

**RICHMOND REDEVELOPMENT  
AND HOUSING AUTHORITY**

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

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**Year Ended September 30, 2024**

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## INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Richmond Redevelopment and Housing Authority  
Richmond, Virginia

### Report on the Audit of the Financial Statements

#### *Qualified Opinion*

We have audited the accompanying financial statements of the Richmond Redevelopment and Housing Authority (the Authority), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, except for the possible effects of the matter discussed in the *Basis for Qualified Opinion* section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as September 30, 2024, and the changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Qualified Opinion*

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

#### *Matter Giving Rise to Qualified Opinion*

The Authority has recognized its net pension liability under Governmental Accounting Standards Board (GASB) Statement No. 68 and net other post-employment benefits (OPEB) liability related to group life insurance (GLI) and disability insurance (DI) under 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, GLI, and DI plans for the Authority and other public sector employers 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 the measurement date of June 30, 2023, the most recent available report published by VRS. These effects impacted net pension liability, net OPEB liability, deferred outflows of resources, deferred inflows of resources and pension and OPEB expense. Although an updated actuarial valuation with a measurement date of September 30, 2023, 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 and OPEB liabilities, measured as of a date no earlier than the end of the employer's prior fiscal year.

### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 14, and the pension and Other Post Employment Benefit schedules on pages 59 through 65, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

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

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2025, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

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

Bethesda, Maryland  
June 24, 2025

**RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2024**

**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, 2024. 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 3,200 public housing units and more than 4,000 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 \$156.2 million (net position). Of this amount, \$56 million (unrestricted net position) may be used to meet ongoing obligations to creditors, \$89.3 million is invested in capital assets, net of debt and \$10.9 million is restricted for specific purposes (restricted net position).
- RRHA's total net position decreased by \$2.6 million compared to fiscal year 2023.
- RRHA's total assets and deferred outflows of resources increased by \$0.85 million from the prior year while RRHA's total liabilities and deferred inflows of resources increased by \$3.5 million from the prior year. During fiscal year 2024 RRHA's assets increased primarily as the result of an increase in capital assets.
- Liabilities increased as a result of an increase in accrued utilities.
- RRHA's liquidity decreased to 3.77 to 1. This means that RRHA has the ability to pay its current liabilities at least 3 times over. See discussion of RRHA's liquidity on page 12.

**Statement of Revenues, Expenses, and Changes in Net Position**

- HUD receipts increased as compared to the prior year.
- The operating expenses include a depreciation expense of \$5.4 million primarily associated with the Public Housing properties.
- RRHA's operating expenses exceeded operating revenues by \$9.9 million.

**RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2024**

**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, 2024. 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 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.

**RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2024**

**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 61, the Schedule of the Authority's Contributions – VRS GLI plan on page 62, the Schedule of the Authority's Share of Net VLDP OPEB Liability on page 63, the Schedule of the Authority's Contributions – VLDP plan on page 64, 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 on pages 59 and 60, 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 66 through 73 presents a Financial Data Schedule.

As stated in the Independent Auditor's Report, the Authority has recognized its net pension liability under GASB Statement No. 68 and net OPEB liability under GASB Statement No. 75. As VRS is responsible, not the Authority, for obtaining the actuarial report determining the net pension liability, net OPEB liabilities, and, most importantly, the Authority has no control over VRS's selection of the measurement date of June 30, 2023. But for the timing between the measurement date and RRHA's fiscal year end, the audit would have resulted in an unqualified opinion.

**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 outflows of resources exceeded liabilities and deferred inflows of resources by \$156.2 million on September 30, 2024.

Net position in capital assets totaling \$89.3 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.

**RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2024**

An additional portion of RRHA's net position totaling \$10.9 million represents resources that are subject to external restrictions on how they may be used. The remaining balance is an unrestricted net position totaling \$56 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, 2024 and 2023.

**Comparative Statement of Net Position**  
**TABLE I**

	<u>2024</u>	<u>2023</u>	<u>Total Change</u>	<u>% Change</u>
Current and Other Assets	\$ 105,997,099	\$ 109,547,408	\$ (3,550,309)	-3.24%
Capital Assets	94,760,884	89,432,732	5,328,152	5.96%
Deferred Outflows of Resources	<u>5,038,644</u>	<u>5,962,598</u>	<u>(923,954)</u>	-15.50%
<b>Total Assets and Deferred Outflows</b>	<b>\$ <u>205,796,627</u></b>	<b>\$ <u>204,942,738</u></b>	<b>\$ <u>853,889</u></b>	<b>0.42%</b>
Current Liabilities	\$ 13,364,854	\$ 5,477,798	\$ 7,887,056	143.98%
Noncurrent Liabilities	30,759,972	33,072,073	(2,312,101)	-6.99%
Deferred Inflows of Resources	<u>5,444,426</u>	<u>7,520,583</u>	<u>(2,076,157)</u>	-27.61%
<b>Total Liabilities and Deferred Inflows</b>	<b><u>49,569,252</u></b>	<b><u>46,070,454</u></b>	<b><u>3,498,798</u></b>	<b>7.59%</b>
Net Investment in Capital Assets	89,299,930	83,232,012	6,067,918	7.29%
Restricted	10,914,286	9,671,620	1,242,666	12.85%
Unrestricted	<u>56,013,159</u>	<u>65,968,652</u>	<u>(9,955,493)</u>	-15.09%
<b>Total Net Position</b>	<b><u>156,227,375</u></b>	<b><u>158,872,284</u></b>	<b><u>(2,644,909)</u></b>	<b>-1.66%</b>
<b>Total Liabilities, Deferred Inflows and Net Position</b>	<b>\$ <u>205,796,627</u></b>	<b>\$ <u>204,942,738</u></b>	<b>\$ <u>853,889</u></b>	<b>0.42%</b>

Net position changed as a result of the following:

- Current and other assets decreased due to the decrease in cash received from other revenues.
- Capital assets increased as a result of an increase in capital expenditures.
- Deferred outflows of resources and deferred inflows of resources decreased as a result of the actuarial valuations for Pension and OPEB.
- Current liabilities increased as a result of increases to accrued liabilities.
- Noncurrent liabilities decreased due to pay down of lease liability.

**RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2024**

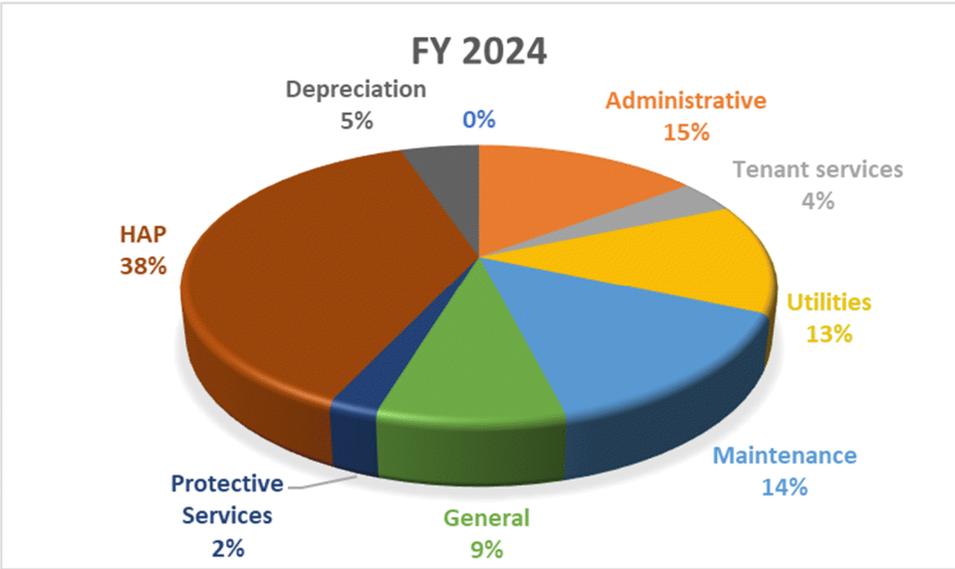
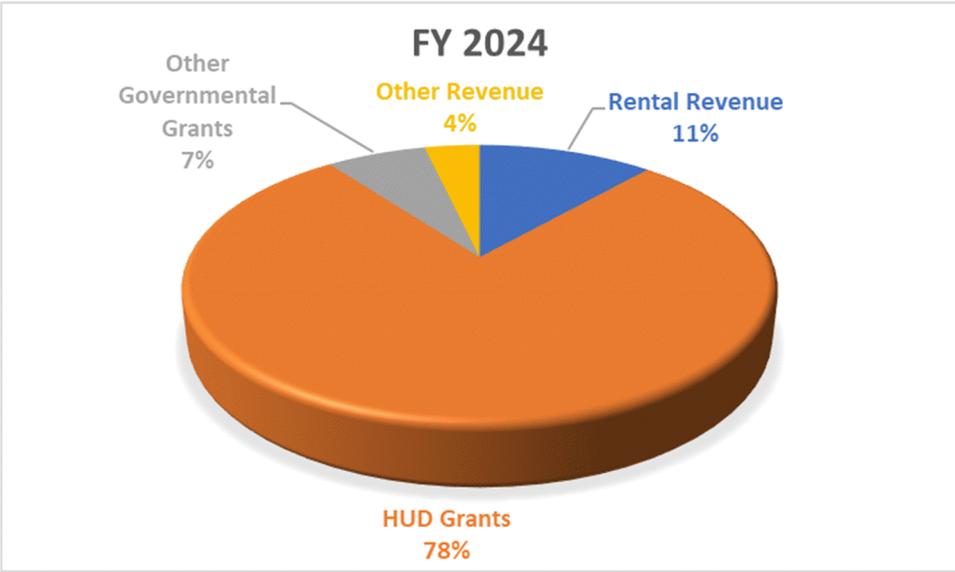
Table 2 summarizes the major sources of revenues and expenses for the year:

**Comparative Statement of Revenues, Expenses, and Changes in Net Position  
TABLE II**

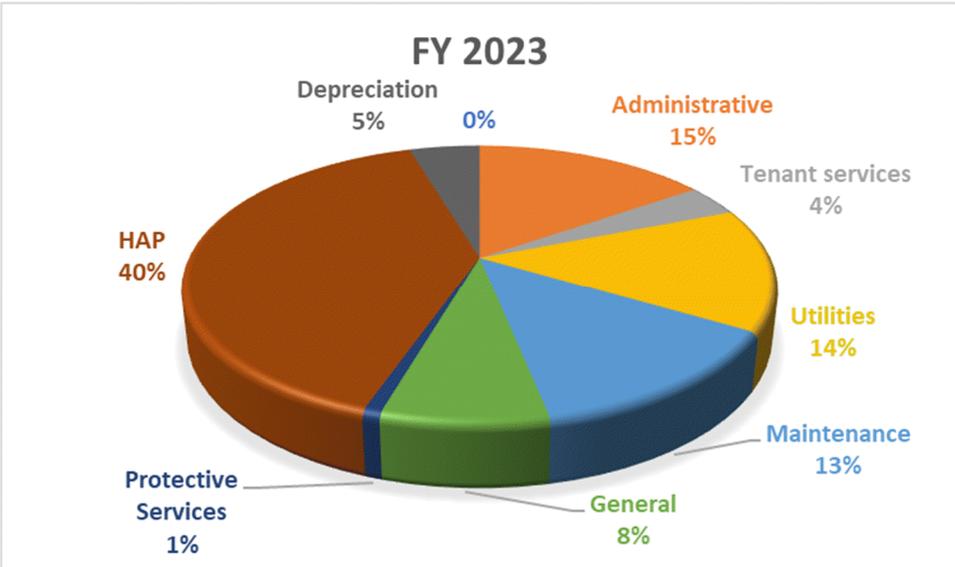
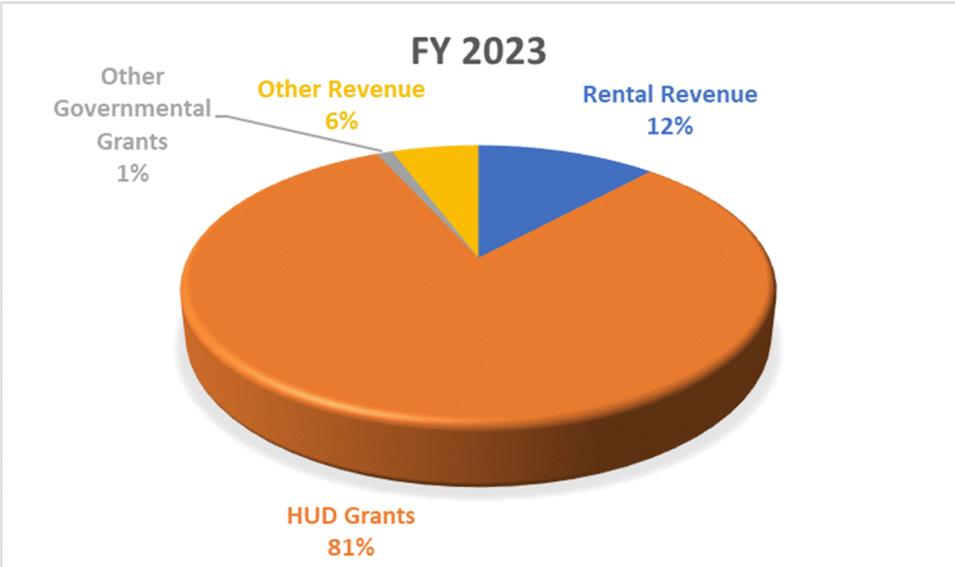
	<u>2024</u>	<u>2023</u>	<u>Total Change</u>	<u>% Change</u>
<b>Operating Revenues:</b>				
Rental Revenue	\$ 10,819,440	\$ 9,749,734	\$ 1,069,706	10.97%
HUD Grants	73,521,536	67,069,763	6,451,773	9.62%
Other Governmental Grants	6,168,022	863,887	5,304,135	613.98%
Other Revenue	3,400,928	4,695,049	(1,294,121)	-27.56%
<b>Total Revenue</b>	<b><u>93,909,926</u></b>	<b><u>82,378,433</u></b>	<b><u>11,531,493</u></b>	<b>14.00%</b>
<b>Operating Expenses:</b>				
Administrative	15,339,076	13,530,193	1,808,883	13.37%
Tenant Services	3,948,580	3,185,387	763,193	23.96%
Utilities	13,436,544	12,757,274	679,270	5.32%
Maintenance	15,073,827	11,708,458	3,365,369	28.74%
General	8,946,114	6,804,874	2,141,240	31.47%
Protective Services	2,394,571	721,416	1,673,155	0.00%
Housing Assistance Payments	39,254,802	35,198,434	4,056,368	11.52%
Depreciation	5,376,667	4,059,931	1,316,736	32.43%
<b>Total Expenses</b>	<b><u>103,770,181</u></b>	<b><u>87,965,967</u></b>	<b><u>15,804,214</u></b>	<b>17.97%</b>
<b>Operating Income (Loss)</b>	<b><u>(9,860,255)</u></b>	<b><u>(5,587,534)</u></b>	<b><u>(4,272,721)</u></b>	<b>76.47%</b>
<b>Nonoperating Revenues (Expenses):</b>				
Interest Income	586,988	384,311	202,677	52.74%
Interest Expense	(38,871)	(13,692)	(25,179)	0.00%
Gain on Sale of Capital Assets	-	6,527,802	(6,527,802)	0.00%
<b>Total Nonoperating Revenues (Expenses)</b>	<b><u>548,117</u></b>	<b><u>6,898,421</u></b>	<b><u>(6,350,304)</u></b>	<b>-92.05%</b>
<b>Income (Loss) Before Contributions and Transfers</b>	<b><u>(9,312,138)</u></b>	<b><u>1,310,887</u></b>	<b><u>(10,623,025)</u></b>	<b>-810.37%</b>
Capital Grants	6,667,229	6,881,179	(213,950)	-3.11%
Change in Net Position	(2,644,909)	8,192,066	(10,836,975)	-132.29%
Beginning Net Position	158,872,284	150,680,218	8,192,066	5.44%
<b>Ending Net Position</b>	<b><u>\$ 156,227,375</u></b>	<b><u>\$ 158,872,284</u></b>	<b><u>\$ (2,644,909)</u></b>	<b>-1.66%</b>

- Other government grants increased as a result of increased grant funding.
- Other revenue decreased due to a decrease in proceeds from bond and developer fees.
- Administrative expenses increased due to an increase in administrative staffing.
- Tenant services increased due to an increase in tenant grant funding.
- General expenses increased due to an increase in bad debt expense, management fee expenses, and other general expenses.
- Housing assistance payments increased due to an increase in units leased.

**RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2024**



**RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2024**



**RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2024**

**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.

**Working Capital and Current Ratio**

**TABLE III**

	<b>2024</b>	<b>2023</b>
Current Assets	\$ 50,433,340	\$ 53,028,487
Less: Current Liabilities	(13,364,854)	(5,477,798)
Working Capital	\$ 37,068,486	\$ 47,550,689
Current Assets	\$ 50,433,340	\$ 53,028,487
Divided by: Current Liabilities	13,364,854	5,477,798
Current Ratio	<b>3.77</b>	<b>9.68</b>

RRHA is financially stable as evidenced by its working capital of \$37.1 million and its 3.77:1 ratio of current assets to current liabilities at September 30, 2024. HUD’s financial assessment considers a current ratio of 1:1 or greater as financially stable. The working capital for RRHA decreased from fiscal year 2023.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

As of September 30, 2024, RRHA’s capital assets totaled approximately \$94.8 million (net of accumulated depreciation). Included in the capital assets are land, land improvements, buildings, structures, right of use assets, and construction in progress. See footnote 5 for further details.

**Comparative Statement of Capital Assets**

**TABLE IV**

	<b>2024</b>	<b>2023</b>	<b>Total Change</b>	<b>% Change</b>
Land	\$ 7,904,138	\$ 7,904,138	\$ -	0.00%
Buildings and Improvements	143,304,087	139,989,610	3,314,477	2.37%
Furniture and Equipment	29,788,221	27,996,085	1,792,136	6.40%
Right to Use Asset	6,697,766	6,697,766	-	0.00%
Construction in Progress	24,465,689	18,867,483	5,598,206	29.67%
	212,159,901	201,455,082	10,704,819	5.31%
Accumulated Depreciation	(117,399,017)	(112,022,350)	(5,376,667)	4.80%
<b>Total Capital Assets</b>	<b>\$ 94,760,884</b>	<b>\$ 89,432,732</b>	<b>\$ 5,328,152</b>	<b>5.96%</b>

**RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2024**

**Long-Term Debt**

As of September 30, 2024, RRHA had net outstanding notes and lease payable totaling \$12.7 million. See footnotes 6 and 16 for further details.

**ECONOMIC CONDITIONS AND NEXT YEAR'S BUDGET**

RRHA, like any other Housing Authority, is economically impacted by Federal Appropriations and annual proration provided to RRHA. Seeing a decline in the quality of the housing stock due to age and decline in federal funding, the ability to provide affordable housing remains challenging.

On April 10, 2023, the City of Richmond declared an affordable housing crisis in the city. The city's goal is to build 10,000 new affordable rental units by January 1, 2033, prevent involuntary displacement, integrate housing at all income levels and transform public housing properties.

This affordable housing goal is focused on the fact that housing in the city of Richmond and the region is increasingly unaffordable for most median income earners. And the fact that the city and the region are projected to keep growing will further exacerbate housing affordability issues in the city and surrounding area.

While rent growth has slowed, it's still rising. The average rent in Richmond is \$1,673, with a monthly change of \$23 and a year-over-year change of \$48.

RRHA continues to grow its partnerships and collaborations to support the goal of affordable housing creation and transformation of the aged housing stock to meet the current household composition needs with suitable housing.

Several other factors will affect the financial position of the authority in the subsequent fiscal year.

These factors may include:

- Future funds from the Federal Government to sustain our current housing and a shift away from funding traditional public housing, but rather a focus on public/private partnerships as the way to transform public housing.
- Developing high quality affordable housing sites through the low-income housing tax credit program and other State and Local initiatives and making successful application.
- Repositioning operations following the private sector management model, generating additional revenues and developer fees for future development of affordable housing.

**RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2024**

**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 Senior Vice President and Chief Financial Officer, Richmond Redevelopment and Housing Authority, 600 E. Broad Street, Richmond, Virginia, 23219.

**RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY**  
**STATEMENT OF NET POSITION**  
**September 30, 2024**

**ASSETS AND DEFERRED OUTFLOWS OF RESOURCES**

**Current assets:**

Cash and cash equivalents - unrestricted	\$	20,394,513
Cash and cash equivalents - restricted		14,289,619
Tenant receivables, net of allowance for doubtful accounts of \$3,169,849		2,542,380
Accounts receivable - HUD		1,395,288
Accounts receivable - other, net of allowance for doubtful accounts of \$68,603		4,304,712
Prepaid expenses and other current assets		767,639
Inventories		955,232
Assets held for sale		5,783,957
		50,433,340
Total current assets		50,433,340

**Noncurrent assets:**

<b>Capital assets</b>		
Land		7,904,138
Buildings and improvements		143,304,087
Furniture and equipment		29,788,221
Right to use assets		6,697,766
Construction in progress		24,465,689
		212,159,901
Less: Accumulated depreciation		(117,399,017)
		94,760,884
Total capital assets		94,760,884
Notes receivable, net of current portion		55,563,759
Total noncurrent assets		150,324,643
Total assets		200,757,983

**Deferred outflows of resources:**

OPEB related deferred outflows		199,702
Pension related deferred outflows		4,838,942
		5,038,644
Total deferred outflows of resources		5,038,644
<b>Total assets and deferred outflows of resources</b>	<b>\$</b>	<b>205,796,627</b>

See accompanying notes to financial statements.

**RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY**  
**STATEMENT OF NET POSITION**  
**September 30, 2024**

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**LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION**

<b>Current liabilities:</b>	
Accounts payable	\$ 5,493,319
Accounts payable - other governments	1,564,133
Accrued expenses	1,866,231
Accrued compensated absences, current	950,886
Tenant security deposits	583,271
Current portion of long-term debt	765,000
Current portion of lease liability	624,109
Unearned revenue	1,517,905
Total current liabilities	13,364,854
 <b>Noncurrent liabilities:</b>	
Long-term debt, net of current portion	6,312,142
Lease liability, net of current portion	4,836,845
OPEB liability	462,379
Pension liability	1,520,576
Other noncurrent liabilities	17,628,030
Total noncurrent liabilities	30,759,972
Total liabilities	44,124,826
 <b>Deferred inflows of resources:</b>	
OPEB related deferred inflows	136,523
Pension related deferred inflows	5,307,903
Total deferred inflows of resources	5,444,426
 <b>Net position:</b>	
Invested in capital assets, net of related debt	89,299,930
Restricted net position	10,914,286
Unrestricted net position	56,013,159
Total net position	156,227,375
 <b>Total liabilities, deferred inflows of resources, and net position</b>	 \$ 205,796,627

See accompanying notes to financial statements.

**RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY**  
**STATEMENT OF REVENUES, EXPENSES, AND**  
**CHANGES IN NET POSITION**  
**Year ended September 30, 2024**

<b>Operating Revenues:</b>	
HUD operating revenue	\$ 73,521,536
Other government grant revenue	6,168,022
Tenant revenue	10,819,440
Other	3,400,928
Total operating revenue	<u>93,909,926</u>
 <b>Operating Expenses:</b>	
Administration	15,339,076
Tenant services	3,948,580
Utilities	13,436,544
Ordinary maintenance	15,073,827
General	8,946,114
Protective services	2,394,571
Housing assistance payments	39,254,802
Depreciation	5,376,667
Total operating expenses	<u>103,770,181</u>
Operating income (loss)	<u>(9,860,255)</u>
 <b>Nonoperating revenues (expenses):</b>	
Interest income	586,988
Interest expense	<u>(38,871)</u>
Total nonoperating revenues (expenses)	<u>548,117</u>
Income before other revenues, expenses, gains, losses, and transfers	(9,312,138)
HUD capital grants	<u>6,667,229</u>
<b>Increase (decrease) in net position</b>	(2,644,909)
<b>Net position, beginning of year</b>	<u>158,872,284</u>
<b>Net position, end of year</b>	<u><u>\$ 156,227,375</u></u>

See accompanying notes to financial statements.

**RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY**  
**STATEMENT OF CASH FLOWS**  
**Year ended September 30, 2024**

<b>Cash flows from operating activities:</b>	
Cash received from tenants	\$ 7,546,191
Cash received from HUD and other governments for operating activity	81,256,848
Cash received from others	459,488
Cash paid to employees	(20,840,004)
Cash paid to suppliers and vendors	(32,473,115)
Cash paid for housing assistance payments	(39,254,802)
<b>Net cash flows used by operating activities</b>	<u>(3,305,394)</u>
 <b>Cash flows from capital and related financing activities:</b>	
Purchases of capital assets	(9,869,958)
Proceeds from sale of capital assets	(834,861)
Cash received from HUD for capital activity	6,667,229
Reduction in lease liability	(739,766)
Interest paid	(38,871)
<b>Net cash flows used by capital and related financing activities</b>	<u>(4,816,227)</u>
 <b>Cash flows from investing activities:</b>	
Interest income received	586,988
Increase in notes receivable	278,668
<b>Net cash flows provided by investing activities</b>	<u>865,656</u>
 <b>NET DECREASE IN CASH</b>	 (7,255,965)
 <b>CASH AND CASH EQUIVALENTS, beginning of year</b>	 <u>41,940,097</u>
 <b>CASH AND CASH EQUIVALENTS, end of year</b>	 <u><u>\$ 34,684,132</u></u>

**RECONCILIATION OF CASH AND CASH EQUIVALENTS PER STATEMENT  
OF CASH FLOWS TO THE STATEMENT OF NET POSITION**

Cash and cash equivalents - unrestricted	\$ 20,394,513
Cash and cash equivalents - restricted	14,289,619
Cash and cash equivalents per statement of net position	<u><u>\$ 34,684,132</u></u>

See accompanying notes to financial statements.

**RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY**  
**STATEMENT OF CASH FLOWS (CONTINUED)**  
**Year ended September 30, 2024**

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**RECONCILIATION OF OPERATING INCOME TO NET CASH  
PROVIDED BY OPERATING ACTIVITIES**

**Reconciliation of operating income (loss) to net cash provided (used) by  
operating activities**

Operating income (loss)	\$ (9,860,255)
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**Adjustments to reconcile operating income (loss) to net cash  
provided by (used) operating activities:**

Depreciation	5,376,667
Pension and OPEB expense	(2,779,774)

**Changes in operating assets and liabilities**

Decrease (increase) in accounts receivable, net	(3,487,947)
Decrease (increase) in prepaid expenses	(403,424)
Decrease (increase) in inventory	(92,953)
Increase (decrease) in accounts payable	5,548,827
Increase (decrease) in accrued expenses	1,622,404
Increase (decrease) in accrued compensated absences	334,755
Increase (decrease) in unearned revenue	496,727
Increase (decrease) in noncurrent liabilities	(60,421)
<b>Net cash provided (used) by operating activities</b>	<u><u>\$ (3,305,394)</u></u>

See accompanying notes to financial statements.

**RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2024**

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**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Organization**

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.

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.

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

**RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2024**

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**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Financial Reporting Entity**

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.

Management of RRHA and the City of Richmond have 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.

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 June 30 fiscal year-end.

RDC is the sole member of RDC Armstrong, LLC, a limited liability company formed to engage in community development activities. The activity of RDC Armstrong, 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, 2024.

**RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2024**

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**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Basis of Accounting, Basis of Presentation, and Measurement Focus**

RRHA has prepared its financial statements in conformity with Generally Accepted Accounting Principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB).

The Authority accounts for its programs in a single enterprise fund using the economic resources measurement focus and the accrual basis of accounting. 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.

**D. 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.

**E. Receivables**

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

**F. 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.

**G. Inventories**

In fiscal year 2011, RRHA implemented a just-in-time solution for inventory. Under this 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.

**H. Interprogram Activities**

Interprogram receivables and payables, and interprogram revenues and expenses have been eliminated in preparing the basic financial statements.

**I. 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
Furniture and equipment	5 to 20 years
Land improvements	20 years

**RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2024**

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**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**I. Capital Assets (continued)**

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.

**J. Leases**

Lessee - For new or modified contracts, the Authority determines whether the contract is a lease. If a contract is determined to be, or contain, a lease with a non-cancellable term in excess of 12 months (including any options to extend or terminate the lease when exercise is reasonably certain), the Authority records a lease asset and lease obligation which is calculated based on the value of the discounted future lease payments over the term of the lease. The Authority recognizes a lease liability and right to use asset on the statement of net position. Leases with an initial, non-cancellable term of 12 months or less are not recorded on the statement of net position and expense is recognized as incurred over the lease term. At the commencement of the lease, the Authority measures the lease liability at the present value of payments expected to be made during the lease term and then reduces the liability by the principal portion of lease payments made. The lease asset is measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs, then amortized on a straight-line basis over a period that is shorter of the lease term or the useful life of similar capital assets. Lease payments are apportioned between interest expense and principal based on an amortization schedule calculated using the effective interest method.

Lessor - For new or modified contracts, the Authority determines whether the contract is a lease. If a contract is determined to be, or contain, a lease with a non-cancellable term in excess of 12 months (including any options to extend or terminate the lease when exercise is reasonably certain), the Authority records a lease receivable and a deferred inflow of resources which is calculated based on the value of the discounted future lease payments over the term of the lease. The Authority will not recognize a lease receivable and a deferred inflow of resources for leases with a non-cancellable term of less than 12 months, and income is recognized as earned. The Authority is a lessor for a non-cancellable lease of real property. The Authority recognizes a lease receivable and a deferred inflow of resources on the statement of net position. At the commencement of a lease, the Authority measures the lease receivable as the present value of payments expected to be received during the lease term and then reduces the receivable by the principal portion of lease payments received after satisfaction of accrued interest on the lease receivable, calculated using the effective interest method. The deferred inflow of resources is measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date, then recognized on a straight-line basis as revenue over the lease term.

**K. Assets Held for Sale**

Assets Held for Sale are recorded at the lower of cost or fair market value when purchased or donated, less estimated disposal costs.

**RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2024**

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**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**L. Compensated Absences**

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.

<u>Years of Service</u>	<u>Number of Days Earned Per Year</u>	<u>Maximum Balance End of Year</u>	<u>Maximum Payment Upon Separation</u>
Less than 5 years	22.75 days	24 days	24 days
5 to 9 years	26 days	30 days	30 days
10 to 14 years	26 days	36 days	36 days
15 or more years	29.25 days	42 days	42 days

**M. Income Taxes**

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

**N. Equity Classifications**

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

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

Restricted - Consists of net position with constraints placed on their use either by external groups such as creditors, granters, contributors, laws or regulations of other governments or by law through constitutional provisions or enabling legislation. 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 - All other net position that does not meet the definition of “restricted” or “net investment in capital assets”.

**O. 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.

**P. 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.

**RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2024**

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**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**P. 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.

**Q. 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.

**R. 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.

**S. 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.

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 related to the pension and OPEB plans.

**RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2024**

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**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**T. Group Life Insurance**

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

**U. 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.

**V. 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.

**RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2024**

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**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**W. Use of Management's Estimates**

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

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

**X. Current and Future Accounting Pronouncements**

The following Governmental Accounting Standards Board (GASB) pronouncements became effective for the Authority during the year ended September 30, 2024:

GASB Statement No. 100, *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62* will enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

GASB Statement No. 101, *Compensated Absences* updates the recognition, measurement, and disclosure guidance for compensated absences.

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

GASB Statement No. 102, *Certain Risk Disclosures* will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The requirements of this statement are effective for fiscal years beginning after June 15, 2024.

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

GASB Statement No. 104, *Disclosure of Certain Capital Assets* will provide users of government financial statements with essential information about certain types of capital assets. The requirements of this statement are effective for fiscal years beginning after June 15, 2025.

**2. CASH AND CASH EQUIVALENTS AND INVESTMENTS**

**Cash**

At September 30, 2024, cash on hand, cash items and petty cash totaled \$34,684,132 and the value of RRHA's deposits with financial institutions totaled \$34,782,482.

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

**RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2024**

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**2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (continued)**

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, 2024, all bank balances were covered by either federal deposit insurance or the Act.

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 at September 30, 2024 was \$3,326,017.

*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.

*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.

**RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
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**2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (continued)**

*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.

**3. NOTES RECEIVABLE**

Mortgage loans, by collateral type, as of September 30, 2024, is as follows:

	<u>Principal</u>	<u>Accrued Interest</u>	<u>Total</u>
Single-family real estate	\$ 1,932,932	\$ -	\$ 1,932,932
Multi-family real estate	41,678,415	6,112,100	47,790,515
Commercial real estate	<u>7,155,667</u>	<u>2,642,112</u>	<u>9,797,779</u>
Total mortgage loans receivable	50,767,014	8,754,212	59,521,226
Less: Allowance	<u>(3,095,910)</u>	<u>-</u>	<u>(3,095,910)</u>
Total mortgage loans receivable, net	47,671,104	8,754,212	56,425,316
Less: Current mortgage loans receivable	<u>(861,557)</u>	<u>-</u>	<u>(861,557)</u>
Noncurrent mortgage loans receivable	<u>\$ 46,809,547</u>	<u>\$ 8,754,212</u>	<u>\$ 55,563,759</u>

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.

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.

**RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY**  
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**4. ASSETS HELD FOR SALE**

Activity in the assets held for sale account for the year ended September 30, 2024, is as follows:

	Balance October 1, 2023	Increases	Decreases	Balance September 30, 2024
Land held for sale	\$ 6,823,548	\$ -	\$ -	\$ 6,823,548
Less: Allowance	(1,039,591)	-	-	(1,039,591)
Total assets held for sale, net	<u>\$ 5,783,957</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,783,957</u>

**5. CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2024 is as follows:

	Balance October 1, 2023	Additions and Other Increases	Retirements and Other Decreases	Balance September 30, 2024
Land	\$ 7,904,138	\$ -	\$ -	\$ 7,904,138
Construction in progress	18,867,483	7,487,338	(1,889,132)	24,465,689
Total assets not being depreciated	26,771,621	7,487,338	(1,889,132)	32,369,827
Buildings and structures	139,989,610	3,409,259	(94,782)	143,304,087
Furniture and equipment	27,996,085	1,838,636	(46,500)	29,788,221
Right to use assets	6,697,766	-	-	6,697,766
Total capital assets	201,455,082	12,735,233	(2,030,414)	212,159,901
Less: Accumulated depreciation	(112,022,350)	(5,376,667)	-	(117,399,017)
Total capital assets, net	<u>\$ 89,432,732</u>	<u>\$ 7,358,566</u>	<u>\$ (2,030,414)</u>	<u>\$ 94,760,884</u>

**6. DEBT OBLIGATIONS**

Changes in the total long-term debt during the year ended September 30, 2024, are summarized below. These debt obligations of RRHA are not held or guaranteed by HUD.

	Balance October 1, 2023	Additions	Forgiveness / Reductions	Balance September 30, 2024	Due within One Year
4th and Grace Place Note <sup>1</sup>	\$ 765,000	\$ -	\$ -	\$ 765,000	\$ 765,000
COCC/LIPH Repayment <sup>2</sup>	5,805,544	-	(118,000)	5,687,544	118,000
COCC/LIPH Repayment <sup>3</sup>	408,225	-	-	408,225	-
RDC Armstrong LLC Note Payable to City <sup>4</sup>	6,312,142	-	-	6,312,142	-
Subtotal	13,290,911	-	(118,000)	13,172,911	883,000
Less: Eliminations	(6,213,769)	-	118,000	(6,095,769)	(118,000)
Grand Total	<u>\$ 7,077,142</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,077,142</u>	<u>\$ 765,000</u>

**RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2024**

**6. DEBT OBLIGATIONS (continued)**

<sup>1</sup> Dated July 27, 2000, interest rate of 6.4%, fully matured and due on demand.

<sup>2</sup> 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.

<sup>3</sup> 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.

<sup>4</sup> Agreements dated February 8, 2018, interest rate of 5.75%, maturing February 8, 2038. These loans are between RDC Armstrong LLC and Economic Development Authority of the City of Richmond

Future annual payments of the above loans as follows:

Year Ended September 30,	Principal	Interest
2025	\$ 765,000	\$ -
2026	-	-
2027	-	-
2028	-	-
2029	-	-
2030 - 2034	-	-
2035 - 2038	6,430,142	8,048,586
	\$ 7,195,142	\$ 8,048,586

**7. HUD REPAYMENT AGREEMENT**

As shown in Note 6, 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 Income 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. As of September 30, 2024, amount outstanding is \$6,095,769.

**RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
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**8. NONCURRENT LIABILITIES**

Activity in RRHA’s noncurrent liability accounts for fiscal year 2024 were as follows:

	Balance			Balance	Due Within One Year
	October 1, 2023	Increase	Decrease	September 30, 2024	
Debt payable to third parties	\$ 7,077,142	\$ -	\$ -	\$ 7,077,142	\$ 765,000
Lease liability	6,200,720		(739,766)	5,460,954	624,109
Pension liability	3,122,025		(1,627,571)	1,494,454	-
OPEB liability	488,501	-	-	488,501	-
Other noncurrent liabilities	17,688,451		(60,421)	17,628,030	-
Long Term Liabilities	<u>\$ 34,576,839</u>	<u>\$ -</u>	<u>\$ (2,427,758)</u>	<u>\$ 32,149,081</u>	<u>\$ 1,389,109</u>

**9. 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 was approximately \$220,461,106 as of September 30, 2024.

**10. VIRGINIA RETIREMENT SYSTEM (VRS) POLITICAL SUBDIVISION PENSION PLAN**

**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.

**RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2024**

**10. VIRGINIA RETIREMENT SYSTEM (VRS) POLITICAL SUBDIVISION PENSION PLAN  
(continued)**

**Employees Covered by Benefit Terms**

As of the June 30, 2023 actuarial valuation, the following employees were covered by the benefits terms of the pension plan:

Active members	174
Inactive members:	
Member or their beneficiaries receiving benefits	275
Members active elsewhere in VRS	82
Nonvested members	112
Vested members	70
Subtotal - Inactive member	539
Total members	713

**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.

The Authority’s contractually required employer contribution rate for the year ended September 30, 2024, was 8.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by the employee during the year, with an additional amount to finance any unfunded accrued liability.

**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, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2022, rolled forward to the measurement date of June 30, 2023.

**Actuarial Assumptions – General Employees**

The total pension liability for General Employees in the Authority’s retirement plan was based on an actuarial valuation as of June 30, 2022, using the Entry Age normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

**RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
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**10. VIRGINIA RETIREMENT SYSTEM (VRS) POLITICAL SUBDIVISION PENSION PLAN (continued)**

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

*Mortality Rates:*

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

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

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

**RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
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**10. VIRGINIA RETIREMENT SYSTEM (VRS) POLITICAL SUBDIVISION PENSION PLAN  
(continued)**

**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:

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

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

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

**Discount Rate**

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; political subdivisions were also provided with an opportunity to use an alternate employer contribution rate. For the year ended June 30, 2023, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined

**RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY**  
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**10. VIRGINIA RETIREMENT SYSTEM (VRS) POLITICAL SUBDIVISION PENSION PLAN (continued)**

employer contribution rate from the June 30, 2022, actuarial valuations, whichever was greater. From July 1, 2023, on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

**Changes in Net Pension Liability**

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances at September 30, 2023	\$ 70,137,271	\$ 67,015,246	\$ 3,122,025
Changes for the Year:			
Service Cost	683,270	-	683,270
Interest	4,618,263	-	4,618,263
Changes of Assumptions	-	-	-
Differences Between Expected and Actual Experience	(1,650,480)	-	(1,650,480)
Contributions - Employer	-	698,065	(698,065)
Contributions - Employee	-	411,650	(411,650)
Refund of Contribution	(235,998)	(235,998)	-
Net Investment Income	-	4,185,016	(4,185,016)
Benefit Payments, Including Refunds	(4,567,673)	(4,567,673)	-
Administrative Expenses	-	(43,899)	43,899
Other Changes	-	1,670	(1,670)
Net Changes	(1,152,618)	448,831	(1,601,449)
Balances at September 30, 2024	\$ 68,984,653	\$ 67,464,077	\$ 1,520,576

**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:

	1% Decrease 5.75%	Current Rate 6.75%	1% Increase 7.75%
Authority's Net Pension Liability (Asset)	\$ 8,799,055	\$ 1,520,576	\$ (4,678,929)

**RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
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**10. VIRGINIA RETIREMENT SYSTEM (VRS) POLITICAL SUBDIVISION PENSION PLAN  
(continued)**

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

For the year ended September 30, 2024, the Authority recognized negative pension expense of \$1,563,134. At September 30, 2024, the Authority reported deferred inflows and outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 592,480
Changes of assumptions	-	-
Difference between projected and actual earnings on plan investments	3,538,484	4,715,423
Employer contributions subsequent to the measurement date	1,300,459	-
Total	\$ 4,838,943	\$ 5,307,903

The \$1,300,459 reported as deferred outflows of resources related to pensions resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending September 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

For the Year Ended September 30	Recognition of Existing Deferred Outflow (Inflow) of Resources, net
2025	\$ (104,695)
2026	(1,382,231)
2027	975,481
2028	42,485
2029	-
Thereafter	-

**Pension Plan Data**

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

**RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY**  
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**11. GROUP LIFE INSURANCE PROGRAM**

**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.

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:
  - Accidental dismemberment benefit
  - Safety belt benefit
  - Repatriation benefit
  - Felonious assault benefit
  - Accelerated death benefit option

**RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY**  
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**11. GROUP LIFE INSURANCE PROGRAM (continued)**

**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 in 2015. This amount is increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was \$9,254 as of June 30, 2024.

**Contributions**

The contribution requirements for the Group Life Insurance Program are governed by §51.1- 506 and §51.1-508 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the Group Life Insurance Program was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% X 60%) and the employer component was 0.54% (1.34% X 40%). Employers may elect to pay all or part of the employee contribution, however the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2022 was 0.54% of covered employee compensation. This rate was the final approved General Assembly rate which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the Group Life Insurance Program from the Authority were \$50,565 and \$48,173 for the years ended September 30, 2024 and 2023, 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, 2024, the Authority reported a liability of \$476,727 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2023 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the Group Life Insurance Program for the year ended June 30, 2023, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the participating employer's proportion was 0.03975% as compared to .04101% at June 30, 2022.

**RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY**  
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**11. GROUP LIFE INSURANCE PROGRAM (continued)**

For the year ended September 30, 2024, the Authority recognized GLI OPEB expense of \$10,090. 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.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 47,613	\$ 14,471
Net difference between projected and actual investment earnings	-	19,158
Changes of assumptions	10,190	33,030
Change in proportionate share and difference between expected and actual contributions	26,148	58,290
Employer contributions subsequent to the measurement date	63,206	-
Total	\$ 147,157	\$ 124,949

\$63,206 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 in the fiscal year ending September 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

For the Year Ended September 30	Recognition of Existing Deferred Outflow (Inflow) of Resources, net
2025	\$ (14,644)
2026	(89,181)
2027	36,754
2028	4,596
2029	21,477
Thereafter	-

**Actuarial Assumptions**

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

**RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY**  
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**11. GROUP LIFE INSURANCE PROGRAM (continued)**

Inflation	2.5%
Salary increases, including inflation –	
Locality – general employees	3.5– 5.35%
Investment rate of return	6.75%, net of investment expenses, including inflation

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

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

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

**RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY**  
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**11. 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 the measurement date of June 30, 2023, NOL amounts for the Group Life Insurance Program is as follows (amounts expressed in thousands):

	Group Life Insurance OPEB Program (thousands)
Total GLI OPEB liability	\$ 3,907,052
Plan fiduciary net position	<u>2,707,739</u>
GLI net OPEB liability (asset)	<u>\$ 1,199,313</u>
Plan fiduciary net position as a percentage of total GLI OPEB liability (asset)	69.3%

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

**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:

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**11. GROUP LIFE INSURANCE PROGRAM (continued)**

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

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

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

**Discount Rate**

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 2023, the rate contributed by the entity for the GLI OPEB Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 113% of the actuarially determined contribution rate. From July 1, 2023, on, employers are assumed to 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

**RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY**  
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**11. GROUP LIFE INSURANCE PROGRAM (continued)**

would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	1% Decrease 5.75%	Current Rate 6.75%	1% Increase 7.75%
Authority's Net OPEB Liability (Asset)	\$ 706,658	\$ 476,727	\$ 290,826

**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 2023 Annual Comprehensive Financial Report (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at <https://www.varetire.org/pdf/publications/2023-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

**12. DISABILITY PROGRAM**

**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 plan 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:

***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

**RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY**  
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**12. DISABILITY PROGRAM (continued)**

**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 seven-calendar-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, 2024 was 0.85% 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, 2021. 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 Authority to the VRS Political Subdivision Employee Virginia Local Disability Program were \$46,393 and \$35,045 for the years ended June 30, 2024, and June 30, 2023, respectively.

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**12. 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, 2024, the political subdivision reported an asset of \$ 14,348 for its proportionate share of the VRS Political Subdivision Employee Virginia Local Disability Program Net OPEB Liability/Asset. The Net VRS Political Subdivision Employee Virginia Local Disability Program OPEB Liability/Asset was measured as of June 30, 2023 and the total VRS Political Subdivision Employee Virginia Local Disability Program OPEB liability/asset used to calculate the Net VRS Political Subdivision Employee Virginia Local Disability Program OPEB Liability/Asset was determined by an actuarial valuation as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. The Authority's proportion of the Net VRS Political Subdivision Employee Virginia Local Disability Program OPEB Liability/Asset was based on the Authority's actuarially determined employer contributions to the VRS Political Subdivision Employee Virginia Local Disability Program OPEB plan for the year ended June 30, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023 the Authority's proportion of the VRS Political Subdivision Employee Virginia Local Disability Program was 0.089174% as compared to 0.90126% at June 30, 2022.

For the year ended September 30, 2024, the Authority recognized VRS Political Subdivision Employee Virginia Local Disability Program OPEB expense of \$36,393. 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, 2024, the Authority 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
Differences between expected and actual experience	\$ 5,387	\$ 8,938
Net difference between projected and actual investment earnings	35	-
Changes of assumptions	95	1,314
Change in proportionate share and difference between expected and actual contributions	1,536	1,322
Employer contributions subsequent to the measurement date	45,491	-
Total	\$ 52,544	\$ 11,574

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**12. DISABILITY PROGRAM (continued)**

\$45,491 reported as deferred outflows of resources related to the Political Subdivision Employee VLDP OPEB resulting from the Authority'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, 2025. 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:

For the Year Ended September 30	Recognition of Existing Deferred Outflow (Inflow) of Resources, net
2025	\$ (455)
2026	(2,545)
2027	336
2028	(278)
2029	(701)
Thereafter	(878)

**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, 2022, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

Inflation	2.5%
Salary increases, including inflation –	
Locality – general employees	3.5– 5.35%
Investment rate of return	6.75%, net of investment expenses, including inflation

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

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**12. DISABILITY PROGRAM (continued)**

Beneficiaries and Survivors:

Pub-2010 Amount Weighted General Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

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

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

**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, 2023, NOL amounts for the VRS Political Subdivision Employee Virginia Local Disability Program is as follows (amounts expressed in thousands):

	Political Subdivision Employee VLDP OPEB Plan (thousands)
Total Political Subdivision Employee VLDP OPEB liability	\$ 9,525
Plan fiduciary net position	<u>11,134</u>
Political Subdivision Employee VLDP net OPEB liability (asset)	<u>\$ (1,609)</u>
Plan fiduciary net position as a percentage of total Political Subdivision Employee VLDP OPEB liability (asset)	116.9%

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**12. DISABILITY PROGRAM (continued)**

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.

**Long-Term Expected Rate of Return**

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

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

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

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

**RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY**  
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**12. DISABILITY PROGRAM (continued)**

**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, 2023, 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, 2023 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.

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

The following presents the Authority’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 Authority’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%	Current Rate 6.75%	1% Increase 7.75%
Authority's Net OPEB Liability (Asset)	\$ (7,518)	\$ (14,348)	\$ (20,333)

**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 2023 Annual Comprehensive Financial Report (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at <https://www.varetire.org/pdf/publications/2023-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218- 2500.

**RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY**  
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**13. 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, 2024.

**14. 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. No such matters were brought to our attention.

**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.

**15. INTER-PROGRAM ELIMINATIONS**

The following amounts have been eliminated in preparing the 2024 financial statements:

Inter-program Receivable/Payable	\$ 16,469,472
Inter-program Notes Receivable/Payable	<u>6,095,769</u>
Statement of Net Position Totals	<u><u>\$ 22,565,241</u></u>
Management Fees	\$ 5,320,077
Bookkeeping Fees	582,855
Asset Management Fees	308,400
Front-line Service Fees	3,272,575
Other Revenue (OIG interprogram Reimbursements)	<u>2,064,794</u>
Statement of Revenue, Expenses and Changes in Net Position Totals	<u><u>\$ 11,548,701</u></u>

**RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY**  
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**16. LEASING ACTIVITIES**

The Authority entered into an arrangement to lease approximately 33,503 square feet of office space under a non-cancellable lease for an initial amount of \$53,490 a month, with fixed increases each year for 120 months until the current term expires on November 1, 2032. Future minimum payments for the lease are as follows:

<u>Year Ended September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 624,109	\$ 58,439	\$ 682,548
2026	624,109	78,915	703,024
2027	624,109	100,007	724,116
2028	624,109	121,730	745,839
2029	624,109	144,105	768,214
2030	624,109	167,152	791,261
2031	624,109	190,889	814,998
2032	624,109	215,340	839,449
2033	468,082	31,998	500,080
	<u>\$ 5,460,954</u>	<u>\$ 1,108,575</u>	<u>\$ 6,569,529</u>

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.

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.

**RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2024**

**16. LEASING ACTIVITIES (continued)**

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.

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

**17. 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%

**18. ECONOMIC DEPENDENCY**

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

**19. CONTRACTUAL COMMITMENTS**

The Authority had outstanding contractual commitments of approximately \$14,108,643 for capital improvement and service contracts as of September 30, 2024, respectively.

**RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2024**

**20. CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS**

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

	<u>Richmond Development Corporation</u>			<u>Total</u>
	<u>Richmond Development Corporation</u>	<u>RDC Armstrong LLC</u>	<u>Randolph Place Associates, LP</u>	
<b>Assets</b>				
Current assets	\$ 4,237,725	\$ -	\$ -	\$ 4,237,725
Capital assets	5,443,050	-	-	5,443,050
Noncurrent assets	-	6,312,142	-	6,312,142
Total Assets	<u>\$ 9,680,775</u>	<u>\$ 6,312,142</u>	<u>\$ -</u>	<u>\$ 15,992,917</u>
<b>Liabilities</b>				
Current liabilities	\$ 641,062	\$ -	\$ -	\$ 641,062
Due to RRHA	883,815	-	-	883,815
Noncurrent liabilities	4,836,845	6,312,142	-	11,148,987
Total Liabilities	<u>6,361,722</u>	<u>6,312,142</u>	<u>-</u>	<u>12,673,864</u>
<b>Net Position</b>				
Net investment in capital assets	(17,904)	-	-	(17,904)
Unrestricted net position	3,336,957	-	-	3,336,957
Total Net Position	<u>3,319,053</u>	<u>-</u>	<u>-</u>	<u>3,319,053</u>
Total Liabilities and Net Position	<u>\$ 9,680,775</u>	<u>\$ 6,312,142</u>	<u>\$ -</u>	<u>\$ 15,992,917</u>

**RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2024**

**20. CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS (continued)**

	<u>Richmond Development Corporation</u>			<u>Total</u>
	<u>Richmond Development Corporation</u>	<u>RDC Armstrong LLC</u>	<u>Randolph Place Associates, LP</u>	
Operating Revenues				
Other operating revenue	\$ 72,063	\$ -	\$ -	\$ 72,063
Total Operating Revenues	<u>72,063</u>	<u>-</u>	<u>-</u>	<u>72,063</u>
Operating Expenses				
Operating expenses	1,432,398	-	-	1,432,398
Total Operating Expenses	<u>1,432,398</u>	<u>-</u>	<u>-</u>	<u>1,432,398</u>
Operating income (loss)	<u>(1,360,335)</u>	<u>-</u>	<u>-</u>	<u>(1,360,335)</u>
Increase (Decrease) in Net Position	(1,360,335)	-	-	(1,360,335)
Net Position, Beginning of Year	<u>4,679,388</u>	<u>-</u>	<u>-</u>	<u>4,679,388</u>
Net Position, End of Year	<u>\$ 3,319,053</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,319,053</u>

	<u>Richmond Development Corporation</u>			<u>Total</u>
	<u>Richmond Development Corporation</u>	<u>RDC Armstrong LLC</u>	<u>Randolph Place Associates, LP</u>	
Net cash provided by operating activities	\$ (502,976)	\$ -	\$ -	\$ (502,976)
Net cash provided by capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(502,976)	-	-	(502,976)
Net Cash, Beginning of Year	<u>4,740,701</u>	<u>-</u>	<u>-</u>	<u>4,740,701</u>
Net Cash, End of Year	<u>\$ 4,237,725</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,237,725</u>

**RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2024**

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**21. SUBSEQUENT EVENTS**

Events that occur after the balance sheet date but before the financial statements were issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the date of the statement of net position are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the date of the statement of net position require disclosure in the accompanying notes. Management evaluated the activity of the Authority through the date the financial statements were available to be issued and concluded that aside from the disclosures below, no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

**RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY**  
**SCHEDULE OF CHANGES IN THE AUTHORITY'S NET PENSION LIABILITY AND RELATED RATIOS**  
**September 30, 2024**

	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>Total pension liability</b>									
Service cost	\$ 683,270	\$ 714,612	\$ 760,099	\$ 726,004	\$ 693,310	\$ 775,925	\$ 763,574	\$ 858,337	\$ 980,501
Interest	4,618,263	4,627,488	4,400,859	4,398,300	4,459,060	4,357,419	4,423,847	4,453,853	4,412,693
Changes in assumptions	-	-	2,902,586	-	1,602,482	-	(149,304)	-	-
Refund of contributions	(235,998)	(143,634)	(65,453)	-	-	-	-	-	-
Differences between expected and actual experience	(1,650,480)	(633,595)	(773,547)	(551,993)	(748,942)	797,566	(1,618,861)	(1,415,200)	(467,761)
Benefit payments, including refunds	(4,567,673)	(4,680,379)	(4,404,807)	(4,598,550)	(4,494,965)	(4,462,832)	(4,273,624)	(4,377,683)	(4,297,159)
<b>Net change in total pension liability</b>	(1,152,618)	(115,508)	2,819,737	(26,239)	1,510,945	1,468,078	(854,368)	(480,693)	628,274
<b>Total pension liability - beginning</b>	<u>70,137,271</u>	<u>70,252,779</u>	<u>67,433,042</u>	<u>67,459,281</u>	<u>65,948,336</u>	<u>64,480,258</u>	<u>65,334,626</u>	<u>65,815,319</u>	<u>65,187,045</u>
<b>Total pension liability - ending</b>	\$ 68,984,653	\$ 70,137,271	\$ 70,252,779	\$ 67,433,042	\$ 67,459,281	\$ 65,948,336	\$ 64,480,258	\$ 65,334,626	\$ 65,815,319
<b>Plan fiduciary net position</b>									
Contributions - employer	\$ 698,065	\$ 677,403	\$ 702,126	\$ 758,364	\$ 705,395	\$ 825,631	\$ 847,574	\$ 940,113	\$ 1,022,623
Contributions - employee	411,650	407,897	412,325	401,930	361,151	384,393	397,480	383,716	414,364
Refund of contributions	(235,998)	(143,634)	(65,453)	-	-	-	-	-	-
Net investment income	4,185,016	(12,932)	15,627,972	1,146,311	3,891,003	4,314,723	6,633,050	927,825	2,599,500
Benefit payments, including refunds	(4,567,673)	(4,680,379)	(4,404,807)	(4,598,550)	(4,494,965)	(4,462,832)	(4,273,624)	(4,377,683)	(4,297,159)
Administrative expenses	(43,899)	(45,135)	(41,078)	(41,090)	(41,365)	(39,195)	(40,464)	(37,325)	(37,922)
Other changes	1,670	1,574	1,453	(1,321)	(2,377)	(3,752)	(5,812)	(411)	(541)
<b>Net change in plan fiduciary net position</b>	448,831	(3,795,206)	12,232,538	(2,334,356)	418,842	1,018,968	3,558,204	(2,163,765)	(299,135)
<b>Plan fiduciary net position - beginning</b>	<u>67,015,246</u>	<u>70,810,452</u>	<u>58,577,914</u>	<u>60,912,270</u>	<u>60,493,428</u>	<u>59,474,460</u>	<u>55,916,256</u>	<u>58,080,021</u>	<u>58,379,156</u>
<b>Plan fiduciary net position - ending</b>	\$ 67,464,077	\$ 67,015,246	\$ 70,810,452	\$ 58,577,914	\$ 60,912,270	\$ 60,493,428	\$ 59,474,460	\$ 55,916,256	\$ 58,080,021
<b>Authority's net pension liability (asset)</b>	\$ 1,520,576	\$ 3,122,025	\$ (557,673)	\$ 8,855,128	\$ 6,547,011	\$ 5,454,908	\$ 5,005,798	\$ 9,418,370	\$ 7,735,298
<b>Plan's fiduciary net position as a percentage of the total pension liability</b>	97.80%	95.55%	100.79%	86.87%	90.29%	91.73%	92.24%	85.58%	88.25%
<b>Covered payroll</b>	\$ 12,182,283	\$ 9,704,533	\$ 9,904,352	\$ 8,944,295	\$ 8,934,595	\$ 7,772,422	\$ 8,431,872	\$ 8,020,439	\$ 11,478,856
<b>Authority's net pension liability (asset) as a percentage of covered payroll</b>	12.48%	32.17%	-5.63%	99.00%	73.28%	70.18%	59.37%	117.43%	67.39%

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

**RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**VRS PENSION PLAN**  
**September 30, 2024**

<b>Measurement Date</b>	<b>Contractually Required Contribution</b>	<b>Contributions in Relation to Contractually Required Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Contributions as a % of Covered Payroll</b>
6/30/2023	\$ 698,065	\$ 698,065	\$ -	\$ 12,182,283	5.73%
6/30/2022	677,403	677,403	-	9,704,533	6.98%
6/30/2021	702,126	702,126	-	9,904,352	7.09%
6/30/2020	758,364	758,364	-	8,944,295	8.48%
6/30/2019	705,395	705,395	-	8,934,595	7.90%
6/30/2018	825,631	825,631	-	7,772,422	10.62%
6/30/2017	847,574	847,574	-	8,431,872	10.05%
6/30/2016	940,113	940,113	-	8,020,439	11.72%
6/30/2015	1,022,623	1,022,623	-	11,478,856	8.91%

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

**RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY**  
**SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF NET OPEB LIABILITY**  
**VRS GROUP LIFE**  
**September 30, 2024**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Authority's proportion of the net OPEB liability	0.03975%	0.04101%	0.04350%	0.04020%	0.04270%	0.04510%
Authority's proportionate share of the net OPEB liability	\$ 476,727	\$ 493,800	\$ 725,277	\$ 648,000	\$ 648,000	\$ 679,000
Authority's covered payroll	\$ 12,182,283	\$ 9,704,533	\$ 9,904,352	\$ 8,934,595	\$ 7,881,449	\$ 8,318,127
Authority's proportionate share of the net OPEB liability as a percentage of its covered payroll	3.91%	5.09%	7.32%	7.25%	8.22%	8.16%
Plan fiduciary net position as a percentage of the total OPEB liability	69.30%	67.21%	52.64%	52.00%	51.22%	48.86%

**RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY**  
**SCHEDULE OF THE AUTHORITY'S OPEB CONTRIBUTIONS**  
**VRS GROUP LIFE**  
**September 30, 2024**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contributions	\$ 50,565	\$ 48,173	\$ 46,510	\$ 42,217	\$ 40,984	\$ 43,254
Contributions in relation to contractually required contributions	\$ 50,565	\$ 48,173	\$ 46,510	\$ 42,217	\$ 40,984	\$ 43,254
Contribution deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Authority's covered payroll	\$12,182,283	\$ 9,704,533	\$ 9,904,352	\$ 8,934,595	\$ 7,881,449	\$ 8,318,127
Contributions as a percentage of covered payroll	0.42%	0.50%	0.47%	0.47%	0.52%	0.52%

**RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY**  
**SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF NET OPEB LIABILITY**  
**VRS DISABILITY**  
**September 30, 2024**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Authority's proportion of the net OPEB liability	0.89174%	0.90126%	1.09210%	1.16880%	0.95160%
Authority's proportionate share of the net OPEB liability (asset)	\$ (14,348)	\$ (5,299)	\$ 11,668	\$ 19,277	\$ 7,000
Authority's covered payroll	\$ 5,457,959	\$ 4,222,348	\$ 4,355,294	\$ 2,940,607	\$ 2,134,482
Authority's proportionate share of the net OPEB liability as a percentage of its covered payroll	-0.26%	-0.13%	0.27%	0.66%	0.33%
Plan fiduciary net position as a percentage of the total OPEB liability	116.89%	107.99%	76.84%	49.19%	51.39%

**RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY**  
**SCHEDULE OF THE AUTHORITY'S OPEB CONTRIBUTIONS**  
**VRS DISABILITY**  
**September 30, 2024**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contributions	\$ 46,393	\$ 35,045	\$ 36,412	\$ 21,172	\$ 12,807
Contributions in relation to contractually required contributions	\$ 46,393	\$ 35,045	\$ 36,412	\$ 21,172	\$ 12,807
Contribution deficiency	\$ -	\$ -	\$ -	\$ -	\$ -
Authority's covered payroll	\$ 5,457,959	\$ 4,222,348	\$ 4,355,294	\$ 2,940,607	\$ 2,134,482
Contributions as a percentage of covered payroll	0.85%	0.83%	0.84%	0.72%	0.60%

**RICMOND REDEVELOPMENT AND HOUSING AUTHORITY**  
**NOTES TO REQUIRED SUPPLEMENTAL INFORMATION**  
**September 30, 2024**

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1. **Changes in benefit terms** -There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.
  
2. **Changes of assumptions** - The actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows.

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

**RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY**  
**FINANCIAL DATA SCHEDULE**  
**STATEMENT OF NET POSITION**  
**September 30, 2024**

	Low-Rent Public Housing 14.850	Housing Choice Vouchers 14.871	Emergency Housing 14.EHV	Business Activities	PIH Family Self- Sufficiency Program 14.896	Section 8 Moderate Rehabilitation 14.856	Community Development Block Grants/Entitlement Grants 14.218	FSS Escrow Forfeiture Account 14.EFA	Mainstream Vouchers 14.879
<b>ASSETS:</b>									
<b>CURRENT ASSETS:</b>									
Cash:									
Cash - Unrestricted	\$ 12,231,355	\$ 1,038,155	\$ 104,694	\$ 3,991	\$ -	\$ -	\$ 191,007	\$ -	\$ 305,248
Cash - Restricted - Modernization and Development	-	-	-	-	-	-	-	-	-
Cash - Other Restricted	-	144,544	50,706	6,519,725	-	-	349,608	70,210	57,940
Cash - Tenant Security Deposits	571,748	-	-	-	-	-	-	-	-
Cash - Restricted for Payment of Current Liabilities	88,793	130,115	-	-	-	-	-	-	-
<b>Total Cash</b>	<b>12,891,896</b>	<b>1,312,814</b>	<b>155,400</b>	<b>6,523,716</b>	<b>-</b>	<b>-</b>	<b>540,615</b>	<b>70,210</b>	<b>363,188</b>
Accounts and notes receivables:									
Accounts Receivable - HUD Other Projects	1,336,186	-	-	-	59,102	-	-	-	-
Accounts Receivable - Other Government	-	-	-	-	-	-	-	-	-
Accounts Receivable - Miscellaneous	25,793	2,111,724	49,495	1,217,870	-	-	-	-	39,649
Accounts Receivable - Tenants	5,669,919	-	-	-	-	-	40,615	-	-
Allowance for Doubtful Accounts -Tenants	(3,127,539)	-	-	-	-	-	(40,615)	-	-
Allowance for Doubtful Accounts - Other	-	(68,603)	-	-	-	-	-	-	-
Notes, Loans, & Mortgages Receivable - Current	118,000	-	-	517,472	-	-	50,952	-	-
Fraud Recovery	-	70,080	4,400	-	-	-	-	-	3,414
<b>Total Receivables, Net</b>	<b>4,022,359</b>	<b>2,113,201</b>	<b>53,895</b>	<b>1,735,342</b>	<b>59,102</b>	<b>-</b>	<b>50,952</b>	<b>-</b>	<b>43,063</b>
Other Current Assets:									
Prepaid Expenses and Other Assets	461,152	31,205	-	28,327	-	-	-	-	-
Inventories	825,812	-	-	9,558	-	-	-	-	-
Allowance for Obsolete Inventories	(48,227)	-	-	(872)	-	-	-	-	-
Inter Program Due From	11,425,172	80,640	164,500	911,807	-	-	247,932	10,590	-
Assets Held for Sale	-	-	-	961,134	-	-	806,023	-	-
<b>TOTAL CURRENT ASSETS</b>	<b>29,578,164</b>	<b>3,537,860</b>	<b>373,795</b>	<b>10,169,012</b>	<b>59,102</b>	<b>-</b>	<b>1,645,522</b>	<b>80,800</b>	<b>406,251</b>
<b>NONCURRENT ASSETS:</b>									
Capital Assets:									
Land	4,627,312	-	-	410,058	-	-	1,094,911	-	-
Buildings	118,751,264	-	-	6,336,687	-	-	-	-	-
Furniture, Equipment & Machinery - Dwellings	5,440,603	-	-	3,523	-	-	-	-	-
Furniture, Equipment & Machinery - Administration	19,461,624	554,044	-	275,476	-	-	-	-	-
Leasehold Improvements	13,434,578	-	-	1,243,808	-	-	-	-	-
Accumulated Depreciation	(101,859,630)	(455,192)	-	(7,492,691)	-	-	-	-	-
Construction in Progress	9,027,976	-	-	427,838	-	-	-	-	-
<b>Total Capital Assets, Net</b>	<b>68,883,727</b>	<b>98,852</b>	<b>-</b>	<b>1,204,699</b>	<b>-</b>	<b>-</b>	<b>1,094,911</b>	<b>-</b>	<b>-</b>
Notes, Loans and Mortgages Receivable - Non-Current	13,842,057	-	-	31,371,307	-	-	1,019,028	-	-
<b>TOTAL NONCURRENT ASSETS</b>	<b>82,725,784</b>	<b>98,852</b>	<b>-</b>	<b>32,576,006</b>	<b>-</b>	<b>-</b>	<b>2,113,939</b>	<b>-</b>	<b>-</b>
Deferred Outflow of Resources	1,900,843	425,824	-	281,591	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 114,204,791</b>	<b>\$ 4,062,536</b>	<b>\$ 373,795</b>	<b>\$ 43,026,609</b>	<b>\$ 59,102</b>	<b>\$ -</b>	<b>\$ 3,759,461</b>	<b>\$ 80,800</b>	<b>\$ 406,251</b>

**RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY**  
**FINANCIAL DATA SCHEDULE**  
**STATEMENT OF NET POSITION**  
**September 30, 2024**

	Revitalization of Severely Distressed Public Housing 14,866	Choice Neighborhood Planning Grant 14,892	HOME Investment Partnerships Program 14,239	6.2 Component Unit - Blended	State/Local	COCC	Subtotal	ELIM	Total
<b>ASSETS:</b>									
<b>CURRENT ASSETS:</b>									
Cash:									
Cash - Unrestricted	\$ 326,396	\$ -	\$ 348	\$ 4,222,769	\$ 1,074,612	\$ 895,938	\$ 20,394,513	\$ -	\$ 20,394,513
Cash - Restricted - Modernization and Development	-	-	-	-	2,580,961	-	2,580,961	-	2,580,961
Cash - Other Restricted	-	-	175,131	-	3,403,465	135,150	10,906,479	-	10,906,479
Cash - Tenant Security Deposits	-	-	-	11,523	-	-	583,271	-	583,271
Cash - Restricted for Payment of Current Liabilities	-	-	-	-	-	-	218,908	-	218,908
<b>Total Cash</b>	<b>326,396</b>	<b>-</b>	<b>175,479</b>	<b>4,234,292</b>	<b>7,059,038</b>	<b>1,031,088</b>	<b>34,684,132</b>	<b>-</b>	<b>34,684,132</b>
Accounts and notes receivables:									
Accounts Receivable - HUD Other Projects	-	-	-	-	-	-	1,395,288	-	1,395,288
Accounts Receivable - Other Government	-	-	-	-	-	-	-	-	-
Accounts Receivable - Miscellaneous	-	-	-	2,986	30,125	59,065	3,536,707	-	3,536,707
Accounts Receivable - Tenants	-	-	-	-	620	-	5,711,154	-	5,711,154
Allowance for Doubtful Accounts -Tenants	-	-	-	-	(620)	-	(3,168,774)	-	(3,168,774)
Allowance for Doubtful Accounts - Other	-	-	-	-	-	-	(68,603)	-	(68,603)
Notes, Loans, & Mortgages Receivable - Current	59,318	-	78,972	-	36,843	-	861,557	(118,000)	743,557
Fraud Recovery	-	-	-	-	15,157	-	93,051	-	93,051
<b>Total Receivables, Net</b>	<b>59,318</b>	<b>-</b>	<b>78,972</b>	<b>2,986</b>	<b>82,125</b>	<b>59,065</b>	<b>8,360,380</b>	<b>(118,000)</b>	<b>8,242,380</b>
Other Current Assets:									
Prepaid Expenses and Other Assets	-	-	-	447	603	245,905	767,639	-	767,639
Inventories	-	-	-	-	-	187,735	1,023,105	-	1,023,105
Allowance for Obsolete Inventories	-	-	-	-	-	(18,774)	(67,873)	-	(67,873)
Inter Program Due From	33,962	-	-	-	153,065	3,441,804	16,469,472	(16,469,472)	-
Assets Held for Sale	1,046,407	-	-	-	2,970,393	-	5,783,957	-	5,783,957
<b>TOTAL CURRENT ASSETS</b>	<b>1,466,083</b>	<b>-</b>	<b>254,451</b>	<b>4,237,725</b>	<b>10,265,224</b>	<b>4,946,823</b>	<b>67,020,812</b>	<b>(16,587,472)</b>	<b>50,433,340</b>
<b>NONCURRENT ASSETS:</b>									
Capital Assets:									
Land	-	-	-	-	1,343,400	428,457	7,904,138	-	7,904,138
Buildings	-	-	-	575,000	-	2,922,493	128,585,444	-	128,585,444
Furniture, Equipment & Machinery - Dwellings	-	-	-	-	-	-	5,444,126	-	5,444,126
Furniture, Equipment & Machinery - Administration	-	-	-	-	-	4,052,951	24,344,095	-	24,344,095
Leasehold Improvements	-	-	-	6,085,063	-	652,960	21,416,409	-	21,416,409
Accumulated Depreciation	-	-	-	(1,217,013)	-	(6,374,491)	(117,399,017)	-	(117,399,017)
Construction in Progress	697,045	-	-	-	14,312,830	-	24,465,689	-	24,465,689
<b>Total Capital Assets, Net</b>	<b>697,045</b>	<b>-</b>	<b>-</b>	<b>5,443,050</b>	<b>15,656,230</b>	<b>1,682,370</b>	<b>94,760,884</b>	<b>-</b>	<b>94,760,884</b>
Notes, Loans and Mortgages Receivable - Non-Current	7,972,059	-	97,338	6,312,142	1,045,597	-	61,659,528	(6,095,769)	55,563,759
<b>TOTAL NONCURRENT ASSETS</b>	<b>8,669,104</b>	<b>-</b>	<b>97,338</b>	<b>11,755,192</b>	<b>16,701,827</b>	<b>1,682,370</b>	<b>156,420,412</b>	<b>(6,095,769)</b>	<b>150,324,643</b>
Deferred Outflow of Resources	-	-	-	-	-	2,430,386	5,038,644	-	5,038,644
<b>TOTAL ASSETS</b>	<b>\$ 10,135,187</b>	<b>\$ -</b>	<b>\$ 351,789</b>	<b>\$ 15,992,917</b>	<b>\$ 26,967,051</b>	<b>\$ 9,059,579</b>	<b>\$ 228,479,868</b>	<b>\$ (22,683,241)</b>	<b>\$ 205,796,627</b>

**RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY**  
**FINANCIAL DATA SCHEDULE**  
**STATEMENT OF NET POSITION**  
**September 30, 2024**

	Low-Rent Public Housing 14.850	Housing Choice Vouchers 14.871	Emergency Housing 14.EHV	Business Activities	PIH Family Self- Sufficiency Program 14.896	Section 8 Moderate Rehabilitation 14.856	Community Development Block Grants/Entitlement Grants 14.218	FSS Escrow Forfeiture Account 14.EFA	Mainstream Vouchers 14.879
<b>LIABILITIES AND NET POSITION</b>									
<b>LIABILITIES:</b>									
<b>CURRENT LIABILITIES:</b>									
Accounts Payable <= 90 Days	\$ 3,772,020	\$ 681,098	\$ 18,492	\$ -	\$ 59,102	\$ -	\$ -	\$ -	\$ -
Accrued Wage/Payroll Taxes Payable	-	-	-	-	-	-	-	-	-
Accrued Compensated Absences - Current Portion	428,255	68,818	-	55,377	-	-	-	-	-
Accounts Payable - HUD PHA Programs	-	-	-	-	-	-	-	-	-
Accounts Payable - Other Government	69,636	-	-	-	-	-	26,589	-	-
Tenant Security Deposits	571,748	-	-	-	-	-	-	-	-
Unearned Revenue	75,769	672,493	164,420	214,150	-	-	39,188	-	-
Current Portion of Long Term Debt - Capital Projects/Mortgage Revenue	-	-	-	-	-	-	-	-	-
Other Current Liabilities	85,604	4,189	568	-	-	-	-	-	-
Accrued Liabilities - Other	1,712,087	73	-	32,657	-	-	1,217	1,939	-
Inter Program - Due To	10,772,513	245,447	57,187	3,044,623	-	-	-	844	1,339
Loan Liability - Current	-	-	-	-	-	-	765,000	-	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>17,487,632</b>	<b>1,672,118</b>	<b>240,667</b>	<b>3,346,807</b>	<b>59,102</b>	<b>-</b>	<b>831,994</b>	<b>2,783</b>	<b>1,339</b>
<b>NONCURRENT LIABILITIES:</b>									
Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	-	-	-	-	-	-	-	-	-
Non-current Liabilities - Other	4,292,738	130,180	-	6,070,957	-	-	3,872,382	-	-
Loan Liability - Non Current	-	-	-	-	-	-	-	-	-
Accrued Pension and OPEB Liabilities	748,076	167,582	-	110,820	-	-	-	-	-
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>5,040,814</b>	<b>297,762</b>	<b>-</b>	<b>6,181,777</b>	<b>-</b>	<b>-</b>	<b>3,872,382</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>22,528,446</b>	<b>1,969,880</b>	<b>240,667</b>	<b>9,528,584</b>	<b>59,102</b>	<b>-</b>	<b>4,704,376</b>	<b>2,783</b>	<b>1,339</b>
Deferred Inflow of Resources	2,053,927	460,117	-	304,268	-	-	-	-	-
<b>NET POSITION</b>									
Net Investment in Capital Assets	68,883,727	98,852	-	1,204,699	-	-	1,094,911	-	-
Restricted Net Position	-	144,544	50,706	6,519,725	-	-	349,608	78,017	57,940
Unrestricted Net Position	20,738,691	1,389,143	82,422	25,469,333	-	-	(2,389,434)	-	346,972
<b>TOTAL NET POSITION</b>	<b>89,622,418</b>	<b>1,632,539</b>	<b>133,128</b>	<b>33,193,757</b>	<b>-</b>	<b>-</b>	<b>(944,915)</b>	<b>78,017</b>	<b>404,912</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 114,204,791</b>	<b>\$ 4,062,536</b>	<b>\$ 373,795</b>	<b>\$ 43,026,609</b>	<b>\$ 59,102</b>	<b>\$ -</b>	<b>\$ 3,759,461</b>	<b>\$ 80,800</b>	<b>\$ 406,251</b>

**RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY**  
**FINANCIAL DATA SCHEDULE**  
**STATEMENT OF NET POSITION**  
**September 30, 2024**

	Revitalization of Severely Distressed Public Housing 14.866	Choice Neighborhood Planning Grant 14.892	HOME Investment Partnerships Program 14.239	6.2 Component Unit - Blended	State/Local	COCC	Subtotal	ELIM	Total
<b>LIABILITIES AND NET POSITION</b>									
<b>LIABILITIES:</b>									
<b>CURRENT LIABILITIES:</b>									
Accounts Payable <= 90 Days	\$ -	\$ -	\$ -	\$ 5,430	\$ 234,548	\$ 722,629	\$ 5,493,319	\$ -	\$ 5,493,319
Accrued Wage/Payroll Taxes Payable	-	-	-	-	-	-	-	-	-
Accrued Compensated Absences - Current Portion	-	-	-	-	-	398,436	950,886	-	950,886
Accounts Payable - HUD PHA Programs	-	-	-	-	-	-	-	-	-
Accounts Payable - Other Government	-	-	230,122	-	1,237,786	-	1,564,133	-	1,564,133
Tenant Security Deposits	-	-	-	11,523	-	-	583,271	-	583,271
Unearned Revenue	-	-	-	-	351,381	504	1,517,905	-	1,517,905
Current Portion of Long Term Debt - Capital	-	-	-	-	-	-	-	-	-
Projects/Mortgage Revenue	-	-	-	624,109	-	-	624,109	-	624,109
Other Current Liabilities	-	-	-	-	-	-	90,361	-	90,361
Accrued Liabilities - Other	-	-	-	-	987	26,910	1,775,870	-	1,775,870
Inter Program - Due To	-	-	-	883,815	90,432	1,373,272	16,469,472	(16,469,472)	-
Loan Liability - Current	-	-	-	-	-	118,000	883,000	(118,000)	765,000
<b>TOTAL CURRENT LIABILITIES</b>	-	-	230,122	1,524,877	1,915,134	2,639,751	29,952,326	(16,587,472)	13,364,854
<b>NONCURRENT LIABILITIES:</b>									
Long-term Debt, Net of Current - Capital	-	-	-	11,148,987	-	-	11,148,987	-	11,148,987
Projects/Mortgage Revenue	-	-	-	-	-	-	17,628,030	-	17,628,030
Non-current Liabilities - Other	1,634,948	-	462,574	-	1,164,251	-	6,095,769	(6,095,769)	-
Loan Liability - Non Current	-	-	-	-	-	956,477	1,982,955	-	1,982,955
Accrued Pension and OPEB Liabilities	-	-	-	-	-	-	-	-	-
<b>TOTAL NONCURRENT LIABILITIES</b>	1,634,948	-	462,574	11,148,987	1,164,251	7,052,246	36,855,741	(6,095,769)	30,759,972
<b>TOTAL LIABILITIES</b>	1,634,948	-	692,696	12,673,864	3,079,385	9,691,997	66,808,067	(22,683,241)	44,124,826
Deferred Inflow of Resources	-	-	-	-	-	2,626,114	5,444,426	-	5,444,426
<b>NET POSITION</b>									
Net Investment in Capital Assets	697,045	-	-	(17,904)	15,656,230	1,682,370	89,299,930	-	89,299,930
Restricted Net Position	-	-	175,131	-	3,403,465	135,150	10,914,286	-	10,914,286
Unrestricted Net Position	7,803,194	-	(516,038)	3,336,957	4,827,971	(5,076,052)	56,013,159	-	56,013,159
<b>TOTAL NET POSITION</b>	8,500,239	-	(340,907)	3,319,053	23,887,666	(3,258,532)	156,227,375	-	156,227,375
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 10,135,187</b>	<b>\$ -</b>	<b>\$ 351,789</b>	<b>\$ 15,992,917</b>	<b>\$ 26,967,051</b>	<b>\$ 9,059,579</b>	<b>\$ 228,479,868</b>	<b>\$ (22,683,241)</b>	<b>\$ 205,796,627</b>

**RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY**  
**FINANCIAL DATA SCHEDULE**  
**STATEMENT OF REVENUE, EXPENSE, AND CHANGES IN NET POSITION**  
**Year ended September 30, 2024**

	Low-Rent Public Housing 14.850	Housing Choice Vouchers 14.871	Emergency Housing 14.EHV	Business Activities	PIH Family Self- Sufficiency Program 14.896	Section 8 Moderate Rehabilitation 14.856	Community Development Block Grants/Entitlement Grants 14.218	FSS Escrow Forfeiture Account 14.EFA	Mainstream Vouchers 14.879
<b>REVENUES:</b>									
Net Tenant Rental Revenue	\$ 10,191,374	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tenant Revenue - Other	628,416	-	-	-	-	-	-	-	-
Total Tenant Revenue	10,819,790	-	-	-	-	-	-	-	-
HUD PHA Operating Grants	32,304,744	39,129,640	962,974	-	81,285	-	-	-	1,034,374
Capital Grants	6,667,229	-	-	-	-	-	-	-	-
Management Fee	-	-	-	-	-	-	-	-	-
Asset Management Fee	-	-	-	-	-	-	-	-	-
Book Keeping Fee	-	-	-	-	-	-	-	-	-
Front Line Service Fee	-	-	-	-	-	-	-	-	-
Other Fees	-	-	-	-	-	-	-	-	-
Total Fee Revenue	-	-	-	-	-	-	-	-	-
Other Government Grants	-	-	-	-	-	-	-	-	-
Investment Income - Unrestricted	49,041	55,254	-	105,521	-	-	-	-	-
Mortgage Interest Income	-	-	-	93,357	-	-	-	-	-
Proceeds from Disposition of Assets Held for Sale	-	-	-	-	-	-	-	-	-
Fraud Recovery	-	30,606	4,800	-	-	-	-	-	5,740
Other Revenue	256,098	-	-	1,072,503	-	30,477	77,518	41,865	-
Gain or Loss on Sale of Capital Assets	-	-	-	-	-	-	-	-	-
Investment Income - Restricted	-	-	-	62,718	-	-	-	481	-
<b>TOTAL REVENUES</b>	<b>50,096,902</b>	<b>39,215,500</b>	<b>967,774</b>	<b>1,334,099</b>	<b>81,285</b>	<b>30,477</b>	<b>77,518</b>	<b>42,346</b>	<b>1,040,114</b>
<b>EXPENSES:</b>									
Administrative									
Administrative Salaries	2,129,055	1,171,517	26,677	901,314	-	-	-	-	-
Auditing Fees	63,622	83,624	1,050	-	-	-	-	-	1,228
Management Fee	4,557,998	596,046	15,778	175,000	-	-	-	-	23,326
Book-keeping Fee	246,570	319,942	6,660	-	-	-	-	-	9,683
Advertising and Marketing	24,427	3,757	-	6,952	-	-	-	-	-
Employee Benefit contributions - Administrative	(28,720)	121,086	10,111	96,224	-	-	-	-	-
Office Expenses	2,461,133	525,136	11	560,061	-	-	127	-	2,801
Legal Expense	94,279	17,148	-	203,559	-	-	-	-	-
Travel Expense	13,154	4,595	-	14,152	-	-	-	-	-
Other Administrative	98,757	140,841	-	(45,085)	-	-	-	-	110
Total Administrative Expense	9,660,275	2,983,692	60,287	1,912,177	-	-	127	-	37,148
Asset Management Fee	308,400	-	-	-	-	-	-	-	-
Tenant Services									
Tenant Services - Salaries	9,444	-	-	-	59,333	-	-	-	-
Relocation Costs	176,894	-	-	5,762	-	-	-	-	-
Employee Benefit Contributions - Tenant Services	32,814	-	-	-	18,325	-	-	-	-
Tenant Services - Other	1,617,032	366,111	-	-	3,627	-	-	-	-
Total Tenant Services	1,836,184	366,111	-	5,762	81,285	-	-	-	-
Utilities									
Water	3,203,589	-	-	6,574	-	-	-	-	-
Electricity	2,815,867	-	-	29,233	-	-	-	-	-
Gas	1,394,703	-	-	11,515	-	-	-	-	-
Fuel	1,428	-	-	-	-	-	-	-	-
Labor	-	-	-	-	-	-	-	-	-
Sewer	5,249,205	-	-	7,129	-	-	-	-	-
Other Utilities Expense	556,575	-	-	60,089	-	-	4,536	-	-
Total Utilities	13,221,367	-	-	114,540	-	-	4,536	-	-

**RICHMONT REDEVELOPMENT AND HOUSING AUTHORITY**  
**FINANCIAL DATA SCHEDULE**  
**STATEMENT OF REVENUE, EXPENSE, AND CHANGES IN NET POSITION**  
**Year ended September 30, 2024**

	Revitalization of Severely Distressed Public Housing 14,866	Choice Neighborhood Planning Grant 14,892	HOME Investment Partnerships Program 14,239	Byrne Criminal Justice Innovation Program 16,817	6.2 Component Unit - Blended	State/Local	COCC	Subtotal	ELIM	Total
<b>REVENUES:</b>										
Net Tenant Rental Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,191,374	\$ -	\$ 10,191,374
Tenant Revenue - Other	-	-	-	-	-	-	(350)	628,066	-	628,066
Total Tenant Revenue	-	-	-	-	-	-	(350)	10,819,440	-	10,819,440
HUD PHA Operating Grants	-	8,519	-	-	-	-	-	73,521,536	-	73,521,536
Capital Grants	-	-	-	-	-	-	-	6,667,229	-	6,667,229
Management Fee	-	-	-	-	-	-	5,320,077	5,320,077	(5,320,077)	-
Asset Management Fee	-	-	-	-	-	-	308,400	308,400	(308,400)	-
Book Keeping Fee	-	-	-	-	-	-	582,855	582,855	(582,855)	-
Front Line Service Fee	-	-	-	-	-	-	3,272,575	3,272,575	(3,272,575)	-
Other Fees	-	-	-	-	-	-	2,064,794	2,064,794	(2,064,794)	-
Total Fee Revenue	-	-	-	-	-	-	11,548,701	11,548,701	(11,548,701)	-
Other Government Grants	-	-	-	218,575	-	5,949,447	-	6,168,022	-	6,168,022
Investment Income - Unrestricted	-	-	-	-	72,063	40,423	48,456	370,758	-	370,758
Mortgage Interest Income	-	-	-	-	-	-	-	93,357	-	93,357
Proceeds from Disposition of Assets Held for Sale	-	-	-	-	-	-	-	-	-	-
Fraud Recovery	-	-	-	-	-	17,949	-	59,095	-	59,095
Other Revenue	-	37,024	88,005	-	-	1,334,380	403,963	3,341,833	-	3,341,833
Gain or Loss on Sale of Capital Assets	-	-	-	-	-	-	-	-	-	-
Investment Income - Restricted	-	-	-	-	-	57,431	2,243	122,873	-	122,873
<b>TOTAL REVENUES</b>	-	<b>45,543</b>	<b>88,005</b>	<b>218,575</b>	<b>72,063</b>	<b>7,399,630</b>	<b>12,003,013</b>	<b>112,712,844</b>	<b>(11,548,701)</b>	<b>101,164,143</b>
<b>EXPENSES:</b>										
Administrative	-	-	-	-	-	-	-	-	-	-
Administrative Salaries	-	-	-	-	-	-	5,259,125	9,487,688	-	9,487,688
Auditing Fees	-	-	-	-	-	10,000	70,000	229,524	-	229,524
Management Fee	-	-	-	-	-	4,763	-	5,372,911	(5,320,077)	52,834
Book-keeping Fee	-	-	-	-	-	-	-	582,855	(582,855)	-
Advertising and Marketing	-	-	-	-	-	-	52,707	87,843	-	87,843
Employee Benefit contributions - Administrative	-	-	-	-	-	-	(2,307,557)	(2,108,856)	-	(2,108,856)
Office Expenses	-	8,519	-	-	-	4,300	1,000,988	1,741,055	-	6,304,131
Legal Expense	-	-	-	-	-	-	50,371	520,286	-	885,643
Travel Expense	-	-	-	14	1,375	5,681	99,970	138,941	-	138,941
Other Administrative	-	-	-	-	3,478	6,792	56,435	261,328	-	261,328
Total Administrative Expense	-	8,519	-	14	19,153	1,068,595	5,492,021	21,242,008	(5,902,932)	15,339,076
Asset Management Fee	-	-	-	-	-	-	-	308,400	(308,400)	-
Tenant Services	-	-	-	-	-	-	-	-	-	-
Tenant Services - Salaries	-	-	-	-	-	-	776,293	845,070	-	845,070
Relocation Costs	-	-	-	-	-	3,422	-	33,756	-	219,834
Employee Benefit Contributions - Tenant Services	-	-	-	-	-	-	742,237	793,376	-	793,376
Tenant Services - Other	-	-	-	20,198	-	-	83,332	2,090,300	-	2,090,300
Total Tenant Services	-	-	-	20,198	3,422	-	1,635,618	3,948,580	-	3,948,580
Utilities	-	-	-	-	-	-	-	-	-	-
Water	-	-	-	-	349	-	5,857	3,216,369	-	3,216,369
Electricity	-	-	-	-	-	-	68,281	2,913,381	-	2,913,381
Gas	-	-	-	-	813	-	7,435	1,414,466	-	1,414,466
Fuel	-	-	-	-	-	-	-	1,428	-	1,428
Labor	-	-	-	-	-	-	-	-	-	-
Sewer	-	-	-	-	271	-	5,607	5,262,212	-	5,262,212
Other Utilities Expense	-	-	-	-	956	3,663	2,869	628,688	-	628,688
Total Utilities	-	-	-	-	2,389	3,663	90,049	13,436,544	-	13,436,544

**RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY**  
**FINANCIAL DATA SCHEDULE**  
**STATEMENT OF REVENUE, EXPENSE, AND CHANGES IN NET POSITION**  
**Year ended September 30, 2024**

	Low-Rent Public Housing 14.850	Housing Choice Vouchers 14.871	Emergency Housing 14.EHV	Business Activities	PIH Family Self- Sufficiency Program 14.896	Section 8 Moderate Rehabilitation 14.856	Community Development Block Grants/Entitlement Grants 14.218	FSS Escrow Forfeiture Account 14.EFA	Mainstream Vouchers 14.879
<b>EXPENSES (continued):</b>									
Ordinary Maintenance & Operations									
Ordinary Maintenance and Operations - Labor	4,439,588	-	-	4,648	-	-	-	-	-
Ordinary Maintenance and Operations - Materials and Other	1,949,101	-	-	2,669	-	-	-	-	-
Ordinary Maintenance and Operations Contracts	8,962,351	102	-	101,405	-	-	-	-	-
Employee Benefit Contributions - Ordinary Maintenance	663,528	-	-	-	-	-	-	-	-
<b>Total Maintenance</b>	<b>16,014,568</b>	<b>102</b>	<b>-</b>	<b>108,722</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Protective Services									
Protective Services - Labor	165,960	-	-	28,901	-	-	-	-	-
Protective Services - Other Contract Costs	1,300,032	-	-	-	-	-	151	-	-
Protective Services - Other	505,544	-	-	-	-	-	-	-	-
<b>Total Protective Services</b>	<b>1,971,536</b>	<b>-</b>	<b>-</b>	<b>28,901</b>	<b>-</b>	<b>-</b>	<b>151</b>	<b>-</b>	<b>-</b>
Insurance Premiums									
Property Insurance	796,925	-	-	12,230	-	-	-	-	-
Liability Insurance	292,316	2,461	-	14,712	-	-	-	-	-
Workmen's Compensation	76,492	12,984	-	6,500	-	-	-	-	-
All Other Insurance	59,052	16,122	-	2,179	-	-	-	-	-
<b>Total insurance Premiums</b>	<b>1,224,785</b>	<b>31,567</b>	<b>-</b>	<b>35,621</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
General Expenses									
Other General Expenses	2,591,070	31,510	(949)	98,117	-	-	1,251	2,850	(1,228)
Compensated Absences	-	-	-	-	-	-	-	-	-
Bad Debt - Tenant Rents	1,458,325	9,819	(1,000)	(590)	-	-	-	-	-
Bad Debt - Mortgages	-	-	-	44,986	-	-	-	-	-
Bad Debt - Other	-	-	-	-	-	-	676,600	-	-
<b>Total Other General Expenses</b>	<b>4,049,395</b>	<b>41,329</b>	<b>(1,949)</b>	<b>142,513</b>	<b>-</b>	<b>-</b>	<b>677,851</b>	<b>2,850</b>	<b>(1,228)</b>
Financial Expenses									
Interest on Notes Payable (Short and Long Term)	-	-	-	-	-	-	-	-	-
<b>Total Financial Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>48,286,510</b>	<b>3,422,801</b>	<b>58,338</b>	<b>2,348,236</b>	<b>81,285</b>	<b>-</b>	<b>682,665</b>	<b>2,850</b>	<b>35,920</b>
<b>EXCESS OPERATING REVENUE</b>	<b>1,810,392</b>	<b>35,792,699</b>	<b>909,436</b>	<b>(1,014,137)</b>	<b>-</b>	<b>30,477</b>	<b>(605,147)</b>	<b>39,496</b>	<b>1,004,194</b>
Housing Assistance Payments	48,013	36,651,789	868,524	-	-	-	-	-	1,085,291
HAP Portability - In	-	134,476	-	-	-	-	-	-	-
Depreciation Expense	3,800,554	43,578	-	165,276	-	-	-	-	-
<b>Total Other Expenses</b>	<b>3,848,567</b>	<b>36,829,843</b>	<b>868,524</b>	<b>165,276</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,085,291</b>
<b>TOTAL EXPENSES</b>	<b>52,135,077</b>	<b>40,252,644</b>	<b>926,862</b>	<b>2,513,512</b>	<b>81,285</b>	<b>-</b>	<b>682,665</b>	<b>2,850</b>	<b>1,121,211</b>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>(2,038,175)</b>	<b>(1,037,144)</b>	<b>40,912</b>	<b>(1,179,413)</b>	<b>-</b>	<b>30,477</b>	<b>(605,147)</b>	<b>39,496</b>	<b>(81,097)</b>
Other Financing Sources									
Operating Transfer In	9,093,870	-	-	411,028	-	-	-	-	-
Operating Transfer Out	(9,093,870)	-	-	-	-	-	-	-	-
Prior Period Adjustments, Equity Transfers, and Correction of Errors	597,713	-	-	(95,442)	-	-	-	-	-
<b>Beginning Net Position</b>	<b>91,062,880</b>	<b>2,669,683</b>	<b>92,216</b>	<b>34,057,584</b>	<b>-</b>	<b>(30,477)</b>	<b>(339,768)</b>	<b>38,521</b>	<b>486,009</b>
<b>Ending Net Position</b>	<b>\$ 89,622,418</b>	<b>\$ 1,632,539</b>	<b>\$ 133,128</b>	<b>\$ 33,193,757</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (944,915)</b>	<b>\$ 78,017</b>	<b>\$ 404,912</b>

**RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY**  
**FINANCIAL DATA SCHEDULE**  
**STATEMENT OF REVENUE, EXPENSE, AND CHANGES IN NET POSITION**  
**Year ended September 30, 2024**

	Revitalization of Severely Distressed Public Housing 14,866	Choice Neighborhood Planning Grant 14,892	HOME Investment Partnerships Program 14,239	Byrne Criminal Justice Innovation Program 16,817	6.2 Component Unit - Blended	State/Local	COCC	Subtotal	ELIM	Total
<b>EXPENSES (continued):</b>										
Ordinary Maintenance & Operations										
Ordinary Maintenance and Operations - Labor	-	-	-	-	-	102	1,925,080	6,369,418	-	6,369,418
Ordinary Maintenance and Operations - Materials and Other	-	-	-	-	-	776	201,815	2,154,361	-	2,154,361
Ordinary Maintenance and Operations Contracts	-	-	-	-	9,797	-	66,465	9,140,120	(5,337,369)	3,802,751
Employee Benefit Contributions - Ordinary Maintenance	-	-	-	-	-	-	2,083,769	2,747,297	-	2,747,297
Total Maintenance	-	-	-	-	9,797	878	4,277,129	20,411,196	(5,337,369)	15,073,827
Protective Services										
Protective Services - Labor	-	-	-	-	-	-	-	194,861	-	194,861
Protective Services - Other Contract Costs	-	-	-	26,335	123,444	-	-	1,449,962	-	1,449,962
Protective Services - Other	-	-	-	169,204	-	-	75,000	749,748	-	749,748
Total Protective Services	-	-	-	195,539	123,444	-	75,000	2,394,571	-	2,394,571
Insurance Premiums										
Property Insurance	-	-	-	-	130	-	21,395	830,680	-	830,680
Liability Insurance	-	-	-	-	4,661	-	266	314,416	-	314,416
Workmen's Compensation	-	-	-	-	-	-	60,812	156,788	-	156,788
All Other Insurance	-	-	-	-	-	-	121,692	199,045	-	199,045
Total Insurance Premiums	-	-	-	-	4,791	-	204,165	1,500,929	-	1,500,929
General Expenses										
Other General Expenses	1,000	-	418,401	2,824	13,830	1,340,313	759,655	5,258,644	-	5,258,644
Compensated Absences	-	-	-	-	-	-	-	-	-	-
Bad Debt - Tenant Rents	-	-	-	-	-	(1,599)	-	1,464,955	-	1,464,955
Bad Debt - Mortgages	-	-	-	-	-	-	-	44,986	-	44,986
Bad Debt - Other	-	-	-	-	-	-	-	676,600	-	676,600
Total Other General Expenses	1,000	-	418,401	2,824	13,830	1,338,714	759,655	7,445,185	-	7,445,185
Financial Expenses										
Interest on Notes Payable (Short and Long Term)	-	-	-	-	38,559	-	312	38,871	-	38,871
Total Financial Expenses	-	-	-	-	38,559	-	312	38,871	-	38,871
<b>TOTAL OPERATING EXPENSES</b>	<b>1,000</b>	<b>8,519</b>	<b>418,401</b>	<b>218,575</b>	<b>215,385</b>	<b>2,411,850</b>	<b>12,533,949</b>	<b>70,726,284</b>	<b>(11,548,701)</b>	<b>59,177,583</b>
<b>EXCESS OPERATING REVENUE</b>	<b>(1,000)</b>	<b>37,024</b>	<b>(330,396)</b>	<b>-</b>	<b>(143,322)</b>	<b>4,987,780</b>	<b>(530,936)</b>	<b>41,986,560</b>	<b>-</b>	<b>41,986,560</b>
Housing Assistance Payments	-	-	-	-	-	466,709	-	39,120,326	-	39,120,326
HAP Portability - In	-	-	-	-	-	-	-	134,476	-	134,476
Depreciation Expense	-	-	-	-	1,217,013	-	150,246	5,376,667	-	5,376,667
Total Other Expenses	-	-	-	-	1,217,013	466,709	150,246	44,631,469	-	44,631,469
<b>TOTAL EXPENSES</b>	<b>1,000</b>	<b>8,519</b>	<b>418,401</b>	<b>218,575</b>	<b>1,432,398</b>	<b>2,878,559</b>	<b>12,684,195</b>	<b>115,357,753</b>	<b>(11,548,701)</b>	<b>103,809,052</b>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>(1,000)</b>	<b>37,024</b>	<b>(330,396)</b>	<b>-</b>	<b>(1,360,335)</b>	<b>4,521,071</b>	<b>(681,182)</b>	<b>(2,644,909)</b>	<b>-</b>	<b>(2,644,909)</b>
Other Financing Sources										
Operating Transfer In	-	-	-	-	-	-	-	9,504,898	(9,504,898)	-
Operating Transfer Out	-	-	-	-	-	-	(411,028)	(9,504,898)	9,504,898	-
Prior Period Adjustments, Equity Transfers, and Correction of Errors	-	-	-	-	-	-	(502,271)	-	-	-
<b>Beginning Net Position</b>	<b>8,501,239</b>	<b>(37,024)</b>	<b>(10,511)</b>	<b>-</b>	<b>4,679,388</b>	<b>19,366,595</b>	<b>(1,664,051)</b>	<b>158,872,284</b>	<b>-</b>	<b>158,872,284</b>
<b>Ending Net Position</b>	<b>\$ 8,500,239</b>	<b>\$ -</b>	<b>\$ (340,907)</b>	<b>\$ -</b>	<b>\$ 3,319,053</b>	<b>\$ 23,887,666</b>	<b>\$ (3,258,532)</b>	<b>\$ 156,227,375</b>	<b>\$ -</b>	<b>\$ 156,227,375</b>

**RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY**  
**Year ended September 30, 2024**

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**Statement and Certification of Actual Capital Fund Program Costs**

**Grant Year VA36P007501-18**

1 The actual program costs of Grant VA36P007501-18 are as follows:

Funds Approved	\$ 11,009,969
Funds Expended	<u>11,009,969</u>
Excess/(Deficiency) of Funds	<u>\$ -</u>
Funds Advanced	\$ 11,009,969
Funds Expended	<u>11,009,969</u>
Excess/(Deficiency) of Funds Advanced	<u>\$ -</u>

2 There were no additions during the fiscal year that were audited by Rubino and Company.

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

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



**RUBINO**  
STRENGTH IN NUMBERS

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

Board of Commissioners  
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 the business-type activities of the Richmond Redevelopment and Housing Authority (the Authority), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated June 24, 2025, which was qualified due to the reason described in the *Matter Giving Rise to Qualified Opinion* paragraph related to the measurement date for valuing pension and OPEB liabilities.

**Report on Internal Control over Financial Reporting**

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

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

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

## **Report on Compliance and Other Matters**

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

### **Purpose of this Report**

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

The image shows a handwritten signature in black ink that reads "Rubins & Company". The signature is written in a cursive, flowing style. The word "Rubins" is written in a larger, more prominent script, followed by "&" and "Company".

Bethesda, Maryland  
June 24, 2025



## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND 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**

#### ***Opinion on Each Major Federal Program***

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

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

#### ***Basis for Opinion on Each Major Federal Program***

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

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

### ***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

## Report on Internal Control over Compliance

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

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

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

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

The image shows a handwritten signature in cursive script that reads "Rubins & Company". The signature is written in black ink and is positioned above the printed name and date.

Bethesda, Maryland  
June 24, 2025

**RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year ended September 30, 2024**

<u>Federal Grantor/Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass through Identifying Number</u>	<u>Federal Expenditures</u>
<b>DIRECT AWARDS</b>			
<b>Department of Housing and Urban Development Programs</b>			
Housing Voucher Cluster:			
Housing Choice Vouchers	14.871	N/A	\$ 39,129,640
Emergency Housing Vouchers	14.871	N/A	962,974
Mainstream Vouchers	14.879	N/A	<u>1,034,374</u>
			41,126,988
Public and Indian Housing	14.850	N/A	22,352,888
Capital Fund Program	14.872	N/A	16,619,085
Choice Neighborhoods Planning Grants	14.892	N/A	8,519
Family Self-Sufficiency Program	14.896	N/A	<u>81,285</u>
Total Department of Housing and Urban Development Expenditures			<u>80,188,765</u>
<b>Department of Justice Programs</b>			
Byrne Criminal Justice Innovation Program	16.817	N/A	<u>218,575</u>
TOTAL DIRECT EXPENDITURES			<u>80,407,340</u>
<b>INDIRECT AWARDS</b>			
<b>Department of the Treasury Programs</b>			
<b>Pass-through funding (City of Richmond)</b>			
Coronavirus State and Local Fiscal Recovery Funds	21.027	Unknown	<u>5,491,927</u>
TOTAL INDIRECT EXPENDITURES			<u>5,491,927</u>
<b>TOTAL FEDERAL EXPENDITURES</b>			<u><u>\$ 85,899,267</u></u>

See Notes to the Schedule

**RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**September 30, 2024**

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**NOTE 1      BASIS OF PRESENTATION**

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

**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 the Uniform Guidance.

**RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**September 30, 2024**

**SECTION I – SUMMARY OF AUDITORS’ RESULTS**

**Financial Statements**

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

**Federal Awards**

- |   |               |
|---|---------------|
| 4. Internal control over major programs:  |               |
| a. Material weakness(es) identified?  | No            |
| b. Significant deficiency(ies) identified that are not considered to be material weakness(es)?                          | None reported |
| 5. Type of auditors’ report issued on compliance for major programs:  | Unmodified    |
| 6. Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Uniform Guidance? | No            |
| 7. Identification of major federal programs:  |               |

<u>Name of Federal Program or Cluster</u>	<u>Federal Assistance Listing No.</u>
Housing Voucher Cluster	14.871/14.879
Coronavirus State and Local Fiscal Recovery Funds	21.027
8. Dollar threshold used to distinguish between Type A and Type B programs:	\$ 2,576,978
9. Auditee qualified as low-risk auditee under Uniform Guidance, section 530?	No

**RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**September 30, 2024**

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**SECTION II – FINANCIAL STATEMENT FINDINGS**

None.

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None.

**RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**September 30, 2024**

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**Finding 2023-001: Missing Tenant Income Information**

**Condition:** The Authority was unable to locate income verification documentation and reported the incorrect income amount on the Family Report.

**Current Year Status:** This finding was cleared.