-	3,709,412	-	3,709,412
Total capital assets, not being depreciated	<u>252,300</u>	<u>3,709,412</u>	<u>-</u>	<u>3,961,712</u>
Buildings and improvements	7,471,233	15,908	-	7,487,141
Furniture, equipment, vehicles, and fixtures	199,656	-	-	199,656
Total capital assets, being depreciated	<u>7,670,889</u>	<u>15,908</u>	<u>-</u>	<u>7,686,797</u>
Accumulated depreciation				
Buildings and improvements	(1,075,326)	(205,136)	-	(1,280,462)
Furniture, equipment, vehicles, and fixtures	(105,970)	(19,965)	-	(125,935)
Total accumulated depreciation	<u>(1,181,296)</u>	<u>(225,101)</u>	<u>-</u>	<u>(1,406,397)</u>
Total capital assets, being depreciated (net)	<u>6,489,593</u>	<u>(209,193)</u>	<u>-</u>	<u>6,280,400</u>
Total	<u>\$ 6,741,893</u>	<u>\$ 3,500,219</u>	<u>\$ -</u>	<u>\$ 10,242,112</u>

Depreciation expense of \$225,101 was charged to Discretely Presented Component Units.

NOTE 6 – 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.

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 1<sup>st</sup> 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 1<sup>st</sup> of each year.

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NOTE 6 – EMPLOYEE RETIREMENT PLAN: (Continued)

During the year ended June 30, 2021, the Authority's required and actual contributions and pension expense amounted to \$503,336, which was 12% of its covered payroll. No contribution forfeitures were recognized for the year ended June 30, 2021 and there was no liability for unpaid contributions as of June 30, 2021.

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

NOTE 7 – 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 8 – OTHER POSTEMPLOYMENT BENEFITS:

*Plan Description:*

The Authority provides postemployment healthcare 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 151 plan members, including 97 active employees and 54 retirees.

An Authority retiree, eligible for postretirement 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 Optima 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.

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

The Authority has established a trust to accumulate and invest assets to fund OPEB liabilities by joining the VACo/VML Pooled OPEB Trust. This plan does not issue stand-alone financial report; instead, the plan assets and activities are reported as a Fiduciary Fund in the basic financial statements.

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NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS: (Continued)

*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.

*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 through 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 year ended June 30, 2021 are as follows:

Employer contributions to the Trust	\$	-
Employer stipends paid to retirees		23,478
Employer payments for insurance coverage for retirees		45,675
Less: retiree payments for coverage		<u>(16,914)</u>
Total	\$	<u>52,239</u>

The components of the net OPEB liability of the Authority at June 30, 2021 calculated in accordance with U.S. GAAP were as follows:

Total OPEB liability	\$	1,500,362
Plan fiduciary net position		<u>1,892,921</u>
Net OPEB liability	\$	<u>(392,559)</u>
Plan fiduciary net position as a percentage of the total OPEB liability		<u>126.16%</u>

*Plan Investments:*

**Investment Policy** - The Authority participates in the VML/VACo Pooled OPEB Trust Fund to manage 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 Plan. The investment objective of the Fund is to maximize total long-term rate of return with reasonable risk by seeking capital appreciation and, secondarily, 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 6.5%. 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.

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JUNE 30, 2021

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS: (Continued)

Asset Class	Portfolio I Target Allocation	Portfolio II Target Allocation
Large Cap Equity	26%	16%
Small Cap Equity	10%	7%
International Developed Equity	13%	9%
Emerging Market Equity	5%	4%
Private Equity	5%	0%
Long/Short Equity	6%	4%
Total Equity	65%	40%
Core	7%	12%
Core Plus	14%	38%
Liquid Absolute Return	4%	5%
Total Fixed Income	25%	55%
Real Estate	10%	5%
Commodities	0%	0%
	10%	5%
Cash	0%	0%
Total	100%	100%

For the year ended June 30, 2021, the annual money-weighted rate of return on investments, net of investment expense, was 30.08%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

*Net OPEB Liability:*

The components of the net OPEB liability of the Authority at June 30, 2020 calculated in accordance with U.S. GAAP, were as follows:

Total OPEB liability	\$ 1,477,128
Plan fiduciary net position	1,457,150
Net OPEB liability	\$ 19,978
Plan fiduciary net position as a percentage of the total OPEB liability	98.65%

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JUNE 30, 2021

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS: (Continued)

*Actuarial Methods and Assumptions:*

The total OPEB liability was determined by an actuarial valuation as of July 1, 2020, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increase	3.5% to 5.35% based on years of service
Investment rate of return	6.50%
Healthcare cost trend rates	5.50% for 2021, 5.10% for 2022, then grading to an ultimate rate of 4.0% for fiscal 2073

Mortality Rates:

Pre-Retirement: RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with Scale BB to 2020; males setback 1 year, 85% of rates; females setback 1 year. 25% of deaths are summed to be service related.

Post-Retirement: RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with Scale BB to 2020; males set forward 1 year, 85% of rates; females setback 1 year. 25% of deaths are summed to service related.

Post-Disablement: RP-2014 Disabled Mortality Rates projected with Scale BB to 2020; males 115% of rates; females 130% of rates.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of actuarial experience study for the period ending June 30, 2016.

*Long-Term Expected Rate of Return:*

The best estimate range for the long-term expected rate of return is determined by taking the annual average long-term future inflation and real return components, with each component being reasonable in our professional opinions, including the anticipated effects of return volatility and correlation amount various asset classes. The data used in the assessment of reasonability were the Milliman's December 31, 2020 capital market assumptions (real returns) and the 2020 Social Security Trustees Report (Inflation).

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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS: (Continued)

Asset Class	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return	Long-Term Expected Geometric Real Rate of Return
U.S. Core Fixed Income	21.00%	0.83%	0.76%
U.S. Large Cap US Equities	26.00%	3.93%	2.74%
U.S. Small Cap US Equities	10.00%	5.09%	3.08%
Foreign Developed Equities	5.00%	5.73%	4.16%
Emerging Market Equities	13.00%	7.51%	4.70%
Private Real Estate Property	5.00%	3.89%	3.18%
Private Equity	10.00%	8.99%	5.19%
Commodities	7.00%	2.29%	0.68%
Hedge FOF Strategic	3.00%	2.71%	2.20%
Assumed Inflation		2.40%	2.40%
Portfolio Real Mean Return		<u>3.93%</u>	<u>3.27%</u>
Portfolio Nominal Mean Return		<u>6.33%</u>	5.74%
Portfolio Standard Deviation			11.60%
Long-Term Expected Rate of Return			6.50%

*Discount Rate:*

The discount rate used to measure the total OPEB liability was 6.50%. 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 liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as July 1, 2020.

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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS: (Continued)

*Change in the Net OPEB Liability:*

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance as of June 30, 2019	\$ 1,418,773	\$ 1,415,946	\$ 2,827
Charges for the year:			
Service cost	66,407	-	66,407
Interest on total OPEB liability	93,531	-	93,531
Effect of assumption changes or inputs	(7,621)	-	(7,621)
Benefit payments	(93,962)	(93,962)	-
Employer contributions	-	93,962	(93,962)
Net investment income	-	43,277	(43,277)
Administrative expenses	-	(2,073)	2,073
Balance as of June 30, 2020	<u>\$ 1,477,128</u>	<u>\$ 1,457,150</u>	<u>\$ 19,978</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 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:

	1% Decrease (5.5%)	Discount Rate (6.5%)	1% Increase (7.5%)
Net OPEB liability	\$ 139,842	\$ 19,978	\$ (85,074)

*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 OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage point lower or 1-percentage point higher than the calculated healthcare cost trend rate:

	1% Decrease	Trend Rate	1% Increase
Net OPEB liability	\$ (66,943)	\$ 19,978	\$ 120,076

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NOTES TO FINANCIAL STATEMENTS

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NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS: (Continued)

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

For the year ended June 30, 2021, the Authority recognized OPEB expense of \$54,491. At June 30, 2021, 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	\$ -	68,981
Changes of assumptions	1,132	5,806
Net difference between projected and actual earnings on OPEB plan investments	45,300	-
Contributions to OPEB plan between July 1, 2020 and June 30, 2021	52,239	-
Total Equity	\$ 98,671	\$ 74,787

\$52,239 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 June 30, 2022.

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

Year ending June 30, 2022	\$ (15,550)
Year ending June 30, 2023	(15,550)
Year ending June 30, 2024	(6,631)
Year ending June 30, 2025	9,376
	\$ (28,355)

NOTE 9 – 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 June 30, 2021, there were six series of Tax Exempt Mortgage Revenue Bonds outstanding with an aggregate principal amount payable of \$64,835,081.

NOTE 10 – 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 20 to 30 years at minimal interest rates. Through the CDBG and HOME programs administered through the City, 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.

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NOTES TO FINANCIAL STATEMENTS

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NOTE 10 – NOTES AND MORTGAGES RECEIVABLE: (Continued)

Notes and mortgages receivable at June 30, 2021 consist of the following:

	Community Development Program	HOME Investment Partnerships Program	Central Office Cost Center Program	Business Activities Program	Proprietary Fund Total
<u>Restricted assets:</u>					
Program loans due from participants	\$ 1,873,555	\$ 4,867,740	\$ -	\$ -	\$ 6,741,295
	<u>1,873,555</u>	<u>4,867,740</u>	<u>-</u>	<u>-</u>	<u>6,741,295</u>
<u>Noncurrent assets:</u>					
Due from Great Oaks Apartments, LLC, due June 11, 2047	-	-	1,473,746	-	1,473,746
Due from Lower Jefferson Avenue, LLC, due June 1, 2028	-	-	-	180,000	180,000
Program loans due from participants	-	-	-	19,934	19,934
Due from Carrier Point Commercial Partners, LLC due June 1, 2051	-	-	-	10,993	10,993
Down payment assistance loans due from homebuyers	-	-	-	26,081	26,081
	<u>-</u>	<u>-</u>	<u>1,473,746</u>	<u>237,008</u>	<u>1,710,754</u>
	<u>\$ 1,873,555</u>	<u>\$ 4,867,740</u>	<u>\$ 1,473,746</u>	<u>\$ 237,008</u>	<u>\$ 8,452,049</u>

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NOTE 11 – INTER-PROGRAM RECEIVABLES:

The inter-program balances and transfers are eliminated in the fund financial statements; however, they are displayed in the combining schedules presented as supplemental information. The amounts in this note relate entirely to the supplemental information.

The composition of amounts due to and from other programs as of June 30, 2021 is as follows:

Receivable Fund	Payable Fund								
	Public Housing Fund	Rental Assistance Program	Central Office Cost Center Program	Community Development Program	HOME Program	Resident Self Sufficiency Program	Transition Center Program	State & Local Activities Program	Choice Neighborhoods Grant Program
Central Office Cost Center Program	\$ 397,490	\$ 123,684	\$ -	\$ 3,248	\$ 807	\$ 19,122	\$ 1,560	\$ 79,981	\$ 214,134
Business Activities Program	-	-	595,904	-	-	-	-	-	-
	<u>\$ 397,490</u>	<u>\$ 123,684</u>	<u>\$ 595,904</u>	<u>\$ 3,248</u>	<u>\$ 807</u>	<u>\$ 19,122</u>	<u>\$ 1,560</u>	<u>\$ 79,981</u>	<u>\$ 214,134</u>

  

Receivable Fund	Payable Fund									
	Business Activities Program	Orcutt Senior Housing/ Ashe Manor	Orcutt Townhomes	Orcutt Townhomes III	Lofts on Jefferson	Oyster Point - Brighton	Cypress Terrace	Lassiter Courts	Spratley House	Total
Central Office Cost Center Program	\$ 38,981	\$ 321,808	\$ 20,767	\$ 2,358	\$ 128,261	\$ 19,889	\$ 98,822	\$ 205,839	\$ 106,357	\$ 1,783,108
Business Activities Program	-	-	-	-	-	-	-	-	-	595,904
	<u>\$ 38,981</u>	<u>\$ 321,808</u>	<u>\$ 20,767</u>	<u>\$ 2,358</u>	<u>\$ 128,261</u>	<u>\$ 19,889</u>	<u>\$ 98,822</u>	<u>\$ 205,839</u>	<u>\$ 106,357</u>	<u>\$ 2,379,012</u>

Amounts payable between programs generally arise from the practice of utilizing the Central Office Cost Center's Revolving Fund as a central bill-paying entity and from the use of the Revolving Fund checking account and the Public Housing General Fund checking account as central depositories. The Authority's accounting software system automatically generates interfund entries when transactions occur between funds.

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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 11 – INTER-PROGRAM RECEIVABLES: (Continued)

Though fully eliminated in the financial statements, the composition of transfers to and from other programs as of June 30, 2021 are as follows:

Paying Program	Receiving Program			Total
	Orcutt Senior Housing/ Ashe Manor	Orcutt Townhomes	Spratley House	
Public Housing Program - transfer of operating funds earned and received by Public Housing AMP to RAD conversion ownership entities	\$ 503,405	\$ 158,163	\$ 44,074	\$ 705,642
Total	\$ 503,405	\$ 158,163	\$ 44,074	\$ 705,642

NOTE 12 – ACCOUNTS PAYABLE:

Payables at June 30, 2021 consist of the following:

	Proprietary Fund	Discrete Component Units
	Vendors and contractors	\$ 2,164,222
Accrued utilities	223,830	-
Other payroll withholdings	68,418	-
HUD - SRO settlement - FY 2021	46,042	-
U.S. Treasury - interest on NRA/HAP	3,405	-
Other governments	78,845	-
Due to affiliates	-	10,053
Contract retention	89,908	-
	\$ 2,674,670	\$ 73,785

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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 12 – ACCOUNTS PAYABLE: (Continued)

Detailed information by program at June 30, 2021 consists of the following:

	Public Housing Program	Rental Assistance Program	Central Office Cost Center Program	Community Development Program	HOME Program	Resident Self Sufficiency Program	Transition Center Program	State and Local Activities Program	Choice Neighborhoods Grant Program	
Vendors and contractors	\$ 452,056	\$ 174,410	\$ 22,136	\$ 21,235	\$ 9,367	\$ -	\$ 230	\$ 5,594	\$ 202,500	
Accrued utilities	173,365	3,674	3,450	-	-	-	3,916	40	-	
Other payroll withholdings	-	-	68,418	-	-	-	-	-	-	
HUD - SRO settlement - FY 2021	-	46,042	-	-	-	-	-	-	-	
U.S. Treasury - interest on NRA/HAP	-	3,405	-	-	-	-	-	-	-	
Other governments	31,805	1,878	-	-	-	-	-	-	-	
Contract retention	5,000	-	-	-	-	-	-	-	-	
	<u>\$ 662,226</u>	<u>\$ 229,409</u>	<u>\$ 94,004</u>	<u>\$ 21,235</u>	<u>\$ 9,367</u>	<u>\$ -</u>	<u>\$ 4,146</u>	<u>\$ 5,634</u>	<u>\$ 202,500</u>	
	Business Activities Program	Orcutt Senior Housing/ Ashe Manor	Orcutt Townhomes	Orcutt Townhomes III	Lofts on Jefferson	Oyster Point - Brighton	Cypress Terrace	Lassiter Courts	Spratley House	Total
Vendors and contractors	\$ 165	\$ 5,559	\$ 10,432	\$ 1,374	\$ 510	\$ 24,890	\$ 5,755	\$ 18,471	\$ 1,209,538	\$ 2,164,222
Accrued utilities	-	6,807	-	99	576	16,336	11,355	2,167	2,045	223,830
Other payroll withholdings	-	-	-	-	-	-	-	-	-	68,418
HUD - SRO settlement - FY 2020	-	-	-	-	-	-	-	-	-	46,042
U.S. Treasury - interest on NRA/HAP	-	-	-	-	-	-	-	-	-	3,405
Other governments	-	415	10,018	8,638	-	26,091	-	-	-	78,845
Contract retention	-	-	-	-	-	-	-	-	84,908	89,908
	<u>\$ 165</u>	<u>\$ 12,781</u>	<u>\$ 20,450</u>	<u>\$ 10,111</u>	<u>\$ 1,086</u>	<u>\$ 67,317</u>	<u>\$ 17,110</u>	<u>\$ 20,638</u>	<u>\$ 1,296,491</u>	<u>\$ 2,674,670</u>

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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 13 – ACCRUED SALARIES AND EXPENSES:

Accrued salaries and expenses at June 30, 2021 consist of the following:

	Proprietary Fund	Discrete Component Units
Salaries and wages	\$ 147,120	\$ 1,823
	\$ 147,120	\$ 1,823

Accrued salaries and expenses at June 30, 2021 consist of the following:

	Public Housing Program	Rental Assistance Program	Central Office Cost Center Program	Community Development	HOME Investment Partnerships	Resident Self Sufficiency Program	Transition Center Program	State & Local Activities Program	Business Activities Program	
Salaries and wages	\$ 34,574	\$ 24,523	\$ 49,137	\$ 3,794	\$ 1,131	\$ 5,617	\$ 424	\$ 3,565	\$ 1,823	
	\$ 34,574	\$ 24,523	\$ 49,137	\$ 3,794	\$ 1,131	\$ 5,617	\$ 424	\$ 3,565	\$ 1,823	
										Total
Salaries and wages	\$ 5,672	\$ 1,876	\$ 1,485	\$ 983	\$ 486	\$ 5,477	\$ 3,640	\$ 1,273	\$ 1,640	\$ 147,120
	\$ 5,672	\$ 1,876	\$ 1,485	\$ 983	\$ 486	\$ 5,477	\$ 3,640	\$ 1,273	\$ 1,640	\$ 147,120

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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 14 – OTHER ASSETS:

Other assets at June 30, 2020 consist of the following:

	Business Activities Program	Lower Jefferson Avenue Development Corporation	Total
<u>Other noncurrent assets:</u>			
Investment in Lower Jefferson Avenue, LLC - general partner capital contributions	\$ -	\$ 375,858	\$ 375,858
Redevelopment costs for City funded redevelopment programs	49,300	-	49,300
	\$ 49,300	\$ 375,858	\$ 425,158

During a prior period, the Authority entered into an arrangement with the City in order to acquire and renovate a community grocery store using New Market Tax Credits. The Authority created and is the sole member of Brooks Crossing Grocery Store, LLC and received \$990,198 from the City, which was contributed to this entity as an equity investment. Brooks Crossing Grocery Store, LLC is governed by a Board of Managers consisting of two members from the Newport News Redevelopment and Housing Authority and three members from other boards or department of the City. Separate financial statement of Brooks Crossing Grocery Store, LLC are available from the City of Newport News Finance Department.

NOTE 15 – CONSTRUCTION COMMITMENTS:

Proprietary Fund:

The Authority has active construction projects as of June 30, 2021. The projects include various modernization and capital improvement programs. At year-end, the Authority's commitments with contractors are as follows:

Project	Spent or Accrued to Date	Remaining Commitment
Marshall Courts Renovation, Phase VI	\$ 1,475,123	\$ -
Spratley House Apartment renovations	1,698,162	2,356,514
Carrier Point Commercial unit	10,993	892,961
	\$ 3,184,278	\$ 3,249,475

These projects are funded with various sources, including Capital Fund Program grants received from HUD, the HOME program, tax credit equity proceeds, and net position.

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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 16 – DEFICIT NET POSITION:

At June 30, 2021, the following programs reflect a deficit in net position, which indicates that the liabilities of the program exceed the cumulative assets of the fund:

State & Local Activities Program

The State & Local Activities program has a deficit in net position of \$14,499. This deficit stems from the practice of recording the expenses associated with compensated absences and other expenses when incurred, but deferring the revenue associated with this future payment until such time as the funds are eligible for requisition. Further, costs are incurred which are not immediately requisitioned or recognized as revenue. Should it be necessary, this deficit will be funded by the Central Office Cost Center Program.

Orcutt Senior Housing/Ashe Manor

This program has a deficit in net position of \$1,029,860. 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 17 – 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 June 30, 2021, restricted net position was as follows:

Reserves and escrows:	
Tax credit operating and replacement	\$ 1,133,954
2713 Lofts escrow, operating and replacement reserves	31,846
Oyster Point-Brighton escrow reserves	814,401
Cypress Terrace escrow reserves	343,263
Lassiter Courts escrow reserves	42,658
	2,366,122
Housing Choice Voucher and Maintstream HAP reserves (RNA)	721,877
Loan programs:	
CDBG net position associated with loan balances	1,873,555
HOME program net position associated with loan balances	4,867,740
	6,741,295
Accumulated CD and HOME funds:	
CDBG accumulated net position	1,232,489
HOME City construction funds	1,155,971
HOME unexpended program income	466,595
HOME accumulated net position	2,666,362
	5,521,417
	\$ 15,350,711

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NOTE 17 – RESTRICTED NET POSITION: (Continued)

Specific details by program are as follows:

Public Housing Program:

Restricted for Capital Activities:

The Authority has received funds from HUD under the Capital Fund Program under the replacement reserve budget line items. These funds are accumulated to meet future capital improvement needs and must be used for these purposes. The following is a summary of the changes in the net position restricted for capital activities for the year ended June 30, 2021:

Balance at July 1, 2020	\$	6,459
Interest earned		-
Expenditures of reserves		(6,459)
Balance at June 30, 2021	\$	-

Rental Assistance Program:

Housing Choice Voucher Program:

HUD regulations require that Section 8 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	Total
Balance at July 1, 2020	\$ 687,173	\$ 48,612	\$ 735,785
Current period (deficiency) of funding	(6,403)	(48,919)	(55,322)
FSS forfeitures	35,618	307	35,925
Fraud recoveries	5,489	-	5,489
Balance at June 30, 2021	\$ 721,877	\$ -	\$ 721,877

These restricted assets are held in the Section 8 checking account.

Community Development Program and HOME Investment Partnerships Program:

Through its CDBG and HOME programs administered through the City, 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 generated from these programs is restricted for the specific CDBG and HOME purposes allowable by the program regulations and City determinations.

As of June 30, 2021, the restricted balances due are as follows:

	Loans	Accumulated Net Position	Total
CDBG Program	\$ 1,873,555	\$ 1,232,489	\$ 3,106,044
HOME Program	4,867,740	4,288,928	9,156,668
	\$ 6,741,295	\$ 5,521,417	\$ 12,262,712

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JUNE 30, 2021

NOTE 17 – RESTRICTED NET POSITION: (Continued)

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 positions are reported as restricted. The following is a summary of the changes in the net position restricted for these purposes for the year ended June 30, 2021:

	Orcutt Senior Housing Replacement Reserve	Orcutt Townhomes Operating Reserve	Orcutt Townhomes Replacement Reserve	Orcutt Townhomes III Operating Reserve	Orcutt Townhomes III Replacement Reserve
Balance at July 1, 2020	\$ 233,988	\$ 298,675	\$ 299,026	\$ 200,133	\$ 77,247
Interest earned	70	30	93	20	24
Deposits	-	-	15,400	-	9,465
Withdrawals/fees	-	(25)	-	(192)	-
Balance at June 30, 2021	<u>\$ 234,058</u>	<u>\$ 298,680</u>	<u>\$ 314,519</u>	<u>\$ 199,961</u>	<u>\$ 86,736</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 VHDA, which 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 net position restricted for these purposes for the year ended June 30, 2021:

	Insurance Escrow	Replacement Reserve	Real Estate Tax Reserves	Total
Balance at July 1, 2020	\$ 5,354	\$ 22,505	\$ 881	\$ 28,740
Interest earned	-	19	-	19
Deposits	5,674	4,200	10,576	20,450
Withdrawals	(6,786)	-	(10,577)	(17,363)
Balance at June 30, 2021	<u>\$ 4,242</u>	<u>\$ 26,724</u>	<u>\$ 880</u>	<u>\$ 31,846</u>

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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 17 – RESTRICTED NET POSITION: (Continued)

Oyster Point-Brighton Restricted Reserves:

The Authority owns and operates housing under the terms of a mortgage and regulatory agreement with the 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 year ended June 30, 2021:

	Insurance Escrow	Real Estate Tax Reserves	Replacement Reserve	Operating Reserve	Total
Balance at July 1, 2020	\$ 49,271	\$ 16,664	\$ 119,358	\$ 562,055	\$ 747,348
Interest earned	-	-	113	168	281
Deposits	102,500	121,700	58,800	-	283,000
Withdrawals	(94,907)	(121,321)	-	-	(216,228)
Balance at June 30, 2021	<u>\$ 56,864</u>	<u>\$ 17,043</u>	<u>\$ 178,271</u>	<u>\$ 562,223</u>	<u>\$ 814,401</u>

These funds are held by VHDA in various accounts.

Cypress Terrace Restricted Reserves:

The Authority owns and operates housing under the terms of a mortgage and regulatory agreement with the VHDA. VHDA requires that certain reserves 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 year ended June 30, 2021:

	Insurance Escrow	Real Estate Tax Reserves	Replacement Reserve	Operating Reserve	Total
Balance at July 1, 2020	\$ 5,113	\$ 10,217	\$ 49,936	\$ 240,014	\$ 305,280
Interest earned	-	-	47	72	119
Deposits	66,696	61,099	24,600	-	152,395
Withdrawals	(51,773)	(62,758)	-	-	(114,531)
Balance at June 30, 2021	<u>\$ 20,036</u>	<u>\$ 8,558</u>	<u>\$ 74,583</u>	<u>\$ 240,086</u>	<u>\$ 343,263</u>

These funds are held by VHDA in various accounts.

Lassiter Courts Restricted Reserves:

The Authority owns and operates housing under the terms of a mortgage and regulatory agreement with the VHDA. VHDA requires that certain reserves 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 year ended June 30, 2021:

	Insurance Escrow	Replacement Reserve	Real Estate Tax Reserves	Total
Balance at July 1, 2020	\$ -	\$ -	\$ -	\$ -
Interest earned	-	-	1	1
Deposits	28,905	6,784	12,500	48,189
Withdrawals	-	(5,532)	-	(5,532)
Balance at June 30, 2021	<u>\$ 28,905</u>	<u>\$ 1,252</u>	<u>\$ 12,501</u>	<u>\$ 42,658</u>

These funds are held by VHDA in various accounts.

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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 17 – RESTRICTED NET POSITION: (Continued)

Discrete Component Unit –

Lower Jefferson Avenue, LLC:

Lower Jefferson Avenue, LLC owns and operates housing under terms of a mortgage and regulatory agreement with the VHDA and an Operating Agreement with its investor limited partners. These agreements require 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 positions 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, 2020:

	VHDA Tax & Insurance Escrow	Replacement Reserve	Operating Reserve	Total
Balance as of December 31, 2019	\$ 3,246	\$ 37,805	\$ 172,644	\$ 213,695
Interest earned	-	217	38	255
Deposits	58,108	15,914	-	74,022
Withdrawals	(57,135)	-	-	(57,135)
Balance as of December 31, 2020	<u>\$ 4,219</u>	<u>\$ 53,936</u>	<u>\$ 172,682</u>	<u>\$ 230,837</u>

NOTE 18 – 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.

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JUNE 30, 2021

NOTE 19 – CONDENSED COMBINING 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:

CONDENSED STATEMENT OF NET POSITION:

	Lower Jefferson Avenue Development Corporation	Orcutt Senior Housing Development Corporation (including Orcutt Senior Housing, L.P.)	Orcutt Townhomes Development Corporation (including Orcutt Townhomes, L.P.)	Orcutt Townhomes Development Corporation (including Orcutt Townhomes III, L.P.)	2713 Lofts Development Corporation and 2713 Lofts, LLC	Oyster Point-Brighton Development Corporation and Oyster Point-Brighton, LLC	Cypress Terrace Development Corporation and Cypress Terrace, LLC	Lassiter Courts Development Corporation and Lassiter Courts, LLC	Spratley House Development Corporation and Spratley House, LLC	Total Blended Component Unit	NNRHA	Eliminations	Primary Government
<b>Assets:</b>													
Current assets	\$ -	\$ 60,016	\$ 127,517	\$ 277,208	\$ 45,250	\$ 568,511	\$ 133,753	\$ 143,779	\$ 368,100	\$ 1,724,134	\$ 22,851,056	\$ -	\$ 24,575,190
Due from other programs	-	-	-	-	-	-	-	-	-	-	2,379,012	(2,379,012)	-
Capital assets	-	2,880,572	2,798,796	3,708,814	1,295,175	17,680,663	8,843,874	11,317,158	3,954,362	52,479,414	23,200,014	-	75,679,428
Other assets	375,858	238,382	617,195	291,690	40,568	854,843	357,484	64,709	-	2,840,729	37,307,733	(25,067,096)	15,081,366
<b>Total Assets</b>	<b>\$ 375,858</b>	<b>\$ 3,178,970</b>	<b>\$ 3,543,508</b>	<b>\$ 4,277,712</b>	<b>\$ 1,380,993</b>	<b>\$ 19,104,017</b>	<b>\$ 9,335,111</b>	<b>\$ 11,525,646</b>	<b>\$ 4,322,462</b>	<b>\$ 57,044,277</b>	<b>\$ 85,737,815</b>	<b>\$ (27,446,108)</b>	<b>\$ 115,335,984</b>
<b>Deferred Outflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>98,671</b>	<b>-</b>	<b>98,671</b>
<b>Liabilities:</b>													
Current liabilities	\$ -	\$ 21,125	\$ 40,260	\$ 18,383	\$ 25,891	\$ 219,521	\$ 93,827	\$ 101,348	\$ 1,302,369	\$ 1,822,724	\$ 3,590,503	-	5,413,227
Due to other programs	-	321,808	20,767	2,358	128,261	19,889	98,822	205,839	106,357	904,101	1,474,911	(2,379,012)	-
Long-term liabilities	-	3,865,897	1,574,176	3,165,819	514,332	11,209,761	6,065,770	5,332,984	2,857,988	34,586,727	628,752	(24,967,096)	10,248,383
<b>Total Liabilities</b>	<b>-</b>	<b>4,208,830</b>	<b>1,635,203</b>	<b>3,186,560</b>	<b>668,484</b>	<b>11,449,171</b>	<b>6,258,419</b>	<b>5,640,171</b>	<b>4,266,714</b>	<b>37,313,552</b>	<b>5,694,166</b>	<b>(27,346,108)</b>	<b>15,661,610</b>
<b>Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>85,573</b>	<b>-</b>	<b>85,573</b>
<b>Net Position:</b>													
Net investment in capital assets	-	(308,428)	1,227,935	544,741	768,124	7,067,702	3,038,262	5,977,412	1,106,767	19,422,515	23,200,014	23,308,215	65,930,744
Restricted	-	234,058	613,199	286,697	31,846	814,401	343,263	42,658	-	2,366,122	12,984,589	-	15,350,711
Unrestricted	375,858	(955,490)	67,171	259,714	(87,461)	(227,257)	(304,833)	(134,595)	(1,051,019)	(2,057,912)	43,872,144	(23,408,215)	18,406,017
<b>Total Net Position</b>	<b>\$ 375,858</b>	<b>\$ (1,029,860)</b>	<b>\$ 1,908,305</b>	<b>\$ 1,091,152</b>	<b>\$ 712,509</b>	<b>\$ 7,654,846</b>	<b>\$ 3,076,692</b>	<b>\$ 5,885,475</b>	<b>\$ 55,748</b>	<b>\$ 19,730,725</b>	<b>\$ 80,056,747</b>	<b>\$ (100,000)</b>	<b>\$ 99,687,472</b>

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JUNE 30, 2021

NOTE 19 – CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS: (CONTINUED)

CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION:

	Lower Jefferson Avenue Development Corporation	Orcutt Senior Housing Development Corporation (including Orcutt Senior Housing, L.P.)	Orcutt Townhomes Development Corporation (including Orcutt Townhomes, L.P.)	Orcutt Townhomes Development Corporation (including Orcutt Townhomes III, L.P.)	2713 Lofts Development Corporation and 2713 Lofts, LLC	Oyster Point-Brighton Development Corporation and Oyster Point-Brighton, LLC	Cypress Terrace Development Corporation and Cypress Terrace, LLC	Lassiter Courts Development Corporation and Lassiter Courts, LLC	Spratley House Development Corporation and Spratley House, LLC	Total Blended Component Unit	NNRHA	Eliminations	Primary Government
<b>Operating Revenues</b>													
Rental and tenant income	\$ -	\$ 146,645	\$ 90,166	\$ 93,772	\$ 104,561	\$ 535,170	\$ 217,076	\$ 184,742	\$ 22,399	\$ 1,394,531	\$ 2,200,855	\$ -	\$ 3,595,386
Intergovernmental - operating grants	-	-	-	112,413	-	954,069	402,318	502,168	-	1,970,968	35,554,050	-	37,525,018
Fee revenue	-	-	-	-	-	-	-	-	-	-	3,032,673	(2,937,035)	95,638
Other income	-	66	1	6,400	-	97	1,029	132	13	7,738	358,877	-	366,615
Total Operating Revenue	-	146,711	90,167	212,585	104,561	1,489,336	620,423	687,042	22,412	3,373,237	41,146,455	(2,937,035)	41,582,657
<b>Operating Expenses</b>													
Other operating expenses	-	649,581	247,388	160,105	77,794	1,090,449	539,492	488,502	503,093	3,756,404	38,161,950	(2,937,035)	38,981,319
Depreciation	-	209,267	192,512	184,224	58,393	603,662	308,251	194,193	157	1,750,659	1,784,563	-	3,535,222
Total Operating Expenses	-	858,848	439,900	344,329	136,187	1,694,111	847,743	682,695	503,250	5,507,063	39,946,513	(2,937,035)	42,516,541
<b>Operating Income (Loss)</b>	-	(712,137)	(349,733)	(131,744)	(31,626)	(204,775)	(227,320)	4,347	(480,838)	(2,133,826)	1,199,942	-	(933,884)
<b>Nonoperating Revenues (Expenses)</b>													
Transfers from other programs	-	(53,630)	182	167	(21,001)	(204,662)	(93,371)	(150,095)	(7,488)	(529,898)	2,497,225	-	1,967,327
Transfers (from)/to component units	-	503,405	158,163	-	-	-	-	-	44,074	705,642	-	(705,642)	-
HUD capital contributions	-	-	-	-	-	-	-	-	-	-	(705,642)	705,642	-
Tax credit and other proceeds	-	-	-	60,000	-	-	-	3,226,000	500,000	3,786,000	1,509,122	-	1,509,122
Change in Net Position	-	(262,362)	(191,388)	(71,577)	(52,627)	(409,437)	(320,691)	3,080,252	55,748	1,827,918	4,500,647	-	6,328,565
Net position (deficit), beginning of year	375,858	(767,498)	2,099,693	1,162,729	765,136	8,064,283	3,397,383	2,805,223	-	17,902,807	75,556,100	(100,000)	93,358,907
Net position (deficit), end of year	\$ 375,858	\$ (1,029,860)	\$ 1,908,305	\$ 1,091,152	\$ 712,509	\$ 7,654,846	\$ 3,076,692	\$ 5,885,475	\$ 55,748	\$ 19,730,725	\$ 80,056,747	\$ (100,000)	\$ 99,687,472

CONDENSED STATEMENT OF CASH FLOWS:

	Lower Jefferson Avenue Development Corporation	Orcutt Senior Housing Development Corporation (including Orcutt Senior Housing, L.P.)	Orcutt Townhomes Development Corporation (including Orcutt Townhomes, L.P.)	Orcutt Townhomes Development Corporation (including Orcutt Townhomes III, L.P.)	2713 Lofts Development Corporation and 2713 Lofts, LLC	Oyster Point-Brighton Development Corporation and Oyster Point-Brighton, LLC	Cypress Terrace Development Corporation and Cypress Terrace, LLC	Lassiter Courts Development Corporation and Lassiter Courts, LLC	Spratley House Development Corporation and Spratley House, LLC	Total Blended Component Unit	NNRHA	Eliminations	Primary Government
<b>Net Cash Provided (Used) by:</b>													
Operating activities	\$ -	\$ (26,265)	\$ (19,293)	\$ 24,498	\$ (21,781)	\$ 324,352	\$ 148,149	\$ (473,044)	\$ (286,546)	\$ (329,930)	\$ 4,690,459	\$ -	\$ 4,360,529
Capital and related financing activities	-	(25,722)	(8,844)	(11,716)	(39,680)	(350,905)	(84,685)	457,699	653,526	589,673	(478,206)	-	111,467
Noncapital financing activities	-	-	-	-	-	-	-	-	-	-	1,371,990	-	1,371,990
Investing activities	-	161	182	167	(3,050)	(66,315)	(37,676)	(42,503)	4	(149,030)	15,000	-	(134,030)
Net Increase (Decrease) in Cash	-	(51,826)	(27,955)	12,949	(64,511)	(92,868)	25,788	(57,848)	366,984	110,713	5,599,243	-	5,709,956
Cash, beginning of year	-	343,185	744,292	524,693	103,786	1,154,263	304,574	162,987	-	3,337,780	13,715,084	-	17,052,864
Cash, end of year	\$ -	\$ 291,359	\$ 716,337	\$ 537,642	\$ 39,275	\$ 1,061,395	\$ 330,362	\$ 105,139	\$ 366,984	\$ 3,448,493	\$ 19,314,327	\$ -	\$ 22,762,820

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NOTE 20 – DEFERRED INFLOWS OF RESOURCES:

The Authority receives grant funds from HUD. U.S. GAAP specifically requires that resources received before time requirements are met, but after all other eligibility requirements have been met, be reported as a deferred inflow of resources. One of the grants the Authority receives is the Public Housing Opportunity Fund grant, which is awarded on a calendar year basis by HUD based on their funding formula. HUD makes available a portion of this award periodically throughout the year based on appropriations available to fund this award. Early in 2021, HUD made funds available at a higher level than it is currently projecting. Accordingly, for the first half of calendar year 2021, the Authority received grant funds in excess of the amount allocable to the period from January 2021 to June 2021 based on current projected funding levels. It is estimated that \$10,786 has been received that will benefit the remainder of 2021. This amount has been recorded as a deferred inflow of resources at June 30, 2021.

Further, as described in Note 8, the Authority recorded deferred inflows of resources of \$74,787 related to its OPEB plan.

Deferred inflows from grants before time requirements are met	\$ 10,786
Deferred inflows for OPEB	<u>74,787</u>
	<u>\$ 85,573</u>

NOTE 21 – RESTATEMENT OF NET POSITION:

During a prior period, the Authority entered into an arrangement with the City in order to acquire and renovate a community grocery store and received \$990,198 from the City, which was contributed to this entity as an equity investment. Brooks Crossing Grocery Store, LLC is governed by a Board of Managers consisting of two members from the Authority and three members from other boards or departments of the City of Newport News.

The Authority had previously accounted for its investment in this entity in a manner similar to an investment in a joint venture whereby cash invested in the entity was reported as an other noncurrent asset and the Authority did not explicitly share in the operating results of the venture. During 2021, the Authority reevaluated its interest in the entity and determined that, as the sole member, the Authority has an equity interest in this venture. Accordingly, its initial investment of \$990,198 has been adjusted to reflect the Authority's share of accumulated losses. Such accumulated losses through June 30, 2020 exceeded the \$990,198 investment so the investment in this venture has been reduced to zero.

As a result of this change, the total net position as of July 1, 2021 was restated:

Total net position as of July 1, 2020	\$ 93,358,907
Accumulated share of net losses from investment in a joint venture	<u>(990,198)</u>
Restated total net position as of July 1, 2020	<u>\$ 92,368,709</u>

NOTE 22 – CORONAVIRUS PANDEMIC:

An outbreak of a novel strain of coronavirus (COVID-19) has been declared a pandemic. It is anticipated that these impacts will continue for some time. The immediate impact to the Authority's operations have included disruptions or restrictions on our employees' ability to work, increased costs for equipment and information technology to facilitate remote working and remote engagement with our clients and vendors; costs associated with personal protective equipment and cleaning needs to respond to the coronavirus; an impact on the Authority's tenants' ability to pay the required monthly rent. The Authority has not experienced any reduction in HUD funding. Operating functions that have been affected include intake, recertifications, and maintenance. Changes to the operating environment have and will continue to increase operating costs. Further, for the Low-Rent Public Housing Program, any decreases in tenant rent charges due to lower tenant income will eventually result in higher HUD operating subsidies via the funding formula that HUD uses to calculate annual operating subsidy. Operating functions that have been affected include intake, recertifications, and maintenance. Changes to the operating environment have and will continue to increase operating costs. Additional impacts may include the ability of tenants to continue making rental payments as a result of job loss or other pandemic related issues. The future effects of these issues are unknown.

REQUIRED SUPPLEMENTARY INFORMATION

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY  
NEWPORT NEWS, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Changes in Net OPEB Liability and Related Ratios

JUNE 30, 2021

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
<b>Total OPEB liability</b>					
Service cost	\$ 60,026	\$ 66,407	\$ 62,057	\$ 55,038	\$ 51,437
Interest	97,240	93,531	95,866	100,734	98,774
Effects of economic/demographic gains or (losses)	(84,776)	-	(116,555)	-	-
Changes of assumptions	34,376	(7,621)	1,914	-	-
Benefit payments	<u>(83,632)</u>	<u>(93,962)</u>	<u>(95,442)</u>	<u>(135,423)</u>	<u>(116,524)</u>
Net change in OPEB liability	23,234	58,355	(52,160)	20,349	33,687
Total OPEB liability - beginning	<u>1,477,128</u>	<u>1,418,773</u>	<u>1,470,933</u>	<u>1,450,584</u>	<u>1,416,897</u>
Total OPEB liability - ending (a)	<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>
<b>Plan fiduciary net position</b>					
Contributions - employer	\$ 83,632	\$ 93,962	\$ 95,442	\$ 195,423	\$ 116,524
Net investment income	437,922	43,277	62,307	117,508	134,772
Benefit payments	(83,632)	(93,962)	(95,442)	(135,423)	(116,524)
Administrative expenses	<u>(2,151)</u>	<u>(2,073)</u>	<u>(1,973)</u>	<u>(1,865)</u>	<u>(1,751)</u>
Net change in fiduciary net position	435,771	41,204	60,334	175,643	133,021
Plan fiduciary net position - beginning	<u>1,457,150</u>	<u>1,415,946</u>	<u>1,355,612</u>	<u>1,179,969</u>	<u>1,046,948</u>
Plan fiduciary net position - ending (b)	<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>\$ (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	126.16%	98.65%	99.80%	92.16%	81.34%
Covered employee payroll	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	-9.71%	0.48%	0.07%	3.05%	7.17%

This schedule is presented to illustrate the requirement to show 10 years of information. However, recalculations of prior years are not required. If prior years are not reported in accordance with U.S. GAAP, they should not be included. Since 2017 was the first year of this presentation, no other data is available. Additional years will be included as they become available.

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

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY  
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REQUIRED SUPPLEMENTARY INFORMATION

OPEB Schedule of Contributions

JUNE 30, 2021

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Actuarially determined contribution	\$ 62,310	\$ 68,277	\$ 63,970	\$ 85,600	\$ 81,100
Contributions in relation to the actuarially determined contribution	(52,239)	(56,128)	(47,300)	(139,914)	(76,958)
Contribution deficiency	\$ 10,071	\$ 12,149	\$ 16,670	\$ (54,314)	\$ 4,142
Covered employee payroll	\$ 4,043,209	\$ 4,160,028	\$ 4,160,028	\$ 3,776,000	\$ 3,776,000
Contributions as a percentage of covered employee payroll	1.29%	1.35%	1.14%	3.71%	2.04%

**Notes to Schedule**

Valuation date 7/1/2020

Actuarial valuations for OPEB funding purposes are performed biennially as of July 1. The most recent valuation was performed as of July 1, 2020.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Projected Unit Credit
Amortization method	Level percentage of payroll, closed
Amortization period	24 years
Asset valuation method	Market value
Inflation	2.50%
Healthcare cost trend rates	5.50% for 2021, 5.10% for 2022, then grading to an ultimate rate of 4.00% for fiscal 2073
Salary increases	3.5% to 5.35% based on years of service
Investment rate of return	6.50%
Mortality:	
Pre-Retirement	RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at age 81 and older projected with Scale BB to 2020: males setback 1 year, 85% of rates; females setback 1 year. 25% of deaths are assumed to be service related.
Post-Retirement	RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at age 81 and older projected with Scale BB to 2020; males setback 1 year; females setback 1 year. 25% of deaths are assumed to be service related.
Post-Disablement	RP-2014 Disabled Mortality Rates projected with Scale BB to 2020; males 115% of rates; females 130% of rates.

This schedule is presented to illustrate the requirement to show 10 years of information. However, recalculations of prior years are not required. If prior years are not reported in accordance with U.S. GAAP, they should not be included. Since 2017 was the first year of this presentation, no other data is available. Additional years will be included as they become available.

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY  
NEWPORT NEWS, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of OPEB Investment Returns

JUNE 30, 2021

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Annual money-weighted rate of return, net of investment expense	30.08%	3.06%	4.60%	9.52%	12.88%

This schedule is presented to illustrate the requirement to show 10 years of information. However, recalculations of prior years are not required. If prior years are not reported in accordance with U.S. GAAP, they should not be included. Since 2017 was the first year of this presentation, no other data is available. Additional years will be included as they become available.

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY  
NEWPORT NEWS, VIRGINIA

COMBINING STATEMENT OF NET POSITION

PROPRIETARY FUND PROGRAMS

JUNE 30, 2021

	Public Housing Program	Rental Assistance Program	Central Office Cost Center Program	Community Development Program	HOME Investment Partnerships Program	Resident Self Sufficiency Program	Transition Center Program
<b>ASSETS</b>							
Current assets:							
Cash and equivalents - unrestricted	\$ 3,449,478	\$ 3,173,289	\$ 2,622,935	\$ 729,083	\$ -	\$ -	\$ 281,502
Accounts receivable (net of allowance)	534,641	328,063	73,758	1,628	132,117	24,739	644
Due from other programs	-	-	1,783,108	-	-	-	-
Due from component units	-	-	300,677	-	-	-	-
Investments	3,464,837	-	110,366	-	-	-	200,511
Prepaid expenses	9,285	6,468	24,664	-	161	-	89
Materials inventory (net of allowance)	-	-	28,183	-	-	-	-
Total current assets	<u>7,458,241</u>	<u>3,507,820</u>	<u>4,943,691</u>	<u>730,711</u>	<u>132,278</u>	<u>24,739</u>	<u>482,746</u>
Restricted assets:							
Cash and equivalents - restricted	98,282	1,006,715	-	-	1,640,638	-	3,455
Investments - restricted	-	-	-	-	-	-	-
Notes receivable (noncurrent)	-	-	-	1,873,555	4,867,740	-	-
Total restricted assets	<u>98,282</u>	<u>1,006,715</u>	<u>-</u>	<u>1,873,555</u>	<u>6,508,378</u>	<u>-</u>	<u>3,455</u>
Noncurrent assets:							
Notes and mortgages receivable	-	-	1,473,746	-	-	-	-
Nondepreciable capital assets	2,614,024	32,000	-	-	-	-	17,201
Capital assets (net)	19,054,052	32,840	149,394	5,947	-	-	88,222
Interprogram notes receivable	19,306,560	-	-	536,913	2,536,000	-	-
Accrued interest receivable	987,618	-	-	-	-	-	-
Other noncurrent assets	-	-	-	-	-	-	-
Total noncurrent assets	<u>41,962,254</u>	<u>64,840</u>	<u>1,623,140</u>	<u>542,860</u>	<u>2,536,000</u>	<u>-</u>	<u>105,423</u>
<b>TOTAL ASSETS</b>	<u>49,518,777</u>	<u>4,579,375</u>	<u>6,566,831</u>	<u>3,147,126</u>	<u>9,176,656</u>	<u>24,739</u>	<u>591,624</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Deferred outflows related to OPEB plan	-	-	98,671	-	-	-	-

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY  
NEWPORT NEWS, VIRGINIA

COMBINING STATEMENT OF NET POSITION

PROPRIETARY FUND PROGRAMS

JUNE 30, 2021

	Public Housing Program	Rental Assistance Program	Central Office Cost Center Program	Community Development Program	HOME Investment Partnerships Program	Resident Self Sufficiency Program	Transition Center Program
<b>LIABILITIES</b>							
Current liabilities:							
Accounts payable and accrued expenses	\$ 662,226	\$ 229,409	\$ 94,004	\$ 21,235	\$ 9,367	\$ -	\$ 4,146
Due to other programs	397,490	123,684	595,904	3,248	807	19,122	1,560
Accrued salaries	34,574	24,523	49,137	3,794	1,131	5,617	424
Accrued interest payable	-	-	-	-	-	-	-
Unearned revenues	47,413	56,000	-	-	-	-	-
Security deposit liabilities	67,148	1,250	-	-	-	-	3,455
Compensated absences	336	13,268	-	-	-	-	-
Current portion of long-term liabilities	-	-	-	-	-	-	-
Total current liabilities	<u>1,209,187</u>	<u>448,134</u>	<u>739,045</u>	<u>28,277</u>	<u>11,305</u>	<u>24,739</u>	<u>9,585</u>
Long-term liabilities:							
Compensated absences	88,487	60,731	252,276	6,858	8,683	-	2,415
Net OPEB liability	-	-	19,978	-	-	-	-
Notes and mortgages payable	-	-	-	-	-	-	-
Interprogram notes payable	-	-	-	-	-	-	-
Accrued interest payable	-	-	-	-	-	-	-
Trust, deposit and escrow liabilities	31,134	134,366	-	-	-	-	-
Total long-term liabilities	<u>119,621</u>	<u>195,097</u>	<u>272,254</u>	<u>6,858</u>	<u>8,683</u>	<u>-</u>	<u>2,415</u>
<b>TOTAL LIABILITIES</b>	<u>1,328,808</u>	<u>643,231</u>	<u>1,011,299</u>	<u>35,135</u>	<u>19,988</u>	<u>24,739</u>	<u>12,000</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Deferred outflows related to OPEB plan and grant income							
	10,786	-	74,787	-	-	-	-
Total deferred outflows	<u>10,786</u>	<u>-</u>	<u>74,787</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>							
Net investment in capital assets	21,668,076	64,840	149,394	5,947	-	-	105,423
Restricted for:							
Reserves and escrows	-	-	-	-	-	-	-
HAP reserves	-	721,877	-	-	-	-	-
Loan programs	-	-	-	1,873,555	4,867,740	-	-
Other	-	-	-	1,232,489	4,288,928	-	-
Unrestricted (deficit)	<u>26,511,107</u>	<u>3,149,427</u>	<u>5,430,022</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>474,201</u>
<b>TOTAL NET POSITION</b>	<u>\$ 48,179,183</u>	<u>\$ 3,936,144</u>	<u>\$ 5,579,416</u>	<u>\$ 3,111,991</u>	<u>\$ 9,156,668</u>	<u>\$ -</u>	<u>\$ 579,624</u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY  
NEWPORT NEWS, VIRGINIA

COMBINING STATEMENT OF NET POSITION

PROPRIETARY FUND PROGRAMS

JUNE 30, 2021

	State & Local Activities Program	Choice Neighborhoods Program	Business Activities Program	Lower Jefferson Avenue Development Program	Orcutt Senior Housing/ Ashe Manor	Orcutt Townhomes	Orcutt Townhomes III
<b>ASSETS</b>							
Current assets:							
Cash and equivalents - unrestricted	\$ -	\$ -	\$ 6,308,950	\$ -	\$ 52,977	\$ 99,142	\$ 245,952
Accounts receivable (net of allowance)	80,713	430,145	31,484	-	5,276	6,503	17,261
Due from other programs	-	-	595,904	-	-	-	-
Due from component units	-	-	-	-	-	-	-
Investments	-	-	501,691	-	-	-	-
Prepaid expenses	352	416	187	-	1,763	21,872	13,995
Materials inventory (net of allowance)	-	-	-	-	-	-	-
Total current assets	<u>81,065</u>	<u>430,561</u>	<u>7,438,216</u>	<u>-</u>	<u>60,016</u>	<u>127,517</u>	<u>277,208</u>
Restricted assets:							
Cash and equivalents - restricted	-	-	-	-	238,382	617,195	291,690
Investments - restricted	-	-	-	-	-	-	-
Notes receivable (noncurrent)	-	-	-	-	-	-	-
Total restricted assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>238,382</u>	<u>617,195</u>	<u>291,690</u>
Noncurrent assets:							
Notes and mortgages receivable	-	-	237,008	-	-	-	-
Nondepreciable capital assets	-	550,000	139,100	-	58,963	100,014	37,800
Capital assets (net)	861	-	516,373	-	2,821,609	2,698,782	3,671,014
Interprogram notes receivable	-	-	928,742	-	-	-	-
Accrued interest receivable	-	-	671,263	-	-	-	-
Other noncurrent assets	-	-	149,300	375,858	-	-	-
Total noncurrent assets	<u>861</u>	<u>550,000</u>	<u>2,641,786</u>	<u>375,858</u>	<u>2,880,572</u>	<u>2,798,796</u>	<u>3,708,814</u>
<b>TOTAL ASSETS</b>	<u>81,926</u>	<u>980,561</u>	<u>10,080,002</u>	<u>375,858</u>	<u>3,178,970</u>	<u>3,543,508</u>	<u>4,277,712</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Deferred outflows related to OPEB plan	-	-	-	-	-	-	-

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY  
NEWPORT NEWS, VIRGINIA

COMBINING STATEMENT OF NET POSITION

PROPRIETARY FUND PROGRAMS

JUNE 30, 2021

	State & Local Activities Program	Choice Neighborhoods Program	Business Activities Program	Lower Jefferson Avenue Development Program	Orcutt Senior Housing/ Ashe Manor	Orcutt Townhomes	Orcutt Townhomes III
<u>LIABILITIES</u>							
Current liabilities:							
Accounts payable and accrued expenses	\$ 5,634	\$ 202,500	\$ 165	\$ -	\$ 12,781	\$ 20,450	\$ 10,111
Due to other programs	79,981	214,134	38,981	-	321,808	20,767	2,358
Accrued salaries	3,565	5,672	1,823	-	1,876	1,485	983
Accrued interest payable	-	-	-	-	-	-	-
Unearned revenues	-	-	2,042,687	-	2,133	14,320	2,296
Security deposit liabilities	-	-	-	-	4,324	3,996	4,993
Compensated absences	-	-	-	-	11	9	-
Current portion of long-term liabilities	-	-	-	-	-	-	-
Total current liabilities	<u>89,180</u>	<u>422,306</u>	<u>2,083,656</u>	<u>-</u>	<u>342,933</u>	<u>61,027</u>	<u>20,741</u>
Long-term liabilities:							
Compensated absences	7,245	8,255	8,324	-	5,634	3,315	1,746
Net OPEB liability	-	-	-	-	-	-	-
Notes and mortgages payable	-	-	-	-	-	-	1,304,231
Interprogram notes payable	-	-	-	-	3,189,000	1,570,861	1,859,842
Accrued interest payable	-	-	-	-	671,263	-	-
Trust, deposit and escrow liabilities	-	-	-	-	-	-	-
Total long-term liabilities	<u>7,245</u>	<u>8,255</u>	<u>8,324</u>	<u>-</u>	<u>3,865,897</u>	<u>1,574,176</u>	<u>3,165,819</u>
<b>TOTAL LIABILITIES</b>	<u>96,425</u>	<u>430,561</u>	<u>2,091,980</u>	<u>-</u>	<u>4,208,830</u>	<u>1,635,203</u>	<u>3,186,560</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>							
Deferred outflows related to OPEB plan and grant income	-	-	-	-	-	-	-
Total deferred outflows	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>NET POSITION</u>							
Net investment in capital assets	861	550,000	655,473	-	(308,428)	1,227,935	544,741
Restricted for:							
Reserves and escrows	-	-	-	-	234,058	613,199	286,697
HAP reserves	-	-	-	-	-	-	-
Loan programs	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Unrestricted (deficit)	<u>(15,360)</u>	<u>-</u>	<u>7,332,549</u>	<u>375,858</u>	<u>(955,490)</u>	<u>67,171</u>	<u>259,714</u>
<b>TOTAL NET POSITION</b>	<u>\$ (14,499)</u>	<u>\$ 550,000</u>	<u>\$ 7,988,022</u>	<u>\$ 375,858</u>	<u>\$ (1,029,860)</u>	<u>\$ 1,908,305</u>	<u>\$ 1,091,152</u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY  
NEWPORT NEWS, VIRGINIA

COMBINING STATEMENT OF NET POSITION

PROPRIETARY FUND PROGRAMS

JUNE 30, 2021

	Lofts on Jefferson	Oyster Point- Brighton	Cypress Terrace	Lassiter Courts	Spratley House	Total	Eliminations	Proprietary Fund
<b>ASSETS</b>								
Current assets:								
Cash and equivalents - unrestricted	\$ 30,553	\$ 458,730	\$ 76,055	\$ 83,088	\$ 366,984	\$ 17,978,718	\$ -	\$ 17,978,718
Accounts receivable (net of allowance)	11,010	34,777	15,106	43,485	885	1,772,235	-	1,772,235
Due from other programs	-	-	-	-	-	2,379,012	(2,379,012)	-
Due from component units	-	-	-	-	-	300,677	-	300,677
Investments	-	-	-	-	-	4,277,405	-	4,277,405
Prepaid expenses	3,687	75,004	42,592	17,206	231	217,972	-	217,972
Materials inventory (net of allowance)	-	-	-	-	-	28,183	-	28,183
Total current assets	<u>45,250</u>	<u>568,511</u>	<u>133,753</u>	<u>143,779</u>	<u>368,100</u>	<u>26,954,202</u>	<u>(2,379,012)</u>	<u>24,575,190</u>
Restricted assets:								
Cash and equivalents - restricted	8,722	602,665	254,307	22,051	-	4,784,102	-	4,784,102
Investments - restricted	31,846	252,178	103,177	42,658	-	429,859	-	429,859
Notes receivable (noncurrent)	-	-	-	-	-	6,741,295	-	6,741,295
Total restricted assets	<u>40,568</u>	<u>854,843</u>	<u>357,484</u>	<u>64,709</u>	<u>-</u>	<u>11,955,256</u>	<u>-</u>	<u>11,955,256</u>
Noncurrent assets:								
Notes and mortgages receivable	-	-	-	-	-	1,710,754	-	1,710,754
Nondepreciable capital assets	-	2,814,625	1,190,000	15,616	2,902,374	10,471,717	-	10,471,717
Capital assets (net)	1,295,175	14,866,038	7,653,874	11,301,542	1,051,988	65,207,711	-	65,207,711
Interprogram notes receivable	-	-	-	-	-	23,308,215	(23,308,215)	-
Accrued interest receivable	-	-	-	-	-	1,658,881	(1,658,881)	-
Other noncurrent assets	-	-	-	-	-	525,158	(100,000)	425,158
Total noncurrent assets	<u>1,295,175</u>	<u>17,680,663</u>	<u>8,843,874</u>	<u>11,317,158</u>	<u>3,954,362</u>	<u>102,882,436</u>	<u>(25,067,096)</u>	<u>77,815,340</u>
<b>TOTAL ASSETS</b>	<u>1,380,993</u>	<u>19,104,017</u>	<u>9,335,111</u>	<u>11,525,646</u>	<u>4,322,462</u>	<u>141,791,894</u>	<u>(27,446,108)</u>	<u>114,345,786</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>								
Deferred outflows related to OPEB plan	-	-	-	-	-	98,671	-	98,671

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY  
NEWPORT NEWS, VIRGINIA

COMBINING STATEMENT OF NET POSITION

PROPRIETARY FUND PROGRAMS

JUNE 30, 2021

	Lofts on Jefferson	Oyster Point- Brighton	Cypress Terrace	Lassiter Courts	Spratley House	Total	Eliminations	Proprietary Fund
<b>LIABILITIES</b>								
Current liabilities:								
Accounts payable and accrued expenses	1,086	67,317	17,110	20,638	1,296,491	\$ 2,674,670	\$ -	\$ 2,674,670
Due to other programs	128,261	19,889	98,822	205,839	106,357	2,379,012	(2,379,012)	-
Accrued salaries	486	5,477	3,640	1,273	1,640	147,120	-	147,120
Accrued interest payable	1,735	6,297	3,005	7,741	-	18,778	-	18,778
Unearned revenues	270	15,334	6,588	7,942	4,190	2,199,173	-	2,199,173
Security deposit liabilities	8,722	40,442	14,221	22,051	-	170,602	-	170,602
Compensated absences	-	7,667	419	-	48	21,758	-	21,758
Current portion of long-term liabilities	13,592	76,987	48,844	41,703	-	181,126	-	181,126
<b>Total current liabilities</b>	<b>154,152</b>	<b>239,410</b>	<b>192,649</b>	<b>307,187</b>	<b>1,408,726</b>	<b>7,792,239</b>	<b>(2,379,012)</b>	<b>5,413,227</b>
Long-term liabilities:								
Compensated absences	873	12,227	14,988	10,390	2,900	495,347	-	495,347
Net OPEB liability	-	-	-	-	-	19,978	-	19,978
Notes and mortgages payable	513,459	3,351,071	2,157,518	2,241,279	-	9,567,558	-	9,567,558
Interprogram notes payable	-	7,184,903	3,599,250	3,056,764	2,847,595	23,308,215	(23,308,215)	-
Accrued interest payable	-	661,560	294,014	24,551	7,493	1,658,881	(1,658,881)	-
Trust, deposit and escrow liabilities	-	-	-	-	-	165,500	-	165,500
<b>Total long-term liabilities</b>	<b>514,332</b>	<b>11,209,761</b>	<b>6,065,770</b>	<b>5,332,984</b>	<b>2,857,988</b>	<b>35,215,479</b>	<b>(24,967,096)</b>	<b>10,248,383</b>
<b>TOTAL LIABILITIES</b>	<b>668,484</b>	<b>11,449,171</b>	<b>6,258,419</b>	<b>5,640,171</b>	<b>4,266,714</b>	<b>43,007,718</b>	<b>(27,346,108)</b>	<b>15,661,610</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Deferred outflows related to OPEB plan and grant income								
	-	-	-	-	-	85,573	-	85,573
<b>Total deferred outflows</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>85,573</b>	<b>-</b>	<b>85,573</b>
<b>NET POSITION</b>								
Net investment in capital assets	768,124	7,067,702	3,038,262	5,977,412	1,106,767	42,622,529	23,308,215	65,930,744
Restricted for:								
Reserves and escrows	31,846	814,401	343,263	42,658	-	2,366,122	-	2,366,122
HAP reserves	-	-	-	-	-	721,877	-	721,877
Loan programs	-	-	-	-	-	6,741,295	(2,536,000)	4,205,295
Other	-	-	-	-	-	5,521,417	2,536,000	8,057,417
Unrestricted (deficit)	(87,461)	(227,257)	(304,833)	(134,595)	(1,051,019)	40,824,034	(23,408,215)	17,415,819
<b>TOTAL NET POSITION</b>	<b>\$ 712,509</b>	<b>\$ 7,654,846</b>	<b>\$ 3,076,692</b>	<b>\$ 5,885,475</b>	<b>\$ 55,748</b>	<b>\$ 98,797,274</b>	<b>\$ (100,000)</b>	<b>\$ 98,697,274</b>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY  
NEWPORT NEWS, VIRGINIA

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION

PROPRIETARY FUND PROGRAMS

FOR THE YEAR ENDED JUNE 30, 2021

	Public Housing Program	Rental Assistance Program	Central Office Cost Center Program	Community Development Program	HOME Investment Partnerships Program	Resident Self Sufficiency Program	Transition Center Program
<b>OPERATING REVENUES:</b>							
Rental and tenant income	\$ 2,165,819	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,036
Intergovernmental - operating grants	7,130,766	25,459,881	-	1,228,303	188,671	285,427	57,050
Fee revenue	-	-	3,032,673	-	-	-	-
Other income	64,152	48,838	2,846	46,651	15,769	-	-
Total operating revenues	<u>9,360,737</u>	<u>25,508,719</u>	<u>3,035,519</u>	<u>1,274,954</u>	<u>204,440</u>	<u>285,427</u>	<u>92,086</u>
<b>OPERATING EXPENSES:</b>							
Administration	2,443,182	1,898,452	2,434,579	384,298	89,588	-	16,691
Tenant services	249,730	34,342	43,290	-	-	285,427	-
Utilities	2,039,177	26,415	61,655	-	-	-	20,213
Ordinary maintenance	1,679,813	13,958	117,436	-	-	-	23,584
Protective services	72,924	-	12,478	-	-	-	-
Insurance expense	324,624	41,456	87,984	-	1,603	-	4,398
General expenses	153,835	-	37,289	1,226,906	301,728	-	810
Nonroutine maintenance	15,000	-	-	-	-	-	-
Housing assistance payments	-	22,505,898	-	-	-	-	-
Depreciation	1,668,648	14,464	38,261	2,627	-	-	7,862
Total operating expenses	<u>8,646,933</u>	<u>24,534,985</u>	<u>2,832,972</u>	<u>1,613,831</u>	<u>392,919</u>	<u>285,427</u>	<u>73,558</u>
OPERATING INCOME (LOSS)	<u>713,804</u>	<u>973,734</u>	<u>202,547</u>	<u>(338,877)</u>	<u>(188,479)</u>	<u>-</u>	<u>18,528</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>							
Interest and investment revenue	212,514	8,765	284	22,970	13,026	-	813
Interest expense	-	-	-	-	-	-	-
Developer fees earned	-	-	-	-	-	-	-
Contributions for AHP direct subsidy	500,000	-	-	-	-	-	-
Gain (loss) on disposition of capital assets	660,229	-	-	-	-	-	-
Total nonoperating revenues (expenses), net	<u>1,372,743</u>	<u>8,765</u>	<u>284</u>	<u>22,970</u>	<u>13,026</u>	<u>-</u>	<u>813</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS, TRANSFERS AND PROCEEDS	<u>2,086,547</u>	<u>982,499</u>	<u>202,831</u>	<u>(315,907)</u>	<u>(175,453)</u>	<u>-</u>	<u>19,341</u>
Transfers from other programs	-	-	-	-	-	-	-
Transfers from/(to) component units	(705,642)	-	-	-	-	-	-
HUD capital contributions	1,509,122	-	-	-	-	-	-
Tax credit and other proceeds	-	-	-	-	-	-	-
CHANGE IN NET POSITION	<u>2,890,027</u>	<u>982,499</u>	<u>202,831</u>	<u>(315,907)</u>	<u>(175,453)</u>	<u>-</u>	<u>19,341</u>
TOTAL NET POSITION - July 1, 2020	<u>45,289,156</u>	<u>2,953,645</u>	<u>5,376,585</u>	<u>3,427,898</u>	<u>9,332,121</u>	<u>-</u>	<u>560,283</u>
TOTAL NET POSITION - June 30, 2021	<u>\$ 48,179,183</u>	<u>\$ 3,936,144</u>	<u>\$ 5,579,416</u>	<u>\$ 3,111,991</u>	<u>\$ 9,156,668</u>	<u>\$ -</u>	<u>\$ 579,624</u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY  
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COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION

PROPRIETARY FUND PROGRAMS

FOR THE YEAR ENDED JUNE 30, 2021

	State & Local Activities Program	Choice Neighborhood Program	Business Activities Program	Lower Jefferson Avenue Development Program	Orcutt Senior Housing/ Ashe Manor	Orcutt Townhomes	Orcutt Townhomes III
<b>OPERATING REVENUES:</b>							
Rental and tenant income	\$ -	\$ -	\$ -	\$ -	\$ 146,645	\$ 90,166	\$ 93,772
Intergovernmental - operating grants	202,531	977,348	24,073	-	-	-	112,413
Fee revenue	-	-	-	-	-	-	-
Other income	-	-	180,621	-	66	1	6,400
Total operating revenues	<u>202,531</u>	<u>977,348</u>	<u>204,694</u>	<u>-</u>	<u>146,711</u>	<u>90,167</u>	<u>212,585</u>
<b>OPERATING EXPENSES:</b>							
Administration	123,854	228,850	254,650	-	98,959	77,054	44,750
Tenant services	-	741,806	8,000	-	280,446	4,782	385
Utilities	1,571	-	2,349	-	80,651	6,013	7,265
Ordinary maintenance	60,506	82	47,974	-	162,848	113,598	64,562
Protective services	-	-	-	-	1,960	1,972	-
Insurance expense	14,528	3,893	14,456	-	11,048	15,619	10,442
General expenses	2,304	2,717	5,647	-	13,669	28,350	32,701
Depreciation	1,723	-	50,978	-	209,267	192,512	184,224
Total operating expenses	<u>204,486</u>	<u>977,348</u>	<u>384,054</u>	<u>-</u>	<u>858,848</u>	<u>439,900</u>	<u>344,329</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(1,955)</u>	<u>-</u>	<u>(179,360)</u>	<u>-</u>	<u>(712,137)</u>	<u>(349,733)</u>	<u>(131,744)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>							
Interest and investment revenue	-	-	58,963	-	161	182	167
Interest expense	-	-	-	-	(53,791)	-	-
Developer fees earned	-	-	1,019,661	-	-	-	-
Contributions for AHP direct subsidy	-	-	-	-	-	-	-
Gain (loss) on disposition of capital assets	-	-	-	-	-	-	-
Total nonoperating revenues (expenses), net	<u>-</u>	<u>-</u>	<u>1,078,624</u>	<u>-</u>	<u>(53,630)</u>	<u>182</u>	<u>167</u>
<b>INCOME LOSS) BEFORE CONTRIBUTIONS, TRANSFERS AND PROCEEDS</b>	<u>(1,955)</u>	<u>-</u>	<u>899,264</u>	<u>-</u>	<u>(765,767)</u>	<u>(349,551)</u>	<u>(131,577)</u>
Transfers from other programs	-	-	-	-	503,405	158,163	-
Transfers from/(to) component units	-	-	-	-	-	-	-
HUD capital contributions	-	-	-	-	-	-	-
Tax credit and other proceeds	-	-	-	-	-	-	60,000
<b>CHANGE IN NET POSITION</b>	<u>(1,955)</u>	<u>-</u>	<u>899,264</u>	<u>-</u>	<u>(262,362)</u>	<u>(191,388)</u>	<u>(71,577)</u>
<b>TOTAL NET POSITION - July 1, 2020</b>	<u>(12,544)</u>	<u>550,000</u>	<u>8,078,956</u>	<u>375,858</u>	<u>(767,498)</u>	<u>2,099,693</u>	<u>1,162,729</u>
<b>TOTAL NET POSITION - June 30, 2021</b>	<u>\$ (14,499)</u>	<u>\$ 550,000</u>	<u>\$ 8,978,220</u>	<u>\$ 375,858</u>	<u>\$ (1,029,860)</u>	<u>\$ 1,908,305</u>	<u>\$ 1,091,152</u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY  
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COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION

PROPRIETARY FUND PROGRAMS

FOR THE YEAR ENDED JUNE 30, 2021

	Lofts on Jefferson	Oyster Point- Brighton	Cypress Terrace	Lassiter Courts	Spratley House Courts	Total	Eliminations	Proprietary Fund
<b>OPERATING REVENUES:</b>								
Rental and tenant income	\$ 104,561	\$ 535,170	\$ 217,076	\$ 184,742	\$ 22,399	\$ 3,595,386	\$ -	\$ 3,595,386
Intergovernmental - operating grants	-	954,069	402,318	502,168	-	37,525,018	-	37,525,018
Fee revenue	-	-	-	-	-	3,032,673	(2,937,035)	95,638
Other income	-	97	1,029	132	13	366,615	-	366,615
Total operating revenues	<u>104,561</u>	<u>1,489,336</u>	<u>620,423</u>	<u>687,042</u>	<u>22,412</u>	<u>44,519,692</u>	<u>(2,937,035)</u>	<u>41,582,657</u>
<b>OPERATING EXPENSES:</b>								
Administration	17,744	325,424	140,402	141,139	17,557	8,737,173	(2,925,935)	5,811,238
Tenant services	182	5,488	1,284	8,157	146,154	1,809,473	-	1,809,473
Utilities	5,900	228,846	133,484	36,121	10,067	2,659,727	-	2,659,727
Ordinary maintenance	27,468	252,958	121,132	172,931	21,879	2,880,729	(11,100)	2,869,629
Protective services	-	8,840	10,812	6,625	-	115,611	-	115,611
Insurance expense	5,919	72,583	40,159	19,429	425	668,566	-	668,566
General expenses	20,581	196,310	86,231	104,100	307,011	2,520,189	-	2,520,189
Nonroutine maintenance	-	-	5,988	-	-	20,988	-	20,988
Housing assistance payments	-	-	-	-	-	22,505,898	-	22,505,898
Depreciation	58,393	603,662	308,251	194,193	157	3,535,222	-	3,535,222
Total operating expenses	<u>136,187</u>	<u>1,694,111</u>	<u>847,743</u>	<u>682,695</u>	<u>503,250</u>	<u>45,453,576</u>	<u>(2,937,035)</u>	<u>42,516,541</u>
OPERATING INCOME (LOSS)	<u>(31,626)</u>	<u>(204,775)</u>	<u>(227,320)</u>	<u>4,347</u>	<u>(480,838)</u>	<u>(933,884)</u>	<u>-</u>	<u>(933,884)</u>
<b>NONOPERATING REVENUES EXPENSES:</b>								
Interest and investment revenue	56	570	235	154	4	318,864	(259,993)	58,871
Interest expense	(21,057)	(205,232)	(93,606)	(150,249)	(7,492)	(531,427)	259,993	(271,434)
Developer fees earned	-	-	-	-	-	1,019,661	-	1,019,661
Contributions for AHP direct subsidy	-	-	-	-	-	500,000	-	500,000
Gain (loss) on disposition of capital assets	-	-	-	-	-	660,229	-	660,229
Total nonoperating revenues (expenses), net	<u>(21,001)</u>	<u>(204,662)</u>	<u>(93,371)</u>	<u>(150,095)</u>	<u>(7,488)</u>	<u>1,967,327</u>	<u>-</u>	<u>1,967,327</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS, TRANSFERS AND PROCEEDS	<u>(52,627)</u>	<u>(409,437)</u>	<u>(320,691)</u>	<u>(145,748)</u>	<u>(488,326)</u>	<u>1,033,443</u>	<u>-</u>	<u>1,033,443</u>
Transfers from other programs	-	-	-	-	44,074	705,642	(705,642)	-
Transfers from/(to) component units	-	-	-	-	-	(705,642)	705,642	-
HUD capital contributions	-	-	-	-	-	1,509,122	-	1,509,122
Tax credit and other proceeds	-	-	-	3,226,000	500,000	3,786,000	-	3,786,000
CHANGE IN NET POSITION	<u>(52,627)</u>	<u>(409,437)</u>	<u>(320,691)</u>	<u>3,080,252</u>	<u>55,748</u>	<u>6,328,565</u>	<u>-</u>	<u>6,328,565</u>
TOTAL NET POSITION - July 1, 2020	<u>765,136</u>	<u>8,064,283</u>	<u>3,397,383</u>	<u>2,805,223</u>	<u>-</u>	<u>93,458,907</u>	<u>(100,000)</u>	<u>93,358,907</u>
TOTAL NET POSITION - June 30, 2021	<u>\$ 712,509</u>	<u>\$ 7,654,846</u>	<u>\$ 3,076,692</u>	<u>\$ 5,885,475</u>	<u>\$ 55,748</u>	<u>\$ 99,787,472</u>	<u>\$ (100,000)</u>	<u>\$ 99,687,472</u>

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COMBINING STATEMENT OF CASH FLOWS

PROPRIETARY FUND PROGRAMS

FOR THE YEAR ENDED JUNE 30, 2021

	Public Housing Program	Rental Assistance Program	Central Office Cost Center Program	Community Development Program	HOME Investment Partnerships Program
Cash flows from operating activities:					
Cash received from tenants/others	\$ 1,977,321	\$ 53,332	\$ -	\$ -	\$ -
Cash received for fees/services/donations	-	-	144,103	46,651	-
Cash operating grants received (net)	6,982,828	25,091,481	-	1,228,303	188,671
Cash transfers from (to) other funds and entities	(2,352,253)	(638,757)	3,339,030	(252,578)	(151,765)
Cash payments for goods, services, rental subsidies	(3,630,468)	(22,910,093)	(759,084)	(1,201,210)	(32,832)
Cash payments to/for employees and benefits	(1,592,577)	(780,562)	(2,197,142)	(130,906)	(48,410)
Cash payments in lieu of property taxes	(59,933)	-	-	-	-
Net cash provided by (used in) operating activities	<u>1,324,918</u>	<u>815,401</u>	<u>526,907</u>	<u>(309,740)</u>	<u>(44,336)</u>
Cash flows from capital and related financing activities:					
Purchase of equipment/capital assets	(2,051,543)	-	(71,943)	-	-
Proceeds from issuing notes and other debt	-	-	-	-	-
Transfers from/to other funds for capital activities	(6,745)	-	4,600	-	-
Proceeds from sale of tax credits	-	-	-	-	-
Contributions received for capital outlays	1,285,368	-	-	-	-
Loan principal payments	-	-	-	-	-
Interest payments	-	-	-	-	-
Net cash provided by (used in) capital and related financing activities	<u>(772,920)</u>	<u>-</u>	<u>(67,343)</u>	<u>-</u>	<u>-</u>
Cash flows from noncapital financing activities:					
Developer fees received	-	-	-	-	-
Contributions received for investments in joint ventures	500,000	-	-	-	-
Loans made to borrowers	(500,000)	-	-	(39,066)	(80,634)
Receipt of interest on notes and loans	-	-	-	22,970	12,297
Loans payments received	-	-	-	283,326	260,624
Net cash provided by (used in) noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>267,230</u>	<u>192,287</u>
Cash flows from investing activities:					
Receipts of interest and dividends	729	10,339	121	-	729
Deposits (withdrawals) to/from reserve accounts	-	-	-	-	-
Net cash provided by (used in) investing activities	<u>729</u>	<u>10,339</u>	<u>121</u>	<u>-</u>	<u>729</u>
Net increase (decrease) in cash	552,727	825,740	459,685	(42,510)	148,680
Cash and equivalents at July 1, 2020	2,995,033	3,354,264	2,163,250	771,593	1,491,958
Cash and equivalents at June 30, 2021	<u>\$ 3,547,760</u>	<u>\$ 4,180,004</u>	<u>\$ 2,622,935</u>	<u>\$ 729,083</u>	<u>\$ 1,640,638</u>
Reconciliation to statement of net position:					
Cash and cash equivalents - unrestricted	3,449,478	3,173,289	2,622,935	729,083	-
Cash and cash equivalents - restricted	98,282	1,006,715	-	-	1,640,638
	<u>\$ 3,547,760</u>	<u>\$ 4,180,004</u>	<u>\$ 2,622,935</u>	<u>\$ 729,083</u>	<u>\$ 1,640,638</u>

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COMBINING STATEMENT OF CASH FLOWS

PROPRIETARY FUND PROGRAMS

FOR THE YEAR ENDED JUNE 30, 2021

	Public Housing Program	Rental Assistance Program	Central Office Cost Center Program	Community Development Program	HOME Investment Partnerships Program
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 713,804	\$ 973,734	\$ 202,547	\$ (338,877)	\$ (188,479)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation	1,668,648	14,464	38,261	2,627	-
Operating transfers	(703,497)	-	-	-	-
Change in assets and liabilities:					
Decrease (increase) in accounts receivable	(105,821)	(90,191)	(127,340)	(464)	18,893
Decrease (increase) in due from other funds/programs	-	2,219	347,769	-	-
Decrease (increase) in notes and mortgages receivable	-	-	-	19,069	243,149
Decrease (increase) in prepaid expenses and materials inventory	3,508	(294)	(5,539)	-	(30)
Decrease (increase) in deferred outflows of resources	-	-	(34,752)	-	-
Increase (decrease) in accounts payable	153,991	91,727	6,747	7,185	5,563
Increase (decrease) in due to other funds/programs	(209,655)	99,348	54,227	149	(115,765)
Increase (decrease) in accrued liabilities	2,052	10,227	8,529	131	207
Increase (decrease) in compensated absences	(13,596)	(54)	37,288	440	1,752
Increase (decrease) in trust, deposit, and escrow liabilities	(86,739)	27,751	-	-	(9,626)
Increase (decrease) in unearned revenues	13,114	(313,530)	-	-	-
Increase (decrease) in OPEB liabilities	-	-	17,151	-	-
Increase (decrease) in deferred inflows of resources	(110,891)	-	(17,981)	-	-
Net cash provided by (used in) operating activities	<u>\$ 1,324,918</u>	<u>\$ 815,401</u>	<u>\$ 526,907</u>	<u>\$ (309,740)</u>	<u>\$ (44,336)</u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY  
NEWPORT NEWS, VIRGINIA

COMBINING STATEMENT OF CASH FLOWS

PROPRIETARY FUND PROGRAMS

FOR THE YEAR ENDED JUNE 30, 2021

	Resident Self Sufficiency Programs	Transition Center Program	State & Local Activities Program	Choice Neighborhood Program	Business Activities Program
Cash flows from operating activities:					
Cash received from tenants/others	\$ -	\$ 34,047	\$ -	\$ -	\$ -
Cash received for fees/services/donations	-	-	-	-	180,621
Cash operating grants received (net)	504,088	57,050	166,922	836,253	2,066,760
Cash transfers from (to) other funds and entities	(218,825)	(4,523)	(619)	48,390	435,494
Cash payments for goods, services, rental subsidies	(483)	(40,146)	(103,612)	(713,883)	(145,852)
Cash payments to/for employees and benefits	(284,930)	(17,693)	(62,691)	(170,760)	(188,299)
Cash payments in lieu of property taxes	-	-	-	-	-
Net cash provided by (used in) operating activities	<u>(150)</u>	<u>28,735</u>	<u>-</u>	<u>-</u>	<u>2,348,724</u>
Cash flows from capital and related financing activities:					
Purchase of equipment/capital assets	-	(11,247)	-	(49,704)	(248,390)
Proceeds from issuing notes and other debt	-	-	-	-	-
Transfers from/to other funds for capital activities	-	-	-	-	-
Proceeds from sale of tax credits	-	-	-	-	-
Contributions received for capital outlays	-	-	-	49,704	621,694
Loan principal payments	-	-	-	-	-
Interest payments	-	-	-	-	-
Net cash provided by (used in) capital and related financing activities	<u>-</u>	<u>(11,247)</u>	<u>-</u>	<u>-</u>	<u>373,304</u>
Cash flows from noncapital financing activities:					
Developer fees received	-	-	-	-	1,019,661
Contributions received for investments in joint ventures	-	-	-	-	-
Loans made to borrowers	-	-	-	-	(108,588)
Receipt of interest on notes and loans	-	-	-	-	-
Loans payments received	-	-	-	-	1,400
Net cash provided by (used in) noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>912,473</u>
Cash flows from investing activities:					
Receipts of interest and dividends	-	490	-	-	2,592
Deposits (withdrawals) to/from reserve accounts	-	-	-	-	-
Net cash provided by (used in) investing activities	<u>-</u>	<u>490</u>	<u>-</u>	<u>-</u>	<u>2,592</u>
Net increase (decrease) in cash	(150)	17,978	-	-	3,637,093
Cash and equivalents at July 1, 2020	150	266,979	-	-	2,671,857
Cash and equivalents at June 30, 2021	<u>\$ -</u>	<u>\$ 284,957</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,308,950</u>
Reconciliation to statement of net position:					
Cash and cash equivalents - unrestricted	-	281,502	-	-	6,308,950
Cash and cash equivalents - restricted	-	3,455	-	-	-
	<u>\$ -</u>	<u>\$ 284,957</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,308,950</u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY  
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COMBINING STATEMENT OF CASH FLOWS

PROPRIETARY FUND PROGRAMS

FOR THE YEAR ENDED JUNE 30, 2021

	Resident Self Sufficiency Programs	Transition Center Program	State & Local Activities Program	Choice Neighborhood Program	Business Activities Program
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating income (loss)	\$ -	\$ 18,528	\$ (1,955)	\$ -	\$ (179,360)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation	-	7,862	1,723	-	50,978
Operating transfers	-	-	-	-	-
Change in assets and liabilities:					
Decrease (increase) in accounts receivable	218,661	(320)	(35,608)	(141,094)	(5,223)
Decrease (increase) in due from other funds/programs	-	-	-	509	464,810
Decrease (increase) in notes and mortgages receivable	-	-	-	-	3,573
Decrease (increase) in prepaid expenses and materials inventory	-	314	(58)	(416)	279
Decrease (increase) in deferred outflows of resources	-	-	-	-	-
Increase (decrease) in accounts payable	-	1,998	471	33,498	(21,840)
Increase (decrease) in due to other funds/programs	(218,825)	124	31,181	101,880	(8,667)
Increase (decrease) in accrued liabilities	14	88	2,658	2,906	58
Increase (decrease) in compensated absences	-	155	1,588	2,717	1,429
Increase (decrease) in trust, deposit, and escrow liabilities	-	140	-	-	-
Increase (decrease) in unearned revenues	-	(154)	-	-	2,042,687
Increase (decrease) in OPEB liabilities	-	-	-	-	-
Increase (decrease) in deferred inflows of resources	-	-	-	-	-
Net cash provided by (used in) operating activities	<u>\$ (150)</u>	<u>\$ 28,735</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,348,724</u>

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COMBINING STATEMENT OF CASH FLOWS

PROPRIETARY FUND PROGRAMS

FOR THE YEAR ENDED JUNE 30, 2021

	Lower Jefferson Avenue Development Program	Orcutt Senior Housing/ Ashe Manor	Orcutt Townhomes	Orcutt Townhomes III	Lofts on Jefferson
Cash flows from operating activities:					
Cash received from tenants/others	\$ -	\$ 148,469	\$ 91,971	\$ 76,177	\$ 88,695
Cash received for fees/services/donations	-	66	1	6,400	-
Cash operating grants received (net)	-	-	-	119,515	-
Cash transfers from (to) other funds and entities	-	486,643	100,771	(34,635)	(21,490)
Cash payments for goods, services, rental subsidies	-	(578,479)	(133,531)	(89,205)	(61,574)
Cash payments to/for employees and benefits	-	(75,100)	(55,443)	(34,538)	(17,252)
Cash payments in lieu of property taxes	-	(7,864)	(23,062)	(19,216)	(10,160)
Net cash provided by (used in) operating activities	-	(26,265)	(19,293)	24,498	(21,781)
Cash flows from capital and related financing activities:					
Purchase of equipment/capital assets	-	(25,722)	(8,844)	(11,716)	(5,513)
Proceeds from issuing notes and other debt	-	-	-	-	-
Transfers from/to other funds for capital activities	-	-	-	-	-
Proceeds from sale of tax credits	-	-	-	-	-
Contributions received for capital outlays	-	-	-	-	-
Loan principal payments	-	-	-	-	(13,067)
Interest payments	-	-	-	-	(21,100)
Net cash provided by (used in) capital and related financing activities	-	(25,722)	(8,844)	(11,716)	(39,680)
Cash flows from noncapital financing activities:					
Developer fees received	-	-	-	-	-
Contributions received for investments in joint ventures	-	-	-	-	-
Loans made to borrowers	-	-	-	-	-
Receipt of interest on notes and loans	-	-	-	-	-
Loans payments received	-	-	-	-	-
Net cash provided by (used in) noncapital financing activities	-	-	-	-	-
Cash flows from investing activities:					
Receipts of interest and dividends	-	161	182	167	37
Deposits (withdrawals) to/from reserve accounts	-	-	-	-	(3,087)
Net cash provided by (used in) investing activities	-	161	182	167	(3,050)
Net increase (decrease) in cash	-	(51,826)	(27,955)	12,949	(64,511)
Cash and equivalents at July 1, 2020	-	343,185	744,292	524,693	103,786
Cash and equivalents at June 30, 2021	<u>\$ -</u>	<u>\$ 291,359</u>	<u>\$ 716,337</u>	<u>\$ 537,642</u>	<u>\$ 39,275</u>
Reconciliation to statement of net position:					
Cash and cash equivalents - unrestricted	-	52,977	99,142	245,952	30,553
Cash and cash equivalents - restricted	-	238,382	617,195	291,690	8,722
	<u>\$ -</u>	<u>\$ 291,359</u>	<u>\$ 716,337</u>	<u>\$ 537,642</u>	<u>\$ 39,275</u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY  
NEWPORT NEWS, VIRGINIA

COMBINING STATEMENT OF CASH FLOWS

PROPRIETARY FUND PROGRAMS

FOR THE YEAR ENDED JUNE 30, 2021

	Lower Jefferson Avenue Development Program	Orcutt Senior Housing/ Ashe Manor	Orcutt Townhomes	Orcutt Townhomes III	Lofts on Jefferson
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ -	\$ (712,137)	\$ (349,733)	\$ (131,744)	\$ (31,626)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation	-	209,267	192,512	184,224	58,393
Operating transfers	-	503,405	158,163	-	-
Change in assets and liabilities:					
Decrease (increase) in accounts receivable	-	6,309	92	3,056	(5,007)
Decrease (increase) in due from other funds/programs	-	-	-	-	-
Decrease (increase) in notes and mortgages receivable	-	-	-	-	-
Decrease (increase) in prepaid expenses and materials inventory	-	784	(10,035)	(6,542)	(395)
Decrease (increase) in deferred outflows of resources	-	-	-	-	-
Increase (decrease) in accounts payable	-	(74,421)	(6,456)	(15,983)	(28,395)
Increase (decrease) in due to other funds/programs	-	41,342	(9,317)	(12,042)	(14,457)
Increase (decrease) in accrued liabilities	-	587	397	298	144
Increase (decrease) in compensated absences	-	2,279	580	134	67
Increase (decrease) in trust, deposit, and escrow liabilities	-	(28)	(19)	709	-
Increase (decrease) in unearned revenues	-	(3,652)	4,523	2,388	(505)
Increase (decrease) in OPEB liabilities	-	-	-	-	-
Increase (decrease) in deferred inflows of resources	-	-	-	-	-
Net cash provided by (used in) operating activities	<u>\$ -</u>	<u>\$ (26,265)</u>	<u>\$ (19,293)</u>	<u>\$ 24,498</u>	<u>\$ (21,781)</u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY  
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COMBINING STATEMENT OF CASH FLOWS

PROPRIETARY FUND PROGRAMS

FOR THE YEAR ENDED JUNE 30, 2021

	Oyster Point- Brighton	Cypress Terrace	Lassiter Courts	Spratley House
Cash flows from operating activities:				
Cash received from tenants/others	\$ 472,073	\$ 207,802	\$ 177,761	\$ 23,626
Cash received for fees/services/donations	97	5,655	12,759	14
Cash operating grants received (net)	958,895	403,753	504,626	-
Cash transfers from (to) other funds and entities	(160,521)	16,510	(736,746)	145,874
Cash payments for goods, services, rental subsidies	(576,307)	(301,730)	(315,586)	(438,305)
Cash payments to/for employees and benefits	(232,381)	(124,627)	(87,458)	(16,305)
Cash payments in lieu of property taxes	(137,504)	(59,214)	(28,400)	(1,450)
Net cash provided by (used in) operating activities	<u>324,352</u>	<u>148,149</u>	<u>(473,044)</u>	<u>(286,546)</u>
Cash flows from capital and related financing activities:				
Purchase of equipment/capital assets	(199,059)	-	(1,175,905)	(438,721)
Proceeds from issuing notes and other debt	-	-	2,669,271	590,102
Transfers from/to other funds for capital activities	-	-	-	2,145
Proceeds from sale of tax credits	-	-	3,226,000	500,000
Contributions received for capital outlays	-	-	-	-
Loan principal payments	(75,464)	(48,359)	(4,131,571)	-
Interest payments	(76,382)	(36,326)	(130,096)	-
Net cash provided by (used in) capital and related financing activities	<u>(350,905)</u>	<u>(84,685)</u>	<u>457,699</u>	<u>653,526</u>
Cash flows from noncapital financing activities:				
Developer fees received	-	-	-	-
Contributions received for investments in joint ventures	-	-	-	-
Loans made to borrowers	-	-	-	-
Receipt of interest on notes and loans	-	-	-	-
Loans payments received	-	-	-	-
Net cash provided by (used in) noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:				
Receipts of interest and dividends	457	188	154	4
Deposits (withdrawals) to reserve accounts	(66,772)	(37,864)	(42,657)	-
Net cash provided by (used in) investing activities	<u>(66,315)</u>	<u>(37,676)</u>	<u>(42,503)</u>	<u>4</u>
Net increase (decrease) in cash	(92,868)	25,788	(57,848)	366,984
Cash and equivalents at July 1, 2020	1,154,263	304,574	162,987	-
Cash and equivalents at June 30, 2021	<u>\$ 1,061,395</u>	<u>\$ 330,362</u>	<u>\$ 105,139</u>	<u>\$ 366,984</u>
Reconciliation to statement of net position:				
Cash and cash equivalents - unrestricted	458,730	76,055	83,088	366,984
Cash and cash equivalents - restricted	602,665	254,307	22,051	-
	<u>\$ 1,061,395</u>	<u>\$ 330,362</u>	<u>\$ 105,139</u>	<u>\$ 366,984</u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY  
NEWPORT NEWS, VIRGINIA

COMBINING STATEMENT OF CASH FLOWS

PROPRIETARY FUND PROGRAMS

FOR THE YEAR ENDED JUNE 30, 2021

	Oyster Point- Brighton	Cypress Terrace	Lassiter Courts	Spratley House
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ (204,775)	\$ (227,320)	\$ 4,347	\$ (480,838)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				-
Depreciation	603,662	308,251	194,193	157
Operating transfers	-	-	-	41,929
Change in assets and liabilities:				
Decrease (increase) in accounts receivable	(9,754)	(1,594)	11,108	(885)
Decrease (increase) in due from other funds/programs	-	-	-	-
Decrease (increase) in notes and mortgages receivable	-	-	-	-
Decrease (increase) in prepaid expenses and materials inventory	(31,865)	(16,743)	(9,734)	(231)
Decrease (increase) in deferred outflows of resources	-	-	-	-
Increase (decrease) in accounts payable	2,763	2,261	(1,314)	38,187
Increase (decrease) in due to other funds/programs	(45,995)	64,170	(679,362)	106,357
Increase (decrease) in accrued liabilities	2,142	2,250	(889)	1,640
Increase (decrease) in compensated absences	5,020	14,036	3,623	2,948
Increase (decrease) in trust, deposit, and escrow liabilities	(68)	(132)	274	-
Increase (decrease) in unearned revenues	3,222	2,970	4,710	4,190
Increase (decrease) in OPEB liabilities	-	-	-	-
Increase (decrease) in deferred inflows of resources	-	-	-	-
Net cash provided by (used in) operating activities	<u>\$ 324,352</u>	<u>\$ 148,149</u>	<u>\$ (473,044)</u>	<u>\$ (286,546)</u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY  
NEWPORT NEWS, VIRGINIA

COMBINING STATEMENT OF CASH FLOWS

PROPRIETARY FUND PROGRAMS

FOR THE YEAR ENDED JUNE 30, 2021

	Total	Eliminations	Proprietary Fund
Cash flows from operating activities:			
Cash received from tenants/others	\$ 3,351,274	\$ -	\$ 3,351,274
Cash received for fees/services/donations	396,367	-	396,367
Cash operating grants received (net)	39,109,145	-	39,109,145
Cash transfers from (to) other funds and entities	-	-	-
Cash payments for goods, services, rental subsidies	(32,032,380)	-	(32,032,380)
Cash payments to/for employees and benefits	(6,117,074)	-	(6,117,074)
Cash payments in lieu of property taxes	(346,803)	-	(346,803)
Net cash provided by (used in) operating activities	<u>4,360,529</u>	<u>-</u>	<u>4,360,529</u>
Cash flows from capital and related financing activities:			
Purchase of equipment/capital assets	(4,298,307)	-	(4,298,307)
Proceeds from issuing notes and other debt	3,259,373	-	3,259,373
Transfers from/to other funds for capital activities	-	-	-
Proceeds from sale of tax credits	3,726,000	-	3,726,000
Contributions received for capital outlays	1,956,766	-	1,956,766
Loan principal payments	(4,268,461)	-	(4,268,461)
Interest payments	(263,904)	-	(263,904)
Net cash provided by (used in) capital and related financing activities	<u>111,467</u>	<u>-</u>	<u>111,467</u>
Cash flows from noncapital financing activities:			
Developer fees received	1,019,661	-	1,019,661
Contributions received for investments in joint ventures	500,000	-	500,000
Loans made to borrowers	(728,288)	-	(728,288)
Receipt of interest on notes and loans	35,267	-	35,267
Loans payments received	545,350	-	545,350
Net cash provided by (used in) noncapital financing activities	<u>1,371,990</u>	<u>-</u>	<u>1,371,990</u>
Cash flows from investing activities:			
Receipts of interest and dividends	16,350	-	16,350
Deposits (withdrawals) to reserve accounts	(150,380)	-	(150,380)
Net cash provided by (used in) investing activities	<u>(134,030)</u>	<u>-</u>	<u>(134,030)</u>
Net increase (decrease) in cash	5,709,956	-	5,709,956
Cash and equivalents at July 1, 2020	17,052,864	-	17,052,864
Cash and equivalents at June 30, 2021	<u>\$ 22,762,820</u>	<u>\$ -</u>	<u>\$ 22,762,820</u>
Reconciliation to statement of net position:			
Cash and cash equivalents - unrestricted	17,978,718	-	17,978,718
Cash and cash equivalents - restricted	4,784,102	-	4,784,102
	<u>\$ 22,762,820</u>	<u>\$ -</u>	<u>\$ 22,762,820</u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY  
NEWPORT NEWS, VIRGINIA

COMBINING STATEMENT OF CASH FLOWS

PROPRIETARY FUND PROGRAMS

FOR THE YEAR ENDED JUNE 30, 2021

	<u>Total</u>	<u>Eliminations</u>	<u>Proprietary Fund</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (933,884)	\$ -	\$ (933,884)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities			
Depreciation	3,535,222	-	3,535,222
Operating transfers	-	-	-
Change in assets and liabilities:			
Decrease (increase) in accounts receivable	(265,182)	-	(265,182)
Decrease (increase) in due from other funds/programs	815,307	(815,307)	-
Decrease (increase) in notes and mortgages receivable	265,791	-	265,791
Decrease (increase) in prepaid expenses and materials inventory	(76,997)	-	(76,997)
Decrease (increase) in deferred outflows of resources	(34,752)	-	(34,752)
Increase (decrease) in accounts payable	195,982	-	195,982
Increase (decrease) in due to other funds/programs	(815,307)	815,307	-
Increase (decrease) in accrued liabilities	33,439	-	33,439
Increase (decrease) in compensated absences	60,406	-	60,406
Increase (decrease) in trust, deposit, and escrow liabilities	(67,738)	-	(67,738)
Increase (decrease) in unearned revenues	1,759,963	-	1,759,963
Increase (decrease) in OPEB liabilities	17,151	-	17,151
Increase (decrease) in deferred inflows of resources	(128,872)	-	(128,872)
Net cash provided by (used in) operating activities	<u>\$ 4,360,529</u>	<u>\$ -</u>	<u>\$ 4,360,529</u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY  
NEWPORT NEWS, VIRGINIA

COMBINING STATEMENT OF NET POSITION

DISCRETELY PRESENTED COMPONENT UNITS

FOR THE YEAR ENDED JUNE 30, 2021

	Lower Jefferson Avenue, LLC December 31, 2020	Choice Neighborhood I, LLC June 30, 2021	Choice Neighborhood II, LLC June 30, 2021	Carrier Point Commercial Partners, LLC June 30, 2021	Total Discrete Component Units
<b>ASSETS</b>					
Current assets:					
Cash and equivalents - unrestricted	\$ 256,450	\$ 300,747	\$ 73	\$ -	\$ 557,270
Accounts receivable (net of allowance)	10,741	-	-	-	10,741
Prepaid expenses	8,681	-	-	-	8,681
Total current assets	<u>275,872</u>	<u>300,747</u>	<u>73</u>	<u>-</u>	<u>576,692</u>
Restricted assets:					
Cash and equivalents - restricted	203,978	-	-	-	203,978
Investments - restricted	58,155	-	-	-	58,155
Total restricted assets	<u>262,133</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>262,133</u>
Noncurrent assets:					
Nondepreciable capital assets	273,242	1,802,380	1,917,066	10,993	4,003,681
Capital assets (net)	6,280,400	-	-	-	6,280,400
Total noncurrent assets	<u>6,553,642</u>	<u>1,802,380</u>	<u>1,917,066</u>	<u>10,993</u>	<u>10,284,081</u>
<b>TOTAL ASSETS</b>	<u>7,091,647</u>	<u>2,103,127</u>	<u>1,917,139</u>	<u>10,993</u>	<u>11,122,906</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable and accrued expenses	\$ 22,805	\$ 80,766	\$ 12,183	\$ -	\$ 115,754
Due to component units/primary government	430,532	-	-	-	430,532
Accrued salaries	1,823	-	-	-	1,823
Accrued interest payable	2,689	-	-	-	2,689
Unearned revenues	10,980	-	-	-	10,980
Security deposit liabilities	31,296	-	-	-	31,296
Current portion of long-term liabilities	69,004	-	-	-	69,004
Total current liabilities	<u>569,129</u>	<u>80,766</u>	<u>12,183</u>	<u>-</u>	<u>662,078</u>
Long-term liabilities:					
Compensated absences	4,310	-	-	-	4,310
Notes and mortgages payable	1,204,693	1,160,372	1,316,761	10,993	3,692,819
Developer fee payable	19,190	-	-	-	19,190
Accrued interest payable	13,050	-	-	-	13,050
Total long-term liabilities	<u>1,241,243</u>	<u>1,160,372</u>	<u>1,316,761</u>	<u>10,993</u>	<u>3,729,369</u>
<b>TOTAL LIABILITIES</b>	<u>1,810,372</u>	<u>1,241,138</u>	<u>1,328,944</u>	<u>10,993</u>	<u>4,391,447</u>
<b>NET POSITION</b>					
Net investment in capital assets	5,279,945	642,008	600,305	-	6,522,258
Restricted for:					
Reserves and escrows	230,837	-	-	-	230,837
Unrestricted (deficit)	<u>(229,507)</u>	<u>219,981</u>	<u>(12,110)</u>	<u>-</u>	<u>(21,636)</u>
<b>TOTAL NET POSITION</b>	<u>\$ 5,281,275</u>	<u>\$ 861,989</u>	<u>\$ 588,195</u>	<u>\$ -</u>	<u>\$ 6,731,459</u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY  
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COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

DISCRETELY PRESENTED COMPONENT UNITS

FOR THE YEAR ENDED JUNE 30, 2021

	Lower Jefferson Avenue, LLC December 31, 2020	Choice Neighborhood I, LLC June 30, 2021	Choice Neighborhood II, LLC June 30, 2021	Carrier Point Commercial Partners, LLC June 30, 2021	Total Discrete Component Units
<b>OPERATING REVENUES:</b>					
Rental and tenant income	\$ 401,094	\$ -	\$ -	\$ -	\$ 401,094
Intergovernmental - operating grants	926	-	-	-	926
Other income	120,272	-	-	-	120,272
Total operating revenues	<u>522,292</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>522,292</u>
<b>OPERATING EXPENSES:</b>					
Administration	62,314	-	-	-	62,314
Tenant services	99	-	-	-	99
Utilities	170,334	-	-	-	170,334
Ordinary maintenance	153,651	-	-	-	153,651
Insurance expense	34,229	-	-	-	34,229
General expenses	48,842	-	-	-	48,842
Depreciation	225,101	-	-	-	225,101
Total operating expenses	<u>694,570</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>694,570</u>
OPERATING LOSS	<u>(172,278)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(172,278)</u>
<b>NONOPERATING REVENUES/(EXPENSES):</b>					
Interest and investment revenue	321	-	51	-	372
Interest expense	(34,375)	-	-	-	(34,375)
Total nonoperating revenues/ (expenses), net	<u>(34,054)</u>	<u>-</u>	<u>51</u>	<u>-</u>	<u>(34,003)</u>
<b>INCOME/(LOSS) BEFORE CONTRIBUTIONS, TRANSFERS, AND ADJUSTMENTS</b>					
Tax credit and other proceeds	(206,332)	-	51	-	(206,281)
	<u>-</u>	<u>861,989</u>	<u>588,144</u>	<u>-</u>	<u>1,450,133</u>
CHANGE IN NET POSITION	(206,332)	861,989	588,195	-	1,243,852
TOTAL NET POSITION - beginning of year	<u>5,487,607</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,487,607</u>
TOTAL NET POSITION - end of year	<u>\$ 5,281,275</u>	<u>\$ 861,989</u>	<u>\$ 588,195</u>	<u>\$ -</u>	<u>\$ 6,731,459</u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY  
NEWPORT NEWS, VIRGINIA

COMBINING STATEMENT OF CASH FLOWS

DISCRETELY PRESENTED COMPONENT UNITS

FOR THE YEAR ENDED JUNE 30, 2021

	Lower Jefferson Avenue, LLC December 31, 2020	Choice Neighborhood I, LLC June 30, 2021	Choice Neighborhood II, LLC June 30, 2021	Carrier Point Commercial Partners, LLC June 30, 2021	Total Discrete Component Units
Cash flows from operating activities:					
Cash received from tenants/others	\$ 399,774	\$ -	\$ -	\$ -	\$ 399,774
Cash received for fees/services/donations	41	-	-	-	41
Cash operating grants received (net)	926	-	-	-	926
Net cash provided by operating activities	<u>400,741</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>400,741</u>
Cash flows from capital and related financing activities					
Purchase of equipment/capital assets	(29,807)	(1,721,614)	(1,904,883)	(10,993)	(3,667,297)
Proceeds from issuing notes and other debt	-	1,160,372	1,316,761	10,993	2,488,126
Proceeds from sale of tax credits and other contributions	-	861,989	588,144	-	1,450,133
Loan principal payments	(67,000)	-	-	-	(67,000)
Interest payments	(33,340)	-	-	-	(33,340)
Net cash provided(used) by capital and related financing activities	<u>(130,147)</u>	<u>300,747</u>	<u>22</u>	<u>-</u>	<u>170,622</u>
Cash flows from investing activities:					
Receipts of interest and dividends	321	-	51	-	372
Withdrawals from reserve accounts	(17,104)	-	-	-	(17,104)
Net cash provided(used) by investing activities	<u>(16,783)</u>	<u>-</u>	<u>51</u>	<u>-</u>	<u>(16,732)</u>
Net increase in cash	253,811	300,747	73	-	554,631
Cash and equivalents at beginning of year	<u>206,617</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>206,617</u>
Cash and equivalents at end of year	<u>\$ 460,428</u>	<u>\$ 300,747</u>	<u>\$ 73</u>	<u>\$ -</u>	<u>\$ 761,248</u>
Reconciliation to statement of net position:					
Cash and equivalents - unrestricted	\$ 256,450	\$ 300,747	\$ 73	\$ -	\$ 557,270
Cash and equivalents - restricted	203,978	-	-	-	203,978
	<u>\$ 460,428</u>	<u>\$ 300,747</u>	<u>\$ 73</u>	<u>\$ -</u>	<u>\$ 761,248</u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY  
NEWPORT NEWS, VIRGINIA

SCHEDULE AND CERTIFICATION OF ACTUAL CAPITAL FUND PROGRAM COSTS

JUNE 30, 2021

CFP R501-17

Annual Contributions Contract P-5545

1. The Actual Capital Fund Program costs for Program Year R501-17 are as follows:

<u>Account</u>	<u>Budget</u>	<u>Amount</u>
Development activity	\$ 100,000.00	\$ 100,000.00
RAD investment activity	57,907.00	57,907.00
Total Cost	<u>\$ 157,907.00</u>	<u>\$ 157,907.00</u>

2. The distribution of costs by budget line as shown on the final Progress and Evaluation Report dated September 28, 2022 is in agreement with the Authority's records. The Actual Modernization Cost Certificate was submitted by the Authority on September 28, 2022.
3. All related costs have been paid and all related liabilities have been discharged through payment.
4. Costs incurred during the current period totaled \$94,000.00.
5. A reconciliation of development advances and costs are as follows:

Funds advanced:	
Grants - HUD	\$ 157,907.00
Funds expended	157,907.00
Excess (deficiency) of funds advanced	<u>\$ -</u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY  
NEWPORT NEWS, VIRGINIA

SCHEDULE OF CAPITAL FUND PROGRAM COSTS – UNCOMPLETED

JUNE 30, 2021

CFP 501-17

Annual Contributions Contract P-5545

1. The Actual Capital Fund Program costs for Program Year 501-17 are as follows:

<u>Account</u>	<u>Budget</u>	<u>Amount</u>
Operations	\$ 245,533.00	\$ 245,533.00
Management improvements	50,000.00	50,000.00
Administration	245,533.00	245,533.00
Fees and costs	-	235,951.75
Dwelling structures	-	1,475,123.00
General capital activity	1,914,266.00	152,881.07
Total Cost	\$ 2,455,332.00	\$ 2,405,021.82

2. Costs incurred during the current period totaled \$1,694,590.26.

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

Funds advanced:

Grants - HUD	\$ 2,166,002.99
Funds expended	2,405,021.82
Excess (deficiency) of funds advanced	\$ (239,018.83)

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY  
NEWPORT NEWS, VIRGINIA

STATEMENT AND CAPITAL FUND PROGRAM COSTS – UNCOMPLETED

JUNE 30, 2021

CFP 501-18

Annual Contributions Contract P-5545

1. The Actual Capital Fund Program costs for Program Year 501-18 are as follows:

<u>Account</u>	<u>Budget</u>	<u>Amount</u>
Operations	\$ 405,835.00	\$ 405,835.00
Management improvements	50,000.00	50,000.00
Administration	405,835.00	405,835.00
General capital activity	3,196,682.00	-
Total Cost	\$ 4,058,352.00	\$ 861,670.00

2. Costs incurred during the current period totaled \$50,000.00.
3. A reconciliation of development advances and costs are as follows:

Funds advanced:	
Grants - HUD	\$ 861,670.00
Funds expended	861,670.00
Excess (deficiency) of funds advanced	\$ -

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY  
NEWPORT NEWS, VIRGINIA

STATEMENT AND CAPITAL FUND PROGRAM COSTS – UNCOMPLETED

JUNE 30, 2021

CFP 501-19

Annual Contributions Contract P-5545

1. The Actual 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
General capital activity	3,209,307.00	-
Total Cost	\$ 4,074,133.00	\$ 864,826.00

2. Costs incurred during the current period totaled \$457,413.00.
3. A reconciliation of development advances and costs are as follows:

Funds advanced:	
Grants - HUD	\$ 864,826.00
Funds expended	864,826.00
Excess (deficiency) of funds advanced	\$ -

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY  
NEWPORT NEWS, VIRGINIA

STATEMENT AND CAPITAL FUND PROGRAM COSTS – UNCOMPLETED

JUNE 30, 2021

CFP 501-20

Annual Contributions Contract P-5545

1. The Actual 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	\$ -
Management improvements	50,000.00	-
Administration	431,909.00	431,909.00
General capital activity	3,105,276.00	-
RAD investment activity	300,000.00	300,000.00
Total Cost	\$ 4,319,094.00	\$ 731,909.00

2. Costs incurred during the current period totaled \$731,909.00.
3. A reconciliation of development advances and costs are as follows:

Funds advanced:	
Grants - HUD	\$ 731,909.00
Funds expended	731,909.00
Excess (deficiency) of funds advanced	\$ -

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY  
NEWPORT NEWS, VIRGINIA

FEDERAL FINANCIAL REPORT

JUNE 30, 2021

ROSS191251

Federal Cash:

a. Cumulative federal cash received	\$	274,889.83
b. Cumulative federal cash disbursements		286,962.23
c. Cash on hand	\$	(12,072.40)

Federal Expenditures and Unobligated Balance:

d. Total federal funds authorized	\$	382,944.00
e. Federal share of expenditures		286,962.23
f. Federal share of unliquidated obligations		-
g. Total federal share		286,962.23
h. Unobligated balance of federal funds	\$	95,981.77

Recipient Share:

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

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	\$	-

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY  
NEWPORT NEWS, VIRGINIA

FEDERAL FINANCIAL REPORT

JUNE 30, 2021

FSS18VA2152

Federal Cash:

a. Cumulative federal cash received	\$	140,373.16
b. Cumulative federal cash disbursements		140,373.16
c. Cash on hand	\$	-

Federal Expenditures and Unobligated Balance:

d. Total federal funds authorized	\$	148,068.00
e. Federal share of expenditures		140,373.16
f. Federal share of unliquidated obligations		-
g. Total federal share		140,373.16
h. Unobligated balance of federal funds	\$	7,694.84

Recipient Share:

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

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	\$	-

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY  
NEWPORT NEWS, VIRGINIA

FEDERAL FINANCIAL REPORT

JUNE 30, 2021

FSS20VA2874

Federal Cash:

a. Cumulative federal cash received	\$	139,320.30
b. Cumulative federal cash disbursements		139,320.30
c. Cash on hand	\$	-

Federal Expenditures and Unobligated Balance:

d. Total federal funds authorized	\$	168,047.00
e. Federal share of expenditures		139,320.30
f. Federal share of unliquidated obligations		-
g. Total federal share		139,320.30
h. Unobligated balance of federal funds	\$	28,726.70

Recipient Share:

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

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	\$	-

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY  
NEWPORT NEWS, VIRGINIA

FEDERAL FINANCIAL REPORT

JUNE 30, 2021

FSS20VA3706

Federal Cash:

a. Cumulative federal cash received	\$	66,433.76
b. Cumulative federal cash disbursements		79,100.57
c. Cash on hand	\$	<u>(12,666.81)</u>

Federal Expenditures and Unobligated Balance:

d. Total federal funds authorized	\$	<u>112,031.00</u>
e. Federal share of expenditures		79,100.57
f. Federal share of unliquidated obligations		<u>-</u>
g. Total federal share		<u>79,100.57</u>
h. Unobligated balance of federal funds	\$	<u>32,930.43</u>

Recipient Share:

i. Total recipient share required	\$	-
j. Recipient share of expenditures		<u>-</u>
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		<u>-</u>
o. Unexpended program income	\$	<u>-</u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY (VA003)  
NEWPORT NEWS, VIRGINIA

ENTITY-WIDE BALANCE SHEET SUMMARY

SUBMISSION TYPE:

AUDITED/SINGLE AUDIT

FISCAL YEAR ENDED: JUNE 30, 2021

	Project Total	14.PHC Public Housing CARES Act Funding	14.218 Community Development Block Grants/Entitlement Grants	14.MSC Mainstream CARES Act Funding	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14.896 PIH Family Self-Sufficiency Program	14.182 N/C S/R Section 8 Programs
111 Cash - Unrestricted	\$ 3,449,478		\$ 729,083		\$ 557,270	\$ 1,413,481		\$ 281,502
112 Cash - Restricted - Modernization and Development								
113 Cash - Other Restricted	\$ 31,134				\$ 172,682	\$ 1,936,264		
114 Cash - Tenant Security Deposits	\$ 67,148				\$ 31,296	\$ 98,749		\$ 3,455
115 Cash - Restricted for Payment of Current Liabilities				\$ 2,620				
100 Total Cash	\$ 3,547,760	\$ -	\$ 729,083	\$ 2,620	\$ 761,248	\$ 3,448,494	\$ -	\$ 284,957
121 Accounts Receivable - PHA Projects								
122 Accounts Receivable - HUD Other Projects	\$ 239,019	\$ 24,766			\$ 155		\$ 12,667	
124 Accounts Receivable - Other Government	\$ 178,994					\$ 33,586		
125 Accounts Receivable - Miscellaneous			\$ 1,628					
126 Accounts Receivable - Tenants	\$ 198,347				\$ 16,964	\$ 232,141		\$ 1,414
126.1 Allowance for Doubtful Accounts -Tenants	\$ (106,483)				\$ (6,378)	\$ (131,425)		\$ (770)
126.2 Allowance for Doubtful Accounts - Other	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
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	\$ 509,877	\$ 24,766	\$ 1,628	\$ -	\$ 10,741	\$ 134,302	\$ 12,667	\$ 644
131 Investments - Unrestricted	\$ 3,464,837							\$ 200,511
132 Investments - Restricted					\$ 58,155	\$ 429,859		
135 Investments - Restricted for Payment of Current Liability								
142 Prepaid Expenses and Other Assets	\$ 9,283				\$ 8,681	\$ 176,350		\$ 89
143 Inventories								
143.1 Allowance for Obsolete Inventories								
144 Inter Program Due From	\$ 13,188						\$ -	
145 Assets Held for Sale								
150 Total Current Assets	\$ 7,544,945	\$ 24,766	\$ 730,711	\$ 2,620	\$ 838,825	\$ 4,189,005	\$ 12,667	\$ 486,201
161 Land	\$ 2,487,127				\$ 252,300	\$ 5,002,394		\$ 17,201
162 Buildings	\$ 64,104,282				\$ 6,854,447	\$ 50,068,308		\$ 332,094
163 Furniture, Equipment & Machinery - Dwellings	\$ 266,300					\$ 488,996		
164 Furniture, Equipment & Machinery - Administration	\$ 948,502		\$ 87,649		\$ 199,656	\$ 495,399		\$ 23,221
165 Leasehold Improvements	\$ 5,294,754				\$ 632,694	\$ 6,377,801		\$ 57,658
166 Accumulated Depreciation	\$ (51,559,787)		\$ (81,702)		\$ (1,406,397)	\$ (12,070,481)		\$ (324,751)
167 Construction in Progress	\$ 126,897				\$ 3,751,381	\$ 2,116,998		
168 Infrastructure								
160 Total Capital Assets, Net of Accumulated Depreciation	\$ 21,668,075	\$ -	\$ 5,947	\$ -	\$ 10,284,081	\$ 52,479,415	\$ -	\$ 105,423
171 Notes, Loans and Mortgages Receivable - Noncurrent	\$ 20,294,178		\$ 2,410,468					
172 Notes, Loans, & Mortgages Receivable - Noncurrent - Past Due								
173 Grants Receivable - Noncurrent								
174 Other Assets						\$ 375,858		
176 Investments in Joint Ventures								
180 Total Noncurrent Assets	\$ 41,962,253	\$ -	\$ 2,416,415	\$ -	\$ 10,284,081	\$ 52,855,273	\$ -	\$ 105,423
200 Deferred Outflow of Resources								
290 Total Assets and Deferred Outflow of Resources	\$ 49,507,198	\$ 24,766	\$ 3,147,126	\$ 2,620	\$ 11,122,906	\$ 57,044,278	\$ 12,667	\$ 591,624

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY (VA003)  
NEWPORT NEWS, VIRGINIA

ENTITY-WIDE BALANCE SHEET SUMMARY

SUBMISSION TYPE:

AUDITED/SINGLE AUDIT

FISCAL YEAR ENDED: JUNE 30, 2021

	14.CCC Central Office Cost Center CARES Act Funding	1 Business Activities	2 State/Local	14.267 Continuum of Care Program	14.879 Mainstream Vouchers	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services
111 Cash - Unrestricted		\$ 6,308,950			\$ 503		\$ 2,823,057	
112 Cash - Restricted - Modernization and Development								
113 Cash - Other Restricted						\$ 1,640,638	\$ 856,243	
114 Cash - Tenant Security Deposits							\$ 1,250	
115 Cash - Restricted for Payment of Current Liabilities								
100 Total Cash	\$ -	\$ 6,308,950	\$ -	\$ -	\$ 503	\$ 1,640,638	\$ 3,680,550	\$ -
121 Accounts Receivable - PHA Projects								
122 Accounts Receivable - HUD Other Projects				\$ 2,191	\$ 82,281		\$ 35,234	\$ 12,072
124 Accounts Receivable - Other Government		\$ 17,079	\$ 80,713			\$ 100,000		
125 Accounts Receivable - Miscellaneous		\$ 455			\$ 2,678	\$ 32,117	\$ 203,479	
126 Accounts Receivable - Tenants							\$ 71	
126.1 Allowance for Doubtful Accounts -Tenants							\$ -	
126.2 Allowance for Doubtful Accounts - Other		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
127 Notes, Loans, & Mortgages Receivable - Current								
128 Fraud Recovery					\$ 496		\$ 267,446	
128.1 Allowance for Doubtful Accounts - Fraud					\$ (496)		\$ (267,446)	
129 Accrued Interest Receivable		\$ 13,950						
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$ -	\$ 31,484	\$ 80,713	\$ 2,191	\$ 84,959	\$ 132,117	\$ 238,784	\$ 12,072
131 Investments - Unrestricted		\$ 501,691						
132 Investments - Restricted								
135 Investments - Restricted for Payment of Current Liability								
142 Prepaid Expenses and Other Assets		\$ 187	\$ 352			\$ 161	\$ 6,469	
143 Inventories								
143.1 Allowance for Obsolete Inventories								
144 Inter Program Due From	\$ 117,987	\$ 595,903					\$ 30,000	
145 Assets Held for Sale								
150 Total Current Assets	\$ 117,987	\$ 7,438,215	\$ 81,065	\$ 2,191	\$ 85,462	\$ 1,772,916	\$ 3,955,803	\$ 12,072
161 Land		\$ 139,100					\$ 32,000	
162 Buildings			\$ 17,227				\$ 634,667	
163 Furniture, Equipment & Machinery - Dwellings		\$ 1,118,624						
164 Furniture, Equipment & Machinery - Administration		\$ 12,036				\$ 20,021	\$ 168,825	
165 Leasehold Improvements		\$ 196,992					\$ 7,775	
166 Accumulated Depreciation		\$ (811,279)	\$ (16,366)			\$ (20,021)	\$ (778,427)	
167 Construction in Progress								
168 Infrastructure								
160 Total Capital Assets, Net of Accumulated Depreciation	\$ -	\$ 655,473	\$ 861	\$ -	\$ -	\$ -	\$ 64,840	\$ -
171 Notes, Loans and Mortgages Receivable - Noncurrent		\$ 1,837,014				\$ 7,403,740		
172 Notes, Loans, & Mortgages Receivable - Noncurrent - Past Due								
173 Grants Receivable - Noncurrent								
174 Other Assets		\$ 149,300						
176 Investments in Joint Ventures		\$ -						
180 Total Noncurrent Assets	\$ -	\$ 2,641,787	\$ 861	\$ -	\$ -	\$ 7,403,740	\$ 64,840	\$ -
200 Deferred Outflow of Resources								
290 Total Assets and Deferred Outflow of Resources	\$ 117,987	\$ 10,080,002	\$ 81,926	\$ 2,191	\$ 85,462	\$ 9,176,656	\$ 4,020,643	\$ 12,072

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY (VA003)  
NEWPORT NEWS, VIRGINIA

ENTITY-WIDE BALANCE SHEET SUMMARY

SUBMISSION TYPE:

AUDITED/SINGLE AUDIT

FISCAL YEAR ENDED: JUNE 30, 2021

	14.HCC HCV CARES Act Funding	14.889 Choice Neighborhoods Implementation Grants	14.EHV Emergency Housing Voucher	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted			\$ 12,800	\$ 336,929	\$ 2,622,935	\$ 18,535,988		\$ 18,535,988
112 Cash - Restricted - Modernization and Development								
113 Cash - Other Restricted						\$ 4,636,961		\$ 4,636,961
114 Cash - Tenant Security Deposits						\$ 201,898		\$ 201,898
115 Cash - Restricted for Payment of Current Liabilities	\$ 90,601		\$ 56,000			\$ 149,221		\$ 149,221
100 Total Cash	\$ 90,601	\$ -	\$ 68,800	\$ 336,929	\$ 2,622,935	\$ 23,524,068	\$ -	\$ 23,524,068
121 Accounts Receivable - PHA Projects								
122 Accounts Receivable - HUD Other Projects		\$ 430,145				\$ 838,530		\$ 838,530
124 Accounts Receivable - Other Government					\$ 51,337	\$ 461,709		\$ 461,709
125 Accounts Receivable - Miscellaneous				\$ 2,129	\$ 323,098	\$ 565,584		\$ 565,584
126 Accounts Receivable - Tenants						\$ 448,937		\$ 448,937
126.1 Allowance for Doubtful Accounts -Tenants						\$ (245,056)		\$ (245,056)
126.2 Allowance for Doubtful Accounts - Other		\$ -		\$ -	\$ -	\$ -		\$ -
127 Notes, Loans, & Mortgages Receivable - Current								
128 Fraud Recovery						\$ 267,942		\$ 267,942
128.1 Allowance for Doubtful Accounts - Fraud						\$ (267,942)		\$ (267,942)
129 Accrued Interest Receivable						\$ 13,950		\$ 13,950
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$ -	\$ 430,145	\$ -	\$ 2,129	\$ 374,435	\$ 2,083,654	\$ -	\$ 2,083,654
131 Investments - Unrestricted					\$ 110,366	\$ 4,277,405		\$ 4,277,405
132 Investments - Restricted						\$ 488,014		\$ 488,014
135 Investments - Restricted for Payment of Current Liability								
142 Prepaid Expenses and Other Assets		\$ 416			\$ 24,663	\$ 226,651		\$ 226,651
143 Inventories					\$ 28,183	\$ 28,183		\$ 28,183
143.1 Allowance for Obsolete Inventories					\$ -	\$ -		\$ -
144 Inter Program Due From					\$ 1,783,108	\$ 2,540,186	\$ (2,540,186)	\$ -
145 Assets Held for Sale								
150 Total Current Assets	\$ 90,601	\$ 430,561	\$ 68,800	\$ 339,058	\$ 4,943,690	\$ 33,168,161	\$ (2,540,186)	\$ 30,627,975
161 Land						\$ 7,930,122		\$ 7,930,122
162 Buildings						\$ 122,011,025		\$ 122,011,025
163 Furniture, Equipment & Machinery - Dwellings						\$ 1,873,920		\$ 1,873,920
164 Furniture, Equipment & Machinery - Administration					\$ 1,153,454	\$ 3,108,763		\$ 3,108,763
165 Leasehold Improvements						\$ 12,567,674		\$ 12,567,674
166 Accumulated Depreciation					\$ (1,004,060)	\$ (68,073,271)		\$ (68,073,271)
167 Construction in Progress		\$ 550,000				\$ 6,545,276		\$ 6,545,276
168 Infrastructure								
160 Total Capital Assets, Net of Accumulated Depreciation	\$ -	\$ 550,000	\$ -	\$ -	\$ 149,394	\$ 85,963,509	\$ -	\$ 85,963,509
171 Notes, Loans and Mortgages Receivable - Noncurrent					\$ 1,473,746	\$ 33,419,146	\$ (24,967,096)	\$ 8,452,050
172 Notes, Loans, & Mortgages Receivable - Noncurrent - Past Due								
173 Grants Receivable - Noncurrent								
174 Other Assets						\$ 525,158	\$ (100,000)	\$ 425,158
176 Investments in Joint Ventures						\$ -		\$ -
180 Total Noncurrent Assets	\$ -	\$ 550,000	\$ -	\$ -	\$ 1,623,140	\$ 119,907,813	\$ (25,067,096)	\$ 94,840,717
200 Deferred Outflow of Resources					\$ 98,671	\$ 98,671		\$ 98,671
290 Total Assets and Deferred Outflow of Resources	\$ 90,601	\$ 980,561	\$ 68,800	\$ 339,058	\$ 6,665,501	\$ 153,174,645	\$ (27,607,282)	\$ 125,567,363

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY (VA003)  
NEWPORT NEWS, VIRGINIA

ENTITY-WIDE BALANCE SHEET SUMMARY

SUBMISSION TYPE:

AUDITED/SINGLE AUDIT

FISCAL YEAR ENDED: JUNE 30, 2021

	Project Total	14.PHC Public Housing CARES Act Funding	14.218 Community Development Block Grants/Entitlement Grants	14.MSC Mainstream CARES Act Funding	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14.896 PIH Family Self-Sufficiency Program	14.182 N/C S/R Section 8 Programs
311 Bank Overdraft								
312 Accounts Payable <= 90 Days	\$ 228,701		\$ 21,234		\$ 22,806	\$ 1,276,533	\$ 2,618	\$ 230
313 Accounts Payable >90 Days Past Due								
321 Accrued Wage/Payroll Taxes Payable	\$ 34,574		\$ 3,794		\$ 1,823	\$ 16,859		\$ 424
322 Accrued Compensated Absences - Current Portion	\$ 337					\$ 8,153		
324 Accrued Contingency Liability								
325 Accrued Interest Payable					\$ 2,689	\$ 18,778		
331 Accounts Payable - HUD PHA Programs								
332 Account Payable - PHA Projects								
333 Accounts Payable - Other Government	\$ 31,805					\$ 45,161		
341 Tenant Security Deposits	\$ 67,148				\$ 31,296	\$ 98,749		\$ 3,455
342 Unearned Revenue	\$ 47,412				\$ 10,980	\$ 53,073		
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue					\$ 69,004	\$ 181,128		
344 Current Portion of Long-term Debt - Operating Borrowings								
345 Other Current Liabilities	\$ 228,354				\$ 523,480	\$ 84,908		
346 Accrued Liabilities - Other	\$ 173,365					\$ 39,383		\$ 3,916
347 Inter Program - Due To	\$ 385,912	\$ 24,766	\$ 3,249	\$ 2,620		\$ 904,101	\$ 10,049	\$ 1,560
348 Loan Liability - Current								
310 Total Current Liabilities	\$ 1,197,608	\$ 24,766	\$ 28,277	\$ 2,620	\$ 662,078	\$ 2,726,826	\$ 12,667	\$ 9,585
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue					\$ 3,692,820	\$ 32,875,771		
352 Long-term Debt, Net of Current - Operating Borrowings								
353 Noncurrent Liabilities - Other	\$ 31,134				\$ 32,239	\$ 1,658,881		
354 Accrued Compensated Absences - Noncurrent	\$ 88,488		\$ 6,858		\$ 4,310	\$ 52,074		\$ 2,415
355 Loan Liability - Noncurrent						\$ -		
356 FASB 5 Liabilities								
357 Accrued Pension and OPEB Liabilities								
350 Total Noncurrent Liabilities	\$ 119,622	\$ -	\$ 6,858	\$ -	\$ 3,729,369	\$ 34,586,726	\$ -	\$ 2,415
300 Total Liabilities	\$ 1,317,230	\$ 24,766	\$ 35,135	\$ 2,620	\$ 4,391,447	\$ 37,313,552	\$ 12,667	\$ 12,000
400 Deferred Inflow of Resources	\$ 10,786							
508.3 Nonspendable Fund Balance								
508.4 Net Investment in Capital Assets	\$ 21,668,075		\$ 5,947		\$ 6,522,258	\$ 19,422,516		\$ 105,423
509.3 Restricted Fund Balance								
510.3 Committed Fund Balance								
511.3 Assigned Fund Balance								
511.4 Restricted Net Position			\$ 3,106,044		\$ 230,837	\$ 2,366,123		
512.3 Unassigned Fund Balance								
512.4 Unrestricted Net Position	\$ 26,511,107	\$ -	\$ -	\$ -	\$ (21,636)	\$ (2,057,913)	\$ -	\$ 474,201
513 Total Equity - Net Assets / Position	\$ 48,179,182	\$ -	\$ 3,111,991	\$ -	\$ 6,731,459	\$ 19,730,726	\$ -	\$ 579,624
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$ 49,507,198	\$ 24,766	\$ 3,147,126	\$ 2,620	\$ 11,122,906	\$ 57,044,278	\$ 12,667	\$ 591,624

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY (VA003)  
NEWPORT NEWS, VIRGINIA

ENTITY-WIDE BALANCE SHEET SUMMARY

SUBMISSION TYPE:

AUDITED/SINGLE AUDIT

FISCAL YEAR ENDED: JUNE 30, 2021

			14.CCC Central Office Cost Center CARES Act Funding	1 Business Activities	2 State/Local	14.267 Continuum of Care Program	14.879 Mainstream Vouchers	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services
311 Bank Overdraft										
312 Accounts Payable <= 90 Days				\$ 165	\$ 5,594	\$ 2,191	\$ 30,737	\$ 9,367	\$ 139,500	
313 Accounts Payable >90 Days Past Due										
321 Accrued Wage/Payroll Taxes Payable				\$ 1,823	\$ 3,565			\$ 1,131	\$ 24,523	\$ 2,999
322 Accrued Compensated Absences - Current Portion									\$ 13,268	
324 Accrued Contingency Liability										
325 Accrued Interest Payable										
331 Accounts Payable - HUD PHA Programs										
332 Account Payable - PHA Projects										
333 Accounts Payable - Other Government							\$ 499		\$ 3,549	
341 Tenant Security Deposits									\$ 1,250	
342 Unearned Revenue				\$ 2,042,687						
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue										
344 Current Portion of Long-term Debt - Operating Borrowings										
345 Other Current Liabilities										
346 Accrued Liabilities - Other					\$ 40				\$ 3,674	
347 Inter Program - Due To			\$ 117,987	\$ 38,981	\$ 79,981		\$ 30,000	\$ 807	\$ 30,462	\$ 9,073
348 Loan Liability - Current										
310 Total Current Liabilities			\$ 117,987	\$ 2,083,656	\$ 89,180	\$ 2,191	\$ 61,236	\$ 11,305	\$ 216,226	\$ 12,072
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue										
352 Long-term Debt, Net of Current - Operating Borrowings										
353 Noncurrent Liabilities - Other									\$ 134,366	
354 Accrued Compensated Absences - Noncurrent				\$ 8,324	\$ 7,245			\$ 8,683	\$ 60,731	
355 Loan Liability - Noncurrent										
356 FASB 5 Liabilities										
357 Accrued Pension and OPEB Liabilities										
350 Total Noncurrent Liabilities			\$ -	\$ 8,324	\$ 7,245	\$ -	\$ -	\$ 8,683	\$ 195,097	\$ -
300 Total Liabilities			\$ 117,987	\$ 2,091,980	\$ 96,425	\$ 2,191	\$ 61,236	\$ 19,988	\$ 411,323	\$ 12,072
400 Deferred Inflow of Resources										
508.3 Nonspendable Fund Balance										
508.4 Net Investment in Capital Assets				\$ 655,473	\$ 861	\$ -			\$ 64,840	
509.3 Restricted Fund Balance										
510.3 Committed Fund Balance										
511.3 Assigned Fund Balance										
511.4 Restricted Net Position				\$ -		\$ -		\$ 9,156,668	\$ 721,877	
512.3 Unassigned Fund Balance										
512.4 Unrestricted Net Position			\$ -	\$ 7,332,549	\$ (15,360)	\$ -	\$ 24,226	\$ -	\$ 2,822,603	\$ -
513 Total Equity - Net Assets / Position			\$ -	\$ 7,988,022	\$ (14,499)	\$ -	\$ 24,226	\$ 9,156,668	\$ 3,609,320	\$ -
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net			\$ 117,987	\$ 10,080,002	\$ 81,926	\$ 2,191	\$ 85,462	\$ 9,176,656	\$ 4,020,643	\$ 12,072

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY (VA003)  
NEWPORT NEWS, VIRGINIA

ENTITY-WIDE BALANCE SHEET SUMMARY

SUBMISSION TYPE:

AUDITED/SINGLE AUDIT

FISCAL YEAR ENDED: JUNE 30, 2021

	14.HCC HCV CARES Act Funding	14.889 Choice Neighborhoods Implementation Grants	14.EHV Emergency Housing Voucher	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	COCC	Subtotal	ELIM	Total
311 Bank Overdraft								
312 Accounts Payable <= 90 Days		\$ 202,500		\$ 1,984	\$ 22,136	\$ 1,966,296		\$ 1,966,296
313 Accounts Payable >90 Days Past Due								
321 Accrued Wage/Payroll Taxes Payable		\$ 5,672			\$ 49,137	\$ 146,324		\$ 146,324
322 Accrued Compensated Absences - Current Portion						\$ 21,758		\$ 21,758
324 Accrued Contingency Liability								
325 Accrued Interest Payable						\$ 21,467		\$ 21,467
331 Accounts Payable - HUD PHA Programs				\$ 46,042		\$ 46,042		\$ 46,042
332 Account Payable - PHA Projects								
333 Accounts Payable - Other Government				\$ 1,234		\$ 82,248		\$ 82,248
341 Tenant Security Deposits						\$ 201,898		\$ 201,898
342 Unearned Revenue			\$ 56,000			\$ 2,210,152		\$ 2,210,152
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue						\$ 250,132		\$ 250,132
344 Current Portion of Long-term Debt - Operating Borrowings								
345 Other Current Liabilities						\$ 836,742		\$ 836,742
346 Accrued Liabilities - Other					\$ 71,868	\$ 292,246		\$ 292,246
347 Inter Program - Due To	\$ 90,601	\$ 214,134			\$ 595,903	\$ 2,540,186	\$ (2,540,186)	\$ -
348 Loan Liability - Current								
310 Total Current Liabilities	\$ 90,601	\$ 422,306	\$ 56,000	\$ 49,260	\$ 739,044	\$ 8,615,491	\$ (2,540,186)	\$ 6,075,305
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue						\$ 36,568,591	\$ (23,308,215)	\$ 13,260,376
352 Long-term Debt, Net of Current - Operating Borrowings								
353 Noncurrent Liabilities - Other						\$ 1,856,620	\$ (1,658,881)	\$ 197,739
354 Accrued Compensated Absences - Noncurrent		\$ 8,255			\$ 252,276	\$ 499,659		\$ 499,659
355 Loan Liability - Noncurrent						\$ -		\$ -
356 FASB 5 Liabilities								
357 Accrued Pension and OPEB Liabilities					\$ 19,978	\$ 19,978		\$ 19,978
350 Total Noncurrent Liabilities	\$ -	\$ 8,255	\$ -	\$ -	\$ 272,254	\$ 38,944,848	\$ (24,967,096)	\$ 13,977,752
300 Total Liabilities	\$ 90,601	\$ 430,561	\$ 56,000	\$ 49,260	\$ 1,011,298	\$ 47,560,339	\$ (27,507,282)	\$ 20,053,057
400 Deferred Inflow of Resources					\$ 74,787	\$ 85,573		\$ 85,573
508.3 Nonspendable Fund Balance								
508.4 Net Investment in Capital Assets		\$ 550,000			\$ 149,394	\$ 49,144,787	\$ 23,308,215	\$ 72,453,002
509.3 Restricted Fund Balance								
510.3 Committed Fund Balance								
511.3 Assigned Fund Balance								
511.4 Restricted Net Position						\$ 15,581,549		\$ 15,581,549
512.3 Unassigned Fund Balance								
512.4 Unrestricted Net Position	\$ -	\$ -	\$ 12,800	\$ 289,798	\$ 5,430,022	\$ 40,802,397	\$ (23,408,215)	\$ 17,394,182
513 Total Equity - Net Assets / Position	\$ -	\$ 550,000	\$ 12,800	\$ 289,798	\$ 5,579,416	\$ 105,528,733	\$ (100,000)	\$ 105,428,733
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$ 90,601	\$ 980,561	\$ 68,800	\$ 339,058	\$ 6,665,501	\$ 153,174,645	\$ (27,607,282)	\$ 125,567,363

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY (VA003)  
NEWPORT NEWS, VIRGINIA

ENTITY-WIDE REVENUE AND EXPENSE SUMMARY

SUBMISSION TYPE:

AUDITED/SINGLE AUDIT

FISCAL YEAR ENDED: JUNE 30, 2021

	Project Total	14.PHC Public Housing CARES Act Funding	14.218 Community Development Block Grants/Entitlement Grants	14.MSC Mainstream CARES Act Funding	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14.896 PIH Family Self-Sufficiency Program	14.182 N/C S/R Section 8 Programs
70300 Net Tenant Rental Revenue	\$ 2,117,812				\$ 400,941	\$ 1,387,472		\$ 35,036
70400 Tenant Revenue - Other	\$ 48,006				\$ 153	\$ 7,059		
70500 Total Tenant Revenue	\$ 2,165,818	\$ -	\$ -	\$ -	\$ 401,094	\$ 1,394,531	\$ -	\$ 35,036
70600 HUD PHA Operating Grants	\$ 6,670,938	\$ 409,827	\$ 1,228,303	\$ 10,625		\$ 1,887,833	\$ 160,832	
70610 Capital Grants	\$ 1,509,122							
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	\$ 550,000				\$ 926	\$ 83,135		\$ 57,050
71100 Investment Income - Unrestricted	\$ 6,312				\$ 117	\$ 872		\$ 813
71200 Mortgage Interest Income	\$ 206,201		\$ 22,970					
71300 Proceeds from Disposition of Assets Held for Sale								
71310 Cost of Sale of Assets								
71400 Fraud Recovery								
71500 Other Revenue	\$ 64,156		\$ 46,651		\$ 1,570,404	\$ 3,793,738		
71600 Gain or Loss on Sale of Capital Assets	\$ 660,229							
72000 Investment Income - Restricted					\$ 256	\$ 658		
70000 Total Revenue	\$ 11,832,776	\$ 409,827	\$ 1,297,924	\$ 10,625	\$ 1,972,797	\$ 7,160,767	\$ 160,832	\$ 92,899
91100 Administrative Salaries	\$ 518,411		\$ 91,789	\$ 3,875	\$ 13,061	\$ 277,943		\$ 6,931
91200 Auditing Fees	\$ 26,231				\$ 4,900	\$ 27,109		\$ 825
91300 Management Fee	\$ 1,207,745	\$ 24,766	\$ 252,727	\$ 2,620	\$ 23,261	\$ 293,516		\$ 4,647
91310 Book-keeping Fee	\$ 77,724					\$ 45,780		
91400 Advertising and Marketing	\$ 4,586			\$ 146		\$ 1,471		
91500 Employee Benefit contributions - Administrative	\$ 195,072		\$ 39,248		\$ 10,805	\$ 96,434		\$ 2,319
91600 Office Expenses	\$ 69,478	\$ 96,982		\$ 3,427	\$ 9,407	\$ 69,926		\$ 922
91700 Legal Expense	\$ 13,780					\$ 3,134		
91800 Travel	\$ 8,082				\$ 23	\$ 9,204		\$ 154
91810 Allocated Overhead								
91900 Other	\$ 69,270	\$ 5,595	\$ 534	\$ 41	\$ 858	\$ 27,712		\$ 893
91000 Total Operating - Administrative	\$ 2,190,379	\$ 127,343	\$ 384,298	\$ 10,109	\$ 62,315	\$ 852,229	\$ -	\$ 16,691
92000 Asset Management Fee	\$ 125,460					\$ 10,800		
92100 Tenant Services - Salaries	\$ 122,603					\$ 6,629	\$ 127,400	
92200 Relocation Costs	\$ 9,431					\$ 427,740		
92300 Employee Benefit Contributions - Tenant Services	\$ 47,910					\$ 2,519	\$ 33,432	
92400 Tenant Services - Other	\$ 8,019	\$ 61,767		\$ 516	\$ 99	\$ 9,991		
92500 Total Tenant Services	\$ 187,963	\$ 61,767	\$ -	\$ 516	\$ 99	\$ 446,879	\$ 160,832	\$ -

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY (VA003)  
NEWPORT NEWS, VIRGINIA

ENTITY-WIDE REVENUE AND EXPENSE SUMMARY

SUBMISSION TYPE:

AUDITED/SINGLE AUDIT

FISCAL YEAR ENDED: JUNE 30, 2021

			14.CCC Central Office Cost Center CARES Act Funding	1 Business Activities	2 State/Local	14.267 Continuum of Care Program	14.879 Mainstream Vouchers	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services
70300	Net Tenant Rental Revenue									
70400	Tenant Revenue - Other									
70500	Total Tenant Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
70600	HUD PHA Operating Grants				\$ 116,451	\$ 677,186			\$ 23,325,733	\$ 124,595
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		\$ 24,073	\$ 202,531				\$ 188,671		
71100	Investment Income - Unrestricted		\$ 3,371				\$ 89	\$ 729	\$ 7,995	
71200	Mortgage Interest Income		\$ 55,590					\$ 12,297		
71300	Proceeds from Disposition of Assets Held for Sale									
71310	Cost of Sale of Assets									
71400	Fraud Recovery						\$ 610		\$ 10,978	
71500	Other Revenue	\$ 117,987	\$ 1,200,282					\$ 15,768	\$ 37,250	
71600	Gain or Loss on Sale of Capital Assets									
72000	Investment Income - Restricted									
70000	Total Revenue	\$ 117,987	\$ 1,283,316	\$ 202,531	\$ 116,451	\$ 677,885	\$ 217,465	\$ 23,381,956	\$ 124,595	
91100	Administrative Salaries		\$ 168,136	\$ 53,680		\$ 13,073	\$ 40,493			\$ 86,177
91200	Auditing Fees		\$ 412	994					\$ 32,547	
91300	Management Fee		\$ 20,649	\$ 31,800	\$ 3,543	\$ 11,268	\$ 36,000		\$ 372,096	
91310	Book-keeping Fee					\$ 7,043			\$ 232,560	
91400	Advertising and Marketing			\$ 133			\$ 355			
91500	Employee Benefit contributions - Administrative		\$ 16,873	\$ 11,669		\$ 5,746	\$ 8,124		\$ 176,572	
91600	Office Expenses	\$ 47,067	\$ 12,329	\$ 8,764		\$ 2,306	\$ 4,612		\$ 75,590	
91700	Legal Expense		\$ 75	\$ 2,859		\$ 838			\$ 7,026	
91800	Travel		\$ 554			\$ 142			\$ 4,638	
91810	Allocated Overhead									
91900	Other		\$ 35,622	\$ 14,949	\$ 3,543	\$ 1,218	\$ 3		\$ 83,809	
91000	Total Operating - Administrative	\$ 47,067	\$ 254,650	\$ 123,854	\$ 7,086	\$ 42,628	\$ 89,587	\$ 984,838	\$ 86,177	
92000	Asset Management Fee									
92100	Tenant Services - Salaries									
92200	Relocation Costs									
92300	Employee Benefit Contributions - Tenant Services									\$ 37,934
92400	Tenant Services - Other	\$ 70,920	\$ 8,000		\$ 15,861	\$ 31			\$ 96	\$ 484
92500	Total Tenant Services	\$ 70,920	\$ 8,000	\$ -	\$ 15,861	\$ 31	\$ -	\$ 96	\$ 38,418	



NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY (VA003)  
NEWPORT NEWS, VIRGINIA

ENTITY-WIDE REVENUE AND EXPENSE SUMMARY

SUBMISSION TYPE:

AUDITED/SINGLE AUDIT

FISCAL YEAR ENDED: JUNE 30, 2021

	Project Total	14.PHC Public Housing CARES Act Funding	14.218 Community Development Block Grants/Entitlement Grants	14.MSC Mainstream CARES Act Funding	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14.896 PIH Family Self-Sufficiency Program	14.182 N/C S/R Section 8 Programs
93100 Water	\$ 412,206				\$ 44,238	\$ 112,715		\$ 2,441
93200 Electricity	\$ 483,306				\$ 13,422	\$ 98,670		\$ 11,311
93300 Gas	\$ 121,229					\$ 21,473		
93400 Fuel								
93500 Labor								
93600 Sewer	\$ 1,022,435				\$ 112,674	\$ 275,491		\$ 6,461
93700 Employee Benefit Contributions - Utilities								
93800 Other Utilities Expense								
93000 Total Utilities	\$ 2,039,176	\$ -	\$ -	\$ -	\$ 170,334	\$ 508,349	\$ -	\$ 20,213
94100 Ordinary Maintenance and Operations - Labor	\$ 461,121				\$ 14,655	\$ 194,066		\$ 6,392
94200 Ordinary Maintenance and Operations - Materials and Other	\$ 224,705	\$ 56,743			\$ 36,987	\$ 180,434		\$ 1,720
94300 Ordinary Maintenance and Operations Contracts	\$ 672,216	\$ 84,880			\$ 102,011	\$ 494,722		\$ 13,333
94500 Employee Benefit Contributions - Ordinary Maintenance	\$ 180,148					\$ 68,153		\$ 2,139
94000 Total Maintenance	\$ 1,538,190	\$ 141,623	\$ -	\$ -	\$ 153,653	\$ 937,375	\$ -	\$ 23,584
95100 Protective Services - Labor	\$ 34,992					\$ 2,848		
95200 Protective Services - Other Contract Costs								
95300 Protective Services - Other	\$ 24,060					\$ 26,277		
95500 Employee Benefit Contributions - Protective Services	\$ 13,872					\$ 1,083		
95000 Total Protective Services	\$ 72,924	\$ -	\$ -	\$ -	\$ -	\$ 30,208	\$ -	\$ -
96110 Property Insurance	\$ 220,186				\$ 29,403	\$ 130,275		\$ 3,482
96120 Liability Insurance	\$ 53,788				\$ 3,247	\$ 22,727		\$ 537
96130 Workmen's Compensation	\$ 28,302				\$ 253	\$ 13,123		\$ 371
96140 All Other Insurance	\$ 22,349				\$ 1,326	\$ 9,498		\$ 8
96100 Total Insurance Premiums	\$ 324,625	\$ -	\$ -	\$ -	\$ 34,229	\$ 175,623	\$ -	\$ 4,398
96200 Other General Expenses			\$ 1,207,397		\$ 5,250	\$ 409,053		
96210 Compensated Absences	\$ 8,698		\$ 440		\$ 4,310	\$ 28,683		\$ 155
96300 Payments in Lieu of Taxes	\$ 53,574				\$ 32,903	\$ 226,971		
96400 Bad debt - Tenant Rents	\$ 91,563				\$ 6,378	\$ 124,247		\$ 655
96500 Bad debt - Mortgages			\$ 19,069					
96600 Bad debt - Other								
96800 Severance Expense								
96000 Total Other General Expenses	\$ 153,835	\$ -	\$ 1,226,906	\$ -	\$ 48,841	\$ 788,954	\$ -	\$ 810
96710 Interest of Mortgage (or Bonds) Payable					\$ 34,375	\$ 531,428		
96720 Interest on Notes Payable (Short and Long Term)								
96730 Amortization of Bond Issue Costs								
96700 Total Interest Expense and Amortization Cost	\$ -	\$ -	\$ -	\$ -	\$ 34,375	\$ 531,428	\$ -	\$ -
96900 Total Operating Expenses	\$ 6,632,552	\$ 330,733	\$ 1,611,204	\$ 10,625	\$ 503,846	\$ 4,281,845	\$ 160,832	\$ 65,696
97000 Excess of Operating Revenue over Operating Expenses	\$ 5,200,224	\$ 79,094	\$ (313,280)	\$ -	\$ 1,468,951	\$ 2,878,922	\$ -	\$ 27,203

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY (VA003)  
NEWPORT NEWS, VIRGINIA

ENTITY-WIDE REVENUE AND EXPENSE SUMMARY

SUBMISSION TYPE:

AUDITED/SINGLE AUDIT

FISCAL YEAR ENDED: JUNE 30, 2021

			14.CCC Central Office Cost Center CARES Act Funding	1 Business Activities	2 State/Local	14.267 Continuum of Care Program	14.879 Mainstream Vouchers	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services
93100	Water			\$ 65	\$ 434		\$ 53		\$ 1,725	
93200	Electricity			\$ 1,273	\$ 673		\$ 608		\$ 19,911	
93300	Gas						\$ 41		\$ 1,345	
93400	Fuel									
93500	Labor									
93600	Sewer			\$ 1,010	\$ 464		\$ 56		\$ 1,831	
93700	Employee Benefit Contributions - Utilities									
93800	Other Utilities Expense									
93000	Total Utilities	\$ -	\$ -	\$ 2,348	\$ 1,571	\$ -	\$ 758	\$ -	\$ 24,812	\$ -
94100	Ordinary Maintenance and Operations - Labor			\$ 709						
94200	Ordinary Maintenance and Operations - Materials and Other			\$ 1,197			\$ 81		\$ 1,177	
94300	Ordinary Maintenance and Operations Contracts			\$ 45,891	\$ 60,506		\$ 320		\$ 10,461	
94500	Employee Benefit Contributions - Ordinary Maintenance			\$ 177						
94000	Total Maintenance	\$ -	\$ -	\$ 47,974	\$ 60,506	\$ -	\$ 401	\$ -	\$ 11,638	\$ -
95100	Protective Services - Labor									
95200	Protective Services - Other Contract Costs									
95300	Protective Services - Other									
95500	Employee Benefit Contributions - Protective Services									
95000	Total Protective Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
96110	Property Insurance			\$ 9,061	\$ 3,344		\$ 137		\$ 4,489	
96120	Liability Insurance			\$ 666	\$ 8,705		\$ 434	\$ 453	\$ 14,195	
96130	Workmen's Compensation			\$ 4,715	\$ 1,493		\$ 471	\$ 1,126	\$ 15,430	
96140	All Other Insurance			\$ 14	\$ 986		\$ 147	\$ 24	\$ 4,826	
96100	Total Insurance Premiums	\$ -	\$ -	\$ 14,456	\$ 14,528	\$ -	\$ 1,189	\$ 1,603	\$ 38,940	\$ -
96200	Other General Expenses				\$ 716			\$ 49,810		
96210	Compensated Absences			\$ 2,073	\$ 1,588			\$ 1,752		
96300	Payments in Lieu of Taxes									
96400	Bad debt - Tenant Rents									
96500	Bad debt - Mortgages			\$ 3,573				\$ 250,166		
96600	Bad debt - Other									
96800	Severance Expense									
96000	Total Other General Expenses	\$ -	\$ -	\$ 5,646	\$ 2,304	\$ -	\$ -	\$ 301,728	\$ -	\$ -
96710	Interest of Mortgage (or Bonds) Payable									
96720	Interest on Notes Payable (Short and Long Term)									
96730	Amortization of Bond Issue Costs									
96700	Total Interest Expense and Amortization Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
96900	Total Operating Expenses	\$ 117,987	\$ 117,987	\$ 333,074	\$ 202,763	\$ 22,947	\$ 45,007	\$ 392,918	\$ 1,060,324	\$ 124,595
97000	Excess of Operating Revenue over Operating Expenses	\$ -	\$ -	\$ 950,242	\$ (232)	\$ 93,504	\$ 632,878	\$ (175,453)	\$ 22,321,632	\$ -

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY (VA003)  
NEWPORT NEWS, VIRGINIA

ENTITY-WIDE REVENUE AND EXPENSE SUMMARY

SUBMISSION TYPE:

AUDITED/SINGLE AUDIT

FISCAL YEAR ENDED: JUNE 30, 2021

	14.HCC HCV CARES Act Funding	14.889 Choice Neighborhoods Implementation Grants	14.EHV Emergency Housing Voucher	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	COCC	Subtotal	ELIM	Total
93100 Water				\$ 59	\$ 7,715	\$ 581,651		\$ 581,651
93200 Electricity				\$ 678	\$ 26,403	\$ 656,255		\$ 656,255
93300 Gas				\$ 46	\$ 9,016	\$ 153,150		\$ 153,150
93400 Fuel								
93500 Labor								
93600 Sewer				\$ 62	\$ 18,520	\$ 1,439,004		\$ 1,439,004
93700 Employee Benefit Contributions - Utilities								
93800 Other Utilities Expense								
93000 Total Utilities	\$ -	\$ -	\$ -	\$ 845	\$ 61,654	\$ 2,830,060	\$ -	\$ 2,830,060
94100 Ordinary Maintenance and Operations - Labor					\$ 55,422	\$ 732,365		\$ 732,365
94200 Ordinary Maintenance and Operations - Materials and Other	\$ 1,472	\$ 22		\$ 90	\$ 12,063	\$ 516,691		\$ 516,691
94300 Ordinary Maintenance and Operations Contracts		\$ 59		\$ 357	\$ 32,479	\$ 1,517,235	\$ (11,100)	\$ 1,506,135
94500 Employee Benefit Contributions - Ordinary Maintenance					\$ 17,473	\$ 268,090		\$ 268,090
94000 Total Maintenance	\$ 1,472	\$ 81	\$ -	\$ 447	\$ 117,437	\$ 3,034,381	\$ (11,100)	\$ 3,023,281
95100 Protective Services - Labor					\$ 9,487	\$ 47,327		\$ 47,327
95200 Protective Services - Other Contract Costs								
95300 Protective Services - Other						\$ 50,337		\$ 50,337
95500 Employee Benefit Contributions - Protective Services					\$ 2,991	\$ 17,946		\$ 17,946
95000 Total Protective Services	\$ -	\$ -	\$ -	\$ -	\$ 12,478	\$ 115,610	\$ -	\$ 115,610
96110 Property Insurance				\$ 153		\$ 400,530		\$ 400,530
96120 Liability Insurance		\$ 112		\$ 483	\$ 26,004	\$ 131,351		\$ 131,351
96130 Workmen's Compensation		\$ 3,734		\$ 526	\$ 50,768	\$ 120,312		\$ 120,312
96140 All Other Insurance		\$ 48		\$ 164	\$ 11,212	\$ 50,602		\$ 50,602
96100 Total Insurance Premiums	\$ -	\$ 3,894	\$ -	\$ 1,326	\$ 87,984	\$ 702,795	\$ -	\$ 702,795
96200 Other General Expenses						\$ 1,672,226		\$ 1,672,226
96210 Compensated Absences		\$ 2,717			\$ 37,288	\$ 87,704		\$ 87,704
96300 Payments in Lieu of Taxes						\$ 313,448		\$ 313,448
96400 Bad debt - Tenant Rents						\$ 222,843		\$ 222,843
96500 Bad debt - Mortgages						\$ 272,808		\$ 272,808
96600 Bad debt - Other								
96800 Severance Expense								
96000 Total Other General Expenses	\$ -	\$ 2,717	\$ -	\$ -	\$ 37,288	\$ 2,569,029	\$ -	\$ 2,569,029
96710 Interest of Mortgage (or Bonds) Payable						\$ 565,803	\$ (259,993)	\$ 305,810
96720 Interest on Notes Payable (Short and Long Term)								
96730 Amortization of Bond Issue Costs								
96700 Total Interest Expense and Amortization Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 565,803	\$ (259,993)	\$ 305,810
96900 Total Operating Expenses	\$ 816,439	\$ 977,348	\$ -	\$ 59,282	\$ 2,722,343	\$ 20,472,360	\$ (3,253,448)	\$ 17,218,912
97000 Excess of Operating Revenue over Operating Expenses	\$ -	\$ -	\$ 12,800	\$ 442,047	\$ 241,092	\$ 33,859,624	\$ -	\$ 33,859,624

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY (VA003)  
NEWPORT NEWS, VIRGINIA

ENTITY-WIDE REVENUE AND EXPENSE SUMMARY

SUBMISSION TYPE:

AUDITED/SINGLE AUDIT

FISCAL YEAR ENDED: JUNE 30, 2021

	Project Total	14.PHC Public Housing CARES Act Funding	14.218 Community Development Block Grants/Entitlement Grants	14.MSC Mainstream CARES Act Funding	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14.896 PIH Family Self-Sufficiency Program	14.182 N/C S/R Section 8 Programs
97100 Extraordinary Maintenance	\$ 15,000							
97200 Casualty Losses - Non-capitalized						\$ 5,988		
97300 Housing Assistance Payments								
97350 HAP Portability-In								
97400 Depreciation Expense	\$ 1,668,649		\$ 2,627		\$ 225,100	\$ 1,750,657		\$ 7,862
97500 Fraud Losses								
97600 Capital Outlays - Governmental Funds								
97700 Debt Principal Payment - Governmental Funds								
97800 Dwelling Units Rent Expense								
90000 Total Expenses	\$ 8,316,201	\$ 330,733	\$ 1,613,831	\$ 10,625	\$ 728,946	\$ 6,038,490	\$ 160,832	\$ 73,558
10010 Operating Transfer In	\$ 951,413							
10020 Operating transfer Out	\$ (951,413)							
10030 Operating Transfers from/to Primary Government								
10040 Operating Transfers from/to Component Unit	\$ (705,642)					\$ 705,642		
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	\$ 103,223							
10092 Inter Project Excess Cash Transfer Out	\$ (103,223)							
10093 Transfers between Program and Project - In								
10094 Transfers between Project and Program - Out								
10100 Total Other financing Sources (Uses)	\$ (705,642)	\$ -	\$ -	\$ -	\$ -	\$ 705,642	\$ -	\$ -
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$ 2,810,933	\$ 79,094	\$ (315,907)	\$ -	\$ 1,243,851	\$ 1,827,919	\$ -	\$ 19,341
11020 Required Annual Debt Principal Payments	\$ -	\$ -	\$ -	\$ -	\$ 67,001	\$ 4,328,460	\$ -	\$ -
11030 Beginning Equity	\$ 45,289,155	\$ -	\$ 3,427,898	\$ -	\$ 5,487,608	\$ 17,902,807	\$ -	\$ 560,283
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$ 79,094	\$ (79,094)						
11050 Changes in Compensated Absence Balance								
11060 Changes in Contingent Liability Balance								
11070 Changes in Unrecognized Pension Transition Liability								
11080 Changes in Special Term/Severance Benefits Liability								
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents								
11100 Changes in Allowance for Doubtful Accounts - Other								
11170 Administrative Fee Equity								
11180 Housing Assistance Payments Equity								
11190 Unit Months Available	13564				600	6294		144
11210 Number of Unit Months Leased	11237				600	6153		138
11270 Excess Cash	\$ 5,800,242							
11610 Land Purchases	\$ -							
11620 Building Purchases	\$ 1,509,122							
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	\$ 94,000							

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY (VA003)  
NEWPORT NEWS, VIRGINIA

ENTITY-WIDE REVENUE AND EXPENSE SUMMARY

SUBMISSION TYPE:

AUDITED/SINGLE AUDIT

FISCAL YEAR ENDED: JUNE 30, 2021

			14.CCC Central Office Cost Center CARES Act Funding	1 Business Activities	2 State/Local	14.267 Continuum of Care Program	14.879 Mainstream Vouchers	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services
97100	Extraordinary Maintenance									
97200	Casualty Losses - Non-capitalized									
97300	Housing Assistance Payments					\$ 93,504	\$ 667,583		\$ 21,331,415	
97350	HAP Portability-In								\$ (15)	
97400	Depreciation Expense		\$ 50,978	\$ 1,723					\$ 14,464	
97500	Fraud Losses									
97600	Capital Outlays - Governmental Funds									
97700	Debt Principal Payment - Governmental Funds									
97800	Dwelling Units Rent Expense									
90000	Total Expenses		\$ 117,987	\$ 384,052	\$ 204,486	\$ 116,451	\$ 712,590	\$ 392,918	\$ 22,406,188	\$ 124,595
10010	Operating Transfer In									
10020	Operating transfer Out									
10030	Operating Transfers from/to Primary Government									
10040	Operating Transfers from/to Component Unit									
10050	Proceeds from Notes, Loans and Bonds									
10060	Proceeds from Property Sales									
10070	Extraordinary Items, Net Gain/Loss									
10080	Special Items (Net Gain/Loss)									
10091	Inter Project Excess Cash Transfer In									
10092	Inter Project Excess Cash Transfer Out									
10093	Transfers between Program and Project - In									
10094	Transfers between Project and Program - Out									
10100	Total Other financing Sources (Uses)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses		\$ -	\$ 899,264	\$ (1,955)	\$ -	\$ (34,705)	\$ (175,453)	\$ 975,768	\$ -
11020	Required Annual Debt Principal Payments		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11030	Beginning Equity		\$ -	\$ 8,078,956	\$ (12,544)	\$ -	\$ 58,931	\$ 9,332,121	\$ 2,633,552	\$ -
11040	Prior Period Adjustments, Equity Transfers and Correction of Errors		\$ -	\$ (990,198)						
11050	Changes in Compensated Absence Balance									
11060	Changes in Contingent Liability Balance									
11070	Changes in Unrecognized Pension Transition Liability									
11080	Changes in Special Term/Severance Benefits Liability									
11090	Changes in Allowance for Doubtful Accounts - Dwelling Rents									
11100	Changes in Allowance for Doubtful Accounts - Other									
11170	Administrative Fee Equity								\$ 2,887,443	
11180	Housing Assistance Payments Equity								\$ 721,877	
11190	Unit Months Available			156	0	96	1896		32992	
11210	Number of Unit Months Leased			156	0	96	946		31013	
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 AND HOUSING AUTHORITY (VA003)  
NEWPORT NEWS, VIRGINIA

ENTITY-WIDE REVENUE AND EXPENSE SUMMARY

SUBMISSION TYPE:

AUDITED/SINGLE AUDIT

FISCAL YEAR ENDED: JUNE 30, 2021

			14.HCC HCV CARES Act Funding	14.889 Choice Neighborhoods Implementation Grants	14.EHV Emergency Housing Voucher	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	COCC	Subtotal	ELIM	Total
97100	Extraordinary Maintenance							\$ 15,000		\$ 15,000
97200	Casualty Losses - Non-capitalized							\$ 5,988		\$ 5,988
97300	Housing Assistance Payments					\$ 413,411		\$ 22,505,913		\$ 22,505,913
97350	HAP Portability-In							\$ (15)		\$ (15)
97400	Depreciation Expense						\$ 38,261	\$ 3,760,321		\$ 3,760,321
97500	Fraud Losses									
97600	Capital Outlays - Governmental Funds									
97700	Debt Principal Payment - Governmental Funds									
97800	Dwelling Units Rent Expense									
90000	Total Expenses		\$ 816,439	\$ 977,348	\$ -	\$ 472,693	\$ 2,760,604	\$ 46,759,567	\$ (3,253,448)	\$ 43,506,119
10010	Operating Transfer In							\$ 951,413	\$ (951,413)	\$ -
10020	Operating transfer Out							\$ (951,413)	\$ 951,413	\$ -
10030	Operating Transfers from/to Primary Government									
10040	Operating Transfers from/to Component Unit							\$ -		\$ -
10050	Proceeds from Notes, Loans and Bonds									
10060	Proceeds from Property Sales									
10070	Extraordinary Items, Net Gain/Loss									
10080	Special Items (Net Gain/Loss)									
10091	Inter Project Excess Cash Transfer In							\$ 103,223	\$ (103,223)	\$ -
10092	Inter Project Excess Cash Transfer Out							\$ (103,223)	\$ 103,223	\$ -
10093	Transfers between Program and Project - In									
10094	Transfers between Project and Program - Out									
10100	Total Other financing Sources (Uses)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses		\$ -	\$ -	\$ 12,800	\$ 28,636	\$ 202,831	\$ 7,572,417	\$ -	\$ 7,572,417
11020	Required Annual Debt Principal Payments		\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,395,461		\$ 4,395,461
11030	Beginning Equity		\$ -	\$ 550,000	\$ -	\$ 261,162	\$ 5,376,585	\$ 98,946,514		\$ 98,946,514
11040	Prior Period Adjustments, Equity Transfers and Correction of Errors							\$ (990,198)		\$ (990,198)
11050	Changes in Compensated Absence Balance									
11060	Changes in Contingent Liability Balance									
11070	Changes in Unrecognized Pension Transition Liability									
11080	Changes in Special Term/Severance Benefits Liability									
11090	Changes in Allowance for Doubtful Accounts - Dwelling Rents									
11100	Changes in Allowance for Doubtful Accounts - Other									
11170	Administrative Fee Equity							\$ 2,887,443		\$ 2,887,443
11180	Housing Assistance Payments Equity							\$ 721,877		\$ 721,877
11190	Unit Months Available		0			1056		56798		56798
11210	Number of Unit Months Leased		0			1056		51395		51395
11270	Excess Cash							\$ 5,800,242		\$ 5,800,242
11610	Land Purchases						\$ -	\$ -		\$ -
11620	Building Purchases						\$ -	\$ 1,509,122		\$ 1,509,122
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						\$ -	\$ 94,000		\$ 94,000

COMPLIANCE SECTION

Newport News Redevelopment and Housing Authority  
Newport News, Virginia

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2021

	Federal Award Number	Program or Award Amount	Disbursements or Expenditures
FEDERAL GRANTOR			
U.S. Department of Housing and Urban Development			
Direct Programs:			
Low-Rent Public Housing Program			
Operating Subsidies	14.850	\$ 13,079,765	\$ 5,152,149
Operating Subsidies - CARES Act	14.850	\$ 720,784	409,827
			<u>5,561,976</u>
Capital Fund Program	14.872	\$ 17,699,993	3,027,912
Housing Assistance Payments Program:			
Housing Choice Voucher Program	14.871	\$ 23,325,733	23,325,733
Housing Choice Voucher Program - Emergency			
Housing Vouchers	14.871	\$ 426,468	12,800
Housing Choice Voucher Program - CARES Act	14.871	\$ 819,439	816,439
			<u>24,154,972</u>
Mainstream Housing Choice Voucher Program	14.879	\$ 677,186	677,186
Mainstream Housing Choice Voucher Program - CARES Act	14.879	\$ 10,625	10,625
			<u>687,811</u>
TOTAL HOUSING CHOICE VOUCHER CLUSTER			<u>24,842,783</u>
Housing Assistance Payments Program:			
Section 8 Moderate Rehabilitation - Single Room Occupancy			
VA003SRO004 - 2019-2020 funding	14.249	\$ 500,648	500,648
Section 8 New Construction and Substantial Rehabilitation			
through the Virginia Housing Development Authority			
Transition Center, VA36H027032	14.182	\$ 54,330	54,330
Transition Center, VA36H027032 - CARES Act	14.182	\$ 2,720	2,720
			<u>57,050</u>
Housing Assistance Payments Program:			
Oyster Point-Brighton - VA36RD00005	14.195	\$ 889,052	889,052
Oyster Point-Brighton - VA36RD00005 - CARES Act	14.195	\$ 13,760	13,760
Cypress Terrace - VA36RD00006	14.195	\$ 363,520	363,520
Cypress Terrace - VA36RD00006 - CARES Act	14.195	\$ 6,920	6,920
Orcutt Townhomes Phase III - VA36RD00007	14.195	\$ 108,613	108,613
Orcutt Townhomes Phase III - VA36RD00007 - CARES Act	14.195	\$ 3,800	3,800
Lassiter Courts Apartments - VA36RD00010	14.195	\$ 494,168	494,168
Lassiter Courts Apartments - VA36RD00010 - CARES Act	14.195	\$ 8,000	8,000
			<u>1,887,833</u>
TOTAL SECTION 8 PROJECT BASED CLUSTER			<u>2,445,531</u>

Newport News Redevelopment and Housing Authority  
Newport News, Virginia

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
(Concluded)

FOR THE YEAR ENDED JUNE 30, 2021

	Federal Award Number	Program or Award Amount	Disbursements or Expenditures
Choice Neighborhoods Planning Grant VAF003CNG118	14.889	\$ 30,000,000	\$ 977,348
		TOTAL HOPE VI CLUSTER	<u>977,348</u>
Family Self-Sufficiency Coordinator	14.896	\$ 280,078	160,832
Service Coordinators	14.870	\$ 382,944	124,595
Continuum of Care Special Needs Assistance	14.267	\$ 116,950	<u>116,450</u>
		TOTAL HUD	<u>37,257,427</u>
		TOTAL DIRECT	<u>37,257,427</u>
U.S. Department of Housing and Urban Development Indirect Programs:			
Pass-through from the City of Newport News			
Community Development Block Grants/Entitlement Grants			
B-18-MC-51-0015	14.218	\$ 1,228,303	1,228,303
HOME Investment Partnerships Program			
M-16-MC-51202	14.239	\$ 10,000	10,000
M-18-MC-51202	14.239	\$ 78,671	78,671
		TOTAL HOME INVESTMENT PARTNERSHIPS PROGRAM	<u>88,671</u>
		TOTAL INDIRECT	<u>1,316,974</u>
		TOTAL	<u>\$ 38,574,401</u>

Note 1 – Basis of Presentation

The accompanying schedule of expenditure of federal awards (the "Schedule") includes the federal grant activity of the Authority under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority. 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 Account 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 year.

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.

**Report of Independent Auditor 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**

To the Commissioners  
Newport News Redevelopment and Housing Authority

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Specifications for Audits of Authorities, Boards, and Commissions* issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the business-type activities, the aggregate discretely presented component units and the aggregate remaining fund information of the Newport News Redevelopment and Housing Authority (the "Authority"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated September 29, 2022. Our report also includes a reference to another auditor who audited the financial statements of the Lower Jefferson Avenue, LLC, as described in our audit report on the Authority's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by that auditor.

**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 and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001, that we consider to be a material weakness.

**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* or *Specifications for Audits of Authorities, Boards and Commissions*.

**Authority's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Authority's response to findings identified in our audit and 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 the financial statements and, accordingly, we express no opinion on the response.

**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.

*Cherry Bekaert LLP*

Virginia Beach, Virginia  
September 29, 2022

**Report of Independent Auditor on Compliance for Each Major  
Federal Program and on Internal Control over Compliance  
Required by the Uniform Guidance**

The Commissioners of the Newport News  
Redevelopment and Housing Authority

**Report on Compliance for Each Major Federal Program**

We have audited the Newport News Redevelopment and Housing Authority's (the "Authority") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Authority's major federal program for the year ended June 30, 2021. The Authority's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for the Authority's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

***Basis for Qualified Opinion on Housing Choice Voucher Program Cluster***

As described in the accompanying schedule of findings and questioned costs, the Authority did not comply with requirements regarding Housing Choice Voucher Program Cluster (CFDA 14.871-CL) as described in finding number 2021-002 for housing quality standards enforcement. Compliance with such requirements is necessary, in our opinion, for the Authority to comply with the requirements applicable to those programs.

***Qualified Opinion on Housing Choice Voucher Program Cluster***

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion* paragraph, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Housing Choice Voucher Program Cluster for the year ended June 30, 2021.

The Authority's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

## **Report on Internal Control over Compliance**

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, 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. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2021-002, that we consider to be material weaknesses

The Authority's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the audit procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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.

*Cherry Bekaert LLP*

Virginia Beach, Virginia  
September 29, 2022

**Newport News Redevelopment and Housing Authority  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2021**

**A. Summary of Auditor's Results**

Financial Statements:

Type of auditor's report issued on the financial statements:	<b>Unmodified</b>
Internal control over financial reporting:	
Material weaknesses identified:	<b>Yes</b>
Significant deficiencies identified:	<b>None reported</b>
Noncompliance material to the financial statements noted?	<b>No</b>

Federal Awards:

Type of auditor's report issued on compliance for the major program:	
Housing Choice Voucher Program Cluster:	<b>Qualified</b>
Internal control over financial reporting:	
Material weaknesses identified:	<b>Yes</b>
Significant deficiencies identified:	<b>None reported</b>

Any audit findings disclosed that are required to be reported in accordance with Section 200.516(a) of the Uniform Guidance? **Yes**

Identification of major federal programs:

<u>Name of Program</u>	<u>CFDA #</u>
Department of Housing and Urban Development: Housing Choice Voucher Program Cluster	14.871-CL

Dollar threshold to distinguish between Types A and B Programs: **\$1,157,232**

The Authority was qualified as a low risk auditee in?  
    Accordance with Section 200.520 of the Uniform Guidance? **No**

**B. Findings Related to Financial Statements Reported in Accordance with Government Auditing Standards**

**Finding:** 2021-001

**Type of Finding:** Material Weakness over Financial Reporting

**Criteria:**

In accordance with accounting principles generally accepted in the United States of America, an entity should evaluate potential component units to determine whether they meet the criteria to be reported as a fiduciary, discretely or blended component unit, or whether they are not a component unit. If the entity is determined to not be a component unit, and the Authority has a majority equity interest in a legally separate organization, it should be reported as an investment if a Authority's holding of the equity interest meets the definition of an investment, and should be measured using the equity method.

**Condition:**

The Authority has a majority equity interest in a legally separate organization that was recorded under the cost method as a joint venture. It was determined that this met the definition of an investment and should be measured using the equity method. Based on cumulative losses greater than the Authority's initial contribution of \$990,198, the investment value was reduced to zero.

**Newport News Redevelopment and Housing Authority**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2021**  
**(continued)**

**Cause:**

During fiscal year 2021, the Authority reevaluated its analysis of the potential component unit and determined that it did not meet the criteria to be reported as a component unit and should be reported as an investment using the equity method.

**Effect:**

The Authority's other noncurrent assets and net position required material adjustments to be properly reported at June 30, 2021.

**Auditor Recommendation:**

We recommend the Authority continue to analyze its potential component units to ensure they are properly reported.

**Management Response:**

The Authority routinely analyzes its potential component units for proper presentation. Due to the organizational structure of this entity and the sources of the funds initially invested, the Authority initially determined that this organization had the characteristics of a jointly governed organization where the Authority did not have an ongoing financial interest. The Authority consults with the independent auditors to discuss presentation matters surrounding potential component units. The Authority has determined that it would be misleading to include this entity in its financial statements due to its organization structure, funding sources, and the Authority's involvement in this venture. The Authority has determined that treating its equity interest in this organization is an investment and the application of accounting standards for investments results in this equity interest being adjusted for its share of losses that this entity has incurred.

**C. Findings and Questioned Costs for Federal Awards**

**Finding:** 2021-002

**Program Name:** Housing Choice Voucher Program Cluster (CFDA # 14.871-CL)

**Federal Awarding Agency:** Department of Housing and Urban Development (HUD)

**Compliance Requirement:** Housing Quality Standards (HQS) Enforcement

**Type of Finding:** Material Weakness; Material Noncompliance Qualification

**Criteria:**

Per Title 24 Section 982 of the Code of Federal Regulation (CFR), "for units under Housing Assistance Payments (HAP) contract that fail to meet HQS, the Public Housing Authority (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) HAPs beginning no later than the first month following the specified correction period or must terminate the HAP contract."

**Condition:**

Of the two (2) tested failed inspections, we noted two (2) instances where support for re-inspection of failed units could not be provided; therefore, we could not test to ensure that the deficiencies were corrected within the required time period.

**Newport News Redevelopment and Housing Authority**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2021**  
**(continued)**

**Cause:**

During fiscal year 2020 and continued during fiscal year 2021, the Authority's Housing Operations Department incurred employee turnover of their head inspector and also switched to a new system for documenting the inspection of units and the re-inspection of failed units. The remaining department employees were not properly trained on the new system and the requirements to document the timely reinspection, which resulted in the remaining department employees not properly documenting the timely reinspection of failed units.

**Effect:**

The Authority was not in compliance with the HQS enforcement compliance requirement for the year ended June 30, 2021. Additionally, failure to re-inspect failed inspections to ensure deficiencies are corrected on a timely basis could result in Housing Assistance Payments being improperly paid.

**Auditor Recommendation:**

We recommend the Authority maintain all documentation relating to inspections, re-inspections, and failed inspections. In addition, we recommend the Authority review a report of all failed inspections on a monthly basis to determine that re-inspections are completed timely.

**Questioned Costs:**

Undeterminable.

**Management Response:**

The HQS Supervisor has developed a spreadsheet that tracks inspections to ensure failed inspections are not missed. The HQS Supervisor will require each inspector to submit their spreadsheet of all completed inspections for weekly review and follow up. In addition, upper management will increase the number of files for review under SEMAP Indicator 6 HQS Quality Control Enforcement to include a review of data entered in the tracking system.

**D. Findings and Questioned Costs related to Compliance with Virginia Specifications**

None noted

**E. Resolution of Prior Year's Findings**

**Finding 2020-001 – Material Weakness; Material Noncompliance Qualification**

**Status:** Finding repeated in current year – see Finding 2021-002.

**Finding 2020-002 – Significant Deficiency; Nonmaterial Noncompliance**

**Status:** Corrective action was taken. Finding not repeated in current year.