

WYTHEVILLE REDEVELOPMENT & HOUSING AUTHORITY
FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2024

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**WYTHEVILLE REDEVELOPMENT & HOUSING AUTHORITY
FINANCIAL REPORT
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INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of the Board of Commissioner

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and each major fund of the Wytheville Redevelopment and Housing Authority, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Wytheville Redevelopment and Housing Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Wytheville Redevelopment and Housing Authority, as of [Date], and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension and OPEB information on pages 4–9 and 40–43 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 12, 2025, on our consideration of the Wytheville Redevelopment and Housing Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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 Wytheville Redevelopment and Housing 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 Wytheville Redevelopment and Housing Authority's internal control over financial reporting and compliance.

Lucker, Brandenburg & Company, PLLC

Lebanon, Virginia

March 12, 2025

MANAGEMENT DISCUSSION AND ANALYSIS

WYTHEVILLE REDEVELOPMENT AND HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION & ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2024

Management's Discussion and Analysis

The management of the Wytheville Redevelopment & Housing Authority offers the readers of the Authority's financial statements this narrative overview and analysis of the Authority's financial activities for the year ended June 30, 2024. This discussion and analysis is designed to assist the reader in focusing on significant financial issues, provide an overview of the Authority's financial activity, identify changes in the Authority's financial position, and identify individual fund issues or concerns. Readers should consider the information presented here in conjunction with the Authority's financial statements to obtain a full understanding of its financial position.

This management's discussion and analysis is presented in accordance with the requirements of the Governmental Accounting Standards Board Statement No. 34 (GASB 34) to allow the reader to gain an adequate understanding of the Authority's annual operating results and financial position as of June 30, 2024.

Questions concerning the information provided in this discussion or requests for additional information should be addressed to the Authority's Executive Director.

Financial Highlights

- The assets of the Authority exceeded its liabilities at the close of the most recent fiscal year by \$7,783,267 (Net Position) as opposed to \$7,583,720 for the prior fiscal year.
- The Authority's cash and investments balance as of June 30, 2024, was \$2,141,624, representing an increase of \$497,885 or 30.29% from June 30, 2023.
- The Authority had total revenues of \$2,761,202 and total expenses of \$2,529,327 for the year ended June 30, 2024.
- In FY 2015, the Authority implemented GASB 68, Accounting and Financial Reporting for Pensions. As a result, a Net Pension Liability of \$311,902 was recorded this year along with deferred inflows and outflows of resources. In FY 2018, the Authority implemented GASB 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. As a result, the Authority recorded a Net OPEB Liability — Group Life Insurance of \$28,304 this year along with deferred inflows and outflows of resources. This is discussed further in the accompanying Notes to the Financial Statements.

Overview of the Financial Reports

The following outline describes the integral parts of this financial presentation and is a guideline for understanding its components:

I. MD&A

Serves as an introduction to the Authority's basic financial statements

II. Basic Financial Statements

Authority-wide financial statements

Notes to the financial statements

III. Other Supplementary Information

The financial statements in this report are those of a special purpose governmental entity engaged in a business type activity. The following statements are included:

- Statement of Net Position – presents information about the Authority’s assets and liabilities and is similar to a balance sheet. The Statement of Net Position reports all financial and capital resources for the Authority. The statement is presented in the format where assets, minus liabilities, equal “Net Position”, formerly known as equity. Assets and liabilities are presented in order of liquidity and are classified as “current” (convertible to cash within one year), and “non-current.” Increases or decreases in Net Position will serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.
- Statement of Revenues, Expenses and Change in Net Position – reports the Authority’s revenues by source and type and its expenses by category to substantiate the change in Net Position for the fiscal year.
- Statement of Cash Flows – discloses net cash provided by, or used for operating activities, non-capital financing activities, and capital and related financing activities.

Our analysis of the Authority as a whole follows with the most important question, “Has the Authority’s financial health improved or worsened as a result of the year’s activities?” The following analysis of entity-wide Net Position, revenues, and expenses is provided to assist with answering the above question. This analysis includes all assets and liabilities using the accrual method of accounting, which recognizes revenue when earned and expenses when incurred regardless of when cash is received or paid.

Analysis of Authority-wide Net Position (Statement of Net Position)

Wytheville Redevelopment & Housing Authority
Combined Statement of Net Position
TABLE I

	2024	2023	Total Change	% Change
Cash & Investments	\$ 2,141,624	\$ 1,643,739	\$ 497,885	30.29%
Other Current Assets	19,888	223,157	(203,269)	-91.09%
Capital & Other Assets	6,034,647	6,134,398	(99,751)	-1.63%
Deferred Outflows of Resources	90,737	110,018	(19,281)	-17.53%
Total Assets and Deferred Outflows	\$ 8,286,896	\$ 8,111,312	\$ 175,584	2.16%
Current Liabilities	\$ 94,687	\$ 87,776	\$ 6,911	7.87%
Noncurrent Liabilities	364,893	362,076	2,817	0.78%
Total Liabilities	459,580	449,852	9,728	2.16%
Deferred Inflows of Resources	44,049	77,740	(33,691)	-43.34%
Invested in Capital Assets				
Net of Related Debt	6,034,647	6,134,398	(99,751)	-1.63%
Restricted Net Position	26,634	6,596	20,038	303.79%
Unrestricted Net Position	1,721,986	1,442,726	279,260	19.36%
Total Net Position	7,783,267	7,583,720	199,547	2.63%
Total Liabilities, Deferred Inflows & Net Position	\$ 8,286,896	\$ 8,111,312	\$ 175,584	2.16%

Total Assets and Deferred Outflows increased by \$175,584 or 2.16%. Cash and investments increased by \$497,885 or 30.29%. Capital assets decreased by \$99,751 or 1.63%, due to depreciation expense exceeding additions during the year. Other current assets decreased by \$203,269 or 91.09% primarily due to a receivable of \$203,657 from Virginia Housing Development Authority at the end of the prior year. Deferred Outflows decreased by \$19,281 or 17.53% due to booking the required entries for GASB 68, Accounting and Financial Reporting for Pensions, and GASB 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions during the current fiscal year.

Total Liabilities increased by \$9,728 or 2.16%. Current liabilities increased \$6,911 or 7.87%, while noncurrent liabilities increased by \$2,817 or 0.78%. Deferred Inflows decreased by \$33,691 or 43.34% due to booking the required entries for GASB 68 and GASB 75.

Total Net Position increased by \$199,547 or 2.63%, which is outlined in detail on the Statement of Revenues, Expenses and Change in Net Position.

Analysis of Entity-Wide Revenue and Expenses (Statement of Revenues, Expenses and Change in Net Position)

The federal government continued to fund operating grants at a level below total eligibility for the period ended June 30, 2024. With no signs of improvement in federal funding or economic conditions in the foreseeable future, the Authority is now using proactive measures to control expenses in future years by adopting a plan to review staff responsibilities and implementing cost management strategies. The Authority continuously looks for new ways to improve operations, control costs, maximize effectiveness, and demonstrate accountability.

The following table illustrates changes in revenues and expenses from FY 2023 to FY 2024.

Wytheville Redevelopment & Housing Authority Combined Statement of Revenues, Expenses and Change in Net Position

TABLE II

	2024	2023	Total Change	% Change
Tenant Revenue	\$ 934,115	\$ 827,685	\$ 106,430	12.86%
Grant Funding	1,750,098	2,520,362	(770,264)	-30.56%
Investment Income	34,431	17,781	16,650	93.64%
Other Income	42,558	62,954	(20,396)	-32.40%
Total Revenue	2,761,202	3,428,782	(667,580)	-19.47%
Administration	674,625	634,545	40,080	6.32%
Tenant Services	47,553	45,695	1,858	4.07%
Utilities	271,382	278,408	(7,026)	-2.52%
Maintenance	475,907	469,525	6,382	1.36%
General	81,823	80,360	1,463	1.82%
Housing Assistance Payments	698,724	671,991	26,733	3.98%
Depreciation	279,313	202,732	76,581	37.77%
Total Expenses	2,529,327	2,383,256	146,071	6.13%
Change in Net Position	231,875	1,045,526	(813,651)	-77.82%
Prior Period Adjustments	(32,328)	-	(32,328)	-100.00%
Beginning Net Position	7,583,720	6,538,194	1,045,526	15.99%
Ending Net Position	\$ 7,783,267	\$ 7,583,720	\$ 199,547	2.63%

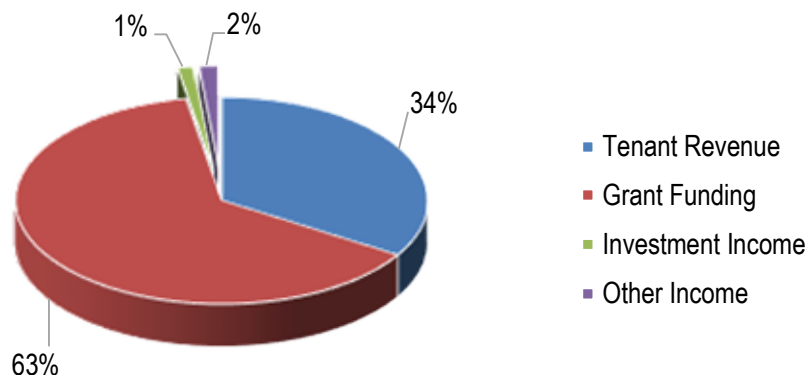
During the year total revenue decreased by \$667,580 or 19.47%.

Tenant revenue increased by \$106,430 or 12.86%. Investment income increased by \$16,650 or 93.64% due to higher interest rates.

There was a decrease in overall Grant Funding of \$770,264 or 30.56%. Operating Subsidy decreased by \$17,727 or 3.49%, Housing Choice Voucher grants increased by \$69,162 or 10.66%, and Mainstream grants increased by \$14,732 or 12.29%. Capital Fund grants decreased by \$206,663 or 33.65%.

Other income decreased by \$20,396 or 32.40%.

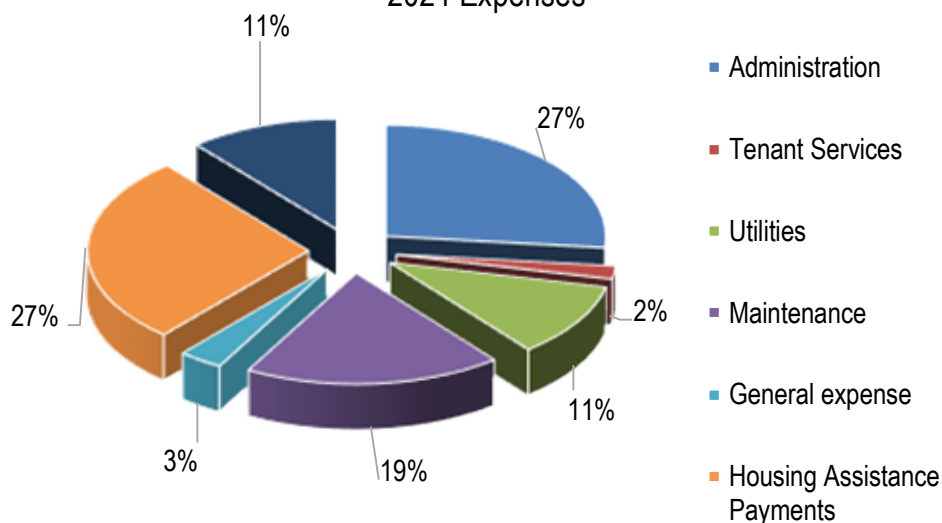
2024 Revenues



Total expenses increased by \$146,071 or 6.13% from FY 2023 to FY 2024.

Administrative costs increased by \$40,080 or 6.32%. Tenant services increased by \$1,858 or 4.07%. Utilities decreased by \$7,026 or 2.52%. Maintenance and operations increased by \$6,382 or 1.36%. General expenses increased by \$1,463 or 1.82%. HAP expense increased by \$26,733 or 3.98%. Depreciation expense increased by \$76,581 or 37.77%.

2024 Expenses



Capital Assets

During FY 2024, the Authority had total capital asset additions from operations of \$89,419 and capital funds of \$299,497. There was depreciation expense of \$279,313 recorded in FY 2024. Overall, a net increase of \$99,751 or 1.63% was experienced during the fiscal period when compared to FY 2023.

Wytheville Redevelopment & Housing Authority Comparative Statement of Capital Assets

TABLE III

	2024	2023	Total Change	% Change
Land	\$ 2,812,411	\$ 2,880,443	\$ (68,032)	-2.36%
Buildings & improvements	12,029,020	11,413,572	615,448	5.39%
Equipment	426,389	426,389	-	0.00%
Construction in Progress	100,000	472,224	(372,224)	-78.82%
	15,367,820	15,192,628	175,192	1.15%
Accumulated Depreciation	(9,333,173)	(9,058,230)	(274,943)	3.04%
Total Capital Assets	\$ 6,034,647	\$ 6,134,398	\$ (99,751)	-1.63%

Major changes in the capital asset accounts are summarized below:

Balance at July 1, 2023	\$ 6,134,398
Current period additions - operations	89,419
Current period additions - capital funds	299,497
Dispositions/write offs	(209,354)
Current period depreciation expense	(279,313)
Balance at June 30, 2024	<u>\$ 6,034,647</u>

Debt Outstanding

As of June 30, 2024, the Authority has no debt outstanding.

Economic Factors

Several significant economic factors are present that may impact the Authority in the future.

- Continued proration of Operating Subsidy amounts due to the reduced Congressional funding of the Department of Housing and Urban Development.
- Local inflationary, recessionary and employment trends, which can affect resident incomes and therefore the amount of rental income.
- Inflationary pressure on utility rates, supplies and other costs.
- Health care and other insurance costs are expected to increase dramatically over the next several years.
- The current inflation rate in the United States is the highest it has been in over forty years. This is causing prices to skyrocket and is making it more expensive for the Authority to operate and may make it more difficult for tenants to pay their rent. There is no timeframe on when relief is expected from these historic price increases, and it has yet to be determined if governmental assistance will be increased in the next calendar year.

Financial Contact

Questions concerning any of the information provided in this Management's Discussion & Analysis should be addressed to:

Nick Martin, Executive Director
Wytheville Redevelopment & Housing Authority
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BASIC FINANCIAL STATEMENTS

WYTHEVILLE REDEVELOPMENT AND HOUSING AUTHORITY
STATEMENT OF NET POSITION
ENTERPRISE FUNDS
JUNE 30, 2024

Assets	Business-type Activities			
	Low Income Housing Fund	Section Eight Fund	Local	Totals
Current assets				
Cash and cash equivalents	\$ 1,301,422	\$ 36,684	\$ 776,884	\$ 2,114,990
Cash - restricted	-	26,634	-	26,634
Accounts receivable, net of allowance	6,825	-	-	6,825
Other receivables	625	-	-	625
Inventories	12,438	-	-	12,438
Total current assets	1,321,310	63,318	776,884	2,161,512
Noncurrent assets				
Land	2,755,711	-	56,700	2,812,411
Buildings	11,562,464	-	466,556	12,029,020
Machinery and equipment	389,805	-	36,584	426,389
Construction in progress	100,000	-	-	100,000
	14,807,980	-	559,840	15,367,820
Less accumulated depreciation	(9,282,737)	-	(50,436)	(9,333,173)
Total noncurrent assets	5,525,243	-	509,404	6,034,647
Total assets	6,846,553	63,318	1,286,288	8,196,159
Deferred outflows of resources				
Deferred outflows related to pension	76,701	-	-	76,701
Deferred outflows related to OPEB	14,036	-	-	14,036
Total deferred outflows of resources	90,737	-	-	90,737
Total assets and deferred outflows of resources	<u>\$ 6,937,290</u>	<u>\$ 63,318</u>	<u>\$ 1,286,288</u>	<u>\$ 8,286,896</u>
Liabilities and Equity				
Current liabilities				
Accounts payable	\$ 11,257	\$ 2,500	\$ -	\$ 13,757
Due to other governments	8,882	-	-	8,882
Deferred revenue	831	-	-	831
Customer deposits	62,145	-	2,900	65,045
Employee leave liability	6,172	-	-	6,172
Total current liabilities	89,287	2,500	2,900	94,687
Noncurrent liabilities				
Pension Liability	311,902	-	-	311,902
OPEB Liability	28,304	-	-	28,304
Compensated absences	24,687	-	-	24,687
Total noncurrent liabilities	364,893	-	-	364,893
Total liabilities	454,180	2,500	2,900	459,580
Deferred inflows of resources				
Deferred inflows related to pensions	38,227	-	-	38,227
Deferred inflows related to OPEB	5,822	-	-	5,822
Total Deferred inflows	44,049	-	-	44,049
Net Position				
Invested in capital assets, net of related debt	5,525,243	-	509,404	6,034,647
Restricted	-	26,634	-	26,634
Unrestricted	913,818	34,184	773,984	1,721,986
Total net position	6,439,061	60,818	1,283,388	7,783,267
Total liabilities, deferred inflows of resources, and net position	<u>\$ 6,937,290</u>	<u>\$ 63,318</u>	<u>\$ 1,286,288</u>	<u>\$ 8,286,896</u>

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

WYTHEVILLE REDEVELOPMENT AND HOUSING AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Business-type Activities			
	Low Income Housing Fund	Section Eight Fund	Local	Totals
Revenue				
Rental income	\$ 913,115	\$ -	\$ -	\$ 913,115
Miscellaneous	40,420	591	21,000	62,011
	<u>953,535</u>	<u>591</u>	<u>21,000</u>	<u>975,126</u>
Expenses				
Administration	579,513	98,320	243	678,076
Tenant services	47,553	-	-	47,553
Utilities	270,945	-	437	271,382
Maintenance	455,418	16,477	4,010	475,905
General	77,051	-	1,204	78,255
HAP	-	698,842	-	698,842
Depreciation	266,696	-	12,617	279,313
Total operating expenses	<u>1,697,176</u>	<u>813,639</u>	<u>18,511</u>	<u>2,529,326</u>
Operating income (loss)	<u>(743,641)</u>	<u>(813,048)</u>	<u>2,489</u>	<u>(1,554,200)</u>
Other nonoperating income (expenses)				
Interest income	30,892	6	3,532	34,430
Gain or loss on disposal of equipment	-	-	1,547	1,547
Operating grants and subsidies	598,131	852,470	-	1,450,601
Net non-operating income (expenses)	<u>629,023</u>	<u>852,476</u>	<u>5,079</u>	<u>1,486,578</u>
Income before contributions and transfers	<u>(114,618)</u>	<u>39,428</u>	<u>7,568</u>	<u>(67,622)</u>
Capital contributions - grants	<u>299,497</u>	<u>-</u>	<u>-</u>	<u>299,497</u>
Change in net position	<u>184,879</u>	<u>39,428</u>	<u>7,568</u>	<u>231,875</u>
Net Position at June 30, 2023	<u>6,254,182</u>	<u>21,390</u>	<u>1,308,148</u>	<u>7,583,720</u>
Prior period adjustment	<u>-</u>	<u>-</u>	<u>(32,328)</u>	<u>(32,328)</u>
Net Position at June 30, 2024	<u><u>\$ 6,439,061</u></u>	<u><u>\$ 60,818</u></u>	<u><u>\$ 1,283,388</u></u>	<u><u>\$ 7,783,267</u></u>

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

WYTHEVILLE REDEVELOPMENT AND HOUSING AUTHORITY
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Business-type Activities			
	Low Income Housing Fund	Section Eight Fund	Local	Totals
Cash flows from operating activities:				
Receipts from customers and users	\$ 957,042	\$ 591	\$ 23,200	\$ 981,513
Payments to suppliers	(1,034,155)	(726,943)	(5,894)	(1,766,992)
Payments to employees	(409,602)	(84,196)	-	(493,798)
Net cash provided (used) by operating activities	(486,715)	(810,548)	17,306	(1,279,957)
Cash flows from noncapital financing activities:				
Subsidies, grants from state and federal governments	801,788	852,470	-	1,654,258
Net cash provided (used) by noncapital financing activities	801,788	852,470	-	1,654,258
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(388,916)	-	-	(388,916)
Proceeds from Sale or Disposal	-	-	178,573	178,573
Capital contributions	299,497	-	-	299,497
Net cash provided (used) by capital and related financing activities	(89,419)	-	178,573	89,154
Cash flows received from investing activities:				
Interest received	30,892	6	3,532	34,430
Net cash provided (used) by investing activities	30,892	6	3,532	34,430
Net increase in cash and cash equivalents	256,546	41,928	199,411	497,885
Cash and equivalents, June 30, 2023	1,044,876	21,390	577,473	1,643,739
Cash and equivalents, June 30, 2024	\$ 1,301,422	\$ 63,318	\$ 776,884	\$ 2,141,624
Cash unrestricted at year end	\$ 1,301,422	\$ 36,684	\$ 776,884	\$ 2,114,990
Cash restricted, end of year	-	26,634	-	26,634
Total Cash balances	\$ 1,301,422	\$ 63,318	\$ 776,884	\$ 2,141,624
Reconciliation of operating income to net cash provided (used) by operating activities:				
Operating income	\$ (743,641)	\$ (813,048)	\$ 2,489	\$ (1,554,200)
Adjustments to reconcile net income to net cash provided (used) by operating activities:				
Depreciation	266,696	-	12,617	279,313
Accounts receivable	(1,769)	-	-	(1,769)
Deferred outflows of resources	19,281	-	-	19,281
Inventories	1,400	-	-	1,400
Other receivables	(19)	-	-	(19)
Accounts payable	(120)	2,500	-	2,380
Deferred inflows of resources and pension liability	(19,015)	-	-	(19,015)
Customer deposits	6,180	-	2,200	8,380
Deferred revenue	(885)	-	-	(885)
Compensated absences	(14,823)	-	-	(14,823)
Net cash provided (used) by operating activities	\$ (486,715)	\$ (810,548)	\$ 17,306	\$ (1,279,957)

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

**NOTES TO
FINANCIAL STATEMENTS**

WYTHEVILLE REDEVELOPMENT & HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Note 1. Summary of Significant Accounting Policies

The Wytheville Redevelopment & Housing Authority was organized as a political subdivision of the Commonwealth of Virginia under Title 36 of the *Code of Virginia*. The Authority operates under a Board of Commissioners appointed by the Wytheville, Virginia Town Council and provides the following services as authorized by its charter: acquisition, construction, maintenance and operation of a low-income public housing project.

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

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

The Authority adopted the provisions of GASB Statement No. 34 *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments* in fiscal year 2004. Statement 34 established standards for external financial reporting for all state and local governmental entities, which includes a management's discussion and analysis section, a statement of net assets, a statement of activities and changes in net assets and a statement of cash flows. It required the classification of net assets into three components – invested in capital assets, net of related debt; restricted; and unrestricted.

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

Financial Reporting Entity

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

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

Basis of Presentation

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

WYTHEVILLE REDEVELOPMENT & HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Note 1. Summary of Significant Accounting Policies (continued)

Measurement Focus and Basis of Accounting

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

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

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

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

Cash and Cash Equivalent

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

Inventory

The Authority maintains inventories of maintenance materials and supplies, for use in day-to-day operations. Inventories of materials and supplies are stated at the lower of cost (first-in, first-out) or market.

Property, Plant, and Equipment

Fixed Assets: Property, plant, and equipment are stated at cost. Expenditures for maintenance, repairs and minor renewals are charged to expense as incurred; major improvements or betterments are capitalized. Generally, improvements or additions greater than \$5,000 are capitalized. Depreciation is provided over estimated useful lives of the respective assets on the straight-line basis as follows:

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

WYTHEVILLE REDEVELOPMENT & HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Note 1. Summary of Significant Accounting Policies (continued)

Construction in Progress

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

Compensated Absences

It is the Authority's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Employees may, depending on level and length of service, be paid for various amounts of their total accrued leave upon termination or retirement. In accordance with *GASB Statement No. 16, Accounting for Compensated Absences*, the Authority accrues the liability for those absences that the employee has earned the rights to the benefits. The Authority accrues a liability for leave hours that meets the criteria for payment at the eligible employee's current rates of pay. The accrual for compensated absences at June 30, 2024, was \$30,859.

Equity Classifications

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

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

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

Unrestricted Net Position– All other net assets that do not meet the definition of "Restricted" or "*Net Investment in capital assets*".

Use of Estimates

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

Deferred Outflows / Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period (s) and so will not be recognized as an outflow of resources (expense) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period (s) and so will not be recognized as an inflow of resources (revenue) until that time.

WYTHEVILLE REDEVELOPMENT & HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Note 1. Summary of Significant Accounting Policies (continued)

Net Position

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

Net Position Flow Assumption

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

Pensions

The Virginia Retirement System (VRS) Political Subdivision Retirement Plan is a multi-employer, agent plan. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Political Subdivision Retirement Plan and the additions to/deductions from the Political Subdivision Retirement Plan's fiduciary net position have been determined on the same basis as they were reported by the Virginia Retirement System (VRS). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Group Life Insurance

The Virginia Retirement System (VRS) Group Life Insurance Program is a multiple employer, cost-sharing plan. It provides coverage to state employees, teachers, and employees of participating political subdivisions. The Group Life Insurance Program was established pursuant to § 51.1-500 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. The Group Life Insurance Program is a defined benefit plan that provides a basic group life insurance benefit for employees of participating employers. For purposes of measuring the net Group Life Insurance Program OPEB Liability, deferred outflows of resources and deferred inflows of resources related to the Group Life Insurance Program OPEB, and Group Life Insurance Program OPEB expense, information about the fiduciary net position of the VRS Group Life Insurance program OPEB and the additions to/deductions from the VRS Group Life Insurance Program OPEB's fiduciary net position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

WYTHEVILLE REDEVELOPMENT & HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Note 2. Cash and Investments

Deposits

All cash of the primary government are maintained in accounts collateralized in accordance with state statutes or covered by federal depository insurance. Under the Act, banks holding public deposits in excess of the amounts insured by FDIC must pledge collateral in the amount of 50% of excess deposits to a collateral pool in the name of the State Treasury Board. Savings and Loan institutions are required to collateralize 100% of deposits in excess of FDIC limits. Deposits covered by the Act are considered insured since the Treasury Board is authorized to make additional assessments. All accounts would be classified as Category 1 – insured or collateralized with securities held by the entity or by its agent in the entity's name.

Restricted Cash

Restricted cash of \$26,634 is reflected in the financial statements for the business-type activities. The \$26,634 represents the amount set aside for the payment of housing assistance payments (HAP) in the Housing Choice Voucher fund.

Note 3. Property, Plant and Equipment

A summary of changes in fixed assets follows:

	Balance June 30, 2023	Additions	Retirements	Balance June 30, 2024
Land	\$ 2,880,443	\$ -	\$ (68,032)	\$ 2,812,411
Buildings & improvements	11,413,572	761,140	(145,692)	12,029,020
Construction in progress	472,224	100,000	(472,224)	100,000
Furniture & equipment	426,389	-	-	426,389
	15,192,628	861,140	(685,948)	15,367,820
Accumulated depreciation	(9,058,230)	(279,313)	4,370	(9,333,173)
Plant, Property, and Equipment, net	<u>\$ 6,134,398</u>	<u>\$ 581,827</u>	<u>\$ (681,578)</u>	<u>\$ 6,034,647</u>

In accordance with new financial reporting standards issued by GASB 42, "Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries" requires certain note disclosures. During the fiscal year, the Authority experienced no impairments of capital assets.

Note 4. Risk Management

The Risk Management Programs of the Authority are as follows:

Workmen's Compensation

Workmen's compensation insurance is provided through State Farm Insurance Company. Management estimates the liability for unpaid claims at June 30, 2024, to be immaterial.

WYTHEVILLE REDEVELOPMENT & HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Note 4. Risk Management (continued)

General Liability and Other

The Authority has purchased general liability and other insurance through commercial insurance providers.

Healthcare

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

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

Public Officials and Employees Liability

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

Fidelity Coverage

The Authority has purchased fidelity coverage in the amount of \$250,000 from the State Farm Insurance Company.

Note 5. Defined Benefit Pension Plan

Plan Description

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

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

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WYTHEVILLE REDEVELOPMENT & HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Note 5. Defined Benefit Pension Plan (continued)

Plan Description (continued)

VRS PLAN 1	VRS PLAN 2	HYBRID RETIREMENT PLAN
<p>About VRS Plan 1 VRS Plan 1 is a defined benefit plan. The retirement benefit is based on a member's age, creditable service and average final compensation at retirement using a formula.</p>	<p>About VRS Plan 2 Same as Plan 1.</p>	<p>About the Hybrid Retirement Plan The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan)</p> <ul style="list-style-type: none"> • The defined benefit is based on a member's age, creditable service and average final compensation at retirement using a formula. • The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions. • In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees.

WYTHEVILLE REDEVELOPMENT & HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Note 5. Defined Benefit Pension Plan (continued)

Plan Description (continued)

<p>Eligible Members Employees are in VRS Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013, and they have not taken a refund.</p> <p>Hybrid Opt-In Election VRS non-hazardous duty covered Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p> <p>Members who were eligible for an optional retirement plan (ORP) and had prior service under VRS Plan 1 were not eligible to elect the Hybrid Retirement Plan and remain as VRS Plan 1 or ORP.</p>	<p>Eligible Members Employees are in VRS Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013.</p> <p>Hybrid Opt-In Election VRS Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p> <p>Members who were eligible for an optional retirement plan (ORP) and have prior service under VRS Plan 2 were not eligible to elect the Hybrid Retirement Plan and remain as VRS Plan 2 or ORP.</p>	<p>Eligible Members Employees are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes:</p> <ul style="list-style-type: none"> • Political subdivision employees* • Members in VRS Plan 1 or VRS Plan 2 who elected to opt into the plan during the election window held January 1-April 30, 2014; the plan's effective date for opt-in members was July 1, 2014 <p>*Non-Eligible Members Some employees are not eligible to participate in the Hybrid Retirement Plan. They include:</p> <ul style="list-style-type: none"> • Political subdivision employees who are covered by enhanced benefits for hazardous duty employees <p>Those employees eligible for an optional retirement plan (ORP) must elect the ORP plan or the Hybrid Retirement Plan. If these members have prior service under VRS Plan 1 or VRS Plan 2, they are not eligible to elect the Hybrid Retirement Plan and must select VRS Plan 1 or VRS Plan 2 (as applicable) or ORP.</p>
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WYTHEVILLE REDEVELOPMENT & HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Note 5. Defined Benefit Pension Plan (continued)

Plan Description (continued)

<p>Retirement Contributions Employees contribute 5% of their compensation each month to their member contribution account through a pretax salary reduction. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund. The employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding for the future benefit payment.</p>	<p>Retirement Contributions Same as Plan 1</p>	<p>Retirement Contributions A member's retirement benefit is funded through mandatory and voluntary contributions made by the member and the employer to both the defined benefit and the defined contribution components of the plan. Mandatory contributions are based on a percentage of the employee's creditable compensation and are required from both the member and the employer. Additionally, members may choose to make voluntary contributions to the defined contribution component of the plan, and the employer is required to match those voluntary contributions according to specified percentages.</p>
<p>Service Credit Creditable service includes active service. Members earn creditable service for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional creditable service the member was granted. A member's total creditable service is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.</p>	<p>Service Credit Same as Plan 1.</p>	<p>Service Credit <u>Defined Benefit Component:</u> Under the defined benefit component of the plan, creditable service includes active service. Members earn creditable service for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional creditable service the member was granted. A member's total creditable service is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may toward eligibility for the health insurance credit in retirement if the employer offers the health insurance credit.</p> <p><u>Defined Contributions Component:</u> Under the defined contribution component, creditable service is used to determine vesting for the employer contribution portion of the plan.</p>

WYTHEVILLE REDEVELOPMENT & HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Note 5. Defined Benefit Pension Plan (continued)

Plan Description (continued)

<p>Vesting Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of creditable service. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund.</p> <p>Members are always 100% vested in the contributions that they make.</p>	<p>Vesting Same as Plan 1.</p>	<p>Vesting <u>Defined Benefit Component:</u> Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of creditable service. VRS Plan 1 or VRS Plan 2 members with at least five years (60 months) of creditable service who opted into the Hybrid Retirement Plan remain vested in the defined benefit component.</p> <p><u>Defined Contributions Component:</u> Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contribution component of the plan.</p> <p>Members are always 100% vested in the contributions that they make.</p> <p>Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service.</p> <ul style="list-style-type: none"> • After two years, a member is 50% vested and may withdraw 50% of employer contributions. • After three years, a member is 75% vested and may withdraw 75% of employer contributions. • After four or more years, a member is 100% vested and may withdraw 100% of employer contributions. <p>Distribution is not required, except as governed by law until age 73.</p>
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WYTHEVILLE REDEVELOPMENT & HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Note 5. Defined Benefit Pension Plan (continued)

Plan Description (continued)

<p>Calculating the Benefit The basic benefit is determined using the average final compensation, service credit and plan multiplier. An early retirement reduction is applied to this amount if the member is retiring with a reduced benefit. In cases where the member has elected an optional form of retirement payment, an option factor specific to the option chosen is then applied.</p>	<p>Calculating the Benefit See definition under Plan 1.</p>	<p>Calculating the Benefit <u>Defined Benefit Component:</u> See definition under Plan 1</p> <p><u>Defined Contribution Component:</u> The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions.</p>
<p>Average Final Compensation A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.</p>	<p>Average Final Compensation A member's average final compensation is the average of their 60 consecutive months of highest compensation as a covered employee.</p>	<p>Average Final Compensation Same as VRS Plan 2. It is used in the retirement formula for the defined benefit component of the plan.</p>
<p>Service Retirement Multiplier VRS: The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for non-hazardous duty members is 1.7%.</p>	<p>Service Retirement Multiplier Same as Plan1 for service earned, purchased or granted prior to January 1, 2013. For non-hazardous duty members the retirement multiplier is 1.65% for creditable service earned, purchased or granted on or after January 1, 2013.</p>	<p>Service Retirement Multiplier <u>Defined Benefit Component:</u> VRS: The retirement multiplier for the defined benefit component is 1.0%.</p> <p>For members that opted into the Hybrid Retirement Plan from VRS Plan 1 or VRS Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans.</p> <p><u>Defined Contribution Component:</u> Not applicable</p>

WYTHEVILLE REDEVELOPMENT & HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Note 5. Defined Benefit Pension Plan (continued)

Plan Description (continued)

Normal Retirement Age Age 65.	Normal Retirement Age Normal Social Security retirement age.	Normal Retirement Age <u>Defined Benefit Component:</u> Same as VRS Plan 2. <u>Defined Contribution Component:</u> Members are eligible to receive distributions upon leaving employment, subject to restrictions.
Earliest Unreduced Retirement Eligibility VRS: Age 65 with at least five years (60 months) of creditable service or at age 50 with at least 30 years of creditable service.	Earliest Unreduced Retirement Eligibility VRS: Normal Social Security retirement age with at least five years (60 months) of creditable service or when their age and service equal 90.	Earliest Unreduced Retirement Eligibility <u>Defined Benefit Component:</u> VRS: Normal Social Security retirement age and have at least five years (60 months) of creditable service or when their age and service equal 90. <u>Defined Contribution Component:</u> Members are eligible to receive distributions upon leaving employment, subject to restrictions.
Earliest Reduced Retirement Eligibility VRS: Age 55 with at least five years (60 months) of creditable service or age 50 with at least 10 years of creditable service.	Earliest Reduced Retirement Eligibility VRS: Age 60 with at least five years (60 months) of creditable service.	Earliest Unreduced Retirement Eligibility <u>Defined Benefit Component:</u> VRS: Age 60 with at least five years (60 months) of creditable service <u>Defined Contribution Component:</u> Members are eligible to receive distributions upon leaving employment, subject to restrictions.

WYTHEVILLE REDEVELOPMENT & HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Note 5. Defined Benefit Pension Plan (continued)

Plan Description (continued)

<p>Cost-of-Living Adjustment (COLA) in Retirement The Cost-of-Living Adjustment (COLA) matches the first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%.</p> <p><u>Eligibility:</u> For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of creditable service, the COLA will go into effect on July 1 after one full calendar year from the retirement date.</p> <p>For members who retire with a reduced benefit and who have less than 20 years of creditable service, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date.</p> <p><u>Exceptions to COLA Effective Dates:</u> The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances:</p> <ul style="list-style-type: none"> • The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013. • The member retires on disability. • The member retires directly from short-term or long-term disability • The member is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program. • The member dies in service and the member's survivor or beneficiary is eligible for a monthly death-in-service benefit. • The COLA will go into effect on July 1 following one full calendar year (January 1 to December 31) from the date the monthly benefit begins. 	<p>Cost-of-Living Adjustment (COLA) in Retirement The Cost-of-Living Adjustment (COLA) matches the first 2% increase in the CPI-U and half of any additional increase (up to 2%), for a maximum COLA of 3%.</p> <p><u>Eligibility:</u> Same as VRS Plan 1</p> <p><u>Exceptions to COLA Effective Dates</u> Same as Plan 1</p>	<p>Cost-of-Living Adjustment (COLA) in Retirement <u>Defined Benefit Component:</u> Same as Plan 2.</p> <p><u>Defined Contribution Component:</u> Not applicable.</p> <p><u>Eligibility:</u> Same as Plan 1 and Plan 2.</p> <p><u>Exceptions to COLA Effective Dates:</u> Same as Plan 1 and Plan 2.</p>
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WYTHEVILLE REDEVELOPMENT & HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Note 5. Defined Benefit Pension Plan (continued)

Plan Description (continued)

<p>Disability Coverage Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.7% on all service, regardless of when it was earned, purchased or granted.</p>	<p>Disability Coverage Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service, regardless of when it was earned, purchased or granted.</p>	<p>Disability Coverage Eligible political subdivision and school division (including VRS Plan 1 and VRS Plan2 opt-ins) participate in the Virginia Local Disability Program (VLDP) unless their local governing body provides and employer-paid comparable program for its members.</p> <p>Hybrid members (including VRS Plan 1 and VRS Plan 2 opt-ins) covered under VSDP or VLDP are subject to a one-year waiting period before becoming eligible for non-work related disability benefits.</p>
<p>Purchase of Prior Service Members may be eligible to purchase service from previous public employment, active duty military service, an eligible period of leave or VRS refunded service as creditable service in their plan. Prior creditable service counts toward vesting, eligibility for retirement and the health insurance credit. Only active members are eligible to purchase prior service. When buying service, members must purchase their most recent period of service first. Members also may be eligible to purchase periods of leave without pay.</p>	<p>Purchase of Prior Service Same as Plan 1.</p>	<p>Purchase of Prior Service Defined Benefit Component: Same as Plan 1, with the following exceptions:</p> <ul style="list-style-type: none"> • Hybrid Retirement Plan members are ineligible for ported service. <p>Defined Contribution Component: Not applicable.</p>

WYTHEVILLE REDEVELOPMENT & HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Note 5. Defined Benefit Pension Plan (continued)

Employees Covered by Benefit Terms

As of the June 30, 2022, actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Number
Inactive members or their beneficiaries currently receiving benefits	11
Inactive Members:	
Vested inactive members	0
Non-vested inactive members	1
Inactive members active elsewhere in VRS	1
Total inactive members	2
Active Members:	7
Total covered employees	20

Contributions

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

The political subdivision's contractually required contribution rate for the year ended June 30, 2024, was 9.75% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contribution to the pension plan from the political subdivision were \$63,036 and \$54,095 for the years ended June 30, 2024, and June 30, 2023, respectively.

WYTHEVILLE REDEVELOPMENT & HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Note 5. Defined Benefit Pension Plan (continued)

Net Pension Liability

The net pension liability (NPL) is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. For political subdivisions, the net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2022, rolled forward to the measurement date of June 30, 2023.

Actuarial Assumptions – General Employees

The total pension liability for General Employees in the Political Subdivision's Retirement Plan was based on an actuarial valuation as of June 30, 2022, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

Inflation	2.5%
Salary increases, including Inflation	3.5% -5.35%
Investment rate of return	6.75%, net of pension plan investment Expense, including inflation*

Mortality rates:

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

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years.

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years.

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years.

Mortality Improvement:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

WYTHEVILLE REDEVELOPMENT & HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Note 5. Defined Benefit Pension Plan (continued)

Actuarial Assumptions – General Employees (continued)

The actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

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WYTHEVILLE REDEVELOPMENT & HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Note 5. Defined Benefit Pension Plan (continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension System investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension System investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Assets Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	34.00%	6.14%	2.09%
Fixed Income	15.00%	2.56%	0.38%
Credit Strategies	14.00%	5.60%	0.78%
Real Assets	14.00%	5.02%	0.70%
Private Equity	16.00%	9.17%	1.47%
MAPS - Multi - Asset Public Strategies	4.00%	4.50%	0.18%
PIP-Private Investment Partnership	2.00%	7.18%	0.14%
Cash	1.00%	1.20%	0.01%
Total	<u>100.00%</u>		5.75%
	Inflation		<u>2.50%</u>
	*Expected arithmetic nominal return		<u>8.25%</u>

* The above allocation provides a one-year expected return of 8.25%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%.

*On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; political subdivisions were also provided with an opportunity to use an alternate employer contribution rate. For the year ended June 30, 2023, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2022, actuarial valuations, whichever was greater. From July 1, 2023, on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

WYTHEVILLE REDEVELOPMENT & HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Note 5. Defined Benefit Pension Plan (continued)

Changes in Net Pension Liability

	Increase (Decrease)		
	Total pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2022	<u>\$ 2,837,814</u>	<u>\$ 2,542,386</u>	<u>\$ 295,428</u>
Changes for the year:			
Service Cost	48,488	-	48,488
Interest	191,853	-	191,853
Changes in benefit terms	-	-	-
Changes of assumptions	-	-	-
Differences between expected and actual expenses	19,987	-	19,987
Contributions - employer	-	53,181	(53,181)
Contributions - employee	-	27,165	(27,165)
Net investment income	-	165,057	(165,057)
Benefit payments, including refunds of employee contributions	(88,072)	(88,072)	-
Administrative expenses	-	(1,616)	1,616
Other Changes	-	67	(67)
Net Changes	<u>172,256</u>	<u>155,782</u>	<u>16,474</u>
Balances at June 30, 2023	<u><u>\$ 3,010,070</u></u>	<u><u>\$ 2,698,168</u></u>	<u><u>\$ 311,902</u></u>

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

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

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
Political subdivision's Net Pension Liability	\$ 684,608	\$ 311,902	\$ 1,385

WYTHEVILLE REDEVELOPMENT & HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Note 5. Defined Benefit Pension Plan (continued)

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

For the year ended June 30, 2024, the political subdivision recognized pension expense of \$66,490. At June 30, 2024, the political subdivision reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 15,103	\$ -
Change in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	38,227
Employer contributions subsequent to the measurement date	61,598	-
Total	<u>\$ 76,701</u>	<u>\$ 38,227</u>

\$61,598 reported as deferred outflows of resources related to pensions resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the Fiscal Year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2025	\$(16,773)
2026	(43,981)
2027	36,381
2028	1,249
2029	-
Thereafter	-

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2023 Annual Report. A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at varetire.org/pdf/publications/2023-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

WYTHEVILLE REDEVELOPMENT & HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Note 6. Group Life Insurance

Plan Description

All full-time, salaried permanent employees of the state agencies, teachers and employees of participating political subdivisions are automatically covered by the VRS Group Life Insurance Program upon employment. This plan is administered by the Virginia Retirement System (the System), along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia.

In addition to the Basic Group Life Insurance benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional Group Life Insurance Program. For members who elect the optional group life insurance coverage, the insurer bills employers directly for the premiums. Employers deduct these premiums from members' paychecks and pay the premiums to the insurer. Since this is a separate and fully insured program, it is not included as part of the Group Life Insurance Program OPEB.

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

Group Life Insurance Program Plan Provisions	
<p>Eligible Employees</p> <p>The Group Life Insurance Program was established July 1, 1960, for state employees, teachers, and employees of political subdivisions that elect the program, including the following employers that do not participate in VRS for retirement:</p> <ul style="list-style-type: none"> • City of Richmond • City of Portsmouth • City of Roanoke • City of Norfolk • Roanoke City Schools Board <p>Basic group life insurance coverage is automatic upon employment. Coverage end for employees who leave their position before retirement eligibility or who take a refund of their member contributions and accrued interest.</p>	
<p>Benefit Amounts</p> <p>The benefits payable under the Group Life Insurance Program have several components.</p> <ul style="list-style-type: none"> • <u>Natural Death Benefit</u> – The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. • <u>Accidental Death Benefit</u> – The accidental death benefit is double the natural death benefit. • <u>Other Benefit Provisions</u> – In addition to the basic natural and accidental death benefits, the program provides additional benefits provided under specific circumstances. These include: <ul style="list-style-type: none"> ○ Accidental dismemberment benefit ○ Safety belt benefit ○ Repatriation benefit ○ Felonious assault benefit ○ Accelerated death benefit option 	
<p>Reduction in Benefit Amounts</p> <p>The benefit amounts provided to members covered under the Group Life Insurance Program are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value.</p>	
<p>Minimum Benefit Amount and Cost-of-Living Adjustment (COLA)</p> <p>For covered members with at least 30 years of service credit, there is a minimum benefit payable under the Group Life Insurance Program. The minimum benefit was set at \$8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was \$9,254 as of June 30, 2024.</p>	

WYTHEVILLE REDEVELOPMENT & HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Note 6. Group Life Insurance (continued)

Contributions

The contribution requirements for the Group Life Insurance Program are governed by § 51.1-506 and § 51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the Group Life Insurance Program was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% X 60%) and the employer component was 0.54% (1.34% X 40%). Employers may elect to pay all or part of the employee contribution, however the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2024, was 0.54% of covered employee compensation. This rate was the final approved General Assembly rate which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the Group Life Insurance Program from the entity were \$3,491 and \$7,802 for the years ended June 30, 2024, and June 30, 2023, respectively.

In June 2023, the Commonwealth made a special contribution of approximately \$10.1 million to the Group Life Insurance plan. This special payment was authorized by Chapter 2 of the Acts of Assembly of 2022, Special Session I, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session, and is classified as a special employer contribution. Our proportionate share is reflected in the employee benefits expense accounts of our financial statements.

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

At June 30, 2024, the entity reported a liability of \$28,304 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2023, and the total GLI OPEB Liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the Group Life Insurance Program for the year ended June 30, 2023, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023 the participating employer's proportion was .00236% as compared to .00250% at June 30, 2022.

For the year ended June 30, 2024, the participating employer recognized GLI OPEB expense of \$1,091. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

WYTHEVILLE REDEVELOPMENT & HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Note 6. Group Life Insurance (continued)

At June 30, 2024, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,827	\$ 859
Net difference between projected and actual earnings on GLI OPEB program investments	-	1,137
Change in assumptions	605	1,961
Changes in proportion	820	1,865
Employer contributions subsequent to the measurement date	9,785	
Total	<u>\$ 14,037</u>	<u>\$ 5,822</u>

\$9,785 reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the Fiscal Year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ending June 30,	
2025	\$ (384)
2026	(1,386)
2027	274
2028	(62)
2029	(12)
Thereafter	-

Actuarial Assumptions

The total GLI OPEB Liability was based on an actuarial valuation as of June 30, 2022, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

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

WYTHEVILLE REDEVELOPMENT & HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Note 6. Group Life Insurance (continued)

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

Pre-Retirement

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

Post-Retirement

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

Post-Disablement

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

Beneficiaries and Survivors

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

Mortality Improvement Scale

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

The actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021:

Mortality Rates (Pre-retirement, Post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

WYTHEVILLE REDEVELOPMENT & HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Note 6. Group Life Insurance (continued)

Net GLI OPEB Liability

The net OPEB Liability (NOL) for the Group Life Insurance Program represents the program's total OPEB Liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2023, NOL amounts for the Group Life Insurance Program are as follows (amounts expressed in thousands):

	Group Life Insurance OPEB Program
Total GLI OPEB Liability	\$ 3,907,052
Plan Fiduciary Net Position	<u>2,707,739</u>
Employers' Net GLI OPEB Liability	<u>\$ 1,199,313</u>
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	69.30%

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

Long-Term Expected Rate of Return

The long-term expected rate of return on the System's investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of System's investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Assets Class (Strategy)	Target Allocation	Arithmetic Long- Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	34.00%	6.14%	2.09%
Fixed Income	15.00%	2.56%	0.38%
Credit Strategies	14.00%	5.60%	0.78%
Real Assets	14.00%	5.02%	0.70%
Private Equity	16.00%	9.17%	1.47%
MAPS - Multi - Asset Public Strategies	4.00%	4.50%	0.18%
PIP-Private Investment Partnership	2.00%	7.18%	0.14%
Cash	1.00%	1.20%	0.01%
Total	<u>100.00%</u>		5.75%
	Inflation		<u>2.50%</u>
	*Expected arithmetic nominal return		<u>8.25%</u>

WYTHEVILLE REDEVELOPMENT & HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Note 6. Group Life Insurance (continued)

Long-Term Expected Rate of Return (continued)

* The above allocation provides a one-year return of 8.25%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%.

On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

Discount Rate

The discount rate used to measure the total GLI OPEB Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 2023, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 113% of the actuarially determined contribution rate. From July 1, 2023 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB Liability.

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

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

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
Employer's proportionate share of the Group Life Insurance Program Net OPEB Liability	\$ 41,955	\$ 28,304	\$ 17,267

WYTHEVILLE REDEVELOPMENT & HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Note 6. Group Life Insurance (continued)

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

Group Live Insurance Program Fiduciary Net Position

Detailed information about the Group Life Insurance Program's Fiduciary Net Position is available in the separately issued VRS 2023 Annual Comprehensive Financial Report (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at varetire.org/pdf/publications/2023-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

Note 7. Litigation

As of June 30, 2024, there were no matters of litigation involving the Authority which would materially affect the Authority's financial position should a court decision on pending matters not be favorable.

Note 8. Contingencies

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

Note 9. Restricted Net Position

Business-Type Activities:

Housing Choice Vouchers:

Restricted for housing assistance payments	\$ 6,596
Total Restricted Net Position	<u>\$ 6,596</u>

Note 10. Prior period adjustments and restatements

Net assets previously reported at June 30, 2023, Local Fund	\$ 1,308,148
To correct fixed asset cost	<u>(32,328)</u>
Net assets as corrected, June 30, 2023, Local Fund	<u>\$ 1,275,820</u>

**REQUIRED SUPPLEMENTARY
INFORMATION**

WYTHEVILLE REDEVELOPMENT AND HOUSING AUTHORITY
SCHEDULE OF CHANGES IN THE POLITICAL SUBDIVISION'S NET PENSION LIABILITY
AND RELATED RATIOS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability										
Service Cost	\$ 48,488	\$ 45,717	\$ 41,571	\$ 45,115	\$ 40,636	\$ 40,266	\$ 48,667	\$ 46,587	\$ 45,997	\$ 46,358
Interest	191,853	180,834	157,931	152,696	147,630	137,076	129,821	124,762	114,313	107,967
Changes of benefit terms	-	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	19,987	19,059	90,178	(43,983)	(34,728)	37,884	96	(40,054)	49,333	-
Changes in assumptions	-	-	86,767	-	64,695	-	(9,897)	-	-	-
Benefit Payments, including refunds of employee contributions	(88,072)	(82,212)	(83,489)	(69,060)	(61,100)	(67,782)	(62,330)	(55,709)	(65,021)	(62,332)
Net change in total pension liability	172,256	163,398	292,958	84,768	157,133	147,444	106,357	75,586	144,622	91,993
Total Pension Liability - beginning	2,837,814	2,674,416	2,381,458	2,296,690	2,139,557	1,992,113	1,885,756	1,810,170	1,665,548	1,573,555
Total Pension Liability - ending (a)	<u>\$ 3,010,070</u>	<u>\$ 2,837,814</u>	<u>\$ 2,674,416</u>	<u>\$ 2,381,458</u>	<u>\$ 2,296,690</u>	<u>\$ 2,139,557</u>	<u>\$ 1,992,113</u>	<u>\$ 1,885,756</u>	<u>\$ 1,810,170</u>	<u>\$ 1,665,548</u>
Plan fiduciary net position										
Contributions - employer	\$ 53,181	\$ 38,356	\$ 35,525	\$ 35,810	\$ 34,721	\$ 38,418	\$ 40,185	\$ 42,476	\$ 39,803	\$ 37,887
Contributions - employee	27,165	26,512	24,618	24,818	24,054	23,205	24,204	23,871	22,437	21,245
Net investment income	165,057	(3,194)	556,221	38,378	126,461	130,058	192,030	27,586	67,215	200,051
Benefit Payments, including refunds of employee contributions	(88,072)	(82,212)	(83,489)	(69,060)	(61,100)	(67,782)	(62,330)	(55,709)	(65,021)	(62,332)
Administrative expense	(1,616)	(1,585)	(1,369)	(1,289)	(1,216)	(1,105)	(1,085)	(933)	(909)	(1,072)
Other	67	(60)	53	(46)	(80)	(117)	(172)	(11)	(16)	10
Net change in plan fiduciary net position	155,782	(22,183)	531,559	28,611	122,840	122,677	192,832	37,280	63,509	195,789
Plan fiduciary net position - beginning	2,542,386	2,564,449	2,032,890	2,004,279	1,881,439	1,758,762	1,565,930	1,528,650	1,465,141	1,269,352
Plan fiduciary net position - ending (b)	<u>\$ 2,698,168</u>	<u>\$ 2,542,266</u>	<u>\$ 2,564,449</u>	<u>\$ 2,032,890</u>	<u>\$ 2,004,279</u>	<u>\$ 1,881,439</u>	<u>\$ 1,758,762</u>	<u>\$ 1,565,930</u>	<u>\$ 1,528,650</u>	<u>\$ 1,465,141</u>
Political subdivision's net pension liability (a) - (b)	<u>\$ 311,902</u>	<u>\$ 295,548</u>	<u>\$ 109,967</u>	<u>\$ 348,568</u>	<u>\$ 292,411</u>	<u>\$ 258,118</u>	<u>\$ 233,351</u>	<u>\$ 319,826</u>	<u>\$ 281,520</u>	<u>\$ 200,407</u>
Plan fiduciary net position as a percentage of the total pension liability	89.64%	89.59%	95.89%	85.36%	87.27%	87.94%	88.29%	83.04%	84.45%	87.97%
Covered payroll	\$ 646,527	\$ 554,821	\$ 542,936	\$ 514,780	\$ 504,082	\$ 483,493	\$ 485,855	\$ 507,866	\$ 459,737	\$ 442,733
Political subdivision's net pension liability as a percentage of covered payroll	48.24%	53.27%	20.25%	67.71%	58.01%	53.39%	48.03%	62.97%	61.24%	45.27%

**WYTHEVILLE REDEVELOPMENT AND HOUSING AUTHORITY
SCHEDULE OF EMPLOYER CONTRIBUTIONS
TO THE DEFINED BENEFIT PENSION PLAN**

Date	Contributions in Relation to					Contributions as a % of Covered Payroll
	Contractually Required Contribution	Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll		
2023	\$ 63,036	\$ 63,036	\$ -	\$ 646,527		9.75%
2022	54,095	54,095	-	554,821		9.75%
2021	39,200	39,200	-	542,936		7.22%
2020	44,940	44,940	-	514,780		8.73%
2019	36,294	36,294	-	504,082		7.20%
2018	34,811	38,418	(3,607)	483,493		7.95%
2017	36,828	36,828	-	485,855		7.58%
2016	46,368	46,368	-	507,866		9.13%
2015	40,779	40,779	-	459,737		8.87%
2014	39,802	39,802	-	448,734		8.87%

**WYTHEVILLE REDEVELOPMENT AND HOUSING AUTHORITY
SCHEDULE OF EMPLOYER'S SHARE OF NET OPEB LIABILITY
FOR THE MEASUREMENT DATES OF JUNE 30, 2017 THROUGH 2023**

	2023	2022	2021	2020	2019	2018	2017
Employer's Proportion of the Net GLI OPEB Liability (Asset)	0.002360%	0.002499%	0.00242%	0.00245%	0.00247%	0.00245%	0.00266%
Employer's Proportionate Share of the Net GLI OPEB Liability (Asset)	\$ 28,304	\$ 30,102	\$ 28,176	\$ 40,886	\$ 40,194	\$ 37,000	\$ 40,000
Employer's Covered Payroll	\$ 646,527	\$ 554,821	\$ 542,936	\$ 500,398	\$ 504,082	\$ 483,493	\$ 466,665
Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of its Covered Payroll	4.38%	5.43%	5.19%	8.17%	7.97%	7.65%	8.57%
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	67.21%	67.21%	67.45%	52.64%	52.00%	51.22%	48.86%

Schedule is intended to show information for 10 years. Since 2023 is the seventh year for this presentation, there are only seven years available. However, additional years will be included as they become available.

**WYTHEVILLE REDEVELOPMENT AND HOUSING AUTHORITY
SCHEDULE OF EMPLOYER CONTRIBUTIONS
GROUP LIFE INSURANCE OPEB PLAN
FOR THE YEARS ENDED JUNE 30 2018 THROUGH 2024**

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
2018	\$ 6,113	\$ 6,490	\$ (377)	\$ 466,665	1.39%
2019	6,334	6,334	-	483,493	1.31%
2020	6,603	6,603	-	504,082	1.31%
2021	6,823	6,823	-	514,780	1.33%
2022	7,802	7,802	-	542,936	1.44%
2023	7,434	7,434		554,821	1.34%
2024	3,491	3,491		646,527	0.54%

Ten years data not available.

Notes to Required Supplementary Information

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

Changes of assumptions – The actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Non-Largest 10 Locality Employers – General Employees:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

**OTHER SUPPLEMENTARY
INFORMATION**

**SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS**

**WYTHEVILLE REDEVELOPMENT AND HOUSING AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024**

<u>Federal Granting Agency</u>	<u>Federal CFDA Number</u>	<u>Disbursement/ Expenditure</u>
U.S. Department of Housing and Urban Development		
Direct Programs:		
Low Rent Public Housing Program		
Low Income Housing Annual Operating Subsidy	14.850 a (1)	\$ 490,149
Total Low Rent Public Housing Program		<u>490,149</u>
Section 8 Housing Assistance Program		
Housing Choice Vouchers	14.871	717,868
Mainstream Vouchers	14.879	134,602
Total Section 8 Housing Assistance Program (Vouchers)		<u>852,470</u>
Capital Funds	14.872	<u>407,479</u>
Total Direct Programs		<u>1,750,098</u>
Total U.S. Department of Housing and Urban Development		<u>1,750,098</u>
Total Federal Assistance		<u>\$ 1,750,098</u>

Notes to schedule of expenditures of federal awards:

- (1) Major program (Cluster)

(2) The accompanying schedule of expenditures of federal awards includes the federal award activity of the Wytheville Redevelopment and Housing Authority under programs of the federal government for the year ended June 30, 2024. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the schedule presents only a selected portion of the operations of the Housing Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the housing authority.

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

(4) Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with generally accepted accounting principles.

(5) The Authority did not elect to use the 10% de minimis cost rate.

**FINANCIAL DATA
SCHEDULE**

Wytheville Redev. & Housing Authority (VA021)

WYTHEVILLE, VA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2024

	Project Total	2 State/Local	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	Subtotal	Total
111 Cash - Unrestricted	1,239,277	773,984	9,582	27,102	2,049,945	2,049,945
113 Cash - Other Restricted	-	-	4,411	22,223	26,634	26,634
114 Cash - Tenant Security Deposits	62,145	2,900	-	-	65,045	65,045
100 Total Cash	1,301,422	776,884	13,993	49,325	2,141,624	2,141,624
126 Accounts Receivable - Tenants	6,825	-	-	-	6,825	6,825
129 Accrued Interest Receivable	625	-	-	-	625	625
120 Total Receivables, Net of Allowances for Doubtful Accounts	7,450	-	-	-	7,450	7,450
143 Inventories	13,093	-	-	-	13,093	13,093
143.1 Allowance for Obsolete Inventories	(655)	-	-	-	(655)	(655)
150 Total Current Assets	1,321,310	776,884	13,993	49,325	2,161,512	2,161,512
161 Land	2,755,711	56,700	-	-	2,812,411	2,812,411
162 Buildings	11,562,464	466,556	-	-	12,029,020	12,029,020
164 Furniture, Equipment & Machinery - Administration	389,805	36,584	-	-	426,389	426,389
166 Accumulated Depreciation	(9,282,737)	(50,436)	-	-	(9,333,173)	(9,333,173)
167 Construction in Progress	100,000	-	-	-	100,000	100,000
160 Total Capital Assets, Net of Accumulated Depreciation	5,525,243	509,404	-	-	6,034,647	6,034,647
180 Total Non-Current Assets	5,525,243	509,404	-	-	6,034,647	6,034,647
200 Deferred Outflow of Resources	90,737	-	-	-	90,737	90,737
290 Total Assets and Deferred Outflow of Resources	6,937,290	1,286,288	13,993	49,325	8,286,896	8,286,896
312 Accounts Payable <= 90 Days	11,257	-	500	2,000	13,757	13,757
322 Accrued Compensated Absences - Current Portion	6,172	-	-	-	6,172	6,172
333 Accounts Payable - Other Government	8,882	-	-	-	8,882	8,882
341 Tenant Security Deposits	62,145	2,900	-	-	65,045	65,045
342 Unearned Revenue	831	-	-	-	831	831
310 Total Current Liabilities	89,287	2,900	500	2,000	94,687	94,687
354 Accrued Compensated Absences - Non Current	24,687	-	-	-	24,687	24,687
357 Accrued Pension and OPEB Liabilities	340,206	-	-	-	340,206	340,206
350 Total Non-Current Liabilities	364,893	-	-	-	364,893	364,893
300 Total Liabilities	454,180	2,900	500	2,000	459,580	459,580
400 Deferred Inflow of Resources	44,049	-	-	-	44,049	44,049
508.4 Net Investment in Capital Assets	5,525,243	509,404	-	-	6,034,647	6,034,647
511.4 Restricted Net Position	-	-	4,411	22,223	26,634	26,634
512.4 Unrestricted Net Position	913,818	773,984	9,082	25,102	1,721,986	1,721,986
513 Total Equity - Net Assets / Position	6,439,061	1,283,388	13,493	47,325	7,783,267	7,783,267
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	6,937,290	1,286,288	13,993	49,325	8,286,896	8,286,896

Wytheville Redev. & Housing Authority (VA021)

WYTHEVILLE, VA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2024

	Project Total	2 State/Local	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	Subtotal	Total
70300 Net Tenant Rental Revenue	890,765	21,000	-	-	911,765	911,765
70400 Tenant Revenue - Other	22,350	-	-	-	22,350	22,350
70500 Total Tenant Revenue	913,115	21,000	-	-	934,115	934,115
70600 HUD PHA Operating Grants	598,131	-	134,602	717,868	1,450,601	1,450,601
70610 Capital Grants	299,497	-	-	-	299,497	299,497
71100 Investment Income - Unrestricted	30,892	3,532	-	7	34,431	34,431
71500 Other Revenue	40,420	-	-	591	41,011	41,011
71600 Gain or Loss on Sale of Capital Assets	-	1,547	-	-	1,547	1,547
70000 Total Revenue	1,882,055	26,079	134,602	718,466	2,761,202	2,761,202
91100 Administrative Salaries	338,438	-	13,063	58,719	410,220	410,220
91200 Auditing Fees	4,500	-	500	2,000	7,000	7,000
91400 Advertising and Marketing	2,283	-	-	-	2,283	2,283
91500 Employee Benefit contributions - Administrative	177,648	-	358	3,308	181,314	181,314
91600 Office Expenses	37,000	243	-	3,250	40,493	40,493
91800 Travel	395	-	-	-	395	395
91900 Other	19,249	-	3,898	9,773	32,920	32,920
91000 Total Operating - Administrative	579,513	243	17,819	77,050	674,625	674,625
92100 Tenant Services - Salaries	24,041	-	-	-	24,041	24,041
92300 Employee Benefit Contributions - Tenant Services	13,412	-	-	-	13,412	13,412
92400 Tenant Services - Other	10,100	-	-	-	10,100	10,100
92500 Total Tenant Services	47,553	-	-	-	47,553	47,553
93100 Water	96,617	70	-	-	96,687	96,687
93200 Electricity	132,504	367	-	-	132,871	132,871
93300 Gas	41,824	-	-	-	41,824	41,824
93000 Total Utilities	270,945	437	-	-	271,382	271,382
94100 Ordinary Maintenance and Operations - Labor	142,872	-	5,187	5,181	153,240	153,240
94200 Ordinary Maintenance and Operations - Materials and Other	59,461	710	-	1,800	61,971	61,971
94300 Ordinary Maintenance and Operations Contracts	173,379	3,300	675	3,202	180,556	180,556
94500 Employee Benefit Contributions - Ordinary Maintenance	79,706	-	142	292	80,140	80,140
94000 Total Maintenance	455,418	4,010	6,004	10,475	475,907	475,907

Wytheville Redev. & Housing Authority (VA021)

WYTHEVILLE, VA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2024

	Project Total	2 State/Local	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	Subtotal	Total
96110 Property Insurance	26,002	1,188	-	-	27,190	27,190
96120 Liability Insurance	988	-	-	-	988	988
96130 Workmen's Compensation	6,519	-	-	-	6,519	6,519
96140 All Other Insurance	2,646	-	-	-	2,646	2,646
96100 Total Insurance Premiums	36,155	1,188	-	-	37,343	37,343
96200 Other General Expenses	-	16	-	118	134	134
96210 Compensated Absences	29,184	-	750	2,700	32,634	32,634
96300 Payments in Lieu of Taxes	9,082	-	-	-	9,082	9,082
96400 Bad debt - Tenant Rents	2,630	-	-	-	2,630	2,630
96000 Total Other General Expenses	40,896	16	750	2,818	44,480	44,480
96900 Total Operating Expenses	1,430,480	5,894	24,573	90,343	1,551,290	1,551,290
97000 Excess of Operating Revenue over Operating Expenses	451,575	20,185	110,029	628,123	1,209,912	1,209,912
97300 Housing Assistance Payments	-	-	107,112	591,612	698,724	698,724
97400 Depreciation Expense	266,696	12,617	-	-	279,313	279,313
90000 Total Expenses	1,697,176	18,511	131,685	681,955	2,529,327	2,529,327
10010 Operating Transfer In	69,942	-	-	-	69,942	69,942
10020 Operating transfer Out	(69,942)	-	-	-	(69,942)	(69,942)
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	184,879	7,568	2,917	36,511	231,875	231,875
11030 Beginning Equity	6,254,182	1,308,148	10,576	10,814	7,583,720	7,583,720
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-	(32,328)	-	-	(32,328)	(32,328)
11170 Administrative Fee Equity	-	-	-	25,102	25,102	25,102
11180 Housing Assistance Payments Equity	-	-	-	22,223	22,223	22,223
11190 Unit Months Available	2,640	30	300	1,620	4,590	4,590
11210 Number of Unit Months Leased	2,622	30	298	1,565	4,515	4,515
11270 Excess Cash	1,219,585	-	-	-	1,219,585	1,219,585
11650 Leasehold Improvements Purchases	299,497	-	-	-	299,497	299,497

Schedule of Developmental Costs

**WYTHEVILLE REDEVELOPMENT AND HOUSING AUTHORITY
SCHEDULE OF DEVELOPMENTAL COSTS
FOR THE YEAR ENDED JUNE 30, 2024**

	Account Number	VA36P021501-22
Operations	1406	\$ -
Management Improvements	1408	25,000
Administration	1410	20,000
Feeds and Costs	1430	-
Site Acquisition	1440	-
Site Improvement	1450	-
Dwelling Structures	1460	-
Dwelling Equipment	1465	-
Non-Dwelling Structures	1470	-
Non-Dwelling Equipment	1475	-
General Capital Fund	1480	671,721
Demolition	1485	-
Relocation Costs	1495	-
Developmental Activity	1499	-
Debt Service	1501	-
		<hr/>
Total		\$ 716,721
		<hr/> <hr/>

Costs incurred during the current audit period totaled \$484,585 for the fiscal year ending 2024. The distribution of cost for the projects as identified above as VA36P021501-22 as shown on the actual modernization cost certificate as submitted to HUD are in agreement with the PHA's records.

COMPLIANCE SECTION

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

To the Honorable Members of the Board of Commissioners

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and each major fund of Wytheville Redevelopment and Housing Authority, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Wytheville Redevelopment and Housing Authority's basic financial statements, and have issued our report thereon dated March 12, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Wytheville Redevelopment and Housing Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Wytheville Redevelopment and Housing Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Wytheville Redevelopment and Housing 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 Wytheville Redevelopment and Housing Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

Lucker, Brandenburg & Company, PLLC

Lebanon, Virginia

March 12, 2025

Tucker, Brandenburg & Company, PLLC

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

To the Honorable Members of the Board of Commissioners

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Wytheville Redevelopment and Housing Authority's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Wytheville Redevelopment and Housing Authority's major federal programs for the year ended June 30, 2024. Wytheville Redevelopment and Housing Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Wytheville Redevelopment and Housing Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

Lucker, Brandenburg & Company, PLLC

Lebanon, Virginia

March 12, 2025

**SCHEDULE OF
FINDINGS AND QUESTIONED
COSTS**

**WYTHEVILLE REDEVELOPMENT AND HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024**

Section I - Summary of Auditor Results

Financial Statements

Type of Financial Statement Opinion:	Unmodified
Internal control over financial reporting:	
Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
Was there any reported material noncompliance at the financial statement level (GAGAS)?	No

Federal Awards

Internal control over major programs:	
Were there any material weaknesses in internal control reported for major federal programs?	No
Were there any significant deficiencies in internal control reported for major federal programs?	No
Type of Major Programs' Compliance Opinion:	Unmodified
Are there any reportable findings under 2 CFR § 200.516(a)?	No

Major programs identified:

	<u>CFDA</u>
Low Rent Public Housing	14.850

Dollar threshold: Type A Programs:	\$750,000
Low Risk Auditee under 2 CFR §200.520?	Yes

Section II - Financial Statements Findings:

None Reported

Section III - Federal Award Findings and Questioned Costs

None Reported

Prior year findings:

None Reported