

**CUMBERLAND PLATEAU REGIONAL
HOUSING AUTHORITY
ANNUAL REPORT
FOR THE FISCAL YEAR ENDED
MARCH 31, 2024**

**CUMBERLAND PLATEAU REGIONAL HOUSING AUTHORITY
FINANCIAL REPORT
FOR THE YEAR ENDED MARCH 31, 2024**

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of the Board of Commissioners
Cumberland Plateau Regional Housing Authority

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities, the aggregate discretely presented component units, and each major fund of the Cumberland Plateau Regional Housing Authority (the Authority), as of and for the year ended March 31, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the aggregate discretely presented component units, and each major fund of the Authority, as of March 31, 2024, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our 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 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the pension and OPEB information on pages 36-39 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2024, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Authority's internal control over financial reporting and compliance.

Bostic, Tucker & Company, P.C.

Lebanon, Virginia

October 31, 2024

BASIC FINANCIAL STATEMENTS

CUMBERLAND PLATEAU REGIONAL HOUSING AUTHORITY
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
MARCH 31, 2024

	BUSINESS-TYPE ACTIVITIES				
	Public Housing	Local Funds	Ross Funds	Totals	Component Unit
Assets					
Current assets					
Cash and cash equivalents	\$ 1,130,278	\$ 85,923	\$ -	\$ 1,216,201	\$ 40,084
Accounts receivables, net of allowance	41,410	-	-	41,410	-
Due from other governments	266,155	-	-	266,155	-
Other receivables	85,846	-	-	85,846	-
Prepaid expenses	26,961	768	-	27,729	-
Due from component unit	24,347	-	-	24,347	-
Assets held for sale	10,000	-	-	10,000	-
Inventory	11,047	-	-	11,047	-
Total current assets	1,596,044	86,691	-	1,682,735	40,084
Noncurrent Assets					
Net pension asset	418,575	-	-	418,575	-
Notes receivable	5,935	-	-	5,935	-
Total restricted assets	424,510	-	-	424,510	-
Property and equipment					
Land	1,952,944	65,000	-	2,017,944	-
Buildings	20,626,370	529,693	-	21,156,063	-
Machinery and equipment	1,086,105	5,678	-	1,091,783	-
Construction in progress	834,031	-	-	834,031	-
Property and equipment at cost	24,499,450	600,371	-	25,099,821	-
Less accumulated depreciation	(20,152,959)	(377,647)	-	(20,530,606)	-
Total property and equipment	4,346,491	222,724	-	4,569,215	-
Total noncurrent assets	4,771,001	222,724	-	4,993,725	-
Total assets	6,367,045	309,415	-	6,676,460	40,084
Deferred Outflows of Resources	105,679	-	-	105,679	-
Total assets and deferred outflow of resources	<u>\$ 6,472,724</u>	<u>\$ 309,415</u>	<u>\$ -</u>	<u>\$ 6,782,139</u>	<u>\$ 40,084</u>

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

CUMBERLAND PLATEAU REGIONAL HOUSING AUTHORITY
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
MARCH 31, 2024

	BUSINESS-TYPE ACTIVITIES				
	Public Housing	Local Funds	Ross Funds	Totals	Component Unit
Liabilities and Equity					
Current liabilities					
Accounts payable	\$ 266,155	\$ -	\$ -	\$ 266,155	\$ -
Due to primary government	-	2,317	-	2,317	24,347
Due to other governments	43,393	-	-	43,393	-
Customer deposits	38,019	4,365	-	42,384	-
Current maturities of long-term debt	-	6,686	-	6,686	-
Employee leave liability	10,638	-	-	10,638	-
Total current liabilities	358,205	13,368	-	371,573	24,347
Long-term debt					
Compensated absences	60,284	-	-	60,284	-
Accrued pension and OPEB liability	31,427	-	-	31,427	-
Mortgage payable	-	141,147	-	141,147	-
Total long-term debt	91,711	141,147	-	232,858	-
Total liabilities	449,916	154,515	-	604,431	24,347
Deferred Inflow of resources	185,791	-	-	185,791	-
Net position					
Invested in capital assets	4,346,491	74,891	-	4,421,382	-
Restricted	-	-	-	-	-
Unrestricted	1,490,526	80,009	-	1,570,535	15,737
Total net position	5,837,017	154,900	-	5,991,917	15,737
Total liabilities, deferred inflows of resources, and net position	<u>\$ 6,472,724</u>	<u>\$ 309,415</u>	<u>\$ -</u>	<u>\$ 6,782,139</u>	<u>\$ 40,084</u>

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

CUMBERLAND PLATEAU REGIONAL HOUSING AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED MARCH 31, 2024

	BUSINESS-TYPE ACTIVITIES				
	Public Housing	Local Funds	Ross Funds	Totals	Component Unit
Revenue					
Rental income	758,855	\$ 41,707	\$ -	\$ 800,562	\$ -
Miscellaneous	47,145	644	-	47,789	16,063
	<u>806,000</u>	<u>42,351</u>	<u>-</u>	<u>848,351</u>	<u>16,063</u>
Expenses					
Administration	869,071	560	38,313	907,944	27,428
Tenant services	62,282	-	-	62,282	-
Utilities	261,266	1,234	-	262,500	426
Maintenance	703,611	11,574	-	715,185	296
General	160,808	7,830	27,828	196,466	-
Depreciation	237,632	14,382	-	252,014	-
	<u>2,294,670</u>	<u>35,580</u>	<u>66,141</u>	<u>2,396,391</u>	<u>28,150</u>
Operating income (loss)	<u>(1,488,670)</u>	<u>6,771</u>	<u>(66,141)</u>	<u>(1,548,040)</u>	<u>(12,087)</u>
Other nonoperating income (expenses)					
Interest income	10,194	1,204	-	11,398	105
Operating grants and subsidies	1,097,227	-	66,141	1,163,368	11,100
	<u>1,107,421</u>	<u>1,204</u>	<u>66,141</u>	<u>1,174,766</u>	<u>11,205</u>
Income before contributions and transfers	<u>(381,249)</u>	<u>7,975</u>	<u>-</u>	<u>(373,274)</u>	<u>(882)</u>
Capital contributions - grants	982,174	-	-	982,174	-
	<u>600,925</u>	<u>7,975</u>	<u>-</u>	<u>608,900</u>	<u>(882)</u>
Change in net position	<u>600,925</u>	<u>7,975</u>	<u>-</u>	<u>608,900</u>	<u>(882)</u>
Net position at March 31, 2023, as restated	5,236,092	146,925	-	5,383,017	16,619
Net position at March 31, 2024	<u>\$ 5,837,017</u>	<u>\$ 154,900</u>	<u>\$ -</u>	<u>\$ 5,991,917</u>	<u>\$ 15,737</u>

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

CUMBERLAND PLATEAU REGIONAL HOUSING AUTHORITY
COMBINING STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED MARCH 31, 2024

	BUSINESS-TYPE ACTIVITIES				
	Public Housing	Local Funds	Ross Funds	Totals	Component Unit
Cash flows from operating activities:					
Receipts from customers and users	\$ 506,307	\$ 42,351	\$ -	\$ 548,658	\$ 20,837
Payments to suppliers	(911,291)	(28,686)	(27,828)	(967,805)	(72,774)
Payments to employees	(799,783)	(11,142)	(38,313)	(849,238)	-
Net cash provided (used) by operating activities	(1,204,767)	2,523	(66,141)	(1,268,385)	(51,937)
Cash flows from noncapital financing activities:					
Subsidies, grants from state and federal governments	1,097,227	-	66,141	1,163,368	11,100
Net cash provided (used) by noncapital financing activities	1,097,227	-	66,141	1,163,368	11,100
Cash flows from capital and related financing activities:					
Capital grants received	982,174	-	-	982,174	-
Repayment of long-term debt	-	(6,488)	-	(6,488)	-
Acquisition and construction of capital assets	(1,100,396)	-	-	(1,100,396)	-
Net cash provided (used) by capital and related financing activities	(118,222)	(6,488)	-	(124,710)	-
Cash flows received from investing activities:					
Interest received	10,194	1,204	-	11,398	105
Net cash provided (used) by investing activities	10,194	1,204	-	11,398	105
Net increase in cash and cash equivalents	(215,568)	(2,761)	-	(218,329)	(40,732)
Cash and equivalents, April 1, 2023	1,345,846	88,684	-	1,434,530	80,816
Cash and equivalents, March 31, 2024	<u>\$ 1,130,278</u>	<u>\$ 85,923</u>	<u>\$ -</u>	<u>\$ 1,216,201</u>	<u>\$ 40,084</u>

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

CUMBERLAND PLATEAU REGIONAL HOUSING AUTHORITY
COMBINING STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED MARCH 31, 2024

	BUSINESS-TYPE ACTIVITIES				
	Public Housing	Local Funds	Ross Funds	Totals	Component Unit
Reconciliation of operating income to net cash provided (used) by operating activities:					
Operating income	\$ (1,488,670)	\$ 6,771	\$ (66,141)	\$ (1,548,040)	\$ (12,087)
Adjustments to reconcile net income to net cash provided (used) by operating activities:					
Depreciation	237,632	14,382	-	252,014	-
Accounts receivable	(14,143)	-	-	(14,143)	4,774
Other receivables	(8,922)	-	-	(8,922)	-
Prepaid insurance	7,224	(72)	-	7,152	-
Due to other governments	(278,654)	-	-	(278,654)	-
Due to and from other funds	90,689	(21,718)	-	68,971	(44,624)
Accounts payable	295,218	843	-	296,061	-
Customer deposits	2,026	-	-	2,026	-
Compensated absences	(5,674)	-	-	(5,674)	-
Net change in pensions and OPEB	(41,493)	-	-	(41,493)	-
Other accrued liabilities	-	2,317	-	2,317	-
Net cash provided (used) by operating activities	<u>\$ (1,204,767)</u>	<u>\$ 2,523</u>	<u>\$ (66,141)</u>	<u>\$ (1,268,385)</u>	<u>\$ (51,937)</u>

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

**NOTES TO FINANCIAL
STATEMENTS**

**CUMBERLAND PLATEAU REGIONAL HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024**

Note 1. Summary of Significant Accounting Policies

The Cumberland Plateau Regional Housing Authority was organized as a political subdivision under general statutes of the Commonwealth of Virginia. The Authority operates under a Board of Commissioners appointed by the Board of Supervisors of four affected counties (Buchanan, Dickenson, Russell, and Tazewell) and provides the following services as authorized by its charter: acquisition, construction, maintenance and operation of a low-income public housing project.

The Authority extends credit to its customers in the normal course of business and this credit is limited to the geographic area surrounding the Authority and is considered a concentration of credit in one geographic area.

The accounting policies of the Authority relating to the funds included in the accompanying financial statements conform to generally accepted accounting principles applicable to governmental units. The Authority complies with generally accepted accounting principles and applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. In addition, the Authority applies Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The Authority has elected not to follow FASB pronouncements since that date.

The Authority also adopted the provisions of GASB Statement No. 34 *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments* in fiscal year 2005. Statement 34 established standards for external financial reporting for all state and local governmental entities, which includes a management's discussion and analysis section, a statement of net assets, a statement of activities and changes in net assets and a statement of cash flows. It requires the classification of net assets into three components – invested in capital assets, net of related debt; restricted; and unrestricted.

The adoption of Statements 33 and 34 had no effect on the basic financial statements except for the classification of net assets, the reflection of capital contributions as a change in net assets and the inclusion of Management's Discussion and Analysis (MD&A) section providing an analysis of the Authority's overall financial position and results of operations.

Financial Reporting Entity

The Authority complies with GASB Statement No. 14, *The Financial Reporting Entity*. This statement establishes standards for defining and reporting on the financial reporting entity. It defines component units as legally separate organizations for which the elected officials of the primary government are financially accountable and other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity financial statements to be misleading or incomplete.

The Authority considered all potential component units in determining what organizations should be included in the financial statements. Based on these criteria, there are no component units to include in the Authority's financial statements.

Basis of Presentation

The Authority's funds are enterprise funds. Enterprise funds are proprietary funds used to account for business like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. The Authority has four major enterprise funds: Low Income Housing, Capital Funds, Local Funds, and Ross Funds.

**CUMBERLAND PLATEAU REGIONAL HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024**

Note 1. Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe *which* transactions are recorded within the various financial statements. Basis of accounting refers to *when* transactions are recorded regardless of the measurement focus applied.

The proprietary funds utilize an *economic resources* measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or non-current) associated with their activities are reported. Proprietary fund equity is classified as net position.

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority's enterprise funds are charged to customers for rental of apartments. Operating expenses for enterprise funds include the cost of maintaining the units, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Cash and Cash Equivalent

The Authority considers all highly liquid investments with a maturity of twelve months or less when purchased to be cash equivalents.

Property, Plant, and Equipment

Fixed Assets

Property, plant, and equipment are stated at cost. Expenditures for maintenance, repairs and minor renewals are charged to expense as incurred; major improvements or betterments are capitalized. Depreciation is provided over estimated useful lives of the respective assets on the straight-line basis as follows:

Buildings and improvements	10 – 40 years
Machinery and equipment	3 – 7 years
Office equipment	3 – 10 years

Construction in Progress

Construction work in progress represents costs accumulated to the replacements or additions to the Authority's apartment units and other projects that were not completed at year end.

CUMBERLAND PLATEAU REGIONAL HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

Note 1. Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting (Continued)

Compensated Absences

It is the Authority's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Employees may, depending on level and length of service, be paid for various amounts of their total accrued leave upon termination or retirement. The Authority accrues a liability for leave hours that meets the criteria for payment at the eligible employee's current rates of pay. The accrual for compensated absences at March 31, 2024, was \$70,922.

Pensions

The Virginia Retirement System (VRS) Political Subdivision Retirement Plan is a multi-employer, agent plan. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Political Subdivision Retirement Plan and the additions to/deductions from the Political Subdivision Retirement Plan's fiduciary net 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.

Group Life Insurance

The Virginia Retirement System (VRS) Group Life Insurance Program 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 Group Life Insurance Program OPEB liability, deferred outflows of resources and deferred inflows of resources related to the Group Life Insurance Program OPEB, and Group Life Insurance Program OPEB expense, information about the fiduciary net position of the Virginia Retirement System (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.

Equity Classifications

Equity is classified as net position and displayed in three components:

Invested in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations or other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position – All other net position that do not meet the definition of "restricted" or "invested in capital assets."

CUMBERLAND PLATEAU REGIONAL HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

Note 1. Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting (Continued)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Deferred Outflows / Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period (s) and so will not be recognized as an outflow of resources (expense) until then. The Authority has one item that qualifies for reporting in this category. It is comprised of contributions to the pension plan made during the current year and subsequent to the net pension asset or liability measurement date, which will be recognized as a reduction of the net pension liability next fiscal year.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period (s) and so will not be recognized as an inflow of resources (revenue) until that time. The Authority has one item that qualifies for reporting in this category. The net difference between projected and actual earnings on pension plan investments related to the measurement of net pension liability is reported as deferred inflows of resources. For more detailed information on these items, reference the pension note.

Net Position

Net Position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. Net investment in capital assets represents capital assets, less accumulated depreciation, less any outstanding debt related to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position.

Net Position Flow Assumption

Sometimes the Authority will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Authority's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Discretely Presented Component Unit

Southwest Regional Housing Development Corporation was created as an agency and instrumentality of the Authority in acquiring and developing real estate for the provision of housing to low-income individuals. Members of the Housing Authority's Board of Commissioners are also directors and officers of the Corporation.

CUMBERLAND PLATEAU REGIONAL HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

Note 2. Cash and Investments

Deposits

Deposits with banks are covered by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with the Virginia Security for Public Deposits Act (the "Act") Section 2.2-4400 et. seq. of the Code of Virginia. Under the Act, banks and saving institutions holding public deposits in excess of the amount insured by the FDIC must pledge collateral to the Commonwealth of Virginia Treasury Board. Financial Institutions may choose between two collateralization methodologies and depending upon that choice, will pledge collateral that ranges in the amount from 50% to 130% of excess deposits. Accordingly, all deposits are considered fully collateralized.

Note 3. Property, Plant and Equipment

A summary of changes in fixed assets follows:

	Balance Mach 31, 2023	Additions	Retirement	Balance Mach 31, 2024
Land	\$ 1,894,874	\$ 123,070	-	\$ 2,017,944
Buildings	21,141,481	14,582	-	21,156,063
Machinery & Equipment	955,589	136,194	-	1,091,783
Construction in Process	7,482	826,549	-	834,031
	23,999,426	1,100,395	-	25,099,821
Accumulated Depreciation	(20,278,592)	(252,015)	-	(20,530,606)
	<u>\$ 3,720,834</u>	<u>\$ 848,380</u>	<u>\$ -</u>	<u>\$ 4,569,215</u>

Note 4. Risk Management

The Risk Management Programs of the Authority are as follows:

Workmen's Compensation

Workmen's compensation insurance is provided through Travelers Insurance Company. Management estimates the liability for unpaid claims at March 31, 2024, to be immaterial.

General Liability and Other

The Authority has purchased general liability and other insurance through Millers Mutual Insurance Company. Selective Insurance Company provides automobile coverage.

Healthcare

Healthcare insurance coverage is provided to the employees of the Authority through policies with Anthem.

There were no significant reductions in insurance coverage from the prior year and no settlements that exceeded the amount of insurance coverage during the last three fiscal years.

Public officials and employees liability insurance is provided through the Virginia Local Government Risk Management Plan.

Fidelity Coverage

The Authority has purchased fidelity coverage in the amount of \$150,000 from the Reliance Insurance Company.

**CUMBERLAND PLATEAU REGIONAL HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024**

Note 5. Defined Benefit Pension Plan

Plan Description

All full-time, salaried permanent employees of the Political Subdivision are automatically covered by a VRS Retirement Plan upon employment. This plan is administered by the Virginia Retirement System (the System) along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria as defined in the Code of Virginia, as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave, and previously refunded service.

The System administers three different benefit structures for covered employees – Plan 1, Plan 2, and Hybrid. Each of these benefit structures has different eligibility criteria. The specific information for each plan and the eligibility for covered groups within each plan are set out in the table below:

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**CUMBERLAND PLATEAU REGIONAL HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024**

Note 5. Defined Benefit Pension Plan (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>About Plan 1 Plan 1 is a defined benefit plan. The retirement benefit is based on a member's age, service credit and average final compensation at retirement using a formula.</p>	<p>About Plan 2 Same as Plan 1.</p>	<p>About the Hybrid Retirement Plan The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan.</p> <ul style="list-style-type: none"> • The defined benefit is based on a member's age, service credit and average final compensation at retirement using a formula. • The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions. • In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees.
<p>Eligible Members Employees are in Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013, and they have not taken a refund.</p>	<p>Eligible Members Employees are in Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013.</p>	<p>Eligible Members Employees are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes:</p> <ul style="list-style-type: none"> • Political subdivision employees* • Members in Plan 1 or Plan 2 who elected to opt into the plan during the election window held January 1- April 30, 2014; the plan's effective date for opt-in members was July 1, 2014

**CUMBERLAND PLATEAU REGIONAL HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024**

Note 5. Defined Benefit Pension Plan (Continued)

Plan Description (Continued)

<p>Hybrid Opt-In Election VRS non-hazardous duty-covered Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014. The Hybrid Retirement Plan's effective date for eligible Plan 1 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p> <p>Members who were eligible for an optional retirement plan (ORP) and had prior service under Plan 1 were not eligible to elect the Hybrid Retirement Plan, and remain as Plan 1 or ORP.</p>	<p>Hybrid Opt-In Election Eligible Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014. The Hybrid Retirement Plan's effective date for eligible Plan 2 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p> <p>Members who were eligible for an optional retirement plan (ORP) and have prior service under Plan 2 were not eligible to elect the Hybrid Retirement Plan, and remain as Plan 2 or ORP.</p>	<p>*Non-Eligible Members Some employees are not eligible to participate in the Hybrid Retirement Plan. They include:</p> <ul style="list-style-type: none"> • Political subdivision employees who are covered by enhanced benefits for hazardous duty employees <p>Those employees eligible for an optional retirement plan (ORP) must elect the ORP plan or the Hybrid Retirement Plan. If these members have prior service under Plan 1 or Plan 2, they are not eligible to elect the Hybrid Retirement Plan and must select Plan 1 or Plan 2 (as applicable) or ORP.</p>
<p>Retirement Contributions Employees contribute 5% of their compensation each month to their member contribution account through a pretax salary reduction. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund. The employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding for the future benefit payment.</p>	<p>Retirement Contributions Same as Plan 1.</p>	<p>Retirement Contributions A member's retirement benefit is funded through mandatory and voluntary contributions made by the member and the employer to both the defined benefit and the defined contribution components of the plan. Mandatory contributions are based on a percentage of the employee's creditable compensation and are required from both the member and the employer. Additionally, members may choose to make voluntary contributions to the defined contribution component of the plan, and the employer is required to match those voluntary contributions according to specified percentages.</p>

CUMBERLAND PLATEAU REGIONAL HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

Note 5. Defined Benefit Pension Plan (Continued)

Plan Description (Continued)

<p>Service Credit Service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.</p>	<p>Service Credit Same as Plan 1.</p>	<p>Service Credit Defined Benefit Component: Under the defined benefit component of the plan, service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.</p> <p>Defined Contributions Component: Under the defined contribution component, service credit is used to determine vesting for the employer contribution portion of the plan.</p>
<p>Vesting Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of service credit. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund.</p> <p>Members are always 100% vested in the contributions that they make.</p>	<p>Vesting Same as Plan 1</p>	<p>Vesting Defined Benefit Component: Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of service credit. Plan 1 or Plan 2 members with at least five years (60 months) of service credit who opted into the Hybrid Retirement Plan remain vested in the defined benefit component.</p> <p>Defined Contributions Component: Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contribution component of the plan.</p>

**CUMBERLAND PLATEAU REGIONAL HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024**

Note 5. Defined Benefit Pension Plan (Continued)

Plan Description (Continued)

		<p>Members are always 100% vested in the contributions that they make.</p> <p>Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service.</p> <ul style="list-style-type: none"> • After two years, a member is 50% vested and may withdraw 50% of employer contributions. • After three years, a member is 75% vested and may withdraw 75% of employer contributions. • After four or more years, a member is 100% vested and may withdraw 100% of employer contributions. <p>Distributions not required, except as governed by law.</p>
<p>Calculating the Benefit The basic benefit is determined using the average final compensation, service credit and plan multiplier. An early retirement reduction is applied to this amount if the member is retiring with a reduced benefit. In cases where the member has elected an optional form of retirement payment, an option factor specific to the option chosen is then applied.</p>	<p>Calculating the Benefit See definition under Plan 1.</p>	<p>Calculating the Benefit Defined Benefit Component: See definition under Plan 1.</p> <p>Defined Contribution Component: The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions.</p>
<p>Average Final Compensation A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.</p>	<p>Average Final Compensation A member's average final compensation is the average of the 60 consecutive months of highest compensation as a covered employee.</p>	<p>Average Final Compensation Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.</p>
<p>Service Retirement Multiplier VRS: The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for nonhazardous duty members is 1.70%.</p>	<p>Service Retirement Multiplier VRS: Same as Plan 1 for service earned, purchased or granted prior to January 1, 2013. For non-hazardous duty members the retirement multiplier is 1.65% for service credit earned, purchased or granted on or after January 1, 2013.</p>	<p>Service Retirement Multiplier Defined Benefit Component: VRS: The retirement multiplier for the defined benefit component is 1.00%.</p>

CUMBERLAND PLATEAU REGIONAL HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

Note 5. Defined Benefit Pension Plan (Continued)

Plan Description (Continued)

		For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans.
Normal Retirement Age VRS: Age 65.	Normal Retirement Age VRS: Normal Social Security retirement age.	Normal Retirement Age Defined Benefit Component: VRS: Same as Plan 2. Defined Contribution Component: Members are eligible to receive distributions upon leaving employment, subject to restrictions.
Earliest Unreduced Retirement Eligibility VRS: Age 65 with at least five years (60 months) of service credit or at age 50 with at least 30 years of service credit.	Earliest Unreduced Retirement Eligibility VRS: Normal Social Security retirement age with at least five years (60 months) of service credit or when their age plus service credit equals 90.	Earliest Unreduced Retirement Eligibility Defined Benefit Component: VRS: Normal Social Security retirement age and have at least five years (60 months) of service credit or when their age plus service credit equals 90.
Earliest Reduced Retirement Eligibility VRS: Age 55 with at least five years (60 months) of service credit or age 50 with at least 10 years of service credit.	Earliest Reduced Retirement Eligibility VRS: Age 60 with at least five years (60 months) of service credit.	Earliest Reduced Retirement Eligibility Defined Benefit Component: VRS: Age 60 with at least five years (60 months) of service credit. Defined Contribution Component: Members are eligible to receive distributions upon leaving employment, subject to restrictions.
Cost-of-Living Adjustment (COLA) in Retirement The Cost-of-Living Adjustment (COLA) matches the first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%.	Cost-of-Living Adjustment (COLA) in Retirement The Cost-of-Living Adjustment (COLA) matches the first 2% increase in the CPIU and half of any additional increase (up to 2%), for a maximum COLA of 3%.	Cost-of-Living Adjustment (COLA) in Retirement Defined Benefit Component: Same as Plan 2. Defined Contribution Component: Not applicable.

**CUMBERLAND PLATEAU REGIONAL HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024**

Note 5. Defined Benefit Pension Plan (Continued)

Plan Description (Continued)

<p>Eligibility: For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of service credit, the COLA will go into effect on July 1 after one full calendar year from the retirement date.</p> <p>For members who retire with a reduced benefit and who have less than 20 years of service credit, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date.</p> <p>Exceptions to COLA Effective Dates: The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances:</p> <ul style="list-style-type: none"> • The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013. • The member retires on disability. • The member retires directly from short-term or long-term disability. • The member is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program. • The member dies in service and the member's survivor or beneficiary is eligible for a monthly death-in-service benefit. • The COLA will go into effect on July 1 following one full calendar year (January 1 to December 31) from the date the monthly benefit begins. 	<p>Eligibility: Same as Plan 1.</p> <p>Exceptions to COLA Effective Dates: Same as Plan 1.</p>	<p>Eligibility: Same as Plan 1 and Plan 2.</p> <p>Exceptions to COLA Effective Dates: Same as Plan 1 and Plan 2.</p>
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**CUMBERLAND PLATEAU REGIONAL HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024**

Note 5. Defined Benefit Pension Plan (Continued)

Plan Description (Continued)

<p>Disability Coverage Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.7% on all service, regardless of when it was earned, purchased or granted.</p>	<p>Disability Coverage Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service, regardless of when it was earned, purchased or granted.</p>	<p>Disability Coverage Employees of political subdivisions (including Plan 1 and Plan 2 opt-ins) participate in the Virginia Local Disability Program (VLDP) unless their local governing body provides an employer-paid comparable program for its members.</p> <p>Hybrid members (including Plan 1 and Plan 2 opt-ins) covered under VLDP are subject to a one-year waiting period before becoming eligible for non-work-related disability benefits.</p>
<p>Purchase of Prior Service Members may be eligible to purchase service from previous public employment, active-duty military service, an eligible period of leave or VRS refunded service as service credit in their plan. Prior service credit counts toward vesting, eligibility for retirement and the health insurance credit. Only active members are eligible to purchase prior service. Members also may be eligible to purchase periods of leave without pay.</p>	<p>Purchase of Prior Service Same as Plan 1.</p>	<p>Purchase of Prior Service Defined Benefit Component: Same as Plan 1, with the following exception:</p> <ul style="list-style-type: none"> • Hybrid Retirement Plan members are ineligible for ported service. <p>Defined Contribution Component: Not applicable.</p>

**CUMBERLAND PLATEAU REGIONAL HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024**

Note 5. Defined Benefit Pension Plan (Continued)

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:

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	8
Inactive members:	
Vested inactive members	1
Non-vested Inactive members	2
LTD	0
Inactive members active elsewhere in VRS	0
Total inactive members	<u>3</u>
Active members	<u>12</u>
Total covered employees	<u><u>23</u></u>

Contributions

The contribution requirement for active employees is governed by § 51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement.

The Authority's contractually required employer contribution rate for the year ended June 30, 2023, was 0.00% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

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 to the pension plan from the Authority were \$36,255 and \$34,728 for the years ended June 30, 2023, and June 30, 2022, respectively.

Net Pension Liability

The net pension liability (NPL) is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. For the Authority, the net pension liability 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, rolled forward to the measurement date of June 30, 2022. Management has determined that any changes in the liability between that date and March 31, 2024, is not material.

**CUMBERLAND PLATEAU REGIONAL HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024**

Note 5. Defined Benefit Pension Plan (Continued)

Actuarial Assumptions – General Employees

The total pension liability for General Employees in the Political Subdivision'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	3.50% - 5.35%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation

Mortality rates:

All Others (Non-10 Largest) – Non-Hazardous Duty: 15% of deaths are assumed to be service related

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; 110% of rates for males; 105% of rates for females set forward 3 years.

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 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, 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:

CUMBERLAND PLATEAU REGIONAL HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

Note 5. Defined Benefit Pension Plan (Continued)

Actuarial Assumptions – General Employees (Continued)

All Others (Non-10 Largest) – Non-Hazardous Duty:

Mortality Rates (Pre-retirement, postretirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/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

Long-Term Expected Rate of Return

The long-term expected rate of return on pension System investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension System 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 following table:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public Equity	34.00%	5.71%	1.94%
Fixed Income	15.00%	2.04%	0.31%
Credit Strategies	14.00%	4.78%	0.67%
Real Assets	14.00%	4.47%	0.63%
Private Equity	14.00%	9.73%	1.36%
MAPS - Multi - Asset Public Strategies	6.00%	3.73%	0.22%
PIP-Private Investment Partnership	3.00%	6.55%	0.20%
Total	100.00%		5.33%
	Inflation		2.50%
	Expected arithmetic nominal return*		7.83%

* The above allocation provides a one-year expected return of 7.83%. 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. These results provide a range of returns over various time periods that ultimately provide a median return of 6.72%, including expected inflation of 2.50 %.

* On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75%, which was 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%.

CUMBERLAND PLATEAU REGIONAL HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

Note 5. Defined Benefit Pension Plan (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes 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. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; political subdivisions were also provided with an opportunity to use an alternate employer contribution rate. For the year ended June 30, 2022, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2021, actuarial valuations, whichever was greater. From July 1, 2022, on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2021	\$ 2,682,545	\$ 3,220,864	\$ (538,319)
Changes for the year:			
Service cost	46,940	-	46,940
Interest	180,236	-	180,236
Changes in benefit terms	-	-	-
Changes of assumptions	-	-	-
Difference between expected and actual experience	(75,956)	-	(75,956)
Contributions - employer	-	-	-
Contributions - employee	-	36,255	(36,255)
Net investment income	-	(2,819)	2,819
Benefit payments, including refunds of employee contributions	(118,643)	(118,643)	-
Administrative expense	-	(2,019)	2,019
Other changes	-	59	(59)
Net Changes	32,577	(87,167)	119,744
Balances at June 30, 2022	\$ 2,715,122	\$ 3,133,697	\$ (418,575)

**CUMBERLAND PLATEAU REGIONAL HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024**

Note 5. Defined Benefit Pension Plan (Continued)

Changes in Net Pension Liability (Continued)

Totals are from Schedule E Total Pension Liability and Fiduciary Net Position on pages 114-131 of the GASB Statement No. 68 Report.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Authority using the discount rate of 6.75%, as well as what the Authority's net pension liability would be if it were calculated using a discount rate that is one percentage point lower 5.75% or one percentage point higher 7.75% than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Plan's Net Pension Liability	\$ (40,021)	\$ (418,575)	\$ (724,388)

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CUMBERLAND PLATEAU REGIONAL HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

Note 5. Defined Benefit Pension Plan (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2023, the Authority recognized pension expense of \$(47,837). At June 30, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 38,554	\$ 84,135
Change in assumptions	46,479	-
Net difference between projected and actual earnings on pension plan investments	-	92,771
Employer contribution subsequent to the measurement date	7,945	-
Total	<u>\$ 92,978</u>	<u>\$ 176,906</u>

\$7,945 reported as deferred outflows of resources related to pensions resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the Fiscal Year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Reporting Date Ending June 30:

2024	\$ (12,207)
2025	(44,466)
2026	(78,696)
2027	43,476
2028	-
Thereafter	-

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2022 Annual Report. A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at varetire.org/pdf/publications/2022-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

**CUMBERLAND PLATEAU REGIONAL HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024**

Note 6. Group Life Insurance Program

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 (the System), 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. For members who elect the optional group life insurance coverage, the insurer bills employers directly for the premiums. Employers deduct these premiums from members' paychecks and pay the premiums to the insurer. Since this is a separate and fully insured program, it is not included as part of the Group Life Insurance Program OPEB.

The specific information for Group Life Insurance Program OPEB, including eligibility, coverage and benefits is set out in the table below:

GROUP LIFE INSURANCE PROGRAM PLAN PROVISIONS	
Eligible Employees	<p>The Group Life Insurance Program was established July 1, 1960, for state employees, teachers and employees of political subdivisions that elect the program, including the following employers that do not participate in VRS for retirement:</p> <ul style="list-style-type: none"> • City of Richmond • City of Portsmouth • City of Roanoke • City of Norfolk • Roanoke City School Board <p>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.</p>
Benefit Amounts	<p>The benefits payable under the Group Life Insurance Program have several components.</p> <ul style="list-style-type: none"> • 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. These include: <ul style="list-style-type: none"> ◦ Accidental dismemberment benefit ◦ Safety belt benefit ◦ Repatriation benefit ◦ Felonious assault benefit ◦ Accelerated death benefit option
Reduction in Benefit Amounts	<p>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.</p>
Minimum Benefit Amount and Cost-of-Living Adjustment (COLA)	<p>For covered members with at least 30 years of service credit, there is a minimum benefit payable under the Group Life Insurance Program. The minimum benefit was set at \$8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was \$8,984 as of June 30, 2023.</p>

**CUMBERLAND PLATEAU REGIONAL HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024**

Note 6. Group Life Insurance Program (Continued)

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, 2023, 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 the entity were \$9,115 and \$8,588 for the years ended June 30, 2023, and June 30, 2022, respectively.

GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Group Life Insurance Program OPEB

At June 30, 2023, the participating employer reported a liability of \$31,427 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 GLI OPEB Liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2021, and rolled forward to the measurement date of June 30, 2022. The covered employer's proportion of the Net GLI 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, 2022, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, the participating employer's proportion was 0.00261% as compared to 0.00257% at June 30, 2021.

For the year ended June 30, 2023, the participating employer recognized GLI OPEB expense of \$436. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

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CUMBERLAND PLATEAU REGIONAL HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

Note 6. Group Life Insurance Program (Continued)

GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Group Life Insurance Program OPEB (Continued)

At June 30, 2023, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,489	\$ 1,261
Net difference between projected and actual earnings on GLI OPEB program investments	-	1,964
Change in assumptions	1,172	3,061
Changes in proportion	1,162	2,599
Employer contribution subsequent to the measurement date	7,878	-
Total	<u>\$ 12,701</u>	<u>\$ 8,885</u>

\$7,878 reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the Fiscal Year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Reporting Date Ending June 30:

2024	\$ (119)
2025	(1,104)
2026	(2,044)
2027	342
2028	(137)
Thereafter	-

**CUMBERLAND PLATEAU REGIONAL HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024**

Note 6. Group Life Insurance Program (Continued)

Actuarial 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- Locality-General employees	3.50% - 5.35%
Investment rate of return	6.75%, net of investment expenses, including inflation*

Mortality rates – Non-Largest 10 Locality Employers – General Employees

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; males set forward 2 years; 105% of rates for females set forward 3 years.

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 95% of rates for males set forward 2 years; 95% of rates for females set forward 1 year.

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 110% of rates for males set forward 3 years; 110% of rates for females set forward 2 years.

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally.

Mortality Improvement Scale:

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, 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:

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 Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted 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.
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

CUMBERLAND PLATEAU REGIONAL HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

Note 6. Group Life Insurance Program (Continued)

Net GLI OPEB Liability

The net OPEB Liability (NOL) for the Group Life Insurance Program represents the program's total 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):

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

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public Equity	34.00%	5.71%	1.94%
Fixed Income	15.00%	2.04%	0.31%
Credit Strategies	14.00%	4.78%	0.67%
Real Assets	14.00%	4.47%	0.63%
Private Equity	14.00%	9.73%	1.36%
MAPS - Multi - Asset Public Strategies	6.00%	3.76%	0.23%
PIP-Private Investment Partnership	3.00%	6.55%	0.20%
Total	<u>100.00%</u>		<u>5.33%</u>
	Inflation		2.50%
	Expected arithmetic nominal return*		<u>7.83%</u>

**CUMBERLAND PLATEAU REGIONAL HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024**

Note 6. Group Life Insurance Program (Continued)

Long-Term Expected Rate of Return (Continued)

** 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. These 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%.*

** On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75%, which was 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 employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 2021, 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, 2021, 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.

Sensitivity of the Employer's Proportionate Share of the Net GLI OPEB Liability to Changes in the Discount Rate

The following presents the employer's proportionate share of the net GLI OPEB liability using the discount rate of 6.75%, as well as what the employer's proportionate share of the net GLI OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Employer's proportionate share of the GLI Plan Net OPEB Liability	\$ 45,730	\$ 31,427	\$ 19,868

Group Life Insurance Program Fiduciary Net Position

Detailed information about the Group Life Insurance Program's Fiduciary Net Position is available in the separately issued VRS 2022 Annual Comprehensive Financial Report (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at varetire.org/pdf/publications/2022-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

CUMBERLAND PLATEAU REGIONAL HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

Note 7. Impairment of Capital Assets

In accordance with the new reporting standards issued by the Government Accounting Standards Board's, "Statement No. 42," *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, requires certain note disclosures. During the fiscal year ended March 31, 2024, the Cumberland Plateau Regional Housing Authority experienced no impairments.

Note 8. Long-term Debt

The following is a summary of long-term debt transactions of the Authority for the year ended March 31, 2024:

	Balance March 31, 2023	Increases	Reductions	Balance March 31, 2024
Employee leave liability	\$ 76,596	\$ -	\$ (5,674)	\$ 70,922
Current	11,489	-	(851)	10,638
Net-long term	<u>\$ 65,107</u>	<u>\$ -</u>	<u>\$ (4,823)</u>	<u>\$ 60,284</u>
Mortgage loans	\$ 154,321	\$ -	\$ (6,488)	\$ 147,833
Current portion	6,488	198	-	6,686
Net-long term	<u>\$ 147,833</u>	<u>\$ (198)</u>	<u>\$ (6,488)</u>	<u>\$ 141,147</u>

Annual requirements to amortize long-term debt and related interest for the next five years are as follows:

Year Ending 31-Mar	Principal	Interest	Total
2025	6,686	4,362	11,054
2026	6,896	4,158	11,234
2027	7,106	3,948	11,054
2028	7,313	3,741	11,054
2029	7,546	3,508	11,054
2030-2034	41,316	13,953	55,269
2035-2039	48,015	7,253	55,268
2040-2042	22,955	787	23,742
	<u>\$ 147,833</u>	<u>\$ 41,710</u>	<u>\$ 189,729</u>

Details of long-term indebtedness

2% mortgage payable in monthly installments of \$919 (including principal and interest) to May 1, 2041, collateralized by land and buildings.

\$ 147,833

Total long-term indebtedness

\$ 147,833

Note 10. Contingencies

The Authority participates in certain federal and state assigned grant programs. Grant funds are subject to audit by the funding agencies to determine compliance with various grant requirements. Should any expenditure be disallowed, they must be refunded to the granting agencies. Any liability for reimbursement, which may arise as the result of these audits, is not believed to be material.

CUMBERLAND PLATEAU REGIONAL HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

Note 11. Adjustments to and Restatements of Beginning Balances

During the fiscal year ending March 31, 2024, error corrections resulted in adjustments to and restatements of beginning net position and fund net position, as follows:

	Reporting Units Affected by Adjustments to and Restatements of Beginning Balances	
	Funds	
	Public Housing	Local Funds
March 31, 2023, as previously reported	\$ 5,202,500	\$ 146,082
Error Correction	33,592	843
March 31, 2023, as restated	<u>\$ 5,236,092</u>	<u>\$ 146,925</u>

**REQUIRED SUPPLEMENTARY
INFORMATION**

CUMBERLAND PLATEAU REGIONAL HOUSING AUTHORITY
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS
VIRGINIA RETIREMENT SYSTEM
FOR THE PLAN YEARS ENDED JUNE 30

	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability								
Service Cost	\$ 46,940	\$ 48,573	\$ 48,463	\$ 47,407	\$ 49,217	\$ 48,776	\$ 51,832	\$ 58,007
Interest	180,236	164,834	150,642	163,459	155,347	183,510	177,019	172,129
Changes of benefit terms	-	-	-	-	-	-	-	-
Differences between expected and actual experience	(75,956)	(7,976)	139,126	(234,058)	49,592	(495,257)	(16,447)	(25,682)
Changes in assumptions	-	99,026	-	69,705	-	(32,942)	-	-
Benefit payments, including refunds of employee contributions	(118,643)	(127,784)	(128,196)	(171,612)	(104,924)	(107,899)	(131,449)	(137,760)
Net change in total pension liability	32,577	176,673	210,035	(125,099)	149,232	(403,812)	80,955	66,694
Total pension liability - beginning	2,682,545	2,505,872	2,295,837	2,420,936	2,271,704	2,675,516	2,594,561	2,527,867
Total pension liability - ending (a)	<u>\$ 2,715,122</u>	<u>\$ 2,682,545</u>	<u>\$ 2,505,872</u>	<u>\$ 2,295,837</u>	<u>\$ 2,420,936</u>	<u>\$ 2,271,704</u>	<u>\$ 2,675,516</u>	<u>\$ 2,594,561</u>
Plan fiduciary net position								
Contributions - employer	-	(14)	6,686	7,157	46,972	\$ 43,637	\$ 46,267	\$ 47,544
Contributions - employee	36,255	35,564	24,736	26,082	26,424	24,587	23,487	24,257
Net investment income	(2,819)	704,700	50,363	168,963	183,262	272,914	38,098	101,016
Benefit payments, including refunds of employee contributions	(118,643)	(127,784)	(128,196)	(171,612)	(104,924)	(107,899)	(131,449)	(137,760)
Administrative expense	(2,019)	(1,794)	(1,767)	(1,764)	(1,578)	(1,584)	(1,425)	(1,428)
other	59	66	(59)	(106)	(177)	(258)	(16)	(22)
Net change in plan fiduciary net position	(87,167)	610,738	(48,237)	28,720	149,979	231,397	(25,038)	33,607
Plan fiduciary net position - beginning	3,220,864	2,610,126	2,658,363	2,629,643	2,479,664	2,248,267	2,273,305	2,239,698
Plan fiduciary net position - ending (b)	<u>\$ 3,133,697</u>	<u>\$ 3,220,864</u>	<u>\$ 2,610,126</u>	<u>\$ 2,658,363</u>	<u>\$ 2,629,643</u>	<u>\$ 2,479,664</u>	<u>\$ 2,248,267</u>	<u>\$ 2,273,305</u>
Political subdivision's net pension liability (a) - (b)	\$ (418,575)	\$ (538,319)	\$ (104,254)	\$ (362,526)	\$ (208,707)	\$ (207,960)	\$ 427,249	\$ 321,256
Plan fiduciary net position as a percentage of the total pension liability	119%	97%	106%	115%	102%	99%	85%	86%
Covered payroll	\$ 680,210	\$ 568,085	\$ 531,402	\$ 543,166	\$ 513,365	\$ 542,084	\$ 480,168	\$ 470,118
Political subdivision's net pension liability as a percentage of covered payroll	-62%	-95%	-20%	-67%	-41%	-38%	89%	68%

**CUMBERLAND PLATEAU REGIONAL HOUSING AUTHORITY
SCHEDULE OF EMPLOYER CONTRIBUTIONS
VIRGINIA RETIREMENT SYSTEM
FOR THE YEARS ENDED JUNE 30**

DATE	CONTRIBUTIONS IN RELATION TO		
	CONTRACTUALLY REQUIRED CONTRIBUTION (1)*	CONTRACTUALLY REQUIRED CONTRIBUTION (2)*	CONTRIBUTION DEFICIENCY (EXCESS) (3)
2023	\$ -	\$ -	\$ -
2022	-	-	-
2021	-	-	-
2020	33,239	33,239	-
2019	46,972	46,972	-
2018	73,396	73,396	-
2017	67,524	67,524	-

*Includes contributions (mandatory and match on voluntary) to the defined contribution portion of the Hybrid plan.

**CUMBERLAND PLATEAU REGIONAL HOUSING AUTHORITY
SCHEDULE OF EMPLOYER'S SHARE OF NET OPEB LIABILITY
GROUP LIFE INSURANCE PROGRAM
FOR THE MEASUREMENT DATES OF JUNE 30, 2017 THROUGH 2022***

	<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)	0.00000%	0.00257%	0.00250%	0.00277%	0.00285%	0.00272%
Employer's Proportionate Share of the Net GLI OPEB Liability (Asset)	\$ 31,427	\$ 29,922	\$ 41,720	\$ 45,076	\$ 44,000	\$ 41,000
Employer's Covered Payroll	\$ 680,210	\$ 568,085	\$ 531,402	\$ 515,055	\$ 543,158	\$ 542,084
Employer's Proportionate Share of the Net GLI OPEB Liability (Assets) as a Percentage of its Covered Payroll	4.62%	5.27%	7.85%	8.75%	8.10%	7.56%
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	67.21%	67.45%	52.64%	52.00%	51.22%	48.86%

Schedule is intended to show information for 10 years. Since 2022 is the sixth year for this presentation, there are only six years available. However, additional years will be included as they become available.

**CUMBERLAND PLATEAU REGIONAL HOUSING AUTHORITY
SCHEDULE OF EMPLOYER CONTRIBUTIONS
GROUP LIFE INSURANCE PROGRAM
FOR THE YEARS ENDED JUNE 30, 2018 THROUGH 2023**

DATE	CONTRIBUTIONS IN RELATION TO		CONTRIBUTION DEFICIENCY (EXCESS)	EMPLOYER'S COVERED PAYROLL	CONTRIBUTIONS AS A % OF COVERED PAYROLL
	CONTRACTUALLY REQUIRED CONTRIBUTION (1)	CONTRACTUALLY REQUIRED CONTRIBUTION (2)			
2023 \$	3,673	\$ 3,673	\$ -	\$ 680,210	0.54%
2022	3,068	3,068	-	568,085	0.54%
2021	2,870	2,870	-	531,402	0.54%
2020	2,781	2,781	-	515,055	0.54%
2019	2,933	2,933	-	543,158	0.54%
2018	2,927	2,927	-	542,084	0.54%

**Notes to Required Supplemental Information
For the Year Ended June 30, 2023**

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

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:

All Others (Non-10 Largest) – Non-Hazardous Duty:

Mortality Rates (Pre-retirement, Post-retirement health, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/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

**OTHER SUPPLEMENTARY
INFORMATION**

**SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS**

**CUMBERLAND PLATEAU REGIONAL HOUSING AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MARCH 31, 2024**

Federal Granting Agency	Assistance Listing Number	Disbursement/ Expenditures
U.S. Department of HUD		
Direct Programs		
Public Housing		
Low Rent Public Housing	14.850	\$ 1,057,080
Total Public Housing		<u>1,057,080</u>
Capital Funds	14.872 (1)	1,022,321
Resident Opportunity and Supportive Services	14.870	66,141
Total Direct Programs		<u>2,145,542</u>
Total U. S. Department of HUD		<u>2,145,542</u>
Total Federal Assistance		<u><u>\$ 2,145,542</u></u>

Notes to federal assistance schedule:

- (1) Major program
- (2) The accompanying schedule of expenditures of federal awards activity of Cumberland Plateau Regional Housing Authority (the Authority) under programs of the federal government for the year ended March 31, 2024. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.
- (3) 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, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (4) Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with generally accepted accounting principles.
- (5) The Authority did not elect to use a 10% de minimus indirect cost rate allowed under section 2 CFR 200.33(a)(4).

**FINANCIAL DATA
SCHEDULE**

Cumberland Plateau Regional Housing Authority (VA029)

Lebanon, VA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2024

	Project Total	6.1 Component Unit - Discretely Presented	2 State/Local	14.870 Resident Opportunity and Supportive Services	Subtotal	Total
111 Cash - Unrestricted	1,101,833	40,084	81,558	-	1,223,475	1,223,475
114 Cash - Tenant Security Deposits	28,444	-	4,365	-	32,809	32,809
100 Total Cash	1,130,277	40,084	85,923	-	1,256,284	1,256,284
122 Accounts Receivable - HUD Other Projects	266,155	-	-	-	266,155	266,155
124 Accounts Receivable - Other Government	9,488	-	-	-	9,488	9,488
125 Accounts Receivable - Miscellaneous	76,357	-	-	-	76,357	76,357
126 Accounts Receivable - Tenants	20,367	-	-	-	20,367	20,367
127 Notes, Loans, & Mortgages Receivable - Current	17,403	-	-	-	17,403	17,403
120 Total Receivables, Net of Allowances for Doubtful Accounts	389,770	-	-	-	389,770	389,770
142 Prepaid Expenses and Other Assets	26,961	-	768	-	27,729	27,729
143 Inventories	12,274	-	-	-	12,274	12,274
143.1 Allowance for Obsolete Inventories	(1,227)	-	-	-	(1,227)	(1,227)
144 Inter Program Due From	24,347	-	-	-	24,347	24,347
145 Assets Held for Sale	10,000	-	-	-	10,000	10,000
150 Total Current Assets	1,592,402	40,084	86,691	-	1,719,177	1,719,177
161 Land	1,952,944	-	65,000	-	2,017,944	2,017,944
162 Buildings	20,626,370	-	529,693	-	21,156,063	21,156,063
163 Furniture, Equipment & Machinery - Dwellings	313,371	-	5,678	-	319,049	319,049
164 Furniture, Equipment & Machinery - Administration	772,734	-	-	-	772,734	772,734
166 Accumulated Depreciation	(20,152,959)	-	(377,647)	-	(20,530,606)	(20,530,606)
167 Construction in Progress	834,031	-	-	-	834,031	834,031
160 Total Capital Assets, Net of Accumulated Depreciation	4,346,491	-	222,724	-	4,569,215	4,569,215
174 Other Assets	418,575	-	-	-	418,575	418,575
180 Total Non-Current Assets	4,765,066	-	222,724	-	4,987,790	4,987,790
200 Deferred Outflow of Resources	105,679	-	-	-	105,679	105,679
290 Total Assets and Deferred Outflow of Resources	6,463,147	40,084	309,415	-	6,812,646	6,812,646
312 Accounts Payable <= 90 Days	266,155	-	-	-	266,155	266,155
322 Accrued Compensated Absences - Current Portion	10,638	-	-	-	10,638	10,638
333 Accounts Payable - Other Government	43,393	-	2,317	-	45,710	45,710
341 Tenant Security Deposits	28,444	-	4,365	-	32,809	32,809
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	-	-	6,686	-	6,686	6,686
347 Inter Program - Due To	-	24,347	-	-	24,347	24,347
310 Total Current Liabilities	348,630	24,347	13,368	-	386,345	386,345
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	-	-	141,147	-	141,147	141,147
354 Accrued Compensated Absences - Non Current	60,284	-	-	-	60,284	60,284
357 Accrued Pension and OPEB Liabilities	31,427	-	-	-	31,427	31,427
350 Total Non-Current Liabilities	91,711	-	141,147	-	232,858	232,858
300 Total Liabilities	440,341	24,347	154,515	-	619,203	619,203
400 Deferred Inflow of Resources	185,791	-	-	-	185,791	185,791
508.4 Net Investment in Capital Assets	4,346,491	-	74,891	-	4,421,382	4,421,382
512.4 Unrestricted Net Position	1,490,524	15,737	80,009	-	1,586,270	1,586,270
513 Total Equity - Net Assets / Position	5,837,015	15,737	154,900	-	6,007,652	6,007,652
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	6,463,147	40,084	309,415	-	6,812,646	6,812,646

Cumberland Plateau Regional Housing Authority (VA029)
Lebanon, VA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2024

	Project Total	6.1 Component Unit - Discretely Presented	2 State/Local	14.870 Resident Opportunity and Supportive Services	Subtotal	Total
70300 Net Tenant Rental Revenue	758,855	-	41,707	-	800,562	800,562
70400 Tenant Revenue - Other	7,381	-	-	-	7,381	7,381
70500 Total Tenant Revenue	766,236	-	41,707	-	807,943	807,943
					-	-
70600 HUD PHA Operating Grants	1,097,227	-	-	66,141	1,163,368	1,163,368
70610 Capital Grants	982,174	-	-	-	982,174	982,174
					-	-
71100 Investment Income - Unrestricted	10,194	87	1,204	-	11,485	11,485
71500 Other Revenue	39,764	27,181	644	-	67,589	67,589
70000 Total Revenue	2,895,595	27,268	43,555	66,141	3,032,559	3,032,559
					-	-
91100 Administrative Salaries	552,634	11,142	-	38,313	602,089	602,089
91200 Auditing Fees	13,500	-	-	-	13,500	13,500
91500 Employee Benefit contributions - Administrative	134,781	-	-	-	134,781	134,781
91600 Office Expenses	53,238	-	-	-	53,238	53,238
91700 Legal Expense	26,871	-	-	-	26,871	26,871
91800 Travel	6,272	1,256	-	-	7,528	7,528
91900 Other	81,775	15,752	561	27,828	125,916	125,916
91000 Total Operating - Administrative	869,071	28,150	561	66,141	963,923	963,923
					-	-
92400 Tenant Services - Other	62,282	-	-	-	62,282	62,282
92500 Total Tenant Services	62,282	-	-	-	62,282	62,282
					-	-
93100 Water	50,181	-	496	-	50,677	50,677
93200 Electricity	126,165	-	738	-	126,903	126,903
93300 Gas	4,100	-	-	-	4,100	4,100
93600 Sewer	60,814	-	-	-	60,814	60,814
93800 Other Utilities Expense	20,006	-	-	-	20,006	20,006
93000 Total Utilities	261,266	-	1,234	-	262,500	262,500
					-	-
94100 Ordinary Maintenance and Operations - Labor	199,982	-	-	-	199,982	199,982
94200 Ordinary Maintenance and Operations - Materials and Other	218,377	-	4,680	-	223,057	223,057
94300 Ordinary Maintenance and Operations Contracts	236,600	-	6,893	-	243,493	243,493
94500 Employee Benefit Contributions - Ordinary Maintenance	48,654	-	-	-	48,654	48,654
94000 Total Maintenance	703,613	-	11,573	-	715,186	715,186
					-	-
96140 All Other Insurance	51,423	-	972	-	52,395	52,395
96100 Total Insurance Premiums	51,423	-	972	-	52,395	52,395

Cumberland Plateau Regional Housing Authority (VA029)
Lebanon, VA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2024

	Project Total	6.1 Component Unit - Discretely Presented	2 State/Local	14.870 Resident Opportunity and Supportive Services	Subtotal	Total
96300 Payments in Lieu of Taxes	43,393	-	2,317	-	45,710	45,710
96400 Bad debt - Tenant Rents	41,732	-	-	-	41,732	41,732
96000 Total Other General Expenses	85,125	-	2,317	-	87,442	87,442
96710 Interest of Mortgage (or Bonds) Payable	-	-	4,541	-	4,541	4,541
96700 Total Interest Expense and Amortization Cost	-	-	4,541	-	4,541	4,541
96900 Total Operating Expenses	2,032,780	28,150	21,198	66,141	2,148,269	2,148,269
97000 Excess of Operating Revenue over Operating Expenses	862,815	(882)	22,357	-	884,290	884,290
97100 Extraordinary Maintenance	24,260	-	-	-	24,260	24,260
97400 Depreciation Expense	237,632	-	14,382	-	252,014	252,014
90000 Total Expenses	2,294,672	28,150	35,580	66,141	2,424,543	2,424,543
10010 Operating Transfer In	40,147	-	-	-	40,147	40,147
10020 Operating transfer Out	(40,147)	-	-	-	(40,147)	(40,147)
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	600,923	(882)	7,975	-	608,016	608,016
11030 Beginning Equity	5,202,500	16,619	146,082	-	5,365,201	5,365,201
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	33,592	-	843	-	34,435	34,435
11180 Housing Assistance Payments Equity	-	-	-	-	-	-
11190 Unit Months Available	3,696	-	120	-	3,816	3,816
11210 Number of Unit Months Leased	3,479	-	114	-	3,593	3,593
11270 Excess Cash	1,026,366	-	-	-	1,026,366	1,026,366
11610 Land Purchases	231,178	-	-	-	231,178	231,178
11620 Building Purchases	1,200,860	-	-	-	1,200,860	1,200,860

**SCHEDULE OF
DEVELOPMENTAL COSTS**

**CUMBERLAND PLATEAU REGIONAL HOUSING AUTHORITY
SCHEDULE OF DEVELOPMENTAL COSTS**

	VA36P029501-19	Totals
Operations	\$ 109,602	\$ 109,602
Management Improvements	54,801	54,801
Administration	54,801	54,801
Planning	-	-
Fees and Costs	90,000	90,000
Site Acquisition	-	-
Site Improvement	-	-
Dwelling Structures	227,963	227,963
Dwelling Equipment	-	-
Non Dwelling Structures	-	-
Non Dwelling Equipment	38,805	38,805
General Capital Activity	-	-
	<hr/>	<hr/>
Total	\$ 575,972	\$ 575,972
	<hr/>	<hr/>

Cost incurred during the audit period were \$0. The distribution of cost for the projects as identified above and as shown on the actual modernization cost certificates are in agreement with the PHA's records.

**COMPLIANCE
SECTION**



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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

To the Honorable Members of the Board of Commissioners
Cumberland Plateau Regional Housing Authority

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities, the aggregate discretely presented component units, and each major fund of Cumberland Plateau Regional Housing Authority (the Authority), as of and for the year ended March 31, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated October 31, 2024.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2024-001 that we consider to be material weaknesses.

Report on Compliance and Other Matters

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

The Authority's Response to Findings

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

Purpose of This Report

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

Bostic, Tucker & Company, P.C.

Lebanon, Virginia

October 31, 2024



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

To the Honorable Members of the Board of Commissioners
Cumberland Plateau Regional Housing Authority

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Cumberland Plateau Regional Housing Authority's (the Authority) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended March 31, 2024. 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 types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended March 31, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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

Bostic, Tucker & Company, P.C.

Lebanon, Virginia

October 31, 2024

**SCHEDULE OF FINDINGS
AND QUESTIONED COSTS**

**CUMBERLAND PLATEAU REGIONAL HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED MARCH 31, 2024**

Section I - Summary of Auditor Results

Financial Statements

Type of auditor's opinion issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	Yes
Significant deficiencies in internal control were disclosed by the audit of the financial statements:	No
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiencies in internal control were disclosed by the audit of the financial statements:	No
Type of auditor's opinion issued on compliance for major programs:	Unmodified
Are there any reportable findings under 2 CFR § 200.516(a)?	No

Major programs identified:

	<u>CFDA</u>
Capital Funds	14.872
Dollar threshold used to distinguish between Type A and Type B Programs:	\$ 750,000
Auditee qualified as low risk?	No

**CUMBERLAND PLATEAU REGIONAL HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED MARCH 31, 2024**

Section II - Financial Statement Findings:

2024-001

Criteria:	Identification of a material adjustment to the financial statements that was not detected by the entity's internal controls indicates that a material weakness exists.
Condition:	The financial statements, as presented for audit, did not contain all necessary adjustments to comply with generally accepted accounting principles (GAAP). This caused the entity's unaudited financial data schedule to require material adjustments.
Cause:	The Authority does not have proper controls in place to detect and correct errors in closing their year-end financial statements.
Effect:	There is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented or detected and corrected by the Authority's internal controls over financial reporting.
Recommendation:	The Authority should review the auditors' proposed audit adjustments for 2024 and develop a plan to ensure the trial balances and related schedules are accurately presented for audit.
Management's Response:	The finance manager will review the auditors' proposed audit adjustments for 2024 and will develop a plan of action to ensure that all adjusting entries are made prior to final audit fieldwork next year.

Section III - Federal Awards Findings and Questioned Costs

None reported

Section IV - Prior findings

None reported

STATISTICAL SECTION

**CUMBERLAND PLATEAU REGIONAL HOUSING AUTHORITY
NET POSITION BY COMPONENT – PRIMARY GOVERNMENT
LAST TEN FISCAL YEARS (UNAUDITED)**

FISCAL YEAR ENDED MARCH 31	INVESTED IN CAPITAL ASSETS NET OF RELATED DEBT	RESTRICTED	UNRESTRICTED	TOTAL
2015	\$ 3,942,499	\$ 35,550	\$ 194,765	\$ 4,172,814
2016	3,491,004	-	15,652	3,506,656
2017	3,238,190	-	32,410	3,270,600
2018	3,485,128	-	74,176	3,559,304
2019	3,596,571	-	282,526	3,879,097
2020	3,769,617	-	623,296	4,392,913
2021	3,669,226	-	851,560	4,520,786
2022	3,645,564	-	1,372,011	5,017,575
2023	3,566,513	-	1,782,069	5,348,582
2024	4,421,382	-	1,570,535	5,991,917

**CUMBERLAND PLATEAU REGIONAL HOUSING AUTHORITY
CHANGE IN NET POSITION – PRIMARY GOVERNMENT
LAST TEN FISCAL YEARS (UNAUDITED)**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Operating revenues:										
Rental income	\$ 435,185	\$ 431,871	\$ 486,991	\$ 476,188	\$ 485,890	\$ 494,379	\$ 504,096	\$ 551,287	\$ 617,530	\$ 800,562
Miscellaneous	51,407	76,192	65,799	149,888	55,405	343,722	151,868	52,705	170,953	47,789
Total operating revenues:	486,592	508,063	552,790	626,076	541,295	838,101	655,964	603,992	788,483	848,351
Operating Expenses:										
Administration	677,830	665,122	634,272	626,832	340,388	567,541	1,003,557	629,931	772,921	907,944
Tenant services	5,808	18,241	33,137	67,993	90,983	99,556	14,939	48,830	42,702	62,282
Utilities	247,292	210,596	218,065	232,753	252,730	260,710	239,350	218,341	262,067	262,500
Maintenance	488,154	517,612	528,584	512,426	648,936	590,277	390,702	633,812	650,723	715,185
General	119,759	149,798	147,410	199,503	163,615	167,119	170,653	92,211	118,750	196,466
Depreciation	745,150	668,697	452,335	178,116	190,961	196,672	196,671	255,193	241,767	252,014
Total operating expenses	2,283,993	2,230,066	2,013,803	1,817,623	1,687,613	1,881,875	2,015,873	1,878,318	2,088,930	2,396,391
Operating income (loss)	(1,797,401)	(1,722,003)	(1,461,013)	(1,191,547)	(1,146,318)	(1,043,774)	(1,359,909)	(1,274,326)	(1,300,447)	(1,548,040)
Other nonoperating income (expenses):										
Interest income	1,622	2,283	2,052	3,836	3,793	4,104	1,062	1,508	1,933	11,398
Interest expense	(6,075)	(5,924)	(5,768)	(5,609)	(5,444)	(5,274)	-	(4,921)	(4,732)	-
Operating grants and subsidies	921,993	882,285	1,064,618	1,092,589	986,854	1,242,192	1,486,720	1,200,306	1,412,861	1,163,368
Gain or loss on disposal of equipment	-	-	-	-	54,240	-	-	-	-	-
Net non-operating income (expenses)	917,540	878,644	1,060,902	1,090,816	1,039,443	1,241,022	1,487,782	1,196,893	1,410,062	1,174,766
Income before contributions and transfers	(879,861)	(843,359)	(400,111)	(100,731)	(106,875)	197,248	127,873	(77,433)	109,615	(373,274)
Capital contributions - grants	105,515	212,098	164,051	389,435	472,065	316,568	-	574,222	165,336	982,174
Change in net position	(774,346)	(631,261)	(236,060)	288,704	365,190	513,816	127,873	496,789	274,951	608,900
Net position at beginning of year	5,243,162	4,468,816	3,506,660	3,270,600	3,559,304	3,879,097	4,392,913	4,520,786	5,017,575	5,348,582
Prior period adjustments	-	(330,898)	-	-	(45,397)	-	-	-	56,056	34,435
Net position at end of the year	\$ 4,468,816	\$ 3,506,657	\$ 3,270,600	\$ 3,559,304	\$ 3,879,097	\$ 4,392,913	\$ 4,520,786	\$ 5,017,575	\$ 5,348,582	\$ 5,991,917

**CUMBERLAND PLATEAU REGIONAL HOUSING AUTHORITY
OPERATING REVENUES BY SOURCE – PRIMARY GOVERNMENT
LAST TEN FISCAL YEARS (UNAUDITED)**

FISCAL YEAR ENDED MARCH 31	TENANT RENTALS AND SALES		GRANT SUBSIDIES		OTHER		TOTALS	
	AMOUNT	PERCENT OF TOTAL	AMOUNT	PERCENT OF TOTAL	AMOUNT	PERCENT OF TOTAL	AMOUNT	PERCENT OF TOTAL
2015	\$ 435,185	30.90%	\$ 921,993	65.46%	\$ 51,407	3.65%	\$ 1,408,585	100.00%
2016	431,871	31.06%	882,285	63.46%	76,192	5.48%	1,390,348	100.00%
2017	486,991	30.11%	1,064,618	65.82%	65,799	4.07%	1,617,408	100.00%
2018	476,188	27.71%	1,092,589	63.57%	149,888	8.72%	1,718,665	100.00%
2019	485,890	31.80%	986,854	64.58%	55,405	3.63%	1,528,149	100.00%
2020	494,379	23.76%	1,242,192	59.71%	343,722	16.52%	2,080,293	100.00%
2021	504,096	23.53%	1,486,720	69.39%	151,868	7.09%	2,142,684	100.00%
2022	551,287	30.55%	1,200,306	66.52%	52,705	2.92%	1,804,298	100.00%
2023	617,530	28.05%	1,412,861	64.18%	170,953	7.77%	2,201,344	100.00%
2024	800,562	39.79%	1,163,368	57.83%	47,789	2.38%	2,011,719	100.00%

**CUMBERLAND PLATEAU REGIONAL HOUSING AUTHORITY
NON-OPERATING REVENUES BY SOURCE – PRIMARY GOVERNMENT
LAST TEN FISCAL YEARS (UNAUDITED)**

FISCAL YEAR ENDED MARCH 31	CAPITAL FUNDS		INTEREST EARNED		OTHER		TOTALS	
	AMOUNT	PERCENT OF TOTAL	AMOUNT	PERCENT OF TOTAL	AMOUNT	PERCENT OF TOTAL	AMOUNT	PERCENT OF TOTAL
2015	\$ 105,515	98.49%	\$ 1,622	1.51%	\$ -	0.00%	\$ 107,137	100.00%
2016	212,098	98.94%	2,283	1.06%	-	0.00%	214,381	100.00%
2017	164,051	98.76%	2,052	1.24%	-	0.00%	166,103	100.00%
2018	389,435	99.02%	3,836	0.98%	-	0.00%	393,271	100.00%
2019	472,065	89.05%	3,793	0.72%	54,240	10.23%	530,098	100.00%
2020	316,568	98.72%	4,104	1.28%	-	0.00%	320,672	100.00%
2021	-	0.00%	1,062	100.00%	-	0.00%	1,062	100.00%
2022	574,222	99.74%	1,508	0.26%	-	0.00%	575,730	100.00%
2023	165,336	98.84%	1,933	1.16%	-	0.00%	167,269	100.00%
2024	982,174	98.85%	11,398	1.15%	-	0.00%	993,572	100.00%

**CUMBERLAND PLATEAU REGIONAL HOUSING AUTHORITY
DWELLING UNIT COMPOSITION – PRIMARY GOVERNMENT**

Low Income Housing

Name of Development	Address	Number of Units	Year Built or Acquired
Riverview Terrace	Riverview Terrace Dr., Cleveland, VA	20	1986
Indian Princess	St. Clair & Church Streets, Pocahontas, VA	34	1984
Fairfax Court	221 Fairfax Ave., Richlands, VA	34	1986
Town Square	365 Railroad Ave., Honaker, VA	20	1983
Centennial Heights	763 Centennial Heights Rd., Haysi, VA	91	1982
Fox Meadow	35 Fox Meadow Dr., Lebanon, VA	80	1985
Graham Manor	111 Thayer Street, Bluefield, VA	30	1986

**CUMBERLAND PLATEAU REGIONAL HOUSING AUTHORITY
REGULAR STAFF HEADCOUNT BY DEPARTMENT – PRIMARY GOVERNMENT
LAST TEN FISCAL YEARS (UNAUDITED)**

FISCAL YEAR	EXECUTIVE	DEVELOPMENT	HOUSING MANAGEMENT	ADMISSIONS	FINANCE	TOTALS
2015	1	8	3	-	1	13
2016	1	8	3	-	1	13
2017	1	8	2	-	1	12
2018	1	8	1	-	1	11
2019	1	8	1	-	1	11
2020	1	8	1	-	1	11
2021	1	8	1	-	1	11
2022	1	8	1	-	1	11
2023	1	8	1	-	2	12
2024	1	8	1	-	2	12