

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

FINANCIAL STATEMENTS AND
REPORT OF INDEPENDENT AUDITOR

JUNE 30, 2023

CONTENTS

	<u>Page</u>
Report of Independent Auditor	1
Management's Discussion and Analysis	5
FINANCIAL STATEMENTS	
Statement of Net Position - Proprietary Fund and Discretely Presented Component Units	13
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Fund and Discretely Presented Component Units	15
Statement of Cash Flows - Proprietary Fund and Discretely Presented Component Units	16
Statement of Fiduciary Net Position - Fiduciary Fund	18
Statement of Changes in Fiduciary Net Position - Fiduciary Fund	19
Notes to Financial Statements	20
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Changes in Net OPEB Liability and Related Ratios	71
OPEB Schedule of Contributions	72
Schedule of OPEB Investment Returns	73
OTHER SUPPLEMENTARY INFORMATION	
Combining Program Financial Schedules	
Combining Schedule of Net Position - Proprietary Fund Programs	74
Combining Schedule of Revenues, Expenses and Changes in Fund Net Position - Proprietary Fund Programs	80
Combining Schedule of Cash Flows - Proprietary Fund Programs	83
Combining Discretely Presented Component Units Financial Schedules	
Combining Schedule of Net Position - Discretely Presented Component Units	89
Combining Schedule of Revenues, Expenses and Changes in Fund Net Position - Discretely Presented Component Units	91
Combining Schedule of Cash Flows - Discretely Presented Component Units	92
Financial Data Schedule	94
OTHER INFORMATION	
Statement and Certification of Capital Fund Program Costs	144
Statement of Capital Fund Program Costs	145
Federal Financial Report	149
COMPLIANCE SECTION	
Schedule of Expenditures of Federal Awards	153
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	155
Report of Independent Auditor on Compliance with Requirements Applicable to Each Major Federal Program and Internal Control over Compliance	157
Schedule of Findings and Questioned Costs	161



INDEPENDENT AUDITORS' REPORT

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

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, 2023, 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 the aggregate remaining fund information of the Authority, as of June 30, 2023 (except for the discretely presented component units which are as of and for the year ended December 31, 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 17%, 44% and 8%, respectively of assets, net position, and revenues of the aggregate discretely presented component unit, which are presented as of December 31, 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 (GAAS), 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Newport News Redevelopment and Housing Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

The financial statements of the discretely presented component unit, Lower Jefferson Avenue, LLC, were not audited in accordance with *Government Auditing Standards*.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 18 in the financial statements, effective July 1, 2022, the Authority adopted Statement of Governmental Accounting Standards Board (GASB Statement) No. 96, *Subscription-Based Information Technology Arrangements*, new accounting guidance for subscription-based information technology software. The guidance requires that right to use information technology software alone or in combination with tangible capital assets are recognized as an asset with a corresponding subscription liability instead of being recognized as a general operating expense. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 Newport News Redevelopment and Housing Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 22, 2024 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 and compliance.



CliftonLarsonAllen LLP

Arlington, Virginia
March 22, 2024

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

MANAGEMENT’S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2023

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

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

Financial Highlights

The 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 \$123,591,646, which is an increase of \$12,261,652 during the year ended June 30, 2023. This increase is mostly attributable to the additional grant funds related to the Choice Neighborhood Initiative (CNI) grant over the prior year, and contributions from the City of Newport News to invest in the Marshall-Ridley Choice Neighborhood Transformation Plan.

OVERVIEW OF THE ANNUAL FINANCIAL REPORTS

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

- I. **Management Discussion and Analysis (MD&A)**
Serves as an introduction to the Authority’s basic financial statements

- II. **Basic Financial Statements**
 - Fund Financial Statements
 - Notes to Financial Statements

- III. **Other Required Supplementary Information**

Proprietary Fund Financial Statements

The Authority’s proprietary fund financial statements account for its various programs (Public Housing, Rental Assistance, Central Office Cost Center, Community Development, HOME Investment Partnerships, Resident Self Sufficiency, Transition Center, State and Local Activities, Business Activities, Development properties for Lower Jefferson Avenue, Lofts on Jefferson, Orcutt Senior Housing, Orcutt Townhomes, Orcutt Townhomes III, Oyster Point-Brighton, Cypress Terrace, Lassiter Courts 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 – The Statement of Net Position reports all financial and capital resources for the Authority similar to a balance sheet. Assets and liabilities are presented in order of liquidity and are classified as “Current” (convertible into cash within one year), “Restricted”, and “Non-current”.

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

MANAGEMENT’S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2023

Net Position is reported in three broad categories:

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

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

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

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

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

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

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

Discretely Presented 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 2021-2023 the Authority created various entities to redevelop the Marshall-Ridley area with the CNI grant, low-income tax credit equity and other leveraged resources.

Fiduciary Fund

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2023

Analysis of the Authority's Statement of Net Position

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

	FY 2023 Proprietary Fund	FY 2022 Proprietary Fund	Increases (Decreases)	Percent
ASSETS:				
Current Assets	\$ 41,463,939	\$ 26,455,721	\$ 15,008,218	56.7%
Capital Assets	79,320,219	75,048,860	4,271,359	5.7%
Other Assets	23,183,924	25,534,598	(2,350,674)	-9.2%
TOTAL ASSETS	143,968,082	127,039,179	16,928,903	13.3%
DEFERRED OUTFLOWS OF RESOURCES	131,819	67,174	64,645	96.2%
LIABILITIES				
Current Liabilities	8,542,263	3,307,318	5,234,945	158.3%
Non-Current Liabilities	11,898,003	12,116,283	(218,280)	-1.8%
TOTAL LIABILITIES	20,440,266	15,423,601	5,016,665	32.5%
DEFERRED INFLOWS OF RESOURCES	67,989	352,758	(284,769)	-80.7%
NET POSITION:				
Net Investment in Capital Assets	67,898,869	63,341,304	4,557,565	7.2%
Restricted Net Position	18,336,020	18,766,394	(430,374)	-2.3%
Unrestricted Net Position	37,356,757	29,222,296	8,134,461	27.8%
TOTAL NET POSITION	\$ 123,591,646	\$ 111,329,994	\$ 12,261,652	11.0%

Net position (assets and deferred outflows of resources over liabilities and deferred inflows of resources) increased by \$12,261,652 which is mostly attributable to additional grant funds related to the CNI grant over the prior year, and funding from the City of Newport News to invest in the Marshall-Ridley Choice Neighborhood Transformation Plan. Also, the investment and renovation of Public Housing units under the Rental Assistance Demonstration (RAD) program allows the Authority to borrow money and to secure tax credit equity investments for the much needed financial reposition, renovation and improvements to the properties.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2023

Analysis of the Authority's Changes in Net Position

	FY 2023 Proprietary Funds	FY 2022 Proprietary Funds	Increase / (Decrease)	Percent
OPERATING REVENUES:				
Rental and tenant income	\$ 3,507,891	\$ 3,388,724	\$ 119,167	3.5%
Intergovernmental	55,619,517	47,908,555	7,710,962	16.1%
Other income	1,874,277	1,896,313	(22,036)	-1.2%
Total operating revenues	61,001,685	53,193,592	7,808,093	14.68%
OPERATING EXPENSES:				
Administration	6,408,472	5,740,825	667,647	11.6%
Tenant services	1,169,134	1,014,527	154,607	15.2%
Utilities	2,729,684	2,319,885	409,799	17.7%
Ordinary maintenance and operations	4,351,391	3,895,549	455,842	11.7%
Protective services	108,805	106,244	2,561	2.4%
Insurance Expense	719,760	754,137	(34,377)	-4.6%
General expenditures	2,529,786	1,926,798	602,988	31.3%
Nonroutine maintenance	312,246	2,453,765	(2,141,519)	-87.3%
Housing assistance payments	26,852,753	24,443,050	2,409,703	9.9%
Depreciation	3,959,103	3,787,698	171,405	4.5%
Total operating expenses	49,141,134	46,442,478	2,698,656	5.8%
OPERATING INCOME / (LOSS)	11,860,551	6,751,114	5,109,437	75.7%
NONOPERATING REVENUES / (EXPENSES):				
Interest and investment revenue	444,181	103,702	340,479	328.3%
Interest Expense	(197,863)	(257,686)	59,823	-23.2%
Contributions for AHP Subsidy	-	500,000	(500,000)	-100.0%
Gain or loss on sale or disposition fixed assets	(548,525)	1,892,098	(2,440,623)	-129.0%
Total nonoperating revenues / expenses	(302,207)	2,238,114	(2,540,321)	-129.1%
INCOME / (LOSS) BEFORE CONTRIBUTIONS, TRANSFERS, AND ADJUSTMENTS:				
	11,558,344	8,989,228	2,569,116	28.6%
HUD capital contributions	566,838	74,205	492,633	663.9%
Tax credit proceeds	136,470	3,569,287	(3,432,817)	-96.2%
CHANGE IN NET POSITION	12,261,652	12,632,720	(371,068)	-2.9%
TOTAL NET POSITION - beginning	111,329,994	98,697,274	12,632,720	12.8%
Prior Period adjustment			320,504	
TOTAL NET POSITION - ending	\$123,591,646	\$111,329,994	\$ 12,632,720	11.3%

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2023

Revenue and Expense Activities

Operating Revenues of Enterprise Funds Activities – The Authority's revenue increased by 14.68% or \$7,808,093 in FYE June 30, 2023, as compared to FYE June 30, 2022. Tenant income (rent, excess utilities, and maintenance charges) increased by \$119,167. The net intergovernmental revenue, operating grants and housing assistance payments incurred a significant net increase of \$7,710,962. Contributions from the City of Newport News and the Hampton Roads Peninsula District Commission to invest in the Marshall-Ridley Choice Neighborhood Transformation Plan experienced a significant increase due to increased construction activity. The Housing Choice Voucher program experienced an increase of \$3.3 million due to additional vouchers received by the Authority and our push to maximize vouchers leased. The Low-Rent Public Housing Program had modest increases in the operating subsidies and capital fund program.

Operating Expenses of Enterprise Funds Activities – The Authority's Enterprise Funds expenses increased by 5.8% or \$2,698,656 in FYE June 30, 2023, as compared to FYE June 30, 2022. Most of the change is attributable to an increase of \$2,409,703 in housing assistance payments, offset with a decrease of \$2,141,519 in non-routine maintenance that is related to the demolition of Ridley Place last year. Increases in Administration, Utilities, Tenant Services, General Expenditures and increases in ordinary maintenance costs are due to increases in materials, plumbing and HVAC contract costs, and the cost of using a temporary labor agency to fill vacant maintenance positions, along with a small increase in depreciation. These were offset with a decrease in insurance expenses. There was a \$548,525 loss on the disposition of fixed assets related to the Ridley demolition. Several assets had not been fully depreciated, therefore in order to remove the assets from our books, a loss was recorded.

CAPITAL ASSETS

At the end of fiscal year June 30, 2023, the Enterprise Funds had \$143,206,175 before accumulated depreciation, invested in a broad range of capital assets, including multi-family residential property, commercial office and shop property, computer equipment, and vehicles. The Authority's Public Housing fund is capital assets intensive and reflects the costs of buildings purchased, constructed and decades of major renovations. The cost of these items are capitalized and depreciated over their useful lives, while the grants received from HUD to fund these capital costs are recognized as revenue in the year the costs are capitalized. During the current year, the Authority had a significant increase in construction in progress due to the construction activities for the Marshall-Ridley Transformation Plan, this was offset with the demolition of the Ridley Place Apartments. The Authority has continued the Phase VII work at Marshall Courts and has made significant progress in the renovation.

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

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

MANAGEMENT’S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2023

	FY 2023	FY 2022	Increase / (Decrease)
Land and improvements	\$ 6,946,688	\$ 7,076,705	\$ (130,017)
Building	124,091,975	133,562,955	(9,470,980)
Equipment	3,931,198	3,853,501	77,697
Subscription Asset	148,550	-	148,550
Construction in Progress	8,087,764	653,104	7,434,660
Total	143,206,175	145,146,265	(1,940,090)
Accumulated Depreciation	(63,885,956)	(70,097,405)	6,211,449
TOTAL	\$ 79,320,219	\$ 75,048,860	\$ 4,271,359

LONG-TERM DEBT

At the end of fiscal year June 30, 2023, the Authority and/or its blended component units owed \$11,421,350 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 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. In March 2021, 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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2023

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. In January 2023, we were awarded a Commitment to Enter into a Housing Assistance Payment (CHAP) for 30 units at Orcutt Townhomes. VHDA awarded Low-Income Housing Tax Credits for the necessary funds to renovate the property to allow for a RAD conversion.

- The Authority's federal revenues have increased significantly over the past year due to the award of the CNI grant. The Housing Choice Voucher (Section 8) program was subject to a renewal funding of 100% last year; funding proration in CY 2024 is projected to remain the same, therefore we will be able to continue to maximize leasing. The Authority has been awarded 54 Veterans Affairs Supportive Housing (VASH) vouchers to administer in partnership with the Department of Veteran Affairs (VA) facility, Hampton VA Medical Center. These vouchers are intended to serve Veterans in Newport News. We also received a 141 Mainstream Vouchers to help low- income households that include persons with disabilities, and 32 Emergency Housing Vouchers to help assist individuals and families who are (1) homeless, (2) at risk of homelessness, (3) fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking, or (4) recently homeless. We have also received 88 tenant protection vouchers for those tenants that are relocating due to the planned demolition of units at Marshall Courts.
- The administrative fee funding continues to remain low at 90% of eligibility.
- The Authority is being funded at a rate of 87.44% of overall public housing subsidy eligibility for the first six months of FY 2024. The Authority is expecting to receive funding of 92% for full 2024 calendar year.
- In the short term, health care and other insurance costs are expected to increase again this year. In the longer term, it is unknown at this time how future health care reform will affect Authority expenses.
- A decrease of approximately 6% in electrical utility costs is expected, this will most likely be offset with continued increases in water and sanitation costs.
- Post-retirement benefits other than pensions are estimated to be \$84,000 for FY 2024. The liability has been fully funded through a trust.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2023

FINANCIAL CONTACT

Questions concerning any of the information provided in this Management Discussion & Analysis 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

FINANCIAL STATEMENTS

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

STATEMENT OF NET POSITION

PROPRIETARY FUND AND DISCRETELY PRESENTED COMPONENT UNITS

JUNE 30, 2023

	Proprietary Fund - Primary Government	Discrete Component Units
<u>ASSETS</u>		
Current assets:		
Cash and equivalents- unrestricted	\$ 18,418,270	\$ 1,868,511
Cash and equivalents - restricted	11,772,260	137,888
Accounts receivable (net of allowance)	4,944,434	24,138
Due from component units/primary government	908,633	-
Investments	4,434,926	-
Investments - restricted	801,973	256,857
Pepaid expenses	183,443	9,410
Total current assets	41,463,939	2,296,804
Noncurrent assets:		
Notes and mortgages receivable	16,040,218	-
Notes and mortgages receivable - restricted	6,270,465	-
Nondepreciable capital assets	15,034,452	31,117,361
Depreciable / amortizable Capital assets (net)	64,285,767	5,926,264
Accrued interest receivable	262,716	-
Net OPEB asset	156,882	-
Other noncurrent assets	453,643	-
Total noncurrent assets	102,504,143	37,043,625
TOTAL ASSETS	143,968,082	39,340,429
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Deferred outflows related to OPEB plan	131,819	-

The accompanying notes are integral part of this statement.

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

STATEMENT OF NET POSITION

PROPRIETARY FUND AND DISCRETELY PRESENTED COMPONENT UNITS

JUNE 30, 2023

	Proprietary Fund - Primary Government	Discrete Component Units
<u>LIABILITIES</u>		
Current liabilities:		
Accounts payable and accrued expenses	3,632,799	\$ 3,164,946
Due to component units/primary government	-	966,316
Accrued salaries and wages	80,397	2,452
Accrued interest payable	15,659	2,344
Unearned revenues	4,390,025	9,412
Security deposit liabilities	173,392	32,512
Compensated absences	15,993	-
Notes payable	-	4,660,945
Current portion of long-term liabilities	233,998	73,193
Total current liabilities	8,542,263	8,912,120
Long-term liabilities		
Compensated absences	434,946	6,759
Notes and mortgages payable	11,187,352	19,654,624
Developer fee payable	-	19,190
Accrued interest payable	-	236,955
FSS escrow liabilities	275,705	-
Total long-term liabilities	11,898,003	19,917,528
TOTAL LIABILITIES	20,440,266	28,829,648
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred inflows related to OPEB and grant income	67,989	-
<u>NET POSITION</u>		
Net investment in capital assets	67,898,869	12,654,863
Restricted	18,336,020	362,233
Unrestricted	37,356,757	(2,506,315)
TOTAL NET POSITION	\$ 123,591,646	\$ 10,510,781

The accompanying notes are an integral part of this statement.

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

PROPRIETARY FUND AND DISCRETELY PRESENTED COMPONENT UNITS

FOR THE YEAR ENDED JUNE 30, 2023

	Proprietary Fund - Primary Government	Discrete Component Units
OPERATING REVENUES:		
Rental and tenant income	\$ 3,507,891	\$ 431,869
Intergovernmental - operating grants	55,619,517	-
Fee revenue	136,295	-
Other income	1,737,982	52
Total operating revenues	61,001,685	431,921
OPERATING EXPENSES:		
Administration	6,408,472	134,648
Tenant services	1,169,134	314
Utilities	2,729,684	191,723
Ordinary maintenance	4,351,391	245,082
Protective services	108,805	-
Insurance expense	719,760	20,690
General expenses	2,529,786	68,111
Nonroutine maintenance	312,246	-
Housing assistance payments	26,852,753	-
Depreciation and amortization	3,959,103	226,143
Total operating expenses	49,141,134	886,711
OPERATING INCOME / (LOSS)	11,860,551	(454,790)
NONOPERATING REVENUES / (EXPENSES):		
Interest and investment revenue	444,181	1,047
Interest expense	(197,863)	(245,817)
Gain or loss on sale or disposition fixed assets	(548,525)	-
Total nonoperating revenues / (expenses)	(302,207)	(244,770)
INCOME / (LOSS) BEFORE CONTRIBUTIONS, TRANSFERS AND ADJUSTMENTS	11,558,344	(699,560)
HUD Capital contributions	566,838	-
Tax credit and other proceeds	136,470	4,667,293
CHANGE IN NET POSITION	12,261,652	3,967,733
TOTAL NET POSITION - Beginning of year	111,329,994	6,543,048
TOTAL NET POSITION - End of year	\$ 123,591,646	\$ 10,510,781

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 AND DISCRETELY PRESENTED COMPONENT UNITS

FOR THE YEAR ENDED JUNE 30, 2023

	Proprietary Fund - Primary Government	Discrete Component Units
Cash flows from operating activities:		
Cash received from tenants/others	\$ 3,558,374	\$ 400,120
Cash received for fees/services/donations	1,133,931	52
Cash operating grants received (net)	58,332,912	-
Cash payments for goods, services, rental subsidies	(38,893,754)	(87,970)
Cash payments to/for employees and benefits	(7,633,105)	(9,472)
Cash payments for or in lieu of property taxes	(307,874)	(41,226)
Net cash provided by operating activities	16,190,484	261,504
Cash flows from capital and related financing activities:		
Purchase of equipment/capital assets	(6,313,796)	(21,461,750)
Proceeds from sale of capital assets	534,459	-
Proceeds from issuing notes and other debt	-	18,109,008
Proceeds from sale of tax credits	76,470	4,485,943
Loan principal payments	(374,759)	(71,067)
Interest payments	(197,491)	(29,273)
Net cash provided (used) by capital and related financing activities	(6,275,117)	1,032,861
Cash flows from noncapital financing activities:		
Loans made to borrowers	(7,472,984)	-
Receipt of interest on notes and loans	30,583	-
Loan payments received	362,261	-
Net cash (used) by noncapital financing activities	(7,080,140)	-
Cash flows from investing activities:		
Receipts of interest and dividends	40,083	92
Deposits (withdrawals) to/from reserve accounts	(184,179)	5,642
Net cash provided (used) by investing activities	(144,096)	5,734
Net increase in cash	2,691,131	1,300,099
Cash and equivalents at beginning of period	27,499,399	706,300
Cash and equivalents at end of period	\$ 30,190,530	\$ 2,006,399
Reconciliation to statement of net position:		
Cash and equivalents - unrestricted	\$ 18,418,270	\$ 1,868,511
Cash and equivalents - restricted	11,772,260	137,888
	\$ 30,190,530	\$ 2,006,399

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 AND DISCRETELY PRESENTED COMPONENT UNITS

FOR THE YEAR ENDED JUNE 30, 2023

	Proprietary Fund - Primary Government	Discrete Component Units
Noncash Activities:		
Capital assets acquired as of year-end but not paid for until subsequent period	\$ (2,325,219)	\$ (3,109,103)
HUD capital contributions recorded as of year-end but not received until subsequent period	44,546	-
Assets acquired under a lease as of year-end	(468,863)	3,109,103
Accounts and notes receivable	(44,546)	-
Accounts payable and liabilities	2,734,082	-
Debt obligation converted to income	60,000	-
	\$ -	\$ -
Reconciliation of operating income to net cash provided by operating activities:		
Operating income (loss)	\$ 11,860,551	\$ (454,790)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	3,959,103	226,143
Operating expenses paid from non-cash assets	117	-
Change in assets and liabilities:		
Decrease / (Increase) in accounts receivable	(2,598,899)	(9,251)
Decrease / (Increase) in notes and mortgages receivable	173,466	-
Decrease / (Increase) in prepaid expenses and materials inventories	(47,012)	310
Increase / (Decrease) in deferred outflows of resources	(64,645)	-
Increase / (Decrease) in accounts payable	122,186	17,008
Decrease / (Increase) in due from other funds/programs	(199,033)	477,366
Increase / (Decrease) in accrued liabilities	(86,210)	732
Increase / (Decrease) in compensated absences	19,091	3,147
Increase / (Decrease) in trust, deposit, and escrow liabilities	74,597	769
Increase / (Decrease) in unearned revenues	3,754,947	70
Increase / (Decrease) in OPEB liabilities or asset	235,677	-
Increase / (Decrease) in deferred inflows of resources	(284,769)	-
	\$ 16,190,484	\$ 261,504

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, 2023

	<u>OPEB Trust Fund</u>
<u>ASSETS</u>	
Investments, at fair value	<u>\$ 1,844,278</u>
TOTAL ASSETS	<u>1,844,278</u>
 <u>NET POSITION</u>	
Net position restricted for other postemployment benefits	<u>1,844,278</u>
TOTAL NET POSITION	<u>\$ 1,844,278</u>

The accompanying notes are an integral part of this statement.

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FIDUCIARY FUND

FOR THE YEAR ENDED JUNE 30, 2023

	<u>OPEB Trust Fund</u>
ADDITIONS	
Contributions:	
Employer	\$ 81,660
Total contributions	<u>81,660</u>
Investment income:	
Net appreciation in fair value of investments	129,507
Dividends	<u>1,239</u>
Net investment income	130,746
	<u>212,406</u>
Total additions	<u>212,406</u>
DEDUCTIONS	
Benefits paid	81,660
Administrative expenses	<u>2,293</u>
Total deductions	<u>83,953</u>
Change in fiduciary net position	<u>128,453</u>
Net position restricted for other postemployment benefits - beginning of year	1,715,825
Net position restricted for other postemployment benefits - end of year	<u><u>\$ 1,844,278</u></u>

The accompanying notes are an integral part of this statement.

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Newport News Redevelopment and Housing Authority (“Authority” or “NNRHA”) have been prepared in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”) as applied to government units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Authority’s accounting policies are described below.

A. Reporting Entity

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

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

Public Housing Program

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

Rental Assistance Program

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

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity (Continued)

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 3 Development Corporation (including Orcutt Townhomes 3, L.P.)	This program includes the activity of an Authority subsidiary that owns former Public Housing redeveloped as a mixed finance, tax credit property. This property converted to Project-based Rental Assistance under 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 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 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.
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.
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.

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity (Continued)

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

<u>Entity</u>	<u>Method of Inclusion / Reporting</u>
Orcutt Senior Development Corporation (including Orcutt Senior Housing, L.P.)	Blended
Orcutt Townhomes Development Corporation (including Orcutt Townhomes, L.P.)	Blended
Orcutt Townhomes 3 Development Corporation (including Orcutt Townhomes 3, 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, 2022
Choice Neighborhood I Development Corporation and Choice Neighborhood I, LLC	Discretely as of December 31, 2022
Choice Neighborhood II Development Corporation and Choice Neighborhood II, LLC	Discretely as of December 31, 2022
Carrier Point Partners Development Corporation and Carrier Point Commercial Partners, LLC	Discretely as of December 31, 2022
Choice Neighborhood Partners Development Corporation and Choice Neighborhood Commercial Partners, LLC	Discretely as of December 31, 2022
Choice Neighborhood III-R Development Corporation and Choice Neighborhood III-R, LLC	Discretely as of December 31, 2022
Choice Neighborhood IV Development Corporation and Choice Neighborhood IV, LLC	Discretely as of December 31, 2022

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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, 2022. 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 employees, retirees, and their beneficiaries based on the postemployment benefits plan. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with plan terms.

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. Revenue recognition, measurement focus, basis of accounting, and financial statement presentation

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

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

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

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

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

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

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

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

E. Fund Accounting

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

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

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

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

F. Basis of Accounting – Fund Level Statements

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

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

G. Budgets and Budgetary Accounting

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

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

H. Cash and Investments

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

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2023, are recorded as prepaid items.

J. Capital Assets

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

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

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

K. Vacation and Sick Leave Compensation

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

L. Estimates

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

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

M. Imputation of Interest

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

N. Deferred outflows/inflows of resources

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

O. Postemployment Benefits Other than Pensions (OPEB)

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

NOTE 2 – DEPOSITS AND INVESTMENTS

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

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 2 – DEPOSITS AND INVESTMENTS

BANK DEPOSITS

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

The Authority's deposits consist of the following:

	Proprietary Fund	Discrete Component Units
Demand deposit accounts (checking, savings, and money market account)	\$ 26,706,723	\$ 1,973,874
Time deposits - certificates of deposit	211,715	32,525
Total deposits	\$ 26,918,438	\$ 2,006,399

Deposits are required to be either covered by federal depository insurance or be collateralized with securities held by a third-party custodian in the Authority's name. At June 30, 2023, the Authority's deposits with financial institutions for all fund types, including blended component units, had a carrying amount of \$26,918,438 and a bank balance of \$28,018,465. For the discretely presented component unit, the carrying amount of such deposits amount to \$2,006,399 and bank balances of \$2,468,169. The bank balances are categorized as follows:

	Proprietary Fund	Discrete Component Units
Amount insured by the FDIC or collateralized with securities held by third party custodians in the Authority's name.	\$ 1,711,715	\$ 842,672
Collateralized under the Commonwealth's public depository fund in accordance with the laws of the Commonwealth of Virginia	26,306,750	-
Uninsured, uncollateralized	-	1,625,497
Total bank balance	\$ 28,018,465	\$ 2,468,169

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

	Proprietary Fund	Discrete Component Units
Cash and cash equivalents	\$ 26,918,438	\$ 2,006,399
Investments	-	-
Total deposits	\$ 26,918,438	\$ 2,006,399

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 2 – DEPOSITS AND INVESTMENTS

INVESTMENTS

As of June 30, 2023 the Authority held the following investments:

Investment Type	Maturity	Issuer Credit Rating	Proprietary Fund - Fair Value or Cost	Fiduciary Fund - Fair Value
Repurchase Agreements	Daily	N/A	\$ 3,268,592	\$ -
Virginia Investment Pool Stable NAV Liquidity Pool	70 days	S & P AAAm	4,114,484	-
Virginia Investment Pool 1-3 Year High Quality Bond Fund	668 days	S & P AA+f/S1	320,442	-
VACO / VML Pooled OPEB Trust	N/A	N/A	-	1,844,278
Total			<u>\$ 7,703,518</u>	<u>\$ 1,844,278</u>

As of June 30, 2023, the Authority's investments are classified in the financial statements as follows:

	Proprietary Fund	Fiduciary Fund
Cash and cash equivalents	\$ 3,268,592	\$ -
Investments	4,434,926	1,844,278
Total investments	<u>\$ 7,703,518</u>	<u>\$ 1,844,278</u>

CLASSIFICATION IN FINANCIAL STATEMENTS:

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

	Proprietary Fund	Fiduciary Fund	Discrete Component Units
Deposits with financial institutions	\$ 26,918,438	\$ -	\$ 2,006,399
Investments - short-term	3,268,592	-	-
Petty cash and change funds	3,500	-	-
Total cash and cash equivalents	<u>\$ 30,190,530</u>	<u>\$ -</u>	<u>\$ 2,006,399</u>
Restricted for:			
Capital improvements replacement reserve	\$ 2,004,394		\$ -
Security deposits	168,871		32,511
Rental Assistance HAP Reserve	-		-
Unearned Revenue	4,802,207		
Program income and revolving construction funds	2,050,894		-
Family Self Sufficiency (FSS) program escrow	275,703		-
Replacement reserve and other reserve accounts	2,470,191		105,377
	<u>11,772,260</u>		<u>137,888</u>
Unrestricted	<u>\$ 18,418,270</u>		<u>\$ 1,868,511</u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 2 – DEPOSITS AND INVESTMENTS

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

	Proprietary Fund	Fiduciary Fund	Discrete Component Units
Unrestricted Investments	\$ 4,434,926	\$ 1,844,278	\$ -
Reserves held by mortgage servicer and fiscal agents	801,973	-	256,857
Restricted	801,973	-	256,857
Total investments	\$ 5,236,899	\$ 1,844,278	\$ 256,857

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, 2023, is 41 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, 2023, is 70 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, 2023, is 1.83 years (668 days).

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

Custodial credit risk – investments – For an investment, this is the risk that, in the event of the failure of a counterparty, the authority would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority's \$3,268,592 investment in repurchase agreements are uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department, but not in the Authority's name. The Authority has no policy on custodial credit risk for investments.

Custodial credit risk – deposits – For deposits, this is the risk that, in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority has no policy on custodial credit risk for deposits. As of December 31, 2022, \$1,625,497 of the Authority's discretely presented component units' deposits are subject to custodial credit risk as the deposits are uninsured and uncollateralized or collateralized with securities not held in the Authority's name.

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

Fair value – The Authority categorizes its fair value measurements within the fair value hierarchy established by the generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 2 – DEPOSITS AND INVESTMENTS

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

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

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

NOTE 3 – ACCOUNTS RECEIVABLE:

Receivables at June 30, 2023 consist of the following:

	Proprietary Fund	Discrete Component Unit
Tenants/Program Participants	\$ 718,427	\$ 64,578
Less: Allowance	(517,143)	(40,440)
	201,284	24,138
HUD - unrequisioned costs	532,814	-
HUD - operating subsidy	20,474	-
HUD - housing assistance payments	1,103,863	-
HUD - administrative fees	148,250	-
Loan program participants	44,018	-
Other governments	2,451,126	-
Due from landlords/owners	343,966	-
Affiliates	98,639	-
	\$ 4,944,434	\$ 24,138

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

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 3 – ACCOUNTS RECEIVABLE:

Receivables at June 30, 2023 consist of the following:

	Public Housing Program	Rental Assistance Program	Central Office Cost Center Program	Community Development Program	HOME Investment Partnership Program	Resident Self Sufficiency Programs	Transition Center Program	State and Local Activities Program	Choice Neighborhoods Grant Program	
Tenants/Program Participants	\$ 142,601	\$ 271,019	\$ -	\$ -	\$ -	\$ -	\$ 554	\$ -	\$ -	
Less: Allowance	(37,193)	(271,019)	-	-	-	-	(221)	-	-	
	<u>105,408</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>333</u>	<u>-</u>	<u>-</u>	
HUD - unrequisioned costs	14,615	6,685	-	-	-	103,815	-	-	407,699	
HUD - operating subsidy	19,859	-	-	-	-	-	-	-	-	
HUD - housing assistance payments	-	898,344	-	-	-	-	-	-	-	
HUD - administrative fees	-	148,250	-	-	-	-	-	-	-	
Loan program participants	-	-	-	-	44,018	-	-	-	-	
Other governments	344,433	-	52,322	13,648	100,000	-	-	122,430	-	
Due from landlords/owners	-	343,966	-	-	-	-	-	-	-	
Affiliates	-	-	98,639	-	-	-	-	-	-	
	<u>\$ 484,315</u>	<u>\$ 1,397,245</u>	<u>\$ 150,961</u>	<u>\$ 13,648</u>	<u>\$ 144,018</u>	<u>\$ 103,815</u>	<u>\$ 333</u>	<u>\$ 122,430</u>	<u>\$ 407,699</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
Tenants/Program Participants	\$ -	\$ 21,128	\$ 9,076	\$ 31,915	\$ 21,344	\$ 74,153	\$ 52,579	\$ 84,390	\$ 9,668	\$ 718,427
Less: Allowance	-	(5,322)	(2,278)	(23,207)	(15,851)	(58,398)	(41,771)	(57,722)	(4,161)	(517,143)
	<u>-</u>	<u>15,806</u>	<u>6,798</u>	<u>8,708</u>	<u>5,493</u>	<u>15,755</u>	<u>10,808</u>	<u>26,668</u>	<u>5,507</u>	<u>201,284</u>
HUD - unrequisioned costs	-	-	-	-	-	-	-	-	-	532,814
HUD - operating subsidy	-	615	-	-	-	-	-	-	-	20,474
HUD - housing assistance payments	-	-	-	59,419	-	133,894	4,453	1,977	5,776	1,103,863
HUD - administrative fees	-	-	-	-	-	-	-	-	-	148,250
Loan program participants	-	-	-	-	-	-	-	-	-	44,018
Other governments	1,771,113	-	-	-	-	-	21,075	26,105	-	2,451,126
Due from landlords/owners	-	-	-	-	-	-	-	-	-	343,966
Affiliates	-	-	-	-	-	-	-	-	-	98,639
	<u>\$ 1,771,113</u>	<u>\$ 16,421</u>	<u>\$ 6,798</u>	<u>\$ 68,127</u>	<u>\$ 5,493</u>	<u>\$ 149,649</u>	<u>\$ 36,336</u>	<u>\$ 54,750</u>	<u>\$ 11,283</u>	<u>\$ 4,944,434</u>

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 was as follows:

Proprietary Fund

	Balance at June 30, 2022	Additions	Transfers / Reductions	Balance at June 30, 2023
Business-type activities:				
Land and improvements	\$ 7,076,705	\$ -	\$ (130,017)	\$ 6,946,688
Construction in progress	653,104	7,659,479	(224,819)	8,087,764
Total capital assets, not being depreciated	<u>\$ 7,729,809</u>	<u>\$ 7,659,479</u>	<u>\$ (354,836)</u>	<u>\$ 15,034,452</u>
Buildings and Improvements	\$ 133,562,955	\$ 752,885	\$ (10,223,865)	\$ 124,091,975
Furniture, equipment, vehicles and fixtures	3,853,501	218,074	(140,377)	3,931,198
Subscription asset	-	-	148,550	148,550
Total capital assets, being depreciated / amortized	<u>137,416,456</u>	<u>970,959</u>	<u>(10,215,692)</u>	<u>128,171,723</u>
Accumulated depreciation and amortization				
Buildings and Improvements	(67,435,277)	(3,571,107)	10,077,005	(60,929,379)
Furniture, equipment, vehicles and fixtures	(2,662,128)	(239,446)	93,547	(2,808,027)
Accumulated amortization on subscription asset	-	(148,550)	-	(148,550)
Total accumulated depreciation and amortization	<u>(70,097,405)</u>	<u>(3,959,103)</u>	<u>10,170,552</u>	<u>(63,885,956)</u>
Total capital assets, being depreciated / amortized (net)	<u>\$ 67,319,051</u>	<u>\$ (2,988,144)</u>	<u>\$ (45,140)</u>	<u>\$ 64,285,767</u>
	<u>\$ 75,048,860</u>	<u>\$ 4,671,335</u>	<u>\$ (399,976)</u>	<u>\$ 79,320,219</u>

Depreciation expense of \$3,810,553 and \$148,550 in amortization of leased subscription-based IT assets was charged to the Proprietary Fund.

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 4 – CAPITAL ASSETS

Discretely Presented Component Units

Capital asset activity for the year was as follows:

	Balance at beginning of year	Additions	Transfers / Reductions	Balance at end of year
Business-type activities:				
Land and improvements	\$ 252,300	\$ -	\$ -	\$ 252,300
Construction in progress	7,518,903	23,346,158	-	30,865,061
Total capital assets, not being depreciated	<u>\$ 7,771,203</u>	<u>\$ 23,346,158</u>	<u>\$ -</u>	<u>\$ 31,117,361</u>
Buildings and Improvements	\$ 7,590,330	\$ -	\$ -	\$ 7,590,330
Furniture, equipment, vehicles and fixtures	199,656	19,146	-	218,802
Total capital assets, being depreciated	<u>7,789,986</u>	<u>19,146</u>	<u>-</u>	<u>7,809,132</u>
Accumulated depreciation				
Buildings and Improvements	(1,493,679)	(206,177)		(1,699,856)
Furniture, equipment, vehicles and fixtures	(145,900)	(19,966)	(17,146)	(183,012)
Total accumulated depreciation	<u>(1,639,579)</u>	<u>(226,143)</u>	<u>(17,146)</u>	<u>(1,882,868)</u>
Total capital assets, being depreciated (net)	<u>\$ 6,150,407</u>	<u>\$ (206,997)</u>	<u>\$ (17,146)</u>	<u>\$ 5,926,264</u>
	<u>\$ 13,921,610</u>	<u>\$ 23,139,161</u>	<u>\$ (17,146)</u>	<u>\$ 37,043,625</u>

Depreciation expense of \$226,143 was charged to discretely presented component units.

NOTE 5 - NOTES AND MORTGAGES RECEIVABLE

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

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 5 - NOTES AND MORTGAGES RECEIVABLE

Notes and mortgages receivable at June 30, 2023 consist of the following:

	Public Housing	Community Development Program	HOME Investment Partnerships Program	Central Office Cost Center Program	Choice Neighborhoods Grant Program	Business Activities Program	Proprietary Fund Total
<u>Noncurrent:</u>							
<u>Restricted:</u>							
Program loans due from program participants	\$ -	\$ 1,818,482	\$ 4,451,983	\$ -	\$ -	\$ -	\$ 6,270,465
	-	1,818,482	4,451,983	-	-	-	6,270,465
<u>Other:</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 program participant	-	-	-	-	-	8,053	8,053
Due from Choice Neighborhood I, LLC, due June 1, 2056	-	-	700,000	-	3,997,556	650,000	5,347,556
Due from Choice Neighborhood II, LLC, due June 1, 2056	-	-	78,494	-	2,743,516	484,205	3,306,215
Due from Carrier Point Commercial Partners, LLC, due June 1,	-	-	-	-	-	813,558	813,558
Due from Choice Neighborhood III, LLC, due June 1, 2056	-	-	-	-	-	3,870,421	3,870,421
Due from Choice Neighborhood IV, LLC, due October 1, 2059	464,106	-	-	-	-	458,270	922,376
Due from Choice Neighborhohd Commercial Partners, LLC, due October 1, 2052	-	-	-	-	-	95,312	95,312
Downpayment assistance loans due form homebuyers	-	-	-	-	-	22,981	22,981
	464,106	-	778,494	1,473,746	6,741,072	6,582,800	16,040,218
	<u>\$ 464,106</u>	<u>\$ 1,818,482</u>	<u>\$ 5,230,477</u>	<u>\$ 1,473,746</u>	<u>\$ 6,741,072</u>	<u>\$ 6,582,800</u>	<u>\$ 22,310,683</u>

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 6 - OTHER ASSETS

Other assets at June 30, 2023 consist of the following:

	Business Activities Program	Lower Jefferson Avenue Development Corporation	Spratley House	Total
<u>Other noncurrent assets:</u>				
Investment in Lower Jefferson Avenue, LLC - Tax credit compliance fees, net of amortization of \$3,187	\$ -	\$ 375,660	\$ -	\$ 375,660
Redevelopment costs for city funded redevelopment programs	-	-	28,683	28,683
	<u>49,300</u>	<u>-</u>	<u>-</u>	<u>49,300</u>
	<u>49,300</u>	<u>375,660</u>	<u>28,683</u>	<u>453,643</u>
	<u>\$49,300</u>	<u>\$ 375,660</u>	<u>\$ 28,683</u>	<u>\$ 453,643</u>

NOTE 7 - ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Payables at June 30, 2023 consist of the following:

	Proprietary Fund	Discrete Component Unit
Vendors and contractors	\$ 2,550,446	\$ 1,136,160
Accrued utilities	221,984	-
Payroll withholdings	167,454	-
Payable to HUD - SRO settlement	1,811	-
US Treasury - interest on NRA / HAP	299	-
Other governments	752	-
PILOT payable to City of Newport News	140,511	-
Contract retention	547,891	1,960,404
Escrows held for participants	1,651	-
Due to affiliates	-	68,382
	<u>\$ 3,632,799</u>	<u>\$ 3,164,946</u>

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 7 - ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Detailed information by program is as follows:

	Public Housing Program	Rental Assistance Program	Central Office Cost Center Program	Community Development	HOME Investment Partnership	Resident Self Sufficiency Program	Transition Center Program	State & Local Activities Program	Choice Neighborhoods Grant Program
Vendors and contractors	\$ 197,557	\$156,099	\$ 47,185	\$ 42,020	\$ 1,319	\$ 285	\$ 1,099	\$ 81,765	\$ 219,723
Accrued utilities	163,804	1,798	3,840	-	-	-	1,440	-	-
Payroll withholdings	-	-	167,454	-	-	-	-	-	-
Payable to HUD - SRO settlement	-	-	1,811	-	-	-	-	-	-
US Treasury - interest on NRA / HAP	-	299	-	-	-	-	-	-	-
Other governments	-	752	-	-	-	-	-	-	-
PILOT payable to City of Newport News	54,383	-	-	-	-	-	-	-	-
Contract retention	-	-	-	-	-	-	-	-	-
Escrows held for participants	-	-	-	1,651	-	-	-	-	-
Due to affiliates	-	-	-	-	-	-	-	-	-
	<u>\$ 415,744</u>	<u>\$158,948</u>	<u>\$ 220,290</u>	<u>\$ 43,671</u>	<u>\$ 1,319</u>	<u>\$ 285</u>	<u>\$ 2,539</u>	<u>\$ 81,765</u>	<u>\$ 219,723</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 Proprietary Fund
Vendors and contractors	\$ 1,718,595	\$ 11,318	\$ 8,194	\$ 3,487	\$ 253	\$ 32,171	\$ 11,450	\$ 11,657	\$ 6,269	\$2,550,446
Accrued utilities	-	9,088	246	132	775	18,744	11,924	2,099	8,094	221,984
Payroll withholdings	-	-	-	-	-	-	-	-	-	167,454
Payable to HUD - SRO settlement	-	-	-	-	-	-	-	-	-	1,811
US Treasury - interest on NRA / HAP	-	-	-	-	-	-	-	-	-	299
Other governments	-	-	-	-	-	-	-	-	-	752
PILOT payable to City of Newport News	-	5,396	33,381	21,533	-	24,990	-	-	828	140,511
Contract retention	547,891	-	-	-	-	-	-	-	-	547,891
Escrows held for participants	-	-	-	-	-	-	-	-	-	1,651
Due to affiliates	-	-	-	-	-	-	-	-	-	-
	<u>\$2,266,486</u>	<u>\$ 25,802</u>	<u>\$ 41,821</u>	<u>\$ 25,152</u>	<u>\$ 1,028</u>	<u>\$ 75,905</u>	<u>\$ 23,374</u>	<u>\$ 13,756</u>	<u>\$ 15,191</u>	<u>\$3,632,799</u>

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 8 - UNEARNED REVENUE

Unearned revenues at June 30, 2023 consist of the following:

	Proprietary Fund	Discrete Component Unit
Credit balances payable to residents	\$ 103,741	\$ 9,412
Unearned revenue - grants	4,279,818	-
Escrows held for participants	6,466	-
	<u>\$ 4,390,025</u>	<u>\$ 9,412</u>

NEWPORT NEWS REVELPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 8 - UNEARNED REVENUE

Detailed information by program is as follows:

	Public Housing Program	Rental Assistance Program	Community Development	HOME Investment Partnership	Resident Self Sufficiency Program	Transition Center Program	State & Local Activities Program	Business Activities Program
Credit balances payable to residents	\$ 46,127	\$ -	\$ -	\$ -	\$ -	\$ 691	\$ -	\$ -
Unearned revenue - grants	2,739	29,041	31,271	-	-	-	448,133	3,768,310
Escrows held for participants	-	-	-	6,466	-	-	-	-
	<u>\$ 48,866</u>	<u>\$ 29,041</u>	<u>\$ 31,271</u>	<u>\$ 6,466</u>	<u>\$ -</u>	<u>\$ 691</u>	<u>\$ 448,133</u>	<u>\$ 3,768,310</u>

	Orcutt Senior Housing / Ashe Manor	Orcutt Townhomes	Orcutt Townhomes III	Lofts on Jefferson	Oyster Point- Brighton	Cypress Terrace	Lassiter Courts	Spratley House	Total Proprietary Fund
Credit balances payable to residents	\$ 4,383	\$ 3,679	\$ 4,183	\$ 638	\$ 25,209	\$ 12,433	\$ 5,707	\$ 691	\$ 103,741
Unearned revenue - grants	-	324	-	-	-	-	-	-	4,279,818
Escrows held for participants	-	-	-	-	-	-	-	-	6,466
	<u>\$ 4,383</u>	<u>\$ 4,003</u>	<u>\$ 4,183</u>	<u>\$ 638</u>	<u>\$ 25,209</u>	<u>\$ 12,433</u>	<u>\$ 5,707</u>	<u>\$ 691</u>	<u>\$ 4,390,025</u>

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 9 - MORTGAGES PAYABLE AND INTERFUND NOTES PAYABLE

Orcutt Townhomes III

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

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

	Principal	Interest	Total
June 30, 2043 and thereafter	\$ 1,004,231	\$ -	\$ 1,004,231

Orcutt Townhomes III was partially financed with funds received from the Virginia Housing Development Authority under the Tax Credit Exchange Program. Under this agreement, funding of \$900,000 was provided in the form of a "cash grant" in exchange for the low-income housing tax credits. This "revenue" will be recognized over the 15 year tax credit compliance period. This is in substance a loan that is being amortized over 15 years so it is reported as such with one fifteenth (1/15 th) being forgiven each year. This agreement is secured by a credit line deed of trust and VHDA as a security interest in the real property until the end of the 15 year compliance period. As of June 30, 2023, \$180,000 was outstanding under this agreement.

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

	Principal	Interest	Total
June 30, 2024	\$ 60,000	\$ -	\$ 60,000
June 30, 2025	60,000	-	60,000
June 30, 2026	60,000	-	60,000
	\$ 180,000	\$ -	\$ 180,000

Lofts on Jefferson

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

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

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 9 - MORTGAGES PAYABLE AND INTERFUND NOTES PAYABLE

The maturities over the next five years are as follows:

	Principal	Interest	Total
June 30, 2024	\$ 14,708	\$ 19,459	\$ 34,167
June 30, 2025	15,300	18,867	34,167
June 30, 2026	15,915	18,252	34,167
June 30, 2027	16,555	17,612	34,167
June 30, 2028	17,221	16,946	34,167
June 30, 2029 - 2033	97,069	73,764	170,833
June 30, 2034 - 2038	118,226	52,607	170,833
June 30, 2039 - 2043	143,994	26,839	170,833
June 30, 2044-2045	60,331	2,310	62,641
	<u>\$ 499,319</u>	<u>\$ 246,656</u>	<u>\$ 745,975</u>

Oyster Point-Brighton

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

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

The maturities over the next five years are as follows:

	Principal	Interest	Total
June 30, 2024	\$ 80,126	\$ 50,719	\$ 130,845
June 30, 2025	81,744	49,101	130,845
June 30, 2026	83,394	47,451	130,845
June 30, 2027	85,077	45,768	130,845
June 30, 2028	86,794	44,051	130,845
June 30, 2029 - 2033	460,968	193,258	654,226
June 30, 2034 - 2038	509,405	144,821	654,226
June 30, 2039 - 2043	562,933	91,293	654,226
June 30, 2044 - 2048	622,088	32,121	654,209
	<u>\$ 2,572,529</u>	<u>\$ 698,583</u>	<u>\$ 3,271,112</u>

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

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 9 - MORTGAGES PAYABLE AND INTERFUND NOTES PAYABLE

The maturities over the next five years are as follows:

	Principal	Interest	Total
June 30, 2024	\$ -	\$ 21,000	\$ 21,000
June 30, 2025	-	21,000	21,000
June 30, 2026	-	21,000	21,000
June 30, 2027	-	21,000	21,000
June 30, 2028	-	21,000	21,000
June 30, 2029 - 2033	-	105,000	105,000
June 30, 2034	700,000	1,750	701,750
	<u>\$ 700,000</u>	<u>\$ 211,750</u>	<u>\$ 911,750</u>

Cypress Terrace

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

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

The maturities over the next five years are as follows:

	Principal	Interest	Total
June 30, 2024	\$ 49,831	\$ 13,854	\$ 63,685
June 30, 2025	50,331	13,354	63,685
June 30, 2026	50,837	12,848	63,685
June 30, 2027	51,348	12,337	63,685
June 30, 2028	51,864	11,821	63,685
June 30, 2029 - 2033	267,239	51,184	318,423
June 30, 2034 - 2038	280,934	37,489	318,423
June 30, 2039 - 2043	295,331	23,092	318,423
June 30, 2044 - 2048	310,468	7,956	318,424
	<u>\$ 1,408,183</u>	<u>\$ 183,935</u>	<u>\$ 1,592,118</u>

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

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 9 - MORTGAGES PAYABLE AND INTERFUND NOTES PAYABLE

The maturities over the next five years are as follows:

	Principal	Interest	Total
June 30, 2024	\$ -	\$ 21,000	\$ 21,000
June 30, 2025	-	21,000	21,000
June 30, 2026	-	21,000	21,000
June 30, 2027	-	21,000	21,000
June 30, 2028	-	21,000	21,000
June 30, 2029 - 2033	-	105,000	105,000
June 30, 2034	700,000	1,750	701,750
	<u>\$ 700,000</u>	<u>\$ 211,750</u>	<u>\$ 911,750</u>

Lassiter Courts

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

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

The maturities over the next five years are as follows:

	Principal	Interest	Total
June 30, 2024	\$ 44,235	\$ 40,656	\$ 84,891
June 30, 2025	45,558	39,333	84,891
June 30, 2026	46,920	37,971	84,891
June 30, 2027	48,323	36,568	84,891
June 30, 2028	49,768	35,123	84,891
June 30, 2029 - 2033	272,071	152,382	424,453
June 30, 2034 - 2038	315,256	109,197	424,453
June 30, 2039 - 2043	365,293	59,160	424,453
June 30, 2044 - 2046	210,905	8,396	219,301
	<u>\$ 1,398,329</u>	<u>\$ 518,786</u>	<u>\$ 1,917,115</u>

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

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 9 - MORTGAGES PAYABLE AND INTERFUND NOTES PAYABLE

The maturities over the next five years are as follows:

	Principal	Interest	Total
June 30, 2024	\$ -	\$ 8,000	\$ 8,000
June 30, 2025	-	8,000	8,000
June 30, 2026	-	8,000	8,000
June 30, 2027	-	8,000	8,000
June 30, 2028	-	8,000	8,000
June 30, 2029 - 2033	-	40,000	40,000
June 30, 2034 - 2038		40,000	40,000
June 30, 2039 - 2043		40,000	40,000
June 30, 2044 - 2048		40,000	40,000
June 30, 2049 - 2051	800,000	21,333	821,333
	<u>\$ 800,000</u>	<u>\$ 221,333</u>	<u>\$ 1,021,333</u>

Spratley House LLC

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

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

The maturities over the next five years are as follows:

	Principal	Interest	Total
June 30, 2024	\$ 45,098	\$ 3,345	\$ 48,443
June 30, 2025	45,211	3,233	48,444
June 30, 2026	45,324	3,119	48,443
June 30, 2027	45,439	3,004	48,443
June 30, 2028	45,552	2,891	48,443
June 30, 2029 - 2033	229,472	12,745	242,217
June 30, 2034 - 2038	232,359	9,858	242,217
June 30, 2039 - 2043	235,280	6,937	242,217
June 30, 2044 - 2048	238,240	3,978	242,218
June 30, 2049 - 2053	196,784	1,027	197,811
	<u>\$ 1,358,759</u>	<u>\$ 50,137</u>	<u>\$ 1,408,896</u>

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 9 - MORTGAGES PAYABLE AND INTERFUND NOTES PAYABLE

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

The maturities over the next five years are as follows:

	Principal	Interest	Total
June 30, 2024	\$ -	\$ 8,000	\$ 8,000
June 30, 2025	-	8,000	8,000
June 30, 2026	-	8,000	8,000
June 30, 2027	-	8,000	8,000
June 30, 2028	-	8,000	8,000
June 30, 2029 - 2033	-	40,000	40,000
June 30, 2034 - 2038		40,000	40,000
June 30, 2039 - 2043		40,000	40,000
June 30, 2044 - 2048		40,000	40,000
June 30, 2049 - 2053	800,000	33,333	833,333
	<u>\$ 800,000</u>	<u>\$ 233,333</u>	<u>\$ 1,033,333</u>

INTER-PROGRAM NOTES PAYABLE:

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

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 9 - MORTGAGES PAYABLE AND INTERFUND NOTES PAYABLE

	Receivable Programs				Total
	Public Housing Program	Home Program	Home Program	Business Activities Program	
<u>Interprogram Loans Payable</u>					
Orcutt Senior Housing - Non Public Housing	\$ -	\$ -	\$ -	\$ 714,000	\$ 714,000
Orcutt Senior Housing - Capital Funds Loan	2,475,000	-	-	-	2,475,000
Oyster Point-Brighton RAD Conversion loan	5,812,903	-	1,372,000	-	7,184,903
Cypress Terrace RAD Conversion loans	3,025,250	-	574,000	-	3,599,250
Lassiter Courts RAD Conversion loans	2,312,704	536,913	590,000	117,147	3,556,764
Orcutt Townhomes	2,527,755	-	-	-	2,527,755
Orcutt Townhomes III	1,859,842	-	-	-	1,859,842
Spratley House RAD Conversion loans	2,750,000	-	-	97,595	2,847,595
	\$ 20,763,454	\$ 536,913	\$ 2,536,000	\$ 928,742	\$ 24,765,109
Accrued interest on notes payable					
Orcutt Senior Housing - Non Public Housing	\$ -	\$ -	\$ -	\$ 785,453	\$ 785,453
Oyster Point-Brighton RAD Conversion loan	929,766	-	-	-	929,766
Cypress Terrace RAD Conversion loans	413,212	-	-	-	413,212
Lassiter Courts RAD Conversion loans	44,250	-	-	-	44,250
Spratley House RAD Conversion loans	68,163	-	-	-	68,163
	\$ 1,455,391	\$ -	\$ -	\$ 785,453	\$ 2,240,844

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 9 - MORTGAGES PAYABLE AND INTERFUND NOTES PAYABLE

Changes in long-term liabilities:

Long-term liability activity for the year ended June 30, 2023, was as follows:

	Balance at June 30, 2022	Additions	Reductions	Balance at June 30, 2023	Due Within One Year
<u>Business-type activities:</u>					
VHDA TCAP Note Payable	\$ 1,004,231	\$ -	\$ -	\$ 1,004,231	\$ -
VHDA Exchange Note Payable	240,000	-	60,000	180,000	-
VHDA Mortgage - 2713 Lofts	513,458	-	14,139	499,319	14,708
VHDA Mortgage - Oyster Point- Brighton LLC	2,651,070	-	78,541	2,572,529	80,126
DHCD Deferred Note - Oyster Point- Brighton LLC	700,000	-	-	700,000	-
VHDA Mortgage - Cypress Terrace LLC	1,457,518	-	49,335	1,408,183	49,831
DHCD Deferred Note - Cypress Terrace LLC	700,000	-	-	700,000	-
VHDA Mortgage - Lassiter Courts LLC	1,441,279	-	42,950	1,398,329	44,235
DHCD Deferred Note - Lassiter Courts LLC	800,000	-	-	800,000	-
VHDA Mortgage - Spratley House LLC	1,400,000	-	41,241	1,358,759	45,098
DHCD Deferred Note - Spratley House LLC	800,000	-	-	800,000	-
Escrow liabilities	205,317	501,884	431,496	275,705	-
Compensated absences	431,848	329,773	310,682	450,939	15,993
	<u>\$ 12,344,721</u>	<u>\$ 831,657</u>	<u>\$ 1,028,384</u>	<u>\$ 12,147,994</u>	<u>\$ 249,991</u>

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 9 - MORTGAGES PAYABLE AND INTERFUND NOTES PAYABLE

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

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

VHDA Permanent Financing

The Lower Jefferson Avenue, LLC executed a promissory note with Virginia Housing Development Authority on January 26, 2016 in the amount of \$1,400,000 to finance the ownership and operation of the Jefferson Brookville Apartments. This note bears interest at a rate of 2.95% per annum. The entire balance of this note, including principal and any unpaid interest, is due on September 21, 2015. Monthly payments of principal and interest shall be payable in the amount of \$8,361.68 commencing on the first day of March, 2016, and continuing thereafter on the first day of each succeeding month until the first day of February, 2034 (the "Final Maturity Date"), at which time the balance of principal remaining unpaid, plus accrued interest thereon, shall be due and payable. As of December 31, 2022 the balance of this loan was \$1,093,697 and interest expense of \$34,375 has been incurred and reported as expense. 953,625

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

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 9 - MORTGAGES PAYABLE AND INTERFUND NOTES PAYABLE

The maturities over the next five years are as follows:

	Principal	Interest	Total
December 31, 2023	\$ 73,193	\$ 27,147	\$ 100,340
December 31, 2024	75,381	24,959	100,340
December 31, 2025	77,635	22,705	100,340
December 31, 2026	79,957	20,383	100,340
December 31, 2027	82,348	17,992	100,340
December 31, 2028 - 2032	450,180	51,520	501,700
December 31, 2033 - 2034	114,931	2,130	117,061
	\$ 953,625	\$ 166,836	\$ 1,120,461

\$ 1,133,625

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 of June 11, 2023 but this was extended to December 11, 2023.

\$ 4,660,945

This loan is secured by a deed of trust recorded for the Jefferson Carrier Point I Apartments.

Note payable to Newport News Redevelopment and Housing Authority

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.

5,347,556

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

\$10,008,501

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 9 - MORTGAGES PAYABLE AND INTERFUND NOTES PAYABLE

Choice Neighborhood II, LLC

Note payable to Citibank, N.A.

The Choice Neighborhood II, LLC executed a promissory note with the lender 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. \$ 6,279,084

This loan is secured by a deed of trust recorded for the Carrier Point II Apartments.

Note payable to Newport News Redevelopment and Housing Authority

Choice Neighborhood II, LLC executed a promissory note with the Authority on June 11, 2021 in the amount of \$4,682,239 with interest at the rate of three percent (1%) annually. The entire amount of principal and interest shall be due and payable on that date which is the later of thirty-five (35) calendar years from the date hereof or June 1, 2056. 3,098,666

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

\$9,377,750

Note payable to Newport News Redevelopment and Housing Authority

The Carrier Point Commercial Partners, LLC executed a promissory note with the Authority on June 11, 2021 and loaned \$903,954 to partially fund development costs for the Carrier Point Commercial unit. This note does not bear interest. Payment of principal on the Loan shall be payable from a certain percentage of cash flow to the extent available as provided in the Maker's Operating Agreement, as the same may be amended from time to time. Notwithstanding the foregoing, the entire amount of unpaid principal shall be due and payable on that date which is the later of thirty (30) calendar years from the date hereof or June 1, 2051. \$ 796,502

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

Choice Neighborhood III-R, LLC

Note payable to JP Morgan Chase Bank, N.A.

The Choice Neighborhood III-R, LLC executed a promissory note with the lender on November 29, 2022 in the amount of \$11,642,107 or so much thereof as may be advanced pursuant to the Loan Agreement to partially fund development costs for the Marshall Ridley Choice Neighborhoods Initiative III residential apartment community. This note bears interest at the Term SOFR rate Plus Applicable Margin of 2.25% with respect to Term SOFR, Daily Simple SOFR or any SOFR Replacement, as applicable and minus 0.66% with respect to the CB Floating Rate. The entire balance of this note, principal and interest, is due on the Maturity Date which is expected to be November 29, 2024 but may be extended to May 29, 2025. \$ 1,234,152

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

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 9 - MORTGAGES PAYABLE AND INTERFUND NOTES PAYABLE

Choice Neighborhood IV, LLC

Note payable to JP Morgan

Chase Bank, N.A.

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

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

Total discretely presented component unit	\$24,388,762
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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>Discrete component units</u>					
Loan payable to NNRHA - Jefferson Brookville	\$ 180,000	\$ -	\$ -	\$ 180,000	\$ -
Accrued interest - Loan payable to NNRHA	\$ 14,850	\$ 1,800	\$ -	16,650	\$ -
VHDA Mortgage - Jefferson Brookville	1,024,693	-	71,068	953,625	73,193
Construction loan - Choice Neighborhood I, LLC	1,439,582	3,221,363	-	4,660,945	4,660,945
Loan payable to NNRHA - Choice Neighborhood I, LLC	836,313	4,511,243	-	5,347,556	-
Accrued interest - Loan payable to NNRHA	3,727	199,637	-	203,364	-
Construction loan - Choice Neighborhood II, LLC	1,525,669	4,753,415	-	6,279,084	-
Loan payable to NNRHA - Choice Neighborhood II, LLC	1,022,842	2,075,824	-	3,098,666	-
Accrued interest - Loan payable to NNRHA	1,658	15,283	-	16,941	-
Loan payable to NNRHA - Carrier Point Commercial	321,723	474,779	-	796,502	-
Construction loan - Choice Neighborhood III-R, LLC	-	1,234,152	-	1,234,152	-
Construction loan - Choice Neighborhood IV-R, LLC	-	1,838,232	-	1,838,232	-
Compensated absences	3,611	3,148	-	6,759	-
Deferred developer fee	19,190	-	-	19,190	-
	\$ 6,393,858	\$ 18,328,876	\$ 71,068	\$ 24,651,666	\$ 4,734,138

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 10 - RESTRICTED NET POSITION

A portion of the Authority's programs generate net position that are restricted by HUD or via external legal requirements. As of June 30, 2023 restricted net position were as follows:

Reserves and escrows:

Tax credit operating and replacement reserves	\$ 1,372,948
2713 Lofts escrow, operating and replacement reserves	39,346
Oyster Point-Brighton escrow reserves	927,764
Cypress Terrace escrow reserves	408,168
Lassiter Courts escrow reserves	400,971
Spratley House escrow reserves	118,445
	3,267,642

Housing Choice Voucher HAP reserves (RNP)	-
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Loan programs

CDBG net position associated with loan balances	1,818,482
HOME program net position associated with loan balances	4,451,983
	6,270,465

Accumulated CD and HOME funds

CDBG accumulated net position	1,289,979
HOME City construction funds	1,426,102
HOME unexpended program income	965,100
HOME accumulated net position	3,112,338
	6,793,519

Restricted for redevelopment activities:

Sales proceeds restricted for future development	2,004,394
	2,004,394
	8,797,913

\$ 18,336,020

Specific details by program are as follows:

Public Housing program:

Restricted for Capital Activities:

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

Sales proceeds	\$ 2,004,394
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These restricted net position are held in the general fund checking account.

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 10 - RESTRICTED NET POSITION

Rental Assistance program:

Housing Choice Voucher Program:

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

	Housing Choice Voucher	Mainstream Program	Emergency Housing Vouchers	Total
Balance at July 1, 2022	\$ -	\$ 37,364	\$ 65,012	\$ 102,376
Current period excess / (deficiency) of funding	(5,691)	(37,364)	(65,012)	(108,067)
Fraud recoveries	5,691	-	-	5,691
Balance at June 30, 2023	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Community Development Fund and HOME Investment Partnerships programs:

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

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

As of June 30, 2023 the restricted balances are as follows:

	Loans	Accumulated net position	Total
CDBG Program	\$ 1,818,482	\$ 1,289,979	\$ 3,108,461
HOME Program	4,451,983	5,503,540	9,955,523
	<u>\$ 6,270,465</u>	<u>\$ 6,793,519</u>	<u>\$ 13,063,984</u>

Restricted Reserves for Tax Credit Developments:

The Authority has developed three public housing communities using tax credits. The terms of various contracts and operating agreements related to these properties require that certain reserves be established and maintained. Generally, such reserves are controlled by the investor partner and access to these funds is limited to specific purposes. Accordingly, these net position are reported as restricted. The following is a summary of the changes in the net position restricted for these purposes for the year ended June 30, 2023:

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 10 - RESTRICTED NET POSITION

	Orcutt Senior Housing - Replacement Reserve	Orcutt Townhomes - Operating Reserve	Orcutt Townhomes - Replacement Reserve	Orcutt Townhomes III - Operating Reserve	Orcutt Townhomes - Replacement Reserve
Balance at July 1, 2022	\$ 234,119	\$ 298,738	\$ 322,453	\$ 199,927	\$ 301,720
Interest earned	47	60	65	40	62
Deposits	-	5,805	-	-	9,912
Withdrawals / fees	-	-	-	-	-
Balance at June 30, 2023	<u>\$ 234,166</u>	<u>\$ 304,603</u>	<u>\$ 322,518</u>	<u>\$ 199,967</u>	<u>\$ 311,694</u>

These funds are held in checking accounts.

2713 Lofts Restricted Reserves:

The Authority owns and operates housing under the terms of a mortgage and regulatory agreement with the Virginia Housing Development Authority (VHDA). VHDA requires that certain reserves and escrow accounts be maintained and VHDA retains possession and control of such funds. Accordingly, these net position are reported as restricted. The following is a summary of the changes in the net position restricted for these purposes for the year ended June 30, 2023:

	Insurance Escrow	Replacement Reserve	Real Estate Tax Reserves	Total
Balance at July 1, 2022	\$ 4,895	\$ 30,963	\$ 11	\$ 35,869
Interest earned	-	1,305	-	1,305
Deposits	5,711	4,200	12,979	22,890
Withdrawals	(7,116)	-	(13,602)	(20,718)
Balance at June 30, 2023	<u>\$ 3,490</u>	<u>\$ 36,468</u>	<u>\$ (612)</u>	<u>\$ 39,346</u>

These funds are held by VHDA in various accounts.

Oyster Point-Brighton Restricted Reserves:

The Authority owns and operates housing under the terms of a mortgage and regulatory agreement with the Virginia Housing Development Authority (VHDA). VHDA requires that certain reserves and escrow accounts be maintained and VHDA retains possession and control of such funds. Accordingly, these net position are reported as restricted. The following is a summary of the changes in the net position restricted for these purposes for the year ended June 30, 2023:

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 10 - RESTRICTED NET POSITION

	Insurance Escrow	Real Estate Tax Reserves	Replacement Reserve	Operating Reserve	Total
Balance at July 1, 2022	\$ 71,164	\$ 10,536	\$ 237,361	\$ 562,369	\$ 881,430
Interest earned	-	-	10,591	112	10,703
Deposits	101,720	119,630	58,800	-	280,150
Withdrawals	(120,325)	(124,194)	-	-	(244,519)
Balance at June 30, 2023	<u>\$ 52,559</u>	<u>\$ 5,972</u>	<u>\$ 306,752</u>	<u>\$ 562,481</u>	<u>\$ 927,764</u>

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

Cypress Terrace Restricted Reserves:

The Authority owns and operates housing under the terms of a mortgage and regulatory agreement with the Virginia Housing Development Authority (VHDA). VHDA requires that certain reserves and escrow accounts be maintained and VHDA retains possession and control of such funds. Accordingly, these net position are reported as restricted. The following is a summary of the changes in the net position restricted for these purposes for the year ended June 30, 2023:

	Insurance Escrow	Real Estate Tax Reserves	Replacement Reserve	Operating Reserve	Total
Balance at July 1, 2022	\$ 35,224	\$ 1,378	\$ 99,304	\$ 240,148	\$ 376,054
Interest earned	-	-	4,431	48	4,479
Deposits	55,728	66,215	24,600	-	146,543
Withdrawals	(55,329)	(63,579)	-	-	(118,908)
Balance at June 30, 2023	<u>\$ 35,623</u>	<u>\$ 4,014</u>	<u>\$ 128,335</u>	<u>\$ 240,196</u>	<u>\$ 408,168</u>

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

Lassiter Courts Restricted Reserves

The Authority owns and operates housing under the terms of a mortgage and regulatory agreement with the Virginia Housing Development Authority (VHDA). VHDA requires that certain reserves and escrow accounts be maintained and VHDA retains possession and control of such funds. Accordingly, these net position are reported as restricted. The following is a summary of the changes in the net position restricted for these purposes for the year ended June 30, 2023:

	Insurance Escrow	Real Estate Tax Reserves	Replacement Reserve	Operating Reserve	Total
Balance at July 1, 2022	\$ 27,201	\$ 797	\$ 42,546	\$ 289,985	\$ 360,529
Interest earned	-	-	2,328	58	2,386
Deposits	39,809	11,592	30,000	-	81,401
Withdrawals	(31,909)	(11,436)	-	-	(43,345)
Balance at June 30, 2023	<u>\$ 35,101</u>	<u>\$ 953</u>	<u>\$ 74,874</u>	<u>\$ 290,043</u>	<u>\$ 400,971</u>

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 10 - RESTRICTED NET POSITION

Spratley House Restricted Reserves

The Authority owns and operates housing under the terms of a mortgage and regulatory agreement with the Virginia Housing Development Authority (VHDA). VHDA requires that certain reserves and escrow accounts be maintained and VHDA retains possession and control of such funds. Accordingly, these net position are reported as restricted. The following is a summary of the changes in the net position restricted for these purposes for the year ended June 30, 2023:

	Insurance Escrow	Real Estate Tax Reserves	Replacement Reserve	Total
Balance at July 1, 2022	\$ 24,461	\$ 13,018	\$ -	\$ 37,479
Interest earned	-	-	281	281
Deposits	22,517	71,595	13,750	107,862
Withdrawals	(22,370)	(4,807)	-	(27,177)
Balance at June 30, 2023	<u>\$ 24,608</u>	<u>\$ 79,806</u>	<u>\$ 14,031</u>	<u>\$ 118,445</u>

Discretely Presented Component Units

Lower Jefferson Avenue, LLC

Lower Jefferson Avenue, LLC owns and operates housing under the terms of a mortgage and regulatory agreement with the Virginia Housing Development Authority (VHDA) and an Operating Agreement with its investor limited partners. These agreements requires that certain reserves and escrow accounts be maintained. VHDA retains possession and control of tax and insurance escrow fund while the remaining required reserves are held in bank accounts controlled by Lower Jefferson Avenue, LLC. Accordingly, these net position are reported as restricted. The following is a summary of the changes in the net position restricted for these purposes for the year ended December 31, 2022:

	VHDA Tax & Insurance Escrow	Replacement Reserve	Operating Reserve	Total
Balance at December 31, 2020	\$ 10,314	\$ 69,880	\$ 172,733	\$ 252,927
Interest earned	-	955	34	989
Deposits	65,469	15,913	-	81,382
Withdrawals	(67,025)	(20,000)	(67,390)	(154,415)
Balance at December 31, 2022	<u>\$ 8,758</u>	<u>\$ 66,748</u>	<u>\$ 105,377</u>	<u>\$ 180,883</u>

Choice Neighborhood IV, LLC

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

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 11 - DEFICIT NET POSITION

At June 30, 2023, 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 \$2,706. This deficit stems from the practice of recording the expenses associated with compensated absences and other expenses when incurred, but deferring the revenue associated with this future payment until such time as the funds are eligible for requisition. Further, costs are incurred which are not immediately requisitioned or recognized as revenue. Should it be necessary, this deficit will be funded by the Central Office Cost Center Program.

Orcutt Senior Housing/Ashe Manor

This program has a deficit in net position of \$1,052,896. This deficit stems from the cumulative depreciation of capital assets associated with the development of this project, while the debt associated with the costs requires no debt service and is ultimately forgivable at maturity.

NOTE 12 - DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

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

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

	Deferred Outflows or Resources	Deferred Inflows or Resources
Deferred inflows for OPEB	\$ 131,819	\$ 69,989

NOTE 13 - OTHER POSTEMPLOYMENT BENEFITS

Plan Description:

The Newport News Redevelopment and Housing Authority provides post-employment health care benefits to its employees and retirees. This plan is a single-employer defined benefit plan that covers full and part-time (30 hours per week or more) employees and current retirees. There are approximately 130 plan members, including 82 active employees and 48 retirees.

A Newport News Redevelopment and Housing 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.

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 13 - OTHER POSTEMPLOYMENT BENEFITS

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.

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

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

Summary of Significant Accounting Policies:

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

Contributions:

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

The Authority contributes to the plan in the form of employer contributions made in the form of premiums paid to insurers for retiree insurance coverage and in the form of stipends. From time to time contributions are made directly to the trust related to this plan. Contributions for the year ended June 30, 2023 are as follows:

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 13 - OTHER POSTEMPLOYMENT BENEFITS

Employer contributions to the Trust	\$ -
Employer stipends paid to retirees	24,417
Employer payments for insurance coverage for retirees	44,004
Less: retiree payments for coverage	(12,988)
	\$ 55,433

Net OPEB Liability

The components of the net OPEB liability of the Authority at June 30, 2023 calculated in accordance with U.S. GAAP were as follows:

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

Plan Investments:

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

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 13 - OTHER POSTEMPLOYMENT BENEFITS

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

For the year ended June 30, 2023, the annual money-weighted rate of return on investments, net of investment expense, was 7.63 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Asset:

The components of the employer's net OPEB asset reported by the Authority in the June 30, 2023 financial statements, calculated in accordance with U.S. GAAP, measured as of June 30, 2022, were as follows:

Total OPEB liability	\$ 1,558,943
Plan fiduciary net position	1,715,825
Net OPEB liability	\$ (156,882)
Plan fiduciary net position as a percentage of the total OPEB liability	110.06%

Actuarial Methods and Assumptions:

The total OPEB liability was determined by an actuarial valuation as of July 1, 2022, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases	3.5% to 5.35% based on years of service
Investment rate of return	6.5%
Healthcare cost trend rates	6.1% for 2022, 6.50% for 2023, then grading to an ultimate rate of 3.9% for fiscal 2072 and later

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 13 - OTHER POSTEMPLOYMENT BENEFITS

Mortality Rates

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

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

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

The demographic assumptions used to determine the Total OPEB Liability as of June 30, 2023 were predominantly based on the results of an actuarial experience study for the Virginia Retirement System covering the period from July 1, 2016 to June 30, 2020. The demographic assumptions recommended as a result of this study were adopted by the VRS Board of Trustees on April 20, 2021.

Long-Term Expected Rate of Return

The assumption for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions, including inflation, are per Milliman's investment consulting practice as of December 31, 2022.

Asset Class	Index	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return	Long-Term Expected Geometric Real Rate of Return
US Core Fixed Income	Bloomberg Barclays Aggregate	20.00%	2.27%	2.13%
US Large Cap US Equities	S&P 500 TR USD	21.00%	5.64%	4.09%
US Small Cap US Equities	Russell 2000 TR USD	10.00%	7.25%	4.67%
Foreign Developed Equities	MSCI EAFE NR USD	13.00%	6.90%	5.15%
Emerging Market Equities	MSCI EM NR USD	5.00%	9.58%	6.20%
Private Real Estate Property	NCREIF Property	15.00%	4.86%	3.70%
Private Equity	Cambridge US Private Equity	10.00%	10.74%	6.54%
Hedge FOF Strategic	HFRI FOF Diversified	6.00%	4.42%	3.48%
		100.00%		
Assumed Inflation			2.33%	2.33%
Assumed Inflation - Standard Deviation			1.23%	1.23%
Portfolio Mean Return			5.81%	4.90%
Portfolio Nominal Mean Return			8.14%	7.34%
Portfolio Standard Deviation				13.07%
Long-Term Expected Rate of Return				6.50%

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 13 - OTHER POSTEMPLOYMENT BENEFITS

Discount Rate

The discount rate used to measure the total OPEB liability was 6.5 percent. The projection of cash flows used to determine the discount rate assumed that Authority contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

The Authority's net OPEB asset was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of July 1, 2020

Changes in the Net OPEB Liability

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances as of June 30, 2021	\$ 1,500,362	\$ 1,892,921	\$ (392,559)
Changes for the year:			
Service Cost	63,828	-	63,828
Interest on Total OPEB Liability	98,358	-	98,358
Benefit Payments	(103,605)	(103,605)	-
Employer Contributions	-	103,605	(103,605)
Net Investment Income	-	(174,563)	174,563
Administrative Expenses	-	(2,533)	2,533
Balances as of June 30, 2022	\$ 1,558,943	\$ 1,715,825	\$ (156,882)

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

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

	1 % Decrease (5.5%)	Discount Rate (6.5%)	1 % Increase (7.5%)
Net OPEB liability (asset)	\$ (28,251)	\$ (156,882)	\$ (269,207)

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

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

	1 % Decrease	Trend Rate	1 % Increase
Net OPEB liability (asset)	\$ (248,399)	\$ (156,882)	\$ (51,221)

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 13 - OTHER POSTEMPLOYMENT BENEFITS

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

For the year ended June 30, 2023, the Authority recognized OPEB expense of \$5,059. At June 30, 2023, 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	\$ -	\$ 65,813
Changes of assumptions	18,356	2,176
Net difference between projected and actual earnings on OPEB plan investments	58,030	\$ -
Contributions to OPEB plan between July 1, 2022 and June 30, 2023	55,433	
Total	\$ 131,819	\$ 67,989

\$55,433 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, 2024. Other Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30, 2024	\$ (27,782)
Year ended June 30, 2025	(11,775)
Year ended June 30, 2026	(11,552)
Year ended June 30, 2027	59,506
	\$ 8,397

NOTE 14 - EMPLOYEE RETIREMENT PLAN

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

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 14 - EMPLOYEE RETIREMENT PLAN

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

During the year ended June 30, 2023, the Authority's required and actual contributions and pension expense amounted to \$469,718, which was 12% of its covered payroll. No contribution forfeitures were recognized for the year ended June 30, 2023.

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

NOTE 15 - CONSTRUCTION COMMITMENTS

The Authority has active construction projects as of June 30, 2023. The projects include various modernization and capital improvement programs. At year end the Authority's commitments with contractors are as follows:

<u>Project</u>	<u>Contract Total</u>	<u>Spent or accrued to Date</u>	<u>Remaining Commitment</u>
<u>Proprietary Fund</u>			
Marshall Ridley Infrastructure	\$ 14,528,013	\$ 5,439,466	\$ 9,088,547
Marshall Ridley Wellness Trail	4,119,333	225,919	3,893,414
	<u>\$ 18,647,346</u>	<u>\$ 5,665,385</u>	<u>\$ 12,981,961</u>

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

Discretely Presented Component Units

Carrier Point Commercial unit	\$ 903,954	\$ 898,467	\$ 5,487
Carrier Point I construction	10,561,652	10,114,866	446,786
Carrier Point II construction	8,455,229	8,441,194	14,035
Marhsall Ridley CNI III construction	21,770,704	296,036	21,474,668
Marhsall Ridley CNI IV construction	21,297,822	279,831	21,017,991
Marhsall Ridley CNI III retail construction	490,957	8,580	482,377
	<u>63,480,318</u>	<u>20,038,974</u>	<u>43,441,344</u>

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 15 - CONSTRUCTION COMMITMENTS

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

NOTE 16 - CONDUIT DEBT

From time to time, the Authority has issued Tax Exempt Mortgage Revenue Bonds and Limited Obligation Notes to provide financial assistance to private-sector entities for the acquisition and construction of affordable multi-family rental housing deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from rents received from the developments. The Authority is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2023, there were four series of Tax-Exempt Mortgage Revenue Bonds outstanding with an aggregate principal amount payable of \$34,888,076.

NEWPORT NEWS REVELPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 17 - SEGMENT INFORMATION FOR BLENDED COMPONENT UNITS

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

	Lower Jefferson Avenue Development Corporation	Orcutt Senior Housing Development Corporation (including Orcutt Senior Housing, L.P.)	Orcutt Townhomes Housing Development Corporation (including Orcutt Townhomes, L.P.)	Orcutt Townhomes Housing 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 Cypress Courts, LLC	Spratley House Development Corporation and Spratley House, LLC	Total Blended Component Units	NNRHA Funds and Programs	Eliminations	Primary Government
CONDENSED STATEMENT OF NET POSITION:													
Assets:													
Current assets	\$ -	\$ 743,158	\$ 802,836	\$ 818,054	\$ 155,137	\$ 1,517,433	\$ 663,190	\$ 1,083,388	\$ 233,321	\$ 6,016,517	\$ 34,538,789	\$ -	\$ 40,555,306
Due from other funds	-	-	-	-	-	-	-	-	-	-	4,329,681	(3,421,048)	908,633
Capital assets	-	2,451,403	2,427,556	3,347,881	1,182,507	16,454,766	8,255,299	10,544,987	7,626,084	52,290,483	27,029,736	-	79,320,219
Other assets	375,660	-	-	-	-	-	-	-	28,683	404,343	50,585,534	(27,805,953)	23,183,924
Total assets	375,660	3,194,561	3,230,392	4,165,935	1,337,644	17,972,199	8,918,489	11,628,375	7,888,088	58,711,343	116,483,740	(31,227,001)	143,968,082
Deferred Outflows of Resources	-	-	-	-	-	-	-	-	-	-	131,819	-	131,819
Liabilities:													
Current liabilities	-	35,207	50,395	34,878	26,354	228,124	105,960	92,292	76,023	649,233	7,893,030	-	8,542,263
Due to other programs	-	234,673	100,725	227,868	268,549	399,243	617,639	50,998	37,735	1,937,430	1,483,618	(3,421,048)	-
Longterm liabilities	-	3,977,577	2,536,524	3,045,269	485,209	11,325,242	6,071,018	5,770,116	5,731,437	38,942,392	661,564	(27,705,953)	11,898,003
Total liabilities	-	4,247,457	2,687,644	3,308,015	780,112	11,952,609	6,794,617	5,913,406	5,845,195	41,529,055	10,038,212	(31,127,001)	20,440,266
Deferred Outflows of Resources	-	-	-	-	-	-	-	-	-	-	67,989	-	67,989
Net Position:													
Investment in capital assets	-	(737,597)	(100,199)	303,808	683,188	5,997,334	2,547,866	4,789,894	2,619,730	16,104,024	27,029,736	24,765,109	67,898,869
Restricted net position	-	234,166	627,121	511,661	39,346	927,764	408,168	400,971	118,445	3,267,642	15,068,378	-	18,336,020
Unrestricted net position	375,660	(549,465)	15,826	42,451	(165,002)	(905,508)	(832,162)	524,104	(695,282)	(2,189,378)	64,411,244	(24,865,109)	37,356,757
Total net position	\$ 375,660	\$ (1,052,896)	\$ 542,748	\$ 857,920	\$ 557,532	\$ 6,019,590	\$ 2,123,872	\$ 5,714,969	\$ 2,042,893	\$ 17,182,288	\$ 106,509,358	\$ (100,000)	\$ 123,591,646

NEWPORT NEWS DEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 17 - SEGMENT INFORMATION FOR BLENDED COMPONENT UNITS

	Lower Jefferson Avenue Development Corporation	Orcutt Senior Housing Development Corporation (including Orcutt Senior Housing, L.P.)	Orcutt Townhomes Housing Development Corporation (including Orcutt Townhomes, L.P.)	Orcutt Townhomes Housing Development Corporation (including Orcutt Townhomes III, L.P.)	2713 Lofts Development Corporation and 2713 Lofts, LLC	Oyster Point-Brighton Corporation and Oyster Point-Brighton, LLC	Cypress Terrace Development Corporation and Cypress Terrace, LLC	Lassiter Courts Development Corporation and Cypress Courts, LLC	Spratley House Development Corporation and Spratley House, LLC	Total Blended Component Units	NNRHA Funds and Programs	Eliminations	Primary Government
CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION:													
Operating Revenues:													
Rental and tenant income	\$ -	\$ 201,169	\$ 115,583	\$ 63,260	\$ 91,047	\$ 471,476	\$ 225,012	\$ 219,829	\$ 159,957	\$ 1,547,333	\$ 1,960,558	\$ -	\$ 3,507,891
Intergovernmental operating grants	-	-	-	72,754	-	946,210	344,645	470,527	240,266	2,074,402	53,545,115	-	55,619,517
Fee revenue	-	-	-	-	-	-	-	-	-	-	2,919,119	(2,782,824)	136,295
Other income	-	115	7	-	-	423	177	215	108	1,045	1,844,016	(107,079)	1,737,982
Operating Expenses:													
Operating expenses	-	(551,197)	(300,534)	(178,925)	(96,899)	(1,535,465)	(681,327)	(753,834)	(386,880)	(4,485,061)	(43,586,873)	2,889,903	(45,182,031)
Depreciation expense and amortization	-	(212,626)	(195,982)	(180,342)	(59,796)	(615,447)	(315,009)	(388,888)	(250,569)	(2,218,659)	(1,740,444)	-	(3,959,103)
Operating income (loss)	-	(562,539)	(380,926)	(223,253)	(65,648)	(732,803)	(426,502)	(452,151)	(237,118)	(3,080,940)	14,941,491	-	11,860,551
Nonoperating Revenues (Expenses):													
Investment income	(44)	167	171	157	1,323	10,872	4,546	2,478	1,495	21,165	718,028	(295,012)	444,181
Interest expense	-	(58,337)	(89)	(59)	(20,008)	(209,419)	(95,846)	(59,956)	(43,188)	(486,902)	(5,973)	295,012	(197,863)
Other non-operating revenues	-	-	-	-	-	-	-	-	-	-	(548,525)	-	(548,525)
Transfers to/from other funds	-	185,267	165,919	-	-	-	-	912	(4,443)	347,655	(347,655)	-	-
HUD capital contributions	-	-	-	-	-	-	-	-	-	-	566,838	-	566,838
Tax credit and other income	-	-	-	60,000	-	-	-	-	76,470	136,470	-	-	136,470
Change in net position	(44)	(435,442)	(214,925)	(163,155)	(84,333)	(931,350)	(517,802)	(508,717)	(206,784)	(3,062,552)	15,324,204	-	12,261,652
Beginning net position (deficit)	375,704	(617,454)	757,673	1,021,075	641,865	6,950,940	2,641,674	6,223,686	2,249,677	21,201,734	90,228,260	(100,000)	111,329,994
Ending net position (deficit)	\$ 375,660	\$ (1,052,896)	\$ 542,748	\$ 857,920	\$ 557,532	\$ 6,019,590	\$ 2,123,872	\$ 5,714,969	\$ 2,042,893	\$ 18,139,182	\$ 105,552,464	\$ (100,000)	\$ 123,591,646

CONDENSED STATEMENT OF CASH FLOWS:

Net Cash Provided (used) by:													
Operating activities	\$ -	\$ 40,197	\$ 39,165	\$ 132,137	\$ 71,070	\$ 40,449	\$ (77,491)	\$ (111,400)	\$ (174,762)	\$ (40,635)	\$ 16,231,119	\$ -	\$ 16,190,484
Capital and related financing activities	-	(2,456)	(11,193)	(1,308)	(34,773)	(168,527)	(93,458)	(95,682)	(13,072)	(420,469)	(5,854,648)	-	(6,275,117)
Non-capital and related financing activities	-	-	-	-	-	-	-	-	-	-	(7,080,140)	-	(7,080,140)
Investing activities	-	167	171	158	(2,154)	(35,349)	(27,519)	(37,906)	(79,471)	(181,903)	37,807	-	(144,096)
Net increase (decrease) in cash	-	37,908	28,143	130,987	34,143	(163,427)	(198,468)	(244,988)	(267,305)	(643,007)	3,334,138	-	2,691,131
Beginning cash	-	687,311	750,481	602,785	70,319	1,092,863	629,645	1,154,300	365,887	5,353,231	22,146,168	-	27,499,399
Ending cash	\$ -	\$ 725,219	\$ 778,624	\$ 733,772	\$ 104,462	\$ 929,436	\$ 431,177	\$ 909,312	\$ 98,582	\$ 4,710,224	\$ 25,480,306	\$ -	\$ 30,190,530

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 18 - SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

During the year ended June 30, 2023 the Authority implemented the requirements of GASB 96 - Subscription-Based Information Technology Arrangements (SBITA) regarding arrangements where the Authority or its affiliates and entered into agreements to use another parties information technology software. The Authority has entered into such an arrangement regarding its housing management and accounting software with a vendor that supplies this software on a subscription basis. The Authority entered into this arrangement in May 2018 with a start date of June 1. This subscription service is for a three year term which automatically renews unless cancelled by either party. Either party may terminate the arrangement at the end of a subscription term. This subscription requires an annual payment at the beginning of each year. The subscription term most recently renewed on June 1, 2021 and the term ends on May 31, 2024. The most recent annual subscription payment for the annual period beginning June 1, 2023 was \$163,390.

These arrangement result in the recording a right-to-use subscription asset and corresponding subscription liability. As of July 1, 2022, the Authority recorded a SBITA asset and liability of \$148,550 using a discount rate of 4.75%.

During the year ended June 30, 2023 the following amounts have been recognized in the financial statements:

	SBITA Asset as of July 1, 2022	Accumulated Amortization	Net SBITA Asset as of June 30, 2023		Liability as of July 1, 2022	Principal Reductions	Liability as of June 30, 2023	Interest for the year ended June 30, 2023
Right-to-use subscription asset	\$ 148,550	\$ (148,550)	\$ -					
Subscription liability					\$ 148,550	\$ 148,550	\$ -	\$ 7,056

NOTE 19 - RISK MANAGEMENT

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

NEWPORT NEWS REVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 20 – CONTINGENT LIABILITIES

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

NOTE 21 - SUBSEQUENT EVENTS

Events that occur after the balance sheet date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about the conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the balance sheet date require disclosure in the accompanying notes. In preparing financial statements, management evaluated subsequent events through March 22, 2024, the date the financial statements were issued (or the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

SUPPLEMENTARY INFORMATION

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS

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

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

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

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF OPEB CONTRIBUTIONS

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

Notes to Schedule

Valuation date

7/1/2022

Actuarial valuations for OPEB funding purposes are performed biennially as of July 1. The most recent valuation was performed as of July 1, 2022.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Projected Unit Credit
Amortization Method	Level percentage of payroll, closed
Amortization period	22 years remaining as of July 1, 2022
Asset valuation method	Market Value
Inflation	2.50%
Healthcare cost trend rates	6.1% for 2022, 6.50% for 2023, then grading to an ultimate rate of 3.9% for fiscal 2072 and later
Salary increases	3.5% to 5.35% based on years of service
Investment rate of return	6.50%
Mortality	
Pre-Retirement	Pub-2010 Amount Weighted General Employee Rates projected generationally; females set forward 2 years. Base rates are shown below. Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates. 25% of deaths are assumed to be service-related.
Post-Retirement	Pub-2010 Amount Weighted General Healthy Retiree Rates projected generationally; 110% of rates for females. Base rates are shown below. Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.
Post-Disablement	Pub-2010 Amount Weighted General Disabled Rates projected generationally; males and females set forward 3 years. Base rates are shown below. Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
 NEWPORT NEWS, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF OPEB INVESTMENT RETURNS

JUNE 30, 2023

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

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

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

COMBINING SCHEDULE OF NET POSITION
PROPRIETARY FUND PROGRAMS

JUNE 30, 2023

	Public Housing Program	Rental Assistance Program	Central Office Cost Center Program	Community Development Program	HOME Investment Partnerships Program	Resident Self Sufficiency Programs	Transition Center Program
<u>ASSETS</u>							
Current assets:							
Cash and equivalents- unrestricted	\$ 5,188,881	\$ 3,156,785	\$ 1,576,124	\$ 793,730	\$ -	\$ -	\$ 315,992
Cash and equivalents - restricted	2,107,004	256,302	-	-	2,050,894	-	4,025
Accounts receivable (net of allowance)	484,315	1,397,245	150,961	13,648	144,018	103,815	333
Due from other programs	-	-	2,757,470	31,271	80	-	-
Due from component units/primary government	-	-	908,633	-	-	-	-
Investments	3,612,496	-	106,814	-	-	-	209,056
Investments - restricted	-	-	-	-	-	-	-
Prepaid expenses	6,157	6,979	12,035	-	-	-	406
Total current assets	<u>11,398,853</u>	<u>4,817,311</u>	<u>5,512,037</u>	<u>838,649</u>	<u>2,194,992</u>	<u>103,815</u>	<u>529,812</u>
Noncurrent assets:							
Notes and mortgages receivable	464,106	-	1,473,746	-	778,494	-	-
Notes receivable - restricted	-	-	-	1,818,482	4,451,983	-	-
Nondepreciable capital assets	2,107,727	32,000	-	-	-	-	17,201
Depreciable / amortizable capital assets (net)	16,344,795	38,635	88,349	3,243	-	-	71,373
Interprogram notes receivable	20,763,454	-	-	536,913	2,536,000	-	-
Accrued interest receivable	1,455,949	-	-	-	19,726	-	-
Net OPEB asset	-	-	156,882	-	-	-	-
Other noncurrent assets	-	-	-	-	-	-	-
Total noncurrent assets	<u>41,136,031</u>	<u>70,635</u>	<u>1,718,977</u>	<u>2,358,638</u>	<u>7,786,203</u>	<u>-</u>	<u>88,574</u>
TOTAL ASSETS	<u>52,534,884</u>	<u>4,887,946</u>	<u>7,231,014</u>	<u>3,197,287</u>	<u>9,981,195</u>	<u>103,815</u>	<u>618,386</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>							
Deferred outflows related to OPEB plan	-	-	131,819	-	-	-	-

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

COMBINING SCHEDULE OF NET POSITION
PROPRIETARY FUND PROGRAMS

JUNE 30, 2023

	Public Housing Program	Rental Assistance Program	Central Office Cost Center Program	Community Development Program	HOME Investment Partnerships Program	Resident Self Sufficiency Programs	Transition Center Program
LIABILITIES							
Current liabilities:							
Accounts payable and accrued expenses	\$ 415,744	\$ 158,948	\$ 220,290	\$ 43,671	\$ 1,319	\$ 285	\$ 2,539
Due to other programs	126,148	197,727	31,271	80	8,977	101,469	8,003
Accrued salaries and wages	16,225	13,701	28,229	1,723	599	2,061	185
Accrued interest payable	-	-	-	-	-	-	-
Unearned revenues	48,866	29,041	-	31,271	6,466	-	691
Security deposit liabilities	60,407	-	-	-	-	-	4,025
Compensated absences	750	14,877	-	-	-	-	-
Current portion of long-term liabilities	-	-	-	-	-	-	-
Total current liabilities	<u>668,140</u>	<u>414,294</u>	<u>279,790</u>	<u>76,745</u>	<u>17,361</u>	<u>103,815</u>	<u>15,443</u>
Long-term liabilities							
Compensated absences	67,495	51,710	244,843	8,838	8,311	-	2,102
Notes and mortgages payable	-	-	-	-	-	-	-
Interprogram notes payable	-	-	-	-	-	-	-
Developer fee payable	-	-	-	-	-	-	-
Accrued interest payable	-	-	-	-	-	-	-
FSS escrow liabilities	42,203	227,262	-	-	-	-	-
Total long-term liabilities	<u>109,698</u>	<u>278,972</u>	<u>244,843</u>	<u>8,838</u>	<u>8,311</u>	<u>-</u>	<u>2,102</u>
TOTAL LIABILITIES	<u>777,838</u>	<u>693,266</u>	<u>524,633</u>	<u>85,583</u>	<u>25,672</u>	<u>103,815</u>	<u>17,545</u>
DEFERRED INFLOWS OF RESOURCES							
Deferred inflows related to OPEB and grant income	-	-	67,989	-	-	-	-
NET POSITION							
Net investment in capital assets	18,452,522	70,635	88,349	3,243	-	-	88,574
Restricted	2,004,394	-	-	3,108,461	9,955,523	-	-
Unrestricted (deficit)	31,300,130	4,124,045	6,681,862	-	-	-	512,267
TOTAL NET POSITION	<u>\$ 51,757,046</u>	<u>\$ 4,194,680</u>	<u>\$ 6,770,211</u>	<u>\$ 3,111,704</u>	<u>\$ 9,955,523</u>	<u>\$ -</u>	<u>\$ 600,841</u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

COMBINING SCHEDULE OF NET POSITION
PROPRIETARY FUND PROGRAMS

JUNE 30, 2023

	State & Local Activities Program	Choice Neighborhoods Grant Program	Business Activities Program	Lower Jefferson Avenue Development Corporation	Orcutt Senior Housing / Ashe Manor	Orcutt Townhomes	Orcutt Townhomes III
ASSETS							
Current assets:							
Cash and equivalents- unrestricted	\$ -	\$ -	\$ 5,257,043	\$ -	\$ 487,108	\$ 141,567	\$ 217,097
Cash and equivalents - restricted	525,000	-	4,248,166	-	238,111	637,057	516,675
Accounts receivable (net of allowance)	122,430	407,699	1,771,113	-	16,421	6,798	68,127
Due from other programs	5,899	-	-	-	-	-	-
Due from component units/primary government	-	-	-	-	-	-	-
Investments	-	-	506,560	-	-	-	-
Investments - restricted	-	-	-	-	-	-	-
Prepaid expenses	-	-	2,763	-	1,518	17,414	16,155
Total current assets	<u>653,329</u>	<u>407,699</u>	<u>11,785,645</u>	<u>-</u>	<u>743,158</u>	<u>802,836</u>	<u>818,054</u>
Noncurrent assets:							
Notes and mortgages receivable	-	6,741,072	6,582,800	-	-	-	-
Notes receivable - restricted	-	-	-	-	-	-	-
Nondepreciable capital assets	-	550,000	7,325,131	-	58,963	100,014	37,800
Depreciable / amortizable capital assets (net)	-	-	451,282	-	2,392,440	2,327,542	3,310,081
Interprogram notes receivable	-	-	928,742	-	-	-	-
Accrued interest receivable	-	189,300	838,585	-	-	-	-
Net OPEB asset	-	-	-	-	-	-	-
Other noncurrent assets	-	-	849,300	375,660	-	-	-
Total noncurrent assets	<u>-</u>	<u>7,480,372</u>	<u>16,975,840</u>	<u>375,660</u>	<u>2,451,403</u>	<u>2,427,556</u>	<u>3,347,881</u>
TOTAL ASSETS	<u>653,329</u>	<u>7,888,071</u>	<u>28,761,485</u>	<u>375,660</u>	<u>3,194,561</u>	<u>3,230,392</u>	<u>4,165,935</u>
DEFERRED OUTFLOWS OF RESOURCES							
Deferred outflows related to OPEB plan	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

COMBINING SCHEDULE OF NET POSITION
PROPRIETARY FUND PROGRAMS

JUNE 30, 2023

	State & Local Activities Program	Choice Neighborhoods Grant Program	Business Activities Program	Lower Jefferson Avenue Development Corporation	Orcutt Senior Housing / Ashe Manor	Orcutt Townhomes	Orcutt Townhomes III
LIABILITIES							
Current liabilities:							
Accounts payable and accrued expenses	\$ 81,765	\$ 219,723	\$ 2,266,486	\$ -	\$ 25,802	\$ 41,821	\$ 25,152
Due to other programs	120,474	189,820	73,321	-	234,673	100,725	227,868
Accrued salaries and wages	2,958	2,470	906	-	1,077	875	529
Accrued interest payable	-	-	-	-	-	-	-
Unearned revenues	448,133	-	3,768,310	-	4,383	4,003	4,183
Security deposit liabilities	-	-	-	-	3,945	3,696	5,014
Compensated absences	223	143	-	-	-	-	-
Current portion of long-term liabilities	-	-	-	-	-	-	-
Total current liabilities	<u>653,553</u>	<u>412,156</u>	<u>6,109,023</u>	<u>-</u>	<u>269,880</u>	<u>151,120</u>	<u>262,746</u>
Long-term liabilities							
Compensated absences	2,482	5,607	711	-	3,124	2,529	1,196
Notes and mortgages payable	-	-	-	-	-	-	1,184,231
Interprogram notes payable	-	-	-	-	3,189,000	2,527,755	1,859,842
Developer fee payable	-	-	-	-	-	-	-
Accrued interest payable	-	-	-	-	785,453	-	-
FSS escrow liabilities	-	-	-	-	-	6,240	-
Total long-term liabilities	<u>2,482</u>	<u>5,607</u>	<u>711</u>	<u>-</u>	<u>3,977,577</u>	<u>2,536,524</u>	<u>3,045,269</u>
TOTAL LIABILITIES	<u>656,035</u>	<u>417,763</u>	<u>6,109,734</u>	<u>-</u>	<u>4,247,457</u>	<u>2,687,644</u>	<u>3,308,015</u>
DEFERRED INFLOWS OF RESOURCES							
Deferred inflows related to OPEB and grant income	-	-	-	-	-	-	-
NET POSITION							
Net investment in capital assets	-	550,000	7,776,413	-	(737,597)	(100,199)	303,808
Restricted	-	-	-	-	234,166	627,121	511,661
Unrestricted (deficit)	<u>(2,706)</u>	<u>6,920,308</u>	<u>14,875,338</u>	<u>375,660</u>	<u>(549,465)</u>	<u>15,826</u>	<u>42,451</u>
TOTAL NET POSITION	<u>\$ (2,706)</u>	<u>\$ 7,470,308</u>	<u>\$ 22,651,751</u>	<u>\$ 375,660</u>	<u>\$ (1,052,896)</u>	<u>\$ 542,748</u>	<u>\$ 857,920</u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

COMBINING SCHEDULE OF NET POSITION
PROPRIETARY FUND PROGRAMS

JUNE 30, 2023

	Lofts on Jefferson	Oyster Point- Brighton	Cypress Terrace	Lassiter Courts	Spratley House	Total	Eliminations	Proprietary Fund
ASSETS								
Current assets:								
Cash and equivalents- unrestricted	\$ 96,390	\$ 330,814	\$ 174,328	\$ 597,029	\$ 85,382	\$ 18,418,270	\$ -	\$ 18,418,270
Cash and equivalents - restricted	8,072	598,622	256,849	312,283	13,200	11,772,260	-	11,772,260
Accounts receivable (net of allowance)	5,493	149,649	36,336	54,750	11,283	4,944,434	-	4,944,434
Due from other programs	-	-	-	-	-	2,794,720	(2,794,720)	-
Due from component units/primary government	-	-	-	-	-	908,633	-	908,633
Investments	-	-	-	-	-	4,434,926	-	4,434,926
Investments - restricted	39,346	365,283	167,972	110,927	118,445	801,973	-	801,973
Prepaid expenses	5,836	73,065	27,705	8,399	5,011	183,443	-	183,443
Total current assets	<u>155,137</u>	<u>1,517,433</u>	<u>663,190</u>	<u>1,083,388</u>	<u>233,321</u>	<u>44,258,659</u>	<u>(2,794,720)</u>	<u>41,463,939</u>
Noncurrent assets:								
Notes and mortgages receivable	-	-	-	-	-	16,040,218	-	16,040,218
Notes receivable - restricted	-	-	-	-	-	6,270,465	-	6,270,465
Nondepreciable capital assets	-	2,800,000	1,190,000	15,616	800,000	15,034,452	-	15,034,452
Depreciable / amortizable capital assets (net)	1,182,507	13,654,766	7,065,299	10,529,371	6,826,084	64,285,767	-	64,285,767
Interprogram notes receivable	-	-	-	-	-	24,765,109	(24,765,109)	-
Accrued interest receivable	-	-	-	-	-	2,503,560	(2,240,844)	262,716
Net OPEB asset	-	-	-	-	-	156,882	-	156,882
Other noncurrent assets	-	-	-	-	28,683	1,253,643	(800,000)	453,643
Total noncurrent assets	<u>1,182,507</u>	<u>16,454,766</u>	<u>8,255,299</u>	<u>10,544,987</u>	<u>7,654,767</u>	<u>130,310,096</u>	<u>(27,805,953)</u>	<u>102,504,143</u>
TOTAL ASSETS	<u>1,337,644</u>	<u>17,972,199</u>	<u>8,918,489</u>	<u>11,628,375</u>	<u>7,888,088</u>	<u>174,568,755</u>	<u>(30,600,673)</u>	<u>143,968,082</u>
DEFERRED OUTFLOWS OF RESOURCES								
Deferred outflows related to OPEB plan	-	-	-	-	-	131,819	-	131,819

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

COMBINING SCHEDULE OF NET POSITION
PROPRIETARY FUND PROGRAMS

JUNE 30, 2023

	Lofts on Jefferson	Oyster Point- Brighton	Cypress Terrace	Lassiter Courts	Spratley House	Total	Eliminations	Proprietary Fund
LIABILITIES								
Current liabilities:								
Accounts payable and accrued expenses	\$ 1,028	\$ 75,905	\$ 23,374	\$ 13,756	\$ 15,191	\$ 3,632,799	\$ -	\$ 3,632,799
Due to other programs	268,549	399,243	617,639	50,998	37,735	2,794,720	(2,794,720)	-
Accrued salaries and wages	264	4,705	746	2,251	893	80,397	-	80,397
Accrued interest payable	1,644	6,038	2,923	4,104	950	15,659	-	15,659
Unearned revenues	638	25,209	12,433	5,707	691	4,390,025	-	4,390,025
Security deposit liabilities	8,072	36,141	16,653	22,239	13,200	173,392	-	173,392
Compensated absences	-	-	-	-	-	15,993	-	15,993
Current portion of long-term liabilities	14,708	80,126	49,831	44,235	45,098	233,998	-	233,998
Total current liabilities	294,903	627,367	723,599	143,290	113,758	11,336,983	(2,794,720)	8,542,263
Long-term liabilities								
Compensated absences	598	18,170	204	15,008	2,018	434,946	-	434,946
Notes and mortgages payable	484,611	3,192,403	2,058,352	2,154,094	2,113,661	11,187,352	-	11,187,352
Interprogram notes payable	-	7,184,903	3,599,250	3,556,764	2,847,595	24,765,109	(24,765,109)	-
Developer fee payable	-	-	-	-	700,000	700,000	(700,000)	-
Accrued interest payable	-	929,766	413,212	44,250	68,163	2,240,844	(2,240,844)	-
FSS escrow liabilities	-	-	-	-	-	275,705	-	275,705
Total long-term liabilities	485,209	11,325,242	6,071,018	5,770,116	5,731,437	39,603,956	(27,705,953)	11,898,003
TOTAL LIABILITIES	780,112	11,952,609	6,794,617	5,913,406	5,845,195	50,940,939	(30,500,673)	20,440,266
DEFERRED INFLOWS OF RESOURCES								
Deferred inflows related to OPEB and grant income	-	-	-	-	-	67,989	-	67,989
NET POSITION								
Net investment in capital assets	683,188	5,997,334	2,547,866	4,789,894	2,619,730	43,133,760	24,765,109	67,898,869
Restricted	39,346	927,764	408,168	400,971	118,445	18,336,020	-	18,336,020
Unrestricted (deficit)	(165,002)	(905,508)	(832,162)	524,104	(695,282)	62,221,866	(24,865,109)	37,356,757
TOTAL NET POSITION	\$ 557,532	\$ 6,019,590	\$ 2,123,872	\$ 5,714,969	\$ 2,042,893	\$ 123,691,646	\$ (100,000)	\$ 123,591,646

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

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

FOR THE YEAR ENDED JUNE 30, 2023

	Public Housing Program	Rental Assistance Program	Central Office Cost Center Program	Community Development Program	HOME Investment Partnerships Program	Resident Self Sufficiency Programs	Transition Center Program
OPERATING REVENUES:							
Rental and tenant income	\$ 1,917,832	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42,726
Intergovernmental - operating grants	6,816,955	29,557,067	-	1,767,359	328,494	239,541	55,474
Fee revenue	-	-	2,919,119	-	-	-	-
Other income	49,385	54,359	43,354	13,991	2,547	-	370
Total operating revenues	<u>8,784,172</u>	<u>29,611,426</u>	<u>2,962,473</u>	<u>1,781,350</u>	<u>331,041</u>	<u>239,541</u>	<u>98,570</u>
OPERATING EXPENSES:							
Administration	2,137,617	1,935,331	2,711,807	453,050	96,648	7,286	24,537
Tenant services	180,585	26,257	-	-	-	232,255	-
Utilities	1,823,169	25,923	44,646	-	-	-	23,733
Ordinary maintenance	2,252,808	17,064	162,280	-	-	-	47,993
Protective services	61,554	-	13,628	-	-	-	-
Insurance expense	290,323	34,244	64,767	-	1,026	-	2,280
General expenses	162,108	12,055	14,389	1,394,420	313,688	-	-
Nonroutine maintenance	307,246	-	5,000	-	-	-	-
Housing assistance payments	-	26,852,753	-	-	-	-	-
Depreciation and amortization	1,551,239	50,424	69,171	927	1,523	-	8,912
Total operating expenses	<u>8,766,649</u>	<u>28,954,051</u>	<u>3,085,688</u>	<u>1,848,397</u>	<u>412,885</u>	<u>239,541</u>	<u>107,455</u>
OPERATING INCOME / (LOSS)	<u>17,523</u>	<u>657,375</u>	<u>(123,215)</u>	<u>(67,047)</u>	<u>(81,844)</u>	<u>-</u>	<u>(8,885)</u>
NONOPERATING REVENUES / (EXPENSES):							
Interest and investment revenue	376,133	18,197	262	15,885	48,934	-	10,325
Interest expense	(1,857)	(2,019)	(1,742)	-	(72)	-	(23)
Gain or loss on sale or disposition capital or other assets	(548,525)	-	-	-	-	-	-
Total nonoperating revenues / (expenses)	<u>(174,249)</u>	<u>16,178</u>	<u>(1,480)</u>	<u>15,885</u>	<u>48,862</u>	<u>-</u>	<u>10,302</u>
INCOME / (LOSS) BEFORE CONTRIBUTIONS, TRANSFERS AND ADJUSTMENTS	<u>(156,726)</u>	<u>673,553</u>	<u>(124,695)</u>	<u>(51,162)</u>	<u>(32,982)</u>	<u>-</u>	<u>1,417</u>
Transfers from /to other programs	(347,655)	(301,438)	-	-	-	-	-
HUD Capital contributions	566,838	-	-	-	-	-	-
Tax credit and other proceeds	-	-	-	-	-	-	-
CHANGE IN NET POSITION	<u>62,457</u>	<u>372,115</u>	<u>(124,695)</u>	<u>(51,162)</u>	<u>(32,982)</u>	<u>-</u>	<u>1,417</u>
TOTAL NET POSITION - July 1, 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>
TOTAL NET POSITION - June 30, 2023	<u>\$ 51,757,046</u>	<u>\$ 4,194,680</u>	<u>\$ 6,770,211</u>	<u>\$ 3,111,704</u>	<u>\$ 9,955,523</u>	<u>\$ -</u>	<u>\$ 600,841</u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

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

FOR THE YEAR ENDED JUNE 30, 2023

	State & Local Activities Program	Choice Neighborhoods Grant Program	Business Activities Program	Lower Jefferson Avenue Development Corporation	Orcutt Senior Housing / Ashe Manor	Orcutt Townhomes	Orcutt Townhomes III
OPERATING REVENUES:							
Rental and tenant income	\$ -	\$ -	\$ -	\$ -	\$ 201,169	\$ 115,583	\$ 63,260
Intergovernmental - operating grants	350,852	2,376,506	12,052,867	-	-	-	72,754
Fee revenue	-	-	-	-	-	-	-
Other income	66,925	-	1,613,085	-	115	7	-
Total operating revenues	<u>417,777</u>	<u>2,376,506</u>	<u>13,665,952</u>	<u>-</u>	<u>201,284</u>	<u>115,590</u>	<u>136,014</u>
OPERATING EXPENSES:							
Administration	228,345	306,413	242,596	-	153,132	98,370	63,215
Tenant services	-	256,535	436,059	-	9,096	6,643	2,009
Utilities	5,320	-	1,845	-	125,265	9,613	10,023
Ordinary maintenance	73,149	763	44,986	-	228,200	141,330	63,520
Protective services	-	-	-	-	3,086	2,664	-
Insurance expense	21,154	4,128	6,771	-	17,184	25,067	16,616
General expenses	77,384	-	148,955	-	15,234	16,847	23,542
Nonroutine maintenance	-	-	-	-	-	-	-
Housing assistance payments	-	-	-	-	-	-	-
Depreciation and amortization	5,481	-	52,767	-	212,626	195,982	180,342
Total operating expenses	<u>410,833</u>	<u>567,839</u>	<u>933,979</u>	<u>-</u>	<u>763,823</u>	<u>496,516</u>	<u>359,267</u>
OPERATING INCOME / (LOSS)	<u>6,944</u>	<u>1,808,667</u>	<u>12,731,973</u>	<u>-</u>	<u>(562,539)</u>	<u>(380,926)</u>	<u>(223,253)</u>
NONOPERATING REVENUES / (EXPENSES):							
Interest and investment revenue	-	144,501	103,791	(44)	167	171	157
Interest expense	(260)	-	-	-	(58,337)	(89)	(59)
Gain or loss on sale or disposition capital or other assets	-	-	-	-	-	-	-
Total nonoperating revenues / (expenses)	<u>(260)</u>	<u>144,501</u>	<u>103,791</u>	<u>(44)</u>	<u>(58,170)</u>	<u>82</u>	<u>98</u>
INCOME / (LOSS) BEFORE CONTRIBUTIONS, TRANSFERS AND ADJUSTMENTS	6,684	1,953,168	12,835,764	(44)	(620,709)	(380,844)	(223,155)
Transfers from /to other programs	-	-	301,438	-	185,267	165,919	-
HUD Capital contributions	-	-	-	-	-	-	-
Tax credit and other proceeds	-	-	-	-	-	-	60,000
CHANGE IN NET POSITION	<u>6,684</u>	<u>1,953,168</u>	<u>13,137,202</u>	<u>(44)</u>	<u>(435,442)</u>	<u>(214,925)</u>	<u>(163,155)</u>
TOTAL NET POSITION - July 1, 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>
TOTAL NET POSITION - June 30, 2023	<u>\$ (2,706)</u>	<u>\$ 7,470,308</u>	<u>\$22,651,751</u>	<u>\$ 375,660</u>	<u>\$ (1,052,896)</u>	<u>\$ 542,748</u>	<u>\$ 857,920</u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

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

FOR THE YEAR ENDED JUNE 30, 2023

	Lofts on Jefferson	Oyster Point- Brighton	Cypress Terrace	Lassiter Courts	Spratley House	Total	Eliminations	Proprietary Fund
OPERATING REVENUES:								
Rental and tenant income	\$ 91,047	\$ 471,476	\$ 225,012	\$ 219,829	\$ 159,957	\$ 3,507,891	\$ -	\$ 3,507,891
Intergovernmental - operating grants	-	946,210	344,645	470,527	240,266	55,619,517	-	55,619,517
Fee revenue	-	-	-	-	-	2,919,119	(2,782,824)	136,295
Other income	-	423	177	215	108	1,845,061	(107,079)	1,737,982
Total operating revenues	<u>91,047</u>	<u>1,418,109</u>	<u>569,834</u>	<u>690,571</u>	<u>400,331</u>	<u>63,891,588</u>	<u>(2,889,903)</u>	<u>61,001,685</u>
OPERATING EXPENSES:								
Administration	24,669	394,798	101,749	201,289	105,216	9,286,068	(2,877,596)	6,408,472
Tenant services	182	4,880	1,980	1,297	11,356	1,169,134	-	1,169,134
Utilities	9,611	307,951	186,500	55,061	101,024	2,729,684	-	2,729,684
Ordinary maintenance	39,557	534,454	239,030	395,676	122,888	4,363,698	(12,307)	4,351,391
Protective services	-	12,863	10,977	4,033	-	108,805	-	108,805
Insurance expense	5,905	108,520	53,626	43,179	24,970	719,760	-	719,760
General expenses	16,975	171,999	87,465	53,299	21,426	2,529,786	-	2,529,786
Nonroutine maintenance	-	-	-	-	-	312,246	-	312,246
Housing assistance payments	-	-	-	-	-	26,852,753	-	26,852,753
Depreciation and amortization	59,796	615,447	315,009	388,888	250,569	3,959,103	-	3,959,103
Total operating expenses	<u>156,695</u>	<u>2,150,912</u>	<u>996,336</u>	<u>1,142,722</u>	<u>637,449</u>	<u>52,031,037</u>	<u>(2,889,903)</u>	<u>49,141,134</u>
OPERATING INCOME / (LOSS)	<u>(65,648)</u>	<u>(732,803)</u>	<u>(426,502)</u>	<u>(452,151)</u>	<u>(237,118)</u>	<u>11,860,551</u>	<u>-</u>	<u>11,860,551</u>
NONOPERATING REVENUES / (EXPENSES):								
Interest and investment revenue	1,323	10,872	4,546	2,478	1,495	739,193	(295,012)	444,181
Interest expense	(20,008)	(209,419)	(95,846)	(59,956)	(43,188)	(492,875)	295,012	(197,863)
Gain or loss on sale or disposition capital or other assets	-	-	-	-	-	(548,525)	-	(548,525)
Total nonoperating revenues / (expenses)	<u>(18,685)</u>	<u>(198,547)</u>	<u>(91,300)</u>	<u>(57,478)</u>	<u>(41,693)</u>	<u>(302,207)</u>	<u>-</u>	<u>(302,207)</u>
INCOME / (LOSS) BEFORE CONTRIBUTIONS, TRANSFERS AND ADJUSTMENTS								
Transfers from /to other programs	(84,333)	(931,350)	(517,802)	(509,629)	(278,811)	11,558,344	-	11,558,344
HUD Capital contributions	-	-	-	912	(4,443)	-	-	-
Tax credit and other proceeds	-	-	-	-	76,470	566,838	-	566,838
	-	-	-	-	-	136,470	-	136,470
CHANGE IN NET POSITION	<u>(84,333)</u>	<u>(931,350)</u>	<u>(517,802)</u>	<u>(508,717)</u>	<u>(206,784)</u>	<u>12,261,652</u>	<u>-</u>	<u>12,261,652</u>
TOTAL NET POSITION - July 1, 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>
TOTAL NET POSITION - June 30, 2023	<u>\$557,532</u>	<u>\$ 6,019,590</u>	<u>\$ 2,123,872</u>	<u>\$5,714,969</u>	<u>\$2,042,893</u>	<u>\$ 123,691,646</u>	<u>\$ (100,000)</u>	<u>\$ 123,591,646</u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

COMBINING SCHEDULE OF CASH FLOWS
PROPRIETARY FUND PROGRAMS

FOR THE YEAR ENDED JUNE 30, 2023

	Public Housing Program	Rental Assistance Program	Central Office Cost Center Program	Community Development Program	HOME Investment Partnerships Program	Resident Self Sufficiency Programs	Transition Center Program
Cash flows from operating activities:							
Cash received from tenants/others	\$ 1,973,825	\$ 38,485	\$ -	\$ -	\$ -	\$ -	\$ 43,702
Cash received for fees/services/donations	-	-	192,969	13,991	8,970	-	-
Cash operating grants received (net)	7,022,319	28,696,951	-	1,784,982	289,494	214,750	55,991
Cash transfers from (to) other funds and entities	(2,485,471)	(1,165,920)	2,544,591	(316,511)	(87,550)	28,964	(14,923)
Cash payments for goods, services, rental subsidies	(4,566,026)	(27,335,642)	(149,598)	(1,368,034)	(149,124)	(7,482)	(70,373)
Cash payments to/for employees and benefits	(1,625,685)	(810,176)	(3,122,707)	(166,484)	(51,113)	(236,232)	(18,851)
Cash payments for or in lieu of property taxes	(62,064)	-	-	-	-	-	-
Net cash provided (used) by operating activities	<u>256,898</u>	<u>(576,302)</u>	<u>(534,745)</u>	<u>(52,056)</u>	<u>10,677</u>	<u>-</u>	<u>(4,454)</u>
Cash flows from capital and related financing activities:							
Purchase of equipment/capital assets	(679,434)	-	(11,299)	-	-	-	-
Proceeds from sale / disposition of capital assets	534,459	-	-	-	-	-	-
Proceeds from sale of tax credits	-	-	-	-	-	-	-
Loan principal payments	(39,102)	(42,513)	(36,680)	-	(1,523)	-	(487)
Interest payments	(1,857)	(2,019)	(1,742)	-	(72)	-	(23)
Net cash provided (used) by capital and related financing activities	<u>(189,523)</u>	<u>(44,532)</u>	<u>(46,132)</u>	<u>-</u>	<u>(1,595)</u>	<u>-</u>	<u>(510)</u>
Cash flows from noncapital financing activities:							
Loans made to borrowers	(464,105)	-	-	(75,940)	(663,680)	-	-
Receipt of interest on notes and loans	-	-	-	12,264	18,319	-	-
Loan payments received	-	-	-	159,658	200,903	-	-
Net cash provided / (used) by noncapital financing activities	<u>(464,105)</u>	<u>-</u>	<u>-</u>	<u>95,982</u>	<u>(444,458)</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:							
Receipts of interest and dividends	354	18,197	-	3,621	10,903	-	2,314
Deposits (withdrawals) to/from reserve accounts	-	-	-	-	-	-	-
Net cash provided (used) by investing activities	<u>354</u>	<u>18,197</u>	<u>-</u>	<u>3,621</u>	<u>10,903</u>	<u>-</u>	<u>2,314</u>
Net increase (decrease) in cash	(396,376)	(602,637)	(580,877)	47,547	(424,473)	-	(2,650)
Cash and equivalents at July 1, 2022	7,692,261	4,015,724	2,157,001	746,183	2,475,367	-	322,667
Cash and equivalents at June 30, 2023	<u>\$ 7,295,885</u>	<u>\$ 3,413,087</u>	<u>\$ 1,576,124</u>	<u>\$ 793,730</u>	<u>\$ 2,050,894</u>	<u>\$ -</u>	<u>\$ 320,017</u>
Reconciliation to statement of net position:							
Cash and equivalents - unrestricted	\$ 5,188,881	\$ 3,156,785	\$ 1,576,124	\$ 793,730	\$ -	\$ -	\$ 315,992
Cash and equivalents - restricted	2,107,004	256,302	-	-	2,050,894	-	4,025
	<u>\$ 7,295,885</u>	<u>\$ 3,413,087</u>	<u>\$ 1,576,124</u>	<u>\$ 793,730</u>	<u>\$ 2,050,894</u>	<u>\$ -</u>	<u>\$ 320,017</u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

COMBINING SCHEDULE OF CASH FLOWS
PROPRIETARY FUND PROGRAMS

FOR THE YEAR ENDED JUNE 30, 2023

	Public Housing Program	Rental Assistance Program	Central Office Cost Center Program	Community Development Program	HOME Investment Partnerships Program	Resident Self Sufficiency Programs	Transition Center Program
Noncash Activities:							
Capital assets acquired as of year-end but not paid for until subsequent period	\$ (44,546)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
HUD capital contributions recorded as of year-end but not received until subsequent period	44,546	-	-	-	-	-	-
Assets acquired under a lease as of year-end	-	-	-	-	-	-	-
Accounts and notes receivable	(44,546)	-	-	-	-	-	-
Accounts payable and liabilities	44,546	-	-	-	-	-	-
Debt obligation converted to income	-	-	-	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of operating income to net cash provided by operating activities:							
Operating income (loss)	\$ 17,523	\$ 657,375	\$ (123,215)	\$ (67,047)	\$ (81,844)	\$ -	\$ (8,885)
Adjustments to reconcile operating income to net cash provided by operating activities:							
Depreciation	1,551,239	50,424	69,171	927	1,523	-	8,912
Operating expenses paid from non-cash assets	-	-	117	-	-	-	-
Change in assets and liabilities:							
Decrease / (Increase) in accounts receivable	220,034	(908,533)	22,606	(11,913)	(32,510)	(24,791)	665
Decrease / (Increase) in due from other funds/programs	-	-	170,626	(28,258)	(80)	-	-
Decrease / (Increase) in notes and mortgages receivable	-	-	-	7,090	162,803	-	-
Decrease / (Increase) in prepaid expenses	4,484	(1,974)	(612)	-	-	-	92
Decrease / (Increase) in other assets	-	-	-	-	-	-	-
Increase / (Decrease) in deferred outflows of resources	-	-	(64,645)	-	-	-	-
Increase / (Decrease) in accounts payable	(238,463)	65,453	54,710	17,295	1,177	240	792
Decrease / (Increase) in due to other funds/programs	(922,146)	(197,356)	(596,386)	80	(45,470)	28,964	(5,774)
Increase / (Decrease) in accrued liabilities	(22,618)	(7,893)	(32,415)	(1,766)	(760)	(4,413)	(326)
Increase / (Decrease) in compensated absences	1,170	12,055	14,390	265	(585)	-	(388)
Increase / (Decrease) in trust, deposit, and escrow liabilities	(407)	65,842	-	-	-	-	246
Increase / (Decrease) in unearned revenues	(7,175)	(10,257)	-	31,271	6,423	-	212
Increase / (Decrease) in OPEB liabilities or asset	-	-	235,677	-	-	-	-
Increase / (Decrease) in deferred inflows of resources	-	-	(284,769)	-	-	-	-
	<u>\$ 256,898</u>	<u>\$ (576,302)</u>	<u>\$ (534,745)</u>	<u>\$ (52,056)</u>	<u>\$ 10,677</u>	<u>\$ -</u>	<u>\$ (4,454)</u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

COMBINING SCHEDULE OF CASH FLOWS
PROPRIETARY FUND PROGRAMS

FOR THE YEAR ENDED JUNE 30, 2023

	State & Local Activities Program	Choice Neighborhoods Grant Program	Business Activities Program	Lower Jefferson Avenue Development Corporation	Orcutt Senior Housing / Ashe Manor	Orcutt Townhomes	Orcutt Townhomes III
Cash flows from operating activities:							
Cash received from tenants/others	\$ -	\$ -	\$ -	\$ -	\$ 191,801	\$ 98,831	\$ 71,195
Cash received for fees/services/donations	66,925	-	913,085	-	116	7	-
Cash operating grants received (net)	740,501	2,242,232	15,341,031	-	-	-	66,074
Cash transfers from (to) other funds and entities	(48,950)	(75,115)	938,745	-	339,924	196,935	160,946
Cash payments for goods, services, rental subsidies	(134,413)	(128,161)	(2,264,850)	-	(336,636)	(180,067)	(118,556)
Cash payments to/for employees and benefits	(93,321)	(230,289)	(136,319)	-	(149,445)	(76,541)	(47,522)
Cash payments for or in lieu of property taxes	-	-	-	-	(5,563)	-	-
Net cash provided (used) by operating activities	<u>530,742</u>	<u>1,808,667</u>	<u>14,791,692</u>	<u>-</u>	<u>40,197</u>	<u>39,165</u>	<u>132,137</u>
Cash flows from capital and related financing activities:							
Purchase of equipment/capital assets	-	-	(5,566,614)	-	-	(9,232)	-
Proceeds from sale / disposition of capital assets	-	-	-	-	-	-	-
Proceeds from sale of tax credits	-	-	-	-	-	-	-
Loan principal payments	(5,482)	-	-	-	(2,345)	(1,873)	(1,249)
Interest payments	(260)	-	-	-	(111)	(88)	(59)
Net cash provided (used) by capital and related financing activities	<u>(5,742)</u>	<u>-</u>	<u>(5,566,614)</u>	<u>-</u>	<u>(2,456)</u>	<u>(11,193)</u>	<u>(1,308)</u>
Cash flows from noncapital financing activities:							
Loans made to borrowers	-	(1,808,667)	(4,460,592)	-	-	-	-
Receipt of interest on notes and loans	-	-	-	-	-	-	-
Loan payments received	-	-	1,700	-	-	-	-
Net cash provided / (used) by noncapital financing activities	<u>-</u>	<u>(1,808,667)</u>	<u>(4,458,892)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:							
Receipts of interest and dividends	-	-	2,418	-	167	171	158
Deposits (withdrawals) to/from reserve accounts	-	-	-	-	-	-	-
Net cash provided (used) by investing activities	<u>-</u>	<u>-</u>	<u>2,418</u>	<u>-</u>	<u>167</u>	<u>171</u>	<u>158</u>
Net increase (decrease) in cash	525,000	-	4,768,604	-	37,908	28,143	130,987
Cash and equivalents at July 1, 2022	-	-	4,736,605	-	687,311	750,481	602,785
Cash and equivalents at June 30, 2023	<u>\$ 525,000</u>	<u>\$ -</u>	<u>\$ 9,505,209</u>	<u>\$ -</u>	<u>\$ 725,219</u>	<u>\$ 778,624</u>	<u>\$ 733,772</u>
Reconciliation to statement of net position:							
Cash and equivalents - unrestricted	\$ -	\$ -	\$ 5,257,043	\$ -	\$ 487,108	\$ 141,567	\$ 217,097
Cash and equivalents - restricted	525,000	-	4,248,166	-	238,111	637,057	516,675
	<u>\$ 525,000</u>	<u>\$ -</u>	<u>\$ 9,505,209</u>	<u>\$ -</u>	<u>\$ 725,219</u>	<u>\$ 778,624</u>	<u>\$ 733,772</u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

COMBINING SCHEDULE OF CASH FLOWS
PROPRIETARY FUND PROGRAMS

FOR THE YEAR ENDED JUNE 30, 2023

	State & Local Activities Program	Choice Neighborhoods Grant Program	Business Activities Program	Lower Jefferson Avenue Development Corporation	Orcutt Senior Housing / Ashe Manor	Orcutt Townhomes	Orcutt Townhomes III
Noncash Activities:							
Capital assets acquired as of year-end but not paid for until subsequent period	\$ -	\$ -	\$ (1,580,673)	\$ -	\$ -	\$ -	\$ -
HUD capital contributions recorded as of year-end but not received until subsequent period	-	-	-	-	-	-	-
Assets acquired under a lease as of year-end	-	-	(468,863)	-	-	-	-
Accounts and notes receivable	-	-	-	-	-	-	-
Accounts payable and liabilities	-	-	2,049,536	-	-	-	(60,000)
Debt obligation converted to income	-	-	-	-	-	-	60,000
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of operating income to net cash provided by operating activities:							
Operating income (loss)	\$ 6,944	\$ 1,808,667	\$ 12,731,973	\$ -	\$ (562,539)	\$ (380,926)	\$ (223,253)
Adjustments to reconcile operating income to net cash provided by operating activities:							
Depreciation	5,481	-	52,767	-	212,626	195,982	180,342
Operating expenses paid from non-cash assets	-	-	-	-	-	-	-
Change in assets and liabilities:							
Decrease / (Increase) in accounts receivable	(58,484)	(134,274)	(1,607,180)	-	(5,344)	7,346	3,370
Decrease / (Increase) in due from other funds/programs	(5,899)	-	624,644	-	-	-	-
Decrease / (Increase) in notes and mortgages receivable	-	-	3,573	-	-	-	-
Decrease / (Increase) in prepaid expenses	-	-	(2,277)	-	1,369	(9,926)	(8,095)
Decrease / (Increase) in other assets	-	-	(700,000)	-	-	-	-
Increase / (Decrease) in deferred outflows of resources	-	-	-	-	-	-	-
Increase / (Decrease) in accounts payable	80,336	162,346	65,660	-	(2,835)	6,738	(2,146)
Decrease / (Increase) in due to other funds/programs	55,294	(21,115)	33,312	-	212,791	73,994	180,355
Increase / (Decrease) in accrued liabilities	(1,581)	(2,643)	(772)	-	(2,071)	(534)	(269)
Increase / (Decrease) in compensated absences	518	(4,314)	390	-	(1,232)	(531)	(501)
Increase / (Decrease) in trust, deposit, and escrow liabilities	-	-	-	-	(163)	1,746	598
Increase / (Decrease) in unearned revenues	448,133	-	3,288,164	-	2,328	(20,643)	1,736
Increase / (Decrease) in OPEB liabilities or asset	-	-	-	-	-	-	-
Increase / (Decrease) in deferred inflows of resources	-	-	-	-	-	-	-
	<u>\$ 530,742</u>	<u>\$ 1,808,667</u>	<u>\$ 14,791,692</u>	<u>\$ -</u>	<u>\$ 40,197</u>	<u>\$ 39,165</u>	<u>\$ 132,137</u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

COMBINING SCHEDULE OF CASH FLOWS
PROPRIETARY FUND PROGRAMS

FOR THE YEAR ENDED JUNE 30, 2023

	Lofts on Jefferson	Oyster Point- Brighton	Cypress Terrace	Lassiter Courts	Spratley House	Total	Eliminations	Proprietary Fund
Cash flows from operating activities:								
Cash received from tenants/others	\$ 93,317	\$ 487,341	\$ 225,029	\$ 207,670	\$ 162,591	\$ 3,593,787	\$ (35,413)	\$ 3,558,374
Cash received for fees/services/donations	-	423	8,775	214	108	1,205,583	(71,652)	1,133,931
Cash operating grants received (net)	-	812,316	340,192	472,972	253,107	58,332,912	-	58,332,912
Cash transfers from (to) other funds and entities	65,948	195,579	51,217	(109,635)	(218,774)	-	-	-
Cash payments for goods, services, rental subsidies	(51,572)	(900,094)	(539,087)	(413,659)	(287,445)	(39,000,819)	107,065	(38,893,754)
Cash payments to/for employees and benefits	(23,447)	(421,561)	(89,671)	(250,427)	(83,314)	(7,633,105)	-	(7,633,105)
Cash payments for or in lieu of property taxes	(13,176)	(133,555)	(73,946)	(18,535)	(1,035)	(307,874)	-	(307,874)
Net cash provided (used) by operating activities	<u>71,070</u>	<u>40,449</u>	<u>(77,491)</u>	<u>(111,400)</u>	<u>(174,762)</u>	<u>16,190,484</u>	<u>-</u>	<u>16,190,484</u>
Cash flows from capital and related financing activities:								
Purchase of equipment/capital assets	-	(7,781)	(5,121)	-	(34,315)	(6,313,796)	-	(6,313,796)
Proceeds from sale / disposition of capital assets	-	-	-	-	-	534,459	-	534,459
Proceeds from sale of tax credits	-	-	-	-	76,470	76,470	-	76,470
Loan principal payments	(14,718)	(87,038)	(52,822)	(45,615)	(43,312)	(374,759)	-	(374,759)
Interest payments	(20,055)	(73,708)	(35,515)	(50,067)	(11,915)	(197,491)	-	(197,491)
Net cash provided (used) by capital and related financing activities	<u>(34,773)</u>	<u>(168,527)</u>	<u>(93,458)</u>	<u>(95,682)</u>	<u>(13,072)</u>	<u>(6,275,117)</u>	<u>-</u>	<u>(6,275,117)</u>
Cash flows from noncapital financing activities:								
Loans made to borrowers	-	-	-	-	-	(7,472,984)	-	(7,472,984)
Receipt of interest on notes and loans	-	-	-	-	-	30,583	-	30,583
Loan payments received	-	-	-	-	-	362,261	-	362,261
Net cash provided / (used) by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,080,140)</u>	<u>-</u>	<u>(7,080,140)</u>
Cash flows from investing activities:								
Receipts of interest and dividends	18	282	116	150	1,214	40,083	-	40,083
Deposits (withdrawals) to/from reserve accounts	(2,172)	(35,631)	(27,635)	(38,056)	(80,685)	(184,179)	-	(184,179)
Net cash provided (used) by investing activities	<u>(2,154)</u>	<u>(35,349)</u>	<u>(27,519)</u>	<u>(37,906)</u>	<u>(79,471)</u>	<u>(144,096)</u>	<u>-</u>	<u>(144,096)</u>
Net increase (decrease) in cash	34,143	(163,427)	(198,468)	(244,988)	(267,305)	2,691,131	-	2,691,131
Cash and equivalents at July 1, 2022	70,319	1,092,863	629,645	1,154,300	365,887	27,499,399	-	27,499,399
Cash and equivalents at June 30, 2023	<u>\$ 104,462</u>	<u>\$ 929,436</u>	<u>\$ 431,177</u>	<u>\$ 909,312</u>	<u>\$ 98,582</u>	<u>\$ 30,190,530</u>	<u>\$ -</u>	<u>\$ 30,190,530</u>
Reconciliation to statement of net position:								
Cash and equivalents - unrestricted	\$ 96,390	\$ 330,814	\$ 174,328	\$ 597,029	\$ 85,382	\$ 18,418,270	\$ -	\$ 18,418,270
Cash and equivalents - restricted	8,072	598,622	256,849	312,283	13,200	11,772,260	-	11,772,260
	<u>\$ 104,462</u>	<u>\$ 929,436</u>	<u>\$ 431,177</u>	<u>\$ 909,312</u>	<u>\$ 98,582</u>	<u>\$ 30,190,530</u>	<u>\$ -</u>	<u>\$ 30,190,530</u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

COMBINING SCHEDULE OF CASH FLOWS
PROPRIETARY FUND PROGRAMS

FOR THE YEAR ENDED JUNE 30, 2023

	Lofts on Jefferson	Oyster Point- Brighton	Cypress Terrace	Lassiter Courts	Spratley House	Total	Eliminations	Proprietary Fund
Noncash Activities:								
Capital assets acquired as of year-end but not paid for until subsequent period	\$ -	\$ -	\$ -	\$ -	\$ (700,000)	\$ (2,325,219)	\$ -	\$ (2,325,219)
HUD capital contributions recorded as of year-end but not received until subsequent period	-	-	-	-	-	44,546	-	44,546
Assets acquired under a lease as of year-end	-	-	-	-	-	(468,863)	-	(468,863)
Accounts and notes receivable	-	-	-	-	-	(44,546)	-	(44,546)
Accounts payable and liabilities	-	-	-	-	700,000	2,734,082	-	2,734,082
Debt obligation converted to income	-	-	-	-	-	60,000	-	60,000
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of operating income to net cash provided by operating activities:								
Operating income (loss)	\$ (65,648)	\$ (732,803)	\$ (426,502)	\$ (452,151)	\$ (237,118)	\$ 11,860,551	\$ -	11,860,551
Adjustments to reconcile operating income to net cash provided by operating activities:								
Depreciation	59,796	615,447	315,009	388,888	250,569	3,959,103	-	3,959,103
Operating expenses paid from non-cash assets	-	-	-	-	-	117	-	117
Change in assets and liabilities:								
Decrease / (Increase) in accounts receivable	5,707	(97,499)	(3,592)	7,057	18,436	(2,598,899)	-	(2,598,899)
Decrease / (Increase) in due from other funds/programs	-	-	-	-	-	761,033	(761,033)	-
Decrease / (Increase) in notes and mortgages receivable	-	-	-	-	-	173,466	-	173,466
Decrease / (Increase) in prepaid expenses	(2,481)	(25,892)	557	583	(2,840)	(47,012)	-	(47,012)
Decrease / (Increase) in other assets	-	-	-	-	(28,683)	(728,683)	-	(728,683)
Increase / (Decrease) in deferred outflows of resources	-	-	-	-	-	(64,645)	-	(64,645)
Increase / (Decrease) in accounts payable	295	(22,813)	(62,071)	(7,975)	3,447	122,186	-	122,186
Decrease / (Increase) in due to other funds/programs	73,425	301,878	96,042	(49,929)	(178,025)	(960,066)	761,033	(199,033)
Increase / (Decrease) in accrued liabilities	(135)	(4,727)	(1,214)	(1,275)	(798)	(86,210)	-	(86,210)
Increase / (Decrease) in compensated absences	(251)	4,063	(5,256)	143	(845)	19,091	-	19,091
Increase / (Decrease) in trust, deposit, and escrow liabilities	-	(1,541)	239	2,469	5,568	74,597	-	74,597
Increase / (Decrease) in unearned revenues	362	4,336	9,297	790	(30)	3,754,947	-	3,754,947
Increase / (Decrease) in OPEB liabilities or asset	-	-	-	-	-	235,677	-	235,677
Increase / (Decrease) in deferred inflows of resources	-	-	-	-	-	(284,769)	-	(284,769)
	<u>\$ 71,070</u>	<u>\$ 40,449</u>	<u>\$ (77,491)</u>	<u>\$ (111,400)</u>	<u>\$ (174,762)</u>	<u>\$ 16,190,484</u>	<u>\$ -</u>	<u>\$ 16,190,484</u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

COMBINING SCHEDULE OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS

JUNE 30, 2023

	Lower Jefferson Avenue, LLC	Choice Neighborhood I, LLC	Choice Neighborhood II, LLC	Carrier Point Commercial Partners, LLC	Choice Neighborhood Commercial Partners, LLC	Choice Neighborhood III, LLC	Choice Neighborhood IV, LLC	Discrete Component Units
ASSETS								
Current assets:								
Cash and equivalents- unrestricted	\$ 376,211	\$ 901,212	\$ 561,543	\$ -	\$ -	\$ 2,699	\$ 26,846	\$ 1,868,511
Cash and equivalents - restricted	137,888	-	-	-	-	-	-	137,888
Accounts receivable (net of allowance)	23,738	400	-	-	-	-	-	24,138
Investments - restricted	75,507	-	-	-	-	-	181,350	256,857
Prepaid expenses	9,410	-	-	-	-	-	-	9,410
Total current assets	<u>622,754</u>	<u>901,612</u>	<u>561,543</u>	<u>-</u>	<u>-</u>	<u>2,699</u>	<u>208,196</u>	<u>2,296,804</u>
Noncurrent assets:								
Nondepreciable capital assets	255,992	12,379,279	11,137,931	898,467	11,696	3,089,523	3,344,473	31,117,361
Depreciable/amortizable capital assets (net)	5,926,264	-	-	-	-	-	-	5,926,264
Other noncurrent assets	-	-	-	-	-	-	-	-
Total noncurrent assets	<u>6,182,256</u>	<u>12,379,279</u>	<u>11,137,931</u>	<u>898,467</u>	<u>11,696</u>	<u>3,089,523</u>	<u>3,344,473</u>	<u>37,043,625</u>
TOTAL ASSETS	<u>6,805,010</u>	<u>13,280,891</u>	<u>11,699,474</u>	<u>898,467</u>	<u>11,696</u>	<u>3,092,222</u>	<u>3,552,669</u>	<u>39,340,429</u>
DEFERRED OUTFLOWS OF RESOURCES								
Deferred outflows related to OPEB plan	-	-	-	-	-	-	-	-
LIABILITIES								
Current liabilities:								
Accounts payable and accrued expenses	\$ 19,593	\$ 1,878,153	\$ 950,032	\$ 101,965	\$ 11,696	\$ 83,070	\$ 120,437	\$ 3,164,946
Due to component units/primary government	966,316	-	-	-	-	-	-	966,316
Accrued salaries	2,452	-	-	-	-	-	-	2,452
Accrued interest payable	2,344	-	-	-	-	-	-	2,344
Unearned revenues	9,412	-	-	-	-	-	-	9,412
Security deposit liabilities	32,512	-	-	-	-	-	-	32,512
Notes payable	-	4,660,945	-	-	-	-	-	4,660,945
Current portion of long-term liabilities	73,193	-	-	-	-	-	-	73,193
Total current liabilities	<u>1,105,822</u>	<u>6,539,098</u>	<u>950,032</u>	<u>101,965</u>	<u>11,696</u>	<u>83,070</u>	<u>120,437</u>	<u>8,912,120</u>
Long-term liabilities								
Compensated absences	6,759	-	-	-	-	-	-	6,759
Notes and mortgages payable	1,060,432	5,347,556	9,377,750	796,502	-	1,234,152	1,838,232	19,654,624
Developer fee payable	19,190	-	-	-	-	-	-	19,190
Accrued interest payable	16,650	203,364	16,941	-	-	-	-	236,955
Total long-term liabilities	<u>1,103,031</u>	<u>5,550,920</u>	<u>9,394,691</u>	<u>796,502</u>	<u>-</u>	<u>1,234,152</u>	<u>1,838,232</u>	<u>19,917,528</u>
TOTAL LIABILITIES	<u>2,208,853</u>	<u>12,090,018</u>	<u>10,344,723</u>	<u>898,467</u>	<u>11,696</u>	<u>1,317,222</u>	<u>1,958,669</u>	<u>28,829,648</u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

COMBINING SCHEDULE OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS

JUNE 30, 2023

	Lower Jefferson Avenue, LLC	Choice Neighborhood I, LLC	Choice Neighborhood II, LLC	Carrier Point Commercial Partners, LLC	Choice Neighborhood Commercial Partners, LLC	Choice Neighborhood III, LLC	Choice Neighborhood IV, LLC	Discrete Component Units
<u>DEFERRED INFLOWS OF RESOURCES</u>								
Deferred inflows related to OPEB and grant income	-	-	-	-	-	-	-	-
<u>NET POSITION</u>								
Net investment in capital assets	5,048,631	2,370,778	1,760,181	101,965	11,696	1,855,371	1,506,241	12,654,863
Restricted for reserves and escrows	180,883	-	-	-	-	-	181,350	362,233
Unrestricted (deficit)	(633,357)	(1,179,905)	(405,430)	(101,965)	(11,696)	(80,371)	(93,591)	(2,506,315)
TOTAL NET POSITION	\$ 4,596,157	\$ 1,190,873	\$ 1,354,751	\$ -	\$ -	\$ 1,775,000	\$ 1,594,000	\$ 10,510,781

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

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

FOR THE YEAR ENDED JUNE 30, 2023

	Lower Jefferson Avenue, LLC	Choice Neighborhood I, LLC	Choice Neighborhood II, LLC	Carrier Point Commercial Partners, LLC	Choice Neighborhood Commercial Partners, LLC	Choice Neighborhood III, LLC	Choice Neighborhood IV, LLC	Discrete Component Units
OPERATING REVENUES:								
Rental and tenant income	\$ 425,519	\$ 6,350	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 431,869
Other income	52	-	-	-	-	-	-	52
Total operating revenues	<u>425,571</u>	<u>6,350</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>431,921</u>
OPERATING EXPENSES:								
Administration	81,989	31,209	21,450	-	-	-	-	134,648
Tenant services	314	-	-	-	-	-	-	314
Utilities	191,723	-	-	-	-	-	-	191,723
Ordinary maintenance	245,082	-	-	-	-	-	-	245,082
Insurance expense	20,690	-	-	-	-	-	-	20,690
General expenses	68,111	-	-	-	-	-	-	68,111
Depreciation and amortization	226,143	-	-	-	-	-	-	226,143
Total operating expenses	<u>834,052</u>	<u>31,209</u>	<u>21,450</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>886,711</u>
OPERATING INCOME / (LOSS)	<u>(408,481)</u>	<u>(24,859)</u>	<u>(21,450)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(454,790)</u>
NONOPERATING REVENUES / (EXPENSES):								
Interest and investment revenue	1,044	3	-	-	-	-	-	1,047
Interest expense	(30,898)	(199,636)	(15,283)	-	-	-	-	(245,817)
Total nonoperating revenues / (expenses)	<u>(29,854)</u>	<u>(199,633)</u>	<u>(15,283)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(244,770)</u>
INCOME / (LOSS) BEFORE CONTRIBUTIONS, TRANSFERS AND ADJUSTMENTS								
Tax credit and other proceeds	(438,335)	(224,492)	(36,733)	-	-	-	-	(699,560)
	<u>-</u>	<u>500,000</u>	<u>798,293</u>	<u>-</u>	<u>-</u>	<u>1,775,000</u>	<u>1,594,000</u>	<u>4,667,293</u>
CHANGE IN NET POSITION	<u>(438,335)</u>	<u>275,508</u>	<u>761,560</u>	<u>-</u>	<u>-</u>	<u>1,775,000</u>	<u>1,594,000</u>	<u>3,967,733</u>
TOTAL NET POSITION - Beginning of year	<u>5,034,492</u>	<u>915,365</u>	<u>593,191</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,543,048</u>
TOTAL NET POSITION - End of year	<u>\$ 4,596,157</u>	<u>\$ 1,190,873</u>	<u>\$ 1,354,751</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,775,000</u>	<u>\$ 1,594,000</u>	<u>\$ 10,510,781</u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

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

FOR THE YEAR ENDED JUNE 30, 2023

	Lower Jefferson Avenue, LLC	Choice Neighborhood I, LLC	Choice Neighborhood II, LLC	Carrier Point Commercial Partners, LLC	Choice Neighborhood Commercial Partners, LLC	Choice Neighborhood III, LLC	Choice Neighborhood IV, LLC	Total
Cash flows from operating activities:								
Cash received from tenants/others	\$ 393,770	\$ 6,350	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 400,120
Cash received for fees/services/donations	52	-	-	-	-	-	-	52
Cash payments for goods, services, rental subsidies	(80,631)	(2,631)	(950)	-	-	(566)	(3,192)	(87,970)
Cash payments to/for employees and benefits	-	(5,921)	(3,551)	-	-	-	-	(9,472)
Cash payments for or in lieu of property taxes	(41,226)	-	-	-	-	-	-	(41,226)
Net cash provided (used) by operating activities	<u>271,965</u>	<u>(2,202)</u>	<u>(4,501)</u>	<u>-</u>	<u>-</u>	<u>(566)</u>	<u>(3,192)</u>	<u>261,504</u>
Cash flows from capital and related financing activities:								
Purchase of equipment/capital assets	(5,692)	(7,661,412)	(7,093,136)	(474,779)	-	(3,005,887)	(3,220,844)	(21,461,750)
Proceeds from issuing notes and other debt	-	7,732,606	6,829,239	474,779	-	1,234,152	1,838,232	18,109,008
Proceeds from sale of tax credits and other contributions	-	500,000	798,293	-	-	1,775,000	1,412,650	4,485,943
Loan principal payments	(71,067)	-	-	-	-	-	-	(71,067)
Interest payments	(29,273)	-	-	-	-	-	-	(29,273)
Net cash provided (used) by capital and related financing activities	<u>(106,032)</u>	<u>571,194</u>	<u>534,396</u>	<u>-</u>	<u>-</u>	<u>3,265</u>	<u>30,038</u>	<u>1,032,861</u>
Cash flows from investing activities:								
Receipts of interest and dividends	89	3	-	-	-	-	-	92
Deposits (withdrawals) to/from reserve accounts	5,642	-	-	-	-	-	-	5,642
Net cash provided (used) by investing activities	<u>5,731</u>	<u>3</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,734</u>
Net increase in cash	171,664	568,995	529,895	-	-	2,699	26,846	1,300,099
Cash and equivalents at beginning of year	<u>342,435</u>	<u>332,217</u>	<u>31,648</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>706,300</u>
Cash and equivalents at end of year	<u>\$ 514,099</u>	<u>\$ 901,212</u>	<u>\$ 561,543</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,699</u>	<u>\$ 26,846</u>	<u>\$ 2,006,399</u>
Reconciliation to statement of net position:								
Cash and equivalents - unrestricted	\$ 376,211	\$ 901,212	\$ 561,543	\$ -	\$ -	\$ 2,699	\$ 26,846	\$ 1,868,511
Cash and equivalents - restricted	137,888	-	-	-	-	-	-	137,888
	<u>\$ 514,099</u>	<u>\$ 901,212</u>	<u>\$ 561,543</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,699</u>	<u>\$ 26,846</u>	<u>\$ 2,006,399</u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

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

FOR THE YEAR ENDED JUNE 30, 2023

	Lower Jefferson Avenue, LLC	Choice Neighborhood I, LLC	Choice Neighborhood II, LLC	Carrier Point Commercial Partners, LLC	Choice Neighborhood Commercial Partners, LLC	Choice Neighborhood III, LLC	Choice Neighborhood IV, LLC	Total
Noncash Activities:								
Capital assets acquired as of year-end but not paid for until subsequent period	\$ -	\$ (1,855,096)	\$ (933,081)	\$ (101,965)	\$ (11,696)	\$ (83,636)	\$ (123,629)	\$ (3,109,103)
Accounts payable and liabilities	-	1,855,096	933,081	101,965	11,696	83,636	123,629	3,109,103
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of operating income to net cash provided by operating activities:								
Operating income (loss)	\$ (408,481)	\$ (24,859)	\$ (21,450)	\$ -	\$ -	\$ -	\$ -	\$ (454,790)
Adjustments to reconcile operating income to net cash provided by operating activities:								
Depreciation	226,143	-	-	-	-	-	-	226,143
Change in assets and liabilities:								
Decrease / (Increase) in accounts receivable	(8,851)	(400)	-	-	-	-	-	(9,251)
Decrease / (Increase) in prepaid expenses	310	-	-	-	-	-	-	310
Increase / (Decrease) in accounts payable	(19,240)	23,057	16,949	-	-	(566)	(3,192)	17,008
Decrease / (Increase) in due to other funds/programs	477,366	-	-	-	-	-	-	477,366
Increase / (Decrease) in accrued liabilities	732	-	-	-	-	-	-	732
Increase / (Decrease) in compensated absences	3,147	-	-	-	-	-	-	3,147
Increase / (Decrease) in trust, deposit, and escrow liabilities	769	-	-	-	-	-	-	769
Increase / (Decrease) in unearned revenues	70	-	-	-	-	-	-	70
	<u>\$ 271,965</u>	<u>\$ (2,202)</u>	<u>\$ (4,501)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (566)</u>	<u>\$ (3,192)</u>	<u>\$ 261,504</u>

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2023

	Project Total	14.EFA FSS Escrow Forfeiture Account	14.218 Community Development Block Grants/Entitlement Grants	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended
111 Cash - Unrestricted	\$5,188,880		\$793,730	\$1,868,511	\$2,129,715
112 Cash - Restricted - Modernization and Development					
113 Cash - Other Restricted	\$2,046,597			\$105,377	\$2,471,909
114 Cash - Tenant Security Deposits	\$60,407			\$32,511	\$108,960
115 Cash - Restricted for Payment of Current Liabilities					
100 Total Cash	\$7,295,884	\$0	\$793,730	\$2,006,399	\$4,710,584
121 Accounts Receivable - PHA Projects					
122 Accounts Receivable - HUD Other Projects	\$34,474				\$206,134
124 Accounts Receivable - Other Government	\$344,434		\$13,649		\$47,180
125 Accounts Receivable - Miscellaneous					
126 Accounts Receivable - Tenants	\$142,600			\$64,577	\$304,254
126.1 Allowance for Doubtful Accounts -Tenants	-\$37,192			-\$40,440	-\$208,710
126.2 Allowance for Doubtful Accounts - Other	\$0		\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current					
128 Fraud Recovery					
128.1 Allowance for Doubtful Accounts - Fraud					
129 Accrued Interest Receivable					
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$484,316	\$0	\$13,649	\$24,137	\$348,858
131 Investments - Unrestricted	\$3,612,496				
132 Investments - Restricted				\$256,857	\$801,972
135 Investments - Restricted for Payment of Current Liability					
142 Prepaid Expenses and Other Assets	\$6,156			\$9,410	\$155,103
143 Inventories					

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2023

	Project Total	14.EFA FSS Escrow Forfeiture Account	14.218 Community Development Block Grants/Entitlement Grants	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended
143.1 Allowance for Obsolete Inventories					
144 Inter Program Due From		\$34,651	\$31,271		
145 Assets Held for Sale					
150 Total Current Assets	\$11,398,852	\$34,651	\$838,650	\$2,296,803	\$6,016,517
161 Land	\$1,755,995			\$252,300	\$5,002,393
162 Buildings	\$55,788,716			\$6,936,856	\$55,857,402
163 Furniture, Equipment & Machinery - Dwellings	\$482,743				\$685,003
164 Furniture, Equipment & Machinery - Administration	\$849,037		\$87,648	\$218,802	\$568,426
165 Leasehold Improvements	\$3,459,380			\$653,474	\$6,599,627
166 Accumulated Depreciation	-\$44,235,081		-\$84,405	-\$1,882,868	-\$16,422,367
167 Construction in Progress	\$351,733			\$30,865,061	
168 Infrastructure					
160 Total Capital Assets, Net of Accumulated Depreciation	\$18,452,523	\$0	\$3,243	\$37,043,625	\$52,290,484
171 Notes, Loans and Mortgages Receivable - Non-Current	\$22,683,509		\$2,355,395		
172 Notes, Loans, & Mortgages Receivable - Non Current - Past					
173 Grants Receivable - Non Current					
174 Other Assets					\$404,343
176 Investments in Joint Ventures					
180 Total Non-Current Assets	\$41,136,032	\$0	\$2,358,638	\$37,043,625	\$52,694,827
200 Deferred Outflow of Resources					
290 Total Assets and Deferred Outflow of Resources	\$52,534,884	\$34,651	\$3,197,288	\$39,340,428	\$58,711,344

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2023

	Project Total	14.EFA FSS Escrow Forfeiture Account	14.218 Community Development Block Grants/Entitlement Grants	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended
311 Bank Overdraft					
312 Accounts Payable <= 90 Days	\$88,832		\$42,020	\$762	\$84,798
313 Accounts Payable >90 Days Past Due					
321 Accrued Wage/Payroll Taxes Payable	\$16,225		\$1,723	\$2,452	\$11,341
322 Accrued Compensated Absences - Current Portion	\$750				
324 Accrued Contingency Liability					
325 Accrued Interest Payable				\$2,344	\$15,659
331 Accounts Payable - HUD PHA Programs					
332 Account Payable - PHA Projects					
333 Accounts Payable - Other Government	\$54,384				\$86,129
341 Tenant Security Deposits	\$60,407			\$32,511	\$108,960
342 Unearned Revenue	\$48,867		\$31,271	\$9,412	\$57,247
343 Current Portion of Long-term Debt - Capital				\$4,734,138	\$233,998
344 Current Portion of Long-term Debt - Operating Borrowings					
345 Other Current Liabilities	\$108,723		\$1,651	\$4,130,498	
346 Accrued Liabilities - Other	\$163,804				\$51,103
347 Inter Program - Due To	\$126,148		\$80		\$1,937,430
348 Loan Liability - Current					
310 Total Current Liabilities	\$668,140	\$0	\$76,745	\$8,912,117	\$2,586,665
351 Long-term Debt, Net of Current - Capital Projects/Mortgage				\$19,654,626	\$35,952,460
352 Long-term Debt, Net of Current - Operating Borrowings					
353 Non-current Liabilities - Other	\$42,203			\$256,145	\$2,947,083
354 Accrued Compensated Absences - Non Current	\$67,495		\$8,839	\$6,758	\$42,847
355 Loan Liability - Non Current					
356 FASB 5 Liabilities					

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2023

	Project Total	14.EFA FSS Escrow Forfeiture Account	14.218 Community Development Block Grants/Entitlement Grants	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended
357 Accrued Pension and OPEB Liabilities					
350 Total Non-Current Liabilities	\$109,698	\$0	\$8,839	\$19,917,529	\$38,942,390
300 Total Liabilities	\$777,838	\$0	\$85,584	\$28,829,646	\$41,529,055
400 Deferred Inflow of Resources					
508.3 Nonspendable Fund Balance					
508.4 Net Investment in Capital Assets	\$18,452,523		\$3,243	\$12,654,861	\$16,104,026
509.3 Restricted Fund Balance					
510.3 Committed Fund Balance					
511.3 Assigned Fund Balance					
511.4 Restricted Net Position	\$2,004,394	\$34,651	\$3,108,461	\$362,233	\$3,267,641
512.3 Unassigned Fund Balance					
512.4 Unrestricted Net Position	\$31,300,129	\$0	\$0	-\$2,506,312	-\$2,189,378
513 Total Equity - Net Assets / Position	\$51,757,046	\$34,651	\$3,111,704	\$10,510,782	\$17,182,289
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$52,534,884	\$34,651	\$3,197,288	\$39,340,428	\$58,711,344

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2023

	14.896 PIH Family Self-Sufficiency Program	14.182 N/C S/R Section 8 Programs	1 Business Activities	2 State/Local	14.267 Continuum of Care Program
111 Cash - Unrestricted		\$315,992	\$5,257,044		
112 Cash - Restricted - Modernization and Development					
113 Cash - Other Restricted			\$4,248,166	\$525,000	
114 Cash - Tenant Security Deposits		\$4,025			
115 Cash - Restricted for Payment of Current Liabilities					
100 Total Cash	\$0	\$320,017	\$9,505,210	\$525,000	\$0
121 Accounts Receivable - PHA Projects					
122 Accounts Receivable - HUD Other Projects	\$74,108				\$6,685
124 Accounts Receivable - Other Government			\$1,771,113	\$122,430	
125 Accounts Receivable - Miscellaneous					
126 Accounts Receivable - Tenants		\$554			
126.1 Allowance for Doubtful Accounts -Tenants		-\$221			
126.2 Allowance for Doubtful Accounts - Other	\$0		\$0	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current					
128 Fraud Recovery					
128.1 Allowance for Doubtful Accounts - Fraud					
129 Accrued Interest Receivable					
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$74,108	\$333	\$1,771,113	\$122,430	\$6,685
131 Investments - Unrestricted		\$209,056	\$506,560		
132 Investments - Restricted					
135 Investments - Restricted for Payment of Current Liability					
142 Prepaid Expenses and Other Assets		\$406	\$2,761		
143 Inventories					
143.1 Allowance for Obsolete Inventories					

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2023

	14.896 PIH Family Self-Sufficiency Program	14.182 N/C S/R Section 8 Programs	1 Business Activities	2 State/Local	14.267 Continuum of Care Program
144 Inter Program Due From			\$0	\$5,899	
145 Assets Held for Sale					
150 Total Current Assets	\$74,108	\$529,812	\$11,785,644	\$653,329	\$6,685
161 Land		\$17,201	\$139,100		
162 Buildings		\$332,094	\$1,157,664		
163 Furniture, Equipment & Machinery - Dwellings		\$23,221			
164 Furniture, Equipment & Machinery - Administration		\$487	\$12,036	\$22,709	
165 Leasehold Improvements		\$57,658	\$196,992		
166 Accumulated Depreciation		-\$342,087	-\$915,410	-\$22,709	
167 Construction in Progress			\$7,186,031		
168 Infrastructure					
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$88,574	\$7,776,413	\$0	\$0
171 Notes, Loans and Mortgages Receivable - Non-Current			\$8,350,128		
172 Notes, Loans, & Mortgages Receivable - Non Current - Past					
173 Grants Receivable - Non Current					
174 Other Assets			\$849,300		
176 Investments in Joint Ventures					
180 Total Non-Current Assets	\$0	\$88,574	\$16,975,841	\$0	\$0
200 Deferred Outflow of Resources					
290 Total Assets and Deferred Outflow of Resources	\$74,108	\$618,386	\$28,761,485	\$653,329	\$6,685
311 Bank Overdraft					

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2023

	14.896 PIH Family Self-Sufficiency Program	14.182 N/C S/R Section 8 Programs	1 Business Activities	2 State/Local	14.267 Continuum of Care Program
312 Accounts Payable <= 90 Days		\$1,099	\$1,718,595	\$81,765	\$6,685
313 Accounts Payable >90 Days Past Due					
321 Accrued Wage/Payroll Taxes Payable	\$1,295	\$184	\$906	\$2,958	
322 Accrued Compensated Absences - Current Portion				\$223	
324 Accrued Contingency Liability					
325 Accrued Interest Payable					
331 Accounts Payable - HUD PHA Programs					
332 Account Payable - PHA Projects					
333 Accounts Payable - Other Government					
341 Tenant Security Deposits		\$4,025			
342 Unearned Revenue		\$691	\$3,768,310	\$448,133	
343 Current Portion of Long-term Debt - Capital					
344 Current Portion of Long-term Debt - Operating Borrowings					
345 Other Current Liabilities			\$547,891		
346 Accrued Liabilities - Other		\$1,440			
347 Inter Program - Due To	\$72,813	\$8,004	\$73,321	\$120,474	
348 Loan Liability - Current					
310 Total Current Liabilities	\$74,108	\$15,443	\$6,109,023	\$653,553	\$6,685
351 Long-term Debt, Net of Current - Capital Projects/Mortgage					
352 Long-term Debt, Net of Current - Operating Borrowings					
353 Non-current Liabilities - Other					
354 Accrued Compensated Absences - Non Current		\$2,102	\$711	\$2,482	
355 Loan Liability - Non Current					
356 FASB 5 Liabilities					
357 Accrued Pension and OPEB Liabilities					

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2023

	14.896 PIH Family Self-Sufficiency Program	14.182 N/C S/R Section 8 Programs	1 Business Activities	2 State/Local	14.267 Continuum of Care Program
350 Total Non-Current Liabilities	\$0	\$2,102	\$711	\$2,482	\$0
300 Total Liabilities	\$74,108	\$17,545	\$6,109,734	\$656,035	\$6,685
400 Deferred Inflow of Resources					
508.3 Nonspendable Fund Balance					
508.4 Net Investment in Capital Assets		\$88,574	\$7,776,413		
509.3 Restricted Fund Balance					
510.3 Committed Fund Balance					
511.3 Assigned Fund Balance					
511.4 Restricted Net Position					
512.3 Unassigned Fund Balance					
512.4 Unrestricted Net Position	\$0	\$512,267	\$14,875,338	-\$2,706	\$0
513 Total Equity - Net Assets / Position	\$0	\$600,841	\$22,651,751	-\$2,706	\$0
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$74,108	\$618,386	\$28,761,485	\$653,329	\$6,685

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2023

	14.879 Mainstream Vouchers	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	14.889 Choice Neighborhoods Implementation Grants
111 Cash - Unrestricted	\$7,222		\$3,124,305		
112 Cash - Restricted - Modernization and Development					
113 Cash - Other Restricted		\$2,050,894	\$227,262		
114 Cash - Tenant Security Deposits					
115 Cash - Restricted for Payment of Current Liabilities					
100 Total Cash	\$7,222	\$2,050,894	\$3,351,567	\$0	\$0
121 Accounts Receivable - PHA Projects					
122 Accounts Receivable - HUD Other Projects	\$76,088		\$968,090	\$29,707	\$407,699
124 Accounts Receivable - Other Government		\$100,000			
125 Accounts Receivable - Miscellaneous	\$4,209	\$44,018	\$339,144		
126 Accounts Receivable - Tenants					
126.1 Allowance for Doubtful Accounts -Tenants					
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current					
128 Fraud Recovery	\$14		\$271,005		
128.1 Allowance for Doubtful Accounts - Fraud	-\$14		-\$271,005		
129 Accrued Interest Receivable					
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$80,297	\$144,018	\$1,307,234	\$29,707	\$407,699
131 Investments - Unrestricted					
132 Investments - Restricted					
135 Investments - Restricted for Payment of Current Liability					
142 Prepaid Expenses and Other Assets			\$6,978		
143 Inventories					
143.1 Allowance for Obsolete Inventories					

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2023

	14.879 Mainstream Vouchers	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	14.889 Choice Neighborhoods Implementation Grants
144 Inter Program Due From		\$80			
145 Assets Held for Sale					
150 Total Current Assets	\$87,519	\$2,194,992	\$4,665,779	\$29,707	\$407,699
161 Land			\$32,000		
162 Buildings			\$634,667		
163 Furniture, Equipment & Machinery - Dwellings					
164 Furniture, Equipment & Machinery - Administration		\$21,544	\$233,883		
165 Leasehold Improvements			\$7,775		
166 Accumulated Depreciation		-\$21,544	-\$837,690		
167 Construction in Progress					\$550,000
168 Infrastructure					
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$0	\$70,635	\$0	\$550,000
171 Notes, Loans and Mortgages Receivable - Non-Current		\$7,786,203			\$6,930,372
172 Notes, Loans, & Mortgages Receivable - Non Current - Past					
173 Grants Receivable - Non Current					
174 Other Assets					
176 Investments in Joint Ventures					
180 Total Non-Current Assets	\$0	\$7,786,203	\$70,635	\$0	\$7,480,372
200 Deferred Outflow of Resources					
290 Total Assets and Deferred Outflow of Resources	\$87,519	\$9,981,195	\$4,736,414	\$29,707	\$7,888,071
311 Bank Overdraft					

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2023

	14.879 Mainstream Vouchers	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	14.889 Choice Neighborhoods Implementation Grants
312 Accounts Payable <= 90 Days	\$5,560	\$1,319	\$142,843	\$285	\$219,723
313 Accounts Payable >90 Days Past Due					
321 Accrued Wage/Payroll Taxes Payable		\$599	\$13,700	\$767	\$2,470
322 Accrued Compensated Absences - Current Portion			\$14,877		\$143
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		\$6,466			
343 Current Portion of Long-term Debt - Capital					
344 Current Portion of Long-term Debt - Operating Borrowings					
345 Other Current Liabilities					
346 Accrued Liabilities - Other			\$1,798		
347 Inter Program - Due To	\$2,457	\$8,977	\$229,280	\$28,655	\$189,820
348 Loan Liability - Current					
310 Total Current Liabilities	\$8,017	\$17,361	\$403,549	\$29,707	\$412,156
351 Long-term Debt, Net of Current - Capital Projects/Mortgage					
352 Long-term Debt, Net of Current - Operating Borrowings					
353 Non-current Liabilities - Other			\$227,262		
354 Accrued Compensated Absences - Non Current		\$8,311	\$51,710		\$5,607
355 Loan Liability - Non Current					
356 FASB 5 Liabilities					
357 Accrued Pension and OPEB Liabilities					

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2023

	14.879 Mainstream Vouchers	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	14.889 Choice Neighborhoods Implementation Grants
350 Total Non-Current Liabilities	\$0	\$8,311	\$278,972	\$0	\$5,607
300 Total Liabilities	\$8,017	\$25,672	\$682,521	\$29,707	\$417,763
400 Deferred Inflow of Resources					
508.3 Nonspendable Fund Balance					
508.4 Net Investment in Capital Assets			\$70,635		\$550,000
509.3 Restricted Fund Balance					
510.3 Committed Fund Balance					
511.3 Assigned Fund Balance					
511.4 Restricted Net Position		\$9,955,523			
512.3 Unassigned Fund Balance					
512.4 Unrestricted Net Position	\$79,502	\$0	\$3,983,258	\$0	\$6,920,308
513 Total Equity - Net Assets / Position	\$79,502	\$9,955,523	\$4,053,893	\$0	\$7,470,308
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$87,519	\$9,981,195	\$4,736,414	\$29,707	\$7,888,071

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2023

	14.EHV Emergency Housing Voucher	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	COCC	Subtotal	ELIM
111 Cash - Unrestricted	\$25,065	\$192	\$1,576,124	\$20,286,780	
112 Cash - Restricted - Modernization and Development					
113 Cash - Other Restricted				\$11,675,205	
114 Cash - Tenant Security Deposits				\$205,903	
115 Cash - Restricted for Payment of Current Liabilities	\$29,041			\$29,041	
100 Total Cash	\$54,106	\$192	\$1,576,124	\$32,196,929	\$0
121 Accounts Receivable - PHA Projects					
122 Accounts Receivable - HUD Other Projects	\$2,416			\$1,805,401	
124 Accounts Receivable - Other Government			\$52,322	\$2,451,128	
125 Accounts Receivable - Miscellaneous	\$613		\$1,007,273	\$1,395,257	
126 Accounts Receivable - Tenants				\$511,985	
126.1 Allowance for Doubtful Accounts -Tenants				-\$286,563	
126.2 Allowance for Doubtful Accounts - Other	\$0		\$0	\$0	
127 Notes, Loans, & Mortgages Receivable - Current					
128 Fraud Recovery				\$271,019	
128.1 Allowance for Doubtful Accounts - Fraud				-\$271,019	
129 Accrued Interest Receivable					
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$3,029	\$0	\$1,059,595	\$5,877,208	\$0
131 Investments - Unrestricted			\$106,814	\$4,434,926	
132 Investments - Restricted				\$1,058,829	
135 Investments - Restricted for Payment of Current Liability					
142 Prepaid Expenses and Other Assets			\$12,034	\$192,848	
143 Inventories					
143.1 Allowance for Obsolete Inventories					

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2023

	14.EHV Emergency Housing Voucher	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	COCC	Subtotal	ELIM
144 Inter Program Due From			\$2,757,470	\$2,829,371	-\$2,829,371
145 Assets Held for Sale					
150 Total Current Assets	\$57,135	\$192	\$5,512,037	\$46,590,111	-\$2,829,371
161 Land				\$7,198,989	
162 Buildings				\$120,707,399	
163 Furniture, Equipment & Machinery - Dwellings				\$1,190,967	
164 Furniture, Equipment & Machinery - Administration			\$1,093,011	\$3,107,583	
165 Leasehold Improvements				\$10,974,906	
166 Accumulated Depreciation			-\$1,004,662	-\$65,768,823	
167 Construction in Progress				\$38,952,825	
168 Infrastructure					
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$0	\$88,349	\$116,363,846	\$0
171 Notes, Loans and Mortgages Receivable - Non-Current			\$1,473,746	\$49,579,353	-\$27,005,953
172 Notes, Loans, & Mortgages Receivable - Non Current - Past					
173 Grants Receivable - Non Current					
174 Other Assets			\$156,882	\$1,410,525	-\$800,000
176 Investments in Joint Ventures					
180 Total Non-Current Assets	\$0	\$0	\$1,718,977	\$167,353,724	-\$27,805,953
200 Deferred Outflow of Resources			\$131,819	\$131,819	
290 Total Assets and Deferred Outflow of Resources	\$57,135	\$192	\$7,362,833	\$214,075,654	-\$30,635,324
311 Bank Overdraft					

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2023

	14.EHV Emergency Housing Voucher	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	COCC	Subtotal	ELIM
312 Accounts Payable <= 90 Days	\$1,010		\$47,185	\$2,442,481	
313 Accounts Payable >90 Days Past Due					
321 Accrued Wage/Payroll Taxes Payable			\$28,229	\$82,849	
322 Accrued Compensated Absences - Current Portion				\$15,993	
324 Accrued Contingency Liability					
325 Accrued Interest Payable				\$18,003	
331 Accounts Payable - HUD PHA Programs					
332 Account Payable - PHA Projects					
333 Accounts Payable - Other Government			\$1,811	\$143,375	
341 Tenant Security Deposits				\$205,903	
342 Unearned Revenue	\$29,041			\$4,399,438	
343 Current Portion of Long-term Debt - Capital				\$4,968,136	
344 Current Portion of Long-term Debt - Operating Borrowings					
345 Other Current Liabilities				\$4,788,763	
346 Accrued Liabilities - Other			\$171,294	\$389,439	
347 Inter Program - Due To	\$449	\$192	\$31,271	\$2,829,371	-\$2,829,371
348 Loan Liability - Current					
310 Total Current Liabilities	\$30,500	\$192	\$279,790	\$20,283,751	-\$2,829,371
351 Long-term Debt, Net of Current - Capital Projects/Mortgage				\$55,607,086	-\$24,765,109
352 Long-term Debt, Net of Current - Operating Borrowings					
353 Non-current Liabilities - Other				\$3,472,693	-\$2,940,844
354 Accrued Compensated Absences - Non Current			\$244,843	\$441,705	
355 Loan Liability - Non Current					
356 FASB 5 Liabilities					
357 Accrued Pension and OPEB Liabilities					

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2023

	14.EHV Emergency Housing Voucher	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	COCC	Subtotal	ELIM
350 Total Non-Current Liabilities	\$0	\$0	\$244,843	\$59,521,484	-\$27,705,953
300 Total Liabilities	\$30,500	\$192	\$524,633	\$79,805,235	-\$30,535,324
400 Deferred Inflow of Resources			\$67,989	\$67,989	
508.3 Nonspendable Fund Balance					
508.4 Net Investment in Capital Assets			\$88,349	\$55,788,624	\$24,765,109
509.3 Restricted Fund Balance					
510.3 Committed Fund Balance					
511.3 Assigned Fund Balance					
511.4 Restricted Net Position				\$18,732,903	
512.3 Unassigned Fund Balance					
512.4 Unrestricted Net Position	\$26,635	\$0	\$6,681,862	\$59,680,903	-\$24,865,109
513 Total Equity - Net Assets / Position	\$26,635	\$0	\$6,770,211	\$134,202,430	-\$100,000
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$57,135	\$192	\$7,362,833	\$214,075,654	-\$30,635,324

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2023

	Total
111 Cash - Unrestricted	\$20,286,780
112 Cash - Restricted - Modernization and Development	
113 Cash - Other Restricted	\$11,675,205
114 Cash - Tenant Security Deposits	\$205,903
115 Cash - Restricted for Payment of Current Liabilities	\$29,041
100 Total Cash	\$32,196,929
121 Accounts Receivable - PHA Projects	
122 Accounts Receivable - HUD Other Projects	\$1,805,401
124 Accounts Receivable - Other Government	\$2,451,128
125 Accounts Receivable - Miscellaneous	\$1,395,257
126 Accounts Receivable - Tenants	\$511,985
126.1 Allowance for Doubtful Accounts -Tenants	-\$286,563
126.2 Allowance for Doubtful Accounts - Other	\$0
127 Notes, Loans, & Mortgages Receivable - Current	
128 Fraud Recovery	\$271,019
128.1 Allowance for Doubtful Accounts - Fraud	-\$271,019
129 Accrued Interest Receivable	
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$5,877,208
131 Investments - Unrestricted	\$4,434,926
132 Investments - Restricted	\$1,058,829
135 Investments - Restricted for Payment of Current Liability	
142 Prepaid Expenses and Other Assets	\$192,848
143 Inventories	
143.1 Allowance for Obsolete Inventories	

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2023

	Total
144 Inter Program Due From	\$0
145 Assets Held for Sale	
150 Total Current Assets	\$43,760,740
161 Land	\$7,198,989
162 Buildings	\$120,707,399
163 Furniture, Equipment & Machinery - Dwellings	\$1,190,967
164 Furniture, Equipment & Machinery - Administration	\$3,107,583
165 Leasehold Improvements	\$10,974,906
166 Accumulated Depreciation	-\$65,768,823
167 Construction in Progress	\$38,952,825
168 Infrastructure	
160 Total Capital Assets, Net of Accumulated Depreciation	\$116,363,846
171 Notes, Loans and Mortgages Receivable - Non-Current	\$22,573,400
172 Notes, Loans, & Mortgages Receivable - Non Current - Past	
173 Grants Receivable - Non Current	
174 Other Assets	\$610,525
176 Investments in Joint Ventures	
180 Total Non-Current Assets	\$139,547,771
200 Deferred Outflow of Resources	\$131,819
290 Total Assets and Deferred Outflow of Resources	\$183,440,330
311 Bank Overdraft	

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2023

	Total
312 Accounts Payable <= 90 Days	\$2,442,481
313 Accounts Payable >90 Days Past Due	
321 Accrued Wage/Payroll Taxes Payable	\$82,849
322 Accrued Compensated Absences - Current Portion	\$15,993
324 Accrued Contingency Liability	
325 Accrued Interest Payable	\$18,003
331 Accounts Payable - HUD PHA Programs	
332 Account Payable - PHA Projects	
333 Accounts Payable - Other Government	\$143,375
341 Tenant Security Deposits	\$205,903
342 Unearned Revenue	\$4,399,438
343 Current Portion of Long-term Debt - Capital	\$4,968,136
344 Current Portion of Long-term Debt - Operating Borrowings	
345 Other Current Liabilities	\$4,788,763
346 Accrued Liabilities - Other	\$389,439
347 Inter Program - Due To	\$0
348 Loan Liability - Current	
310 Total Current Liabilities	\$17,454,380
351 Long-term Debt, Net of Current - Capital Projects/Mortgage	\$30,841,977
352 Long-term Debt, Net of Current - Operating Borrowings	
353 Non-current Liabilities - Other	\$531,849
354 Accrued Compensated Absences - Non Current	\$441,705
355 Loan Liability - Non Current	
356 FASB 5 Liabilities	
357 Accrued Pension and OPEB Liabilities	

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2023

	Total
350 Total Non-Current Liabilities	\$31,815,531
300 Total Liabilities	\$49,269,911
400 Deferred Inflow of Resources	\$67,989
508.3 Nonspendable Fund Balance	
508.4 Net Investment in Capital Assets	\$80,553,733
509.3 Restricted Fund Balance	
510.3 Committed Fund Balance	
511.3 Assigned Fund Balance	
511.4 Restricted Net Position	\$18,732,903
512.3 Unassigned Fund Balance	
512.4 Unrestricted Net Position	\$34,815,794
513 Total Equity - Net Assets / Position	\$134,102,430
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$183,440,330

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2023

	Project Total	14.EFA FSS Escrow Forfeiture Account	14.218 Community Development Block Grants/Entitlement Grants	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended
70300 Net Tenant Rental Revenue	\$1,870,150			\$419,460	\$1,512,936
70400 Tenant Revenue - Other	\$47,681			\$12,409	\$34,397
70500 Total Tenant Revenue	\$1,917,831	\$0	\$0	\$431,869	\$1,547,333
70600 HUD PHA Operating Grants	\$6,766,955		\$1,767,359		\$1,965,360
70610 Capital Grants	\$566,838				
70710 Management Fee					
70720 Asset Management Fee					
70730 Book Keeping Fee					
70740 Front Line Service Fee					
70750 Other Fees					
70700 Total Fee Revenue					
70800 Other Government Grants	\$50,000				\$109,042
71100 Investment Income - Unrestricted	\$138,788		\$3,621	\$58	\$1,739
71200 Mortgage Interest Income	\$237,346		\$12,264		
71300 Proceeds from Disposition of Assets Held for Sale					
71310 Cost of Sale of Assets					
71400 Fraud Recovery					
71500 Other Revenue	\$49,846	\$34,651	\$13,991	\$4,667,345	\$137,513
71600 Gain or Loss on Sale of Capital Assets	-\$548,525				
72000 Investment Income - Restricted				\$989	\$19,427
70000 Total Revenue	\$9,179,079	\$34,651	\$1,797,235	\$5,100,261	\$3,780,414
91100 Administrative Salaries	\$517,491		\$117,963	\$47,255	\$397,703

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2023

	Project Total	14.EFA FSS Escrow Forfeiture Account	14.218 Community Development Block Grants/Entitlement Grants	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended
91200 Auditing Fees	\$31,631			\$5,314	\$18,124
91300 Management Fee	\$1,052,226		\$288,333	\$26,668	\$313,328
91310 Book-keeping Fee	\$64,043				\$49,133
91400 Advertising and Marketing	\$62,243			\$2,993	\$7,371
91500 Employee Benefit contributions - Administrative	\$145,398		\$46,754	\$13,460	\$121,197
91600 Office Expenses	\$102,873			\$30,364	\$97,372
91700 Legal Expense	\$10,514				\$11,148
91800 Travel	\$11,113			\$5,247	\$22,309
91810 Allocated Overhead					
91900 Other	\$50,668			\$3,346	\$93,952
91000 Total Operating - Administrative	\$2,048,200	\$0	\$453,050	\$134,647	\$1,131,637
92000 Asset Management Fee	\$89,880				\$10,800
92100 Tenant Services - Salaries	\$118,748				\$8,481
92200 Relocation Costs	\$12,636				\$16,921
92300 Employee Benefit Contributions - Tenant Services	\$31,025				\$2,172
92400 Tenant Services - Other	\$18,175			\$314	\$9,866
92500 Total Tenant Services	\$180,584	\$0	\$0	\$314	\$37,440
93100 Water	\$345,143			\$48,174	\$153,130
93200 Electricity	\$440,789			\$12,582	\$186,047
93300 Gas	\$90,085				\$46,467
93400 Fuel					
93500 Labor					
93600 Sewer	\$947,154			\$130,968	\$419,405
93700 Employee Benefit Contributions - Utilities					

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2023

	Project Total	14.EFA FSS Escrow Forfeiture Account	14.218 Community Development Block Grants/Entitlement Grants	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended
93800 Other Utilities Expense					
93000 Total Utilities	\$1,823,171	\$0	\$0	\$191,724	\$805,049
94100 Ordinary Maintenance and Operations - Labor	\$586,672			\$18,980	\$454,375
94200 Ordinary Maintenance and Operations - Materials and	\$502,675			\$35,736	\$324,992
94300 Ordinary Maintenance and Operations Contracts	\$1,005,405			\$183,068	\$852,676
94500 Employee Benefit Contributions - Ordinary Maintenance	\$158,055			\$7,298	\$132,612
94000 Total Maintenance	\$2,252,807	\$0	\$0	\$245,082	\$1,764,655
95100 Protective Services - Labor	\$36,007				\$4,577
95200 Protective Services - Other Contract Costs					
95300 Protective Services - Other	\$15,935				\$27,872
95500 Employee Benefit Contributions - Protective Services	\$9,613				\$1,173
95000 Total Protective Services	\$61,555	\$0	\$0	\$0	\$33,622
96110 Property Insurance	\$229,519			\$14,917	\$215,723
96120 Liability Insurance	\$37,873			\$3,909	\$55,740
96130 Workmen's Compensation	\$7,572			\$699	\$6,984
96140 All Other Insurance	\$15,358			\$1,165	\$16,621
96100 Total insurance Premiums	\$290,322	\$0	\$0	\$20,690	\$295,068
96200 Other General Expenses	\$91,634		\$1,387,064		\$81,805
96210 Compensated Absences	\$1,228		\$266	\$3,148	\$4,206
96300 Payments in Lieu of Taxes	\$15,858			\$41,225	\$234,522
96400 Bad debt - Tenant Rents	\$53,388			\$23,738	\$86,256
96500 Bad debt - Mortgages			\$7,090		

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2023

	Project Total	14.EFA FSS Escrow Forfeiture Account	14.218 Community Development Block Grants/Entitlement Grants	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended
96600 Bad debt - Other					
96800 Severance Expense					
96000 Total Other General Expenses	\$162,108	\$0	\$1,394,420	\$68,111	\$406,789
96710 Interest of Mortgage (or Bonds) Payable				\$245,817	\$484,757
96720 Interest on Notes Payable (Short and Long Term)	\$1,857				\$2,144
96730 Amortization of Bond Issue Costs					
96700 Total Interest Expense and Amortization Cost	\$1,857	\$0	\$0	\$245,817	\$486,901
96900 Total Operating Expenses	\$6,910,484	\$0	\$1,847,470	\$906,385	\$4,971,961
97000 Excess of Operating Revenue over Operating Expenses	\$2,268,595	\$34,651	-\$50,235	\$4,193,876	-\$1,191,547
97100 Extraordinary Maintenance	\$289,800				
97200 Casualty Losses - Non-capitalized	\$17,445				
97300 Housing Assistance Payments					
97350 HAP Portability-In					
97400 Depreciation Expense	\$1,551,239		\$927	\$226,143	\$2,218,659
97500 Fraud Losses					
97600 Capital Outlays - Governmental Funds					
97700 Debt Principal Payment - Governmental Funds					
97800 Dwelling Units Rent Expense					
90000 Total Expenses	\$8,768,968	\$0	\$1,848,397	\$1,132,528	\$7,190,620
10010 Operating Transfer In	\$367,256				
10020 Operating transfer Out	-\$367,256				

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2023

	Project Total	14.EFA FSS Escrow Forfeiture Account	14.218 Community Development Block Grants/Entitlement Grants	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended
10030 Operating Transfers from/to Primary Government					
10040 Operating Transfers from/to Component Unit	-\$347,655				\$347,655
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)	-\$347,655	\$0	\$0	\$0	\$347,655
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	\$62,456	\$34,651	-\$51,162	\$3,967,733	-\$3,062,551
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$71,067	\$286,207
11030 Beginning Equity	\$51,694,590	\$0	\$3,162,866	\$6,543,049	\$20,244,840
11040 Prior Period Adjustments, Equity Transfers and					
11050 Changes in Compensated Absence Balance					
11060 Changes in Contingent Liability Balance					
11070 Changes in Unrecognized Pension Transition Liability					
11080 Changes in Special Term/Severance Benefits Liability					
11090 Changes in Allowance for Doubtful Accounts - Dwelling					
11100 Changes in Allowance for Doubtful Accounts - Other					
11170 Administrative Fee Equity					
11180 Housing Assistance Payments Equity					
11190 Unit Months Available	10043			600	6744

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2023

	Project Total	14.EFA FSS Escrow Forfeiture Account	14.218 Community Development Block Grants/Entitlement Grants	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended
11210 Number of Unit Months Leased	9569			569	6419
11270 Excess Cash	\$8,155,988				
11610 Land Purchases	\$0				
11620 Building Purchases	\$255,632				
11630 Furniture & Equipment - Dwelling Purchases	\$34,326				
11640 Furniture & Equipment - Administrative Purchases	\$0				
11650 Leasehold Improvements Purchases	\$276,880				
11660 Infrastructure Purchases	\$0				
13510 CFFP Debt Service Payments	\$0				
13901 Replacement Housing Factor Funds	\$0				

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2023

	14.896 PIH Family Self-Sufficiency Program	14.182 N/C S/R Section 8 Programs	1 Business Activities	2 State/Local	14.267 Continuum of Care Program
70300 Net Tenant Rental Revenue		\$42,726			
70400 Tenant Revenue - Other					
70500 Total Tenant Revenue	\$0	\$42,726	\$0	\$0	\$0
70600 HUD PHA Operating Grants	\$168,232	\$0			\$115,390
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		\$55,474	\$12,052,867	\$350,852	
71100 Investment Income - Unrestricted		\$10,325	\$13,933		
71200 Mortgage Interest Income			\$89,858		
71300 Proceeds from Disposition of Assets Held for Sale					
71310 Cost of Sale of Assets					
71400 Fraud Recovery					
71500 Other Revenue		\$370	\$1,613,085	\$66,925	
71600 Gain or Loss on Sale of Capital Assets					
72000 Investment Income - Restricted					
70000 Total Revenue	\$168,232	\$108,895	\$13,769,743	\$417,777	\$115,390
91100 Administrative Salaries		\$7,054	\$124,486	\$64,149	
91200 Auditing Fees		\$1,070	\$535		

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2023

	14.896 PIH Family Self-Sufficiency Program	14.182 N/C S/R Section 8 Programs	1 Business Activities	2 State/Local	14.267 Continuum of Care Program
91300 Management Fee		\$9,149	\$20,649	\$98,345	\$1,417
91310 Book-keeping Fee					
91400 Advertising and Marketing				\$32,407	
91500 Employee Benefit contributions - Administrative		\$2,498	\$10,657	\$27,591	
91600 Office Expenses		\$399	\$54,305	\$4,225	
91700 Legal Expense			\$383	\$830	
91800 Travel		\$377	\$1,764		
91810 Allocated Overhead					
91900 Other		\$3,990	\$29,817	\$798	\$5,669
91000 Total Operating - Administrative	\$0	\$24,537	\$242,596	\$228,345	\$7,086
92000 Asset Management Fee					
92100 Tenant Services - Salaries	\$132,174				
92200 Relocation Costs					
92300 Employee Benefit Contributions - Tenant Services	\$36,058				
92400 Tenant Services - Other			\$436,059		
92500 Total Tenant Services	\$168,232	\$0	\$436,059	\$0	\$0
93100 Water		\$2,853			
93200 Electricity		\$12,637			
93300 Gas					
93400 Fuel					
93500 Labor					
93600 Sewer		\$8,243	\$1,845	\$5,319	
93700 Employee Benefit Contributions - Utilities					
93800 Other Utilities Expense					

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2023

	14.896 PIH Family Self-Sufficiency Program	14.182 N/C S/R Section 8 Programs	1 Business Activities	2 State/Local	14.267 Continuum of Care Program
93000 Total Utilities	\$0	\$23,733	\$1,845	\$5,319	\$0
94100 Ordinary Maintenance and Operations - Labor		\$6,427	\$324		
94200 Ordinary Maintenance and Operations - Materials and		\$1,960	\$1,009	\$391	\$16,000
94300 Ordinary Maintenance and Operations Contracts		\$37,448	\$43,572	\$72,758	
94500 Employee Benefit Contributions - Ordinary Maintenance		\$2,158	\$81		
94000 Total Maintenance	\$0	\$47,993	\$44,986	\$73,149	\$16,000
95100 Protective Services - Labor					
95200 Protective Services - Other Contract Costs					
95300 Protective Services - Other					
95500 Employee Benefit Contributions - Protective Services					
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0
96110 Property Insurance		\$1,646	\$4,871	\$15,701	
96120 Liability Insurance		\$502	\$717	\$4,845	
96130 Workmen's Compensation		\$132	\$1,184	\$608	
96140 All Other Insurance					
96100 Total insurance Premiums	\$0	\$2,280	\$6,772	\$21,154	\$0
96200 Other General Expenses			\$144,992	\$76,867	
96210 Compensated Absences			\$390	\$518	
96300 Payments in Lieu of Taxes					
96400 Bad debt - Tenant Rents					
96500 Bad debt - Mortgages			\$3,573		
96600 Bad debt - Other					

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2023

	14.896 PIH Family Self-Sufficiency Program	14.182 N/C S/R Section 8 Programs	1 Business Activities	2 State/Local	14.267 Continuum of Care Program
96800 Severance Expense					
96000 Total Other General Expenses	\$0	\$0	\$148,955	\$77,385	\$0
96710 Interest of Mortgage (or Bonds) Payable					
96720 Interest on Notes Payable (Short and Long Term)		\$23		\$260	
96730 Amortization of Bond Issue Costs					
96700 Total Interest Expense and Amortization Cost	\$0	\$23	\$0	\$260	\$0
96900 Total Operating Expenses	\$168,232	\$98,566	\$881,213	\$405,612	\$23,086
97000 Excess of Operating Revenue over Operating Expenses	\$0	\$10,329	\$12,888,530	\$12,165	\$92,304
97100 Extraordinary Maintenance					
97200 Casualty Losses - Non-capitalized					
97300 Housing Assistance Payments					\$92,304
97350 HAP Portability-In					
97400 Depreciation Expense		\$8,912	\$52,767	\$5,482	
97500 Fraud Losses					
97600 Capital Outlays - Governmental Funds					
97700 Debt Principal Payment - Governmental Funds					
97800 Dwelling Units Rent Expense					
90000 Total Expenses	\$168,232	\$107,478	\$933,980	\$411,094	\$115,390
10010 Operating Transfer In					
10020 Operating transfer Out					
10030 Operating Transfers from/to Primary Government					

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2023

	14.896 PIH Family Self-Sufficiency Program	14.182 N/C S/R Section 8 Programs	1 Business Activities	2 State/Local	14.267 Continuum of Care Program
10040 Operating Transfers from/to Component Unit					
10050 Proceeds from Notes, Loans and Bonds					
10060 Proceeds from Property Sales					
10070 Extraordinary Items, Net Gain/Loss					
10080 Special Items (Net Gain/Loss)					
10091 Inter Project Excess Cash Transfer In					
10092 Inter Project Excess Cash Transfer Out					
10093 Transfers between Program and Project - In			\$301,439		
10094 Transfers between Project and Program - Out					
10100 Total Other financing Sources (Uses)	\$0	\$0	\$301,439	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	\$0	\$1,417	\$13,137,202	\$6,683	\$0
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$0	\$599,424	\$9,514,549	-\$9,389	\$0
11040 Prior Period Adjustments, Equity Transfers and					
11050 Changes in Compensated Absence Balance					
11060 Changes in Contingent Liability Balance					
11070 Changes in Unrecognized Pension Transition Liability					
11080 Changes in Special Term/Severance Benefits Liability					
11090 Changes in Allowance for Doubtful Accounts - Dwelling					
11100 Changes in Allowance for Doubtful Accounts - Other					
11170 Administrative Fee Equity					
11180 Housing Assistance Payments Equity					
11190 Unit Months Available		144	156		
11210 Number of Unit Months Leased		133	156		

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2023

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

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2023

	14.879 Mainstream Vouchers	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	14.889 Choice Neighborhoods Implementation Grants
70300 Net Tenant Rental Revenue					
70400 Tenant Revenue - Other					
70500 Total Tenant Revenue	\$0	\$0	\$0	\$0	\$0
70600 HUD PHA Operating Grants	\$1,093,673	\$228,494	\$28,103,963	\$71,309	\$2,376,506
70610 Capital Grants					
70710 Management Fee					
70720 Asset Management Fee					
70730 Book Keeping Fee					
70740 Front Line Service Fee					
70750 Other Fees					
70700 Total Fee Revenue					
70800 Other Government Grants		\$100,000			
71100 Investment Income - Unrestricted	\$520	\$10,902	\$17,050		
71200 Mortgage Interest Income		\$38,032			\$144,501
71300 Proceeds from Disposition of Assets Held for Sale					
71310 Cost of Sale of Assets					
71400 Fraud Recovery			\$11,382		
71500 Other Revenue		\$2,547	\$8,326		
71600 Gain or Loss on Sale of Capital Assets					
72000 Investment Income - Restricted					
70000 Total Revenue	\$1,094,193	\$379,975	\$28,140,721	\$71,309	\$2,521,007
91100 Administrative Salaries	\$24,958	\$42,719	\$589,385		\$171,458
91200 Auditing Fees	\$1,811		\$42,769		\$9,000

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2023

	14.879 Mainstream Vouchers	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	14.889 Choice Neighborhoods Implementation Grants
91300 Management Fee	\$16,476	\$42,000	\$388,788		\$54,000
91310 Book-keeping Fee	\$10,297		\$242,992		
91400 Advertising and Marketing	\$1,816	\$1,898	\$42,878		\$7,308
91500 Employee Benefit contributions - Administrative	\$7,374	\$7,049	\$174,148		\$51,874
91600 Office Expenses	\$9,060	\$2,597	\$169,418	\$285	\$4,118
91700 Legal Expense	\$363		\$8,573		\$8,168
91800 Travel	\$742		\$17,525		\$393
91810 Allocated Overhead					
91900 Other	\$5,665	\$385	\$157,698	\$7,001	\$94
91000 Total Operating - Administrative	\$78,562	\$96,648	\$1,834,174	\$7,286	\$306,413
92000 Asset Management Fee					
92100 Tenant Services - Salaries				\$45,258	
92200 Relocation Costs					\$39,352
92300 Employee Benefit Contributions - Tenant Services				\$18,329	
92400 Tenant Services - Other				\$436	\$217,182
92500 Total Tenant Services	\$0	\$0	\$0	\$64,023	\$256,534
93100 Water	\$27		\$625		
93200 Electricity	\$744		\$17,572		
93300 Gas	\$239		\$5,640		
93400 Fuel					
93500 Labor					
93600 Sewer	\$35		\$834		
93700 Employee Benefit Contributions - Utilities					
93800 Other Utilities Expense					

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2023

	14.879 Mainstream Vouchers	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	14.889 Choice Neighborhoods Implementation Grants
93000 Total Utilities	\$1,045	\$0	\$24,671	\$0	\$0
94100 Ordinary Maintenance and Operations - Labor					
94200 Ordinary Maintenance and Operations - Materials and	\$337		\$7,947		\$478
94300 Ordinary Maintenance and Operations Contracts	\$351		\$8,292		\$285
94500 Employee Benefit Contributions - Ordinary Maintenance					
94000 Total Maintenance	\$688	\$0	\$16,239	\$0	\$763
95100 Protective Services - Labor					
95200 Protective Services - Other Contract Costs					
95300 Protective Services - Other					
95500 Employee Benefit Contributions - Protective Services					
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0
96110 Property Insurance					
96120 Liability Insurance	\$788	\$615	\$18,615		\$2,462
96130 Workmen's Compensation	\$237	\$411	\$5,589		\$1,667
96140 All Other Insurance	\$355		\$8,385		
96100 Total insurance Premiums	\$1,380	\$1,026	\$32,589	\$0	\$4,129
96200 Other General Expenses		\$150,885			
96210 Compensated Absences	\$486		\$11,473		
96300 Payments in Lieu of Taxes					
96400 Bad debt - Tenant Rents					
96500 Bad debt - Mortgages		\$162,803			
96600 Bad debt - Other					

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2023

	14.879 Mainstream Vouchers	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	14.889 Choice Neighborhoods Implementation Grants
96800 Severance Expense					
96000 Total Other General Expenses	\$486	\$313,688	\$11,473	\$0	\$0
96710 Interest of Mortgage (or Bonds) Payable					
96720 Interest on Notes Payable (Short and Long Term)		\$72	\$2,019		
96730 Amortization of Bond Issue Costs					
96700 Total Interest Expense and Amortization Cost	\$0	\$72	\$2,019	\$0	\$0
96900 Total Operating Expenses	\$82,161	\$411,434	\$1,921,165	\$71,309	\$567,839
97000 Excess of Operating Revenue over Operating Expenses	\$1,012,032	-\$31,459	\$26,219,556	\$0	\$1,953,168
97100 Extraordinary Maintenance					
97200 Casualty Losses - Non-capitalized					
97300 Housing Assistance Payments	\$1,015,859		\$25,472,042		
97350 HAP Portability-In					
97400 Depreciation Expense		\$1,523	\$50,424		
97500 Fraud Losses					
97600 Capital Outlays - Governmental Funds					
97700 Debt Principal Payment - Governmental Funds					
97800 Dwelling Units Rent Expense					
90000 Total Expenses	\$1,098,020	\$412,957	\$27,443,631	\$71,309	\$567,839
10010 Operating Transfer In					
10020 Operating transfer Out					
10030 Operating Transfers from/to Primary Government					

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2023

	14.879 Mainstream Vouchers	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	14.889 Choice Neighborhoods Implementation Grants
10040 Operating Transfers from/to Component Unit					
10050 Proceeds from Notes, Loans and Bonds					
10060 Proceeds from Property Sales					
10070 Extraordinary Items, Net Gain/Loss					
10080 Special Items (Net Gain/Loss)					
10091 Inter Project Excess Cash Transfer In					
10092 Inter Project Excess Cash Transfer Out					
10093 Transfers between Program and Project - In			\$822		
10094 Transfers between Project and Program - Out					
10100 Total Other financing Sources (Uses)	\$0	\$0	\$822	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	-\$3,827	-\$32,982	\$697,912	\$0	\$1,953,168
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$83,329	\$9,988,505	\$3,355,981	\$0	\$5,517,140
11040 Prior Period Adjustments, Equity Transfers and					
11050 Changes in Compensated Absence Balance					
11060 Changes in Contingent Liability Balance					
11070 Changes in Unrecognized Pension Transition Liability					
11080 Changes in Special Term/Severance Benefits Liability					
11090 Changes in Allowance for Doubtful Accounts - Dwelling					
11100 Changes in Allowance for Doubtful Accounts - Other					
11170 Administrative Fee Equity			\$4,053,893		
11180 Housing Assistance Payments Equity			\$0		
11190 Unit Months Available	1692		34740		
11210 Number of Unit Months Leased	1373		32399		

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2023

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

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2023

	14.EHV Emergency Housing Voucher	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	COCC	Subtotal	ELIM
70300 Net Tenant Rental Revenue				\$3,845,272	
70400 Tenant Revenue - Other				\$94,487	
70500 Total Tenant Revenue	\$0	\$0	\$0	\$3,939,759	\$0
70600 HUD PHA Operating Grants	\$244,041			\$42,901,282	
70610 Capital Grants				\$566,838	
70710 Management Fee			\$2,287,999	\$2,287,999	-\$2,287,999
70720 Asset Management Fee			\$100,680	\$100,680	-\$100,680
70730 Book Keeping Fee			\$368,520	\$368,520	-\$368,520
70740 Front Line Service Fee			\$12,382	\$12,382	-\$12,307
70750 Other Fees			\$149,538	\$149,538	-\$13,318
70700 Total Fee Revenue			\$2,919,119	\$2,919,119	-\$2,782,824
70800 Other Government Grants				\$12,718,235	
71100 Investment Income - Unrestricted	\$267	\$360	\$262	\$197,825	
71200 Mortgage Interest Income				\$522,001	-\$295,012
71300 Proceeds from Disposition of Assets Held for Sale					
71310 Cost of Sale of Assets					
71400 Fraud Recovery				\$11,382	
71500 Other Revenue			\$43,355	\$6,637,954	-\$107,539
71600 Gain or Loss on Sale of Capital Assets				-\$548,525	
72000 Investment Income - Restricted				\$20,416	
70000 Total Revenue	\$244,308	\$360	\$2,962,736	\$69,886,286	-\$3,185,375
91100 Administrative Salaries	\$4,954		\$1,676,927	\$3,786,502	
91200 Auditing Fees	\$360		\$10,700	\$121,314	

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2023

	14.EHV Emergency Housing Voucher	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	COCC	Subtotal	ELIM
91300 Management Fee	\$3,288			\$2,314,667	-\$2,301,317
91310 Book-keeping Fee	\$2,055			\$368,520	-\$368,520
91400 Advertising and Marketing	\$360		\$20,596	\$179,870	
91500 Employee Benefit contributions - Administrative	\$1,464		\$580,451	\$1,189,915	
91600 Office Expenses	\$1,799		\$339,200	\$816,015	-\$107,539
91700 Legal Expense	\$72		\$11,916	\$51,967	
91800 Travel	\$147			\$59,617	
91810 Allocated Overhead					
91900 Other	\$1,010		\$72,017	\$432,110	
91000 Total Operating - Administrative	\$15,509	\$0	\$2,711,807	\$9,320,497	-\$2,777,376
92000 Asset Management Fee				\$100,680	-\$100,680
92100 Tenant Services - Salaries				\$304,661	
92200 Relocation Costs				\$68,909	
92300 Employee Benefit Contributions - Tenant Services				\$87,584	
92400 Tenant Services - Other	\$10,257			\$692,289	
92500 Total Tenant Services	\$10,257	\$0	\$0	\$1,153,443	\$0
93100 Water	\$5		\$1,068	\$551,025	
93200 Electricity	\$148		\$32,662	\$703,181	
93300 Gas	\$47		\$8,636	\$151,114	
93400 Fuel					
93500 Labor					
93600 Sewer	\$7		\$2,280	\$1,516,090	
93700 Employee Benefit Contributions - Utilities					
93800 Other Utilities Expense					

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2023

	14.EHV Emergency Housing Voucher	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	COCC	Subtotal	ELIM
93000 Total Utilities	\$207	\$0	\$44,646	\$2,921,410	\$0
94100 Ordinary Maintenance and Operations - Labor			\$57,559	\$1,124,337	
94200 Ordinary Maintenance and Operations - Materials and	\$67		\$17,378	\$908,970	
94300 Ordinary Maintenance and Operations Contracts	\$70		\$67,589	\$2,271,514	-\$12,307
94500 Employee Benefit Contributions - Ordinary Maintenance			\$19,754	\$319,958	
94000 Total Maintenance	\$137	\$0	\$162,280	\$4,624,779	-\$12,307
95100 Protective Services - Labor			\$10,146	\$50,730	
95200 Protective Services - Other Contract Costs					
95300 Protective Services - Other				\$43,807	
95500 Employee Benefit Contributions - Protective Services			\$3,482	\$14,268	
95000 Total Protective Services	\$0	\$0	\$13,628	\$108,805	\$0
96110 Property Insurance				\$482,377	
96120 Liability Insurance	\$156		\$33,429	\$159,651	
96130 Workmen's Compensation	\$47		\$18,518	\$43,648	
96140 All Other Insurance	\$71		\$12,820	\$54,775	
96100 Total insurance Premiums	\$274	\$0	\$64,767	\$740,451	\$0
96200 Other General Expenses				\$1,933,247	
96210 Compensated Absences	\$96		\$14,390	\$36,201	
96300 Payments in Lieu of Taxes				\$291,605	
96400 Bad debt - Tenant Rents				\$163,382	
96500 Bad debt - Mortgages				\$173,466	
96600 Bad debt - Other					

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2023

	14.EHV Emergency Housing Voucher	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	COCC	Subtotal	ELIM
96800 Severance Expense					
96000 Total Other General Expenses	\$96	\$0	\$14,390	\$2,597,901	\$0
96710 Interest of Mortgage (or Bonds) Payable				\$730,574	-\$295,012
96720 Interest on Notes Payable (Short and Long Term)			\$1,742	\$8,117	
96730 Amortization of Bond Issue Costs					
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$1,742	\$738,691	-\$295,012
96900 Total Operating Expenses	\$26,480	\$0	\$3,013,260	\$22,306,657	-\$3,185,375
97000 Excess of Operating Revenue over Operating Expenses	\$217,828	\$360	-\$50,524	\$47,579,629	\$0
97100 Extraordinary Maintenance				\$289,800	
97200 Casualty Losses - Non-capitalized			\$5,000	\$22,445	
97300 Housing Assistance Payments	\$272,548			\$26,852,753	
97350 HAP Portability-In					
97400 Depreciation Expense			\$69,171	\$4,185,247	
97500 Fraud Losses					
97600 Capital Outlays - Governmental Funds					
97700 Debt Principal Payment - Governmental Funds					
97800 Dwelling Units Rent Expense					
90000 Total Expenses	\$299,028	\$0	\$3,087,431	\$53,656,902	-\$3,185,375
10010 Operating Transfer In				\$367,256	-\$367,256
10020 Operating transfer Out				-\$367,256	\$367,256
10030 Operating Transfers from/to Primary Government					

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2023

	14.EHV Emergency Housing Voucher	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	COCC	Subtotal	ELIM
10040 Operating Transfers from/to Component Unit				\$0	
10050 Proceeds from Notes, Loans and Bonds					
10060 Proceeds from Property Sales					
10070 Extraordinary Items, Net Gain/Loss					
10080 Special Items (Net Gain/Loss)					
10091 Inter Project Excess Cash Transfer In					
10092 Inter Project Excess Cash Transfer Out					
10093 Transfers between Program and Project - In				\$302,261	-\$302,261
10094 Transfers between Project and Program - Out		-\$302,261		-\$302,261	\$302,261
10100 Total Other financing Sources (Uses)	\$0	-\$302,261	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	-\$54,720	-\$301,901	-\$124,695	\$16,229,384	\$0
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$357,274	
11030 Beginning Equity	\$81,355	\$301,901	\$6,894,906	\$117,973,046	
11040 Prior Period Adjustments, Equity Transfers and					
11050 Changes in Compensated Absence Balance					
11060 Changes in Contingent Liability Balance					
11070 Changes in Unrecognized Pension Transition Liability					
11080 Changes in Special Term/Severance Benefits Liability					
11090 Changes in Allowance for Doubtful Accounts - Dwelling					
11100 Changes in Allowance for Doubtful Accounts - Other					
11170 Administrative Fee Equity				\$4,053,893	
11180 Housing Assistance Payments Equity				\$0	
11190 Unit Months Available	384			54503	
11210 Number of Unit Months Leased	274			50892	

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2023

	14.EHV Emergency Housing Voucher	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	COCC	Subtotal	ELIM
11270 Excess Cash				\$8,155,988	
11610 Land Purchases			\$0	\$0	
11620 Building Purchases			\$0	\$255,632	
11630 Furniture & Equipment - Dwelling Purchases			\$0	\$34,326	
11640 Furniture & Equipment - Administrative Purchases			\$0	\$0	
11650 Leasehold Improvements Purchases			\$0	\$276,880	
11660 Infrastructure Purchases			\$0	\$0	
13510 CFFP Debt Service Payments			\$0	\$0	
13901 Replacement Housing Factor Funds			\$0	\$0	

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2023

	Total
70300 Net Tenant Rental Revenue	\$3,845,272
70400 Tenant Revenue - Other	\$94,487
70500 Total Tenant Revenue	\$3,939,759
70600 HUD PHA Operating Grants	\$42,901,282
70610 Capital Grants	\$566,838
70710 Management Fee	\$0
70720 Asset Management Fee	\$0
70730 Book Keeping Fee	\$0
70740 Front Line Service Fee	\$75
70750 Other Fees	\$136,220
70700 Total Fee Revenue	\$136,295
70800 Other Government Grants	\$12,718,235
71100 Investment Income - Unrestricted	\$197,825
71200 Mortgage Interest Income	\$226,989
71300 Proceeds from Disposition of Assets Held for Sale	
71310 Cost of Sale of Assets	
71400 Fraud Recovery	\$11,382
71500 Other Revenue	\$6,530,415
71600 Gain or Loss on Sale of Capital Assets	-\$548,525
72000 Investment Income - Restricted	\$20,416
70000 Total Revenue	\$66,700,911
91100 Administrative Salaries	\$3,786,502
91200 Auditing Fees	\$121,314

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2023

	Total
91300 Management Fee	\$13,350
91310 Book-keeping Fee	\$0
91400 Advertising and Marketing	\$179,870
91500 Employee Benefit contributions - Administrative	\$1,189,915
91600 Office Expenses	\$708,476
91700 Legal Expense	\$51,967
91800 Travel	\$59,617
91810 Allocated Overhead	
91900 Other	\$432,110
91000 Total Operating - Administrative	\$6,543,121
92000 Asset Management Fee	\$0
92100 Tenant Services - Salaries	\$304,661
92200 Relocation Costs	\$68,909
92300 Employee Benefit Contributions - Tenant Services	\$87,584
92400 Tenant Services - Other	\$692,289
92500 Total Tenant Services	\$1,153,443
93100 Water	\$551,025
93200 Electricity	\$703,181
93300 Gas	\$151,114
93400 Fuel	
93500 Labor	
93600 Sewer	\$1,516,090
93700 Employee Benefit Contributions - Utilities	
93800 Other Utilities Expense	

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2023

	Total
93000 Total Utilities	\$2,921,410
94100 Ordinary Maintenance and Operations - Labor	\$1,124,337
94200 Ordinary Maintenance and Operations - Materials and	\$908,970
94300 Ordinary Maintenance and Operations Contracts	\$2,259,207
94500 Employee Benefit Contributions - Ordinary Maintenance	\$319,958
94000 Total Maintenance	\$4,612,472
95100 Protective Services - Labor	\$50,730
95200 Protective Services - Other Contract Costs	
95300 Protective Services - Other	\$43,807
95500 Employee Benefit Contributions - Protective Services	\$14,268
95000 Total Protective Services	\$108,805
96110 Property Insurance	\$482,377
96120 Liability Insurance	\$159,651
96130 Workmen's Compensation	\$43,648
96140 All Other Insurance	\$54,775
96100 Total insurance Premiums	\$740,451
96200 Other General Expenses	\$1,933,247
96210 Compensated Absences	\$36,201
96300 Payments in Lieu of Taxes	\$291,605
96400 Bad debt - Tenant Rents	\$163,382
96500 Bad debt - Mortgages	\$173,466
96600 Bad debt - Other	

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2023

	Total
96800 Severance Expense	
96000 Total Other General Expenses	\$2,597,901
96710 Interest of Mortgage (or Bonds) Payable	\$435,562
96720 Interest on Notes Payable (Short and Long Term)	\$8,117
96730 Amortization of Bond Issue Costs	
96700 Total Interest Expense and Amortization Cost	\$443,679
96900 Total Operating Expenses	\$19,121,282
97000 Excess of Operating Revenue over Operating Expenses	\$47,579,629
97100 Extraordinary Maintenance	\$289,800
97200 Casualty Losses - Non-capitalized	\$22,445
97300 Housing Assistance Payments	\$26,852,753
97350 HAP Portability-In	
97400 Depreciation Expense	\$4,185,247
97500 Fraud Losses	
97600 Capital Outlays - Governmental Funds	
97700 Debt Principal Payment - Governmental Funds	
97800 Dwelling Units Rent Expense	
90000 Total Expenses	\$50,471,527
10010 Operating Transfer In	\$0
10020 Operating transfer Out	\$0
10030 Operating Transfers from/to Primary Government	

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2023

	Total
10040 Operating Transfers from/to Component Unit	\$0
10050 Proceeds from Notes, Loans and Bonds	
10060 Proceeds from Property Sales	
10070 Extraordinary Items, Net Gain/Loss	
10080 Special Items (Net Gain/Loss)	
10091 Inter Project Excess Cash Transfer In	
10092 Inter Project Excess Cash Transfer Out	
10093 Transfers between Program and Project - In	\$0
10094 Transfers between Project and Program - Out	\$0
10100 Total Other financing Sources (Uses)	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	\$16,229,384
11020 Required Annual Debt Principal Payments	\$357,274
11030 Beginning Equity	\$117,973,046
11040 Prior Period Adjustments, Equity Transfers and	
11050 Changes in Compensated Absence Balance	
11060 Changes in Contingent Liability Balance	
11070 Changes in Unrecognized Pension Transition Liability	
11080 Changes in Special Term/Severance Benefits Liability	
11090 Changes in Allowance for Doubtful Accounts - Dwelling	
11100 Changes in Allowance for Doubtful Accounts - Other	
11170 Administrative Fee Equity	\$4,053,893
11180 Housing Assistance Payments Equity	\$0
11190 Unit Months Available	54503
11210 Number of Unit Months Leased	50892

Newport News Redevelopment & Housing Authority (VA003)

NEWPORT NEWS, VA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2023

	Total
11270 Excess Cash	\$8,155,988
11610 Land Purchases	\$0
11620 Building Purchases	\$255,632
11630 Furniture & Equipment - Dwelling Purchases	\$34,326
11640 Furniture & Equipment - Administrative Purchases	\$0
11650 Leasehold Improvements Purchases	\$276,880
11660 Infrastructure Purchases	\$0
13510 CFFP Debt Service Payments	\$0
13901 Replacement Housing Factor Funds	\$0

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

SCHEDULE AND CERTIFICATION OF ACTUAL CAPITAL FUND PROGRAM COSTS

JUNE 30, 2023

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
General capital activity	3,146,682.00	3,146,682.00
Total Cost	\$ 4,058,352.00	\$ 4,058,352.00

2. The distribution of costs by budget line item as shown on the final Performance and Evaluation Report dated February 26, 2024 is in agreement with the Authority's records. The Actual Comprehensive Grant Cost Certificate was submitted by the Authority on February 26, 2024.
3. All related costs have been paid and all related liabilities have been discharged through payment.
4. Costs examined during the current period totaled \$437,834.13
5. A reconciliation of development advances and costs are as follows:

Funds advanced:	
Grants - HUD	\$ 4,058,352.00
Funds expended	4,058,352.00
Excess (deficiency) of funds advanced	\$ -

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

SCHEDULE OF CAPITAL FUND PROGRAM COSTS - UNCOMPLETED

JUNE 30, 2023

CFP 501-19

Annual Contributions Contract P-5545

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

<u>Account</u>	<u>Budget</u>	<u>Amount</u>
Operations	\$ 407,413.00	\$ 407,413.00
Management Improvements	50,000.00	50,000.00
Administration	407,413.00	407,413.00
Fees & Costs	-	149,494.11
Dwelling structures	-	16,473.47
General capital activity	3,209,307.00	406,059.66
Total Cost	<u>\$ 4,074,133.00</u>	<u>\$ 1,436,853.24</u>

2. Costs examined during the current period totaled \$572,027.24

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

Funds advanced:	
Grants - HUD	\$ 1,449,777.79
Funds expended	<u>1,436,853.24</u>
Excess (deficiency) of funds advanced	<u>\$ 12,924.55</u>

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

SCHEDULE OF CAPITAL FUND PROGRAM COSTS - UNCOMPLETED

JUNE 30, 2023

CFP 501-20

Annual Contributions Contract P-5545

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

<u>Account</u>	<u>Budget</u>	<u>Amount</u>
Operations	\$ 431,909.00	\$ 431,909.00
Management Improvements	100,000.00	-
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. No costs were incurred or examined during the current period.

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

SCHEDULE OF CAPITAL FUND PROGRAM COSTS - UNCOMPLETED

JUNE 30, 2023

CFP 501-21

Annual Contributions Contract P-5545

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

<u>Account</u>	<u>Budget</u>	<u>Amount</u>
Operations	\$ 367,256.00	\$ 367,256.00
Management Improvements	50,000.00	-
Administration	367,256.00	367,256.00
General capital activity	2,840,732.00	97,050.00
RAD-CFP	47,322.00	-
Total Cost	\$ 3,672,566.00	\$ 831,562.00

2. Costs were examined during the current period totaled \$434,306.00
3. A reconciliation of development advances and costs are as follows:

Funds advanced:	
Grants - HUD	\$ 806,762.00
Funds expended	831,562.00
Excess (deficiency) of funds advanced	\$ (24,800.00)

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

SCHEDULE OF CAPITAL FUND PROGRAM COSTS - UNCOMPLETED

JUNE 30, 2023

CFP 501-22

Annual Contributions Contract P-5545

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

<u>Account</u>	<u>Budget</u>	<u>Amount</u>
Operations	\$ 396,530.00	\$ -
Management Improvements	50,000.00	-
Administration	396,530.00	396,530.00
General capital activity	3,122,249.00	-
Total Cost	\$ 3,965,309.00	\$ 396,530.00

2. Costs were examined during the current period totaled \$396,530.00
3. A reconciliation of development advances and costs are as follows:

Funds advanced:	
Grants - HUD	\$ 396,530.00
Funds expended	396,530.00
Excess (deficiency) of funds advanced	\$ -

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

FEDERAL FINANCIAL REPORT

JUNE 30, 2023

ROSS221623

Federal Cash:

a. Cumulative federal cash received	\$ 46,703.19
b. Cumulative federal cash disbursements	76,410.25
c. Cash on Hand	<u>\$ (29,707.06)</u>

Federal Expenditures and Unobligated Balance:

d. Total federal funds authorized	\$ 240,299.00
e. Federal share of expenditures	76,410.25
f. Federal share of unliquidated obligations	-
g. Total federal share	<u>76,410.25</u>
h. Unobligated balance of federal funds	<u>\$ 163,888.75</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, 2023

FSS22VA4422

Federal Cash:

a. Cumulative federal cash received	\$ 168,047.00
b. Cumulative federal cash disbursements	168,047.00
c. Cash on Hand	<u>\$ -</u>

Federal Expenditures and Unobligated Balance:

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

Recipient Share:

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

Program Income:

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

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

FEDERAL FINANCIAL REPORT

JUNE 30, 2023

FSS22VA4422

Federal Cash:

a. Cumulative federal cash received	\$	-
b. Cumulative federal cash disbursements		73,922.63
c. Cash on Hand		(73,922.63)

Federal Expenditures and Unobligated Balance:

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

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, 2023

FSS22VAXXXX

Federal Cash:

a. Cumulative federal cash received	\$	-
b. Cumulative federal cash disbursements		74,107.96
c. Cash on Hand		<u>\$ (74,107.96)</u>

Federal Expenditures and Unobligated Balance:

d. Total federal funds authorized	\$	-
e. Federal share of expenditures		74,107.96
f. Federal share of unliquidated obligations		-
g. Total federal share		<u>74,107.96</u>
h. Unobligated balance of federal funds		<u>\$ (74,107.96)</u>

Recipient Share:

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

Program Income:

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

COMPLIANCE SECTION

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2023

	Federal Assistance Listing Number	Program or Award Amount	Disbursements or Expenditures
FEDERAL GRANTOR			
U.S. Department of HUD			
Direct Programs:			
Public and Indian Housing Operating Fund	14.850	\$ 21,506,908	\$ 5,463,096
Public Housing Capital Fund	14.872	\$ 19,796,711	1,870,697
Housing Voucher Cluster			
Section 8 Housing Choice Vouchers	14.871	\$ 28,103,963	28,103,963
Emergency Housing Vouchers	14.871	\$ 244,041	244,041
			28,348,004
Mainstream Voucher Program	14.879	\$ 1,093,673	1,093,673
	TOTAL HOUSING VOUCHER CLUSTER		29,441,677
Section 8 Project-Based Cluster			
Section 8 New Construction and Substantial Rehabilitation through the Virginia Housing Development Authority			
Transition Center, VA36H027032	14.182	\$ 55,474	55,474
Housing Assistance Payments Program:			
Oyster Point-Brighton - VA36RD00005	14.195	\$ 875,886	875,886
Cypress Terrace - VA36RD00006	14.195	\$ 305,927	305,927
Orcutt Townhomes Phase III - VA36RD00007	14.195	\$ 72,754	72,754
Lassiter Courts Apartments - VA36RD00010	14.195	\$ 470,527	470,527
Spratley House - VA36RD00012	14.195	\$ 240,266	240,266
			1,965,360
	TOTAL SECTION 8 PROJECT BASED CLUSTER		2,020,834
Choice Neighborhoods Implementation Grant VAF003CNG118	14.889	\$ 30,000,000	2,376,506
	TOTAL HOPE VI CLUSTER		2,376,506
Family Self-Sufficiency Program	14.896	\$ 168,047	168,232
Resident Opportunity and Supportive Services Service Coordinators	14.870	\$ 240,299	71,309
Continuum of Care Special Needs Assistance	14.267	\$ 244,604	115,390
		TOTAL HUD	41,527,741
		TOTAL DIRECT	41,527,741

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
NEWPORT NEWS, VIRGINIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)

FOR THE YEAR ENDED JUNE 30, 2023

U.S. Department of HUD

Indirect Programs:

Pass-through from the City of Newport News

Community Development Block Grants /

Entitlement Grants

B-19-MC-51-0015	14.218	\$	1,259,514	104,938
B-20-MC-51-0015	14.218	\$	1,308,450	261,606
B-20-MC-51-0015	14.218	\$	1,741,495	450,410
B-21-MC-51-0015	14.218	\$	1,327,413	375,801
B-22-MC-51-0015	14.218	\$	1,287,677	574,604

TOTAL COMMUNITY DEVELOPMENT BLOCK GRANTS PROGRAM PROGRAM				1,767,359
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HOME Investment Partnerships Program

M-18-MC-510202	14.239	\$	166,572	166,572
M-19-MC-510202	14.239	\$	61,922	61,922

TOTAL HOME INVESTMENT PARTNERSHIPS PROGRAM				228,494
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				1,995,853
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				TOTAL \$ 43,523,594
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Note 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Authority under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Authority. Certain HUD-funded rental assistance programs are subject to final settlement adjustments that may affect amounts recognized as HUD revenues and expenditures in prior periods. Unless material, such adjustments are reported in the financial statements as adjustments to the current period HUD grant revenue.

Note 2 – Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3 – Indirect Cost Rate

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



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, 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, 2023 (except for the discretely presented component units which are as of and for the year ended December 31, 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 22, 2024. Our report 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.

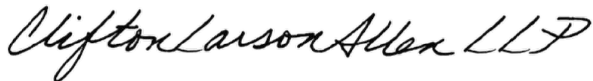
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

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

Purpose of This Report

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



CliftonLarsonAllen LLP

Arlington, Virginia
March 22, 2024



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

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

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

We have audited Newport News Redevelopment and Housing Authority's (the Authority's) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended June 30, 2023. The Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Qualified Opinion on the Housing Choice Voucher Program

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Housing Choice Voucher Program for the year ended June 30, 2023.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2023.

Basis for Qualified and Unmodified Opinions

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

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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.

Matters Giving Rise to Qualified Opinion on the Housing Choice Voucher Program

As described in the accompanying schedule of findings and questioned costs, the Authority did not comply with requirements regarding Assistance Listing No. 14.871/14.879 Housing Voucher Cluster as described in finding numbers 2023-003 for Eligibility and Special Tests, 2023-004 for Special Tests – Annual HQS Inspections, HQS Enforcement and Quality Control Inspections, HQS Failed Inspections and 2023-005 for Special Tests – Reasonable Rent.

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

The results of our auditing procedures disclosed another instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2023-006. Our opinion on each major federal program is not modified with respect to this matter.

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

Report on Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2023-003, 2023-004 and 2023-005 to be material weaknesses.

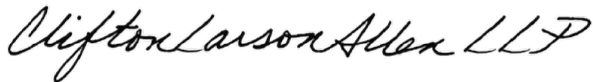
A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2023-001, 2023-002 and 2023-006 to be significant deficiencies.

Board of Commissioners
Newport News Redevelopment and Housing Authority

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

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

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



CliftonLarsonAllen LLP

Arlington, Virginia
March 22, 2024

**NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023**

Section I – Summary of Auditors’ Results

Financial Statements

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

Federal Awards

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

Identification of Major Federal Programs

Assistance Listing Number(s)	Name of Federal Program or Cluster
14.872	Capital Fund Program
14.889	Choice Neighborhood Implementation Grant
14.871/14.879	Housing Voucher Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$ 1,305,708

Auditee qualified as low-risk auditee? _____ yes x no

**NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023**

Section II – Financial Statement Findings

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

Section III – Findings and Questioned Costs – Major Federal Programs

2023 – 001 – Low Rent Public Housing Eligibility

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

Federal Program Name: Low Rent Public Housing

Assistance Listing Number: 14.850

Federal Award Identification Number and Year: VA003, 2022-2023

Award Period: July 1, 2022 – June 30, 2023

Type of Finding: Significant Deficiency in Internal Control over Compliance

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

Context: During our testing of Eligibility requirements, we noted that two of the five files tested did not contain the completed Public Housing Annual Recertification checklist.

Questioned costs: None

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 follow the internal controls designed to ensure compliance with Eligibility requirements.

Repeat Finding: Yes, prior year finding 2022-001

Recommendation: We recommend the Authority provide the individuals completing eligibility determinations with additional training and supervision including emphasis of the controls and procedures that should be followed when completing the determinations.

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

**NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023**

2023 – 002 – Section 8 Project-Based Cluster Eligibility

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

Federal Program Name: Section 8 Project-Based Cluster

Assistance Listing Number: 14.182/14.195

Federal Award Identification Number and Year: VA003, 2022-2023

Award Period: July 1, 2022 – June 30, 2023

Type of Finding: Significant Deficiency in Internal Control over Compliance

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

Context: During our testing of Eligibility requirements, we noted that one of the five files tested did not contain the completed move-in or re-examination checklist.

Questioned costs: None

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 follow the internal controls designed to ensure compliance with Eligibility requirements.

Repeat Finding: Yes, prior year finding 2022-002

Recommendation: We recommend the Authority provide the individuals completing eligibility determinations with additional training and supervision including emphasis of the controls and procedures that should be followed when completing the determinations.

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

**NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023**

2023 – 003 – Housing Voucher Cluster Eligibility

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

Federal Program Name: Housing Voucher Cluster

Assistance Listing Number: 14.871/14.879/14.EHV

Federal Award Identification Number and Year: VA003, 2022-2023

Award Period: July 1, 2022 – June 30, 2023

Type of Finding: Material Weakness, Material Noncompliance (Modified Opinion)

Criteria or specific requirement:

Most PHAs devise their own application forms that are filled out by the PHA staff during an interview with the tenant. The head of the household signs (a) one or more release forms to allow the PHA to obtain information from third parties; (b) a federally prescribed general release form for employment information; and (c) a privacy notice. Under some circumstances, other members of the family are required to sign these forms (24 CFR sections 5.212 and 5.230).

The PHA must do the following: (1) As a condition of admission or continued occupancy, require the tenant and other family members to provide necessary information, documentation, and releases for the PHA to verify income eligibility (24 CFR sections 5.230, 5.609, and 982.516). (2) For both family income examinations and reexaminations, obtain and document in the family file third party verification of (1) reported family annual income; (2) the value of assets; (3) expenses related to deductions from annual income; and (4) other factors that affect the determination of adjusted income or income-based rent (24 CFR section 982.516). (3) Determine income eligibility and calculate the tenant's rent payment using the documentation from third party verification in accordance with 24 CFR Part 5 Subpart F (24 CFR section 5.601 et seq.) (24 CFR sections 982.201, 982.515, and 982.516). Select tenants from the HCVP waiting list (see III.N.1, "Special Tests and Provisions – Selection from the Waiting List") (24 CFR sections 982.202 through 982.207). (5) Reexamine family income and composition at least once every 12 months and adjust the tenant rent and housing assistance payment as necessary using the documentation from third party verification (24 CFR section 982.516). Most PHAs devise their own application forms that are filled out by the PHA staff during an interview with the tenant. The head of the household signs (a) one or more release forms to allow the PHA to obtain information from third parties; (b) a federally prescribed general release form for employment information; and (c) a privacy notice. Under some circumstances, other members of the family are required to sign these forms (24 CFR sections 5.212 and 5.230). The PHA must pay a monthly HAP on behalf of the family that corresponds with the amount on line 12u of the HUD-50058. This HAP amount must be reflected on the HAP contract and HAP register (24 CFR section 982.158 and 24 CFR Part 982, Subpart K).

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

**NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023**

Context: During our testing of 40 tenants for eligibility requirements, we noted the following:

- 3 of 40 tenant files tested did not have a signed Declaration 214 for all members of the household
- 11 of 40 tenant files tested did not have proper support for income
- 6 of 40 tenant files tested did not have proper support for assets
- 4 of 40 tenant files tested did not have proper support for expenses (deductions)
- In total, 15 of 40 tenant files had improperly calculated rent due to missing and/or incorrect support for income, assets or expenses
- 5 of 40 tenant files tested did not have a signed HUD-9886 in place
- 11 of 40 tenant files tested did not have a HAP contract/HAP contract amendment on file
- 2 of 40 tenant files tested had a HAP made on their behalf that did not match the HUD-50058 in effect

Questioned costs: \$45,541

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

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

Repeat Finding: No

Recommendation: We recommend the Authority review their recertification process to ensure that all Eligibility requirements are met and all necessary documentation is maintained. We recommend the Authority review their processes to ensure that the HAP calculated on the HUD-50058 is the amount paid to the landlords.

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

2023 – 004 – Housing Voucher Cluster - HQS Inspections

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

Federal Program Name: Housing Voucher Cluster

Assistance Listing Number: 14.871/14.879/14.EHV

Federal Award Identification Number and Year: VA003, 2022-2023

Award Period: July 1, 2022 – June 30, 2023

Type of Finding: Material Weakness, Material Noncompliance (Modified Opinion)

Criteria or specific requirement:

Housing Quality Standards Inspections

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

HQS Enforcement

For units under HAP contract that fail to meet HQS, the PHA must require the owner to correct any life threatening HQS deficiencies within 24 hours after the inspections and all other HQS deficiencies within 30 calendar days or within a specified PHA-approved extension. If the owner does not correct the cited

**NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023**

HQS deficiencies within the specified correction period, the PHA must stop (abate) HAP's beginning no later than the first of the month following the specified correction period or must terminate the HAP contract. For family-caused defects, if the family does not correct the cited HQS deficiencies within the specified correction period, the PHA must take prompt and vigorous action to enforce the family obligations (24 CFR sections 982.158(d) and 982.404).

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

Context: During our testing of 40 tenants for Annual HQS requirements, we noted the following:

- 13 of 40 units tested did not have documentation of a completed HQS inspection within 24 months of the effective date.
- 30 of 40 units tested did not have inspections performed on a biennial basis.
- 10 of 40 tenants tested did not have an inspection report that was signed off as completed by the inspector.

During our testing of 9 failed inspections, we noted 4 instances where abatement was not properly started and 2 instances where the Authority failed to enforce the family obligation in a timely manner.

During our testing of 4 quality control (QC) re-inspections, we noted 2 instances where the QC inspection was not performed within 3 months of the original inspection. 1 file did not list the QC inspector's name. 2 files had the same QC inspector for both the original inspection and the re-inspection.

Questioned costs: \$6,800

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

Effect: The Authority is not in compliance with HUD regulations regarding HQS inspections or HQS enforcement, which could have an impact on HAP calculations.

Repeat Finding: No

Recommendation: We recommend the Authority review their inspection process to ensure that they are performed timely and that all documentation is maintained within Yardi. We recommend the Authority review their process for abatement/enforcing family obligations to ensure timely correction and enforcement.

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

2023 – 005 – Housing Voucher Cluster - Reasonable Rent

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

Federal Program Name: Housing Voucher Cluster

Federal Award Identification Number and Year: VA003, 2022-2023

Assistance Listing Number: 14.871/14.879/14.EHV

Award Period: July 1, 2022 – June 30, 2023

Type of Finding: Material Weakness, Material Noncompliance (Modified Opinion)

**NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023**

Criteria or specific requirement:

The PHA's administrative plan must state the method used by the PHA to determine that the rent to owner is reasonable in comparison to rent for other comparable unassisted units. The PHA determination must consider unit attributes such as the location, quality, size, unit type, and age of the unit, and any amenities, housing services, maintenance, and utilities provided by the owner.

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

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

Context: During our testing of 25 files for rent reasonableness requirements, we noted that 10 files had a reasonable rent determination that was not performed until after the effective date.

Questioned costs: \$1,800

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

Effect: The Authority is not in compliance with HUD's requirements over rent reasonableness.

Repeat Finding: No

Recommendation: We recommend the Authority review their reasonable rent determination process to ensure that it is performed before the rent is set to go into effect.

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

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

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

Federal Program Name: Housing Voucher Cluster

Federal Award Identification Number and Year: VA003, 2022-2023

Assistance Listing Number: 14.871/14.879/14.EHV

Award Period: July 1, 2022 – June 30, 2023

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

Criteria or specific requirement: The PHA is required to submit the HUD-50058 electronically to HUD each time the PHA completes an admission, annual reexamination, interim reexamination, portability move-in, or other change of unit for a family (24 CFR Part 908 and 24 CFR section 982.158).

Condition: The Authority did not have sufficient internal controls over the PIC submission process to ensure compliance with HUD requirements.

**NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023**

Context: During our testing of 40 recertifications we noted 1 that was not submitted electronically to HUD via the PIC system.

Questioned costs: None

Cause: The Public & Assisted Housing Compliance Analyst has had to assist property managers submit funding vouchers for other programs. This was an oversight and we will ensure all recertifications are submitted to HUD via the PIC system.

Effect: The Authority is not in compliance with HUD's regulations over reporting.

Repeat Finding: No

Recommendation: We recommend the Authority review their PIC upload process to ensure that all certifications are properly uploaded.

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

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

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