

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

FINANCIAL STATEMENTS AND
REPORT OF INDEPENDENT AUDITOR

JUNE 30, 2022

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Report of Independent Auditor

To the Commissioners
Newport News Redevelopment and Housing Authority

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities, the aggregate discretely presented component units, and the aggregate remaining fund information of the Newport News Redevelopment and Housing Authority (the "Authority"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the aggregate discretely presented component units, and aggregate remaining fund information of the Authority, as of June 30, 2022 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.

We did not audit the financial statements of Lower Jefferson Avenue, LLC a discretely presented component unit, which represent 46%, 77% and 97%, respectively of assets, net position, and revenues of the aggregate discretely presented component units as of June 30, 2022, and the respective changes in financial position, and cash flows thereof for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for Lower Jefferson Avenue, LLC, is based solely on the report of the other auditors.

Basis for Opinions

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 (the "Specifications"). Our responsibilities under those standards and the Specifications are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of Lower Jefferson Avenue, LLC were not audited in accordance with *Government Auditing Standards*.

Responsibilities of Management 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 and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Specifications, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying other supplementary information, as listed in the table of contents, and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit and the report of the other auditors, the other supplementary information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the other information, as listed in the table of contents, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2023 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
March 31, 2023

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

**Management's Discussion and Analysis
June 30, 2022**

The Newport News Redevelopment and Housing Authority ("the Authority" or "NNRHA") 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 \$111,329,994, which is an increase of \$12,632,720 during the year ended June 30, 2022. This increase is mostly attributable to the sale of Harbor Homes and Dickerson Courts, receipt of settlement funds from the class action lawsuit filed against HUD in 2017 related to the Department of Housing and Urban Development (HUD) improperly withholding operating subsidy, and additional grant funds related to the Choice Neighborhoods Initiative (CNI) grant over the prior year.

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.

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

**Management's Discussion and Analysis
June 30, 2022**

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

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

Statement of Revenues, Expenses, and Changes in Fund Net Position – This statement includes Operating Revenues (such as rental income), Operating Expenses (such as administrative, utilities, and maintenance, and depreciation), and 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, 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 various entities to redevelop the Marshall-Ridley area with the CNI grant, low-income tax credit equity and other leveraged resources.

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, 2022**

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)

	FY 2022 Proprietary Fund	FY 2021 Proprietary Fund	Increases (Decreases)	Percent
ASSETS:				
Current Assets	\$ 26,455,721	\$ 24,575,190	\$ 1,880,531	7.65%
Capital Assets	75,048,860	75,679,428	(630,568)	-0.83%
Other Assets	25,534,598	14,091,168	11,443,430	81.21%
TOTAL ASSETS	127,039,179	114,345,786	12,693,393	11.10%
DEFERRED OUTFLOWS OF RESOURCES	67,174	98,671	(31,497)	-31.92%
LIABILITIES:				
Current Liabilities	3,307,318	5,413,227	(2,105,909)	-38.90%
Noncurrent Liabilities	12,116,283	10,248,383	1,867,900	18.23%
TOTAL LIABILITIES	15,423,601	15,661,610	(238,009)	-1.52%
DEFERRED INFLOWS OF RESOURCES	352,758	85,573	267,185	312.23%
NET POSITION:				
Net Investment in Capital Assets	63,341,304	65,930,744	(2,589,440)	-3.93%
Restricted Net Position	18,766,394	15,350,711	3,415,683	22.25%
Unrestricted Net Position	29,222,296	17,415,819	11,806,477	67.79%
TOTAL NET POSITION	\$ 111,329,994	\$ 98,697,274	\$ 12,632,720	12.80%

Net position (assets and deferred outflows of resources over liabilities and deferred inflows of resources) increased by \$12,632,720 which is mostly attributable to the sale of Harbor Homes and Dickerson Courts, receipt of settlement funds from the class action lawsuit filed against HUD in 2017 related to HUD improperly withholding 2012 operating subsidy, and additional grant funds related to the CNI grant over the prior year. The investment and renovation of Public Housing units under the Rental Assistance Demonstration (RAD) program allows the Authority to borrow money and to secure tax credit equity investments for the much needed financial reposition, renovation and improvements to the properties.

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

**Management's Discussion and Analysis
June 30, 2022**

Analysis of the Authority's Changes in Net Position

	FY2022	FY2021		
	Proprietary Funds	Proprietary Funds	Increase/ Decrease	Percent
OPERATING REVENUES:				
Rental and tenant income	\$ 3,388,724	\$ 3,595,386	\$ (206,662)	-5.75%
Intergovernmental	47,908,555	37,525,018	10,383,537	27.67%
Other income	1,896,313	462,253	1,434,060	310.23%
Total operating revenues	<u>53,193,592</u>	<u>41,582,657</u>	<u>11,610,935</u>	<u>27.92%</u>
OPERATING EXPENSES:				
Administration	5,740,825	5,811,238	(70,413)	-1.21%
Tenant services	1,014,527	1,809,473	(794,946)	-43.93%
Utilities	2,319,885	2,659,727	(339,842)	-12.78%
Ordinary maintenance and operations	3,895,549	2,869,629	1,025,920	35.75%
Protective services	106,244	115,611	(9,367)	-8.10%
Insurance expense	754,137	668,566	85,571	12.80%
General expense	1,926,798	2,520,189	(593,391)	-23.55%
Nonroutine maintenance	2,453,765	20,988	2,432,777	11591.28%
Housing assistance payments	24,443,050	22,505,898	1,937,152	8.61%
Depreciation	3,787,698	3,535,222	252,476	7.14%
Total operating expenses	<u>46,442,478</u>	<u>42,516,541</u>	<u>3,925,937</u>	<u>9.23%</u>
OPERATING INCOME (LOSS)	<u>6,751,114</u>	<u>(933,884)</u>	<u>7,684,998</u>	<u>-822.91%</u>
NONOPERATING REVENUES / (EXPENSES):				
Interest and investment revenues	103,702	58,871	44,831	76.15%
Interest expense	(257,686)	(271,434)	13,748	-5.06%
Developer fees earned	-	1,019,661	(1,019,661)	-100.00%
Contributions for AHP subsidy	500,000	500,000	-	100.00%
Gain on disposition of capital assets	1,892,098	660,229	1,231,869	186.58%
Total nonoperating revenues (expenses), net	<u>2,238,114</u>	<u>1,967,327</u>	<u>270,787</u>	<u>13.76%</u>
GAIN (LOSS) BEFORE CONTRIBUTIONS, TRANSFERS, AND SPECIAL ITEM:				
HUD capital contributions	8,989,228	1,033,443	7,955,785	769.83%
Tax credit proceeds	74,205	1,509,122	(1,434,917)	-95.08%
	3,569,287	3,786,000	(216,713)	-5.72%
CHANGE IN NET POSITION	<u>12,632,720</u>	<u>6,328,565</u>	<u>6,304,155</u>	<u>99.61%</u>
TOTAL NET POSITION - beginning	<u>98,697,274</u>	<u>92,368,709</u>	<u>6,328,565</u>	<u>6.85%</u>
TOTAL NET POSITION - ending	<u>\$ 111,329,994</u>	<u>\$ 98,697,274</u>	<u>\$ 12,632,720</u>	<u>12.80%</u>

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

**Management's Discussion and Analysis
June 30, 2022**

Revenue and Expense Activities

Operating Revenues – The Authority's revenue increased by 27.92% or \$11,610,935 in FYE June 30, 2022 as compared to FYE June 30, 2021. Income (rent, excess utilities, and maintenance charges) decreased by \$206,662. The net intergovernmental revenue, operating grants and housing assistance payments incurred a significant net increase of \$10,383,537. The CNI grant experienced a significant increase of \$4.4 million due to increased tenant relocation and construction activity. The Central Office Cost Center received the court award of almost \$1.2 million from the lawsuit against HUD. The Housing Choice Voucher program experienced a slight increase of \$700K due to HUD's push to maximize vouchers leased. 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 9.2% or \$3,925,937 in FYE June 30, 2022 as compared to FYE June 30, 2021. Most of the change is attributable to an increase of \$1,937,152 in housing assistance payments, \$2,432,777 in nonroutine maintenance related to the demolition of Ridley Place and infrastructure costs for the CNI area, and a \$1,025,920 increase in ordinary maintenance costs due to increases in materials, plumbing and HVAC contract costs, and the cost of using a temporary labor agency to fill vacant maintenance positions, along with a small increase in insurance and depreciation. These were offset with a decrease in tenant services, utilities and general expenditures. These decreases are primarily due to the prior year tenant relocation services provided to Ridley residents, and the vacated Ridley apartments.

CAPITAL ASSETS

At the end of fiscal year June 30, 2022, the Authority had \$145,146,265 before accumulated depreciation, invested in a broad range of capital assets, including multi-family residential property, commercial office and shop property, computer equipment, and vehicles. The Authority's Public Housing fund is capital assets intensive and reflects the costs of buildings purchased, constructed and decades of major renovations. The cost of these items are capitalized and depreciated over their useful lives, while the grants received from HUD to fund these capital costs are recognized as revenue in the year the costs are capitalized. During the current year, the Authority had a decrease in construction in progress, with an offsetting increase in buildings due to the completion of planned renovation and conversion of the Spratley House public housing property under the RAD program. The Authority has continued the Phase VI work at Marshall Courts and has made significant progress in the renovation.

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

	FY 2022	FY 2021	Increase/ Decrease
Land and improvements	\$ 7,076,705	\$ 7,677,821	\$ (601,116)
Building	133,562,955	128,192,955	5,370,000
Equipment	3,853,501	3,681,630	171,871
Construction in progress	653,104	2,793,896	(2,140,792)
Total	145,146,265	142,346,302	2,799,963
Accumulated depreciation	(70,097,405)	(66,666,874)	(3,430,531)
TOTAL	<u>\$ 75,048,860</u>	<u>\$ 75,679,428</u>	<u>\$ (630,568)</u>

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

**Management's Discussion and Analysis
June 30, 2022**

LONG-TERM DEBT

At the end of fiscal year June 30, 2022, the Authority and/or its blended component units owed \$11,707,556 in long-term debt to external parties. The debt consists of a note payable due to VHDA Tax Credit Assistance Program and Tax Credit Exchange Program debt for the Orcutt Townhomes III property, and a note payable to VHDA for the Lofts on Jefferson/ROAM Building, notes payable to VHDA and deferred notes payable to Department of Community and Housing Development (DHCD) for the Oyster Point-Brighton and Cypress Terrace, Lassiter Courts and Spratley House properties. Additional information on the Authority's long-term debt can be found in Note 4 to the financial statements.

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. All the funding in the bill is in addition to the previously appropriated FFY2022 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. We were also able to convert 30 additional public housing units to RAD in November 2016. This conversion did not require extensive renovation, only minor improvements to the property. In October 2018, we began renovation of 100 units at Lassiter Courts under the RAD program. These public housing units were also converted to a form of project-based rental assistance, we closed on the permanent financing December 2020. In March 2021, we started renovation of Spratley House, a 50-unit senior property and we closed on permanent financing June 2022. VHDA awarded Low-Income Housing Tax Credits for the necessary funds to renovate the property to allow for a RAD conversion.

**Newport News Redevelopment and Housing Authority
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June 30, 2022**

- The Authority's federal revenues have increased significantly over the past year due to the award of the CNI grant. The Housing Choice Voucher (Section 8) program was subject to a renewal funding of 100% last year; funding proration in CY 2023 is projected to remain the same, therefore we will be able to continue to maximize leasing. The Authority has been awarded 54 Veterans Affairs Supportive Housing (VASH) vouchers to administer in partnership with the Department of Veteran Affairs (VA) facility, Hampton VA Medical Center. These vouchers are intended to serve Veterans in Newport News. We also received a 141 Mainstream Vouchers to help low-income households that include persons with disabilities, and 32 Emergency Housing Vouchers to help assist individuals and families who are (1) homeless, (2) at risk of homelessness, (3) fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking, or (4) recently homeless. However, the administrative fee funding continues to remain low at 90% of eligibility.
- There are many unknowns regarding the national economic forecast which will likely affect Authority operations and financial position.
- Fully staffing our Agency has been a problem and will likely continue in the near future. Finding a qualified workforce continues to be a challenge and the use of contractors and temporary staff has and will have an impact on our budgets.
- Future funding for housing programs is never a certainty and polarized state and national politics point to more than usual instability.
- The Authority is being funded at a rate of 104.33% of public housing subsidy eligibility for the first six months of FY 2023. The Authority is expecting to receive funding of 100% for full 2023 calendar year.
- In the short-term, health care and other insurance costs are expected to increase dramatically. In the longer term, it is unknown at this time how future health care reform will affect Authority expenses.
- An increase of approximately 22% in utility costs is expected.
- Post-retirement benefits other than pensions are estimated to be \$85,000 for FY 2023. 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:

Ms. Karen R. Wilds
Executive Director
Newport News Redevelopment and Housing Authority
P. O. Box 797
Newport News, Virginia 23607-0797
(757) 928-2663
kwilds@nnrha.org

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, 2022

	Proprietary Fund - Primary Government	Discrete Component Units
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents - unrestricted	\$ 19,006,164	\$ 501,825
Accounts receivable (net of allowance)	2,326,707	14,886
Due from component units	709,600	-
Investments	4,276,822	-
Prepaid expenses	136,428	9,720
Total current assets	26,455,721	526,431
Restricted assets:		
Cash and cash equivalents - restricted	8,493,235	204,475
Investments - restricted	598,859	80,194
Notes receivable (noncurrent)	6,678,386	-
Total restricted assets	15,770,480	284,669
Noncurrent assets:		
Notes and mortgages receivable	8,946,555	-
Nondepreciable capital assets	7,729,809	7,771,203
Capital assets (net)	67,319,051	6,150,407
Net OPEB asset	392,559	-
Other noncurrent assets	425,004	-
Total noncurrent assets	84,812,978	13,921,610
TOTAL ASSETS	127,039,179	14,732,710
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Deferred outflows related to OPEB plan	67,174	-

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, 2022

	Proprietary Fund - Primary Government	Discrete Component Units
<u>LIABILITIES</u>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 2,095,462	\$ 1,261,530
Due to Primary Government	-	488,950
Accrued salaries	166,607	1,720
Accrued interest payable	15,289	2,519
Unearned revenues	632,339	9,342
Security deposit liabilities	169,183	31,742
Compensated absences	2,309	-
Current portion of notes and mortgages payable	226,129	71,068
Total current liabilities	3,307,318	1,866,871
Long-term liabilities:		
Compensated absences	429,539	3,611
Notes and mortgages payable, net of current portion	11,481,427	6,279,754
Developer fee payable	-	19,190
Accrued interest payable	-	20,236
Trust, deposit, and escrow liabilities	205,317	-
Total long-term liabilities	12,116,283	6,322,791
TOTAL LIABILITIES	15,423,601	8,189,662
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred inflows related to OPEB plan	352,758	-
<u>NET POSITION</u>		
Net investment in capital assets	63,341,304	7,570,788
Restricted for:		
Reserves and escrows	3,048,318	252,927
HAP reserves	102,376	-
Loan programs	6,678,386	-
Other	8,937,314	-
Unrestricted	29,222,296	(1,280,667)
TOTAL NET POSITION	\$ 111,329,994	\$ 6,543,048

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 NET POSITION

PROPRIETARY FUND AND DISCRETELY PRESENTED COMPONENT UNIT

YEAR ENDED JUNE 30, 2022

	Proprietary Fund - Primary Government	Discrete Component Units
OPERATING REVENUES:		
Rental and tenant income	\$ 3,388,724	\$ 423,936
Intergovernmental - operating grants	47,908,555	-
Fee revenue	131,060	-
Other income	1,765,253	14,212
Total operating revenues	53,193,592	438,148
OPERATING EXPENSES:		
Administration	5,740,825	65,384
Tenant services	1,014,527	-
Utilities	2,319,885	166,336
Ordinary maintenance	3,895,549	97,176
Protective services	106,244	-
Insurance expense	754,137	20,135
General expenses	1,926,798	55,967
Non-routine maintenance	2,453,765	-
Housing assistance payments	24,443,050	-
Depreciation	3,787,698	233,182
Total operating expenses	46,442,478	638,180
OPERATING INCOME (LOSS)	6,751,114	(200,032)
NONOPERATING REVENUES (EXPENSES):		
Interest and investment revenue	103,702	269
Interest expense	(257,686)	(38,352)
Contributions for AHP subsidy	500,000	-
Loss on disposition of capital assets	1,892,098	-
Total nonoperating revenues (expenses), net	2,238,114	(38,083)
INCOME (LOSS) BEFORE CONTRIBUTIONS AND PROCEEDS	8,989,228	(238,115)
HUD capital contributions	74,205	-
Tax credit and other proceeds	3,569,287	49,704
CHANGE IN NET POSITION	12,632,720	(188,411)
TOTAL NET POSITION - July 1, 2021	98,697,274	6,731,459
TOTAL NET POSITION - June 30, 2022	\$ 111,329,994	\$ 6,543,048

The accompanying notes are an integral part of this statement.

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

STATEMENT OF CASH FLOWS

PROPRIETARY FUND

YEAR ENDED JUNE 30, 2022

	Proprietary Fund - Primary Government	Discrete Component Units
Cash flows from operating activities:		
Cash received from tenants/others	\$ 3,078,051	\$ 401,549
Cash received for fees/services/donations	1,835,223	14,212
Cash operating grants received	46,114,763	-
Cash payments for goods, services, rental subsidies	(37,231,978)	(218,791)
Cash payments for employees and benefits	(6,336,297)	(54,093)
Cash payments in lieu of property taxes	(349,316)	(35,417)
Net cash provided by operating activities	<u>7,110,446</u>	<u>107,460</u>
Cash flows from capital and related financing activities:		
Purchase of equipment/capital assets	(4,008,384)	(2,748,006)
Proceeds from sale of capital assets	2,487,795	-
Proceeds from issuing notes and other debt	2,200,000	2,658,003
Proceeds from sale of tax credits	3,509,287	49,704
Contributions received for capital outlays	289,852	-
Loan principal payments	(181,126)	(69,004)
Interest payments	(261,174)	(31,336)
Net cash provided by (used in) capital and related financing activities	<u>4,036,250</u>	<u>(140,639)</u>
Cash flows from noncapital financing activities:		
Contributions received for AHP subsidy loan	500,000	-
Loans made to borrowers	(7,356,976)	-
Receipt of interest on notes and loans	34,372	-
Loan payments received	528,660	-
Net cash used in noncapital and financing activities	<u>(6,293,944)</u>	<u>-</u>
Cash flows from investing activities:		
Receipts of interest and dividends	14,853	269
Deposits (withdrawals) to/from reserve accounts	(131,026)	(22,038)
Net cash used in investing activities	<u>(116,173)</u>	<u>(21,769)</u>
Net increase (decrease) in cash	4,736,579	(54,948)
Cash and equivalents at July 1, 2021	<u>22,762,820</u>	<u>761,248</u>
Cash and equivalents at June 30, 2022	<u>\$ 27,499,399</u>	<u>\$ 706,300</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, 2022

	Proprietary Fund - Primary Government	Discrete Component Units
Reconciliation to statement of net position:		
Cash and equivalents - unrestricted	\$ 19,006,164	\$ 501,825
Cash and equivalents - restricted	8,493,235	204,475
	\$ 27,499,399	\$ 706,300
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	\$ 6,751,114	\$ (200,032)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	3,787,698	233,182
Change in assets and liabilities:		
Change in assets and liabilities:		
Increase in accounts receivable	(768,320)	(4,145)
Decrease in notes and mortgages receivable	244,580	-
Decrease (increase) in prepaid expenses	109,727	(1,039)
Decrease in deferred outflows of resources	31,497	-
Increase in accounts payable	(897,369)	16,027
(Increase) decrease in due from other funds/programs	(408,923)	65,461
Increase (decrease) in accrued expenses	19,487	(103)
Decrease in compensated absences	(85,257)	(699)
Increase in trust, deposit, and escrow liabilities	38,398	446
Decrease in unearned revenues	(1,566,834)	(1,638)
Decrease in net OPEB liabilities	(412,537)	-
Increase in deferred inflows of resources	267,185	-
Net cash provided by operating activities	\$ 7,110,446	\$ 107,460
 SUPPLEMENTARY CASH FLOW INFORMATION		
Non-cash transactions		
Purchase of equipment of capital assets	\$ -	\$ (1,122,790)
Accounts payable	-	1,122,790
	\$ -	\$ -
Proceeds from sale of tax credits	\$ 60,000	\$ -
Loan principal payments	(60,000)	-
	\$ -	\$ -

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, 2022

	<u>OPEB Trust Fund</u>
<u>ASSETS</u>	
Investments, at fair value	<u>\$ 1,715,825</u>
TOTAL ASSETS	<u>1,715,825</u>
<u>NET POSITION</u>	
Net position restricted for other postemployment benefits	<u>1,715,825</u>
TOTAL NET POSITION	<u>\$ 1,715,825</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, 2022

	<u>OPEB Trust Fund</u>
ADDITIONS	
Contributions:	
Employer	\$ 103,605
Total contributions	<u>103,605</u>
Investment income:	
Net depreciation in fair value of investments	(175,998)
Dividends	<u>1,435</u>
Net investment income	<u>(174,563)</u>
Total additions	<u>(70,958)</u>
DEDUCTIONS	
Benefits paid	103,605
Administrative expenses	<u>2,533</u>
Total deductions	<u>106,138</u>
Changes in fiduciary net position	<u>(177,096)</u>
Net position restricted for other postemployment benefits - July 1, 2021	<u>1,892,921</u>
Net position restricted for other postemployment benefits - June 30, 2022	<u>\$ 1,715,825</u>

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, 2022

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, 2022

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 Development Corporation	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, 2022

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, 2021
Choice Neighborhood I Development Corporation and Choice Neighborhood I, LLC	Discretely as of December 31, 2021
Choice Neighborhood II Development Corporation and Choice Neighborhood II, LLC	Discretely as of December 31, 2021
Carrier Point Partners Development Corporation and Carrier Point Commercial Partners, LLC	Discretely as of December 31, 2021

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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.

The discretely presented component units have a different fiscal year-end; accordingly the information presented is as of and for the period ended December 31, 2021. 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.

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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, 2022

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. 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, 2022, are recorded as prepaid items.

J. Capital Assets

Capital assets, including construction or acquisition of infrastructure assets, are capitalized in the programs used to acquire or construct them. 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 service capacity of 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, 2022

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

K. Vacation and Sick Leave Compensation

Employees earn annual leave at varying rates based upon years of service up to a maximum of 24 days per year. At termination, employees are paid for any accumulated annual leave. The liability for accrued but unused annual leave at June 30, 2022 is \$431,848 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.

L. 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, depreciation, and other postemployment benefits. These estimates may be adjusted as more current information becomes available and any adjustment could be significant.

M. Imputation of Interest

The Authority makes loans to homeowners, program participants, and affiliates and obtains loans from state agencies and other governmental entities for the purposes of carrying out the Authority's and the state's affordable housing objectives. Accordingly, some notes receivable or payable that bear no interest, or bear a below market interest rate, do not require the imputation of interest in accordance with accounting standards.

N. Deferred Outflows/Inflows of Resources

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

O. Postemployment Benefits Other than Pensions (OPEB)

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

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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 fair value as of year-end. The fair 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.

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, 2022, the Authority's deposits consist of the following:

	Proprietary Fund	Discrete Component Units
Demand deposit accounts (checking, savings, and money market accounts)	\$ 24,158,834	\$ 673,775
Time deposits - certificates of deposit	211,715	32,525
Total deposits	\$ 24,370,549	\$ 706,300

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, 2022, the Authority's deposits with financial institutions for all fund types, including fiduciary funds and blended component units, had a carrying amount of \$24,370,549 and a bank balance of \$24,804,055. For the discretely presented component units, the carrying amount of such deposits amount to \$706,300 and bank balances of \$721,579. 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	\$ 1,711,715	\$ 564,173
Collateralized under the Commonwealth's public depository fund in accordance with the laws of the Commonwealth of Virginia	23,092,340	61,359
Uninsured, uncollateralized	-	96,047
Total bank balance	\$ 24,804,055	\$ 721,579

As of June 30, 2022, the Authority's deposits are classified in the financial statements as follows:

	Proprietary Fund	Discrete Component Units
Cash and cash equivalents	\$ 24,370,549	\$ 706,300

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 2 – DEPOSITS AND INVESTMENTS: (Continued)

Investments:

As of June 30, 2022, 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	\$ 3,125,250	\$ -
Virginia Investment Pool Stable NAV Liquidity Pool	56 days	AAAm	3,956,815	-
Virginia Investment Pool High Quality Bond Fund	657 days	AA+f/S1	320,007	-
VML/VACo Pooled OPEB Trust	N/A	N/A	-	1,715,825
Total			<u>\$ 7,402,072</u>	<u>\$ 1,715,825</u>

As of June 30, 2022, the Authority's investments are classified in the financial statements as follows:

	Proprietary Fund	Fiduciary Fund
Cash and cash equivalents	\$ 3,125,250	\$ -
Investments	4,276,822	1,715,825
Total investments	<u>\$ 7,402,072</u>	<u>\$ 1,715,825</u>

Classification in Financial Statements:

In summary, as of June 30, 2022, the Authority's cash and cash equivalents consist of the following:

	Proprietary Fund	Fiduciary Fund	Discrete Component Units
Deposits with financial institutions	\$ 24,370,549	\$ -	\$ 706,300
Investments - short-term	3,125,250	-	-
Petty cash and change funds	3,600	-	-
Total cash and cash equivalents	<u>\$ 27,499,399</u>	<u>\$ -</u>	<u>\$ 706,300</u>
Restricted for:			
Capital improvements replacement reserve	\$ 3,090,864		\$ -
Security deposits	169,182		31,742
Rental Assistance HAP Reserve	102,376		-
Rental Assistance Unearned Revenue	39,298		-
Program income and revolving construction loans	2,436,738		-
Family Self Sufficiency (FSS) program escrow	205,317		-
Replacement reserve and other reserve accounts	2,449,460		172,733
	<u>8,493,235</u>		<u>204,475</u>
Unrestricted	<u>\$ 19,006,164</u>		<u>\$ 501,825</u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 2 – DEPOSITS AND INVESTMENTS: (Continued)

In summary, as of June 30, 2022, the Authority's investments consist of the following:

	Proprietary Fund	Fiduciary Fund	Discrete Component Units
Investments	\$ 4,276,822	\$ 1,715,825	\$ -
Unrestricted	4,276,822	1,715,825	-
Reserves held by VHDA	598,859	-	80,194
Restricted	598,859	-	80,194
Total investments	<u>\$ 4,875,681</u>	<u>\$ 1,715,825</u>	<u>\$ 80,194</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, 2022, is 27 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, 2022, is 56 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, 2022, is 1.80 years (657 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.

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 \$3,125,250 investment in repurchase agreements are uninsured and unregistered investments for which the securities are held by the counter party, 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. Deposits are required to be either covered by FDIC or be collateralized with securities held by third-party custodians in the Authority's name.

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

Fair value – The Authority categorizes its fair value measurements within the fair value hierarchy established by 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.

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

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 2 – DEPOSITS AND INVESTMENTS: (Continued)

The VML/VACO Pooled OPEB Trust and Virginia Investment Pool 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 and Virginia Investment Pool 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 and Virginia Investment Pool 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, 2022 consist of the following:

	Proprietary Fund	Discrete Component Units
Tenants/program participants	\$ 1,054,458	\$ 31,588
Less: Allowance	(718,914)	(16,702)
	335,544	14,886
HUD - unrequisioned costs	565,908	-
HUD - operating subsidy	5,127	-
HUD - housing assistance payments	76,295	-
HUD - administrative fees	198,891	-
Loan program participants	52,243	-
Other governments	685,428	-
Due from landlords/owners	265,043	-
Interest	15,750	-
Affiliated property owners:		
Great Oak	122,229	-
Miscellaneous	4,249	-
Total	\$ 2,326,707	\$ 14,886

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
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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	\$ 350,651	\$ 267,872	\$ -	\$ -	\$ -	\$ -	\$ 1,072	\$ -	\$ -
Less: Allowance	(181,133)	(267,801)	-	-	-	-	(591)	-	-
	<u>169,518</u>	<u>71</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>481</u>	<u>-</u>	<u>-</u>
HUD - unrequisioned costs	202,892	10,567	-	-	-	79,024	-	-	273,425
HUD - operating subsidy	4,778	-	-	-	-	-	-	-	-
HUD - housing assistance payments	-	-	-	-	-	-	517	-	-
HUD - administrative fees	-	198,891	-	-	-	-	-	-	-
Loan program participants	-	-	-	1,735	50,508	-	-	-	-
Other governments	292,584	14,140	51,337	-	61,000	-	-	63,946	-
Due from landlords/owners	-	265,043	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Affiliated property owners:									
Great Oak	-	-	122,229	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-
Total	\$ 669,772	\$ 488,712	\$ 173,566	\$ 1,735	\$ 111,508	\$ 79,024	\$ 998	\$ 63,946	\$ 273,425

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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	\$ -	\$ 21,938	\$ 27,739	\$ 58,543	\$ 38,557	\$ 138,310	\$ 45,734	\$ 97,066	\$ 6,976	\$ 1,054,458
Less: Allowance	-	(11,022)	(13,783)	(39,785)	(27,357)	(86,160)	(23,814)	(63,728)	(3,740)	(718,914)
	-	10,916	13,956	18,758	11,200	52,150	21,920	33,338	3,236	335,544
HUD - unrequisioned costs	-	-	-	-	-	-	-	-	-	565,908
HUD - operating subsidy	-	161	188	-	-	-	-	-	-	5,127
HUD - housing assistance payments	-	-	-	52,739	-	-	-	4,422	18,617	76,295
HUD - administrative fees	-	-	-	-	-	-	-	-	-	198,891
Loan program participants	-	-	-	-	-	-	-	-	-	52,243
Other governments	163,478	-	-	-	-	-	10,824	24,047	4,072	685,428
Due from landlords/owners	-	-	-	-	-	-	-	-	-	265,043
Interest	15,750	-	-	-	-	-	-	-	-	15,750
Affiliated property owners:										
Great Oak	-	-	-	-	-	-	-	-	-	122,229
Miscellaneous	455	-	-	-	-	-	-	-	3,794	4,249
Total	\$ 179,683	\$ 11,077	\$ 14,144	\$ 71,497	\$ 11,200	\$ 52,150	\$ 32,744	\$ 61,807	\$ 29,719	\$ 2,326,707

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NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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 (1/20th) of the principal balance of this note outstanding on December 31, 2041 shall be due and payable on December 31st of each year until December 31, 2061, at which time the balance of principal remaining unpaid shall be due and payable.

	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 on April 26, 2010. Under this agreement, funding of \$900,000 was provided in the form of a “cash grant” in exchange for the low-income housing tax credits. This “revenue” will be recognized over the 15-year tax credit compliance period. This is in substance a loan that is being amortized over 15 years so it is reported as such with one fifteenth (1/15th) being forgiven each year. This agreement is secured by a credit line deed of trust and VHDA has a security interest in the real property until the end of the 15-year compliance period. As of June 30, 2022, \$300,000 was deferred or outstanding under this agreement.

	Principal	Interest	Total Payments
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
	\$ 240,000	\$ -	\$ 240,000

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, 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 year ending June 30, 2027	16,555	17,612	34,167
For the years ending June 30, 2028-2032	93,316	77,517	170,833
For the years ending June 30, 2033-2037	113,655	57,178	170,833
For the years ending June 30, 2038-2042	138,427	32,406	170,833
For the years ending June 30, 2043-2045	91,443	5,363	96,806
	\$ 513,458	\$ 266,682	\$ 780,140

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NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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, 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 year ending June 30, 2027	85,077	45,768	130,845
For the years ending June 30, 2028-2032	451,848	202,378	654,226
For the years ending June 30, 2033-2037	499,326	154,900	654,226
For the years ending June 30, 2038-2042	551,795	102,431	654,226
For the years ending June 30, 2043-2047	609,778	44,448	654,226
For the years ending June 30, 2048	129,441	1,388	130,829
	<u>\$ 2,651,070</u>	<u>\$ 750,888</u>	<u>\$ 3,401,958</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 1/15th 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, 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 year ending June 30, 2027	-	21,000	21,000
For the years ending June 30, 2028-2032	-	105,000	105,000
For the years ending June 30, 2033-2034	700,000	22,750	722,750
	<u>\$ 700,000</u>	<u>\$ 232,750</u>	<u>\$ 932,750</u>

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NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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, 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 year ending June 30, 2027	51,348	12,337	63,685
For the years ending June 30, 2028-2032	264,581	53,842	318,423
For the years ending June 30, 2033-2037	278,140	40,283	318,423
For the years ending June 30, 2038-2042	292,394	26,029	318,423
For the years ending June 30, 2043-2047	307,379	11,044	318,423
For the years ending June 30, 2048	63,342	344	63,686
	<u>\$ 1,457,518</u>	<u>\$ 198,285</u>	<u>\$ 1,655,803</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 1/15th 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, 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 year ending June 30, 2027	-	21,000	21,000
For the years ending June 30, 2028-2032	-	105,000	105,000
For the years ending June 30, 2033-2034	700,000	22,750	722,750
	<u>\$ 700,000</u>	<u>\$ 232,750</u>	<u>\$ 932,750</u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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

Lassiter Courts:

The final cost of the Lassiter Courts Apartments were financed in part by a permanent first mortgage loan from the 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. Future maturities are as follows:

	Principal	Interest	Total Payments
For the year ending June 30, 2023	\$ 42,950	\$ 41,940	\$ 84,890
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 year ending June 30, 2027	48,323	36,568	84,891
For the years ending June 30, 2028-2032	264,173	160,280	424,453
For the years ending June 30, 2033-2037	306,102	118,351	424,453
For the years ending June 30, 2038-2042	354,687	69,766	424,453
For the years ending June 30, 2043-2046	288,331	15,860	304,191
	<u>\$ 1,441,279</u>	<u>\$ 560,725</u>	<u>\$ 2,002,004</u>

The final cost of the Lassiter Courts Apartments were partially financed in part by a permanent deferred payment note from the 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 1/30th 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, 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 year ending June 30, 2027	-	8,000	8,000
For the years ending June 30, 2028-2032	-	40,000	40,000
For the years ending June 30, 2033-2037	-	40,000	40,000
For the years ending June 30, 2038-2042	-	40,000	40,000
For the years ending June 30, 2043-2047	-	40,000	40,000
For the years ending June 30, 2048-2051	800,000	29,333	829,333
	<u>\$ 800,000</u>	<u>\$ 229,333</u>	<u>\$ 1,029,333</u>

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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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

Spratley House:

The final cost of the Spratley House Apartments were financed in part by a permanent first mortgage loan from the VHDA. On June 23, 2022 a permanent first mortgage loan of \$1,400,000 was executed, payable in equal monthly installments of \$4,036.95 for 30 years with an interest rate of 0.25% per annum. This note matures on July 1, 2052. Future maturities are as follows:

	Principal	Interest	Total
For the year ended June 30, 2023	\$ 41,164	\$ 3,242	\$ 44,406
For the year ended June 30, 2024	45,098	3,345	48,443
For the year ended June 30, 2025	45,211	3,233	48,444
For the year ended June 30, 2026	45,324	3,119	48,443
For the year ended June 30, 2027	45,437	3,006	48,443
For the years ended June 30, 2028-2032	228,898	13,319	242,217
For the years ended June 30, 2033-2037	231,778	10,439	242,217
For the years ended June 30, 2038-2042	234,692	7,525	242,217
For the years ended June 30, 2043-2047	237,646	4,571	242,217
For the years ended June 30, 2048-2052	240,633	1,584	242,217
For the years ended June 30, 2053	4,119	1	4,120
	<u>\$ 1,400,000</u>	<u>\$ 53,384</u>	<u>\$ 1,453,384</u>

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

	Principal	Interest	Total
For the year ended June 30, 2023	\$ -	\$ 7,511	\$ 7,511
For the year ended June 30, 2024	-	8,000	8,000
For the year ended June 30, 2025	-	8,000	8,000
For the year ended June 30, 2026	-	8,000	8,000
For the year ended June 30, 2027	-	8,000	8,000
For the years ended June 30, 2028-2032	-	40,000	40,000
For the years ended June 30, 2033-2037	-	40,000	40,000
For the years ended June 30, 2038-2042	-	40,000	40,000
For the years ended June 30, 2043-2047	-	40,000	40,000
For the years ended June 30, 2048-2052	-	40,000	40,000
For the years ended June 30, 2053	800,000	1,334	801,334
	<u>\$ 800,000</u>	<u>\$ 240,845</u>	<u>\$ 1,040,845</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.

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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, 2022	\$	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
Accrued interest for the year ended June 30, 2022		55,965
Total accrued interest due as of June 30, 2022	\$	727,228

In the REAC FDS presented as supplemental information, the accrued interest payable of \$727,228 is reported on line 353, Noncurrent Liabilities – Other, and the interest receivable of \$727,228 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 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, 2022

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, 2022, 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
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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
	<hr/> <hr/> \$ 3,599,250

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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, 2022, 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 Lassiter Courts LLC ("Maker") for Public Housing Operating Reserve funds provided for this development. This note bears interest at a rate of 0.0% per annum and is due and payable on October 1, 2048 or upon the conveyance of the property. This note is secured by a Leasehold Deed of Trust. Annual principal payments on the outstanding balance of principal shall be made from Maker to noteholder from Maker's Net Cash 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

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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
On December 18, 2020 a Promissory Note for \$500,000 was executed between the Authority and Lassiter Courts LLC (Maker) for an FHLB Affordable Housing Program (HAP) provided for this development. This note bears no interest and is due and payable in December 2060 or upon the conveyance of the property.	500,000
	<u>\$ 3,556,764</u>

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

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 ownerships of these rental units.

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 \$2,527,755 was advanced under this agreement. During 2022 it was noted that early advances totaling \$956,894 had been initially classified as contributions rather than loan advances.	\$ 2,527,755
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NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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

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, 2022, the Authority had advanced \$110,000 to the Maker. 110,000

1,859,842

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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 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.

On March 31, 2021, a Promissory Note for \$300,000 was executed between the Authority and Spratley House LLC ("Maker") for Capital Fund Program funds provided for this development. This note bears interest at a rate of 0.0% per annum and is due and payable on March 1, 2051 or upon the conveyance of the property. This note is secured by a Leasehold Deed of Trust. Annual principal payments on the outstanding balance of principal shall be made from Maker to noteholder from Maker's Net Cash Flow, as defined in and in accordance with Section 11.03 of Maker's Amended and Restated Operating Agreement . Any remaining balance shall be due and payable in full on March 1, 2051. \$ 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 Amended 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 Amended and Restated Operating Agreement . Any remaining balance shall be due and payable in full on March 1, 2051. 97,595

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 Amended 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

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

2,847,595
\$ 24,765,109

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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

Change in long-term liabilities:

Long-term liabilities activity for the year ended June 30, 2022 was as follows:

	Balance at June 30, 2021	Additions	Reductions	Balance at June 30, 2022	Due Within One Year
<u>Proprietary Fund:</u>					
VHDA TCAP Note Payable	\$ 1,004,231	\$ -	\$ -	\$ 1,004,231	\$ -
VHDA Exchange Note Payable	300,000	-	60,000	240,000	-
VHDA Mortgage - 2713 Lofts	527,051	-	13,593	513,458	14,139
VHDA Mortgage -					
Oyster Point-Brighton LLC	2,728,057	-	76,987	2,651,070	78,541
DHCD Deferred Note -					
Oyster Point-Brighton LLC	700,000	-	-	700,000	-
VHDA Mortgage -					
Cypress Terrace LLC	1,506,362	-	48,844	1,457,518	49,335
DHCD Deferred Note -					
Cypress Terrace LLC	700,000	-	-	700,000	-
VHDA Mortgage - Lassiter Courts LLC	1,482,983	-	41,704	1,441,279	42,950
DHCD Deferred Note - Lassiter Courts LLC	800,000	-	-	800,000	-
VHDA Mortgage - Spratley House LLC	-	1,400,000	-	1,400,000	41,164
DHCD Deferred Note - Spratley House LLC	-	800,000	-	800,000	-
Escrow liabilities	165,500	358,989	319,172	205,317	-
Compensated absences	517,105	289,117	374,374	431,848	2,309
Net OPEB Liability (Asset)	19,978	193,793	606,330	(392,559)	-
	<u>\$ 10,451,267</u>	<u>\$ 3,041,899</u>	<u>\$ 1,541,004</u>	<u>\$ 11,952,162</u>	<u>\$ 228,438</u>

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, 2021, the balance of this loan was \$1,024,693 and interest expense of \$34,375 has been incurred and reported as expense. 1,024,693

\$ 1,204,693

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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

Future maturities are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total Payments</u>
For the year ending December 31, 2022	\$ 71,068	\$ 29,272	\$ 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 year ending December 31, 2026	79,957	20,383	100,340
For the years ending December 31, 2027-2031	437,110	64,590	501,700
For the years ending December 31, 2032-2033	210,349	14,744	225,093
	<u>\$ 1,024,693</u>	<u>\$ 203,800</u>	<u>\$ 1,228,493</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.

\$ 1,439,582

The Choice Neighborhood I, LLC executed a promissory note with the Authority on June 11, 2021 in the amount of \$6,126,678 with interest at the rate of three percent (3%) annually. The entire amount of principal and interest shall be due and payable on that date which is the later of thirty-five (35) calendar years from the date hereof or June 1, 2056.

836,313

\$ 2,275,895

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.

\$ 1,525,669

The Choice Neighborhood II, LLC executed a promissory note with the Authority on June 11, 2021 in the amount of \$4,682,239 with interest at the rate of three percent (3%) annually. The entire amount of principal and interest shall be due and payable on that date which is the later of thirty-five (35) calendar years from the date hereof or June 1, 2056.

1,022,842

\$ 2,548,511

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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

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

The Carrie 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.

\$ 321,723

Total discretely presented component unit

\$ 6,350,822

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	1,093,697	-	69,004	1,024,693	71,068
Construction Loan - Choice Neighborhood I, LLC	1,160,372	279,210	-	1,439,582	-
Loan payable to NNRHA - Choice Neighborhood I, LLC	-	836,313	-	836,313	-
Construction Loan - Choice Neighborhood II, LLC	1,316,761	208,908	-	1,525,669	-
Loan payable to NNRHA - Choice Neighborhood II, LLC	-	1,022,842	-	1,022,842	-
Loan payable to NNRHA - Carrier Point Commercial	10,993	310,730	-	321,723	-
Compensated absences	4,310	-	699	3,611	-
	<u>\$ 3,766,133</u>	<u>\$ 2,658,003</u>	<u>\$ 69,703</u>	<u>\$ 6,354,433</u>	<u>\$ 71,068</u>

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NOTES TO FINANCIAL STATEMENTS

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NOTE 5 – CAPITAL ASSETS:

Capital asset activity for the year ended June 30, 2022 was as follows:

	Balance at June 30, 2021	Additions	Transfers/ Reductions	Balance at June 30, 2022
<u>Proprietary Fund:</u>				
Land and improvements	\$ 7,677,821	\$ -	\$ (601,116)	\$ 7,076,705
Construction in progress	2,793,896	3,452,054	(5,592,846)	653,104
Total capital assets, not being depreciated	<u>10,471,717</u>	<u>3,452,054</u>	<u>(6,193,962)</u>	<u>7,729,809</u>
Buildings and improvements	128,192,955	134,463	5,235,537	133,562,955
Furniture, equipment, vehicles, and fixtures	3,681,630	174,529	(2,658)	3,853,501
Total capital assets, being depreciated	<u>131,874,585</u>	<u>308,992</u>	<u>5,232,879</u>	<u>137,416,456</u>
Accumulated depreciation				
Buildings and improvements	(64,080,116)	(3,554,845)	199,684	(67,435,277)
Furniture, equipment, vehicles, and fixtures	(2,586,758)	(232,853)	157,483	(2,662,128)
Total accumulated depreciation	<u>(66,666,874)</u>	<u>(3,787,698)</u>	<u>357,167</u>	<u>(70,097,405)</u>
Total capital assets, being depreciated (net)	<u>65,207,711</u>	<u>(3,478,706)</u>	<u>5,590,046</u>	<u>67,319,051</u>
Total	<u>\$ 75,679,428</u>	<u>\$ (26,652)</u>	<u>\$ (603,916)</u>	<u>\$ 75,048,860</u>

Depreciation expense of \$3,787,698 was charged to the Proprietary Fund.

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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 5 – CAPITAL ASSETS: (Continued)

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	3,788,549	(20,942)	7,518,903
Total capital assets, not being depreciated	<u>3,961,712</u>	<u>3,788,549</u>	<u>(20,942)</u>	<u>7,771,203</u>
Buildings and improvements	7,487,141	82,247	20,942	7,590,330
Furniture, equipment, vehicles, and fixtures	199,656	-	-	199,656
Total capital assets, being depreciated	<u>7,686,797</u>	<u>82,247</u>	<u>20,942</u>	<u>7,789,986</u>
Accumulated depreciation				
Buildings and improvements	(1,280,462)	(213,217)	-	(1,493,679)
Furniture, equipment, vehicles, and fixtures	(125,935)	(19,965)	-	(145,900)
Total accumulated depreciation	<u>(1,406,397)</u>	<u>(233,182)</u>	<u>-</u>	<u>(1,639,579)</u>
Total capital assets, being depreciated (net)	<u>6,280,400</u>	<u>(150,935)</u>	<u>20,942</u>	<u>6,150,407</u>
Total	<u>\$ 10,242,112</u>	<u>\$ 3,637,614</u>	<u>\$ -</u>	<u>\$ 13,921,610</u>

Depreciation expense of \$233,182 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 1st day of the month following attaining the six months' eligibility requirements are eligible for enrollment into the Plan. Contributions made by an employee vest immediately and contributions made by the Authority vest after five years of full-time employment. An employee who leaves the employment of the Authority is entitled to his or her contributions and the Authority's contributions to the extent vested and the earnings on these amounts. As determined by the Plan provisions, employees are not required to contribute to the pension plan. The Authority is required to contribute an amount equal to 12% of the employee's annual salary as of July 1st of each year.

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JUNE 30, 2022

NOTE 6 – EMPLOYEE RETIREMENT PLAN: (Continued)

During the year ended June 30, 2022, the Authority's required and actual contributions and pension expense amounted to \$476,178, which was 12% of its covered payroll. No contribution forfeitures were recognized for the year ended June 30, 2022 and there was a liability of \$17,572 for unpaid contributions as of June 30, 2022.

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-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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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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, 2022 are as follows:

Employer contributions to the Trust	\$	-
Employer stipends paid to retirees		25,074
Employer payments for insurance coverage for retirees		33,372
Less: retiree payments for coverage		<u>(18,204)</u>
Total	\$	<u>40,242</u>

The components of the net OPEB asset of the Authority at June 30, 2022 calculated in accordance with U.S. GAAP were as follows:

Total OPEB liability	\$	1,558,943
Plan fiduciary net position		<u>1,715,825</u>
Net OPEB asset	\$	<u>(156,882)</u>
Plan fiduciary net position as a percentage of the total OPEB asset		<u>110.06%</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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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS: (Continued)

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

For the year ended June 30, 2022, the annual money-weighted rate of return on investments, net of investment expense, was -9.23%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Asset:

The components of the net OPEB asset 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	1,892,921
Net OPEB asset	\$ (392,559)
Plan fiduciary net position as a percentage of the total OPEB asset	126.16%

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

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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS: (Continued)

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).

Asset Class	Index	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return	Long-Term Expected Geometric Real Rate of Return
US Core Fixed Income	Bloomberg Barclays Aggregate	21.00%	1.39%	1.28%
US Large Cap US Equities	S&P 500 TR USD	26.00%	4.94%	3.46%
US Small Cap US Equities	Russell 2000 TR USD	10.00%	6.73%	4.18%
Foreign Developed Equities	MSCI EAFE NR USD	13.00%	6.27%	4.52%
Emerging Market Equities	MSCI EM NR USD	5.00%	8.82%	5.31%
Private Real Estate Property	NCREIF Property	7.00%	4.61%	3.58%
Private Equity	Cambridge US Private Equity	5.00%	10.36%	6.15%
Commodities	Bloomberg Commodity TR USD	3.00%	1.99%	0.61%
Hedge FOF Strategic	HRFI FOF Diversified	10.00%	3.58%	2.67%
		100.00%		
Assumed Inflation			2.40%	2.40%
Assumed Inflation - Standard Deviation			1.23%	1.23%
Portfolio Real Mean Return			4.76%	3.97%
Portfolio Nominal Mean Return			7.16%	6.46%
Portfolio Standard Deviation				12.28%
Long-Term Expected Rate of Return				6.50%

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NOTES TO FINANCIAL STATEMENTS

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NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS: (Continued)

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 asset was measured as of June 30, 2021, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as July 1, 2020.

Change in the Net OPEB Asset:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Asset (a) - (b)
Balance as of June 30, 2020	\$ 1,477,128	\$ 1,457,150	\$ 19,978
Charges for the year:			
Service cost	60,026	-	60,026
Interest on total OPEB liability	97,240	-	97,240
Effect of economic/demographic gains or losses	(84,776)	-	(84,776)
Effect of assumption changes or inputs	34,376	-	34,376
Benefit payments	(83,632)	(83,632)	-
Employer contributions	-	83,632	(83,632)
Net investment income	-	437,922	(437,922)
Administrative expenses	-	(2,151)	2,151
Balance as of June 30, 2021	<u>\$ 1,500,362</u>	<u>\$ 1,892,921</u>	<u>\$ (392,559)</u>

Sensitivity of the Net OPEB Asset to Changes in the Discount Rate:

The following presents the net OPEB asset of the Authority, as well as what the Authority's net OPEB asset 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 asset	\$ (266,986)	\$ (392,559)	\$ (502,236)

Sensitivity of the Net OPEB Asset to Changes in the Healthcare Cost Trend Rates:

The following presents the net OPEB asset of the Authority, as well as what the Authority's net OPEB asset 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 asset	\$ (474,188)	\$ (392,559)	\$ (298,480)

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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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, 2022, the Authority recognized OPEB expense of \$40,242. At June 30, 2022, 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	\$ -	\$ 109,785
Changes of assumptions	26,932	3,991
Net difference between projected and actual earnings on OPEB plan investments	-	238,982
Contributions to OPEB plan between July 1, 2021 and June 30, 2022	40,242	-
Total Equity	\$ 67,174	\$ 352,758

\$40,242 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, 2023.

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

Year ending June 30, 2023	\$ 96,205
Year ending June 30, 2024	87,286
Year ending June 30, 2025	71,279
Year ending June 30, 2026	71,056
	\$ 325,826

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, 2022, there were six series of Tax-Exempt Mortgage Revenue Bonds outstanding with an aggregate principal amount payable of \$32,518,436.

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

JUNE 30, 2022

NOTE 10 – NOTES AND MORTGAGES RECEIVABLE: (Continued)

Notes and mortgages receivable at June 30, 2022 consist of the following:

	Community Development Program	HOME Investment Partnerships Program	Central Office Cost Center Program	Choice Neighborhood Grant Program	Business Activities Program	Proprietary Fund Total
<u>Restricted assets:</u>						
Program loans due from participants	\$ 1,909,290	\$ 4,769,096	\$ -	\$ -	\$ -	\$ 6,678,386
	<u>1,909,290</u>	<u>4,769,096</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,678,386</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	-	-	-	-	11,627	11,627
Due from Choice Neighborhood I, LLC due June 1, 2056	-	700,013	-	4,036,650	654,286	5,390,949
Due from Choice Neighborhood I, LLC due June 1, 2056	-	-	-	940,554	179,195	1,119,749
Due from Carrier Point Commercial Partners, LLC due June 1, 2051	-	-	-	-	745,803	745,803
Down payment assistance loans due from homebuyers	-	-	-	-	24,681	24,681
	<u>-</u>	<u>700,013</u>	<u>1,473,746</u>	<u>4,977,204</u>	<u>1,795,592</u>	<u>8,946,555</u>
	<u>\$ 1,909,290</u>	<u>\$ 5,469,109</u>	<u>\$ 1,473,746</u>	<u>\$ 4,977,204</u>	<u>\$ 1,795,592</u>	<u>\$ 15,624,941</u>

NOTE 11 – ACCOUNTS PAYABLE:

Payables at June 30, 2022 consist of the following:

	Proprietary Fund	Discrete Component Units
Vendors and Contractors	\$ 1,409,563	\$ 895,356
Accrued utilities	200,305	-
Other payroll withholdings	141,375	-
HUD - SRO settlement - FY 2021	1,811	-
HUD - excess administrative fees	6,039	-
US Treasury - interest on NRA/HAP	299	-
Other governments	130,073	-
Due to affiliates	-	35
Contract retention	205,997	366,139
	<u>\$ 2,095,462</u>	<u>\$ 1,261,530</u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 11 – ACCOUNTS PAYABLE: (Continued)

Detailed information by program at June 30, 2022 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	\$ 289,185	\$ 82,729	\$ 21,016	\$ 26,376	\$ 538,734	\$ 45	\$ 230	\$ 1,430	\$ 57,377	
Accrued utilities	147,513	1,863	3,189	-	-	-	1,516	-	-	
Other payroll withholdings	-	-	141,375	-	-	-	-	-	-	
HUD - SRO settlement - FY 2022	-	1,811	-	-	-	-	-	-	-	
HUD - excess administrative fees	-	6,039	-	-	-	-	-	-	-	
US Treasury - interest on NRA/HAP	-	299	-	-	-	-	-	-	-	
Other governments	48,740	752	-	-	-	-	-	-	-	
Contract retention	133,342	-	-	-	-	-	-	-	-	
	<u>\$ 618,780</u>	<u>\$ 93,493</u>	<u>\$ 165,580</u>	<u>\$ 26,376</u>	<u>\$ 538,734</u>	<u>\$ 45</u>	<u>\$ 1,746</u>	<u>\$ 1,430</u>	<u>\$ 57,377</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	\$ 209,858	\$ 17,695	\$ 13,058	\$ 11,007	\$ 50	\$ 40,340	\$ 74,392	\$ 19,522	\$ 6,519	\$ 1,409,563
Accrued utilities	-	7,573	-	73	685	19,406	11,052	2,210	5,225	200,305
Other payroll withholdings	-	-	-	-	-	-	-	-	-	141,375
HUD - SRO settlement - FY 2020	-	-	-	-	-	-	-	-	-	1,811
HUD - excess administrative fees	-	-	-	-	-	-	-	-	-	6,039
US Treasury - interest on NRA/HAP	-	-	-	-	-	-	-	-	-	299
Other governments	-	3,368	22,024	16,217	-	38,972	-	-	-	130,073
Contract retention	72,655	-	-	-	-	-	-	-	-	205,997
	<u>\$ 282,513</u>	<u>\$ 28,636</u>	<u>\$ 35,082</u>	<u>\$ 27,297</u>	<u>\$ 735</u>	<u>\$ 98,718</u>	<u>\$ 85,444</u>	<u>\$ 21,732</u>	<u>\$ 11,744</u>	<u>\$ 2,095,462</u>

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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 12 – ACCRUED SALARIES AND EXPENSES:

Accrued salaries and expenses at June 30, 2022 consist of the following:

	Proprietary Fund	Discrete Component Units
Salaries and wages	\$ 166,607	\$ 1,720
	\$ 166,607	\$ 1,720

Accrued salaries and expenses at June 30, 2022 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	\$ 38,843	\$ 21,594	\$ 60,644	\$ 3,489	\$ 1,359	\$ 6,474	\$ 511	\$ 4,539	\$ 1,678	
	\$ 38,843	\$ 21,594	\$ 60,644	\$ 3,489	\$ 1,359	\$ 6,474	\$ 511	\$ 4,539	\$ 1,678	
		Orcutt Housing/ Ashe Manor	Orcutt Townhomes	Townhomes III	Lofts on Jefferson	Point - Brighton	Cypress Terrace	Lassiter Courts	Spratley House	Total
Salaries and wages	\$ 5,113	\$ 3,148	\$ 1,409	\$ 798	\$ 399	\$ 9,432	\$ 1,960	\$ 3,526	\$ 1,691	\$ 166,607
	\$ 5,113	\$ 3,148	\$ 1,409	\$ 798	\$ 399	\$ 9,432	\$ 1,960	\$ 3,526	\$ 1,691	\$ 166,607

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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 13 – OTHER ASSETS:

Other assets at June 30, 2022 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	\$ -	\$ 375,704	\$ 375,704
Redevelopment costs for City funded redevelopment programs	49,300	-	49,300
	\$ 49,300	\$ 375,704	\$ 425,004

NOTE 14 – CONSTRUCTION COMMITMENTS:

Proprietary Fund:

The Authority has active construction projects as of June 30, 2022. 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
<u>Proprietary Fund</u>		
Ridley Place demolition	\$ 1,333,417	\$ -
	\$ 1,333,417	\$ -
 <u>Discrete Component Units</u>		
Carrier Point Commercial unit	\$ 357,470	\$ 546,484
Carrier Point I construction	1,553,547	8,177,835
Carrier Point II construction	1,750,369	7,984,129
	\$ 3,661,386	\$ 16,708,448

Proprietary Fund projects are funded with various sources, including Capital Fund Program grants received from HUD, the HOME program, tax credit equity proceeds, and net position. Discrete Component Units projects are funded with various sources, including NNRHA loans and tax credit equity proceeds.

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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 15 – DEFICIT NET POSITION:

At June 30, 2022, 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 \$9,390. 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 \$617,454. 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 16 – 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, 2022, restricted net position was as follows:

Reserves and escrows:	
Tax credit operating and replacement	\$ 1,356,957
2713 Lofts escrow, operating and replacement reserves	35,869
Oyster Point-Brighton escrow reserves	881,430
Cypress Terrace escrow reserves	376,054
Lassiter Courts escrow reserves	360,529
Sprately House escrow reserves	37,479
	3,048,318
Housing Choice Voucher and Maintstream HAP reserves (RNA)	102,376
Loan programs:	
CDBG net position associated with loan balances	1,909,290
HOME program net position associated with loan balances	4,769,096
	6,678,386
Accumulated CD and HOME funds:	
CDBG accumulated net position	1,249,406
HOME City construction funds	1,426,102
HOME unexpended program income	914,313
HOME accumulated net position	2,878,994
	6,468,815
Restricted for redevelopment activities:	
Sales proceeds restricted for future development	2,468,499
	2,468,499
	\$ 18,766,394

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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 16 – RESTRICTED NET POSITION: (Continued)

Specific details by program are as follows:

Public Housing Program:

Restricted for Capital Activities:

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

Sales proceeds	\$ 2,468,499
----------------	--------------

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	Emergency Housing Vouchers	Total
Balance at July 1, 2021	\$ 721,877	\$ -	\$ -	\$ 721,877
Current period (deficiency) of funding	(775,492)	37,109	65,012	(673,371)
FSS forfeitures	51,283	-	-	51,283
Fraud recoveries	2,332	255	-	2,587
Balance at June 30, 2022	\$ -	\$ 37,364	\$ 65,012	\$ 102,376

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, 2022, the restricted balances due are as follows:

	Loans	Accumulated Net Position	Total
CDBG Program	\$ 1,909,290	\$ 1,249,406	\$ 3,158,696
HOME Program	4,769,096	5,219,409	9,988,505
	\$ 6,678,386	\$ 6,468,815	\$ 13,147,201

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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 16 – 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, 2022:

	Orcutt Senior Housing Replacement Reserve	Orcutt Townhomes Operating Reserve	Orcutt Townhomes Replacement Reserve	Orcutt Townhomes III Operating Reserve	Orcutt Townhomes III Replacement Reserve	Total
Balance at July 1, 2021	\$ 234,058	\$ 298,680	\$ 314,519	\$ 199,961	\$ 86,736	\$ 1,133,954
Interest earned	61	58	83	30	72	304
Deposits	-	-	7,851	-	214,912	437,675
Withdrawals/fees	-	-	-	(64)	-	(64)
Balance at June 30, 2022	<u>\$ 234,119</u>	<u>\$ 298,738</u>	<u>\$ 322,453</u>	<u>\$ 199,927</u>	<u>\$ 301,720</u>	<u>\$ 1,571,869</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, 2022:

	Insurance Escrow	Replacement Reserve	Real Estate Tax Reserves	Total
Balance at July 1, 2021	\$ 4,242	\$ 26,724	\$ 880	\$ 31,846
Interest earned	-	39	-	39
Deposits	5,681	4,200	10,574	20,455
Withdrawals	(5,028)	-	(11,443)	(16,471)
Balance at June 30, 2022	<u>\$ 4,895</u>	<u>\$ 30,963</u>	<u>\$ 11</u>	<u>\$ 35,869</u>

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, 2022:

	Insurance Escrow	Real Estate Tax Reserves	Replacement Reserve	Operating Reserve	Total
Balance at July 1, 2021	\$ 56,864	\$ 17,043	\$ 178,271	\$ 562,223	\$ 814,401
Interest earned	-	-	290	146	436
Deposits	102,323	113,532	58,800	-	274,655
Withdrawals	(88,023)	(120,039)	-	-	(208,062)
Balance at June 30, 2022	<u>\$ 71,164</u>	<u>\$ 10,536</u>	<u>\$ 237,361</u>	<u>\$ 562,369</u>	<u>\$ 881,430</u>

These funds are held by VHDA in various accounts.

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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 16 – RESTRICTED NET POSITION: (Continued)

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, 2022:

	Insurance Escrow	Real Estate Tax Reserves	Replacement Reserve	Operating Reserve	Total
Balance at July 1, 2021	\$ 20,036	\$ 8,558	\$ 74,583	\$ 240,086	\$ 343,263
Interest earned	-	-	121	62	183
Deposits	57,736	58,042	24,600	-	140,378
Withdrawals	(42,548)	(65,222)	-	-	(107,770)
Balance at June 30, 2022	<u>\$ 35,224</u>	<u>\$ 1,378</u>	<u>\$ 99,304</u>	<u>\$ 240,148</u>	<u>\$ 376,054</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, 2022:

	Insurance Escrow	Replacement Reserve	Real Estate Tax Reserves	Operating Reserve	Total
Balance at July 1, 2021	\$ 28,905	\$ 1,252	\$ 12,501	\$ -	\$ 42,658
Interest earned	-	-	45	-	45
Deposits	27,485	11,973	30,000	290,000	359,458
Withdrawals	(29,189)	(12,428)	-	(15)	(41,632)
Balance at June 30, 2022	<u>\$ 27,201</u>	<u>\$ 797</u>	<u>\$ 42,546</u>	<u>\$ 289,985</u>	<u>\$ 360,529</u>

These funds are held by VHDA in various accounts.

Spratley House Restricted Reserves

The Authority owns and operates housing under the terms of a mortgage and regulatory agreement with the Virginia Housing Development Authority (VHDA). VHDA requires that certain reserves 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, 2022:

	Insurance Escrow	Real Estate Tax Reserves	Total
Balance at July 1, 2021	\$ -	\$ -	\$ -
Interest earned	-	-	-
Deposits	24,461	13,018	37,479
Withdrawals	-	-	-
Balance at June 30, 2022	<u>\$ 24,461</u>	<u>\$ 13,018</u>	<u>\$ 37,479</u>

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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 16 – 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, 2021:

	VHDA Tax & Insurance Escrow	Replacement Reserve	Operating Reserve	Total
Balance as of December 31, 2020	\$ 4,219	\$ 53,936	\$ 172,682	\$ 230,837
Interest earned	-	30	51	81
Deposits	63,477	15,914	-	79,391
Withdrawals	(57,382)	-	-	(57,382)
Balance as of December 31, 2021	<u>\$ 10,314</u>	<u>\$ 69,880</u>	<u>\$ 172,733</u>	<u>\$ 252,927</u>

NOTE 17 – 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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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 18 – 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	Sprately House Development Corporation and Sprately House, LLC	Total Blended Component Unit	NNRHA	Eliminations	Primary Government
Assets:													
Current assets	\$ -	\$ 463,048	\$ 142,732	\$ 176,279	\$ 76,802	\$ 592,135	\$ 434,089	\$ 915,333	\$ 390,145	\$ 3,190,563	\$ 23,265,158	\$ -	\$ 26,455,721
Due from other programs	-	-	-	-	-	-	-	-	-	-	3,758,375	(3,758,375)	-
Capital assets	-	2,661,684	2,612,433	3,526,974	1,241,725	17,053,936	8,561,701	10,930,298	7,140,267	53,729,018	21,319,842	-	75,048,860
Other assets	375,704	238,227	629,381	506,063	43,941	919,112	392,468	380,300	45,111	3,530,307	48,815,232	(26,810,941)	25,534,598
Total Assets	\$ 375,704	\$ 3,362,959	\$ 3,384,546	\$ 4,209,316	\$ 1,362,468	\$ 18,565,183	\$ 9,388,258	\$ 12,225,931	\$ 7,575,523	\$ 60,449,888	\$ 97,158,607	\$ (30,569,316)	\$ 127,039,179
Deferred Outflows of Resources	-	-	-	-	-	-	-	-	-	-	67,174	-	67,174
Liabilities:													
Current liabilities	\$ -	\$ 37,947	\$ 65,233	\$ 34,958	\$ 25,311	\$ 251,414	\$ 159,254	\$ 97,105	\$ 63,208	\$ 734,430	\$ 2,572,888	\$ -	\$ 3,307,318
Due to other programs	-	21,882	26,731	47,513	195,124	97,365	521,597	100,927	215,760	1,226,899	2,531,476	(3,758,375)	-
Long-term liabilities	-	3,920,584	2,534,909	3,105,770	500,168	11,265,464	6,065,733	5,804,213	5,046,878	38,243,719	583,505	(26,710,941)	12,116,283
Total Liabilities	-	3,980,413	2,626,873	3,188,241	720,603	11,614,243	6,746,584	6,002,245	5,325,846	40,205,048	5,687,869	(30,469,316)	15,423,601
Deferred Inflows of Resources	-	-	-	-	-	-	-	-	-	-	352,758	-	352,758
Net Position:													
Net investment in capital assets	-	(527,316)	84,678	422,901	728,267	6,517,963	2,804,933	5,132,255	2,092,672	17,256,353	21,319,842	24,765,109	63,341,304
Restricted	-	234,119	621,191	501,647	35,869	881,430	376,054	360,529	37,479	3,048,318	15,718,076	-	18,766,394
Unrestricted	375,704	(324,257)	51,804	96,527	(122,271)	(448,453)	(539,313)	730,902	119,526	(59,831)	54,147,236	(24,865,109)	29,222,296
Total Net Position	\$ 375,704	\$ (617,454)	\$ 757,673	\$ 1,021,075	\$ 641,865	\$ 6,950,940	\$ 2,641,674	\$ 6,223,686	\$ 2,249,677	\$ 20,244,840	\$ 91,185,154	\$ (100,000)	\$ 111,329,994

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 18 – 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
Operating Revenues													
Rental and tenant income	\$ -	\$ 175,442	\$ 115,141	\$ 82,936	\$ 102,833	\$ 507,569	\$ 227,469	\$ 184,294	\$ 23,403	\$ 1,419,087	\$ 1,969,637	\$ -	\$ 3,388,724
Intergovernmental - operating grants	-	-	-	146,642	-	926,412	374,797	486,752	18,617	1,953,220	45,955,335	-	47,908,555
Fee revenue	-	-	-	-	-	-	-	-	-	-	2,809,204	(2,678,144)	131,060
Other income	-	301	111	-	-	397	31,063	324	162	32,358	1,839,960	(107,065)	1,765,253
Total Operating Revenue	-	175,743	115,252	229,578	102,833	1,434,378	633,329	671,370	42,182	3,404,665	52,574,136	(2,785,209)	53,193,592
Operating Expenses													
Other operating expenses	-	568,170	335,975	177,958	94,058	1,303,655	687,326	620,746	485,782	4,273,670	41,166,319	(2,785,209)	42,654,780
Depreciation	-	209,206	193,301	181,840	58,943	606,010	311,045	384,704	119,885	2,064,934	1,722,764	-	3,787,698
Total Operating Expenses	-	777,376	529,276	359,798	153,001	1,909,665	998,371	1,005,450	605,667	6,338,604	42,889,083	(2,785,209)	46,442,478
Operating Income (Loss)	-	(601,633)	(414,024)	(130,220)	(50,168)	(475,287)	(365,042)	(334,080)	(563,485)	(2,933,939)	9,685,053	-	6,751,114
Nonoperating Revenues (Expenses)	(154)	(55,739)	181	143	(20,476)	(204,183)	(94,412)	(57,273)	(108,044)	(539,957)	2,778,071	-	2,238,114
Transfers (from)/to other programs	-	1,069,778	220,105	-	-	(24,436)	24,436	(24,436)	110,171	1,375,618	(1,375,618)	-	-
HUD capital contributions	-	-	-	-	-	-	-	-	-	-	74,205	-	74,205
Tax credit and other proceeds	-	-	-	60,000	-	-	-	754,000	2,755,287	3,569,287	-	-	3,569,287
Change in Net Position	(154)	412,406	(193,738)	(70,077)	(70,644)	(703,906)	(435,018)	338,211	2,193,929	1,471,009	11,161,711	-	12,632,720
Net position (deficit), beginning of year	375,858	(1,029,860)	951,411	1,091,152	712,509	7,654,846	3,076,692	5,885,475	55,748	18,773,831	80,023,443	(100,000)	98,697,274
Net position (deficit), end of year	\$ 375,704	\$ (617,454)	\$ 757,673	\$ 1,021,075	\$ 641,865	\$ 6,950,940	\$ 2,641,674	\$ 6,223,686	\$ 2,249,677	\$ 20,244,840	\$ 91,185,154	\$ (100,000)	\$ 111,329,994

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
Net Cash Provided (Used) by:													
Operating activities	\$ -	\$ 410,480	\$ 40,901	\$ 65,000	\$ 74,673	\$ 265,629	\$ 420,918	\$ (61,869)	\$ (1,572,897)	\$ (357,165)	\$ 7,467,611	\$ -	\$ 7,110,446
Capital and related financing activities	-	(14,754)	(6,937)	-	(39,660)	(167,789)	(89,119)	1,138,830	1,571,782	2,392,353	2,143,897	(500,000)	4,036,250
Noncapital financing activities	-	-	-	-	-	-	-	-	-	-	(6,793,944)	500,000	(6,293,944)
Investing activities	-	226	180	143	(3,969)	(66,372)	(32,516)	(27,800)	18	(130,090)	13,917	-	(116,173)
Net Increase (Decrease) in Cash	-	395,952	34,144	65,143	31,044	31,468	299,283	1,049,161	(1,097)	1,905,098	2,831,481	-	4,736,579
Cash, beginning 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
Cash, end of year	\$ -	\$ 687,311	\$ 750,481	\$ 602,785	\$ 70,319	\$ 1,092,863	\$ 629,645	\$ 1,154,300	\$ 365,887	\$ 5,353,591	\$ 22,145,808	\$ -	\$ 27,499,399

REQUIRED SUPPLEMENTARY INFORMATION

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
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REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Changes in Net OPEB Liability (Asset) and Related Ratios

	JUNE 30, 2022					
	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB liability						
Service cost	\$ 63,828	\$ 60,026	\$ 66,407	\$ 62,057	\$ 55,038	\$ 51,437
Interest	98,358	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	(103,605)	(83,632)	(93,962)	(95,442)	(135,423)	(116,524)
Net change in OPEB liability	<u>58,581</u>	<u>23,234</u>	<u>58,355</u>	<u>(52,160)</u>	<u>20,349</u>	<u>33,687</u>
Total OPEB liability - beginning	<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>	<u>1,416,897</u>
Total OPEB liability - ending (a)	<u><u>\$ 1,558,943</u></u>	<u><u>\$ 1,500,362</u></u>	<u><u>\$ 1,477,128</u></u>	<u><u>\$ 1,418,773</u></u>	<u><u>\$ 1,470,933</u></u>	<u><u>\$ 1,450,584</u></u>
Plan fiduciary net position						
Contributions - employer	\$ 103,605	\$ 83,632	\$ 93,962	\$ 95,442	\$ 195,423	\$ 116,524
Net investment income	(174,563)	437,922	43,277	62,307	117,508	134,772
Benefit payments	(103,605)	(83,632)	(93,962)	(95,442)	(135,423)	(116,524)
Administrative expenses	(2,533)	(2,151)	(2,073)	(1,973)	(1,865)	(1,751)
Net change in fiduciary net position	<u>(177,096)</u>	<u>435,771</u>	<u>41,204</u>	<u>60,334</u>	<u>175,643</u>	<u>133,021</u>
Plan fiduciary net position - beginning	<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>	<u>1,046,948</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 1,715,825</u></u>	<u><u>\$ 1,892,921</u></u>	<u><u>\$ 1,457,150</u></u>	<u><u>\$ 1,415,946</u></u>	<u><u>\$ 1,355,612</u></u>	<u><u>\$ 1,179,969</u></u>
Net OPEB liability - ending (a) - (b)	<u><u>\$ (156,882)</u></u>	<u><u>\$ (392,559)</u></u>	<u><u>\$ 19,978</u></u>	<u><u>\$ 2,827</u></u>	<u><u>\$ 115,321</u></u>	<u><u>\$ 270,615</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	110.06%	126.16%	98.65%	99.80%	92.16%	81.34%
Covered employee payroll	4,043,209	4,043,209	4,160,028	4,160,028	3,776,000	3,776,000
Net OPEB liability as a percentage of covered employee payroll	-3.88%	-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 (asset) liability reported by the Authority has a measurement date one year prior to the reporting date.

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION

OPEB Schedule of Contributions

JUNE 30, 2022

	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Actuarially determined contribution	\$ 66,266	\$ 62,310	\$ 68,277	\$ 63,970	\$ 85,600	\$ 81,100
Contributions in relation to the actuarially determined contribution	(37,243)	(52,239)	(56,128)	(47,300)	(139,914)	(76,958)
Contribution excess (deficiency)	<u>\$ 29,023</u>	<u>\$ 10,071</u>	<u>\$ 12,149</u>	<u>\$ 16,670</u>	<u>\$ (54,314)</u>	<u>\$ 4,142</u>
Covered employee payroll	\$ 4,043,209	\$ 4,043,209	\$ 4,160,028	\$ 4,160,028	\$ 3,776,000	\$ 3,776,000
Contributions as a percentage of covered employee payroll	0.92%	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, 2022

	<u>June 30, 2022</u>	<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	-9.23%	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, 2022

	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
ASSETS							
Current assets:							
Cash and equivalents - unrestricted	\$ 5,120,745	\$ 3,712,630	\$ 2,157,001	\$ 746,183	\$ 38,629	\$ -	\$ 318,888
Accounts receivable (net of allowance)	669,772	488,712	173,566	1,735	111,508	79,024	998
Due from other programs	-	-	3,130,718	3,013	-	-	-
Due from component units	-	-	709,600	-	-	-	-
Investments	3,474,063	-	106,669	-	-	-	201,045
Prepaid expenses	10,640	5,004	11,423	-	-	-	498
Total current assets	<u>9,275,220</u>	<u>4,206,346</u>	<u>6,288,977</u>	<u>750,931</u>	<u>150,137</u>	<u>79,024</u>	<u>521,429</u>
Restricted assets:							
Cash and equivalents - restricted	2,571,516	303,094	-	-	2,436,738	-	3,779
Investments - restricted	-	-	-	-	-	-	-
Notes receivable (noncurrent)	-	-	-	1,909,290	4,769,096	-	-
Total restricted assets	<u>2,571,516</u>	<u>303,094</u>	<u>-</u>	<u>1,909,290</u>	<u>7,205,834</u>	<u>-</u>	<u>3,779</u>
Noncurrent assets:							
Notes and mortgages receivable	-	-	1,473,746	-	700,013	-	-
Nondepreciable capital assets	1,930,051	32,000	-	-	-	-	17,201
Capital assets (net)	17,868,644	46,545	109,542	4,170	-	-	79,797
Interprogram notes receivable	20,763,454	-	-	536,913	2,536,000	-	-
Accrued interest receivable	1,218,604	-	-	-	-	-	-
Net OPEB asset	-	-	392,559	-	-	-	-
Other noncurrent assets	-	-	-	-	-	-	-
Total noncurrent assets	<u>41,780,753</u>	<u>78,545</u>	<u>1,975,847</u>	<u>541,083</u>	<u>3,236,013</u>	<u>-</u>	<u>96,998</u>
TOTAL ASSETS	<u>53,627,489</u>	<u>4,587,985</u>	<u>8,264,824</u>	<u>3,201,304</u>	<u>10,591,984</u>	<u>79,024</u>	<u>622,206</u>
DEFERRED OUTFLOWS OF RESOURCES							
Deferred outflows related to OPEB plan	-	-	67,174	-	-	-	-

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

COMBINING STATEMENT OF NET POSITION

PROPRIETARY FUND PROGRAMS

JUNE 30, 2022

	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
LIABILITIES							
Current liabilities:							
Accounts payable and accrued expenses	\$ 618,780	\$ 93,493	\$ 165,580	\$ 26,376	\$ 538,734	\$ 45	\$ 1,746
Due to other programs	1,051,883	395,083	627,657	-	54,447	72,505	13,777
Accrued salaries	38,843	21,594	60,644	3,489	1,359	6,474	511
Accrued interest payable	-	-	-	-	-	-	-
Unearned revenues	53,302	39,298	-	-	43	-	479
Security deposit liabilities	63,214	-	-	-	-	-	3,779
Compensated absences	-	-	-	-	-	-	-
Current portion of notes and mortgages payable	-	-	-	-	-	-	-
Total current liabilities	1,826,022	549,468	853,881	29,865	594,583	79,024	20,292
Long-term liabilities:							
Compensated absences	67,075	54,532	230,453	8,573	8,896	-	2,490
Notes and mortgages payable	-	-	-	-	-	-	-
Interprogram notes payable	-	-	-	-	-	-	-
Accrued interest payable	-	-	-	-	-	-	-
Trust, deposit and escrow liabilities	39,803	161,420	-	-	-	-	-
Total long-term liabilities	106,878	215,952	230,453	8,573	8,896	-	2,490
TOTAL LIABILITIES	1,932,900	765,420	1,084,334	38,438	603,479	79,024	22,782
DEFERRED INFLOWS OF RESOURCES							
Deferred inflows related to OPEB plan	-	-	352,758	-	-	-	-
Total deferred inflows	-	-	352,758	-	-	-	-
NET POSITION							
Net investment in capital assets	19,798,695	78,545	109,542	4,170	-	-	96,998
Restricted for:							
Reserves and escrows	-	-	-	-	-	-	-
HAP reserves	-	102,376	-	-	-	-	-
Loan programs	-	-	-	1,909,290	4,769,096	-	-
Other	2,468,499	-	-	1,249,406	5,219,409	-	-
Unrestricted (deficit)	29,427,395	3,641,644	6,785,364	-	-	-	502,426
TOTAL NET POSITION	\$ 51,694,589	\$ 3,822,565	\$ 6,894,906	\$ 3,162,866	\$ 9,988,505	\$ -	\$ 599,424

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

COMBINING STATEMENT OF NET POSITION

PROPRIETARY FUND PROGRAMS

JUNE 30, 2022

	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
ASSETS							
Current assets:							
Cash and equivalents - unrestricted	\$ -	\$ -	\$ 4,114,241	\$ -	\$ 449,084	\$ 121,100	\$ 96,722
Accounts receivable (net of allowance)	63,946	273,425	179,683	-	11,077	14,144	71,497
Due from other programs	-	-	624,644	-	-	-	-
Due from component units	-	-	-	-	-	-	-
Investments	-	-	495,045	-	-	-	-
Prepaid expenses	-	-	485	-	2,887	7,488	8,060
Total current assets	<u>63,946</u>	<u>273,425</u>	<u>5,414,098</u>	<u>-</u>	<u>463,048</u>	<u>142,732</u>	<u>176,279</u>
Restricted assets:							
Cash and equivalents - restricted	-	-	622,364	-	238,227	629,381	506,063
Investments - restricted	-	-	-	-	-	-	-
Notes receivable (noncurrent)	-	-	-	-	-	-	-
Total restricted assets	<u>-</u>	<u>-</u>	<u>622,364</u>	<u>-</u>	<u>238,227</u>	<u>629,381</u>	<u>506,063</u>
Noncurrent assets:							
Notes and mortgages receivable	-	4,977,204	1,795,592	-	-	-	-
Nondepreciable capital assets	-	550,000	198,164	-	58,963	100,014	37,800
Capital assets (net)	-	-	483,728	-	2,602,721	2,512,419	3,489,174
Interprogram notes receivable	-	-	928,742	-	-	-	-
Accrued interest receivable	-	-	727,228	-	-	-	-
Net OPEB asset	-	-	-	-	-	-	-
Other noncurrent assets	-	-	149,300	375,704	-	-	-
Total noncurrent assets	<u>-</u>	<u>5,527,204</u>	<u>4,282,754</u>	<u>375,704</u>	<u>2,661,684</u>	<u>2,612,433</u>	<u>3,526,974</u>
TOTAL ASSETS	<u>63,946</u>	<u>5,800,629</u>	<u>10,319,216</u>	<u>375,704</u>	<u>3,362,959</u>	<u>3,384,546</u>	<u>4,209,316</u>
DEFERRED OUTFLOWS OF RESOURCES							
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, 2022

	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	\$ 1,430	\$ 57,377	\$ 282,513	\$ -	\$ 28,636	\$ 35,082	\$ 27,297
Due to other programs	65,180	210,935	40,009	-	21,882	26,731	47,513
Accrued salaries	4,539	5,113	1,678	-	3,148	1,409	798
Accrued interest payable	-	-	-	-	-	-	-
Unearned revenues	-	-	480,146	-	2,055	24,646	2,447
Security deposit liabilities	-	-	-	-	4,108	4,096	4,416
Compensated absences	1,795	514	-	-	-	-	-
Current portion of notes and mortgages payable	-	-	-	-	-	-	-
Total current liabilities	<u>72,944</u>	<u>273,939</u>	<u>804,346</u>	<u>-</u>	<u>59,829</u>	<u>91,964</u>	<u>82,471</u>
Long-term liabilities:							
Compensated absences	392	9,550	321	-	4,356	3,060	1,697
Notes and mortgages payable	-	-	-	-	-	-	1,244,231
Interprogram notes payable	-	-	-	-	3,189,000	2,527,755	1,859,842
Accrued interest payable	-	-	-	-	727,228	-	-
Trust, deposit and escrow liabilities	-	-	-	-	-	4,094	-
Total long-term liabilities	<u>392</u>	<u>9,550</u>	<u>321</u>	<u>-</u>	<u>3,920,584</u>	<u>2,534,909</u>	<u>3,105,770</u>
TOTAL LIABILITIES	<u>73,336</u>	<u>283,489</u>	<u>804,667</u>	<u>-</u>	<u>3,980,413</u>	<u>2,626,873</u>	<u>3,188,241</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>							
Deferred inflows related to OPEB plan	-	-	-	-	-	-	-
Total deferred inflows	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>NET POSITION</u>							
Net investment in capital assets	-	550,000	681,892	-	(527,316)	84,678	422,901
Restricted for:							
Reserves and escrows	-	-	-	-	234,119	621,191	501,647
HAP reserves	-	-	-	-	-	-	-
Loan programs	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Unrestricted (deficit)	<u>(9,390)</u>	<u>4,967,140</u>	<u>8,832,657</u>	<u>375,704</u>	<u>(324,257)</u>	<u>51,804</u>	<u>96,527</u>
TOTAL NET POSITION	<u>\$ (9,390)</u>	<u>\$ 5,517,140</u>	<u>\$ 9,514,549</u>	<u>\$ 375,704</u>	<u>\$ (617,454)</u>	<u>\$ 757,673</u>	<u>\$ 1,021,075</u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

COMBINING STATEMENT OF NET POSITION

PROPRIETARY FUND PROGRAMS

JUNE 30, 2022

	Lofts on Jefferson	Oyster Point- Brighton	Cypress Terrace	Lassiter Courts	Spratley House	Total	Eliminations	Proprietary Fund
ASSETS								
Current assets:								
Cash and equivalents - unrestricted	\$ 62,247	\$ 492,812	\$ 373,083	\$ 844,544	\$ 358,255	\$ 19,006,164	\$ -	\$ 19,006,164
Accounts receivable (net of allowance)	11,200	52,150	32,744	61,807	29,719	2,326,707	-	2,326,707
Due from other programs	-	-	-	-	-	3,758,375	(3,758,375)	-
Due from component units	-	-	-	-	-	709,600	-	709,600
Investments	-	-	-	-	-	4,276,822	-	4,276,822
Prepaid expenses	3,355	47,173	28,262	8,982	2,171	136,428	-	136,428
Total current assets	<u>76,802</u>	<u>592,135</u>	<u>434,089</u>	<u>915,333</u>	<u>390,145</u>	<u>30,214,096</u>	<u>(3,758,375)</u>	<u>26,455,721</u>
Restricted assets:								
Cash and equivalents - restricted	8,072	600,051	256,562	309,756	7,632	8,493,235	-	8,493,235
Investments - restricted	35,869	319,061	135,906	70,544	37,479	598,859	-	598,859
Notes receivable (noncurrent)	-	-	-	-	-	6,678,386	-	6,678,386
Total restricted assets	<u>43,941</u>	<u>919,112</u>	<u>392,468</u>	<u>380,300</u>	<u>45,111</u>	<u>15,770,480</u>	<u>-</u>	<u>15,770,480</u>
Noncurrent assets:								
Notes and mortgages receivable	-	-	-	-	-	8,946,555	-	8,946,555
Nondepreciable capital assets	-	2,800,000	1,190,000	15,616	800,000	7,729,809	-	7,729,809
Capital assets (net)	1,241,725	14,253,936	7,371,701	10,914,682	6,340,267	67,319,051	-	67,319,051
Interprogram notes receivable	-	-	-	-	-	24,765,109	(24,765,109)	-
Accrued interest receivable	-	-	-	-	-	1,945,832	(1,945,832)	-
Net OPEB asset	-	-	-	-	-	392,559	-	392,559
Other noncurrent assets	-	-	-	-	-	525,004	(100,000)	425,004
Total noncurrent assets	<u>1,241,725</u>	<u>17,053,936</u>	<u>8,561,701</u>	<u>10,930,298</u>	<u>7,140,267</u>	<u>111,623,919</u>	<u>(26,810,941)</u>	<u>84,812,978</u>
TOTAL ASSETS	<u>1,362,468</u>	<u>18,565,183</u>	<u>9,388,258</u>	<u>12,225,931</u>	<u>7,575,523</u>	<u>157,608,495</u>	<u>(30,569,316)</u>	<u>127,039,179</u>
DEFERRED OUTFLOWS OF RESOURCES								
Deferred outflows related to OPEB plan	-	-	-	-	-	67,174	-	67,174

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

COMBINING STATEMENT OF NET POSITION

PROPRIETARY FUND PROGRAMS

JUNE 30, 2022

	Lofts on Jefferson	Oyster Point- Brighton	Cypress Terrace	Lassiter Courts	Spratley House	Total	Eliminations	Proprietary Fund
<u>LIABILITIES</u>								
Current liabilities:								
Accounts payable and accrued expenses	\$ 735	\$ 98,718	\$ 85,444	\$ 21,732	\$ 11,744	\$ 2,095,462	\$ -	\$ 2,095,462
Due to other programs	195,124	97,365	521,597	100,927	215,760	3,758,375	(3,758,375)	-
Accrued salaries	399	9,432	1,960	3,526	1,691	166,607	-	166,607
Accrued interest payable	1,690	6,168	2,965	4,210	256	15,289	-	15,289
Unearned revenues	276	20,873	3,136	4,917	721	632,339	-	632,339
Security deposit liabilities	8,072	37,682	16,414	19,770	7,632	169,183	-	169,183
Compensated absences	-	-	-	-	-	2,309	-	2,309
Current portion of notes and mortgages payable	14,139	78,541	49,335	42,950	41,164	226,129	-	226,129
Total current liabilities	<u>220,435</u>	<u>348,779</u>	<u>680,851</u>	<u>198,032</u>	<u>278,968</u>	<u>7,065,693</u>	<u>(3,758,375)</u>	<u>3,307,318</u>
Long-term liabilities:								
Compensated absences	849	14,107	5,460	14,865	2,863	429,539	-	429,539
Notes and mortgages payable	499,319	3,272,529	2,108,183	2,198,329	2,158,836	11,481,427	-	11,481,427
Interprogram notes payable	-	7,184,903	3,599,250	3,556,764	2,847,595	24,765,109	(24,765,109)	-
Accrued interest payable	-	793,925	352,840	34,255	37,584	1,945,832	(1,945,832)	-
Trust, deposit and escrow liabilities	-	-	-	-	-	205,317	-	205,317
Total long-term liabilities	<u>500,168</u>	<u>11,265,464</u>	<u>6,065,733</u>	<u>5,804,213</u>	<u>5,046,878</u>	<u>38,827,224</u>	<u>(26,710,941)</u>	<u>12,116,283</u>
TOTAL LIABILITIES	<u>720,603</u>	<u>11,614,243</u>	<u>6,746,584</u>	<u>6,002,245</u>	<u>5,325,846</u>	<u>45,892,917</u>	<u>(30,469,316)</u>	<u>15,423,601</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>								
Deferred inflows related to OPEB plan	-	-	-	-	-	352,758	-	352,758
Total deferred inflows	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>352,758</u>	<u>-</u>	<u>352,758</u>
<u>NET POSITION</u>								
Net investment in capital assets	728,267	6,517,963	2,804,933	5,132,255	2,092,672	38,576,195	24,765,109	63,341,304
Restricted for:								
Reserves and escrows	35,869	881,430	376,054	360,529	37,479	3,048,318	-	3,048,318
HAP reserves	-	-	-	-	-	102,376	-	102,376
Loan programs	-	-	-	-	-	6,678,386	-	6,678,386
Other	-	-	-	-	-	8,937,314	-	8,937,314
Unrestricted (deficit)	<u>(122,271)</u>	<u>(448,453)</u>	<u>(539,313)</u>	<u>730,902</u>	<u>119,526</u>	<u>54,087,405</u>	<u>(24,865,109)</u>	<u>29,222,296</u>
TOTAL NET POSITION	<u>\$ 641,865</u>	<u>\$ 6,950,940</u>	<u>\$ 2,641,674</u>	<u>\$ 6,223,686</u>	<u>\$ 2,249,677</u>	<u>\$ 111,429,994</u>	<u>\$ (100,000)</u>	<u>\$ 111,329,994</u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

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

PROPRIETARY FUND PROGRAMS

FOR THE YEAR ENDED JUNE 30, 2022

	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
OPERATING REVENUES:							
Rental and tenant income	\$ 1,931,561	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,076
Intergovernmental - operating grants	9,048,440	26,263,244	-	1,329,570	997,810	168,218	54,210
Fee revenue	-	-	2,809,204	-	-	-	-
Other income	53,645	76,039	1,197,382	10,332	228,969	-	-
Total operating revenues	<u>11,033,646</u>	<u>26,339,283</u>	<u>4,006,586</u>	<u>1,339,902</u>	<u>1,226,779</u>	<u>168,218</u>	<u>92,286</u>
OPERATING EXPENSES:							
Administration	2,128,278	1,905,611	2,391,711	397,248	87,925	45	20,090
Tenant services	176,290	33,103	500	-	-	168,173	-
Utilities	1,661,447	14,775	26,354	-	-	-	19,674
Ordinary maintenance	1,999,521	23,139	151,873	-	-	-	21,152
Protective services	68,985	-	12,715	-	-	-	-
Insurance expense	288,586	34,078	72,275	-	1,245	-	4,303
General expenses	164,482	-	-	912,587	318,509	-	(104)
Nonroutine maintenance	1,697,519	-	-	-	-	-	-
Housing assistance payments	-	24,443,050	-	-	-	-	-
Depreciation	1,606,762	8,839	44,736	1,777	-	-	8,425
Total operating expenses	<u>9,791,870</u>	<u>26,462,595</u>	<u>2,700,164</u>	<u>1,311,612</u>	<u>407,679</u>	<u>168,218</u>	<u>73,540</u>
OPERATING INCOME (LOSS)	<u>1,241,776</u>	<u>(123,312)</u>	<u>1,306,422</u>	<u>28,290</u>	<u>819,100</u>	<u>-</u>	<u>18,746</u>
NONOPERATING REVENUES (EXPENSES):							
Interest and investment revenue	242,096	9,733	(3,577)	22,585	12,737	-	1,054
Interest expense	-	-	-	-	-	-	-
Contributions for AHP direct subsidy	500,000	-	-	-	-	-	-
Gain (loss) on disposition of capital assets	1,876,053	-	12,645	-	-	-	-
Total nonoperating revenues (expenses), net	<u>2,618,149</u>	<u>9,733</u>	<u>9,068</u>	<u>22,585</u>	<u>12,737</u>	<u>-</u>	<u>1,054</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS, TRANSFERS AND PROCEEDS	<u>3,859,925</u>	<u>(113,579)</u>	<u>1,315,490</u>	<u>50,875</u>	<u>831,837</u>	<u>-</u>	<u>19,800</u>
Transfers from/(to) other programs	(1,375,618)	-	-	-	-	-	-
HUD capital contributions	74,205	-	-	-	-	-	-
Tax credit and other proceeds	-	-	-	-	-	-	-
CHANGE IN NET POSITION	<u>2,558,512</u>	<u>(113,579)</u>	<u>1,315,490</u>	<u>50,875</u>	<u>831,837</u>	<u>-</u>	<u>19,800</u>
TOTAL NET POSITION - July 1, 2021,	<u>49,136,077</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>
TOTAL NET POSITION - June 30, 2022	<u>\$ 51,694,589</u>	<u>\$ 3,822,565</u>	<u>\$ 6,894,906</u>	<u>\$ 3,162,866</u>	<u>\$ 9,988,505</u>	<u>\$ -</u>	<u>\$ 599,424</u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

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

PROPRIETARY FUND PROGRAMS

FOR THE YEAR ENDED JUNE 30, 2022

	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
OPERATING REVENUES:							
Rental and tenant income	\$ -	\$ -	\$ -	\$ -	\$ 175,442	\$ 115,141	\$ 82,936
Intergovernmental - operating grants	224,534	5,453,920	2,415,389	-	-	-	146,642
Fee revenue	-	-	-	-	-	-	-
Other income	109,291	-	164,302	-	301	111	-
Total operating revenues	<u>333,825</u>	<u>5,453,920</u>	<u>2,579,691</u>	<u>-</u>	<u>175,743</u>	<u>115,252</u>	<u>229,578</u>
OPERATING EXPENSES:							
Administration	236,172	285,898	156,230	-	118,345	80,145	46,921
Tenant services	-	237,760	143,940	-	7,692	4,214	304
Utilities	4,633	-	1,007	-	108,002	6,105	6,854
Ordinary maintenance	63,383	1,065	36,801	-	307,547	166,418	69,086
Protective services	-	-	-	-	2,961	2,719	-
Insurance expense	23,380	5,047	11,388	-	11,119	31,702	21,906
General expenses	287	1,809	7,784	-	12,504	44,672	32,887
Nonroutine maintenance	-	-	704,596	-	-	-	-
Housing assistance payments	-	-	-	-	-	-	-
Depreciation	861	-	51,364	-	209,206	193,301	181,840
Total operating expenses	<u>328,716</u>	<u>531,579</u>	<u>1,113,110</u>	<u>-</u>	<u>777,376</u>	<u>529,276</u>	<u>359,798</u>
OPERATING INCOME (LOSS)	<u>5,109</u>	<u>4,922,341</u>	<u>1,466,581</u>	<u>-</u>	<u>(601,633)</u>	<u>(414,024)</u>	<u>(130,220)</u>
NONOPERATING REVENUES (EXPENSES):							
Interest and investment revenue	-	44,799	59,946	(154)	226	181	143
Interest expense	-	-	-	-	(55,965)	-	-
Contributions for AHP direct subsidy	-	-	-	-	-	-	-
Gain (loss) on disposition of capital assets	-	-	-	-	-	-	-
Total nonoperating revenues (expenses), net	<u>-</u>	<u>44,799</u>	<u>59,946</u>	<u>(154)</u>	<u>(55,739)</u>	<u>181</u>	<u>143</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS, TRANSFERS AND PROCEEDS	<u>5,109</u>	<u>4,967,140</u>	<u>1,526,527</u>	<u>(154)</u>	<u>(657,372)</u>	<u>(413,843)</u>	<u>(130,077)</u>
Transfers from/(to) other programs	-	-	-	-	1,069,778	220,105	-
HUD capital contributions	-	-	-	-	-	-	-
Tax credit and other proceeds	-	-	-	-	-	-	60,000
CHANGE IN NET POSITION	<u>5,109</u>	<u>4,967,140</u>	<u>1,526,527</u>	<u>(154)</u>	<u>412,406</u>	<u>(193,738)</u>	<u>(70,077)</u>
TOTAL NET POSITION - July 1, 2021,	<u>(14,499)</u>	<u>550,000</u>	<u>7,988,022</u>	<u>375,858</u>	<u>(1,029,860)</u>	<u>951,411</u>	<u>1,091,152</u>
TOTAL NET POSITION - June 30, 2022	<u>\$ (9,390)</u>	<u>\$ 5,517,140</u>	<u>\$ 9,514,549</u>	<u>\$ 375,704</u>	<u>\$ (617,454)</u>	<u>\$ 757,673</u>	<u>\$ 1,021,075</u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

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

PROPRIETARY FUND PROGRAMS

FOR THE YEAR ENDED JUNE 30, 2022

	Lofts on Jefferson	Oyster Point- Brighton	Cypress Terrace	Lassiter Courts	Spratley House	Total	Eliminations	Proprietary Fund
OPERATING REVENUES:								
Rental and tenant income	\$ 102,833	\$ 507,569	\$ 227,469	\$ 184,294	\$ 23,403	\$ 3,388,724	\$ -	\$ 3,388,724
Intergovernmental - operating grants	-	926,412	374,797	486,752	18,617	47,908,555	-	47,908,555
Fee revenue	-	-	-	-	-	2,809,204	(2,678,144)	131,060
Other income	-	397	31,063	324	162	1,872,318	(107,065)	1,765,253
Total operating revenues	<u>102,833</u>	<u>1,434,378</u>	<u>633,329</u>	<u>671,370</u>	<u>42,182</u>	<u>55,978,801</u>	<u>(2,785,209)</u>	<u>53,193,592</u>
OPERATING EXPENSES:								
Administration	18,314	327,172	114,173	108,703	90,047	8,513,028	(2,772,203)	5,740,825
Tenant services	142	6,660	898	2,243	232,608	1,014,527	-	1,014,527
Utilities	8,625	238,834	138,972	43,844	40,759	2,319,885	-	2,319,885
Ordinary maintenance	33,259	410,460	223,801	340,734	60,316	3,908,555	(13,006)	3,895,549
Protective services	-	3,808	10,489	4,567	-	106,244	-	106,244
Insurance expense	6,354	123,193	65,223	45,139	9,199	754,137	-	754,137
General expenses	27,364	193,528	82,120	75,516	52,853	1,926,798	-	1,926,798
Nonroutine maintenance	-	-	51,650	-	-	2,453,765	-	2,453,765
Housing assistance payments	-	-	-	-	-	24,443,050	-	24,443,050
Depreciation	58,943	606,010	311,045	384,704	119,885	3,787,698	-	3,787,698
Total operating expenses	<u>153,001</u>	<u>1,909,665</u>	<u>998,371</u>	<u>1,005,450</u>	<u>605,667</u>	<u>49,227,687</u>	<u>(2,785,209)</u>	<u>46,442,478</u>
OPERATING INCOME (LOSS)	<u>(50,168)</u>	<u>(475,287)</u>	<u>(365,042)</u>	<u>(334,080)</u>	<u>(563,485)</u>	<u>6,751,114</u>	<u>-</u>	<u>6,751,114</u>
NONOPERATING REVENUES EXPENSES:								
Interest and investment revenue	54	511	214	87	18	390,653	(286,951)	103,702
Interest expense	(20,530)	(207,094)	(94,626)	(57,360)	(109,062)	(544,637)	286,951	(257,686)
Contributions for AHP direct subsidy	-	-	-	-	-	500,000	-	500,000
Gain (loss) on disposition of capital assets	-	2,400	-	-	1,000	1,892,098	-	1,892,098
Total nonoperating revenues (expenses), net	<u>(20,476)</u>	<u>(204,183)</u>	<u>(94,412)</u>	<u>(57,273)</u>	<u>(108,044)</u>	<u>2,238,114</u>	<u>-</u>	<u>2,238,114</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS, TRANSFERS AND PROCEEDS	<u>(70,644)</u>	<u>(679,470)</u>	<u>(459,454)</u>	<u>(391,353)</u>	<u>(671,529)</u>	<u>8,989,228</u>	<u>-</u>	<u>8,989,228</u>
Transfers from/(to) other programs	-	(24,436)	24,436	(24,436)	110,171	-	-	-
HUD capital contributions	-	-	-	-	-	74,205	-	74,205
Tax credit and other proceeds	-	-	-	754,000	2,755,287	3,569,287	-	3,569,287
CHANGE IN NET POSITION	<u>(70,644)</u>	<u>(703,906)</u>	<u>(435,018)</u>	<u>338,211</u>	<u>2,193,929</u>	<u>12,632,720</u>	<u>-</u>	<u>12,632,720</u>
TOTAL NET POSITION - July 1, 2021,	712,509	7,654,846	3,076,692	5,885,475	55,748	98,797,274	(100,000)	98,697,274
TOTAL NET POSITION - June 30, 2022	<u>\$ 641,865</u>	<u>\$ 6,950,940</u>	<u>\$ 2,641,674</u>	<u>\$ 6,223,686</u>	<u>\$ 2,249,677</u>	<u>\$111,429,994</u>	<u>\$ (100,000)</u>	<u>\$111,329,994</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, 2022

	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	\$ 1,803,040	\$ 65,214	\$ -	\$ -	\$ -
Cash received for fees/services/donations	-	-	1,341,807	10,332	229,013
Cash operating grants received	8,879,929	26,118,597	-	1,329,570	1,036,810
Cash transfers from (to) other funds and entities	(1,980,721)	(394,637)	1,349,444	(244,594)	18,640
Cash payments for goods, services, rental subsidies	(5,197,426)	(25,065,687)	(972,173)	(843,282)	(177,156)
Cash payments to/for employees and benefits	(1,470,192)	(872,603)	(2,192,044)	(158,757)	(48,617)
Cash payments in lieu of property taxes	(129,326)	-	-	-	-
Net cash provided by (used in) operating activities	<u>1,905,304</u>	<u>(149,116)</u>	<u>(472,966)</u>	<u>93,269</u>	<u>1,058,690</u>
Cash flows from capital and related financing activities:					
Purchase of equipment/capital assets	(525,139)	(22,544)	(4,883)	-	-
Proceeds from sale/disposition of capital assets	2,471,750	-	12,645	-	-
Proceeds from issuing notes and other debt	-	-	-	-	-
Transfers from/to other funds for capital activities	850	-	(850)	-	-
Proceeds from sale of tax credits	-	-	-	-	-
Contributions received for capital outlays	289,852	-	-	-	-
Loan principal payments	-	-	-	-	-
Interest payments	-	-	-	-	-
Net cash provided by (used in) capital and related financing activities	<u>2,237,313</u>	<u>(22,544)</u>	<u>6,912</u>	<u>-</u>	<u>-</u>
Cash flows from noncapital financing activities:					
Contributions received for AHP subsidy loan	500,000	-	-	-	-
Loans made to borrowers	(500,000)	-	-	(338,313)	(523,718)
Receipt of interest on notes and loans	-	-	-	22,585	11,787
Loans payments received	-	-	-	239,559	287,034
Net cash provided by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(76,169)</u>	<u>(224,897)</u>
Cash flows from investing activities:					
Receipts of interest and dividends	1,884	7,380	120	-	936
Deposits (withdrawals) to/from reserve accounts	-	-	-	-	-
Net cash provided by (used in) investing activities	<u>1,884</u>	<u>7,380</u>	<u>120</u>	<u>-</u>	<u>936</u>
Net increase (decrease) in cash	4,144,501	(164,280)	(465,934)	17,100	834,729
Cash and equivalents at July 1, 2021	3,547,760	4,180,004	2,622,935	729,083	1,640,638
Cash and equivalents at June 30, 2022	<u>\$ 7,692,261</u>	<u>\$ 4,015,724</u>	<u>\$ 2,157,001</u>	<u>\$ 746,183</u>	<u>\$ 2,475,367</u>
Reconciliation to statement of net position:					
Cash and cash equivalents - unrestricted	5,120,745	3,712,630	2,157,001	746,183	38,629
Cash and cash equivalents - restricted	2,571,516	303,094	-	-	2,436,738
	<u>\$ 7,692,261</u>	<u>\$ 4,015,724</u>	<u>\$ 2,157,001</u>	<u>\$ 746,183</u>	<u>\$ 2,475,367</u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

COMBINING STATEMENT OF CASH FLOWS

PROPRIETARY FUND PROGRAMS

FOR THE YEAR ENDED JUNE 30, 2022

	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)	\$ 1,241,776	\$ (123,312)	\$ 1,306,422	\$ 28,290	\$ 819,100
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation	1,606,762	8,839	44,736	1,777	-
Operating transfers	(1,400,054)	-	-	-	-
Change in assets and liabilities:					
Decrease (increase) in accounts receivable	(350,778)	(160,650)	(99,808)	(107)	20,609
Decrease (increase) in due from other funds/programs	(11,993)	(1,619)	(1,835,230)	(3,013)	-
Decrease (increase) in notes and mortgages receivable	-	-	-	63,019	173,921
Decrease (increase) in prepaid expenses	(1,355)	1,464	41,424	-	161
Decrease (increase) in deferred outflows of resources	-	-	31,497	-	-
Increase (decrease) in accounts payable	173,051	(133,562)	71,575	5,141	(9,225)
Increase (decrease) in due to other funds/programs	665,536	273,018	111,300	(3,248)	53,640
Increase (decrease) in accrued liabilities	4,269	(2,929)	11,507	(305)	228
Increase (decrease) in compensated absences	(21,748)	(19,467)	(21,823)	1,715	213
Increase (decrease) in trust, deposit, and escrow liabilities	4,735	25,804	-	-	-
Increase (decrease) in unearned revenues	5,889	(16,702)	-	-	43
Increase (decrease) in OPEB liabilities	-	-	(412,537)	-	-
Increase (decrease) in deferred inflows of resources	(10,786)	-	277,971	-	-
Net cash provided by (used in) operating activities	<u>\$ 1,905,304</u>	<u>\$ (149,116)</u>	<u>\$ (472,966)</u>	<u>\$ 93,269</u>	<u>\$ 1,058,690</u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

COMBINING STATEMENT OF CASH FLOWS

PROPRIETARY FUND PROGRAMS

FOR THE YEAR ENDED JUNE 30, 2022

	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	\$ -	\$ 39,221	\$ -	\$ -	\$ -
Cash received for fees/services/donations	-	-	109,290	-	164,301
Cash operating grants received	113,933	53,693	241,301	5,610,640	852,848
Cash transfers from (to) other funds and entities	53,383	4,003	(85,496)	(55,199)	(48,362)
Cash payments for goods, services, rental subsidies	(9,451)	(41,733)	(105,796)	(398,700)	(811,230)
Cash payments to/for employees and benefits	(157,865)	(17,994)	(159,299)	(224,336)	(94,578)
Cash payments in lieu of property taxes	-	-	-	-	(144)
Net cash provided by (used in) operating activities	<u>-</u>	<u>37,190</u>	<u>-</u>	<u>4,932,405</u>	<u>62,835</u>
Cash flows from capital and related financing activities:					
Purchase of equipment/capital assets	-	-	-	-	(77,784)
Proceeds from sale/disposition of capital assets	-	-	-	-	-
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	-	-	-	-	-
Interest payments	-	-	-	-	-
Net cash provided by (used in) capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(77,784)</u>
Cash flows from noncapital financing activities:					
Contributions received for AHP subsidy loan	-	-	-	-	-
Loans made to borrowers	-	-	-	(4,932,405)	(1,562,540)
Receipt of interest on notes and loans	-	-	-	-	-
Loans payments received	-	-	-	-	2,067
Net cash provided by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,932,405)</u>	<u>(1,560,473)</u>
Cash flows from investing activities:					
Receipts of interest and dividends	-	520	-	-	3,077
Deposits (withdrawals) to/from reserve accounts	-	-	-	-	-
Net cash provided by (used in) investing activities	<u>-</u>	<u>520</u>	<u>-</u>	<u>-</u>	<u>3,077</u>
Net increase (decrease) in cash	-	37,710	-	-	(1,572,345)
Cash and equivalents at July 1, 2021	-	284,957	-	-	6,308,950
Cash and equivalents at June 30, 2022	<u>\$ -</u>	<u>\$ 322,667</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,736,605</u>
Reconciliation to statement of net position:					
Cash and cash equivalents - unrestricted	-	318,888	-	-	4,114,241
Cash and cash equivalents - restricted	-	3,779	-	-	622,364
	<u>\$ -</u>	<u>\$ 322,667</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,736,605</u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

COMBINING STATEMENT OF CASH FLOWS

PROPRIETARY FUND PROGRAMS

FOR THE YEAR ENDED JUNE 30, 2022

	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)	\$ -	\$ 18,746	\$ 5,109	\$ 4,922,341	\$ 1,466,581
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation	-	8,425	861	-	51,364
Operating transfers	-	-	-	-	-
Change in assets and liabilities:					
Decrease (increase) in accounts receivable	(54,285)	(354)	16,767	156,720	(146,399)
Decrease (increase) in due from other funds/programs	-	-	-	-	(28,740)
Decrease (increase) in notes and mortgages receivable	-	-	-	-	7,640
Decrease (increase) in prepaid expenses	-	(409)	352	416	(298)
Decrease (increase) in deferred outflows of resources	-	-	-	-	-
Increase (decrease) in accounts payable	45	(2,400)	(4,204)	(145,123)	282,348
Increase (decrease) in due to other funds/programs	53,383	12,217	(14,801)	(3,199)	1,028
Increase (decrease) in accrued liabilities	857	87	974	(559)	(145)
Increase (decrease) in compensated absences	-	75	(5,058)	1,809	(8,003)
Increase (decrease) in trust, deposit, and escrow liabilities	-	324	-	-	-
Increase (decrease) in unearned revenues	-	479	-	-	(1,562,541)
Increase (decrease) in OPEB liabilities	-	-	-	-	-
Increase (decrease) in deferred inflows of resources	-	-	-	-	-
Net cash provided by (used in) operating activities	<u>\$ -</u>	<u>\$ 37,190</u>	<u>\$ -</u>	<u>\$ 4,932,405</u>	<u>\$ 62,835</u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

COMBINING STATEMENT OF CASH FLOWS

PROPRIETARY FUND PROGRAMS

FOR THE YEAR ENDED JUNE 30, 2022

	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	\$ -	\$ 164,285	\$ 115,394	\$ 63,207	\$ 85,651
Cash received for fees/services/donations	-	301	111	-	-
Cash operating grants received	-	-	-	93,903	-
Cash transfers from (to) other funds and entities	-	742,021	186,013	20,316	59,959
Cash payments for goods, services, rental subsidies	-	(375,854)	(200,005)	(77,972)	(42,649)
Cash payments to/for employees and benefits	-	(116,468)	(60,612)	(34,454)	(17,271)
Cash payments in lieu of property taxes	-	(3,805)	-	-	(11,017)
Net cash provided by (used in) operating activities	-	410,480	40,901	65,000	74,673
Cash flows from capital and related financing activities:					
Purchase of equipment/capital assets	-	(14,754)	(6,937)	-	(5,494)
Proceeds from sale/disposition of capital assets	-	-	-	-	-
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	-	-	-	-	(13,592)
Interest payments	-	-	-	-	(20,574)
Net cash provided by (used in) capital and related financing activities	-	(14,754)	(6,937)	-	(39,660)
Cash flows from noncapital financing activities:					
Contributions received for AHP subsidy loan	-	-	-	-	-
Loans made to borrowers	-	-	-	-	-
Receipt of interest on notes and loans	-	-	-	-	-
Loans payments received	-	-	-	-	-
Net cash provided by noncapital financing activities	-	-	-	-	-
Cash flows from investing activities:					
Receipts of interest and dividends	-	226	180	143	15
Deposits (withdrawals) to/from reserve accounts	-	-	-	-	(3,984)
Net cash provided by (used in) investing activities	-	226	180	143	(3,969)
Net increase (decrease) in cash	-	395,952	34,144	65,143	31,044
Cash and equivalents at July 1, 2021	-	291,359	716,337	537,642	39,275
Cash and equivalents at June 30, 2022	\$ -	\$ 687,311	\$ 750,481	\$ 602,785	\$ 70,319
Reconciliation to statement of net position:					
Cash and cash equivalents - unrestricted	-	449,084	121,100	96,722	62,247
Cash and cash equivalents - restricted	-	238,227	629,381	506,063	8,072
	\$ -	\$ 687,311	\$ 750,481	\$ 602,785	\$ 70,319

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

COMBINING STATEMENT OF CASH FLOWS

PROPRIETARY FUND PROGRAMS

FOR THE YEAR ENDED JUNE 30, 2022

	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)	\$ -	\$ (601,633)	\$ (414,024)	\$ (130,220)	\$ (50,168)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation	-	209,206	193,301	181,840	58,943
Operating transfers	-	1,094,214	220,105	-	-
Change in assets and liabilities:					
Decrease (increase) in accounts receivable	-	(5,801)	(7,641)	(54,236)	(190)
Decrease (increase) in due from other funds/programs	-	-	-	-	-
Decrease (increase) in notes and mortgages receivable	-	-	-	-	-
Decrease (increase) in prepaid expenses	-	(1,124)	14,384	5,935	332
Decrease (increase) in deferred outflows of resources	-	-	-	-	-
Increase (decrease) in accounts payable	-	15,855	14,632	17,186	(352)
Increase (decrease) in due to other funds/programs	-	(299,926)	5,964	45,155	66,863
Increase (decrease) in accrued liabilities	-	1,272	(76)	(185)	(87)
Increase (decrease) in compensated absences	-	(1,289)	(264)	(49)	(24)
Increase (decrease) in trust, deposit, and escrow liabilities	-	(216)	4,194	(577)	(650)
Increase (decrease) in unearned revenues	-	(78)	10,326	151	6
Increase (decrease) in OPEB liabilities	-	-	-	-	-
Increase (decrease) in deferred inflows of resources	-	-	-	-	-
Net cash provided by (used in) operating activities	<u>\$ -</u>	<u>\$ 410,480</u>	<u>\$ 40,901</u>	<u>\$ 65,000</u>	<u>\$ 74,673</u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

COMBINING STATEMENT OF CASH FLOWS

PROPRIETARY FUND PROGRAMS

FOR THE YEAR ENDED JUNE 30, 2022

	Oyster Point- Brighton	Cypress Terrace	Lassiter Courts	Spratley House
Cash flows from operating activities:				
Cash received from tenants/others	\$ 441,144	\$ 193,926	\$ 118,830	\$ 23,552
Cash received for fees/services/donations	397	37,299	13,862	162
Cash operating grants received	926,412	374,797	482,330	-
Cash transfers from (to) other funds and entities	(33,255)	378,643	(157,792)	187,634
Cash payments for goods, services, rental subsidies	(628,519)	(367,662)	(302,666)	(1,721,082)
Cash payments to/for employees and benefits	(329,384)	(131,069)	(189,710)	(61,044)
Cash payments in lieu of property taxes	(111,166)	(65,016)	(26,723)	(2,119)
Net cash provided by (used in) operating activities	<u>265,629</u>	<u>420,918</u>	<u>(61,869)</u>	<u>(1,572,897)</u>
Cash flows from capital and related financing activities:				
Purchase of equipment/capital assets	(18,344)	(4,435)	(22,280)	(3,305,790)
Proceeds from sale/disposition of capital assets	2,400	-	-	1,000
Proceeds from issuing notes and other debt	-	-	500,000	2,200,000
Transfers from/to other funds for capital activities	-	-	-	-
Proceeds from sale of tax credits	-	-	754,000	2,755,287
Contributions received for capital outlays	-	-	-	-
Loan principal payments	(76,987)	(48,844)	(41,703)	-
Interest payments	(74,858)	(35,840)	(51,187)	(78,715)
Net cash provided by (used in) capital and related financing activities	<u>(167,789)</u>	<u>(89,119)</u>	<u>1,138,830</u>	<u>1,571,782</u>
Cash flows from noncapital financing activities:				
Contributions received for AHP subsidy loan	-	-	-	-
Loans made to borrowers	-	-	-	-
Receipt of interest on notes and loans	-	-	-	-
Loans payments received	-	-	-	-
Net cash provided by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:				
Receipts of interest and dividends	221	92	41	18
Deposits (withdrawals) to reserve accounts	(66,593)	(32,608)	(27,841)	-
Net cash provided by (used in) investing activities	<u>(66,372)</u>	<u>(32,516)</u>	<u>(27,800)</u>	<u>18</u>
Net increase (decrease) in cash	31,468	299,283	1,049,161	(1,097)
Cash and equivalents at July 1, 2021	1,061,395	330,362	105,139	366,984
Cash and equivalents at June 30, 2022	<u>\$ 1,092,863</u>	<u>\$ 629,645</u>	<u>\$ 1,154,300</u>	<u>\$ 365,887</u>
Reconciliation to statement of net position:				
Cash and cash equivalents - unrestricted	492,812	373,083	844,544	358,255
Cash and cash equivalents - restricted	600,051	256,562	309,756	7,632
	<u>\$ 1,092,863</u>	<u>\$ 629,645</u>	<u>\$ 1,154,300</u>	<u>\$ 365,887</u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

COMBINING STATEMENT OF CASH FLOWS

PROPRIETARY FUND PROGRAMS

FOR THE YEAR ENDED JUNE 30, 2022

	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)	\$ (475,287)	\$ (365,042)	\$ (334,080)	\$ (563,485)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				-
Depreciation	606,010	311,045	384,704	119,885
Operating transfers	-	-	-	85,735
Change in assets and liabilities:				
Decrease (increase) in accounts receivable	(17,373)	(17,638)	(18,322)	(28,834)
Decrease (increase) in due from other funds/programs	-	-	-	-
Decrease (increase) in notes and mortgages receivable	-	-	-	-
Decrease (increase) in prepaid expenses	27,831	14,330	8,224	(1,940)
Decrease (increase) in deferred outflows of resources	-	-	-	-
Increase (decrease) in accounts payable	46,025	68,334	1,095	(1,297,790)
Increase (decrease) in due to other funds/programs	77,476	422,775	(104,912)	109,403
Increase (decrease) in accrued liabilities	3,955	(1,680)	2,253	51
Increase (decrease) in compensated absences	(5,787)	(9,947)	4,475	(85)
Increase (decrease) in trust, deposit, and escrow liabilities	(2,760)	2,193	(2,281)	7,632
Increase (decrease) in unearned revenues	5,539	(3,452)	(3,025)	(3,469)
Increase (decrease) in OPEB liabilities	-	-	-	-
Increase (decrease) in deferred inflows of resources	-	-	-	-
Net cash provided by (used in) operating activities	<u>\$ 265,629</u>	<u>\$ 420,918</u>	<u>\$ (61,869)</u>	<u>\$ (1,572,897)</u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

COMBINING STATEMENT OF CASH FLOWS

PROPRIETARY FUND PROGRAMS

FOR THE YEAR ENDED JUNE 30, 2022

	Total	Eliminations	Proprietary Fund
Cash flows from operating activities:			
Cash received from tenants/others	\$ 3,113,464	\$ (35,413)	\$ 3,078,051
Cash received for fees/services/donations	1,906,875	(71,652)	1,835,223
Cash operating grants received	46,114,763	-	46,114,763
Cash transfers from (to) other funds and entities	-	-	-
Cash payments for goods, services, rental subsidies	(37,339,043)	107,065	(37,231,978)
Cash payments to/for employees and benefits	(6,336,297)	-	(6,336,297)
Cash payments in lieu of property taxes	(349,316)	-	(349,316)
Net cash provided by (used in) operating activities	<u>7,110,446</u>	<u>-</u>	<u>7,110,446</u>
Cash flows from capital and related financing activities:			
Purchase of equipment/capital assets	(4,008,384)	-	(4,008,384)
Proceeds from sale/disposition of capital assets	2,487,795	-	2,487,795
Proceeds from issuing notes and other debt	2,700,000	(500,000)	2,200,000
Transfers from/to other funds for capital activities	-	-	-
Proceeds from sale of tax credits	3,509,287	-	3,509,287
Contributions received for capital outlays	289,852	-	289,852
Loan principal payments	(181,126)	-	(181,126)
Interest payments	(261,174)	-	(261,174)
Net cash provided by (used in) capital and related financing activities	<u>4,536,250</u>	<u>(500,000)</u>	<u>4,036,250</u>
Cash flows from noncapital financing activities:			
Contributions received for AHP subsidy loan	500,000	-	500,000
Loans made to borrowers	(7,856,976)	500,000	(7,356,976)
Receipt of interest on notes and loans	34,372	-	34,372
Loans payments received	528,660	-	528,660
Net cash provided by noncapital financing activities	<u>(6,793,944)</u>	<u>500,000</u>	<u>(6,293,944)</u>
Cash flows from investing activities:			
Receipts of interest and dividends	14,853	-	14,853
Deposits (withdrawals) to reserve accounts	(131,026)	-	(131,026)
Net cash provided by (used in) investing activities	<u>(116,173)</u>	<u>-</u>	<u>(116,173)</u>
Net increase (decrease) in cash	4,736,579	-	4,736,579
Cash and equivalents at July 1, 2021	22,762,820	-	22,762,820
Cash and equivalents at June 30, 2022	<u>\$ 27,499,399</u>	<u>\$ -</u>	<u>\$ 27,499,399</u>
Reconciliation to statement of net position:			
Cash and cash equivalents - unrestricted	19,006,164	-	19,006,164
Cash and cash equivalents - restricted	8,493,235	-	8,493,235
	<u>\$ 27,499,399</u>	<u>\$ -</u>	<u>\$ 27,499,399</u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

COMBINING STATEMENT OF CASH FLOWS

PROPRIETARY FUND PROGRAMS

FOR THE YEAR ENDED JUNE 30, 2022

	Total	Eliminations	Proprietary Fund
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ 6,751,114	\$ -	\$ 6,751,114
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities			
Depreciation	3,787,698	-	3,787,698
Operating transfers	-	-	-
Change in assets and liabilities:			
Decrease (increase) in accounts receivable	(768,320)	-	(768,320)
Decrease (increase) in due from other funds/programs	(1,880,595)	1,880,595	-
Decrease (increase) in notes and mortgages receivable	244,580	-	244,580
Decrease (increase) in prepaid expenses	109,727	-	109,727
Decrease (increase) in deferred outflows of resources	31,497	-	31,497
Increase (decrease) in accounts payable	(897,369)	-	(897,369)
Increase (decrease) in due to other funds/programs	1,471,672	(1,880,595)	(408,923)
Increase (decrease) in accrued liabilities	19,487	-	19,487
Increase (decrease) in compensated absences	(85,257)	-	(85,257)
Increase (decrease) in trust, deposit, and escrow liabilities	38,398	-	38,398
Increase (decrease) in unearned revenues	(1,566,834)	-	(1,566,834)
Increase (decrease) in OPEB liabilities	(412,537)	-	(412,537)
Increase (decrease) in deferred inflows of resources	267,185	-	267,185
Net cash provided by (used in) operating activities	<u>\$ 7,110,446</u>	<u>\$ -</u>	<u>\$ 7,110,446</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, 2022

	Lower Jefferson Avenue, LLC	Choice Neighborhood I, LLC	Choice Neighborhood II, LLC	Carrier Point Commercial Partners, LLC	Total Discrete Component Units	Eliminations	Discrete Component Units
ASSETS							
Current assets:							
Cash and equivalents - unrestricted	\$ 137,960	\$ 332,217	\$ 31,648	\$ -	\$ 501,825	\$ -	\$ 501,825
Accounts receivable (net of allowance)	14,886	4,700	-	-	19,586	(4,700)	14,886
Prepaid expenses	9,720	-	-	-	9,720	-	9,720
Total current assets	<u>162,566</u>	<u>336,917</u>	<u>31,648</u>	<u>-</u>	<u>531,131</u>	<u>(4,700)</u>	<u>526,431</u>
Restricted assets:							
Cash and equivalents - restricted	204,475	-	-	-	204,475	-	204,475
Investments - restricted	80,194	-	-	-	80,194	-	80,194
Total restricted assets	<u>284,669</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>284,669</u>	<u>-</u>	<u>284,669</u>
Noncurrent assets:							
Nondepreciable capital assets	252,300	3,430,144	3,731,289	357,470	7,771,203	-	7,771,203
Capital assets (net)	6,150,407	-	-	-	6,150,407	-	6,150,407
Total noncurrent assets	<u>6,402,707</u>	<u>3,430,144</u>	<u>3,731,289</u>	<u>357,470</u>	<u>13,921,610</u>	<u>-</u>	<u>13,921,610</u>
TOTAL ASSETS	<u>6,849,942</u>	<u>3,767,061</u>	<u>3,762,937</u>	<u>357,470</u>	<u>14,737,410</u>	<u>(4,700)</u>	<u>14,732,710</u>
LIABILITIES							
Current liabilities:							
Accounts payable and accrued expenses	\$ 38,833	\$ 572,073	\$ 619,577	\$ 35,747	\$ 1,266,230	\$ (4,700)	\$ 1,261,530
Due to component units/primary government	488,950	-	-	-	488,950	-	488,950
Accrued salaries	1,720	-	-	-	1,720	-	1,720
Accrued interest payable	2,519	-	-	-	2,519	-	2,519
Unearned revenues	9,342	-	-	-	9,342	-	9,342
Security deposit liabilities	31,742	-	-	-	31,742	-	31,742
Current portion of long-term liabilities	71,068	-	-	-	71,068	-	71,068
Total current liabilities	<u>644,174</u>	<u>572,073</u>	<u>619,577</u>	<u>35,747</u>	<u>1,871,571</u>	<u>(4,700)</u>	<u>1,866,871</u>
Long-term liabilities:							
Compensated absences	3,611	-	-	-	3,611	-	3,611
Notes and mortgages payable	1,133,625	2,275,895	2,548,511	321,723	6,279,754	-	6,279,754
Developer fee payable	19,190	-	-	-	19,190	-	19,190
Accrued interest payable	14,850	3,728	1,658	-	20,236	-	20,236
Total long-term liabilities	<u>1,171,276</u>	<u>2,279,623</u>	<u>2,550,169</u>	<u>321,723</u>	<u>6,322,791</u>	<u>-</u>	<u>6,322,791</u>
TOTAL LIABILITIES	<u>1,815,450</u>	<u>2,851,696</u>	<u>3,169,746</u>	<u>357,470</u>	<u>8,194,362</u>	<u>(4,700)</u>	<u>8,189,662</u>
NET POSITION							
Net investment in capital assets	5,198,014	1,154,249	1,182,778	35,747	7,570,788	-	7,570,788
Restricted for:							
Reserves and escrows	252,927	-	-	-	252,927	-	252,927
Unrestricted (deficit)	(416,449)	(238,884)	(589,587)	(35,747)	(1,280,667)	-	(1,280,667)
TOTAL NET POSITION	<u>\$ 5,034,492</u>	<u>\$ 915,365</u>	<u>\$ 593,191</u>	<u>\$ -</u>	<u>\$ 6,543,048</u>	<u>\$ -</u>	<u>\$ 6,543,048</u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

DISCRETELY PRESENTED COMPONENT UNITS

FOR THE YEAR ENDED JUNE 30, 2022

	Lower Jefferson Avenue, LLC	Choice Neighborhood I, LLC	Choice Neighborhood II, LLC	Carrier Point Commercial Partners, LLC	Total Discrete Component Units	Eliminations	Discrete Component Units
OPERATING REVENUES:							
Rental and tenant income	\$ 423,936	\$ -	\$ -	\$ -	\$ 423,936	\$ -	\$ 423,936
Other income	37	7,525	6,650	-	14,212	-	14,212
Total operating revenues	<u>423,973</u>	<u>7,525</u>	<u>6,650</u>	<u>-</u>	<u>438,148</u>	<u>-</u>	<u>438,148</u>
OPERATING EXPENSES:							
Administration	65,182	125	77	-	65,384	-	65,384
Utilities	166,336	-	-	-	166,336	-	166,336
Ordinary maintenance	97,176	-	-	-	97,176	-	97,176
Insurance expense	20,135	-	-	-	20,135	-	20,135
General expenses	55,967	-	-	-	55,967	-	55,967
Depreciation	233,182	-	-	-	233,182	-	233,182
Total operating expenses	<u>637,978</u>	<u>125</u>	<u>77</u>	<u>-</u>	<u>638,180</u>	<u>-</u>	<u>638,180</u>
OPERATING INCOME (LOSS)	<u>(214,005)</u>	<u>7,400</u>	<u>6,573</u>	<u>-</u>	<u>(200,032)</u>	<u>-</u>	<u>(200,032)</u>
NONOPERATING REVENUES/(EXPENSES):							
Interest and investment revenue	188	-	81	-	269	-	269
Interest expense	(32,966)	(3,728)	(1,658)	-	(38,352)	-	(38,352)
Total nonoperating revenues/ (expenses), net	<u>(32,778)</u>	<u>(3,728)</u>	<u>(1,577)</u>	<u>-</u>	<u>(38,083)</u>	<u>-</u>	<u>(38,083)</u>
INCOME/(LOSS) BEFORE CONTRIBUTIONS, TRANSFERS AND ADJUSTMENTS							
Tax credit and other proceeds	(246,783)	3,672	4,996	-	(238,115)	-	(238,115)
	<u>-</u>	<u>49,704</u>	<u>-</u>	<u>-</u>	<u>49,704</u>	<u>-</u>	<u>49,704</u>
CHANGE IN NET POSITION	<u>(246,783)</u>	<u>53,376</u>	<u>4,996</u>	<u>-</u>	<u>(188,411)</u>	<u>-</u>	<u>(188,411)</u>
TOTAL NET POSITION - beginning of year	<u>5,281,275</u>	<u>861,989</u>	<u>588,195</u>	<u>-</u>	<u>6,731,459</u>	<u>-</u>	<u>6,731,459</u>
TOTAL NET POSITION - end of year	<u>\$ 5,034,492</u>	<u>\$ 915,365</u>	<u>\$ 593,191</u>	<u>\$ -</u>	<u>\$ 6,543,048</u>	<u>\$ -</u>	<u>\$ 6,543,048</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, 2022

	Lower Jefferson Avenue, LLC	Choice Neighborhood I, LLC	Choice Neighborhood II, LLC	Carrier Point Commercial Partners, LLC	Total Discrete Component Units	Eliminations	Discrete Component Units
Cash flows from operating activities:							
Cash received from tenants/others	\$ 401,549	\$ -	\$ -	\$ -	\$ 401,549	\$ -	\$ 401,549
Cash received for fees/services/donations	37	7,525	6,650	-	14,212	-	14,212
Cash payments for goods, services, rental subsidies	(218,589)	(125)	(77)	-	(218,791)	-	(218,791)
Cash payments to/for employees and benefits	(54,093)	-	-	-	(54,093)	-	(54,093)
Cash payments in lieu of property taxes	(35,417)	-	-	-	(35,417)	-	(35,417)
Net cash provided by operating activities	<u>93,487</u>	<u>7,400</u>	<u>6,573</u>	<u>-</u>	<u>107,460</u>	<u>-</u>	<u>107,460</u>
Cash flows from capital and related financing activities							
Purchase of equipment/capital assets	(89,290)	(1,141,157)	(1,206,829)	(310,730)	(2,748,006)	-	(2,748,006)
Proceeds from issuing notes and other debt	-	1,115,523	1,231,750	310,730	2,658,003	-	2,658,003
Proceeds from sale of tax credits and other contributions	-	49,704	-	-	49,704	-	49,704
Loan principal payments	(69,004)	-	-	-	(69,004)	-	(69,004)
Interest payments	(31,336)	-	-	-	(31,336)	-	(31,336)
Net cash provided(used) by capital and related financing activities	<u>(189,630)</u>	<u>24,070</u>	<u>24,921</u>	<u>-</u>	<u>(140,639)</u>	<u>-</u>	<u>(140,639)</u>
Cash flows from investing activities:							
Receipts of interest and dividends	188	-	81	-	269	-	269
Withdrawals from reserve accounts	(22,038)	-	-	-	(22,038)	-	(22,038)
Net cash provided(used) by investing activities	<u>(21,850)</u>	<u>-</u>	<u>81</u>	<u>-</u>	<u>(21,769)</u>	<u>-</u>	<u>(21,769)</u>
Net increase(decrease) in cash	(117,993)	31,470	31,575	-	(54,948)	-	(54,948)
Cash and equivalents at beginning of year	460,428	300,747	73	-	761,248	-	761,248
Cash and equivalents at end of year	<u>\$ 342,435</u>	<u>\$ 332,217</u>	<u>\$ 31,648</u>	<u>\$ -</u>	<u>\$ 706,300</u>	<u>\$ -</u>	<u>\$ 706,300</u>
Reconciliation to statement of net position:							
Cash and equivalents - unrestricted	\$ 137,960	\$ 332,217	\$ 31,648	\$ -	\$ 501,825	\$ -	\$ 501,825
Cash and equivalents - restricted	204,475	-	-	-	204,475	-	204,475
	<u>\$ 342,435</u>	<u>\$ 332,217</u>	<u>\$ 31,648</u>	<u>\$ -</u>	<u>\$ 706,300</u>	<u>\$ -</u>	<u>\$ 706,300</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:							
Operating income (loss)	\$ (214,005)	\$ 7,400	\$ 6,573	\$ -	\$ (200,032)	\$ -	\$ (200,032)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities							
Depreciation	233,182	-	-	-	233,182	-	233,182
Change in assets and liabilities:							
Decrease/(increase) in accounts receivable	(4,145)	-	-	-	(4,145)	-	(4,145)
Decrease/(increase) in prepaid expenses	(1,039)	-	-	-	(1,039)	-	(1,039)
Increase/(decrease) in accounts payable	16,027	-	-	-	16,027	-	16,027
Increase/(decrease) in due to other funds/ programs	65,461	-	-	-	65,461	-	65,461
Increase/(decrease) in accrued liabilities	(103)	-	-	-	(103)	-	(103)
Increase/(decrease) in compensated absences	(699)	-	-	-	(699)	-	(699)
Increase/(decrease) in trust, deposit, and escrow liabilities	446	-	-	-	446	-	446
Increase/(decrease) in unearned revenues	(1,638)	-	-	-	(1,638)	-	(1,638)
	<u>\$ 93,487</u>	<u>\$ 7,400</u>	<u>\$ 6,573</u>	<u>\$ -</u>	<u>\$ 107,460</u>	<u>\$ -</u>	<u>\$ 107,460</u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

SCHEDULE AND CERTIFICATION OF ACTUAL CAPITAL FUND PROGRAM COSTS

JUNE 30, 2022

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	-	236,935.98
Dwelling structures	-	1,475,123.00
General capital activity	1,914,266.00	202,207.02
Total Cost	\$ 2,455,332.00	\$ 2,455,332.00

2. The distribution of costs by budget line as shown on the final Progress and Evaluation Report dated March 31, 2023 is in agreement with the Authority's records. The Actual Modernization Cost Certificate was submitted by the Authority on March 31, 2023.
3. All related costs have been paid and all related liabilities have been discharged through payment.
4. Costs incurred during the current period totaled \$50,310.18.
5. A reconciliation of development advances and costs are as follows:

Funds advanced:	
Grants - HUD	\$ 2,455,332.00
Funds expended	2,455,332.00
Excess (deficiency) of funds advanced	\$ -

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

SCHEDULE OF CAPITAL FUND PROGRAM COSTS – UNCOMPLETED

JUNE 30, 2022

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	100,000.00	100,000.00
Administration	405,835.00	405,835.00
Fees and costs	-	152,001.38
Dwelling structures	-	30,165.21
Relocation expenses	-	642,620.15
General capital activity	3,146,682.00	1,884,061.13
Total Cost	<u>\$ 4,058,352.00</u>	<u>\$ 3,620,517.87</u>

2. Costs incurred during the current period totaled \$2,758,847.87.

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

Funds advanced:	
Grants - HUD	\$ 3,420,635.01
Funds expended	3,620,517.87
Excess (deficiency) of funds advanced	<u>\$ (199,882.86)</u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

STATEMENT AND CAPITAL FUND PROGRAM COSTS – UNCOMPLETED

JUNE 30, 2022

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 \$0.00.
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, 2022

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	\$ 431,909.00
Management improvements	100,000.00	-
Administration	431,909.00	431,909.00
General capital activity	3,055,276.00	-
RAD investment activity	300,000.00	300,000.00
Total Cost	\$ 4,319,094.00	\$ 1,163,818.00

2. Costs incurred during the current period totaled \$431,909.00.
3. A reconciliation of development advances and costs are as follows:

Funds advanced:	
Grants - HUD	\$ 1,163,818.00
Funds expended	1,163,818.00
Excess (deficiency) of funds advanced	\$ -

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

STATEMENT AND CAPITAL FUND PROGRAM COSTS – UNCOMPLETED

JUNE 30, 2022

CFP 501-21

Annual Contributions Contract P-5545

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

<u>Account</u>	<u>Budget</u>	<u>Amount</u>
Operations	\$ 367,256.00	\$ -
Management improvements	50,000.00	-
Administration	367,256.00	367,256.00
General capital activity	2,840,732.00	-
RAD-CFP	47,322.00	-
Total Cost	\$ 3,672,566.00	\$ 367,256.00

2. Costs incurred during the current period totaled \$367,256.00.
3. A reconciliation of development advances and costs are as follows:

Funds advanced:	
Grants - HUD	\$ 367,256.00
Funds expended	367,256.00
Excess (deficiency) of funds advanced	\$ -

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

FEDERAL FINANCIAL REPORT

JUNE 30, 2022

ROSS191251

Federal Cash:

a. Cumulative federal cash received	\$	343,225.46
b. Cumulative federal cash disbursements		343,225.46
c. Cash on hand	\$	-

Federal Expenditures and Unobligated Balance:

d. Total federal funds authorized	\$	382,944.00
e. Federal share of expenditures		343,225.46
f. Federal share of unliquidated obligations		-
g. Total federal share		343,225.46
h. Unobligated balance of federal funds	\$	39,718.54

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, 2022

FSS221623

Federal Cash:

a. Cumulative federal cash received	\$	-
b. Cumulative federal cash disbursements		5,101.66
c. Cash on hand	\$	<u>(5,101.66)</u>

Federal Expenditures and Unobligated Balance:

d. Total federal funds authorized	\$	<u>240,299.00</u>
e. Federal share of expenditures		5,101.66
f. Federal share of unliquidated obligations		-
g. Total federal share		<u>5,101.66</u>
h. Unobligated balance of federal funds	\$	<u>235,197.34</u>

Recipient Share:

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

Program Income:

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

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

FEDERAL FINANCIAL REPORT

JUNE 30, 2022

FSS21VA3706

Federal Cash:

a. Cumulative federal cash received	\$	112,031.00
b. Cumulative federal cash disbursements		112,031.00
c. Cash on hand	\$	-

Federal Expenditures and Unobligated Balance:

d. Total federal funds authorized	\$	112,031.00
e. Federal share of expenditures		112,031.00
f. Federal share of unliquidated obligations		-
g. Total federal share		112,031.00
h. Unobligated balance of federal funds	\$	-

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, 2022

FSS22VA4422

Federal Cash:

a. Cumulative federal cash received	\$	-
b. Cumulative federal cash disbursements		73,922.63
c. Cash on hand	\$	<u>(73,922.63)</u>

Federal Expenditures and Unobligated Balance:

d. Total federal funds authorized	\$	<u>168,047.00</u>
e. Federal share of expenditures		73,922.63
f. Federal share of unliquidated obligations		-
g. Total federal share		<u>73,922.63</u>
h. Unobligated balance of federal funds	\$	<u>94,124.37</u>

Recipient Share:

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

Program Income:

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

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

ENTITY-WIDE BALANCE SHEET SUMMARY

SUBMISSION TYPE:

AUDITED/SINGLE AUDIT

FISCAL YEAR ENDED: JUNE 30, 2022

	Project Total	14.PHC Public Housing CARES Act Funding	14.218 Community Development Block Grants/Entitlement Grants	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	\$ 5,120,745		\$ 746,183	\$ 501,826	\$ 2,797,847		\$ 318,888
112 Cash - Restricted - Modernization and Development	\$ 2,468,500						
113 Cash - Other Restricted	\$ 52,700			\$ 172,733	\$ 2,453,554		
114 Cash - Tenant Security Deposits	\$ 50,317			\$ 31,742	\$ 102,190		\$ 3,779
115 Cash - Restricted for Payment of Current Liabilities							
100 Total Cash	\$ 7,692,262	\$ -	\$ 746,183	\$ 706,301	\$ 5,353,591	\$ -	\$ 322,667
121 Accounts Receivable - PHA Projects							
122 Accounts Receivable - HUD Other Projects	\$ 207,670				\$ 76,127	\$ 73,923	\$ 517
124 Accounts Receivable - Other Government	\$ 292,584				\$ 38,942		
125 Accounts Receivable - Miscellaneous			\$ 1,734		\$ 3,794		
126 Accounts Receivable - Tenants	\$ 350,600			\$ 31,588	\$ 434,863		\$ 1,072
126.1 Allowance for Doubtful Accounts - Tenants	\$ (181,133)			\$ (16,702)	\$ (269,389)		\$ (591)
126.2 Allowance for Doubtful Accounts - Other	\$ -		\$ -		\$ -	\$ -	\$ -
127 Notes, Loans, & Mortgages Receivable - Current							
128 Fraud Recovery	\$ 52						
128.1 Allowance for Doubtful Accounts - Fraud	\$ -						
129 Accrued Interest Receivable							
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$ 669,773	\$ -	\$ 1,734	\$ 14,886	\$ 284,337	\$ 73,923	\$ 998
131 Investments - Unrestricted	\$ 3,474,063						\$ 201,045
132 Investments - Restricted				\$ 80,194	\$ 598,858		
135 Investments - Restricted for Payment of Current Liability							
142 Prepaid Expenses and Other Assets	\$ 10,637			\$ 9,720	\$ 108,380		\$ 498
143 Inventories							
143.1 Allowance for Obsolete Inventories							
144 Inter Program Due From	\$ 11,143		\$ 3,013				
145 Assets Held for Sale							
150 Total Current Assets	\$ 11,857,878	\$ -	\$ 750,930	\$ 811,101	\$ 6,345,166	\$ 73,923	\$ 525,208
161 Land	\$ 1,886,011			\$ 252,300	\$ 5,002,393		\$ 17,201
162 Buildings	\$ 64,175,001			\$ 6,936,856	\$ 55,146,330		\$ 332,094
163 Furniture, Equipment & Machinery - Dwellings	\$ 392,815				\$ 658,913		\$ 23,221
164 Furniture, Equipment & Machinery - Administration	\$ 811,855		\$ 87,649	\$ 199,656	\$ 541,562		
165 Leasehold Improvements	\$ 5,294,754			\$ 653,474	\$ 6,580,340		\$ 57,658
166 Accumulated Depreciation	\$ (52,805,780)		\$ (83,479)	\$ (1,639,579)	\$ (14,200,519)		\$ (333,176)
167 Construction in Progress	\$ 44,040			\$ 7,518,902			
168 Infrastructure							
160 Total Capital Assets, Net of Accumulated Depreciation	\$ 19,798,696	\$ -	\$ 4,170	\$ 13,921,609	\$ 53,729,019	\$ -	\$ 96,998
171 Notes, Loans and Mortgages Receivable - Noncurrent	\$ 21,982,058		\$ 2,446,203				
172 Notes, Loans, & Mortgages Receivable - Noncurrent - Past Due							
173 Grants Receivable - Noncurrent							
174 Other Assets					\$ 375,704		
176 Investments in Joint Ventures							
180 Total Noncurrent Assets	\$ 41,780,754	\$ -	\$ 2,450,373	\$ 13,921,609	\$ 54,104,723	\$ -	\$ 96,998
200 Deferred Outflow of Resources							
290 Total Assets and Deferred Outflow of Resources	\$ 53,638,632	\$ -	\$ 3,201,303	\$ 14,732,710	\$ 60,449,889	\$ 73,923	\$ 622,206

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, 2022

			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	\$	4,114,241			\$ 41,466	\$ 38,629	\$ 3,346,414	
112	Cash - Restricted - Modernization and Development								
113	Cash - Other Restricted	\$	622,364			\$ 37,364	\$ 2,436,738	\$ 161,420	
114	Cash - Tenant Security Deposits								
115	Cash - Restricted for Payment of Current Liabilities								
100	Total Cash	\$	4,736,605	\$ -	\$ -	\$ 78,830	\$ 2,475,367	\$ 3,507,834	\$ -
121	Accounts Receivable - PHA Projects								
122	Accounts Receivable - HUD Other Projects				\$ 10,568	\$ 12,470		\$ 186,421	\$ 5,102
124	Accounts Receivable - Other Government	\$	163,479	\$ 63,946			\$ 61,000	\$ 14,140	
125	Accounts Receivable - Miscellaneous	\$	455			\$ 3,693	\$ 50,508	\$ 261,350	
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					\$ 14		\$ 267,787	
128.1	Allowance for Doubtful Accounts - Fraud					\$ (14)		\$ (267,787)	
129	Accrued Interest Receivable	\$	15,750						
120	Total Receivables, Net of Allowances for Doubtful Accounts	\$	179,684	\$ 63,946	\$ 10,568	\$ 16,163	\$ 111,508	\$ 461,982	\$ 5,102
131	Investments - Unrestricted	\$	495,045						
132	Investments - Restricted								
135	Investments - Restricted for Payment of Current Liability								
142	Prepaid Expenses and Other Assets	\$	484					\$ 5,005	
143	Inventories								
143.1	Allowance for Obsolete Inventories								
144	Inter Program Due From	\$	624,644						
145	Assets Held for Sale								
150	Total Current Assets	\$	6,036,462	\$ 63,946	\$ 10,568	\$ 94,993	\$ 2,586,875	\$ 3,974,821	\$ 5,102
161	Land	\$	139,100					\$ 32,000	
162	Buildings	\$	1,137,343					\$ 634,667	
163	Furniture, Equipment & Machinery - Dwellings								
164	Furniture, Equipment & Machinery - Administration	\$	12,036	\$ 17,227			\$ 20,021	\$ 191,369	
165	Leasehold Improvements	\$	196,992					\$ 7,775	
166	Accumulated Depreciation	\$	(862,643)	\$ (17,227)			\$ (20,021)	\$ (787,266)	
167	Construction in Progress	\$	59,064						
168	Infrastructure								
160	Total Capital Assets, Net of Accumulated Depreciation	\$	681,892	\$ -	\$ -	\$ -	\$ -	\$ 78,545	\$ -
171	Notes, Loans and Mortgages Receivable - Noncurrent	\$	3,451,562				\$ 8,005,109		
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	\$	4,282,754	\$ -	\$ -	\$ -	\$ 8,005,109	\$ 78,545	\$ -
200	Deferred Outflow of Resources								
290	Total Assets and Deferred Outflow of Resources	\$	10,319,216	\$ 63,946	\$ 10,568	\$ 94,993	\$ 10,591,984	\$ 4,053,366	\$ 5,102

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, 2022

			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			\$ 22,655	\$ 302,093	\$ 2,157,002	\$ 19,507,989		\$ 19,507,989
112	Cash - Restricted - Modernization and Development						\$ 2,468,500		\$ 2,468,500
113	Cash - Other Restricted			\$ 65,012			\$ 6,001,885		\$ 6,001,885
114	Cash - Tenant Security Deposits						\$ 188,028		\$ 188,028
115	Cash - Restricted for Payment of Current Liabilities			\$ 39,298			\$ 39,298		\$ 39,298
100	Total Cash		\$ -	\$ 126,965	\$ 302,093	\$ 2,157,002	\$ 28,205,700	\$ -	\$ 28,205,700
121	Accounts Receivable - PHA Projects								
122	Accounts Receivable - HUD Other Projects		\$ 273,425	\$ -			\$ 846,223		\$ 846,223
124	Accounts Receivable - Other Government					\$ 51,337	\$ 685,428		\$ 685,428
125	Accounts Receivable - Miscellaneous					\$ 831,827	\$ 1,153,361		\$ 1,153,361
126	Accounts Receivable - Tenants						\$ 818,194		\$ 818,194
126.1	Allowance for Doubtful Accounts - Tenants						\$ (467,815)		\$ (467,815)
126.2	Allowance for Doubtful Accounts - Other		\$ -	\$ -		\$ -	\$ -		\$ -
127	Notes, Loans, & Mortgages Receivable - Current								
128	Fraud Recovery						\$ 267,853		\$ 267,853
128.1	Allowance for Doubtful Accounts - Fraud						\$ (267,801)		\$ (267,801)
129	Accrued Interest Receivable						\$ 15,750		\$ 15,750
120	Total Receivables, Net of Allowances for Doubtful Accounts		\$ 273,425	\$ -	\$ -	\$ 883,164	\$ 3,051,193	\$ -	\$ 3,051,193
131	Investments - Unrestricted					\$ 106,669	\$ 4,276,822		\$ 4,276,822
132	Investments - Restricted						\$ 679,052		\$ 679,052
135	Investments - Restricted for Payment of Current Liability								
142	Prepaid Expenses and Other Assets					\$ 11,424	\$ 146,148		\$ 146,148
143	Inventories								
143.1	Allowance for Obsolete Inventories								
144	Inter Program Due From				\$ 1,619	\$ 3,210,265	\$ 3,850,684	\$ (3,850,684)	\$ -
145	Assets Held for Sale								
150	Total Current Assets		\$ 273,425	\$ 126,965	\$ 303,712	\$ 6,368,524	\$ 40,209,599	\$ (3,850,684)	\$ 36,358,915
161	Land						\$ 7,329,005		\$ 7,329,005
162	Buildings						\$ 128,362,291		\$ 128,362,291
163	Furniture, Equipment & Machinery - Dwellings						\$ 1,074,949		\$ 1,074,949
164	Furniture, Equipment & Machinery - Administration					\$ 1,096,834	\$ 2,978,209		\$ 2,978,209
165	Leasehold Improvements						\$ 12,790,993		\$ 12,790,993
166	Accumulated Depreciation						\$ (987,293)	\$ (71,736,983)	\$ (71,736,983)
167	Construction in Progress		\$ 550,000				\$ 8,172,006		\$ 8,172,006
168	Infrastructure								
160	Total Capital Assets, Net of Accumulated Depreciation		\$ 550,000	\$ -	\$ -	\$ 109,541	\$ 88,970,470	\$ -	\$ 88,970,470
171	Notes, Loans and Mortgages Receivable - Noncurrent		\$ 4,977,204			\$ 1,473,746	\$ 42,335,882	\$ (26,710,941)	\$ 15,624,941
172	Notes, Loans, & Mortgages Receivable - Noncurrent - Past Due								
173	Grants Receivable - Noncurrent								
174	Other Assets					\$ 392,559	\$ 917,563	\$ (100,000)	\$ 817,563
176	Investments in Joint Ventures								
180	Total Noncurrent Assets		\$ 5,527,204	\$ -	\$ -	\$ 1,975,846	\$ 132,223,915	\$ (26,810,941)	\$ 105,412,974
200	Deferred Outflow of Resources					\$ 67,175	\$ 67,175		\$ 67,175
290	Total Assets and Deferred Outflow of Resources		\$ 5,800,629	\$ 126,965	\$ 303,712	\$ 8,411,545	\$ 172,500,689	\$ (30,661,625)	\$ 141,839,064

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, 2022

	Project Total	14.PHC Public Housing CARES Act Funding	14.218 Community Development Block Grants/Entitlement Grants	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	\$ 149,562		\$ 26,376	\$ 38,833	\$ 130,933		\$ 229
313 Accounts Payable >90 Days Past Due							
321 Accrued Wage/Payroll Taxes Payable	\$ 38,842		\$ 3,489	\$ 1,720	\$ 22,364	\$ 4,772	\$ 511
322 Accrued Compensated Absences - Current Portion							
324 Accrued Contingency Liability							
325 Accrued Interest Payable				\$ 2,519	\$ 15,289		
331 Accounts Payable - HUD PHA Programs							
332 Account Payable - PHA Projects							
333 Accounts Payable - Other Government	\$ 48,740				\$ 80,581		
341 Tenant Security Deposits	\$ 63,214			\$ 31,742	\$ 102,190		\$ 3,779
342 Unearned Revenue	\$ 53,303			\$ 9,342	\$ 59,071		\$ 479
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue				\$ 71,067	\$ 226,130		
344 Current Portion of Long-term Debt - Operating Borrowings							
345 Other Current Liabilities	\$ 272,965			\$ 1,711,647	\$ 51,650		
346 Accrued Liabilities - Other	\$ 147,512				\$ 46,224		\$ 1,516
347 Inter Program - Due To	\$ 1,063,026				\$ 1,226,899	\$ 69,151	\$ 13,778
348 Loan Liability - Current							
310 Total Current Liabilities	\$ 1,837,164	\$ -	\$ 29,865	\$ 1,866,870	\$ 1,961,331	\$ 73,923	\$ 20,292
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue				\$ 6,279,755	\$ 36,246,535		
352 Long-term Debt, Net of Current - Operating Borrowings							
353 Noncurrent Liabilities - Other	\$ 39,803			\$ 39,425	\$ 1,949,926		
354 Accrued Compensated Absences - Noncurrent	\$ 67,075		\$ 8,572	\$ 3,611	\$ 47,257		\$ 2,490
355 Loan Liability - Noncurrent							
356 FASB 5 Liabilities							
357 Accrued Pension and OPEB Liabilities							
350 Total Noncurrent Liabilities	\$ 106,878	\$ -	\$ 8,572	\$ 6,322,791	\$ 38,243,718	\$ -	\$ 2,490
300 Total Liabilities	\$ 1,944,042	\$ -	\$ 38,437	\$ 8,189,661	\$ 40,205,049	\$ 73,923	\$ 22,782
400 Deferred Inflow of Resources							
508.3 Nonspendable Fund Balance							
508.4 Net Investment in Capital Assets	\$ 19,798,696		\$ 4,170	\$ 7,570,788	\$ 17,256,353		\$ 96,998
509.3 Restricted Fund Balance							
510.3 Committed Fund Balance							
511.3 Assigned Fund Balance							
511.4 Restricted Net Position	\$ 2,468,500		\$ 3,158,696	\$ 252,927	\$ 3,048,319		
512.3 Unassigned Fund Balance							
512.4 Unrestricted Net Position	\$ 29,427,394	\$ -	\$ -	\$ (1,280,666)	\$ (59,832)	\$ -	\$ 502,426
513 Total Equity - Net Assets / Position	\$ 51,694,590	\$ -	\$ 3,162,866	\$ 6,543,049	\$ 20,244,840	\$ -	\$ 599,424
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$ 53,638,632	\$ -	\$ 3,201,303	\$ 14,732,710	\$ 60,449,889	\$ 73,923	\$ 622,206

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, 2022

			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	\$	209,858	\$	1,428	\$	10,568	\$	6,860	\$	538,734	\$	65,301	\$	45
313 Accounts Payable >90 Days Past Due														
321 Accrued Wage/Payroll Taxes Payable	\$	1,678	\$	4,539			\$	1,359	\$	21,594	\$	1,703		
322 Accrued Compensated Absences - Current Portion			\$	1,795										
324 Accrued Contingency Liability														
325 Accrued Interest Payable														
331 Accounts Payable - HUD PHA Programs														
332 Account Payable - PHA Projects														
333 Accounts Payable - Other Government									\$	1,051				
341 Tenant Security Deposits														
342 Unearned Revenue	\$	480,146					\$	43						
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue														
344 Current Portion of Long-term Debt - Operating Borrowings														
345 Other Current Liabilities	\$	72,656												
346 Accrued Liabilities - Other									\$	1,863				
347 Inter Program - Due To	\$	40,008	\$	65,180			\$	4,804	\$	54,447	\$	391,625	\$	3,354
348 Loan Liability - Current														
310 Total Current Liabilities	\$	804,346	\$	72,942	\$	10,568	\$	11,664	\$	594,583	\$	481,434	\$	5,102
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue														
352 Long-term Debt, Net of Current - Operating Borrowings														
353 Noncurrent Liabilities - Other									\$	161,420				
354 Accrued Compensated Absences - Noncurrent	\$	321	\$	393			\$	8,896	\$	54,531				
355 Loan Liability - Noncurrent														
356 FASB 5 Liabilities														
357 Accrued Pension and OPEB Liabilities														
350 Total Noncurrent Liabilities	\$	321	\$	393	\$	-	\$	-	\$	8,896	\$	215,951	\$	-
300 Total Liabilities	\$	804,667	\$	73,335	\$	10,568	\$	11,664	\$	603,479	\$	697,385	\$	5,102
400 Deferred Inflow of Resources														
508.3 Nonspendable Fund Balance														
508.4 Net Investment in Capital Assets	\$	681,892							\$	78,545				
509.3 Restricted Fund Balance														
510.3 Committed Fund Balance														
511.3 Assigned Fund Balance														
511.4 Restricted Net Position							\$	37,364	\$	9,988,505				
512.3 Unassigned Fund Balance														
512.4 Unrestricted Net Position	\$	8,832,657	\$	(9,389)	\$	-	\$	45,965	\$	-	\$	3,277,436	\$	-
513 Total Equity - Net Assets / Position	\$	9,514,549	\$	(9,389)	\$	-	\$	83,329	\$	9,988,505	\$	3,355,981	\$	-
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$	10,319,216	\$	63,946	\$	10,568	\$	94,993	\$	10,591,984	\$	4,053,366	\$	5,102

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, 2022

			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			\$ 57,377			\$ 21,015	\$ 1,257,119		\$ 1,257,119
313 Accounts Payable >90 Days Past Due									
321 Accrued Wage/Payroll Taxes Payable			\$ 5,113			\$ 60,644	\$ 168,328		\$ 168,328
322 Accrued Compensated Absences - Current Portion			\$ 514				\$ 2,309		\$ 2,309
324 Accrued Contingency Liability									
325 Accrued Interest Payable							\$ 17,808		\$ 17,808
331 Accounts Payable - HUD PHA Programs				\$ 6,039	\$ 1,811		\$ 7,850		\$ 7,850
332 Account Payable - PHA Projects									
333 Accounts Payable - Other Government							\$ 130,372		\$ 130,372
341 Tenant Security Deposits							\$ 200,925		\$ 200,925
342 Unearned Revenue				\$ 39,298			\$ 641,682		\$ 641,682
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue							\$ 297,197		\$ 297,197
344 Current Portion of Long-term Debt - Operating Borrowings									
345 Other Current Liabilities							\$ 2,108,918		\$ 2,108,918
346 Accrued Liabilities - Other						\$ 144,564	\$ 341,679		\$ 341,679
347 Inter Program - Due To			\$ 210,935	\$ 273		\$ 707,204	\$ 3,850,684	\$ (3,850,684)	\$ -
348 Loan Liability - Current									
310 Total Current Liabilities			\$ 273,939	\$ 45,610	\$ 1,811	\$ 933,427	\$ 9,024,871	\$ (3,850,684)	\$ 5,174,187
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue							\$ 42,526,290	\$ (24,765,109)	\$ 17,761,181
352 Long-term Debt, Net of Current - Operating Borrowings									
353 Noncurrent Liabilities - Other							\$ 2,190,574	\$ (1,945,832)	\$ 244,742
354 Accrued Compensated Absences - Noncurrent			\$ 9,550			\$ 230,454	\$ 433,150		\$ 433,150
355 Loan Liability - Noncurrent									
356 FASB 5 Liabilities									
357 Accrued Pension and OPEB Liabilities									
350 Total Noncurrent Liabilities			\$ 9,550	\$ -	\$ -	\$ 230,454	\$ 45,150,014	\$ (26,710,941)	\$ 18,439,073
300 Total Liabilities			\$ 283,489	\$ 45,610	\$ 1,811	\$ 1,163,881	\$ 54,174,885	\$ (30,561,625)	\$ 23,613,260
400 Deferred Inflow of Resources						\$ 352,758	\$ 352,758		\$ 352,758
508.3 Nonspendable Fund Balance									
508.4 Net Investment in Capital Assets			\$ 550,000			\$ 109,541	\$ 46,146,983	\$ 24,765,109	\$ 70,912,092
509.3 Restricted Fund Balance									
510.3 Committed Fund Balance									
511.3 Assigned Fund Balance									
511.4 Restricted Net Position				\$ 65,012			\$ 19,019,323		\$ 19,019,323
512.3 Unassigned Fund Balance									
512.4 Unrestricted Net Position			\$ 4,967,140	\$ 16,343	\$ 301,901	\$ 6,785,365	\$ 52,806,740	\$ (24,865,109)	\$ 27,941,631
513 Total Equity - Net Assets / Position			\$ 5,517,140	\$ 81,355	\$ 301,901	\$ 6,894,906	\$ 117,973,046	\$ (100,000)	\$ 117,873,046
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net			\$ 5,800,629	\$ 126,965	\$ 303,712	\$ 8,411,545	\$ 172,500,689	\$ (30,661,625)	\$ 141,839,064

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, 2022

	Project Total	14.PHC Public Housing CARES Act Funding	14.218 Community Development Block Grants/Entitlement Grants	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	\$ 1,873,144			\$ 419,505	\$ 1,408,232		\$ 38,076
70400 Tenant Revenue - Other	\$ 58,416			\$ 4,431	\$ 10,856		
70500 Total Tenant Revenue	\$ 1,931,560	\$ -	\$ -	\$ 423,936	\$ 1,419,088	\$ -	\$ 38,076
70600 HUD PHA Operating Grants	\$ 8,687,483	\$ 310,957	\$ 1,329,570		\$ 1,855,619	\$ 106,853	\$ -
70610 Capital Grants	\$ 74,205						
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				\$ 97,601		\$ 54,210
71100 Investment Income - Unrestricted	\$ 11,109			\$ 188	\$ 271		\$ 1,054
71200 Mortgage Interest Income	\$ 230,986		\$ 22,585				
71300 Proceeds from Disposition of Assets Held for Sale							
71310 Cost of Sale of Assets							
71400 Fraud Recovery							
71500 Other Revenue	\$ 54,121		\$ 10,332	\$ 63,916	\$ 3,601,644		
71600 Gain or Loss on Sale of Capital Assets	\$ 1,876,053				\$ 3,400		
72000 Investment Income - Restricted				\$ 81	\$ 1,007		
70000 Total Revenue	\$ 13,415,517	\$ 310,957	\$ 1,362,487	\$ 488,121	\$ 6,978,630	\$ 106,853	\$ 93,340
91100 Administrative Salaries	\$ 430,222	\$ 18,815	\$ 121,068	\$ 17,488	\$ 275,643		\$ 7,109
91200 Auditing Fees	\$ 18,745			\$ 5,058	\$ 31,427		\$ 619
91300 Management Fee	\$ 1,038,128		\$ 238,333	\$ 27,867	\$ 287,021		\$ 8,215
91310 Book-keeping Fee	\$ 65,528				\$ 49,207		
91400 Advertising and Marketing	\$ 5,076	\$ 203		\$ 203	\$ 4,069		
91500 Employee Benefit contributions - Administrative	\$ 142,488	\$ 6,894	\$ 37,383	\$ 9,205	\$ 79,367		\$ 2,316
91600 Office Expenses	\$ 147,261	\$ 26,150		\$ 5,245	\$ 115,718		\$ 691
91700 Legal Expense	\$ 13,479	\$ 2,126			\$ 3,084		
91800 Travel	\$ 3,297	\$ 2,912			\$ 5,016		\$ 16
91810 Allocated Overhead							
91900 Other	\$ 66,819	\$ 19,648	\$ 464	\$ 319	\$ 53,268		\$ 1,124
91000 Total Operating - Administrative	\$ 1,931,043	\$ 76,748	\$ 397,248	\$ 65,385	\$ 903,820	\$ -	\$ 20,090
92000 Asset Management Fee	\$ 120,960						
92100 Tenant Services - Salaries	\$ 105,912	\$ 7,945			\$ 6,772	\$ 86,374	
92200 Relocation Costs	\$ 987				\$ 233,771		
92300 Employee Benefit Contributions - Tenant Services	\$ 42,894	\$ 2,911			\$ 1,726	\$ 20,479	
92400 Tenant Services - Other	\$ 12,286	\$ 3,355			\$ 12,492		
92500 Total Tenant Services	\$ 162,079	\$ 14,211	\$ -	\$ -	\$ 254,761	\$ 106,853	\$ -

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, 2022

			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				\$ 117,459	\$ 1,008,539	\$ 897,810	\$ 24,799,036	\$ 61,365
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	\$	2,415,389	\$	224,534		\$ 100,000		
71100	Investment Income - Unrestricted	\$	(3,569)			\$ 205	\$ 936	\$ 8,271	
71200	Mortgage Interest Income	\$	63,515				\$ 11,800		
71300	Proceeds from Disposition of Assets Held for Sale								
71310	Cost of Sale of Assets								
71400	Fraud Recovery					\$ 510		\$ 4,664	
71500	Other Revenue	\$	164,301	\$	109,291		\$ 228,969	\$ 70,865	
71600	Gain or Loss on Sale of Capital Assets								
72000	Investment Income - Restricted								
70000	Total Revenue	\$	2,639,636	\$	333,825	\$ 117,459	\$ 1,009,254	\$ 1,239,515	\$ 24,882,836
91100	Administrative Salaries	\$	79,433	\$	115,950		\$ 24,323	\$ 41,536	\$ 614,807
91200	Auditing Fees	\$	309			\$ 988		\$ 24,961	
91300	Management Fee	\$	20,649	\$	70,694	\$ 1,417	\$ 15,372	\$ 35,000	\$ 387,756
91310	Book-keeping Fee					\$ 9,607		\$ 242,348	
91400	Advertising and Marketing			\$	286	\$ 148	\$ 191	\$ 3,731	
91500	Employee Benefit contributions - Administrative	\$	6,951	\$	39,265	\$ 7,555	\$ 7,309	\$ 190,966	
91600	Office Expenses	\$	28,173	\$	9,867	\$ 7,778	\$ 3,888	\$ 196,597	
91700	Legal Expense	\$	630			\$ 697		\$ 17,616	
91800	Travel	\$	904			\$ 328		\$ 8,295	
91810	Allocated Overhead								
91900	Other	\$	19,180	\$	110	\$ 5,669	\$ 4,522	\$ 113,922	\$ 45
91000	Total Operating - Administrative	\$	156,229	\$	236,172	\$ 7,086	\$ 71,318	\$ 87,924	\$ 1,800,999
92000	Asset Management Fee								
92100	Tenant Services - Salaries								\$ 38,117
92200	Relocation Costs								
92300	Employee Benefit Contributions - Tenant Services								\$ 13,752
92400	Tenant Services - Other	\$	143,940	\$	16,000	\$ 21		\$ 372	\$ 9,451
92500	Total Tenant Services	\$	143,940	\$	-	\$ 16,000	\$ 21	\$ -	\$ 372

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, 2022

			14,889 Choice Neighborhoods Implementation Grants	14.EHV Emergency Housing Voucher	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	COCC	Subtotal	ELIM	Total
70300	Net Tenant Rental Revenue						\$ 3,738,957		\$ 3,738,957
70400	Tenant Revenue - Other						\$ 73,703		\$ 73,703
70500	Total Tenant Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,812,660	\$ -	\$ 3,812,660
70600	HUD PHA Operating Grants	\$ 5,453,920	\$ 135,355	\$ 202,855			\$ 44,966,821		\$ 44,966,821
70610	Capital Grants						\$ 74,205		\$ 74,205
70710	Management Fee					\$ 2,160,454	\$ 2,160,454	\$ (2,160,454)	\$ -
70720	Asset Management Fee					\$ 120,960	\$ 120,960	\$ (120,960)	\$ -
70730	Book Keeping Fee					\$ 370,358	\$ 370,358	\$ (370,358)	\$ -
70740	Front Line Service Fee					\$ 13,006	\$ 13,006	\$ (13,006)	\$ -
70750	Other Fees					\$ 144,426	\$ 144,426	\$ (13,366)	\$ 131,060
70700	Total Fee Revenue					\$ 2,809,204	\$ 2,809,204	\$ (2,678,144)	\$ 131,060
70800	Other Government Grants						\$ 3,441,734		\$ 3,441,734
71100	Investment Income - Unrestricted			\$ 395	\$ 862	\$ (3,577)	\$ 16,145		\$ 16,145
71200	Mortgage Interest Income	\$ 44,799					\$ 373,685	\$ (286,951)	\$ 86,734
71300	Proceeds from Disposition of Assets Held for Sale								
71310	Cost of Sale of Assets								
71400	Fraud Recovery						\$ 5,174		\$ 5,174
71500	Other Revenue					\$ 1,197,382	\$ 5,500,821	\$ (107,539)	\$ 5,393,282
71600	Gain or Loss on Sale of Capital Assets					\$ 12,645	\$ 1,892,098		\$ 1,892,098
72000	Investment Income - Restricted						\$ 1,088		\$ 1,088
70000	Total Revenue	\$ 5,498,719	\$ 135,750	\$ 203,717	\$ 4,015,654	\$ 62,893,635	\$ (3,072,634)	\$ 59,821,001	
91100	Administrative Salaries	\$ 169,834	\$ 960	\$ 8,353	\$ 1,522,502	\$ 3,448,043		\$ 3,448,043	
91200	Auditing Fees	\$ 3,088	\$ 39		\$ 3,100	\$ 88,334		\$ 88,334	
91300	Management Fee	\$ 52,000	\$ 588	\$ 5,280		\$ 2,188,320	\$ (2,173,820)	\$ 14,500	
91310	Book-keeping Fee		\$ 368	\$ 3,300		\$ 370,358	\$ (370,358)	\$ -	
91400	Advertising and Marketing	\$ 2,232	\$ 6	\$ 45	\$ 8,438	\$ 24,628		\$ 24,628	
91500	Employee Benefit contributions - Administrative	\$ 53,942	\$ 298	\$ 2,944	\$ 473,481	\$ 1,060,364		\$ 1,060,364	
91600	Office Expenses	\$ 4,045	\$ 307	\$ 2,210	\$ 287,927	\$ 835,857	\$ (107,539)	\$ 728,318	
91700	Legal Expense		\$ 28	\$ 226	\$ 12,583	\$ 50,469		\$ 50,469	
91800	Travel	\$ 561	\$ 13	\$ 169		\$ 21,511		\$ 21,511	
91810	Allocated Overhead								
91900	Other	\$ 196	\$ 109	\$ 965	\$ 83,680	\$ 370,040		\$ 370,040	
91000	Total Operating - Administrative	\$ 285,898	\$ 2,716	\$ 23,492	\$ 2,391,711	\$ 8,457,924	\$ (2,651,717)	\$ 5,806,207	
92000	Asset Management Fee					\$ 120,960	\$ (120,960)	\$ -	
92100	Tenant Services - Salaries					\$ 245,120		\$ 245,120	
92200	Relocation Costs	\$ 20,682				\$ 255,440		\$ 255,440	
92300	Employee Benefit Contributions - Tenant Services					\$ 81,762		\$ 81,762	
92400	Tenant Services - Other	\$ 217,078	\$ 16,702	\$ 8	\$ 500	\$ 432,205		\$ 432,205	
92500	Total Tenant Services	\$ 237,760	\$ 16,702	\$ 8	\$ 500	\$ 1,014,527	\$ -	\$ 1,014,527	

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, 2022

	Project Total	14.PHC Public Housing CARES Act Funding	14.218 Community Development Block Grants/Entitlement Grants	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	\$ 342,472			\$ 42,488	\$ 121,713		\$ 2,497
93200 Electricity	\$ 355,883			\$ 12,864	\$ 128,470		\$ 10,244
93300 Gas	\$ 73,512				\$ 29,141		
93400 Fuel							
93500 Labor							
93600 Sewer	\$ 889,579			\$ 110,984	\$ 312,671		\$ 6,933
93700 Employee Benefit Contributions - Utilities							
93800 Other Utilities Expense							
93000 Total Utilities	\$ 1,661,446	\$ -	\$ -	\$ 166,336	\$ 591,995	\$ -	\$ 19,674
94100 Ordinary Maintenance and Operations - Labor	\$ 457,021	\$ 31,119		\$ 17,425	\$ 429,853		\$ 6,528
94200 Ordinary Maintenance and Operations - Materials and Other	\$ 323,757	\$ 38,233		\$ 11,342	\$ 294,168		\$ 901
94300 Ordinary Maintenance and Operations Contracts	\$ 867,094	\$ 125,195		\$ 59,234	\$ 754,097		\$ 11,596
94500 Employee Benefit Contributions - Ordinary Maintenance	\$ 145,697	\$ 11,402		\$ 9,173	\$ 133,503		\$ 2,127
94000 Total Maintenance	\$ 1,793,569	\$ 205,949	\$ -	\$ 97,174	\$ 1,611,621	\$ -	\$ 21,152
95100 Protective Services - Labor	\$ 32,153	\$ 3,300			\$ 4,518		
95200 Protective Services - Other Contract Costs							
95300 Protective Services - Other	\$ 18,173	\$ 1,451			\$ 18,864		
95500 Employee Benefit Contributions - Protective Services	\$ 12,700	\$ 1,209			\$ 1,162		
95000 Total Protective Services	\$ 63,026	\$ 5,960	\$ -	\$ -	\$ 24,544	\$ -	\$ -
96110 Property Insurance	\$ 189,448			\$ 14,140	\$ 246,241		\$ 3,329
96120 Liability Insurance	\$ 60,032	\$ 2,332		\$ 4,798	\$ 43,778		\$ 730
96130 Workmen's Compensation	\$ 15,712			\$ 1,197	\$ 10,570		\$ 244
96140 All Other Insurance	\$ 15,305	\$ 5,757			\$ 13,246		
96100 Total insurance Premiums	\$ 280,497	\$ 8,089	\$ -	\$ 20,135	\$ 313,835	\$ -	\$ 4,303
96200 Other General Expenses	\$ 19,657		\$ 847,853	\$ 3,500	\$ 128,916		
96210 Compensated Absences	\$ 29		\$ 1,714				\$ 75
96300 Payments in Lieu of Taxes	\$ 32,671			\$ 35,417	\$ 230,133		
96400 Bad debt - Tenant Rents	\$ 112,126			\$ 17,050	\$ 162,395		\$ (179)
96500 Bad debt - Mortgages			\$ 63,019				
96600 Bad debt - Other							
96800 Severance Expense							
96000 Total Other General Expenses	\$ 164,483	\$ -	\$ 912,586	\$ 55,967	\$ 521,444	\$ -	\$ (104)
96710 Interest of Mortgage (or Bonds) Payable				\$ 38,352	\$ 544,636		
96720 Interest on Notes Payable (Short and Long Term)							
96730 Amortization of Bond Issue Costs							
96700 Total Interest Expense and Amortization Cost	\$ -	\$ -	\$ -	\$ 38,352	\$ 544,636	\$ -	\$ -
96900 Total Operating Expenses	\$ 6,177,103	\$ 310,957	\$ 1,309,834	\$ 443,349	\$ 4,766,656	\$ 106,853	\$ 65,115
97000 Excess of Operating Revenue over Operating Expenses	\$ 7,238,414	\$ -	\$ 52,653	\$ 44,772	\$ 2,211,974	\$ -	\$ 28,225

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, 2022

			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				\$ 131		\$ 10		\$ 242	
93200 Electricity				\$ 317		\$ 464		\$ 11,730	
93300 Gas						\$ 55		\$ 1,396	
93400 Fuel									
93500 Labor									
93600 Sewer			\$ 1,007	\$ 4,185		\$ 23		\$ 575	
93700 Employee Benefit Contributions - Utilities									
93800 Other Utilities Expense									
93000 Total Utilities			\$ 1,007	\$ 4,633	\$ -	\$ 552	\$ -	\$ 13,943	\$ -
94100 Ordinary Maintenance and Operations - Labor			\$ 37						
94200 Ordinary Maintenance and Operations - Materials and Other			\$ 1,883	\$ 148		\$ 263		\$ 6,654	
94300 Ordinary Maintenance and Operations Contracts			\$ 34,872	\$ 63,235		\$ 607		\$ 15,334	
94500 Employee Benefit Contributions - Ordinary Maintenance			\$ 9						
94000 Total Maintenance			\$ 36,801	\$ 63,383	\$ -	\$ 870	\$ -	\$ 21,988	\$ -
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			\$ 8,662	\$ 13,444		\$ (18)		\$ (452)	
96120 Liability Insurance			\$ 1,156	\$ 7,763		\$ 606	\$ 500	\$ 15,313	
96130 Workmen's Compensation			\$ 1,570	\$ 2,172		\$ 450	\$ 745	\$ 11,369	
96140 All Other Insurance						\$ 236		\$ 5,976	
96100 Total insurance Premiums			\$ 11,388	\$ 23,379	\$ -	\$ 1,274	\$ 1,245	\$ 32,206	\$ -
96200 Other General Expenses				\$ 287			\$ 144,375		
96210 Compensated Absences							\$ 213		
96300 Payments in Lieu of Taxes			\$ 144						
96400 Bad debt - Tenant Rents									
96500 Bad debt - Mortgages			\$ 7,640				\$ 173,921		
96600 Bad debt - Other									
96800 Severance Expense									
96000 Total Other General Expenses			\$ 7,784	\$ 287	\$ -	\$ -	\$ 318,509	\$ -	\$ -
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			\$ 357,149	\$ 327,854	\$ 23,086	\$ 74,035	\$ 407,678	\$ 1,869,508	\$ 61,365
97000 Excess of Operating Revenue over Operating Expenses			\$ 2,282,487	\$ 5,971	\$ 94,373	\$ 935,219	\$ 831,837	\$ 23,013,328	\$ -

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, 2022

		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				\$ (5)	\$ 982	\$ 510,530		\$ 510,530
93200 Electricity			\$ 18	\$ 253	\$ 22,450	\$ 542,693		\$ 542,693
93300 Gas			\$ 2	\$ 5	\$ 720	\$ 104,831		\$ 104,831
93400 Fuel								
93500 Labor								
93600 Sewer			\$ 1	\$ 4	\$ 2,202	\$ 1,328,164		\$ 1,328,164
93700 Employee Benefit Contributions - Utilities								
93800 Other Utilities Expense								
93000 Total Utilities		\$ -	\$ 21	\$ 257	\$ 26,354	\$ 2,486,218	\$ -	\$ 2,486,218
94100 Ordinary Maintenance and Operations - Labor					\$ 53,544	\$ 995,527		\$ 995,527
94200 Ordinary Maintenance and Operations - Materials and Other		\$ 257	\$ 14	\$ 23	\$ 47,356	\$ 724,999		\$ 724,999
94300 Ordinary Maintenance and Operations Contracts		\$ 808	\$ 24	\$ 221	\$ 34,557	\$ 1,966,874	\$ (13,006)	\$ 1,953,868
94500 Employee Benefit Contributions - Ordinary Maintenance					\$ 16,416	\$ 318,327		\$ 318,327
94000 Total Maintenance		\$ 1,065	\$ 38	\$ 244	\$ 151,873	\$ 4,005,727	\$ (13,006)	\$ 3,992,721
95100 Protective Services - Labor					\$ 9,731	\$ 49,702		\$ 49,702
95200 Protective Services - Other Contract Costs								
95300 Protective Services - Other						\$ 38,488		\$ 38,488
95500 Employee Benefit Contributions - Protective Services					\$ 2,984	\$ 18,055		\$ 18,055
95000 Total Protective Services		\$ -	\$ -	\$ -	\$ 12,715	\$ 106,245	\$ -	\$ 106,245
96110 Property Insurance				\$ (162)		\$ 474,632		\$ 474,632
96120 Liability Insurance		\$ 1,999	\$ 23	\$ 510	\$ 29,086	\$ 168,626		\$ 168,626
96130 Workmen's Compensation		\$ 3,048	\$ 18		\$ 32,562	\$ 79,657		\$ 79,657
96140 All Other Insurance			\$ 9	\$ 200	\$ 10,627	\$ 51,356		\$ 51,356
96100 Total insurance Premiums		\$ 5,047	\$ 50	\$ 548	\$ 72,275	\$ 774,271	\$ -	\$ 774,271
96200 Other General Expenses						\$ 1,144,588		\$ 1,144,588
96210 Compensated Absences		\$ 1,809				\$ 3,840		\$ 3,840
96300 Payments in Lieu of Taxes						\$ 298,365		\$ 298,365
96400 Bad debt - Tenant Rents						\$ 291,392		\$ 291,392
96500 Bad debt - Mortgages						\$ 244,580		\$ 244,580
96600 Bad debt - Other								
96800 Severance Expense								
96000 Total Other General Expenses		\$ 1,809	\$ -	\$ -	\$ -	\$ 1,982,765	\$ -	\$ 1,982,765
96710 Interest of Mortgage (or Bonds) Payable						\$ 582,988	\$ (286,951)	\$ 296,037
96720 Interest on Notes Payable (Short and Long Term)								
96730 Amortization of Bond Issue Costs								
96700 Total Interest Expense and Amortization Cost		\$ -	\$ -	\$ -	\$ -	\$ 582,988	\$ (286,951)	\$ 296,037
96900 Total Operating Expenses		\$ 531,579	\$ 19,527	\$ 24,549	\$ 2,655,428	\$ 19,531,625	\$ (3,072,634)	\$ 16,458,991
97000 Excess of Operating Revenue over Operating Expenses		\$ 4,967,140	\$ 116,223	\$ 179,168	\$ 1,360,226	\$ 43,362,010	\$ -	\$ 43,362,010

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, 2022

	Project Total	14.PHC Public Housing CARES Act Funding	14.218 Community Development Block Grants/Entitlement Grants	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	\$ 1,681,229						
97200 Casualty Losses - Non-capitalized	\$ 16,290				\$ 51,650		
97300 Housing Assistance Payments							
97350 HAP Portability-In							
97400 Depreciation Expense	\$ 1,606,763		\$ 1,778	\$ 233,182	\$ 2,064,934		\$ 8,425
97500 Fraud Losses							
97600 Capital Outlays - Governmental Funds							
97700 Debt Principal Payment - Governmental Funds							
97800 Dwelling Units Rent Expense							
90000 Total Expenses	\$ 9,481,385	\$ 310,957	\$ 1,311,612	\$ 676,531	\$ 6,883,240	\$ 106,853	\$ 73,540
10010 Operating Transfer In	\$ 1,298,345						
10020 Operating transfer Out	\$ (1,298,345)						
10030 Operating Transfers from/to Primary Government							
10040 Operating Transfers from/to Component Unit	\$ (1,375,618)				\$ 1,375,618		
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)	\$ (1,375,618)	\$ -	\$ -	\$ -	\$ 1,375,618	\$ -	\$ -
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$ 2,558,514	\$ -	\$ 50,875	\$ (188,410)	\$ 1,471,008	\$ -	\$ 19,800
11020 Required Annual Debt Principal Payments	\$ -	\$ -	\$ -	\$ 69,004	\$ 241,128	\$ -	\$ -
11030 Beginning Equity	\$ 48,179,182	\$ -	\$ 3,111,991	\$ 6,731,459	\$ 19,730,726	\$ -	\$ 579,624
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$ 956,894		\$ -	\$ -	\$ (956,894)		\$ -
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	10039			600	6244		144
11210 Number of Unit Months Leased	9725			598	5990		131
11270 Excess Cash	\$ 7,022,118						
11610 Land Purchases	\$ -						
11620 Building Purchases	\$ 74,205						
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, 2022

		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	\$ 704,596						
97200	Casualty Losses - Non-capitalized							
97300	Housing Assistance Payments			\$ 94,373	\$ 876,116		\$ 23,257,828	
97350	HAP Portability-In							
97400	Depreciation Expense	\$ 51,364	\$ 861				\$ 8,839	
97500	Fraud Losses							
97600	Capital Outlays - Governmental Funds							
97700	Debt Principal Payment - Governmental Funds							
97800	Dwelling Units Rent Expense							
90000	Total Expenses	\$ 1,113,109	\$ 328,715	\$ 117,459	\$ 950,151	\$ 407,678	\$ 25,136,175	\$ 61,365
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	\$ 1,526,527	\$ 5,110	\$ -	\$ 59,103	\$ 831,837	\$ (253,339)	\$ -
11020	Required Annual Debt Principal Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11030	Beginning Equity	\$ 7,988,022	\$ (14,499)	\$ -	\$ 24,226	\$ 9,156,668	\$ 3,609,320	\$ -
11040	Prior Period Adjustments, Equity Transfers and Correction of Errors	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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						\$ 3,355,981	
11180	Housing Assistance Payments Equity						\$ -	
11190	Unit Months Available			96	1692		34132	
11210	Number of Unit Months Leased			96	1281		32822	
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, 2022

		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					\$ 2,385,825		\$ 2,385,825
97200	Casualty Losses - Non-capitalized					\$ 67,940		\$ 67,940
97300	Housing Assistance Payments		\$ 47,668	\$ 167,065		\$ 24,443,050		\$ 24,443,050
97350	HAP Portability-In							
97400	Depreciation Expense				\$ 44,736	\$ 4,020,882		\$ 4,020,882
97500	Fraud Losses							
97600	Capital Outlays - Governmental Funds							
97700	Debt Principal Payment - Governmental Funds							
97800	Dwelling Units Rent Expense							
90000	Total Expenses	\$ 531,579	\$ 67,195	\$ 191,614	\$ 2,700,164	\$ 50,449,322	\$ (3,072,634)	\$ 47,376,688
10010	Operating Transfer In					\$ 1,298,345	\$ (1,298,345)	\$ -
10020	Operating transfer Out					\$ (1,298,345)	\$ 1,298,345	\$ -
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	\$ 4,967,140	\$ 68,555	\$ 12,103	\$ 1,315,490	\$ 12,444,313	\$ -	\$ 12,444,313
11020	Required Annual Debt Principal Payments	\$ -	\$ -	\$ -	\$ -	\$ 310,132		\$ 310,132
11030	Beginning Equity	\$ 550,000	\$ 12,800	\$ 289,798	\$ 5,579,416	\$ 105,528,733		\$ 105,528,733
11040	Prior Period Adjustments, Equity Transfers and Correction of Errors				\$ -	\$ -		\$ -
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					\$ 3,355,981		\$ 3,355,981
11180	Housing Assistance Payments Equity					\$ -		\$ -
11190	Unit Months Available		384	440		53771		53771
11210	Number of Unit Months Leased		49	440		51132		51132
11270	Excess Cash					\$ 7,022,118		\$ 7,022,118
11610	Land Purchases				\$ -	\$ -		\$ -
11620	Building Purchases				\$ -	\$ 74,205		\$ 74,205
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				\$ -	\$ -		\$ -

COMPLIANCE SECTION

Newport News Redevelopment and Housing Authority
Newport News, Virginia

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2022

	Assistance Listing 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 Fund	14.850	\$ 17,838,420	\$ 5,153,365
COVID-19 - Operating Fund - CARES Act	14.850	599,733	<u>310,957</u>
			5,464,322
 Public Housing Capital Fund	 14.872	 18,579,477	 3,608,323
Housing Assistance Payments Program:			
Section 8 Housing Choice Voucher	14.871	24,799,036	24,799,036
Emergency Housing Vouchers	14.871	135,355	<u>135,355</u>
			24,934,391
Mainstream Voucher Program	14.879	1,008,539	<u>1,008,539</u>
			<u>25,942,930</u>
TOTAL HOUSING CHOICE VOUCHER CLUSTER			
Housing Assistance Payments Program:			
Section 8 Moderate Rehabilitation - Single Room Occupancy			
VA003SRO004 - 2020-2021 funding	14.249	202,855	202,855
Section 8 New Construction and Substantial Rehabilitation through the Virginia Housing Development Authority			
Transition Center, VA36H027032	14.182	50,810	50,810
COVID-19 - Transition Center, VA36H027032 - CARES Act	14.182	3,400	<u>3,400</u>
			54,210
Housing Assistance Payments Program:			
Oyster Point-Brighton - VA36RD00005			
COVID-19 - Oyster Point-Brighton - VA36RD00005 - CARES Act	14.195	847,889	847,889
	14.195	17,200	17,200
Cypress Terrace - VA36RD00006	14.195	329,869	329,869
COVID-19 - Cypress Terrace - VA36RD00006 - CARES Act	14.195	8,650	8,650
Orcutt Townhomes Phase III - VA36RD00007	14.195	141,892	141,892
COVID-19 - Orcutt Townhomes Phase III - VA36RD00007 - CARES Act	14.195	4,750	4,750
Lassiter Courts Apartments - VA36RD00010	14.195	476,752	476,752
COVID-19 - Lassiter Courts Apartments - VA36RD00010 - CARES Act	14.195	10,000	10,000
Spratley House - VA36RD00012	14.195	18,617	<u>18,617</u>
			<u>1,855,619</u>
			<u>2,112,684</u>
TOTAL SECTION 8 PROJECT BASED CLUSTER			

Newport News Redevelopment and Housing Authority
Newport News, Virginia

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)

FOR THE YEAR ENDED JUNE 30, 2022

	Federal Award Number	Program or Award Amount	Disbursements or Expenditures
Choice Neighborhoods Planning Grant VAF003CNG118	14.889	\$ 30,000,000	5,453,920
		TOTAL HOPE VI CLUSTER	<u>5,453,920</u>
Family Self-Sufficiency Coordinator	14.896	280,078	106,853
Resident Opportunity and Supportive Services Service Coordinators	14.870	382,944	61,365
Continuum of Care Special Needs Assistance	14.267	120,334	<u>117,459</u>
		TOTAL HUD	<u>42,867,856</u>
		TOTAL DIRECT	<u>42,867,856</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	1,257,434	5,000
B-19-MC-51-0015	14.218	1,259,514	322,324
B-20-MC-51-0015	14.218	1,308,450	506,785
B-21-MC-51-0015	14.218	1,327,413	495,461
		TOTAL COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM	<u>1,329,570</u>
HOME Investment Partnerships Program			
M-15-MC-510202	14.239	6,895	6,895
M-16-MC-510202	14.239	200,595	200,595
M-17-MC-510202	14.239	482,877	482,877
M-18-MC-510202	14.239	29,929	29,929
M-19-MC-510202	14.239	71,401	71,401
M-20-MC-510202	14.239	76,834	76,834
M-21-MC-510202	14.239	29,279	<u>29,279</u>
		TOTAL HOME INVESTMENT PARTNERSHIPS PROGRAM	<u>897,810</u>
		TOTAL INDIRECT	<u>2,227,380</u>
		TOTAL	<u>\$ 45,095,236</u>

Newport News Redevelopment and Housing Authority
Newport News, Virginia

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Concluded)

FOR THE YEAR ENDED JUNE 30, 2022

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 Newport News Redevelopment and Housing Authority (the “Authority”), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Authority’s basic financial statements, and have issued our report thereon dated March 31, 2023. Our report also includes a reference to other auditors who audited the financial statements of Lower Jefferson Avenue, LLC, as described in our audit report on the Authority’s financial statements. The financial statements of Lower Jefferson Avenue, LLC were not audited in accordance with Government Auditing Standards, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with the aggregate discretely presented component units or that are reported on separately by those auditors who audited the financial statements of Lower Jefferson Avenue, LLC.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Cherry Bekaert LLP

Virginia Beach, Virginia
March 31, 2023

**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

Opinion on Each Major Federal Program

We have audited the Newport News Redevelopment and Housing Authority's (the "Authority") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended June 30, 2022. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance, we:

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

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2022-001 and 2022-002. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The Authority's responses were 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

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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. We consider the deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as items 2022-001 and 2022-002 to be a significant deficiencies.

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

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The Authority's responses were not subjected to the auditing 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
March 31, 2023

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2022

A. Summary of Auditor's Results

Financial Statements:

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

Federal Awards:

Type of auditor's report issued on compliance for major programs:	
Section 8 Project-Based Cluster:	Unmodified
Community Development Block Grant Program:	Unmodified
Low-Rent Public Housing Program:	Unmodified
Housing Choice Voucher Cluster:	Unmodified

Internal control over compliance:	
Material weaknesses identified:	No
Significant deficiencies identified:	Yes

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>AL #</u>
Department of Housing and Urban Development:	
Section 8 Project-Based Cluster	14.249/14.182/14.195
Community Development Block Grant Program	14.218
Low-Rent Public Housing Program	14.850
Housing Choice Voucher Program Cluster	14.871/14.879

Dollar threshold to distinguish between Types A and B Programs: **\$1,352,857**

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*

None reported.

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

YEAR ENDED JUNE 30, 2022

C. Findings and Questioned Costs for Federal Awards

Finding: 2022-001

Program Name: Low-Rent Public Housing Program (AL # 14.850)

Compliance Requirement: Eligibility

Type of Finding: Nonmaterial Noncompliance, Significant Deficiency

Criteria:

In accordance with Title 24 of the Code of Federal Regulations parts 5, 902, 960, 966, and 990, only eligible individuals should participate in the program and there should be evidence of eligibility determinations. The Authority has established an application and re-examination checklist to be used during the eligibility determination process to ensure that all required documents are maintained in the tenant's file.

Condition:

Of the forty (40) tenants selected for testing, we noted the following:

- One (1) tenant file containing eligibility determinations could not be located.
- Twelve (12) tenant files were missing the completed move-in or re-examination checklist.
- Five (5) tenant files were missing documentation that income was accurately calculated and verified.

Cause:

The Authority has had turnover in the staffing who perform eligibility determinations, resulting in eligibility determinations being performed by less experienced and trained staff.

Effect:

The Authority did not properly follow the controls in place for eligibility determinations for the year ended June 30, 2022, which resulted in the Authority being unable to support the eligibility determinations for six (6) tenants.

Auditor Recommendation:

We recommend the Authority reinforce the individuals completing eligibility determinations with additional training and supervision as well as re-emphasize the controls and procedures that should be followed when completing the determinations.

Management Response:

We will have the Housing Program Compliance Analyst audit a sample of tenant files based on the latest re-examinations to ensure the calculated income agrees with the supporting documentation, checklist is completed in its entirety and is maintained in the tenant files.

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

YEAR ENDED JUNE 30, 2022

C. Findings and Questioned Costs for Federal Awards (continued)

Identification of Repeat Finding:

Not a repeat finding.

Finding: 2022-002

Program Name: Section 8 Project-Based Cluster (AL # 14.249/14.182/14.195)

Compliance Requirement: Eligibility

Type of Finding: Nonmaterial Noncompliance, Significant Deficiency

Criteria:

In accordance with Title 24 of the Code of Federal Regulations parts 880 through 883, only eligible individuals should participate in the program and there should be evidence of eligibility determinations. The Authority has established a move-in and re-examination checklist to be used during the eligibility determination process to ensure that all required documents are maintained in the tenant's file.

Condition:

Of the forty (40) tenants selected for testing, we noted the following:

- Seventeen (17) tenant files were missing the completed move-in or re-examination checklist.
- Three (3) tenant files were missing documentation that they had been selected from the waiting list.
- Two (2) tenant files were missing documentation of inspections and tenant certifications.

Cause:

The Authority has had turnover in the staffing who perform eligibility determinations, resulting in eligibility determinations being performed by less experienced and trained staff.

Effect:

The Authority did not properly follow the controls in place for eligibility determinations for the year ended June 30, 2022, which resulted in the Authority being unable to support the eligibility determinations for five (5) tenants.

Auditor Recommendation:

We recommend the Authority reinforce the individuals completing eligibility determinations with additional training and supervision as well as re-emphasize the controls and procedures that should be followed when completing the determinations.

Management Response:

Within the next 30 days the Housing Program Compliance Analyst will complete a random audit at each complex of new admissions to confirm all HUD required forms have been completed and will review random files to confirm the re-examination checklists have been completed. A report will be provided to the Director of Housing once the analyst has completed the review.

Identification of Repeat Finding:

Not a repeat finding.

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

None noted.

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

YEAR ENDED JUNE 30, 2022

E. Resolution of Prior Year's Findings

Finding 2021-001 – Material Weakness over Financial Reporting

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

Finding 2021-002 – Material Weakness; Material Noncompliance Qualification

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