

**CHESAPEAKE REDEVELOPMENT
AND HOUSING AUTHORITY**

**FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION
WITH INDEPENDENT AUDITOR'S REPORT**

For the Years Ended December 31, 2023 and 2022

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Chesapeake Redevelopment and Housing Authority
Chesapeake, Virginia

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Chesapeake Redevelopment and Housing Authority (the Authority), as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as December 31, 2023 and 2022, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 15, and the pension and Other Post Employment Benefit schedules on pages 48 through 52, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with

auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying Combined and Combining Schedules, Financial Data Schedule, and Statement and Certification of Actual Capital Fund Program Costs, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combined and Combining Schedules, Financial Data Schedule, Statement and Certification of Actual Capital Fund Program Costs, and Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic 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 September 27, 2024, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Rubins & Company". The signature is stylized, with a large, flowing "R" and a cursive "Company".

September 27, 2024
Bethesda, Maryland

MANAGEMENT DISCUSSION AND ANALYSIS

CHESAPEAKE REDEVELOPMENT & HOUSING AUTHORITY

The Chesapeake Redevelopment & Housing Authority's (the "Authority") management discussion and analysis is designed to assist the reader in focusing on significant financial issues, provide an overview of the Authority's financial activity, identify changes in the Authority's financial position, and identify individual issues or concerns.

Since the management 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 and notes to the financial statements.

FINANCIAL HIGHLIGHTS

- The Authority's total net position increased by \$5.4 million from \$35.9 million in 2022 to \$41.3 million (15.0%) in 2023. Changes in total net position components are net investment in capital assets increased by \$2.6 million; restricted net position decreased by \$.3 million and unrestricted net position increased by \$3.1 million.
- Total revenues increased by \$6.3 million (23.3%) in 2023. Total revenues were \$27.0 million and \$33.3 million in 2022 and 2023 respectively.
- Total expenses increased by \$2.4 million (9.4%) in 2023. Expenses were \$25.4 million in 2022 and \$27.8 million in 2023.

FINANCIAL STATEMENTS

The financial 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, as well as financial obligations. The statement is presented in the format where assets equal liabilities plus net assets. Assets and liabilities are presented in order of liquidity and are classified as “current” (convertible into cash within one year), and “non-current”.

Net Position (formerly equity or net assets) is reported in three broad categories:

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

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

Unrestricted: Consists of net position that does not meet the definition of “net investment in capital assets”, or “restricted”. Unrestricted net position represents net available liquid (non-capital) assets, net of liabilities, for the Authority.

The 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; operating expenses, such as administrative, utilities, maintenance, and depreciation; and non-operating revenue and expenses, such as 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 or loss.

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

PROGRAM ANALYSIS

All of the Authority's funds are business-type funds and use the full accrual basis of accounting and depreciation to report financial activity. A major program determination has been performed to analyze the programs within the Authority. Major programs are defined as programs that have assets, liabilities, revenues, or expenses of at least 5% or more of the Authority's total assets, liabilities, revenues, or expenses. Under this definition, the following programs qualified as major programs in 2023.

- Authority Management
- Geneva Square
- Housing Choice Voucher
- Public Housing
- Rehab Escrow

Other Non-Major Programs – In addition to the major programs above, the Authority also maintained the following non-major programs in 2023:

- Meadow Landing North
- Twin Creeks
- Narrow Street
- Anderson Apartments
- Oakdale Square
- Affordable Housing Development
- Master Revolving
- ROSS Grants
- Community Development Block Grant (CDBG)
- HOME
- Rehab General
- South Norfolk
- Community Revitalization

The tables below show the composition of the Authority's total assets, liabilities, revenues, and expenses by individual major programs and combined programs.

PROGRAM ANALYSIS

Program	12/31/23 Assets (In millions)	Percent
Authority Management	\$4.60	9.3%
Geneva Square	10.30	20.9%
Public Housing	17.70	36%
Rehab Escrow	3.13	6.4%
Oakdale Square	4.74	9.6%
Other Programs	8.70	18.50
Total Programs	49.18	100.0%
.		
Total Enterprise Funds	\$49.18	

Since the Authority's primary mission is to provide affordable housing, significant amounts of its resources are invested in capital assets. There are 467 apartment units in Public Housing, and this program accounts for 36% of the agency's assets. Geneva Square, a conventional property with 120 apartment units, accounts for 20.9%. Rehab Escrow has 6.4% of the agency's assets in notes receivable from homeowners. The loans were provided for down payment assistance and rehabilitation.

Program	12/31/23 Liabilities (In millions)	Percent
Public Housing	\$2.50	33%
Rehab Escrow	3.13	41%
HCV	.63	8.3%
Oakdale Square	.47	6.2%
Other Programs	.87	12.5%
Total Programs	7.6	100.0%
Total Enterprise Funds	\$7.6	

33.4% of the agency's liabilities are in the Rehab Escrow program as payables due to the City of Chesapeake. These payables represent outstanding balances on HOME loans and deferred CDBG loans tracked in Rehab Escrow. Loan repayments are forwarded to the City of Chesapeake as program income to be utilized for additional homeowner assistance. The liability in Public Housing is primarily related to PILOT (Payment in Lieu of Taxes) expense. The Oakdale Square liability consists of building construction mortgages and development fees owed to Authority Management.

PROGRAM ANALYSIS

Program	2023 Revenues (In millions)	Percent
Authority Management	\$1.86	5.6%
Housing Choice Voucher	17.90	53.8%
Public Housing	6.07	18.2%
Oakdale Square	2.9	8.7%
Other Programs	4.57	19.5%
Total Programs	33.3	100.0%
Total Enterprise Funds	\$33.30	

CRHA's two largest programs, Housing Choice Voucher and Public Housing, generated 72% of the Authority's revenue.

Program	2023 Expenses (In millions)	Percent
Housing Choice Voucher	\$17.56	63%
Public Housing	5.03	18.1%
Authority Management	1.42	5.1%
Other Programs	3.81	13.6%
Total Programs	27.82	100.0%
Total Enterprise Funds	\$27.82	

The Housing Choice Voucher and Public Housing programs accounted for 81.2% of the agency's total expenses.

STATEMENT OF NET POSITION

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

	2023 (In millions)	2022 (In millions)
Current, Restricted and Non-Current Assets	\$ 29.5	\$ 27.8
Capital Assets	19.5	18.9
Total Assets	<u>49.0</u>	<u>46.8</u>
Deferred Outflow of Resources:		
Employer Contribution to Pension Plan	<u>.2</u>	<u>.1</u>
Current Liabilities	3.0	4.5
Non-Current Liabilities	4.5	5.9
Total Liabilities	<u>7.5</u>	<u>10.4</u>
Deferred Inflows of Resources:		
Pension Plan Earnings	<u>.2</u>	<u>.5</u>
Net Position:		
Net Investment in Capital Assets	19.0	16.4
Restricted	3.4	3.7
Unrestricted	19.0	15.9
Total Net Position	<u><u>\$41.3</u></u>	<u><u>\$35.9</u></u>

Major Factors Affecting the Statement of Net Position

The Authority's total assets increased by \$2.2 million from 2022 to 2023. Current, Restricted and Non-Current Assets increased by \$1.7 million, and Capital Assets increased by \$.6 million, contributed to the increase.

Current liabilities decreased by \$1.5 million and non-current liabilities decreased by \$1.4 million.

Overall, there was a \$5.4 million increase in total net position in 2023, from \$35.9 million to \$41.4. The increase in total net position resulted from these changes: a \$2.6 million increase in net investment in capital assets, a \$.3 million decrease in restricted net position and \$3.1 million increase in unrestricted net position.

CHANGE IN UNRESTRICTED NET POSITION

The change in Unrestricted Net Position from December 2022 to December 2023 is illustrated below:

	Millions of Dollars	
Unrestricted Net Position 12/31/22		\$15.86
Results of Operations		5.4
Adjustments:		
Depreciation	\$1.269	
Capital Expenditures from Operations	(.628)	
Capital Debt and Interest Payments	(.142)	
Non-operating Expenses	.04	
Non-operating Income	-2.5	
Decreased in Restricted Net Position	(.3)	
Total Adjustments		(.76)
Unrestricted Net Position 12/31/23		\$19.0

The analysis of net position shows the factors affecting changes in the agency's unrestricted reserves. Changes in unrestricted net position result from net operating revenues and expenses adjusted by depreciation and other factors. Depreciation is treated as an expense and reduces the results of operations but does not have an impact on unrestricted net assets. Changes to restricted net position affect the results of operations, but do not impact unrestricted net assets. Capital expenditures, principal and interest payments, and non-operating income and expenses are not reflected in the results of operations, but they have an impact on unrestricted net assets.

While the results of operations are a significant measure of the Authority's current year activities, the level of its unrestricted net position is a measure of the agency's fiscal position and growth potential. The unrestricted net position represents relatively liquid unconstrained assets and provides stability to an organization. An adequate level of unrestricted net position is necessary to protect the agency against unexpected financial setbacks and provide for future development. The Authority's unrestricted net position increased from \$15.9 million in 2022 to \$19.0 million in 2023.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

The following schedule compares the revenues and expenses for the current and previous fiscal year. The Authority is engaged only in business-type activities.

	2023 (In millions)	2022 (In millions)
Revenues		
Tenant Revenue – Rents	\$ 4.16	\$ 4.29
Management & Other Fees	.07	.38
Misc. Other Income	.26	.20
Operating Subsidy & Grants	24.07	21.45
Capital Grants	1.06	.60
Non-Operating Revenue	3.68	.02
Total Revenue	33.30	26.96
Expenses		
Administrative	3.13	3.77
Tenant Services	0.56	0.11
Utilities	1.28	1.26
Maintenance	1.09	0.93
Contract/Protective Services	1.20	1.48
Insurance	0.33	0.29
Collection Losses	0.43	0.41
PILOT	0.09	0.07
Housing Assistance Payments	18.40	15.75
Depreciation	1.28	1.25
Non-Operating Expense	0.03	0.05
Total Expenses	27.82	25.38
Net Increase	\$ 5.48	\$ 1.58

**MAJOR FACTORS AFFECTING THE STATEMENT OF REVENUE,
EXPENSES, AND CHANGES IN NET ASSETS**

Total revenues increased by \$6.3 million from \$27 million in 2022 to \$33.3 million in 2023.

Total expenses increased by \$2.4 million from \$25.4 million in 2022 to \$27.8 million in 2023. Expense increase in the housing choice voucher program accounted for the increase.

Current year activity from total revenues and expenses resulted in a \$5.4 million increase in net position in 2023, compared to a \$1.6 million increase in 2022.

CAPITAL ASSETS

As of year-end, the Authority had \$19.48 million invested in a variety of capital assets as reflected in the following schedule, which compares ending balances to the prior year.

**CAPITAL ASSETS AT YEAR-END
(NET OF DEPRECIATION)**

	Business-Type Activities	
	2023	2022
Land and Land Rights	\$ 2,880,715	\$ 2,880,715
Buildings & Equipment	58,494,942	57,667,259
Leasehold Improvements	2,665,448	2,431,121
Accumulated Depreciation	(47,784,199)	(46,511,744)
Construction In Progress	3,221,148	2,418,333
Total	<u>\$19,478,054</u>	<u>\$18,885,684</u>

The following reconciliation summarizes the changes in Capital Assets:

CHANGE IN CAPITAL ASSETS

	Business-Type Activities
Beginning Balance	\$18,885,684
Additions	1,870,506
Deletions/Decreases	(0)
Depreciation	(1,278,136)
Ending Balance	<u>\$19,478,054</u>

There were \$1.87 million additions to capital assets in 2023. This was comprised of additions of \$.84 million in building and equipment, \$.23 additions to leasehold improvements, and additions of \$.8 million in construction in progress.

Building and equipment additions included rehabilitation work at properties and lobby improvements at Central Office. Leasehold improvements included outside lighting repairs, sidewalk repairs and landscaping.

Construction in progress during 2023 included rehabilitation work at Broadlawn, landscape work, storm drainage improvements and mechanical improvements at Peaceful Village.

DEBT ADMINISTRATION

As of year-end, the Authority had \$4,542,722 in non-current liabilities outstanding on 12/31/23 compared to \$5,879,342 on 12/31/22. The non-current liability payable to the City of Chesapeake through the Rehab Escrow Loan program decreased by \$270,561 in 2023.

DEBT ADMINISTRATION (continued)

The Rehab Escrow Loan program tracks 30-year deferred loans provided to eligible clients for down-payment assistance and housing rehabilitation. Outstanding loan balances are considered payable to the City of Chesapeake because HOME and CDBG funds support the loans. The Authority forwards loan payoffs to the City and the funds are appropriated as program income in the HOME and CDBG programs.

Escrows held for tenants active in the Public Housing and Housing Choice Voucher Family Self-Sufficiency programs increased \$179,856 from 2022 to 2023. The escrow funds, payable to tenants who meet long-term program goals, are considered non-current liabilities of the Authority. Accounting regulations require the reporting of Other Post Employment Benefits (OPEB) in CRHA's financial statements; at end of 2023 this liability was \$126,887 versus \$125,825 in 2022. Oakdale Square had a mortgage payable to the Department of Housing and Community Development in the amount of \$800,000 which matures on July 1, 2023 forgiven this year.

OUTSTANDING DEBT, AT YEAR-END

	Totals	
	2023	2022
<u>Business Type</u>		
Meadow Landing & Oakdale	\$469,699	\$2,496,816
CDBG	20,000	20,000
FSS Escrow	904,962	725,106
Rehab Escrow	3,122,974	3,378,552
OPEB Liability	126,887	125,825
Total Debt	6,746,299	6,746,299
Less: Current Portion	(86,817)	(902,833)
Total Non-Current Debt	<u>\$4,542,722</u>	<u>\$5,843,466</u>

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

- Federal funding of the Department of Housing and Urban Development
- Local labor supply and demand, which can affect salary and wage rates
- Local inflation and employment trends, which can affect resident incomes and therefore the amount of rental income
- Inflationary pressure on utility rates, supplies and other costs

FINANCIAL CONTACT

The individual to be contacted regarding this report is Raimundo Rivera, Director of Finance and Administration of the Chesapeake Redevelopment and Housing Authority. Specific requests may be submitted to Raimundo Rivera, Chesapeake Redevelopment and Housing Authority, 1468 S. Military Highway, Chesapeake VA 23320-2604.

CHESAPEAKE REDEVELOPMENT AND HOUSING AUTHORITY
STATEMENTS OF NET POSITION
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS AND DEFERRED OUTFLOW OF RESOURCES		
Current assets:		
Cash, unrestricted	\$ 18,302,317	\$ 17,214,327
Tenant receivables, net of allowance for doubtful accounts of \$462,432 and \$429,161, respectively	302,605	231,454
Accounts receivable - HUD	772,480	208,679
Accounts receivable - other, net of allowance for doubtful accounts of \$19,445 and \$29,339, respectively	487,848	416,668
Accounts receivable - fraud recovery, net of allowance of \$109,112 and \$89,509, respectively	-	-
Prepaid expenses and other current assets	150,938	184,020
Notes receivable, current	<u>15,034</u>	<u>22,136</u>
Total current assets	<u>20,031,222</u>	<u>18,277,284</u>
Restricted assets:		
FSS escrows	904,962	725,106
Tenant security deposits	222,267	202,731
Other restricted	<u>3,419,214</u>	<u>3,371,516</u>
Total restricted assets	<u>4,546,443</u>	<u>4,299,353</u>
Noncurrent assets:		
Capital assets	67,262,253	65,397,428
Accumulated depreciation	<u>(47,784,199)</u>	<u>(46,511,744)</u>
Total capital assets	<u>19,478,054</u>	<u>18,885,684</u>
Notes receivable	3,107,940	3,340,630
Other assets	<u>1,806,587</u>	<u>1,948,173</u>
Total noncurrent assets	<u>24,392,581</u>	<u>24,174,487</u>
Total assets	<u>48,970,246</u>	<u>46,751,124</u>
Deferred outflow of resources:		
Amounts related to pension and OPEB	<u>211,366</u>	<u>97,212</u>
Total assets and deferred outflow of resources	<u>\$ 49,181,612</u>	<u>\$ 46,848,336</u>

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

CHESAPEAKE REDEVELOPMENT AND HOUSING AUTHORITY
STATEMENTS OF NET POSITION
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND NET POSITION		
Current liabilities:		
Accounts payable - HUD and other government	\$ 35,192	\$ 22,836
Accounts payable	610,512	354,559
Accrued expenses	1,729,869	1,626,380
Compensated absences	223,455	224,343
Tenant security deposits	222,267	202,731
Current portion of mortgage payable	86,817	902,833
Other current liabilities	46,221	1,077,222
Unearned revenue	<u>81,956</u>	<u>129,584</u>
Total current liabilities	<u>3,036,289</u>	<u>4,540,488</u>
Noncurrent liabilities:		
FSS escrows	904,962	725,106
Mortgage payable, net of current portion	382,882	1,593,983
Notes payable	3,107,991	3,378,552
OPEB liability	126,887	125,825
Other noncurrent liabilities	<u>20,000</u>	<u>55,876</u>
Total noncurrent liabilities	4,542,722	5,879,342
Deferred inflow of resources:		
Amounts related to pension and OPEB	<u>241,427</u>	<u>524,955</u>
Net position:		
Invested in capital assets, net of related debt	19,008,355	16,388,868
Restricted net position	3,384,022	3,657,824
Unrestricted net position	<u>18,968,797</u>	<u>15,856,859</u>
Total net position	<u>41,361,174</u>	<u>35,903,551</u>
Total liabilities, deferred inflow of resources, and net position	<u>\$ 49,181,612</u>	<u>\$ 46,848,336</u>

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

CHESAPEAKE REDEVELOPMENT AND HOUSING AUTHORITY
STATEMENTS OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
For the years ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Operating Revenues:		
HUD operating revenue	\$ 22,956,556	\$ 20,468,498
Other government grant revenue	1,116,230	983,920
Tenant revenue	4,416,754	4,287,953
Other	<u>2,667,350</u>	<u>595,965</u>
Total operating revenue	<u>31,156,890</u>	<u>26,336,336</u>
Operating Expenses:		
Administration	3,146,694	3,101,775
Tenant services	561,718	493,241
Utilities	1,279,996	1,259,543
Ordinary maintenance	2,139,437	1,816,885
General	911,095	975,236
Protective services	78,633	86,613
Housing assistance payments	18,403,812	16,346,664
Depreciation	<u>1,278,136</u>	<u>1,252,444</u>
Total operating expenses	<u>27,799,521</u>	<u>25,332,401</u>
Operating income (loss)	<u>3,357,369</u>	<u>1,003,935</u>
Nonoperating revenues (expenses):		
Interest income	274,026	13,402
Interest expense	(37,010)	(47,487)
Forgiveness of notes payable	800,000	-
Gain (loss) on sale of capital assets	<u>-</u>	<u>10,865</u>
Total nonoperating revenues (expenses)	<u>1,037,016</u>	<u>(23,220)</u>
Income before other revenues, expenses, gains, losses, and transfers	4,394,385	980,715
HUD capital grants	<u>1,063,238</u>	<u>604,375</u>
Increase (decrease) in net position	5,457,623	1,585,090
Net position, beginning of year	<u>35,903,551</u>	<u>34,318,461</u>
Net position, end of year	<u><u>\$ 41,361,174</u></u>	<u><u>\$ 35,903,551</u></u>

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

CHESAPEAKE REDEVELOPMENT AND HOUSING AUTHORITY
STATEMENTS OF CASH FLOWS
For the years ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Cash received from tenants	\$ 3,890,666	\$ 4,509,086
Cash from from operating grants and subsidies	24,009,408	21,077,620
Cash received from others	501,161	365,139
Cash paid to employees	(3,666,786)	(3,457,214)
Cash paid to suppliers	(3,890,267)	(3,868,566)
Cash paid to landlords	<u>(18,403,812)</u>	<u>(16,346,664)</u>
Net cash flows provided by operating activities	<u>2,440,370</u>	<u>2,279,401</u>
Cash flows from capital and related financing activities:		
Expenditures for capital assets	(1,870,506)	(872,889)
Interest paid on mortgage payable	(37,010)	(47,487)
Principal payments on mortgage payable	(102,835)	(314,764)
Increase in lease liability	-	35,876
Capital grant contributions	<u>499,437</u>	<u>604,375</u>
Net cash flows used by capital and related financing activities	<u>(1,510,914)</u>	<u>(594,889)</u>
Cash flows from investing activities:		
Notes receivable paid (issued) net	113,211	237,972
Escrow and security deposit receipts, net	19,536	-
Earnings on investments	<u>272,877</u>	<u>13,402</u>
Net cash flows provided by investing activities	<u>405,624</u>	<u>251,374</u>
NET INCREASE IN CASH	1,335,080	1,935,886
CASH AND CASH EQUIVALENTS, beginning of year	<u>21,513,680</u>	<u>19,577,794</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 22,848,760</u>	<u>\$ 21,513,680</u>
 RECONCILIATION OF CASH AND CASH EQUIVALENTS PER STATEMENTS OF CASH FLOWS TO THE STATEMENTS OF NET POSITION		
Cash, unrestricted	\$ 18,302,317	\$ 17,214,327
Cash, restricted	<u>4,546,443</u>	<u>4,299,353</u>
CASH AND CASH EQUIVALENTS, per statement of net position	<u>\$ 22,848,760</u>	<u>\$ 21,513,680</u>

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

CHESAPEAKE REDEVELOPMENT AND HOUSING AUTHORITY
STATEMENTS OF CASH FLOWS
For the years ended December 31, 2023 and 2022

RECONCILIATION OF OPERATING INCOME TO NET CASH
PROVIDED BY OPERATING ACTIVITIES

	<u>2023</u>	<u>2022</u>
Operating income	\$ 3,357,369	\$ 1,003,935
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:		
Depreciation	1,278,136	1,252,444
Deferred pension expense	(183,569)	(190,389)
Changes in operating assets and liabilities		
Accounts receivable, net	(142,331)	(450,455)
Prepaid expenses and other assets	33,082	299,534
Accounts payable	268,309	162,251
Accrued compensated absences	30,482	-
Accrued expenses and other liabilities	(2,153,480)	168,051
Unearned revenue	<u>(47,628)</u>	<u>34,030</u>
Net cash provided by operating activities	<u>\$ 2,440,370</u>	<u>\$ 2,279,401</u>

NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITY

Forgiveness of notes payable	<u>\$ 800,000</u>	<u>\$ -</u>
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The accompanying notes are an integral part of these financial statements.

CHESAPEAKE REDEVELOPMENT AND HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the years ended December 31, 2023 and 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

The Chesapeake Redevelopment and Housing Authority (the “Authority”, or “CRHA”) is a non-profit corporation organized under the laws of the Commonwealth of Virginia (“State”) for the purpose of providing adequate housing for qualified low-income individuals in areas where a shortage of such housing exists. To accomplish this purpose, the Authority has entered into annual contribution contracts with the U.S. Department of Housing and Urban Development (“HUD”) to be the administrator of housing related programs described herein.

B. Reporting Entity

The Chesapeake Redevelopment and Housing Authority is a public body created under the authority of the general statutes of the Commonwealth of Virginia. The Authority was created for the purpose of providing decent, safe and sanitary housing for the low-income citizens of Chesapeake, Virginia.

Appointment of the Governmental Authority - The Authority is governed by a Board of Commissioners appointed by the City of Chesapeake (“City”), Virginia and has governance responsibilities over all activities related to low-income public housing within the city.

Designation of Management - The Board of Commissioners has decision making authority and the power to designate management.

Ability to Significantly Influence Operations - The Board of Commissioners has the responsibility to significantly influence operations. This authority includes, but is not limited to, adoption of the budget, control over all assets (including facilities and properties), signing contracts, and developing programs.

Financial Benefits or Burdens - The City provides no financial support to the Authority and is not responsible for the debts or entitled to the surpluses. No separate agency receives a financial benefit nor imposes a financial burden on the Authority.

Other Criteria - Although the City appoints the governing board of the Authority, no other criteria established by the Governmental Accounting Standards Board (“GASB”), Statement 61, *The Financial Reporting Entity*, for inclusion of the Authority in the financial reports of the City are met. A separate financial report is prepared for the Authority.

CHESAPEAKE REDEVELOPMENT AND HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the years ended December 31, 2023 and 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Reporting Entity (continued)

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:

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.

The Authority’s programs are grouped under three categories: real estate management programs, federally subsidized programs, and grant subrecipient programs. The programs within each category are described below.

Low-Income Public Housing - The objective of this program is to provide decent, safe, and sanitary housing and related facilities for eligible low-income families and the elderly. Grants based on housing needs are provided to the Authority by HUD to ensure the low-income character of the property. Capital grants to improve the physical condition and management of low-income public housing units are reported under the low-income public housing program.

Housing Choice Voucher Program - This program was created to help low-income families obtain decent, safe and sanitary housing through a system of rental subsidies. HUD entered into an Annual Contributions Contract (ACC) with the Authority, and the Authority enters into housing assistance payment contracts with owners of private dwellings. The owners rent housing to eligible low-income families who typically pay the higher of 30 percent of adjusted income, 10 percent of gross income, or the portion of welfare assistance designated to meet housing costs for rent. The Authority pays the remaining portion of rent to the owner.

Resident Opportunities and Self Sufficiency Grant Program - This program promotes self-sufficiency through grant funding for coordinator positions and training opportunities for public housing residents.

CHESAPEAKE REDEVELOPMENT AND HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the years ended December 31, 2023 and 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Reporting Entity (continued)

HOME Program - The objectives of this program are to expand the supply of affordable housing, particularly rental housing, for low and very low-income Americans; strengthen the abilities of state and local governments to design and implement strategies for achieving adequate supplies of decent affordable housing; provide both financial and technical assistance to participating jurisdictions, including the promotion of model programs to develop affordable low-income housing; and strengthen partnerships among all levels of government and the private sector, including for-profit and nonprofit organizations, dedicated to the goal of improving affordable housing.

Community Development Block Grant Program (CDBG) - This program aims to promote viable urban communities by providing decent housing and a suitable living environment, and by expanding economic opportunities to persons of low and moderate income.

Rehabilitation General - This program was used to account for loans provided to low-income citizens to rehabilitate their homes. Funding for the loans was made available through the Rehabilitation Escrow loans.

Rehabilitation Escrow Loans and Grants - This program was used to track funds held in escrow for various purposes. Presently, the program is used to account for revenues and administrative expenses related to loan processing, as well as to account for loans provided to low-income citizens to rehabilitate their homes.

South Norfolk - This program was established to account for costs related to the South Norfolk redevelopment plan. Funding for the program was provided by the City of Chesapeake.

Community Revitalization - This grant was provided by the City of Chesapeake for revitalization efforts in the South Norfolk area.

Neighborhood Stabilization Program - The purpose of the program is to stabilize neighborhoods that have a high foreclosure rate through the acquisition, rehabilitation and resale of residential foreclosed homes.

CHESAPEAKE REDEVELOPMENT AND HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the years ended December 31, 2023 and 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Reporting Entity (continued)

Narrow Street - This is a 6-unit non-subsidized housing project owned by the Authority.

Anderson Apartments - This is a 4-unit non-subsidized housing project owned by the Authority.

Twin Creeks - This is an 18-unit non-subsidized housing project owned by the Authority.

Meadow Landing North - This is a 40-unit non-subsidized housing project owned by the Authority.

Geneva Square - This is a 120-unit non-subsidized housing project owned by the Authority.

Affordable Housing Development - This program was established to buy property and build affordable homes for Chesapeake citizens.

Related Entities - In determining how to define the reporting entity, management has considered all potential component units. The decision to include a component unit in the reporting entity was made by applying the criteria set forth in Section 2100 and 2600 of the Codification of Governmental Accounting and Financial Reporting Standards, Statement No. 14 (amended), of the Governmental Accounting Standards Board: *The Financial Reporting Entity*, Statement No. 39: *Determining Whether Certain Organizations are Component Units*, and Statement No. 61: *The Financial Reporting Entity: Omnibus*. These criteria include manifestation of oversight responsibility including financial accountability, appointment of a voting majority, imposition of will, financial benefit to or burden on a primary organization, financial accountability as a result of fiscal dependency, potential for dual inclusion, and organizations included in the reporting entity although the primary organization is not financially accountable.

CHESAPEAKE REDEVELOPMENT AND HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the years ended December 31, 2023 and 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Reporting Entity (continued)

Oakdale Square, L.P. - is a Virginia limited partnership formed in 2005 to construct and operate residential rental apartment buildings known as Oakdale Square Apartments in Chesapeake, Virginia. Oakdale Square apartment buildings were completed and available for rental on December 9, 2005. As of December 31, 2023 and 2022, the Authority had a 99.9% ownership interest as the limited partner, and Chesapeake-Oakdale Square L.L.C., a CRHA entity, had a 0.1% ownership interest as the general partner. Prior to December 31, 2020, Chesapeake-Oakdale Square L.L.C. had a 0.009% general partnership interest and CRHA had no direct ownership. A copy of the financial statements may be obtained by writing to Chesapeake Redevelopment and Housing Authority at 1468 S. Military Highway, Chesapeake, Virginia 23320. Effective with the transfer of ownership on December 31, 2020, Oakdale Square is included in CRHA's reporting entity as a blended component unit. This transaction was recorded effective January 1, 2021.

C. Basis of Accounting and Measurement Focus

The Authority's financial statements are prepared in accordance with GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* ("Statement"), as amended by GASB Statement No.63.

The statement requires the basic financial statement to be prepared using the economic resources measurement focus and the accrual basis of accounting, and requires the presentation of a Statement of Net Position, a Statement of Revenues, Expenses, and Changes in Net Position, and a Statement of Cash Flows. The Statement also requires the Authority to include Management's Discussion and Analysis as part of Required Supplementary Information.

The Authority has also adopted GASB No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. This statement establishes an accounting and financial reporting standard for nonexchange transactions including financial or capital resources. The Authority's primary source of nonexchange revenue relates to grants and subsidies. Grant and subsidy revenue are recognized at the time eligible program expenditures occur and/or the Authority has complied with the grant and subsidy requirements.

CHESAPEAKE REDEVELOPMENT AND HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the years ended December 31, 2023 and 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Cash and cash equivalents

Cash equivalents consist principally of demand deposits, certificates of deposit, repurchase agreements and local government investment pool funds. They are stated at cost, which approximates market value. All funds on deposit are federal treasury accounts or are fully collateralized in accordance with requirements of the U.S. Department of Housing and Urban Development and mature in three months or less. Local government investment pool funds are invested in an investment vehicle operated by the Virginia State Treasurer.

E. Accounts Receivable

Rents are due from tenants on the first day of each month. As a result, tenants receivable balances primarily consist of rents past due and vacated tenants. An allowance for doubtful accounts is established to provide for all accounts which may not be collected in the future. Other accounts receivable are described in detail in Note 3.

F. Prepaid Items

Payments made to vendors for goods or services that will benefit periods beyond the fiscal year-end are recorded as prepaid items.

G. Inter-program Receivables and Payables

Inter-program receivables/payables are current, and are the result of the use of the Master Revolving Fund as the common paymaster for the Authority's expenses. Cash settlements are regularly disbursed, and all inter-program balances net to zero.

H. Land, Structures and Equipment

Land, structures and equipment are recorded at cost, which is comprised of initial development costs, property betterments and additions, and modernization program costs. The Authority depreciates these assets over their useful lives using the straight-line method of depreciation. Estimated useful lives for depreciable assets range from 3 to 30 years.

I. Long-Term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the Authority's statement of net position.

CHESAPEAKE REDEVELOPMENT AND HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the years ended December 31, 2023 and 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Accrued Liabilities

The Authority recognizes a liability for goods and services received, but not yet paid at year-end.

K. Advances from Tenants

The Authority's advances from tenants consist of tenant rents received in advance.

L. Income Taxes

The Authority is funded by federal sources and, as such, is exempt from income taxes. Expenses for payments in lieu of taxes, related to property taxes, were \$106,607 and \$88,863 in 2023 and 2022, respectively, and are included in general and administrative expenses in the statement of revenues, expenses and changes in net position. There were \$1,566,336 and \$1,475,143 of unpaid amounts as of December 31, 2023 and 2022, respectively, that the Authority is in negotiation for forgiveness or reallocation for future redevelopment purposes.

M. Equity Classifications

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

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

Restricted - Consists of net position with constraints placed on their use either by external groups such as creditors, granters, contributors, laws or regulations of other governments or by law through constitutional provisions or enabling legislation.

Unrestricted - All other net position that does not meet the definition of "restricted" or "net investment in capital assets".

N. Risk Management

Significant losses are covered by commercial insurance for all major programs. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage, except for deductibles, for the current year or the three prior years.

CHESAPEAKE REDEVELOPMENT AND HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the years ended December 31, 2023 and 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. Use of Management's Estimates

The preparation of financial statements in accordance with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflow of resources, liabilities, deferred inflow of resources, and disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Significant estimates include the allowance for doubtful accounts, accrued expenses and liabilities, depreciable lives of property and equipment, amortization of leasehold improvements, estimated liability arising from injuries to persons, environmental accrual, estimates and assumptions used in calculating pension and OPEB account balances, and contingencies. Actual results could differ significantly from those estimates.

P. Current and Future Accounting Pronouncements

The following Governmental Accounting Standards Board (GASB) pronouncements became effective for the Authority during the year ended December 31, 2023:

GASB Statement No. 92, *Omnibus 2020* will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* will improve financial reporting by establishing definitions of Public-Private and Public-Public Partnerships and Availability Payment Arrangements and by providing uniform guidance on accounting and financial reporting for transactions that meet those definitions.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* will improve financial reporting by establishing definitions for Subscription-Based Information Technology Arrangements and by providing uniform guidance on accounting and financial reporting for transactions that meet that definition.

GASB Statement No. 99, *Omnibus 2020* will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. The statement addresses a variety of topics.

CHESAPEAKE REDEVELOPMENT AND HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the years ended December 31, 2023 and 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

P. Current and Future Accounting Pronouncements (continued)

The following pending GASB Pronouncements will be effective for the Authority in future years. The Authority is currently assessing the impact of these Statements:

GASB Statement No. 100, *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62* will enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this statement are effective for fiscal years beginning after June 15, 2023.

GASB Statement No. 101, *Compensated Absences* updates the recognition, measurement, and disclosure guidance for compensated absences. The requirements of this statement are effective for fiscal years beginning after June 15, 2023.

GASB Statement No. 102, *Certain Risk Disclosures* requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. The requirements of this statement are effective for fiscal years beginning after June 15, 2024.

GASB Statement No. 103, *Financial Reporting Model Improvements* improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this statement are effective for fiscal years beginning after June 15, 2025.

CHESAPEAKE REDEVELOPMENT AND HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the years ended December 31, 2023 and 2022

2. DEPOSITS AND INVESTMENTS

The U.S. Department of HUD allows housing authorities to invest excess funds in obligations of the U.S., certificates of deposit or any other federally insured investments.

HUD also requires that deposits be fully collateralized at all times. Acceptable collateralization includes FDIC/FSLIC insurance and the market value of securities purchased and pledged to the political subdivision. Pursuant to HUD restrictions, obligations of the United States are allowed as security deposits. Obligations furnished as security must be held by the Authority or with an unaffiliated bank or trust company for the account of the Authority. It is the Authority's policy to maintain collateralization in accordance with state and HUD requirements. The three credit risk categories for deposits are:

- a) Insured or collateralized with securities held by the entity or by its agent (correspondent bank or Federal Reserve Bank) in the entity's name.
- b) Collateralized with securities held by the pledging financial institution trust department or agent in the entity's name.
- c) Uncollateralized or collateralized with securities held by the pledging financial institution or by its trust department or agent, but not in the entity's name.

At December 31, 2023 and 2022, investment funds in the amount of \$839,764 and \$797,399, respectively, are invested in the Virginia Local Government Investment Pool and are reflected in cash and cash equivalents.

Local government investment pools established by states to serve as investment vehicles for housing authorities are permitted provided that the securities purchased by the fund are on the HUD-approved list of investment securities.

At December 31, 2023 and 2022, the carrying amount of the Authority's cash and cash equivalents (including restricted cash) was \$22,848,760 and \$21,513,680, respectively, and the financial institution balance was \$23,010,689 and \$21,639,239, respectively.

At December 31, 2023 and 2022, deposit funds of \$22,170,925 and \$20,841,900, respectively, were covered by federal depository insurance, or otherwise collateralized in accordance with the Virginia Public Deposits Act, including by being invested in United States Treasury obligations or collateralized with securities held by the Authority's agent in the Authority's name. At December 31, 2023 and 2022, deposit funds were category 1 and are reflected in cash and cash equivalents.

CHESAPEAKE REDEVELOPMENT AND HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the years ended December 31, 2023 and 2022

3. ACCOUNTS RECEIVABLE

Accounts Receivable - HUD

Receivables are a result of reimbursement from grant program expenses due from HUD. At December 31, 2023 and 2022, Accounts Receivable – HUD was \$772,480 and \$208,679, respectively.

Accounts Receivable -Tenants

Receivables from tenants, net of allowance for doubtful accounts, totaled \$302,605 at December 31, 2023 and \$231,454 at December 31, 2022. These amounts are net of an allowance of \$462,432 and \$429,161 for 2023 and 2022, respectively.

Accounts Receivable - Other

Receivables consist of amounts due from other housing authorities as a result of the portability feature of housing choice vouchers, utility expense reimbursement from a day care facility and other housing developments, utility billing revenues, and grant reimbursement from the City of Chesapeake for CDBG, and HOME program expenses. The balance was \$487,848 and \$416,668 at December 31, 2023 and 2022, respectively, and are net of an allowance of \$19,445 and \$29,339 for 2023 and 2022, respectively.

The Authority assesses the collectability of all accounts receivable and has established allowances accordingly on tenant receivables and other program receivables.

4. LAND, STRUCTURES, AND EQUIPMENT

A summary of the changes in land, structures, and equipment at December 31, 2023 and December 31, 2022 is as follows:

	January 1, 2023 Balance	Additions and Other Increases	Equity Transfers	Retirements and Other Decreases	December 31, 2023 Balance
Land	\$ 2,880,715	\$ -	\$ -	\$ -	\$ 2,880,715
Construction in Progress	2,418,333	802,815	-	-	3,221,148
Total Assets Not Being Depreciated	5,299,048	802,815	-	-	6,101,863
Buildings	50,326,446	665,003	-	-	50,991,449
Furniture and Equipment	7,340,813	168,361	-	(5,681)	7,503,493
Leasehold Improvements	2,431,121	234,327	-	-	2,665,448
Total Capital Assets	65,397,428	1,870,506	-	(5,681)	67,262,253
Less Accumulated Depreciation:	(46,511,744)	(1,278,136)	-	5,681	(47,784,199)
Net Book Value	\$ 18,885,684	\$ 592,370	\$ -	\$ -	\$ 19,478,054

CHESAPEAKE REDEVELOPMENT AND HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the years ended December 31, 2023 and 2022

4. LAND, STRUCTURES, AND EQUIPMENT (continued)

	January 1, 2022 Balance	Additions and Other Increases	Equity Transfers	Retirements and Other Decreases	December 31, 2022 Balance
Land	\$ 2,880,715	\$ -	\$ -	\$ -	\$ 2,880,715
Construction in Progress	1,821,559	601,976	-	(5,202)	2,418,333
Total Assets Not Being Depreciated	4,702,274	601,976	-	(5,202)	5,299,048
Buildings	50,193,665	127,579	-	5,202	50,326,446
Furniture and Equipment	7,381,200	88,956	-	(129,343)	7,340,813
Leasehold Improvements	2,352,558	78,563	-	-	2,431,121
Total Capital Assets	64,629,697	897,074	-	(129,343)	65,397,428
Less Accumulated Depreciation:	(45,375,323)	(1,252,444)	-	116,023	(46,511,744)
Net Book Value	<u>\$ 19,254,374</u>	<u>\$ (355,370)</u>	<u>\$ -</u>	<u>\$ (13,320)</u>	<u>\$ 18,885,684</u>

5. NOTES RECEIVABLE

Notes Receivable at December 31, 2023 and 2022, totaled \$3,122,974 and \$3,362,766 respectively, and are comprised of approximately 140 homeownership and rehabilitation loans.

6. UNEARNED REVENUE

Unearned revenue consists of tenant rents received in advance. At December 31, 2023 and 2022, unearned revenue was \$81,956 and \$129,584, respectively.

7. COMPENSATED ABSENCES

Compensated absences are those absences for which employees will be paid, such as vacation leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the Authority and its employees, is accrued as employees earn the rights and benefits. Compensated absences at December 31, 2023 and 2022 consisted of the following:

	Balance at January 1, 2023	Additions	Reductions	Balance at December 31, 2023	Due Within One Year
Compensated Absences	<u>\$ 224,343</u>	<u>\$ -</u>	<u>\$ (888)</u>	<u>\$ 223,455</u>	<u>\$ 223,455</u>
	Balance at January 1, 2022	Additions	Reductions	Balance at December 31, 2022	Due Within One Year
Compensated Absences	<u>\$ 198,527</u>	<u>\$ 25,816</u>	<u>\$ -</u>	<u>\$ 224,343</u>	<u>\$ 223,343</u>

CHESAPEAKE REDEVELOPMENT AND HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the years ended December 31, 2023 and 2022

8. MORTGAGES AND NOTES PAYABLE

CRHA entered into a loan agreement with Branch Banking & Trust Company (BB&T) for a revenue refunding bond in the amount of \$884,673 dated September 30, 2009, to refinance the debt on Meadow Landing North. The fifteen-year bond bears interest on outstanding principal at the rate of five and two one hundredths percent (5.02%) per annum, with a maturity date of October 1, 2024, with principal and interest payable monthly in arrears on the 1st day of each month. The bond is secured by a deed of trust on the apartment complex at 3003 Fireside Drive in Chesapeake, Virginia. Monthly payment for principal and interest is \$7,006, and the principal balance outstanding at December 31, 2023 and 2022 was \$61,757 and \$140,571, respectively.

Maturities are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 61,757	\$ 1,298	\$ 63,055

Oakdale Square has a loan payable to Virginia Housing Development Authority. The note is for \$710,000 and matures in 2036. Interest accrues at 4.25% and monthly payments are \$3,493. The balance at December 31, 2023 and 2022 was \$407,942 and \$431,962, respectively. Maturities are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 25,056	\$ 16,857	\$ 41,913
2025	26,146	15,767	41,913
2026	27,280	14,633	41,913
2027	28,461	13,452	41,913
2028	29,700	12,213	41,913
2029 - 2033	168,956	40,609	209,565
2034 - 2036	102,343	5,890	108,233
	<u>\$ 407,942</u>	<u>\$ 119,421</u>	<u>\$ 527,363</u>

Oakdale Square had a mortgage payable to the Department of Housing and Community Development (DHCD) in the amount of \$800,000. During 2023, DHCD forgave the loan.

CHESAPEAKE REDEVELOPMENT AND HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the years ended December 31, 2023 and 2022

8. MORTGAGES AND NOTES PAYABLE (continued)

Other long-term notes payable are residential local loans and deferred payment loans from HOME and CDBG programs payable to the City of Chesapeake. Deferred payment loans provided to homeowners for down-payment assistance and home repairs are due in 30 years unless earlier payment is made in accordance with the deed of trust. When the Authority receives payment, funds are forwarded to the City of Chesapeake to be used in HOME and CDBG programs. The aggregate amount of the loans noted in these programs at December 31, 2023 and 2022 was \$3,107,991 and \$3,378,552, respectively. These long-term notes payable are offset by assets in long-term notes receivable in the amount of \$3,122,974 and \$3,362,766, respectively.

9. OTHER NON-CURRENT LIABILITIES

Other non-current liabilities at December 31, 2023 and 2022 consist of escrow amounts due to participants in the Family Self Sufficiency (FSS) program in the amount of \$904,962 and \$725,106, respectively, and reimbursement owed to the City of Chesapeake in the amount of \$20,000 for both 2023 and 2022 for an advance to establish the CDBG and HOME programs. The advance will be paid back to the City in the event the programs are terminated. As of December 31, 2023, and 2022, there was \$126,887 and \$125,825, respectively, of non-current liability related to Other Post Employment Benefits (OPEB) as detailed in Note 12. Additionally, at December 31, 2022, there was \$35,876 of other non-current liabilities.

10. NON-CURRENT LIABILITIES

A summary of long-term liabilities is as follows at December 31, 2023 and 2022:

	Balance January 1, 2023	Increase	Decrease	Balance December 31, 2023	Due Within One Year
Mortgage Notes Payable	\$ 140,571	\$ -	\$ (78,814)	\$ 61,757	\$ 61,757
Oakdale Square Loans	1,124,288	-	(1,124,288)	-	-
Oakdale Squaure - VHDA	1,231,957	-	(824,015)	407,942	25,060
FSS Escrows	725,106	179,856	-	904,962	-
OPEB Liability	125,825	1,062	-	126,887	-
Other non-current liabilities	35,876	-	(35,876)	-	-
CDBG Deposit	20,000	-	-	20,000	-
City of Chesapeake Loans	3,378,552	-	(270,561)	3,107,991	-
Compensated Absences	224,343	-	(888)	223,455	223,455
Long Term Liabilities	<u>\$ 7,006,518</u>	<u>\$ 180,918</u>	<u>\$ (2,334,442)</u>	<u>\$ 4,852,994</u>	<u>\$ 310,272</u>

CHESAPEAKE REDEVELOPMENT AND HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the years ended December 31, 2023 and 2022

10. NON-CURRENT LIABILITIES (continued)

	Balance January 1, 2022	Increase	Decrease	Balance December 31, 2022	Due Within One Year
Mortgage Notes Payable	\$ 215,534	\$ -	\$ (74,963)	\$ 140,571	\$ 78,814
Oakdale Square Loans	1,124,288	-	-	1,124,288	-
Oakdale Squaure - VHDA	1,254,918	-	(22,961)	1,231,957	824,019
FSS Escrows	683,405	41,701	-	725,106	-
OPEB Liability	120,501	5,324	-	125,825	-
Other non-current liabilities	-	35,876	-	35,876	-
CDBG Deposit	20,000	-	-	20,000	-
City of Chesapeake loans	3,595,392	-	(216,840)	3,378,552	-
Compensated Absences	198,557	25,786	-	224,343	224,343
Long Term Liabilities	<u>\$ 7,212,595</u>	<u>\$ 108,687</u>	<u>\$ (314,764)</u>	<u>\$ 7,006,518</u>	<u>\$ 1,127,176</u>

11. PENSION PLAN

The Authority participates in the Virginia Retirement System (VRS), which is a public pension system enacted by the Virginia Legislature under Title 15.1 of the Code of Virginia Chapters 1-7 and 10. The plan is a cost sharing, multiple-employer defined benefit pension plan that provides retirement, disability, and death benefits for public employees. VRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information. A copy of the report may be downloaded from VRS's web-site or obtained by mail. Those eligible to participate in the plan include employees of the state, any participating Virginia city, county, town, political subdivision or local Virginia school division. Once a local government elects to be covered by the plan, the local government is subject to all laws and regulations that govern the plan. An individual employed by an employer that participates in the plan must become a member on the first day of employment. Membership in the plan cannot be discontinued apart from termination of employment at which time the member may elect to leave their portion of contributions with VRS or withdraw their accumulated contributions (contributions plus accrued interest). Benefits vest after five years of service. Plan 1 employees are eligible for an unreduced retirement benefit at age 65 with 5 years of service payable monthly for life in an amount equal to 1.7 percent of their average final compensation (AFC) for each year of credited service. Plan 2 employees may retire with an unreduced benefit after reaching Social Security normal retirement age plus five years of service. Benefits are actuarially reduced for retirees who retire prior to becoming eligible for full retirement benefits.

CHESAPEAKE REDEVELOPMENT AND HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the years ended December 31, 2023 and 2022

11. PENSION PLAN (continued)

In addition, retirees qualify for an annual cost-of-living adjustment (COLA) beginning in their second year of retirement. The COLA is calculated as the first 3% of the Consumer Price Index for Plan 1 and the first 2% for Plan 2 plus half percent increases from 3 – 7% for Plan 1 and 2 – 4% for Plan 2. Plan 2 has a limit of 3%. AFC is defined as the highest consecutive 36 months (Plan 1) or 60 months (Plan 2) of reported compensation.

At June 30, 2022, the date of the most recent actuarial valuation, membership in the system was comprised of the following:

Group	
Retirees and beneficiaries currently receiving benefits	61
Inactive members	62
Active employees	<u>48</u>
Total	<u>171</u>

Funding Policy

The System's funding policy provides for actuarially determined periodic contributions at rates that, for individual employees, increase gradually over time so sufficient assets will be available to pay benefits when due. In recent years, the rate for the Authority's employee group as a whole has steadily increased as a percentage of annual covered salaries. The contribution rate for normal cost is determined using the entry age normal actuarial cost method with proration based on service. The unfunded liability contributions are determined by subtracting the present value of prospective employer assets held from the present value of expected benefits to be paid by the System.

The employer expense (income) of (\$231,828) for employees covered under Chesapeake Redevelopment and Housing Authority's operations was made in accordance with actuarially determined requirements computed through actuarial valuations performed as of June 30, 2022. The Authority's employees are required to contribute 5 percent of their annual compensation to VRS. The Authority is required to contribute the remaining amounts necessary to fund the VRS, using actuarial basis specified by the State. As allowed by GASB, rates are effective for the period beginning two years after the valuation date. From January 1, 2013 through June 30, 2013 employees hired prior to 1/1/2013 contributed 1% of their annual compensation, and the Authority contributed the remaining 4% of the employee portion. Employees hired after 12/31/12 paid the entire 5% of the employee contribution. Effective July 1, 2013, all employees began paying the entire 5% of their required contribution.

CHESAPEAKE REDEVELOPMENT AND HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the years ended December 31, 2023 and 2022

11. PENSION PLAN (continued)

The Authority's annual contributions for the years ending December 31, 2023 and 2022 were \$200,828 and \$113,095, respectively.

The plan enacted several changes in benefit provisions effective January 1, 2013. Active non-vested members in Plan 1 have their average final compensation based on the highest 60 consecutive months of service instead of the highest 36 months of service. Active non-vested members in Plan 1 and all Plan 2 members accrue benefits at 1.65% as of the effective date. Active non-vested members in Plan 1 have to satisfy the Rule of 90 or reach their Social Security Normal Retirement Age and have five years of service to be eligible for Unreduced Retirement. These same members must attain age 60 with 5 years of service to be eligible for Early Retirement. Active non-vested members in Plan 1 and all Plan 2 members may only receive a maximum COLA of 3%. All active employees not within 5 years of eligibility for unreduced retirement at January 1, 2013 and retiring with less than 20 years of service will have their COLA deferred to one year after their unreduced retirement date after beginning to receive benefits. All active employees within 5 years of eligibility for unreduced retirement as of January 1, 2013 are grandfathered into the old provisions with no deferral of the COLA. There were no legislative changes during the fiscal year ending June 30, 2013 which had a financial impact on the retirement plan.

Investment Policy

The pension plan's policy is to allocate assets within the Board approved risk budget. Plan assets are managed based on the degree of deviation between fund return and the return of the total fund benchmark. The Plan utilizes a dedicated credit strategies portfolio. This portfolio allows VRS to gain exposure to illiquid markets such as direct lending and distressed investments, and also allows the addition of convertible bonds.

Asset allocation includes a mix of Public Equity, including domestic equity, non-U.S. equity, and emerging markets; Investment Grade Fixed Income; Credit Strategies including credit, convertibles, and emerging market debt; Real Assets; Private Equity; and Cash.

For the year ended June 30, 2022, the VRS Total Fund rate of return on pension plan investments was 6.75%. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

CHESAPEAKE REDEVELOPMENT AND HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the years ended December 31, 2023 and 2022

11. PENSION PLAN (continued)

Net Pension Liability (Asset) of the Authority

The components of the net pension liability (asset) of the Plan at December 31, 2023 is follows:

Pension benefit liability	\$ 11,691,340
Plan fiduciary net position	<u>13,495,158</u>
Authority's net pension liability (asset)	<u>\$ (1,803,818)</u>
Plan fiduciary net position as a percentage of total pension liability (asset)	115.4%

Actuarial Assumptions

The total pension liability (asset) was determined by an actuarial valuation as of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary increases	3.5– 5.35%
Investment rate of return	6.75%

Mortality rates were based on the Pub-2010 public sector mortality tables projected with a Modified MP 2020 Improvement Scale.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial expense study for the period of July1, 2016 through June 30, 2020 as well as the investment rate of return of 6.75% adopted by the Board of Trustees at its October 10, 2019 meeting.

The long-term expected rate of return on pension plan investments was determined using an assumed 2.50% inflation rate and a 4.25% real rate of return. This rate of return is based on return experience of employers participating in the Plan.

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CHESAPEAKE REDEVELOPMENT AND HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the years ended December 31, 2023 and 2022

11. PENSION PLAN (continued)

Sensitivity of the net pension liability (asset) to changes in the discount rate

The following presents the net pension liability (asset) of the Authority, calculated using the discount rate of 6.75% as well as what the Authority's net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower (5.75%) or 1-percentage point higher (7.75%) than the current rate:

	1% Decrease 5.75%	Current Rate 6.75%	1% Increase 7.75%
Authority's Net Pension Liability (Asset)	\$ (366,385)	\$ (1,803,818)	\$ (3,033,531)

For the years ended December 31, 2023 and 2022, CRHA's recognized pension expense (income) was (\$231,828) and (\$164,454), respectively.

Deferred Inflows and Outflows

For year 2023, the employer reported its defined outflows of resources and deferred inflows of resources related to VRS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 101,773	\$ -
Changes of assumptions	-	-
Difference between projected and actual earnings on plan investments	-	218,459
Employer contributions subsequent to the measurement date	71,438	-
Total	<u>\$ 173,211</u>	<u>\$ 218,459</u>

CHESAPEAKE REDEVELOPMENT AND HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the years ended December 31, 2023 and 2022

11. PENSION PLAN (continued)

Amounts reported as deferred outflows of resources related to pensions resulting from employers' contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability for the year ended December 31, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in Pension Expense as follows:

For the Year Ended June 30	Recognition of Existing Deferred Outflow (Inflow) of Resources, net
2024	\$ 19,565
2025	(260,143)
2026	188,203
2027	7,127
2028	-
Thereafter	-

12. OTHER POST-EMPLOYMENT BENEFITS (OPEB) LIABILITY

As part of its participation in the Group Life Insurance Program provided by the State of Virginia Retirement System, as of December 31, 2023, the Authority had an unfunded net OPEB liability of \$126,887.

The net Group Life Insurance OPEB liability (NOL) represents the system's total Group Life Insurance OPEB liability determined in accordance with GASB Statement No. 74, less that system's fiduciary net position. As of June 30, 2022, NOL amounts for the VRS Group Life Insurance Program are as follows:

Total GLI OPEB liability	\$ 413,366
Plan fiduciary net position	<u>286,479</u>
GLI net OPEB liability (asset)	<u>\$ 126,887</u>
Plan fiduciary net position as a percentage of total GLI OPEB liability (asset)	69.3%

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

CHESAPEAKE REDEVELOPMENT AND HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the years ended December 31, 2023 and 2022

12. OTHER POST-EMPLOYMENT BENEFITS (OPEB) LIABILITY (continued)

Discount Rate

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Based on those assumptions, the GLI 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 GLI OPEB liability.

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:

Asset Class (Strategy)	Target Allocation	Arithmetic 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%
Muti-asset Public Strategies	4.00%	4.50%	0.18%
Private Investment Partnerships	2.00%	7.18%	0.14%
Cash	1.00%	1.20%	0.01%
Total	100.00%		5.75%
		Inflation	2.50%
		* Expected arithmetic nominal return	8.25%

CHESAPEAKE REDEVELOPMENT AND HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the years ended December 31, 2023 and 2022

12. OTHER POST-EMPLOYMENT BENEFITS (OPEB) LIABILITY (continued)

* 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%.

Sensitivity Analysis

The following table presents the collective net GLI OPEB liability of the participating employers in the VRS GLI OPEB Plan using the discount rate of 6.75%, as well as what the collective net GLI OPEB liability of the participating employers would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	1% Decrease 5.75%	Current Rate 6.75%	1% Increase 7.75%
Authority's Net GLI OPEB Liability (Asset)	\$ 188,087	\$ 126,887	\$ 77,407

Deferred Outflows/(Inflows) of Resources

The following schedule reflects the amortization of the net balance of remaining deferred outflows/ (inflows) of resources at June 30, 2023:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 12,673	\$ 3,852
Changes of assumptions	2,712	8,791
Changes in proportionate share and difference between expected and actual contributions	2,501	3,097
Difference between projected and actual earnings on plan investments	-	5,099
Employer contributions subsequent to the measurement date	18,985	-
Total	<u>\$ 36,871</u>	<u>\$ 20,839</u>

CHESAPEAKE REDEVELOPMENT AND HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the years ended December 31, 2023 and 2022

12. OTHER POST-EMPLOYMENT BENEFITS (OPEB) LIABILITY (continued)

The average remaining service lives of all employees provided with group life insurance benefits through the VRS GLI OPEB Plan at June 30, 2020 was 5.98 years. Deferred outflows of resources related to the group life insurance benefit equal to \$18,985 resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the financial statements for the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB Plan will be recognized in the group life insurance expense as follows:

For the Year Ended June 30	Recognition of Existing Deferred Outflow (Inflow) of Resources, net
2024	\$ 16,894
2025	(5,720)
2026	2,548
2027	785
2028	1,525
Thereafter	-

Additional Financial and Actuarial Information

Information contained in the VRS GLI OPEB Program Notes to the Schedule of Employer Allocations and Schedule of GLI OPEB Program Amounts by Employer (Schedules) was extracted from the audited financial statements of the Virginia Retirement System for the fiscal year ended June 30, 2022. Additional financial information supporting the preparation of the VRS GLI OPEB Program Schedules (including the unmodified audit opinion on the financial statements and required supplementary information) is presented in the separately issued VRS 2022 Annual Comprehensive Financial Report (ACFR). A copy of the 2022 VRS ACFR is publicly available through the About VRS link on the VRS website at www.varetire.org or a copy may be obtained by submitting a request to the VRS Chief Financial Officer, PO Box 2500, Richmond, VA 23218-2500.

13. CONTINGENCIES

The Authority is subject to examinations made by federal and state authorities to determine compliance with terms, conditions, laws and regulations governing grants given to the Authority in current and prior years. Results of these examinations could affect funding levels.

CHESAPEAKE REDEVELOPMENT AND HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the years ended December 31, 2023 and 2022

14. INTER-PROGRAM ELIMINATIONS

The following amounts have been eliminated in preparing the 2023 and 2022 financial statements:

	2023	2022
Inter-program Receivable/Payable	\$ 233,061	\$ 433,861
Statement of Net Position Totals	<u>\$ 233,061</u>	<u>\$ 433,861</u>
Management Fees	\$ 1,052,689	\$ 1,104,853
Bookkeeping Fees	206,775	202,073
Asset Management Fees	56,040	56,040
Front-line Service Fees	62,506	83,194
Other Fees	<u>71,988</u>	<u>-</u>
Statement of Revenue, Expenses and Changes in Net Position Totals	<u>\$ 1,449,998</u>	<u>\$ 1,446,160</u>

15. RESTRICTED CASH

Restricted cash was comprised of the following as of December 31, 2023 and 2022:

	2023	2022
HCV program - housing assistance payment equity	\$ -	\$ 72,161
Mainstream program - housing assistance payment equity	62,808	123,207
Tenant security deposits	222,267	202,731
Housing Counseling Assistance Program Fund	4,715	5,014
Section 3 Program Funds	21,129	21,129
Reserved for payment of current liabilities	35,192	33,416
FSS Program deposits	904,962	725,106
State/Local - Unexpended SRAP funds	<u>3,295,370</u>	<u>3,116,589</u>
Total Restricted Cash	<u>\$ 4,546,443</u>	<u>\$ 4,299,353</u>

CHESAPEAKE REDEVELOPMENT AND HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the years ended December 31, 2023 and 2022

16. RESTRICTED NET POSITION

Restricted Net Position was comprised of the following as of December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
HCV Program - HAP Equity	\$ -	\$ 72,161
HCV restricted for net pension asset	-	319,724
Mainstream 5 Program - HAP Equity	62,808	123,207
Housing Counseling Assistance Program Funds	4,715	5,014
Section 3 Program Funds	21,129	21,129
State/Local - Unexpended SRAP Funds	<u>3,295,370</u>	<u>3,116,589</u>
Total Restricted Net Position	<u>\$ 3,384,022</u>	<u>\$ 3,657,824</u>

17. LEASING ACTIVITIES

The Authority is the lessor of dwelling units mainly to low-income residents. The rents under the leases are determined generally by the resident's income as adjusted for eligible deductions regulated by HUD, although the resident may opt for a flat rent. Leases may be cancelled by the lessee at any time. The Authority may cancel the lease only for cause. Revenues associated with leases are recorded in the financial statements and schedules as "Rental Revenue". Rental revenue per dwelling unit generally remains consistent from year to year but is affected by general economic conditions which impact personal income and local job availability.

18. ECONOMIC DEPENDENCY

The Authority is economically dependent on annual grants from HUD. The programs operate at a loss prior to receiving the grants.

19. CONTRACTUAL COMMITMENTS

The Authority had outstanding contractual commitments of \$844,574 and \$1,871,000 for capital improvement and service contracts as of December 31, 2023 and 2022, respectively.

CHESAPEAKE REDEVELOPMENT AND HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the years ended December 31, 2023 and 2022

20. CONDUIT DEBT

To further economic development in the City of Chesapeake, the Authority has issued bonds that provide capital financing to private-sector entities for the acquisition and construction of multi-family residential facilities. The properties financed are pledged as collateral, and the bonds are payable solely from payments received from the private-sector entities on the underlying mortgage or promissory notes. In addition, no commitments beyond the collateral, the payments from the private-sector entities, and maintenance of the tax-exempt status of the conduit debt obligation were extended by the Authority for any of those bonds. At December 31, 2023 and 2022, the bonds have an aggregate outstanding principal amount payable of approximately \$102,700,000 and \$90,200,000, respectively.

21. BLENDED COMPONENT UNIT

Condensed financial information for the Authority's blended component unit, Oakdale Square, L.P., is provided below:

Oakdale Square, L.P. Condensed Statements of Net Position December 31, 2023 and 2022		
	2023	2022
Assets and deferred outflow of resources		
Current assets	\$ 383,731	\$ 646,055
Noncurrent assets	4,007,456	4,179,577
Deferred outflow of resources	270	270
Total assets and deferred outflow of resources	4,391,457	4,825,902
Liabilities and deferred inflow of resources		
Current liabilities	41,160	1,917,554
Noncurrent liabilities	407,942	1,532,636
Deferred inflow of resources	13,147	13,147
Total liabilities and deferred inflow of resources	462,249	3,463,337
Net position		
Net investment in capital assets	3,599,514	1,801,857
Unrestricted	329,694	(406,350)
Total net position	\$ 3,929,208	\$ 1,395,507

CHESAPEAKE REDEVELOPMENT AND HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the years ended December 31, 2023 and 2022

21. BLENDED COMPONENT UNIT (continued)

Oakdale Square, L.P.		
Condensed Statements of Revenues, Expenses and Changes in Net Position		
For the Years Ended December 31, 2023 and 2022		
	2022	2021
Operating revenue		
Tenant revenue	\$ 410,145	\$ 389,008
Other revenue	2,628,468	7,727
Total operating revenue	3,038,613	396,735
Operating expenses		
Operating expenses	318,175	316,515
Depreciation	150,643	150,165
Total operating expenses	468,818	466,680
Operating income (loss)	2,569,795	(69,945)
Investment income	7,457	1,562
Interest expense	(30,609)	(34,891)
Change in net position	2,546,643	(103,274)
Net position, beginning of year	1,382,565	1,485,839
Net position, end of year	\$ 3,929,208	\$ 1,382,565

Oakdale Square, L.P.		
Condensed Statements of Cash Flows		
For the Years Ended December 31, 2023 and 2021		
	2023	2022
Net cash provided by operating activities	\$ 1,896,766	\$ 86,871
Net cash provided by investing activities	7,457	1,562
Net cash provided by capital and related financing activities	(1,848,308)	(144,647)
Net increase (decrease) in cash and cash equivalents	55,915	(56,214)
Net cash, beginning of year	462,330	518,544
Net cash, end of year	\$ 518,245	\$ 462,330

22. SUBSEQUENT EVENTS

In preparing the financial statements, management evaluated subsequent events through September 27, 2024, the date that the financial statements were issued.

CHESAPEAKE REDEVELOPMENT AND HOUSING AUTHORITY
SCHEDULE OF CHANGES IN THE AUTHORITY'S NET PENSION LIABILITY AND RELATED RATIOS
FOR THE CALENDAR YEARS 2016 TO 2023

	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability								
Service cost	\$ 212,565	\$ 156,296	\$ 161,249	\$ 175,564	\$ 185,124	\$ 186,823	\$ 205,625	\$ 187,557
Interest	744,445	732,607	675,515	648,523	652,160	650,536	628,157	621,012
Changes in benefit terms	-	-	-	-	-	-	-	-
Differences between expected and actual experience	211,206	(198,208)	(21,395)	153,466	(281,255)	(247,257)	28,563	(307,237)
Changes in assumptions	-	-	450,209	-	274,513	-	(24,839)	-
Benefit payments, including refunds of employee contributions	(586,242)	(556,944)	(595,197)	(560,132)	(518,615)	(615,167)	(420,457)	(378,051)
Net change in total pension liability	581,974	133,751	670,381	417,421	311,927	(25,065)	417,049	123,281
Total pension liability - beginning	11,109,366	10,975,615	10,305,234	9,887,813	9,575,886	9,600,951	9,183,902	9,060,621
Total pension liability - ending	\$ 11,691,340	\$ 11,109,366	\$ 10,975,615	\$ 10,305,234	\$ 9,887,813	\$ 9,575,886	\$ 9,600,951	\$ 9,183,902
Plan fiduciary net position								
Contributions - employer	\$ -	\$ -	\$ -	\$ 5,843	\$ 2,752	\$ 35,831	\$ 35,631	\$ 121,636
Contributions - employee	200,828	113,095	105,441	97,498	97,659	100,866	97,424	95,212
Net investment income	832,388	(8,262)	2,970,377	214,157	719,302	784,124	1,184,140	169,031
Benefit payments, including refunds of employee contributions	(586,242)	(556,944)	(595,197)	(560,132)	(518,615)	(615,167)	(420,457)	(378,051)
Administrative expense	(8,444)	(8,500)	(7,667)	(7,523)	(7,415)	(7,064)	(6,988)	(6,131)
Other	318	307	278	(249)	(452)	(673)	(1,046)	(72)
Net change in plan fiduciary net position	438,848	(460,304)	2,473,232	(250,406)	293,231	297,917	888,704	1,625
Plan fiduciary net position - beginning	13,056,310	13,516,614	11,043,382	11,293,788	11,000,557	10,702,640	9,813,936	9,812,311
Plan fiduciary net position - ending	\$ 13,495,158	\$ 13,056,310	\$ 13,516,614	\$ 11,043,382	\$ 11,293,788	\$ 11,000,557	\$ 10,702,640	\$ 9,813,936
Authority's net pension liability (asset)	\$ (1,803,818)	\$ (1,946,944)	\$ (2,540,999)	\$ (738,148)	\$ (1,405,975)	\$ (1,424,671)	\$ (1,101,689)	\$ (630,034)
Plan's fiduciary net position as a percentage of the total pension li	115.43%	117.53%	123.15%	107.16%	114.22%	114.88%	111.47%	106.86%
Covered payroll	\$ 2,492,728	\$ 2,273,362	\$ 2,018,090	\$ 2,045,912	\$ 2,046,937	\$ 1,950,697	\$ 1,827,231	\$ 2,175,957
Authority's net pension liability (asset) as a percentage of covered	-72.36%	-85.64%	-125.91%	-36.08%	-68.69%	-73.03%	-60.29%	-28.95%

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

CHESAPEAKE REDEVELOPMENT AND HOUSING AUTHORITY
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE CALENDAR YEARS 2016 TO 2023

Measurement Date	Contracturally Required Contribution	Contributions in Relation to Contracturally Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
6/30/2023	200,828	200,828	-	2,492,728	8.06%
6/30/2022	113,095	113,095	-	2,273,362	4.97%
6/30/2021	105,441	105,441	-	2,018,090	5.22%
6/30/2020	97,498	97,498	-	2,045,912	4.77%
6/30/2019	97,659	97,659	-	2,046,937	4.77%
6/30/2018	100,866	100,866	-	1,950,697	5.17%
6/30/2017	97,424	97,424	-	1,827,231	5.33%
6/30/2016	95,212	95,212	-	2,175,957	4.38%

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

CHESAPEAKE REDEVELOPMENT AND HOUSING AUTHORITY
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF NET OPEB LIABILITY
FOR THE CALENDAR YEARS 2018 TO 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Authority's proportion of the net OPEB liability	0.01058%	0.01045%	0.01035%	0.01033%	0.01063%	0.01106%
Authority's proportionate share of the net OPEB liability	\$ 126,887	\$ 125,828	\$ 120,502	\$ 172,391	\$ 172,978	\$ 168,000
Authority's covered payroll	\$2,492,728	\$ 2,492,728	\$ 2,136,537	\$ 2,126,142	\$ 2,083,499	\$ 2,104,076
Authority's proportionate share of the net OPEB liability as a percentage of its covered payroll	5.09%	5.05%	5.64%	8.11%	8.30%	7.98%
Plan fiduciary net position as a percentage of the total OPEB liability	69.30%	67.21%	67.45%	52.64%	52.00%	51.22%

CHESAPEAKE REDEVELOPMENT AND HOUSING AUTHORITY
SCHEDULE OF THE AUTHORITY'S OPEB CONTRIBUTIONS
FOR THE CALENDAR YEARS 2018 TO 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contributions	\$ 3,897	\$ 13,461	\$ 11,537	\$ 11,056	\$ 10,834	\$ 10,941
Contributions in relation to contractually required contributions	\$ 3,897	\$ 13,461	\$ 11,537	\$ 11,056	\$ 10,834	\$ 10,941
Contribution deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Authority's covered payroll	\$2,492,728	\$ 2,492,728	\$ 2,136,537	\$ 2,126,142	\$ 2,083,499	\$ 2,104,076
Contributions as a percentage of covered payroll	0.16%	0.54%	0.54%	0.52%	0.52%	0.52%

CHESAPEAKE REDEVELOPMENT AND HOUSING AUTHORITY
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
December 31, 2023

1. **Changes in benefit terms** - There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.
2. **Changes of assumptions** – There have been no changes to assumptions.

CHESAPEAKE REDEVELOPMENT AND HOUSING AUTHORITY
COMBINED SCHEDULE OF NET POSITION - ALL ENTERPRISE FUNDS
December 31, 2023

	Real Estate Management	Federally Subsidized Programs	Grant Subrecipient Programs	Interfund Elimination	Total Enterprise Funds
ASSETS AND DEFERRED OUTFLOWS					
<u>Current Assets</u>					
Cash and cash equivalents	\$ 11,263,596	\$ 6,782,846	\$ 255,875	\$ -	\$ 18,302,317
Accounts receivable - PHA programs	-	33,563	-	-	33,563
Less allowance for doubtful accounts	-	(10,019)	-	-	(10,019)
Accounts receivable - HUD	-	772,480	-	-	772,480
Accounts receivable - Tenants	151,175	722,974	-	-	874,149
Less allowance for doubtful accounts	(73,297)	(507,676)	-	-	(580,973)
Accounts receivable, other	167,138	5,426	316,204	-	488,768
Inventories	1,376	-	-	-	1,376
Prepays	52,925	96,637	-	-	149,562
Accounts receivable - interfunds	233,061	-	-	(233,061)	-
Total Current Assets	<u>11,795,974</u>	<u>7,896,231</u>	<u>572,079</u>	<u>(233,061)</u>	<u>20,031,223</u>
<u>Restricted Assets</u>					
FSS escrows	-	904,962	-	-	904,962
Job readiness reserves	21,129	-	-	-	21,129
Tenant security deposits	149,707	72,560	-	-	222,267
HAP funds	-	62,808	-	-	62,808
Restricted Funds	-	35,192	3,300,084	-	3,335,276
Total Restricted Assets	<u>170,836</u>	<u>1,075,522</u>	<u>3,300,084</u>	<u>-</u>	<u>4,546,442</u>
<u>Noncurrent Assets</u>					
Land	1,918,431	870,128	92,156	-	2,880,715
Buildings and equipment	18,284,338	40,097,277	122,996	-	58,504,611
Leasehold improvements	675,189	1,977,709	12,550	-	2,665,448
Less accumulated depreciation	(12,831,717)	(34,826,605)	(135,546)	-	(47,793,868)
Construction in progress	287,853	2,824,400	108,895	-	3,221,148
Total Capital Assets	<u>8,334,094</u>	<u>10,942,909</u>	<u>201,051</u>	<u>-</u>	<u>19,478,054</u>
Notes receivable	-	-	3,107,940	-	3,107,940
Other assets - net pension asset	1,104,008	702,579	-	-	1,806,587
Total Other Assets	<u>1,104,008</u>	<u>702,579</u>	<u>3,107,940</u>	<u>-</u>	<u>4,914,527</u>
TOTAL ASSETS	<u>21,404,912</u>	<u>20,617,241</u>	<u>7,181,154</u>	<u>(233,061)</u>	<u>48,970,246</u>
DEFERRED OUTFLOW OF RESOURCES					
Employer contribution to pension plan	129,165	82,201	-	-	211,366
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 21,534,077</u>	<u>\$ 20,699,442</u>	<u>\$ 7,181,154</u>	<u>\$ (233,061)</u>	<u>\$ 49,181,612</u>

CHESAPEAKE REDEVELOPMENT AND HOUSING AUTHORITY
COMBINED SCHEDULE OF NET POSITION - ALL ENTERPRISE FUNDS
December 31, 2023

	Real Estate Management	Federally Subsidized Programs	Grant Subrecipient Programs	Interfund Elimination	Total Enterprise Funds
LIABILITIES, DEFERRED INFLOWS, AND NET POSITION					
<u>Current Liabilities</u>					
Accounts payable	\$ 133,900	\$ 374,272	\$ 102,341	\$ -	\$ 610,513
Accounts payable - HUD	-	35,192	-	-	35,192
Accrued wages & payroll taxes	54,173	61,961	3,841	-	119,975
Accrued compensated absences	105,601	110,551	7,303	-	223,455
Accrued liability - other	19,050	1,566,336	-	-	1,585,386
Tenant security deposits & interest	149,707	72,560	-	-	222,267
Current portion of mortgage payable	86,817	-	-	-	86,817
Advances from tenants	37,993	43,963	-	-	81,956
Accounts payable - interfunds	-	45,890	187,171	(233,061)	-
Other current liabilities	19,413	31,684	19,631	-	70,728
Total Current Liabilities	606,654	2,342,409	320,287	(233,061)	3,036,289
<u>Noncurrent Liabilities</u>					
FSS escrow	-	904,962	-	-	904,962
Notes payable	-	-	3,107,991	-	3,107,991
Mortgage payable	382,882	-	-	-	382,882
Other noncurrent liabilities	77,542	49,345	20,000	-	146,887
Total Noncurrent Liabilities	460,424	954,307	3,127,991	-	4,542,722
TOTAL LIABILITIES	1,067,078	3,296,716	3,448,278	(233,061)	7,579,011
DEFERRED INFLOW OF RESOURCES	147,537	93,890	-	-	241,427
NET POSITION					
Net investment in capital assets	7,864,395	10,942,909	201,051	-	19,008,355
Restricted	21,129	62,808	3,300,085	-	3,384,022
Unrestricted	12,433,938	6,303,119	231,740	-	18,968,797
TOTAL NET POSITION	20,319,462	17,308,836	3,732,876	-	41,361,174
TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION	\$ 21,534,077	\$ 20,699,442	\$ 7,181,154	\$ (233,061)	\$ 49,181,612

CHESAPEAKE REDEVELOPMENT AND HOUSING AUTHORITY
COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - ALL ENTERPRISE FUNDS
Year Ended December 31, 2023

	Real Estate Management	Federally Subsidized Programs	Grant Subrecipient Programs	Intercompany Elimination	Total Enterprise Funds
<u>Operating Revenues</u>					
Non-dwelling rental	\$ 140,109	\$ -	\$ -	\$ -	\$ 140,109
Management & other fees	1,395,232	-	-	(1,315,504)	79,728
Dwelling rental	2,287,392	1,860,609	-	-	4,148,001
Miscellaneous other income	3,311,703	339,057	-	(134,494)	3,516,266
Federal operating subsidy & grants	-	22,555,154	513,146	-	23,068,300
Local grants	-	-	1,007,335	-	1,007,335
Total Operating Revenues	7,134,436	24,754,820	1,520,481	(1,449,998)	31,959,739
<u>Operating Expenses</u>					
Administrative salaries	1,065,668	1,080,725	77,107	-	2,223,500
Other administrative expenses	350,282	720,051	9,162	-	1,079,495
Tenant/community services	58,069	55,286	-	-	113,355
Utility expenses	331,326	948,670	-	-	1,279,996
Maintenance salaries	210,794	373,299	-	-	584,093
Maintenance materials	184,641	323,202	-	-	507,843
Contractual services	513,889	612,568	897,737	(134,494)	1,889,700
Insurance	122,959	191,055	9,010	-	323,024
Employee benefits	145,219	252,917	19,466	-	417,602
Collection losses	71,539	357,838	-	-	429,377
PILOT	-	91,193	-	-	91,193
HAP	-	17,585,058	-	-	17,585,058
Management fees	258,248	1,057,256	-	(1,315,504)	-
Depreciation	468,122	810,014	-	-	1,278,136
Total Operating Expenses	3,780,756	24,459,132	1,012,482	(1,449,998)	27,802,372
Operating Income/(Loss)	3,353,680	295,688	507,999	-	4,157,367
<u>Non-Operating Revenues (Expenses)</u>					
Capital grants	-	1,063,238	-	-	1,063,238
Investment income	244,533	29,158	335	-	274,026
Interest expense	(37,008)	-	-	-	(37,008)
Net Non-Operating Revenues (Expenses)	207,525	1,092,396	335	-	1,300,256
Increase/(Decrease) in Net Position	3,561,205	1,388,084	508,334	-	5,457,623
Net Position at Beginning of Year	16,758,257	15,920,752	3,224,542	-	35,903,551
Net Position at End of Year	<u>\$ 20,319,462</u>	<u>\$ 17,308,836</u>	<u>\$ 3,732,876</u>	<u>\$ -</u>	<u>\$ 41,361,174</u>

CHESAPEAKE REDEVELOPMENT AND HOUSING AUTHORITY
REAL ESTATE MANAGEMENT - COMBINING STATEMENT OF NET POSITION
December 31, 2023

	Authority Management Services	Geneva Square	Meadow Landing North	Twin Creeks	Narrow Street	Anderson Apartments	Oakdale Square	Master Revolving	Total Real Estate Management
ASSETS AND DEFERRED OUTFLOWS									
<u>Current Assets</u>									
Cash and cash equivalents	\$ 2,715,086	\$ 7,345,911	\$ (38,021)	\$ 462,378	\$ 204,869	\$ 257,812	\$ 493,889	\$ (178,328)	\$ 11,263,596
Accounts receivable, gross	-	75,309	60,795	11,442	568	-	3,061	-	151,175
Less allowance for doubtful accounts	-	(35,841)	(36,956)	(500)	-	-	-	-	(73,297)
Accounts receivable, other	13,640	12,603	-	-	13	-	140,722	160	167,138
Inventories	1,376	-	-	-	-	-	-	-	1,376
Prepays	21,893	5,875	1,423	1,144	1,094	1,115	20,381	-	52,925
Accounts receivable - interfunds	-	-	-	-	-	-	-	233,061	233,061
Total Current Assets	2,751,995	7,403,857	(12,759)	474,464	206,544	258,927	658,053	54,893	11,795,974
<u>Restricted Assets</u>									
Job readiness reserves	21,129	-	-	-	-	-	-	-	21,129
Tenant security deposits	-	88,038	22,370	9,680	3,335	1,925	24,359	-	149,707
Total Restricted Assets	21,129	88,038	22,370	9,680	3,335	1,925	24,359	-	170,836
<u>Noncurrent Assets</u>									
Land	469,812	77,919	118,000	128,700	51,000	23,000	1,050,000	-	1,918,431
Buildings and equipment	1,148,943	9,338,807	1,418,701	544,773	197,604	156,764	5,478,746	-	18,284,338
Leasehold improvements	206,294	338,242	10,915	20,412	-	-	99,326	-	675,189
Less accumulated depreciation	(931,157)	(7,387,158)	(1,175,156)	(449,113)	(165,211)	(127,058)	(2,596,864)	-	(12,831,717)
Construction in progress	-	283,458	-	-	-	-	4,395	-	287,853
Total Capital Assets	893,892	2,651,268	372,460	244,772	83,393	52,706	4,035,603	-	8,334,094
Other asset - net pension asset	843,400	161,342	45,967	21,809	5,218	3,634	22,638	-	1,104,008
Total Other Assets	843,400	161,342	45,967	21,809	5,218	3,634	22,638	-	1,104,008
TOTAL ASSETS	4,510,416	10,304,505	428,038	750,725	298,490	317,192	4,740,653	54,893	21,404,912
DEFERRED OUTFLOW OF RESOURCES									
Employer contribution to pension plan	98,670	15,183	5,909	3,785	1,119	791	3,708		129,165
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 4,609,086	\$ 10,319,688	\$ 433,947	\$ 754,510	\$ 299,609	\$ 317,983	\$ 4,744,361	\$ 54,893	\$ 21,534,077

CHESAPEAKE REDEVELOPMENT AND HOUSING AUTHORITY
REAL ESTATE MANAGEMENT - COMBINING STATEMENT OF NET POSITION
December 31, 2023

	Authority Management Services	Geneva Square	Meadow Landing North	Twin Creeks	Narrow Street	Anderson Apartments	Oakdale Square	Master Revolving	Total Real Estate Management
LIABILITIES, DEFERRED INFLOWS, AND NET POSITION									
<u>Current Liabilities</u>									
Accounts payable	\$ 14,103	\$ 45,904	\$ 8,599	\$ 6,018	\$ 566	\$ 37	\$ 22,114	\$ 36,559	\$ 133,900
Accrued wages & payroll taxes	37,821	9,558	3,322	945	449	410	1,668	-	54,173
Accrued compensated absences	80,299	15,183	6,217	665	1,219	19	1,999	-	105,601
Accrued liability - other	15,676	-	288	1,038	-	-	2,048	-	19,050
Tenant security deposits & interest		88,038	22,370	9,680	3,335	1,925	24,359	-	149,707
Current portion of mortgage payable	-	-	61,757	-	-		25,060	-	86,817
Deferred revenue	-	21,500	1,426	4,521	712	1,350	8,484	-	37,993
Other current liabilities	-	487	-	-	-	12	580	18,334	19,413
Total Current Liabilities	147,899	180,670	103,979	22,867	6,281	3,753	86,312	54,893	606,654
<u>Noncurrent Liabilities</u>									
Mortgage payable	-	-	-	-	-	-	382,882	-	382,882
Other noncurrent liabilities	59,239	10,763	3,871	1,899	598	402	770	-	77,542
Total Noncurrent Liabilities	59,239	10,763	3,871	1,899	598	402	383,652	-	460,424
TOTAL LIABILITIES	207,138	191,433	107,850	24,766	6,879	4,155	469,964	54,893	1,067,078
DEFERRED INFLOW OF RESOURCES	112,709	21,741	3,165	3,941	146	147	5,688	-	147,537
NET POSITION									
Net investment in capital assets	893,892	2,651,268	310,703	244,772	83,393	52,706	3,627,661	-	7,864,395
Restricted	21,129	-	-	-	-	-	-	-	21,129
Unrestricted	3,374,218	7,455,246	12,229	481,031	209,191	260,975	641,048	-	12,433,938
TOTAL NET POSITION	4,289,239	10,106,514	322,932	725,803	292,584	313,681	4,268,709	-	20,319,462
TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION	\$ 4,609,086	\$ 10,319,688	\$ 433,947	\$ 754,510	\$ 299,609	\$ 317,983	\$ 4,744,361	\$ 54,893	\$ 21,534,077

CHESAPEAKE REDEVELOPMENT AND HOUSING AUTHORITY
REAL ESTATE MANAGEMENT
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Year Ended December 31, 2023

	Authority Management Services	Geneva Square	Meadow Landing North	Twin Creeks	Narrow Street	Anderson Apartments	Oakdale Square	Total Real Estate Management
<u>Operating Revenues</u>								
Non-dwelling rental	103,356	36,753	-	-	-	-	-	\$ 140,109
Management & other fees	1,395,232	-	-	-	-	-	-	1,395,232
Dwelling rental	-	1,267,156	347,432	167,187	58,370	43,624	403,623	2,287,392
Miscellaneous other income	161,705	118,577	39,974	3,828	443	4,385	2,982,791	3,311,703
Local grants	-	-	-	-	-	-	-	-
Total Operating Revenue	1,660,293	1,422,486	387,406	171,015	58,813	48,009	3,386,414	7,134,436
<u>Operating Expenses</u>								
Administrative salaries	874,044	115,070	39,408	5,726	5,126	2,596	23,698	1,065,668
Administrative expense	207,874	91,059	8,521	6,340	2,838	3,836	29,814	350,282
Tenant/community services	2,000	56,069	-	-	-	-	-	58,069
Utility expense	31,851	102,868	75,423	31,760	5,787	7,306	76,331	331,326
Maintenance salaries	38,900	85,320	35,706	15,906	5,304	4,276	25,382	210,794
Maintenance materials	13,157	104,752	21,826	15,449	682	423	28,352	184,641
Contractual services	68,204	281,072	59,185	39,422	5,317	5,967	54,722	513,889
Insurance	30,461	50,307	11,316	5,854	2,721	2,505	19,795	122,959
Employee benefits	104,708	25,682	7,684	2,828	2,039	1,466	812	145,219
Collection losses	-	27,686	68,144	(26,555)	-	-	2,264	71,539
Management fees	-	135,919	45,307	20,388	6,796	4,531	45,307	258,248
Depreciation	44,513	219,219	29,577	15,575	5,694	3,754	149,790	468,122
Total Operating Expenses	1,415,712	1,295,023	402,097	132,693	42,304	36,660	456,267	3,780,756
Operating Income/(Loss)	244,581	127,463	(14,691)	38,322	16,509	11,349	2,930,147	3,353,680
<u>Non-Operating Revenues (Expenses)</u>								
Investment income	202,981	32,580	1,515	-	-	-	7,457	244,533
Interest expense	-	-	(5,548)	-	-	-	(31,460)	(37,008)
Net Non-Operating Revenues (Expenses)	202,981	32,580	(4,033)	-	-	-	(24,003)	207,525
Increase/(Decrease) in Net Position	447,562	160,043	(18,724)	38,322	16,509	11,349	2,906,144	3,561,205
Net Position at Beginning of Year	3,841,677	9,986,471	301,656	687,481	276,075	302,332	1,362,565	16,758,257
Operating Transfer	-	(40,000)	40,000	-	-	-	-	-
Net Position at End of Year	\$ 4,289,239	\$ 10,106,514	\$ 322,932	\$ 725,803	\$ 292,584	\$ 313,681	\$ 4,268,709	\$ 20,319,462

CHESAPEAKE REDEVELOPMENT AND HOUSING AUTHORITY
FEDERALLY SUBSIDIZED PROGRAMS - COMBINING STATEMENT OF NET POSITION
December 31, 2023

	Public Housing Program Broadlawn	Public Housing Program MacDonald Manor	Public Housing Program Schooner Cove	Public Housing Program Owens Village	Public Housing Program Peaceful Village	Total Public Housing Program	Housing Choice Voucher Program	ROSS Self Sufficiency Grants	Total Federally Subsidized Programs
ASSETS AND DEFERRED OUTFLOWS									
<u>Current Assets</u>									
Cash and cash equivalents	\$ 1,512,973	\$ 1,596,412	\$ 493,894	\$ 1,011,272	\$ 866,398	\$ 5,480,949	\$ 1,290,460	\$ 11,437	6,782,846
Accounts receivable - PHA programs	-	-	-	-	-	-	33,563	-	33,563
Less allowance for doubtful accounts	-	-	-	-	-	-	(10,019)	-	(10,019)
Accounts receivable - HUD	116,822	-	18,240	44,027	-	179,089	547,130	46,261	772,480
Accounts receivable, gross	304,516	114,387	28,180	39,509	127,270	613,862	109,112	-	722,974
Less allowance for doubtful accounts	(209,480)	(52,017)	(14,828)	(17,054)	(105,185)	(398,564)	(109,112)	-	(507,676)
Accounts receivable, other	5,426	-	-	-	-	5,426	-	-	5,426
Prepays	40,897	18,717	1,525	5,067	9,980	76,186	15,699	4,752	96,637
Total Current Assets	1,771,154	1,677,499	527,011	1,082,821	898,463	5,956,948	1,876,833	62,450	7,896,231
<u>Restricted Assets</u>									
Tenant security deposits	22,196	27,748	1,287	11,708	9,621	72,560	-	-	72,560
FSS escrows	76,932	108,688	46,031	34,896	33,213	299,760	605,202	-	904,962
Restricted funds	-	-	-	-	-	-	35,192	-	35,192
HAP funds	-	-	-	-	-	-	62,808	-	62,808
Total Restricted Assets	99,128	136,436	47,318	46,604	42,834	372,320	703,202	-	1,075,522
<u>Noncurrent Assets</u>									
Land	98,677	456,000	174,233	141,218	-	870,128	-	-	870,128
Buildings and equipment	16,292,019	8,466,772	4,843,028	3,647,223	6,775,445	40,024,487	72,790	-	40,097,277
Leasehold improvements	460,733	482,484	562,689	106,380	365,423	1,977,709	-	-	1,977,709
Less accumulated depreciation	(15,846,619)	(8,361,065)	(2,753,220)	(2,933,328)	(4,859,583)	(34,753,815)	(72,790)	-	(34,826,605)
Construction in progress	542,680	213,302	143,396	532,521	1,392,501	2,824,400	-	-	2,824,400
Total Capital Assets	1,547,490	1,257,493	2,970,126	1,494,014	3,673,786	10,942,909	-	-	10,942,909
Other assets - net pension asset	177,712	127,641	8,574	29,384	51,487	394,798	307,781	-	702,579
Total Other Assets	177,712	127,641	8,574	29,384	51,487	394,798	307,781	-	702,579
TOTAL ASSETS	3,595,484	3,199,069	3,553,029	2,652,823	4,666,570	17,666,975	2,887,816	62,450	20,617,241
<u>DEFERRED OUTFLOW OF RESOURCES</u>									
Employer contribution to pension plan	20,888	13,612	1,613	3,000	7,078	46,191	36,010	-	82,201
Total Assets and Differed outflows	\$ 3,616,372	\$ 3,212,681	\$ 3,554,642	\$ 2,655,823	\$ 4,673,648	\$ 17,713,166	\$ 2,923,826	\$ 62,450	20,699,442

CHESAPEAKE REDEVELOPMENT AND HOUSING AUTHORITY
FEDERALLY SUBSIDIZED PROGRAMS - COMBINING STATEMENT OF NET POSITION
December 31, 2023

	Public Housing Program Broadlawn	Public Housing Program MacDonald Manor	Public Housing Program Schooner Cove	Public Housing Program Owens Village	Public Housing Program Peaceful Village	Total Public Housing Program	Housing Choice Voucher Program	ROSS Self Sufficiency Grants	Total Federally Subsidized Programs
LIABILITIES, DEFERRED INFLOWS, AND NET POSITION									
<u>Current Liabilities</u>									
Accounts payable	\$ 224,118	\$ 40,235	\$ 20,361	\$ 65,743	\$ 18,319	\$ 368,776	\$ 3,046	\$ 2,450	374,272
Accounts payable - HUD	-	-	-	-	-	-	35,192	-	35,192
Accrued wages & payroll taxes	14,891	4,468	960	2,260	5,723	28,302	19,549	14,110	61,961
Accrued compensated absences	37,836	6,193	1,607	3,742	12,308	61,686	48,865	-	110,551
Accrued liability - other	508,194	359,166	152,078	290,909	255,989	1,566,336	-	-	1,566,336
Tenant security deposits & interest	22,196	27,748	1,287	11,708	9,621	72,560	-	-	72,560
Advances from tenants	12,402	12,977	2,755	7,036	8,793	43,963	-	-	43,963
Accounts payable-interfunds	-	-	-	-	-	-	-	45,890	45,890
Other liabilities	1,062	598	-	-	-	1,660	30,024	-	31,684
Total Current Liabilities	820,699	451,385	179,048	381,398	310,753	2,143,283	136,676	62,450	2,342,409
<u>Noncurrent Liabilities</u>									
FSS escrow	76,932	108,688	46,031	34,896	33,213	299,760	605,202	-	904,962
Other noncurrent liabilities	12,013	8,666	818	2,366	3,865	27,728	21,617	-	49,345
Total Noncurrent Liabilities	88,945	117,354	46,849	37,262	37,078	327,488	626,819	-	954,307
TOTAL LIABILITIES	909,644	568,739	225,897	418,660	347,831	2,470,771	763,495	62,450	3,296,716
DEFERRED INFLOW OF RESOURCES	29,812	21,155	104	262	1,426	52,759	41,131	-	93,890
NET POSITION									
Net investment in capital assets	1,547,490	1,257,493	2,970,126	1,494,014	3,673,786	10,942,909	-	-	10,942,909
Restricted	-	-	-	-	-	-	62,808	-	62,808
Unrestricted	1,129,426	1,365,294	358,515	742,887	650,605	4,246,727	2,056,392	-	6,303,119
TOTAL NET POSITION	2,676,916	2,622,787	3,328,641	2,236,901	4,324,391	15,189,636	2,119,200	-	17,308,836
TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION	\$ 3,616,372	\$ 3,212,681	\$ 3,554,642	\$ 2,655,823	\$ 4,673,648	\$ 17,713,166	\$ 2,923,826	\$ 62,450	20,699,442

CHESAPEAKE REDEVELOPMENT AND HOUSING AUTHORITY
FEDERALLY SUBSIDIZED PROGRAMS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Year Ended December 31, 2023

	Public Housing Program Broadlawn	Public Housing Program MacDonald Manor	Public Housing Program Schooner Cove	Public Housing Program Owens Village	Public Housing Program Peaceful Village	Total Public Housing Program	Housing Choice Voucher Program	ROSS Self Sufficiency Grants	Total Federally Subsidized Programs
<u>Operating Revenues</u>									
Dwelling rental	\$ 693,414	\$ 485,455	\$ 178,893	\$ 237,149	\$ 265,698	\$ 1,860,609	\$ -	\$ -	\$ 1,860,609
Miscellaneous other income	127,419	19,054	6,942	42,797	46,175	242,387	96,670	-	339,057
Federal operating subsidy & grants	1,078,682	862,506	104,491	295,542	533,500	2,874,721	19,095,160	585,273	22,555,154
Total Operating Revenue	1,899,515	1,367,015	290,326	575,488	845,373	4,977,717	19,191,830	585,273	24,754,820
<u>Operating Expenses</u>									
Admin salaries	113,947	54,175	14,528	34,110	55,706	272,466	501,075	307,184	1,080,725
Administrative expense	102,504	74,568	19,992	29,858	37,742	264,664	263,903	191,484	720,051
Tenant/community services	14,157	13,981	1,646	4,769	6,307	40,860	10,336	4,090	55,286
Utility expense	520,384	249,502	4,009	71,308	103,467	948,670	-	-	948,670
Maintenance salaries	185,764	80,005	7,655	18,486	81,389	373,299	-	-	373,299
Maintenance materials	151,122	86,964	9,282	15,203	56,844	319,415	3,787	-	323,202
Contractual services	237,760	163,832	34,032	78,887	90,501	605,012	7,161	395	612,568
Insurance	59,517	56,113	9,574	24,078	31,380	180,662	7,015	3,378	191,055
Employee benefits	49,552	20,346	4,876	8,163	23,713	106,650	67,525	78,742	252,917
Collection losses	146,004	62,418	8,273	38,306	92,818	347,819	10,019	-	357,838
PILOT	17,303	23,595	17,488	16,584	16,223	91,193	-	-	91,193
HAP	-	-	-	-	-	-	17,585,058	-	17,585,058
Management fees	244,907	222,828	35,094	80,993	95,465	679,287	377,969	-	1,057,256
Depreciation	154,628	129,985	170,111	95,924	250,741	801,389	8,625	-	810,014
Total Operating Expenses	1,997,549	1,238,312	336,560	516,669	942,296	5,031,386	18,842,473	585,273	24,459,132
Operating Income/(Loss)	(98,034)	128,703	(46,234)	58,819	(96,923)	(53,669)	349,357	-	295,688
<u>Non-Operating Revenues (Expenses)</u>									
Capital grant	156,351	35,642	18,240	44,027	808,978	1,063,238	-	-	1,063,238
Investment income	12,464	4,734	719	5,473	5,582	28,972	186	-	29,158
Net Non-Operating Revenues (Expenses)	168,815	40,376	18,959	49,500	814,560	1,092,210	186	-	1,092,396
Increase/(Decrease) in Net Position	70,781	169,079	(27,275)	108,319	717,637	1,038,541	349,543	-	1,388,084
Net Position at Beginning of Year	2,606,135	2,453,708	3,355,916	2,128,582	3,606,754	14,151,095	1,769,657	-	15,920,752
Net Position at End of Year	\$ 2,676,916	\$ 2,622,787	\$ 3,328,641	\$ 2,236,901	\$ 4,324,391	\$ 15,189,636	\$ 2,119,200	\$ -	17,308,836

CHESAPEAKE REDEVELOPMENT AND HOUSING AUTHORITY
GRANT SUBRECIPIENT PROGRAMS - COMBINING STATEMENT OF NET POSITION
December 31, 2023

	CDBG	Home Program	South Norfolk/State Cap Grant	State of VA Voucher Program & PSH	Rehab Escrow	Total Grant Subrecipient Programs
ASSETS						
<u>Current Assets</u>						
Cash and cash equivalents	\$ 20,008	\$ -	\$ 7,492	\$ 221,353	\$ 7,022	\$ 255,875
Accounts receivable, other	46,198	81,716	98,543	74,189	15,558	316,204
Total Current Assets	66,206	81,716	106,035	295,542	22,580	572,079
<u>Restricted Assets</u>						
SRAP Reserves/Housing Counselor Grant	-	-	-	3,295,370	4,714	3,300,084
Total Restricted Assets	-	-	-	3,295,370	4,714	3,300,084
<u>Noncurrent Assets</u>						
Land	92,156	-	-	-	-	92,156
Building and equipment	113,327	9,669	-	-	-	122,996
Leasehold improvements	12,550	-	-	-	-	12,550
Less accumulated depreciation	(125,877)	(9,669)	-	-	-	(135,546)
Construction in progress	-	-	108,895	-	-	108,895
Total Capital Assets	92,156	-	108,895	-	-	201,051
Notes receivable	-	-	-	-	3,107,940	3,107,940
Total Other Assets	-	-	-	-	3,107,940	3,107,940
TOTAL ASSETS	\$ 158,362	\$ 81,716	\$ 214,930	\$ 3,590,912	\$ 3,135,234	\$ 7,181,154

CHESAPEAKE REDEVELOPMENT AND HOUSING AUTHORITY
GRANT SUBRECIPIENT PROGRAMS - COMBINING STATEMENT OF NET POSITION
December 31, 2023

	CDBG	Home Program	South Norfolk/State Cap Grant	State of VA Voucher Program & PSH	Rehab Escrow	Total Grant Subrecipient Programs
LIABILITIES AND NET POSITION						
<u>Current Liabilities</u>						
Accounts payable	\$ -	\$ 1,201	\$ 98,543	\$ 2,597	\$ -	\$ 102,341
Accrued wages & payroll taxes	1,619	2,222	-	-	-	3,841
Accrued compensated absences	3,346	3,957	-	-	-	7,303
Accounts payable - interfunds	41,233	74,336	-	71,602	-	187,171
Other current liabilities	-	-	-	-	19,631	19,631
Total Current Liabilities	46,198	81,716	98,543	74,199	19,631	320,287
<u>Noncurrent Liabilities</u>						
Notes payable	-	-	-	-	3,107,991	3,107,991
Other noncurrent liabilities	20,000	-	-	-	-	20,000
Total Noncurrent Liabilities	20,000	-	-	-	3,107,991	3,127,991
TOTAL LIABILITIES	66,198	81,716	98,543	74,199	3,127,622	3,448,278
NET POSITION						
Net investment in capital assets	92,156	-	108,895	-	-	201,051
Restricted	-	-	-	3,295,370	4,715	3,300,085
Unrestricted	8	-	7,492	221,343	2,897	231,740
TOTAL NET POSITION	92,164	-	116,387	3,516,713	7,612	3,732,876
TOTAL LIABILITIES AND NET POSITION	\$ 158,362	\$ 81,716	\$ 214,930	\$ 3,590,912	\$ 3,135,234	\$ 7,181,154

CHESAPEAKE REDEVELOPMENT AND HOUSING AUTHORITY
GRANT SUBRECIPIENT PROGRAMS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND NET POSITION
Year Ended December 31, 2023

	CDBG	Home Program	South Norfolk/State Cap Grant	State of VA Voucher Program & PSH	Rehab Escrow	Total Grant Subrecipient Programs
<u>Operating Revenues</u>						
Federal operating subsidy & grants	\$ 130,809	\$ 273,442	\$ 108,895	\$ -	\$ -	\$ 513,146
Local grants	-	-	-	1,007,335	-	1,007,335
Total Operating Revenue	130,809	273,442	108,895	1,007,335	-	1,520,481
<u>Operating Expenses</u>						
Administrative salaries	32,634	44,473	-	-	-	77,107
Administration expense	3,547	4,968	-	-	647	9,162
Contractual services	78,983	211,170	-	607,584	-	897,737
Insurance	7,716	1,294	-	-	-	9,010
Employee benefits	7,929	11,537	-	-	-	19,466
Total Operating Expenses	130,809	273,442	-	607,584	647	1,012,482
Operating Income/(Loss)	-	-	108,895	399,751	(647)	507,999
<u>Non-Operating Revenues (Expenses)</u>						
Investment income	-	-	1	334	-	335
Net Non-Operating Revenues (Expenses)	-	-	1	334	-	335
Increase/(Decrease) in Net Position	-	-	108,896	400,085	(647)	508,334
Net Position at Beginning of Year	92,164	-	7,491	3,116,628	8,259	3,224,542
Net Position at End of Year	\$ 92,164	\$ -	\$ 116,387	\$ 3,516,713	\$ 7,612	\$ 3,732,876

CHESAPEAKE REDEVELOPMENT AND HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE
STATEMENT OF NET POSITION
December 31, 2023

	Low-Rent Public Housing 14.850	Housing Choice Vouchers 14.871	Business Activities	PIH Family Self- Sufficiency Program 14.896	Housing Counseling Assistance Program 14.169	Community Development Block Grants/Entitlement Grants 14.218	Resident Opportunity and Supportive Services 14.870	Mainstream Vouchers 14.879
ASSETS:								
CURRENT ASSETS:								
Cash:								
Cash - Unrestricted	\$ 5,480,949	\$ 1,187,209	\$ 8,555,532	\$ -	\$ -	\$ 20,008	\$ 63	\$ 103,251
Cash - Other Restricted	299,760	605,202	-	-	4,715	-	-	62,808
Cash - Tenant Security Deposits	72,560	-	149,707	-	-	-	-	-
Cash - Restricted for Payment of Current Liabilities	-	35,192	-	-	-	-	-	-
Total Cash	5,853,269	1,827,603	8,705,239	-	4,715	20,008	63	166,059
Accounts and notes receivables:								
Accounts Receivable - PHA Projects	-	33,563	-	-	-	-	-	-
Accounts Receivable - HUD Other Projects	179,089	540,165	-	25,453	-	-	4,367	6,965
Accounts Receivable - Other Government	-	-	-	-	-	46,198	-	-
Accounts Receivable - Miscellaneous	5,426	-	154,018	-	-	-	-	-
Accounts Receivable - Tenants	613,862	-	151,175	-	-	-	-	-
Allowance for Doubtful Accounts - Tenants	(393,138)	-	(69,294)	-	-	-	-	-
Allowance for Doubtful Accounts - Other	(5,426)	(10,019)	(4,000)	-	-	-	-	-
Notes, Loans, & Mortgages Receivable - Current	-	-	15,034	-	-	-	-	-
Fraud Recovery	-	109,112	-	-	-	-	-	-
Allowance for Doubtful Accounts - Fraud	-	(109,112)	-	-	-	-	-	-
Total Receivables, Net	399,813	563,709	246,933	25,453	-	46,198	4,367	6,965
Other Current Assets:								
Prepaid Expenses and Other Assets	76,186	15,699	31,032	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-
Inter Program Due From	-	-	233,061	-	-	-	-	-
TOTAL CURRENT ASSETS	6,329,268	2,407,011	9,216,265	25,453	4,715	66,206	4,430	173,024
NONCURRENT ASSETS:								
Capital Assets:								
Land	870,128	-	1,448,619	-	-	92,156	-	-
Buildings	33,619,090	-	16,570,948	-	-	51,153	-	-
Furniture, Equipment & Machinery - Dwellings	5,412,514	-	396,683	-	-	-	-	-
Furniture, Equipment & Machinery - Administration	992,883	72,790	167,764	-	-	62,174	-	-
Leasehold Improvements	1,977,709	-	468,895	-	-	12,550	-	-
Accumulated Depreciation	(34,753,815)	(72,790)	(11,900,560)	-	-	(125,877)	-	-
Construction in Progress	2,824,400	-	287,853	-	-	-	-	-
Total Capital Assets, Net	10,942,909	-	7,440,202	-	-	92,156	-	-
Notes, Loans and Mortgages Receivable - Non-Current	-	-	3,107,940	-	-	-	-	-
Other Assets	394,798	307,781	260,608	-	-	-	-	-
TOTAL NONCURRENT ASSETS	11,337,707	307,781	10,808,750	-	-	92,156	-	-
Deferred Outflow of Resources	46,191	36,010	30,495	-	-	-	-	-
TOTAL ASSETS	\$ 17,713,166	\$ 2,750,802	\$ 20,055,510	\$ 25,453	\$ 4,715	\$ 158,362	\$ 4,430	\$ 173,024

CHESAPEAKE REDEVELOPMENT AND HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE
STATEMENT OF NET POSITION
December 31, 2023

	HOME Investment Partnerships Program 14.239	Jobs-Plus Pilot Initiative 14.895	State/Local	Community Development Block Grants/State's Program 14.228	COCC	Subtotal	ELIM	Total
ASSETS:								
CURRENT ASSETS:								
Cash:								
Cash - Unrestricted	\$ -	\$ 11,374	\$ 228,845	\$ -	\$ 2,715,086	\$ 18,302,317	\$ -	\$ 18,302,317
Cash - Other Restricted	-	-	3,295,370	-	21,129	4,288,984	-	4,288,984
Cash - Tenant Security Deposits	-	-	-	-	-	222,267	-	222,267
Cash - Restricted for Payment of Current Liabilities	-	-	-	-	-	35,192	-	35,192
Total Cash	-	11,374	3,524,215	-	2,736,215	22,848,760	-	22,848,760
Accounts and notes receivables:								
Accounts Receivable - PHA Projects	-	-	-	-	-	33,563	-	33,563
Accounts Receivable - HUD Other Projects	-	16,441	-	-	-	772,480	-	772,480
Accounts Receivable - Other Government	81,716	-	172,732	-	13,640	314,286	-	314,286
Accounts Receivable - Miscellaneous	-	-	-	-	-	159,444	-	159,444
Accounts Receivable - Tenants	-	-	-	-	-	765,037	-	765,037
Allowance for Doubtful Accounts -Tenants	-	-	-	-	-	(462,432)	-	(462,432)
Allowance for Doubtful Accounts - Other	-	-	-	-	-	(19,445)	-	(19,445)
Notes, Loans, & Mortgages Receivable - Current	-	-	-	-	-	15,034	-	15,034
Fraud Recovery	-	-	-	-	-	109,112	-	109,112
Allowance for Doubtful Accounts - Fraud	-	-	-	-	-	(109,112)	-	(109,112)
Total Receivables, Net	81,716	16,441	172,732	-	13,640	1,577,967	-	1,577,967
Other Current Assets:								
Prepaid Expenses and Other Assets	-	4,752	-	-	21,893	149,562	-	149,562
Inventories	-	-	-	-	1,376	1,376	-	1,376
Inter Program Due From	-	-	-	-	-	233,061	(233,061)	-
TOTAL CURRENT ASSETS	81,716	32,567	3,696,947	-	2,773,124	24,810,726	(233,061)	24,577,665
NONCURRENT ASSETS:								
Capital Assets:								
Land	-	-	-	-	469,812	2,880,715	-	2,880,715
Buildings	-	-	-	-	750,258	50,991,449	-	50,991,449
Furniture, Equipment & Machinery - Dwellings	-	-	-	-	53,083	5,862,280	-	5,862,280
Furniture, Equipment & Machinery - Administration	-	-	-	-	345,602	1,641,213	-	1,641,213
Leasehold Improvements	-	-	-	-	206,294	2,665,448	-	2,665,448
Accumulated Depreciation	-	-	-	-	(931,157)	(47,784,199)	-	(47,784,199)
Construction in Progress	-	-	108,895	-	-	3,221,148	-	3,221,148
Total Capital Assets, Net	-	-	108,895	-	893,892	19,478,054	-	19,478,054
Notes, Loans and Mortgages Receivable - Non-Current	-	-	-	-	-	3,107,940	-	3,107,940
Other Assets	-	-	-	-	843,400	1,806,587	-	1,806,587
TOTAL NONCURRENT ASSETS	-	-	108,895	-	1,737,292	24,392,581	-	24,392,581
Deferred Outflow of Resources	-	-	-	-	98,670	211,366	-	211,366
TOTAL ASSETS	\$ 81,716	\$ 32,567	\$ 3,805,842	\$ -	\$ 4,609,086	\$ 49,414,673	\$ (233,061)	\$ 49,181,612

CHESAPEAKE REDEVELOPMENT AND HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE
STATEMENT OF NET POSITION
December 31, 2023

	Low-Rent Public Housing 14.850	Housing Choice Vouchers 14.871	Business Activities	PIH Family Self- Sufficiency Program 14.896	Housing Counseling Assistance Program 14.169	Community Development Block Grants/Entitlement Grants 14.218	Resident Opportunity and Supportive Services 14.870	Mainstream Vouchers 14.879
LIABILITIES AND NET POSITION								
LIABILITIES:								
CURRENT LIABILITIES:								
Accounts Payable <= 90 Days	\$ 368,776	\$ 3,046	\$ 119,797	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Wage/Payroll Taxes Payable	28,302	19,549	16,351	6,103	-	1,619	2,043	-
Accrued Compensated Absences - Current Portion	61,686	48,865	25,302	-	-	3,346	-	-
Accrued Interest Payable	-	-	2,336	-	-	-	-	-
Accounts Payable - HUD PHA Programs	-	35,192	-	-	-	-	-	-
Tenant Security Deposits	72,560	-	149,707	-	-	-	-	-
Unearned Revenue	43,963	-	37,993	-	-	-	-	-
Current Portion of Long Term Debt - Capital Projects/Mortgage Revenue	-	-	86,817	-	-	-	-	-
Other Current Liabilities	1,660	8,645	20,240	-	-	-	-	-
Accrued Liabilities - Other	1,566,336	21,379	19,843	-	-	-	-	-
Inter Program - Due To	-	-	-	19,350	-	41,233	2,387	-
TOTAL CURRENT LIABILITIES	2,143,283	136,676	478,386	25,453	-	46,198	4,430	-
NONCURRENT LIABILITIES:								
Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	-	-	382,882	-	-	-	-	-
Non-current Liabilities - Other	299,760	605,202	3,107,991	-	-	20,000	-	-
Accrued Pension and OPEB Liabilities	27,728	21,617	18,303	-	-	-	-	-
TOTAL NONCURRENT LIABILITIES	327,488	626,819	3,509,176	-	-	20,000	-	-
TOTAL LIABILITIES	2,470,771	763,495	3,987,562	25,453	-	66,198	4,430	-
Deferred Inflow of Resources	52,759	41,131	34,828	-	-	-	-	-
NET POSITION								
Net Investment in Capital Assets	10,942,909	-	6,970,503	-	-	92,156	-	-
Restricted Net Position	-	-	-	-	4,715	-	-	62,808
Unrestricted Net Position	4,246,727	1,946,176	9,062,617	-	-	8	-	110,216
TOTAL NET POSITION	15,189,636	1,946,176	16,033,120	-	4,715	92,164	-	173,024
TOTAL LIABILITIES AND NET POSITION	\$ 17,713,166	\$ 2,750,802	\$ 20,055,510	\$ 25,453	\$ 4,715	\$ 158,362	\$ 4,430	\$ 173,024

CHESAPEAKE REDEVELOPMENT AND HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE
STATEMENT OF NET POSITION
December 31, 2023

	HOME Investment Partnerships Program 14.239	Jobs-Plus Pilot Initiative 14.895	State/Local	Community Development Block Grants/State's Program 14.228	COCC	Subtotal	ELIM	Total
LIABILITIES AND NET POSITION								
LIABILITIES:								
CURRENT LIABILITIES:								
Accounts Payable <= 90 Days	\$ 1,201	\$ 2,449	\$ 101,140	\$ -	\$ 14,103	\$ 610,512	\$ -	\$ 610,512
Accrued Wage/Payroll Taxes Payable	2,222	5,965	-	-	37,821	119,975	-	119,975
Accrued Compensated Absences - Current Portion	3,957	-	-	-	80,299	223,455	-	223,455
Accrued Interest Payable	-	-	-	-	-	2,336	-	2,336
Accounts Payable - HUD PHA Programs	-	-	-	-	-	35,192	-	35,192
Tenant Security Deposits	-	-	-	-	-	222,267	-	222,267
Unearned Revenue	-	-	-	-	-	81,956	-	81,956
Current Portion of Long Term Debt - Capital Projects/Mortgage Revenue	-	-	-	-	-	86,817	-	86,817
Other Current Liabilities	-	-	-	-	15,676	46,221	-	46,221
Accrued Liabilities - Other	-	-	-	-	-	1,607,558	-	1,607,558
Inter Program - Due To	74,336	24,153	71,602	-	-	233,061	(233,061)	-
TOTAL CURRENT LIABILITIES	81,716	32,567	172,742	-	147,899	3,269,350	(233,061)	3,036,289
NONCURRENT LIABILITIES:								
Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	-	-	-	-	-	382,882	-	382,882
Non-current Liabilities - Other	-	-	-	-	-	4,032,953	-	4,032,953
Accrued Pension and OPEB Liabilities	-	-	-	-	59,239	126,887	-	126,887
TOTAL NONCURRENT LIABILITIES	-	-	-	-	59,239	4,542,722	-	4,542,722
TOTAL LIABILITIES	81,716	32,567	172,742	-	207,138	7,812,072	(233,061)	7,579,011
Deferred Inflow of Resources	-	-	-	-	112,709	241,427	-	241,427
NET POSITION								
Net Investment in Capital Assets	-	-	108,895	-	893,892	19,008,355	-	19,008,355
Restricted Net Position	-	-	3,295,370	-	21,129	3,384,022	-	3,384,022
Unrestricted Net Position	-	-	228,835	-	3,374,218	18,968,797	-	18,968,797
TOTAL NET POSITION	-	-	3,633,100	-	4,289,239	41,361,174	-	41,361,174
TOTAL LIABILITIES AND NET POSITION	\$ 81,716	\$ 32,567	\$ 3,805,842	\$ -	\$ 4,609,086	\$ 49,414,673	\$ (233,061)	\$ 49,181,612

CHESAPEAKE REDEVELOPMENT AND HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
For the year ended December 31, 2023

	Low-Rent Public Housing 14.850	Housing Choice Vouchers 14.871	Business Activities	PIH Family Self- Sufficiency Program 14.896	Housing Counseling Assistance Program 14.169	Community Development Block Grants/Entitlement Grants 14.218	Resident Opportunity and Supportive Services 14.870	Mainstream Vouchers 14.879
REVENUES:								
Net Tenant Rental Revenue	\$ 1,860,609	\$ -	\$ 2,294,457	\$ -	\$ -	\$ -	\$ -	\$ -
Tenant Revenue - Other	156,966	-	104,722	-	-	-	-	-
Total Tenant Revenue	2,017,575	-	2,399,179	-	-	-	-	-
HUD PHA Operating Grants	2,874,721	17,800,138	-	166,993	-	130,809	57,777	1,295,022
Capital Grants	1,063,238	-	-	-	-	-	-	-
Management Fee	-	-	-	-	-	-	-	-
Asset Management Fee	-	-	-	-	-	-	-	-
Book Keeping Fee	-	-	-	-	-	-	-	-
Front Line Service Fee	-	-	-	-	-	-	-	-
Other Fees	-	-	-	-	-	-	-	-
Total Fee Revenue	-	-	-	-	-	-	-	-
Other Government Grants	-	-	-	-	-	-	-	-
Investment Income - Unrestricted	28,972	170	41,552	-	-	-	-	-
Fraud Recovery	-	30,672	-	-	-	-	-	1,290
Other Revenue	85,421	64,708	3,074,964	-	-	-	-	-
Gain or Loss on Sale of Capital Assets	-	-	-	-	-	-	-	-
Investment Income - Restricted	-	-	-	-	-	-	-	16
TOTAL REVENUES	6,069,927	17,895,688	5,515,695	166,993	-	130,809	57,777	1,296,328
EXPENSES:								
Administrative								
Administrative Salaries	259,230	455,634	190,171	-	-	31,788	-	37,476
Auditing Fees	9,912	8,754	5,706	-	-	-	-	866
Management Fee	582,364	216,252	237,729	-	-	-	-	16,344
Book-keeping Fee	40,883	135,158	20,519	-	-	-	-	10,215
Advertising and Marketing	754	8,523	-	-	-	-	-	843
Employee Benefit contributions - Administrative	106,650	56,753	38,291	-	-	7,929	-	10,772
Office Expenses	190,095	204,289	119,097	-	299	2,918	3,478	20,202
Legal Expense	24,782	-	3,507	-	-	-	-	-
Travel Expense	18,936	18,587	1,248	-	-	98	83	1,839
Other Administrative	-	-	-	-	-	531	-	-
Total Administrative Expense	1,233,606	1,103,950	616,268	-	299	43,264	3,561	98,557
Asset Management Fee	56,040	-	-	-	-	-	-	-
Tenant Services								
Tenant Services - Salaries	-	-	55,469	140,823	-	-	38,160	-
Employee Benefit Contributions - Tenant Services	-	-	-	25,020	-	-	13,397	-
Tenant Services - Other	40,860	9,406	600	-	-	-	1,270	930
Total Tenant Services	40,860	9,406	56,069	165,843	-	-	52,827	930
Utilities								
Water	220,643	-	87,112	-	-	-	-	-
Electricity	238,315	-	41,622	-	-	-	-	-
Gas	36,700	-	1,180	-	-	-	-	-
Sewer	453,012	-	169,561	-	-	-	-	-
Total Utilities	948,670	-	299,475	-	-	-	-	-
Ordinary Maintenance & Operations								
Ordinary Maintenance and Operations - Labor	373,299	-	171,895	-	-	-	-	-
Ordinary Maintenance and Operations - Materials and Other	319,415	3,446	171,484	-	-	-	-	341
Ordinary Maintenance and Operations Contracts	564,662	6,517	408,239	-	-	78,983	743	644
Total Maintenance	1,257,376	9,963	751,618	-	-	78,983	743	985

CHESAPEAKE REDEVELOPMENT AND HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
For the year ended December 31, 2023

	HOME Investment Partnerships Program 14.239	Jobs-Plus Pilot Initiative 14.895	State/Local	COCC	Subtotal	ELIM	Total
REVENUES:							
Net Tenant Rental Revenue	\$ -	\$ -	\$ -	\$ -	4,155,066	\$ -	4,155,066
Tenant Revenue - Other	-	-	-	-	261,688	-	261,688
Total Tenant Revenue	-	-	-	-	4,416,754	-	4,416,754
HUD PHA Operating Grants	273,442	357,654	-	-	22,956,556	-	22,956,556
Capital Grants	-	-	-	-	1,063,238	-	1,063,238
Management Fee	-	-	-	1,052,689	1,052,689	(1,052,689)	-
Asset Management Fee	-	-	-	56,040	56,040	(56,040)	-
Book Keeping Fee	-	-	-	206,775	206,775	(206,775)	-
Front Line Service Fee	-	-	-	62,506	62,506	(62,506)	-
Other Fees	-	-	-	71,988	71,988	(71,988)	-
Total Fee Revenue	-	-	-	1,449,998	1,449,998	(1,449,998)	-
Other Government Grants	-	-	1,116,230	-	1,116,230	-	1,116,230
Investment Income - Unrestricted	-	-	-	202,981	273,675	-	273,675
Fraud Recovery	-	-	-	-	31,962	-	31,962
Other Revenue	-	-	-	210,295	3,435,388	-	3,435,388
Gain or Loss on Sale of Capital Assets	-	-	-	-	-	-	-
Investment Income - Restricted	-	-	335	-	351	-	351
TOTAL REVENUES	273,442	357,654	1,116,565	1,863,274	34,744,152	(1,449,998)	33,294,154
EXPENSES:							
Administrative							
Administrative Salaries	43,673	-	-	874,044	1,892,016	(54,766)	1,837,250
Auditing Fees	-	-	-	3,184	28,422	-	28,422
Management Fee	-	-	-	-	1,052,689	(1,052,689)	-
Book-keeping Fee	-	-	-	-	206,775	(206,775)	-
Advertising and Marketing	-	-	-	1,401	11,521	-	11,521
Employee Benefit contributions - Administrative	11,537	-	-	104,708	336,640	-	336,640
Office Expenses	3,957	111,448	-	155,050	810,833	-	810,833
Legal Expense	-	-	-	21,342	49,631	-	49,631
Travel Expense	1,011	3,169	-	18,554	63,525	-	63,525
Other Administrative	-	-	-	8,341	8,872	-	8,872
Total Administrative Expense	60,178	114,617	-	1,186,624	4,460,924	(1,314,230)	3,146,694
Asset Management Fee	-	-	-	-	56,040	(56,040)	-
Tenant Services							
Tenant Services - Salaries	-	183,857	-	-	418,309	-	418,309
Employee Benefit Contributions - Tenant Services	-	48,406	-	-	86,823	-	86,823
Tenant Services - Other	-	1,520	-	2,000	56,586	-	56,586
Total Tenant Services	-	233,783	-	2,000	561,718	-	561,718
Utilities							
Water	-	-	-	963	308,718	-	308,718
Electricity	-	-	-	26,874	306,811	-	306,811
Gas	-	-	-	-	37,880	-	37,880
Sewer	-	-	-	4,014	626,587	-	626,587
Total Utilities	-	-	-	31,851	1,279,996	-	1,279,996
Ordinary Maintenance & Operations							
Ordinary Maintenance and Operations - Labor	-	-	-	38,900	584,094	-	584,094
Ordinary Maintenance and Operations - Materials and Other	-	70	-	13,157	507,913	-	507,913
Ordinary Maintenance and Operations Contracts	-	-	-	67,370	1,127,158	(79,728)	1,047,430
Total Maintenance	-	70	-	119,427	2,219,165	(79,728)	2,139,437

CHESAPEAKE REDEVELOPMENT AND HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
For the year ended December 31, 2023

	Low-Rent Public Housing 14.850	Housing Choice Vouchers 14.871	Business Activities	PIH Family Self- Sufficiency Program 14.896	Housing Counseling Assistance Program 14.169	Community Development Block Grants/Entitlement Grants 14.218	Resident Opportunity and Supportive Services 14.870	Mainstream Vouchers 14.879
EXPENSES (continued):								
Protective Services								
Protective Services - Labor	23,500	-	26,770	-	-	-	-	-
Protective Services - Other Contract Costs	16,850	-	10,677	-	-	-	-	-
Total Protective Services	40,350	-	37,447	-	-	-	-	-
Insurance Premiums								
Property Insurance	138,099	-	71,670	-	-	7,716	-	-
Liability Insurance	20,953	-	9,804	-	-	-	-	-
Workmen's Compensation	6,727	4,440	3,027	1,150	-	-	646	439
All Other Insurance	14,883	1,944	7,997	-	-	-	-	192
Total insurance Premiums	180,662	6,384	92,498	1,150	-	7,716	646	631
General Expenses								
Other General Expenses	20,185	-	-	-	-	-	-	-
Compensated Absences	13,236	7,248	1,453	-	-	846	-	717
Payments in Lieu of Taxes	91,193	-	15,414	-	-	-	-	-
Bad debt - Tenant Rents	347,819	-	71,539	-	-	-	-	-
Bad debt - Other	-	10,019	-	-	-	-	-	-
Total Other General Expenses	472,433	17,267	88,406	-	-	846	-	717
Financial Expenses								
Interest of Mortgage (or Bonds) Payable	-	-	37,010	-	-	-	-	-
Total Financial Expenses	-	-	37,010	-	-	-	-	-
TOTAL OPERATING EXPENSES	4,229,997	1,146,970	1,978,791	166,993	299	130,809	57,777	101,820
EXCESS OPERATING REVENUE	1,839,930	16,748,718	3,536,904	-	(299)	-	-	1,194,508
Housing Assistance Payments	-	16,348,731	-	-	-	-	-	1,178,967
HAP Portability - In	-	57,360	-	-	-	-	-	-
Depreciation Expense	801,389	8,625	423,609	-	-	-	-	-
Total Other Expenses	801,389	16,414,716	423,609	-	-	-	-	1,178,967
TOTAL EXPENSES	5,031,386	17,561,686	2,402,400	166,993	299	130,809	57,777	1,280,787
EXCESS OF REVENUE OVER EXPENSES	1,038,541	334,002	3,113,295	-	(299)	-	-	15,541
Other Financing Sources								
Operating Transfer In	(731,834)	-	-	-	-	-	-	-
Operating Transfer Out	731,834	-	-	-	-	-	-	-
Beginning Net Position	14,151,095	1,612,174	12,919,825	-	5,014	92,164	-	157,483
Ending Net Position	\$ 15,189,636	\$ 1,946,176	\$16,033,120	\$ -	\$ 4,715	\$ 92,164	\$ -	\$ 173,024

CHESAPEAKE REDEVELOPMENT AND HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
For the year ended December 31, 2023

	HOME Investment Partnerships Program 14.239	Jobs-Plus Pilot Initiative 14.895	State/Local	COCC	Subtotal	ELIM	Total
EXPENSES (continued):							
Protective Services	-	-	-	-	50,270	-	50,270
Protective Services - Labor	-	-	-	836	28,363	-	28,363
Protective Services - Other Contract Costs	-	-	-	-	-	-	-
Total Protective Services	-	-	-	836	78,633	-	78,633
Insurance Premiums							
Property Insurance	1,294	-	-	4,968	223,747	-	223,747
Liability Insurance	-	-	-	1,546	32,303	-	32,303
Workmen's Compensation	-	1,526	-	9,872	27,827	-	27,827
All Other Insurance	-	2,325	-	14,075	41,416	-	41,416
Total insurance Premiums	1,294	3,851	-	30,461	325,293	-	325,293
General Expenses							
Other General Expenses	-	5,333	-	-	25,518	-	25,518
Compensated Absences	800	-	-	-	24,300	-	24,300
Payments in Lieu of Taxes	-	-	-	-	106,607	-	106,607
Bad debt - Tenant Rents	-	-	-	-	419,358	-	419,358
Bad debt - Other	-	-	-	-	10,019	-	10,019
Total Other General Expenses	800	5,333	-	-	585,802	-	585,802
Financial Expenses							
Interest of Mortgage (or Bonds) Payable	-	-	-	-	37,010	-	37,010
Total Financial Expenses	-	-	-	-	37,010	-	37,010
TOTAL OPERATING EXPENSES	62,272	357,654	-	1,371,199	9,604,581	(1,449,998)	8,154,583
EXCESS OPERATING REVENUE	211,170	-	1,116,565	492,075	25,139,571	-	25,139,571
Housing Assistance Payments	211,170	-	607,584	-	18,346,452	-	18,346,452
HAP Portability - In	-	-	-	-	57,360	-	57,360
Depreciation Expense	-	-	-	44,513	1,278,136	-	1,278,136
Total Other Expenses	211,170	-	607,584	44,513	19,681,948	-	19,681,948
TOTAL EXPENSES	273,442	357,654	607,584	1,415,712	29,286,529	(1,449,998)	27,836,531
EXCESS OF REVENUE OVER EXPENSES	-	-	508,981	447,562	5,457,623	-	5,457,623
Other Financing Sources							
Operating Transfer In	-	-	-	-	(731,834)	731,834	-
Operating Transfer Out	-	-	-	-	731,834	(731,834)	-
Beginning Net Position	-	-	3,124,119	3,841,677	35,903,551	-	35,903,551
Ending Net Position	\$ -	\$ -	\$ 3,633,100	\$ 4,289,239	\$ 41,361,174	\$ -	\$ 41,361,174

CHESAPEAKE REDEVELOPMENT AND HOUSING AUTHORITY
Chesapeake, VA
Year ended December 31, 2023

Statement and Certification of Actual Capital Fund Program Costs

Grant Year VA36P012501-17

- 1 The actual program costs of Grant VA36P012501-17 are as follows:

Funds Approved	\$ 723,885
Funds Expended	<u>723,885</u>
Excess/(Deficiency) of Funds	<u><u>\$ -</u></u>
Funds Advanced	\$ 723,885
Funds Expended	<u>723,885</u>
Excess/(Deficiency) of Funds Advanced	<u><u>\$ -</u></u>

- 2 There were \$10,637 of additions during the fiscal year that were audited by Rubino and Company.

3

The total program costs as stated on the Annual Statement/Performance and Evaluation Report is in agreement with the Actual Modernization Cost Certificate as submitted to HUD for approval is in agreement with the PHA's records.

- 4 All Capital Fund Program costs have been paid and all related liabilities have been discharged through payment.



**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
Chesapeake Redevelopment and Housing Authority
Chesapeake, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Chesapeake Redevelopment and Housing Authority (the Authority), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated September 27, 2024.

Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "Rubins & Company". The signature is written in a cursive, flowing style.

Bethesda, Maryland
September 27, 2024



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

Board of Commissioners
Chesapeake Redevelopment and Housing Authority
Chesapeake, Virginia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Chesapeake Redevelopment and Housing Authority's (the Authority) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended December 31, 2023. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the 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 December 31, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

A handwritten signature in black ink that reads "Rubins & Company". The signature is written in a cursive, flowing style. The word "Rubins" is followed by an ampersand "&" and then the word "Company".

Bethesda, Maryland
September 27, 2024

CHESAPEAKE REDEVELOPMENT AND HOUSING AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended December 31, 2023

Federal Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass through Identifying Number	Federal Expenditures
Department of Housing and Urban Development Programs			
Housing Voucher Cluster:			
Housing Choice Vouchers	14.871	N/A	\$ 17,800,138
Mainstream Vouchers	14.879	N/A	1,295,022
			<u>19,095,160</u>
Low Rent Public Housing	14.850	N/A	1,970,984
Capital Fund Program	14.872	N/A	1,966,975
Resident Opportunity and Supportive Services	14.870	N/A	57,777
Family Self-Sufficiency Program	14.896	N/A	166,993
Jobs-Plus Pilot Initiative	14.895	N/A	357,654
Pass-through from City of Chesapeake:			
Community Development Block Grants/Entitlement Grants	14.218	N/A	130,809
HOME Investment Partnership Program	14.239	N/A	<u>273,442</u>
Total HUD Expenditures			<u>24,019,794</u>
TOTAL FEDERAL EXPENDITURES			<u>\$ 24,019,794</u>

CHESAPEAKE REDEVELOPMENT AND HOUSING AUTHORITY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
December 31, 2023

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Chesapeake Redevelopment and Housing Authority (the Authority) under programs of the federal government for the year ended December 31, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 US 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.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. Subrecipients

The Chesapeake Redevelopment and Housing Authority provided no federal awards to subrecipients during the year ended December 31, 2023.

4. Cost Rates

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

CHESAPEAKE REDEVELOPMENT AND HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
December 31, 2023

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

- | | |
|--|---------------|
| 1. Type of auditor’s report issued: | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material Weakness(es) identified? | No |
| b. Significant deficiency(ies) identified that are not considered to be material weakness(es)? | None reported |
| 3. Noncompliance material to financial statements noted? | No |

Federal Awards

- | | |
|---|---------------|
| 4. Internal control over major programs: | |
| a. Material weakness(es) identified? | No |
| b. Significant deficiency(ies) identified that are not considered to be material weakness(es)? | None reported |
| 5. Type of auditor’s report issued on compliance for major programs: | Unmodified |
| 6. Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a) of Uniform Guidance? | No |

7. Identification of Major Programs:

<u>Federal Grantor/Program Title</u>	<u>Federal Assistance Listing No.</u>		
U.S. Department of Housing and Urban Development (HUD):			
Housing Voucher Cluster	14.871/14.879	\$	19,095,160
Public and Indian Housing	14.850	\$	1,970,984

- | | |
|---|------------|
| 8. Dollar threshold used to distinguish between Type A and Type B programs: | \$ 750,000 |
| 9. Auditee qualified as low-risk auditee under Uniform Guidance, section 530? | Yes |

CHESAPEAKE REDEVELOPMENT AND HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
December 31, 2023

SECTION II – FINANCIAL STATEMENT FINDINGS

None.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

CHESAPEAKE REDEVELOPMENT AND HOUSING AUTHORITY
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
December 31, 2023

The audit for the year ended December 31, 2022, disclosed no findings.