RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED SEPTEMBER 30, 2020

To be the catalyst for quality affordable housing and community revitalization.

Richmond RHA

Improving Communities.
Changing Lives.

RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY
TABLE OF CONTENTS
YEAR ENDED SEPTEMBER 30, 2020

Richmond R&HA

Improving Communities.
Changing Lives.

INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Richmond Redevelopment and Housing Authority
Richmond, Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of the Richmond Redevelopment and Housing Authority (the Authority), a political subdivision of the Commonwealth of Virginia, which comprise the statement of net position as of September 30, 2020, and the related statements of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

As more fully described in Notes 11, 13, and 14 to the financial statements, the Authority has recognized their net pension liability under Governmental Accounting Standards Board (GASB) Statement No. 68 and net OPEB liability related to group life insurance (GLI) and disability insurance (DI) under Governmental Accounting Standards Board (GASB) Statement No. 75 at a measurement date more than one year from the end of the fiscal year. The Authority participates in the Virginia Retirement System (VRS) who administers the pension plan, GLI, and DI plan for the Authority and other public sector employees in Virginia covered under VRS. VRS is responsible for obtaining the actuarial report determining the net pension liability, net OPEB liabilities, and the measurement date.

The Authority has included the financial effects of the GASB 68 and GASB 75 actuarial valuation reports provided by VRS based on a measurement date of June 30, 2019, the most recent available report published by VRS. These effects impacted net pension liability, net OPEB liability, and deferred outflows of resources, deferred inflows of resources and pension and OPEB expense. Although an updated actuarial valuation report with a measurement date of September 30, 2019 or later would change these amounts, it is not practicable to quantify the financial effects.

In our opinion, accounting principles generally accepted in the United States of America require that a liability should be recognized for the employer's proportionate share of the net pension liability, measured as of a date no earlier than the end of the employer's prior fiscal year.

Qualified Opinion

In our opinion, except for the effects of the measurement of the Authority's net pension liability and net OPEB liability related to GLI and DI as discussed in the Basis for Qualified Opinion paragraph, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Authority as of September 30, 2020, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-12, the schedule of the Authority's share of net GLI OPEB liability, the schedule of the Authority's contributions – VRS GLI plan, the schedule of the Authority's share of net VLDP OPEB liability, the schedule of the Authority's contributions – VLDP plan the schedule of changes in the Authority's total OPEB liability and related ratios, the schedule of changes in the Authority's net pension liability and related ratios, and the schedule of Authority's contributions – VRS Plan on pages 56 – 62 be presented to supplement the financial statements. Such information, although not a part of the basic financial statements, is required by GASB 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.

Other Matters (Continued)

Required Supplementary Information (Continued)

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

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The financial data schedules listed as supplementary information in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* is also presented for the purpose of analysis, and is not a required part of the basic financial statements.

The financial data schedules and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepared 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 accounting standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material aspects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 19, 2021, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Arlington, Virginia
August 19, 2021

INTRODUCTION

This section of the Richmond Redevelopment and Housing Authority's (RRHA) annual financial report presents Management's Discussion and Analysis (MD&A) of RRHA's financial and operating performance during the fiscal year that ended September 30, 2020. Management's discussion and analysis is designed to assist the reader in focusing on significant financial transactions, provide an overview of RRHA's financial activity, and identify changes in RRHA's financial position. The following sections, in conjunction with the financial statements, are designed to focus on RRHA's current year activities, resulting changes, and currently known facts.

RRHA was created in 1940 by the City of Richmond, Virginia (the City) pursuant to the Housing Authority Law (Title 36 of the Code of Virginia). A nine member Board of Commissioners appointed by the City Council governs RRHA. RRHA serves more than 10,000 residents in approximately 4,000 public housing units and more than 3,000 individuals residing in other forms of subsidized housing. In addition, RRHA acts as the City's redevelopment authority. In this role, RRHA provides protection to the general taxing authority of the City by insulating the general obligation liability of the City from the operation of development contracts with private development entities. Currently, RRHA acts as a conduit for federal, state, and local funding for housing and redevelopment projects.

FINANCIAL HIGHLIGHTS

Statement of Net Position

- The assets and deferred outflow of resources of RRHA exceeded its liabilities and deferred inflows of resources by $128.2 million (net position). Of this amount, $33.2 million (unrestricted net position) may be used to meet ongoing obligations to creditors, $83.4 million is invested in capital assets, net of debt and $11.5 million is restricted for specific purposes (restricted net position).

- RRHA's total net position increased by $4.5 million or 3.66% compared to fiscal year 2019.

- RRHA's total assets increased by $9.2 million from the prior year while RRHA's total liabilities increased by $4.7 million from the prior year. During fiscal year 2020 RRHA's assets increased primarily as the result of an increase in operating cash as a result of additional operating subsidy and an increase in mortgage receivables.

- Liabilities increased as a result of an increase in long term debt related to Church Hill project.

- RRHA's liquidity increased to 7.80 to 1. This means that RRHA has the ability to pay its current liabilities at least 6 times over. See discussion of RRHA's liquidity on page 9.

- RRHA's operating expenses exceeded operating revenue by $ .6 million.

Statement of Revenues, Expenses, and Changes in Net Position

- HUD receipts increased due to increase in operating subsidy under CARES act of $1.3 million, and an increase in HAP funding of $2.3 million.
- HAP expenses exceed HAP revenues by $ 2,134.
- The operating expenses include depreciation expense of $4.2 million primarily associated with the LIPH properties.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

The following is an overview and analysis of the financial activities of RRHA for the fiscal year ended September 30, 2020. This discussion and analysis is intended to serve as an introduction to RRHA's financial report, which has the following components: basic financial statements, notes to the financial statements, and supplementary information which allow the reader to address relevant questions, broaden a basis for comparison (year-to-year or public housing agency to public housing agency) and enhance RRHA's accountability to its stakeholders.

BASIC FINANCIAL STATEMENTS

The basic financial statements are designed to provide readers with a broad overview of RRHA's finances in a manner similar to private-sector business. RRHA records its transactions for all of its programs as one enterprise fund. The basic financial statements consist of three statements: the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows.

Statement of Net Position

The Statement of Net Position presents information on all of RRHA's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources reported as net position. Over time, the increases or decreases in RRHA's net position can be an indicator as to whether the financial position of RRHA is improving or deteriorating. To accurately use changes in net position as an indicator of RRHA's overall health, the underlying factors contributing to increases or decreases must be analyzed, as well as other non-financial factors (such as changes in the condition of fixed assets). Net position is reported in the following three categories:

- Net investment in capital assets – represents the net book value of buildings and land, furniture and equipment, and construction in progress less the current outstanding related debt.
- Restricted – resources whose use is subject to constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments less related debt. RRHA's restricted net position balance consists of Family Self Sufficiency escrow, debt service, program income, and excess housing assistance payments.
- Unrestricted – represents those portions of the total net position, which while not restricted, have been designated for a broad range of housing initiatives and future operations of RRHA.

Statement of Revenues, Expenses, and Changes in Net Position

The Statement of Revenues, Expenses and Changes in Net Position presents a comparison of RRHA's receipts and disbursements and ultimately shows how net position changed during the year. All changes in net position are recognized as the underlying event occurs, regardless of the timing of the related cash flows. As a result, revenues and expenses are reported in this statement for some items that will not impact cash flows until future fiscal periods.

Statement of Cash Flows

The Statement of Cash Flows provides information that helps to assess RRHA's ability to generate positive future net cash flows, assess RRHA's ability to meet its obligations and its needs for external financing and assess the reasons for differences between net operating income or loss and associated cash receipts and payments. It also helps to assess the effects on RRHA's financial position of both its cash and non-cash investing and financing transactions, if any, during the period.

Notes to Financial Statements

The notes to the financial statements provide additional information that is essential for a full understanding of the information provided in the basic financial statements. The notes also present certain required supplementary information.

Required Supplementary Information and Other Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information and other supplementary information that is not required. The Schedule of the Authority's Share of Net GLI OPEB Liability on page 56, The Schedule of The Authority's Contributions – VRS GLI plan on page 57, The Schedule of the Authority's Share of Net VLDP OPEB Liability on page 58, The Schedule of The Authority's Contributions – VLDP plan on page 58, The Schedule of changes in the Authority's Total OPEB Liability and Related Ratios included on page 60, The Schedule of Changes in the Authority's Net Pension Liability and Related Ratios and Schedule of Authority's Contributions for the VRS Pension Plan are on pages 61 through 62, reflects RRHA's position as it related to funding its obligation to provide pension and OPEB benefits to its employees. Additionally, the other supplementary information included on pages 63 through 70 presents a Financial Data Schedule.

FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of RRHA's financial position. In the case of RRHA, assets and deferred outflow of resources exceeded liabilities and deferred inflow of resources by $128.2 million at September 30, 2020.

Net position in capital assets totaling $83.4 million reflect RRHA's investments in capital assets (e.g., land, infrastructure, buildings, machinery, and equipment) less any related debt used to acquire those assets that are still outstanding. RRHA uses these capital assets to provide services to residents; consequently, these assets are not available for future spending.

An additional portion of RRHA's net position totaling $11.5 million represents resources that are subject to external restrictions on how they may be used. The remaining balance is unrestricted net position totaling $33.2 million, which may be used to meet RRHA's ongoing obligations to residents and creditors.

At the end of the fiscal year, RRHA is able to report positive balances in all three categories of net position.

Table 1 represents the Schedule of Net Position for RRHA as of September 30, 2020 and 2019.

Table 1
Schedule of Net Position

	2020	2019	$ Increase/ (Decrease)	% Increase/ (Decrease)
Current and Other Assets	$ 76,085,523	$ 65,642,643	$ 10,442,880	15.91%
Capital Assets	83,415,514	84,683,593	(1,268,079)	(1.50)%
Total Assets	159,501,037	150,326,236	9,174,801	6.10%
Deferred Outflows of Resources	1,958,280	1,455,557	502,723	34.54%
Current and Other Liabilities	27,503,699	25,925,007	1,578,692	6.09%
Long-Term Debt Outstanding	4,638,563	1,521,813	3,116,750	204.81%
Total Liabilities	32,142,262	27,446,820	4,695,442	17.11%
Deferred Inflows of Resources	1,124,078	673,957	450,121	66.79%
Net Position:				
Net Investment in Capital Assets	83,415,514	84,683,593	(1,268,079)	(1.50)%
Restricted	11,547,408	12,486,035	(938,627)	(7.52)%
Unrestricted	33,230,055	26,491,388	6,738,667	25.44%
Total Net Position	$ 128,192,977	$ 123,661,016	$ 4,531,961	3.66%

Net position changed as a result of the following:

- Current and Other Assets increased by $10.4 million or 15.9%. Primarily due to an increase in operating cash as a result of additional operating subsidy.
- Capital assets decreased by $1.3 million or 1.5%. RRHA assets decreased as a result of normal depreciation expense of $4.2 million which was offset by an increase in capital spending of $6.1 million, and disposal of $3.2 million.
- Current and other liabilities increased by $1.6 million or 6.1%. The increase is due to an increase in deferred CARES act funding and increase in current portion of accrued compensated absences.
- Restricted net position decreased by $.9 million or 7.5% as a result of use of cash restricted for capital improvements during the year.

Table 2 summarizes the major sources of revenues and expenses for the year:

Table 2
Statements of Revenues, Expenses, and Changes in Net Position

	2020	2019	$ Increase/ (Decrease)	% Increase/ (Decrease)
Operating Revenues:				
Rental Revenue	$ 10,238,319	$ 11,053,739	$ (815,420)	(7.38)%
HUD Grants	56,251,377	52,151,985	4,099,392	7.86%
Other Governmental Grants	789,126	667,302	121,824	18.26%
Other Revenue	4,498,605	3,788,349	710,256	18.75%
Total Operating Revenues	71,777,427	67,661,375	4,116,052	6.08%
Program Expenses:				
Administrative	12,214,341	10,435,695	1,778,646	17.04%
Tenant Services	680,521	501,645	178,876	35.66%
Utilities	12,515,088	12,949,274	(434,186)	(3.35)%
Ordinary Maintenance & Operation	9,815,109	8,897,261	917,848	10.32%
General Expenses	3,907,217	3,684,856	222,361	6.03%
Housing Assistance Payments	28,979,664	27,077,529	1,902,135	7.02%
Cost of Property Sold	52,558	57,519	(4,961)	(8.62)%
Depreciation	4,213,693	3,960,175	253,518	6.40%
Total Program Expenses	72,378,191	67,563,954	4,814,237	7.13%
Nonoperating Revenues (Expenses)				
Investment Income	126,976	118,855	8,121	6.83%
Total Nonoperating Revenues (Expenses)	126,976	118,855	8,121	(6.83)%
Income (Loss) Before Contributions and Transfers	(473,788)	216,276	(690,064)	(319.07)%
Capital Grants	5,005,749	6,592,657	(1,586,908)	(24.07)%
Change in Net Position	4,531,961	6,808,933	(2,276,972)	(33.44)%
Net Position	123,661,016	116,852,083	6,808,933	5.83%
Net Position, September 30	$ 128,192,977	$ 123,661,016	$ 4,531,961	3.66%

- HUD Grants and subsidies increased by $ 4.1 million or 7.9% as a result of an increase in HAP funding of $2.3 million and an increase in operating subsidy under the CARES act of $1.2 million.
- Administrative expenses increased by $1.8 million or 17.0% as a result of an increase in employee benefits related to the increase in pension expense.
- Ordinary Maintenance & Operations increased by $ .9 million, or 10.3%, as a result of increases in employee benefits related to the increase in pension expense.
- Housing Assistance Payments increased by $1.9 million or 7.0% due to increase in leasing.
- Capital grants decreased by $1.6 million or 24.7% due to decrease in capital improvements due to COVID shutdowns.

LIQUIDITY

RRHA's "working capital" is the difference between its current assets and current liabilities and represents the "amount of net liquid resources" available for use in the course of ongoing business activities. The "current ratio" reflects the "relationship" of these classifications and is a measure of RRHA's ability to pay short-term obligations.

Table 3
Working Capital and Current Ratio

	2020	2019
Current Assets	$ 43,465,483	$ 39,007,989
Less: Current Liabilities	(5,570,427)	(6,819,630)
Working Capital	$ 37,895,056	$ 32,188,359
Current Assets	$ 43,465,483	$ 39,007,989
Divided by: Current Liabilities	5,570,427	6,819,630
Current Ratio	7.80:1	5.72:1

RRHA is financially stable as evidenced by its working capital of $37.9 million and its 7.80:1 ratio of current assets to current liabilities at September 30, 2020. HUD's financial assessment considers a current ratio of 1:1 or greater as financially stable. The working capital for RRHA increased from fiscal year 2019 by $5.7 million. Current assets increased at a faster rate than current liabilities. Increase in current assets is primarily due to an increase in cash of $4.3 million primarily related to increase in operating subsidy and CARES act funding. Decrease in current liabilities is due primarily to the amount of accrued expenses at year end compared to prior.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of September 30, 2020, RRHA's capital assets totaled $83,415,514 (net of accumulated depreciation). Included in the capital assets are land, land improvements, buildings and structures, equipment, and construction in progress. See footnote 5 for further details.

Table 4
Capital Assets

	2020	2019
Land	$ 7,691,605	$ 8,003,619
Buildings	154,453,581	154,821,428
Furniture, Equipment, and Machinery	21,402,569	18,541,900
Accumulated Depreciation	(111,140,493)	(107,166,595)
Construction in Progress	11,008,252	10,483,241
Total	$ 83,415,514	$ 84,683,593

Long-Term Debt

As of September 30, 2020, RRHA had net outstanding notes, bonds and loans payable totaling $11.1 million. See footnote 7 for further details.

Table 5
Long-Term Debt

	2020	2019
4th and Grace Place Note Payable	$ 765,000	$ 765,000
COCC/LRPH Repayment	6,025,544	6,135,544
COCC/LRPH Repayment	424,225	432,225
RDC Armstrong LLC Note Payable to City	3,873,563	756,813
Subtotal	11,088,332	8,089,582
Less: Eliminations	(6,449,769)	(6,567,769)
Total Outstanding Debt	$ 4,638,563	$ 1,521,813

ECONOMIC CONDITIONS AND NEXT YEAR'S BUDGET

The global crisis of the coronavirus pandemic significantly impacted the world, and the economy has been in turmoil, with the stock market fluctuating and unemployment rates sky rocketing. In December 2019, an outbreak of a novel strain of the coronavirus (COVID-19) originated in Wuhan, China and has since spread to other counties, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U.S. had declared a state of emergency. It was anticipated that these impacts will continue for some time.

A coronavirus (COVID-19) relief bill passed the Senate and the House and was signed by the President on March 27, 2020. The relief bill included additional funds for Public and Indian Housing, Community Planning and Development, and Office of Housing Programs. The U.S. Department of Housing and Urban Development issued Notice PIH 2020-5 "COVID-19 Statutory and Regulatory Waivers for the Public Housing, Housing Choice Voucher, Indian Housing Block Grant and Indian Community Development Block Grant programs, Suspension of Public Housing Assessment System and Section Eight Management Assessment Program." During FY20, the Housing Authority implemented all applicable waivers identified in the notice that were appropriate and necessary for operations and in the best interest of the residents and participants we service.

Since the onset of this new recession in March of 2020, the U.S. economy has slowly improved as anticipated. As of June 2021, the U.S. growth is expected to rise by 7% in 2021 and then drop to 3.2% growth rate in 2022 and slow further to 2.4% in 2023. Inflation is predicted to be 3.0% in 2021 and drop to the Fed's target inflation rate of 2.0% in 2022. The unemployment rate peaked to 14.8% in April 2020 as workers were let go from their jobs due to pandemic. However, the rates have since declined to 4.5% for 2021 and is expected to gradually decline in the following years to 3.8% in 2022. The City of Richmond's unemployment rate also peaked in 2020 to 11.8% but has since declined to 4.6% for 2021, which is slightly higher than the national average.

Potential impacts to the Housing Authority come from our response to the effects of the COVID-19 pandemic. Housing Authority staff have either adapted to working remotely or work in a hybrid environment. Additionally, with the implementation of the Reimagining Committee, the Housing Authority has become more innovative in providing optimal service to the residents through the expanded use of Rent Café, Document Management, Self-Service Kiosks, an expanded call center, and Text Messaging/Mass Communication. However, with the new possible Delta Variant to the coronavirus, the Housing Authority will remain cautious in our service delivery model. The effects of the COVID-19 pandemic have also impacted the tenant's ability to pay the required monthly rent due to either a decrease in income due to loss of their job or other COVID-related impacts that caused an increase in household expenses. In response, the Housing Authority has worked with partnering agencies to apply for rent relief assistance on behalf of the residents.

Despite the pandemic, the major objective in Richmond continues to be to ensure its downtown is vibrant and healthy. Additionally, the City of Richmond is focusing on creating a more prosperous and equitable community Master Plan with the 2021 Daniel Burnham awarded - Richmond 300 plan. This was adopted by the City Council on December 14, 2020. This plan is the City's efforts in overcoming past wrongs like redlining and practices that unfairly excluded specific populations from access to opportunities. RRHA anticipates numerous community and economic development initiatives to create investment opportunities since we are the largest landowner in the City of Richmond and house majority of the City's underserved and vulnerable populations. RRHA is a partner in the City's efforts and key personnel in the Housing Authority are involved with the planning elements and phases of the Richmond 300 master plan.

RRHA receives a significant portion of its funding from the U.S. Department of Housing and Urban Development (HUD). With those resources, RRHA administers programs that include Low Income Public Housing (LIPH), Housing Choice Voucher Programs (HCVP), Capital Grants, and HOPE VI.

External economic and legislative factors outside of HUD's control affect its ability to influence key performance goals. These external factors include economic conditions, a high poverty rate, unemployment rates, financial lending environment, tax regulations, and other federal, state and local conditions. In addition, budget constraints could have a direct impact on all HUD programs. Interrelated budgetary and economic factors and a shortage of affordable housing caused by external economic conditions outside of their control may affect HUD's ability to fund and meet its goals.

Therefore, the FY 2021 budget is conservatively based and is reflective of 2020 federal legislative mandates. The fiscal year (FY) 2021 budget assumes HUD will fund Public Housing Operations at 90% of projected need, fund Housing Assistant Payments at 90.4% of projected need, and fund the Administrative needs of the Housing Choice Voucher Program at 80%. The projected funding levels for both the Public Housing Operations and Housing Assistant Payments are consistent with prior years.

The FY2021 budget also reflects the goals of the Board of Commissioners, Executive Staff and senior leadership of RRHA. The 2021 budget reflects the Authority's commitment to our residents by funding initiatives which will ensure stability and preservation of our existing communities, improve the quality of life for RRHA residents and provide an ever-broader range of housing operations. The budget includes continuation of revitalizing of FAY Towers (Jackson Ward Senior and Baker School), planning revitalization for Creighton, and Rental Assistance Demonstration (RAD) redevelopment efforts for about 500 family and senior units.

REQUEST FOR INFORMATION

The audited financial statements provide a general overview of RRHA's financial transactions. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Controller, Richmond Redevelopment and Housing Authority, 901 Chamberlayne Parkway, Richmond, Virginia 23220.

ACKNOWLEDGMENTS

This report was prepared by the Richmond Redevelopment and Housing Authority's Finance Department under the direction of Stacey L. Daniels-Fayson, Interim Chief Executive Officer and Tianna Wooldridge, Interim Controller with assistance from:

Financial Reporting Team:	Operations Team:
Ciara Bost	Lucinda Horsey, CPA
Edward Doe	Venus Brooks
Michael Stenquist	Genelle Frizzelle
Pamela Thompson	Sherlene Hassan
	Rachel Vovchuk

The Department of Finance wishes to express its appreciation to the Board of Commissioners, the Interim Chief Executive Officer and all RRHA Departments and other organizations for their support.

RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY
STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
CURRENT ASSETS	
Cash and Cash Equivalents (Note 2)	$ 20,851,125
Restricted Cash and Cash Equivalents (Note 2)	12,802,341
Accounts Receivables, Net of Allowance of $1,899,757 (Note 3)	3,131,169
Mortgage Loans and Notes Receivable - Current, Net of Allowance of $327,221 (Note 4)	419,285
Land Held for Resale, Net of Allowance of $1,039,591 (Note 6)	5,364,361
Other Assets, Net of Allowance of $70,728	897,202
Total Current Assets	43,465,483
NONCURRENT ASSETS	
Capital Assets - Nondepreciable (Note 5)	
Land	7,691,605
CIP	11,008,252
Total Capital Assets - Nondepreciable	18,699,857
Capital Assets - Depreciable (Note 5)	
Buildings and Improvements	154,453,581
Furniture and Equipment	21,402,569
Accumulated Depreciation	(111,140,493)
Total Capital Assets - Depreciable	64,715,657
Capital Assets, Net	83,415,514
Mortgage Loans and Notes Receivable - Noncurrent, Net of Allowance of $217,319 (Note 4)	32,620,040
Total Noncurrent Assets	116,035,554
Total Assets	159,501,037
DEFERRED OUTFLOW OF RESOURCES	
OPEB Related Inflows	262,995
Pension Related Outflows	1,695,285
Total Deferred Outflows of Resources	1,958,280
Total Assets and Deferred Outflows of Resources	$ 161,459,317
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	
CURRENT LIABILITIES	
Accounts Payable (Note 9)	$ 1,513,737
Due to Other Governments, Current (Note 9)	222,303
Compensated Absences, Current (Note 9)	828,793
Accrued Liabilities (Note 9)	1,374,132
Tenant Security Deposits/FSS Escrows (Note 9)	609,821
Other Current Liabilities (Note 9)	44,028
Unearned Revenues (Note 9)	977,613
Total Current Liabilities	5,570,427
NONCURRENT AND OTHER LIABILITIES	
Long-Term Debt, Net of Current (Note 7)	4,638,563
Other Noncurrent Liabilities (Note 9)	14,648,527
Accrued Pension and OPEB Liability (Notes 11,12,&13)	7,284,745
Total Noncurrent and Other Liabilities	26,571,835
Total Liabilities	32,142,262
DEFERRED INFLOWS OF RESOURCES	
OPEB Related Inflows	298,404
Pension Related Inflows	825,674
Total Deferred Inflows of Resources	1,124,078
NET POSITION	
Net Investment in Capital Assets	83,415,514
Restricted	11,547,408
Unrestricted	33,230,055
Total Net Position	128,192,977
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 161,459,317

See accompanying Notes to Financial Statements.

RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED SEPTEMBER 30, 2020

OPERATING REVENUES	
Dwelling Rental	$ 10,238,319
HUD Grants and Subsidies	56,251,377
Other Government Grants and Subsidies	789,126
Sale of Property	713,664
Other Income	3,677,650
Mortgage Interest	107,291
Total Operating Revenues	71,777,427
OPERATING EXPENSES	
Administration	12,214,341
Tenant Services	680,521
Utilities	12,515,088
Maintenance and Operation	9,815,109
General Expenses	3,907,217
Housing Assistance Payments	28,979,664
Cost of Property Sold	52,558
Depreciation	4,213,693
Total Operating Expenses	72,378,191
Total Operating Income	(600,764)
Nonoperating Revenues (Expenses):	
Investment Income	126,976
Total Nonoperating Revenues (Expenses)	126,976
Income Before Capital Grants	(473,788)
Capital Grants	5,005,749
CHANGE IN NET POSITION	4,531,961
Net Position - Beginning of Year	123,661,016
NET POSITION - END OF YEAR	$ 128,192,977

See accompanying Notes to Financial Statements.

RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY
STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2020

CASH FLOWS FROM OPERATING ACTIVITIES		
Rental Receipts	$	8,326,811
Direct HUD Subsidies		55,575,916
Other Government Grants and Subsidies		789,126
Charges for Services		(1,029,339)
Payments to Employees		(14,394,086)
Housing Operations and Tenant Services		(21,348,359)
Housing Assistance Payments		(28,979,664)
Net Cash Used by Operating Activities		(1,059,595)
CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES		
Principal Payments on Notes Payable		(839,298)
Issuance of Notes Payable		3,956,048
Net Cash Provided by Non Capital Financing Activiites		3,116,750
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Acquisition of Capital Assets		(6,132,749)
Loss on disposal of Capital Assets		3,187,135
Capital Contributions		5,005,749
Net Cash Provided by Capital Financing Activities		2,060,135
CASH FLOWS FROM INVESTING ACTIVITIES		
Loss on Disposal of Land Held for Resale		170,508
Interest Income		126,976
Net Cash Provided by Investing Activities		297,484
NET INCREASE IN CASH AND CASH EQUIVALENTS		4,414,774
Cash and Cash Equivalents - Beginning of Year		29,238,692
CASH AND CASH EQUIVALENTS - END OF YEAR	$	33,653,466
CLASSIFIED AS		
Cash and Cash Equivalents	$	20,851,125
Restricted Cash		12,802,341
Total	$	33,653,466
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES		
Net Operating Loss	$	(600,764)
Adjustments to Reconcile Cash and Cash Equivalents Used by Operating Activities:		
Depreciation		4,213,693
Bad Debt Expense		1,660,570
Effects of Changes in Operating Assets and Liabilities, Net of Business Combination and Noncash Items:		
Accounts Receivable		(2,699,473)
Mortgage Loans, Net		(5,823,404)
Other Assets		663,693
Accounts Payable		(1,150,556)
Unearned Revenue		460,161
Tenant Security Deposits		(52,197)
Accrued Liabilities		(221,401)
Other Liabilities		1,599,435
OPEB Liabilities		(148,907)
Pension Liability		1,092,157
Deferred Inflow - Pension		405,313
Deferred Inflow - OPEB		44,808
Deferred Outflow - Pension		(406,628)
Deferred Outflow - OPEB		(96,095)
Net Cash Used by Operating Activities	$	(1,059,595)

See accompanying Notes to Financial Statements.

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Richmond Redevelopment and Housing Authority (the Authority or RRHA) was established by the City Council of the City of Richmond, Virginia (the City), in October 1940 as a political subdivision of the Commonwealth of Virginia. RRHA is responsible for operating affordable housing programs, which provide housing for eligible families, for operating redevelopment and conservation programs in accordance with the City's Master Plan and for the delivery of services to citizens of low-income housing and urban renewal areas through the encouragement and development of social and economic opportunities. The Board of Commissioners of RRHA is appointed by the City Council. A summary of the various programs, including Annual Contributions Contract Numbers (ACC #), if applicable, provided by RRHA are as follows:

Low-Income Public Housing programs provide subsidy funding annually, by a formula for Housing Modernization and Housing Operations Programs. These programs support public housing operations by way of an annual contributions contract with the Department of Housing and Urban Development (HUD), ACC #P-200. Under this contract, RRHA develops, modernizes and manages 21 public housing developments and 135 single-family homes.

Housing Choice Voucher programs (HCVP) include the Certificate, Voucher and Moderate Rehabilitation programs. Under these programs, rental assistance payments are made by RRHA primarily to landlords on behalf of eligible families. These programs are funded by the annual contributions contract with HUD, ACC # P-5518.

Capital Funding Programs (CFP) provides funds annually, by a formula, to PHAs for capital and management activities, including modernization and development of public housing. The CFP funds, which are allocated annually, represent the major source of funding for capital and management activities at PHAs.

The HOPE VI revitalization program includes the construction and sale of affordable housing units. The units will be owned by RRHA and managed as public housing.

Resident Opportunities and Self-Sufficiency (ROSS) Programs are provided by a series of grants from HUD. The purpose of the ROSS Programs is to assist residents in becoming economically self-sufficient by providing supportive services and resident empowerment activities.

The Community Development Block Grant (CDBG) and the Home Investment Partnership (HOME) programs include various residential redevelopment projects administered by the City. RRHA acts as a subrecipient of CDBG and HOME programs, which are received by the City from HUD and passed on to RRHA. RRHA generally uses these funds for various revitalization projects which includes but is not limited to the purchase of land, demolition of blighted structures, relocation of tenants and/or owners, infrastructure improvements, single-family mortgage loans and forgivable loans and grants in designated sections of the City of Richmond.

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

RRHA also provides other nongrant related activities including administrative functions and resident day care services along with private residential and commercial bank loans, which are categorized as Other Programs.

Basis of Accounting, Basis of Presentation, and Measurement Focus

RRHA has prepared its financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Government Accounting Standards Board (GASB) Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* (GASB 62), was issued to incorporate FASB and AICPA guidance into GASB authoritative literature.

The Authority uses the accrual basis of accounting in the enterprise funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place.

The Authority uses fund accounting (as presented in the supplemental financial data schedule). Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain Authority functions. The fund is a separate accounting entity with a self-balancing set of accounts. The accounting and financial reporting method applied by a fund is determined by the fund's measurement focus. The accounting objectives are determination of net income, financial position and cash flows. All assets and liabilities associated with the Enterprise Fund's activities are included on the statement of net position. All funds of the Authority are enterprise funds.

Effective for fiscal year 2008, HUD requires all public housing agencies meeting certain criteria to account for financial activity by project. Referred to as the asset management program, RRHA is now required to report financial activity by project as well as by fund through HUD's on-line reporting system.

Management of RRHA and the City of Richmond has determined that RRHA is a component unit of the City of Richmond, Virginia and, accordingly, the financial position and results of RRHA's operations are included in the City of Richmond's basic financial statements.

Financial Reporting Entity

RRHA's financial statements are prepared in conformity with GAAP as applied to governmental units. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Authority's financial statements include those of the Authority and component units. In determining how to define the reporting entity, management has considered all potential component units. The decision to include a component unit in the reporting entity was made by applying the criteria set forth by the Governmental Accounting Standards Board (GASB). These criteria include manifestation of oversight responsibility including financial accountability, imposition of will, financial benefit to or burden on a primary organization, and financial accountability as a result of fiscal dependency.

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Reporting Entity (Continued)

On the basis of the application of these criteria, Randolph Place Associated, L.P. and Richmond Development Corporation are entities that are required to be reported as blended component units of the Authority. There are no other component units.

Randolph Place Associates, L.P.

The Randolph Place Associates, L.P. was a limited partnership created under the laws of the Commonwealth of Virginia on January 10, 1985. The Partnership was formed to acquire, rehabilitate, construct, own, and operate a 50-unit apartment housing project for occupancy by the elderly in Richmond, Virginia. On November 1, 2007, the 50-unit apartment was sold to a subsidiary of Better Housing Coalition. The Randolph Place Associates Limited Partnership has been repurposed to carry out for-profit development but currently has limited activity. The Partnership has a June 30 fiscal year-end.

Richmond Development Corporation (RDC)

The Richmond Development Corporation (RDC), formerly known as Randolph Neighborhood and Development Corporation (RNDC), obtained a Section 501(c)(3) tax-exempt status as a public charity on January 11, 1982. The name of the corporation was changed to Richmond Development Corporation in February 1998. The purpose of the Corporation is to build vibrant and sustainable neighborhoods in Richmond through housing and commercial development activities. This Corporation will be the vehicle used to obtain tax credits and funding for several of RRHA's strategic initiatives. The Corporation has a December 31 fiscal year-end.

RDC is the sole member of RDC Armstrong, LLC, a limited liability company forms to engage in community development activities. The activity of RDC Armstong, LLC is consolidated under the blended component unit RDC.

These entities are deemed blended component units and therefore the operating activities are included in the Authority's basic financial statements. Accordingly, the amounts included for each blended component unit in the financial statements are as of and for the respective year ends that fall within the year ended September 30, 2020.

Cash Equivalents

Highly liquid investments, including money market funds and certificates of deposit, with initial maturities of three months or less from the date of purchase are considered cash equivalents.

Receivables

Receivables are shown net of allowances. RRHA determines its allowance based on historical data.

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Mortgage Loans Receivable

Mortgage loans are carried at amounts advanced, net of collections and reserves for loan losses, if any. Properties that are foreclosed are carried on the books at the loan value if an appraisal of the property is not available. Loans that become past due as to principal and interest are evaluated for collectability, and included in the allowance for loan losses if deemed appropriate.

Inventories

In fiscal year 2011, RRHA implemented a just-in-time solution for inventory. Under this new method, inventory is recorded at cost and is expensed when purchased. RRHA also continues to use the consumption method for items purchased prior to the change. These items are charged to expense when consumed. Inventories are recorded at average cost.

Capital Assets

Capital assets, mainly buildings and structures, land, land improvements and equipment, are generally stated at historical cost, or at estimated historical cost based on appraisals or on other acceptable methods when historical cost is not available. RRHA defines capital assets as items with an initial, individual cost of more than $5,000 and an estimated useful life of at least five years. Donated fixed assets are stated at their acquisition value as of the date of the donation.

Accumulated depreciation is reported as a reduction of fixed assets. Depreciation is calculated on the straight-line basis over the following estimated useful lives.

Building and Structures	40 to 50 Years
Building Improvements	15 to 40 Years
Equipment	5 to 20 Years
Land Improvements	20 Years

Construction in Progress

Construction in Progress represents expended funds for certain Housing Modernization programs. At the completion of the project, amounts are transferred to land and land improvements; buildings and structures; and equipment. Administrative, overhead and other costs, which do not increase the value of the property, are expensed as incurred.

Land Held for Resale

Land Held for Resale is recorded at the lower of cost or fair market value when purchased or donated, less estimated disposal costs.

Debt Obligations

Debt is carried at the outstanding face amount, net of any remaining unamortized premium or discount.

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

The liabilities for compensated absences have been recorded in accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*. The current leave policy in effect (Policy #2.3 effective January 1, 2008) states that employees earn annual vacation leave at a rate ranging from 22.75 days per year, up to a maximum of 29.25 days per year after 15 years of service.

According to this policy, the maximum balance at the end of each fiscal year and maximum payment upon separation is noted in the following table.

Years of Service	Number of Days Earned Per Year	Maximum Balance End of the Year	Maximum Payment Upon Separation
Less Than Five Years	22.75 Days	24 Days	24 Days
5 to 9 Years	26 Days	30 Days	30 Days
10 to14 Years	26 Days	36 Days	36 Days
15 or More Years	29.25 Days	42 Days	42 Days

Net Position

Net position in enterprise fund financial statements is classified as net investment in capital assets, restricted, and unrestricted. Net investment in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, laws and regulations of other governments or imposed by law through state statute. RRHA’s restricted net position consists of escrows held for debt service payments, reserve accounts, program income for the City, and excess housing assistance payments. Unrestricted net position consists of assets that are not subject to externally imposed stipulations. The unrestricted net position may be designated for specific purposes by action of management or the board or may otherwise be limited by contractual agreements with outside parties. The Authority first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net resources are available.

Unearned Revenue

Unearned revenue shown on the statement of net position is comprised of revenue amounts for which asset recognition criteria have been met but for which revenue recognition criteria have not yet been met.

Revenue Recognition

Generally, revenues are recognized when earned, regardless of when the related cash flows take place. Nonexchange transactions, in which RRHA either gives or receives value without directly receiving or giving equal value in exchange, include, for example, grants, entitlements, and donations. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Rental revenues are recorded as operating revenues as rentals become due. Rental payments received in advance, if any, are deferred until earned.

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

RRHA has entered into annual contributions contracts with HUD to develop, manage, own, and rent affordable housing. HUD makes annual debt service contributions and monthly operating subsidy contributions within the public housing program and monthly contributions for housing assistance payments and administration fees for the HCVP program. Such operating contributions are reflected as operating revenues in the accompanying statement of revenues, expenses, and changes in net position. Capital contributions are presented as a separate component in determining the change in net position for the year on the statement of revenues, expenses, and changes in net position.

Other intergovernmental revenues, which are primarily derived from the City of Richmond, are reported under the legal contractual requirements of the individual programs.

Home sales revenues are recorded at the time of closing and are reported under the legal contractual requirement of the individual program and are reported as operating revenues.

Nonoperating Revenues and Expenses

Operating revenues and expenses generally result from providing goods and services in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. RRHA reports as nonoperating revenue and expense amounts arising from capital asset transactions, investment related activities and intergovernmental debt service related transactions.

Inter-Program Transfers

Transfers among programs are recognized in all programs affected in the period in which the transfers occur. The inter-program activity was eliminated from the statement of net position for presentation purposes in the audited statements at September 30, 2020. The inter-program transfers are included in the supplemental information.

Pension Plans

RRHA participates in a defined benefit pension plan administered by the Virginia Retirement System. It is RRHA's policy to fund the normal cost and amortization of unfunded prior service cost (over 30 years). RRHA also provides post-employment benefits other than pensions in the form of health-related insurance. Expenses are recognized as incurred.

Deferred Outflows/Inflows of Resources

A deferred outflow of resources represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense) until the future period. The Authority recognizes deferred outflows for contributions made subsequent to the measurement date related to pensions and the difference between projected and actual earnings on pension plan investments.

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/Inflows of Resources (Continued)

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

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 Virginia Retirement System (VRS) Group Life Insurance program OPEB and the additions to/deductions from the VRS Group Life Insurance Program OPEB's net fiduciary 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.

Disability Program

The Virginia Retirement System (VRS) Political Subdivision Employee Virginia Local Disability Program is a multiple-employer, cost-sharing plan. For purposes of measuring the net Political Subdivision Employee Virginia Local Disability Program OPEB liability, deferred outflows of resources and deferred inflows of resources related to the Political Subdivision Employee Virginia Local Disability Program OPEB, and the Political Subdivision Employee Virginia Local Disability Program OPEB expense, information about the fiduciary net position of the Virginia Retirement System (VRS) Political Subdivision Employee Virginia Local Disability Program; and the additions to/deductions from the VRS Political Subdivision Employee Virginia Local Disability Program's net fiduciary position have been determined on the same basis as they were reported by VRS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Income Taxes

As a political subdivision of the Commonwealth of Virginia, RRHA is exempt from federal and state income taxes.

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New GASB Pronouncements

In fiscal year 2020, the Authority implemented the following GASB Statements:

GASB Statement No. 83, *Certain Asset Retirement Obligation*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The implementation of this statement did not have an impact on the basic financial statements or disclosures of the Authority.

GASB Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The implementation of this statement did not have an impact on the basic financial statements or disclosures of the Authority.

GASB Statement No. 88, *Certain Disclosures Related to Debt*, including Direct Borrowings and Direct Placements. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The implementation of this statement did not have an impact on the basic financial statements or disclosures of the Authority.

GASB Statement No. 90, *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The implementation of this statement did not have an impact on the basic financial statements or disclosures of the Authority.

NOTE 2 CASH AND CASH EQUIVALENTS AND INVESTMENTS

Use of Estimates

The preparation of the financial statements in conformity with GAAP requires the use of 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 reported during the reporting period. Actual results could differ from those estimates.

NOTE 2 CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Cash

At September 30, 2020, cash on hand, cash items and petty cash totaled $33,653,466 and the value of RRHA's deposits with financial institutions totaled $34,547,675.

To support the implementation of Asset Management, RRHA established separate bank accounts for select programs (i.e., Community Revitalization, Housing Choice Voucher). Cash and investments are separately held by each of RRHA's programs. As disbursements are made from the payroll accounts, funds from the Revolving Account are automatically transferred to those bank accounts to cover those disbursements on a daily basis. All cash classified as restricted relates to the establishment of escrow accounts for outstanding loans with program requirements, tenant security deposits, excess HCV payments, and debt service.

Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, RRHA's deposits may not be returned to it. It is RRHA's policy to ensure that all deposits with financial institutions are covered by either federal deposit insurance or the provisions of the Virginia Security for Public Deposits Act (the Act). Under the Act, financial institutions may participate in the collateral pool by pledging collateral in excess of 50% of excess deposits in the name of the State Treasury Board. The Code of Virginia §2.2-4405(5), as amended, authorizes the State Treasury Board to "establish guidelines to permit banks to withdraw from the procedures for the payment of losses under §2.2-4403 [, as amended,] and instead be governed by the procedures for the payment of losses under §2.2-4404 [, as amended].

The State Treasury Board publishes lists of those financial institutions opting out of the collateral pool which did not meet the collateral requirements in accordance with the procedures for the payment of losses. As of September 30, 2020, all bank balances were covered by either federal deposit insurance or the Act.

Cash Equivalents and Investments

Cash equivalents consist of money market funds with initial maturities not exceeding 365 days and average maturities of less than 90 days. RRHA invests in a short-term Government & Agency Portfolio money market fund that aims to maximize current income consistent with the preservation of capital and the maintenance of liquidity. The fund normally invests at least 80% of the assets in direct obligations of the U.S. treasury and other securities issued or guaranteed as to principal and interest by the U.S. government, or its agencies and instrumentalities (agency securities), as well as repurchase agreements secured by those obligations. RRHA also invests in a liquid federal trust fund consisting of U.S. treasury and agency debt which matures within one year. The balance of cash equivalents and investments at September 30, 2020 was $1,908,895

Interest Rate Risk

Fair value of an investment fluctuates with interest rates and increasing interest rates could cause fair value to decline below the original cost. To limit RRHA's exposure to increasing interest rates, RRHA's investment policy limits the terms of investment and allows the maturities to remain liquid to enable RRHA to meet all operating requirements.

NOTE 2 CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Credit Risk

RRHA does not have a formal policy on credit risk; however, the Federal Code of Regulations, Part 85, Subpart C, (24 CFR 85.20) for cash management and investments permits investments in the following types of investments: direct U.S. obligations, U.S. agency obligations, repurchase agreements, and money market mutual funds. RRHA follows these guidelines and all of RRHA's investments are short term in nature with weighted average maturities of less than 90 days. Repurchase agreements are collateralized by securities at market value sufficient to cover the face values of the investments.

Custodial Credit Risk – Investments

For an investment, this is the risk that in the event of failure of the counterparty, RRHA will not be able to recover all or a portion of the value of its investments or collateral securities that are in the possession of an outside party. RRHA does not have a formal policy on custodial credit risk.

Concentration of Credit Risk

RRHA places no limit on the amount that it may invest in any one issuer. The majority of the investments are in money market funds in various accounts held with one financial institution. RRHA does not have a formal policy for concentration of credit risk.

The following is the detail of cash equivalents and investments at September 30, 2020 with maturities less than one year:

	Fair Value			S&P
	Unrestricted	Restricted	Total	Ratings
Petty Cash	$ 1,000	$ -	$ 1,000	N/A
Checking and Savings Accounts	20,850,125	10,893,446	31,743,571	N/A
Money Market Funds	-	1,908,895	1,908,895	Aaa-mf
Short-Term Investments:				
Federal Home Loan Banks	-	-	-	AAAm
Federal Farm Credit Banks	-	-	-	AAAm
U.S. Treasuries	-	-	-	AAAm
Total	$ 20,851,125	$ 12,802,341	$ 33,653,466	

NOTE 3 ACCOUNTS RECEIVABLE

Accounts receivable including applicable allowances for uncollectible accounts at September 30, 2020 consisted of the following:

Tenants (Net of Allowance of 1,868,420)	$ 762,688
Accounts Receivable - HUD	1,840,266
Miscellaneous (Net of Allowance of $31,337)	528,215
Total	$ 3,131,169

NOTE 4 MORTGAGE LOANS

The composition of RRHA's mortgage loan portfolio, by collateral type, as of September 30, 2020, is as follows:

	Principal	Accrued Interest	Total
Single-Family Real Estate	$ 3,441,925	$ -	$ 3,441,925
Multi-Family Real Estate	16,684,111	2,949,445	19,633,556
Commercial Real Estate	7,290,000	3,218,216	10,508,216
Total Mortgage Loans	27,416,036	6,167,661	33,583,697
Less: Allowance	(544,372)	-	(544,372)
Total Mortgage Loans, Net	26,871,664	6,167,661	33,039,325
Less: Current Mortgage Loans	(419,285)	-	(419,285)
Noncurrent Mortgage Loans	$ 26,452,379	$ 6,167,661	$ 32,620,040

RRHA makes single-family mortgage loans that are both active and deferred. Active loans require repayment of principal and interest and bear interest at market rates in effect at the time the loan was made. Deferred loans represent loans for which the repayment of principal and interest is deferred, without interest, for periods up to fifteen years and bear interest at rates significantly below market rates in effect at the time the loan was made.

Commercial loans were funded from the following sources:

	Principal	Accrued Interest	Total
HUD Programs:			
Hope VI	$ 6,525,000	$ 1,316,913	$ 7,841,913
City of Richmond Cooperative Agreements:			
4th and Grace Street	765,000	1,901,303	2,666,303
Total Commercial Loans	$ 7,290,000	$ 3,218,216	$ 10,508,216

Related liabilities consist of the following:

Notes Payable - 4th and Grace Street	$ 765,000
Accrued Interest - 4th and Grace Street	1,901,303
Due to City of Richmond - Mortgage Loans	1,492,044
Total	$ 4,158,347

NOTE 4 MORTGAGE LOANS (CONTINUED)

These liabilities are included in accounts payable, due to other governments, and long-term debt, as applicable, in the statement of net position.

Other liabilities to the City of Richmond are due after repayment of the related mortgage loans receivable. RRHA records an allowance for loan loss related to loans made for which RRHA bears the risk of loss. RRHA provides for losses when a specific need for an allowance is identified. The provision for loan losses charged or credited to operating expense is the amount necessary, in management's judgment, to maintain the allowance at a level it believes sufficient to cover losses in collection of loans. Estimates of future losses involve the exercise of management's judgment and assumptions with respect to future conditions. The principal factors considered by management in determining the adequacy of the allowance are the composition of the loan portfolio, historical loss experience, economic conditions, the value and adequacy of collateral, and the current level of the allowance.

NOTE 5 CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2020 is as follows:

	Balance October 1, 2019	Increases	Decreases	Transfers/ Capitalizations	Balance September 30, 2020
Capital Assets Not Being Depreciated:					
Land	$ 8,003,619	$ 382,908	$ (694,922)	$ -	$ 7,691,605
Construction in Progress (CIP)	10,483,241	5,689,675	(698,694)	(4,465,970)	11,008,252
Total Capital Assets Not Being Depreciated	18,486,860	6,072,583	(1,393,616)	(4,465,970)	18,699,857
Capital Assets Being Depreciated:					
Land Improvements	13,434,435	-	(13,036)	149,230	13,570,629
Building and Structures	141,386,993	51,241	(2,005,049)	1,449,767	140,882,952
Equipment	18,541,900	8,925	(15,229)	2,866,973	21,402,569
Total Capital Assets Being Depreciated	173,363,328	60,166	(2,033,314)	4,465,970	175,856,150
Less: Accumulated Depreciation	107,166,595	4,213,693	(239,795)	-	111,140,493
Total Capital Assets Being Depreciated, Net	66,196,733	(4,153,527)	(1,793,519)	4,465,970	64,715,657
Total Capital Assets, Net	$ 84,683,593	$ 1,919,056	$ (3,187,135)	$ -	$ 83,415,514

NOTE 6 LAND HELD FOR RESALE

Activity in the land held for resale account for the year ended September 30, 2020 is as follows:

	Balance October 1, 2019	Increases	Decreases	Transfers	Balance September 30, 2020
Land Held for Resale	$ 6,574,460	$ -	$ (170,508)	$ -	$ 6,403,952
Less: Allowance	(1,039,591)	-	-	-	(1,039,591)
Total Land Held for Resale, Net	$ 5,534,869	$ -	$ (170,508)	$ -	$ 5,364,361

NOTE 7 DEBT OBLIGATIONS

Changes in the total long-term debt during the year ended September 30, 2020 are summarized below. These debt obligations of RRHA are not held or guaranteed by HUD.

	Balance October 1, 2019	Additions	Forgiveness/ Reductions	Balance September 30, 2020	Due Within One Year
4th & Grace Place Note[1]	$ 765,000	$ -	$ -	$ 765,000	$ -
COCC/LRPH Repayment[2]	6,135,544	-	(110,000)	6,025,544	-
COCC/LRPH Repayment[3]	432,225	-	(8,000)	424,225	-
RDC Armstrong LLC Note Payable to City[4]	756,813	3,956,048	(839,298)	3,873,563	-
Subtotal	8,089,582	3,956,048	(957,298)	11,088,332	-
Less: Eliminations	(6,567,769)	-	118,000	(6,449,769)	-
Grand Total	$ 1,521,813	$ 3,956,048	$ (839,298)	$ 4,638,563	$ -

[1] Dated July 27, 2000, interest rate of 6.4%, maturing January 1, 2021.

[2] Amended agreement dated September 11, 2017, interest rate of 0.0%. This loan is between the Central Office Cost Center (COCC) and the Low Income Public Housing Program (LIPH) and is therefore eliminated for financial statement purposes.

[3] Amended agreement dated December 28, 2017, interest rate of 0.0%. This loan is between the Central Office Cost Center (COCC) and the Low Income Public Housing Program (LIPH) and is therefore eliminated for financial statement purposes.

[4] Agreement dated February 8, 2018, interest rate of 3.5%, maturing February 8, 2038. This loan is between RDC Armstrong LLC and Economic Development Authority of the City of Richmond

The principal payment obligations related to bonds and loans payable for the five years commencing October 1, 2020, and thereafter are as follows:

	Notes and Loans	
Year Ended September 30,	Principal	Interest
2021	$ 765,000	$ -
2038	3,873,563	-
Total	$ 4,638,563	$ -

NOTE 8 HUD REPAYMENT AGREEMENT

As shown in Note 7, on July 6, 2016, RRHA entered into a repayment agreement with HUD in the amount of $6,132,638. This agreement was amended on September 11, 2017 increasing the amount by $507,800 to a new total of $6,465,544. On December 28, 2017, the agreement was amended again increasing the amount by $448,225. The agreement is the result of the unallowable transfer of funds from the Low Rent Public Housing program to the Central Office Cost Center. RRHA is to make the required annual installment repayment over a period of 63 years commencing on October 1, 2016 out of non-HUD, non-federal funds. For the $6,465,544 amount amended on September 11, 2017, payments will be made as follows: two annual installments of $51,352 beginning on October 1, 2016 and the second on October 1, 2017; sixty annual installments of $110,000; and the final installment of $29,934 due on October 1, 2078. In addition to these amounts, the agreement also requires repayment of management fees in the amount of $48,648 on October 1, 2016 and October 1, 2017. For the $448,225 amount amended on December 28, 2017, payments will be made as follows: 56 annual installments of $8,000 beginning on October 1, 2018, and the final installment of $225 due on October 1, 2075. These amounts represent amounts owed between two programs of RRHA, so the receivable and payable amounts are eliminated for financial reporting purposes.

NOTE 9 OTHER LIABILITIES

Activity in RRHA's liability accounts which include the component units, other than bonds, loans payable and long-term notes payable, for fiscal year 2020 was as follows:

	Balance October 1, 2019	Increases	Reductions	Balance September 30, 2020	Due Within One Year
Accounts Payable	$ 2,664,293	$ 65,443,338	$ (66,593,894)	$ 1,513,737	$ 1,513,737
Due to Other Governments	1,806,551	820,523	(1,134,776)	1,492,298	222,303
Accrued Liabilities	1,770,111	47,535,207	(47,931,186)	1,374,132	1,374,132
Compensated Absences	654,215	1,065,942	(891,364)	828,793	828,793
Tenant Security Deposits	662,018	501,834	(554,031)	609,821	609,821
Unearned Revenues	9,612,353	10,136,836	(8,013,409)	11,735,780	977,613
Other Current Liabilities	14,985	34,546	(5,503)	44,028	44,028
Other Noncurrent Liabilities	2,398,986	335,793	(114,413)	2,620,366	-
Total	$ 19,583,512	$ 125,874,018	$ (125,238,576)	$ 20,218,954	$ 5,570,427

NOTE 10 CONDUIT DEBT

RRHA, with the approval of the City or other Commonwealth of Virginia local governmental entities, may issue and sell debt to finance the acquisition, development, construction and/or rehabilitation of mixed-use and/or multi-family housing projects and commercial facilities deemed to be in the public interest. Such debt is payable solely from the revenue of the projects, which are owned by the developers, and does not constitute a debt or pledge of the faith and credit of RRHA, the Commonwealth of Virginia or any political subdivision thereof. Accordingly, such debt and related assets are not presented in the financial statements. The aggregate amount of all conduit debt obligations outstanding totaled $94,676,053 as of September 30, 2020.

NOTE 11 VIRGINIA RETIREMENT SYSTEM (VRS) POLITICAL SUBDIVISION PLAN

Modification of Opinion

The most recent actuarial valuation report provided by the Virginia Retirement System (VRS) related to GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27* and the related GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68* used a measurement date of June 30, 2019 to determine the net pension liability. GASB 68 requires a measurement date no earlier than the end of the employer's prior fiscal year, or September 30, 2019 in the case of the Authority. Therefore, the valuation report issued by VRS is outdated for the Authority's September 30, 2019 financial statements.

VRS provides retirement benefits to multiple employers in the state of Virginia and is responsible for procuring the actuarial valuation report used to determine the net pension liability for employers participating in VRS. The Authority has no control over the timing or content of the actuarial valuation report and therefore has no responsibility for selecting the measurement date used in the report. VRS is aware that some employers participating in VRS cannot use the most recent available report, but as of the date of our opinion on the Authority's September 30, 2019 financial statements no updated report was available.

The Authority has included the financial effects of the GASB 68 valuation report with the June 30, 2019 measurement date as this represents the most recent data available. Although a report with a more recent measurement date would result in changes to the net pension liability and other financial components, it is not practical to estimate the effects of those changes on the financial statements.

Plan Description

All full-time, salaried permanent employees of the Authority are automatically covered by VRS Retirement Plan upon employment. This cost sharing 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.

NOTE 11 VIRGINIA RETIREMENT SYSTEM (VRS) POLITICAL SUBDIVISION PLAN (CONTINUED)

Employees Covered by Benefit Terms

As of the June 30, 2019 actuarial valuation, the following employees were covered by the benefits terms of the pension plan:

Active Members	165
Inactive Members:	
Member or their Beneficiaries Receiving Benefits	260
Members Active Elsewhere in VRS	86
Nonvested Members	75
Vested Members	66
Subtotal Inactive Members	487
Total Members	652

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 by the Virginia General Assembly. Employees are required to contribute 5% of their compensation toward their retirement. Prior to July 1, 2012, all or part of the 5% member contribution may have been assumed by the employer. Beginning July 1, 2012, new employees were required to pay the 5% member contribution. In addition, for existing employees, employers were required to begin making the employee pay the 5% member contribution. This could be phased in over a period of up to 5 years and the employer is required to provide a salary increase equal to the amount of the increase in the employee-paid member contribution.

The Authority's contractually required employer contribution rate for the year ended June 30, 2020, was 8.26% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. Effective July 1, 2019 the required contribution rate was 9.26% of covered employees compensation.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by the employee during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Authority were $1,013,770 and $917,622 for the years ended September 30, 2020 and, 2019, respectively.

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 the Authority, the net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2018, rolled forward to the measurement date of June 30, 2019.

NOTE 11 VIRGINIA RETIREMENT SYSTEM (VRS) POLITICAL SUBDIVISION PLAN (CONTINUED)

Actuarial Assumptions – General Employees

The total pension liability for General Employees in the Authority's retirement plan was based on an actuarial valuation as of June 30, 2018, 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, 2019.

Actuarial Assumptions – General Employees (Continued)

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

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

Mortality rates: 15% of deaths are assumed to be service related

All Employers

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020; males 95% of rates; females 105% of rates.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

NOTE 11 VIRGINIA RETIREMENT SYSTEM (VRS) POLITICAL SUBDIVISION PLAN (CONTINUED)

Mortality Rates (Pre-retirement, postretirement healthy, and disabled)	Update to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increase rate from 14% to 15%
Discount Rate	Decrease rate from 7.00% to 6.75%

Long-Term Expected Rate of Return

The long-term expected rate of return on 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 percentage and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	34.00%	5.61%	1.91%
Fixed Income	15.00%	0.88%	0.13%
Credit Strategies	14.00%	5.12%	0.72%
Real Assets	14.00%	5.27%	0.74%
Private Equity	14.00%	8.77%	1.23%
MAPS - Multi - Asset Public Strategies	6.00%	3.52%	0.21%
PIP - Private Investment Partnership	3.00%	6.29%	0.19%
Total	100.00%		5.13%
		Inflation	2.50%
		* Expected arithmetic nominal return	7.63%

* The above allocation provides a one-year return of 7.63%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. The VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation.

NOTE 11 VIRGINIA RETIREMENT SYSTEM (VRS) POLITICAL SUBDIVISION PLAN (CONTINUED)

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.

Through the fiscal year ended September 30, 2020, the rate contributed by the Authority for the Political Subdivision Retirement Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From October 1, 2019 on, participating employers are assumed 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.

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at September 30, 2019	$ 65,948,336	$ 60,493,428	$ 5,454,908
Changes for the Year:			
Service Cost	693,310	-	693,310
Interest	4,459,060	-	4,459,060
Changes of Assumptions	1,602,482	-	1,602,482
Differences Between Expected and Actual Experience	(748,942)	-	(748,942)
Contributions - Employer	-	705,395	(705,395)
Contributions - Employee	-	361,151	(361,151)
Refund of Contribution	-	-	-
Net Investment Income	-	3,891,003	(3,891,003)
Benefit Payments, Including Refunds	(4,494,965)	(4,494,965)	-
Administrative Expenses	-	(41,365)	41,365
Other Changes	-	(2,377)	2,377
Net Changes	1,510,945	418,842	1,092,103
Balances at September 30, 2020	$ 67,459,281	$ 60,912,270	$ 6,547,011

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

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

NOTE 11 VIRGINIA RETIREMENT SYSTEM (VRS) POLITICAL SUBDIVISION PLAN (CONTINUED)

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Authority's Net Pension Liability	$ 13,701,638	$ 6,547,011	$ 770,214

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

For the year ended September 30, 2020, the Authority recognized pension expense of $(398,159). At September 30, 2020, the Authority reported deferred inflows and outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	$ -	$ 507,158
Difference Between Expected and Actual Experience	-	318,516
Changes in Assumptions	681,515	-
Authority Contributions Subsequent to the	-	-
Measurement Date	1,013,770	-
Total	$ 1,695,285	$ 825,674

Sensitivity of the Net Pension Liability to Changes in the Discount Rate (Continued)

The $1,013,770 reported as deferred outflows of resources related to pensions resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended September 30, 2020. 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:

Year Ended September 30,	Amount
2021	$ 394,668
2022	(574,260)
2023	(8,968)
2024	44,401
2025	-
Total	$ (144,159)

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2018 Comprehensive Annual Financial Report (CAFR). A copy of the 2018 VRS CAFR may be downloaded from the VRS website at http://www.varetire.org/Pdf/Publications/2017-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Additional disclosures on changes in net pension liability, related ratios, and employer contributions can be found in the required supplementary information following the notes to the financial statements.

NOTE 12 POSTRETIREMENT BENEFITS OTHER THAN PENSION BENEFITS

Plan Description

The post-retirement benefits plan is a single-employer defined benefit health care plan that finances hospital, medical, dental, and prescription drug insurance for eligible retirees. General information regarding the plans and their benefits is described in RRHA's Summary Plan Descriptions. Plan documents govern the provisions of the benefit plans. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

In March 2011, RRHA's Board of Commissioners approved a plan that would phase-out the health insurance for retirees by February 28, 2022. The changes are as follows:

- Only eligible persons hired on or before March 31, 2011, can participate in RRHA's retiree health care plan while it exists. Employees hired on or after April 1, 2011 will not have access to the plan.
- Starting in January 2012, RRHA began gradually phasing out the retiree health care plan. The retiree health care plan will end completely by February 28, 2022.
- Through February 28, 2022, RRHA plans to continue to offer a health care plan to eligible retirees under the age of 65 and continue to provide the subsidy of $225 per month.

Employees Covered by Benefits Term

At September 30, 2020, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	9
Inactive Employees Entitled to But Not Yet Receiving Benefit Payments	-
Active Employees	84
Total	93

Funding Policy

The contribution requirements of plan members are established and may be amended by the Board of Commissioners. Funding for these benefits is currently made on a pay-as-you-go basis. For eligible employees and retirees, RRHA currently contributes approximately 72% towards the cost of health premiums. Contribution rates of the employee or retiree are determined based on the plan selected by the employee or retiree. The monthly rates paid by the plan members are described in the Summary Plan Description.

Total OPEB Liability

RRHA's total OPEB liability of $70,403 was measured as of September 30, 2019, and was determined by an actuarial valuation as of that date.

NOTE 12 POSTRETIREMENT BENEFITS OTHER THAN PENSION BENEFITS (CONTINUED)

Actuarial assumptions and other inputs. The total OPEB liability in the September 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	3.00%
Healthcare cost trend rates	The medical trend assumptions used in the valuation were developed using the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model. The SOA model was released in December 2007. Version 2018_c was used for the 2017 valuation. The following assumptions were used as input variables into the model: Rate of Inflation 2.50% Rate of Growth in Real Income/GDP per capita 1.0% Income Multiplier for Health Spending 1.0 Health Share of GDP Resistance Point 25% Year for Limiting Cost Growth to GDP Growth 2075
Retirees' share of benefit-related cost	72.5 to 74.9% of projected health insurance premiums for retirees

Changes in the Net OPEB Liability

	Total OPEB Liability (a)
Balances at 9/30/19	$ 231,588
Changes for the Year:	
Service Cost	20,599
Interest	7,533
Differences Between Expected and Actual Experience	(169,576)
Assumptions Changes	(5,309)
Benefit Payments	(14,431)
Net Changes	(161,184)
Balances at 9/30/20	$ 70,404

Changes of assumptions and other inputs reflect a change in the discount rate from 3.55% in 2017 to 2.70% in 2019.

NOTE 12 POSTRETIREMENT BENEFITS OTHER THAN PENSION BENEFITS (CONTINUED)

Sensitivity of the net OPEB liability to changes in the discount rate. The following presents the total OPEB liability of RRHA, as well as what RRHA's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.55%) or 1-percentage-point higher (4.55%) than the current discount rate:

	1% Decrease 1.70%	Discount Rate 2.70%	1% Increase 3.70%
Net OPEB Liability (Asset)	$ 67,765	$ 70,404	$ 72,652

Sensitivity of the net OPEB liability to changes in the health care cost trend rates. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using health care cost trend rates that are 1-percentage-point lower (4.50% decreasing to 4.09%) or 1-percentage-point higher (6.50% increasing to 4.50%) than the current health care cost trend rates:

	1% Decrease (Varied Decreasing to 4.09%)	Healthcare Cost Trend Rates (Varied Decreasing to 5.09%)	1% Increase (Varied Decreasing to 6.09%)
Net OPEB Liability (Asset)	$ 69,999	$ 70,404	$ 70,833

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2020, RRHA recognized negative OPEB expense of $(124,725). At September 30, 2020, RRHA reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ -	$ 193,654
Changes of Assumptions	-	3,400
Total	$ -	$ 197,054

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

Year Ended September 30,	Amount
2021	$ 138,427
2022	58,627
2023	-
2024	-

NOTE 13 GROUP LIFE INSURANCE PROGRAM

Modification of Opinion

The most recent actuarial valuation report provided by the Virginia Retirement System (VRS) related to GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,* used a measurement date of June 30, 2019 to determine the total group life insurance (GLI) OPEB liability. GASB 75 requires a measurement date no earlier than the end of the employer's prior fiscal year, or September 30, 2019 in the case of the Authority. Therefore, the valuation report issued by VRS is outdated for the Authority's September 30, 2020 financial statements.

VRS provides group life insurance to multiple employers in the state of Virginia and is responsible for procuring the actuarial valuation report used to determine the total GLI OPEB for employers participating in VRS. The Authority has no control over the timing or content of the actuarial valuation report and therefore has no responsibility for selecting the measurement date used in the report. VRS is aware that some employers participating in VRS cannot use the most recent available report, but as of the date of our opinion on the Authority's September 30, 2020 financial statements no updated report was available.

The Authority has included the financial effects of the GASB 75 valuation report with the June 30, 2019 measurement date as this represents the most recent data available. Although a report with a more recent measurement date would result in changes to the net pension liability and other financial components, it is not practical to estimate the effects of those changes on the financial statements.

Plan Description

All full-time, salaried permanent employees of the Authority 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 OBEB 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.

NOTE 13 GROUP LIFE INSURANCE PROGRAM (CONTINUED)

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

Eligible Employees

The Group Life Insurance Program was established July 1, 1960, for state employees, teachers and employees of political subdivisions that elect the program.

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.

Benefit Amounts

The benefits payable under the Group Life Insurance Program have several components.

- **Natural Death Benefit** – The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled.
- **Accidental Death Benefit** – The accidental death benefit is double the natural death benefit.
- **Other Benefit Provisions** – In addition to the basic natural and accidental death benefits, the program provides additional benefits provided under specific circumstances. These include:
  - o Accidental dismemberment benefit
  - o Safety belt benefit
  - o Repatriation benefit
  - o Felonious assault benefit
  - o Accelerated death benefit option

Reduction in benefit Amounts

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.

Minimum Benefit Amount and Cost-of-Living Adjustment (COLA)

For covered members with at least 30 years of creditable service, there is a minimum benefit payable under the Group Life Insurance Program. The minimum benefit was set at $8,000 by statute. This amount is increased annually based on the VRS Plan 2 cost-of-living adjustment and is currently $8,279.

NOTE 13 GROUP LIFE INSURANCE PROGRAM (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 1.31% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.79% (1.31% X 60%) and the employer component was 0.52% (1.31% 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, 2020 was 0.52% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2018. 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. Contribution to the Group Life Insurance Program from the Authority were $53,700 and $52,215 for the years ended September 30, 2020 and 2019, respectively.

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 September 30, 2020, the Authority reported a liability of $654,161 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2019 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, 2018, and rolled forward to the measurement date of June 30, 2019. 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, 2019, relative to the total of the actuarially determined employer contributions for all participating employers. At September 30, 2020, the participating employer's proportion was 0.4021% as compared to .04510% at September 30, 2019.

For the year ended September 30, 2020, the participating employer recognized GLI OPEB expense of $(32,311). 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.

NOTE 13 GROUP LIFE INSURANCE PROGRAM (CONTINUED)

At June 30, 2020, 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 Experiences	$ 43,506	$ 8,486
Net Difference Between Projected and Actual Earnings on GLI OPEB Program Investments	-	13,437
Changes in Assumptions	41,300	19,726
Changes in Proportion	11,629	61,031
Authority Contributions Subsequent to Measurement Date	104,357	-
Total	$ 200,792	$ 102,680

$104,357 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 September 30, 2021. 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 Ended September 30,	Amount
2021	$ (6,863)
2022	(6,863)
2023	(1,172)
2024	2,167
2025	4,802
Thereafter	1,684

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2018, 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, 2019.

Inflation	2.5%
Salary Increases, Including Inflation – Locality – General Employees	3.5% – 5.35%
Investment Rate of Return Including	6.75%, net of investment expenses, inflation*

NOTE 13 GROUP LIFE INSURANCE PROGRAM (CONTINUED)

Actuarial Assumptions (Continued)

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

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

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with Scale BB to 2020; males set back 1 year, 85% of rates; females set back 1 year.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males set forward 1 year; females set back 1 year with 1.5% increase compounded from ages 70 to 85.

Post-Disablement:

RP-2014 Disability Life Mortality Table projected with scale BB to 2020; males 115% of rates; females 130% of rates..

The actuarial assumptions used in the June 30, 2018, valuation were based on the results of an actuarial experience study for the period from July 1, 2012, through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 25%

NOTE 13 GROUP LIFE INSURANCE PROGRAM (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 June 30, 2019, NOL amounts for the Group Life Insurance Program is as follows (amounts expressed in thousands):

	Group Life Insurance OPEB Program
Total GLI OPEB Liability	$ 3,390,238
Plan Fiduciary Net Position	1,762,972
Employers' Net GLI OPEB Liability (Asset)	$ 1,627,266
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	52.00%

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:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	34.00%	5.61%	1.91%
Fixed Income	15.00%	0.88%	0.13%
Credit Strategies	14.00%	5.12%	0.72%
Real Assets	14.00%	5.27%	0.74%
Private Equity	14.00%	8.77%	1.23%
MAPS - Multi-Asset Public Strategies	6.00%	3.52%	0.21%
PIP-Private Investmnet Partnership	3.00%	6.29%	0.19%
Total	100.00%		5.13%
		Inflation	2.50%
		* Expected arithmetic nominal return	7.63%

NOTE 13 GROUP LIFE INSURANCE PROGRAM (CONTINUED)

Long-Term Expected Rate of Return (Continued)

* The above allocation provides a one-year return of 7.63%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. The VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation.

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 member contributions will be made per the VRS guidance 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. Through the fiscal year ending June 30, 2019, 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. From July 1, 2019 on, employers are assumed 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% Decrease 5.75%	Discount Rate 6.75%	1% Increase 7.75%
The Authority's Proportionate Share of the Group Life Insurance Program Net OPEB Liability	$ 859,386	$ 648,000	$ 487,729

Group Life Insurance Program Fiduciary Net Position

Detailed information about the Group Life Insurance Program's Fiduciary Net Position is available in the separately issued VRS 2019 Comprehensive Annual Financial Report (CAFR). A copy of the 2019 VRS CAFR may be downloaded from the VRS website at varetire.org/pdf/publications/2019- annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500

NOTE 14 DISABILITY PROGRAM

Modification of Opinion

The most recent actuarial valuation report provided by the Virginia Retirement System (VRS) related to GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,* used a measurement date of June 30, 2019 to determine the total Virginia Local Diability program (VLDP) OPEB liability. GASB 75 requires a measurement date no earlier than the end of the employer's prior fiscal year, or September 30, 2019 in the case of the Authority. Therefore, the valuation report issued by VRS is outdated for the Authority's September 30, 2020 financial statements.

VRS provides group disability insurance to multiple employers in the state of Virginia and is responsible for procuring the actuarial valuation report used to determine the total GLI OPEB for employers participating in VRS. The Authority has no control over the timing or content of the actuarial valuation report and therefore has no responsibility for selecting the measurement date used in the report. VRS is aware that some employers participating in VRS cannot use the most recent available report, but as of the date of our opinion on the Authority's September 30, 2020 financial statements no updated report was available.

The Authority has included the financial effects of the GASB 75 valuation report with the June 30, 2019 measurement date as this represents the most recent data available. Although a report with a more recent measurement date would result in changes to the net pension liability and other financial components, it is not practical to estimate the effects of those changes on the financial statements.

Plan Description

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

The specific information for each plan and the eligibility for covered groups within each plan are set out in the table below:

NOTE 14 DISABILITY PROGRAM (CONTINUED)

POLITICAL SUBDIVISION EMPLOYEE VIRGINIA LOCAL DISABILITY PROGRAM (VLDP) PLAN PROVISIONS

Eligible Employees

The Political Subdivision Employee Virginia Local Disability Program was implemented January 1, 2014 to provide short-term and long-term disability benefits for non-work-related and work-related disabilities for employees with Hybrid retirement benefits Eligible employees are enrolled automatically upon employment, unless their employer has elected to provide comparable coverage. They include:

- Full-time general employees; including local law enforcement officers, firefighters, or emergency medical technicians who do not have enhanced hazardous duty benefits; of public political subdivisions covered under VRS

Benefit Amounts

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

Short-Term Disability –

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

Long-Term Disability –

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

Virginia Local Disability Program Notes

- Members approved for short-term or long-term disability at age 60 or older will be eligible for a benefit, provided they remain medically eligible
- VLDP Long-Term Care Plan is a self-funded program that assists with the cost of covered long-term care services.

Contributions

The contribution requirement for active Hybrid employees is governed by §51.1-1178(C) of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to political subdivisions by the Virginia General Assembly. Each political subdivision's contractually required employer contribution rate for the year ended June 30, 2020 was 0.72% of covered employee compensation for employees in the VRS Political Subdivision Employee Virginia Local Disability Program. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2018. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the political subdivision to the VRS Political Subdivision Employee Virginia Local Disability Program were $31,358 and $24,430 for the years ended September 30, 2020 and September 30, 2019, respectively.

NOTE 14 DISABILITY PROGRAM (CONTINUED)

Political Subdivision Employee Virginia Local Disability Program OPEB Liabilities, Political Subdivision Employee Virginia Local Disability Program OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Political Subdivision Employee Virginia Local Disability Program OPEB

At September 30, 2020, the political subdivision reported a liability of $ 19,277 for its proportionate share of the VRS Political Subdivision Employee Virginia Local Disability Program Net OPEB Liability. The Net VRS Political Subdivision Employee Virginia Local Disability Program OPEB Liability was measured as of June 30, 2019 and the total VRS Political Subdivision Employee Virginia Local Disability Program OPEB liability used to calculate the Net VRS Political Subdivision Employee Virginia Local Disability Program OPEB Liability was determined by an actuarial valuation as of June 30, 2018, and rolled forward to the measurement date of June 30, 2019. The political subdivision's proportion of the Net VRS Political Subdivision Employee Virginia Local Disability Program OPEB Liability was based on the political subdivision's actuarially determined employer contributions to the VRS Political Subdivision Employee Virginia Local Disability Program OPEB plan for the year ended June 30, 2019 relative to the total of the actuarially determined employer contributions for all participating employers. At September 30, 2019 the political subdivision's proportion of the VRS Political Subdivision Employee Virginia Local Disability Program was .95160% as compared to .87909% at September 30, 2018.

For the year ended September 30, 2020, the political subdivision recognized VRS Political Subdivision Employee Virginia Local Disability Program OPEB expense of $(40,511). Since there was a change in proportionate share between measurement dates a portion of the VRS Political Subdivision Employee Virginia Local Disability Program Net OPEB expense was related to deferred amounts from changes in proportion.

At September 30, 2020, the political subdivision reported deferred outflows of resources and deferred inflows of resources related to the VRS Political Subdivision Employee Virginia Local Disability Program OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	$ 552	$ (738)
Differences Between Expected and Actual Experiences	9,669	(592)
Net Difference Between Projected and Actual Earnings on DI OPEB Program Investments	66	-
Changes in Proportion	559	-
Authority Contributions Subsequent to Measurement Date	51,357	-
Total	$ 62,203	$ (1,330)

NOTE 14 DISABILITY PROGRAM (CONTINUED)

$51,357 reported as deferred outflows of resources related to the Political Subdivision Employee VLDP OPEB resulting from the political subdivision's contributions subsequent to the measurement date will be recognized as a reduction of the Net Political Subdivision Employee VLDP OPEB Liability in the Fiscal Year ending September 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Political Subdivision Employee VLDP OPEB will be recognized in the Political Subdivision Employee VLDP OPEB expense in future reporting periods as follows:

Year Ended September 30,	Amount
2021	$ 1,975
2022	1,962
2023	1,952
2024	1,972
2025	1,877
Thereafter	(222)

Actuarial Assumptions

The total Political Subdivision Employee VLDP OPEB liability for the VRS Political Subdivision Employee Virginia Local Disability Program was based on an actuarial valuation as of June 30, 2018, 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, 2019.

Inflation	2.5 percent
Salary Increases, Including Inflation – Political Subdivision Employees	3.5 percent – 5.95 percent
Investment Rate of Return	6.5 percent, net of plan investment expenses, including inflation*

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

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

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with Scale BB to 2020; males 95% of rates; females 105% of rates.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from age 70 to 90.

NOTE 14 DISABILITY PROGRAM (CONTINUED)

Mortality Rates – Non-Largest Ten Locality Employers – General Employees (Continued)

Post-Disablement:

RP-2014 Disability Life Mortality Table projected with scale BB to 2020; males set forward 2 years; females 125% of rates.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (Pre-retirement, Post-Retirement Healthy, and Disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 25%

Net Political Subdivision Employee VLDP OPEB Liability

The net OPEB liability (NOL) for the Political Subdivision Employee Virginia Local Disability Program represents the program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2019, NOL amounts for the VRS Political Subdivision Employee Virginia Local Disability Program is as follows (amounts expressed in thousands):

	Group Life Insurance OPEB Program
Total GLI OPEB Liability	$ 3,989
Plan Fiduciary Net Position	1,962
Employers' Net GLI OPEB Liability (Asset)	$ 2,027
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	49.19%

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

NOTE 14 DISABILITY PROGRAM (CONTINUED)

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	34.00%	5.61%	1.91%
Fixed Income	15.00%	0.88%	0.13%
Credit Strategies	14.00%	5.12%	0.72%
Real Assets	14.00%	5.27%	0.74%
Private Equity	14.00%	8.77%	1.23%
MAPS - Multi-Asset Public Strategies	6.00%	3.52%	0.21%
PIP-Private Investmnet Partnership	3.00%	6.29%	0.19%
Total	100.00%		5.13%
		Inflation	2.50%
		* Expected arithmetic nominal return	7.63%

* The above allocation provides a one-year return of 7.63%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. The VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation.

Discount Rate

The discount rate used to measure the total Political Subdivision Employee VLDP OPEB was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 2019, the rate contributed by the political subdivision for the VRS Political Subdivision Employee Virginia Local Disability Program will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2019 on, all agencies are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the Political Subdivision Employee VLDP OPEB plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total Political Subdivision Employee VLDP OPEB liability.

NOTE 14 DISABILITY PROGRAM (CONTINUED)

Sensitivity of the Political Subdivision's Proportionate Share of the Political Subdivision Employee VLDP Net OPEB Liability to Changes in the Discount Rate

The following presents the political subdivision's proportionate share of the VRS Political Subdivision Employee Virginia Local Disability Program net VLDP OPEB liability using the discount rate of 6.75%, as well as what the political subdivision's proportionate share of the net VLDP 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% Decrease 5.75%	Discount Rate 6.75%	1% Increase 7.75%
The Authority's Proportionate Share of the Group Life Insurance Program Net OPEB Liability	$ 22,169	$ 19,277	$ 16,748

Political Subdivision Employee VLDP OPEB Fiduciary Net Position

Detailed information about the VRS Political Subdivision Employee Virginia Local Disability Program's Fiduciary Net Position is available in the separately issued VRS 2019 Comprehensive Annual Financial Report (CAFR). A copy of the 2019 VRS CAFR may be downloaded from the VRS website at varetire.org/pdf/publications/2019-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

NOTE 15 DEFERRED COMPENSATION PLAN

RRHA offers all regular employees a deferred compensation plan (the Plan) created in accordance with Internal Revenue Code Section 457. The Plan permits employees to defer a portion of their salary until future years. The deferred compensation is not available to employees or beneficiaries until termination, retirement, death, or unforeseeable emergency. All amounts of compensation deferred under the Plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are held in an annuity contract for the participants. The contract is managed by the AIG Variable Annuity Life Insurance Company. The assets and corresponding liability are not included in the accompanying financial statements as of September 30, 2020.

NOTE 16 CONTINGENCIES AND OTHER MATTERS

Litigation and Other Matters

Certain claims, suits, and complaints arising in the ordinary course of business have been filed and are pending against RRHA. In the opinion of RRHA's management, all such matters are adequately covered by insurance or if not so covered, are without merit or are adequately reserved for. An accrual for these matters has been included in other liabilities in the financial statements. No such matters were brought to our attention.

NOTE 16 CONTINGENCIES AND OTHER MATTERS (CONTINUED)

Grants

Federal grant programs in which RRHA participates have been audited in accordance with the provisions of the Office of Management and Budget Uniform Guidance. In addition, these grants are subject to financial and compliance audits by the federal government. Such audits could result in requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. RRHA management is of the opinion that disallowances, if any, will not be material.

NOTE 17 RISK MANAGEMENT

RRHA is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. RRHA reports all of its risk management activities and pays all claims for retained risks. For all retained risks, claims expense and liabilities are reported when it is probable that a loss has occurred and the amount of loss can be reasonably estimated. There have been no significant reductions in insurance coverage in the past three fiscal years.

NOTE 18 LEASES

RRHA is obligated under certain leases, which are accounted for as operating leases. Rental expense for the year ended September 30, 2020 was $287,518. Rental obligations under operating leases for each of the years through September 30, 2020 are as follows:

Year Ended September 30,	Rental Obligation
2021	$ 160,552
2022	126,966
Total	$ 287,518

The Authority has leased land to Blackwell Community Limited Partnership. The lease calls for annual rent payments of $100 and is for a term of 43 years, commencing on January 12, 2000.

The land was leased to develop low-income housing funded by the federal Hope VI program. Operations for 75 of these housing units are included within RRHA's public housing annual contribution contract from HUD.

The Authority also leased land to Dove Street Redevelopment, LLC for the Dove Project Phase I. The lease was prepaid at $800,000 and is for a term of 99 years commencing on April 27, 2012. The land was leased to develop 80 mixed income units, of which 30 will receive public housing subsidies.

NOTE 18 LEASES (CONTINUED)

The Authority also leased land to Church Hill North Phase I, LLC for the Armstrong project. The lease is for $976,000 of which $73,200 was paid and is for a term of 40 years commencing on January 24, 2017. The land was leased to develop 60 family apartments.

The Authority also leased land to Baker School LLC for the Fay Towers project. The lease required a one-time up-front prepaid rent of $825,000. $82,500 was received with the execution of the lease. The remaining $742,500 will be paid in the form of a promissory note. The term of 75 years commencing on December 28, 2017. The land was leased to develop 51 senior housing units.

NOTE 19 AFFILIATED ENTITIES AND RELATED PARTIES

RRHA is a partner, owner, or interest holder either solely or severally with organizations as part of development and construction projects. These separate legal entities are established to advance the mission of RRHA related to building vibrant and sustainable neighborhoods. Activity of these entities is reflected in RRHA's financial statements as applicable, to the extent of their ownership interest and level of activity with the four entities listed below. This activity includes payment of operating expenses.

The following table reflects these entities, their purpose, and RRHA's interest.

RRHA Affiliate and Related Party	Purpose/Project	Date Formed	RRHA Interest	Percentage Ownership
Blackwell Community II Limited Partnership	Townes at River South II	1998	Co-Limited Partner	0.01%
Dove Street Redevelopment, LLC	Dove Phase I	2/25/2010	Co-Limited Partner	0.01%
Dove Street Redevelopment, LLC	Dove Phase II	2/23/2012	Co-Limited Partner	0.01%
RDC Armstrong LLC	Armstrong	3/5/2015	Member	100.00%
RDC Church Hill North 1 LLC	Church Hill	2/13/2015	Nonmanaging Member	25.00%
RDC Church Hill North 1B LLC	Church Hill	8/24/2017	Nonmanaging Member	25.00%

NOTE 20 ECONOMIC DEPENDENCY

RRHA is economically dependent on annual contributions and grants from HUD. RRHA operated at a loss prior to receiving the contributions.

NOTE 21 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS

Condensed combining information for blended component units and primary government is provided as follows:

	Blended Component Units				
	Richmond Development Corporation				
	Richmond Development Corporation	RDC Armstrong LLC	Randolph Place Associates, L.P	Primary Government	Total
ASSETS					
Current Assets	$ 615,587	$ -	$ -	$ 42,849,896	$ 43,465,483
Capital Assets	-	-	-	83,415,514	83,415,514
Noncurrent Assets	3,873,563	-	-	28,746,477	32,620,040
Total Assets	4,489,150	-	-	155,011,887	159,501,037
DEERRED OUTFLOW OF RESOURCES	-	-	-	1,958,280	1,958,280
Total Assets and Deferred Outflows of Resources	$ 4,489,150	$ -	$ -	$ 156,970,167	$ 161,459,317
LIABILITIES					
Current Liabilities	$ 2,890	$ -	$ -	$ 5,567,537	$ 5,570,427
Noncurrent Liabilities	3,873,563	-	-	22,698,272	26,571,835
Total Liabilities	3,876,453	-	-	28,265,809	32,142,262
DEFERRED INFLOW OF RESOURCES	-	-	-	1,124,078	1,124,078
NET POSITION					
Net Investment in Capital Assets	-	-	-	83,415,514	83,415,514
Restricted Net Position	113	-	-	11,547,295	11,547,408
Unrestricted Net Position	612,584	-	-	32,617,471	33,230,055
Total Net Position	612,697	-	-	127,580,280	128,192,977
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 4,489,150	$ -	$ -	$ 156,970,167	$ 161,459,317

NOTE 21 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS (CONTINUED)

	Blended Component Units				
	Richmond Development Corporation				
	Richmond Development Corporation	RDC Armstrong LLC	Randolph Place Associates L.P.	Primary Government	Total
OPERATING REVENUES					
Total Operating Revenues	$ 3,059	$ -	$ -	$ 71,774,368	$ 71,777,427
OPERATING EXPENSES					
Total Operating Expenses	8,352	-	-	72,369,839	72,378,191
Total Operating Income	(5,293)	-	-	(595,471)	(600,764)
Total Nonoperating Revenues (Expense)	-	-	-	126,976	126,976
CHANGE IN NET POSITION BEFORE CAPITAL GRANTS	(5,293)	-	-	(468,495)	(473,788)
Capital Grants	-	-	-	5,005,749	5,005,749
CHANGE IN NET POSITION	(5,293)	-	-	4,537,254	4,531,961
Net Position - Beginning of Year	617,990	-	-	123,043,026	123,661,016
NET POSITION - END OF YEAR	$ 612,697	$ -	$ -	$ 127,580,280	$ 128,192,977

	Blended Component Units				
	Richmond Development Corporation				
	Richmond Development Corporation	RDC Armstrong LLC	Randolph Place Associates, L.P.	Primary Government	Total
NET CASH PROVIDED (USED) BY					
Operating Activities	$ (7,417)	$ -	$ -	$ (1,052,178)	$ (1,059,595)
Noncapital Financing Activities	-	-	-	3,116,750	3,116,750
Capital and Related Financing Activities	-	-	-	2,060,135	2,060,135
Investing Activities	-	-	-	297,484	297,484
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(7,417)	-	-	4,422,191	4,414,774
Cash and Cash Equivalents - Beginning of Year	623,004	-	-	28,615,688	29,238,692
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 615,587	$ -	$ -	$ 33,037,879	$ 33,653,466

NOTE 22 PENDING GASB STANDARDS

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

- GASB Statement No. 87, *Leases.* The primary objective of this Statement is to better meet the informational needs of financial statement users by improving the accounting and financial reporting for leases by governments. This Statement is effective for reporting periods beginning after June15, 2021.
- GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement is effective for reporting periods beginning after December 15, 2020.
- GASB Statement No. 91, *Conduit Debt Obligations* The primary objective of this Statement is to provide a single method of reporting conduit debt obligations by issuers associated with commitments extended by issuers, arrangements associated with conduit debt obligations and related note disclosures. This Statement is effective for the period ending June 30, 2022.
- GASB Statement No. 92, *Omnibus 2020* The primary objective of this Statement is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement is effective for fiscal years beginning after June 15, 2021.
- GASB Statement No. 93, *Replacement of Interbank Offered Rates* This statement addresses accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR). This Statement is effective for fiscal years beginning after June 15, 2021.

NOTE 23 SUBSEQUENT EVENTS

Subsequent to year-end HUD extended the moratorium on evictions. To address the financial impacts of the pandemic, HUD initially imposed a moratorium that went into effect immediately upon the enactment on March 18, 2020. This moratorium has been further extended six times, with a current expected end date of July 31, 2021.

The temporary moratorium on: (1) evictions for nonpayment of rent and (2) fees and penalties related to nonpayment of rent, applies to all tenants, regardless of whether employment was affected by COVID-19. Tenants will have the ability to repay any unpaid rent after the moratorium has ended in a lump sum to avoid eviction. If the household is unable to pay a lump sum, the Authority or owner is encouraged to set up a repayment agreement with reasonable payments spread over time.

As of August 12, 2021, the amount and likelihood of loss relating to these events is not determined.

RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY
SCHEDULE OF AUTHORITY'S SHARE OF NET GLI OPEB LIABILITY
SEPTEMBER 30, 2020

Schedule of Employer's Share of Net OPEB Liability Group Life Insurance Program For the Year Ended September 30, 2020*	2020*	2019	2018	2017	2016	2015	2014	2013	2012	2011
Authority's Proportion of the Net GLI OPEB Liability (Asset)	0.0402%	0.0427%	0.0451%							
Authority's Proportionate Share of the Net GLI OPEB Liability (Asset)	$ 648,000	$ 648,000	$ 679,000							
Authority's Covered Payroll	$ 8,934,595	$ 7,881,449	$ 8,318,127	Information prior to fiscal year 2018 was not available. The Authority will accumulate each year until 10 years of data becomes available.						
Authority's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of its Covered Payroll	7.25%	8.22%	8.16%							
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	49.19%	51.22%	48.86%							

Notes to Schedule:
* The amounts presented have a measurement date of June 30, 2019.
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 following changes in actuarial assumptions were made effective June 30, 201\ based on the most recent experience study of the System for the four-year period ending June 30, 2017:

Non-Largest Ten Locality Employers - General Employees

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75.
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14 to 15%

RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY
SCHEDULE OF AUTHORITY'S CONTRIBUTIONS
VRS GLI PLAN
SEPTEMBER 30, 2020

Date	Contractually Required Contributions	Contributions in Relation to Contractually Required Contributions	Contributions Deficiency (Excess)	Authority's Covered Payroll	Contributions as a % of Covered Payroll
2020*	$ 42,217	$ 42,217	$ -	$ 8,934,595	0.47%
2019	40,984	40,984	-	7,881,449	0.52%
2018	43,254	43,254	-	8,318,127	0.52%
2017					
2016					
2015					
2014					
2013					
2012					
2011					

Information prior to fiscal year 2018 was not available. The Authority will accumulate each year until 10 years of data becomes available.

RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY
SCHEDULE OF AUTHORITY'S SHARE OF NET VLDP OPEB LIABILITY
SEPTEMBER 30, 2020

Schedule of Employer's Share of Net OPEB Liability Virgina Local Disability Program For the Year Ended September 30, 2020 *	2019*	2018	2018	2017	2016	2015	2014	2013	2012	2011
Authority's Proportion of the Net GLI OPEB Liability (Asset)	0.8791%	0.9516%								
Authority's Proportionate Share of the Net GLI OPEB Liability (Asset)	$ 19,277	$ 7,000	Information prior to fiscal year 2019 was not available. The Authority will accumulate each year until 10 years of data becomes available.							
Authority's Covered Payroll	$ 4,355,294	$ 2,940,607								
Authority's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of its Covered Payroll	0.44%	0.24%								
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	51.39%	51.39%								

Notes to Schedule:

* The amounts presented have a measurement date of June 30, 2019.

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 following changes in actuarial assumptions were made effective June 30, 2017 based on the most recent experience study of the System for the four-year period ending June 30, 2017:

Non-Largest Ten Locality Employers - General Employees	
Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75.
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14 to 15%

RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY
SCHEDULE OF AUTHORITY'S CONTRIBUTIONS
VLDP PLAN
SEPTEMBER 30, 2020

Date	Contractually Required Contributions	Contributions in Relation to Contractually Required Contributions	Contributions Deficiency (Excess)	Authority's Covered Payroll	Contributions as a % of Covered Payroll
2020*	$ 21,172	$ 21,172	$ -	$ 2,940,607	0.72%
2019	12,807	12,807	-	2,134,482	0.60%
2018					
2017					
2016					
2015	Information prior to fiscal year 2019 was not available. The Authority will accumulate each year until 10 years of data becomes available.				
2014					
2013					
2012					
2011					

RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY
SCHEDULE OF CHANGES IN THE AUTHORITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS
SEPTEMBER 30, 2020

Last 10 Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Total OPEB liability										
Service Cost	$ 20,599	$ 19,897	$ 38,742							
Interest	7,533	9,157	17,922							
Changes of Benefit Terms	-	-	-							
Differences Between Expected and Actual Experience	(169,576)	(25,687)	(259,654)	Information prior to fiscal year 2018 was not available. The Authority will accumulate each year until 10 years of data becomes available.						
Changes of Assumptions	-	-	(902)							
Benefit Payments	(14,431)	(45,323)	(142,838)							
Net Change in Total OPEB Liability	(155,875)	(41,956)	(346,730)							
Total OPEB Liability - Beginning	273,544	273,544	620,274							
Total OPEB Liability - Ending (a)	$ 117,669	$ 231,588	$ 273,544							
Covered-Employee Payroll	$ 4,377,485	$ 4,377,485	$ 5,022,510							
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	2.7%	5.3%	5.4%							

Notes to Schedule:
Benefit changes - None
Changes of assumptions - The discount rate was changed to 3.55%. In the prior (2014) valuation, the discount rate was 3.00%.
No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY
SCHEDULE OF CHANGES IN THE AUTHORITY'S NET PENSION LIABILITY AND RELATED RATIOS
SEPTEMBER 30, 2020

	2020	2019	2018	2017	2016	2015
Total Pension Liability						
Service Cost	$ 693,310	$ 775,925	$ 763,574	$ 858,337	$ 980,501	$ 1,113,926
Interest	4,459,060	4,357,419	4,423,847	4,453,853	4,412,693	4,330,100
Change in Assumptions	1,602,482	-	(149,304)	-	-	-
Refund of Contributions	-	-	-	-	-	-
Differences Between Expected and Actual Experience	(748,942)	797,566	(1,618,861)	(1,415,200)	(467,761)	-
Benefit Payments, Including Refunds	(4,494,965)	(4,462,832)	(4,273,624)	(4,377,683)	(4,297,159)	(4,231,119)
Net Change in Total Pension Liability	1,510,945	1,468,078	(854,368)	(480,693)	628,274	1,212,907
Total Pension Liability - Beginning	65,948,336	64,480,258	65,334,626	65,815,319	65,187,045	63,974,138
Total Pension Liability - Ending (a)	$ 67,459,281	$ 65,948,336	$ 64,480,258	$ 65,334,626	$ 65,815,319	$ 65,187,045
Plan Fiduciary Net Position						
Contributions - Employer	$ 705,395	$ 825,631	$ 847,574	$ 940,113	$ 1,022,623	$ 1,189,819
Contributions - Employee	361,151	384,393	397,480	383,716	414,364	490,888
Refund of Contributions	-	-	-	-	-	-
Net Investment Income	3,891,003	4,314,723	6,633,050	927,825	2,599,500	8,133,010
Benefit Payments, Including Refunds	(4,494,965)	(4,462,832)	(4,273,624)	(4,377,683)	(4,297,159)	(4,231,119)
Administrative Expenses	(41,365)	(39,195)	(40,464)	(37,325)	(37,922)	(45,600)
Other Changes	(2,377)	(3,752)	(5,812)	(411)	(541)	429
Net Change in Plan Fiduciary Net Position	418,842	1,018,968	3,558,204	(2,163,765)	(299,135)	5,537,427
Plan Fiduciary Net Position - Beginning	60,493,428	59,474,460	55,916,256	58,080,021	58,379,156	52,841,729
Plan Fiduciary Net Position - Ending (b)	$ 60,912,270	$ 60,493,428	$ 59,474,460	$ 55,916,256	$ 58,080,021	$ 58,379,156
Authority's Net Pension Liability - Ending (a) - (b)	$ 6,547,011	$ 5,454,908	$ 5,005,798	$ 9,418,370	$ 7,735,298	$ 6,807,889
Plan Fiduciary Net Position as a % of Total Pension Liability	90.29%	91.73%	92.24%	85.58%	88.25%	89.56%
Covered Payroll	$ 8,934,595	$ 7,773,422	$ 8,431,972	$ 8,020,439	$ 11,478,856	$ 10,303,718
Authority's Net Pension Liability as a % of Covered Payroll	73.28%	70.17%	59.37%	117.43%	67.39%	66.07%

* The Authority implemented GASB 68 during fiscal year 2015.

RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY
SCHEDULE OF AUTHORITY'S CONTRIBUTIONS
VRS PENSION PLAN
LAST 10 FISCAL YEARS
SEPTEMBER 30, 2020

	2020	2019	2018	2017	2016	2015
Contractually Required Contributions	$ 1,013,770	$ 917,621	$ 1,097,913	$ 1,090,534	$ 1,022,623	$ 1,189,819
Contributions in Relation to Contractually Required Contributions	$ 1,013,770	$ 917,621	$ 1,097,913	$ 1,090,534	$ 1,022,623	$ 1,189,819
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
Authority's Covered Employee Payroll	$ 10,092,872	$ 8,934,595	$ 7,773,422	$ 8,431,972	$ 8,020,439	$ 11,478,856
Contributions as a % of Covered Employee Payroll	10.04%	10.27%	14.12%	12.93%	12.75%	10.37%

* Schedule is intended to show information for 10 years. The Authority implemented GASB 68 during fiscal year 2015. As such, only five years of information is available. Additional years will be included as they become available.

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 following changes in actuarial assumptions were made effective June 30, 2016 based on the most recent experience study of the System for the four-year period ending June 30, 2016.

- Mortality Rates (Pre-retirement, postretirement healthy, and disabled - Update to a more current mortality table – RP-2014 projected to 2020
- Retirement Rates - Increased age 50 rates, and lowered rates at older ages
- Withdrawal Rates - Adjusted rates to better fit experience at each year age and service through 9 years of service
- Disability Rates - Adjusted rates to better fit experience
- Salary Scale - No change
- Line of Duty Disability - Decrease rate from 60% to 45%

RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE
SEPTEMBER 30, 2020

Line Item #	Account Description	LIPH 14.850/872	LIPH CARES 14.PHC	HCVP 14.871	HCVP CARES 14.HCC	HOPE VI 14.866	Blended Comp Unit	State/Local	Business Activities
	CURRENT ASSETS								
	Cash:								
111	Unrestricted	$ 11,480,757	$ -	$ 500,080	$ -	$ -	$ 615,474	$ 866,994	$ 3,708,676
112	Restricted - Modernization and Development	-	-	-	-	-	113	5,586,101	3,340,200
113	Other Restricted	149,003	-	84,379	381,686	-	-	1,061,819	168,286
114	Tenant Security Deposits	624,505	-	-	-	-	-	-	6,068
115	Restricted for Payment of Current Liabilities	110,859	-	52,200	43,182	-	-	-	-
100	Total Cash	12,365,124	-	636,659	424,868	-	615,587	7,514,914	7,223,230
	Accounts and Notes Receivable:								
122	HUD Other Projects	1,360,592	459,921	-	-	-	-	-	-
125	Miscellaneous	2,595	-	453,146	-	-	-	9,049	57,492
126	Tenants	2,612,924	-	-	-	-	-	620	17,562
126.1	Allowance for Doubtful Accounts - Tenants	(1,864,090)	-	-	-	-	-	-	(4,328)
126.2	Allowance for Doubtful Accounts - Other	-	-	(28,914)	-	-	-	-	(2,423)
127	Notes, Loans, & Mortgages Receivable, Current	6,450,076	-	-	-	21,723	-	24,712	287,811
128	Fraud Recovery	-	-	26,082	-	-	-	-	-
120	Total Receivables, Net of Allowances for Uncollectibles	8,562,097	459,921	450,314	-	21,723	-	34,381	356,114
132	Investments - Restricted	-	-	-	-	-	-	-	495,132
135	Investments - Restricted for Current Liability	-	-	-	-	-	-	-	59,703
	Total Current Investments	-	-	-	-	-	-	-	554,835
142	Prepaid Expenses and Other Assets	157,903	-	17,469	-	-	-	-	12,830
143	Inventories	451,741	-	-	-	-	-	-	24,997
143.1	Allowance for Obsolete Inventories	(47,738)	-	-	-	-	-	-	(1,771)
144	Interprogram - Due From	1,354,401	-	-	-	-	-	-	5,700
145	Assets Held for Sale	-	-	-	-	1,046,407	-	3,035,550	476,381
150	Total Current Assets	22,843,528	459,921	1,104,442	424,868	1,068,130	615,587	10,584,845	8,652,316
	NONCURRENT ASSETS								
	Fixed Assets:								
161	Land	4,721,231	-	25,914	-	-	-	1,343,400	77,691
162	Buildings	131,831,286	-	678,388	-	-	-	-	5,473,855
163	Furniture, Equipment, and Machinery - Dwellings	3,076,268	-	-	-	-	-	-	3,523
164	Furniture, Equipment, and Machinery - Admin.	14,083,189	-	514,011	-	-	-	-	91,668
165	Leasehold Improvements	13,273,006	-	73,690	-	-	-	-	88,894
166	Accumulated Depreciation	(99,384,949)	-	(971,648)	-	-	-	-	(5,319,939)
167	Construction in Progress	3,067,928	-	-	-	697,044	-	6,885,673	338,512
160	Total Fixed Assets, Net of Accumulated Depreciation	70,667,959	-	320,355	-	697,044	-	8,229,073	754,204
171	Notes, Loans, and Mortgages Receivable - Noncurrent	7,693,509	-	-	-	7,824,980	3,873,563	861,397	7,974,285
180	Total Noncurrent Assets	78,361,468	-	320,355	-	8,522,024	3,873,563	9,090,470	8,728,489
200	Deferred Outflows of Resources	861,562	-	129,168	-	-	-	-	61,101
290	**TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES**	$ 102,066,558	$ 459,921	$ 1,553,965	$ 424,868	$ 9,590,154	$ 4,489,150	$ 19,675,315	$ 17,441,906

RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE
SEPTEMBER 30, 2020

Line Item #	Account Description	CDBG 14.218	HOME	Other Project PFSS	Mainstream 14.879	Mainstream CARES 14.MSC	COCC	COCC CARES 14.CCC	Eliminations	Authority Total
	CURRENT ASSETS									
	Cash:									
111	Unrestricted	$ 236,674	$ -	$ -	$ 93,467	$ -	$ 3,349,003	$ -	$ -	$ 20,851,125
112	Restricted - Modernization and Development	-	-	-	-	-	231,591	-	-	9,158,005
113	Other Restricted	320,223	75,553	-	-	-	11,738	-	-	2,252,687
114	Tenant Security Deposits	-	-	-	-	-	-	-	-	630,573
115	Restricted for Payment of Current Liabilities	-	-	-	-	-	-	-	-	206,241
100	Total Cash	556,897	75,553	-	93,467	-	3,592,332	-	-	33,098,631
	Accounts and Notes Receivable:									
122	HUD Other Projects	-	-	19,753	-	-	-	-	-	1,840,266
125	Miscellaneous	5,570	5,618	-	-	-	-	-	-	533,470
126	Tenants	-	-	-	-	-	-	-	-	2,631,106
126.1	Allowance for Doubtful Accounts - Tenants	-	-	-	-	-	-	-	-	(1,868,418)
126.2	Allowance for Doubtful Accounts - Other	-	-	-	-	-	-	-	-	(31,337)
127	Notes, Loans, & Mortgages Receivable, Current	66,196	18,536	-	-	-	-	-	(6,449,769)	419,285
128	Fraud Recovery	-	-	-	-	-	-	-	-	26,082
120	Total Receivables, Net of Allowances for Uncollectibles	71,766	24,154	19,753	-	-	-	-	(6,449,769)	3,550,454
132	Investments - Restricted	-	-	-	-	-	-	-	-	495,132
135	Investments - Restricted for Current Liability	-	-	-	-	-	-	-	-	59,703
	Total Current Investments	-	-	-	-	-	-	-	-	554,835
142	Prepaid Expenses and Other Assets	-	-	18,941	-	-	90,777	-	-	297,920
143	Inventories	-	-	-	-	-	192,442	-	-	669,180
143.1	Allowance for Obsolete Inventories	-	-	-	-	-	(21,220)	-	-	(70,729)
144	Interprogram - Due From	-	-	-	-	-	739,647	70,388	(2,169,305)	831
145	Assets Held for Sale	806,023	-	-	-	-	-	-	-	5,364,361
150	Total Current Assets	1,434,686	99,707	38,694	93,467	-	4,593,978	70,388	(8,619,074)	43,465,483
	NONCURRENT ASSETS									
	Fixed Assets:									
161	Land	1,094,912	-	-	-	-	428,457	-	-	7,691,605
162	Buildings	-	-	-	-	-	2,899,423	-	-	140,882,952
163	Furniture, Equipment, and Machinery - Dwellings	-	-	-	-	-	-	-	-	3,079,791
164	Furniture, Equipment, and Machinery - Admin.	-	-	-	-	-	3,633,910	-	-	18,322,778
165	Leasehold Improvements	-	-	-	-	-	135,039	-	-	13,570,629
166	Accumulated Depreciation	-	-	-	-	-	(5,463,957)	-	-	(111,140,493)
167	Construction in Progress	-	-	-	-	-	19,095	-	-	11,008,252
160	Total Fixed Assets, Net of Accumulated Depreciation	1,094,912	-	-	-	-	1,651,967	-	-	83,415,514
171	Notes, Loans, and Mortgages Receivable - Noncurrent	3,854,269	538,037	-	-	-	-	-	-	32,620,040
174	Other Assets	-	-	-	-	-	-	-	-	-
176	Investment in Joint Ventures	-	-	-	-	-	-	-	-	-
180	Total Noncurrent Assets	4,949,181	538,037	-	-	-	1,651,967	-	-	116,035,554
200	Deferred Outflows of Resources	-	-	12,613	-	-	893,836	-	-	1,958,280
290	**TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES**	$ 6,383,867	$ 637,744	$ 51,307	$ 93,467	$ -	$ 7,139,781	$ 70,388	$ (8,619,074)	$ 161,459,317

RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE
SEPTEMBER 30, 2020

Line Item #	Account Description	LIPH 14.850/872	LIPH CARES 14.PHC	HCVP 14.871	HCVP CARES 14.HCC	HOPE VI 14.866	Blended Comp Unit	State/Local	Business Activities
	CURRENT LIABILITIES								
312	Accounts Payable <= 90 Days	$ 947,836	$ -	$ 147,475	$ 344	$ -	$ -	$ 6,341	$ 120,948
321	Accrued Wage/Payroll Taxes Payable	111,970	-	17,009	-	-	-	-	7,948
322	Accrued Compensated Absences - Current Portion	340,972	-	46,511	-	-	-	-	20,922
331	Accounts Payable - HUD PHA Programs	6	-	247	-	-	-	-	-
333	Accounts Payable - Other Government	54,418	-	-	-	-	-	87,603	-
341	Tenant Security Deposits	591,957	-	-	-	-	-	-	17,864
342	Deferred Revenues	63,076	-	147,801	381,686	-	-	271,086	51,204
345	Other Current Liabilities	1,375	-	7,332	-	-	-	-	500
346	Accrued Liabilities - Other	1,064,612	-	7,259	-	-	570	2,758	25,271
347	Interprogram (Due to)	1,595,942	459,921	25,922	42,838	-	2,320	3,306	23,634
348	Loan Liability - Current	-	-	-	-	-	-	-	-
310	Total Current Liabilities	4,772,164	459,921	399,556	424,868	-	2,890	371,094	268,291
	NONCURRENT LIABILITIES								
351	Long-term Debt, Net of Current - Capital Projects	-	-	-	-	-	3,873,563	-	-
353	Noncurrent Liabilities - Other	3,482,027	-	39,809	-	1,316,912	-	762,646	5,143,373
355	Loan Liability - Noncurrent	-	-	-	-	-	-	-	-
357	Accrued Pension and OPEB Liability	3,290,950	-	352,514	-	33,964	-	76,262	322,034
350	Total Noncurrent Liabilities	6,772,977	-	392,323	-	1,350,876	3,873,563	838,908	5,465,407
300	Total Liabilities	11,545,141	459,921	791,879	424,868	1,350,876	3,876,453	1,210,002	5,733,698
400	Deferred Inflows of Resources	506,733	-	73,005	-	-	-	-	35,283
	NET POSITION								
508.4	Net Investment in Capital Assets	70,667,959	-	320,355	-	697,044	-	8,229,073	754,204
511.4	Restricted Net Position	180,104	-	207,793	-	-	113	6,560,317	4,051,525
512.4	Unrestricted Net Position	19,166,621	-	160,933	-	7,542,234	612,584	3,675,923	6,867,196
513	Total Net Position	90,014,684	-	689,081	-	8,239,278	612,697	18,465,313	11,672,925
600	**TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION**	$ 102,066,558	$ 459,921	$ 1,553,965	$ 424,868	$ 9,590,154	$ 4,489,150	$ 19,675,315	$ 17,441,906

RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE
SEPTEMBER 30, 2020

Line Item #	Account Description	CDBG 14.218	HOME	Other Project PFSS	Mainstream 14.879	Mainstream CARES 14.MSC	COCC	COCC CARES 14.CCC	Eliminations	Authority Total
	CURRENT LIABILITIES									
312	Accounts Payable <= 90 Days	$ 624	$ -	$ -	$ -	$ -	$ 218,345	$ 70,388	$ -	$ 1,512,301
321	Accrued Wage/Payroll Taxes Payable	-	-	1,743	-	-	109,129	-	-	247,799
322	Accrued Compensated Absences - Current Portion	-	-	-	-	-	420,388	-	-	828,793
331	Accounts Payable - HUD PHA Programs	-	-	-	-	-	-	-	-	253
333	Accounts Payable - Other Government	15,996	64,033	-	-	-	-	-	-	222,050
341	Tenant Security Deposits	-	-	-	-	-	-	-	-	609,821
342	Deferred Revenues	62,760	-	-	-	-	-	-	-	977,613
345	Other Current Liabilities	-	-	-	-	-	34,821	-	-	44,028
346	Accrued Liabilities - Other	900	-	-	-	-	24,963	-	-	1,126,333
347	Interprogram (Due to)	-	-	16,194	-	-	664	-	(2,169,305)	1,436
348	Loan Liability - Current	-	-	-	-	-	6,449,769	-	(6,449,769)	-
310	Total Current Liabilities	80,280	64,033	17,937	-	-	7,258,079	70,388	(8,619,074)	5,570,427
	NONCURRENT LIABILITIES									
351	Long-term Debt, Net of Current - Capital Projects	-	-	-	-	-	-	-	-	3,873,563
353	Noncurrent Liabilities - Other	3,192,202	711,558	-	-	-	-	-	-	14,648,527
355	Loan Liability - Noncurrent	765,000	-	-	-	-	-	-	-	765,000
357	Accrued Pension and OPEB Liability	247,932	-	4,083	-	-	2,957,006	-	-	7,284,745
350	Total Noncurrent Liabilities	4,205,134	711,558	4,083	-	-	2,957,006	-	-	26,571,835
300	Total Liabilities	4,285,414	775,591	22,020	-	-	10,215,085	70,388	(8,619,074)	32,142,262
400	Deferred Inflows of Resources	-	-	5,965	-	-	503,092	-	-	1,124,078
	NET POSITION									
508.4	Net Investment in Capital Assets	1,094,912	-	-	-	-	1,651,967	-	-	83,415,514
511.4	Restricted Net Position	304,227	-	-	-	-	243,329	-	-	11,547,408
512.4	Unrestricted Net Position	699,314	(137,847)	23,322	93,467	-	(5,473,692)	-	-	33,230,055
513	Total Net Position	2,098,453	(137,847)	23,322	93,467	-	(3,578,396)	-	-	128,192,977
600	**TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION**	$ 6,383,867	$ 637,744	$ 51,307	$ 93,467	$ -	$ 7,139,781	$ 70,388	$ (8,619,074)	$ 161,459,317

RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE
SEPTEMBER 30, 2020

Line Item #	Account Description	LIPH 14.850/872	LIPH CARES 14.PHC	HCVP 14.871	HCVP CARES 14.HCC	HOPE VI 14.866	Blended Comp Unit	State/Local	Business Activities
	REVENUE								
70300	Net Tenant Rental Revenue	$ 9,478,942	$ -	$ -	$ -	$ -	$ -	$ -	$ 71,407
70400	Tenant Revenue - Other	687,854	-	30	-	-	-	-	86
70500	Total Tenant Revenue	10,166,796	-	30	-	-	-	-	71,493
70600	HUD PHA Operating Grants	24,905,959	1,378,288	29,213,966	532,604	-	-	-	-
70610	Capital Grants	5,005,749	-	-	-	-	-	-	-
70710	Management Fee	-	-	-	-	-	-	-	-
70720	Asset Management Fee	-	-	-	-	-	-	-	-
70730	Bookkeeping Fee	-	-	-	-	-	-	-	-
70740	Front Line Service Fee	-	-	-	-	-	-	-	-
70750	Other Fees	-	-	-	-	-	-	-	-
70800	Other Governmental Grants	-	-	-	-	-	-	789,126	-
71100	Investment Income - Unrestricted	31,287	-	994	-	-	3,059	12,123	26,922
71200	Mortgage Interest Income	-	-	-	-	-	-	-	107,291
71300	Proceeds from Disposition of Assets Held for Sale	-	-	-	-	-	-	-	713,664
71310	Cost of Sales of Assets	-	-	-	-	-	-	-	(52,558)
71400	Fraud Recovery	-	-	-	-	-	-	-	-
71500	Other Revenue	315,393	-	1,577,923	-	-	-	132,964	1,878,641
71600	Gain or Loss on the Sale of Fixed Assets	-	-	-	-	(3,026)	-	(76,118)	(787,760)
72000	Investment Income - Restricted	-	-	-	-	-	-	7,567	14,789
70000	Total Revenue	40,425,184	1,378,288	30,792,913	532,604	(3,026)	3,059	865,662	1,972,482
	EXPENSES								
	Administrative:								
91100	Administrative Salaries	1,487,058	206,020	393,372	213,811	-	-	-	456,086
91200	Auditing Fees	49,523	-	19,582	-	-	1,839	-	40,844
91300	Management Fee	4,209,054	225,888	454,932	31,744	-	-	-	153,572
91310	Bookkeeping Fee	313,861	-	284,332	-	-	-	-	-
91400	Advertising and Marketing	966	-	137	-	-	-	-	1,225
91500	Employee Benefit Contributions - Administrative	738,293	75,910	155,766	174,480	-	-	-	193,844
91600	Office Expenses	1,233,283	-	151,419	111,269	-	275	43,746	176,941
91700	Legal Expense	22,090	-	6,752	-	-	4,502	88,382	94,392
91900	Other	69,938	-	16,174	-	-	-	-	3,193
91000	Total Administrative	8,124,066	507,818	1,482,466	531,304	-	6,616	132,128	1,120,097
92000	Asset Management Fee	266,742	-	-	-	-	-	-	-
	Tenant Services:								
92100	Salaries	37,363	-	-	-	-	-	-	6,998
92200	Relocation Costs	67,379	-	100	-	-	-	-	14,597
92300	Employee Benefit Contributions	18,389	-	-	-	-	-	-	3,544
92400	Other	744,648	-	170,826	-	-	-	-	8,001
92500	Total Tenant Services	867,779	-	170,926	-	-	-	-	33,140
	Utilities:								
93100	Water	2,968,554	-	661	-	-	-	-	18,814
93200	Electricity	2,618,653	-	8,575	-	-	-	-	37,041
93300	Gas	1,718,736	-	2,748	-	-	-	-	25,664
93600	Sewer	4,731,380	-	922	-	-	-	-	27,711
93800	Other Utilities Expense	220,816	-	1,654	-	-	-	4,231	38,306
93000	Total Utilities	12,258,139	-	14,560	-	-	-	4,231	147,536
	Ordinary Maintenance & Operations:								
94100	Labor	2,253,390	556,507	-	-	-	-	-	33,657
94200	Materials and Other	1,269,980	50,296	9,134	1,300	-	-	-	50,608
94300	Contracts	3,487,455	63,877	29,217	-	-	-	3,823	132,404
94500	Employee Benefits Contribution	1,168,602	199,790	-	-	-	-	-	12,503
94000	Total Ordinary Maintenance & Operations	8,179,427	870,470	38,351	1,300	-	-	3,823	229,172
	Protective Services:								
95200	Other Contract Costs	-	-	-	-	-	-	-	36,968
95300	Protective Services - Other	10,544	-	-	-	-	-	-	-
95000	Total Protective Services	10,544	-	-	-	-	-	-	36,968

RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE
YEAR ENDED SEPTEMBER 30, 2020

Line Item #	Account Description	CDBG 14.218	HOME	Other Project PFSS	Mainstream 14.879	Mainstream CARES 14.MSC	COCC	COCC CARES 14.CCC	Eliminations	Authority Total
	REVENUE									
70300	Net Tenant Rental Revenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 9,550,349
70400	Tenant Revenue - Other	-	-	-	-	-	-	-	-	687,970
70500	Total Tenant Revenue	-	-	-	-	-	-	-	-	10,238,319
70600	HUD PHA Operating Grants	-	-	83,047	137,007	506	-	-	-	56,251,377
70610	Capital Grants	-	-	-	-	-	-	-	-	5,005,749
70710	Management Fee	-	-	-	-	-	4,374,894	-	(4,374,894)	-
70720	Asset Management Fee	-	-	-	-	-	266,742	-	(266,742)	-
70730	Bookkeeping Fee	-	-	-	-	-	598,193	-	(598,193)	-
70740	Front Line Service Fee	-	-	-	-	-	1,409,629	-	(1,386,078)	23,551
70750	Other Fees	-	-	-	-	-	1,689,129	-	(1,698,401)	(9,272)
70800	Other Governmental Grants	-	-	-	-	-	-	-	-	789,126
71100	Investment Income - Unrestricted	-	-	-	-	-	23,716	-	-	98,101
71200	Mortgage Interest Income	-	-	-	-	-	-	-	-	107,291
71300	Proceeds from Disposition of Assets Held for Sale	-	-	-	-	-	-	-	-	713,664
71310	Cost of Sales of Assets	-	-	-	-	-	-	-	-	(52,558)
71400	Fraud Recovery	-	-	-	-	-	-	-	-	-
71500	Other Revenue	305,668	44,566	-	-	-	292,220	258,139	(275,239)	4,530,275
71600	Gain or Loss on the Sale of Fixed Assets	-	-	-	-	-	-	-	-	(866,904)
72000	Investment Income - Restricted	-	-	-	-	-	6,519	-	-	28,875
70000	Total Revenue	305,668	44,566	83,047	137,007	506	8,661,042	258,139	(8,599,547)	76,857,594
	EXPENSES									
	Administrative:									
91100	Administrative Salaries	-	-	-	-	-	3,011,872	31,892	-	5,800,111
91200	Auditing Fees	-	-	-	-	-	13,838	-	-	125,626
91300	Management Fee	-	-	-	-	506	-	-	(4,650,133)	425,563
91310	Bookkeeping Fee	-	-	-	-	-	-	-	(598,193)	-
91400	Advertising and Marketing	-	-	-	-	-	6,335	-	-	8,663
91500	Employee Benefit Contributions - Administrative	-	-	-	-	-	1,122,993	7,488	-	2,468,774
91600	Office Expenses	-	-	-	-	-	1,131,418	70,921	-	2,919,272
91700	Legal Expense	16,444	-	-	-	-	42,071	-	-	274,633
91900	Other	-	-	-	-	-	102,394	-	-	191,699
91000	Total Administrative	16,444	-	-	-	506	5,430,921	110,301	(5,248,326)	12,214,341
92000	Asset Management Fee	-	-	-	-	-	-	-	(266,742)	-
	Tenant Services:									
92100	Salaries	-	-	50,480	-	-	271,895	1,978	-	368,714
92200	Relocation Costs	-	-	-	-	-	17,808	-	-	99,884
92300	Employee Benefit Contributions	-	-	32,567	-	-	108,091	147	-	162,738
92400	Other	-	-	-	-	-	-	-	(874,290)	49,185
92500	Total Tenant Services	-	-	83,047	-	-	397,794	2,125	(874,290)	680,521
	Utilities:									
93100	Water	-	-	-	-	-	3,221	-	-	2,991,250
93200	Electricity	-	-	-	-	-	62,344	-	-	2,726,613
93300	Gas	-	-	-	-	-	9,075	-	-	1,756,223
93400	Fuel	-	-	-	-	-	-	-	-	-
93600	Sewer	-	-	-	-	-	2,956	-	-	4,762,969
93800	Other Utilities Expense	2,953	-	-	-	-	10,073	-	-	278,033
93000	Total Utilities	2,953	-	-	-	-	87,669	-	-	12,515,088
	Ordinary Maintenance & Operations:									
94100	Labor	-	-	-	-	-	1,371,164	78,043	-	4,292,761
94200	Materials and Other	-	-	-	-	-	8,213	20,662	-	1,410,193
94300	Contracts	-	-	-	-	-	103,805	19,740	(1,698,401)	2,141,920
94500	Employee Benefits Contribution	-	-	-	-	-	562,072	27,268	-	1,970,235
94000	Total Ordinary Maintenance & Operations	-	-	-	-	-	2,045,254	145,713	(1,698,401)	9,815,109
	Protective Services:									
95200	Other Contract Costs	-	-	-	-	-	1,393	-	-	38,361
95300	Protective Services - Other	-	-	-	-	-	-	-	-	10,544
95000	Total Protective Services	-	-	-	-	-	1,393	-	-	48,905

RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE
YEAR ENDED SEPTEMBER 30, 2020

Line Item #	Account Description	LIPH 14.850/872	LIPH CARES 14.PHC	HCVP 14.871	HCVP CARES 14.HCC	HOPE VI 14.866	Blended Comp Unit	State/Local	Business Activities
	EXPENSES (Continued)								
	Insurance Premiums:								
96110	Property Insurance	$ 594,392	$ -	$ 3,278	$ -	$ -	$ -	$ -	$ 12,866
96120	Liability Insurance	231,720	-	19,623	-	-	-	-	18,523
96130	Workers' Compensation	55,364	-	6,090	-	-	-	-	4,227
96140	All Other Insurance	56,198	-	4,177	-	-	-	-	1,859
96100	Total Insurance Premiums	937,674	-	33,168	-	-	-	-	37,475
	Other General Expenses:								
96200	Other General Expenses	657,737	-	50,773	-	-	1,736	20,778	227,286
96210	Compensated Absences	66,031	-	12,492	-	-	-	-	(1,125)
96400	Bad Debt - Tenants Rent	1,632,770	-	-	-	-	-	-	4,937
96500	Bad Debt - Mortgages	-	-	-	-	21,807	-	-	1,917
96600	Bad Debt - Other	-	-	(861)	-	-	-	-	-
96000	Total Other General Expenses	2,356,538	-	62,404	-	21,807	1,736	20,778	233,015
96900	Total Operating Expenses	33,000,909	1,378,288	1,801,875	532,604	21,807	8,352	160,960	1,837,403
97000	Excess of Operating Revenue Over Operating Expenses	7,424,275	-	28,991,038	-	(24,833)	(5,293)	704,702	135,079
97100	Extraordinary Maintenance	-	-	-	-	-	-	-	-
97300	Housing Assistance Payments	85,244	-	27,030,019	-	-	-	321,454	-
97350	HAP Portability in	-	-	1,499,407	-	-	-	-	-
97400	Depreciation Expense	3,780,718	-	28,051	-	-	-	-	316,187
90000A	Total Other Expenses	3,865,962	-	28,557,477	-	-	-	321,454	316,187
90000	Total Expenses	36,866,871	1,378,288	30,359,352	532,604	21,807	8,352	482,414	2,153,590
	Other Financing Sources (Uses):								
10010	Operating Transfer In	1,302,998	-	-	-	-	-	-	-
10020	Operating Transfer Out	(1,302,998)	-	-	-	-	-	-	-
10091	InterProject Excess Cash Transfer In	454,426	-	-	-	-	-	-	-
10092	InterProject Excess Cash Transfer Out	(454,426)	-	-	-	-	-	-	-
10100	Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-
10000	**EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENSES**	$ 3,558,313	$ -	$ 433,561	$ -	$ (24,833)	$ (5,293)	$ 383,248	$ (181,108)
	Memo Account Information								
11020	Required Annual Debt Principal Payments	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
11030	Beginning Equity	88,194,956	-	253,415	-	8,264,111	617,990	18,368,691	9,148,123
11040	Prior Period Adjustments, Equity Transfers, & Correction	(1,738,585)	-	2,105	-	-	-	(286,626)	2,705,910
11170	Administrative Fee Equity	-	-	481,288	-	-	-	-	-
11180	Housing Assistance Payments Equity	-	-	207,793	-	-	-	-	-
11190	Unit Months Available	45,053	-	37,914	-	-	-	720	280
11210	Unit Months Leased	42,293	-	37,911	-	-	-	462	240
11270	Excess Cash	14,862,269	-	-	-	-	-	-	-
11650	Leasehold Improvements	1,496,127	-	-	-	-	-	-	-
11660	Infrastructure Purchases	3,509,621	-	-	-	-	-	-	-
13901	Replacement Housing Factor Funds	-	-	-	-	-	-	-	-

RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE
YEAR ENDED SEPTEMBER 30, 2020

Line Item #	Account Description	CDBG 14.218	HOME	Other Project PFSS	Mainstream 14.879	Mainstream CARES 14.MSC	COCC	COCC CARES 14.CCC	Eliminations	Authority Total
	EXPENSES (Continued)									
	Insurance Premiums:									
96110	Property Insurance	$ 3,182	$ -	$ -	$ -	$ -	$ 26,185	$ -	$ -	$ 639,903
96120	Liability Insurance	763	-	-	-	-	2,370	-	-	272,999
96130	Workers' Compensation	-	-	-	-	-	32,982	-	-	98,663
96140	All Other Insurance	-	-	-	-	-	64,337	-	-	126,571
96100	Total Insurance Premiums	3,945	-	-	-	-	125,874	-	-	1,138,136
	Other General Expenses:									
96200	Other General Expenses	212,928	118,788	-	-	-	106,790	-	(511,788)	885,028
96210	Compensated Absences	-	-	-	-	-	97,180	-	-	174,578
96400	Bad Debt - Tenants Rent	-	-	-	-	-	-	-	-	1,637,707
96500	Bad Debt - Mortgages	-	-	-	-	-	-	-	-	23,724
96600	Bad Debt - Other	-	-	-	-	-	-	-	-	(861)
96000	Total Other General Expenses	212,928	118,788	-	-	-	203,970	-	(511,788)	2,720,176
96900	Total Operating Expenses	236,270	118,788	83,047	-	506	8,292,875	258,139	(8,599,547)	39,132,276
97000	Excess of Operating Revenue Over Operating Expenses	69,398	(74,222)	-	137,007	-	368,167	-	-	37,725,318
97100	Extraordinary Maintenance	-	-	-	-	-	-	-	-	-
97300	Housing Assistance Payments	-	-	-	43,540	-	-	-	-	27,480,257
97350	HAP Portability in	-	-	-	-	-	-	-	-	1,499,407
97400	Depreciation Expense	-	-	-	-	-	88,737	-	-	4,213,693
90000A	Total Other Expenses	-	-	-	43,540	-	88,737	-	-	33,193,357
90000	Total Expenses	236,270	118,788	83,047	43,540	506	8,381,612	258,139	(8,599,547)	72,325,633
	Other Financing Sources (Uses):									
10010	Operating Transfer In	-	-	-	-	-	-	-	(1,302,998)	-
10020	Operating Transfer Out	-	-	-	-	-	-	-	1,302,998	-
10091	InterProject Excess Cash Transfer In	-	-	-	-	-	-	-	(454,426)	-
10092	InterProject Excess Cash Transfer Out	-	-	-	-	-	-	-	454,426	-
10100	Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-
10000	**EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENSES**	$ 69,398	$ (74,222)	$ -	$ 93,467	$ -	$ 279,430	$ -	$ -	$ 4,531,961
	Memo Account Information									
11020	Required Annual Debt Principal Payments	$ -	$ -	$ -	$ -	$ -	$ 6,449,769	$ -	$ -	$ 6,449,769
11030	Beginning Equity	2,044,723	(63,667)	23,322	-	-	(3,190,648)	-	-	123,661,016
11040	Prior Period Adjustments, Equity Transfers, & Correction	(15,668)	42	-	-	-	(667,178)	-	-	-
11170	Administrative Fee Equity	-	-	-	-	-	-	-	-	481,288
11180	Housing Assistance Payments Equity	-	-	-	-	-	-	-	-	207,793
11190	Unit Months Available	-	-	-	456	-	-	-	-	84,423
11210	Unit Months Leased	-	-	-	72	-	-	-	-	80,978
11270	Excess Cash	-	-	-	-	-	-	-	-	14,862,269
11650	Leasehold Improvements	-	-	-	-	-	-	-	-	1,496,127
11660	Infrastructure Purchases	-	-	-	-	-	-	-	-	3,509,621
13901	Replacement Housing Factor Funds	-	-	-	-	-	-	-	-	-

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

Board of Commissioners
Richmond Redevelopment and Housing Authority
Richmond, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Richmond Redevelopment and Housing Authority (the Authority), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated August 19, 2021.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A s*ignificant 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 may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Arlington, Virginia
August 19, 2021

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

Board of Commissioners
Richmond Redevelopment and Housing Authority
Richmond, Virginia

Report on Compliance for Each Major Federal Program

We have audited Richmond Redevelopment and Housing Authority's (the Authority) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended September 30, 2020. The Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Authority's compliance.

Board of Commissioners
Richmond Redevelopment and Housing Authority

Opinion on Each Major Federal Program

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2020.

Report on Internal Control Over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Arlington, Virginia
August 19, 2021

RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED SEPTEMBER 30, 2020

Federal Grantor/ Pass through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
Department of Housing and Urban Development				
Public and Indian Housing	14.850	$ -	$ -	$ 22,095,938
COVID - 19 Public and Indian Housing - CARES	14.PHC	-	-	1,378,288
Total Public and Indian Housing Cluster				23,474,226
Housing Choice Voucher Program	14.871	-	-	29,213,966
COVID - 19 Housing Choice Voucher Program - CARES	14.HCC	-	-	532,604
Mainstream Voucher Program	14.879	-	-	43,540
COVID - 19 Mainstream Voucher Program - CARES	14.MSC	-	-	506
Total Housing Choice Voucher Program Cluster				29,790,616
Capital Fund Program	14.872	-	-	7,815,770
PIH Family Self-Sufficiency Program	14.896	-	-	83,047
HOME Investment Partnerships Program	14.239	City of Richmond	-	556,572
Community Development Block Grant	14.218	City of Richmond	-	2,729,242
Total Department of Housing and Urban Development Programs				64,449,473
Total Expenditures of Federal Awards				$ 64,449,473

See accompanying Notes to Schedule of Expenditures of Federal Awards.

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Richmond Redevelopment and Housing Authority (the Authority) under programs of the federal government for the year ended September 30, 2020. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3 INDIRECT COST RATE

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

NOTE 4 FINDINGS AND QUESTIONED COSTS

The findings and questioned costs identified in connection with the 2020 Single Audit are disclosed in Schedule III

HUD has conducted several reviews of the Authority and has issued their reports on the results of some of these reviews. The Authority has responded to the reviews for which reports have been issued.

NOTE 5 SUBRECIPIENTS

The Authority did not pass-through any federal awards to subrecipients. The Authority was not a recipient of any amount of federal awards for the year ended September 30, 2020. See the accompanying schedule.

NOTE 6 NONCASH FEDERAL ASSISTANCE

The Authority did not receive any noncash federal assistance for the year ended September 30, 2020.

NOTE 7 LOANS OUTSTANDING

The Authority had the following loan balances outstanding at September 30, 2020. No new loans were disbursed during the year ended September 30, 2020.

	Federal CFDA Number	Amount Outstanding
Community Development Block Grant	14.218	$ 2,729,242
HOME	14.239	556,572
Total		$ 3,285,814

RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2020

Section I – Summary of Auditor's Results

Financial Statements

1. Type of auditors' report issued: Modified

2. Internal control over financial reporting:

    - Material weakness(es) identified? ______ yes ___X___ no

    - Significant deficiency(ies) identified? ______ yes ___X___ none reported

3. Noncompliance material to financial statements noted? ______ yes ___X___ no

Federal Awards

1. Internal control over major federal programs:

    - Material weakness(es) identified? ______ yes ___X___ no

    - Significant deficiency(ies) identified? ______ yes ___X___ none reported

2. Type of auditors' report issued on compliance for major federal programs: Unmodified

3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ______ yes ___X___ no

Identification of Major Federal Programs

CFDA Numbers	Name of Federal Program or Cluster
14.850	Public and Indian Housing
14.872	Capital Fund Program

Dollar threshold used to distinguish between Type A and Type B programs: $ 1,933,484

Auditee qualified as low-risk auditee? ______ yes ___X___ no

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any findings related to the major federal programs.