

**BRISTOL REDEVELOPMENT
AND HOUSING AUTHORITY**

**AUDITED
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED MARCH 31, 2021

BRISTOL REDEVELOPMENT AND HOUSING AUTHORITY

AUDITED
FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

BRISTOL REDEVELOPMENT AND HOUSING AUTHORITY

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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Bristol Redevelopment and Housing Authority
Bristol, Virginia

We have audited the accompanying financial statements of the Bristol Redevelopment and Housing Authority as of March 31, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, as listed in the Table of Contents. The prior year summarized comparative information has been derived from the Authority's March 31, 2020, financial statements. In our report dated December 21, 2020, we expressed an unmodified opinion on those financial statements

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Bristol Redevelopment and Housing Authority as of March 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**INDEPENDENT AUDITORS' REPORT
(CONTINUED)**

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 12, the Schedule of Net Pension Liability on page 62, the Schedule of Net OPEB Liability on page 64, the Schedule of Employer Contributions to the Virginia Retirement system Pension plan on page 63 and the Schedule of Employer Contributions to the OPEB plan on page 65, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

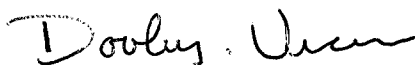
Other Information

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 accompanying schedule of expenditures of federal awards, Financial Data Schedule, and other supplementary information are presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the 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 January 14, 2022, on our consideration of the Bristol Redevelopment and Housing Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 Bristol Redevelopment and Housing Authority's internal control over financial reporting and compliance.



Dooley & Vicars
Certified Public Accountants, L.L.P.

Richmond, Virginia
January 14, 2022

BRISTOL REDEVELOPMENT & HOUSING AUTHORITY
Bristol, Virginia

MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2021

The Bristol Redevelopment & Housing Authority (hereafter the "Authority") presents its Annual Report for the year ended March 31, 2021, developed in compliance with Statement of Governmental Accounting Standard No. 34, entitled "Basic Financial Statements – and Management's Discussion and Analysis – For State and Local Governments" (hereafter "GASB 34"), and related standards. The Authority's management's discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority's financial activity, (c) identify changes in the Authority's financial position, and (d) identify individual funds' issues or concerns.

The discussion and analysis of the Authority is intended to provide an overview of the Authority's financial activities for the fiscal year ended March 31, 2021. Please read it in conjunction with the financial statements, notes and supplemental schedules that follow this section.

Principal Officials

Commissioners as of March 31, 2021

Mark Cofer, Chair

Josh Fleenor, Vice Chair

Jerry Chorosevic, Sr., Commissioner

Denise Franklin, Commissioner

Dr. Gary Poulton, Commissioner

Administrative Staff as of March 31, 2021

Lisa Porter, Executive Director / CEO

Diana Carter, VP of Compliance & Planning

Todd Musick, Sr VP of Operations & Development

Ray Austin, VP of Finance & Administration / CFO

Financial Highlights

- The Authority was awarded a new capital fund (CFP) grant from the U. S. Department of Housing and Urban Development (HUD) of \$912,801 during fiscal year 2021. Total capital grant expenditures during the fiscal year were \$361,560.
- The Authority received HUD Public Housing operating subsidy in the amount of \$1,385,139 and funding for the Housing Choice Voucher Program in the amount of \$1,386,483.

BRISTOL REDEVELOPMENT & HOUSING AUTHORITY
Bristol, Virginia

MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2021

Overview of Annual Financial Statements

Management's Discussion and Analysis (MD&A) serves as an introduction to, and should be read in conjunction with, the basic audited financial statements and supplementary information. The MD&A represents management's examination and analysis of the Authority's financial condition and performance.

The financial statements report information about the Authority by using full accrual accounting methods as utilized by similar business activities in the private sector. In management's opinion, the financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the Authority in conformity with generally accepted accounting principles.

The Authority is engaged only in "Business-Type Activities" and is considered a "Special Purpose" government under Paragraph 138 of GASB 34. The Authority will present its financial statements according to Paragraph 138 of GASB 34 and those will consist of the following: (a) Statement of Net Position (Balance Sheet) (b) Statement of Revenues, Expenses and Changes in Net Position (Income Statement), and (c) Statement of Cash Flows. In addition to the basic financial statements, the Authority will present notes to the financial statements and required supplementary information.

The **Statement of Net Position** (Balance Sheet) presents information on all the Authority's assets and liabilities, with the difference between the two being Net Position. Assets and liabilities are presented in order of liquidity and are classified as "Current" (convertible into cash within one year), and "Non-Current". Over time, increases and decreases in Net Position serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The **Statement of Revenues, Expenses, and Changes in Net Position** (Income Statement) presents the results of the business activities of the Authority over the course of the fiscal year. The focus of this statement is the "Change in Net Position", which is similar to Net Income or Net Loss. All changes in Net Position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

The **Statement of Cash Flows** presents changes in cash and cash equivalents resulting from operating, financing, and investing activities. This statement presents cash receipts and cash disbursement information, without consideration of (a) the earnings event, (b) when an obligation arises, or (c) the depreciation of capital assets.

The **Notes to the Financial Statements** provide required disclosures and other information that are essential to a full understanding of material data provided in the statements. The notes present information about the Authority's accounting policies, significant account balances and activities, material risks, obligations, commitments, contingencies and subsequent events, if any. Also included is the required **Supplemental Information** containing items such as budget to actual comparisons, debt information, and grant activity.

BRISTOL REDEVELOPMENT & HOUSING AUTHORITY
Bristol, Virginia

MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2021

The financial statements were prepared by the Authority's staff from the detailed general ledgers and supporting documentation for each fund in conformity with generally accepted accounting principles (GAAP). The financial statements were audited and adjusted, if material, during the independent external audit process.

Summary of Organization and Business

The Authority is a public body and a body corporate and politic organized under the laws of the Commonwealth of Virginia by the City of Bristol for the purpose of providing adequate housing for qualified low-income individuals in accordance with the rules and regulations prescribed by the U. S Department of Housing and Urban Development.

The Authority is governed by a Board of Commissioners appointed by the City of Bristol which has governance responsibilities over all activities related to the Authority. The Authority's Board of Commissioners has full decision-making authority and the power to designate the management of the Authority. The Authority's Board elects its own chairperson. The City of Bristol has no influence over the management, budget, or policies of the Authority. The Authority is a legally separate entity that is fiscally independent of other governments. Therefore, the Authority reports independently and is not included in the City of Bristol's financial reports.

The Authority operates and manages several different programs and presents financial statements from an enterprise fund perspective. Many of the funds maintained by the Authority are required by the U. S. Department of Housing and Urban Development and others are segregated to enhance accountability and control. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain Authority functions. Each fund is a separate accounting entity with a self-balancing set of accounts. The Authority's funds or programs are as follows:

- Business Activities Programs
- Capital Fund Grant Program
- Housing Choice Voucher Program
- Mainstream Voucher Program
- Low Income Public Housing
- Resident Opportunities and Self Sufficiency Program
- Community Development Block Grant
- State Rental Assistance Program (SRAP) through the Virginia Department of Behavioral Health and Developmental Services (DBHDS).

The Business Activities Programs are non-federally aided programs administered by the Authority which also includes the development and management of the following:

- Component Unit – Sapling Grove Apartments, LLC
- Component Unit – Village at Oakview, LLC

BRISTOL REDEVELOPMENT & HOUSING AUTHORITY
Bristol, Virginia

MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2021

Financial Analysis

The following sections present the Authority's financial statements and management's analysis of the Authority's financial condition and activities for this fiscal year. This analysis should be considered in conjunction with the financial statements and notes to the financial statements.

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

<u>Account Descriptions</u>	<u>2021</u>	<u>2020</u>	<u>Total Change</u>	<u>% Change</u>
Current Assets	3,613,680	2,752,244	861,436	31.30%
Noncurrent Assets	78,283	84,546	(6,263)	-7.41%
Capital Assets	13,622,156	14,158,455	(536,299)	-3.79%
Deferred Outflow of Resources	291,203	138,613	152,590	110.08%
Total Assets	<u>17,605,322</u>	<u>17,133,858</u>	<u>471,464</u>	<u>2.75%</u>
Current Liabilities	757,368	299,358	458,010	153.00%
Noncurrent Liabilities	1,988,456	1,727,251	261,205	15.12%
Deferred Inflow of Resources	51,484	126,579	(75,095)	-59.33%
Total Liabilities	<u>2,797,308</u>	<u>2,153,188</u>	<u>644,120</u>	<u>29.91%</u>
Investments in Capital Assets	11,123,841	11,549,280	(425,439)	-3.68%
Restricted Net Position	753,967	482,426	271,541	56.29%
Unrestricted Net Position	2,930,206	2,948,964	(18,758)	-0.64%
Total Net Position	<u>14,808,014</u>	<u>14,980,670</u>	<u>(172,656)</u>	<u>-1.15%</u>
Total Liabilities & Net Position	<u>17,605,322</u>	<u>17,133,858</u>	<u>471,464</u>	<u>2.75%</u>

BRISTOL REDEVELOPMENT & HOUSING AUTHORITY
Bristol, Virginia

MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2021

Major Factors Affecting the Combined Statement of Net Position (the Balance Sheet)

Current assets increased by \$861,436, made of \$743,611 in Cash and \$120,091 in Receivables.

Capital assets decreased by \$536,299, which is the net of a \$138,646 increase offset by \$674,945 in net additional Accumulated Depreciation during the fiscal year.

Noncurrent liabilities decreased by \$261,205 due entirely to a decrease in Deferred Developer Fees payable.

Deferred Inflow and Outflow of Resources were adjusted based on the Virginia Retirement System GASB 68 and GASB 75 reports for June 30, 2020, Measurement Date. The adjustments increased Deferred Outflow of Resources by \$152,590 while decreasing Deferred Inflow of Resources by \$75,095.

Total *Net Position* increased by \$471,464 due in part to the above factors indicated; it is comprised of these types:

- (a) *Unrestricted Net Position* funds which are not as restricted as the restricted net position category but remain subject to varying degrees of restrictions,
- (b) *Restricted Net Position* funds which are restricted by HUD or other outside controlling documents and/or entities for specific program and project needs and cannot be used for general Authority purposes,
- (c) *Investment in Capital Asset* funds which are investments in capital assets net of capital debt.

BRISTOL REDEVELOPMENT & HOUSING AUTHORITY
Bristol, Virginia

MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2021

Bristol Redevelopment & Housing Authority
Combined Statement of Revenues, Expenses and Change in Net Position
TABLE II

Account Descriptions	2021	2020	Total Change	% Change
Tenant Revenue	1,257,421	1,296,225	(38,804)	-2.99%
HUD Grant Funding	3,534,863	3,259,659	275,204	8.44%
State Grant Funding	119,680	79,311	40,369	50.90%
Interest Income	1,207	5,988	(4,781)	-79.84%
Other Income	28,731	40,316	(11,585)	-28.74%
Total Revenue	4,941,902	4,681,499	260,403	5.56%
Administration	1,214,524	1,351,120	(136,596)	-10.11%
Tenant Services	418,648	191,127	227,521	119.04%
Utilities	424,992	415,891	9,101	2.19%
Ordinary Maintenance	821,646	920,707	(99,061)	-10.76%
Protective Services	-	9,550	(9,550)	-100.00%
General Expenses	300,835	388,850	(88,015)	-22.63%
Housing Assistance Payments	1,220,384	1,098,431	121,953	11.10%
Interest & Amortization	28,155	28,935	(780)	-2.70%
Depreciation	685,374	706,212	(20,838)	-2.95%
Total Expenses	5,114,558	5,110,823	3,735	0.07%
Net Surplus	(172,656)	(429,324)	256,668	n/a
Capital Additions	-	772,605	(772,605)	-100.00%
Consolidation / Prior Period Adj	-	265,000	(265,000)	n/a
Total Change in Net Position	(172,656)	608,281	(780,937)	n/a
Beginning Net Position	14,980,670	14,372,389	608,281	4.23%
Ending Net Position	14,808,014	14,980,670	(172,656)	-1.15%

Major Factors Affecting the Statement of Revenues, Expenses and Changes in Net Position

Total Revenues increased by \$260,403 or 5.56% from the prior year. Governmental grants and subsidy from HUD saw an increase of \$275,204 (see note below Table III). HUD funding for Public Housing Operating Subsidy and Capital Funds both decreased but were partially offset by the addition of CARES Act Funding (Table III gives a comparative year by year breakdown of the HUD grant programs).

BRISTOL REDEVELOPMENT & HOUSING AUTHORITY
Bristol, Virginia

MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2021

Bristol Redevelopment & Housing Authority
HUD Funding Comparative
TABLE III

Year	Public Housing	HCV	Mainstream	CFP	ROSS	CDBG	CARES Act	Totals
2021	1,385,139	1,386,483	1,842	361,560	74,405	5,156	325,434	3,540,019
2020	1,415,008	1,266,988	-	1,299,691	50,577	3,455	-	4,035,719
Net Change	(29,869)	119,495	1,842	(938,131)	23,828	1,701	325,434	(495,700)
% Change	-2.11%	9.43%	n/a	-72.18%	47.11%	49.23%	n/a	-12.28%

The HUD funding decrease relates mostly to a smaller amount of funding for the Capital Fund Program (“CFP”). Because CFP funds are recognized as revenue and drawn down as expenditures are incurred, this decrease in HUD revenue is a direct correlation of a decrease in CFP expenditures during the year.

Total expenses were nearly flat over the previous year.

CARES Act reporting required expenses for non-COVID operational expenses be grouped into the Tenant Services expense line. Administration expenses decreased by \$136,596 or 10.11%, while Tenant Services expense increased by \$227,521 or 119.04% over the prior year.

Housing Assistance Payments (HAP) for the Housing Choice Voucher Program increased by \$121,953 as Unit Months Leased (UMLs) increased.

Capital Assets

At year end, the Authority had \$13.622 million in capital assets, which represented a 3.79% net decrease (additions, reductions, and depreciation) from the \$14.158 million balance from the prior year.

Total depreciation expense for the fiscal year was \$674,945.

The following table shows the comparative change in asset categories from 2020 to 2021.

BRISTOL REDEVELOPMENT & HOUSING AUTHORITY
Bristol, Virginia

MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2021

Bristol Redevelopment & Housing Authority
Combined Statement of Capital Assets

TABLE IV

Account Descriptions	2021	2020	Total Change	% Change
Land	962,573	962,573	-	0.00%
Buildings & Improvements	37,697,183	37,485,880	211,303	0.56%
Equipment	823,729	816,486	7,243	0.89%
Construction in Progress	751,388	831,288	(79,900)	-9.61%
Subtotal	40,234,873	40,096,227	138,646	
Less Accumulated Depreciation	(26,612,717)	(25,937,772)	(674,945)	2.60%
Total Capital Assets	13,622,156	14,158,455	(536,299)	-3.79%

Current and Long-Term Debt Outstanding

The Authority's Current and Long-Term Debt on March 31, 2021, totaled \$1,126,690 as compared to \$1,157,381 at the end of the previous year, representing a decrease of \$30,691. This decrease was a direct result of principal reduction from monthly payments. The Authority utilizes operating debt for the purpose of funding short-term revitalization needs in surrounding neighborhoods.

Table V is a summary of activity of all debt liabilities:

Bristol Redevelopment & Housing Authority
Outstanding Debt Schedule

TABLE V

	2021	2020	Total Change	% Change
Current Portion of Long-Term Debt	31,497	30,726	771	2.51%
Long Term Debt, Net of Current	1,095,193	1,126,655	(31,462)	-2.79%
Totals	1,126,690	1,157,381	(30,691)	-2.65%

BRISTOL REDEVELOPMENT & HOUSING AUTHORITY
Bristol, Virginia

MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2021

Economic Factors and Events Affecting Operations

Several factors will affect the financial position of the Authority in subsequent fiscal years. These factors include:

- (1) On April 1, 2021, the Authority was designated by HUD as a Moving to Work (MTW) Cohort 1 agency. This 20-year demonstration program allows for certain waivers and program changes, as well as a great deal of fungibility between the Public Housing, Capital Fund and Housing Choice Voucher Programs. While the Authority has chosen not to exercise any MTW changes until 4/1/22, the presentation of financial information in future years will undoubtedly change due to the changes to HUD reporting requirements. To learn more about the MTW program, please visit the HUD MTW website or our website at www.brha.com.
- (2) The COVID-19 pandemic, which began just before the beginning of FY2021, has had and will have a dramatic and long-lasting effect on all aspects of BRHA's operations and financial performance. Lay-offs, furloughs and business closings have decreased tenant rent payments in FY2021, while increasing housing assistance payments for the Voucher programs. Participants under both programs pay rents based on a specific percentage of their adjusted incomes. Eviction moratoriums will impact rent collections. CARES Act funds provided under both Public Housing and Housing Choice Voucher programs helped to address some of our new safety and health policies, procedures and remedies. A shift to remote (at-home) work for periods of time throughout the fiscal year are expected to continue as the pandemic shifts and BRHA works to keep our staff, our clients and our community healthy and safe.
- (3) BRHA sustained a fire in one building at Rice Terrace in July 2019, which resulted in 9 units being offline for most of FY2021. While the approved vacancies for fire damaged units will not result in a reduction of Operating Subsidy for those 9 units, total rental revenues for the year shows a net decrease.
- (4) Based on recent HUD budgets, the Authority expects to see level funding related to all HUD funded programs and does not see any major changes to current funding formulas for the near future. BRHA does expect a small decrease in public housing operating subsidy due to #5 below. The Authority is also considering future redevelopment of its public housing inventory utilizing the low-income housing tax credit program and/or the HUD Rental Assistance Demonstration program.
- (5) BRHA completed the Phase II demolition of the former Bonham Circle public housing site during FY2019. This resulted in the decommissioning of 26 public housing units from its inventory, which in turn has brought a phased down loss of operating subsidy over the past few years. Beginning in January 2022, BRHA will no longer see any Operating Subsidy for AMP 03.
- (6) BRHA was awarded 30 Mainstream Vouchers (non-elderly disabled) which we began leasing in July 2020, and an additional 9 Mainstream Vouchers (from CARES Act funding) which we began leasing in October 2020. These new vouchers continue to increase both HAP revenues and HAP expenses (to the extent they can be leased prior to FYE2022). They have also increased admin revenues as fees are earned for units leased. COVID-19 has caused some complications in getting these new vouchers leased, so the full effect of this new program might not be reflected financially until FY2023.

BRISTOL REDEVELOPMENT & HOUSING AUTHORITY
Bristol, Virginia

MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2021

Financial Contact

Questions concerning any of the information presented in this Management's Discussion & Analysis or the audit portion should be addressed in writing to:

Lisa R. Porter, Executive Director / CEO
Bristol Redevelopment & Housing Authority
120 Hope Lane
Bristol, Virginia 24201

BRISTOL REDEVELOPMENT AND HOUSING AUTHORITY
Bristol, Virginia

STATEMENT OF NET POSITION
As of March 31, 2021
(With Comparative Amounts as of March 31, 2020)

ASSETS	<u>2021</u>	<u>2020</u>
Current Assets		
Cash and Cash Equivalents	\$ 2,304,564	\$ 1,904,753
Restricted Cash and Cash Equivalents	909,498	565,698
Investments at Fair Value	194,122	193,523
Receivables, Net	151,738	31,647
Prepaid Expenses and Other Assets	<u>53,758</u>	<u>56,623</u>
Total current assets	<u>3,613,680</u>	<u>2,752,244</u>
Noncurrent Assets		
Other Assets	78,283	84,546
Capital Assets, Net	<u>13,622,156</u>	<u>14,158,455</u>
Total Noncurrent Assets	<u>13,700,439</u>	<u>14,243,001</u>
Total Assets	<u>17,314,119</u>	<u>16,995,245</u>
Deferred Outflow of Resources		
Deferred Outflow of Resources	<u>291,203</u>	<u>138,613</u>
Total Assets and Deferred Outflow of Resources	<u><u>\$ 17,605,322</u></u>	<u><u>\$ 17,133,858</u></u>

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

BRISTOL REDEVELOPMENT AND HOUSING AUTHORITY
Bristol, Virginia

STATEMENT OF NET POSITION
As of March 31, 2021
(With Comparative Amounts as of March 31, 2020)

LIABILITIES AND NET POSITION	2021	2020
Current Liabilities		
Accounts Payable	\$ 303,495	\$ 26,643
Accrued Expenses	30,768	26,683
Accrued Compensated Absences, Current	57,693	49,165
Intergovernmental Payable	34,870	37,731
Tenant Security Deposits	88,576	84,827
Unearned Revenue	168,904	9,183
Long Term Debt - Current Portion	31,497	30,726
Other Current Liabilities	41,565	34,400
Total Current Liabilities	757,368	299,358
Non-Current Liabilities		
Accrued Compensated Absences, Non-Current	103,755	98,369
Long Term Debt, Net of Current Portion	1,095,193	1,126,655
Other Non-Current Liabilities	153,500	99,000
Net Pension and OPEB Liabilities	636,008	403,227
Total Noncurrent Liabilities	1,988,456	1,727,251
Total Liabilities	2,745,824	2,026,609
Deferred Inflow of Resources		
Deferred Inflow of Resources	51,484	126,579
Total Liabilities and Deferred Inflow of Resources	2,797,308	2,153,188
NET POSITION		
Net Investment in Capital Assets	13,622,156	11,549,280
Restricted Net Position	753,967	482,426
Unrestricted Net Position	431,891	2,948,964
Total Net Position	14,808,014	14,980,670
Total Liabilities, Deferred Inflow of Resources, and Net Position	\$ 17,605,322	\$ 17,133,858

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

BRISTOL REDEVELOPMENT AND HOUSING AUTHORITY
Bristol, Virginia

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Year Ended March 31, 2021
(With Comparative Amounts for the Year Ended March 31, 2020)

	2021	2020
Operating Revenues		
Rental Income	\$ 1,257,421	\$ 1,296,225
HUD Operating Grants	3,478,794	3,259,659
Other Government Grants	119,680	79,311
Fraud Recovery	5,412	7,769
Other Revenue	23,319	32,547
Total Operating Revenues	4,884,626	4,675,511
Operating Expenses		
Administrative	1,214,524	1,351,120
Tenant Services	418,648	191,127
Utilities	424,992	415,891
Maintenance	821,646	920,707
Protective Services	-	9,550
General Expenditures	300,835	388,850
Housing Assistance Payments	1,220,384	1,098,431
Depreciation	685,374	706,212
Total Operating Expenses	5,086,403	5,081,888
Operating Income (Loss)	(201,777)	(406,377)
Non-Operating Revenues (Expenses)		
Interest Income, Unrestricted	1,207	5,988
Interest on Loans	(28,155)	(28,935)
Total Nonoperating Revenues (Expenses)	(26,948)	(22,947)
Income (Loss) Before Capital Grants	(228,725)	(429,324)
Capital Grants	56,069	772,605
Change in Net Position	(172,656)	343,281
Capital Contributions (Consolidated Unit)	-	265,000
Total Beginning Net Position	14,980,670	14,372,389
Total Ending Net Position	\$ 14,808,014	\$ 14,980,670

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

BRISTOL REDEVELOPMENT AND HOUSING AUTHORITY
Bristol, Virginia

STATEMENT OF CASH FLOWS
For the Year Ended March 31, 2021
(With Comparative Amounts for the Year Ended March 31, 2020)

	2021	2020
Cash Flows from Operating Activities:		
Cash Received from Tenants	\$ 1,306,212	\$ 1,386,873
Other Revenue Receipts	23,319	32,547
HUD PHA Operating Grants	3,478,794	3,259,659
Other Government Grants	119,680	79,311
Housing Assistance Payments	(1,220,384)	(1,098,431)
Cash Paid for Operating Expenses	<u>(2,867,266)</u>	<u>(3,358,925)</u>
Net Cash Provided by/(Used) for Operating Activities	<u>840,355</u>	<u>301,034</u>
Cash Flows from Capital and Related Financing Activities:		
Capital Contributions (Component Unit)	-	265,000
Capital Grants - HUD	56,069	772,605
Principal and Interest Payments on Operating Debt	<u>(4,346)</u>	<u>(285,876)</u>
Net Cash Provided by/(Used) for Financing Activities	<u>51,723</u>	<u>751,729</u>
Cash Flows from Investing Activities:		
Acquisition of Capital Assets	(149,075)	(789,958)
Purchase of Investments	(599)	(3,966)
Interest Income	1,207	5,988
Net Cash Provided by/(Used) for Investing Activities	<u>(148,467)</u>	<u>(787,936)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	743,611	264,827
Cash and Cash Equivalents at Beginning of Year	<u>2,470,451</u>	<u>2,205,624</u>
Cash and Cash Equivalents at End of Year	<u>\$ 3,214,062</u>	<u>\$ 2,470,451</u>
Reconciliation of Cash and Restricted Cash		
Cash and Cash Equivalents	\$ 2,304,564	\$ 1,904,753
Restricted Cash and Cash Equivalents	<u>909,498</u>	<u>565,698</u>
Total Cash and Cash Equivalents	<u>\$ 3,214,062</u>	<u>\$ 2,470,451</u>

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

BRISTOL REDEVELOPMENT AND HOUSING AUTHORITY
Bristol, Virginia

STATEMENT OF CASH FLOWS
For the Year Ended March 31, 2021
(With Comparative Amounts for the Year Ended March 31, 2020)

	2021	2020
Reconciliation of Operating Income (Loss) to Net Cash Provided by/ (Used) for Operating Activities:		
Operating Income (Loss)	\$ (201,777)	\$ (406,377)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by/(Used) for Operating Activities:		
Depreciation Expense	685,374	706,212
Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:		
(Increase) Decrease in Receivables, Net	(120,091)	78,699
(Increase) Decrease in Prepaid Expenses	2,865	15,544
(Increase) Decrease in Other Assets	6,263	6,264
(Increase) Decrease in Deferred Outflow of Resources	(152,590)	(54,284)
Increase (Decrease) in Accounts Payable	276,852	(2,556)
Increase (Decrease) in Accrued Expenses	4,085	(12,411)
Increase (Decrease) in Intergovernmental Payable	(2,861)	331
Increase (Decrease) in Accrued Compensated Absences	13,914	6,723
Increase (Decrease) in Tenant Security Deposits	3,749	251
Increase (Decrease) in Other Current Liabilities	7,165	(23,545)
Increase (Decrease) in Unearned Revenue	159,721	3,929
Increase (Decrease) in Deferred Inflow of Resources	(75,095)	(67,702)
Increase (Decrease) in Net Pension Liability	232,781	49,956
Net Cash Provided (Used) by Operating Activities	\$ 840,355	\$ 301,034

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

BRISTOL REDEVELOPMENT AND HOUSING AUTHORITY
Bristol, Virginia

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. Organization** - The Bristol Redevelopment and Housing Authority is a public body and a body corporate and politic created by the City of Bristol in 1937 under the authority of the General Statutes of the State of Virginia and the National Housing Act of 1937. The Authority was created for the purpose of providing safe and sanitary housing for the low-income citizens of Bristol. The Authority engages in the development, operation, and administration of a Low Rent Housing Program and other federally assisted programs.

The governing body of the Authority consists of a Chairperson and a Board of Commissioners, but the Authority designates its own management. The City of Bristol provides no financial support to the Authority and is not responsible for the debts or entitled to the surpluses of the Authority. The Authority has the power to approve its own budget and maintain its own accounting system. Although the Mayor of the City of Bristol appoints the governing board of the Authority, no other criteria established by NCGA Statement 3 (and adopted by the Governmental Accounting Standards Board) for inclusion of the Authority in the financial reports of the City are met. Therefore, a separate financial report is prepared for the Authority according to GASB Statement 14. These financial statements do not reflect, nor are required to reflect, blended or discretely presented component unit activity.

- B. Description of Programs** - The Authority maintains its accounting records by program. A summary of the significant programs operated by the Authority is as follows:

Low-Rent Public Housing

The public housing program is the primary operating program of the BRHA and is designed to provide low-cost housing. BRHA is the owner of approximately 353 public housing units located throughout the City of Bristol. Under this program, HUD provides funding via an annual contributions contract. These funds, combined with the rental income received from tenants, are available solely to meet the operating expenses of the program.

Public Housing Capital Fund

Capital grants, funded by HUD, are used for new construction and to improve the physical condition, management, and operation of existing public housing.

Housing Choice Vouchers (HCV)

The Authority administers the leasing of up to 303 units through the Housing Choice Voucher Program. This program establishes partnership between the Authority and private housing providers throughout the Authority's service area. The Authority earns administrative fees from HUD for facilitating and managing the public/private housing partnership.

Resident Opportunities and Self Sufficiency (ROSS)

ROSS grants are provided by HUD to be utilized for providing the residents of public housing with supportive services, resident empowerment activities, and assistance in becoming economically self-sufficient.

Business Activities

The Business Activities includes non-federal rental property and real estate, development and property management activity for the component units.

BRISTOL REDEVELOPMENT AND HOUSING AUTHORITY
Bristol, Virginia

NOTES TO FINANCIAL STATEMENTS - Continued
 FOR THE YEAR ENDED MARCH 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Description of Programs (continued)

State and Local

The State and Local program reflects funding received by the Virginia Department of Behavioral Health and Developmental Services to administer the State Rental Assistance Program. The program is designed to provide rental assistance and supportive services to individuals who meet the program eligibility criteria.

Component Units

To manage its business and financial affairs more effectively, the Authority has created an affiliate entity to support its various ventures. While the Authority, as the parent entity, manages federal, state and local programs, the affiliate entities support the various LIHTC developments.

Mainstream Vouchers

The Authority administers the leasing of up to 39 units for non-elderly disabled tenants through the Mainstream Voucher Program. This program establishes partnership between the Authority and private housing providers throughout the Authority's service area. The Authority earns administrative fees from HUD for facilitating and managing the public/private housing partnership.

- C. Reporting Entity** - In accordance with GASB 61, The Financial Reporting Entity Omnibus - An Amendment of GASB No. 14 and No. 34 ("GASB 61"), the Authority's basic financial statements include those of the Authority and any component units. Component units are legally separate organizations whose majority of officials are appointed by the Authority or the organization is fiscally dependent on the Authority and there is a potential for those organizations either to provide specific financial benefits to, or impose specific financial burdens on, the Authority. An organization has a financial benefit or burden relationship with the Authority if any one of the following conditions exist:

- the Authority is legally entitled to or can otherwise access the organization's resources
- the Authority is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization
- the Authority is obligated in some manner for the debt of the organization

Based on the aforementioned criteria, the following component units are included in the Authority's reporting entity:

Sapling Grove Apartments LLC – This entity is a Virginia limited liability company formed in 2007 to construct and operate thirteen buildings in Bristol, Virginia. The buildings consist of 26 residential rental apartments, of which 10 are public housing units. As of December 31, 2020, the Company has three members – Virginia Affordable Housing Management Corporation owns .001% special member interest, SGA Management, LLC owns a .009% managing member interest, and the Housing Equity Fund of Virginia XI, LLC owns a 99.99% investor member interest. Profit, losses, tax credits, and cash disbursements are allocated among the members on their respective ownership interest.

BRISTOL REDEVELOPMENT AND HOUSING AUTHORITY
Bristol, Virginia

NOTES TO FINANCIAL STATEMENTS- Continued
FOR THE YEAR ENDED MARCH 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Reporting Entity (continued)

Village at Oakview LLC – This entity is a Virginia limited liability company formed in 2016 to construct and operate twelve buildings of affordable housing in Bristol, Virginia. The buildings consist of 48 residential rental apartments, of which 16 are public housing units. As of December 31, 2020, the Company has three members –VAHM, LLC owns a .001% special member interest, Village Management, LLC owns a .009% managing member interest, and the Housing Equity Fund of Virginia XX, LLC owns a 99.99% investor member interest. Profit, losses, tax credits, and cash disbursements are allocated among the members based on their respective ownership interest.

Blended Presentation - In accordance with GASB 61, the Authority's financial statements are presented utilizing the blended method because the Authority's governing body and the Component Units' governing bodies are substantively the same; as such, a blended presentation of their financial statements is warranted.

- D. Basis of Accounting** - The Authority uses fund accounting to report on its financial position and results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain Authority functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. The Authority maintains Proprietary Fund types, the operations of which are accounted for in Enterprise Funds. These funds are established to account for operations similar to business enterprises where operations are primarily supported by user charges.

The financial statements of the Authority have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to Government Units. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Authority has elected to apply all applicable GASB as well as Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with GASB pronouncements.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Enterprise fund types use the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, the emphasis is on the measurement of net income similar to the approach used by commercial enterprises. Revenues are recognized when earned and expenses are recognized when incurred. All assets and liabilities associated with the operation of these funds are included on the statement of net assets. However, all inter-authority balances and transactions have been eliminated in consolidation.

The Authority adopted GASB 68, *Accounting and Financial Reporting for Pensions* ("GASB68"). GASB 68 established standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenditures associated with pension plans of State and Local Governments. For defined benefit pensions, GASB 68 identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actual present value, and attribute that present value to periods of employee service. In addition, GASB 68 details the recognition and disclosure requirements for employers with liabilities to a defined benefit pension plan and for employers whose employees are provided with defined contribution pensions.

BRISTOL REDEVELOPMENT AND HOUSING AUTHORITY
Bristol, Virginia

NOTES TO FINANCIAL STATEMENTS- Continued
 FOR THE YEAR ENDED MARCH 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Accounting (continued)

The Authority adopted GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* ("GASB 75"). This Statement is required for government agencies with fiscal years beginning after June 15, 2018 and has a similar reporting requirement for other postemployment benefits ("OPEB") as the GASB Statement 68 has for pension plans. Agencies are required to record OPEB liabilities, deferred inflows of resources, deferred outflows of resources and expenditures associated with OPEB plans of State and Local Governments in a similar fashion to the recognition of the net pension liability required by GASB Statement 68.

E. Cash, Cash Equivalents and Investments - Highly liquid investments with initial maturities of three months or less from date of purchase are considered cash equivalents. It is the Authority's policy to maintain collateralization in accordance with HUD requirements. Restricted cash and cash equivalents consist of tenant security deposits and net assets restricted for housing assistance payments. Investments are stated at market value. Fluctuations in market value and gain or loss upon disposition of investments are recorded in investment income.

F. Accounts Receivable, Net - Rents are due from tenants on the first day of each month. As a result, tenants receivable balances primarily consist of rents past due and vacated tenants. The Authority recognizes a receivable from HUD and other governmental agencies for amounts billed, but not received and for amounts unbilled, but earned as of year-end.

G. Allowance for Doubtful Accounts - The Authority periodically reviews all accounts receivable to determine the amount, if any, that may be uncollectable. An allowance for doubtful accounts is established to provide for all accounts, which may not be collected in the future for any reason.

H. Prepaid Expenses - Amounts paid as of year-end that will benefit future operations. Prepaid expenses consist of prepayments for liability and property insurance coverage, operating software, and cash surrender values of life insurance contracts.

I. Capital Assets - Land, buildings and equipment are capitalized at cost. Donated fixed assets are valued at their estimated fair market value on the date received. Costs determined to represent additions or betterments to existing structures which exceed the capitalization threshold of \$10,000 are capitalized. Repairs and maintenance costs are charged to expense as they are incurred. Depreciation is calculated on the straight-line basis over the following estimated useful lives:

Real Property and Improvements	10 - 40 years
Machinery and Equipment	5 - 7 years
Office Furniture, Fixtures and Equipment	5 - 7 years

When assets are retired, demolished, or sold, their costs are removed from the accounts and the proceeds, if any, are reflected in revenues currently.

J. Impairment of Capital Assets - The Authority evaluates events or changes in circumstances affecting capital assets to determine whether impairment has occurred. If the Authority determines that a capital asset is impaired, and that impairment is significant and other-than-temporary, then an impairment loss will be recorded in the Authority's financial statements. There were no impairment losses recorded for the year ended March 31, 2021.

BRISTOL REDEVELOPMENT AND HOUSING AUTHORITY
Bristol, Virginia

NOTES TO FINANCIAL STATEMENTS- Continued
FOR THE YEAR ENDED MARCH 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- K. Deferred Revenue** - The Authority's deferred revenue consists of tenant rent payments and HUD funding applicable to future periods. Insurance proceeds received are reported as deferred revenue until expended for approved repairs.
- L. Income Taxes** - As a political subdivision of the State of Virginia, the Authority is exempt from real estate, sales and income taxes. The Authority makes payments in lieu of taxes (PILOT) in accordance with the provisions of its Cooperation Agreement with the City. Under the Cooperation Agreement, the Authority must pay the City the lesser of 10% of its net shelter rent or the approximate full amount of the real property taxes on Authority owned units.
- M. Compensated Absences** - Full-time employees earn vacation and sick leave at a rate ranging from 12 to 18 days per year in accordance with the Authority's personnel policy. The maximum vacation and sick leave carryover, determined as of December 31 each year, shall be 36 days and 130 days, respectively. At termination, employees are paid for any accumulated vacation leave. Unused sick leave is paid at retirement, up to a maximum of \$2,500. The aggregate current and long-term liability recorded for accrued leave at March 31, 2021, was \$161,448.
- N. Interfund Activity** - Inter-program receivables/payables are the result of the use of the Public Housing Program as the common paymaster for shared costs of the Authority. Cash settlements are made periodically throughout the year, and all inter-program balances net to zero. Interprogram receivables and payables are eliminated for financial statement purposes in accordance with GASB 34.
- O. Use of Estimates** - The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingencies at the date of the financial statements, and revenues and expenses recognized during the reporting period. The most significant estimates relate to allowance for uncollectible accounts receivable, inventory obsolescence, the liability for post-employment benefits, and depreciation. Actual results could differ from those estimates. These estimates may be adjusted as more current information becomes available and any adjustment could be significant.
- P. Deferred Outflows and Deferred Inflows** - In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources until that time. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources until that time.

BRISTOL REDEVELOPMENT AND HOUSING AUTHORITY
Bristol, Virginia

NOTES TO FINANCIAL STATEMENTS- Continued
FOR THE YEAR ENDED MARCH 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Q. Net Position - Equity is classified as net position and consists of the following components:

- Net Investment in Capital Assets - Capital assets net of accumulated depreciation and reduced by the outstanding balances of any borrowings attributable to the acquisition or construction of those assets.
- Restricted Net Position - Net position which has been restricted by either external groups such as creditors, grantors, contributors, other governments or law through constitutional provisions or legislation. As of March 31, 2021, the Authority has \$753,967 in net position restricted for tenant security deposits, future housing assistance payments, and reserves and escrows of Component Units, either restricted by investors or held and administered by VHDA.
- Unrestricted Net Position - Represents net position that does not meet the definition of "restricted" or "invested in capital assets." The Authority's positive value of unrestricted net position may be used to meet ongoing obligations.

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

S. Other Postemployment Benefits (OPEB) - The Authority participates in the Virginia Group Life Insurance Plan (GLI) Plan that is being maintained by Virginia Retirement System (VRS). 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 net fiduciary position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 2: CASH, CASH EQUIVALENTS AND INVESTMENTS

The Authority's cash and investments, both unrestricted and restricted, consists of checking, savings, super NOW accounts, and investments with Virginia Investment Pool (LGIP) held at financial institutions. Deposits at each financial institution are insured by the FDIC up to \$250,000 in addition to being collateralized by pledged securities. Funds are maintained in accordance with Virginia Security for Public Deposits Act, Section 2.2-4400 et. seq. of the Code of Virginia or covered by federal depository insurance.

BRISTOL REDEVELOPMENT AND HOUSING AUTHORITY
Bristol, Virginia

NOTES TO FINANCIAL STATEMENTS- Continued
FOR THE YEAR ENDED MARCH 31, 2021

NOTE 2: CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)

The Authority is allowed to invest in certain "approved investment securities" in accordance with HUD guidelines. Approved investments generally include any of the following:

- a. Direct obligations of the United States of America or obligations fully guaranteed by the United States of America.
- b. Bonds, indentures, notes or other obligations issued by agencies or instrumentalities of the United States of America, the obligations of which are full faith and credit obligations of the United States of America.
- c. Interest-bearing time or demand deposits or similar banking arrangements which are federally insured in excess of the insurance coverage, may be made at a depository institution provided it is 100 percent collateralized by any of the securities listed above held in the Authority's name.
- d. Certificates of deposits or other similar banking arrangements, which are federally insured. A deposit in excess of the insurance coverage may be made at a depository institution provided that it is 100 percent collateralized by any of the securities listed above.
- e. Repurchase agreements collateralized by direct obligations of, or obligations in the payment of principal and interest on which are unconditionally guaranteed as to full and timely payment by the United States of America.

The Authority reports all of its investments at fair value, hence no additional disclosure is required under GASB Technical Bulletin No. 2003-1, Disclosure Requirements for Derivatives Not Reported at Fair Value on the Statement of Net Assets.

The Authority has no policy regarding custodial credit risk for deposits. The three custodial credit-risk categories are defined as follows:

- a. Insured or collateralized with securities held by the entity or by its agent (correspondent bank or Federal Reserve Bank) in the Entity's name.
- b. Collateralized with securities held by the pledging financial institution trust department or agent in entity's name.
- c. Uncollateralized or collateralized with securities held by the pledging financial institution or by its trust department or agent but not in the entity's name.

The Authority's cash and investments with financial institutions at March 31, 2021 and 2020, consist of the following:

	Credit-Risk Categories			Total Bank Balance	Carrying Amount
	1	2	3		
2021	\$ 3,467,088	\$ -	\$ -	\$ 3,467,088	\$3,408,185
2020	\$ 2,843,653	\$ -	\$ -	\$ 2,843,653	\$2,663,974

BRISTOL REDEVELOPMENT AND HOUSING AUTHORITY
Bristol, Virginia

NOTES TO FINANCIAL STATEMENTS- Continued
FOR THE YEAR ENDED MARCH 31, 2021

NOTE 3: RESTRICTED DEPOSITS

Restricted deposits at March 31, 2021, include the following:

Nature of Restriction	2021	2020
Tenant Security Deposits	\$ 88,576	\$ 84,827
FSS Escrows	41,565	32,783
Investor Restricted Reserves	83,577	83,606
Escrows Held by VHDA	152,493	129,272
SRAP	244,501	205,483
Insurance Proceeds	154,722	-
HCV CARES Act Funds	64,455	-
Mainstream Vouchers	36,440	-
HAP	43,169	29,727
Total Restricted Deposits	<u>\$ 909,498</u>	<u>\$ 565,698</u>

NOTE 4: RECEIVABLES

Receivables as of March 31, 2021 and 2020, including the applicable allowances for uncollectible accounts, are as follows:

	2021	2020
Tenant Receivable:		
Dwelling Rents	\$ 58,642	\$ 19,069
Less: Allowance for Doubtful Accounts	(19,149)	(8,319)
Net Tenant Accounts Receivable	<u>39,493</u>	<u>10,750</u>
Other Receivable:		
HUD	110,140	4,792
City of Bristol	-	3,455
Miscellaneous	2,105	12,650
Net Other Receivable	<u>112,245</u>	<u>20,897</u>
Total Receivables	<u>\$ 151,738</u>	<u>\$ 31,647</u>

NOTE 5: PREPAID EXPENSES AND OTHER ASSETS

Prepaid expenses and other assets at March 31, 2021 and 2020, consisted of the following:

	2021	2020
Property and Liability Insurance	\$ 18,030	\$ 36,584
Employee Health Insurance	15,464	13,369
Prepaid Expenses	12,224	12,224
	45,718	48,808
Component Unit - Insurance	<u>8,040</u>	<u>7,815</u>
Total Prepaid Expenses and Other Assets	<u>\$ 53,758</u>	<u>\$ 56,623</u>

BRISTOL REDEVELOPMENT AND HOUSING AUTHORITY
Bristol, Virginia

NOTES TO FINANCIAL STATEMENTS- Continued
FOR THE YEAR ENDED MARCH 31, 2021

NOTE 6: NOTES RECEIVABLE

At March 31, 2021 and 2020, the Authority has two Notes Receivable from its Component Unit, Village at Oakview, LLC. The first note in the amount of \$1,238,178 does not accrue interest and matures in October 2046. The second note in the amount of \$200,000 accrues interest at 2.5% per annum and matures in October 2046. The principal and accrued interest of these notes has been eliminated in the entity-wide consolidation to the extent of audited amounts as of December 31, 2020 and 2019, the closing dates of Village at Oakview, LLC.

At March 31, 2021, the Authority is also due developer fees of \$266,684 and \$130,010 from Component Units Sapling Grove Apartments, LLC (SGA) and Village at Oakview, LLC (V@O), respectively. The aggregate amount of the developer fees is eliminated in the entity-wide consolidation at March 31, 2021.

At March 31, 2020, the Authority is also due developer fees of \$286,164 and \$264,010 from Component Units Sapling Grove Apartments, LLC (SGA) and Village at Oakview, LLC (V@O), respectively. The aggregate amount of the developer fees is eliminated in the entity-wide consolidation at March 31, 2021. The developer fees shall be repaid from available cash flows from operations as defined in the operating agreements.

NOTE 7: OTHER ASSETS – NONCURRENT

Costs incurred by the Component Units to obtain tax credits are capitalized and amortized over 30 years. At March 31, 2021 and 2020, other noncurrent assets consist of tax credit fees, net of accumulated amortization, in the amount of \$78,283 and \$84,546, respectively.

NOTE 8: CAPITAL ASSETS, NET

A summary of the changes in capital assets during the year ended March 31, 2021 is as follows:

	3/31/2020	Increase	Decrease	3/31/2021
Land	\$ 962,573	\$ -	\$ -	\$ 962,573
Buildings and Improvements	37,485,880	211,303	-	37,697,183
Furniture, Equipment and Machinery - Dwelling	586,618	-	(1)	586,617
Furniture, Equipment and Machinery - Nondwelling	229,868	11,410	(4,166)	237,112
Construction in Process	831,288	138,647	(218,547)	751,388
Total at Historical Cost	<u>40,096,227</u>	<u>361,360</u>	<u>(222,714)</u>	<u>40,234,873</u>
Buildings	(25,250,312)	(643,724)	6,263	(25,887,773)
Furniture, Equipment and Machinery	(687,460)	(41,650)	4,166	(724,944)
Total Accumulated Depreciation	<u>(25,937,772)</u>	<u>(685,374)</u>	<u>10,429</u>	<u>(26,612,717)</u>
Capital Assets, Net	<u>\$ 14,158,455</u>	<u>\$ (324,014)</u>	<u>\$ (212,285)</u>	<u>\$ 13,622,156</u>

Depreciation expense for the years ended March 31, 2021 and 2020, was \$685,374 and \$706,212, respectively and charged as follows:

	2021	2020
Low Rent Public Housing	\$ 301,871	\$ 322,709
Component Unit	374,167	374,167
Business Activities	9,336	9,336
Total Depreciation	<u>\$ 685,374</u>	<u>\$ 706,212</u>

BRISTOL REDEVELOPMENT AND HOUSING AUTHORITY
Bristol, Virginia

NOTES TO FINANCIAL STATEMENTS- Continued
FOR THE YEAR ENDED MARCH 31, 2021

NOTE 9: ACCOUNTS PAYABLE

Accounts payable at March 31, 2021 and 2020, consisted of the following:

	2021	2020
Vendors and Contractors	\$ 303,495	\$ 26,643
City of Bristol (PILOT)	34,870	37,731
Total Accounts Payable	<u>\$ 338,365</u>	<u>\$ 64,374</u>

NOTE 10: ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities at March 31, 2021 and 2020, consisted of the following:

	2021	2020
Wages and Payroll Taxes	\$ 4,994	\$ 4,298
HAP Payable	-	456
Accrued Compensated Absences - Current Portion	57,693	49,165
Long Term Debt - Current Portion	31,497	30,726
Accrued Interest Payable (VH)	2,317	2,671
Unearned Revenue	168,904	9,183
Accrued Utilities	23,457	20,875
Tenant Security Deposits	88,576	84,827
FSS Escrow	41,565	32,783
Total Accrued Expenses and Other Current Liabilities	<u>\$ 419,003</u>	<u>\$ 234,984</u>

NOTE 11: NON-CURRENT LIABILITIES

The following is a summary of changes in non-current liabilities for the year ended March 31, 2021:

	3/31/2020	Increases	Decreases	3/31/2021	Current	Non-Current
Compensated Absences	\$ 147,534	\$ 55,943	\$ (42,029)	\$ 161,448	\$ 57,693	\$ 103,755
Long-Term Debt	1,157,381	-	(30,691)	1,126,690	31,497	1,095,193
Accrued Pension and OPEB	403,227	232,781	-	636,008	-	636,008
Other Non-Current Liabilities	99,000	54,500	-	153,500	-	153,500
	<u>\$1,807,142</u>	<u>\$ 343,224</u>	<u>\$ (72,720)</u>	<u>\$ 2,077,646</u>	<u>\$ 89,190</u>	<u>\$ 1,988,456</u>

Compensated Absences - Represents the amount of accumulated leave for which employees are entitled to receive payment in accordance with the Authority's Personnel Policy.

Long-Term Debt – Includes 2 mortgage notes payable to Virginia Housing (VH) from the Component Units. The principal balances at December 31, 2020, the closing date of the Component Units are as follows:

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FOR THE YEAR ENDED MARCH 31, 2021

NOTE 11: NON-CURRENT LIABILITIES (continued)

	<u>SGA</u>	<u>V@O</u>	<u>Total</u>
Total Balance	\$ 351,397	\$ 775,293	\$ 1,126,690
Less: Current Portion	<u>(10,181)</u>	<u>(21,316)</u>	<u>(31,497)</u>
Total Long-Term Balance	<u>\$ 341,216</u>	<u>\$ 753,977</u>	<u>\$ 1,095,193</u>

The SGA VH note has a stated interest rate of 3.50% and matures in November 2043. Required monthly payments of principal and interest are \$1,860. The V@O VH note has a stated interest rate of 2.00% and matures in July, 2048. Required monthly payments of principal and interest are \$3,050.

Required principal and interest payments for the next 5 years ending December 31, are as follows:

	<u>SGA</u>		<u>V@O</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2021	\$ 10,181	\$ 12,137	\$ 21,316	\$ 15,276	\$ 58,910
2022	10,543	11,774	21,747	14,846	58,910
2023	10,918	11,399	22,185	14,407	58,909
2024	11,307	11,011	22,633	13,959	58,910
2025	11,709	10,609	23,090	13,502	58,910
Thereafter	<u>296,739</u>	<u>103,119</u>	<u>664,322</u>	<u>160,763</u>	<u>1,224,943</u>
TOTAL	<u>\$ 351,397</u>	<u>\$ 160,049</u>	<u>\$ 775,293</u>	<u>\$ 232,753</u>	<u>\$ 1,519,492</u>

Accrued Pension and Other Postemployment Benefits (OPEB) – At March 31, 2021 and 2020, the Authority reported liabilities of \$636,008 and \$403,227, respectively for Pension and Other Post-Employment Benefits.

Other Non-Current Liabilities - Other Non-Current liabilities include developer fees of \$153,500 not eliminated in the entity-wide consolidation and extended to the Component Units after December 31, 2020, the closing date of the Component Units.

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NOTES TO FINANCIAL STATEMENTS- Continued
 FOR THE YEAR ENDED MARCH 31, 2021

NOTE 12: PENSION PLAN

The Authority contributes to the Virginia Retirement System (VRS), a cost-sharing multiple employer defined benefit public employee retirement system that acts as a common investment and administrative agent for political subdivisions in the Commonwealth of Virginia.

The VRS issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for VRS. A copy of that report may be obtained by visiting the VRS website at <https://www.varetire.org/pdf/publications/2020-annual-report.pdf> or by writing the System's CFO at P. O. Box 2500, Richmond, VA 23218-2500.

- a. Plan Description - All of the Authority's eligible full-time employees participate in the Virginia Retirement System (the VRS / System). The System is a multiple employer defined benefit cost sharing public employee retirement system covering substantially all employees of the State and its component units, as well as employees of participating non-state government entities who are not participants of another state or municipal retirement system. Benefits vest after five years of service credit. Members earn one month of service credit for each month they are employed, and their employer is paying into the VRS. Members are eligible to purchase prior public service, active-duty military service, certain periods of leave and previously refunded VRS service as credit in their plan. VRS administers three defined benefit plans for local government employees—Plan 1, Plan 2, and Hybrid Retirement Plan:
- Members hired before July 1, 2010 and who have service credits before July 1, 2010 are covered under Plan 1. Non-hazardous duty members are eligible for an unreduced retirement benefit beginning at age 65 with at least five years of service credit or age 50 with at least 30 years of service credit. They may retire with a reduced benefit as early as, age 55 with at least 5 years of service credit or age 50 with at least 10 years of service credit.
 - Members hired or rehired on or after July 1, 2010 and who have no service credits before July 1, 2010 are covered under Plan 2. Non-hazardous duty members are eligible for an unreduced benefit beginning at their normal Social Security retirement age with at least five years of service credit or when the sum of their age and service equals 90. They may retire with a reduced benefit as early as age 60 with at least five years of service credit.
 - Members hired on or after January 1, 2014 and who have no service credits before January 1, 2014 are covered under a Hybrid Retirement Plan, a combination of a defined benefit plan (similar to Plan 2) and a defined contribution plan (a mandatory 1% of compensation into a 401 (a) plan account).

Non-hazardous duty members are eligible for an unreduced benefit beginning at their normal Social Security retirement age with at least five years of service credit or when the sum of their age and service equals 90. They may retire with a reduced benefit as early as age 60 with at least five years of service credit.

The VRS Basic Benefit is a lifetime monthly benefit based on a retirement multiplier as a percentage of the member's average final compensation multiplied by the member's total service credit. Under Plan 1, average final compensation is the average of the member's 36 consecutive months of highest compensation. Under Plan 2 and Hybrid Retirement Plan's defined benefit portion, average final compensation is the average of the member's 60 consecutive months of highest compensation. The retirement multiplier for non-hazardous duty members is 1.70%. The retirement multiplier for sheriffs and regional jail superintendents is 1.85%. The retirement multiplier for eligible political subdivision hazardous duty employees other than sheriffs and jail superintendents is 1.70% or 1.85% as elected by the employer. At retirement, members can elect the Basic

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NOTES TO FINANCIAL STATEMENTS- Continued
FOR THE YEAR ENDED MARCH 31, 2021

NOTE 12: PENSION PLAN (continued)

Benefit, the Survivor Option, a Partial Lump-Sum Option Plan (PLOP) or the Advance Pension Option. A retirement reduction factor is applied to the Basic Benefit amount for members electing the Survivor Option, PLOP, or Advance Pension Option or those retiring with a reduced benefit.

Retirees are eligible for an annual cost-of-living adjustment (COLA) effective July 1 of the second calendar year of retirement. Under Plan 1, the COLA cannot exceed 5.00%; under Plan 2, the COLA cannot exceed 6.00%. During years of no inflation or deflation, the COLA is 0.00%. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia (1950), as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

- b. Employees Covered by Benefit Terms - As of the June 30, 2019, actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

Inactive Members or Their Beneficiaries Currently Receiving Benefits	25
Inactive Members:	
Vested	1
Non-Vested	14
Active Elsewhere in VRS	3
Total Inactive Members	18
Active Members	29
Total Covered Employees	72

- c. Contributions - The contribution requirement for active employees is governed by Title 51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to state agencies by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensations toward their retirement. Prior to July 1, 2012, all or part of the 5.00% member contribution may have been assumed by the employer. Beginning July 1, 2012, new employees were required to pay the 5.00% member contribution. In addition, for existing employees; employers were required to begin making the employee pay the 5.00% member contribution. This could be phased in over a period of up to 5 years and the employer is required to provide a salary increase equal to the amount of the increase in the employee-paid member contribution. BRHA's contractually required contribution rates for the year ended March 31, 2021 was 7.23% of covered employee compensation. These rates, when combined with employee contributions, are 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 BRHA to the pension plan were \$80,890 and \$80,617 for the years ended June 30, 2020, and June 30, 2019, respectively.

Liabilities, expenses and deferred outflows/inflows of resources related to pensions

- a. Actuarial Assumptions –

The total pension liability for General Employees in the Authority's retirement plan was based on an actuarial valuation as of June 30, 2019, 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, 2020.

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NOTES TO FINANCIAL STATEMENTS- Continued
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NOTE 12: PENSION PLAN (continued)

a. Actuarial Assumptions (continued)

Inflation	2.50%
Salary increases, including inflation	3.5% - 5.35%
Investment rate of return	6.75% net of pension plan investment expense, including inflation*

*Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. Since the difference was minimal, a more conservative 6.75% investment return assumption was used for preparation of pension liabilities.

Mortality rates – Largest Ten Locality Employers - General and Non-Hazardous Duty Employees

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each year age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability Discount Rate	Increased rate from 14% to 20% Decrease rate from 7.00% to 6.75%

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NOTES TO FINANCIAL STATEMENTS- Continued
FOR THE YEAR ENDED MARCH 31, 2021

NOTE 12: PENSION PLAN (continued)

a. Actuarial Assumptions (continued)

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	34.00%	4.65%	1.58%
Fixed Income	15.00%	0.46%	0.07%
Credit Strategies	14.00%	5.38%	0.75%
Real Assets	14.00%	5.01%	0.70%
Private Equity	14.00%	8.34%	1.17%
MAPS-Multi-Asset Public Strategies	6.00%	3.04%	0.18%
PIP-Private Investment Partnership	3.00%	6.49%	0.19%
Total	100.00%		4.64%
	Inflation		2.50%
	*Expected arithmetic nominal return		7.14%

* The above allocation provides a one-year return of 7.14%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. The VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation. More recent capital market assumptions compiled for the FY 2020 actuarial valuations, provide a median return of 6.81%.

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NOTES TO FINANCIAL STATEMENTS- Continued
FOR THE YEAR ENDED MARCH 31, 2021

NOTE 12: PENSION PLAN (continued)

a. Actuarial Assumptions (continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; political subdivisions were also provided with an opportunity to use an alternate employer contribution rate. For the year ended June 30, 2020, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2017, actuarial valuations, whichever was greater. From July 1, 2020 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 of the VRS Pension Plan

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a-b)
Balances at June 30, 2019	\$ 24,206,763,285	\$ 21,259,033,960	\$ 2,947,729,325
Changes for the year:			
Service Cost	603,765,952	-	603,765,952
Interest	1,593,594,255	-	1,593,594,255
Benefit changes	19,656,740	-	19,656,740
Difference between expected and actual experience	221,364,302	-	221,364,302
Changes of assumptions	-	-	-
Contributions-employer	-	521,612,585	(521,612,585)
Contributions-employee	-	258,396,039	(258,396,039)
Net investment income	-	405,050,874	(405,050,874)
Benefit payments, including refunds	(1,195,828,307)	(1,195,828,307)	-
Refunds of employee contributions	-	-	-
Administrative expense	-	(13,841,789)	13,841,789
Other changes	-	(332,796)	332,796
Net Changes	1,242,552,942	(24,943,394)	1,267,496,336
Balances at June 30, 2020	\$ 25,449,316,227	\$ 21,234,090,566	\$ 4,215,225,661

Totals are from Schedule E Total Pension Liability and Fiduciary Net Position on pages 107-130 of the GASB Statement No. 68 Report.

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NOTES TO FINANCIAL STATEMENTS- Continued
FOR THE YEAR ENDED MARCH 31, 2021

NOTE 12: PENSION PLAN (continued)

- b. Net Pension Liability – BRHA's Net Pension Liability was measured as of June 30, 2020. The total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2019, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2020. The following table summarizes the changes in BRHA's Net Pension Liability which resulted in \$545,224 being reported as a pension liability at March 31, 2021.

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a-b)
Balances at June 30, 2019	\$ 3,564,138	\$ 3,252,200	\$ 311,938
Changes for the year:			
Service Cost	102,664	-	102,664
Interest	232,969	-	232,969
Changes of assumptions	-	-	-
Difference between expected and actual experience	82,599	-	82,599
Contributions-employer	-	74,452	(74,452)
Contributions-employee	-	50,922	(50,922)
Net investment income	-	61,780	(61,780)
Benefit payments, including refunds of employee contributions	(225,489)	(225,489)	-
Administrative expense	-	(2,136)	2,136
Other changes	-	(72)	72
Net Changes	192,743	(40,543)	233,286
Balances at June 30, 2020	\$ 3,756,881	\$ 3,211,657	\$ 545,224

- c. Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents BRHA's Net Pension Liability using the discount rate of 6.75%, as well as what it would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (5.75%)
BRHA's Net Pension Liability (Asset)	\$934,978	\$545,224	\$215,017

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NOTES TO FINANCIAL STATEMENTS- Continued
FOR THE YEAR ENDED MARCH 31, 2021

NOTE 12: PENSION PLAN (continued)

- d. Pension Expense (Income) - For the year ended March 31, 2021, BRHA recognized pension expense of \$80,861. The components of pension expense are as follows:

Service Costs	\$	102,664
Interest on the total pension liability		232,969
Expensed portion of current period difference between expected and actual experience in the total pension liability		27,905
Expensed portion of current-period changes of assumptions		-
Member contributions		(50,922)
Projected earnings on plan investments		(216,071)
Expensed portion of current period difference between actual and projected earnings on plan investments		30,858
Administrative expense		2,136
Other		72
Recognition of beginning deferred outflows of resources as pension expense		62,403
Recognition of beginning deferred inflows of resources as pension expense		(111,153)
Pension Expense (Income)	<u>\$</u>	<u>80,861</u>

- e. Deferred Outflows of Resources and Deferred Inflows of Resources - As of March 31, 2021, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 54,694	\$ 12,866
Changes of assumptions	25,771	-
Net difference between projected and actual earnings on pension plan investments	129,636	33,739
Employer contributions subsequent to the measurement date	54,776	-
Total	<u>\$ 264,877</u>	<u>\$ 46,605</u>

Deferred outflows of resources in the amount of \$54,694 resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended March 31, 2022.

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NOTES TO FINANCIAL STATEMENTS- Continued
 FOR THE YEAR ENDED MARCH 31, 2021

NOTE 12: PENSION PLAN (continued)

- e. Deferred Outflows of Resources and Deferred Inflows of Resources (continued) - Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Reporting Date Ending June 30:

2022	\$	42,778
2023		56,932
2024		32,927
2025		30,859
2026		
Thereafter		-

NOTE 13: OTHER POST EMPLOYMENT BENEFITS (OPEB)

The Virginia Retirement System (VRS) Group Life Insurance Program (OPEB-GLI) 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 OPEB-GLI liability, deferred outflows of resources and deferred inflows of resources related to the OPEB-GLI, and OPEB-GLI 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 net fiduciary position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

- a. Plan Description - All full-time, salaried permanent employees of the state agencies, teachers and employees of participating political subdivisions are automatically covered by the VRS Group Life Insurance Program upon employment. This plan is administered by the Virginia Retirement System (VRS), along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia. In addition to the Basic Group Life Insurance benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional Group Life Insurance Program. Since this is a separate and fully insured program, it is not included as part of the Group Life Insurance Program OPEB.

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NOTES TO FINANCIAL STATEMENTS- Continued
FOR THE YEAR ENDED MARCH 31, 2021

NOTE 13: OTHER POST EMPLOYMENT BENEFITS (continued)

a. Plan Description (continued)

Significant plan provisions of the Political Subdivision Group Life Insurance Program OPEB, including eligibility, coverage and benefits are as follows:

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 ends for employees who leave their position before retirement eligibility or who take a refund of their accumulated retirement 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.

Reduction in Benefit Amounts

The benefit amounts provided to members covered under the Group Life Insurance Program are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value.

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

For covered members with at least 30 years of creditable service, there is a minimum benefit payable under the Group Life Insurance Program. The minimum benefit was set at \$8,000 by statute. This amount is increased annually based on the VRS Plan 2 cost-of-living adjustment and was increased to \$8,463 effective June 30, 2020.

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NOTES TO FINANCIAL STATEMENTS- Continued
 FOR THE YEAR ENDED MARCH 31, 2021

NOTE 13: OTHER POST EMPLOYMENT BENEFITS (continued)

- b. Contributions- The contribution requirements for the Group Life Insurance Program are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the Group Life Insurance Program was 1.31% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.79% (1.31% X 60%) and the employer component was 0.52% (1.31% X 40%). Employers may elect to pay all or part of the employee contribution, however the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2020 was 0.52% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the Group Life Insurance Program from the entity were \$6,042 and \$5,723 for the years ended June 30, 2020 and June 30, 2019, respectively.

Liabilities, expenses and deferred outflows/inflows of resources related to OPEB

a. Actuarial Valuation Method and Assumptions

The Total GLI OPEB Liability was based on an actuarial valuation as of June 30, 2019, 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, 2020.

Inflation	2.50%
Salary increases, including inflation	3.5% - 5.35%
Investment rate of return	6.75% net of pension plan investment expense, including inflation*

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

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NOTES TO FINANCIAL STATEMENTS- Continued
 FOR THE YEAR ENDED MARCH 31, 2021

NOTE 13: OTHER POST EMPLOYEMENT BENEFITS (continued)

a. Actuarial Valuation Method and Assumptions (continued)

Mortality rates – Largest Ten Locality Employers - General and Non-Hazardous Duty Employees

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

The actuarial assumptions used in the June 30, 2019, valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (Pre-retirement, post-retirement, healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each year age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 20%
Discount Rate	Decrease from 7.00% to 6.75%

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NOTES TO FINANCIAL STATEMENTS- Continued
FOR THE YEAR ENDED MARCH 31, 2021

NOTE 13: OTHER POST EMPLOYMENT BENEFITS (continued)

a. Actuarial Valuation Method and Assumptions (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, 2020, NOL amounts for the Group Life Insurance Program are as follows (amounts expressed in thousands):

	Group Life Insurance <u>OPEB Program</u>
Total GLI OPEB Liability	\$3,523,937
Less: Plan Fiduciary Net Position	<u>1,855,102</u>
Employers' Net GLI OPEB Liability (Asset)	<u>\$1,668,835</u>
Plan Fiduciary Net Position as a Percentage of the Total Political Subdivision GLI OPEB Liability	52.64%

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 lognormal 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 table on the following page.

BRISTOL REDEVELOPMENT AND HOUSING AUTHORITY
Bristol, Virginia

NOTES TO FINANCIAL STATEMENTS- Continued
FOR THE YEAR ENDED MARCH 31, 2021

NOTE 13: OTHER POST EMPLOYMENT BENEFITS (continued)

a. Actuarial Valuation Method and Assumptions (continued)

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	34.00%	4.65%	1.58%
Fixed Income	15.00%	0.46%	0.07%
Credit Strategies	14.00%	5.38%	0.75%
Real Assets	14.00%	5.01%	0.70%
Private Equity	14.00%	8.34%	1.17%
MAPS-Multi-Asset Public Strategies	6.00%	3.04%	0.18%
PIP-Private Investment Partnership	3.00%	6.49%	0.19%
Total	100.00%		4.64%
	Inflation		2.50%
	*Expected arithmetic nominal return		7.14%

* The above allocation provides a one-year return of 7.14%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. The VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation. More recent capital market assumptions compiled for the FY2020 actuarial valuations, provide a median return of 6.81%.

Discount Rate

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS guidance and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2020, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 100% of the actuarially determined contribution rate. From July 1, 2020 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

BRISTOL REDEVELOPMENT AND HOUSING AUTHORITY
Bristol, Virginia

NOTES TO FINANCIAL STATEMENTS- Continued
FOR THE YEAR ENDED MARCH 31, 2021

NOTE 13: OTHER POST EMPLOYMENT BENEFITS (continued)

- b. Net OPEB Liability - At March 31, 2021, BRHA reported a liability of \$90,784 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2020 and the total OPEB liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of June 30, 2019. The covered employer's proportion of the Net OPEB Liability was based on the covered employer's actuarially determined employer contributions to the Group Life Insurance Program for the year ended June 30, 2019 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2020, the BRHA employer's proportion was 0.00544% as compared to 0.00561% at June 30, 2019.
- c. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate - The following presents the net GLI OPEB liability of BRHA using the discount rate of 6.75%, as well as what BRHA's net GLI OPEB liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
BRHA's Net OPEB Liability (Asset)	\$119,343	\$90,784	\$67,592

- d. OPEB Expense- For the year ended March 31, 2021, BRHA recognized GLI OPEB expense of \$3,593. Since there was a change in proportionate share between measurement dates, a portion of the OPEB expense was related to deferred amounts from changes in proportion.
- e. Deferred Outflows of Resources and Deferred Inflows of Resources - At March 31, 2021, BRHA reported deferred outflows of resources and deferred inflows of resources related to GLI OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 5,823	\$ 815
Net difference between projected and actual earnings on OPEB plan investments	2,727	-
Changes of assumptions	4,540	1,896
Changes in proportion	1,950	2,168
Employer contributions subsequent to the measurement date	11,286	-
Total	<u>\$ 26,326</u>	<u>\$ 4,879</u>

BRISTOL REDEVELOPMENT AND HOUSING AUTHORITY
Bristol, Virginia

NOTES TO FINANCIAL STATEMENTS- Continued
FOR THE YEAR ENDED MARCH 31, 2021

NOTE 13: OTHER POST EMPLOYMENT BENEFITS (continued)

- e. Deferred Outflows of Resources and Deferred Inflows of Resources (continued)- Deferred outflows of resources in the amount of \$11,286 resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the year ended March 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Reporting Date Ending June 30:

2022	\$	(2,541)
2023		(2,540)
2024		(2,540)
2025		(2,540)
2026		-
Thereafter		-

Detailed information about the Group Life Insurance Program's Fiduciary Net Position is available in the separately issued VRS 2020 Comprehensive Annual Financial Report (CAFR). A copy of the 2020 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2020-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

NOTE 14: HUD PHA GRANTS

HUD contributions, recognized as grant revenue, for the years ended March 31, 2021 and 2020, were as follows:

	Operating Grant	Capital Grant	Total 2021	Total 2020
Low Rent Public Housing - Operating Subsidy	\$ 1,385,139	-	\$ 1,385,139	\$ 1,415,008
Housing Choice Vouchers	1,386,483	-	1,386,483	1,266,988
Capital Fund Program	305,491	56,069	361,560	1,299,691
Resident Opportunity and Self Sufficiency	74,405	-	74,405	50,577
Community Development Block Grant	5,156	-	5,156	3,455
Mainstream Vouchers	1,842	-	1,842	-
CARES Act	325,434	-	325,434	-
TOTAL HUD PHA Grants	\$ 3,483,950	\$ 56,069	\$ 3,540,019	\$ 4,035,719

NOTE 15: RISK MANAGEMENT

The Authority 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. Significant losses are covered by commercial insurance for all major programs and there have been no significant reductions in insurance coverage. Claims expenditures and liabilities are reported when it is probable that a loss has occurred, the amount of the loss can be reasonably estimated, and said amount exceeds insurance coverage. Settlement amounts have not exceeded insurance coverage for the last four years.

BRISTOL REDEVELOPMENT AND HOUSING AUTHORITY
Bristol, Virginia

NOTES TO FINANCIAL STATEMENTS- Continued
FOR THE YEAR ENDED MARCH 31, 2021

NOTE 16: CONTINGENCIES AND OTHER MATTERS

- a. Litigation and Other Matters - Certain claims, suits and complaints may arise in the ordinary course of business. None have been filed and none are pending against the Authority. In the opinion of the Authority's management, any such matters are adequately covered by insurance.
- b. Grants - The Authority has received various other grants for specific purposes. These grants are subject to financial and compliance audits. Such audits could result in requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. The Authority management is of the opinion that disallowances, if any, will not be material.
- c. Insurance Claims - In July 2019, nine public housing units were damaged by fire. As of March 31, 2021, the units have been vacated and there is an insurance claim pending to cover the costs of remediation. As of the date of these financial statements all nine units have been restored.
- d. Letters of Credit - During 2020, the Authority acquired letters of credit from New Peoples Bank Inc. and First Bank & Trust Company each for an amount up to \$250,000. The letters of credit mature in March 2021 and accrue interest at 4.25% and 3.75% per annum, respectively. As of March 31, 2021, the Authority has not drawn funds from these instruments and there is no liability reported in these financial statements.

NOTE 17: CONCENTRATION OF CREDIT RISK

Financial instruments that are potentially subject to concentration of credit risk consist principally of cash deposits and investments in financial institutions. All the deposits of the Bristol Redevelopment and Housing Authority are either insured or collateralized by using the Dedicated Method whereby all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the Authority's agents in these units' names. Funds are maintained in accordance with Virginia Security for Public Deposits Act (SPDA), Section 2.2- 4400 et. seq. of the Code of Virginia or covered by federal depository insurance. The credit risk is measured by the credit quality rating of investments in debt securities, as described by a national statistical rating organization such as Standard and Poor's (S&P). The Authority's policy provides that investments in fixed income securities have a rating of A or better and be guaranteed by the State or Federal government. The Authority's policy is to select investments of varied maturities to mitigate interest rate risk. See also Note 2.

NOTE 18: ECONOMIC DEPENDENCY

The Housing Choice Voucher, Mainstream Voucher, and the Low Rent Public Housing programs are economically dependent on annual grants from HUD.

NOTE 19: SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 14, 2022, the date on which the financial statements were available to be issued. Prior to the balance sheet date, the World Health Organization declared the outbreak of COVID-19, a novel strain of Coronavirus, a pandemic. The coronavirus outbreak is disrupting supply chains and affecting production and sales across a range of industries. The extent of the impact of the outbreak on our operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact to the Authority's consolidated entities and the related investors, and the operations of the Authority, and governmental, regulatory and private sector responses. The financial statements do not reflect any adjustments as a result of the subsequent increase in economic uncertainty.

SUPPLEMENTAL INFORMATION

BRISTOL REDEVELOPMENT AND HOUSING AUTHORITY
Bristol, Virginia

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MARCH 31, 2021

<u>FEDERAL GRANTOR/PROGRAM</u>	<u>CFDA NUMBER</u>	<u>FEDERAL EXPENDITURES</u>
<u>U.S. DEPARTMENT OF HUD</u>		
Low Rent Public Housing	14.850	\$ 1,385,139
Public Housing CARES Act	14.850	<u>209,752</u>
Total Public Housing		<u>\$ 1,594,891</u>
<u>Housing Voucher Cluster</u>		
Housing Choice Vouchers	14.871*	\$ 1,386,483
Housing Choice Vouchers CARES Act	14.871*	<u>106,431</u>
Total Housing Choice Vouchers		<u>\$ 1,492,914</u>
Mainstream Vouchers	14,879*	\$ 1,842
Mainstream CARES Act	14,879*	<u>9,251</u>
Total Mainstream Vouchers		<u>\$ 11,093</u>
TOTAL Housing Voucher Cluster		<u>\$ 1,504,007</u>
Public Housing Capital Fund	14.872	<u>\$ 361,560</u>
Resident Opportunity and Supportive Services	14.870	<u>\$ 74,405</u>
 <u>PASS-THROUGH FROM CITY OF BRISTOL</u>		
Community Development Block Grant	14.218	<u>\$ 5,156</u>
 TOTAL U.S. DEPARTMENT OF HUD		<u>\$ 3,540,019</u>
TOTAL FEDERAL ASSISTANCE		<u>\$ 3,540,019</u>

BRISTOL REDEVELOPMENT AND HOUSING AUTHORITY
Bristol, Virginia

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MARCH 31, 2021

NOTE 1: BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of the Bristol Redevelopment and Housing Authority under programs of the federal government for the year ended March 31, 2021. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of operations of the Authority, it is not intended to and does not present the net position, changes in net position or cash flows of the Authority. Some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of the financial statements.

NOTE 2: MAJOR PROGRAMS

The (*) to the right of a CFDA number identifies the grant as a major federal program as defined by Title 2 Part 200 (Uniform Guidance).

NOTE 3: AWARD BALANCE

On the Housing Choice Voucher programs, the Authority receives annual funds based on an annual estimate of need. Any Housing Assistance funds received in excess of current year payments is restricted for payment of future Housing Assistance payments.

NOTE 4: INDIRECT COST RATE

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

BRISTOL REDEVELOPMENT AND HOUSING AUTHORITY
Bristol, Virginia

STATEMENT OF CERTIFICATION OF MODERNIZATION COSTS
FOR THE YEAR ENDED MARCH 31, 2021

	<u>501-17*</u>	<u>501-18</u>	<u>501-19</u>	<u>501-20</u>	<u>Totals</u>
Budget	<u>\$ 467,186</u>	<u>\$ 812,978</u>	<u>\$ 844,000</u>	<u>\$ 937,761</u>	<u>\$ 3,061,925</u>
<u>Advances:</u>					
Cumulative through 3/31/2020	\$ 449,234	\$ 731,599	\$ 306,412	\$ -	\$ 1,487,245
Current Year	<u>17,952</u>	<u>60,351</u>	<u>192,410</u>	<u>70,617</u>	<u>341,330</u>
Cumulative through 3/31/2021	<u>467,186</u>	<u>791,950</u>	<u>498,822</u>	<u>70,617</u>	<u>1,828,575</u>
<u>Costs:</u>					
Cumulative through 3/31/2020	449,234	731,599	306,412	-	1,487,245
Current Year	<u>17,952</u>	<u>66,673</u>	<u>197,822</u>	<u>79,112</u>	<u>361,559</u>
Cumulative through 3/31/2021	<u>467,186</u>	<u>798,272</u>	<u>504,234</u>	<u>79,112</u>	<u>1,848,804</u>
Excess / (Deficiency)	<u>\$ -</u>	<u>\$ (6,322)</u>	<u>\$ (5,412)</u>	<u>\$ (8,495)</u>	<u>\$ (20,229)</u>

*Capital Fund Program grant number VA36P002501-17 has been audited and is included in this report for final closeout.

The distribution of costs by project as shown on the Final Statement of Modernization Costs accompanying the Actual Modernization Cost Certificate submitted to HUD for approval agrees with the Authority's records.

All modernization costs have been paid and all related liabilities have been discharged through payment.

**FINANCIAL COMPLIANCE REPORTS
FOR
FEDERAL FUNDS**



Dooley & Vicars
Certified Public Accountants, L.L.P.

Daniel J. Dooley, C.P.A.

Michael H. Vicars, C.P.A.

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

Board of Commissioners
Bristol Redevelopment and Housing Authority
Bristol, Virginia

Report on Compliance for Each Major Program

We have audited the Bristol Redevelopment and Housing Authority's (the "Authority") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended March 31, 2021. 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.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirement referred to above.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Program

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs identified above for the year ended March 31, 2021.

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

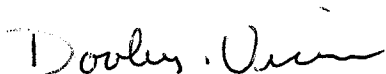
Report on Internal Control over Compliance

Management of the Bristol Redevelopment and Housing Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in that 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 combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with 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 the attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be *material weakness* or *significant deficiencies*. We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*. However, material weaknesses may exist that have not been identified.

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



Dooley & Vicars
Certified Public Accountants, L.L.P.

Richmond, Virginia
January 14, 2022



**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
Bristol Redevelopment and Housing Authority
Bristol, Virginia

We have audited, 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, the financial statements of Bristol Redevelopment and Housing Authority, which comprise the statement of net position as of March 31, 2021, and the related statements of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon January 14, 2022.

Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority'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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

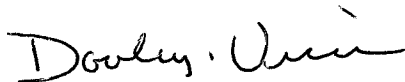
Compliance and Other Matters

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

**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*
(CONTINUED)**

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 Bristol Redevelopment and Housing Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Dooley & Vicars
Certified Public Accountants, L.L.P.

Richmond, Virginia
January 14, 2022

**BRISTOL REDEVELOPMENT AND HOUSING AUTHORITY
Bristol, Virginia**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED MARCH 31, 2021**

No Prior Audit Findings.

BRISTOL REDEVELOPMENT AND HOUSING AUTHORITY
Bristol, Virginia

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED MARCH 31, 2021

Section I -- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified: yes no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? yes none reported
- Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified: yes no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? yes none reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with *Title 2, CFR Part 200 (Uniform Guidance)*: yes no

BRISTOL REDEVELOPMENT AND HOUSING AUTHORITY
Bristol, Virginia

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED MARCH 31, 2021
(CONTINUED)

Identification of major programs:

<i>CFDA Number(s)</i>	<i>Name of Federal Program or Cluster</i>
14.871	Housing Choice Vouchers
14.879	Mainstream Vouchers

Dollar threshold used to distinguish
between type A and B programs: \$ 750,000

Auditee qualified as low-risk auditee? x yes no

Section II -- Financial Statement Findings

There were no financial statement findings.

Section III -- Federal Awards Findings and Questioned Costs

There were no federal award findings or questioned costs.

Bristol Redevelopment & Housing Authority (VA002)
Bristol, VA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2021

	Project Total	14.879 Mainstream Vouchers	1 Business Activities	14.218 Community Development Block Grants/Entitlement Grants	2 State/Local	14.870 Resident Opportunity and Supportive Services	6.2 Component Unit - Blended	14.871 Housing Choice Vouchers	14.PHC Public Housing CARES Act Funding	14.MSC Mainstream CARES Act Funding	14.HCC HCV CARES Act Funding	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$1,378,398		\$558,552		\$5,401		\$251,378	\$109,755				\$2,304,564		\$2,304,564
112 Cash - Restricted - Modernization and Development					\$244,501							\$244,501		\$244,501
113 Cash - Other Restricted	\$196,287	\$36,440					\$236,070	\$43,169			\$64,455	\$576,421		\$576,421
114 Cash - Tenant Security Deposits	\$57,315		\$700				\$30,561					\$88,576		\$88,576
115 Cash - Restricted for Payment of Current Liabilities								\$0				\$0		\$0
100 Total Cash	\$1,632,000	\$36,440	\$559,252	\$0	\$250,962	\$0	\$518,009	\$152,924	\$0	\$0	\$64,455	\$3,214,062	\$0	\$3,214,062
121 Accounts Receivable - PHA Projects									\$81,566			\$81,566		\$81,566
122 Accounts Receivable - HUD Other Projects	\$20,229	\$1,553	\$0	\$0	\$0	\$6,792	\$0	\$0				\$28,574		\$28,574
124 Accounts Receivable - Other Government														
125 Accounts Receivable - Miscellaneous	\$855	\$0	\$24,583	\$0	\$0	\$0	\$0	\$0				\$25,438	-\$23,333	\$2,105
126 Accounts Receivable - Tenants	\$50,697		\$1,777				\$5,878					\$58,642		\$58,642
126.1 Allowance for Doubtful Accounts - Tenants	-\$18,121		-\$1,028				\$0					-\$19,149		-\$19,149
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0			\$0			\$0			\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current														
128 Fraud Recovery								\$7,754				\$7,754		\$7,754
128.1 Allowance for Doubtful Accounts - Fraud								-\$7,754				-\$7,754		-\$7,754
129 Accrued Interest Receivable														
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$53,950	\$1,553	\$25,332	\$0	\$0	\$6,792	\$5,878	\$0	\$81,566	\$0	\$0	\$175,071	-\$23,333	\$151,738
131 Investments - Unrestricted	\$194,122											\$194,122		\$194,122
132 Investments - Restricted								\$0				\$0		\$0
135 Investments - Restricted for Payment of Current Liability								\$0				\$0		\$0
142 Prepaid Expenses and Other Assets	\$45,718						\$8,040					\$53,758		\$53,758
143 Inventories														
143.1 Allowance for Obsolete Inventories														
144 Inter Program Due From	\$166,056	\$0	\$0		\$0	\$0		\$52,139				\$218,195	-\$218,195	\$0
145 Assets Held for Sale														
150 Total Current Assets	\$2,091,846	\$37,993	\$564,564	\$0	\$250,962	\$6,792	\$531,927	\$205,063	\$81,566	\$0	\$64,455	\$3,855,208	-\$241,528	\$3,613,680
161 Land	\$543,767		\$218,707				\$200,099					\$962,573		\$962,573
162 Buildings	\$24,789,240		\$276,525				\$12,492,453					\$37,558,218		\$37,558,218
163 Furniture, Equipment & Machinery - Dwellings	\$429,443						\$157,174					\$586,617		\$586,617
164 Furniture, Equipment & Machinery - Administration	\$237,112											\$237,112		\$237,112
165 Leasehold Improvements														
166 Accumulated Depreciation	-\$24,369,041		-\$114,569				-\$2,129,107					-\$26,612,717		-\$26,612,717
167 Construction in Progress	\$751,388											\$751,388		\$751,388
168 Infrastructure							\$138,965					\$138,965		\$138,965
160 Total Capital Assets, Net of Accumulated Depreciation	\$2,381,909	\$0	\$380,653	\$0	\$0	\$0	\$10,859,584	\$0	\$0	\$0	\$0	\$13,622,156	\$0	\$13,622,156

Bristol Redevelopment & Housing Authority (VA002)
Bristol, VA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2021

	Project Total	14.879 Mainstream Vouchers	1 Business Activities	14.218 Community Development Block Grants/Entitlement Grants	2 State/Local	14.870 Resident Opportunity and Supportive Services	6.2 Component Unit - Blended	14.871 Housing Choice Vouchers	14.PHC Public Housing CARES Act Funding	14.MSC Mainstream CARES Act Funding	14.HCC HCV CARES Act Funding	Subtotal	ELIM	Total
171 Notes, Loans and Mortgages Receivable - Non-Current	\$0	\$0	\$1,834,872	\$0	\$0	\$0	\$0	\$0				\$1,834,872	-\$1,834,872	\$0
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due	\$0	\$0		\$0	\$0	\$0	\$0	\$0				\$0		\$0
173 Grants Receivable - Non Current														
174 Other Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$78,283	\$0				\$78,283		\$78,283
176 Investments in Joint Ventures	\$0	\$0	\$870,961	\$0	\$0	\$0	\$0	\$0				\$870,961	-\$870,961	\$0
180 Total Non-Current Assets	\$2,361,909	\$0	\$3,066,496	\$0	\$0	\$0	\$10,937,867	\$0	\$0	\$0	\$0	\$16,406,272	-\$2,705,833	\$13,700,439
200 Deferred Outflow of Resources	\$291,203	\$0	\$0	\$0	\$0	\$0	\$0					\$291,203	\$0	\$291,203
290 Total Assets and Deferred Outflow of Resources	\$4,764,958	\$37,993	\$3,671,080	\$0	\$250,982	\$6,792	\$11,469,794	\$205,063	\$81,566	\$0	\$64,455	\$20,552,883	-\$2,947,361	\$17,605,322
311 Bank Overdraft														
312 Accounts Payable <= 90 Days	\$246,191	\$37,593	\$1,525				\$11,989	\$4,568	\$521		\$1,108	\$303,495		\$303,495
313 Accounts Payable >90 Days Past Due														
321 Accrued Wage/Payroll Taxes Payable	\$4,994											\$4,994		\$4,994
322 Accrued Compensated Absences - Current Portion	\$52,448		\$2,082					\$3,163				\$57,693		\$57,693
324 Accrued Contingency Liability														
325 Accrued Interest Payable							\$2,317					\$2,317		\$2,317
331 Accounts Payable - HUD PHA Programs	\$0	\$0	\$0	\$0	\$2,500	\$0	\$0	\$0				\$2,500	-\$2,500	\$0
332 Account Payable - PHA Projects														
333 Accounts Payable - Other Government	\$34,421							\$449				\$34,870		\$34,870
341 Tenant Security Deposits	\$57,315		\$700				\$30,561					\$88,576		\$88,576
342 Unearned Revenue	\$165,456	\$0	\$0	\$0		\$0	\$3,448	\$0				\$168,904		\$168,904
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	\$0						\$31,497					\$31,497		\$31,497
344 Current Portion of Long-term Debt - Operating Borrowings														
345 Other Current Liabilities	\$41,565											\$41,565		\$41,565
346 Accrued Liabilities - Other	\$22,697		\$760									\$23,457		\$23,457
347 Inter Program - Due To	\$66,811	\$400				\$6,792			\$81,045		\$63,347	\$218,195	-\$218,195	\$0
348 Loan Liability - Current	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				\$0		\$0
310 Total Current Liabilities	\$691,698	\$37,993	\$5,067	\$0	\$2,500	\$6,792	\$79,812	\$8,180	\$81,566	\$0	\$64,455	\$978,063	-\$220,695	\$757,368
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$1,095,193	\$0				\$1,095,193		\$1,095,193
352 Long-term Debt, Net of Current - Operating Borrowings														
353 Non-current Liabilities - Other							\$2,009,205					\$2,009,205	-\$1,855,705	\$153,500
354 Accrued Compensated Absences - Non Current	\$94,323		\$3,744					\$5,888				\$103,755		\$103,755
355 Loan Liability - Non Current	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				\$0		\$0
356 FASB 5 Liabilities														
357 Accrued Pension and OPEB Liabilities	\$636,008	\$0	\$0	\$0	\$0	\$0	\$0	\$0				\$636,008		\$636,008
350 Total Non-Current Liabilities	\$730,331	\$0	\$3,744	\$0	\$0	\$0	\$3,104,398	\$5,888	\$0	\$0	\$0	\$3,844,191	-\$1,855,705	\$1,988,486
300 Total Liabilities	\$1,422,029	\$37,993	\$8,811	\$0	\$2,500	\$6,792	\$3,184,210	\$13,868	\$81,566	\$0	\$64,455	\$4,822,224	-\$2,076,400	\$2,745,824

Bristol Redevelopment & Housing Authority (VA002)
 Bristol, VA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2021

	Project Total	14.679 Mainstream Vouchers	1 Business Activities	14.218 Community Development Block Grants/Entitlement Grants	2 State/Local	14.870 Resident Opportunity and Supportive Services	6.2 Component Unit - Blended	14.671 Housing Choice Vouchers	14.PHC Public Housing CARES Act Funding	14.MSC Mainstream CARES Act Funding	14.HCC HCV CARES Act Funding	Subtotal	ELIM	Total
400 Deferred Inflow of Resources	\$51,484											\$51,484	\$0	\$51,484
508.4 Net Investment in Capital Assets	\$2,381,909		\$380,663	\$0	\$0	\$0	\$8,361,269	\$0		\$0	\$0	\$11,123,841		\$11,123,841
511.4 Restricted Net Position	\$196,287	\$0		\$0	\$242,001	\$0	\$272,510	\$43,169	\$0	\$0	\$0	\$753,967		\$753,967
512.4 Unrestricted Net Position	\$713,248	\$0	\$3,281,806	\$0	\$6,481	\$0	-\$348,195	\$148,026	\$0	\$0	\$0	\$3,801,167	-\$870,961	\$2,930,206
513 Total Equity - Net Assets / Position	\$3,291,445	\$0	\$3,662,269	\$0	\$248,482	\$0	\$8,285,584	\$191,195	\$0	\$0	\$0	\$15,678,975	-\$870,961	\$14,808,014
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$4,764,958	\$37,993	\$3,671,080	\$0	\$250,982	\$6,792	\$11,469,794	\$205,063	\$81,566	\$0	\$64,455	\$20,552,683	-\$2,947,361	\$17,605,322

Bristol Redevelopment & Housing Authority (VA002)
Bristol, VA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2021

	Project Total	14.879 Mainstream Vouchers	1 Business Activities	14.218 Community Development Block Grants/Entitlement Grants	2 State/Local	14.870 Resident Opportunity and Supportive Services	6.2 Component Unit - Blended	14.871 Housing Choice Vouchers	14.PHC Public Housing CARES Act Funding	14.MSC Mainstream CARES Act Funding	14.HCC HCV CARES Act Funding	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$754,340		\$9,858				\$460,236					\$1,253,434	-\$123,362	\$1,130,052
70400 Tenant Revenue - Other	\$114,369		\$330				\$12,670					\$127,369		\$127,369
70500 Total Tenant Revenue	\$868,709	\$0	\$9,188	\$0	\$0	\$0	\$502,906	\$0	\$0	\$0	\$0	\$1,380,803	-\$123,362	\$1,257,421
70600 HUD PHA Operating Grants	\$1,690,630	\$1,842				\$74,405		\$1,386,483	\$209,752	\$9,251	\$106,431	\$3,478,794		\$3,478,794
70610 Capital Grants	\$56,069											\$56,069		\$56,069
70710 Management Fee														
70720 Asset Management Fee														
70730 Book Keeping Fee														
70740 Front Line Service Fee														
70750 Other Fees														
70700 Total Fee Revenue												\$0	\$0	\$0
70800 Other Government Grants				\$5,156	\$114,524							\$119,680		\$119,680
71100 Investment Income - Unrestricted	\$598				\$1		\$608	\$0				\$1,207		\$1,207
71200 Mortgage Interest Income														
71300 Proceeds from Disposition of Assets Held for Sale														
71310 Cost of Sale of Assets														
71400 Fraud Recovery								\$5,412				\$5,412		\$5,412
71500 Other Revenue	\$3,774		\$91,031				\$2,004	\$8,453				\$105,262	-\$81,943	\$23,319
71600 Gain or Loss on Sale of Capital Assets														
72000 Investment Income - Restricted								\$0				\$0		\$0
70000 Total Revenue	\$2,619,780	\$1,842	\$100,219	\$5,156	\$114,525	\$74,405	\$505,518	\$1,400,348	\$209,752	\$9,251	\$106,431	\$5,147,227	-\$205,325	\$4,941,902
91100 Administrative Salaries	\$505,211		\$45,562				\$11,079	\$6,220				\$568,072	-\$11,079	\$556,993
91200 Auditing Fees	\$9,547		\$467					\$1,889				\$12,003		\$12,003
91300 Management Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				\$0		\$0
91310 Book-keeping Fee														
91400 Advertising and Marketing	\$10,174							\$373				\$10,547		\$10,547
91500 Employee Benefit Contributions - Administrative	\$190,418		\$12,767				\$3,462	\$24,601				\$231,248	-\$3,462	\$227,786
91600 Office Expenses	\$207,621	\$400	\$4,265	\$0	\$12,763	\$862	\$4,927	\$22,049				\$252,887		\$252,887
91700 Legal Expense	\$3,148		\$1,252				\$240					\$4,640		\$4,640
91800 Travel	\$149											\$149		\$149
91810 Allocated Overhead	-\$62,331		\$22,989					\$39,342				\$0		\$0
91900 Other	\$130,485		\$821	\$0	\$14,815		\$42,274	\$3,396				\$181,793	-\$42,274	\$149,519
91000 Total Operating - Administrative	\$994,422	\$400	\$88,123	\$0	\$27,578	\$862	\$61,862	\$97,972	\$0	\$0	\$0	\$1,271,339	-\$56,815	\$1,214,524
92000 Asset Management Fee														
92100 Tenant Services - Salaries	\$39,412					\$62,339			\$98,686		\$65,814	\$266,251		\$266,251
92200 Relocation Costs														
92300 Employee Benefit Contributions - Tenant Services	\$17,048					\$11,204			\$2,024		\$307	\$30,583		\$30,583
92400 Tenant Services - Other	\$2,564								\$109,042		\$10,208	\$121,814		\$121,814
92500 Total Tenant Services	\$59,024	\$0	\$0	\$0	\$0	\$73,543	\$0	\$0	\$209,752	\$0	\$76,329	\$418,648	\$0	\$418,648

Bristol Redevelopment & Housing Authority (VA002)
Bristol, VA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2021

	Project Total	14.879 Mainstream Vouchers	1 Business Activities	14.218 Community Development Block Grants/Entitlement Grants	2 State/Local	14.870 Resident Opportunity and Supportive Services	6.2 Component Unit - Blended	14.871 Housing Choice Vouchers	14.PHC Public Housing CARES Act Funding	14.MSC Mainstream CARES Act Funding	14.HCC HCV CARES Act Funding	Subtotal	ELIM	Total
93100 Water	\$43,516		\$501				\$13,925					\$57,942		\$57,942
93200 Electricity	\$196,568		\$5,471				\$37,124					\$239,153		\$239,153
93300 Gas	\$62,304		\$720									\$63,024		\$63,024
93400 Fuel														
93500 Labor														
93600 Sewer	\$49,196		\$558				\$15,119					\$64,873		\$64,873
93700 Employee Benefit Contributions - Utilities														
93800 Other Utilities Expense														
93000 Total Utilities	\$351,574	\$0	\$7,250	\$0	\$0	\$0	\$66,168	\$0	\$0	\$0	\$0	\$424,992	\$0	\$424,992
94100 Ordinary Maintenance and Operations - Labor	\$289,632		\$10,817				\$10,959					\$311,408	-\$9,286	\$303,122
94200 Ordinary Maintenance and Operations - Materials and Other	\$180,637		\$1,557				\$22,145					\$204,339		\$204,339
94300 Ordinary Maintenance and Operations Contracts	\$155,570		\$9,433	\$0	\$0	\$0	\$27,441					\$192,444		\$192,444
94500 Employee Benefit Contributions - Ordinary Maintenance	\$116,725		\$5,016				\$5,171					\$126,912	-\$5,171	\$121,741
94000 Total Maintenance	\$742,564	\$0	\$26,823	\$0	\$0	\$0	\$65,716	\$0	\$0	\$0	\$0	\$835,103	-\$13,457	\$821,646
95100 Protective Services - Labor														
95200 Protective Services - Other Contract Costs														
95300 Protective Services - Other														
95500 Employee Benefit Contributions - Protective Services														
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96110 Property Insurance	\$38,635		\$506				\$28,462					\$67,603		\$67,603
96120 Liability Insurance	\$3,942		\$134									\$4,076		\$4,076
96130 Workmen's Compensation	\$22,134		\$238					\$407				\$22,779		\$22,779
96140 All Other Insurance	\$7,399							\$2,036				\$9,435		\$9,435
96100 Total Insurance Premiums	\$72,110	\$0	\$878	\$0	\$0	\$0	\$28,462	\$2,443	\$0	\$0	\$0	\$103,663	\$0	\$103,663
96200 Other General Expenses	\$135,909		\$3,399		\$21,526		\$40,563	\$1,341				\$202,738	-\$123,382	\$79,356
96210 Compensated Absences	\$38,522		\$1,579					\$1,928				\$42,029		\$42,029
96300 Payments in Lieu of Taxes	\$34,226											\$34,226		\$34,226
96400 Bad debt - Tenant Rents	\$37,421		\$1,028				\$2,882					\$41,331		\$41,331
96500 Bad debt - Mortgages														
96600 Bad debt - Other														
96800 Severance Expense														
96000 Total Other General Expenses	\$246,078	\$0	\$6,006	\$0	\$21,526	\$0	\$43,445	\$3,269	\$0	\$0	\$0	\$320,324	-\$123,382	\$196,942
96710 Interest of Mortgage (or Bonds) Payable							\$33,155					\$33,155		\$33,155
96720 Interest on Notes Payable (Short and Long Term)	\$0											\$0	-\$5,000	-\$5,000
96730 Amortization of Bond Issue Costs														
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$33,155	\$0	\$0	\$0	\$0	\$33,155	-\$5,000	\$28,155
96900 Total Operating Expenses	\$2,465,772	\$400	\$129,090	\$0	\$49,104	\$74,405	\$298,928	\$103,684	\$209,752	\$0	\$76,329	\$3,407,454	-\$198,654	\$3,208,800

Bristol Redevelopment & Housing Authority (VA002)
Bristol, VA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2021

	Project Total	14.879 Mainstream Vouchers	1 Business Activities	14.218 Community Development Block Grants/Entitlement Grants	2 State/Local	14.870 Resident Opportunity and Supportive Services	6.2 Component Unit - Blended	14.871 Housing Choice Vouchers	14.PHC Public Housing CARES Act Funding	14.MSC Mainstream CARES Act Funding	14.HCC HCV CARES Act Funding	Subtotal	ELIM	Total
97000 Excess of Operating Revenue over Operating Expenses	\$154,008	\$1,442	-\$28,861	\$5,156	\$65,421	\$0	\$206,590	\$1,296,664	\$0	\$9,251	\$30,102	\$1,739,773	-\$6,671	\$1,733,102
97100 Extraordinary Maintenance														
97200 Casualty Losses - Non-capitalized														
97300 Housing Assistance Payments		\$1,442						\$1,179,589		\$9,251	\$30,102	\$1,220,384		\$1,220,384
97350 HAP Portability-In								\$6,671				\$6,671	-\$6,671	\$0
97400 Depreciation Expense	\$301,871		\$9,336				\$374,167					\$685,374		\$685,374
97500 Fraud Losses														
97600 Capital Outlays - Governmental Funds														
97700 Debt Principal Payment - Governmental Funds														
97800 Dwelling Units Rent Expense														
90000 Total Expenses	\$2,787,643	\$1,842	\$138,416	\$0	\$49,104	\$74,405	\$673,095	\$1,289,944	\$209,752	\$9,251	\$106,431	\$5,319,883	-\$205,325	\$5,114,558
10010 Operating Transfer In	\$140,069		\$15,548									\$155,617	-\$140,069	\$15,548
10020 Operating transfer Out	-\$140,069				-\$15,548							-\$155,617	\$140,069	-\$15,548
10030 Operating Transfers from/to Primary Government	\$0		\$0									\$0		\$0
10040 Operating Transfers from/to Component Unit														
10050 Proceeds from Notes, Loans and Bonds														
10060 Proceeds from Property Sales														
10070 Extraordinary Items, Net Gain/Loss														
10080 Special Items (Net Gain/Loss)														
10091 Inter Project Excess Cash Transfer In	\$150,000											\$150,000	-\$150,000	\$0
10092 Inter Project Excess Cash Transfer Out	-\$150,000											-\$150,000	\$150,000	\$0
10093 Transfers between Program and Project - In	\$5,156											\$5,156	-\$5,156	\$0
10094 Transfers between Project and Program - Out				-\$5,156								-\$5,156	\$5,156	\$0
10100 Total Other financing Sources (Uses)	\$5,156	\$0	\$15,548	-\$5,156	-\$15,548	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$142,707	\$0	-\$22,649	\$0	\$49,873	\$0	-\$187,577	\$110,404	\$0	\$0	\$0	-\$172,656	\$0	-\$172,656
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$31,497	\$0	\$0	\$0	\$0	\$31,497		\$31,497
11030 Beginning Equity	\$3,434,152	\$0	\$3,684,919	\$0	\$198,609	\$0	\$5,453,161	\$80,791	\$0	\$0	\$0	\$15,951,631	-\$870,961	\$14,980,670
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				\$0		\$0
11050 Changes in Compensated Absence Balance														
11060 Changes in Contingent Liability Balance														
11070 Changes in Unrecognized Pension Transition Liability														
11080 Changes in Special Term/Severance Benefits Liability														
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents														
11100 Changes in Allowance for Doubtful Accounts - Other														
11170 Administrative Fee Equity								\$148,026				\$148,026		\$148,026

Bristol Redevelopment & Housing Authority (VA002)
 Bristol, VA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2021

	Project Total	14.679 Mainstream Vouchers	1 Business Activities	14.218 Community Development Block Grants/Entitlement Grants	2 State/Local	14.870 Resident Opportunity and Supportive Services	6.2 Component Unit - Blended	14.871 Housing Choice Vouchers	14.PHC Public Housing CARES Act Funding	14.MSC Mainstream CARES Act Funding	14.HCC HCV CARES Act Funding	Subtotal	ELIM	Total
11180 Housing Assistance Payments Equity								\$43,169				\$43,169		\$43,169
11190 Unit Months Available	3924	207	37				192	3636		0	0	7996		7996
11210 Number of Unit Months Leased	3879	34	17				188	3388		0	0	7506		7506
11270 Excess Cash	\$981,994											\$981,994		\$981,994
11610 Land Purchases	\$0											\$0		\$0
11620 Building Purchases	\$56,069											\$56,069		\$56,069
11630 Furniture & Equipment - Dwelling Purchases	\$0											\$0		\$0
11640 Furniture & Equipment - Administrative Purchases	\$0											\$0		\$0
11650 Leasehold Improvements Purchases	\$0											\$0		\$0
11660 Infrastructure Purchases	\$0											\$0		\$0
13510 CFFP Debt Service Payments	\$0											\$0		\$0
13901 Replacement Housing Factor Funds	\$0											\$0		\$0

REQUIRED SUPPLEMENTAL INFORMATION

BRISTOL REDEVELOPMENT AND HOUSING AUTHORITY
Bristol, Virginia

REQUIRED SUPPLEMENTARY INFORMATION RELATED TO PENSIONS
FOR THE YEAR ENDED MARCH 31, 2021

Schedule of changes in BRHA's Net Pension Liability and Related Ratios

	2020	2019	2018	2017	2016	2015
Total pension liability						
Service cost	\$ 102,664	\$ 92,755	\$ 92,747	\$ 99,935	\$ 94,454	\$ 97,953
Interest	232,969	231,409	241,470	230,364	222,924	212,485
Change of assumptions	-	88,625	-	(16,756)		
Difference between expected and actual experience	82,599	(44,246)	(251,486)	67,246	(8,967)	29,330
Contributions - Employer						
Contributions - Employee						
Net investment income						
Benefit payments, including refunds of employee contributions	(225,489)	(220,507)	(232,392)	(211,879)	(192,370)	(188,917)
Administrative expense						
Other	-	-	-	-	-	-
Net change in total pension liability	<u>192,743</u>	<u>148,036</u>	<u>(149,661)</u>	<u>168,910</u>	<u>116,041</u>	<u>150,851</u>
Total pension liability - beginning	<u>3,564,138</u>	<u>3,416,102</u>	<u>3,565,763</u>	<u>3,396,853</u>	<u>3,280,812</u>	<u>3,129,961</u>
Total pension liability - ending (a)	<u>\$ 3,756,881</u>	<u>\$ 3,564,138</u>	<u>\$3,416,102</u>	<u>\$3,565,763</u>	<u>\$3,396,853</u>	<u>\$ 3,280,812</u>
Plan fiduciary net position						
Contributions - employer	\$ 74,452	\$ 73,840	\$ 91,215	\$ 88,991	\$ 100,135	\$ 99,973
Contributions - employee	50,922	49,921	47,788	48,026	43,061	43,189
Net investment income	61,780	206,337	221,857	331,651	47,396	122,319
Benefit payments, including refunds of employee contributions	(225,489)	(220,507)	(232,392)	(211,879)	(192,370)	(188,917)
Administrative expense	(2,136)	(2,092)	(1,945)	(1,942)	(1,718)	(1,694)
Other	(72)	(130)	(195)	(295)	(20)	(26)
Net change in plan fiduciary net position	<u>(40,543)</u>	<u>107,369</u>	<u>126,328</u>	<u>254,552</u>	<u>(3,516)</u>	<u>74,844</u>
Plan fiduciary net position - beginning	<u>3,252,200</u>	<u>3,144,831</u>	<u>3,018,503</u>	<u>2,763,951</u>	<u>2,767,467</u>	<u>2,692,623</u>
Plan fiduciary net position - ending (b)	<u>\$ 3,211,657</u>	<u>\$ 3,252,200</u>	<u>\$3,144,831</u>	<u>\$3,018,503</u>	<u>\$2,763,951</u>	<u>\$ 2,767,467</u>
BRHA's net pension liability (asset) - ending (a)-(b)	<u>\$ 545,224</u>	<u>\$ 311,938</u>	<u>\$ 271,271</u>	<u>\$ 547,260</u>	<u>\$ 632,902</u>	<u>\$ 513,345</u>
Plan fiduciary net position as a percentage of the total Pension liability	85%	91%	92%	85%	81%	84%
Covered employee payroll	\$1,118,800	\$ 1,095,341	\$1,065,018	\$ 999,986	\$ 972,562	\$ 874,335
BRHA's net pension liability as a percentage of covered-employee payroll	49%	28%	25%	55%	65%	59%

BRISTOL REDEVELOPMENT AND HOUSING AUTHORITY
Bristol, Virginia

REQUIRED SUPPLEMENTARY INFORMATION RELATED TO PENSIONS
FOR THE YEAR ENDED MARCH 31, 2021
(CONTINUED)

Schedule of Employer Pension Contributions to the VRS for the Years Ended June 30:

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employers Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2020	\$80,890	\$80,890	\$0	\$1,118,800	7.23%
2019	\$80,617	\$80,617	\$0	\$1,095,341	7.36%
2018	\$99,793	\$91,215	\$8,578	\$1,065,018	8.56%
2017	\$93,699	\$88,991	\$4,708	\$999,986	8.90%
2016	\$111,553	\$100,135	\$11,418	\$972,562	10.30%
2015	\$100,286	\$99,973	\$313	\$874,335	11.43%
2014	\$107,548	\$104,038	\$3,510	\$856,959	12.14%

Schedule is intended to show information for 10 years. Additional years will be included as they become available from the VRS.

BRISTOL REDEVELOPMENT AND HOUSING AUTHORITY
Bristol, Virginia

REQUIRED SUPPLEMENTARY INFORMATION RELATED TO OPEB
FOR THE YEAR ENDED MARCH 31, 2021

Schedule of Employer's Share of Net OPEB Liability Group Life Insurance Program for the Measurement Dates Ended June 30:

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Employer's Proportion of the Net GLI OPEB Liability (Asset)	0.00542%	0.00561%	0.00543%	0.00533%
Employer's Proportionate Share of the Net GLI OPEB Liability (Asset)	\$90,784	\$91,289	\$82,000	\$80,000
Employer's Covered Payroll	\$1,118,800	\$1,100,633	\$1,031,566	\$983,819
Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of its Covered Payroll	8.11%	8.29%	7.95%	8.13%
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	52.64%	52.00%	51.22%	48.86%

Schedule is intended to show information for 10 years. Additional years will be included as they become available from the VRS.

BRISTOL REDEVELOPMENT AND HOUSING AUTHORITY
Bristol, Virginia

REQUIRED SUPPLEMENTARY INFORMATION RELATED TO OPEB
FOR THE YEAR ENDED MARCH 31, 2021
(CONTINUED)

Schedule of Employer OPEB Contributions to the VRS for the Years Ended June 30:

<u>Date</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employers Covered Employee Payroll</u>	<u>Contributions as a % of Covered Employee Payroll</u>
2020	\$6,042	\$6,042	\$0	\$1,118,800	0.54%
2019	\$5,723	\$5,723	\$0	\$1,100,633	0.52%
2018	\$5,364	\$5,364	\$0	\$1,031,566	0.52%
2017	\$5,116	\$5,116	\$0	\$983,819	0.52%
2016	\$4,921	\$4,456	\$465	\$928,435	0.53%
2015	\$4,654	\$4,215	\$439	\$878,126	0.53%
2014	\$4,399	\$3,984	\$415	\$830,058	0.53%
2013	\$4,342	\$3,932	\$410	\$819,175	0.53%
2012	\$3,834	\$2,440	\$1,394	\$871,270	0.44%
2011	\$3,692	\$2,349	\$1,343	\$839,031	0.44%

BRISTOL REDEVELOPMENT AND HOUSING AUTHORITY
Bristol, Virginia

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION RELATED TO PENSIONS AND OPEB
FOR THE YEAR ENDED MARCH 31, 2021

Note 1: Changes of Benefit Terms

There have been no material changes to the System provisions since the prior actuarial valuation.

Note 2: Changes of Assumptions

The following changes in actuarial assumptions were made effective June 30, 2019 based on the most recent experience study of the System for the four-year period ending June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Largest 10 - Non-Hazardous Duty:

Updated mortality table RP-2014 projected to 2020
Lowered retirement rates at older ages and changed final retirement from 70 to 75
Adjusted withdrawal rates to better fit experience at each year age and service years
Lowered disability rates
Increased line of duty disability rate from 14% to 20%
Decrease discount rate from 7.00% to 6.75%

All Others – Non-Hazardous Duty:

Updated mortality table RP-2014 projected to 2020
Lowered retirement rates at older ages and changed final retirement from 70 to 75
Adjusted withdrawal rates to better fit experience at each year age and service years
Lowered disability rates
Increased line of duty disability rate from 14% to 15%
Decrease discount rate from 7.00% to 6.75%