FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY (A COMPONENT UNIT OF THE COUNTY OF FAIRFAX, VIRGINIA)

FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2024

And Report of Independent Auditor

Cherry Bekaert LLP
Your Guide Forward

FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY
(A COMPONENT UNIT OF THE COUNTY OF FAIRFAX, VIRGINIA)
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Cherry Bekaert LLP
Your Guide Forward

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Opinions

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of the Fairfax County Redevelopment and Housing Authority (the "Authority" or "FCRHA"), a component unit of the County of Fairfax, Virginia, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the Authority, as of June 30, 2024, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of nine (9) blended component units (Herndon Harbor House I, FCRHA HCDC One (Stonegate), The Green, Castellani Meadows, Herndon Harbor House II, Tavenner Lane, Morris Glen, Gum Springs Glen, and Old Mount Vernon High School LLC), which represent 10.7%, 8.9%, and 11.9%, respectively, of the assets, net position, and revenues of the business-type activities as of June 30, 2024. We did not audit the financial statements of the three (3) discretely presented component units, which represent 100% of the assets, net position, and revenues of the aggregate discretely presented component units as of June 30, 2024. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for the nine (9) blended component units and three (3) discretely presented component units, is based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial statements contained in *Government Auditing Standards,* issued by the Comptroller General of the United States and the *Specifications for Audits of Authorities Boards and Commissions* (the "Specifications"), issued by the auditor of Auditor of Public Accounts of the Commonwealth of Virginia. The financial statements of Herndon Harbor House I, The Green, Castellani Meadows, Herndon Harbor House II, Tavenner Lane, Morris Glen, Gum Springs Glen, Old Mount Vernon High School LLC, and one (1) of the discretely presented component units (Olley Glen) were not audited in accordance with *Government Auditing Standards*. Our responsibilities under those standards and Specifications are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 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.

Cherry Bekaert LLP

Tysons Corner, Virginia
November 15, 2024

Introduction

The Fairfax County Redevelopment and Housing Authority (the "Authority" or "FCRHA") is a political subdivision of the Commonwealth of Virginia and is empowered to implement housing, community development, redevelopment, and revitalization programs within Fairfax County (the "County"), as well as towns, cities, and counties with which it has cooperation agreements. The Fairfax County Board of Supervisors (the "Board") created the Department of Housing and Community Development ("HCD") to act as the development and administrative agency for the FCRHA and the Board in meeting the housing and community development needs of the County's low- and moderate-income residents.

The FCRHA's fiscal year ("FY") 2024 annual financial report consists of three parts – the management's discussion and analysis ("MD&A"), the basic financial statements, which include notes to those financial statements, and the required supplementary information ("RSI").

The FCRHA presents this MD&A of its financial performance as of and for the fiscal year ended June 30, 2024, to assist the reader in focusing on significant financial issues and concerns. This year's MD&A presents a comparative analysis of financial data to help the reader ascertain the reasons for changes in assets, deferred outflows, liabilities, deferred inflows, expenses, revenues, and net position balances from the previous year.

This MD&A is focused on the activities of the FCRHA's Enterprise Fund as a primary government. The Authority is the general partner in 10 real estate partnerships and also controls the limited partnership interest in these entities. One entity, Little River Glen, has a June 30 fiscal year-end and the other nine (Herndon Harbor I, Herndon Harbor II, Stonegate, The Green, Tavenner, Morris Glen, Gum Springs Glen, Old Mount Vernon High School LLC, and Castellani Meadows) have December 31 fiscal year-ends. The financial balances of those entities for the fiscal year-end that falls within the year ended June 30, 2024 are included in the balances of the Enterprise Fund.

Financial Highlights for FY 2024

The FCRHA's FY 2024 financial highlights included the following:

- Total assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the FCRHA were approximately $420.5 million, $15.8 million, $143.8 million, and $25.2 million, respectively; thus, total net position was approximately $267.4 million at June 30, 2024. Of this amount, approximately $79.4 million (unrestricted net position) may be used to meet the FCRHA's future operational needs.

- Total revenues and expenses were approximately $144.5 million and $117.2 million, respectively, resulting in an increase in net position of approximately $27.3 million. The increase in net position is a result of total revenues exceeding total expenses.

- Cash and cash equivalents increased by approximately $25.4 million mostly contributed by increases in intergovernmental revenue and net County contributions.

FCRHA Financial Statements

The FCRHA presents its financial results in three basic financial statements – the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows. The Statement of Net Position reports all financial and capital resources of the FCRHA and is presented in a format where assets plus deferred outflows of resources, minus liabilities, minus deferred inflows of resources equals net position. Net position is broken down into the following three categories:

- *Net investment in capital assets* consists of all capital assets net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of these assets.

- *Restricted net position* consists of assets on which constraints are placed by creditors (such as debt covenants), grantors, contributors, laws, or regulations.

- *Unrestricted net position* consists of net position that does not meet the definition of net position that fall in either one of the two categories discussed above – net investment in capital assets or restricted net position.

The Statement of Revenues, Expenses, and Changes in Net Position includes operating revenues, such as rental income; operating expenses, such as administrative, utilities, maintenance, and depreciation expense; and nonoperating revenues and expenses, such as grant revenue, investment income, interest expense, and gain on disposition of assets. The statement's focus is the change in net position.

Finally, a Statement of Cash Flows is included, which discloses net cash flows from operating activities, noncapital financing activities, capital and related financing activities, and investing activities.

These financial statements were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

Summary of Net Position

The following table presents a summary of FCRHA's net position as of June 30, 2024 and 2023.

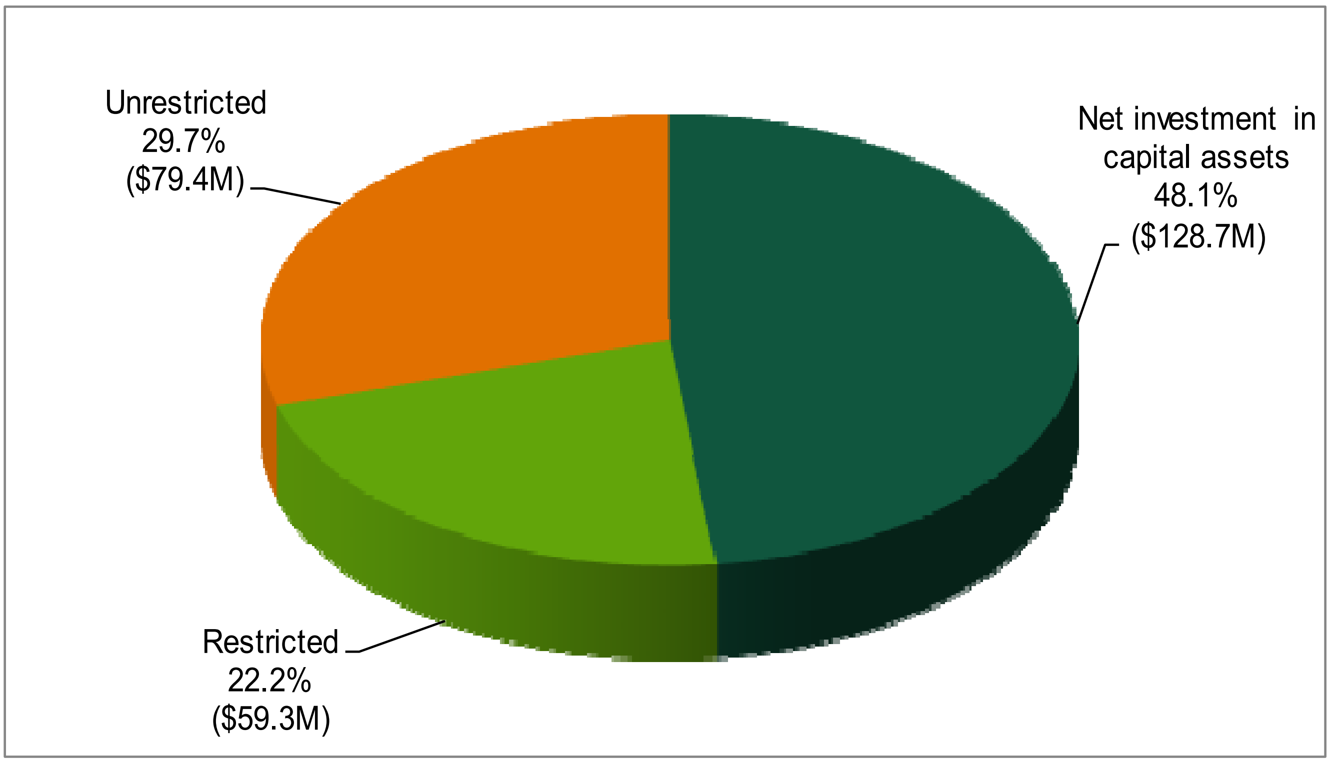
Table 1
Summary of Net Position
(in millions)

Description	2024	2023	Increase (Decrease)	% Change
Current and other assets	$ 279.2	$ 258.0	$ 21.2	8.2%
Capital assets	141.3	140.2	1.1	0.8%
Total Assets	420.5	398.2	22.3	5.6%
Deferred outflow of resources	15.8	11.4	4.4	38.6%
Current liabilities	12.5	17.3	(4.8)	(27.8%)
Noncurrent liabilities	131.2	125.1	6.1	4.9%
Total Liabilities	143.7	142.4	1.3	0.9%
Deferred inflow of resources	25.2	27.2	(2.0)	(7.4%)
Net Position:				
Net investment in capital assets	128.7	127.1	1.6	1.3%
Restricted	59.3	40.5	18.8	46.4%
Unrestricted	79.4	72.5	6.9	9.5%
Total Net Position	$ 267.4	$ 240.1	$ 27.3	11.4%

As of June 30, 2024, the FCRHA's net position totaled approximately $267.4 million, an increase of approximately $27.3 million, or 11.4%, over the net position as of June 30, 2023. This change was due to a significant increase in current assets relating to cash and cash equivalents.

The FCRHA's total net position also consisted of restricted net position of $59.3 million at June 30, 2024 and $40.5 million at June 30, 2023, and unrestricted net position of $79.4 million and $72.5 million at June 30, 2024 and 2023, respectively. Restricted net position of $59.3 million represents 22.2% of the FCRHA's FY 2024 net position and unrestricted of $79.4 million represents 29.7%. Restricted net position includes cash and investments consisting of restricted deposits and funded reserves for repairs and replacements required by HUD and Virginia Housing Development Authority (the "VHDA") guidelines, as well as cash balances in accordance with certain bond indentures. The following pie chart illustrates the relative percentage of the FCRHA's net position invested in capital assets and the remaining restricted and unrestricted net position at June 30, 2024.

Composition of FCRHA's Net Position ($267.4M)



Revenues, Expenses, and Changes in Net Position

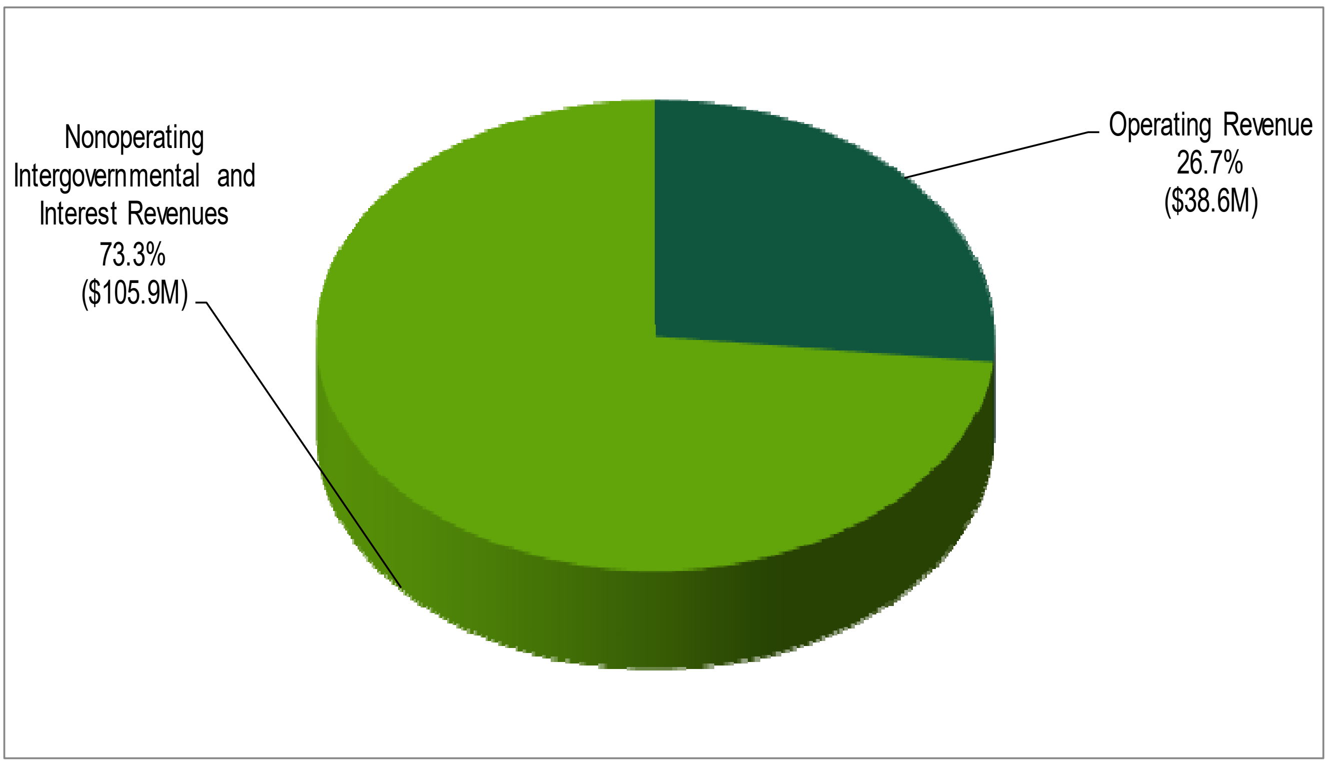
The results of the FCRHA's operations are reported in the Statement of Revenues, Expenses, and Changes in Net Position. In FY 2024, the FCRHA's enterprise programs realized an increase in net position of approximately $27.3 million. Table 2 presents a summary of data from the FCRHA's statement of revenues, expenses, and changes in net position for FY 2024 and FY 2023 and a comparative analysis of activities in these years.

Table 2
Summary of Revenues, Expenses, and Changes in Net Position
(in millions)

Description	2024	2023	Increase (Decrease)	% Change
Revenues:				
Operating revenues	$ 38.6	$ 37.4	$ 1.2	3.2%
Nonoperating revenues and contributions	105.9	131.0	(25.1)	(19.2%)
Total Revenues	144.5	168.4	(23.9)	(14.2%)
Expenses:				
Operating expenses	110.5	101.7	8.8	8.7%
Nonoperating expenses	6.7	7.9	(1.2)	(15.6%)
Total Expenses	117.2	109.6	7.6	6.9%
Changes in net position	27.3	58.8	(31.5)	(53.6%)
Total net position, beginning of year	240.1	181.3	58.8	32.4%
Total net position, end of year	$ 267.4	$ 240.1	$ 27.3	11.4%

Total FCRHA revenues in FY 2024 were $144.5 million, comprised of operating and nonoperating revenues. Operating revenues contributed $38.6 million with 88.8% derived from rents and the rest from other user charges or developer and financing fees. The FCRHA's total overall revenues during the year were down by approximately $23.9 million or 14.2%. Overall, operating revenues were up by approximately $1.2 million or 3.2%. Nonoperating revenues made up $105.9 million of which 95.4% coming from federal grants from HUD, as well as from County contributions, and interest revenue. Nonoperating revenues reflected a decrease of approximately $25.1 million or 19.2%. The total net position for FY 2024 was $267.4 million as compared to $240.1 million in the prior year, an overall increase over the prior year of $27.3 million or 11.4%.

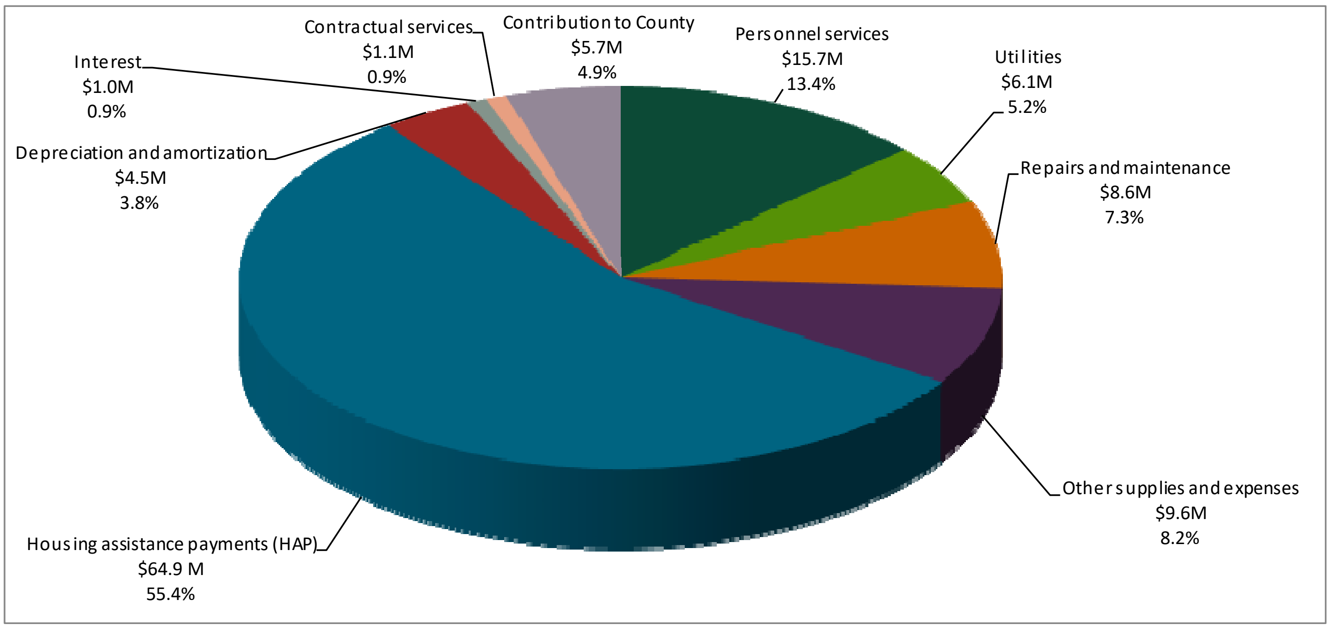
FCRHA's Enterprise Programs
Total Revenues ($144.5M)



The FCRHA's operating expenses in FY 2024 increased by approximately $8.8 million, or 8.7% from the prior year. The total operating expense increase included a $2.6 million increase in Housing Assistance Payments ("HAP"), comprising 58.8% of total operating expenses, a $3.7 million increase in personnel services, comprising 14.2% of total operating expenses, and a $2.3 million increase in other supplies and expenses, comprising 8.7% of total operating expenses.

In FY 2024, the FCRHA incurred expenses in its enterprise programs totaling approximately $117.2 million. The following pie chart illustrates major operating expense groups and their relative percentage of the total.

FCRHA's Enterprise Programs
Total Expenses ($117.2M)



Capital Assets and Debt Administration

Capital Assets. The FCRHA's capital assets at June 30, 2024 and 2023, included land, buildings and improvements, equipment, and construction in progress which totaled $141.3 million and $140.2 million, respectively, net of accumulated depreciation of approximately $148.7 million and $144.2 million at June 30, 2024 and 2023, respectively. For further details see Note 4, Capital assets.

Short-Term and Long-Term Debt. The FCRHA's June 30, 2024 and 2023 Statement of Net Position includes debt – consisting of housing loans, notes, and bonds payable – of approximately $93.1 million and $97.5 million, respectively.

Public bond issues are project-specific and have been rated by Standard & Poor's at either "AA+" or "AAA" depending upon the collateral securing the debt. The FCRHA also has debt created by direct placement with institutional lenders without the need for a credit rating. For further details, see Note 5, Short-term and long-term obligations – loans, notes payable, and bonds payable.

Economic Factors

The mission of FCRHA focuses on the initiation and provision of opportunities for Fairfax County residents to live in safe, affordable housing and to help develop, preserve, and revitalize communities through fiscally responsible and open processes. More than 16,800 individuals were served by FCRHA rental housing programs during FY 2024. The FCRHA owns and/or operates a total of 3,064 units of multifamily housing, 505 units of independent senior housing, 112 beds of assisted living, and 205 units/beds of specialized housing—including group homes, shelter facilities, and a mobile home park with 115 pads.

FCRHA and HCD facilitate the development of affordable housing by non-profit and for-profit developers through incentives, partnerships and financing. The FCRHA issues an annual Notice of Funding Availability that sets forth a competitive application process for local, state, and federal funds for the development and preservation of affordable housing. The FCRHA also maintains and renovates the properties that it owns to ensure they can continue to serve, maintain, and renovate housing for low- and moderate-income families and individuals, as well as households with special needs.

Under the Virginia Public-Private Partnership Education Facilities Infrastructure Act (PPEA), the FCRHA identifies development partners to construct and operate affordable housing in all parts of the County. Under this authority, the FCHRA is able to execute long-term ground leases with development partners to privately finance redevelopment of underutilized public land for affordable housing, while creating new taxable value and ensuring the FCRHA has long-term control over the ground.

The County has created a dedicated fund to support and provide local tax funding leverage for these initiatives through the Affordable Housing Development and Investment ("AHDI") Fund. The Board has dedicated the value of a "penny" or one cent of the real estate tax rate in the AHDI Fund, approximately $31.36 million in FY 2024, with the intent to increase the value to two cents over the next two budget cycles to meet the Board's strategic goal of 10,000 new affordable housing units by 2034. This strategic goal was a result of the several years of citizen engagement through the Affordable Housing Resources Panel ("AHRP"), a group of citizens tasked by the Board of Supervisors to develop recommendations for Phase II of the Communitywide Housing Strategic Plan.

Adopted by the Board of Supervisors, FY 2021 Budget Guidance directed staff to implement the AHRP Phase II recommendations. Phase II of the plan requires action in five strategic categories:

- Need, new production goals, and resources
- Preservation of affordable housing units
- Land use policies and regulations
- Institutional capacity
- Community awareness and legislative priorities

The Rental Subsidy and Services Program is designed for rental subsidies or capital for the acquisition of additional affordable units to address homelessness and waiting list goals of the Housing Blueprint or AHDI Fund. The program is operated in a partnership with Northern Virginia Family Service ("NVFS") and provides rental subsidies and an array of supportive services to program participants. NVFS began their second contract to operate the program in FY 2022, with a total of 189 households under lease in FY 2024. The average income of all households served by the program was $13,015, which is considered extremely low-income. As part of the Communitywide Housing Strategic Plan, HCD and other County partners are working collaboratively to ensure the program is serving those with the greatest need.

Fairfax County utilizes the Affordable Dwelling Unit Program ("ADU Program"), a mandatory program under the County Zoning Ordinance to produce new for-sale or rental ADUs. The ADU Program requires developers of new residential construction to set aside either 5% or 6.25% of multifamily construction and 12.5% single-family construction as ADUs in return for bonus density. The FCRHA has the right to acquire one-third of the for-sale ADUs to lease as rental units. The remaining for-sale ADUs are sold to low- or moderate-income households through the First-time Homebuyers Program. As of the end of FY 2024, a total of 3,131 units (1,455 rental and 1,676 for-sale) have been produced under the ADU Program; the FCRHA acquired 195 of the for-sale units, which are maintained as permanent affordable rental housing.

The Board of Supervisors established the Countywide and Tysons Workforce Dwelling Unit Policy ("WDU Policy") as an Appendix to the Policy Plan's Housing Element within the Comprehensive Plan. The WDU Policy is a proffer-based incentive system designed to encourage WDUs in the County's Mixed-Use Centers, including the Tysons Urban Center, Suburban Centers, Community Business Centers, and Transit Station Areas. The WDU Policy expects a minimum of 8% of all new rental units to be proffered as WDUs, serving income tiers from 60% to 120% of AMI. Through FY 2024, a total of 2,450 WDUs (2,319 rental and 131 for-sale) have been constructed.

HCD also facilitates the provision of decent, safe, and affordable housing in the private market for families with low incomes. Tenant subsidies are impacted by changes in federal policy and funding, as well as local rental market dynamics. Low- and extremely low-income families often face barriers to obtaining private market rate housing, such as poor credit, lack of affordable childcare, and lack of transportation options. HCD staff work cooperatively with other County and non-profit service providers to help families overcome these barriers through service coordination and information sharing. The Rental Housing Program includes properties owned by the FCRHA, as well as properties owned by limited partnerships affiliated with the FCRHA. In addition, it encompasses units owned by the FCRHA and operated under Rental Assistance Demonstration ("RAD"). As a Moving to Work (MTW) Public Housing Authority, the FCRHA is granted flexibility to test innovative, locally designed strategies to improve cost-effectiveness and help families achieve self-sufficiency.

In FY 2024, FCRHA provided tenant subsidies and resident services through the following programs and individuals:

- Housing Choice Vouchers (HCV): A total of 4,407 vouchers authorized by HUD, with the 1,060 units in the RAD-PBV program, total 5,467 federally subsidized units.
- State Rental Assistance Program: serving 152 eligible households.
- HOME Investment Partnerships Program (HOME) funding to provide Tenant-Based Rental Assistance (TBRA) vouchers: serving 52 eligible households.
- Family Self-Sufficiency Program: serving 113 households.

Resident Services

For the FCRHA, the work of affordable housing extends beyond the business of construction, property management, real estate finance and investment, and application administration. It is deeply rooted to the individual, the family, and the community and to providing tools, training, and resources to help residents achieve housing stability and self-sufficiency. Residents can find access to resources and training to improve their financial management and repair credit, obtain employment, develop skills, and advance education to better compete for higher paying jobs in the local workforce. Staff can also help connect participants to a variety of available County- and community-based resources to help them succeed. The FCRHA also provides the Home Repair for the Elderly Program which provides free skilled labor and up to $1,000 in materials cost at no charge to qualified applicants in order to complete small handyman-sized projects for their home.

Contacting FCRHA Management

This financial report is designed to provide the citizens of Fairfax County, taxpayers, investors, and creditors with a general overview of the FCRHA's operations and finances and to demonstrate the FCRHA's accountability for the money it receives. Questions concerning this report, any of the component unit financial reports, or requests for additional financial information should be directed to the Central Services Division Director, Department of Housing and Community Development, 3700 Pender Drive, Suite 300, Fairfax, Virginia 22030.

FINANCIAL STATEMENTS

FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY
(A COMPONENT UNIT OF THE COUNTY OF FAIRFAX, VIRGINIA)
STATEMENT OF NET POSITION

JUNE 30, 2024

	Enterprise Fund	Component Units	Total Reporting Entity
ASSETS			
Current Assets:			
Cash in bank (Note 2)	$ 43,178,419	$ 4,846,005	$ 48,024,424
Cash on deposit with the County of Fairfax, Virginia (Note 2)	36,679,200	-	36,679,200
Cash reserves (Note 2)	13,789,502	-	13,789,502
Restricted Cash:			
Cash reserves (Note 2)	7,854,190	-	7,854,190
Deposit held in trust (Note 2)	20,978,377	334,761	21,313,138
Accrued interest receivable	160,353	-	160,353
Accounts receivable (net of allowances) (Note 3)	7,884,722	284,786	8,169,508
Notes and mortgages receivables (Note 3)	284,109	235,147	519,256
Prepaid items and other assets	736,318	61,438	797,756
Total Current Assets	131,545,190	5,762,137	137,307,327
Noncurrent Assets:			
Restricted Assets:			
Cash reserves (Note 2)	32,721,347	5,263,709	37,985,056
Total Restricted Assets	32,721,347	5,263,709	37,985,056
Other Noncurrent Assets:			
Notes and mortgages receivables (net of allowances) (Note 3)	27,237,113	-	27,237,113
Net OPEB asset (Note 12)	502,831	-	502,831
Lease receivable (Note 13)	21,527,468	-	21,527,468
Receivable from County for revenue bond	63,048,480	-	63,048,480
Other assets	2,660,342	74,939	2,735,281
Total Other Noncurrent Assets	114,976,234	74,939	115,051,173
Capital Assets (Note 4):			
Non-Depreciable/Non-Amortizable:			
Land	77,171,497	6,989,815	84,161,312
Construction in progress	9,622,295	-	9,622,295
Depreciable/Amortizable:			
Buildings and improvements	199,468,138	48,548,018	248,016,156
Right-to-use asset	1,864,622	-	1,864,622
Equipment	1,835,712	6,335,158	8,170,870
Accumulated depreciation/amortization	(148,664,111)	(18,932,462)	(167,596,573)
Total Capital Assets, net	141,298,153	42,940,529	184,238,682
Total Noncurrent Assets	288,995,734	48,279,177	337,274,911
Total Assets	420,540,924	54,041,314	474,582,238

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

FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY
(A COMPONENT UNIT OF THE COUNTY OF FAIRFAX, VIRGINIA)
STATEMENT OF NET POSITION (CONTINUED)

JUNE 30, 2024

	Enterprise Fund	Component Units	Total Reporting Entity
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows for pension (Note 11)	$ 14,504,818	$ -	$ 14,504,818
Deferred outflows for OPEB (Note 12)	1,310,156	-	1,310,156
Total Deferred Outflows of Resources	15,814,974	-	15,814,974
LIABILITIES			
Current Liabilities:			
Accounts payable and accrued liabilities	3,091,248	417,896	3,509,144
Accrued salaries and benefits	529,138	-	529,138
Deposits held in trust	2,226,402	255,851	2,482,253
Unearned revenues	1,559,156	138,742	1,697,898
Due to FCRHA	-	96,821	96,821
Accrued compensated absences (Note 6)	389,499	-	389,499
Other current liabilities	169,186	-	169,186
Lease and SBITA liability (Notes 13 and 14)	311,460	-	311,460
Loans, notes, and bonds payable, net (Note 5)	4,310,508	459,933	4,770,441
Total Current Liabilities	12,586,597	1,369,243	13,955,840
Noncurrent Liabilities:			
Accrued compensated absences (Note 6)	305,587	-	305,587
Loans, notes, and bonds payable, net (Note 5)	88,787,300	47,187,276	135,974,576
Net pension liability (Note 11)	32,439,712	-	32,439,712
Lease and SBITA liability (Notes 13 and 14)	1,238,367	-	1,238,367
Due to Fairfax County	2,746,326	-	2,746,326
Other accrued long-term interest	5,688,604	5,991,969	11,680,573
Total Noncurrent Liabilities	131,205,896	53,179,245	184,385,141
Total Liabilities	143,792,493	54,548,488	198,340,981
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows for pension (Note 11)	2,908,402	-	2,908,402
Deferred inflows for OPEB (Note 12)	2,135,619	-	2,135,619
Deferred inflows for leases (Note 13)	20,152,583	-	20,152,583
Total Deferred Inflows of Resources	25,196,604	-	25,196,604
NET POSITION			
Net investment in capital assets	128,666,829	(4,706,680)	123,960,149
Restricted	59,327,512	5,342,619	64,670,131
Unrestricted	79,372,460	(1,143,113)	78,229,347
Total Net Position	$ 267,366,801	$ (507,174)	$ 266,859,627

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

FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY
(A COMPONENT UNIT OF THE COUNTY OF FAIRFAX, VIRGINIA)
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

YEAR ENDED JUNE 30, 2024

	Enterprise Fund	Component Units	Total Reporting Entity
Operating Revenues:			
Dwelling rentals	$ 34,276,453	$ 4,571,707	$ 38,848,160
Other	4,324,057	727,685	5,051,742
Total Operating Revenues	38,600,510	5,299,392	43,899,902
Operating Expenses:			
Personnel services	15,715,933	772,528	16,488,461
Contractual services	1,062,498	204,117	1,266,615
Utilities	6,062,586	634,144	6,696,730
Repairs and maintenance	8,606,556	1,097,101	9,703,657
Other supplies and expenses	9,632,616	1,531,947	11,164,563
Housing assistance payments	64,943,526	-	64,943,526
Depreciation and amortization	4,510,652	2,074,434	6,585,086
Total Operating Expenses	110,534,367	6,314,271	116,848,638
Operating Loss	(71,933,857)	(1,014,879)	(72,948,736)
Nonoperating Revenues (Expenses):			
Intergovernmental revenue	101,022,258	1,844,809	102,867,067
Owner distribution	-	(750,000)	(750,000)
Interest revenue	4,846,541	174,219	5,020,760
Contribution to County	(5,700,000)	-	(5,700,000)
Other nonoperating expenses	(21,553)	(57,001)	(78,554)
Interest expense	(968,170)	(2,356,324)	(3,324,494)
Total Nonoperating Revenues (Expenses), Net	99,179,076	(1,144,297)	98,034,779
Change in net position	27,245,219	(2,159,176)	25,086,043
Net position, beginning of year, as restated (Note 18)	240,121,582	1,652,002	241,773,584
Net position, end of year	$ 267,366,801	$ (507,174)	$ 266,859,627

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

FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY
(A COMPONENT UNIT OF THE COUNTY OF FAIRFAX, VIRGINIA)
STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2024

	Enterprise Fund	Component Units	Total Reporting Entity
Cash flows from operating activities:			
Rental receipts	$ 29,882,663	$ 4,498,592	$ 34,381,255
Other operating cash receipts	4,324,057	727,685	5,051,742
Payments to employees for services	(15,463,850)	(772,528)	(16,236,378)
Housing assistance payments	(64,943,526)	-	(64,943,526)
Payments to suppliers for goods and services	(28,817,224)	(3,391,507)	(32,208,731)
Net cash flows from operating activities	(75,017,880)	1,062,242	(73,955,638)
Cash flows from non-capital financing activities:			
Contribution to County, net	(1,955,398)	-	(1,955,398)
Owner distribution	-	(750,000)	(750,000)
Contribution to FCRHA	-	(57,001)	(57,001)
Intergovernmental revenues received	101,117,612	1,844,809	102,962,421
Net cash flows from non-capital financing activities	99,162,214	1,037,808	100,200,022
Cash flows from capital and related financing activities:			
Purchase of capital assets	(6,695,604)	(131,469)	(6,827,073)
Interest paid	(456,025)	(1,883,616)	(2,339,641)
Lease income	(1,408,677)	-	(1,408,677)
Debt principal paid	(1,352,834)	(502,584)	(1,855,418)
Net cash flows from capital and related financing activities	(9,913,140)	(2,517,669)	(12,430,809)
Cash flows from investing activities:			
Receipt of loan and advance repayments	(277,433)	-	(277,433)
Maturity of investments	6,608,000	-	6,608,000
Interest and gain received on investments	4,846,549	174,219	5,020,768
Net cash flows from investing activities	11,177,116	174,219	11,351,335
Net change in cash and cash equivalents	25,408,310	(243,400)	25,164,910
Cash and cash equivalents, beginning of year	129,792,725	10,687,875	140,480,600
Cash and cash equivalents, end of year	$ 155,201,035	$ 10,444,475	$ 165,645,510

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

	Enterprise Fund	Component Units	Total Reporting Entity
Reconciliation to statement of net position:			
Cash in bank	$ 43,178,419	$ 4,846,005	$ 48,024,424
Cash on deposit with the County of Fairfax, Virginia	36,679,200	-	36,679,200
Current cash reserves	13,789,502	-	13,789,502
Cash deposits held in trust	20,978,377	334,761	21,313,138
Current restricted cash reserves	7,854,190	-	7,854,190
Noncurrent cash reserves	32,721,347	5,263,709	37,985,056
Cash and cash equivalents	$ 155,201,035	$ 10,444,475	$ 165,645,510
Reconciliation of operating loss to net cash flows provided by (used in) operating activities:			
Operating loss	$ (71,933,857)	$ (1,014,879)	$ (72,948,736)
Depreciation and amortization	4,510,652	2,074,434	6,585,086
Provision for doubtful accounts	95,338	-	95,338
Net pension liability and related outflows/inflows	265,721	-	265,721
Net OPEB liability and related outflows/inflows	(109,350)	-	(109,350)
Effects of changes in operating assets and liabilities:			
Accounts receivable	(4,482,988)	67,041	(4,415,947)
Prepaid items and other assets	(85,068)	(10,309)	(95,377)
Accounts payable and accrued liabilities	(3,360,703)	(49,620)	(3,410,323)
Deposits held in trust	92,241	6,113	98,354
Due to FCRHA	-	(16,612)	(16,612)
Unearned revenue	(9,866)	6,074	(3,792)
Net cash flows from operating activities	$ (75,017,880)	$ 1,062,242	$ (73,955,638)
Noncash activities:			
Contributions from County	$ 1,071,168	$ -	$ 1,071,168
Amortization of debt issuance costs	$ -	$ 10,906	$ 10,906

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

Note 1—Summary of significant accounting policies

Organization Profile – These financial statements include the activities of the Fairfax County Redevelopment and Housing Authority (the "Authority" or "FCRHA"). The Authority administers various housing and community development programs within the County of Fairfax, Virginia (the "County"). The Authority is a political subdivision of the Commonwealth of Virginia created pursuant to Chapter 1 of Title 36 of the Code of Virginia of 1950, as amended, by resolution of the Board of Supervisors of Fairfax County and approved in a referendum of voters in the County on November 2, 1965. On February 23, 1966, the Board of Supervisors declared the Authority an activated entity. The powers, duties, and responsibilities of the Authority are set forth in Title 36 of the Code of Virginia of 1950, as amended. The Authority is established as a component unit of the County.

The accounting policies of the Authority conform to U.S. generally accepted accounting principles ("U.S. GAAP") as applicable to proprietary funds of governmental units. The following is a summary of the Authority's significant accounting policies.

Reporting Entity – As required by U.S. GAAP, the accompanying financial statements present the financial position and result of operations of the Authority (the "Primary Government") and its component units. The financial results of the component units are included in the Authority's basic financial statements because of the significance of their operational or financial relationships with the Authority. The Authority and its component units are together referred to as the reporting entity.

With the exception of Little River Glen, the Authority's component units have December 31 year-ends; therefore, the amounts included for these entities are as of and for the year-end that falls within the year ended June 30, 2024. The discretely presented component units also follow Financial Accounting Standards Board pronouncements and have not been converted for purposes of these financial statements, except for the classifications of intercompany loans and net position, in accordance with U.S. GAAP. Separate financial statements for these component units can be obtained from the Authority.

Blended Component Units ("BCU") – The Authority is the general partner of 10 real estate partnerships (Little River Glen; Herndon Harbor House I L.P; Herndon Harbor House II L.P; Fairfax County Redevelopment, and Housing Authority/HCDC One, L.P. ("Stonegate"); The Green, L.P.; Tavenner Lane L.P.; Morris Glen L.P.; Gum Springs Glen L.P.; Old Mount Vernon High School LLC; and Castellani Meadows L.P.) that are considered component units of the Authority for the same reasons discussed in the discretely presented component units below. However, because the Authority is not only the general partner, but also controls the limited partnership interests, they are considered blended component units.

Discretely Presented Component Units ("DCU") – Additionally, the Authority is also the general partner in three other real estate limited partnerships (Cedar Ridge, L.P.; FCRHA Olley Glen, L.P.; and Murraygate Village L.P.). However, the limited partnership interests are held by third parties unrelated to the Authority. As the general partner, the Authority has certain rights and responsibilities, which enables it to impose its will on the limited partnerships. Additionally, the Authority is financially accountable for the limited partnerships as the Authority is legally obligated to fund operating deficits up to a maximum limit per partnership, in accordance with the terms of the partnership agreements.

Basis of Presentation – The accounts of the Authority are presented in single proprietary fund financial statements consisting of various programs. This financial statement presentation provides an indication of the financial performance of the Authority as a whole. The operations of the Authority are accounted for in the three basic financial statements: the statement of net position; the statement of revenues, expenses, and changes in net position; and the statement of cash flows. These statements report information on all activities of the Authority and its component units. Likewise, the Authority is reported separately from legally separate component units for which the Authority is financially accountable.

Note 1—Summary of significant accounting policies (continued)

The Authority's activities include the following programs:

The following program was established by the Board of Supervisors on December 12, 1973, to assume the administrative functions of the Authority and to function as the County's agency for administration of all housing and community development programs.

- *Elderly Housing Programs* are used to account for the affordable rental housing owned by the Authority and occupied by the elderly. All elderly programs are third party managed.

The Authority's other programs, described below, are financed primarily by federal grants from the U.S. Department of Housing and Urban Development ("HUD"), rents, and other user charges resulting from the operations of subsidized housing, development and financing fees, investment income, and loan proceeds. These funds provide rental housing, housing for the elderly/group homes, loans for home ownership and home improvement, tenant rental assistance, community development, and the development and administration of these programs. A description of each of these programs follows:

- *Housing Choice Voucher Program Fund* ("HCV") is a federal housing assistance program for lower income families seeking housing in the private marketplace. HUD provides funds to pay a portion of the family's rent.
- *FCRHA Operating Fund* is used to account for projects and for real property that are not accounted for in other Authority programs. The primary source of revenues is management fees earned from partnership properties, monitoring, and service fees charged to developers. Reserves within this fund include FCRHA Board-restricted funds. This fund includes the Private Finance Program which provides short-term financing to leverage capital projects and land acquisitions.
- *FCRHA Grants and Projects Fund* is used to account for the Federal Self Sufficiency grant, the State Rental Assistance Program contract, and other grants received.
- *Asset Management Fund* ("AMF") is used to manage property operations retained by HCD. This includes:
    - Rental Assistance Demonstration Program ("RAD") is third party managed, and the program used to manage affordable rental housing acquired by the Authority and to maintain and preserve the units for long-term rental availability per federal guidelines. Any activity not managed by TPM such as overhead activity managed by HCD is tracked within AMF.
    - Fairfax County Rental Program is third party managed, and includes rental properties that are used to provide affordable rental housing in the County for low- and moderate-income families. This program also includes group homes that are managed by HCD. Any activity not tracked by TPM for this program is included in the AMF.
    - Elderly Program includes residual reserves and some debt activity. Elderly properties such as Braddock Glen and Little River Glen are all third party managed.
    - Partnership Programs are third party managed. Any residual activity not managed by TPM is retained in the AMF.

Housing funds not included in these financial statements, include CDBG, HOME, Affordable Housing and Investment Fund, Housing Trust Fund, and the Housing General Fund, as these are County-appropriated funds.

Note 1—Summary of significant accounting policies (continued)

Measurement Focus and Basis of Accounting – The proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority's Enterprise Fund are rental charges and other charges related to the use of property. The Authority also recognizes as operating revenues management and development fees, excess utility charges, and other tenant charges. Operating expenses include personnel services, contractual services, administrative expenses, utility expenses, ordinary repair and maintenance expenses, housing assistance payments, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as either nonoperating revenues or expenses or contributions.

Use of Estimates in Preparing Financial Statements – The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash – Cash in bank is maintained by the County's Investment and Cash Management Division ("ICM") in a separate bank account in order to comply with the provisions of bond indentures. Cash on deposit with the County is also maintained by ICM in a single pooled account. Deposits held in trust reflect amounts collected as security deposits from tenants, as well as accrued interest on these deposits. Cash reserves primarily consist of restricted deposits and funded reserves for repairs and replacements required to be maintained under HUD and VHDA guidelines, as well as cash balances in accordance with certain bond indentures. All the Primary Government's cash deposits are covered by federal depository insurance and have been fully insured or collateralized. Temporary investments consist of money market investments that have a remaining maturity at the time of purchase of one year or less and are reported at amortized cost, which approximates fair values. The County allocates, on a monthly basis, any temporary investment earnings, less an administrative charge, based on the Authority's average balance pooled cash and temporary investments.

Investments – The Authority maintains an investment policy, the overall objectives of which are the preservation of capital and the protection of investment principal; maintenance of sufficient liquidity to meet operating requirements; conformance with federal, state, and other legal requirements; and attainment of a market rate of return. Oversight of the investment activity is the responsibility of the Investment Committee, which is comprised of two Deputy Directors, the Director of Financial Management and Information Systems Division ("FM-ISS"), and the Director of Real Estate Finance Division ("REF").

Authorized investments for public funds are set forth in the Investment of Public Funds Act of the Code of Virginia. Within the permitted statutory framework, the Authority limits the investment of assets to the money market accounts, certificates of deposit, and U.S. Treasury Securities. Temporary investments consist of money market investments that have a remaining maturity at the time of purchase of one year or less and are reported at amortized cost, which approximates fair value. Certificates of deposit are reported at fair value. This investment policy applies to all financial assets of the Authority, all general obligation bond funds, all funds deposited in the Authority's bank accounts, and the County's pooled cash. Bond proceeds shall be invested in accordance with the requirements and restrictions outlined in bond documents.

Note 1—Summary of significant accounting policies (continued)

Cash and Cash Equivalents – For purposes of preparing the statement of cash flows, cash and cash equivalents include unrestricted cash in bank, cash on deposit with the County, deposits held in trust, and restricted and unrestricted cash reserves. In addition, only the changes in the operating portion of assets and liabilities are accounted for in this statement's reconciliation of operating income (loss) to net cash flows from operating activities.

Accounts Receivable and Allowance for Doubtful Accounts – Receivables are reported net of an allowance for doubtful accounts. Management's estimate of the allowance is based on historical collection experience and a review of the current status of accounts receivable and the probability of collection.

Notes, Mortgages, and Other Receivables – Notes, mortgages, and other receivables are carried at amounts advanced, net of a reserve for uncollectible accounts, if any.

Capital Assets – Capital assets, which include land, buildings and improvements, equipment, and construction in progress are reported in the financial statements at cost when purchased and at acquisition value when donated. Capital assets are defined by the Authority as assets with an initial individual cost of more than $10,000 and an estimated useful life of more than one year. Depreciation has been provided for in amounts sufficient to relate the cost of the depreciable assets to operations over their estimated useful lives using the straight-line method. The estimated useful lives range from 15 to 28 years for buildings and improvements and from 5 to 15 years for equipment.

Deferred Outflows/Inflows of Resources – Deferred outflows of resources represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expenditure) until the future period. The Authority recognizes deferred outflows related to pension and other postemployment benefits ("OPEB") for contributions made subsequent to the measurement date, changes in assumptions, differences between expected and actual experience, changes in proportion, and net differences between the projected and actual earnings on plan investments.

Deferred inflows of resources represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until the future period. The Authority recognizes deferred inflows related to pension and OPEB for changes in assumptions, differences between expected and actual experience, changes in proportion, and net differences between the projected and actual earnings on plan investments.

Compensated Absences – Employees are granted vacation and sick leave based on their length of service. Unused vacation leave is payable to employees upon termination based on the employees' current rate of pay, up to certain limits. Sick leave does not vest with the employees; however, it is converted to years of service upon retirement. In addition, employees may accrue compensatory leave for hours worked in excess of their scheduled hours.

Compensatory leave in excess of 240 hours at the end of the calendar year is forfeited. The current pay rate, including certain additional employer related fringe benefits, is used to calculate compensated absences accruals at June 30.

Note 1—Summary of significant accounting policies (continued)

Pension and OPEB – The County administers multiple public employee retirement systems and OPEB plans. The net pension liability and associated deferred outflows of resources and deferred inflows of resources are reported with a one-year lag when compared with the fiduciary net position as reported by the retirement systems and OPEB plans. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Detailed information about the County Employees' Retirement System ("ERS") and the respective pension plan is found in Note 11. Information regarding the OPEB plan is found in Note 12.

Restricted Assets and Net Position – Restricted assets are liquid assets which have third party limitations on their use. When both restricted and unrestricted resources are available for capital use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed. In regard to operating reserves, it is the Authority's policy to use unrestricted resources first, and then restricted resources. In accordance with requirements of HUD and VHDA, the Authority is required to maintain certain restricted deposits and funded reserves for repairs and replacements.

Net position is displayed in three components:

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

- *Unrestricted Net Position* – This component of net position consists of net position that does not meet the definition of net investment in capital assets or restricted net position.

Revenue Recognition – The Authority has entered into Annual Contributions Contracts with HUD to administer the HCV; whereby monthly housing assistance payments are made to landlords on behalf of eligible lower income individuals and families. HUD makes monthly contributions for housing assistance payments and administration fees for the HCV. In addition, the County makes annual contributions to various programs (e.g., Elderly Housing program) to support operational costs. Such contributions are reflected as intergovernmental revenue in the accompanying financial statements. Other intergovernmental revenues are reported under the legal contractual requirements of the individual programs.

Intergovernmental revenues are recognized in the period in which all grant requirements are satisfied, which is typically when the Authority has expended the funds on allowable costs. Grant funds received in advance of satisfying all requirements are recorded as unearned revenue.

Dwelling rental revenues are recorded as rentals become due. Rental payments received in advance are recorded as unearned. The allowance method is used for write-offs. Delinquent tenant receivables that have reached the Code of Virginia statute of limitations of five years, beginning from the due date of the initial invoice, are written off and all collection activities are discontinued unless a court judgment is obtained that extends this period of collection.

Note 1—Summary of significant accounting policies (continued)

Leases: Lessee – The Authority is a lessee for a noncancellable lease of land. The Authority recognizes a lease liability and an intangible right-to-use (“RTU”) lease asset (lease asset) in the financial statements. The Authority recognizes lease liabilities with an initial, individual value of $5,000 or more.

At the commencement of a lease, the Authority initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. Key estimates and judgments related to leases include how the Authority determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Authority uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Authority generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Authority is reasonably certain to exercise.

The Authority monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Leases: Lessor – The Authority is a lessor for a noncancellable lease of land. The Authority recognizes a lease receivable and a deferred inflow of resources in the financial statements.

At the commencement of a lease, the Authority initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the Authority determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The Authority uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The Authority monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Subscription-Based Information Technology Arrangements – The Authority has recorded Subscription-Based Information Technology Arrangement (“SBITA”) assets and liabilities in accordance with U.S. GAAP. The SBITA assets are initially measured at an amount equal to the initial measurement of the related SBITA liability plus any SBITA payments made prior to the subscription term, less SBITA incentives, and plus any ancillary charges necessary to place the SBITA into service. The SBITA assets are amortized on a straight-line basis over the life of the related contract.

Note 2—Cash and cash equivalents

Cash deposits maintained in banks are covered by U.S. Federal Deposit Insurance and by collateral held by custodial banks in the Authority's name based upon the average daily funds available as determined by the banks.

Collateral is required for demand and time deposits and certificates of deposit not covered by Federal Deposit Insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the state and its municipalities.

Custodial Credit Risk – For deposits, custodial credit risk is the risk that in the event of a failure of a depository financial institution, the Authority may not recover its deposits. In accordance with the Virginia Security for Public Deposits Act (the "Act"), all the Authority's deposits are covered by federal depository insurance or collateralized in accordance with the Act, which provides for the pooling of collateral pledged by financial institutions with the Treasurer of Virginia to secure public deposits as a class. No specific collateral can be identified as security for one public depositor, and public depositors are prohibited from holding collateral in their name as security for deposits. If any member financial institution fails, the entire collateral pool becomes available to satisfy the claims of governmental entities. If the value of the pool's collateral is inadequate to cover a loss, additional amounts are assessed on a pro rata basis to the members of the pool. The State Treasury Board is responsible for monitoring compliance with the collateralization and reporting requirements of the Act and for notifying local governments of compliance by participating financial institutions. A multiple financial institution collateral pool that provides for additional assessments is similar to depository insurance; therefore, funds deposited in accordance with the requirements of the Act are considered to be fully insured

Custodial credit risk for deposits is the risk that in the event of a bank failure the Authority's deposits may not be returned to it. For the fiscal year ended June 30, 2024, the bank balance of the Authority's cash and cash equivalents was $165,645,510. All deposits were entirely insured or collateralized with securities held by the Authority's agent in the Authority's name as of June 30, 2024. Total Enterprise Fund cash and cash equivalents was $155,201,035 as of June 30, 2024.

Note 3—Receivables

Accounts Receivable – Accounts receivable at June 30, 2024 consisted of the following:

Tenant receivable (net of allowances of $971,562)	$	984,084
Landlord and HCV tenant receivables (net of allowances of $380,648)		1,676,791
Due from U.S. Department of Housing and Urban Development		124,280
Accounts receivable		5,099,567
	$	7,884,722

Note 3—Receivables (continued)

Notes Receivable – Notes receivable at June 30, 2024 consisted of the following:

Note Holder	Terms	Outstanding Balance
North Hill LLC	Secured non-interest bearing note, maturing May 1, 2053, with annual payments beginning June 1, 2023 equal to 50% of net cash flow.	$ 300,000
Cedar Ridge LP	Secured note bearing interest at 5.01%, maturing October 1, 2048, principal and interest deferred until this date, interest will compound and be added to the outstanding principal balance of the loan annually.	642,464
Cedar Ridge LP	Secured note bearing interest at 5.984%, maturing October 1, 2048, interest and principal payments beginning December 1, 2008 of $72,481 are due monthly.	10,928,201
FCRHA Olley Glen LP	Secured note bearing interest at 6.4%, maturing August 1, 2051. Interest only payments through July 1, 2011. Beginning August 1, 2011, interest and principal payments of $28,455 are due monthly. The principal pay down of $7.3 million took place on August 1, 2011.	4,387,227
FCRHA Olley Glen LP	Secured note bearing interest at 5% beginning on August 1, 2011 (0% until that date) and maturing August 1, 2051. Beginning May 1, 2012, interest and principal payments of $118,620 are due annually. Payment will be based on net cash flow and any amount not paid will be deferred and either paid with the next installment or deferred until sufficient net cash flow allows for payment or until maturity.	2,050,000
Murraygate Village LP	Secured note bearing interest at 2.0%, maturing November 1, 2060, principal and interest deferred until this date, interest will compound and be added to the outstanding principal balance of the loan annually.	1,500,000
Murraygate Village LP	Secured note bearing interest at 7.5%, maturing November 1, 2060, principal and interest deferred until this date, interest will compound and be added to the outstanding principal balance of the loan annually.	7,707,340
Total notes receivable		27,515,232
Less current notes		(284,109)
Noncurrent notes receivable, net of allowance for doubtful accounts		$ 27,231,123

Mortgages Receivable – Under the Authority's Home Improvement Loan Program, qualified County residents who are unable to obtain financing from commercial sources may be loaned funds by the Authority. At June 30, 2024, long-term home improvement loans receivable under this program were $5,990 bearing interest at varying rates up to 3%.

Certain BCU and DCU have accrued and recorded mortgage payables in the amount of $4,757,832 due to the Authority that are required to be paid with surplus cash. The Authority has recorded an allowance of $4,757,832, against the corresponding receivable, as the likelihood for collection is doubtful.

Note 3—Receivables (continued)

The following table provides a reconciliation of the notes, mortgages and other receivables to the statement of net position at June 30, 2024:

Notes receivable, current portion	$ 284,109
Notes receivable	27,231,123
Mortgages receivable	5,990
Long-term portion, net	27,237,113
Total notes and mortgages receivables, net	$ 27,521,222

Note 4—Capital assets

The Enterprise Fund's capital asset activity for the year ended June 30, 2024 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, nondepreciable:				
Land	$77,068,882	$ 102,615	$ -	$ 77,171,497
Construction-in-progress	8,719,423	1,921,561	(1,018,689)	9,622,295
Total capital assets, nondepreciable	85,788,305	2,024,176	(1,018,689)	86,793,792
Capital assets, depreciable:				
Buildings and improvements	194,922,929	4,545,209	-	199,468,138
Right-to-use asset:				
Ground leases	1,114,790	-	(1,871)	1,112,919
SBITAs	751,703	-	-	751,703
Equipment	1,761,972	73,740	-	1,835,712
Total capital assets, depreciable	198,551,394	4,618,949	(1,871)	203,168,472
Less accumulated depreciation and amortization:				
Buildings and improvements	(141,866,437)	(4,765,999)	-	(146,632,436)
Right-to-use asset:				
Ground leases	(25,409)	(32,854)	-	(58,263)
SBITAs	(187,926)	(189,020)	-	(376,946)
Equipment	(2,073,687)	(140,956)	618,177	(1,596,466)
Total accumulated depreciation	(144,153,459)	(5,128,829)	618,177	(148,664,111)
Total depreciable capital assets, net	54,397,935	(509,880)	616,306	54,504,361
Total enterprise fund capital assets, net	$ 140,186,240	$ 1,514,296	$ (402,383)	$ 141,298,153

Note 4—Capital assets (continued)

The Component Units' capital asset activity for the year ended December 31, 2023 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, nondepreciable:				
Land	$ 6,989,815	$ -	$ -	$ 6,989,815
Total capital assets, nondepreciable	6,989,815	-	-	6,989,815
Capital assets, depreciable:				
Buildings and improvements	48,548,018	-	-	48,548,018
Equipment	6,203,689	131,469	-	6,335,158
Total capital assets, depreciable	54,751,707	131,469	-	54,883,176
Less accumulated depreciation:				
Buildings and improvements	(16,060,119)	(2,063,528)	-	(18,123,647)
Equipment	(808,815)	-	-	(808,815)
Total accumulated depreciation	(16,868,934)	(2,063,528)	-	(18,932,462)
Total depreciable capital assets, net	37,882,773	(1,932,059)	-	35,950,714
Total Component Units' capital assets, net	$ 44,872,588	$ (1,932,059)	$ -	$ 42,940,529

Depreciation expense for the year ended December 31, 2023 relating to the Component Units was $2,063,528.

Note 5—Notes and bonds payable

Notes Payable – Notes payable of Enterprise Funds consist of the following at June 30, 2024:

Note Holder	Terms	Outstanding Balance
United Bank	Secured by Faircrest North rental property, bearing interest at 6.21%, maturing December 1, 2032, principal and interest payments of $3,056 monthly.	$ 249,930
United Bank	Secured by Laurel Hill rental property, bearing interest at 6.21%, maturing December 1, 2032, principal and interest payments of $3,056 monthly.	250,017
United Bank	Secured by the Courts of Westcott Ridge rental property, bearing interest at 6.21%, maturing December 1, 2032, principal and interest payments of $4,023 monthly.	320,836
United Bank	Secured by Legato Corner rental property, bearing interest at 6.21%, maturing December 1, 2032, principal and interest payments of $5,472 monthly.	436,427
Virginia Housing Development Authority	Secured by the First Stop Group Home property, bearing interest at 7.61%, maturing March 1, 2025, principal and interest payments of $3,234 monthly.	28,200
Virginia Housing Development Authority	Secured by the Gum Springs Glen property, bearing interest at 4.5%, maturing August 31, 2033 principal and interest payments of $7,666 monthly.	684,017
Fulton Bank	Secured by Morris Glen rental property, bearing interest at 8.5%, maturing April 1, 2026, principal and interest payments due at maturity.	72,038
		2,041,465
Less current notes		162,898
Noncurrent notes payable		$ 1,878,567

Annual debt service requirements to maturity for notes payable are as follows:

<u>Years Ending June 30</u>:	Principal	Interest
2025	$ 162,898	$ 84,701
2026	135,137	76,414
2027	105,342	69,305
2028	109,770	64,692
2029	114,625	59,911
2028 - 2033	1,413,693	155,557
	$ 2,041,465	$ 510,580

Note 5—Notes and bonds payable (continued)

Bonds Payable – Bonds payable consist of the following at June 30, 2024:

	Outstanding Balance
On August 29, 1996, on behalf of the Little River Glen project, the Authority issued Federal Housing Authority insured mortgage revenue bonds with an original principal amount of $6,340,000, and interest rates, which vary between 4.65% and 6.10%, with final payment due September 1, 2026, to advance refund the Elderly Bonds, Series 1989A, with an original principal amount of $6,120,000 and interest rate of 8.95%. The land, buildings, and equipment of the Little River Glen project are pledged as security for the bonds. The old bonds were fully redeemed in fiscal year 1999.	$ 1,265,000
In August 1997, on behalf of Herndon Harbor House I Limited Partnership, the Authority issued tax-exempt revenue bonds with a principal amount totaling $2,875,000 and interest rate of 6.35% with final payment due July 1, 2027. The land, building, and equipment of the Herndon Harbor House I Limited Partnership are pledged as security for the bonds. Proceeds from the bonds were loaned to the Herndon Harbor House I Limited Partnership to finance a portion of the cost for the acquisition, construction, and equipping of the rental facility. Outstanding balance is net of unamortized deferred cost of $3,889.	213,964
In May 1999, on behalf of Herndon Harbor House II Limited Partnership, the Authority issued Series 1999A Multifamily Housing Revenue Bonds with a principal totaling $2,000,000. The Series A, 1999 term bonds have an original principal amount of $225,000 with an interest rate of 4.875% with final payment due May 1, 2009. The Series A, 1999 term bond has an original principal payment amount of $1,775,000 with an interest rate of 6% with final payment due May 1, 2029. The land, building, and equipment of the Herndon Harbor House II Limited Partnership are pledged as security for the bonds. Proceeds from the bonds were loaned to the Herndon Harbor House II Limited Partnership to finance a portion of the cost for the acquisition, construction, and equipping of the rental facility. Outstanding balance is net of unamortized deferred cost of $28,556.	617,623
In March 2007, on behalf of Cedar Ridge Limited Partnership, the Authority issued a tax-exempt multi-family housing revenue bond with a principal amount totaling $13,200,000 and an interest rate of 5.984% with final payment due October 1, 2048. Interest only is payable monthly through November 1, 2008. Beginning on December 1, 2008, monthly payments of principal and interest of $72,481 are payable until the maturity date of the note. The note is collateralized by a first deed of trust on the rental property of the Cedar Ridge Limited Partnership. Proceeds from the bonds were loaned to the Cedar Ridge Limited Partnership to finance a portion of the cost for the acquisition, construction, and equipping of the rental facility.	10,908,989
In August 2008, on behalf of the FCRHA Olley Glen Limited Partnership, the Authority issued a tax-exempt multi-family housing revenue bond with a principal amount totaling $12,220,000 and an average coupon rate of 5.37% with final payment due August 1, 2051. Interest only is payable monthly through July 1, 2011. Beginning August 1, 2011, monthly payments of principal and interest of $28,455 are payable until the maturity date of the note. The note is collateralized by a first deed of trust on the senior rental property of the FCRHA Olley Glen Limited Partnership. Proceeds from the bonds were loaned to the FCRHA Olley Glen Limited Partnership to finance a portion of the cost for acquisition, construction, and equipping of the senior facility.	4,383,246
In November 2007, the FCRHA issued a $105,485,000 bond anticipation note (Series 2007B) to finance a portion of the purchase price of a multi-family rental housing property as part of the County's affordable housing initiative. In October 2008, the FCRHA issued the $104,105,000 refunding bond anticipation note (Series 2008B). In August 2009, the FCHRA issued $94,950,000 of revenue bonds to provide funds, together with other funds, sufficient to pay the outstanding $104,105,000 short-term bond anticipation note (Series 2008B) that matured on October 1, 2009. The Bond bears an average interest rate of 4.53% and matures on October 1, 2039. In August 2019, the FCRHA issued $61,795,000 to refund a portion of the principal amount of the Series 2009 Bonds outstanding.	53,830,000
	71,218,822
Less current bonds	3,115,808
Total noncurrent bonds payable	$ 68,103,014

Note 5—Notes and bonds payable (continued)

Annual debt service requirements to maturity for bonds payable are as follows:

Years Ending June 30,	Principal	Interest
2025	$ 3,115,808	$ 4,407,422
2026	3,273,145	4,215,371
2027	3,467,823	4,005,604
2028	3,097,206	3,807,512
2029	3,216,489	3,622,863
2030 - 2034	18,118,757	15,194,004
2035 - 2039	23,398,850	9,388,495
2040 - 2044	8,519,893	3,971,304
2045 - 2049	4,371,335	1,635,687
2050 - 2054	639,516	86,994
	$ 71,218,822	$ 50,335,256

Notes Payable – FCRHA – Certain blended component units have notes payable to FCRHA, which are not eliminated as the note receivables are not held within the funds presented within the Authority's statements. These note receivables are held at the County. The amount owed to FCRHA by the blended component units at June 30, 2024 consists of:

Note Holder	Terms	Outstanding Balance
FCRHA	Secured by Morris Glen rental property, bearing interest at 2.0%, maturing January 1, 2026, principal and interest payments due at maturity.	$ 621,883
FCRHA	Secured by Morris Glen rental property, bearing interest at 1.0%, maturing January 1, 2026, principal and interest payments due at maturity.	788,217
FCRHA	Secured by Tavenner rental property, non-interest bearing, maturing January 1, 2027, principal payments due at maturity.	462,411
FCRHA	Secured by Tavenner rental property, non-interest bearing, maturing January 1, 2027, principal payments due at maturity.	250,000
FCRHA	The HOME Loan, in the original principal amount of $659,000, was obtained by Herndon Harbor House I. The note is payable at maturity, including simple interest at 2% per annum, on August 1, 2027. The note is collateralized by a second deed of trust on the rental property.	553,853
FCRHA	The CDBG Loan, in the original amount of $527,000, was obtained by Herndon Harbor House I. The note is payable at maturity, including simple interest at 2% per annum, on August 1, 2027. The note is collateralized by a third deed of trust on the rental property.	525,298

Note 5—Notes and bonds payable (continued)

Notes Payable – FCRHA (continued)

Note Holder	Terms	Outstanding Balance
FCRHA	The Housing Trust Fund Loan, in the original principal amount of $1,827,433, was obtained by Herndon Harbor House I. The note is payable at maturity, including simple interest at 2% per annum, on August 1, 2027. The note is collateralized by a fourth deed of trust on the rental property.	$ 1,573,719
FCRHA	The HOME Loan, in the original principal amount of $1,040,000, was obtained by Castellani Meadows. The note is payable at maturity, including simple interest at 4% per annum, on April 1, 2028. The note is collateralized by a fourth deed of trust on the rental property.	1,018,922
FCRHA	The loan payable to RHA, one of the general partners, represents $270,500 in CDBG funds advanced to Stonegate to assist in financing renovation of the property. The amount is non-repayable, unless the property ceases to be used for the purpose of providing affordable housing to qualified tenants.	270,500
FCRHA	The CDBG Loan, in the original amount of $880,000, was obtained by Castellani Meadows. The note is payable at maturity, including simple interest at 4% per annum, on April 1, 2028. The note is collateralized by a third deed of trust on the rental property.	208,211
FCRHA	The Housing Trust Fund Loan is secured by The Green rental property, bearing interest at 3.37%, maturing November 1, 2028 principal and interest payments due monthly.	907,267
FCRHA	The Housing Trust Fund Loan, in the original principal amount of $450,000, was obtained by Gum Springs Glen. The note has simple interest at 4.25% per annum with monthly payments of principal and interest of $2,214. The note will mature on April 1, 2033. The note is collateralized by a second deed of trust on the rental property.	204,436
FCRHA	The Housing Trust Fund Loan, in the original principal amount of $205,000, was obtained by Gum Springs Glen. The note is payable at maturity, including simple interest at 4.25% per annum, on April 1, 2033. The note is collateralized by a second deed of trust on the rental property.	205,000
FCRHA	Secured by Herndon Harbor House II rental property, bearing interest at 2.0%, maturing May 1, 2029, principal and interest payments due at maturity.	437,000
FCRHA	Secured by Herndon Harbor House II rental property, bearing interest at 2.0%, maturing May 1, 2029, principal and interest payments due at maturity.	2,562,061
FCRHA	Secured by Herndon Harbor House II rental property, bearing interest at 2.0%, maturing May 1, 2029, principal and interest payments due at maturity.	60,021
		10,648,799
Less current notes		18,232
Total noncurrent notes payable		$ 10,630,567

Note 5—Notes and bonds payable (continued)

Annual debt service requirements to maturity for notes payable are as follows:

Years Ending June 30,	Principal	Interest
2025	$ 18,232	$ 7,943
2026	1,429,122	554,517
2027	3,385,127	1,540,992
2028	2,155,106	2,135,422
2029	3,080,685	1,984,712
2030 - 2034	310,027	8,016
Thereafter	270,500	-
	$ 10,648,799	$ 6,231,602

Changes in Short-Term and Long-Term Liabilities – The Enterprise Fund's long-term liability activity for the year ended June 30, 2024 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable	$ 74,181,717	$ -	$ (2,962,895)	$ 71,218,822	$ 3,115,808
Issuance premiums	10,275,275	-	(1,056,795)	9,218,480	1,013,570
Notes payable	2,359,965	-	(318,500)	2,041,465	162,898
Notes payable - FCRHA	10,731,956	-	(83,157)	10,648,799	18,232
Less unamortized debt issuance costs related to BCU	(38,024)	-	8,266	(29,758)	-
Net Enterprise Fund debt	$ 97,510,889	$ -	$ (4,413,081)	$ 93,097,808	$ 4,310,508

Bonds Payable – In the event of default, the trustee, upon written request of the bondholders, may (a) declare the principal of all bonds then outstanding and the interest accrued thereon immediately due and payable and (b) take whatever legal proceedings considered necessary to collect on the outstanding amounts.

Notes Payable – In the event of default, the holder shall have the right to (a) accelerate the indebtedness during any default by the undersigned regardless of any prior forbearance and (b) in some instances, require the borrower to promptly convey the property to the lender by deed in lieu of foreclosure.

FCRHA Notes Payable – In the event of default, the holder may, at its option, (a) accelerate the unpaid balance of the indebtedness, together with all unpaid and accrued interest thereon and other amounts outstanding in connection therewith, to be immediately due and payable; (b) exercise any or all rights and remedies available to it hereunder, under applicable laws and under any of the loan document; and (c) in some instances, take possession of the project and make all decisions and payments necessary to maintain the project's operations.

Long-Term Liabilities – Component Units – These liabilities represent primarily non-recourse debt of each of the limited partnerships, which is collateralized by the land, buildings, and equipment of each limited partnership and having varying repayment terms and interest rates ranging from 1.00% to 9.25%.

Note 5—Notes and bonds payable (continued)

The Component Units' long-term liability activity for year ended December 31, 2023 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Component Unit debt	$ 48,852,254	$ -	$ (502,584)	$ 48,349,670	$ 459,933
Less unamortized debt issuance costs	(742,549)	-	40,088	(702,461)	-
Net Component Unit debt	$ 48,109,705	$ -	$ (462,496)	$ 47,647,209	$ 459,933

The annual principal requirements of the component units' long-term debt are as follows:

Years Ending December 31,	Principal
2024	$ 459,933
2025	484,466
2026	510,334
2027	537,615
2028	566,386
Thereafter	45,790,936
	$ 48,349,670

Note 6—Accrued compensated absences

The Enterprise Fund's compensated absences activity for the year ended June 30, 2024 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated absences payable	$ 649,339	$ 476,162	$ 430,415	$ 695,086	$ 389,499

Note 7—Tax credit limited partnerships

The tax credit program is the result of federal legislation that allows investors certain incentives for investing in low-income housing. Under terms of the federal tax code and extended use agreements with the Commonwealth of Virginia, the buildings must continue to serve the targeted population for 30 years; after 15 years the Authority has the option to purchase the property from the partnership.

Tax credit limited partnerships are created to finance and own affordable housing. The Authority acts as managing general partner of each partnership. Although each tax credit limited partnership is structured differently, they are generally financed via loans to the partnership, contributions of equity by the general and limited partners, and other sources. In some transactions, the Authority issues bonds and loans the proceeds to the tax credit limited partnership. Tax-exempt bond issuances are secured by the underlying partnership real estate and, in some cases, by the general revenues of the Authority. The Authority may receive grant funds or other loans to assist in purchasing the properties and in preserving affordability within the projects.

Note 8—Conduit debt

The Authority is empowered by the Commonwealth of Virginia to issue tax-exempt bonds on behalf of qualified businesses to develop or rehabilitate low-income housing within the County. Principal and interest on the tax-exempt bonds are paid entirely by the owners of the properties, which have entered into binding contracts to develop or rehabilitate the subject property. The terms of the tax-exempt bonds stipulate that neither the Authority nor the County guarantee the repayment of principal and interest to the bondholders. The bondholders' sole remedy in the event of default on the tax-exempt bonds is the subject property and third party beneficiaries. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2024, the cumulative total of bonds outstanding under the Authority's name was $108,598,035.

In November 2007, the FCRHA issued a $105,485,000 bond anticipation note (Series 2007B) to finance a portion of the purchase price of a multi-family rental housing property as part of the County's affordable housing initiative. In October 2008, the FCRHA issued the $104,105,000 refunding bond anticipation note (Series 2008B). In August 2009, the FCHRA issued $94,950,000 of revenue bonds to provide funds, together with other funds, sufficient to pay the outstanding $104,105,000 short-term bond anticipation note (Series 2008B) that matured on October 1, 2009. The Bond bears an average interest rate of 4.53% and matures on October 1, 2039. In August 2019, the FCRHA issued $61,795,000 to refund a portion of the principal amount of the Series 2009 Bonds outstanding. Due to the implementation of Government Accounting Standards Board ("GASB") Statement No. 91, these bonds have been recorded in the Authority's financial statements as long-term obligation. As the County is responsible, under the related documents and subject to annual appropriations, to make payments to a trustee sufficient to pay principal and interest on all these bonds, the related noncurrent receivables from the County have been recorded in the Authority's financial statements. See Note 5 for additional information.

Note 8—Conduit debt (continued)

On December 15, 2020, the FCRHA issued $22,500,000 of Multifamily Housing Revenue Bonds (Series 2020). The tax-exempt bonds have provided funding for the construction of a 148-unit project known as Ovation at Arrowbrook. The project is owned by Arrowbrook Apartments II, LLC. The FCRHA was a conduit issuer for these bonds and the bondholders were to be paid solely from the project's revenue. The bond bearing an initial interest rate of 0.41% and maturing on January 1, 2041, were fully tendered on April 23, 2024.

On September 15, 2021, FCRHA issued $19,680,000 in Multifamily Housing Revenue Bonds (Series 2021) to provide supplemental financing for the construction of a 120-unit affordable multi-family housing development project to be known as One University Senior Apartments. The Project is constructed on the land owned by FCRHA and leased to the borrower pursuant to a deed of lease between FCRHA and the borrower. The bond bears an interest rate of 1.25% and will mature on December 1, 2025.

On October 13, 2021, FCRHA issued $12,570,000 in Multifamily Housing Revenue Bonds (Series 2021) to finance, refinance, or reimburse a portion of the costs of the construction and equipping of a 70-unit multi-family housing development to be owned and operated as an affordable multi-family rental housing project and to be known as Oakwood North Four Project. The Project has been constructed on the land owned by FCRHA and leased to an affiliate of the borrower pursuant to a deed of lease and sub-leased to the borrower pursuant to a sub-leased agreement. The bonds bearing an initial interest rate of 0.41% with a maturity date of May 1, 2025, were fully tendered on May 1, 2024.

On September 16, 2022, FCRHA issued $7,717,000 in Multifamily Housing Revenue Bonds (Series 2022) to provide supplemental financing for the construction of a 44-unit affordable multi-family housing development project for seniors to be known as Braddock Four Apartments. The Project was to be constructed on the land owned by FCRHA and leased to the borrower pursuant to a Deed of Lease between FCRHA and the borrower. The bond bears an interest rate of 4.00% and will mature April 1, 2025.

On December 15, 2022, FCRHA issued a total of $2,722,000 in Multifamily Housing Revenue Bonds (Series 2022) to provide supplemental financing for the construction of a 148-unit affordable multi-family housing development project to be known as Arrowbrook Apartments. The Project has been constructed on the land owned by FCRHA and leased to the borrower pursuant to a deed of lease between FCRHA and the borrower. The bonds bearing an interest rate of 5.00% and maturing on January 1, 2025, were fully tendered on January 1, 2024.

On December 12, 2023, FCRHA issued a total of $77,760,000 in Multifamily Housing Revenue Bonds (Series 2023) to provide supplemental financing for the construction of a 265-unit affordable multi-family housing development project called The Exchange at Springhill Station, formerly known as Dominion Square North. FCRHA is a conduit issuer for these bonds and the bondholders will be paid solely from the project's revenue. The bonds bear an initial interest rate of 5.00% and matures on January 1, 2045.

Note 9—Contingencies

The Authority, as the general partner of the tax credit limited partnerships reported as discretely presented component units, is responsible for ensuring that the partnerships maintain the properties as qualified low-income housing projects for a period of 15 years (the tax credit compliance period). In the event the qualified status of the properties is not maintained for the full period of 15 years, the Authority is contingently liable for the payment of certain special distributions to the limited partners. The amount of these distributions, if any, is to be determined using a formula based on the amount of tax credits that are disallowed. The maximum amount of this distribution is not to exceed the amount contributed by the limited partners to the partnership, plus any penalties and interest costs incurred as a result of the disqualification.

Note 9—Contingencies (continued)

The Authority originated various deferred loans to the limited partnerships to help build, acquire, or rehabilitate properties. The funding sources for these loans include the Federal Community Development Block Grant program, HOME program, and other County or FCRHA funds. The loans, along with accrued interest, are due and payable to the FCRHA well beyond the tax compliance period, year 16 of the partnerships. As a result, the loans are anticipated to be defeased at the end of the tax compliance period, as the partnership conveys to the Authority, as general partner, the noncash fair value of the property for the Authority's use.

The Authority receives grant funds, principally from the federal government, for various programs. Certain expenses of these funds are subject to audit by the grantor and the reporting entity is contingently liable to refund amounts received in excess of allowable expenses. Management of the Authority believes any possible disallowed expenses arising from such an audit, if any, would not have a material adverse impact on the Authority's net position as of June 30, 2024.

Note 10—Risk management

The FCRHA is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and citizens; and natural disasters. For all these risks, the FCRHA participates in the County's insurance program, which includes self-insurance and the purchase of certain commercial insurance policies, the costs of which are borne by the County. There were no claim settlements in excess of insurance coverage in any of the past three fiscal years. Information regarding the County's insurance program is available in the County's Annual Comprehensive Financial Report ("ACFR") for the fiscal year ended June 30, 2024.

Note 11—Retirement plans

Plan Description – Employees of the Authority are provided with pensions through the County ERS, a single-employer, defined benefit pension plan which covers full-time and certain part-time employees of the County and component units of the County, who are not covered by other plans of the County or the Virginia Retirement System.

Benefits Provided – Benefit provisions are established and may be amended by County ordinances, including member contribution rates. All benefits vest at five years of creditable service. Members who were hired before January 1, 2013 may elect to join Plan A or Plan B, and members who were hired on or after January 1, 2013 may elect to join Plan C or Plan D. To be eligible for normal retirement, an individual must meet the following criteria: (a) attain the age of 65 with five years of creditable service, (b) for Plans A and B, attain the age of 50 with age plus years of creditable service being greater than or equal to 80, or (c) for Plans C and D, attain the age of 55 with age plus years of service being greater than or equal to 85. The normal retirement benefit is calculated using average final compensation (i.e., the highest 78 consecutive two week pay periods or the highest 36 consecutive monthly pay periods) and years (or partial years) of creditable service at date of termination. In addition, if normal retirement occurs before Social Security benefits are scheduled to begin, an additional monthly benefit is paid to retirees. The plan provides that unused sick leave credit may be used in the calculation of average final compensation by projecting the final salary during the unused sick leave period. Those who commenced employment on or after January 1, 2013, may not use more than 2,080 hours of accrued sick leave toward service credit for retirement or Deferred Retirement Option Program ("DROP") entry. The benefit for early retirement is actuarially reduced and payable at early termination.

Note 11—Retirement plans (continued)

Effective July 1, 2005, DROP was established for eligible members of the ERS. Members who are eligible for normal service retirement are eligible to participate in this program. DROP provides the ability for an employee to retire for purposes of the pension plan, while continuing to work and receive a salary for a period of three years. During the DROP period, the pension plan accumulates the accrued monthly benefit into an account balance identified as belonging to the member. The account balance is credited with interest in the amount of 5.0% per annum, compounded monthly. The monthly benefit is calculated using service and final compensation as of the date of entry in DROP, with increases equal to the annual cost-of-living adjustment provided for retirees.

Contributions – All contribution requirements for ERS are established and may be amended by County ordinances, including member contribution rates. Plan A and Plan C require member contributions of 4.0% of compensation up to the Social Security wage base and 5.33% of compensation in excess of the wage base. Plan B and Plan D require member contributions of 5.33% of compensation. The County establishes rates based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The County is required to contribute at an actuarially determined rate; the rate for the year ended June 30, 2024 was 28.88%. Since the ERS's adjusted funded ratio (the ratio of the sum of the actuarial value of assets and commitments already made to fund change to the actuarial accrued liability) fell below 90%, the contribution rate includes a margin to amortize this shortfall back to the 90% level. For fiscal year 2024, the amortization target remained at 100%. The employer contribution made during the measurement period of the liability was $3,756,086. The 2024 employer contribution totaled $4,291,568.

Net Pension Liability – The ERS calculated total pension liability based on participant data collected as of December 31, 2022 and an actuarial valuation as of June 30, 2023, using the entry age actuarial cost method, with a measurement date of June 30, 2023. The proportionate share for the Authority is 1.4092%, an increase of .0570% from the prior year. At June 30, 2024, the Authority reported a liability of $32,439,712 for its proportionate share of the net pension liability.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – For the year ended June 30, 2024, the Authority recognized pension expense of $4,557,289. At June 30, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,355,818	$ 261,247
Change in assumptions	1,317,453	-
Net differences between projected and actual earning on pension plan investments	5,518,424	-
Change in proportion applicable to Authority	1,021,555	2,647,155
Authority contributions subsequent to the measurement date	4,291,568	-
	$ 14,504,818	$ 2,908,402

Note 11—Retirement plans (continued)

The $4,291,568 reported as deferred outflows of resources related to pensions resulting from the Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending June 30,	Amount
2025	$ 1,795,064
2026	1,185,055
2027	2,798,557
2028	1,526,172
	$ 7,304,848

Actuarial Assumptions – The ERS calculated total pension liability based on participant data collected as of December 31, 2022 and an actuarial valuation as of June 30, 2023, using the entry age actuarial cost method, with a measurement date of June 30, 2023. Significant actuarial assumptions used in the valuation included:

Discount rate, net of plan investment expenses	6.75%
Inflation	2.75%
Salary increases, including inflation	2.25% + merit
Investment rate of return, net of plan investment expenses	6.75%
Projected period of unfunded benefit payments	None
Mortality	Health and Disabled Annuity PubG-2010 Combined Mortality projected to MP-2020

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study performed in 2016.

Discount Rate – The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that County contributions will be made according to the County's stated policy. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current 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. A schedule of funding progress can be found in the required supplementary information section of the report.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected, future real rates of return (expected returns, net of pension plan 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.

Note 11—Retirement plans (continued)

Best estimates of arithmetic long-term real rates of return for each major asset class included in the ERS's target asset allocation as of June 30, 2024 are summarized below.

Asset Class	Expected Real Rate of Return	Target Allocation
U.S. Leverage Cost	1.90%	-35.00%
Non-U.S. Leverage Cost	1.10%	-26.00%
U.S. Large-Cap Equity	7.70%	11.00%
U.S. Small/Mid-Cap Equity	8.70%	3.00%
Non-U.S. Developed Equity (USD Hedge)	8.30%	6.00%
Non-U.S. Developed Small-Cap Equity	9.30%	3.00%
Emerging Market Equity	12.50%	3.00%
Global Equity	8.60%	5.00%
Private Equity - Growth	14.60%	1.00%
Private Equity - Venture	20.80%	1.00%
Private Equity	13.20%	2.00%
U.S. TIPS	2.30%	16.00%
U.S. Treasury Bond	2.10%	-3.00%
U.S. Mortgage-Backed Securities	2.50%	2.00%
U.S. High Yield Corporate Bond	5.70%	4.00%
Emerging Market External Debt	5.30%	4.00%
Emerging Market Local Currency Debt	6.00%	2.00%
Non-U.S. Government Bond	2.20%	2.00%
Non-U.S. Government Bond (USD Hedge)	2.00%	2.00%
Non-U.S. Inflation-Linked Bond (USD Hedge)	1.30%	12.00%
Private Debt - Credit Opportunities	8.00%	6.00%
Private Debt - Distressed	8.80%	4.00%
Private Debt - Direct Lending	8.10%	1.00%
U.S. Long-Term Treasury Bond (10-30 Year)	2.60%	5.00%
20+ Year U.S. Treasury STRIPS	3.90%	3.00%
U.S. High Yield Securitized Bond	5.10%	2.00%
U.S. High Yield Collateralized Loan Obligation	6.30%	4.00%
10 Year U.S. Treasury Bond	2.60%	8.00%
10 Year Non-U.S. Government Bond (USD Hedge)	1.20%	18.00%
Commodity Futures	5.00%	7.00%
Public Real Assets (Multi-Asset)	6.00%	2.00%
U.S. REIT	9.00%	5.00%
Gold	5.10%	3.00%
Core Real Estate	6.70%	1.00%
Private Real Assets - Infrastructure	7.40%	4.00%
Hedge Fund - Macro	5.10%	8.00%
Hedge Fund - Credit	5.80%	4.00%
Hedge Fund	5.60%	3.00%

Note 11—Retirement plans (continued)

Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following table presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 6.75%, as well as what the authority share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate.

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Authority's proportionate share of total pension liability	$ 109,675,261	$ 97,994,457	$ 88,210,418
Authority's proportionate share of plan fiduciary pension net position	(65,554,745)	(65,554,745)	(65,554,745)
Authority's proportionate share of net pension liability	$ 44,120,516	$ 32,439,712	$ 22,655,673
Plan fiduciary net position as a percentage of the total pension liability	59.8%	66.9%	74.3%

Pension Plan Fiduciary Net Position – The retirement system is considered a part of the County's reporting entity and the system's financial statements are included in the County's basic financial statements as a trust fund.

Information concerning ERS as a whole, including pension plan's fiduciary net position, is available in the County ACFR for the fiscal year ended June 30, 2024. Additionally, the ERS issues a publicly available annual financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Employees' Retirement System, 12015 Lee Jackson Memorial Highway, Suite 350, Fairfax, Virginia 22033, or by calling (703) 279-8200. The reports are also available online:

Retirement System ACFR: https://www.fairfaxcounty.gov/retirement/financial-publications
Fairfax County ACFR: https://www.fairfaxcounty.gov/finance/financialreporting/annualcomprehensivefinancialreport

Note 12—Other postemployment benefits

The Fairfax County OPEB Plan (the "Plan") is a single-employer, defined benefit plan administered by County presented as a cost-sharing plan in the Authority's statements. The Plan provides the opportunity to continue participation in medical/dental, vision, and life insurance benefits for eligible retirees and their spouses. The Plan benefits correspond with benefits available to active employees. The benefit provisions are established and may be amended by the board. Fiduciary oversight is provided by the members of the Local Finance Board for OPEB and deferred compensation. The members of this finance board are the CFO, Director of Finance, Director of Human Resources, Director of Management and Budget, and the Executive Director of the Retirement Agency. The Plan does not issue a stand-alone financial report. Financial information about the Plan and its fiduciary net position is available in the County's annual financial report available online at:

http://www.fairfaxcounty.gov/finance/financialreporting/annualcomprehensivefinancialreport

Note 12—Other postemployment benefits (continued)

In order to participate in the Plan, an Authority employee must meet retirement criteria for the ERS. The retiree must have the applicable benefit(s) in place as an active employee and must maintain continuous participation in the benefit Plan into retirement. Upon retirement, the County no longer contributes to the premium payments and the participant becomes responsible for 100% of applicable premiums less any applicable subsidies.

Beginning in fiscal year 2006, the amount of monthly medical subsidy provided by the County is based on years of service and ranges from $40 per month to $230 per month. Employees who retired prior to July 1, 2003 are eligible for the greater of the amount based on the current subsidy structure and an amount calculated based on the subsidy structure in place prior to July 2003. In addition, the board has established a program to subsidize the continuation of term life insurance at reduced coverage amounts, for retirees. Retirees generally pay for 50% of their coverage amounts at age-banded premium rates, with the County incurring the balance of the cost. In order to receive these subsidies, retirees must be 55 or older and have a minimum of five years of service credit. If participation in any of the benefit areas is discontinued, eligibility is lost and a retiree may not re-enroll into the Plan benefit. Consequently, all inactive employees are considered to be receiving benefits.

Contributions to the Plan are made by appropriation from the board based on their commitment to fund an actuarially determined amount. The Authority's contribution for fiscal year 2024 was $152,899. Plan members are not required to contribute.

Assumptions – Total OPEB Liability was determined by an actuarial valuation as of July 1, 2022, rolled forward to June 30, 2023, using the following actuarial assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Investment Rate of Return	7.0%, net of OPEB plan, investment expense, including inflation
Retirement Age	Varies by age and pension plan
Mortality	Pub-2010, "General" classification, Employees & Healthy Annuitant mortality table, projected using scale MP-2020, sex-distinct. Disabled mortality table Pub-2010, "General" classification, Disabled Retirement mortality table, projected using scale MP-2020, sex-distinct.
Healthcare Cost Trend Rate	6.9% to 11.6% decreasing to 4.5%

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for fiscal years 2015 through 2020.

Investments – The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best estimate ranges of expected, future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each 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.

Note 12—Other postemployment benefits (continued)

Best estimates of arithmetic real rates of return for each major asset class and target allocations as of June 30, 2024 are as follows:

Asset Class	Expected Real Rate of Return	Target Allocation
Domestic equity (large cap)	6.80%	24.77%
Domestic equity (small cap)	7.30%	10.82%
International equity	7.30%	13.05%
Emerging markets equity	7.70%	3.42%
Long/short equity	7.30%	6.28%
Core U.S. fixed income	4.10%	4.01%
Core Plus U.S. fixed income	5.40%	13.86%
Absolute return fixed income	3.70%	3.88%
Real estate	5.60%	10.15%
Cash	9.80%	7.19%
Private equity	3.30%	2.57%

There are no concentrations in any one organization that represent 5% or more of the fiduciary net position in the Plan. The Plan's funds are invested in domestic and international equity and fixed income funds through the Virginia Pooled OPEB Trust Fund established as the investment vehicle for participating employers. Further information about the Virginia Pooled OPEB Trust Fund sponsored by VML/VACo, including financial statements, can be obtained by writing to VML/VACo. Finance Program, 919 East Main Street, Suite 1100, Richmond, Virginia 23219.

Discount Rate – The discount rate used to measure the total OPEB liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current inactive and active employees/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 OPEB liability.

Net OPEB Liability – Net OPEB liability was measured as of June 30, 2024 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. Authority's net OPEB liability is determined by Authority's proportional share of the OPEB plan participation and was 1.35%, a decrease of 0.46% from the prior year. The components of the net OPEB liability at June 30, 2024 are as follows:

Total OPEB liability	$ 4,964,588
Plan fiduciary net position (market value of assets)	(5,467,419)
Net OPEB asset	$ (502,831)
Plan fiduciary net position as a percentage of the OPEB liability	110.13%

Note 12—Other postemployment benefits (continued)

Sensitivity Analysis – The following represents net OPEB liability using the 7.0% discount rate, as well as what the liability would be if the discount rate were decreased or increased by 1.0%.

	1% Decrease (6.0%)	Current Rate (7.0%)	1% Increase (8.0%)
Total OPEB liability	$ 5,709,101	$ 4,964,588	$ 4,365,917
Plan fiduciary net position	(5,467,419)	(5,467,419)	(5,467,419)
Net OPEB liability (asset)	$ 241,682	$ (502,831)	$ (1,101,502)

The following represents net OPEB liability calculated using the healthcare trend rates (6.70% to 11.90% decreasing to 4.50%), as well as the impacts of calculating the rates at one percentage point lower (5.90% to 10.60% decreasing to 3.50%) or one percentage point higher (7.90% to 12.60% decreasing to 5.50%):

	1% Decrease (Varied Decreasing to 3.50'%)	Trend Rate (Varied Decreasing to 4.50%)	1% Increase (Varied Decreasing to 5.50%)
Total OPEB liability	$ 4,257,339	$ 4,964,588	$ 5,871,303
Plan fiduciary net position	(5,467,419)	(5,467,419)	(5,467,419)
Net OPEB liability (asset)	$ (1,210,080)	$ (502,831)	$ 403,884

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2024, the Authority recognized OPEB expense of $43,549. At June 30, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 613,500	$ 171,770
Change in assumptions	386,033	1,753,149
Net difference between projected and actual earnings on OPEB plan investment	157,724	-
Change in proportion	-	210,700
Contributions subsequent to the measurement date	152,899	-
	$ 1,310,156	$ 2,135,619

The $152,899 reported as deferred outflows of resources related to OPEB resulting from the Authority contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2025.

Note 12—Other postemployment benefits (continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ending June 30,	
2025	$ (141,439)
2026	(205,124)
2027	(84,631)
2028	(287,742)
2029	(100,348)
Thereafter	(159,078)
	$ (978,362)

Note 13—Leases

Lease Receivable – The Authority leases land to a third party under a lease dated December 15, 2021. The lease is for 99 years ending December 2120 and the Authority receives quarterly lease payments ranging from $175,000 to $1,070,284, with a 10% escalation every five years. The Authority recognized $208,835 in lease revenue and $1,047,045 in interest revenue during the current fiscal year related to these leases. As of June 30, 2024, the Authority's receivable for lease payments was $21,527,468 and related interest receivable of $-0-, recorded within noncurrent prepaid items and other assets within the statement of net position. Also, the Authority has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2024, the balance of the deferred inflows of resources was $20,152,583.

Lease Payable – The Authority leases a facility from an unrelated third party under a noncancellable lease. As of June 30, 2024, the value of the lease liability was $1,164,236. The lease does not have a stated interest rate; therefore, the Authority used its incremental borrowing rate, 5%, as the discount rate for leases. The value of the RTU asset as of the end of the current fiscal year was $1,112,919 and had accumulated amortization of $58,263.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Lease liability	$ 1,149,714	$ 48,000	$ 33,478	$ 1,164,236	$ 106,523

Future lease payments are as follows for the years ending June 30:

Years Ending June 30,	Principal	Interest	Total
2025	$ 106,523	$ 11,843	$ 118,366
2026	53,497	66,291	119,788
2027	33,894	36,984	70,878
2028	35,218	35,670	70,888
2029	43,806	34,298	78,104
2030 - 2034	202,726	147,488	350,214
2035 - 2039	247,721	102,503	350,224
2040 - 2044	180,964	60,816	241,780
2045 - 2049	212,769	27,231	240,000
2050	47,118	883	48,001
	$ 1,164,236	$ 524,007	$ 1,688,243

Note 14—SBITAs

Effective July 1, 2022, the Authority implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The requirements of this Statement will provide guidance on the accounting and financial reporting for Subscription-Based Information Technology Arrangements (“SBITAs”) for government end users (governments). This Statement (1) defines a SBITA (2) establishes that a SBITA results in a right-to-use subscription asset-intangible asset and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, included implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in GASB Statement No. 87.

As of June 30, 2024, the value of the SBITA liability was $385,591. The SBITA does not have a stated interest rate; therefore, the Authority used its incremental borrowing rate, 5%, as the discount rate for SBITAs. The value of the RTU asset as of the end of the current fiscal year was $751,703 and had accumulated amortization of $376,946.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
SBITA liability	$ 573,695	$ -	$ 188,104	$ 385,591	$ 204,937

Future SBITA payments are as follows for the years ending June 30:

Years Ending June 30,	Principal	Interest	Total
2025	$ 204,937	$ 10,578	$ 215,515
2026	180,654	1,059	181,713
	$ 385,591	$ 11,637	$ 397,228

For the year ended June 30, 2024, the Authority had no SBITAs with variable payments that were based on user seats.

Note 15—Condensed combining information for blended component units

	Blended Component Units													
	Little River Glen	Herndon Harbor House I	FCRHA HCDC One (Stonegate)	The Green	Castellani Meadows	Herndon Harbor House II	Tavenner Lane	Morris Glen	Gum Spring Glen	Old Mount Vernon High School	Total Blended Component Unit	FCRHA	Eliminations	Primary Government
ASSETS														
Current Assets:														
Cash in bank	$ 1,562,949	$ 821,296	$ 6,778,534	$ 132,712	$ 631,067	$ 341,834	$ 399,397	$ 711,833	$ 84,065	$ -	$ 11,463,687	$ 82,183,434	$ -	$ 93,647,121
Restricted deposits held in trust	47,941	33,558	192,387	23,047	9,437	40,479	12,857	20,179	30,720	-	410,605	20,567,772	-	20,978,377
Restricted cash reserves	-	-	-	-	-	-	-	-	-	-	-	7,854,190	-	7,854,190
Accounts receivable, net of allowances	43,990	7,701	27,436	22,438	10,010	12,562	14,151	15,627	291,628	3,372,266	3,817,809	4,153,149	(86,236)	7,884,722
Notes, mortgages, and other receivables, net	-	-	-	-	-	-	-	-	-	-	-	1,033,717	(749,608)	284,109
Interfund receivables	-	-	-	-	-	-	-	-	-	-	-	1,792,923	(1,792,923)	-
Other current assets	883	48,449	42,064	405,574	-	132,039	51,295	20,582	3,411	-	704,297	192,374	-	896,671
Total Current Assets	1,655,763	911,004	7,040,421	583,771	650,514	526,914	477,700	768,221	409,824	3,372,266	16,396,398	117,777,559	(2,628,767)	131,545,190
Noncurrent Assets:														
Restricted cash reserves	471,333	367,533	1,568,179	258,949	39,247	543,656	207,485	255,049	511,079	-	4,222,510	28,498,837	-	32,721,347
Notes, mortgages, and other receivables, net	-	-	-	-	-	-	-	-	-	-	-	27,237,113	-	27,237,113
Net OPEB asset	-	-	-	-	-	-	-	-	-	-	-	502,831	-	502,831
Lease receivable	-	-	-	-	-	-	-	-	-	-	-	21,527,468	-	21,527,468
Other noncurrent assets	-	3,889	-	-	-	-	-	-	6,446	-	10,335	2,650,007	-	2,660,342
Receivable from County for revenue bond	-	-	-	-	-	-	-	-	-	-	-	63,048,480	-	63,048,480
Total Noncurrent Other Assets	471,333	371,422	1,568,179	258,949	39,247	543,656	207,485	255,049	517,525	-	4,232,845	143,464,736	-	147,697,581
Land and land improvements	-	-	2,484,121	246,400	214,040	737,559	446,598	325,892	514,977	-	4,969,587	72,201,910	-	77,171,497
Construction in progress	-	-	205,126	-	-	-	-	-	-	9,264,179	9,469,305	152,990	-	9,622,295
Buildings and improvements	-	5,809,890	14,097,606	4,632,733	2,696,247	5,892,570	3,167,406	5,111,878	5,480,414	-	46,888,744	152,579,394	-	199,468,138
Equipment	-	156,056	391,796	280,050	304,624	373,643	21,592	142,512	150,392	-	1,820,665	15,047	-	1,835,712
Right-to-use asset	-	-	9,447	-	843,415	-	-	-	-	5,154	858,016	1,006,606	-	1,864,622
Accumulated depreciation and amortization	-	(3,721,547)	(13,870,298)	(3,174,148)	(2,163,053)	(4,049,275)	(2,157,168)	(5,358,143)	(2,999,104)	-	(37,492,736)	(111,171,375)	-	(148,664,111)
Total Capital Assets	-	2,244,399	3,317,798	1,985,035	1,895,273	2,954,497	1,478,428	222,139	3,146,679	9,269,333	26,513,581	114,784,572	-	141,298,153
Total Noncurrent Assets	471,333	2,615,821	4,885,977	2,243,984	1,934,520	3,498,153	1,685,913	477,188	3,664,204	9,269,333	30,746,426	258,249,308	-	288,995,734
Total Assets	2,127,096	3,526,825	11,926,398	2,827,755	2,585,034	4,025,067	2,163,613	1,245,409	4,074,028	12,641,599	47,142,824	376,026,867	(2,628,767)	420,540,924

Note 15—Condensed combining information for blended component units (continued)

	Blended Component Units													
	Little River Glen	Herndon Harbor House I	FCRHA HCDC One (Stonegate)	The Green	Castellani Meadows	Herndon Harbor House II	Tavenner Lane	Morris Glen	Gum Spring Glen	Old Mount Vernon High School	Total Blended Component Unit	FCRHA	Elimination	Primary Government
DEFERRED OUTFLOWS OF RESOURCES	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 15,814,974	$ -	$ 15,814,974
LIABILITIES AND NET POSITION														
Current Liabilities:														
Accounts payable and accrued liabilities	25,056	18,169	185,288	38,322	25,343	31,132	9,608	74,279	88,097	125,512	620,806	3,749,188	(749,608)	3,620,386
Deposits held in trust	47,941	27,448	139,538	24,339	9,776	32,177	6,229	15,096	29,405	-	331,949	1,894,453	-	2,226,402
Unearned revenue	7,415	37,418	56,082	-	2,987	25,895	18,162	48,966	29,643	-	226,568	1,332,588	-	1,559,156
Interfund payables	-	244,866	-	542,438	150,455	672,958	-	-	268,442	-	1,879,159	-	(1,879,159)	-
Other current liabilities	8,484	17,717	-	117,219	4,320	10,066	-	10,625	-	755	169,186	389,499	-	558,685
Lease and SBITA liability	-	-	-	-	96,000	-	-	-	-	-	96,000	215,460	-	311,460
Loans, notes, and bonds payable, net	395,000	-	9,287	-	-	-	-	36,278	78,547	-	519,112	3,791,396	-	4,310,508
Total Current Liabilities	483,896	345,618	390,195	722,318	288,881	772,228	33,999	185,244	494,134	126,267	3,842,780	11,372,584	(2,628,767)	12,586,597
Noncurrent Liabilities:														
Loans, notes, and bonds payable, net	870,000	2,652,870	270,500	907,267	1,227,133	3,034,654	712,411	1,400,505	1,044,662	-	12,120,002	76,972,885	-	89,092,887
Lease and SBITA liability	-	-	913	-	824,126	-	-	-	-	8,757	833,796	404,571	-	1,238,367
Net pension liability	-	-	-	-	-	-	-	-	-	-	-	32,439,712	-	32,439,712
Other noncurrent liabilities	-	1,398,878	-	570,120	1,234,069	1,454,468	344,285	506,746	180,038	-	5,688,604	2,746,326	-	8,434,930
Total Noncurrent Liabilities	870,000	4,051,748	271,413	1,477,387	3,285,328	4,489,122	1,056,696	1,907,251	1,224,700	8,757	18,642,402	112,563,494	-	131,205,896
Total Liabilities	1,353,896	4,397,366	661,608	2,199,705	3,574,209	5,261,350	1,090,695	2,092,495	1,718,834	135,024	22,485,182	123,936,078	(2,628,767)	143,792,493
DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-	-	-	-	-	-	-	25,196,604	-	25,196,604
Net Position (Deficit):														
Net investment in capital assets	-	(408,471)	3,038,011	1,077,768	668,140	(80,157)	766,017	(1,214,644)	2,023,470	9,269,333	15,139,467	113,527,362	-	128,666,829
Restricted	471,333	373,643	1,621,028	257,657	38,908	551,958	214,113	260,132	512,394	-	4,301,166	55,026,346	-	59,327,512
Unrestricted	301,867	(835,713)	6,605,751	(707,375)	(1,696,223)	(1,708,084)	92,788	107,426	(180,670)	3,237,242	5,217,009	74,155,451	-	79,372,460
Total Net Position (Deficit)	$ 773,200	$ (870,541)	$ 11,264,790	$ 628,050	$ (989,175)	$ (1,236,283)	$ 1,072,918	$ (847,086)	$ 2,355,194	$ 12,506,575	$ 24,657,642	$ 242,709,159	$ -	$ 267,366,801

Note 15—Condensed combining information for blended component units (continued)

	Blended Component Units													
	Little River Glen	Herndon Harbor House I	FCRHA HCDC One (Stonegate)	The Green	Castellani Meadows	Herndon Harbor House II	Tavenner Lane	Morris Glen	Gum Spring Glen	Old Mount Vernon High School	Total Blended Component Unit	FCRHA	Elimination	Primary Government
Operating Revenues:														
Dwelling rentals	$ 852,681	$ 620,310	$ 2,038,121	$ 574,810	$ 238,766	$ 638,526	$ 212,305	$ 448,251	$ 617,515	$ -	$ 6,241,285	$ 28,035,168	$ -	$ 34,276,453
Other	65,392	34,188	459,323	137,824	1,896	47,558	21,863	44,049	43,996	-	856,089	5,171,350	(1,703,382)	4,324,057
Total Operating Revenues	918,073	654,498	2,497,444	712,634	240,662	686,084	234,168	492,300	661,511	-	7,097,374	33,206,518	(1,703,382)	38,600,510
Operating Expenses:														
Personnel services	194,074	176,295	492,453	135,220	31,773	84,193	14,981	122,552	85,691	-	1,337,232	14,378,701	-	15,715,933
Contractual services	-	-	740,643	138,647	34,371	20,867	33,826	20,994	21,190	-	1,010,538	51,960	-	1,062,498
Utilities	164,082	101,197	350,379	213,379	1,129	128,930	55,799	105,489	69,238	-	1,189,622	4,872,964	-	6,062,586
Repairs and maintenance	283,859	369,859	106,951	349,314	87,493	230,310	75,539	264,307	245,507	-	2,013,139	6,593,417	-	8,606,556
Other supplies and expenses	626,567	109,754	708,580	340,329	74,388	96,516	45,012	105,099	160,022	-	2,266,267	9,069,731	(1,703,382)	9,632,616
Housing assistance payments	-	-	-	-	-	-	-	-	-	-	-	65,453,265	(509,739)	64,943,526
Depreciation and amortization	-	177,684	89,114	132,623	90,738	175,852	82,335	170,964	151,512	-	1,070,822	3,439,830	-	4,510,652
Total Operating Expenses	1,268,582	934,789	2,488,120	1,309,512	319,892	736,668	307,492	789,405	733,160	-	8,887,620	103,859,868	(2,213,121)	110,534,367
Operating Income (Loss)	(350,509)	(280,291)	9,324	(596,878)	(79,230)	(50,584)	(73,324)	(297,105)	(71,649)	-	(1,790,246)	(70,653,350)	509,739	(71,933,857)
Nonoperating Revenues (Expenses):														
Intergovernmental revenue	51,756	83,325	653,639	312,201	-	53,532	34,480	231,818	100,997	9,000,000	10,521,748	91,010,249	(509,739)	101,022,258
Interest revenue	113,866	32,094	246,976	114,457	679	26,261	12,136	21,268	24,563	7,318	599,618	4,246,923	-	4,846,541
Other nonoperating revenue (expense)	-	-	-	-	102,132	(3,206)	-	45,428	(93,014)	-	51,340	(72,893)	-	(21,553)
Contribution to County	(500,000)	-	-	-	-	-	-	-	-	-	(500,000)	(5,200,000)	-	(5,700,000)
Interest expense	(74,717)	(75,932)	(18,676)	(44,159)	(59,939)	(117,730)	(344,285)	(70,775)	(100,947)	-	(907,160)	(61,010)	-	(968,170)
Total Nonoperating Revenues (Expenses), net	(409,095)	39,487	881,939	382,499	42,872	(41,143)	(297,669)	227,739	(68,401)	9,007,318	9,765,546	89,923,269	(509,739)	99,179,076
Change in net position	(759,604)	(240,804)	891,263	(214,379)	(36,358)	(91,727)	(370,993)	(69,366)	(140,050)	9,007,318	7,975,300	19,269,919	-	27,245,219
Net position (deficit), beginning of year (restated)	1,532,804	(629,737)	10,373,527	842,429	(952,817)	(1,144,556)	1,443,911	(777,720)	2,495,244	3,499,257	16,682,342	223,439,240	-	240,121,582
Net position (deficit), end of year	$ 773,200	$ (870,541)	$ 11,264,790	$ 628,050	$ (989,175)	$ (1,236,283)	$ 1,072,918	$ (847,086)	$ 2,355,194	$ 12,506,575	$ 24,657,642	$ 242,709,159	$ -	$ 267,366,801

Note 15—Condensed combining information for blended component units (continued)

	Blended Component Units Little River Glen	Herndon Harbor House I	FCRHA HCDC One (Stonegate)	The Green	Castellani Meadows	Herndon Harbor House II	Tavenner Lane	Morris Glen	Gum Spring Glen	Old Mount Vernon High School	Total Blended Component Unit	FCRHA	Eliminations	Primary Government
Cash flows from operating activities:														
Cash received from tenants	$ 832,613	$ 637,833	$ 2,042,053	$ 611,052	$ 238,379	$ 621,963	$ 175,283	$ 471,760	$ 364,842	$ (3,369,694)	$ 2,626,084	$ 27,256,579	$ -	$ 29,882,663
Cash received for other services/fees	65,392	34,188	459,323	137,824	1,896	47,558	21,863	44,049	43,996	-	856,089	5,171,350	(1,703,382)	4,324,057
Payments to employees for services	(191,149)	(176,295)	(492,453)	(135,220)	(31,773)	(84,193)	(14,981)	(122,552)	(85,691)	-	(1,334,307)	(14,129,543)	-	(15,463,850)
Housing assistance payments	-	-	-	-	-	-	-	-	-	-	-	(65,453,265)	509,739	(64,943,526)
Payments to suppliers for goods and services	(1,381,030)	(662,688)	(1,840,760)	(1,162,681)	(199,701)	(523,407)	(214,732)	(513,069)	(440,162)	(3,717,094)	(10,655,324)	(19,865,282)	1,703,382	(28,817,224)
Net cash flows from operating activities	(674,174)	(166,962)	168,163	(549,025)	8,801	61,921	(32,567)	(119,812)	(117,015)	(7,086,788)	(8,507,458)	(67,020,161)	509,739	(75,017,880)
Cash flows from noncapital financing activities:														
Intergovernmental revenues received	51,756	83,325	653,639	305,423	102,132	53,532	34,480	231,818	100,997	9,000,000	10,617,102	91,010,249	(509,739)	101,117,612
Interfund activity	-	(59,018)	-	234,486	24,647	(105,904)	-	-	-	-	94,211	(94,211)	-	-
Contribution to (from) County	(500,000)	-	-	-	-	-	-	-	-	-	(500,000)	(1,455,398)	-	(1,955,398)
Net cash flows from noncapital financing activities	(448,244)	24,307	653,639	539,909	126,779	(52,372)	34,480	231,818	100,997	9,000,000	10,211,313	89,460,640	(509,739)	99,162,214
Cash flows from capital financing activities:														
Purchase of capital assets	-	(32,806)	(26,628)	(60,299)	(1,726)	(29,092)	-	-	-	(1,921,561)	(2,072,112)	(4,623,492)	-	(6,695,604)
Interest/finance cost paid	(74,717)	(23,238)	(18,676)	(141,088)	17,856	(59,755)	-	(5,025)	(92,234)	1,871	(395,006)	(61,019)	-	(456,025)
Lease income	-	-	-	-	-	-	-	-	-	-	-	(1,408,677)	-	(1,408,677)
Debt principal paid	(365,000)	5,451	(111,353)	2,168	-	4,128	-	(95,646)	(68,020)	(840)	(629,112)	(723,722)	-	(1,352,834)
Net cash flows from financing activities	(439,717)	(50,593)	(156,657)	(199,219)	16,130	(84,719)	-	(100,671)	(160,254)	(1,920,530)	(3,096,230)	(6,816,910)	-	(9,913,140)
Cash flows from investing activities:														
Receipt of loans and advances repayments	-	-	-	-	-	-	-	-	-	-	-	(277,433)	-	(277,433)
Maturity of investments	-	-	-	-	-	-	-	-	-	-	-	6,608,000	-	6,608,000
Interest on investments	113,866	32,094	246,976	114,457	679	26,261	12,136	21,268	24,563	7,318	599,618	4,246,931	-	4,846,549
Net cash flows from investing activities	113,866	32,094	246,976	114,457	679	26,261	12,136	21,268	24,563	7,318	599,618	10,577,498	-	11,177,116
Net change in cash and cash equivalents	(1,448,269)	(161,154)	912,121	(93,878)	152,389	(48,909)	14,049	32,603	(151,709)	-	(792,757)	26,201,067	-	25,408,310
Cash and cash equivalents, beginning of year, as restated (Note 15)	3,530,492	1,383,541	7,626,979	508,586	527,362	974,878	605,690	954,458	777,573	-	16,889,559	112,903,166	-	129,792,725
Cash and cash equivalents, end of year	$ 2,082,223	$ 1,222,387	$ 8,539,100	$ 414,708	$ 679,751	$ 925,969	$ 619,739	$ 987,061	$ 625,864	$ -	$ 16,096,802	$ 139,104,233	$ -	$ 155,201,035

Note 15—Condensed combining information for blended component units (continued)

	Blended Component Units													
	Little River Glen	Herndon Harbor House I	FCRHA HCDC One (Stonegate)	The Green	Castellani Meadows	Herndon Harbor House II	Tavenner Lane	Morris Glen	Gum Spring Glen	Old Mount Vernon High School	Total Blended Component Unit	FCRHA	Eliminations	Primary Government
Reconciliation of operating income (loss) to net cash flows provided by (used in) operating activities:														
Operating income (loss)	$ (350,509)	$ (280,291)	$ 9,324	$ (596,878)	$ (79,230)	$ (50,584)	$ (73,324)	$ (297,105)	$ (71,649)	$ -	$ (1,790,246)	$ (70,653,350)	$ 509,739	$ (71,933,857)
Depreciation	-	177,684	89,114	132,623	90,738	175,852	82,335	170,964	151,512	-	1,070,822	3,439,830	-	4,510,652
Provision for doubtful accounts	-	-	-	-	-	-	-	-	-	-	-	95,338	-	95,338
(Increase) decrease in accounts receivable	4,904	17,523	19,419	36,242	929	1,581	11,110	6,397	(252,673)	(3,369,694)	(3,524,262)	(958,726)	-	(4,482,988)
(Increase) decrease in prepaid items and other assets	77	13,980	55,301	(90,470)	-	(28,763)	(34,272)	1,877	(5,250)	-	(87,520)	2,452	-	(85,068)
(Increase) decrease in net pension liability and related outflows/inflows	-	-	-	-	-	-	-	-	-	-	-	265,721	-	265,721
(Increase) decrease in net OPEB asset/liability and related outflows/inflows	-	-	-	-	-	-	-	-	-	-	-	(109,350)	-	(109,350)
Increase (decrease) in accounts payable and accrued liabilities	(299,677)	(58,376)	30,957	(30,355)	(1,448)	(22,859)	(4,306)	(19,170)	60,969	(3,717,094)	(4,061,359)	700,656	-	(3,360,703)
Increase (decrease) in deposits held in trust	(3,920)	439	(20,465)	(187)	(872)	4,838	(250)	113	76	-	(20,228)	112,469	-	92,241
Increase (decrease) in deferred revenues	(25,049)	(37,921)	(15,487)	-	(1,316)	(18,144)	(13,860)	17,112	-	-	(94,665)	84,799	-	(9,866)
Net cash flows from operating activities	$ (674,174)	$ (166,962)	$ 168,163	$ (549,025)	$ 8,801	$ 61,921	$ (32,567)	$ (119,812)	$ (117,015)	$ (7,086,788)	$ (8,507,458)	$ (67,020,161)	$ 509,739	$ (75,017,880)
Noncash capital activities:														
Contributions to County	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,071,168	$ -	$ 1,071,168

Note 16—Discretely presented component units

The Authority is a general partner and holds 0.01% to 1% interest in each of the following limited partnerships, which are reported as discrete component units (see Note 1). Summarized partnership information for the year ended December 31, 2023 is as follows:

	Olley Glen	Cedar Ridge	Murraygate Village	Total
ASSETS				
Current Assets:				
Cash in bank	$964,231	$2,080,788	$1,800,986	4,846,005
Restricted deposits held in trust	86,735	99,984	148,042	334,761
Accounts receivable, net of allowances	10,911	207,328	66,547	284,786
Prepaid expenses and other assets, current	8,138	-	53,300	61,438
Notes, mortgages, and other receivables	-	139,753	95,394	235,147
Total Current Assets	1,070,015	2,527,853	2,164,269	5,762,137
Noncurrent Assets:				
Restricted cash reserves	962,179	2,457,226	1,844,304	5,263,709
Other assets, noncurrent	7,751	-	67,188	74,939
Total Other Assets	969,930	2,457,226	1,911,492	5,338,648
Land and land improvements	3,150,098	1,595,717	2,244,000	6,989,815
Buildings and improvements	14,378,060	17,476,866	16,693,092	48,548,018
Equipment	377,345	591,794	5,366,019	6,335,158
Accumulated depreciation	(7,882,045)	(7,548,339)	(3,502,078)	(18,932,462)
Total Capital Assets	10,023,458	12,116,038	20,801,033	42,940,529
Total Noncurrent Assets	10,993,388	14,573,264	22,712,525	48,279,177
Total Assets	12,063,403	17,101,117	24,876,794	54,041,314
LIABILITIES				
Current Liabilities:				
Accounts payable	67,208	74,193	129,897	271,298
Accrued interest payable	-	89,758	56,840	146,598
Deposits held in trust	41,382	106,549	107,920	255,851
Unearned revenue	-	52,504	86,238	138,742
Due to FCRHA	96,821	-	-	96,821
Current portion long-term debt	60,784	232,174	166,975	459,933
Total Current Liabilities	266,195	555,178	547,870	1,369,243
Noncurrent Liabilities:				
Noncurrent portion long-term debt, net	13,121,364	11,920,813	22,145,099	47,187,276
Other noncurrent liabilities	5,056,316	791,037	144,616	5,991,969
Total Noncurrent Liabilities	18,177,680	12,711,850	22,289,715	53,179,245
Total Liabilities	18,443,875	13,267,028	22,837,585	54,548,488
NET POSITION (DEFICIT)				
Net investment in capital assets	(3,158,690)	(36,949)	(1,511,041)	(4,706,680)
Restricted net position	1,007,532	2,450,661	1,884,426	5,342,619
Unrestricted net position (deficit)	(4,229,314)	1,420,377	1,665,824	(1,143,113)
Total Net Position (Deficit)	$ (6,380,472)	$ 3,834,089	$ 2,039,209	$ (507,174)

Note 16—Discretely presented component units (continued)

	Olley Glen	Cedar Ridge	Murraygate Village	Total
Operating Revenue:				
Rental	$1,074,300	$1,422,548	$2,074,859	$ 4,571,707
Other	159,746	310,426	257,513	727,685
Total Operating Revenue	1,234,046	1,732,974	2,332,372	5,299,392
Operating Expenses:				
Personnel services	86,456	409,034	277,038	772,528
Contractual services	34,817	87,238	82,062	204,117
Utilities	157,495	258,614	218,035	634,144
Repairs and maintenance	322,254	398,184	376,663	1,097,101
Other supplies and expenses	174,201	803,237	554,509	1,531,947
Depreciation and amortization	577,699	466,729	1,030,006	2,074,434
Total Operating Expenses	1,352,922	2,423,036	2,538,313	6,314,271
Operating Loss	(118,876)	(690,062)	(205,941)	(1,014,879)
Nonoperating Revenues (Expenses):				
Intergovernmental revenue	105,335	1,215,257	524,217	1,844,809
Other operating revenues (expenses)	(57,001)	-	-	(57,001)
Owner distribution	-	-	(750,000)	(750,000)
Interest income	56,554	37,088	80,577	174,219
Interest expense	(738,534)	(780,622)	(837,168)	(2,356,324)
Total Nonoperating Revenues (Expenses), Net	(633,646)	471,723	(982,374)	(1,144,297)
Change in net position	(752,522)	(218,339)	(1,188,315)	(2,159,176)
Net position (deficit), beginning of year	(5,627,950)	4,052,428	3,227,524	1,652,002
Net position (deficit), end of year	$ (6,380,472)	$ 3,834,089	$ 2,039,209	$ (507,174)

Note 17—Implementation of new accounting pronouncements

In fiscal year 2024, the Authority implemented the following GASB Standards:

No. 99, *Omnibus 2022*

This Statement enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal year 2024.

Note 17—Implementation of new accounting pronouncements (continued)

No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*

This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. The Statement prescribes the accounting and financial reporting disclosures for each of these types of changes as well as changes resulting from the correction of errors.

The implementation of these standards did not have a material impact on the Authority's financial statements.

Note 18—Restatement

During the 2023 audit of Tavenner Lane Limited Partnership, a Blended Component Unit, it was discovered that a 2022 payment towards the sponsor loan was booked as a partnership admin fee rather than debiting the loan balance. The 2022 balances related to the payment of $65,745 have been restated from partnership admin fee expense and now reflected as a payment against the sponsor loan. The following schedule reconciles 2023 net position and the related loan balance.

Net Position, December 31, 2023	$	1,378,166
Add admin fee		65,745
Restated net position, December 31, 2023	$	1,443,911
Loan balance, December 31, 2022	$	5,553,260
Less loan payment		(65,745)
Restated loan balance, December 31, 2022	$	5,487,515

Note 19—Subsequent event

On July 1, 2024, FCRHA completed the financial closing and establishment of two Low-Income Housing Tax Credit (LIHTC) Partnerships, LRG Apartments Limited Partnership and Little River Glen IV Limited Partnership. This transaction dissolved the former Little River Glen Limited Partnership ("LRG") with a transfer of the former real property to FCRHA. As part of the transaction, FCRHA ground leased the real property, including improvements of LRG, to the new limited partnerships. LRG Apartments Limited Partnership includes the redevelopment and preservation of the existing LRG senior housing facility and Little River Glen IV is the creation of 60 new senior housing units on a portion of the undeveloped property of the former LRG.

As part of this transaction, LRG, a Blended Component Unit, was closed out to the FCRHA Operating Fund, and all balance sheet account balances were transferred on July 1, 2024. The outstanding LRG bond was defeased by the FCRHA, through the proceeds of the ground lease to the FCRHA Operating Fund, on August 1, 2024. Beginning with the fiscal year ending June 30, 2025, the new partnerships will be presented as new, distinct Discrete Component Units. Both entities have a fiscal year ending December 31, audited in the same manner and practice as the alternate Discrete Component Units presented in the FCRHA financial statements.

REQUIRED SUPPLEMENTAL INFORMATION

FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY
(A COMPONENT UNIT OF THE COUNTY OF FAIRFAX, VIRGINIA)
SCHEDULE OF AUTHORITY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
ERS PENSION PLAN

JUNE 30, 2024

	2024	**2023**	**2022**	**2021**	**2020**
Authority's proportion of net pension liability	1.4092%	1.3522%	1.6408%	1.6807%	1.5733%
Authority's proportionate share of net pension liability	$ 32,439,712	$ 25,414,783	$ 19,420,648	$ 29,262,385	$ 26,588,797
Authority's covered payroll	$ 13,005,835	$ 10,727,410	$ 13,187,302	$ 13,320,395	$ 12,229,263
Authority's proportionate share of net pension liability as a percentage of its covered payroll	249.4%	236.9%	147.3%	219.7%	217.4%
Plan fiduciary net position as a percentage of total pension liability	66.9%	72.1%	81.3%	69.5%	70.8%

	2019	**2018**	**2017**	**2016**	**2015**
Authority's proportion of net pension liability	1.7116%	1.6624%	1.6146%	1.6215%	1.6799%
Authority's proportionate share of net pension liability	$ 28,246,002	$ 26,903,629	$ 24,644,244	$ 20,857,233	$ 17,501,779
Authority's covered payroll	$ 12,762,566	$ 12,145,800	$ 12,145,800	$ 11,438,081	$ 11,282,166
Authority's proportionate share of net pension liability as a percentage of its covered payroll	221.3%	221.5%	202.9%	182.3%	155.1%
Plan fiduciary net position as a percentage of total pension liability	70.5%	69.9%	70.2%	74.2%	78.3%

FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY
(A COMPONENT UNIT OF THE COUNTY OF FAIRFAX, VIRGINIA)
SCHEDULE OF AUTHORITY'S CONTRIBUTIONS
ERS PENSION PLAN

JUNE 30, 2024

	2024	2023	2022	2021	2020
Actuarial determined contributions	$ 4,291,568	$ 3,756,086	$ 3,098,076	$ 3,738,600	$ 3,776,332
Contributions in relation to the actuarial determined contribution	$ 4,291,568	$ 3,756,086	$ 3,098,076	$ 3,738,600	$ 3,776,332
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Authority's covered payroll	$ 14,860,000	$ 13,005,838	$ 10,727,410	$ 13,187,302	$ 13,320,395
Contributions as a percentage of covered payroll	28.9%	28.9%	28.9%	28.4%	28.4%

	2019	2018	2017	2016	2015
Actuarial determined contributions	$ 3,319,022	$ 3,227,653	$ 2,781,412	$ 2,515,234	$ 2,245,647
Contributions in relation to the actuarial determined contribution	$ 3,319,022	$ 3,227,653	$ 2,781,412	$ 2,515,234	$ 2,245,647
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Authority's covered payroll	$ 12,229,263	$ 12,762,566	$ 12,145,800	$ 11,438,081	$ 11,144,649
Contributions as a percentage of covered payroll	27.1%	25.3%	22.9%	22.0%	20.2%

FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY
(A COMPONENT UNIT OF THE COUNTY OF FAIRFAX, VIRGINIA)
SCHEDULE OF AUTHORITY'S PROPORTIONATE SHARE OF THE NET OPEB (ASSET) LIABILITY

JUNE 30, 2024

	2024	2023	2022	2021
Authority's proportion of the net OPEB (asset) liability	1.35%	1.81%	1.66%	1.67%
Authority's proportionate share of the net OPEB (asset) liability	$ (502,831)	$ 149,165	$ (698,638)	$ 291,271
Authority's covered employee payroll	$ 14,563,719	$ 18,599,108	$ 17,049,926	$ 16,058,002
Authority's proportionate share of the net OPEB (asset) liability as a percentage of covered employee payroll	(3.45%)	0.80%	(4.10%)	1.81%
Plan fiduciary net position as a percentage of the total OPEB liability	110.13%	97.89%	111.02%	94.99%

	2020	2019	2018
Authority's proportion of the net OPEB liability	1.69%	1.71%	1.85%
Authority's proportionate share of the net OPEB (asset) liability	$ 2,453,774	$ 1,577,823	$ 791,633
Authority's covered employee payroll	$ 15,763,712	$ 17,321,851	$ 16,804,930
Authority's proportionate share of the net OPEB liability as a percentage of covered employee payroll	15.57%	9.11%	4.71%
Plan fiduciary net position as a percentage of the total OPEB liability	69.11%	76.97%	86.73%

* The schedule is intended to show information for 10 years; 2018 was the first year implemented. Additional years will be presented as they become available.

FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY
(A COMPONENT UNIT OF THE COUNTY OF FAIRFAX, VIRGINIA)
SCHEDULE OF AUTHORITY'S OPEB CONTRIBUTIONS
(DOLLAR AMOUNTS IN THOUSANDS)

JUNE 30, 2024

	Fiscal Year Ending 2024	Fiscal Year Ending 2023	Fiscal Year Ending 2022	Fiscal Year Ending 2021
Actuarial determined contribution	$ 110	$ 126	$ 215	$ 313
Contributions made in relation to the actuarial determined contribution	153	208	344	300
Contribution deficiency (excess)	(43)	(82)	(129)	13
Covered employee payroll	14,651	14,564	18,599	17,050
Contributions as a percentage of payroll	1.04%	1.43%	1.85%	1.76%

	Fiscal Year Ending 2020	Fiscal Year Ending 2019	Fiscal Year Ending 2018	Fiscal Year Ending 2017
Actuarial determined contribution	$ 271	$ 385	$ 412	$ 375
Contributions made in relation to the actuarial determined contribution	329	434	463	518
Contribution deficiency (excess)	(58)	(49)	(51)	(143)
Covered employee payroll	16,058	15,764	17,322	16,805
Contributions as a percentage of payroll	2.05%	2.75%	2.67%	3.08%

* The schedule is intended to show information for 10 years; 2018 was the first year implemented. Additional years will be presented as they become available.

Cherry Bekaert LLP
Your Guide Forward

Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Supervisors
County of Fairfax, Virginia

To the Board of Commissioners
Fairfax County Redevelopment and Housing Authority

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the *Specifications for Audits of Authorities, Boards, and Commissions* (the "Specifications") issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the business-type activities and the aggregate discretely presented component units of the Fairfax County Redevelopment and Housing Authority (the "Authority"), a component unit of the County of Fairfax, Virginia, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated November 15, 2024. Our report includes a reference to other auditors who audited the financial statements of nine (9) blended component units and three (3) discretely presented component units, as described in our audit report on the Authority's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of eight (8) of the blended component units (Herndon Harbor House I, The Green, Castellani Meadows, Herndon Harbor House II, Tavenner Lane, Morris Glen, Gum Springs Glen, and Old Mount Vernon High School LLC), and one (1) of the discretely presented component units (Olley Glen) were not audited in accordance with *Government Auditing Standards*.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

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.

Cherry Bekaert LLP

Tysons Corner, Virginia
November 15, 2024