

**CHARLOTTESVILLE REDEVELOPMENT
AND HOUSING AUTHORITY**

**AUDITED
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED MARCH 31, 2023

CHARLOTTESVILLE REDEVELOPMENT AND HOUSING AUTHORITY

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FOR THE YEAR ENDED MARCH 31, 2023

CHARLOTTESVILLE REDEVELOPMENT AND HOUSING AUTHORITY

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Dooley & Vicars

Certified Public Accountants, L.L.P.

Daniel J. Dooley, C.P.A.

Michael H. Vicars, C.P.A.

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INDEPENDENT AUDITORS' REPORT

The Board of Commissioners
Charlottesville Redevelopment
and Housing Authority
Charlottesville, Virginia

Opinion

We have audited the accompanying financial statements of the Charlottesville Redevelopment and Housing Authority as of March 31, 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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Charlottesville Redevelopment and Housing Authority as of March 31, 2023, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Charlottesville 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 opinions.

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 Charlottesville Redevelopment and Housing Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

In performing an audit in accordance with generally accepted 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 Charlottesville Redevelopment and Housing Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Charlottesville 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 13 the Schedule of Net Pension Liability on page 65, the Schedule of Net OPEB Liability on pages 68 and 71, the Schedule of Employer Contributions to the Virginia Retirement system pension plan on page 66, and the Schedule of Employer Contributions to the OPEB plans on pages 69 and 72, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**INDEPENDENT AUDITORS' REPORT
(CONTINUED)**

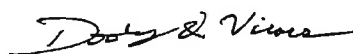
Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements.

The accompanying Schedule of Expenditures of Federal Awards, Financial Data Schedule, and other supplementary information as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the U.S. Department of Housing and Urban Development, are presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2023, on our consideration of the Charlottesville Redevelopment and Housing Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements and other matters. The purpose of that report is 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 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 Charlottesville Redevelopment and Housing Authority's internal control over financial reporting and compliance.



Dooley & Vicars
Certified Public Accountants, L.L.P.

Richmond, Virginia
December 29, 2023

CHARLOTTESVILLE REDEVELOPMENT AND HOUSING AUTHORITY

MANAGEMENT DISCUSSION & ANALYSIS

March 31, 2023

This section of the Authority's annual financial report presents management's analysis of the Authority's financial performance during the Fiscal Year Ended March 31, 2023.

FINANCIAL HIGHLIGHTS AND CONCLUSIONS:

The Charlottesville Redevelopment & Housing Authority ("CRHA") had a difficult year due to irregular funding of HUD programs and economic market conditions that have greatly affected the Charlottesville area. These issues are illustrated by the outcome of its fiscal year operations.

- Total net position increased by \$2,247,472 due to conversion of the Crescent Hall AMP 2 property to a tax credit funded redevelopment project and continued development on the South First street property.
- CRHA had \$1,246,239 in increased governmental subsidies due to increases in HUD Funded programs of \$152,930 and higher local funding of \$1,093,309 from the City of Charlottesville.
- The Department of Housing and Urban Development (HUD) rates each Authority under the Public Housing Assessment System (PHAS). The Authority has a troubled designation for fiscal year ending March 31, 2023.
- The Department of Housing and Urban Development (HUD) also rates each Authority under the Section Eight Management Assessment Program (SEMAP). The Authority received the troubled designation for the fiscal year ended March 31, 2023.

REQUIRED FINANCIAL STATEMENTS

The Financial Statements of the Authority report information using accounting methods similar to those used by private sector companies (Enterprise Fund).

The Statement of Net Position (Balance Sheet) includes all of the Authority's assets and liabilities and provides information about the amounts and investments in assets and the obligations to Authority creditors. It also provides a basis of assessing the liquidity and financial flexibility of the Authority. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial health of the Authority is improving or deteriorating.

The current year's revenues, expenses and changes in net position are accounted for in the Statement of Revenues, Expenses and Net Position. This statement measures the success of the Authority's operations over the past fiscal year.

The Statement of Cash Flows is to provide information about the Authority's cash receipts and disbursements during the reporting period. The statement reports net changes in cash resulting from operations.

CHARLOTTESVILLE REDEVELOPMENT AND HOUSING AUTHORITY

MANAGEMENT DISCUSSION & ANALYSIS

March 31, 2023

FINANCIAL ANALYSIS OF THE AUTHORITY

One question frequently asked about an Authority's finances is: "Did the Authority's operations and financial position improve or deteriorate over the previous fiscal year?" The Statement of Net position and the Statement of Revenues, Expenses and Net Position report information about the Authority's activities and are summarized in the following sections.

To begin our analysis, a summary of the Authority's Statement of Net Position is presented in Table I:

CHARLOTTESVILLE REDEVELOPMENT AND HOUSING AUTHORITY
Comparative Statement of Net Position

TABLE I

	<u>2023</u>	<u>2022</u>	<u>Total Change</u>	<u>% Change</u>
Current Assets	\$ 3,236,539	\$ 2,506,473	\$ 730,066	29.1%
Capital Assets	43,782,955	15,699,484	28,083,471	178.9%
Other Non-current Assets	4,410,318	5,717,098	(1,306,780)	-22.9%
Deferred Outflow of Resources	31,210	72,584	(41,374)	-57.0%
Total Assets and Deferred Outflows	\$ 51,461,022	\$ 23,995,639	\$ 27,465,383	114.5%
Current Liabilities	\$ 5,460,181	\$ 2,041,329	\$ 3,418,852	167.5%
Noncurrent Liabilities	30,611,362	8,345,744	22,265,618	266.8%
Deferred Inflow of Resources	153,573	516,015	(362,442)	-70.2%
Total Liabilities	36,225,116	10,903,088	25,322,028	232.2%
Investment in Capital Assets	14,628,274	8,152,379	6,475,895	79.4%
Restricted	11,165	337,216	(326,051)	-96.7%
Unrestricted	596,467	4,602,956	(4,006,489)	-87.0%
Total Net Position	15,235,906	13,092,551	2,143,355	16.4%
Total Liabilities, Deferred Inflows, and Net Position	\$ 51,461,022	\$ 23,995,639	\$ 27,465,383	114.5%

CHARLOTTESVILLE REDEVELOPMENT AND HOUSING AUTHORITY

MANAGEMENT DISCUSSION & ANALYSIS

March 31, 2023

As illustrated in the Combined Statement of Net Position, the overall Net position of the Authority increased by \$2,143,355.

The Authority's Unrestricted Net position decreased by \$4,006,489.

The "Investment in Capital Assets" increased by \$6,475,895.

Restricted Net Position decreased by \$326,051 related to lower unexpended advances in the HCVP and Emergency Housing Voucher (EHV) programs.

Current assets increased by \$730,066 which was mainly due to an increase in cash related to Component units and Business Activities.

Accounts receivable balances increased by \$266,807, due primarily to higher amounts due from HUD (\$147,947), the City of Charlottesville (\$72,870) and the current portion of notes receivable (\$56,500).

Capital assets increased by \$28,083,471 due primarily to construction activities and South First Street and Crescent Hall. Additional details regarding capital assets are included in Table Iv later in this report.

Pension assets related to the Virginia Retirement System GASB 68 audit report at 6/30/2023 decreased by \$150,280. The balance at this report date is \$1,682,460. There was \$31,210 in related deferred outflows of resources which include report balances and payments made post report date. This includes pension, group life and group health GASB 75 other pension benefits as well. Other Deferred Inflows of Resources had a balance in the amount of \$153,573.

Current liabilities increased by \$3,029,77 due to a variety of changes. The main driver was accounts payable activity increasing by \$2,783,329 primarily related to the construction activities for the component units due to timing of payments and receipt of invoices. Other current liabilities increased by \$906,634 which was the latest PPA loan received that had not been forgiven as of this report date.

While the Statement of Net position shows the change in financial position, the Statement of Revenues, Expenses, and Net position breaks down our revenues and expenses further. Table II, which follows, provides a combined statement of the changes in Net position:

CHARLOTTESVILLE REDEVELOPMENT AND HOUSING AUTHORITY

MANAGEMENT DISCUSSION & ANALYSIS

March 31, 2023

Comparative Statement of Revenues and Expenses

TABLE II

	<u>2023</u>	<u>2022</u>	<u>Total Change</u>	<u>% Change</u>
Tenant Revenue	\$ 1,050,474	\$ 970,518	\$ 79,956	8.24%
Operating Subsidies	8,936,194	7,664,289	1,271,905	16.60%
Capital Grants	206,525	232,191	(25,666)	-11.05%
Interest Income	1,533	1,411	122	8.65%
Other Income	1,437,712	3,023,307	(1,585,595)	-52.45%
Total Revenue	11,632,438	11,891,716	(259,278)	-2.18%
Administrative	1,964,481	2,065,256	(100,775)	-4.88%
Tenant Services	66,239	114,815	(48,576)	-42.31%
Utilities	737,388	838,590	(101,202)	-12.07%
Maintenance	1,259,395	1,202,964	56,431	4.69%
Insurance	130,413	92,505	37,908	40.98%
Interest expense	456	4,512	(4,056)	-89.89%
General	40,744	139,517	(98,773)	-70.80%
Housing Assistance Payments	4,989,398	4,587,350	402,048	8.76%
Depreciation	300,569	247,966	52,603	21.21%
Total Expenses	9,489,083	9,293,475	195,608	2.10%
Change in Net Position	2,143,355	2,598,241	(454,886)	
Beginning Net Position	13,092,551	10,494,310	2,598,241	
Ending Net Position	\$ 15,235,906	\$ 13,092,551	\$ 2,143,355	16.37%

REVENUES

In reviewing the Statement of Revenues, Expenses, and Net position, you will find that 79% of the Authority's revenues are derived from grants from the Department of Housing and Urban Development and City of Charlottesville funding. The Authority receives revenue from tenants for dwelling rental charges, excess utilities, and miscellaneous charges of 9% of total revenue. Other Revenue, including Interest from Investments, comprises the remaining 12%. Compared to the Fiscal Year Ended March 31, 2022, revenues had a slight decrease of \$252,278 or 2.18%

Tenant Revenue - Tenant Revenue received in the Public Housing Program had a net increase of \$79,956 from \$970,518 to \$1,050,474 (8.24%). This was driven by an increased rents in Public Housing of \$153,405 and Business Activities \$34,302 offset by lower rents at Crescent Hall due to renovation activities.

CHARLOTTESVILLE REDEVELOPMENT AND HOUSING AUTHORITY

MANAGEMENT DISCUSSION & ANALYSIS

March 31, 2023

Program Grants/Subsidies – There was a 15.78% increase in grant funding of \$1,296,239 from \$7,896,480 in FY2022 to \$9,142,719 in FY2023. State and Local grant levels were \$1,093,309 higher due to increased SRAP and City Funding in relation to FY2022 amounts. The City of Charlottesville funded improvements of Public Housing sites during the fiscal year and has committed similar funding for the upcoming year. The following is detailed comparative analysis of FY2022 and FY2023 Federal funding by Program:

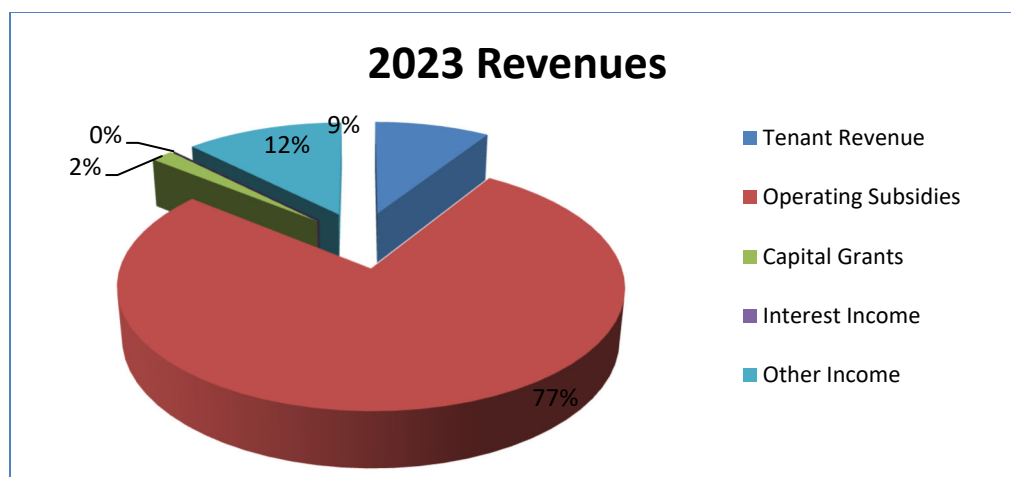
CHARLOTTESVILLE REDEVELOPMENT AND HOUSING AUTHORITY

Federal Financial Awards Comparison

For the Fiscal Years 2023 and 2022

	2023	2022	Increase/ Decrease
PUBLIC HOUSING			
Public and Indian Housing Program	\$ 1,865,258	\$ 2,528,160	\$ (662,902)
Capital Fund Program	965,599	282,922	682,677
Family Self-Sufficiency Program	1,595	-	1,595
HOUSING ASSISTANCE PAYMENTS			
Section 8 Housing Choice Voucher program	4,191,197	4,270,671	(79,474)
Mainstream Vouchers	331,963	105,490	226,473
Emergency Housing Voucher Program	82,188	97,627	(15,439)
TOTALS	<u>\$ 7,437,800</u>	<u>\$ 7,284,870</u>	<u>\$ 152,930</u>

Other Income – Other income decreased \$1,585,595 from \$3,202,307 in FY2022 to \$1,437,712 in FY2023. This decrease was related to lower notes receivable loan activity in the current year in relation to FY2022.



CHARLOTTESVILLE REDEVELOPMENT AND HOUSING AUTHORITY

MANAGEMENT DISCUSSION & ANALYSIS

March 31, 2023

EXPENSES

The Charlottesville Redevelopment & Housing Authority experienced an increase in operating expenses of \$195,608 (or 2.1%) as expenses increased from \$9,293,475 in FY2022 to \$9,489,083 as follows:

Administrative – Administrative costs include all non-maintenance and non-resident service personnel costs (including benefits and accrued leave), legal costs, auditing costs, travel and training costs, and other administrative costs such as supplies, telephone expense, etc. Administrative expenses were \$100,775 lower than in FY2022 due primarily to lower salaries and benefit costs (\$195,311) due to decreased benefit costs related to post-employment benefit costs offset somewhat by higher office expenses (\$88,254) and higher legal expenses (\$20,418).

Tenant Services – Tenant Services costs include all costs incurred by the Authority to provide social services to the residents. The Charlottesville Public Housing Association of Residents (PHAR) is the designated and recognized Resident Advisory Board. PHAR receives funding for board meetings, training costs, and other items to assist the PHAR in staying informed on its role in the Authority's operations.

Tenant Services costs decreased by \$48,576 or 42.31% due to lower relocation expenses (\$9,173) and lower grant costs (\$39,400) as FY2022 contained CARES Act expenses which were not incurred in FY23.

Utilities - The total utilities expense for the Authority decreased by \$101,202 or 12.07% from \$838,590 in FY2022 to \$737,388 in FY2023 which was primarily the result of continued conversion activities at Crescent Hall LLC and South First Street relocation.

Maintenance – Maintenance costs are all costs incurred by the Authority to maintain the 435 Public Housing units. Costs include personnel costs, materials used to maintain the units, contracts for waste management, telephone/radio service, etc. The Maintenance Expense for the Authority increased by \$56,431 or 4.69%. Salaries and benefits increased \$65,331 due to maintenance needs and inflation, while materials costs and contract costs were \$8,900 lower.

Insurance Expenses – Insurance Expenses include insurance costs (property, auto, liability, workers' compensation, public officials' liability, lead based paint insurance, etc. Insurance expenses increased by \$37,908 or 40.98%. This was due to across the board increases in all insurance lines.

General Expenses – General Expenses include other general expenses, compensated absence costs, and payments in lieu of taxes to the City of Charlottesville. General expenses for the Authority decreased by \$98,773 or 70.8%. This was mainly due to an \$85,000 decrease in component unit CDBG expense activities from last year.

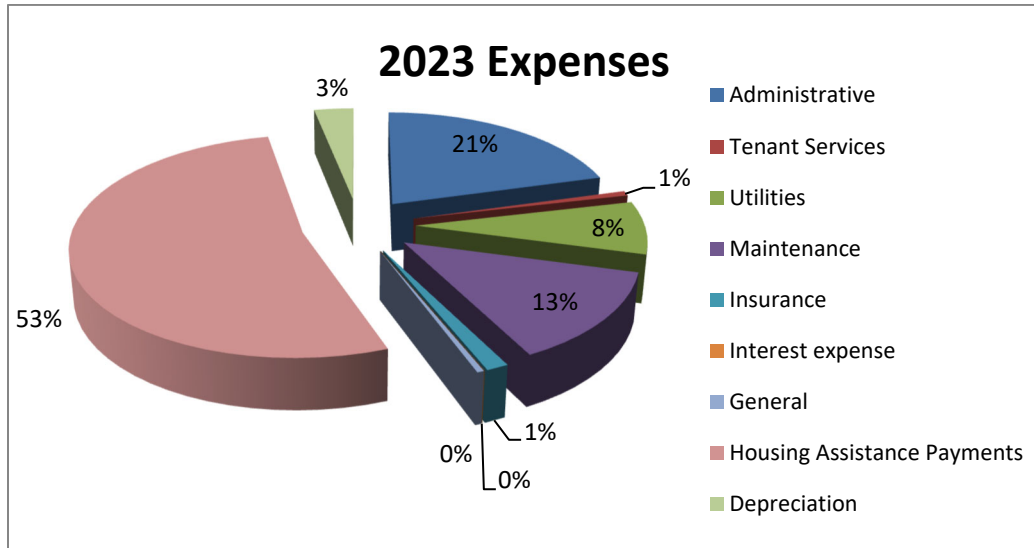
Housing Assistance Payments Program – HAP payments consist of rental payments to owners of private property for which the housing authority has a HAP agreement with the tenant and the owner for the difference between the tenants rent and the applicable payment standard. HAP payments for the Authority increased by \$402,048 or 8.76%. This was due to increased lease-ups in the HCV and Mainstream programs.

Depreciation – Because the costs of all capitalized additions are spread over the estimated useful life of an asset, the estimated current year costs of capitalized items are recorded as depreciation. Depreciation Expense for the current year increased by \$52,603 or 21.21% due primarily to the First Street units coming online during the year.

CHARLOTTESVILLE REDEVELOPMENT AND HOUSING AUTHORITY

MANAGEMENT DISCUSSION & ANALYSIS

March 31, 2023



CAPITAL ASSETS

At the end of fiscal year 2023 the Authority had invested in Capital Assets of \$43,782,955, net of depreciation. As of March 31, 2023, the Authority had an increase in its net capital asset in the amount of \$28,083,471 or 179%. The following illustrates the Capital Asset values for 2023 and 2022.

Comparative Statement of Capital Assets

TABLE III

	2023	2022	Total Change
Land	\$ 4,138,907	\$ 3,038,907	\$ 1,100,000
Buildings & improvements	39,676,861	24,488,445	15,188,416
Equipment	1,728,071	1,649,583	78,488
Construction in progress	21,484,585	9,467,450	12,017,135
	67,028,424	38,644,385	28,384,039
Accumulated Depreciation	(23,245,469)	(22,944,901)	(300,568)
Total Capital Assets	\$ 43,782,955	\$ 15,699,484	\$ 28,083,471

The CRHA had the ongoing redevelopment of the Crescent Hall AMP 2 as well as the development of the South Street project which contributed \$28 million of new capital costs. The CRHA also had \$206,525 in Capital Fund capital expenditures during fiscal year 2023. Additionally, there were \$78,488 of equipment additions during the year. The CRHA operated five (5) CFP grants during fiscal year 2023 with a total of \$965,599 of expenditures.

The CRHA had \$300,568 in depreciation expenses with no current period disposals.

CHARLOTTESVILLE REDEVELOPMENT AND HOUSING AUTHORITY

MANAGEMENT DISCUSSION & ANALYSIS

March 31, 2023

LONG-TERM DEBT

Long-term debt increased by \$21,607,576 or 286% from \$7,547,105 in FY22 to \$29,154,681 in FY2023. These increases were related to component unit activities due to loans for the Crescent Hall LLC development. Additional details on Authority debt can be found in Note 11 of the Financial Statements.

ECONOMIC FACTORS AND EVENTS AFFECTING OPERATIONS:

As the Charlottesville housing market is not immune from the ups and downs of the economy, nor are our residents and participants. Here are a few of the operational impacts the Authority anticipates having to manage in the coming year:

- Tenant rent adjustments, because of unemployment/under-employment and the slow economic recovery, will impact the rent residents and Voucher holders can pay. This may require the Authority to divert unrestricted resources from other program areas or potentially reduce services.
- Many of our residents and Voucher holders rely on financial aid from the State or social services provided by governmental agencies. There have been and will likely continue to be service and revenue reductions that will impact both residents and the Authority's state and local funding sources.
- The City of Charlottesville, as most other middle-sized cities within Virginia are suffering loss of industry, business and employment opportunities for low to moderate income families. This leads to further strains on the CRHA's limited expendable assets added with HUD and State cuts in funding for the CRHA's programs leads to diminished opportunities for the CRHA to assist individuals and families in need within their surrounding areas.

CHARLOTTESVILLE REDEVELOPMENT AND HOUSING AUTHORITY

MANAGEMENT DISCUSSION & ANALYSIS

March 31, 2023

CONCLUSIONS:

Overall, while the Charlottesville Redevelopment & Housing Authority had a successful fiscal year, many improvements and tough decisions were made in accordance with the lack of Congressional work on a budget that would solidify the funding for the upcoming year and provide consistent and reasonable funding for HUD requirements. We continue to work through a myriad of issues that have slowed the expected progress in the redevelopment goals and objectives but has not slowed our hope and continued efforts.

Management is committed to staying abreast of regulations and appropriations as well as maintain an ongoing analysis of all budgets and expenses to ensure that the Authority continues to operate at the highest standards established by the Real Estate Assessment Center and the Department of Housing and Urban Development.

The CRHA has experienced financial struggles during the past few fiscal years due to aging properties and a high level of employee turnover. This has caused a major strain on the financial resources of the authority, but this is to be expected as the authority has limited resources outside of the federal programs and the federal housing developments are in dire need of redevelopment. The two recently completed redevelopment projects at First Street and Crescent Hall will provide much needed improvements to the properties and reposition the authority's financial position related to the public housing properties.

In the upcoming year, CHRA will be acquiring scattered site housing as well as the Dogwood Apartments to help to improve its aging housing stock.

The CRHA has improved their Public Housing PHAS scores each year over the past three years and has estimated that their PHAS scoring for fiscal year 2023 of 23.94 which would be a high performer for the financial indicator.

In September 2023, the CHRA acquired a commercial property at 400 East Main Street that will be developed into new Administrative Offices. When completed, all operations will be consolidated into a single location. This should have a marked improvement in efficiency and customer service for our residents upon completion.

This financial report is designed to provide our residents, the citizens of Charlottesville, Virginia, all federal and state regulatory bodies, and any creditors with a general overview of the Authority's finances. If you have any questions regarding these financial statements or supplemental information, you may contact John Sales, Executive Director at (434) 326-4748 or by writing: Charlottesville Redevelopment & Housing Authority, P.O. Box 1405, Charlottesville, VA 22902-1405.

CHARLOTTESVILLE REDEVELOPMENT AND HOUSING AUTHORITY

Statement of Net Position

March 31, 2023

ASSETS	Enterprise Fund
Current Assets	
Cash and Cash Equivalents	\$ 2,474,244
Tenant Security Deposits	99,611
Receivables, Net	617,711
Prepaid Expense and Other Assets	33,808
Total current assets	3,225,374
Noncurrent Assets	
Restricted Cash and Cash Equivalents	11,165
Notes Receivable	2,718,750
Other Assets	1,691,568
Capital Assets, Net	43,782,955
Total Noncurrent Assets	48,204,438
Total Assets	51,429,812
Deferred Outflow of Resources	
Deferred Outflow of Resources	31,210
Total Assets and Deferred Outflow of Resources	\$ 51,461,022

The accompanying notes are an integral part of these financial statements.

CHARLOTTESVILLE REDEVELOPMENT AND HOUSING AUTHORITY

Statement of Net Position March 31, 2023

	Enterprise Fund
LIABILITIES	
Current Liabilities	
Accounts Payable	\$ 4,049,630
Accrued Expenses	123,524
Accrued Compensated Absences, Current	33,016
Tenant Security Deposits	99,611
Current Portion of Long-Term Debt	4,093
Other Current Liabilities	1,150,307
Total Current Liabilities	5,460,181
Non-Current Liabilities	
Accrued Pension and OPEB Liabilities	142,980
Accrued Compensated Absences, Non-Current	49,023
Long-Term Debt, Net of Current Portion	29,150,588
Other Non-Current Liabilities	1,268,771
Total Noncurrent Liabilities	30,611,362
Total Liabilities	36,071,543
Deferred Inflow of Resources	
Deferred Inflow of Resources	153,573
Total Liabilities and Deferred Inflow of Resources	36,225,116
NET POSITION	
Net Investment in Capital Assets	14,628,274
Restricted Net Position	11,165
Unrestricted Net Position	596,467
Total Net Position	15,235,906
Total Liabilities, Deferred Inflow of Resources, and Net Position	\$ 51,461,022

The accompanying notes are an integral part of these financial statements.

CHARLOTTESVILLE REDEVELOPMENT AND HOUSING AUTHORITY

Statement of Revenues, Expenses and Changes in Net Position For the Year Ended March 31, 2023

	Enterprise Fund
Operating Revenues	
Tenant Revenue	\$ 1,050,474
HUD Operating Grants	7,231,275
Other Revenue	3,142,631
Total Operating Revenues	<u>11,424,380</u>
Operating Expenses	
Administrative	1,964,481
Tenant Services	66,239
Utilities	737,388
Maintenance	1,259,395
Insurance and General	171,157
Housing Assistance Payments	4,989,398
Depreciation	300,569
Total Operating Expenses	<u>9,488,627</u>
Operating Income (Loss)	<u>1,935,753</u>
Non-Operating Revenues (Expenses)	
Interest and Investment Revenue	1,533
Interest Expense	(456)
Total Nonoperating Revenues (Expenses)	<u>1,077</u>
Income (Loss) Before Capital Grants	<u>1,936,830</u>
Capital Grants	206,525
Change in Net Position	<u>2,143,355</u>
Total Beginning Net Position	13,092,551
Total Ending Net Position	<u>\$ 15,235,906</u>

The accompanying notes are an integral part of these financial statements.

CHARLOTTESVILLE REDEVELOPMENT AND HOUSING AUTHORITY

Statement of Cash Flows For the Year Ended March 31, 2023

	Enterprise Fund
Cash Flows from Operating Activities:	
Cash Received from Grantors	\$ 7,231,275
Cash Received from Tenants and Other Activities	4,228,890
Cash Paid to Suppliers	(6,133,288)
Cash Paid to Employees	(2,233,554)
Net Cash Provided/(Used) by Operating Activities	<u>3,093,323</u>
Cash Flows from Capital and Related Financing Activities:	
Purchases, Sales and Construction of Capital Assets	(25,619,727)
Proceeds (Payments) of Long-Term Debt	21,607,120
Capital Grants Received	206,525
Net Cash Provided by (Used) for Capital and Related Financing Activities	<u>(3,806,082)</u>
Cash Flows from Investing Activities:	
(Proceeds) Payments of Notes Receivable	1,156,500
Interest Income	1,533
Net Cash Provided by Investing Activities	<u>1,158,033</u>
Net Increase (Decrease) in Cash and Cash Equivalents	445,274
Cash and Cash Equivalents at Beginning of Year	2,139,746
Cash and Cash Equivalents at End of Year	<u>\$ 2,585,020</u>
Reconciliation of Cash and Restricted Cash	
Cash and Cash Equivalents	\$ 2,474,244
Tenant Security Deposits	99,611
Restricted Cash and Cash Equivalents	11,165
Total Cash and Cash Equivalents	<u>\$ 2,585,020</u>

The accompanying notes are an integral part of the financial statements.

CHARLOTTESVILLE REDEVELOPMENT AND HOUSING AUTHORITY

Statement of Cash Flows For the Year Ended March 31, 2023

	Enterprise Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	\$ 1,935,753
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Depreciation Expense	300,569
Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:	
(Increase) Decrease in Receivables, Net	(269,807)
(Increase) Decrease in Prepaid Expenses	(14,985)
(Increase) Decrease in Other Assets	150,280
(Increase) Decrease in Deferred Outflow of Resources	41,374
Increase (Decrease) in Accounts Payable	265,464
Increase (Decrease) in Accrued Expenses	74,415
Increase (Decrease) in Accrued Compensated Absences	43,819
Increase (Decrease) in Tenant Security Deposits	15,131
Increase (Decrease) in Unearned Revenue	290,461
Increase (Decrease) in Accrued OPEB and Other Liabilities	623,291
Increase (Decrease) in Deferred Inflow of Resources	(362,442)
Net Cash Provided (Used) by Operating Activities	<u>\$ 3,093,323</u>

The accompanying notes are an integral part of the financial statements.

CHARLOTTESVILLE REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. Organization** - The Charlottesville Redevelopment and Housing Authority (the "Authority" or "CRHA") is a governmental, public corporation created under federal and state housing laws for the purpose of engaging in the development, acquisition and administrative activities of the low-income housing program and other programs with similar objectives for low and moderate-income families residing in the City of Charlottesville, Virginia (the "City"). The Authority is responsible for operating certain low-rent housing programs administered by the U.S. Department of Housing and Urban Development ("HUD"). These programs provide housing for eligible families under the United States Housing Act of 1937, as amended.

The Authority is governed by a board of commissioners, which is essentially autonomous, but is responsible to HUD. An executive director is appointed by the Authority's Board to manage the day-to-day operations of the Authority.

- B. Description of Programs** - The Authority maintains its accounting records by program. A summary of the significant programs operated by the Authority is as follows:

Public & Indian Housing Program

The public housing program is the primary operating program of the CRHA and is designed to provide low-cost housing. CRHA is the owner of approximately 366 public housing units located throughout the City. Under this program, HUD provides funding via an annual contributions contract. These funds, combined with the rental income received from tenants, are available solely to meet the operating expenses of the program.

Section 8 Housing Choice Vouchers Program

The Authority administers a program of rental assistance payments to private owners on behalf of eligible low-income families under Section 8 of the Housing and Urban Development Act of 1974. The program provides payments covering the difference between the maximum rent on a dwelling unit, as approved by HUD, and the amount of rent paid by a participating family.

Mainstream Vouchers Program

Mainstream vouchers assist non-elderly persons with disabilities. Aside from serving a special population, Mainstream vouchers are administered using the same rules as Section 8 housing choice vouchers.

Public Housing Capital Fund Program

The purpose of the Capital Fund Program is to provide another source of funding to cover the cost of physical and management improvements and rehabilitation on existing low-income housing and improving the central office facilities. Funding for this program is provided by grants from HUD.

State/Local Program

The State/Local Program reflects Community Development Block Grant funds received by the City from HUD, and other local funding granted to the Authority by the City.

Business Activities

The Business Activities Fund includes various projects such as monies for land improvements and single-family mortgage loans, rehabilitation loans and grants in designated sections of the City. In addition, other housing related activities are included in the program.

Other Activities and Programs

Redevelopment activities include planning for the development and redevelopment of Authority properties. Central office activities report the administrative operations of the Authority.

CHARLOTTESVILLE REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED MARCH 31, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- C. Reporting Entity** – The Authority was established as a political subdivision of the Commonwealth of Virginia. CRHA is responsible for operating a low-rent housing program which provides housing for eligible families, for operating redevelopment and conservation programs and for the delivery of services to citizens of low-rent housing and urban renewal areas through the encouragement and development of social and economic opportunities. The Commissioners of CRHA are appointed by City Council. As required by GAAP, these statements present the funds, activities, and functions of CRHA (the primary government).

In determining how to define the reporting entity, management has considered all potential component units. The decision to include a component unit in the reporting entity was made by applying the criteria set forth in Section 2100 and 2500 of the Codification of Governmental Accounting and Financial Reporting Standards and Statement No. 61, of the Governmental Accounting Standards Board: The Financial Reporting Entity. These criteria include manifestation of oversight responsibility including financial accountability, appointment of a voting majority, imposition of will, financial benefit to or burden on a primary organization, financial accountability as a result of fiscal dependency, potential for dual inclusion, and organizations included in the reporting entity although the primary organization is not financially accountable. Based upon the application of these criteria, the reporting entity includes the following blended component units:

Charlottesville Development Corporation ("CDC") - CDC is a not-for-profit corporation whose purpose is to provide housing and social and economic opportunities for the benefit of low to moderate income people. Disclosures regarding policies of CRHA apply to the component unit unless otherwise indicated. The CDC is reported separately to emphasize that it is legally separate from the Authority (primary government). The CDC has a March 31st fiscal year end.

Crescent Halls Reno, L.L.C. (CHR) – CHR was formed to acquire, develop, rehabilitate, own, maintain and operate a 105-unit apartment complex for rental to individuals and families of low-income known as Crescent Halls. CRHA has significant influence over the Company and the financial activities of the entity are included in CRHA's basic financial statements. CHR has a December 31st fiscal year end.

South First Phase One, L.L.C. (SF1) – SF1 formed to ground lease, develop, construct, own, maintain and operate 62-unit apartment complex located in Charlottesville, Virginia known as South First Phase One. CRHA has significant influence over the Company and the financial activities of the entity are included in CRHA's basic financial statements. SF1 has a December 31st fiscal year end.

- D. Basis of Accounting** - The Authority's financial statements are prepared in accordance with GASB 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* as amended ("GASB 34"). GASB 34 requires the basic financial statements to be prepared using the economic resources measurement focus and the accrual basis of accounting and requires the presentation of a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position and Statement of Cash Flows. GASB 34 also requires the Authority to include Management's Discussion and Analysis as part of the Required Supplemental Information.

CHARLOTTESVILLE REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED MARCH 31, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Accounting (continued) –

The Authority's primary source of non-exchange revenue relates to grants and subsidies. In accordance with GASB 33, *Accounting and Financial Reporting for Non-exchange Transactions* ("GASB 33"), grant and subsidy revenue are recognized at the time eligible program expenditures occur and/or the Authority has complied with the grant and subsidy requirements. On January 30, 2008, HUD issued PIH Notice 2008-9, which requires that unused housing assistance payments ("HAP"), under proprietary fund reporting, should be reported as restricted net position with the associated cash and investments also being reported as restricted. Any unused administrative fees should be reported as unrestricted net position, with the associated assets being reported as unrestricted.

In accordance with GASB 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities that Use Proprietary Fund Accounting*, the aforementioned funds are treated as restricted cash and cash equivalents on the Authority's Statement of Net Position and Statement of Cash Flows.

The Authority adopted GASB 68, *Accounting and Financial Reporting for Pensions* ("GASB68"). GASB 68 established standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenditures associated with pension plans of State and Local Governments. For defined benefit pensions, GASB 68 identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actual present value, and attribute that present value to periods of employee service. In addition, GASB 68 details the recognition and disclosure requirements for employers with liabilities to a defined benefit pension plan and for employers whose employees are provided with defined contribution pensions.

- E. **Cash, Cash Equivalents and Investments** - Highly liquid investments with initial maturities of three months or less from date of purchase are considered cash equivalents. It is the Authority's policy to maintain collateralization in accordance with HUD requirements.
- F. **Accounts Receivable, Net** - Rents are due from tenants on the first day of each month. As a result, tenants receivable balances primarily consist of rents past due and vacated tenants. The Authority recognizes a receivable from HUD and other governmental agencies for amounts billed, but not received and for amounts unbilled, but earned as of year-end.
- G. **Allowance for Doubtful Accounts** - The Authority periodically reviews all accounts receivable to determine the amount, if any, that may be uncollectable. An allowance for doubtful accounts is established to provide for all accounts which may not be collected in the future for any reason. Collection losses on accounts receivable are charged against the allowance for doubtful accounts.
- H. **Prepaid Expenses** - Amounts paid as of year-end that will benefit future operations.
- I. **Notes Receivable** - The Authority has utilized development funds in accordance with HUD guidelines to assist in the construction and redevelopment of affordable housing through the issuance of mortgage notes. When preparing financial statements in accordance with generally accepted accounting principles, management is required to make estimates as to the collectability of such mortgage notes. When estimating collectability, management analyzes the value of the underlying mortgaged property, the property's ability to generate positive cash flow, and current economic trends and conditions. Management utilizes these estimates and judgments in connection with establishing an allowance for uncollectable amounts during an accounting period. As of March 31, 2023, management estimates that all notes receivable are collectable and as such has recorded no allowance for uncollectable amounts.

CHARLOTTESVILLE REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED MARCH 31, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- J. Capital Assets** - Land, buildings and equipment are capitalized at cost. Costs determined to represent additions or betterments to existing structures which exceed the capitalization threshold of \$750 are capitalized. Repairs and maintenance costs are charged to expense as they are incurred. Depreciation is calculated on the straight-line basis over the following estimated useful lives:

Rental Property	27.5 years
Real Property and Improvements	10 years
Office Furniture and Equipment	5 years
Data Processing Equipment and Automobiles	5 years

When assets are retired, demolished, or sold, their costs are removed from the accounts and the proceeds, if any, are reflected in revenues currently.

- K. Impairment of Capital Assets** - The Authority evaluates events or changes in circumstances affecting capital assets to determine whether impairment has occurred. If the Authority determines that a capital asset is impaired, and that impairment is significant and other-than-temporary, then an impairment loss will be recorded in the Authority's financial statements. There were no impairment losses recorded for the year ended March 31, 2023.
- L. Unearned Revenue** - The Authority's unearned revenue consists primarily of the prepayment of rent by residents and grants received for development of the component units, held in the state/local program due to timing differences.
- M. Compensated Absences** - Regular full-time employees earn annual vacation leave at a rate ranging from 12 to 24 days per year in accordance with the Authority's Personnel Policy. Regular part-time employees accrue vacation leave at one-half the above rate. The maximum carryover per year shall be 30 days. At termination, employees are paid for any accumulated leave. The aggregate current and long-term liability recorded for accrued leave at March 31, 2023, was \$49,023.
- N. Interfund Activity** - Inter-program receivables/payables are the result of the use of the Public Housing Program as the common paymaster for shared costs of the Authority. Cash settlements are made periodically throughout the year, and all inter-program balances net to zero. Interprogram receivables and payables are eliminated for financial statement purposes in accordance with GASB 34.
- O. Income Taxes** - As a political subdivision of the State of Virginia, the Authority is exempt from real estate, sales and income taxes. The Authority makes payments in lieu of taxes (PILOT) in accordance with the provisions of its Cooperation Agreement with the City. Under the Cooperation Agreement, the Authority must pay the City the lesser of 10% of its net shelter rent or the approximate full amount of the real property taxes on Authority owned units.
- P. Use of Estimates** - The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingencies at the date of the financial statements, and revenues and expenses recognized during the reporting period. Actual results could differ from those estimates.

CHARLOTTESVILLE REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED MARCH 31, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- Q. Deferred Outflows and Deferred Inflows** - 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 represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources until that time. 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 represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources until that time.
- R. Net Position** - Equity is classified as net position and consists of the following components:
1. Net Investment in Capital Assets - Capital assets net of accumulated depreciation and reduced by the outstanding balances of any borrowings attributable to the acquisition or construction of those assets.
 2. Restricted Net Position - Net position which has been restricted by either external groups such as creditors, grantors, contributors, other governments or law through constitutional provisions or enabling legislation.
 3. Unrestricted Net Position - Represents net position that does not meet the definition of "restricted" or "invested in capital assets."
- S. Pension Plans** - The Authority participates in a defined benefit pension plan administered by the Virginia Retirement System (VRS). For purposes of measuring net pension liability, deferred inflows/outflows of resources related to pensions, and pension expense, information about the fiduciary net position of CRHA's retirement plan and the additions to/deductions from the plan's net fiduciary position have been determined on the same basis as they were reported by the Virginia Retirement System (VRS). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.
- T. Other Postemployment Benefits (OPEB)** - CRHA participates in a multiple-employer cost-sharing benefit plan administered by the Virginia Retirement System (VRS). For purposes of measuring CRHA's net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position; and the additions to/deductions from the VRS plans' net fiduciary position have been determined on the same basis as they were reported by VRS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

CRHA also provides benefits to three retirees under a previous OPEB plan offered by the Authority. The Authority funds the plan on a pay-as-you-go basis. For purposes of measuring CRHA's net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, and the additions to/deductions from the plan have been reported as determined by an actuarial valuation as of March 31, 2023.

CHARLOTTESVILLE REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED MARCH 31, 2023

NOTE 2: CASH, CASH EQUIVALENTS AND INVESTMENTS

At March 31, 2023, the carrying amount of the Authority's cash deposits (including restricted deposits), was \$2,585,020 and the bank balance was \$2,919,082. HUD regulations require that all HUD deposits and investments in financial institutions be fully insured or collateralized by U.S. Government obligations that have a market value of not less than the principal amount of the deposits. At March 31, 2023, the bank balance was insured and collateralized in accordance with HUD regulations as follows:

FDIC Insured	\$ 250,000
Collateralized	<u>2,669,082</u>
	<u>\$ 2,919,082</u>

Concentration of Credit Risk - The Authority places no limit on the amount the Authority may invest in any one issuer.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority does not have a formal deposit policy for custodial credit risk. As of March 31, 2023, the Authority's bank balances were not exposed to custodial credit risk.

NOTE 3: RESTRICTED DEPOSITS

Restricted deposits consist primarily of tenant security deposits and Family Self Sufficiency ("FSS") program escrows which are restricted for use in the Housing Choice Voucher and Public and Indian Housing Programs by FSS program participants.

NOTE 4: RECEIVABLES

Receivables as of March 31, 2023, including the applicable allowances for uncollectible accounts, are as follows:

	Public and Indian Housing	Component Unit - Blended	Housing Choice Vouchers	State and Local	Business Activities	FSS Grant	COCC	Mainstream Vouchers	Total
Receivables:									
Tenants	\$ 66,604	\$ 13,487	\$ -	\$ -	\$ 3,303	\$ -	\$ -	\$ -	\$ 83,394
Other Projects	113,132	9,148	110,954	-	2,530	1,595	-	45,570	282,929
Other Government	5,950	-	-	66,920	-	-	-	-	72,870
Miscellaneous	38,521	-	-	125,729	-	-	1,386	-	165,636
Fraud Recovery	4,061	-	15,398	-	-	-	-	-	19,459
Notes, Loans and Mortgages - Current	-	-	-	-	56,500	-	-	-	56,500
Gross Receivables	228,268	22,635	126,352	192,649	62,333	1,595	1,386	45,570	680,788
Less: Allowance for Uncollectibles	(42,000)	(5,678)	(15,398)	-	(1)	-	-	-	(63,077)
Accounts Receivable, Net	<u>\$ 186,268</u>	<u>\$ 16,957</u>	<u>\$ 110,954</u>	<u>\$ 192,649</u>	<u>\$ 62,332</u>	<u>\$ 1,595</u>	<u>\$ 1,386</u>	<u>\$ 45,570</u>	<u>\$ 617,711</u>

NOTE 5: INVENTORY

Inventory consists mainly of materials and supplies utilized in the Authority's Public and Indian Housing program. At March 31, 2023, the inventory balance net of allowance is \$0.

CHARLOTTESVILLE REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED MARCH 31, 2023

NOTE 6: NOTES RECEIVABLE

The Authority has made loans to qualified individuals for the rehabilitation of residences. The loans are non-interest bearing and are secured by a mortgage on the property. The loans have no fixed maturity date and are to be repaid upon the sale of the residences. Notes receivable totaled \$56,500 as of March 31, 2023. Management estimates that all notes receivable will be collected and as such has made no allowance for uncollectable amounts.

The Authority also has deed of trust notes receivable from component units South First Phase One, L.L.C. in the amount of \$1,100,000, bearing interest of 1.35% per annum and Crescent Halls Reno, L.L.C. in the amounts of \$2,920,000, bearing interest of 1.62% per annum. These notes are eliminated in the entity-wide financial statements.

NOTE 7: OTHER ASSETS

Other assets at March 31, 2023, consisted of the following:

Net Pension Asset	\$ 1,682,460
Development Costs	9,108
	<u>\$ 1,691,568</u>

NOTE 8: CAPITAL ASSETS, NET

A summary of the changes in capital assets during the year ended March 31, 2023, is as follows:

	3/31/2022	Additions	Dispositions	3/31/2023
Land	\$3,038,907	\$ 1,100,000	\$ -	\$ 4,138,907
Buildings	24,488,445	15,172,317	-	39,660,762
Furniture and Equipment	1,649,583	78,488	-	1,728,071
Leasehold Improvements	-	16,099	-	16,099
Construction in Process	9,467,450	12,017,135	-	21,484,585
	<u>38,644,385</u>	<u>28,384,039</u>	<u>-</u>	<u>67,028,424</u>
Accumulated Depreciation	<u>(22,944,901)</u>	<u>(300,568)</u>	<u>-</u>	<u>(23,245,469)</u>
Capital Assets, Net	<u>\$ 15,699,484</u>	<u>\$ 28,083,471</u>	<u>\$ -</u>	<u>\$ 43,782,955</u>

Depreciation expense for the year ended March 31, 2023 totaled \$300,568.

NOTE 9: ACCOUNTS PAYABLE

Accounts payable at March 31, 2023, totaled \$4,049,630 and consisted of the following:

Vendors and Contractors	\$3,789,015
Other Government	260,568
HUD	47
	<u>\$4,049,630</u>

CHARLOTTESVILLE REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED MARCH 31, 2023

NOTE 10: ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities at March 31, 2023, consisted of the following:

Wages and Payroll Taxes	\$ 102,551
Accrued Interest	20,973
Current Portion of Long-Term Debt	4,093
Accrued Compensated Absences - Current Portion	33,016
Tenant Security Deposits	99,611
Unearned Revenue	24,183
Other Current Liabilities	1,126,124
	<u>\$ 1,410,551</u>

NOTE 11: NON-CURRENT LIABILITIES

The following is a summary of changes in non-current liabilities for the year ended March 31, 2023:

	3/31/2022	Additions	Retirements	3/31/2023
Compensated Absences - Non Current	\$ 16,888	\$ 39,437	\$ (7,302)	\$ 49,023
Accrued OPEB	157,609	-	(14,629)	142,980
Long-Term Debt, Net of Current Portion	4,186,105	24,964,483	-	29,150,588
Other Non-Current Liabilities	630,851	637,920	-	1,268,771
	<u>\$ 4,991,453</u>	<u>\$ 25,641,840</u>	<u>\$ (21,931)</u>	<u>\$ 30,611,362</u>

Compensated Absences - Represents the amount of accumulated leave for which employees are entitled to receive payment in accordance with the Authority's Personnel Policy.

Accrued Other Postemployment Benefits (OPEB) - The Authority pays a portion of the cost of health-related insurance benefits and group life insurance benefits. See Note 13 and Note 14 for additional information.

Long-Term Debt, Net of Current - On July 27, 2018, the Authority financed the purchase of three vehicles with a promissory note payable to Union Bank & Trust in the amount of \$55,543. The note bears interest at 4.24% per annum and requires monthly payments in the amount of \$1,031, including principal and interest over 5 years. At March 31, 2023, the total principal balance of the note is \$4,093, all of which is current. Payments of principal and interest for the years following March 31, 2023, are as follows:

	Principal	Interest
2024	4,093	37
	<u>\$ 4,093</u>	<u>\$ 37</u>

CHARLOTTESVILLE REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED MARCH 31, 2023

NOTE 11: NON-CURRENT LIABILITIES (continued)

Long-Term Debt, Net of Current (continued)— As of December 31, 2022, the Component Units had the following notes payable:

	Crescent Halls Reno LLC	South First Phase One LLC	Totals (Memorandum)
Charlottesville Redevelopment and Housing Authority Loans	\$ 2,920,000	\$ 1,100,000	\$ 4,020,000
CCDC - Affordable Housing Opportunity Fund Loans	6,324,852	3,785,748	10,110,600
CCDC - Bond Loans	1,875,000	1,125,000	3,000,000
Atlantic Union Bank - Construction Loans	9,501,447	6,538,541	16,039,988
	<u>\$ 20,621,299</u>	<u>\$ 12,549,289</u>	<u>\$ 33,170,588</u>

CRESCENT HALLS RENO, LLC

The note payable to CRHA was made on March 16, 2022, in the original amount of \$2,920,000, bearing interest of 1.62% per annum. The note is secured by a deed of trust and the entire principal and accrued interest on the note were due in full March 16, 2022. As discussed in Note 6, this note is being eliminated in the entity-wide financial statements.

The CCDC - Affordable Housing Opportunity Fund Loan is for an amount up to \$6,400,000, bearing interest of 0% per annum. The loan is payable from Net Cash Flow as stated in the Operating Agreement and is due in full in 2051. As of December 31, 2022, \$6,324,852 had been drawn from this loan.

The Bond Loan, payable to the Charlottesville Community Development Corporation (CCDC), is for up to \$1,875,000 and bears no interest. Payments shall be made from available cash as defined in the operating agreement. If not paid sooner, the principal balance is due in full March 16, 2051. As of December 31, 2022, \$1,875,000 had been drawn from this loan.

On March 16, 2021, a construction loan for an amount up to \$12,500,000 was entered into with the Atlantic Union Bank and bears interest at 3.25% per annum. Payments are to be made monthly for up to 24 months, at which point the balance is to be paid in full. As of December 31, 2022, \$9,501,447 had been drawn from this loan.

SOUTH FIRST PHASE ONE, LLC

The note payable to CRHA was made on January 8, 2021, in the original amount of \$1,100,000, bearing interest of 1.35% per annum. The note is secured by a deed of trust and the entire principal and accrued interest on the note were due in full January 8, 2051. As discussed in Note 6, this note is being eliminated in the entity-wide financial statements.

The Bond Loan, payable to the Charlottesville Community Development Corporation (CCDC), is for up to \$1,125,000 and bears no interest. Payments shall be made from available cash as defined in the operating agreement. If not paid sooner, the principal balance is due in full March 16, 2051. As of December 31, 2022, \$1,125,000 had been drawn from this loan.

The CCDC - Affordable Housing Opportunity Fund Loan is for an amount up to \$4,500,000, bearing interest of 0% per annum. The loan is payable from Net Cash Flow as stated in the Operating Agreement and is due in full in 2051. As of December 31, 2022, \$3,785,784 has been drawn from this loan.

CHARLOTTESVILLE REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED MARCH 31, 2023

NOTE 11: NON-CURRENT LIABILITIES (continued)

SOUTH FIRST PHASE ONE, LLC (continued)

On January 8, 2021, a construction loan for an amount up to \$11,500,000 was entered into with the Atlantic Union Bank and bears interest at 3.25% per annum. Payments are to be made monthly for up to 24 months, at which point the balance is to be paid in full. As of December 31, 2022, \$6,538,541 had been drawn from this loan.

As of December 31, 2022, the total Long-Term Debt, Net of Current, of \$4,020,000 is eliminated in the Authority-wide financial statements and Long-Term Debt not eliminated in the Authority-wide financial statements is \$29,150,588.

Other Non-Current Liabilities - Other Non-Current liabilities include the following:

Due to City of Charlottesville	\$ 430,851
Developer Fee Payable- South First Phase One, LLC	637,920
Developer Fee Payable- Crescent Hall Reno LLC	200,000
Other Non Current Liabilities	<u>\$ 1,268,771</u>

Due to City of Charlottesville - Due to the City of Charlottesville represents a liability in the amount of \$430,851 for a Community Development Block Grant awarded from the City that was to be used to purchase land and construct affordable housing units. Land was purchased by the Authority; however, it was determined that it was not possible for the Authority to complete the project by the completion deadline established by HUD. As a result, \$430,851 is required to be repaid to the City. The amount is interest free, unsecured and payable upon the disposition of the property by the Authority.

Developer Fee Payable - Due to CCDC in the total amount of \$1,000,000. Developer fee payments shall be paid from available cash flow as stated in the operating agreement. At March 31, 2023, the developer fees earned by and payable to CCDC are \$837,920.

NOTE 12: PENSION PLAN

The Authority contributes to the Virginia Retirement System (VRS), a cost-sharing multiple employer defined benefit public employee retirement system that acts as a common investment and administrative agent for political subdivisions in the Commonwealth of Virginia.

- Plan Description** - All full-time, salaried employees of CRHA are automatically covered by the VRS Retirement System upon employment. Benefits vest after five (5) years of service. Employees are eligible for an unreduced retirement benefit at age 65 with five (5) years of service.

The VRS issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for VRS. A copy of that report may be obtained by visiting the VRS website at <https://www.varetire.org/pdf/publications/2023-annual-report.pdf> or by writing the System's CFO at P. O. Box 2500, Richmond, VA 23218-2500.

CHARLOTTESVILLE REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED MARCH 31, 2023

NOTE 12: PENSION PLAN (Continued)

- b. Employees Covered by Benefit Terms - As of the June 30, 2021, actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

Inactive Members or Their Beneficiaries Currently Receiving Benefits	11
Inactive Members:	
Vested	10
Non-Vested	36
Active Elsewhere in VRS	7
Total Inactive Members	53
Active Members	10
Total Covered Employees	74

- c. Contributions - The contribution requirement for active employees is governed by Title 51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to state agencies by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensations toward their retirement. Prior to July 1, 2012, all or part of the 5.00% member contribution may have been assumed by the employer. Beginning July 1, 2012, new employees were required to pay the 5.00% member contribution. In addition, for existing employees; employers were required to begin making the employee pay the 5.00% member contribution. This could be phased in over a period of up to 5 years and the employer is required to provide a salary increase equal to the amount of the increase in the employee-paid member contribution. CRHA's contractually required contribution rate for the year ended June 30, 2022 was 0% of covered employee compensation. This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from CRHA to the pension plan were \$0 and \$0 for the years ended June 30, 2021 and June 30, 2022, respectively.

Liabilities, expenses and deferred outflows/inflows of resources related to pensions

- a. Actuarial Assumptions - The total pension liability for General Employees in the Authority's retirement plan was based on an actuarial valuation as of June 30, 2021, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

Inflation	2.50%
Salary increases, including inflation	3.5% - 5.35%
Investment rate of return	6.75% net of pension plan investment expense, including inflation*
Cost-of-living adjustments	2.25% - 2.5%

CHARLOTTESVILLE REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED MARCH 31, 2023

NOTE 12: PENSION PLAN (continued)

*Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. Since the difference was minimal, a more conservative 7% investment return assumption was used for preparation of pension liabilities.

- b. Net Pension Liability - The Authority's net pension asset was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2021, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022. The following table summarizes the changes in the Net Pension Asset which resulted in \$1,682,460 being reported as a pension asset as of March 31, 2023.

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a-b)
Balance at June 30, 2021	\$ 2,704,056	\$ 4,536,795	\$(1,832,739)
Changes for the year:			
Service Cost	49,820	-	49,820
Interest	179,239	-	179,239
Changes of assumptions	-	-	-
Difference between expected and actual experience	(57,507)	-	(57,507)
Contributions-employer	-	-	-
Contributions-employee	-	25,763	(25,763)
Net investment income	-	(1,729)	1,729
Benefit payments, including refunds of employee contributions	(196,966)	(196,966)	-
Administrative expense	-	(2,863)	2,863
Other changes	-	102	(102)
Net Changes	(25,414)	(175,693)	150,279
Balance at June 30, 2022	\$ 2,678,642	\$ 4,361,102	\$(1,682,460)

CHARLOTTESVILLE REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED MARCH 31, 2023

NOTE 12: PENSION PLAN (continued)

- c. Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability of CRHA using the discount rate of 6.75%, as well as what CRHA's net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Plan's Net Pension Liability (Asset)	\$ (1,411,589)	\$ (1,682,460)	\$ (1,909,234)

- d. Pension Expense (Income) – For the year ended March 31, 2023, CRHA recognized pension expense (income) as follows:

Service Costs	\$ 49,820
Interest on total pensions liability	179,239
Expensed portion of current period difference between expected and actual experience in the total pension liability	(57,507)
Expensed portion of current-period changes of assumptions	-
Member contributions	(25,763)
Projected earnings on plan investments	(300,363)
Expensed portion of current period difference between actual and projected earnings on plan investments	60,418
Administrative expense	2,863
Other	(102)
Recognition of beginning deferred outflows of resources as pension expense	77,794
Recognition of beginning deferred inflows of resources as pension expense	(153,500)
Pension Expense(Income)	\$ (167,101)

- e. Deferred Outflows of Resources and Deferred Inflows of Resources - Deferred outflows of resources in the amount of \$16,681, resulting from the Authority's contributions subsequent to the measurement date, will be recognized as a reduction of the Net Pension Liability in the year ended March 31, 2024.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	135,658
Employer contributions subsequent to the measurement date	16,681	-
Total	\$ 16,681	\$ 135,658

CHARLOTTESVILLE REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED MARCH 31, 2023

NOTE 12: PENSION PLAN (continued)

- e. Deferred Outflows of Resources and Deferred Inflows of Resources (continued) – Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Reporting Date Ending June 30:

2024	\$ (51,926)
2025	(54,330)
2026	(89,822)
2027	60,420
2028	-
Thereafter	-
	\$ (135,658)

NOTE 13: OTHER POST EMPLOYMENT BENEFITS – HEALTH INSURANCE PLAN

- a. Plan Description - In addition to the pension benefits described in Note 12, the Authority pays a portion of the cost of health-related insurance benefits for employees who were eligible for a prior benefit plan. All Employees eligible for CRHA's paid health care coverage on December 31, 1984, and who continue to work for the Authority without interruption until retirement, remain eligible for Authority paid health care coverage provided by the City of Charlottesville. Employees commencing work with the Authority after December 31, 1984 will not receive subsidized coverage paid by the Authority upon termination of employment, but may continue coverage at their own expense if retiring under the VRS guidelines. A CRHA retiree, eligible for postretirement medical coverage, is defined as a former employee in a VRS covered position who retires and is eligible to receive an early or regular retirement benefit from the VRS and who had health coverage at the time of retirement.
- b. Funding Policy - The Authority establishes the employer contribution rates and how the plan will be funded as part of the annual budget process. Various amounts are paid by the Authority on a cash basis as benefits are paid.
- c. Employees Covered by Benefit Terms - As of March 31, 2023, three retirees were covered by CRHA's OPEB plan.
- d. Actuarial Valuation Method and Assumptions - The total OPEB liability reported by the Authority was based on an actuarial valuation as of April 1, 2023, using the Entry Age Normal Actuarial Cost Method. Under this method, the actuarial value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the earnings of the individual between entry age and assumed exit age(s).

CHARLOTTESVILLE REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED MARCH 31, 2023

NOTE 13: OTHER POST EMPLOYMENT BENEFITS – HEALTH INSURANCE PLAN (continued)

- d. Actuarial Valuation Method and Assumptions (continued) - The following is a summary of assumptions used for the actuarial valuation as of June 30, 2022:

Mortality Rates RP-2014 Total Dataset Mortality Table, adjusted to base year 2006,
projected with Scale MP-2021

Discount Rate 3.46% per annum

	Total	Employer	Participant
Retiree Premiums	Premium	Contribution	Contribution
and Contributions	\$3,545	\$3,065	\$480

Healthcare Cost Trend Rate Medical: 6.0% graded uniformly to 5.5% over 2 years and following the
Getzen model thereafter to an ultimate rate of 3.94% in the year 2075.

Amortization Periods:

Contribution Calculation	15 years
Experience Gains/Losses	amortized over the average working lifetime of all participants which for the current year is 1 year
Investment Gains/Losses	5 years
Plan Amendments	immediately recognized
Changes in Assumptions	amortized over the average working lifetime of all participants

- e. Net OPEB Liability, Deferrals, and Expense (continued) - The following table summarizes the changes in the Net OPEB Liability for the year ending March 31, 2023:

	Total OPEB Liability (a)	Plan Net Position (b)	Net OPEB Liability (a-b)	Deferred Outflows	Deferred Inflows	OPEB Expense
Balance at March 31, 2022	\$ 115,272	\$ -	\$ 115,272	\$ -	\$ -	\$ -
Changes for the year:						
Interest	3,670	-	3,670	-	-	3,670
Contributions-employer	-	9,195	(9,195)	-	-	-
Benefits paid	(9,195)	(9,195)	-	-	-	-
Net Changes	(5,525)	-	(5,525)	-	-	3,670
Balance at March 31, 2023	\$ 109,747	\$ -	\$ 109,747	\$ -	\$ -	\$ 3,670

CHARLOTTESVILLE REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED MARCH 31, 2023

NOTE 13: OTHER POST EMPLOYMENT BENEFITS – HEALTH INSURANCE PLAN (continued)

- a. Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate - The following presents the net OPEB liability of CRHA using the stated health care cost trend assumption, as well as what the liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the assumed rate:

Net OPEB Liability	1% Decrease	Current Trend	1% Increase
June 30, 2023	\$ 100,924	\$ 109,747	\$119,559

- b. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate - The following presents the net OPEB liability of CRHA using the stated discount rate assumption, as well as what the liability would be if it were calculated using a rate that is 1-percentage-point lower or 1-percentage-point higher than the assumed rate:

Net OPEB Liability	1% Decrease	Current Discount	1% Increase
June 30, 2023	\$ 118,550	\$ 109,747	\$101,983

- h. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources - The recognized OPEB expense (income) for the year ended March 31, 2023, is (\$110,556). Reported deferred outflows of resources and deferred inflows of resources in relation to OPEBs resulted from the following sources:

	Original Amount	Date Established	Original Amortization Period	Recognized Annually in Expense	Deferred Outflows	Deferred Inflows
Experience losses (gains)	\$ (96,618)	3/31/2022	n/a	\$ (96,618)	\$ -	\$ -
Change of assumptions	(13,938)	3/31/2022	n/a	(13,938)		
Total				\$ (110,556)	\$ -	\$ -

Changes of assumptions and experience losses (gains) are amortized over the average remaining service periods of active participants. No future service is assumed for inactive participants.

Amounts reported as deferred outflows (inflows) of resources related to OPEBs will be recognized in pension expense in future years as follows:

Reporting Date Ending March 31:

2024	\$ -
2025	-
2026	-
2027	-
2028	-
Thereafter	-

CHARLOTTESVILLE REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED MARCH 31, 2023

NOTE 14: OTHER POST EMPLOYMENT BENEFITS - GROUP LIFE INSURANCE PLAN

The Virginia Retirement System (VRS) Group Life Insurance Program (OPEB-GLI) is a multiple employer, cost-sharing plan. It provides coverage to state employees, teachers, and employees of participating political subdivisions. The Group Life Insurance Program was established pursuant to §51.1-500 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. The Group Life Insurance Program is a defined benefit plan that provides a basic group life insurance benefit for employees of participating employers. For purposes of measuring the net OPEB-GLI liability, deferred outflows of resources and deferred inflows of resources related to the OPEB-GLI, and OPEB-GLI expense, information about the fiduciary net position of the VRS Group Life Insurance program OPEB and the additions to/deductions from the VRS Group Life Insurance Program OPEB's net fiduciary position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

- a. Plan Description - All full-time, salaried permanent employees of the state agencies, teachers and employees of participating political subdivisions are automatically covered by the VRS Group Life Insurance Program upon employment. This plan is administered by the Virginia Retirement System (VRS), along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia. In addition to the Basic Group Life Insurance benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional Group Life Insurance Program. Since this is a separate and fully insured program, it is not included as part of the Group Life Insurance Program OPEB.

Significant plan provisions of the Political Subdivision Group Life Insurance Program OPEB, including eligibility, coverage and benefits are as follows:

Eligible Employees

The Group Life Insurance Program was established July 1, 1960, for state employees, teachers and employees of political subdivisions that elect the program.

- Basic group life insurance coverage is automatic upon employment. Coverage ends for employees who leave their position before retirement eligibility or who take a refund of their accumulated retirement member contributions and accrued interest.

Benefit Amounts

The benefits payable under the Group Life Insurance Program have several components.

- Natural Death Benefit – The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled.
- Accidental Death Benefit – The accidental death benefit is double the natural death benefit.
- Other Benefit Provisions – In addition to the basic natural and accidental death benefits, the program provides additional benefits provided under specific circumstances.

CHARLOTTESVILLE REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED MARCH 31, 2023

NOTE 14: OTHER POST EMPLOYMENT BENEFITS - GROUP LIFE INSURANCE PLAN (continued)

Reduction in Benefit Amounts

The benefit amounts provided to members covered under the Group Life Insurance Program are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value.

Minimum Benefit Amount and Cost-of-Living Adjustment (COLA)

For covered members with at least 30 years of creditable service, there is a minimum benefit payable under the Group Life Insurance Program. The minimum benefit was set at \$8,000 by statute. This amount is increased annually based on the VRS Plan 2 cost-of-living adjustment and was increased to \$8,616 as of June 30, 2021.

- b. **Contributions**- The contribution requirements for the Group Life Insurance Program are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the Group Life Insurance Program was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% X 60%) and the employer component was 0.54% (1.34% X 40%). Employers may elect to pay all or part of the employee contribution, however the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2022 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the Group Life Insurance Program from CRHA were \$3,238 and \$3,634 for the years ended June 30, 2022 and June 30, 2021, respectively.

Liabilities, expenses and deferred outflows/inflows of resources related to OPEB

- a. **Actuarial Valuation Method and Assumptions**

The Total GLI OPEB Liability was based on an actuarial valuation as of June 30, 2021, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

Inflation	2.50%
Salary increases, including inflation	3.5% - 5.35%
Investment rate of return	6.75% net of pension plan investment expense, including inflation*

CHARLOTTESVILLE REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED MARCH 31, 2023

NOTE 14: OTHER POST EMPLOYMENT BENEFITS - GROUP LIFE INSURANCE PLAN (continued)

a. Actuarial Valuation Method and Assumptions (continued)

*Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. Since the difference was minimal, a more conservative 6.75% investment return assumption was used for preparation of pension liabilities.

Mortality rates – Largest Ten Locality Employers - General and Non-Hazardous Duty Employees

Pre-Retirement: Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years.

Post-Retirement: Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years.

Post-Disablement: Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 3 years.

Beneficiaries and Survivors: Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years.

Mortality Improvement: Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

The actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Improvement Scale MP-2020.
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan2/Hybrid; changed final retirement age.
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

CHARLOTTESVILLE REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED MARCH 31, 2023

NOTE 14: OTHER POST EMPLOYMENT BENEFITS - GROUP LIFE INSURANCE PLAN (continued)

Net GLI OPEB Liability

The Net OPEB liability (NOL) for the Group Life Insurance Program represents the program's total GLI OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the Measurement Date of June 30, 2022, NOL amounts for the Group Life Insurance Program are as follows (amounts expressed in thousands):

	<u>Group Life Insurance OPEB Program</u>
Total GLI OPEB Liability	\$ 3,672,085
Plan Fiduciary Net Position	<u>2,467,989</u>
Employers' Net GLI OPEB Liability (Asset)	<u><u>\$ 1,204,096</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Political Subdivision GLI OPEB Liability	67.21%

The Total GLI OPEB liability is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The Net GLI OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the System's notes to the financial statements and required supplementary information.

Long-Term Expected Rate of Return

The long-term expected rate of return on the System's investments was determined using a lognormal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of System's investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the table on the following page.

CHARLOTTESVILLE REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED MARCH 31, 2023

NOTE 14: OTHER POST EMPLOYMENT BENEFITS - GROUP LIFE INSURANCE PLAN (continued)

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS-Multi-Asset Public Strategies	6.00%	3.29%	0.20%
PIP-Private Investment Partnership	3.00%	6.84%	0.21%
Total	100.00%		4.89%
	Inflation		2.50%
	*Expected arithmetic nominal return		7.39%

* The above allocation provides a one-year return of 7.39%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.94%, including expected inflation of 2.50%. The VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%

Discount Rate

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS guidance and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2022, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 100% of the actuarially determined contribution rate. From July 1, 2022 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

CHARLOTTESVILLE REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED MARCH 31, 2023

NOTE 14: OTHER POST EMPLOYMENT BENEFITS - GROUP LIFE INSURANCE PLAN (continued)

- a. Net OPEB Liability - At March 31, 2023, CRHA reported a liability of \$33,233 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of that date. The covered employer's proportion of the Net OPEB Liability was based on the covered employer's actuarially determined employer contributions to the Group Life Insurance Program for the year ended June 30, 2021, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, the CRHA employer's proportion was 0.00326% as compared to 0.00276% at June 30, 2011.

- b. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate - The following presents the net GLI OPEB liability of CRHA using the discount rate of 6.75%, as well as what CRHA's net GLI OPEB liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
CRHA's Net GLI OPEB Liability (Asset)	\$ 48,358	\$ 33,233	\$ 21,018

- d. OPEB Expense - For the year ended June 30, 2022, CRHA recognized GLI OPEB expense of \$0.
- e. Deferred Outflows of Resources and Deferred Inflows of Resources - At March 31, 2023, CRHA reported deferred outflows of resources and deferred inflows of resources related to GLI OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,632	\$ 1,333
Changes of assumptions	1,240	3,237
Changes in proportionate share	10,657	11,269
Net difference between projected and actual earnings on OPEB plan investments	-	2,076
Total	\$ 14,529	\$ 17,915

- e. Deferred Outflows of Resources and Deferred Inflows of Resources (continued) - Deferred outflows of resources and deferred inflows of resources related to GLI OPEB will be recognized in OPEB expense as follows:

Reporting Date Ending June 30:

2024	\$ (637)
2025	(820)
2026	(1,641)
2027	1,116
2028	(1,404)
Thereafter	-

Detailed information about the Group Life Insurance Program's Fiduciary Net Position is available in the separately issued VRS 2023 Comprehensive Annual Financial Report. A copy of the report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2023-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

CHARLOTTESVILLE REDEVELOPMENT AND HOUSING AUTHORITY**NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED MARCH 31, 2023****NOTE 15: DEFERRED COMPENSATION PLAN**

CRHA offers all regular employees a deferred compensation plan (the "Plan") created in accordance with Internal Revenue Code Section 457. The Plan permits employees to defer a portion of their salary until future years. The deferred compensation is not available to employees or beneficiaries until termination, retirement, death or unforeseeable emergency. All amounts of compensation deferred under the Plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are held in annuity contracts for the participants. The contracts are managed by the Plan through the City of Charlottesville. The assets and corresponding liability of the Plan are not included in the accompanying financial statements and the Plan assets are not subject to claims of the Authority's general creditors.

NOTE 16: CONTINGENCIES AND OTHER MATTERS

- a. Litigation and Other Matters - Certain claims, suits and complaints may arise in the ordinary course of business. None have been filed and none are pending against the Authority. In the opinion of the Authority's management, any such matters are adequately covered by insurance.
- b. Grants - The Authority has received various other grants for specific purposes. These grants are subject to financial and compliance audits. Such audits could result in requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. The Authority management is of the opinion that disallowances, if any, will not be material.

NOTE 17: ECONOMIC DEPENDENCY

The Section 8, Mainstream Voucher, and the Low Rent Public Housing programs are economically dependent on annual grants from HUD.

NOTE 18: RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Significant losses are covered by commercial insurance for all major programs and there have been no significant reductions in insurance coverage. Claims expenditures and liabilities are reported when it is probable that a loss has occurred, the amount of the loss can be reasonably estimated, and said amount exceeds insurance coverage. Settlement amounts have not exceeded insurance coverage for the last five years.

NOTE 19: SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 29, 2023, the date on which the financial statements were available to be issued.

NOTE 20: COMPONENT UNITS

As disclosed in Note 1, the Authority has component units Crescent Halls Reno, L.L.C. and South First Phase One, L.L.C. Condensed financial information of the Component Units, as of December 31, 2022, is presented on the following page:

CHARLOTTESVILLE REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED MARCH 31, 2023

NOTE 20: COMPONENT UNITS (Continued)

	Cresecent Halls Reno, L.L.C.	South First Phase One, L.L.C.
Condensed Summary of Net Position		
Assets		
Current	\$ 312,224	\$ 397,959
Capital Assets, Net	\$ 23,590,469	\$ 15,228,598
Total Assets	<u>\$ 23,902,693</u>	<u>\$ 15,626,557</u>
Liabilities		
Current	\$ 2,835,728	\$ 1,925,443
Long-Term Liabilities	\$ 20,825,681	\$ 13,187,209
Total Liabilities	<u>\$ 23,661,409</u>	<u>\$ 15,112,652</u>
Net Position		
Net Investment in Capital Assets	\$ 3,607,090	\$ 2,041,389
Unrestricted	\$ (3,365,806)	\$ (1,527,484)
Total Net Position	<u>\$ 241,284</u>	<u>\$ 513,905</u>
Condensed Summary of Revenues, Expenses and Changes in Net Position		
Operating Revenues		
Tenant Revenue	\$ -	\$ 16,957
Other Revenue	\$ -	\$ 500,000
Total Operating Revenue	<u>\$ -</u>	<u>\$ 516,957</u>
Operating Expenses		
Administrative	\$ 11,322	\$ 2,689
General	\$ 32,881	\$ 363
Total Operating Expenses	<u>\$ 44,203</u>	<u>\$ 3,052</u>
Operating Income (Loss)	\$ (44,203)	\$ 513,905
Depreciation Expense	<u>\$ 57,064</u>	<u>\$ -</u>
Change in Net Position	\$ (101,267)	\$ 513,905
Beginning Net Position	<u>\$ 342,551</u>	<u>\$ -</u>
Ending Net Position	<u>\$ 241,284</u>	<u>\$ 513,905</u>

SUPPLEMENTAL INFORMATION

Charlottesville Redevelopment & Housing Authority (VA016)
Charlottesville, VA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2023

	Project Total	6.2 Component Unit - Blended	1 Business Activities	2 State/Local	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	14.EHV Emergency Housing Voucher	14.877 Public Housing Family Self-Sufficiency under ROSS	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$1,412,967	\$676,512	\$120,428			\$66,811	\$26,088		\$169,438	\$2,474,244		\$2,474,244
112 Cash - Restricted - Modernization and Development												
113 Cash - Other Restricted						\$11,165				\$11,165		\$11,165
114 Cash - Tenant Security Deposits	\$81,227	\$14,714	\$3,670							\$99,611		\$99,611
115 Cash - Restricted for Payment of Current Liabilities												
100 Total Cash	\$1,494,194	\$693,226	\$124,098	\$0	\$0	\$77,976	\$26,088	\$0	\$169,438	\$2,585,020	\$0	\$2,585,020
121 Accounts Receivable - PHA Projects		\$9,148	\$2,530			\$58,782				\$68,460		\$68,460
122 Accounts Receivable - HUD Other Projects	\$113,132				\$45,570	\$0	\$54,172	\$1,595		\$214,469		\$214,469
124 Accounts Receivable - Other Government	\$5,950			\$66,920						\$72,870		\$72,870
125 Accounts Receivable - Miscellaneous	\$38,521			\$125,729					\$1,386	\$165,636		\$165,636
126 Accounts Receivable - Tenants	\$66,604	\$13,487	\$3,303							\$83,394		\$83,394
126.1 Allowance for Doubtful Accounts - Tenants	-\$37,939	-\$5,678	-\$1			\$0				-\$43,618		-\$43,618
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current			\$56,500							\$56,500		\$56,500
128 Fraud Recovery	\$4,061					\$15,398				\$19,459		\$19,459
128.1 Allowance for Doubtful Accounts - Fraud	-\$4,061					-\$15,398				-\$19,459		-\$19,459
129 Accrued Interest Receivable												
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$186,268	\$16,957	\$62,332	\$192,649	\$45,570	\$56,782	\$54,172	\$1,595	\$1,386	\$617,711	\$0	\$617,711
131 Investments - Unrestricted												
132 Investments - Restricted												
135 Investments - Restricted for Payment of Current Liability												
142 Prepaid Expenses and Other Assets			\$33,808							\$33,808		\$33,808
143 Inventories												
143.1 Allowance for Obsolete Inventories												
144 Inter Program Due From		\$0	\$350,000			\$10,484			\$240,611	\$601,095	-\$601,095	\$0
145 Assets Held for Sale												
150 Total Current Assets	\$1,680,462	\$710,183	\$570,238	\$192,649	\$45,570	\$145,242	\$80,260	\$1,595	\$411,435	\$3,937,634	-\$601,095	\$3,236,539
161 Land	\$891,811	\$1,830,000	\$936,345	\$480,751						\$4,138,907		\$4,138,907
162 Buildings	\$21,917,226	\$16,376,252	\$1,043,720	\$257,786		\$65,778				\$39,660,762		\$39,660,762
163 Furniture, Equipment & Machinery - Dwellings	\$591,418								\$18,037	\$609,455		\$609,455
164 Furniture, Equipment & Machinery - Administration	\$695,052		\$156,200	\$217,949		\$48,518			\$897	\$1,116,616		\$1,116,616
165 Leasehold Improvements				\$16,089						\$16,089		\$16,089
166 Accumulated Depreciation	-\$22,393,282	-\$97,064	-\$183,667	-\$469,244		-\$83,278			-\$18,934	-\$23,245,469		-\$23,245,469
167 Construction in Progress	\$774,706	\$20,709,879								\$21,484,585		\$21,484,585
168 Infrastructure												
160 Total Capital Assets, Net of Accumulated Depreciation	\$2,476,931	\$38,819,067	\$1,952,598	\$503,341	\$0	\$31,018	\$0	\$0	\$0	\$43,782,955	\$0	\$43,782,955
171 Notes, Loans and Mortgages Receivable - Non-Current			\$0	\$6,738,750						\$6,738,750	-\$4,020,000	\$2,718,750
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due												
173 Grants Receivable - Non Current												
174 Other Assets	\$743,320		\$4,582	\$338,672		\$172,023			\$432,971	\$1,691,568		\$1,691,568
176 Investments in Joint Ventures												
180 Total Non-Current Assets	\$3,220,251	\$38,819,067	\$1,957,180	\$7,580,763	\$0	\$203,041	\$0	\$0	\$432,971	\$52,213,273	-\$4,020,000	\$48,193,273
200 Deferred Outflow of Resources	\$11,238		\$112	\$6,441		\$3,547			\$9,872	\$31,210		\$31,210

Charlottesville Redev & Housing Authority (VA016)
Charlottesville, VA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2023

	Project Total	6.2 Component Unit - Blended	1 Business Activities	2 State/Local	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	14.EHV Emergency Housing Voucher	14.877 Public Housing Family Self-Sufficiency under ROSS	COCC	Subtotal	ELIM	Total
290 Total Assets and Deferred Outflow of Resources	\$4,911,951	\$39,529,250	\$2,527,530	\$7,779,853	\$45,570	\$351,830	\$80,260	\$1,595	\$854,278	\$56,082,117	-\$4,621,095	\$51,461,022
311 Bank Overdraft												
312 Accounts Payable <= 90 Days	\$106,928	\$3,583,896	\$4,726	\$58,464		\$33,898			\$1,103	\$3,789,015		\$3,789,015
313 Accounts Payable >90 Days Past Due												
321 Accrued Wage/Payroll Taxes Payable	\$38,304	\$6,345	\$4,503	\$14,313		\$9,819		\$1,595	\$27,672	\$102,551		\$102,551
322 Accrued Compensated Absences - Current Portion	\$9,941	\$2,922	\$332	\$8,596		\$6,053			\$5,172	\$33,016		\$33,016
324 Accrued Contingency Liability												
325 Accrued Interest Payable		\$20,973								\$20,973		\$20,973
331 Accounts Payable - HUD PHA Programs						\$47				\$47		\$47
332 Account Payable - PHA Projects										\$260,568		\$260,568
333 Accounts Payable - Other Government	\$36,932	\$4,246	\$219,390							\$99,611		\$99,611
341 Tenant Security Deposits	\$81,227	\$14,714	\$3,670							\$24,183		\$24,183
342 Unearned Revenue	\$17,677	\$1,951	\$86	\$3,678		\$791				\$4,093		\$4,093
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	\$4,093											
344 Current Portion of Long-term Debt - Operating Borrowings												
345 Other Current Liabilities										\$1,126,124		\$1,126,124
346 Accrued Liabilities - Other		\$1,126,124								\$601,095	-\$601,095	\$0
347 Inter Program - Due To				\$590,611	\$10,484							
348 Loan Liability - Current												
310 Total Current Liabilities	\$295,102	\$4,761,171	\$232,707	\$675,662	\$10,484	\$50,608	\$0	\$1,595	\$33,947	\$6,061,276	-\$601,095	\$5,460,181
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$0	\$33,170,588								\$33,170,588	-\$4,020,000	\$29,150,588
352 Long-term Debt, Net of Current - Operating Borrowings										\$1,268,771		\$1,268,771
353 Non-current Liabilities - Other		\$837,920		\$430,851						\$7,756		\$49,023
354 Accrued Compensated Absences - Non Current	\$14,912	\$4,382		\$12,894		\$9,079						
355 Loan Liability - Non Current												
356 FASB 5 Liabilities												
357 Accrued Pension and OPEB Liabilities	\$63,169		\$390	\$28,007		\$14,619			\$36,795	\$142,980		\$142,980
350 Total Non-Current Liabilities	\$78,081	\$34,012,890	\$390	\$471,752	\$0	\$23,698	\$0	\$0	\$44,551	\$34,631,362	-\$4,020,000	\$30,611,362
300 Total Liabilities	\$373,183	\$38,774,061	\$233,097	\$1,147,414	\$10,484	\$74,306	\$0	\$1,595	\$78,498	\$40,692,638	-\$4,621,095	\$36,071,543
400 Deferred Inflow of Resources	\$67,850		\$418	\$30,062		\$15,702			\$39,521	\$153,573		\$153,573
508.4 Net Investment in Capital Assets	\$2,472,838	\$5,648,479	\$1,952,598	\$503,341		\$31,018				\$10,608,274	\$4,020,000	\$14,628,274
511.4 Restricted Net Position						\$11,165				\$11,165		\$11,165
512.4 Unrestricted Net Position	\$1,998,080	\$4,893,290	\$341,417	\$6,099,016	\$35,086	\$219,639	\$80,260	\$0	\$736,259	\$4,616,467	-\$4,020,000	\$596,467
513 Total Equity - Net Assets / Position	\$4,470,918	\$755,189	\$2,294,015	\$6,602,357	\$35,086	\$261,822	\$80,260	\$0	\$736,259	\$15,235,906	\$0	\$15,235,906
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$4,911,951	\$39,529,250	\$2,527,530	\$7,779,853	\$45,570	\$351,830	\$80,260	\$1,595	\$854,278	\$56,082,117	-\$4,621,095	\$51,461,022

Charlottesville Redev & Housing Authority (VA016)
Charlottesville, VA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2023

	Project Total	6.2 Component Unit - Blended	1 Business Activities	2 State/Local	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	14.EHV Emergency Housing Voucher	14.877 Public Housing Family Self-Sufficiency under ROSS	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$999,215	\$16,957	\$34,302							\$1,050,474		\$1,050,474
70400 Tenant Revenue - Other												
70500 Total Tenant Revenue	\$999,215	\$16,957	\$34,302	\$0	\$0	\$0	\$0	\$0	\$0	\$1,050,474	\$0	\$1,050,474
70600 HUD PHA Operating Grants	\$2,624,332				\$331,963	\$4,191,197	\$82,188	\$1,595		\$7,231,275		\$7,231,275
70610 Capital Grants	\$206,525									\$206,525		\$206,525
70710 Management Fee									\$629,969	\$629,969	-\$629,969	\$0
70720 Asset Management Fee									\$32,929	\$32,929	-\$32,929	\$0
70730 Book Keeping Fee									\$70,367	\$70,367	-\$70,367	\$0
70740 Front Line Service Fee												
70750 Other Fees												
70700 Total Fee Revenue									\$733,265	\$733,265	-\$733,265	\$0
70800 Other Government Grants			\$1,030,000	\$874,919						\$1,704,919		\$1,704,919
71100 Investment Income - Unrestricted	\$56		\$1,446			\$31				\$1,533		\$1,533
71200 Mortgage Interest Income												
71300 Proceeds from Disposition of Assets Held for Sale												
71310 Cost of Sale of Assets												
71400 Fraud Recovery												
71500 Other Revenue	\$222,855	\$500,000	\$174	\$599,267		\$63,373			\$52,043	\$1,437,712		\$1,437,712
71600 Gain or Loss on Sale of Capital Assels												
72000 Investment Income - Restricted												
70000 Total Revenue	\$4,052,983	\$516,957	\$1,065,922	\$1,274,186	\$331,963	\$4,254,601	\$82,188	\$1,595	\$785,308	\$12,365,703	-\$733,265	\$11,632,438
91100 Administrative Salaries	\$223,142			\$376,404		\$181,532		\$1,442	\$444,121	\$1,226,641		\$1,226,641
91200 Auditing Fees	\$27,141	\$2,000				\$3,889			\$6,807	\$39,837		\$39,837
91300 Management Fee	\$511,416	\$5,262	\$2,861		\$8,521	\$100,686	\$1,223			\$629,969	-\$629,969	\$0
91310 Book-keeping Fee	\$24,720	\$398			\$3,173	\$41,273	\$803			\$70,367	-\$70,367	\$0
91400 Advertising and Marketing	\$3,039			\$182		\$327			\$3,174	\$6,722		\$6,722
91500 Employee Benefit contributions - Administrative	\$36,225		\$100	\$85,371		\$30,230		\$153	\$92,730	\$244,809		\$244,809
91600 Office Expenses	\$67,742	\$3,538		\$25,212		\$96,115			\$33,253	\$225,860		\$225,860
91700 Legal Expense	\$22,073	\$591	\$198	\$19,916		\$9,429			\$17,647	\$69,854		\$69,854
91800 Travel	\$808			\$4,312		\$1,488			\$2,060	\$8,668		\$8,668
91810 Allocated Overhead												
91900 Other	\$62,739	\$249	\$139	\$15,010		\$16,238			\$47,715	\$142,090		\$142,090
91000 Total Operating - Administrative	\$979,045	\$12,038	\$3,298	\$526,407	\$11,694	\$481,207	\$2,026	\$1,595	\$647,507	\$2,664,817	-\$700,336	\$1,964,481
92000 Asset Management Fee	\$32,929									\$32,929	-\$32,929	\$0
92100 Tenant Services - Salaries												
92200 Relocation Costs	\$565			\$3,197						\$3,762		\$3,762
92300 Employee Benefit Contributions - Tenant Services												
92400 Tenant Services - Other	\$37,721	\$1,973		\$16,343		\$500	\$5,940			\$62,477		\$62,477
92500 Total Tenant Services	\$38,286	\$1,973	\$0	\$19,540	\$0	\$500	\$5,940	\$0	\$0	\$66,239	\$0	\$66,239

Charlottesville Redevel & Housing Authority (VA016)
Charlottesville, VA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit Fiscal Year End: 03/31/2023

	Project Total	6.2 Component Unit - Blended	1 Business Activities	2 State/Local	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	14.EHV Emergency Housing Voucher	14.877 Public Housing Family Self-Sufficiency under ROSS	COCC	Subtotal	ELIM	Total
93100 Water	\$140,151	\$279	\$920	\$108						\$141,458		\$141,458
93200 Electricity	\$245,419	\$5,116	\$637	\$209						\$251,381		\$251,381
93300 Gas	\$153,453	\$295		\$87						\$153,835		\$153,835
93400 Fuel												
93500 Labor												
93800 Sewer	\$189,029	\$274	\$939	\$443					\$29	\$190,714		\$190,714
93700 Employee Benefit Contributions - Utilities												
93800 Other Utilities Expense												
93000 Total Utilities	\$728,052	\$5,964	\$2,496	\$847	\$0	\$0	\$0	\$0	\$29	\$737,388	\$0	\$737,388
94100 Ordinary Maintenance and Operations - Labor	\$625,827		\$5,234			\$14,941			\$33,437	\$679,439		\$679,439
94200 Ordinary Maintenance and Operations - Materials and Other	\$221,839	\$189	\$6,202	\$21		\$385			\$1,517	\$230,153		\$230,153
94300 Ordinary Maintenance and Operations Contracts	\$227,209	\$5,869	\$622	\$0		\$475			\$231	\$234,406		\$234,406
94500 Employee Benefit Contributions - Ordinary Maintenance	\$107,910		\$1,126			\$1,248			\$5,113	\$115,397		\$115,397
94000 Total Maintenance	\$1,182,785	\$6,059	\$13,184	\$21	\$0	\$17,049	\$0	\$0	\$40,298	\$1,259,395	\$0	\$1,259,395
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	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96110 Property Insurance	\$45,960	\$14,930	\$589	\$384		\$1,358				\$63,221		\$63,221
96120 Liability Insurance	\$9,151	\$2,509		\$4,754		\$220			\$7,128	\$23,762		\$23,762
96130 Workmen's Compensation	\$13,705			\$6,102		\$2,111			\$6,547	\$28,465		\$28,465
96140 All Other Insurance	\$11,633			\$1,164		\$957			\$1,211	\$14,965		\$14,965
96100 Total Insurance Premiums	\$80,449	\$17,439	\$589	\$12,404	\$0	\$4,646	\$0	\$0	\$14,886	\$130,413	\$0	\$130,413
96200 Other General Expenses	\$5,000					\$3,387				\$8,387		\$8,387
96210 Compensated Absences												
96300 Payments in Lieu of Taxes	\$28,573	\$3,783								\$32,356		\$32,356
96400 Bad debt - Tenant Rents			\$1							\$1		\$1
96500 Bad debt - Mortgages												
96600 Bad debt - Other												
96800 Severance Expense												
96000 Total Other General Expenses	\$33,573	\$3,783	\$1	\$0	\$0	\$3,387	\$0	\$0	\$0	\$40,744	\$0	\$40,744
96710 Interest of Mortgage (or Bonds) Payable	\$456									\$456		\$456
96720 Interest on Notes Payable (Short and Long Term)												
96730 Amortization of Bond Issue Costs												
96700 Total Interest Expense and Amortization Cost	\$456	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$456	\$0	\$456
96900 Total Operating Expenses	\$3,075,575	\$47,255	\$19,568	\$559,219	\$11,694	\$506,789	\$7,966	\$1,595	\$702,720	\$4,932,381	-\$733,265	\$4,199,116
97000 Excess of Operating Revenue over Operating Expenses	\$977,408	\$469,702	\$1,046,354	\$714,967	\$320,269	\$3,747,812	\$74,222	\$0	\$82,588	\$7,433,322	\$0	\$7,433,322

Charlottesville Redevelopment & Housing Authority (VA016)
Charlottesville, VA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2023

	Project Total	6.2 Component Unit - Blended	1 Business Activities	2 State/Local	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	14.EHV Emergency Housing Voucher	14.877 Public Housing Family Self-Sufficiency under ROSS	COCC	Subtotal	ELIM	Total
97100 Extraordinary Maintenance												
97200 Casualty Losses - Non-capitalized												
97300 Housing Assistance Payments				\$612,223	\$289,359	\$3,970,336	\$76,072			\$4,947,990		\$4,947,990
97350 HAP Portability-In						\$41,408				\$41,408		\$41,408
97400 Depreciation Expense	\$203,169	\$57,064	\$27,467	\$2,510		\$6,752			\$3,607	\$300,569		\$300,569
97500 Fraud Losses												
97600 Capital Outlays - Governmental Funds												
97700 Debt Principal Payment - Governmental Funds												
97800 Dwelling Units Rent Expense												
90000 Total Expenses	\$3,278,744	\$104,319	\$47,035	\$1,173,952	\$301,053	\$4,525,285	\$84,038	\$1,595	\$706,327	\$10,222,348	-\$733,265	\$9,489,083
10010 Operating Transfer In	\$531,498									\$531,498	-\$531,498	\$0
10020 Operating Transfer Out	-\$531,498									-\$531,498	\$531,498	\$0
10030 Operating Transfers from/to Primary Government												
10040 Operating Transfers from/to Component Unit												
10050 Proceeds from Notes, Loans and Bonds												
10060 Proceeds from Property Sales												
10070 Extraordinary Items, Net Gain/Loss												
10080 Special Items (Net Gain/Loss)												
10091 Inter Project Excess Cash Transfer In												
10092 Inter Project Excess Cash Transfer Out												
10093 Transfers between Program and Project - In			\$3,790	\$272,626					\$230,491	\$506,907	-\$506,907	\$0
10094 Transfers between Project and Program - Out	-\$451,751					-\$55,156				-\$506,907	\$506,907	\$0
10100 Total Other financing Sources (Uses)	-\$451,751	\$0	\$3,790	\$272,626	\$0	-\$55,156	\$0	\$0	\$230,491	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$322,488	\$412,638	\$1,022,677	\$372,860	\$30,910	-\$325,840	-\$1,850	\$0	\$309,472	\$2,143,355	\$0	\$2,143,355
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
11030 Beginning Equity	\$4,148,430	\$342,551	\$1,271,338	\$6,229,497	\$4,176	\$587,662	\$82,110	\$0	\$426,787	\$13,092,551		\$13,092,551
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0									\$0		\$0
11050 Changes in Compensated Absence Balance												
11060 Changes in Contingent Liability Balance												
11070 Changes in Unrecognized Pension Transition Liability												
11080 Changes in Special Term/Severance Benefits Liability												
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents												
11100 Changes in Allowance for Doubtful Accounts - Other												
11170 Administrative Fee Equity						\$250,657				\$250,657		\$250,657
11180 Housing Assistance Payments Equity						\$11,165				\$11,165		\$11,165
11190 Unit Months Available	3276	105	48		480	7156	180			11245		11245
11210 Number of Unit Months Leased	2904	99	46		423	5503	107			9082		9082
11270 Excess Cash	\$1,148,030									\$1,148,030		\$1,148,030
11610 Land Purchases	\$0								\$0	\$0		\$0
11620 Building Purchases	\$151,498								\$0	\$151,498		\$151,498
11630 Furniture & Equipment - Dwelling Purchases	\$18,570								\$0	\$18,570		\$18,570
11640 Furniture & Equipment - Administrative Purchases	\$36,457								\$0	\$36,457		\$36,457
11650 Leasehold Improvements Purchases	\$0								\$0	\$0		\$0
11660 Infrastructure Purchases	\$0								\$0	\$0		\$0
13510 CFFP Debt Service Payments	\$0								\$0	\$0		\$0
13901 Replacement Housing Factor Funds	\$0								\$0	\$0		\$0

CHARLOTTESVILLE REDEVELOPMENT AND HOUSING AUTHORITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MARCH 31, 2023

	Federal ALN #	Expenditures
FEDERAL GRANTOR/PROGRAM TITLE		
U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT:		
Low Rent Public Housing	14.850	\$ 1,865,258
Total Low Rent Public Housing	14.850	<u>1,865,258</u>
Capital Fund Program	14.872	<u>965,599</u>
Public Housing Family Self-Sufficiency	14.877	<u>1,595</u>
<u>Housing Voucher Cluster</u>		
Housing Choice Voucher Program	14.871 *	4,191,197
Emergency Housing Voucher	14.EHV *	<u>82,188</u>
Total Housing Choice Vouchers	14.871 *	<u>4,273,385</u>
Mainstream Vouchers	14.879 *	<u>331,963</u>
Total Housing Voucher Cluster		<u>4,605,348</u>
TOTAL FEDERAL FINANCIAL AWARDS		<u>\$ 7,437,800</u>

* indicates major program

CHARLOTTESVILLE REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MARCH 31, 2023**NOTE 1: BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of the Charlottesville Redevelopment and Housing Authority under programs of the federal government for the year ended March 31, 2023. The information 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 operations of the Authority, it is not intended to and does not present the net position, changes in net position or cash flows of the Authority. Some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of the financial statements.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNT POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, OMB Circular A-87, and the State of Virginia, Office of Policy and Management, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

NOTE 3: MAJOR PROGRAMS

The (*) to the right of a CFDA number identifies the grant as a major federal program as defined by Title 2 Part 200 (Uniform Guidance).

NOTE 4: AWARD BALANCE

On the Housing Choice Voucher programs, the Authority receives annual funds based on an annual estimate of need. Any Housing Assistance funds received in excess of current year payments is restricted for payment of future Housing Assistance payments.

NOTE 5: INDIRECT COST RATE

The Authority has not elected to use the 10-percent de minimis indirect cost rate as allowed under Uniform Guidance.

SUPPLEMENTAL INFORMATION

CHARLOTTESVILLE REDEVELOPMENT AND HOUSING AUTHORITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MARCH 31, 2023

	Federal ALN #	Expenditures
FEDERAL GRANTOR/PROGRAM TITLE		
U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT:		
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* indicates major program

CHARLOTTESVILLE REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MARCH 31, 2023**NOTE 1: BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of the Charlottesville Redevelopment and Housing Authority under programs of the federal government for the year ended March 31, 2023. The information 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 operations of the Authority, it is not intended to and does not present the net position, changes in net position or cash flows of the Authority. Some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of the financial statements.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNT POLICIES

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On the Housing Choice Voucher programs, the Authority receives annual funds based on an annual estimate of need. Any Housing Assistance funds received in excess of current year payments is restricted for payment of future Housing Assistance payments.

NOTE 5: INDIRECT COST RATE

The Authority has not elected to use the 10-percent de minimis indirect cost rate as allowed under Uniform Guidance.

CHARLOTTESVILLE REDEVELOPMENT AND HOUSING AUTHORITY
 STATEMENT OF CERTIFICATION OF MODERNIZATION COSTS - UNCLOSED
 FOR THE YEAR ENDED MARCH 31, 2023

	501-18	501-19	501-20	501-21	501-22	Totals
Budget	<u>\$ 840,509</u>	<u>\$ 879,343</u>	<u>\$ 965,970</u>	<u>\$ 1,030,444</u>	<u>\$ 1,254,991</u>	<u>\$ 4,971,257</u>
Advances:						
Cumulative through 3/31/2022	\$ 777,205	\$ 500,903	\$ 384,246	\$ 112,665	\$ -	\$ 1,775,019
Current Year	63,304	87,852	4,391	363,828	437,629	957,004
Cumulative through 3/31/2023	<u>840,509</u>	<u>588,755</u>	<u>388,637</u>	<u>476,493</u>	<u>437,629</u>	<u>2,732,023</u>
Costs:						
Cumulative through 3/31/2022	783,685	502,028	384,246	112,665	-	1,782,624
Current Year	56,824	87,053	14,095	369,998	437,629	965,599
Cumulative through 3/31/2023	<u>840,509</u>	<u>589,081</u>	<u>398,341</u>	<u>482,663</u>	<u>437,629</u>	<u>2,748,223</u>
Excess / (Deficiency)	<u>\$ -</u>	<u>\$ (326)</u>	<u>\$ (9,704)</u>	<u>\$ (6,170)</u>	<u>\$ -</u>	<u>\$ (16,200)</u>

CHARLOTTESVILLE REDEVELOPMENT AND HOUSING AUTHORITY
STATEMENT OF CERTIFICATION OF MODERNIZATION COSTS - CLOSED
FOR THE YEAR ENDED MARCH 31, 2023

	501-08*	501-10*	501-11*	501-12*	501-16*	501-17*	501-18*	Totals
Budget	<u>\$ 629,586</u>	<u>\$ 628,131</u>	<u>\$ 536,574</u>	<u>\$ 478,129</u>	<u>\$ 524,914</u>	<u>\$ 541,097</u>	<u>\$ 840,509</u>	<u>\$ 4,178,940</u>
<u>Advances:</u>								
Cumulative through 3/31/2022	\$ 629,586	\$ 628,131	\$ 536,574	\$ 478,129	\$ 524,914	\$ 541,097	\$ 840,509	\$ 4,178,940
Current Year	-	-	-	-	-	-	-	-
Cumulative through 3/31/2023	<u>629,586</u>	<u>628,131</u>	<u>536,574</u>	<u>478,129</u>	<u>524,914</u>	<u>541,097</u>	<u>840,509</u>	<u>4,178,940</u>
<u>Costs:</u>								
Cumulative through 3/31/2022	629,586	628,131	536,574	478,129	524,914	541,097	840,509	4,178,940
Current Year	-	-	-	-	-	-	-	-
Cumulative through 3/31/2023	<u>629,586</u>	<u>628,131</u>	<u>536,574</u>	<u>478,129</u>	<u>524,914</u>	<u>541,097</u>	<u>840,509</u>	<u>4,178,940</u>
Excess / (Deficiency)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

*The distribution of costs by project as shown on the Final Statement of Modernization Costs accompanying the Actual Modernization Cost Certificate submitted to HUD for approval is in agreement with the Authority's records. All modernization costs have been paid and all related liabilities have been discharged through payment.

**FINANCIAL COMPLIANCE REPORTS
FOR
FEDERAL FUNDS**



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

Board of Commissioners
Charlottesville Redevelopment and Housing Authority
Charlottesville, Virginia

Opinion on Each Major Program

We have audited the Charlottesville Redevelopment and Housing Authority's (the "Authority") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended March 31, 2023. The Authority's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs identified above for the year ended March 31, 2023.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Charlottesville Redevelopment and Housing 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 Charlottesville Redevelopment and Housing Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE
(CONTINUED)**

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Charlottesville Redevelopment and Housing 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 Charlottesville Redevelopment and Housing 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 Charlottesville Redevelopment and Housing Authority's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2023-001, 2023-002, and 2023-003. Our opinion on each major federal program is not modified with respect to these matters. *Government Auditing Standards* require the auditor to perform limited procedures on the Authority's response to the noncompliance findings identified in our audit described in the accompanying schedule of finds 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.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE
(CONTINUED)**

Response to Findings

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

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in that normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with 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 the 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 item 2023-002, to be a significant deficiency.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be *material weakness*, or *significant deficiencies* and therefore, material weaknesses and significant deficiencies may exist that were not identified. However, as discussed above, we did identify deficiencies in internal control over compliance that we consider to be a significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed. *Government Auditing Standards* requires the auditor to perform limited procedures on the Authority's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The Authority's 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 our testing based on the requirements of the *Uniform Guidance*. Accordingly, this report is not suitable for any other purpose.



Dooley & Vicars
Certified Public Accountants, L.L.P.

Richmond, Virginia
December 29, 2023



**INDEPENDENT AUDITOR'S 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
Charlottesville Redevelopment and Housing Authority
Charlottesville, Virginia

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Charlottesville Redevelopment and Housing Authority, the major fund of the Charlottesville Redevelopment and Housing Authority as of and for the year ended March 31, 2023, and the related notes to the financial statements and have issued our report thereon December 29, 2023.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Charlottesville Redevelopment and Housing Authority's internal control over financial reporting (internal control) as a basis to determine the 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority'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 over financial reporting 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 deficiencies in internal control that we consider to be material weaknesses however, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Charlottesville Redevelopment and Housing 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 determination of financial statement amounts. 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 did not disclose instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**INDEPENDENT AUDITOR'S 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
(CONTINUED)**

Response to Findings

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

Purpose of this Report

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



Dooley & Vicars
Certified Public Accountants, L.L.P.

Richmond, Virginia
December 29, 2023

CHARLOTTESVILLE REDEVELOPMENT AND HOUSING AUTHORITY

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED MARCH 31, 2023

There were no prior audit findings.

CHARLOTTESVILLE REDEVELOPMENT AND HOUSING AUTHORITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED MARCH 31, 2023

Section I -- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified: ☐ yes ☒ no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? ☐ yes ☒ none reported

Noncompliance material to financial statements noted? ☐ yes ☒ no*Federal Awards*

Internal control over major programs:

- Material weakness(es) identified: ☐ yes ☒ no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? ☒ yes ☐ none reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Title 2, CFR Part 200 (Uniform Guidance): ☒ yes ☐ no

Identification of major programs:

ALN Number(s)

Name of Federal Program or Cluster

14.871

Housing Choice Vouchers

14.871

Emergency Housing Vouchers

14.879

Mainstream Vouchers

Dollar threshold used to distinguish between type A and B programs: \$ 750,000Auditee qualified as low-risk auditee? ☐ yes ☒ no

CHARLOTTESVILLE REDEVELOPMENT AND HOUSING AUTHORITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED MARCH 31, 2023
(CONTINUED)**Section II – Financial Statement Findings**

There were no financial statement findings.

CHARLOTTESVILLE REDEVELOPMENT AND HOUSING AUTHORITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED MARCH 31, 2023
(CONTINUED)**Section III -- Federal Awards Findings and Questioned Costs****Finding No. 2023-001** – Section 8 Housing Choice Vouchers Program
ALN#14.871 Eligibility: Tenant Compliance

CONDITION: During the compliance audit of the Authority's Housing Choice Voucher program we noted two tenants whose income was not verified during annual recertifications with current EIV Income Reports, as required by HUD regulations.

CRITERIA: Tenants of the Housing Choice Voucher program are required to be recertified annually and on the interim basis in accordance with HUD regulations. Recertification guidelines require use of the Enterprise Income Verification (EIV) System to verify tenants' reported incomes during annual recertifications.

QUESTIONED COSTS: The amount of questioned costs could not be determined.

CONTEXT: Of 40 tenant files examined, 2 files did not contain documentation that the tenants' reported income was verified with current EIV Income Reports during annual recertifications.

EFFECT: The Housing Authority could be renting to tenants who are not paying the appropriate amount of rent per program regulations.

CAUSE: The overall cause was a lack of effective management oversight and quality control over this program.

RECOMMENDATION: The Housing Authority should implement greater oversight over Housing Choice Voucher tenant compliance and train employees on procedures mandated by HUD regarding tenant income verification and annual recertification.

CHARLOTTESVILLE REDEVELOPMENT AND HOUSING AUTHORITY

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED MARCH 31, 2023
(CONTINUED)**Section III -- Federal Awards Findings and Questioned Costs (continued)****Finding No. 2023-002 – Section 8 Housing Choice Vouchers Program**

ALN#14.871 Reporting: Noncompliance and Significant Deficiency in Internal Controls over SEMAP submission

CONDITION: During the audit for the year ending March 31, 2023, it was discovered that the Authority had not submitted the SEMAP certification within 60 days of the end of the fiscal year.

CRITERIA: The Uniform Financial Reporting Standards (UFRS), at 24 CFR 985.101, require Authorities to submit SEMAP certification form with 60 calendar days after the end of its fiscal year.

QUESTIONED COSTS: None.

CONTEXT: The SEMAP was not certified within the required time frame during the audit period.

EFFECT: As a result of this noncompliance, the PHA could receive an overall performance rating of "troubled" which means the PHA will be subject to the requirements of CFR 985.107 "Required actions for PHA with troubled performance rating." This may include: on-site reviews by HUD with written reports to follow, a corrective action plan to address any issues that HUD identified, monitoring of the corrective action plan, prohibition of use of administrative fees, and upgrading the poor performance rating via HUDs determination that a change in the rating is warranted.

CAUSE: The overall cause was a lack of effective management oversight and quality control over this program.

RECOMMENDATION: The Housing Authority should implement greater oversight over Housing Choice Voucher and train employees on procedures mandated by HUD regarding SEMAP completion and certification.

CHARLOTTESVILLE REDEVELOPMENT AND HOUSING AUTHORITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED MARCH 31, 2023
(CONTINUED)**Section III -- Federal Awards Findings and Questioned Costs (continued)****Finding No. 2023-003** – Section 8 Housing Choice Vouchers Program
ALN#14.871 Special Tests and Provisions: HQS Inspections

CONDITION: The Authority failed to document annual Housing Quality Standards (HQS) inspections in accordance with its Administrative Plan and HUD regulations.

CRITERIA: PHAs are required to inspect units leased to Housing Choice Voucher participants at least annually and prepare unit inspection reports in accordance with 21 CFR 982.158(d).

QUESTIONED COSTS: The amount of questioned costs could not be determined.

CONTEXT: 40 HAP contract files from a statistically valid sample were examined for compliance with annual HQS inspection requirements. Of the files examined, 1 file did not contain a current annual inspection report.

EFFECT: The Authority is not in compliance with federal regulations regarding HQS inspections and documentation.

CAUSE: The overall cause was a lack of management oversight and quality control over this program.

RECOMMENDATION: The Authority should implement greater oversight over the inspection process of the Housing Choice Voucher program to ensure that annual inspections are completed and documented at least annually as required.

Charlottesville Redevelopment & Housing Authority

Rental Office
1000 South First Street
Charlottesville, VA. 22902
TTY/Telephone: 711/ 434-326-4672
www.cvillerha.com



12/18/2023

Re: Response to Summary Schedule of Audit Findings

Finding No. 2023-001- Section 8 Housing Choice Vouchers Program
CFDA#14.871 Eligibility: Tenant Compliance

The agency acknowledges that all tenants are required to have their income verified with current EIV Income Reports, as required by HUD regulations. Due to new staff and management changes, all staff did not always have access to EIV. Going forward management will ensure that all staff members have appropriate access to EIV and income verification methods. The PHA will also implement greater oversight over HCV compliance and train employees on procedures mandated by HUD regarding tenant income verification and annual recertification.

Planned Implementation Date of Corrective Action: 12/18/2023

Person responsible for corrective action plan implementation: Interim Housing Choice Voucher Program Manager, Janice Spellman and staff.

Best Regards,

Navonya Thomas
Director of Property Management
Charlottesville Redevelopment & Housing Authority.



CRHA does not discriminate on the basis of race, color, sex, age, religion, national origin, disability, veteran status, or union affiliations in any of its federally assisted programs and activities.



Charlottesville Redevelopment & Housing Authority

Rental Office
1000 South First Street
Charlottesville, VA. 22902
TTY/Telephone: 711/ 434-326-4672
www.cvillerha.com



12/18/2023

Re: Response to Summary Schedule of Audit Findings

Finding No. 2023-002- Section 8 Housing Choice Vouchers Program
CFDA#14.871 Reporting: SEMAP reporting; Significant Deficiency

The agency acknowledges that it is required to submit the SEMAP certification within 60 days of the fiscal year. Due to an internal oversight and date mix up, our SEMAP was not submitted in a timely manner.

To address this issue going forward, management will set a calendar alert to ensure that we do not miss the submission deadline, in addition to actively and continuously collecting information for the submittal in the weeks/months prior.

Plan Implementation Date of Corrective Action: 12/18/2023

Person responsible for corrective action implementation: Janice Spellman, Interim HCV Program Manager and staff.

Best Regards

Navonya Thomas
Director of Property Management
Charlottesville Redevelopment and Housing Authority



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December 18, 2023

Re: Response to Summary Schedule of Audit Findings

Finding No. 2023-003- Section 8 Housing Choice Vouchers Program
CFDA#14.871 Special Tests and Provisions

The agency acknowledges that we are required to inspect units leased to Housing Choice Voucher participants at least annually and prepare the unit inspection reports in accordance with 21 CFR 982.158 (d). Of the 40 HAP contract files used in the sample, we acknowledge that one file was missing an HQS inspection.

In order to correct this issue going forward, the PHA will implement better quality control over the inspection process of the Housing Choice Voucher program to ensure that no annual inspections are missed and that all are completed and documented at least annually as required.

Plan Implementation Date of Corrective Action: 12/18/2023

Person responsible for corrective action plan implementation: Janice Spellman, Interim HCV Program Manager and staff.

Best Regards,

Navonya Thomas
Director of Property Management
Charlottesville Redevelopment and Housing Authority



REQUIRED SUPPLEMENTAL INFORMATION

CHARLOTTESVILLE REDEVELOPMENT AND HOUSING AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION RELATED TO PENSIONS
FOR THE YEAR ENDED MARCH 31, 2023

Schedule of Changes in CRHA's Net Pension Liability and Related Ratios as of June 30:

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability									
Service cost	\$ 49,820	\$ 41,454	\$ 41,454	\$ 32,609	\$ 38,766	\$ 33,692	\$ 51,105	\$ 63,052	\$ 86,271
Interest	179,239	151,676	151,676	162,212	159,703	163,675	167,467	166,372	170,632
Change of assumptions	-	107,856	107,856	-	53,376	-	24,274	-	-
Difference between expected and actual experience	(57,507)	238,968	238,968	(185,377)	37,585	(86,707)	(120,034)	(29,795)	(145,637)
Benefit payments, including refunds of employee contributions	(196,966)	(165,895)	(165,895)	(165,186)	(170,311)	(164,511)	(189,449)	(154,392)	(165,742)
Other	-	-	-	-	-	-	-	(24,127)	-
Net change in total pension liability	(25,414)	374,059	374,059	(155,742)	119,119	(53,851)	(66,637)	21,110	(54,476)
Total pension liability - beginning	2,704,056	2,704,056	2,329,997	2,485,739	2,366,620	2,420,471	2,487,108	2,465,998	2,520,474
Total pension liability - ending (a)	\$ 2,678,642	\$ 3,078,115	\$ 2,704,056	\$ 2,329,997	\$ 2,485,739	\$ 2,366,620	\$ 2,420,471	\$ 2,487,108	\$ 2,465,998
Contributions - employer	\$ -	\$ (1,367)	\$ (1,367)	\$ 1,580	\$ (2,270)	\$ 490	\$ 457	\$ 12,453	\$ 16,473
Contributions - employee	25,763	29,177	29,177	21,608	21,645	26,349	21,489	25,141	30,780
Net investment income	(1,729)	995,013	995,013	71,176	239,494	259,896	395,686	56,219	151,946
Benefit payments, including refunds of employee contributions	(196,966)	(165,895)	(165,895)	(165,186)	(170,311)	(164,511)	(189,449)	(178,519)	(165,742)
Administrative expense	(2,863)	(2,544)	(2,544)	(2,504)	(2,478)	(2,315)	(2,403)	(2,172)	(2,170)
Other	102	93	93	(83)	(150)	(228)	(347)	(24)	(32)
Net change in plan fiduciary net position	(175,693)	854,477	854,477	(73,409)	85,930	119,681	225,433	(86,902)	31,255
Plan fiduciary net position - beginning	4,536,795	4,536,795	3,682,318	3,755,727	3,669,797	3,550,116	3,324,683	3,411,585	3,380,330
Plan fiduciary net position - ending (b)	\$ 4,361,102	\$ 5,391,272	\$ 4,536,795	\$ 3,682,318	\$ 3,755,727	\$ 3,669,797	\$ 3,550,116	\$ 3,324,683	\$ 3,411,585
CRHA's net pension liability (asset) - ending (a)-(b)	\$ (1,682,460)	\$ (2,313,157)	\$ (1,832,739)	\$ (1,352,321)	\$ (1,269,988)	\$ (1,303,177)	\$ (1,129,645)	\$ (837,575)	\$ (945,587)
Plan fiduciary net position as a percentage of the total Pension liability	163%	175%	168%	158%	151%	155%	147%	134%	138%
Covered employee payroll	\$ 599,540	\$ 599,540	\$ 599,540	\$ 672,982	\$ 504,459	\$ 512,367	\$ 772,373	\$ 792,958	\$ 854,400
CRHA's net pension liability as a percentage of covered-employee payroll	-281%	-386%	-306%	-201%	-252%	-254%	-146%	-106%	-111%

These schedules are intended to present information for 10 years. Until a 10-year trend is compiled, the information is presented for those years the information is available. Totals, with the exception of the covered payroll, are from Schedule E - Total Pension Liability and Fiduciary Net Position on pages 114-131 and the Summary of Collective Amounts on page 3 of the GASB Statement No. 68 Report.

CHARLOTTESVILLE REDEVELOPMENT AND HOUSING AUTHORITY
 REQUIRED SUPPLEMENTARY INFORMATION RELATED TO PENSIONS
 FOR THE YEAR ENDED MARCH 31, 2023
 (continued)

Schedule of CRHA's Employer Contributions to the VRS Pension Plan as of June 30:

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employers Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2023	\$ -	\$ -	\$ -	\$ 599,540	0.00%
2022	\$ -	\$ -	\$ -	\$ 599,540	0.00%
2021	\$ -	\$ -	\$ -	\$ 599,540	0.00%
2020	\$ -	\$ -	\$ -	\$ 672,982	0.00%
2019	\$ 5,246	\$ 5,246	\$ -	\$ 504,459	1.04%
2018	\$ 5,329	\$ 5,329	\$ -	\$ 512,367	1.04%
2017	\$ 457	\$ 457	\$ -	\$ 772,373	0.06%
2016	\$ 12,453	\$ 12,453	\$ -	\$ 792,958	1.57%
2015	\$ 18,919	\$ 18,919	\$ -	\$ 854,400	2.21%

These schedules are intended to present information for 10 years. Until a 10-year trend is compiled, the information is presented for those years the information is available.

CHARLOTTESVILLE REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION RELATED TO PENSIONS
FOR THE YEAR ENDED MARCH 31, 2023**Note 1: Changes of Benefit Terms**

There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Note 2: Changes of assumptions

The actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Largest 10 - Non-Hazardous Duty:

Updated mortality table to PUB2010 public sector mortality table.

Adjusted retirement rates to better fit experience Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age

Adjusted withdrawal rates to better fit experience at each year age and service through 9 years.

All Others - Non-Hazardous Duty:

Updated mortality table to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020

Adjusted retirement rates to better fit experience for Plan 2/Hybrid; changed final retirement age

Adjusted withdrawal rates to better fit experience at each year age and service through 9 years.

CHARLOTTESVILLE REDEVELOPMENT AND HOUSING AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION RELATED TO OPEB HEALTH INSURANCE
FOR THE YEAR ENDED MARCH 31, 2023

Schedule of Changes in CRHA's Net OPEB Health Insurance Plan Liability and Related Ratios for Fiscal Year Ending March 31:

	2018	2019*	2020	2021*	2022	2023*
Total OPEB Liability						
Interest	\$ 9,221	\$ 8,886	\$ 7,516	\$ 6,550	\$ 6,279	\$ 3,670
Change of assumptions	-	-	-	-	(13,938)	-
Difference between expected and actual experience	-	-	(25,955)	-	(96,618)	-
Benefit payments, including refunds of employee contributions	(18,146)	(19,598)	(21,166)	(15,369)	(16,007)	(9,195)
Net change in total OPEB Liability	(8,925)	(10,712)	(39,605)	(8,819)	(120,284)	(5,525)
Total OPEB Liability - beginning	303,617	294,692	283,980	244,375	235,556	115,272
Total OPEB Liability - ending (a)	<u>\$ 294,692</u>	<u>\$ 283,980</u>	<u>\$ 244,375</u>	<u>\$ 235,556</u>	<u>\$ 115,272</u>	<u>\$ 109,747</u>
Plan fiduciary net position						
Contributions - employer	\$ 18,146	\$ 19,598	\$ 21,166	\$ 15,369	\$ 16,007	\$ 9,195
employee contributions	(18,146)	(19,598)	(21,166)	(15,369)	(16,007)	(9,195)
Net change in plan fiduciary net position	-	-	-	-	-	-
Plan fiduciary net position - beginning	-	-	-	-	-	-
Plan fiduciary net position - ending (b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
CRHA's Net OPEB Liability (asset) - ending (a)-(b)	<u>\$ 294,692</u>	<u>\$ 283,980</u>	<u>\$ 244,375</u>	<u>\$ 235,556</u>	<u>\$ 115,272</u>	<u>\$ 109,747</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

*Projected

These schedules are intended to present information for 10 years. Until a 10-year trend is compiled, the information is presented for those years the information is available.

CHARLOTTESVILLE REDEVELOPMENT AND HOUSING AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION RELATED TO OPEB HEALTH INSURANCE
FOR THE YEAR ENDED MARCH 31, 2023
(continued)

Schedule of CRHA's Employer Contributions to the OPEB Health Insurance Plan for Fiscal Year Ending
March 31:

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employers Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2023*	\$ 9,811	\$ 9,195	\$ 616	n/a	n/a
2022	\$ 19,259	\$ 16,007	\$ 3,252	n/a	n/a
2021*	\$ 19,980	\$ 15,369	\$ 4,611	n/a	n/a
2020	\$ 23,804	\$ 21,166	\$ 2,638	n/a	n/a
2019*	\$ 24,703	\$ 19,598	\$ 5,105	n/a	n/a
2018	\$ 25,450	\$ 18,146	\$ 7,304	n/a	n/a

*Projected

These schedules are intended to present information for 10 years. Until a 10-year trend is compiled, the information is presented for those years the information is available.

CHARLOTTESVILLE REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION RELATED TO OPEB HEALTH INSURANCE
FOR THE YEAR ENDED MARCH 31, 2023**Note 1: Changes of Benefit Terms**

There have been no material changes to the OPEB provisions since the prior actuarial valuation.

Note 2: Changes of Assumptions

The following changes in actuarial assumptions were made effective April 1, 2022:

1. The discount rate is 3.46% based on the S&P Municipal Bond Index as of March 31, 2022, compared to the prior rate of 2.86%
2. Mortality was updated from being projected using Scale MP-2019 to Scale MP-2021.
3. The health care cost trend rates assumption is updated from 7.5% graded uniformly to 6.75% over 3 years and following the 2020 Getzen model thereafter to an ultimate rate of 4.04% in the year 2075 to 6.0% graded uniformly to 5.5% over 2 years and following the 2022 Getzen model thereafter to an ultimate rate of 3.94% in the year 2075.

CHARLOTTESVILLE REDEVELOPMENT AND HOUSING AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION RELATED TO OPEB GROUP LIFE INSURANCE
FOR THE YEAR ENDED MARCH 31, 2023

Schedule of Employer's Share of Net OPEB Liability Group Life Insurance Program for the Fiscal Year Ended June 30:

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Employer's Proportion of the Net GLI OPEB Liability (Asset)	0.00326%	0.00276%	0.00236%	0.00261%	0.00309%	0.00260%
Employer's Proportionate Share of the Net GLI OPEB Liability (Asset)	\$33,233	\$21,018	\$39,385	\$42,471	\$47,000	\$40,000
Employer's Covered Payroll	\$672,982	\$672,982	\$485,361	\$512,367	\$587,605	\$480,170
Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of its Covered Payroll	4.94%	3.12%	8.11%	7.69%	8.00%	8.33%
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	67.21%	67.45%	52.64%	52.64%	51.22%	48.86%

These schedules are intended to present information for 10 years. Until a 10-year trend is compiled, the information is presented for those years the information is available.

CHARLOTTESVILLE REDEVELOPMENT AND HOUSING AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION RELATED TO OPEB GROUP LIFE INSURANCE
FOR THE YEAR ENDED MARCH 31, 2023

Schedule of CRHA's Employer Contributions to the OPEB Group Life Insurance Plan for Fiscal Year
Ending June 30:

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employers Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2022	\$ 3,238	\$ 3,238	\$ -	\$ 599,540	0.54%
2021	\$ 3,634	\$ 3,634	\$ -	\$ 672,982	0.54%
2020	\$ 2,524	\$ 2,524	\$ -	\$ 485,361	0.52%
2019	\$ 2,664	\$ 2,664	\$ -	\$ 512,367	0.52%
2018	\$ 3,056	\$ 3,056	\$ -	\$ 587,605	0.52%
2017	\$ 2,497	\$ 2,497	\$ -	\$ 480,170	0.52%
2016	\$ 2,921	\$ 2,646	\$ 275	\$ 551,179	0.53%
2015	\$ 3,447	\$ 3,122	\$ 325	\$ 650,349	0.53%
2014	\$ 4,250	\$ 3,849	\$ 401	\$ 801,827	0.53%
2013	\$ 3,937	\$ 3,566	\$ 371	\$ 742,833	0.53%

CHARLOTTESVILLE REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION RELATED TO OPEB GROUP LIFE INSURANCE
FOR THE YEAR ENDED MARCH 31, 2023**Note 1: Changes of Benefit Terms**

There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Note 2: Changes of Assumptions

The actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Largest 10 Locality Employers – General Employees

Updated mortality rates to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020

Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all

Adjusted withdrawal rates to better fit experience at each year age and service decrement through 9 years of service

Non - Largest 10 Locality Employers – General Employees

Updated mortality rates to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020

Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all

Adjusted withdrawal rates to better fit experience at each year age and service decrement through 9 years of service