

**HOPEWELL REDEVELOPMENT  
AND HOUSING AUTHORITY**

**AUDITED  
FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED  
MARCH 31, 2024**

HOPEWELL REDEVELOPMENT AND HOUSING AUTHORITY

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED MARCH 31, 2024

HOPEWELL REDEVELOPMENT AND HOUSING AUTHORITY  
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## INDEPENDENT AUDITORS' REPORT

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

### Opinions

We have audited the accompanying financial statements of the business-type activities, which comprise the major enterprise fund of the Hopewell Redevelopment and Housing Authority, as of and for the year ended March 31, 2024, and the related notes to the financial statements, which collectively comprise the Hopewell Redevelopment and Housing 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 of the Hopewell Redevelopment and Housing 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 (GAAS) and the standards applicable to the 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 Putnam Housing Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Responsibilities of Management for the Financial Statements

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

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

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

### Other Matters

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 13, the Schedule of Net Pension and Other Post Employment Benefit (OPEB) Liabilities, and the Schedules of Employer Contributions to the Virginia Retirement system on pages 60 through 62, be presented to supplement the basic financial statements.

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### Other Matters (Continued)

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

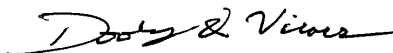
### *Other Information*

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

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

### **Other Reporting Required by Government Auditing Standards**

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



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

Richmond, Virginia  
December 31, 2024

**Hopewell Redevelopment & Housing Authority  
Management Discussion & Analysis  
For the year ended March 31, 2024**

The Hopewell Redevelopment and Housing Authority management's discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority's financial position and (d) identify individual fund issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts. Please read it in conjunction with the Authority's financial statements (beginning on page 12).

**Financial Highlights**

The Authority's net position increased by \$4.49 million or 26.05% during 2024. Net Position balances by year were \$17.24 million to \$21.73 million, for 2023 and 2024 respectively.

Operating Revenues decreased by \$(2.18) million or 16.3% during 2024. Operating Revenues were \$14.45 million and \$2.02 million for 2023 and 2024, respectively.

Capital Assets continue to increase, \$9.84 or 52.5%, due to the continued redevelopment activities by the PHA.

Debt increased as well, in the amount of \$5.85 million, due to the continued redevelopment activities.

The last two categories will be a continued effort by the PHA as management continues revitalize the agency.

Table III gives us a breakdown by grant program of the net changes between fiscal years. Public Housing had a net increase in funding in the amount of 91,844 due to increase funding rates in calendar years 2023 and 2024. HCVP had a net increase in the amount of \$570,761 or 12.17% due to increased rents and a slight increase in lease-ups. The EHV program had a net increase due to higher lease-ups in the program, in the amount of \$138,743 or 286.65%.

**Using This Annual Report**

The report includes three major sections, the "Management's Discussion and Analysis (MD&A)", "Basic Financial Statements" and "Other Required Supplementary Information":

- Management's Discussion and Analysis: pages 3-11
- Basic Financial Statements
  - Authority-wide Financial Statements: pages 12-16
  - Fund Financial Statements: pages 15-18
  - Notes to Financial Statements: pages 17-35
- Other Required Supplementary Information: pages 36-59

The primary focus of the Authority's financial statement is on the Authority as a whole (Authority-wide).

**Hopewell Redevelopment & Housing Authority  
Management Discussion & Analysis  
For the year ended March 31, 2024**

**Authority-Wide Financial Statements**

The Authority-wide financial statements are designed to be corporate-like in that all business type activities are consolidated into columns which add to total for the entire Authority.

These statements include a Statement of Net Position, which is similar to a Balance Sheet. The Statement of Net Position reports all financial and capital resources for the Authority and “Net position” equals assets minus liabilities. Assets and liabilities are presented in order of liquidity and are classified either as “Current” (convertible into cash within one year) or “Non-current”.

The focus of the Statement of Net Position (the “Unrestricted Net Position”) is designed to represent the net available liquid (non-capital) assets, net of liabilities, for the entire Authority. Net Position (formerly equity) is reported in three broad categories:

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

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

Unrestricted Net Position: This component of Net Position consists of net assets that do not meet the definition of “Investment in Capital Assets, Net of Related Debt” or “Restricted Net Position”.

The Authority-wide financial statements also include a Statement of Revenues, Expenses and Changes in Net Position (similar to an Income Statement). This Statement includes Operating Revenues (such as rental income and operating grants), Operating Expenses (such as administration, utilities, maintenance, and depreciation) and Non-Operating Revenue and Expenses (such as capital grant revenue, investment income and interest expense).

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

Finally, a Statement of Cash Flows is included, which discloses net cash provided by, or used for, operating activities, non-capital financing activities and capital related financing activities.

**Hopewell Redevelopment & Housing Authority  
Management Discussion & Analysis  
For the year ended March 31, 2024**

**Fund Financial Statements**

The Authority is accounted for as an Enterprise Fund. Enterprise funds utilize the full accrual basis of accounting. The government wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting.

Many of the programs maintained by the Authority are required by the Department of Housing and Urban Development. Others are segregated to enhance accountability and control.

**The Authority's Programs**

Low Rent Public Housing – Under the Low Rent Public Housing Program, the Authority rents units that it owns to low-income households. The Low Rent Public Housing Program is operated under an Annual Contributions Contract (ACC) with HUD. HUD provides Operating Subsidy and Capital Grant funding to enable the PHA to provide the housing at a rent that is based on 30% of household income. The Low Rent Public Housing Program also includes the Capital Fund Program, which is the primary funding source for physical and management improvements to the Authority's properties.

Housing Choice Voucher Program – Under the Housing Choice Voucher Program, the Authority administers contracts with independent landlords that own the property. The Authority subsidizes the family's rent through a Housing Assistance Payment made to the landlord. The program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides Annual Contributions Funding to enable the Authority to structure a lease that sets the participant's rent at 30% of household income. Included in the HCVP is the Rental Demonstration Program (RAD) which involves the redevelopment of AMP 3 and the funding of the affordable units in the project.

Family Self-Sufficiency – The Family Self-Sufficiency, under Resident Opportunity and Supportive Services program, consists of a HUD grant to be used for administration of the Authority's Family Self-Sufficiency program. This program promotes the development of local strategies to coordinate the use of assistance under the Public Housing program with public and private resources enabling participating families to achieve economic independence and housing self-sufficiency.

Business Activities & State/Local – The Business Activities and State/Local programs are funding sources of non-federal resources that assist the Authority in meeting the goals and objectives. The Business Activities Program has \$4.1 million in unrestricted assets which will be used for future redevelopment needs or other Authority program needs. This is mainly due to notes receivable loan activities related to Piper Square.

The State/Local fund utilizes a mixture of state and local grants to fund small resident programs as resources are available. The PHA receives housing assistance funding from the State of Virginia as well as other loans and grants for development activities.

**Hopewell Redevelopment & Housing Authority**  
**Management Discussion & Analysis**  
**For the year ended March 31, 2024**

**Authority-Wide Statements**

The following table reflects the condensed Statement of Net Position compared to prior year. The Authority is engaged only in business-type activities.

**Combined Statement of Net Position**  
**TABLE I**

<b>Account Descriptions</b>	<b>2024</b>	<b>2023</b>	<b>Total Change</b>	<b>% Change</b>
Current Assets	3,858,067	2,918,932	939,135	32.17%
Noncurrent Assets	4,215,949	2,458,143	1,757,806	71.51%
Capital Assets	28,592,178	18,748,441	9,843,737	52.50%
<b>Total Assets</b>	<b>36,666,194</b>	<b>24,125,516</b>	<b>12,540,678</b>	<b>51.98%</b>
<b>State of Virginia V.R.S.</b>	<b>304,203</b>	<b>562,339</b>	<b>(258,136)</b>	<b>-45.90%</b>
<b>TOTAL ASSETS AND DEF. OUTFLOWS OF RESOURCES</b>	<b>36,970,397</b>	<b>24,687,855</b>	<b>12,282,542</b>	<b>49.75%</b>
Current Liabilities	1,029,732	687,836	341,896	49.71%
Noncurrent Liabilities	13,346,702	6,521,238	6,825,464	104.67%
<b>Total Liabilities</b>	<b>14,376,434</b>	<b>7,209,074</b>	<b>7,167,360</b>	<b>99.42%</b>
Deferred inflows of resources	865,932	241,503	624,429	258.56%
Investment in Capital Assets	16,927,994	12,938,932	3,989,062	30.83%
Unrestricted Net Position	4,800,037	3,331,855	1,468,182	44.07%
<b>Total Net Position</b>	<b>21,728,031</b>	<b>17,237,278</b>	<b>4,490,753</b>	<b>26.05%</b>
<b>TOTAL LIABILITIES, DEF. INFLOWS OF RES. AND NP.</b>	<b>36,970,397</b>	<b>24,687,855</b>	<b>12,282,542</b>	<b>49.75%</b>

For more detailed information see pages 12-13 for the Statement of Net Assets.

**Major Factors Affecting the Statement of Net Position**

Current Assets increased during the year by \$939,135 due to the following reasons. Unrestricted cash and cash equivalents increased by \$386,839 due to operating income.

Accounts receivable increased by \$390,226 due to the timing of receipts from HUD programs and other miscellaneous accounts receivable activities related to redevelopment activities. This includes a reduction in short-term notes receivable balances in the amount of \$(318,470) which was paid off in the current year. Prepaid assets increased by \$75,284 during the current year. This is more of a timing issue.

Noncurrent assets increased by 1.76 million due primarily to the increase in restricted cash, Construction reserves, to be used for the completion of Piper Square construction, in the amount of \$1.25 million and an increase in VRS GASB 68 pension assets in the amount of \$511,376.

**Hopewell Redevelopment & Housing Authority  
Management Discussion & Analysis  
For the year ended March 31, 2024**

**Major Factors Affecting the Statement of Net Position – (Continued)**

Pension assets increased as noted above per the VRS Pension Report for June 30, 2023.

The Deferred Outflow of Resources balance was made up of two transactions. One, Deferred Outflow of Resources from the VRS Audit report in the amount of \$293,395 and pension payments made post reporting date of June 30, 2023, in the amount of \$10,808.

Capital Assets increased \$9.8 million during the fiscal year 2024 due mainly to the Piper Square redevelopment, in the amount of \$7.9 million, with predevelopment funds expended in the amount of \$1.19 million and the rest related to operation and CFP additions.

The Authority reached a settlement with Legal Aid in relation to miscalculation of utility allowances and reimbursement for prior years which was estimated to be \$110,000 in fiscal year 2018. In fiscal year 2020 a final settlement was agreed upon in the amount of \$220,000. An additional legal fee settlement payment was agreed to post the March 31, 2023, reporting date in the amount of \$73,000. Legal Aid agreed to receive payments in the amount of \$14,600 over the next five years, fiscal years 2024-2025, respectively. The current balance is \$29,202.

Current liabilities increased by \$341,896 mainly due to increases in other current liabilities in the amount of \$320,444. This was related to predevelopment activities.

Noncurrent liabilities increased by \$6.8 million due mainly to Piper Square increases in debt, \$5.58 million. Additional debt was incurred to asset with predevelopment activities, \$255,000. Deferred revenues and developer fees increased by \$505,473 in the Piper Square development due to continued development activities.

Deferred inflows increased by \$624,429. This related to two factors, once an increased in deferred inflows of resources from the VRS pension report in the amount of \$223,524 and HCVP Hap subsidy receipts for the month of April 2024 in the month of March 2024 in the amount of \$400,905

Investment in Capital Assets increased by \$3.99 million due to the investment in Piper Square exceeding depreciation expense.

The Unrestricted Net Position balance increased, in the amount of \$1.47 million due to operating income.

Restricted Net Position decreased by \$(966,491) due to the release of restrictions on development funds.

**Hopewell Redevelopment & Housing Authority  
Management Discussion & Analysis  
For the year ended March 31, 2024**

**Major Factors Affecting the Statement of Net Position – (Continued)**

The following table reflects the condensed Statement of Revenues, Expenses and Charges in Net Position compared to prior year.

**Combined Statement of Revenues, Expenses and Change in Net Position  
TABLE II**

<b>Account Descriptions</b>	<b>2024</b>	<b>2023</b>	<b>Total Change</b>	<b>% Change</b>
Tenant Revenue	765,021	1,396,095	(631,074)	-45.20%
Grant Funding	8,339,696	8,617,617	(277,921)	-3.23%
Interest Income	149	57	92	161.40%
Other Income	5,346,839	2,412,960	2,933,879	121.59%
<b>Total Revenue</b>	<b>14,451,705</b>	<b>12,426,729</b>	<b>2,024,976</b>	<b>16.30%</b>
Administration	1,811,016	1,858,914	(47,898)	-2.58%
Tenant Services	114,132	233,218	(119,086)	-51.06%
Utilities	710,730	845,029	(134,299)	-15.89%
Maintenance	2,150,483	1,342,682	807,801	60.16%
Insurance Expense	156,533	249,836	(93,303)	-37.35%
General expense	104,530	185,036	(80,506)	-43.51%
Housing Assistance Payments	4,511,103	4,634,202	(123,099)	-2.66%
Interest expense	75,664	64,765	10,899	16.83%
Depreciation	326,761	480,101	(153,340)	-31.94%
<b>Total Expenses</b>	<b>9,960,952</b>	<b>9,893,783</b>	<b>67,169</b>	<b>0.68%</b>
Change in Net Position	4,490,753	2,532,946	1,957,807	77.29%
Beginning Net Position	17,237,278	14,704,332	2,532,946	17.23%
<b>Ending Net Position</b>	<b>21,728,031</b>	<b>17,237,278</b>	<b>4,490,753</b>	<b>26.05%</b>

**Major Factors Affecting the Statement of Revenue, Expenses and Changes in Net Position**

Table II gives us a breakdown of the changes in revenues and expenses. Revenues increased by \$2.2 million due to several facts, mainly due to the component unit development of Piper closing out in the prior year and receiving all of their tax credit capital contributions.

Expenses increased in the amount of \$67,169, mainly due to increased housing assistance payments related to the Piper Square property being fully online during fiscal year 2024.

**Hopewell Redevelopment & Housing Authority  
Management Discussion & Analysis  
For the year ended March 31, 2024**

**Major Factors Affecting the Statement of Net Position – (Continued)**

Table III gives us a breakdown by grant program of the net changes between fiscal years. The changes were explained in the financial highlights section.

Tenant revenues decreased by \$(765,021) or 45.2% compared to last year, primarily due to the recognition of Component Unit (Piper Square, LLC) elimination entries this year.

Grant funding decreased by \$(277,921) or 3.23%. This was due to a reduction in other governmental grant funding related to Piper Square and other predevelopment activities. Other government grant funding will fluctuate in the near term due to development and predevelopment activities and the PHA's ability to obtain similar funding. HUD funding increased by \$347,797, mainly due to increases in Section 8 funding outpacing reductions in operating and capital fund subsidies.

Other revenues increased by \$2.93 million due to the capital contributions for the Piper Square development.

Operating expenses increased by \$67,169 or .68% during 2024. Operating expenses were \$9.89 million to \$9.96 million for 2023 and 2024, respectively.

Maintenance expenses increased by \$807,801 due to inflation, aging Public Housing properties and increases in Piper Square maintenance needs.

Depreciation expenses decreased by \$(153,340) or 31.94% due to more assets being fully depreciated in the prior year.

Utility costs decreased by \$(134,299) or 15.89% due to the removal of AMP 4 completely from the AMP portfolio.

Housing assistance payments increased by \$(123,099) or 2.66%, which is immaterial to the overall financials.

Tenant services expenses decreased by \$(119,086) or 51.06% due to less funding available for tenant services as the PHA converts AMP properties to tax credit properties.

Insurance expenses decreased by \$(93,303) or 37.35% due to AMP 4 coming fully offline in fiscal year 2024.

General expenses decreased in the amount of \$(80,506) or 43.51% due a reduction in bad debt expense, \$(82,994), from AMP 4 being fully offline in fiscal year 2024.

Administrative and interest expenses changed by immaterial amounts in fiscal year 2024.

Grant funding increased overall by 4.59%. See Table III for the breakdown by program of the funding changes from 2023 to 2024.

**Hopewell Redevelopment & Housing Authority  
Management Discussion & Analysis  
For the year ended March 31, 2024**

**Major Factors Affecting the Statement of Net Position – (Continued)**

**Table III  
HUD Funding Comparative**

<b>Year</b>	<b>Public Housing</b>	<b>HCV</b>	<b>CFP</b>
2024	1,657,410	5,261,713	768,665
2023	1,946,950	4,690,952	829,757
<b>Net Change</b>	<b>(289,540.00)</b>	<b>570,761.00</b>	<b>(61,092.00)</b>
<b>% Change</b>	<b>-14.87%</b>	<b>12.17%</b>	<b>-7.36%</b>

<b>Year</b>	<b>FSS/ROSS</b>	<b>EHV</b>	<b>Totals</b>
2024	50,298	187,144	7,925,230
2023	61,373	48,401	7,577,433
<b>Net Change</b>	<b>(11,075.00)</b>	<b>138,743.00</b>	<b>347,797.00</b>
<b>% Change</b>	<b>-18.05%</b>	<b>286.65%</b>	<b>4.59%</b>

**Capital Assets and Debt Administration**

Capital Assets

As of the year end, The Authority had \$14.24 million invested in a variety of capital assets as seen in the following table. This was an increase in the amount of \$3.5 million in capital items.

**Combined Statement of Capital Assets  
TABLE IV**

<b>Account Descriptions</b>	<b>2024</b>	<b>2023</b>	<b>Total Change</b>	<b>% Change</b>
Land	4,148,906	4,148,906	-	0.00%
Buildings & improvements	38,146,517	28,028,549	10,117,968	36.10%
Equipment	200,845	148,315	52,530	35.42%
	42,496,268	32,325,770	10,170,498	31.46%
Accumulated Depreciation	(13,904,090)	(13,577,329)	(326,761)	2.41%
<b>Total Capital Assets</b>	<b>28,592,178</b>	<b>18,748,441</b>	<b>9,843,737</b>	<b>52.50%</b>

The following reconciliation summarizes the change in Capital Assets, which is presented in detail on page 21 of the notes.

**Hopewell Redevelopment & Housing Authority  
Management Discussion & Analysis  
For the year ended March 31, 2024**

**Capital Assets and Debt Administration – (Continued)**

The main funding source for Capital improvements were equity contributions for the Piper Square and other predevelopments activities. In fiscal year 2024 the PHA had \$10.17 million in other capital improvements/equipment purchases were made by the component unit and development programs. Depreciation expense was \$326,761 for the fiscal year 2024.

**Debt Outstanding**

As of March 31, 2024, total debt increased by \$5.85 million with a total debt amount of \$11.66 million due primarily to construction loan costs for the completion of the Piper Square redevelopment project.

The Authority has the following debt agreements

The PHA took out a loan for \$664,000 with the Local Initiatives Support Corporation for the purpose of funding predevelopment activities of the PHA. It will be fully funded at the closing of the Rendezvous redevelopment project. The interest rate for this loan is 4.94 percent per annum.

A second loan is an Authority loan between the PHA and Piper Square LLC which has been eliminated as of the reporting date due to an offsetting Note receivable loan. Another predevelopment loan was issued by VHDA for \$200,000 for the upcoming Rendezvous project. It will be fully funded at the closing of project.

The net long-term debt is in the amount of \$811,385 after eliminations, as of March 31, 2024.

**Hopewell Redevelopment & Housing Authority  
Management Discussion & Analysis  
For the year ended March 31, 2024**

**Economic Factors**

Significant economic factors affecting the Authority are as follows:

- Operating subsidy was provided by HUD at roughly a 95% level for the grant year ended December 31, 2024.
- Section – 8 Housing Choice Vouchers overall funding percentage for FY 2024 was 99% for HAP and roughly 82% for administrative fees.
- As described in the Authority’s Five-Year Plan, the Authority is working to increase the number of quality properties and units available for low-income residents of the City of Hopewell. Included in this plan is to revitalize current housing stock with innovative funding methods to accomplish these goals.
- The Authority is actively working to improve the Authority’s image within the community of the City of Hopewell through increased public relation efforts. This will provide a higher visibility of the Authority and its goals so that the community will understand the vision of the Authority. This will provide a working relationship between the community and Authority in providing safe, decent, and affordable housing opportunities.
- The Housing Authority is heavily involved in improving the overall housing assets and housing opportunities for the residents of the City of Hopewell. Currently, the Housing Authority redeveloped AMP 3, has completed the redevelopment of AMP 4 and is working to redevelop each property and potentially expand the portfolio where opportunities arise. The redevelopment closing for AMP 4 was completed on 12/11/2022. The Authority will receive developer fees and manage the property, which was fully rehabbed and reoccupied in August 2024.
- Capital Fund Program grants (CFP) had a total of \$606,882 in total expenditures and had four (4) active CFP grants.

**Financial Contact**

If you have any questions regarding this report, please contact Lisa Wilson, Interim Executive Director for the Hopewell Redevelopment and Housing Authority at the following address: HRHA, P.O. Box 1361, Hopewell, Virginia 23860.

**Hopewell Redevelopment and Housing Authority**  
**Statement of Net Position - All Funds**  
**March 31, 2024**

	Reporting Entity
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash and Cash Equivalents	\$ 1,599,569
Restricted Cash and Cash Equivalents	2,555,572
Receivables, Net	1,703,215
Inventories, Net	86,786
Prepaid Expense and Other Assets	468,497
<b>Total Current Assets</b>	<b>6,413,639</b>
<b>Noncurrent Assets</b>	
Capital assets:	
Land	4,148,906
Buildings	16,835,843
Furniture, Equipment & Machinery - Dwellings	12,885
Furniture, Equipment & Machinery - Admin	187,960
Less: Accumulated Depreciation	(13,904,091)
Leasehold Improvements	10,536
Construction in Progress	21,300,139
Capital Assets, Net	28,592,178
Other Assets	1,160,377
<b>Total Noncurrent Assets</b>	<b>29,752,555</b>
<b>Deferred Outflow of Resources</b>	
Deferred Outflow of Resources	304,203
<b>Total Assets and Deferred Outflow of Resources</b>	<b>\$ 36,470,397</b>

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

**Hopewell Redevelopment and Housing Authority**  
**Statement of Net Position - All Funds (continued)**  
**March 31, 2024**

	Reporting Entity
<b>LIABILITIES</b>	
<b>Current Liabilities</b>	
Accounts Payable	\$ 103,362
Accrued Liabilities	245,155
Intergovernmental Payables	119,796
Tenant Security Deposits	63,035
Unearned Revenue	73,258
Current portion of long-term debt	50,000
Other Current Liability	375,126
<b>Total Current Liabilities</b>	<b>1,029,732</b>
<b>Noncurrent Liabilities</b>	
Long-term debt, net of current	11,114,184
Noncurrent Liabilities - Other	1,732,518
<b>Total Noncurrent Liabilities</b>	<b>12,846,702</b>
<b>Total Liabilities</b>	<b>13,876,434</b>
<b>Deferred Inflow of Resources</b>	
Deferred Inflow of Resources	865,932
<b>Net Position</b>	
Investment in Capital Assets - Net of Related Debt	16,927,994
Unrestricted Net Position	4,800,037
<b>Total Net Position</b>	<b>21,728,031</b>
<b>Total Liabilities, Deferred Inflow of Resources, and Net Position</b>	<b>\$ 36,470,397</b>

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

## Hopewell Redevelopment and Housing Authority

### Statement of Revenues, Expenses, and Changes in Net Position - All Funds For the Year Ended March 31, 2024

	Reporting Entity
<b>Operating Revenues</b>	
Tenant Revenue	\$ 765,021
Government Grants/Subsidies	7,205,742
Other government grants	414,466
Other Revenue	5,346,839
<b>Total Operating Revenues</b>	<b>13,732,068</b>
<b>Operating Expenses</b>	
Administrative	1,811,016
Tenant Services	114,132
Utilities	710,730
Maintenance	2,012,371
General	261,063
Housing Assistance Payment	4,511,103
Depreciation	326,761
<b>Total Operating Expenses</b>	<b>9,747,176</b>
<b>Operating Income (Loss)</b>	<b>3,984,892</b>
<b>Non-Operating Revenues (Expenses)</b>	
Interest Expense	(75,664)
Extraordinary maintenance	(116,830)
Casualty Loss	(21,282)
Interest Expense	149
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(213,627)</b>
<b>Income (Loss) Before Contributions and Transfers</b>	<b>3,771,265</b>
Capital Grants	719,488
Change in Net Position	4,490,753
Total Beginning Net Position	17,237,278
<b>Total Ending Net Position</b>	<b>\$ 21,728,031</b>

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

## Hopewell Redevelopment and Housing Authority

### Statement of Cash Flows - All Funds For the Year Ended March 31, 2024

	Reporting Entity
Cash Flows From Operating Activities:	
Cash Received From Tenants	\$ 1,235,976
Cash Received From Operating Grants	7,204,490
Cash Received From Other Sources	6,046,546
Cash Paid For Goods and Services	(2,121,623)
Cash Paid For Employees and Administrative	(1,315,189)
Housing Assistance Payments	(4,982,058)
Cash Paid For Other	(821,546)
Net Cash Provided By (Used) For Operating Activities	<u>5,246,596</u>
Cash Flows From Capital and Related Financing Activities:	
Capital Grants Received	719,488
Purchases, Sales and Construction of Capital Assets	(10,170,496)
Proceeds from capital debt	5,854,675
Interest paid on capital debt	(17,143)
Net Cash Provided By (Used) For Capital and Related Financing Activities	<u>(3,613,476)</u>
Cash Flows From Investing Activities:	
Interest Income	149
Net Cash Provided By (Used) for Investing Activities	<u>149</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,633,269
Cash and Cash Equivalents At Beginning of Year	<u>2,521,872</u>
Cash and Cash Equivalents At End of Year	<u>\$ 4,155,141</u>
Reconciliation of Restricted Cash	
Unrestricted Cash and Cash Equivalents	\$ 1,599,569
Restricted Cash and Cash Equivalents	<u>2,555,572</u>
Total Cash and Cash Equivalents at end of year	<u>\$ 4,155,141</u>

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

## Hopewell Redevelopment and Housing Authority

### Statement of Cash Flows - All Funds (continued) For the Year Ended March 31, 2024

	Reporting Entity
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used) For Operating Activities:	
Operating Income (Loss)	\$ 3,846,780
Adjustments to Reconcile Operating Income to Net Cash Provided (used) By Operating Activities:	
Depreciation Expense	326,761
Changes in Assets and Liabilities:	
(Increase) Decrease in Receivables - Net	475,462
(Increase) Decrease in Inventories - Net	(86,786)
(Increase) Decrease in Noncurrent Other Assets	(511,376)
(Increase) Decrease in Prepaid expenses	(75,284)
(Increase) Decrease in Deferred Outflows	258,136
Increase (Decrease) in Accounts payable	(53,965)
Increase (Decrease) in Deferred Revenue	32,008
Increase (Decrease) in Accrued Liabilities	20,578
Increase (Decrease) in Other liabilities	(597,368)
Increase (Decrease) in Intergovernmental payables	(33,568)
Increase (Decrease) in Deferred Inflows	624,429
Increase (Decrease) in Noncurrent liabilities	1,020,789
Net Cash Provided By (Used) For Operating Activities	<u>\$ 5,246,596</u>

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

## HOPEWELL REDEVELOPMENT AND HOUSING AUTHORITY

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- a. Reporting Entity - The Hopewell Redevelopment and Housing Authority (HRHA) was established by the Council of the City of Hopewell (City) as a political subdivision of the Commonwealth of Virginia. HRHA is responsible for operating a low-rent housing program which provides housing for eligible families, for operating redevelopment and conservation programs and for the delivery of services to citizens of low-rent housing and urban renewal areas through the encouragement and development of social and economic opportunities. The Commissioners of HRHA are appointed by City Council. As required by GAAP, these statements present the funds, activities, and functions of HRHA (the primary government).
- b. Component Unit – The Blended Component Unit purpose is to provide housing, social, and economic opportunities for the benefit of low to moderate income people. It is a component unit of HRHA because of the significance of its operational and financial relationships with HRHA. The disclosure requirements of GASB 61 are met by the combined financial statement presentation of the sole Component Unit. Footnotes regarding the policies of HRHA apply to the Component Unit unless otherwise noted. The Component Unit consists of Piper Square, L.L.C., a limited liability company (the Company) organized in 2018 to rehabilitate and operate apartment buildings in Hopewell, Virginia. During the period ending March 31, 2022, the Authority financed the sale of AMP 4 to convert into a Rental Assistance Demonstration Project for the Company. The Authority manages the project through a related entity. Due to its operational responsibility of the entity, the financials of the Company are blended with the Authority's enterprise fund financials. A breakout of its financials as of December 31, 2023 are included in Note 16.
- c. Measurement Focus, Basis of Accounting, and Financial Statement Presentation – The financial statements of the Housing Authority have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Authority is a Special Purpose Government entity engaged only in business-type activities and therefore, presents only the financial statements required for the enterprise fund, in accordance with GASB 34. The Authority has multiple programs which are accounted for in one enterprise fund, which is presented as the "enterprise fund" in the basic financial statements as follows:
- d. Enterprise Fund – In accordance with the Enterprise Fund Method, activity is recorded using the accrual basis of accounting and the measurement focus is on the flow of economic resources. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. This requires HRHA to account for operations in a manner similar to private business or where the Board has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability. Enterprise funds distinguish operating revenues and expenses from non-operating items.

## HOPEWELL REDEVELOPMENT AND HOUSING AUTHORITY

### NOTES TO FINANCIAL STATEMENTS - Continued FOR THE YEAR ENDED MARCH 31, 2024

#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

- d. Enterprise Fund (continued) - Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of all the Authority's enterprise funds are governmental grants used for maintaining and operating low income housing assistance programs. Operating expenses for these enterprise funds include administrative expenses, utilities and maintenance of housing units and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.
- e. Use of Estimates - The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingencies at the date of the financial statements, and revenues and expenses recognized during the reporting period. Actual results could differ from those estimates.
- e. Cash and Cash Equivalents - Highly liquid investments with initial maturities of three months or less from date of purchase are considered cash equivalents.
- f. Investments - Investments are carried at fair value, with changes in fair value recognized as a component of investment income. Fair value is determined by reference to quoted market prices.
- g. Due from/Due to Other Funds - During the course of its operations, HRHA has numerous transactions between funds to finance operations and provide services. To the extent that certain transactions between funds had not been paid or received as of March 31, 2024, balances of inter-fund amounts receivable and payable have been recorded.
- h. Land, Structures, and Equipment - Land, structures and equipment are capitalized at cost with depreciation calculated on the straight-line basis over the following estimated useful lives:

Real Property	40 years
Real Property Improvements	10 years
Office Furniture and Equipment	5 years
Data Processing Equipment and Automobiles	5 years

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

## HOPEWELL REDEVELOPMENT AND HOUSING AUTHORITY

### NOTES TO FINANCIAL STATEMENTS – Continued FOR THE YEAR ENDED MARCH 31, 2024

#### **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

- i. Annual Contributions and Operating Subsidies - In accordance with the annual contributions contracts, HRHA receives operating subsidies from HUD. Such amounts are included as grant revenues from the federal government in the financial statements.
- j. Compensated Absences - Employees earn annual vacation leave at a rate ranging from 6 days per year, up to a maximum of 21 days per year after 10 years of service. Vacation leave shall be approved in advance by the Executive Director. The maximum carryover per year shall be 35 days. At termination, employees are paid for any accumulated annual vacation leave. The long-term liability for accrued annual and sick leave benefits at March 31, 2024, was \$18,392, and has been recorded as accrued compensated absences, representing the Authority's commitment to fund such costs from future operations. The amount is included in the accrued liabilities of the Authority.
- k. Indirect Costs - Certain indirect costs are funded on a fee-for-services basis. These fees were approved by the appropriate grantors as of HRHA's overall operations budget for the fiscal year.
- l. Pension Plans – The Authority participates in a defined benefit pension plan administered by the Virginia Retirement System (VRS). For purposes of measuring net pension liability, deferred inflows/outflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Authority's retirement plan and the additions to/deductions from the plan's net fiduciary position have been determined on the same basis as they were reported by the Virginia Retirement System (VRS). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.
- m. 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 Resource, represents a consumption of net position that applies to a future period and so will not be recognized as an expense of expenditure until then. The Authority has one item that meets the criterion for this category: 1) deferrals of pension expense that result from the implementation of GASB Statement 68. 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 and so will not be recognized as revenue until then. The Authority has one item that meets the criterion for this category, deferrals of earnings on pension plan investments that result from the implementation of GASB Statement 68.

## HOPEWELL REDEVELOPMENT AND HOUSING AUTHORITY

### NOTES TO FINANCIAL STATEMENTS - Continued FOR THE YEAR ENDED MARCH 31, 2024

#### **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

- n. Net Position - Net Position balances are designated by the Low Rent Fund, Section 8 Fund, State Rental Assistance Program, and Public Housing Capital Fund for future expenses, or must be returned to the grantor, and generally may not be used in any manner by HRHA except as specified under their respective contracts.
- o. Income Taxes - As a political subdivision of the State of Virginia, HRHA is exempt from Federal and State income taxes.

#### **NOTE 2: CASH, CASH EQUIVALENTS AND INVESTMENTS**

Interest Rate Risk - The Authority's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Restricted Cash – Restricted cash is made up of restricted HAP Funds, security deposits, FSS escrow funds and restricted cash for replacement reserve, residual receipts and taxes and insurance needs. They are restricted by HUD for the purposes stated above.

At March 31, 2024, the carrying amount of the Authority's cash deposits were \$4,155,141 and the bank balances were \$2,741,580. The Authority's cash deposits held by financial institutions are covered by Federal Depository Insurance or collateralized in accordance with the Virginia Security for Public Deposits Act (the Act) and HUD requirements. Holding public deposits in excess of the amounts insured by federal depository insurance must pledge collateral in the amount of 50% of excess deposits to a collateral pool Under the Act, banks in the name of the State Treasury Board. Savings and loan institutions are required to collateralize 100% of deposits in excess of federal depository insurance limits under the Act, while HUD requires collateralization of 100% of deposits in excess of federal depository insurance from all banks, savings and loan, and investment institutions for all cash deposits and for investment vehicles not directly held. The State Treasury Board requires HRHA to obtain additional collateral from participating financial institutions to cover collateral shortfalls in the event of default and is responsible for monitoring compliance with the collateralization and reporting requirements of the Act and for notifying local governments of noncompliance.

Concentration of Credit Risk - The Authority places no limit on the amount the Authority may invest in any one issuer. All of the Authority's investments are in Certificates of Deposit and U.S. Treasury Bills.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority does not have a deposit policy for custodial credit risk. As of March 31, 2024, all of the Authority's investments were in U.S. Government Securities held in the Authority's name or collateralized certificates of deposit.

## HOPEWELL REDEVELOPMENT AND HOUSING AUTHORITY

### NOTES TO FINANCIAL STATEMENTS - Continued FOR THE YEAR ENDED MARCH 31, 2024

#### NOTE 3: RECEIVABLES

Receivables as of year end for the Authority's enterprise fund including the applicable allowances for uncollectible accounts, are as follows:

	3/31/2023	Increase	Decrease/ Transfers	Eliminations	3/31/2024
Receivables					
Tenants	\$ 106,921	\$ 60,110	\$ (72,071)	\$ -	\$ 94,960
Other Government	318,078	554,978	(145,866)	-	727,190
Notes Receivable	332,828	-	(316,883)	-	15,945
Miscellaneous	577,804	301,121	-	-	878,925
Gross Receivables	1,335,631	916,209	(534,820)	-	1,717,020
Less: Allowance for Uncollectibles	(22,642)	-	8,837	-	(13,805)
	<u>\$ 1,312,989</u>	<u>\$ 916,209</u>	<u>\$ (525,983)</u>	<u>\$ -</u>	<u>\$ 1,703,215</u>

#### NOTE 4: LAND, STRUCTURES AND EQUIPMENT

Land, structures, and equipment consist of the following at March 31, 2024:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Enterprise Activities</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 4,148,906	\$ -	\$ -	\$ 4,148,906
Construction in progress	6,918,447	14,381,692	-	21,300,139
<b>Total capital assets not being depreciated</b>	11,067,353	14,381,692	-	25,449,045
Buildings & improvements	21,110,102	(4,263,724)	-	16,846,378
Furniture & equipment	148,315	52,530	-	200,845
<b>Total capital assets being depreciated</b>	21,258,417	(4,211,194)	-	17,047,223
Less accumulated depreciation for:				
Buildings & improvements	13,472,518	326,761	-	13,799,279
Furniture & equipment	104,811	-	-	104,811
<b>Total accumulated depreciation</b>	13,577,329	326,761	-	13,904,090
<b>Total capital assets being depreciated</b>	7,681,088			3,143,133
<b>Enterprise activity capital assets, net</b>	<u>\$ 18,748,441</u>			<u>\$ 28,592,178</u>

#### NOTE 5: DEFINED BENEFIT PENSION PLAN

The Authority contributes to the Virginia Retirement System (VRS), a Cost Sharing, Multiple Employer defined benefit public employee retirement system that acts as a common investment and administrative agent for political subdivisions in the Commonwealth of Virginia.

# HOPEWELL REDEVELOPMENT AND HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS - Continued FOR THE YEAR ENDED MARCH 31, 2024

### NOTE 5: DEFINED BENEFIT PENSION PLAN (Continued)

#### a. Plan Description

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

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

#### b. Employees Covered by Benefit Terms

As of the June 30, 2022 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 Bene	26
Inactive Members:	
Vested	4
Non-Vested	18
Active Elsewhere in VRS	<u>8</u>
Total Inactive Members	56
Active Members	<u>12</u>
<b>Total Covered Employees</b>	<b><u><u>68</u></u></b>

HOPEWELL REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS - Continued  
FOR THE YEAR ENDED MARCH 31, 2024

NOTE 5: DEFINED BENEFIT PENSION PLAN (Continued)

c. Contributions

The contribution requirement for active employees is governed by Title 51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to state agencies by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensations toward their retirement. Prior to July 1, 2012, all or part of the 5.00% member contribution may have been assumed by the employer. Beginning July 1, 2012, new employees were required to pay the contribution. In addition, for existing employees; employers were required to begin making the employee pay the contribution. This could be phased in over a period of up to 5 years and the employer is required to provide a salary increase equal to the amount of the increase in the employee-paid member contribution. The Authority’s contractually required contribution rate for the year ended June 30, 2023 was 0% of covered employee compensation. This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the Authority to the pension plan were \$0 and \$2,360 for the years ended June 30, 2023, and June 30, 2022, respectively.

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

a. Actuarial Assumptions

The total pension liability for General Employees in the Authority’s retirement plan was based on an actuarial valuation as of June 30, 2022, 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, 2023.

Inflation	2.50%
Salary increases, including inflation	3.50% - 5.35%
Investment rate of return	6.75% net of pension plan investment expense, including inflation*

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

# HOPEWELL REDEVELOPMENT AND HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS - Continued FOR THE YEAR ENDED MARCH 31, 2024

### NOTE 5: DEFINED BENEFIT PENSION PLAN (Continued)

#### b. Net Pension Liability

The Authority's net pension asset was measured as of June 30, 2023. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation performed as of June 30, 2022, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023. The following table summarizes the changes in the Net Pension Asset which resulted in \$1,160,376 being reported as a pension asset as of March 31, 2024.

	Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (a-b)
<b>Balance at June 30, 2022</b>	<b>\$ 4,919,610</b>	<b>\$ 5,568,612</b>	<b>\$ (649,002)</b>
Changes for the year:			
Service Cost	61,258	-	61,258
Interest	324,864	-	324,864
Changes of assumptions	-	-	-
Difference between expected and actual experience	(525,569)	-	(525,569)
Contributions-employer	-	-	-
Contributions-employee	-	27,255	(27,255)
Net investment income	-	348,254	(348,254)
Benefit payments, including refunds of employee contributions	(336,137)	(336,137)	
Administrative expense	-	(3,660)	3,660
Other changes	-	78	(78)
Net Changes	(475,584)	35,790	(511,374)
<b>Balance at June 30, 2023</b>	<b>\$ 4,444,026</b>	<b>\$ 5,604,402</b>	<b>\$ (1,160,376)</b>

#### c. Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension asset of \$1,160,376 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 one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
<b>Plan's Net Pension Liability</b>	<b>(\$727,215)</b>	<b>\$ (1,160,376)</b>	<b>(\$1,541,753)</b>

# HOPEWELL REDEVELOPMENT AND HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS - Continued FOR THE YEAR ENDED MARCH 31, 2024

### NOTE 5: DEFINED BENEFIT PENSION PLAN (Continued)

#### d. Pension Expense (Income)

For the year ended March 31, 2024, the Authority recognized pension income of \$581,246. The components of pension expense/(income) are as follows:

Service Costs	\$ 61,258
Interest on total pensions liability	324,864
Expensed portion of current-period difference between expected and actual experience in the total pension liability	(453,077)
Expensed portion of current-period changes of assumptions	-
Member contributions	(27,255)
Projected earnings on plan investments	(365,335)
Expensed portion of current-period difference between actual and projected earnings on plan investments	3,416
Administrative expense	3,660
Other	(78)
Recognition of beginning deferred outflows of resources	128,438
Recognition of beginning deferred inflows of resources	(257,137)
Pension Expense(Income)	<u>\$ (581,246)</u>

#### e. Deferred Outflows of Resources and Deferred Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 72,492
Changes of assumptions	-	-
Net difference between expected and actual earnings on pension plan investments	293,395	392,535
Employer contributions subsequent to the measurement date	10,808	-
<b>Total</b>	<u>\$ 304,203</u>	<u>\$ 465,027</u>

The \$10,808 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 year ended March 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

# HOPEWELL REDEVELOPMENT AND HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS - Continued FOR THE YEAR ENDED MARCH 31, 2024

### NOTE 5: DEFINED BENEFIT PENSION PLAN (Continued)

#### f. Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

Year ended June 30

2025	\$ (140,472)
2026	(115,423)
2027	80,846
2028	3,417
2029	-
Thereafter	-

At March 31, 2024, the Authority had no outstanding payable to the VRS.

### NOTE 6: OTHER POST EMPLOYMENT BENEFITS (OPEB)

The Authority participates in the Virginia Local Disability (LD) Programs. It is maintained by Virginia Retirement System (VRS).

The VRS Local Disability Program is a multiple employer, cost-sharing plan. It provides coverage to state employees, teachers, and employees of participating political subdivisions.

Detailed information about the LD Program's Fiduciary Net Position is available in the separately issued VRS 2020 Comprehensive Annual Financial Report (CAFR). A copy of the 2020 VRS CAFR may be available by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218, or online at <http://www.varetire.org/financial-reporting/>.

- a. Plan Description - All full-time, salaried general employees; including local law enforcement officers, firefighters, or emergency medical technicians of political subdivisions who do not provide enhanced hazardous duty benefits; who are in the VRS Hybrid Retirement Plan benefit structure and whose employer has not elected to opt out of the VRS-sponsored program are automatically covered by the VRS Political Subdivision Employee Virginia Local Disability Program. This plan is administered by the Virginia Retirement System (the System), along with pension and other OPEB plans, for eligible public employer groups in the Commonwealth of Virginia. Political subdivisions are required by Title 51.1 of the Code of Virginia, as amended to provide short-term and long-term disability benefits for their Hybrid employees either through a local plan or through the Virginia Local Disability Program (VLDP).

## HOPEWELL REDEVELOPMENT AND HOUSING AUTHORITY

### NOTES TO FINANCIAL STATEMENTS - Continued FOR THE YEAR ENDED MARCH 31, 2024

#### NOTE 6: OTHER POST EMPLOYMENT BENEFITS (Cont'd.)

##### a. Plan Description- (continued)

Significant plan provisions of the Political Subdivision Employee Virginia Local Disability Program OPEB, including eligibility, coverage and benefits are as follows:

##### **Eligible Employees**

The Political Subdivision Employee Virginia Local Disability Program was implemented January 1, 2014 to provide short-term and long-term disability benefits for non-work-related and work-related disabilities for employees with Hybrid retirement benefits.

- Full-time general employees covered under VRS are automatically enrolled unless their employers have elected to provide comparable coverage.

##### **Benefit Amounts**

The Virginia Disability Local Program (VLDP) provides the following benefits for eligible employees:

- Short-Term Disability- The program provides a short-term disability benefit beginning after a seven-calendar-day waiting period from the first day of disability. Employees become eligible for non-work-related short-term disability coverage after one year of continuous participation in VLDP with their current employer. During the first five years of continuous participation in VLDP with their current employer, employees are eligible for 60% of their pre-disability income if they go out on non-work-related or work-related disability. Once the eligibility period is satisfied, employees are eligible for higher income replacement levels.

##### **Benefit Amounts**

- Long-Term Disability – The VLDP program provides a long-term disability benefit beginning after 125 workdays of short-term disability. Members are eligible if they are unable to work at all or are working fewer than 20 hours per week. Members approved for long-term disability will receive 60% of their pre-disability income. If approved for work-related long-term disability, the VLDP benefit will be offset by the workers' compensation benefit. Members will not receive a VLDP benefit if their workers' compensation benefit is greater than the VLDP benefit.

## HOPEWELL REDEVELOPMENT AND HOUSING AUTHORITY

### NOTES TO FINANCIAL STATEMENTS - Continued FOR THE YEAR ENDED MARCH 31, 2024

#### NOTE 6: OTHER POST EMPLOYMENT BENEFITS (Cont'd.)

a. Plan Description- (continued)

**Virginia Local Disability Program Notes**

- Members approved for short-term or long-term disability at age 60 or older will be eligible for a benefit, provided they remain medically eligible.
  - VLDP Long-Term Care Plan is a self-funded program that assists with the cost of covered long-term care services.
- b. Contributions- The contribution requirement for the program is 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. Employers may elect to pay all or part of the employee contribution, however the employer must pay all of the employer contribution. 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 from the entity to the Local Disability program was \$4,296 and \$3,621 for the years ended March 31, 2024 and March 31, 2023, respectively.

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

a. Actuarial Assumptions

The total OPEB-VLDP liability was based on an actuarial valuation as of June 30, 2022, 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, 2023.

Inflation	2.50%
Salary increases, including inflation	3.50% - 5.35%
Investment rate of return	6.75% net of plan investment expense, including inflation*

\* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of the OPEB liabilities.

## HOPEWELL REDEVELOPMENT AND HOUSING AUTHORITY

### NOTES TO FINANCIAL STATEMENTS - Continued FOR THE YEAR ENDED MARCH 31, 2024

#### NOTE 6: OTHER POST EMPLOYMENT BENEFITS (Cont'd.)

##### a. Actuarial Assumptions (continued)

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

##### Pre-Retirement:

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

##### Post-Retirement:

Pub-2010 Amount Weighted General 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.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified 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

## HOPEWELL REDEVELOPMENT AND HOUSING AUTHORITY

### NOTES TO FINANCIAL STATEMENTS - Continued FOR THE YEAR ENDED MARCH 31, 2024

#### NOTE 6: OTHER POST EMPLOYMENT BENEFITS (Cont'd.)

##### a. Actuarial Assumptions (continued)

##### ***Net Political Subdivision Employee VLDP OPEB Liability***

The net OPEB liability (NOL) for the Virginia Local Disability Program represents the program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2023, NOL amounts for the Virginia Local Disability Program is as follows (amounts expressed in thousands):

	<b>Virginia Local Disability OPEB Program</b>
Total VLDP OPEB Liability	\$ 9,525
Plan Fiduciary Net Position	11,134
Employer's Net VLDP OPEB Liability (Asset)	<u>\$ (1,609)</u>
Plan Fiduciary Net Position as a Percentage of the Total VLDP OPEB Liability	116.89%

The total VLDP OPEB liability is calculated by the System's actuary, and the plan's fiduciary net position is reported in the System's financial statements. The net Political Subdivision Employee VLDP 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 VRS 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 VRS 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:

# HOPEWELL REDEVELOPMENT AND HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS - Continued FOR THE YEAR ENDED MARCH 31, 2024

### NOTE 6: OTHER POST EMPLOYMENT BENEFITS (Cont'd.)

#### a. Actuarial Assumptions (continued)

Asset Class (Strategy)	Target Allocation	Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public Equity	34.00%	6.14%	2.09%
Fixed Income	15.00%	2.56%	0.38%
Credit Strategies	14.00%	5.60%	0.78%
Real Assets	14.00%	5.02%	0.70%
Private Equity	16.00%	9.17%	1.47%
MAPS Multi -Assets Public Strategies	4.00%	4.50%	0.18%
PIP – Private Investment Partnerships	2.00%	7.18%	0.14%
Cash	1.00%	1.20%	.01%
Total	100.00%		5.75%
	Inflation		2.50%
	*Expected arithmetic nominal return		8.25%

\* The above allocation provides a one-year return of 8.25%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%. On June 15, 2023, the VRS Board elected a long-term rate of 6.75% which is roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation. More recent capital market assumptions compiled for the FY2023 actuarial valuations, provide a median return of 7.14%, including expected inflation of 2.50%.

#### **Discount Rate**

The discount rate used to measure the total Political Subdivision Employee VLDP OPEB 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 at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees.

## HOPEWELL REDEVELOPMENT AND HOUSING AUTHORITY

### NOTES TO FINANCIAL STATEMENTS - Continued FOR THE YEAR ENDED MARCH 31, 2024

#### NOTE 6: OTHER POST EMPLOYMENT BENEFITS (Cont'd.)

##### a. Actuarial Assumptions (continued)

##### ***Discount Rate (continued)***

Through the fiscal year ending June 30, 2023, the rate contributed by the political subdivision for the VRS Political Subdivision Employee Virginia Local Disability Program 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, 2023, on, all agencies are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the Political Subdivision Employee VLDP OPEB 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 Political Subdivision Employee VLDP OPEB liability.

Detailed information about the VRS Political Subdivision Employee Virginia Local Disability Program's Fiduciary Net Position is available in the separately issued VRS 2023 Comprehensive Annual Financial Report (CAFR). A copy of the 2023 VRS CAFR may be downloaded from the VRS website at, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

##### b. Net OPEB-VLDP Liability

At March 31, 2024, HRHA reported a liability (asset) of \$(1,329) for its proportionate share of the Net OPEB-VLDP Liability. The Net OPEB-VLDP Liability was measured as of June 30, 2023, and the total OPEB-VLDP liability used to calculate the Net OPEB-VLDP Liability was determined by an actuarial valuation as of that date. The covered employer's proportion of the Net OPEB-VLDP Liability was based on the covered employer's actuarially determined employer contributions to the Virginia Local Disability Program for the year ended June 30, 2023, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, HRHA's employer's proportion was 0.07421% as compared to 0.11264% at June 30, 2022.

##### c. Sensitivity of the Net OPEB-VLDP Liability to Changes in the Discount Rate

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

	<b>1% Decrease (5.75%)</b>	<b>Current Discount Rate (6.75%)</b>	<b>1% Increase (7.75%)</b>
<b>Net OPEB-VLDP Liability</b>	(\$696)	(\$1,329)	(\$1,883)

##### d. OPEB-VLDP Expense (Income)

For the year ended June 30, 2023, the Authority recognized OPEB-VLDP expense of \$3,412. Since there was a change in proportionate share between measurement dates, a portion of the VLDP OPEB expense was related to deferred amounts from changes in proportion.

## HOPEWELL REDEVELOPMENT AND HOUSING AUTHORITY

### NOTES TO FINANCIAL STATEMENTS - Continued FOR THE YEAR ENDED MARCH 31, 2024

#### NOTE 6: OTHER POST EMPLOYMENT BENEFITS (Cont'd.)

##### e. Deferred Outflows of Resources and Deferred Inflows of Resources

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

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences Between Expected and Actual Experience	\$ 499	\$ 828
Net difference between projected and actual earnings on plan investments	3	-
Changes in Assumptions	9	122
Changes in Proportion	171	147
<b>Total</b>	<b>\$ 682</b>	<b>\$ 1,097</b>

Due to the immaterial amounts associated with the VLDP plan, the liability and related deferred inflows and outflows have not been included in the March 31, 2024 financials.

#### NOTE 7: NOTE RECEIVABLE

The Authority is due a note receivable from Piper Square, L.L.C. in the amount of \$4,800,000. The note bears interest at 1.17% per annum. The entire balance of the note, including principal and accrued interest, is due December 11, 2060. This note is being eliminated on the consolidated financial statements.

The Authority is due a note receivable from Piper Square in the amount of \$500,000. The FHLB loan bears no interest and is to be paid from net cash flows with the full balance maturing on October 31, 2048. This note is being eliminated on the consolidated financial statements.

The Authority is due a note receivable from Kippax Place Apartments, LLC in the amount of \$2,300,000. The note bears interest at the prime rate, compounding annually, for fifty (50) years. The entire balance of the note, including principal and accrued interest, is due July 2066. An allowance has been recorded for the outstanding balance of the note and accrued interest at March 31, 2024 due to the uncertainty of collection.

## HOPEWELL REDEVELOPMENT AND HOUSING AUTHORITY

### NOTES TO FINANCIAL STATEMENTS - Continued FOR THE YEAR ENDED MARCH 31, 2024

#### NOTE 8: NON-CURRENT LIABILITIES

Non-current liabilities consist of the following at March 31, 2024:

	Balance at 3/31/2023	Increases\	Decreases	Balance at 3/31/2024	Current Portion
Long-term debt	\$ 5,809,509	\$ 5,854,674	\$ (50,000)	\$ 11,614,183	\$ 50,000
Other-Non-current liabilities	541,079	1,210,082	(37,035)	1,714,126	-
Compensated absences	39,000	12,302	(32,910)	18,392	18,394
Totals	<u>\$ 6,389,588</u>	<u>\$ 7,077,058</u>	<u>\$ (119,945)</u>	<u>\$ 13,346,701</u>	<u>\$ 68,394</u>

#### NOTE 9: LONG-TERM DEBT

**Piper Square** – As discussed in note 7, in 2020, Piper Square, L.L.C. entered into a loan agreement with the Authority to finance the purchase of the land and building of what was AMP 4 into what is now the Component Unit. As of December 31, 2023 (the date by which the Component Unit is reporting), \$4,880,000 of principal and \$187,214 of interest is owed on this loan. The note bears interest at 1.17% per annum. The principal and all accrued interest is due to the lender on or before December 11, 2060. This loan and corresponding note receivable is eliminated in the financial statements and the interest receivable is not booked by the Authority due to the uncertainty of collectability.

HRHA Seller Loan	\$4,880,000
HRHA Loan	854,954
VCC Construction Loan 1	1,000,126
VCC Construction Loan 2	50,000
FHLB Loan	500,000
Virginia Housing - GAP Loan	1,845,000
Virginia Housing – Loan 1	5,672,719
Virginia Housing – Loan 2	<u>850,000</u>
	<u>\$ 15,652,799</u>

In 2020, Piper Square entered into a loan agreement for \$1,200,000 with Virginia Community Capital to draw on construction expenses relate to the rehabilitation of the Project. As of December 31, 2023 the current balance of the note payable was \$1,000,126.

In 2020, Piper Square entered into another loan agreement for \$50,000 with Virginia Community Capital to draw on construction expenses relate to the rehabilitation of the Project. As of December 31, 2023, the current balance of the note payable was \$50,000.

## HOPEWELL REDEVELOPMENT AND HOUSING AUTHORITY

### NOTES TO FINANCIAL STATEMENTS - Continued FOR THE YEAR ENDED MARCH 31, 2024

#### **NOTE 9: LONG-TERM DEBT (Cont'd.)**

Piper Square has an FHLB Loan payable to HRHA in the amount of \$500,000. The loan bears no interest and is to be paid from net cash flows with the full balance maturing on October 31, 2048. This loan and corresponding note receivable is eliminated in the financial statements and the interest receivable is not booked by the Authority due to the uncertainty of collectability.

Piper Square also has a Loan payable to HRHA in the amount of \$854,954. The loan bears no interest and is to be paid from net cash flows with the full balance maturing on December 11, 2060.

Piper Square has a GAP loan agreement with Virginia Housing for up to \$1,845,000 with which to draw from for construction expenses related to the rehabilitation of Piper Square. As of December 31, 2023, \$1,845,000 has been drawn on this loan.

Piper Square also has a signed loan agreement with Virginia Housing for up to \$8,655,000 with which to draw from for construction expenses related to the rehabilitation of Piper Square. As of December 31, 2023, \$5,672,719 has been drawn on this loan.

Piper Square signed a loan agreement with Virginia Housing for up to \$850,000 with which to draw from for construction expenses related to the rehabilitation of Piper Square. The loan bears interest at 4.5% per annum. Interest payments are due monthly. The principal is due to the lender on or before April 1, 2023. As of December 31, 2023, \$850,000 has been drawn on this loan.

Business Activities – The Authority has a predevelopment loan with LISC for an amount of up to \$664,000 for redevelopment projects. This note bears interest of 4.94%. As of March 31, 2024, \$611,385 had been drawn on the loan.

Business Activities – The Authority has a predevelopment loan with Virginia Housing for an amount of up to \$200,000 for redevelopment projects. This note bears interest of 0%. As of March 31, 2024, \$200,000 had been drawn on the loan.

#### **NOTE 10: CONTINGENCIES AND OTHER MATTERS**

##### **a. Litigation and Other Matters**

At March 31, 2024, the Authority was in pending litigation involving a tenant that was injured in her unit. The tenant filed a Warrant in Debt against HRHA alleging approximately \$50,000 in damages. A settlement was reached on July 17, 2024, in the amount of \$12,000. HRHA is also aware of a potential claim involving another tenant that was injured in her unit. The tenant has not filed a lawsuit but has provided notice of the injury and retained counsel. The claim is being investigated by HRHA's insurance carrier's third-party claim administrator. The defense cost for this claim is being covered by insurance. No liability has been booked related to these claims due to the uncertainty of the outcome.

## HOPEWELL REDEVELOPMENT AND HOUSING AUTHORITY

### NOTES TO FINANCIAL STATEMENTS - Continued FOR THE YEAR ENDED MARCH 31, 2024

#### **NOTE 10: CONTINGENCIES AND OTHER MATTERS (Cont'd)**

##### **b. Grants**

The Authority has received various other grants for specific purposes. These grants are subject to financial and compliance audits. Such audits could result in requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. The Authority management is of the opinion that disallowances, if any, will not be material.

#### **NOTE 11: ECONOMIC DEPENDENCY**

Both the PHA Owned Housing Fund and the Section 8 Fund are economically dependent on annual contributions and grants from HUD. Both Funds operate at a loss prior to receiving the contributions and grants.

#### **NOTE 12: LEASES**

As discussed in Note 1, the Authority leases certain property included in the Low-Rent Housing Fund. Minimum annual rental income amounts receivable for the next five (5) years have not been presented for the Low-Rent Housing Fund because rental income depends on the ultimate occupancy of units and tenant income. Tenant rental income in these funds is supplemented by HUD through annual contributions.

#### **NOTE 13: IMPAIRMENT OF CAPITAL ASSETS**

In accordance with financial 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. There were no permanent impairments experienced by the Housing Authority that required adjustments to the Statement of Net Position.

#### **NOTE 14: DEFERRED COMPENSATION PLAN**

HRHA provides an approved deferred compensation plan under Section 457 of the Internal Revenue Code which is administered by the ICMA Retirement Corporation. All regular full-time HRHA employees are eligible to participate. The Internal Revenue Code requires that the plan assets and income attributed to the assets be held in trust for the exclusive benefit of the participants and/or beneficiaries. All amounts of employees' compensation deferred under the plan are deposited with the plan trustee, ICMA Retirement Corporation, for management and investment. The plan trustee holds all assets of the plan, maintains accounting of each plan participant's accumulated assets, and makes distribution to participants in accordance with the plan document. Certain claims, suits and complaints may arise in the ordinary course of business. None have been filed and none are pending against the Authority. In the opinion of the Authority's management, any such matters are adequately covered by insurance.

**HOPEWELL REDEVELOPMENT AND HOUSING AUTHORITY****NOTES TO FINANCIAL STATEMENTS - Continued  
FOR THE YEAR ENDED MARCH 31, 2024****NOTE 15: RISK MANAGEMENT**

The Authority is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority reports all of its risk management activities in its Low-Rent Housing Fund and pays all claims for retained risks from Low-Rent Housing Fund resources. The Authority intends to fund claims, if any, when they arise from the Low-Rent Housing Fund. For all retained risks, claims expense and liabilities are reported when it is probable that a loss has occurred and the amount of loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. Liabilities are not discounted.

**NOTE 16: COMPONENT UNIT**

As disclosed in Note 1, the Authority has one component unit; Piper Square, L.L.C. (the Corporation), the financial statements of which are included in the basic financial statements. Condensed financial information of the Corporation at December 31, 2023 and for the year then ended are as follows on the next page:

# HOPEWELL REDEVELOPMENT AND HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS - Continued FOR THE YEAR ENDED MARCH 31, 2024

### NOTE 16: COMPONENT UNIT (Cont'd)

#### Condensed Summary of Net Position

##### Assets

Current	\$	81,725
Deposits and Funded Reserves		1,247,106
Capital Assets, Net of Accumulated Depreciation		<u>19,434,165</u>
Total Assets		<u>20,762,996</u>

##### Liabilities

Current		293,746
Long-Term Debt		<u>17,260,713</u>
Total Liabilities		<u>17,554,459</u>

##### Net Position

Net Investment in Capital Assets		3,781,366
Unrestricted		<u>(572,829)</u>
Total Net Position	\$	<u>3,208,537</u>

#### Condensed Summary of Revenues, Expenses and Changes in Net Position

##### Operating Revenues

Tenant Revenue	\$	587,676
Other Revenue		<u>2,726,730</u>
Total Operating Revenues		<u>3,314,406</u>

##### Operating Expenses

Administrative		170,484
Utilities		96,270
Maintenance		163,158
General		57,022
Interest		<u>58,521</u>
Total Operating Expenses		<u>545,455</u>

<b>Operating Income (Loss)</b>		<u>2,768,951</u>
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<b>Less: Depreciation Expense</b>		<u>(326,761)</u>
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<b>Change in Net Position</b>		2,442,190
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<b>Beginning Net Position</b>		<u>766,347</u>
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<b>Ending Net Position</b>	\$	<u>3,208,537</u>
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#### Condensed Summary of Cash Flows

##### Cash Flows provided (used) by:

Operating Activities	\$	3,288,217
Capital and financing activities		<u>(2,339,588)</u>

<b>Net Change in Cash</b>		948,629
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Cash and cash equivalents at beginning of year		<u>302,293</u>
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<b>Cash and cash equivalents at end of year</b>	\$	<u>1,250,922</u>
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**HOPEWELL REDEVELOPMENT AND HOUSING AUTHORITY****NOTES TO FINANCIAL STATEMENTS - Continued  
FOR THE YEAR ENDED MARCH 31, 2024****NOTE 17: RELATED PARTY TRANSACTIONS**

As discussed in notes 7 and 9, the Authority has a loan with Piper Square, L.L.C., an affiliate of the Authority and represented in the component unit. The loan is eliminated in the consolidated financial statements.

Piper Square, L.L.C. has a loan originating with the Federal Home Loan Bank (FHLB) for \$500,000, payable to the lender, HRHA. As of December 31, 2023, the original balance of \$500,000 remains outstanding until maturity no later than 2048.

Piper Square, L.L.C. incurred a developer fee of \$1,550,000 to Hopewell Redevelopment and Housing Authority (HRHA) associated with the development of the project. At December 31, 2023, the outstanding balance was \$958,445. A payment in the amount of \$175,000 was made during 2023. This amount is being recognized upon payment due to the uncertainty of collectability.

Additionally, at times, amounts are owed from Piper Square to the Authority for certain transactions related to development and operations.

**NOTE 18: SUBSEQUENT EVENTS**

Management has evaluated subsequent events through December 31, 2024, the date on which the financial statements were available to be issued. As discussed in Note 10, in relation to pending litigation involving a tenant, a settlement was reached on July 17, 2024, in the amount of \$12,000.

## **SUPPLEMENTAL INFORMATION**

## Hopewell Redevelopment &amp; Housing Authority (VA005)

## HOPEWELL, VA

## Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2024

	Project Total	6.2 Component Unit - Blended	1 Business Activities	2 State/Local	14.877 Public Housing Family Self- Sufficiency under ROSS	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	14.EHV Emergency Housing Voucher	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$1,028,585	\$3,816	\$287,242			\$257,913		\$11,081	\$10,932	\$1,599,569		\$1,599,569
112 Cash - Restricted - Modernization and Development												
113 Cash - Other Restricted	\$2,864	\$1,234,392		\$1,223,008		\$28,802		\$3,471		\$2,492,537		\$2,492,537
114 Cash - Tenant Security Deposits	\$50,321	\$12,714								\$63,035		\$63,035
115 Cash - Restricted for Payment of Current Liabilities												
100 Total Cash	\$1,081,770	\$1,250,922	\$287,242	\$1,223,008	\$0	\$286,715	\$0	\$14,552	\$10,932	\$4,155,141	\$0	\$4,155,141
121 Accounts Receivable - PHA Projects						\$58,511				\$58,511		\$58,511
122 Accounts Receivable - HUD Other Projects	\$242,205				\$1,446	\$424,622		\$0		\$668,273		\$668,273
124 Accounts Receivable - Other Government									\$407	\$407		\$407
125 Accounts Receivable - Miscellaneous		\$13,235	\$865,690						\$0	\$878,925		\$878,925
126 Accounts Receivable - Tenants	\$51,669	\$35,671		\$300	\$0	\$0				\$87,640		\$87,640
126.1 Allowance for Doubtful Accounts - Tenants	-\$5,378	-\$1,108	\$0	\$0	\$0	\$0			\$0	-\$6,486		-\$6,486
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current	\$15,945									\$15,945		\$15,945
128 Fraud Recovery						\$7,320				\$7,320		\$7,320
128.1 Allowance for Doubtful Accounts - Fraud						-\$7,320				-\$7,320		-\$7,320
129 Accrued Interest Receivable												
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$304,441	\$47,798	\$865,690	\$300	\$1,446	\$483,133	\$0	\$0	\$407	\$1,703,215	\$0	\$1,703,215
131 Investments - Unrestricted												
132 Investments - Restricted												
135 Investments - Restricted for Payment of Current Liability												
142 Prepaid Expenses and Other Assets	\$25,597	\$30,111		\$6,758	\$0	\$392,852	\$7,500		\$5,679	\$468,497		\$468,497
143 Inventories	\$86,786									\$86,786		\$86,786
143.1 Allowance for Obsolete Inventories	\$0									\$0		\$0
144 Inter Program Due From			\$72,485							\$72,485	-\$72,485	\$0
145 Assets Held for Sale												
150 Total Current Assets	\$1,498,594	\$1,328,831	\$1,225,417	\$1,230,066	\$1,446	\$1,162,700	\$7,500	\$14,552	\$17,018	\$6,486,124	-\$72,485	\$6,413,639
161 Land	\$3,111,493	\$745,000	\$292,413							\$4,148,906		\$4,148,906
162 Buildings	\$12,700,842	\$4,135,000	\$0			\$0				\$16,835,842		\$16,835,842
163 Furniture, Equipment & Machinery - Dwellings	\$12,885									\$12,885		\$12,885
164 Furniture, Equipment & Machinery - Administration	\$65,791					\$41,110			\$81,059	\$187,960		\$187,960
165 Leasehold Improvements						\$10,536				\$10,536		\$10,536
166 Accumulated Depreciation	-\$13,136,200	-\$666,773	\$0			-\$31,957			-\$69,160	-\$13,904,090		-\$13,904,090
167 Construction in Progress	\$2,281,889	\$15,220,938	\$3,797,312							\$21,300,139		\$21,300,139
168 Infrastructure												
160 Total Capital Assets, Net of Accumulated Depreciation	\$5,036,700	\$19,434,165	\$4,089,725	\$0	\$0	\$19,689	\$0	\$0	\$11,899	\$28,592,178	\$0	\$28,592,178
171 Notes, Loans and Mortgages Receivable - Non-Current			\$4,800,000						\$500,000	\$5,300,000	-\$5,300,000	\$0
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due												
173 Grants Receivable - Non Current												
174 Other Assets	\$609,561					\$209,976			\$340,840	\$1,160,377		\$1,160,377
176 Investments in Joint Ventures												
180 Total Non-Current Assets	\$5,646,261	\$19,434,165	\$8,889,725	\$0	\$0	\$229,665	\$0	\$0	\$852,739	\$35,052,555	-\$5,300,000	\$29,752,555

## Hopewell Redevelopment &amp; Housing Authority (VA005)

HOPEWELL, VA

## Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2024

	Project Total	6.2 Component Unit - Blended	1 Business Activities	2 State/Local	14.877 Public Housing Family Self- Sufficiency under ROSS	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	14.EHV Emergency Housing Voucher	COCC	Subtotal	ELIM	Total
200 Deferred Outflow of Resources	\$158,771					\$55,746			\$89,686	\$304,203		\$304,203
290 Total Assets and Deferred Outflow of Resources	\$7,303,626	\$20,762,996	\$10,115,142	\$1,230,066	\$1,446	\$1,448,111	\$7,500	\$14,552	\$959,443	\$41,842,882	-\$5,372,485	\$36,470,397
311 Bank Overdraft												
312 Accounts Payable <= 90 Days	\$84,804	\$13,108		\$0		\$5,093		\$357		\$103,362		\$103,362
313 Accounts Payable >90 Days Past Due												
321 Accrued Wage/Payroll Taxes Payable	\$16,977			\$53	\$1,446	\$2,081		\$57	\$12,691	\$33,305		\$33,305
322 Accrued Compensated Absences - Current Portion	\$6,563					\$842			\$10,989	\$18,394		\$18,394
324 Accrued Contingency Liability												
325 Accrued Interest Payable		\$193,456								\$193,456		\$193,456
331 Accounts Payable - HUD PHA Programs	\$0									\$0		\$0
332 Account Payable - PHA Projects												
333 Accounts Payable - Other Government	\$102,433	\$17,363								\$119,796		\$119,796
341 Tenant Security Deposits	\$50,321	\$12,714								\$63,035		\$63,035
342 Unearned Revenue	\$20,594	\$7,105		\$407	\$0	\$45,152	\$0	\$0		\$73,258		\$73,258
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue		\$50,000								\$50,000		\$50,000
344 Current Portion of Long-term Debt - Operating Borrowings												
345 Other Current Liabilities	\$14,877		\$359,728			\$521				\$375,126		\$375,126
346 Accrued Liabilities - Other												
347 Inter Program - Due To									\$72,485	\$72,485	-\$72,485	\$0
348 Loan Liability - Current												
310 Total Current Liabilities	\$296,569	\$293,746	\$359,728	\$460	\$1,446	\$53,689	\$0	\$414	\$96,165	\$1,102,217	-\$72,485	\$1,029,732
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue		\$15,602,799	\$811,385							\$16,414,184	-\$5,300,000	\$11,114,184
352 Long-term Debt, Net of Current - Operating Borrowings												
353 Non-current Liabilities - Other	\$7,446	\$1,657,914				\$28,802	\$7,500	\$12,464		\$1,714,126		\$1,714,126
354 Accrued Compensated Absences - Non Current	\$9,844					\$1,265			\$7,283	\$18,392		\$18,392
355 Loan Liability - Non Current												
356 FASB 5 Liabilities												
357 Accrued Pension and OPEB Liabilities												
350 Total Non-Current Liabilities	\$17,290	\$17,260,713	\$811,385	\$0	\$0	\$30,067	\$7,500	\$12,464	\$7,283	\$18,146,702	-\$5,300,000	\$12,846,702
300 Total Liabilities	\$313,859	\$17,554,459	\$1,171,113	\$460	\$1,446	\$83,756	\$7,500	\$12,878	\$103,448	\$19,248,919	-\$5,372,485	\$13,876,434
400 Deferred Inflow of Resources	\$244,285					\$485,054			\$136,593	\$865,932		\$865,932
508.4 Net Investment in Capital Assets	\$5,036,700	\$3,781,366	\$3,278,340			\$19,689			\$11,899	\$12,127,994	\$5,300,000	\$17,427,994
511.4 Restricted Net Position	\$0			\$0						\$0		\$0
512.4 Unrestricted Net Position	\$1,708,782	-\$572,829	\$5,665,689	\$1,229,606	\$0	\$859,612	\$0	\$1,674	\$707,503	\$9,600,037	-\$5,300,000	\$4,300,037
513 Total Equity - Net Assets / Position	\$6,745,482	\$3,208,537	\$8,944,029	\$1,229,606	\$0	\$879,301	\$0	\$1,674	\$719,402	\$21,728,031	\$0	\$21,728,031
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$7,303,626	\$20,762,996	\$10,115,142	\$1,230,066	\$1,446	\$1,448,111	\$7,500	\$14,552	\$959,443	\$41,842,882	-\$5,372,485	\$36,470,397

## Hopewell Redevelopment &amp; Housing Authority (VA005)

HOPEWELL, VA

## Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2024

	Project Total	6.2 Component Unit - Blended	1 Business Activities	2 State/Local	14.877 Public Housing Family Self-Sufficiency under ROSS	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	14.EHV Emergency Housing Voucher	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$637,820	\$587,599								\$1,225,419	-\$470,955	\$754,464
70400 Tenant Revenue - Other	\$10,480	\$77								\$10,557		\$10,557
70500 Total Tenant Revenue	\$648,300	\$587,676	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,235,976	-\$470,955	\$765,021
70600 HUD PHA Operating Grants	\$1,706,587				\$21,020	\$5,261,713	\$29,278	\$187,144		\$7,205,742		\$7,205,742
70610 Capital Grants	\$719,488									\$719,488		\$719,488
70710 Management Fee									\$297,177	\$297,177	-\$297,177	\$0
70720 Asset Management Fee									\$30,720	\$30,720	-\$30,720	\$0
70730 Book Keeping Fee									\$65,970	\$65,970	-\$65,970	\$0
70740 Front Line Service Fee												
70750 Other Fees												
70700 Total Fee Revenue									\$393,867	\$393,867	-\$393,867	\$0
70800 Other Government Grants				\$414,466						\$414,466		\$414,466
71100 Investment Income - Unrestricted			\$71	\$78						\$149		\$149
71200 Mortgage Interest Income												
71300 Proceeds from Disposition of Assets Held for Sale												
71310 Cost of Sale of Assets												
71400 Fraud Recovery	\$3,663					\$3,935				\$7,598		\$7,598
71500 Other Revenue	\$30,589	\$2,726,730	\$2,134,447			\$222,375			\$225,100	\$5,339,241		\$5,339,241
71600 Gain or Loss on Sale of Capital Assets												
72000 Investment Income - Restricted												
70000 Total Revenue	\$3,108,627	\$3,314,406	\$2,134,518	\$414,544	\$21,020	\$5,488,023	\$29,278	\$187,144	\$618,967	\$15,316,527	-\$864,822	\$14,451,705
91100 Administrative Salaries	\$251,164	\$61,305		\$13,919	\$1,500	\$160,459	\$2,000		\$163,742	\$654,089		\$654,089
91200 Auditing Fees	\$8,168					\$4,084				\$12,252		\$12,252
91300 Management Fee	\$192,071	\$0				\$105,106				\$297,177	-\$297,177	\$0
91310 Book-keeping Fee	\$18,736					\$47,234				\$65,970	-\$65,970	\$0
91400 Advertising and Marketing	\$752					\$2,503			\$1,751	\$2,503		\$2,503
91500 Employee Benefit contributions - Administrative	\$318,527	\$13,231		\$1,070		\$43,656			\$48,573	\$425,057		\$425,057
91600 Office Expenses	\$64,810	\$18,128			\$0	\$27,322	\$36		\$41,956	\$152,252		\$152,252
91700 Legal Expense	\$58,933	\$1,477				\$8,897			\$8,468	\$77,775		\$77,775
91800 Travel	\$4,645	\$490				\$2,110			\$33,744	\$40,989		\$40,989
91810 Allocated Overhead												
91900 Other	\$214,327	\$71,853	\$371	\$6,417		\$33,492			\$119,639	\$446,099		\$446,099
91000 Total Operating - Administrative	\$1,132,133	\$166,484	\$371	\$21,406	\$1,500	\$432,360	\$2,036	\$0	\$417,873	\$2,174,163	-\$363,147	\$1,811,016
92000 Asset Management Fee	\$30,720									\$30,720	-\$30,720	\$0
92100 Tenant Services - Salaries					\$15,889		\$11,846			\$27,735		\$27,735
92200 Relocation Costs	\$35,582		\$2,400							\$37,982		\$37,982
92300 Employee Benefit Contributions - Tenant Services	\$3,238				\$0		\$10,829	\$12,510		\$26,577		\$26,577
92400 Tenant Services - Other	\$9,640	\$4,000	\$0		\$3,631		\$4,567			\$21,838		\$21,838
92500 Total Tenant Services	\$48,460	\$4,000	\$2,400	\$0	\$19,520	\$0	\$27,242	\$12,510	\$0	\$114,132	\$0	\$114,132
93100 Water	\$184,439	\$31,165							\$6,748	\$222,352		\$222,352
93200 Electricity	\$181,300	\$32,816							\$9,357	\$223,473		\$223,473
93300 Gas	\$133,161	\$21,512							\$1,698	\$156,371		\$156,371

## Hopewell Redevelopment &amp; Housing Authority (VA005)

HOPEWELL, VA

## Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2024

	Project Total	6.2 Component Unit - Blended	1 Business Activities	2 State/Local	14.877 Public Housing Family Self- Sufficiency under ROSS	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	14.EHV Emergency Housing Voucher	COCC	Subtotal	ELIM	Total
93400 Fuel												
93500 Labor												
93600 Sewer	\$97,757	\$10,777								\$108,534		\$108,534
93700 Employee Benefit Contributions - Utilities												
93800 Other Utilities Expense												
93000 Total Utilities	\$596,657	\$96,270	\$0	\$0	\$0	\$0	\$0	\$0	\$17,803	\$710,730	\$0	\$710,730
94100 Ordinary Maintenance and Operations - Labor	\$188,816	\$36,931				\$1,861			\$1,368	\$228,976		\$228,976
94200 Ordinary Maintenance and Operations - Materials and Other	\$108,624	\$3,952							\$2,977	\$115,553		\$115,553
94300 Ordinary Maintenance and Operations Contracts	\$590,869	\$113,110	\$854,954	\$1,293		\$26,065			\$41,089	\$1,627,380		\$1,627,380
94500 Employee Benefit Contributions - Ordinary Maintenance	\$31,297	\$9,165								\$40,462		\$40,462
94000 Total Maintenance	\$919,606	\$163,158	\$854,954	\$1,293	\$0	\$27,926	\$0	\$0	\$45,434	\$2,012,371	\$0	\$2,012,371
95100 Protective Services - Labor												
95200 Protective Services - Other Contract Costs												
95300 Protective Services - Other												
95500 Employee Benefit Contributions - Protective Services												
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96110 Property Insurance	\$85,595	\$31,408				\$9,349			\$4,891	\$131,243		\$131,243
96120 Liability Insurance	\$226	\$15				\$79			\$38	\$358		\$358
96130 Workmen's Compensation												
96140 All Other Insurance	\$15,054	\$277				\$3,239			\$6,362	\$24,932		\$24,932
96100 Total Insurance Premiums	\$100,875	\$31,700	\$0	\$0	\$0	\$12,667	\$0	\$0	\$11,291	\$156,533	\$0	\$156,533
96200 Other General Expenses	\$3,710		\$170			\$6,523		\$14,759		\$25,162		\$25,162
96210 Compensated Absences												
96300 Payments in Lieu of Taxes	\$2,872	\$2,113								\$4,985		\$4,985
96400 Bad debt - Tenant Rents	\$51,174	\$23,209								\$74,383		\$74,383
96500 Bad debt - Mortgages												
96600 Bad debt - Other												
96800 Severance Expense												
96000 Total Other General Expenses	\$57,766	\$25,322	\$170	\$0	\$0	\$6,523	\$0	\$14,759	\$0	\$104,530	\$0	\$104,530
96710 Interest of Mortgage (or Bonds) Payable		\$58,521	\$17,143							\$75,664		\$75,664
96720 Interest on Notes Payable (Short and Long Term)												
96730 Amortization of Bond Issue Costs												
96700 Total Interest Expense and Amortization Cost	\$0	\$58,521	\$17,143	\$0	\$0	\$0	\$0	\$0	\$0	\$75,664	\$0	\$75,664
96900 Total Operating Expenses	\$2,886,207	\$545,455	\$875,038	\$22,699	\$21,020	\$479,476	\$29,278	\$27,269	\$492,401	\$5,378,843	-\$393,867	\$4,984,976
97000 Excess of Operating Revenue over Operating Expenses	\$222,420	\$2,768,951	\$1,259,480	\$391,845	\$0	\$5,008,547	\$0	\$159,875	\$126,566	\$9,937,684	-\$470,955	\$9,466,729
97100 Extraordinary Maintenance	\$116,830									\$116,830		\$116,830
97200 Casualty Losses - Non-capitalized	\$21,282									\$21,282		\$21,282
97300 Housing Assistance Payments	\$1,831		\$0	\$130,485		\$4,655,765		\$159,920		\$4,948,001	-\$470,955	\$4,477,046
97350 HAP Portability-In						\$34,057				\$34,057		\$34,057

## Hopewell Redevelopment &amp; Housing Authority (VA005)

HOPEWELL, VA

## Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2024

	Project Total	6.2 Component Unit - Blended	1 Business Activities	2 State/Local	14.877 Public Housing Family Self-Sufficiency under ROSS	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	14.EHV Emergency Housing Voucher	COCC	Subtotal	ELIM	Total
97400 Depreciation Expense		\$326,761								\$326,761		\$326,761
97500 Fraud Losses												
97600 Capital Outlays - Governmental Funds												
97700 Debt Principal Payment - Governmental Funds												
97800 Dwelling Units Rent Expense												
90000 Total Expenses	\$3,026,150	\$872,216	\$875,038	\$153,184	\$21,020	\$5,169,298	\$29,278	\$187,189	\$492,401	\$10,825,774	-\$864,822	\$9,960,952
10010 Operating Transfer In	\$1,400,531									\$1,400,531	-\$1,400,531	\$0
10020 Operating transfer Out	-\$1,400,531									-\$1,400,531	\$1,400,531	\$0
10030 Operating Transfers from/to Primary Government												
10040 Operating Transfers from/to Component Unit												
10050 Proceeds from Notes, Loans and Bonds												
10060 Proceeds from Property Sales												
10070 Extraordinary Items, Net Gain/Loss												
10080 Special Items (Net Gain/Loss)												
10091 Inter Project Excess Cash Transfer In												
10092 Inter Project Excess Cash Transfer Out	\$0									\$0		\$0
10093 Transfers between Program and Project - In												
10094 Transfers between Project and Program - Out												
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$82,477	\$2,442,190	\$1,259,480	\$261,360	\$0	\$318,725	\$0	-\$45	\$126,566	\$4,490,753	\$0	\$4,490,753
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
11030 Beginning Equity	\$6,663,005	\$766,347	\$7,684,549	\$968,246	\$0	\$560,576	\$0	\$1,719	\$592,836	\$17,237,278		\$17,237,278
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0									\$0		\$0
11050 Changes in Compensated Absence Balance												
11060 Changes in Contingent Liability Balance												
11070 Changes in Unrecognized Pension Transition Liability												
11080 Changes in Special Term/Severance Benefits Liability												
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents												
11100 Changes in Allowance for Doubtful Accounts - Other												
11170 Administrative Fee Equity						\$879,301				\$879,301		\$879,301
11180 Housing Assistance Payments Equity						\$0				\$0		\$0
11190 Unit Months Available	3072	760		360		7236		180		11608		11608
11210 Number of Unit Months Leased	2498	613		179		6298		151		9739		9739
11270 Excess Cash	\$861,917									\$861,917		\$861,917
11610 Land Purchases	\$0								\$0	\$0		\$0
11620 Building Purchases	\$719,488								\$0	\$719,488		\$719,488
11630 Furniture & Equipment - Dwelling Purchases	\$0								\$0	\$0		\$0
11640 Furniture & Equipment - Administrative Purchases	\$0								\$0	\$0		\$0
11650 Leasehold Improvements Purchases	\$0								\$0	\$0		\$0
11660 Infrastructure Purchases	\$0								\$0	\$0		\$0
13510 CFFP Debt Service Payments	\$0								\$0	\$0		\$0
13901 Replacement Housing Factor Funds	\$0								\$0	\$0		\$0

# HOPEWELL REDEVELOPMENT AND HOUSING AUTHORITY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED MARCH 31, 2024

### DIRECT FEDERAL ASSISTANCE

<u>FEDERAL GRANTOR/PROGRAM</u>	<u>ASSISTANCE LISTING NUMBER</u>	<u>GRANTOR IDENTIFYING NUMBER(S)</u>	<u>FEDERAL EXPENDITURES</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)</u>			
<u>Low Income Public Housing Program (LIPH)</u>			
Operating Subsidy	14.850*	N/A	\$ 1,657,410
Public Housing Capital Fund	14.872	N/A	768,665
Public Housing Family Self-Sufficiency Under ROSS	14.877	N/A	<u>21,020</u>
Total LIPH Cluster			<u>\$ 2,447,095</u>
<u>Housing Choice Voucher Program (HCV)</u>			
Housing Choice Voucher Program	14.871*	N/A	5,261,713
Emergency Housing Voucher	14.871*	N/A	<u>187,144</u>
Total HCV Cluster			<u>\$ 5,448,857</u>
Resident Opportunity and Supporting Services	14.870		<u>29,278</u>
TOTAL U.S. DEPARTMENT OF HUD			<u>\$ 7,925,230</u>

(\* - denotes major program)

**HOPEWELL REDEVELOPMENT AND HOUSING AUTHORITY****NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED MARCH 31, 2024****Note 1: Basis of Accounting**

The accompanying Schedule of Financial Assistance is prepared on the accrual basis of accounting. The information on 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.

**Note 2: Major Programs**

The (\*) to the right of a Federal Assistance Listing Number identifies the grant as a major federal program as defined by Uniform Guidance.

**Note 3: Award Balance**

On the Section 8 programs, the Authority receives annual funds based on an annual estimate of need. Unexpended grant funds are available to meet subsequent year HAP shortfalls.

**Note 4: Program Costs**

The amounts shown as current year expenditures represent only the federal portion of the actual program costs. Actual program costs, including the housing Authority's portion, may be more than shown.

**Note 5: Indirect Cost Allocation**

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

HOPEWELL REDEVELOPMENT AND HOUSING AUTHORITY

STATEMENT OF CERTIFICATION OF MODERNIZATION COSTS  
FOR THE YEAR ENDED MARCH 31, 2024

The Actual Modernization costs of Project are as follows:

	<b><u>VA36P005501-18</u></b>
Funds Approved	\$ 807,723
Funds Expended	<u>807,723</u>
EXCESS (DEFICIENCY) OF FUNDS APPROVED	<u><u>\$ -</u></u>

The distribution of costs by project as shown on the Final Statement of Modernization Costs accompanying the Actual Modernization Cost Certificate submitted to HUD for approval is in agreement with the Authorities records.

All modernization costs have been paid and all related liabilities have been discharged through payment

**FINANCIAL COMPLIANCE REPORTS  
FOR  
FEDERAL FUNDS**



# Dooley & Vicars

Certified Public Accountants, L.L.P.

Daniel J. Dooley, C.P.A.

Michael H. Vicars, C.P.A.

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

Board of Commissioners  
Hopewell Redevelopment  
and Housing Authority  
Hopewell, Virginia

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

#### **Opinion on Each Major Federal Program**

We have audited Hopewell Redevelopment and Housing Authority's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Hopewell Redevelopment and Housing Authority's major federal programs for the year ended March 31, 2024. Hopewell Redevelopment and Housing 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, Hopewell Redevelopment and Housing 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 Hopewell Redevelopment and Housing Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Hopewell Redevelopment and Housing Authority's compliance with the compliance requirements referred to above.

#### **Responsibilities of Management for Compliance**

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

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

**Auditor's Responsibilities for the Audit of Compliance**

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

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

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

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

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

**Report on Internal Control over Compliance**

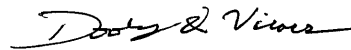
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement 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.



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

Richmond, Virginia  
December 31, 2024



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

Board of Commissioners  
Hopewell Redevelopment  
and Housing Authority  
Hopewell, Virginia

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Hopewell Redevelopment and Housing Authority, which comprise the statement of net position as of and for the year ended March 31, 2024, and the related statements of revenues, expense, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated December 31, 2024.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Hopewell Redevelopment and Housing 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control, that might be material weaknesses or significant deficiencies. We did not identify certain deficiencies in internal control.

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

**Compliance and Other Matters**

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

**Purpose of this Report**

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



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

December 31, 2024

**HOPEWELL REDEVELOPMENT AND HOUSING AUTHORITY****SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
AT MARCH 31, 2024****Finding No. 2023-001 ALN 14.850 Low Rent Public Housing**

CONDITION: Testing of interfund receivable balances owed to the Low Rent Public Housing (LRPH) programs from the nonfederal programs indicated potential unallowable uses of LRPH grant funds.

Status: This finding has been cleared as of March 31, 2024.

**Finding No. 2023-002 ALN 14.871 Housing Choice Voucher**

CONDITION: The Authority failed to complete annual recertifications in accordance with its Administrative Plan and HUD regulations.

Status: This finding has been cleared as of March 31, 2024.

# HOPEWELL REDEVELOPMENT AND HOUSING AUTHORITY

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED MARCH 31, 2024

### Section I -- Summary of Auditor's Results

#### *Financial Statements*

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? ☐ yes ☒ no

#### *Federal Awards*

Internal control over major programs:

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

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

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance: ☐ yes ☒ no

# HOPEWELL REDEVELOPMENT AND HOUSING AUTHORITY

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED MARCH 31, 2023 (CONTINUED)

Identification of major programs:

<i>ALN Number(s)</i>	<i>Name of Federal Program or Cluster</i>
14.850*	Low Rent Public Housing
14.871*	Housing Choice Voucher Program
14.871*	Emergency Housing Voucher

Dollar threshold used to distinguish  
between type A and B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

x yes \_\_\_\_ no

### Section II -- Financial Statement Findings

There were no financial statement findings.

**HOPEWELL REDEVELOPMENT AND HOUSING AUTHORITY****SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED MARCH 31, 2024  
(CONTINUED)****Section III -- Federal Awards Findings and Questioned Costs**

There are no federal awards findings or questioned costs.

## **REQUIRED SUPPLEMENTAL INFORMATION**

**HOPEWELL REDEVELOPMENT AND HOUSING AUTHORITY**

**REQUIRED SUPPLEMENTARY INFORMATION RELATED TO PENSIONS**

**FOR THE YEAR ENDED MARCH 31, 2024**

**Schedule of Changes in HRHA's Net Pension Liability and Related Ratios**

	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Total pension liability</b>									
Service cost	\$ 105,148	\$ 106,576	\$ 100,228	\$ 67,542	\$ 75,559	\$ 65,857	\$ 75,725	\$ 65,069	\$ 61,258
Interest	320,195	309,098	308,282	308,456	317,923	297,681	309,479	331,367	324,864
Change of assumptions	-	-	(15,267)	-	111,452	-	191,807	-	-
Difference between expected and actual experience	(304,200)	(129,437)	(61,393)	94,830	(320,383)	146,264	22,601	(153,096)	(525,569)
Benefit payments, including refunds of employee contributions	(258,643)	(300,701)	(295,079)	(363,635)	(307,655)	(324,866)	(345,190)	(335,615)	(27,255)
<b>Net change in total pension liability</b>	<b>(137,500)</b>	<b>(14,464)</b>	<b>36,771</b>	<b>107,193</b>	<b>(123,104)</b>	<b>184,936</b>	<b>254,422</b>	<b>(92,275)</b>	<b>(166,702)</b>
<b>Total pension liability - beginning</b>	<b>4,703,531</b>	<b>4,566,031</b>	<b>4,551,567</b>	<b>4,588,338</b>	<b>4,695,531</b>	<b>4,572,427</b>	<b>4,757,363</b>	<b>5,011,785</b>	<b>4,919,510</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 4,566,031</b>	<b>\$ 4,551,567</b>	<b>\$ 4,588,338</b>	<b>\$ 4,695,531</b>	<b>\$ 4,572,427</b>	<b>\$ 4,757,363</b>	<b>\$ 5,011,785</b>	<b>\$ 4,919,510</b>	<b>\$ 4,752,808</b>
<b>Plan fiduciary net position</b>									
Contributions - employer	\$ 68,524	\$ 62,004	\$ 27,329	\$ 19,567	\$ 8,262	\$ 6,621	\$ 2,818	\$ 2,360	\$ -
Contributions - employee	52,858	47,717	42,977	31,855	34,437	33,923	38,769	36,175	27,255
Net investment income	211,656	78,520	553,785	359,239	323,766	95,271	1,300,183	(1,042)	348,254
Benefit payments, including refunds of employee contributions	(258,643)	(300,701)	(295,079)	(363,635)	(307,555)	(324,866)	(345,190)	(335,615)	(336,137)
Administrative expense	(2,993)	(3,009)	(3,353)	(3,296)	(3,417)	(3,427)	(3,444)	(3,731)	(3,660)
Other	(45)	(34)	(486)	(311)	(202)	(110)	120	131	78
<b>Net change in plan fiduciary net position</b>	<b>71,357</b>	<b>(115,503)</b>	<b>325,173</b>	<b>43,419</b>	<b>55,291</b>	<b>(192,588)</b>	<b>993,256</b>	<b>(301,722)</b>	<b>35,790</b>
<b>Plan fiduciary net position - beginning</b>	<b>4,689,929</b>	<b>4,761,286</b>	<b>4,645,783</b>	<b>4,970,956</b>	<b>5,014,375</b>	<b>5,069,666</b>	<b>4,877,078</b>	<b>5,870,334</b>	<b>5,568,612</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 4,761,286</b>	<b>\$ 4,645,783</b>	<b>\$ 4,970,956</b>	<b>\$ 5,014,375</b>	<b>\$ 5,069,666</b>	<b>\$ 4,877,078</b>	<b>\$ 5,870,334</b>	<b>\$ 5,568,612</b>	<b>\$ 5,604,402</b>
<b>HRHA's net pension liability (asset) - ending (a)-(b)</b>	<b>\$ (195,255)</b>	<b>\$ (94,216)</b>	<b>\$ (382,618)</b>	<b>\$ (318,844)</b>	<b>\$ (497,239)</b>	<b>\$ (119,715)</b>	<b>\$ (858,549)</b>	<b>\$ (649,102)</b>	<b>\$ (851,594)</b>
<b>Plan fiduciary net position as a percentage of the total Pension liability</b>	<b>104%</b>	<b>102%</b>	<b>108%</b>	<b>107%</b>	<b>111%</b>	<b>103%</b>	<b>117%</b>	<b>113%</b>	<b>118%</b>
<b>Covered employee payroll</b>	<b>\$ 1,029,210</b>	<b>\$ 1,029,570</b>	<b>\$ 766,248</b>	<b>\$ 806,959</b>	<b>\$ 756,349</b>	<b>\$ 755,223</b>	<b>\$ 885,915</b>	<b>\$ 834,529</b>	<b>\$ 619,538</b>
<b>HRHA's net pension asset as a percentage of covered-employee payroll</b>	<b>19%</b>	<b>9%</b>	<b>50%</b>	<b>40%</b>	<b>66%</b>	<b>16%</b>	<b>97%</b>	<b>78%</b>	<b>137%</b>

Totals, with the exception of the covered payroll are from Appendixes 16 and 17 – Total Pension Liability and Fiduciary Net Position and the Schedule of Changes in Net Pension Liability/(Asset) on page 19 of the GASB Statement No. 68 Report.

# HOPEWELL REDEVELOPMENT AND HOUSING AUTHORITY

## REQUIRED SUPPLEMENTARY INFORMATION RELATED TO PENSIONS FOR THE YEAR ENDED MARCH 31, 2024 (CONTINUED)

### Schedule of Employer Contributions For the Years Ended June 30, 2014 through 2023

Date	Employer's Contribution Rate	Contribution Relation to		Contributions Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
		Contractually Required Contribution (1)	Contractually Required Contribution (2)			
2023	0.00%	\$ -	\$ -	\$ -	\$ 619,538	0.00%
2022	0.85%	\$ 7,093	\$ 7,093	\$ -	\$ 834,529	0.85%
2021	0.85%	\$ 7,530	\$ 7,530	\$ -	\$ 885,915	0.85%
2020	1.60%	\$ 12,084	\$ 12,084	\$ -	\$ 755,223	1.60%
2019	1.60%	\$ 12,102	\$ 12,102	\$ -	\$ 756,349	1.60%
2018	1.60%	\$ 12,911	\$ 27,329	\$ (14,418)	\$ 806,959	3.39%
2017	1.60%	\$ 12,260	\$ 27,329	\$ (15,069)	\$ 766,248	3.57%
2016	2.33%	\$ 23,989	\$ 68,524	\$ (44,535)	\$ 1,029,570	6.66%
2015	3.31%	\$ 34,067	\$ 98,269	\$ (64,202)	\$ 1,029,210	9.55%
2014	3.00%	\$ 29,655	\$ 108,264	\$ (78,609)	\$ 988,507	10.95%

## HOPEWELL REDEVELOPMENT AND HOUSING AUTHORITY

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION RELATED TO PENSIONS AND OPEB FOR THE YEAR ENDED MARCH 31, 2024

#### Note 1: Changes of Benefit Terms

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

#### Note 2: Changes of assumptions

The actuarial assumptions used in the June 30, 2022, 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, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

##### Largest 10 - Non-Hazardous Duty:

Updated mortality table to PUB2010 public sector mortality table

Adjusted retirement rates to better fit experience and changed final retirement from to 75 to 80

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

##### All Others - Non-Hazardous Duty:

Updated mortality table to PUB2010 public sector mortality table

Adjusted retirement rates to better fit experience and changed final retirement from to 75 to 80

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