



COMMONWEALTH of VIRGINIA

Auditor of Public Accounts

Staci A. Henshaw, CPA
Auditor of Public Accounts

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November 12, 2025

The Honorable Glenn Youngkin
Governor of Virginia

The Honorable Stephen E. Cummings
Secretary of Finance

The Honorable Luke E. Torian, Chair
House Appropriations Committee

The Honorable L. Louise Lucas, Chair
Senate Finance and Appropriations Committee

The Honorable Candi Mundon King, Chair
House Counties, Cities, and Towns Committee

The Honorable Jeremy S. McPike, Chair
Senate Local Government Committee

Johnny Partin, Mayor
City of Hopewell

Michael Rogers, Interim City Manager
City of Hopewell

The Virginia Acts of Assembly and Code of Virginia direct the office of the Auditor of Public Accounts (Office) to establish a prioritized early warning system and annually monitor data and information from this system to identify whether a locality may meet the defined criteria for fiscal distress. As part of this annual fiscal distress monitoring process, the Office analyzes leading financial indicators through ratio analysis using data from each locality's audited annual financial report. During 2024, the General Assembly passed legislation that amended and codified the annual fiscal distress monitoring process at § 15.2-2512.1 of the Code of Virginia. The legislation established an additional provision for the annual fiscal distress monitoring process, requiring the Office to notify certain legislative committees and executive branch officials if a locality has not submitted its audited financial report within 18 months of the statutory required December 15 deadline or provided a plan for submission of its delayed audited financial report.

In accordance with the legislative requirement related to the 18-month reporting delay, the Office provides this notification that the City of Hopewell (Hopewell) has not submitted its audited financial report for fiscal year 2023, which was due on December 15, 2023. Additionally, the City of Hopewell has not submitted its fiscal year 2024 audited financial report, which was due on December 15, 2024. The city's financial reporting delays impact the Office's ability to evaluate the financial indicators for the city as part of our annual fiscal distress monitoring process.

As part of our qualitative analysis for the 2022 monitoring process, the Office identified Hopewell for additional follow-up review. From this review, we observed certain factors that may indicate a situation of fiscal distress regarding significant issues around the city's inability to issue its audited financial reports timely and deficiencies related to the city's internal controls over accounting and financial reporting.

As a result of our follow-up review for the 2022 monitoring process, the Office provided a formal recommendation in December 2022 that the Commonwealth provide state assistance to further assess and help remediate the city's situation. Detailed information about our analysis specific to Hopewell and the results of the Office's monitoring process is included in our published report, [Local Government Fiscal Distress Monitoring 2022 and 2023 Report](#).

We recognize that Hopewell is making progress toward implementing the goals of its stabilization and turnaround plan, which include actions to address completion of the city's outstanding audits and submission of the delayed audited financial reports. Since the Office's August 2024 notification letter regarding Hopewell's reporting delays, the city has issued its audited financial reports for fiscal years 2020, 2021, and 2022. The Office analyzed the city's audited data for these three fiscal years as part of the ratio analysis and did not observe any significant negative or downward trends in the ratio results. For these three audited financial reports, Hopewell received an unmodified audit opinion over all financial activity, which reflects improvement compared to the disclaimer audit opinions the city received on its financial statements for fiscal years 2015 through 2019. While Hopewell's most recently issued financial reports indicate that the external auditor was able to obtain sufficient audit evidence to substantiate the city's financial balances, the audit results again reflect material audit deficiencies related to the city's internal control framework and accounting and financial reporting processes.

As Hopewell's turnaround plan continues to move forward, the Office will keep monitoring the city's progress toward fully resolving the factors that have contributed to the city's inability to issue its audited financial reports timely. We will also monitor any other notable trends or indicators for the city as part of our annual monitoring process and provide future updates, as necessary. Should you have any questions or require further information, please contact me at (804) 225-3350 or Staci.Henshaw@apa.virginia.gov.

Sincerely,

Staci A. Henshaw
Auditor of Public Accounts

cc: Rita Joyner, City Vice Mayor
Susan Daye, City Council Member
Ronnie Ellis, City Council Member
Michael B. Harris, City Council Member
Lovena Rapole, City Council Member
Yolanda Stokes, City Council Member
Stacey Jordan, City Chief Financial Officer
Delegate Carrie E. Coyner, Virginia House of Delegates 75th District
Senator Lashrecse D. Aird, Virginia State Senate District 13
John Markowitz, Deputy Secretary of Finance
Maggie Beal, Department of Housing and Community Development Director