ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

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AUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY

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

Daniel J. Dooley, C.P.A.
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INDEPENDENT AUDITOR'S REPORT

The Board of Commissioners
Alexandria Redevelopment
and Housing Authority
Alexandria, Virginia

Opinions

We have audited the accompanying financial statements of the business-type activities of the Alexandria Redevelopment and Housing Authority as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Alexandria Redevelopment and Housing Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Alexandria Redevelopment and Housing Authority, as of December 31, 2022, 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.

We did not audit the financial statements of the blended component units of West Glebe, L.P., Braddock Whiting Reynolds, L.P., Pendleton Park, L.L.C., Old Dominion Housing, L.P., James Bland I, L.P., James Bland II, L.P., James Bland IV, L.P.; James Bland V, L.P., Ramsey Homes, L.P., and Madden AUOE, L.P. which represent 100% of the assets, net position, and revenues of the blended component unit column as reported on the Financial Data Schedule as of December 31, 2022.

Those statements of the blended component units mentioned above were audited by other auditors whose reports have been furnished to us. We have applied audit procedures on the conversion adjustments to the financial statements of the blended component units mentioned above which conform the presentation of those financial statements to present in accordance with accounting standards issued by the Governmental Accounting Standards Board. Our opinion, insofar as it relates to the amounts included for the blended component units mentioned above, prior to these conversion adjustments, is based solely on the report of the other auditors.

Basis for Opinions

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

The financial statements of West Glebe, L.P., Braddock Whiting Reynolds, L.P., Old Dominion Housing, L.P., James Bland II, L.P., James Bland IV, L.P.; James Bland V, L.P., Ramsey Homes, L.P., and Madden AUOE, L.P. were not audited in accordance with *Government Auditing Standards*.

Responsibilities of Management for the Financial Statements

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

INDEPENDENT AUDITOR'S REPORT
(CONTINUED)

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

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 4 through 13, the Schedule of Net Pension and Other Post Employment Benefit Liabilities and the Schedule of Employer Contributions to the Virginia Retirement System on pages 58 through 66 be presented to supplement the basic financial statements.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

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 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 the U.S. Department of Housing and Urban Development, are presented for purposes of additional analysis and is 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 September 29, 2023, on our consideration of the Alexandria 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 grants 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 Alexandria Redevelopment and Housing Authority's internal control over financial reporting and compliance.

Dooley & Vicars

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

Richmond, Virginia
September 29, 2023

ALEXANDRIA REDEVELOPMENT & HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

This section of the Authority's annual financial report presents Management's analysis of the Authority's financial performance during the fiscal year ended December 31, 2022.

FINANCIAL HIGHLIGHTS AND CONCLUSIONS:

- The Authority had total revenues of $45.188,345 and expenses of $46,290,897 for the fiscal year ended December 31, 2022.
- The Authority's Net Position was materially consistent with the prior period as the December 31, 2022, balance was $124.3 million which represents a decrease $1,102,552 or 0.88% from the $125.4 million balance at the end of 2021.
- The Authority was awarded a Capital Fund (CFP) 2022 grant during fiscal year 2022 in the amount of $2,152,900, which was an increase of $213,949 over the prior year allocation of $1,938,851. Total CFP expenditures during the year were $1.8 million.
- The Authority received public housing operating subsidy in the amount of $4,424,321.
- The Authority received funding for the Section 8 Housing Assistance Payments Programs in the amount of $29,135,265.
- The Authority had two (2) Resident Opportunities Supportive Services active grants during the year. The total activity in the current year was $158,964.

REQUIRED FINANCIAL STATEMENTS

The 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 and 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 will consist of the following: (a) 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** presents information on all of the Authority's assets and liabilities, with the difference between the two as 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.

ALEXANDRIA REDEVELOPMENT & HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

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 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 the earnings event, when an obligation arises, or 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.

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 Alexandria Redevelopment & Housing Authority (the "Authority") is a political subdivision organized under the laws of the Commonwealth of Virginia by the City of Alexandria for the purpose of providing adequate housing for qualified low-income individuals in accordance with the rules and regulations prescribed by the Department of Housing and Urban Development.

The Authority is governed by a board of nine commissioners appointed by the City of Alexandria and has governance responsibilities over all activities related to the Authority. The 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 Alexandria 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, and there are no other entities that are to be reported as component units of the Authority. The Authority is not included in the City of Alexandria's financial reports. Therefore, the Authority reports independently.

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 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

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MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

- Housing Choice Voucher Program
- Low Income Public Housing
- Resident Opportunities and Self Sufficiency Program
- Section 8 Moderate Rehabilitation Program

The State/Local and Business Activities Programs are non-federally aided programs administered by the Authority which include the following:

- Hopkins Tancil development
- Princess Square development
- West Glebe development
- Miller Homes development
- Quaker Hill development
- Virginia Housing Development, LLC
- Donations program
- Security Deposit loan program
- Investment program
- Authority Loan program
- Hope IV loan program
- Revolving fund program

Component Unit Programs are entities that are privately owned by outside investors or PHA Affiliate with the Authority acting as the general partner and are as follows:

- Madden AUOE LP (Chatham Square)
- BWR LP
- West Glebe LP
- Old Dominion LP
- James Bland I LP
- James Bland II LP
- James Bland IV LP
- James Bland V LP
- Pendleton Park LLC
- Ramsey Homes LLC

FINANCIAL ANALYSIS OF THE AUTHORITY

One question frequently asked about an Authority's finances is "Did the Authority's operations and financial position improve or deteriorate over the previous fiscal year?" The Statement of Net Position and the Statement of Revenues, Expenses and Net Position report information about the Authority's activities and are summarized in the following sections.

To begin our analysis, a summary of the Authority's Statement of Net Position is presented below in Table I:

Current Assets- Current assets consist of cash, receivables, and prepaid expenses. Current assets increased by $5.2 million or 25.43% due to several factors:

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MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

Account Descriptions	2022	2021	Total Change	% Change
Current Assets	25,490,806	20,323,304	5,167,502	25.43%
Restricted Assets	9,012,038	11,943,158	(2,931,120)	-24.54%
Capital Assets	108,985,507	112,028,523	(3,043,016)	-2.72%
Other Noncurrent Assets	5,901,821	4,886,576	1,015,245	20.78%
Deferred Outflows	1,660,590	669,978	990,612	147.86%
Total Assets & Deferred Outflows	**151,050,762**	**149,851,539**	**1,199,223**	**0.80%**
Current Liabilities	3,667,920	3,148,571	519,349	16.49%
Noncurrent Liabilities	17,640,449	18,914,608	(1,274,159)	-6.74%
Deferred Inflows	5,426,336	2,369,751	3,056,585	128.98%
Total Liabilities & Deferred Inflows	**26,734,705**	**24,432,930**	**2,301,775**	**9.42%**
Investment in Capital Assets	93,483,325	98,180,589	(4,697,264)	-4.78%
Restricted Net Position	1,822,144	1,717,690	104,454	6.08%
Unrestricted Net Position	29,010,588	25,520,330	3,490,258	13.68%
Total Net Position	**124,316,057**	**125,418,609**	**(1,102,552)**	**-0.88%**
Total Liabilities & Net Position	**151,050,762**	**149,851,539**	**1,199,223**	**0.80%**

- Unrestricted cash and cash equivalents increased from $19,098,065 to $20,854,637, an increase of $1.8 million or 9.2%.
- Accounts receivable increased by $2,960,911 due primarily to higher HUD A/R ($794K), Tenant AR ($312K), miscellaneous receivables ($342K), and other grant reimbursements ($1.6M).

Capital Assets-Capital assets decreased by $3 million, or 2.72%. See Table IV for full analysis of the Capital Assets.

Other Noncurrent Assets - Other noncurrent assets decreased by $1.1 million, or 20.78%. due to construction loans for Ramsey Homes LP converting to Tax Credit Capital Equity during the year.

Deferred Outflows- Deferred outflows decreased related to VRS reported deferred outflows of resources and deferred pension payments made between July 1, 2022, to December 31, 2022. The balance was $669,978 million in FY 2021 and changed to $1,660,590 in FY 2022 due to payments posted after the VRS GASB 68 and 75 reporting date. The net change in FY 2022 was an increase of $990,612 or 147.86%.

Current Liabilities- Current liabilities consist of accounts payable, accrued liabilities, unearned revenue, and security deposits. Current liabilities increased by $519,349 or 16.49%. The increase was primarily due to a decrease in vendors payable of $626,273 due to timing issues and offset by lower balances in the remaining liability account related to accrued payroll, accrued compensated absences, other accrued liabilities and tenant security deposits accounts.

Non-current Liabilities- Non-current liabilities are made up of long-term debt, family self-sufficiency escrow accounts, accrued compensated absences and other accrued liabilities that are long term in nature. Non-current liabilities decreased by $1,274,159 or 6.74% due primarily to the following factors or events:

- Long-term debt increased by $1,373,959 or 10.5% as discussed in the notes to the financial statements.
- Accrued compensated absences decreased by 537,944 as a result of usage of accrued leave during the fiscal year.

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MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

Deferred Inflows or Resources -Deferred inflows of Resources increased by $3,056,585 due to increases in the deferred inflows of resources related to the pension activity noted per the VRS Audit report at 6/30/2022. This includes the VRS GASB 68 and GASB 75 reports as of June 30, 2022.

Net Position -As illustrated in the Combined Statement of Net Position, the overall Net Position of the Authority decreased by $1,102,552 or 0.88%

- The "Investment in Capital Assets" decreased by $4.69 million or 4.78%.
- The Restricted Net Position account is made up of a Development Funds and Housing Choice Voucher reserves. The account balance increased by $104,454 or 6.08% due primarily to higher Housing Choice Voucher Equity balances.
- The Unrestricted Net Position increased by $3,490,258 or 13.68%.

While the Statement of Net Position shows the change in financial position, the Statement of Revenues, Expenses, and Net Position breaks down our revenues and expenses further. Table II presented on the next page provides a Statement of Revenues, Expenses and Net Position by Revenue Source:

REVENUES

In reviewing the Statement of Revenues, Expenses, and Net Position, you will find that 70% of the Authority's revenues are derived from grants from the Department of Housing and Urban Development and other Governmental subsidies. The Authority receives revenue from tenants for dwelling rental charges, excess utilities, and miscellaneous charges of 17% of total revenue while Other Revenues comprises the remaining 13%.

Compared to the Fiscal Year Ended December 31, 2021, revenues had an overall decrease of $16.69 million or 26.98%.

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MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

Account Descriptions	2022	2021	Total Change	% Change
Tenant Revenue	4,692,476	4,776,358	(83,882)	-1.76%
Grant Funding	34,491,292	34,742,615	(251,323)	-0.72%
Capital Grant Funding	1,063,816	1,827,961	(764,145)	-41.80%
Interest Income	888,335	350,324	538,011	153.58%
Other Income	4,102,936	20,183,657	(16,080,721)	-79.67%
Total Revenue	**45,188,345**	**61,880,915**	**(16,692,570)**	**-26.98%**
Administration	9,112,389	8,036,641	1,075,748	13.39%
Tenant Services	867,722	849,330	18,392	2.17%
Utilities	1,717,610	1,684,867	32,743	1.94%
Maintenance	5,620,792	3,625,640	1,995,152	55.03%
Protective services	314,915	267,808	47,107	17.59%
Insurance expense	929,147	806,256	122,891	15.24%
General expense	766,512	487,135	279,377	57.35%
Housing Assistance Payments	22,570,015	22,944,987	(374,972)	-1.63%
Interest expense	182,664	1,325,958	(1,143,294)	-86.22%
Depreciation	4,209,131	4,109,135	99,996	2.43%
Total Expenses	**46,290,897**	**44,137,757**	**2,153,140**	**4.88%**
Prior year adjustments	-	442,243	(442,243)	100.00%
Change in Net Position	(1,102,552)	18,185,401	(19,287,953)	-106.06%
Beginning Net Position	125,418,609	107,233,208	18,185,401	16.96%
Ending Net Position	**124,316,057**	**125,418,609**	**(1,102,552)**	**-0.88%**

Tenant Revenue - Tenant Revenue was slightly lower than in 2021 with a decrease of $83,822 or 1.76%.

Program Grants/Subsidies - Federal funding for the year decreased by $1.015,468 or 2.78% from $36.3 million in fiscal year 2021 to $35.6 million, This was a combination of lower Capital Fund and Housing Assistance Program utilization, offset somewhat by higher Public Housing subsidy awards as detailed below:

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY
Federal Financial Awards Comparison
For the Fiscal Years 2022 and 2021

PUBLIC HOUSING	2022	2021	Increase/ Decrease
Public and Indian Housing Program	$ 4,424,321	$ 4,126,296	$ 298,025
Capital Fund Program	1,836,558	2,465,182	(628,624)
Family Self-sufficiency/ROSS grants	158,964	164,540	(5,576)
HOUSING ASSISTANCE PAYMENTS			
Section 8 Housing Choice/Mainstream/EHV	27,603,017	28,066,167	(463,150)
Mod Rehab/ SRO	1,532,248	1,448,391	83,857
TOTALS	$ 35,555,108	$ 36,270,576	$ (715,468)

ALEXANDRIA REDEVELOPMENT & HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

Interest Income – Interest Income decreased by $292,249 or 83.42%. This relates to lower construction notes receivable balances from Ramsey Homes.

Other Income -Other revenues decreased from $20,183,657 in 2021 to $4,102,936 for FY2022. This $16.1 million decrease (79.67%) was related to the $10.40 million of capital contributions for Ramsey Homes recognized during 2021 as well as lower other revenues in relation to 2021 activity.

EXPENSES

The Alexandria Redevelopment & Housing Authority experienced an increase in operating expenses for the current year from $44.14 million to $46.29 million, or a net increase of $2.15 million or 4.88%. The highlights of the expenses for the current year are as follows:

Administrative- Administrative costs include all non-maintenance and non-resident service personnel costs (including benefits and accrued leave), legal costs, auditing costs, travel and training costs, and other administrative costs such as supplies, telephone expense, etc. Compared to 2021, administrative costs increased by $1.07 million or 13.39%. The main drivers in the overall increase were as follows:

- Other administration/Office expenses increased by $1.5 million due to higher consulting and other office expenses.
- Salaries and Employee Benefits decreased by $284K due to lower pension costs during the current year.

Tenant Services – Tenant Services costs include all costs incurred by the Authority to provide social services to the residents. The ARC and Ladrey Advisory Boards receive funding for board meetings, training costs, and other items to assist them in staying informed on their role in the Authority's operations. Tenant Services costs were relatively stable with a 2.17% increase from $849,330 in 2021 to 867,722 in 2022.

Utilities - The total utilities expense for the Authority was relatively consistent with the prior period with an increase of $32,743 or 1.94% due primarily to higher electric costs.

Maintenance -Maintenance costs are all costs incurred by the Authority for the 754 Public Housing units, which are owned by the Authority in a safe and sanitary manner. Costs include personnel costs, materials used to maintain the units, contracts for waste management, vehicle costs and maintenance, and telephone/radio service, etc. The Maintenance Expense for the Authority increased from $3.63 million to $5.62 million for an increase of $1.99 million or 55.03%. The main factors for this increase were an increase in Contract costs of $2.3 million due to greater use of contractors offset somewhat by a decrease of $215K in salaries and benefits and a decrease of $187K of materials costs.

Protective Services – Protective services costs were used for security and fire monitoring services. The total expense for the year was $314,915 or an increase of $47,107 or 17.59%. The Authority utilizes security and fire monitoring services for the protection of elderly, disabled and other residents. These services helped reduce crime and protect the Authority's assets.

Insurance Expenses – General Expenses include insurance costs (property, auto, liability, workers' compensation, public officials' liability, lead based paint insurance, etc.). The overall insurance costs increased from $806,256 to $676,088 or $122,891 or 15.24%. The main driver in the overall increase relates to Ramsey Homes LP having a full 12 months of activity during 2022 as well as higher agency-wide premium increases.

ALEXANDRIA REDEVELOPMENT & HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

General Expenses – General Expenses include other general expenses, collection losses, compensated absences expenses and payment in lieu of taxes to the City of Alexandria. General expenses for the Authority were $279,377 higher than in 2021 due to primarily an increase in other expenses of $433K offset somewhat by lower compensated absence balances (67K) and lower bad debt expenses ($100K).

Housing Assistance Payments Program – HAP payments consist of rental payments to owners of private property for which the housing authority has a HAP agreement with the tenant and the owner for the difference between the tenants' rent and the applicable payment standard. HAP payments for the Authority decreased from $22.94 million to $22.57 _million, for an overall decrease of $(374,972) or (1.63)%. due to slightly lower program utilization in relation to 2021 levels.

Depreciation -Because the costs of all capitalized additions are spread over the estimated useful life of an asset, the estimated current year costs of capitalized items are recorded as depreciation. Depreciation Expense for the current year increased from $4.1 million to $4.2 million in 2022 a change of $99,996 or 2.43%

Interest expense - decreased by $1,143,294 or 86.22% due to lower construction/capital loans balances in 2022 in relation to the 2021 balances for Ramsey Homes.

CAPITAL ASSETS

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY
Comparative Statement of Capital Assets
TABLE III

	2022	2021	Total Change	% Change
Land	$ 26,514,198	$ 26,727,387	$ (213,189)	-0.80%
Buildings & improvements	155,093,664	155,071,462	22,202	0.01%
Equipment	2,183,007	2,155,701	27,306	1.27%
Construction in progress	5,819,847	4,722,629	1,097,218	23.23%
	189,610,716	188,677,179	933,537	0.49%
Accumulated Depreciation	(80,625,209)	(76,648,656)	(3,976,553)	5.19%
Total Capital Assets	**$ 108,985,507**	**$ 112,028,523**	**$ (3,043,016)**	**-2.72%**

At the end of fiscal year 2021 the Authority had invested in Capital Assets of $112 million, net of depreciation. As of December 31, 2022, the Authority had a net decrease in net capital assets of $3 million to $ 109 million or 2.72% as noted above.

The Authority has five (5) ongoing HUD Capital Fund grants. The total improvement for the year was $2.1 million, $1.06 million for CFP and $1.06 million in other capital projects, mainly related to the Ramsey Homes redevelopment.

The Authority is aggressively working to improve the overall quality of their housing stock and has used the programs for that purpose. The Authority expects continued increases in capital expenditures for the upcoming years to continue the upgrade of the Authority's housing stock.

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MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

LONG TERM DEBT

Noted in the State/Local portfolio, the PHA has four funds with long-term capital debt financing with the ten Tax Credit LLC projects. These entities, Quaker Hill, Glebe Park, Princess Square, and Hopkins Tancil in the State/Local portfolio, and Chatham Square, BWR, West Glebe, Old Dominion, James Bland I, II, IV, V, Pendleton Park and Ramsey Homes provide low-income rental housing, under the Public Housing and Multi-family HUD funding systems, for the residents of the City of Alexandria. Table V gives us an analysis of debt activity from FY 2021 to FY 2022.

		2022	2021	Net Change
Current Portion of Long Term Debt	$	136,313	131,614	4,699
Long Term Debt, Net of	$	15,365,869	13,991,910	1,373,959
Totals	$	**15,502,182**	**14,123,524**	**1,378,658**

The outstanding long-term debt balance increased by $1,378,658 and additional details for these changes can be found in Note 13 of the financial statements included later in this report.

ECONOMIC FACTORS AND EVENTS AFFECTING OPERATIONS:

Several factors may affect the financial position of the authority in the future. These factors include:

1. The population of the City of Alexandria was 155,525 per 2022 census estimates. [1] This represents an 11% increase in population over the 2020 census data.[2]
2. The City of Alexandria had 9.6% of the city's population under the poverty level as compared to the 10.6% rate for the Commonwealth of Virginia. [3]
3. As described in the Authority's Five-Year Plan, the Authority is working to increase the number of quality properties and units available for low-income residents of the City of Alexandria. Included in this plan is to revitalize its current housing stock with innovative funding methods to accomplish these goals.
4. The Authority is actively working to improve the Authority's image within the community of the City of Alexandria through increased public relation efforts.
5. The City of Alexandria is a suburb of Washington D.C. which creates incredible pressure on affordable housing needs and costs. In the City of Alexandria homeownership is at 42.5% compared to the national average of 63.9%. The rental needs within the City of Alexandria are immense, specifically affordable housing with provides incredible opportunities for the Authority but incredible demands on capital and operating resources needs which are difficult to meet.

[1] https://www.census.gov/quickfacts/alexandriacityvirginia
[2] https://www.census.gov/quickfacts/alexandriacityvirginia
3 http ://www.city-data.com/poverty/poverty-Alexandria-Virginia.html
4 https://www.homefacts.com/unemployment/Virginia/Alexandria-City-County/Alexandria.html

ALEXANDRIA REDEVELOPMENT & HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

The City of Alexandria's unemployment rate was 2.5% as of August 2022.[4] This is up from the 2.2% rate at December 2021 period. The Commonwealth of Virginia unemployment rate for August 2022 was 3.2% and the national average for the same period was 3.7%.7. The PHA used the Section 18 regulations to convert two Public Housing properties, Saxony Square and Park Place, to project-based voucher funded State/Local properties during the year. These properties will no longer receive operating subsidy and will instead receive project-based voucher funding under PHAs Section 8 Program. 8. The PHA created an Affiliate, Premier Affordable Housing, to assist the PHA as they continue to develop, buy out the investors of their Tax Credit properties and other affordable housing development activities deemed necessary. During FY 2021 this Affiliate assisted in the buyout of the BWR Tax Credit property, moving full control between ARHA and the Affiliate. The limited partner was removed with ARHA remaining as the general partner and the Affiliate becoming the limited partner. The allocation of future partner cash proceeds will be 55% to the PHA and 45% to the Affiliate.

CONCLUSIONS:

Overall, the Alexandria Redevelopment & Housing Authority had a solid year financially, which is consistent with the prior year's performance. ARHA's management is committed to staying abreast of regulations and appropriations as well as maintains an ongoing analysis of all budgets and expenses to ensure that the Authority continues to operate at the highest standards established by the Real Estate Assessment Center and the Department of Housing and Urban Development

This financial report is designed to provide our AHRA residents, the citizens of Alexandria, Virginia, all federal and state regulatory bodies, and any creditors with a general overview of the Authority's finances. If you have any questions regarding these financial statements or supplemental information, you may contact the Chief Financial Officer at (703) 549-7115, or by writing: Alexandria Redevelopment Housing Authority, 401 Wythe Street, Alexandria, Va. 22314.

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY
Alexandria, Virginia

STATEMENT OF NET ASSETS
DECEMBER 31, 2022

ASSETS

Current Assets		
Cash & cash equivelents	$	20,859,781
Accounts receivable (net of allowance)		3,784,821
Inventories (Net of Allowance)		390
Prepaid expenses		576,369
Total Current Assets		25,221,361
Noncurrent Assets		
Restricted cash and cash equivelents		9,281,483
Other assets		5,901,821
Capital Assets		
Land		26,514,198
Buildings & improvements		155,093,664
Furniture & Equipment		2,183,007
Construction in progress		5,819,847
		189,610,716
Less: Accumulated depreciation		(80,625,209)
Capital Assets, net		108,985,507
Total noncurrent assets		124,168,811
Deferred Outflows of Resources		1,660,590
TOTAL ASSETS	$	151,050,762

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY
Alexandria, Virginia

STATEMENT OF NET ASSETS
DECEMBER 31, 2022

LIABILITIES & NET POSITION

Current Liabilities		
Accounts payable	$	1,034,252
Accounts payable, HUD		280,827
Accounts payable, other government		258,150
Accrued wages and current portion of compensated absences		637,289
Interest payable		9,765
Other current liabilities		448,317
Tenant security deposits/escrow deposits		693,627
Unearned revenue		169,380
Bonds, notes and loans payable - capital		136,313
Total Current Liabilities		3,667,920
Noncurrent Liabilities		
Bonds, notes and loans payable - capital		15,365,869
Accrued expenses - noncurrent		49,772
Other noncurrent liabilities		1,965,324
Accrued Pension and OPEB Liability		259,484
Total Long Term Liabilities		17,640,449
Total Liabilities		21,308,369
Deferred Inflows		5,426,336
Net Position		
Investment in capital assets		93,483,325
Restricted		1,822,144
Unrestricted		29,010,588
TOTAL NET POSITION		124,316,057
TOTAL LIABILITIES & NET POSITION	$	151,050,762

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY
Alexandria, Virginia

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2022

Operating Revenues		
Dwelling rent	$	4,692,476
HUD Grants and other contributions		34,491,292
Other income		4,102,936
Total Operating Revenue		43,286,704
Operating Expenses		
Administration		9,112,389
Tenant services		867,722
Utilities		1,717,610
Ordinary maintenance & operations		5,620,792
Protective services		314,915
General expense		1,695,659
Housing assistance payments		22,570,015
Depreciation expense		4,209,131
Total Operating Expense		46,108,233
NET INCOME/(LOSS) FROM OPERATIONS		(2,821,529)
Nonoperating Revenues		
Interest expense		(182,664)
Loss on the disposition of capital assets		(50,510)
Investment income		888,335
Net Nonoperating Revenues		655,161
Net Income (loss) before contributions		(2,166,368)
Capital grants		1,063,816
Net Income		(1,102,552)
Total Net Assets - beginning		125,418,609
Total Net Assets - ending	$	124,316,057

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY
Alexandria, Virginia

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from receipts	$	1,769,220
Other receipts		38,594,228
Payments to suppliers		(13,593,476)
Payments for housing assistance		(22,570,015)
Payments to employees		(7,031,436)
NET CASH PROVIDED FROM OPERATING ACTIVITIES		(2,831,479)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received		888,335
NET CASH PROVIDED FROM INVESTING ACTIVITIES		888,335
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES		
Operational additions to capital assets		(102,299)
Loss on the disposition of capital assets		(50,510)
Repayment of bonds, notes, and loans payable		1,378,658
Payment of interest on debt		(182,664)
Additions to capital assets - Capital Grant		(1,063,816)
Governmental grant funds received		1,063,816
NET CASH USED FROM CAPITAL & RELATED FINANCING ACTIVITIES		1,043,185
NET INCREASE IN CASH		(899,959)
CASH AT BEGINNING OF PERIOD		31,041,223
CASH AT END OF PERIOD	$	30,141,264

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY
Alexandria, Virginia

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

CONTINUED

CASH FLOWS FROM OPERATING ACTIVITIES		
Net Operating Income/(Loss)	$	(2,821,529)
Adjustments to reconcile net loss to		
net cash provided by operating activities:		
Depreciation		4,209,131
Decrease (Increase) in accounts receivable		(2,960,911)
Decrease (Increase) in prepaid expenses		(175,430)
Decrease (Increase) in assets held for sale		(1,015,245)
Decrease (Increase) in deferred outflows of resources		(990,612)
Increase (Decrease) in accounts payable		819,437
Increase (Decrease) in accounts payable, other governments		128,576
Increase (Decrease) in compensated absences and accrued wages		(529,874)
Increase (Decrease) in accrued expenses and other current liabilities		(494,600)
Increase (Decrease) in pension liabilities		(1,546)
Increase (Decrease) in other accrued liabilities		(2,108,628)
Increase (Decrease) in unearned revenue		62,749
Increase (Decrease) in deferred inflows of resources		3,056,585
Increase (Decrease) in security/trust deposits		(9,582)
NET CASH PROVIDED FROM OPERATING ACTIVITIES	$	(2,831,479)

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 1: ORGANIZATION AND REPORTING ENTITY

A. Reporting Entity **-** The Alexandria Redevelopment and Housing Authority (ARHA) is a non-profit organization which was organized under the laws of the Commonwealth of Virginia to provide low rent housing for qualified individuals in accordance with the rules and regulations prescribed by the Department of Housing and Urban Development and other Federal Agencies. ARHA is responsible for operating a low-rent housing program which provides housing for eligible families, for operating redevelopment and conservation programs and for the delivery of services to citizens of low-rent housing and urban renewal areas through the encouragement and development of social and economic opportunities. As required by GAAP, these statements present the funds, activities, and functions of ARHA (the primary government). ARHA is not a component unit of the City of Alexandria.

Component units are reported as part of the reporting entity under either the blended or discrete method of presentation. Blended involves merging the component unit data with the primary government. The discrete method presents the financial statements of the component unit outside of the basic financial statement totals of the primary government.

In determining how to define the reporting entity, management has considered all potential component units. The decision to include component units in the reporting entity is made by applying the criteria set forth in *Section 2100 and 2500 of the Codification of Governmental Accounting and Financial Reporting Standards and Statement No. 14 (amended), of the Governmental Accounting Standards Board: The Financial Reporting Entity and Statement No. 61 of the Governmental Accounting Standards Board: The Financial Reporting Entity: Omnibus*. These criteria include manifestation of oversight responsibility including financial benefit to or burden on a primary organization, financial accountability as a result of fiscal dependency, potential for dual inclusion, and organization included in the reporting entity although the primary organization is not financially accountable. The Authority has three blended component units under the State and Local section of the HUD REAC Financial Data Schedule: Virginia Housing Development, L.L.C., Quaker Hill, L.P., and Princess Square, L.L.C. The Authority reports ten blended component units West Glebe, L.P.; Braddock Whiting Reynolds, L.P.; Pendleton Park, L.L.C.; Old Dominion Housing, L.P.; James Bland I, L.P.; James Bland II, L.P.; James Bland IV, L.P.; James Bland V, L.P.; Ramsey Homes, L.P.; and Madden AUOE, L.P.

B. Government-Wide and Fund Financial Statements - The government-wide fund financial statements report information on all of the activities of the Authority. For the most part, the effect of inter-fund activity has been removed from these statements. The Authority's activities are entirely business-type activities, which rely to a significant extent on fees and charges for support.

Major individual enterprise funds are reported as separate columns in the fund financial statements.

All the funds of the Authority are proprietary funds. They are described below:

Proprietary Funds - are used to account for activities that are similar to those often found in the private sector. These funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. The following are the Authority's proprietary funds:

Enterprise Funds - account for operations that are financed in a manner similar to private business enterprises, where the intent is that costs of providing goods or services to the general public by the Authority is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges.

NOTE 1: ORGANIZATION AND REPORTING ENTITY (Cont'd)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation - The government wide fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The Authority has no governmental funds.

The Authority reports the following major proprietary funds:

Low-Rent Housing Fund - The Low-Rent Housing Fund includes the Housing Operations Programs. These funds are used to account for housing operations primarily funded by the annual contributions contract with the Department of Housing and Urban Development (HUD).

Housing Choice Voucher Fund - Under this program, rental assistance payments are made by the Authority primarily to landlords on behalf of eligible families. These programs are funded by the annual contributions contract with HUD.

State Fund - The State/Local Fund includes Princess Square as well as the Security Deposit Loan Fund, Donations Fund, Miller Homes, Quaker Hill, Hopkins Tancil, Park Place and Saxony Square.

Business Activities – The business activities fund provides loans for other programs to invest in affordable housing and also invests directly in affordable housing.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide fund financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between certain Authority's functions because the elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of all the Authority's enterprise funds are governmental grants used for maintaining and operating low income housing assistance programs. Operating expenses for these enterprise funds include administrative expenses, utilities and maintenance of housing units and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

D. 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. Actual results could differ from those estimates.

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 1: ORGANIZATION AND REPORTING ENTITY (Cont.)

E. Cash and Cash Equivalents - Highly liquid investments with initial maturities of three months or less from date of purchase are considered cash equivalents.

F. Investments - Investments are carried at fair value, with changes in fair value recognized as a component of investment income. Fair value is determined by reference to quoted market prices.

G. Land, Structures, and Equipment - Land, structures and equipment are capitalized at cost with depreciation calculated on the straight-line basis over the following estimated useful lives:

Real Property	30 years
Real Property Improvements	20 years
Office Furniture and Equipment	7 years
Data Processing Equipment and Automobiles	5 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.

H. Impairment of Long-Lived Assets

GASB Statement No. 42, Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries, establishes accounting and financial reporting standards for impairment of capital assets. Under the provisions of the statement, prominent events or changes in circumstances affecting capital assets are required to be evaluated to determine whether impairment of a capital asset has occurred. Impaired capital assets that will no longer be used should be reported at the lower of carrying value or fair value. Impairment of capital assets with physical damage generally should be measured using the restoration cost approach, which uses the estimated cost to restore the capital asset to identify the portion of the historical cost of the capital asset that should be written-off. No such impairment loss was incurred during the current year.

I. Intangible Assets

Bond financing costs on the capital program revenue bonds are amortized over the life of the issue using the straight-line method, which approximates the effective-interest method.

J. Annual Contributions and Operating Subsidies - In accordance with the annual contributions' contracts, ARHA receives operating subsidies from HUD. Such amounts are included as grant revenues from the federal government in the financial statements. The Component Unit does not participate in any grant programs at this time.

K. Compensated Absences - Accumulated unpaid vacation and other employee benefit amounts are accrued when incurred in the applicable fund. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

L. Advertising Costs - Advertising costs are charged to operations when incurred.

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 1: ORGANIZATION AND REPORTING ENTITY (Cont.)

M. Indirect Costs - Certain indirect costs are funded on a fee-for-services basis. These fees were approved by the appropriate grantors as of ARHA's overall operations budget for the fiscal year.

N. Net Position - Net Position balances are designated by the Low Rent Fund, Section 8 Housing Choice Voucher Fund, Other Federal Grants Fund, Business Activities and State/Local Fund for future expenses, or must be returned to the grantor, and generally may not be used in any manner by ARHA except as specified under their respective contracts. The Net Position balance of the Business Activities Fund are designated to provide for financial resource utilization in future periods. Deficit balances in net positions are primarily attributable to accumulated depreciation charges on fixed assets.

O. Pension Plans - ARHA 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 ARHA'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.

P. Income Taxes - As a political subdivision of the State of Virginia, ARHA is exempt from Federal and State income taxes.

Q. Deferred outflows/inflows of resources - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Authority has six items, detailed in notes 9 and 10, that meet the criterion for this category. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Authority has six items, detailed in notes 9 and 10, that meet the criterion for this category.

NOTE 2: DEPOSITS & INVESTMENTS

Deposits - At year end, the carrying amount of deposits with banks and savings institutions was $20,859,781 unrestricted and $9,281,483 restricted. The bank amount of deposits with banks and savings institutions was $30,141,264. All deposits were covered by Federal depository insurance or collateralized in accordance with the Virginia Security for Public Deposits Act (the Act) and HUD requirements. Under the Act, banks holding public deposits in excess of the amounts insured by federal depository insurance must pledge collateral in the amount of 50% of excess deposits to a collateral pool in the name of the State Treasury Board. Savings and loan institutions are required to collateralize 100% of deposits in excess of federal depository insurance limits under the Act, while HUD requires collateralization of 100% of deposits in excess of federal depository insurance from all banks, savings and loan, and investment institutions for all cash deposits and for investment vehicles not directly held.

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 2: DEPOSITS & INVESTMENTS (Cont.)

The State Treasury Board requires ARHA to obtain additional collateral from participating financial institutions to cover collateral shortfalls in the event of default and is responsible for monitoring compliance with the collateralization and reporting requirements of the Act and for notifying local governments of noncompliance by banks and savings and loan institutions. ARHA follows HUD's guidelines for investments policy.

Investments – As of December 31, 2022, the Authority had no investment balances.

Interest Rate Risk – The Authority does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Credit Risk – The Authority places no limit on the amount the Authority may invest in any one issuer. All of the Authority's investments are in U.S. Government Securities.

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority does not have a deposit policy for custodial credit risk. As of December 31, 2022, all of the Authority's investments were in U.S. Government Securities held in the Authority's name.

Restricted Cash – Restricted cash is made up of HOPE VI non-federal modernization funds, restricted HAP Funds, security deposit, FSS escrow funds and restricted cash for replacement reserve, residual receipts and taxes and insurance needs. They are restricted by HUD for the purposes stated above.

NOTE 3: RECEIVABLES

Receivables as of December 31, 2022, for the Authority's individual major funds and other proprietary funds in the aggregate, including the applicable allowance for uncollectible accounts, are as follows:

	Business Activities	Low Rent Public Housing	Housing Choice Vouchers	State/ Local Funds	Nonmajor Proprietary Funds	Component Units	Inter-entity Eliminations	Total
Receivables								
Tenants	$ -	$ 84,712	$ -	$ 392,098	$ -	$ 95,347	$ -	$ 572,157
Intergovernmental	-	1,041,790	-	342,756	360,207	-	-	1,744,753
Miscellaneous	289,921	25,349	-	1,132,703	-	117,905	-	1,565,878
Gross Receivables	289,921	1,151,851	-	1,867,557	360,207	213,252	-	3,882,788
Less: Allowance for Uncollectibles	-	(37,375)	-	(21,981)	-	(38,611)	-	(97,967)
Net Total Receivables	$ 289,921	$ 1,114,476	$ -	$ 1,845,576	$ 360,207	$ 174,641	$ -	$ 3,784,821

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 4: MORTGAGES, NOTES RECEIVABLE AND NONCURRENT ASSETS

At December 31, 2022, the Authority had various notes receivable balances related to HOPE VI loans, Turnkey III, and Development Ventures, Inc. loans and additional other assets related to Tax Credit Component Unit long-term financing fees which are amortized over the life of the debt financing. All loans are to tax credit L.L.C. entities that are blended as ARHA component units and as such are completely eliminated as inter-company loans. The amounts due are as follows:

	Ending Bal
Business Activities	$ 50,210,052
State/Local	2,680,602
Subtotal	*52,890,654*
Elimination Entry	(52,890,654)
Total Noncurrent Assets	*$ -*

NOTE 5: CAPITAL ASSETS

Land, structures, and equipment consist of the following at December 31, 2022:

	Beginning Balances	Increases	Decreases	Ending Balances
Enterprise Activities				
Capital assets not being depreciated:				
Land	$ 26,727,387	$ (213,189)	$ -	$ 26,514,198
Construction in progress	4,722,629	1,097,216	(2)	5,819,847
Total capital assets not being depreciated	31,450,016	884,027	(2)	32,334,045
Buildings & improvements	155,071,462	22,202	-	155,093,664
Furniture & equipment	2,155,701	27,306	-	2,183,007
Total capital assets being depreciated	157,227,163	49,508	-	157,276,671
Less accumulated depreciation for:				
Buildings & improvements	74,918,010	4,013,543	232,577	78,698,976
Furniture & equipment	1,730,646	195,588	1	1,926,233
Total acccumulated depreciation	76,648,656	4,209,131	232,578	80,625,209
Total capital assets being depreciated	80,578,507			76,651,462
Enterprise activity capital assets, net	$ 112,028,523			$ 108,985,507

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 6: ACCOUNTS PAYABLE

Accounts payable at December 31, 2022, consisted of the following:

Vendors & contractors	1,034,252
Payments in lieu of taxes – City of Alexandria	258,150
Accounts payable – HUD	280,827
Tenant security deposits	693,627
	2,266,856

NOTE 7: ACCRUED EXPENSES AND OTHER ACCRUED LIABILITIES

Accrued expenses and other current liabilities at December 31, 2022, consisted of the following:

Accrued salary payable	325,166
Accrued compensated absences – current	312,123
Accrued interest payable	9,765
Unearned revenue – prepaid rents	169,380
Other current liabilities	11,703
Accrued liabilities	436,614
	1,264,751

NOTE 8: NET POSITION

Net Position includes HUD grants for development and modernization projects of ARHA's low-income housing units.

NOTE 9: DEFINED BENEFIT PENSION PLAN

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

a. Plan Description

All full-time, salaried employees of the Authority are automatically covered by the VRS Retirement System upon employment. Benefits vest after five (5) years of service. Employees are eligible for an unreduced retirement benefit at age 65 with five (5) years of service.

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 http://www.varetire.org/pdf/publications/2022-annual-report.pdf or by writing the System's CFO at P. O. Box 2500, Richmond, VA 23218-2500.

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 9: DEFINED BENEFIT PENSION PLAN - (Cont.)

b. Employees Covered by Benefit Terms

As of the June 30, 2020, actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

Inactive Members	83
Active Members	68
Total Covered Employees	**151**

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. ARHA's contractually required contribution rate for the year ended June 30, 2022 was 5.01% of covered employee compensation. This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the Authority to the pension plan were $259,578 and $231,943 for the years ended June 30, 2022 and June 30, 2021, respectively.

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 9: DEFINED BENEFIT PENSION PLAN - (Cont.)

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, 2021, 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, 2022.

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.

b. Net Pension Liability (Asset)

The Authority's net pension liability (asset) was measured as of June 30, 2022. The total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation performed as of June 30, 2021, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022. The following table summarizes the changes in the Net Pension Liability (Asset) which resulted in $829,068 being reported as a pension asset as of December 31, 2022.

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 9: DEFINED BENEFIT PENSION PLAN - (Cont.)

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

b. Net Pension Liability (Asset) – continued

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a-b)
Balance at June 30, 2021	**$ 17,651,208**	**$ 19,399,692**	**$ (1,748,484)**
Changes for the year:			
Service Cost	363,115		363,115
Interest	1,184,551		1,184,551
Changes of assumptions	-		-
Difference between expected and actual experience	(259,578)		(259,578)
Contributions-employer		184,913	(184,913)
Contributions-employee		208,865	(208,865)
Net investment income		(13,387)	13,387
Benefit payments, including refunds of employee contributions	(930,848)	(930,848)	
Administrative expense		(12,162)	12,162
Other changes		443	(443)
Net Changes	357,240	(562,176)	919,416
Balance at June 30, 2022	**$ 18,008,448**	**$ 18,837,516**	**$ (829,068)**

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

The following presents the net pension liability of the Authority using the discount rate of 6.75%, as well as what the Authority's net pension liability would be if it were calculated using a discount rate 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%)
Plan's Net Pension Liability	$1,382,154	$ (829,068)	($2,639,073)

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 9: DEFINED BENEFIT PENSION PLAN - (Cont.)

d. Pension Expense (Income)

For the year ended December 31, 2022, the Authority recognized pension income of $28,301. The components of pension income are as follows:

Service Costs	$	363,115
Interest on total pensions liability		1,184,551
Expensed portion of current-period difference between expected and actual experience in the total pension liability		(84,006)
Expensed portion of current-period changes of assumptions		-
Member contributions		(208,865)
Projected earnings on plan investments		(1,290,957)
Expensed portion of current-period differences between actual and projected earnings on plan investments		260,869
Administrative expense		12,162
Other		(443)
Recognition of beginning deferred outflows of resources		509,353
Recognition of beginning deferred inflows of resources		(717,478)
Pension Expense(Income)	$	28,301

e. Deferred Outflows of Resources and Deferred Inflows of Resources

		Deferred Outflows of Resources		Deferred Inflows of Resources
Differences between expected and actual experience	$	17,221	$	246,077
Changes of assumptions		226,823		-
Net difference between expected and actual earnings on pension plan investments		1,354,198		1,919,938
Total	$	1,598,242	$	2,166,015

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

Year ended June 30:		
2023	$	(143,459)
2024		(298,513)
2025		(386,669)
2026		260,868
2027		-
Thereafter		-

NOTE 10: OTHER POST EMPLOYEMENT BENEFITS (OPEB)

The Authority participates in both the Virginia Group Life Insurance Plan (GLI) and Local Disability (LD) Programs. Each are maintained by Virginia Retirement System (VRS).

The VRS Group Life Insurance and Local Disability Programs are multiple employer, cost-sharing plans. It provides coverage to state employees, teachers, and employees of participating political subdivisions.

Detailed information about both the GLI and LD Programs' Fiduciary Net Positions are available in the separately issued VRS 2022 Comprehensive Annual Financial Report (CAFR). A copy of the 2022 VRS CAFR may be downloaded from the VRS website at http://www.varetire.org/Pdf/Publications/2022-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

a. <u>GLI Plan Description</u> - The Group Life Insurance Program is a defined benefit plan that provides a basic group life insurance benefit for employees of participating employers. The benefits payable under the Group Life Insurance Program have several components. (a) Natural Death Benefit – The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. (b) Accidental Death Benefit – The accidental death benefit is double the natural death benefit. (c) Other Benefit Provisions – In addition to the basic natural and accidental death benefits, the program provides additional benefits provided under specific circumstances. These include: (i) Accidental dismemberment benefit, (ii) Safety belt benefit, (iii) Repatriation benefit, (iv) Felonious assault benefit, and (v) Accelerated death benefit option. 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.

b. <u>LD Plan Description</u> - The Local Disability Program is a defined benefit plan that provides short and long-term disability benefits for employees of participating employers. The benefits payable under the Local Disability Program have several components. (a) Short-term disability benefit - provides 60% of the employee's pre-disability income immediately upon employment for work-related disability, or one year for non-work-related disability. Employees are eligible for a higher percentage of their pre-disability income after 5 years of continuous participation in the program with the employer. (b) long-term disability benefit – after 125 workdays of short-term disability, members are eligible if unable to work more than 20 hours per week, receiving 60% of their-pre disability income if approved. If work-related, this benefit is offset by workers' compensation benefits. (c) Other Benefit Provisions – (i) Members approved for either disability at age 60 or older will be eligible for additional benefits while medically eligible and (ii) members may also be eligible for the VLDP Long-Term Care Plan to assist with costs of long-term care services.

c. <u>Contributions</u>- The contribution requirements for both programs are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the Group Life Insurance Program was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% X 60%) and the employer component was 0.54% (1.34% X 40%). Employers may elect to pay all or part of the employee contribution, however the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2022 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 10: OTHER POST EMPLOYEMENT BENEFITS (Cont'd.)

c. Contributions (cont'd) - 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 from the entity to the Local Disability program was $24,543 and $21,171 for the years ended June 30, 2022 and June 30, 2021, respectively. Contributions from the entity to the GLI program was $25,312 and $25,000 for the years ended June 30, 2022 and June 30, 2021, respectively.

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

a. Actuarial Valuation Method and Assumptions - The total combined OPEB liability was based on an actuarial valuation as of June 30, 2021, 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, 2022.

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.

Post-Retirement: Pub-2010 Amount Weighted General Healthy Retiree Rates projected generationally; 110% of rates for females; Post-Disablement: Pub-2010 Amount Weighted General Disabled Rates projected generationally; males and females set forward 3 years.

b. Net OPEB Liability - At December 31, 2022, ARHA reported a liability of $259,483 for its proportionate share of the Net Combined OPEB Liability. The Net Combined OPEB Liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of June 30, 2021. 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 and the Local Disability Program for the year ended June 30, 2022, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, the ARHA employer's proportion for the Local Disability plan was .47174% as compared to .59105% at June 30, 2021. At June 30, 2022, the ARHA employer's proportion for the GLI plan was .02155% as compared to .02242% at June 30, 2021.

c. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate - The following presents the net OPEB liability of ARHA using the discount rate of 6.75%, as well as what ARHA's net 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:

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 10: OTHER POST EMPLOYEMENT BENEFITS (Cont'd.)

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Plan's Net OPEB Liability	$381,374	$261,030	$163,846

d. OPEB Expense - For the year ended December 31, 2022, ARHA recognized a combined OPEB expense of $23,022. 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 December 31, 2022, ARHA reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 29,771	$ 1,989
Changes of assumptions	14,390	35,714
Changes in Proportionate Share	1,515	32,875
Employer contributions subsequent to the measurement date	31,229	-
Total	$ 76,905	$ 132,880

$31,229 is reported as deferred outflows of resources related to the OPEB-GLI plan resulting from employer contributions subsequent to the measurement date, that will be recognized as a reduction of the Net OPEB-GLI plan liability in the fiscal year ended December 31, 2022. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB-GLI will be recognized in OPEB expense as follows:

Year ended June 30:	
2022	$ (21,511)
2023	(18,859)
2024	(18,934)
2025	(23,833)
2026	(4,067)
Thereafter	-

f. Additional Note on Local Disability – The figures and information related Local Disability Program are not reflected in Note 10 sections a through e except where specifically disclosed and are not included in the financial statements due to their immaterial nature.

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 11: IMPAIRMENT OF CAPITAL ASSETS

In accordance with new financial reporting standards issued by the Government Accounting Standards Board's, "Statement No. 42, "Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries" requires certain note disclosures. There were no permanent impairments experienced by the Authority that required material adjustments to the Statement of Net Position.

NOTE 12: DEFERRED COMPENSATION PLAN

ARHA provides an approved deferred compensation plan under Section 457 of the Internal Revenue Service which is administered by Mutual of America Life Insurance Company. All regular full-time ARHA employees are eligible to participate. The Internal Revenue Code requires that the plan assets and income attributed to the assets be held in trust for the exclusive benefit of the participants and/or beneficiaries. All amounts of employees' compensation deferred under the plan are deposited with the plan trustee, Mutual of America Life Insurance Company, for management and investment. The plan trustee holds all assets of the plan, maintains accounting of each plan participant's accumulated assets, and makes distributions to participants in accordance with the plan document.

NOTE 13: LONG TERM DEBT AND NONCURRENT LIABILITIES

Noncurrent liabilities at December 31, 2022, including component units consisted of the following:

	Balance 01/01/21	Increases	Decreases	Balance 12/31/22	Long-Term Portion	Current Portion
Notes payable - capital	$ 13,847,934	$ 1,785,862	$ (131,614)	$ 15,502,182	$ 15,365,869	$ 136,313
Compensated absences	533,260	7,285	(178,650)	361,895	49,772	312,123
Pension & OPEB Liabilities	261,030	0	(1,546)	259,484	259,484	0
Other noncurrent liablities	4,073,952	0	(2,108,628)	1,965,324	1,965,324	0
Total long-term liabilities	$ 18,716,176	$ 1,793,147	$ (2,420,438)	$ 18,088,885	$ 17,640,449	$ 448,436

Quaker Hill – Quaker Hill was sold by Cameron Valley Limited Partnership to the Quaker Hill Limited Partnership. In order for Quaker Hill Limited Partnership to acquire the property, its General Partner, Alexandria Redevelopment and Housing Authority entered into an agreement to transfer the loan obligations related to the operating deficits of the Cameron Valley Limited Partnership, over to the new owner, the Quaker Hill Limited Partnership in the amount of $6,887,016 with accrued interest of $512,847 on April 1, 2010. The interest rate on the loan is .5% per annum. Accrued interest at December 31, 2022, was $951,875. Interest expense incurred for this loan during 2021 was $34,435. This loan is eliminated on the upper level financial statements.

The Project also entered into an agreement with the City of Alexandria in the amount of $4,704,600 on April 1, 2010. The Authority has paid off a cumulative principal balance in the amount of $1,864,330, leaving a principal balance in the amount of $2,840,270. The interest rate on the loan is 2.0% per annum. Cumulative interest payable is $1,190,729. Cumulative owed on this loan is $4,030,999 as of December 31, 2022. Interest expense incurred for this loan during 2022 was $56,805. The payments due under this note shall be made from Borrower to lender as follows: commencing on or before March 31, 2023 in an amount equal to one hundred percent (100%) of the Borrowers' Residual Receipts, if any, as that term is defined in the Loan Agreement entered into in conjunction with this note, along with the first annual payment of interest.

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 13: LONG TERM DEBT AND NONCURRENT LIABILITIES - (Cont'd)

Subsequent annual payments of the remaining interest and principal shall be made at the same rate of one hundred percent (100%) of the Borrower's Residual Receipts, if any. Notwithstanding any other provisions to the contrary, if the City loan is not fully paid in thirty (30) years of the date hereof, the Terms of the Agreement shall be renegotiated, giving to the City reasonable opportunity to revisit the conditions and to request any adjustments it considers warranted at that time, contingent on the approval of the Senior Debt Lender. Borrower shall not pay a penalty if the loan is not repaid in thirty (30) years, and payment of one hundred percent (100%) of Borrower's Residual Receipts shall continue to be made until the loan is paid in full.

ARHA entered into a loan agreement on June 30, 2008 with VHDA for the redevelopment of the Quaker Hill project. The loan balance as of December 31, 2022, was $2,570,145 with $0 in accrued interest. ARHA makes monthly payments in the amount of $13,916, as of December 31, 2022, but subject to annual adjustment per the terms of the amortization schedule, and will be due in full on April 1, 2034. A total of $65,137 in principal payments were made in fiscal year 2022. The interest rate is 5.25% per annum and cumulative interest payments in fiscal year 2022 were $101,854. Additional escrow payments are made for Insurance Escrow and Replacement Reserves per the VHDA loan agreement. Principal payments required:

	Principal	Interest
2023	$ 67,729	$ 99,262
2024	70,425	96,567
2025	73,227	93,764
2026	76,142	90,850
2027 to 2031	428,648	406,308
2032 to 2036	1,853,975	159,123
	$ 2,570,146.00	945,874.00

Princess Square – On May 7, 2014, the Company entered into a note payable with SunTrust Bank, N.A. for $4,750,000. On June 19, 2020, the Company refinanced with Amalgamated Bank with a loan for $3,250,000. The monthly payments for the new loan are $16,773, which is based on a 30-year amortization schedule. As of December 31, 2022 the outstanding principal balance was $2,971,275. Interest expense for the year ended December 31, 2022 was $145,656. The entire balance of principal is due when the note matures on July 10, 2025.

Madden AUOE LP – Authority Loan - On January 20, 2004, the Partnership entered into a loan agreement with ARHA in the amount of $10,775,000. The loan bears interest at 2.2% per annum. Loan proceeds of $4,750,000 were in the form of a construction bridge loan, which was paid simultaneously when the second installment of Investor Limited Partners' equity was received. The outstanding principal balance and all accrued interest are payable in a single payment upon maturity on January 20, 2054. The loan is secured by the leasehold deed of trust, assignment of rents and leases, security agreement and fixture filing. As of December 31, 2022, the outstanding principal balance was $6,021,542, and accrued interest was $2,479,379. Interest expense for the year ended December 31, 2022, totaled $132,474 and the effective interest rate was 2.22%. This loan is eliminated on the upper-level financial statements.

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS – Continued
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 13: LONG-TERM DEBT – (Cont'd)

West Glebe Housing LP – ARHA Loan - On January 11, 2008, the Partnership entered into a loan agreement with ARHA in the maximum amount of $4,024,107 (the "Construction Loan"). The Construction Loan is secured by a deed of trust. The Construction Loan is to be repaid from residual receipts, as further defined in the loan agreement. The Construction Loan matures on December 17, 2050. As of December 31, 2022, the outstanding principal balance was $2,975,161. This loan is eliminated on the upper-level financial statements.

Braddock Whiting Reynolds LP – HOPE VI Loan – Under the terms of the HOPE VI loan agreement, the Partnership can borrow up to $3,862,330 for the construction of the Project. Interest is payable annually at the applicable federal rate at the note date, December 16, 2004, or 4.68%. At the end of the construction period, the loan converted to permanent financing. The loan carries a forty (40) year term and matures on December 16, 2044. Repayment of the loan commences no later than one hundred eighty (180) days after the end of the first full year after the construction completion from available cash flow as defined in the note. However, no repayment will be made until the Authority Note (see below) has been repaid. The loan is secured by a second Deed of Trust. The outstanding balance at December 31, 2022, is $3,888,418, of which $2,984,515 is accrued interest. Interest expensed and accrued on the loan for the year ended December 31, 2022, was $173,890. This loan is eliminated on the upper-level financial statements.

Braddock Whiting Reynolds LP – ARHA Loan – Under the first agreement with ARHA, the Partnership can borrow up to $3,050,814 for construction of the Project. Prior to construction completion, interest is payable at a variable rate based upon three (3) month LIBOR plus two hundred twenty-five (225) basis points. Upon construction completion, the rate of interest is converted to a fixed rate of one-quarter of one percent (0.25%). At the end of the construction period, the loan converted to permanent financing. The loan carries a forty (40) year term and matures December 16, 2044. Repayment of the loan will commence no later than one hundred eighty (180) days after the end of the first full year after construction completion from available cash flow as defined in the note. The loan is secured by a Deed of Trust. The outstanding balance at December 31, 2022 is $2,772,370 and accrued interest of $210,812. The loan is payable in monthly payments of principal and interest of $10,708 beginning August 1, 2013 through the maturity date. Interest expensed and accrued for the year ended December 31, 2022, was $6,931. This loan is eliminated on the upper-level financial statements.

Old Dominion Housing LP – ARHA Loan- On January 11, 2008, the Partnership entered into a loan agreement with ARHA in the maximum amount of $2,615,893 (the "Construction Loan"). The Construction Loan is secured by a deed of trust. The Construction Loan is to be repaid from residual receipts, as further defined in the loan agreement. The Construction Loan matures on December 17, 2050. As of December 31, 2022, the outstanding principal balance was $1,827,361. This loan is eliminated on the upper-level financial statements.

James Bland Housing I - TCAP deferred note payable - On October 8, 2009, the Partnership entered into a TCAP Written Agreement ("TCAP Agreement") with VHDA pursuant to the American Recovery and Reinvestment Act of 2009 Tax Credit Assistance Program ("TCAP"). Under the TCAP Agreement, VHDA has agreed to provide TCAP funds to the Partnership in an aggregate amount of $2,056,530 (the "TCAP Note"). The TCAP Note shall bear no interest and matures on December 31, 2061. The TCAP Note is secured by a deed of trust on the property. Repayment of the loan shall be deferred through December 31, 2041.

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS – Continued
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 13: LONG-TERM DEBT – (Cont'd)

In exchange for receipt of the funds, the Partnership has agreed to develop and manage the Property in compliance with Federal grant requirements. All records pertaining to TCAP funds must be maintained by the Partnership until the end of the Compliance Period, as defined in the TCAP Agreement, or for a longer period of time, if the record is required to be maintained by VHDA or the IRS to meet tax credit requirements. As of December 31, 2022, VHDA had funded $2,056,530 of the TCAP Note.

James Bland Housing I – ARHA Loan - On January 28, 2010, the Partnership entered into a loan agreement with ARHA in the maximum amount of $2,200,000 (the "Construction Loan"). The Construction Loan is secured by a deed of trust on the project and bears interest at a rate of 1% per annum, compounded annually. The Construction Loan is to be repaid from capital contributions and residual receipts, as further defined in the loan agreement. The Construction Loan matures on January 28, 2050. As of December 31, 2022, the outstanding principal balance was $940,463. As of December 31, 2022, accrued interest was $140,996. For the year ended December 31, 2022, interest expense totaled $9,405. This loan is eliminated on the upper-level financial statements.

James Bland Housing II – ARHA Loan- On December 17, 2010, the Partnership entered into a loan agreement with ARHA in the maximum amount of $3,681,181 (the "Construction Loan"). The Construction Loan is secured by a deed of trust on the project and bears interest at a rate of 1% per annum, compounded annually. The Construction Loan is to be repaid from capital contributions and residual receipts, as further defined in the loan agreement. The Construction Loan matures on December 17, 2050. As of December 31, 2022, the outstanding principal balance was $1,488,134, and accrued interest was $236,306. This loan is eliminated on the upper-level financial statements.

James Bland IV – ARHA Loan - On March 30, 2012, the Partnership entered into a loan agreement with ARHA in the maximum amount of $4,389,590 (the "ARHA Loan"). The ARHA Loan is secured by a deed of trust on the project and bears interest at a rate of 1% per annum, compounded annually. The ARHA Loan is to be repaid from capital contributions and residual receipts, as further defined in the loan agreement. The ARHA Loan matures on March 30, 2052. As of December 31, 2022, the outstanding principal balance was $1,783,141. As of December 31, 2022, accrued interest was $220180. This loan is eliminated on the upper-level financial statements.

James Bland V – ARHA Loan - On June 19, 2013, the Partnership entered into a loan agreement with ARHA in the maximum amount of $1,500,000 (the "ARHA Loan A"). The ARHA Loan A is secured by a deed of trust on the Property and bears interest at a rate of 2.46% per annum, compounded annually. The ARHA Loan A is to be repaid from available cash flow, as further defined in the loan agreement. The ARHA Loan A matures on June 19, 2043. As of December 31, 2022, the outstanding principal balance was $11,411. As of December 31, 2022 interest expense totaled $720. As of December 31, 2022, accrued interest on the ARHA Loan A was $18,570. This loan is eliminated on the upper-level financial statements.

On June 19, 2013, the Partnership entered into a loan agreement with ARHA in the maximum amount of $1,406,289 (the "ARHA Loan B"). The ARHA Loan B is secured by a deed of trust on the Property and bears interest at a rate of 6% per annum, compounded annually. The ARHA Loan B is to be repaid from available cash flow, but only after ARHA Loan A has been paid in full, as further defined in the loan agreement. The ARHA Loan B matures on June 19, 2043.

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 13: LONG-TERM DEBT – (Cont'd)

As of December 31, 2022, the outstanding principal balance was $1,178,295. As of December 31, 2022, interest expense totaled $94996. As of December 31, 2022, accrued interest on the ARHA Loan B was $499.972. This loan is eliminated on the upper-level financial statements.

ARHA Pendleton Park, LLC Loan - The loan is secured by a deed of trust on the Property and is payable in monthly payments of interest only beginning May 25, 2012, through the maturity date. On June 26, 2013, the Company paid off the construction loan with proceeds from a note with VHDA. Of the original principal amount of the note with VHDA, $1,200,000 shall be financed under VHDA's REACH-SPARC Program and $1,300,000 shall be financed under VHDA's REACH SPL MATCH Program. Beginning August 1, 2013, monthly principal and interest payments of $10,708 are due until maturity. The terms are set forth below.

Loan commitment:	$2,500,000
Interest rate:	3.124%
Maturity:	July 1, 2043

The loan is secured by a deed of trust on the Property and is payable in monthly payments of principal and interest of $10,708 beginning August 1, 2013, through the maturity date. As of December 31, 2022, the note payable balance was $1,943,445. As of December 31, 2022, accrued interest was $3. For the year ended December 31, 2022, interest expense totaled $66,477. Future minimum principal payment requirements over each of the next five years and thereafter are as follows:

	Principal
2023	68,584
2024	70,757
2025	72,229
2026	75,313
2027	70,700
Thereafter	1,578,862
	1,936,445

ARHA Pendleton Park, LLC – Authority Loan - On April 26, 2012, the Company entered into a loan agreement with ARHA in the maximum amount of $1,536,002 (the "ARHA Loan"). The ARHA Loan is secured by a deed of trust on the project and bears interest at a rate of 3% per annum, compounded annually. The ARHA Loan is to be repaid from equity contributions and residual receipts, as further defined in the loan agreement. The ARHA Loan matures on April 26, 2042. As of December 31, 2022, the outstanding principal balance was $1,536,002. As of December 31, 2022, accrued interest totaled $460,800. For the year ended December 31, 2022, interest expense totaled $46,080 and the effective interest rate was 3.08%. This loan is eliminated on the upper-level financial statements.

ARHA Ramsey Homes, LP RHF Loans - On November 26, 2018, the Partnership entered into a loan agreement with ARHA in the maximum amount of $1,338,016 (the "Construction Loan") and bears interest at a rate of 3.9% per annum, compounded annually. The Construction Loan is secured by a deed of trust. The Construction Loan balance at December 31, 2022 was $1,034,933, and accrued interest was $165,024. This loan is eliminated on the upper-level financial statements.

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS – Continued
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 13: LONG-TERM DEBT – (Cont'd)

ARHA Ramsey Homes, LP Seller Loan - On November 26, 2018, the Partnership entered into two loan agreements with ARHA in the amount of $5,000,000 and $303,083 (the "Seller Notes") and bear interest at a rate of 3.85% per annum, compounded annually. The Seller Notes are secured by a deed of trust. The Seller Notes are to be repaid from residual receipts, as further defined in the loan agreement. The Seller Notes mature on December 31, 2059. As of December 31, 2022, the outstanding principal balance was $5,303,083. As of December 31, 2022, accrued interest totaled $845,599. This loan is eliminated on the upper-level financial statements.

ARHA Ramsey Homes, LP City of Alexandria Loan -.On November 26, 2018, the Partnership entered into a loan agreement with the City of Alexandria in the amount of $3,600,000. On March 13, 2020 the principal balance of the loan was increased to $5,000,000. The note is secured by a deed of trust on the project and bears interest at a rate of 2.00% per annum, compounded annually. The loan is to be repaid from capital contributions and residual receipts, as further defined in the loan agreement. The note matures on November 26, 2058. As of December 31, 2022 the outstanding principal balance was $5,000,000, and accrued interest was $414,167.

ARHA Ramsey Homes, LP CapitalOne Bank - The Partnership has entered into a loan agreement with the CapitalOne Bank in an amount of up to $10,064,226 (the "Construction Loan") and bears interest at a rate of 5.45% per annum, compounded monthly. The Construction Loan is secured by a deed of trust. The Construction Loan is to be repaid from equity at Completion, as further defined in the loan agreement. The Land Loan matures on December 31, 2059. On November 22, 2021, the loan and its accrued interest were paid in full. $126,640 of interest was expensed and $539,236 was capitalized.

VHD, LLC VH Loan – The Authority under the Component Virginia Housing Development entered into a loan for up to $159,708 with Virginia Housing for the purpose of funding preliminary development costs for the Ramsey Homes redevelopment. The funds will be repaid at the Final Closing of Ramsey Homes. As of December 31, 2022, the outstanding balance was $100,000.

James Bland II Housing LP – Escrow Funds - Pursuant to the James Bland II Escrow Agreement, ARHA has agreed to deposit the full amount of sales proceeds received from the sale of the market rate unit development site into an escrow account to be made available to the Partnership to be used for the payment of remaining development costs. The escrowed funds are to be repaid from capital contributions and residual receipts, as further defined in the Escrow Agreement. As of December 31, 2022, funds used by the Partnership and owed to ARHA totaled $103,942. This loan is eliminated on the upper-level financial statements.

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS – Continued
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 14: INTERFUND BALANCES

Interfund balances have been eliminated in the combined financial statements.

NOTE 15: ECONOMIC DEPENDENCY

Both the PHA Owned Housing Program and the Section 8 Program are economically dependent on annual contributions and grants from HUD. Both programs operate at a loss prior to receiving the contributions and grants.

NOTE 16: RELATED PARTY TRANSACTIONS

ARHA has entered into two financing arrangements with the City of Alexandria to fund the revitalizing of the Glebe Park property and the Cameron Valley, L.P. properties. The debt proceeds for each property was $5,600,000 and $4,704,600, respectively. The Glebe Park loan net balance as of December 31, 2022, was $5,007,000. The loan for the Cameron Valley LP property was a pass through to the entity and is now completely controlled by ARHA.

OPERATING DEFICIT LOANS TO LIMITED PARTNERSHIPS:

Madden AUOE LP Operating Deficit Loans - The Partnership has a separate operating cash account, however, some operating cash of the Partnership is co-mingled in the general fund account held by ARHA and will be reimbursed to the Partnership. As of December 31, 2022, funds due to ARHA for the benefit of the Partnership totaled $679,532.

Old Dominion Housing LP Operating Deficit Loans - Prior to rental achievement, as defined in the Partnership Agreement, the General Partner will advance funds to eliminate any operating deficits if reserves are not available. These advances will not be reimbursed. Subsequent to rental achievement, the General Partner, Alexandria Redevelopment & Housing Authority will advance funds in the amount up to $300,000 as a subordinated loan. This obligation will terminate on the latter of the fifth anniversary of rental achievement and the achievement of break-even operations as an average for twelve months. The General Partner advanced $0 during the year ended December 31, 2022. These amounts are included in rental income on the Old Dominion Housing LP statements of operations.

James Bland Housing IV Operating Deficit Loans - The Partnership has advanced operating costs to Alexandria Redevelopment and Housing Authority. As of December 31, 2022, $34,353 was receivable from Alexandria Redevelopment and Housing Authority and is included in the James Bland Housing IV LP balance sheet in due from related parties.

NOTE 17: SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 29, 2023, the date on which the financial statements were available to be issued.

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 18: CONTINGENCIES AND OTHER MATTERS

a. Litigation and Other Matters

Certain claims, suits and complaints arising in the ordinary course of business have been filed and are pending against ARHA and the Component Unit. In the opinion of management, all such matters are adequately covered by insurance, or, if not so covered, are without merit or are of such kind or involve such amounts as would not have a material adverse effect on the financial statements of ARHA or the Component Unit.

b. Grants

ARHA 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. ARHA management is of the opinion that disallowances, if any, will not be material.

c. COVID-19

On March 11, 2020, 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 limited partners, 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.

NOTE 19: RISK MANAGEMENT

The Authority is exposed to all common perils associated with the ownership and rental of real estate properties. A risk management program has been established to minimize loss occurrence and to transfer risk through various levels of insurance. Property, casualty, employee dishonesty and public official's liability forms are used to cover the respective perils. Our search for contingent liabilities revealed no liabilities that required disclosure against the ARHA as of December 31, 2022.

NOTE 20: SUPPLEMENTAL INFORMATION

The supplemental information has been included in order to show the financial statements of the Housing Authority on the GAAP basis of accounting but in the format of the HUD Handbook 7476.3, Audit Guide. This is due to the fact that some supplemental information is reviewed by the field office and provides greater detail concerning the operations of the Housing Authority.

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 21: CONDENSED COMPONENT UNIT FINANCIALS

	Pendleton Park, L.L.C.	Old Dominion Housing, L.P.	West Glebe Housing, L.P.	Braddock Whiting Reynolds, L.P.	James Bland Housing I, L.P.	James Bland Housing II, L.P.	James Bland Housing IV, L.P.	James Bland Housing V, LP	Ramsey Homes, L.P.	Madden AUOE, L.P.	Component Units TOTAL
Statement of Net Position- Balance Sheet											
Cash	$ 460,164	$ 334,194	$ 314,071	$ 689,449	$ 140,489	$ 131,575	$ 367,033	$ 885,417	$ 1,255,093	$ 1,023,052	$ 5,600,537
Other Current Assets	23,199	58,085	198,588	343,867	10,392	27,529	110,713	201,353	102,515	63,242	1,139,483
Noncurrent Assets	4,639,604	2,917,596	5,500,997	6,999,931	1,933,889	2,371,605	5,215,662	10,752,401	23,904,651	5,056,713	69,293,049
Total Assets	5,122,967	3,309,875	6,013,656	8,033,247	2,084,770	2,530,709	5,693,408	11,839,171	25,262,259	6,143,007	76,033,069
Liabilities											
Current Liabilities	93,844	88,726	159,629	26811+27407	8,109	13,168	36,345	70,787	61,109	49,602	581,319
Long Term Liabilities	4,005,036	1,810,560	2,957,124	9,439,431	3,180,716	1,833,512	2,009,281	1,714,465	15,610,943	8,896,827	51,457,895
Total Liabilities	4,098,880	1,899,286	3,116,753	9,439,431	3,188,825	1,846,680	2,045,626	1,785,252	15,672,052	8,946,429	52,039,214
Net Position - Equity											
Net Position (Equity)	1,024,087	1,410,589	2,896,903	(1,406,184)	(1,104,055)	684,029	3,647,782	10,053,919	9,590,207	(2,803,422)	23,993,855
Statement of Activities - Income Statement											
Revenues	461,129	261,444	415,387	411,786	174,411	138,644	438,052	794,662	809,030	446,896	4,351,441
Investment	-	116	101	-	-	-	-	-	1,500	-	1,717
Other	14,024	-	-	4,211	-	-	40,832	37,850	10,650	11,348	118,915
Total Revenue	475,153	261,560	415,488	415,997	174,411	138,644	478,884	832,512	821,180	458,244	4,472,073
Expenses											
Administrative	140,780	128,411	200,023	131,517	75,867	83,893	190,767	374,443	304,868	369,996	2,000,565
Maintenance and Operations	67,420	73,273	124,305	212,496	59,616	20,196	89,821	136,633	153,645	170,503	1,107,908
General	134,776	31,132	64,985	262,635	19,206	25,120	46,689	125,618	365,675	176,489	1,252,325
Depreciation	132,091	129,393	269,666	232,610	188,940	199,082	362,049	535,598	492,917	314,706	2,857,052
Total Expenses	475,067	362,209	658,979	839,258	343,629	328,291	689,326	1,172,292	1,317,105	1,031,694	7,217,850
Income <Loss>	86	(100,649)	(243,491)	(423,261)	(169,218)	(189,647)	(210,442)	(339,780)	(495,925)	(573,450)	(2,745,777)
Beginning Net Position (Equity)	1,024,001	1,511,238	3,140,394	(982,923)	(934,837)	873,676	3,858,224	10,393,699	10,086,132	(2,229,972)	26,739,632
Ending Net Position (Equity)	$ 1,024,087	$ 1,410,589	$ 2,896,903	$ (1,406,184)	$ (1,104,055)	$ 684,029	$ 3,647,782	$ 10,053,919	$ 9,590,207	$ (2,803,422)	$ 23,993,855

SUPPORTING SCHEDULES

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022

ASSISTANCE TYPE	ASSISTANCE LISTING NUMBER	PASSTHRU ENTITY	FEDERAL EXPENDITURES
FEDERAL GRANTOR: U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Low-Rent Public Housing	14.850	N/A	$4,424,321
Public Housing Capital Fund Program	14.872	N/A	1,836,558
Resident Opportunity and Supportive Services	14.870	N/A	158,964
Housing Choice Voucher Cluster			
Housing Choice Voucher Program	14.871*+	N/A	25,882,863
Emergency Housing Voucher	14.EHV*+	N/A	822,591
Mainstream Vouchers	14.879*+	N/A	897,563
Total Housing Choice Voucher Cluster			27,603,017
Section 8 Project-Based Cluster			
Section 8 Moderate Rehabilitation Program	14.856	N/A	1,532,248
Total Section 8 Project-Based Cluster			1,532,248
TOTAL U.S. DEPARTMENT OF HUD			35,555,108
TOTAL FEDERAL AWARDS EXPENDED			$ 35,555,108

(*) Denotes a Major Program, (+) Denotes Program in Housing Choice Voucher Cluster

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022

Note 1: Basis of Accounting

The accompanying Schedule of Financial Assistance is prepared on the accrual basis of accounting. The information on this Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

Note 2: Major Programs

The (*) to the right of a. ALN number identifies the grant as a major federal program as defined by the Uniform Guidance.

Note 3: Award Balance

On the Section 8 Vouchers/Certificate programs, ARHA receives annual funds based on an annual estimate of need. Any unused HAP funds are restricted for payment of future HAP payments.

Note 4: Program Costs

The amounts shown as current year expenditures represent only the federal portion of the actual program costs. Actual program costs, including ARHA's portion, may be more than shown.

Note 5: Indirect Cost Allocation

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

FINANCIAL COMPLIANCE REPORTS
FOR
FEDERAL FUNDS

DV

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

Daniel J. Dooley, C.P.A.

Michael H. Vicars, C.P.A.

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

Board of Commissioners
Alexandria Redevelopment
and Housing Authority
Alexandria, Virginia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Alexandria Redevelopment and Housing Authority's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Alexandria Redevelopment and Housing Authority's major federal programs for the year ended December 31, 2022. Alexandria Redevelopment and Housing Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Alexandria Redevelopment and Housing Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Other Matter – Federal Expenditures Not Included in the Compliance Audit

The Authority's basic financial statements include the operations of the blended component units which may have received federal awards, and which are not included in the schedule of expenditures of federal awards for the year ended December 31, 2022. Our audit, described below, did not include the operations of the blended component units because other auditors were engaged to perform audits of compliance.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

Dooley & Vicars

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

Richmond, Virginia
September 29, 2023

DV

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

Daniel J. Dooley, C.P.A.

Michael H. Vicars, C.P.A.

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
Alexandria Redevelopment
and Housing Authority
Alexandria, 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 Alexandria Redevelopment and Housing Authority, which comprise the statement of net position as of December 31, 2022, 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 out report thereon September 29, 2023. Our report includes a reference to other auditors who audited the financial statements of West Glebe, L.P., Braddock Whiting Reynolds, L.P., Pendleton Park, L.L.C., Old Dominion Housing, L.P., James Bland I, L.P., James Bland II, L.P., James Bland IV, L.P.; James Bland V, L.P., Ramsey Homes, L.P., and Madden AUOE, L.P. (the blended component units) as described in our report on Alexandria Redevelopment and Housing Authority's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

The financial statements of West Glebe, L.P., Braddock Whiting Reynolds, L.P., Old Dominion Housing, L.P., James Bland II, L.P., James Bland IV, L.P.; James Bland V, L.P., Ramsey Homes, L.P., and Madden AUOE, L.P. were not audited in accordance with *Government Auditing Standards*.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Alexandria Redevelopment and Housing Authority internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001, that we consider to be a material weakness.

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)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Alexandria 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*.

Response to Findings

Alexandria Redevelopment and Housing Authority's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Alexandria Redevelopment and Housing Authority's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 Alexandria 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

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

Richmond, Virginia
September 29, 2023

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY

STATUS OF PRIOR AUDIT FINDINGS
AT DECEMBER 31, 2022

There are no prior year audit findings.

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022

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:	_x_ yes	____ no
• Significant Deficiency(s) identified that are not considered to be material weakness(es)?	____ yes	_x_ none reported
Noncompliance material to financial statements noted?	____ yes	_x_ no

Federal Awards

Internal control over major programs:		
• Material weakness(es) identified:	____ yes	_x_ no
• Significant Deficiency(s) identified that are not considered to be material weakness(es)?	____ yes	_x_ 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 the Uniform Guidance:	____ yes	_x_ no

Identification of major programs:

ALN Number(s)	*Name of Federal Program or Cluster*
14.871	Section 8 Housing Choice Vouchers
14.879	Mainstream Vouchers
14.871	Emergency Housing Vouchers

Dollar threshold used to distinguish between type A and B programs:	$ 1,066,653		
Auditee qualified as low-risk auditee?	_X_ yes		_____ no

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022
(CONTINUED)

Section II -- Financial Statement Findings

Finding No. 2022-001 Material Weakness in Internal Controls over Financial Reporting

CONDITION: During our audit, it was determined that material misstatements were made to the current financial statements resulting from material weakness in internal controls over the financial reporting process.

CRITERIA: The Authority is required to implement internal controls that would ensure the Authority's compliance with financial reporting in accordance with GAAP.

QUESTIONED COSTS: None.

CONTEXT: The Authority's unaudited submission to the Real Estate Assessment Center contained material errors relating to eliminations of rental revenue and operating subsidy associated with the public housing and state and local program.

EFFECT: The Authority's audited financial statements required material current year adjustments. The Authority's ability to make sound financial decisions could be impaired based upon reliance on materially misstated financial statements.

CAUSE: The Authority's internal controls over the financial reporting process were not properly implemented. The Authority failed to identify material misstatements to the financial statements through their monitoring controls.

RECOMMENDATION: We recommend management continue to review the internal controls over financial reporting to improve the detection and correction of misstatements.

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022
(CONTINUED)

Section III – Federal Awards Findings and Questioned Costs

There are federal awards findings or questioned costs.

SUPPLEMENTAL INFORMATION

Alexandria Redevelopment & Housing Authority (VA004)
Alexandria, VA
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit Fiscal Year End: 12/31/2022

	Project Total	6.2 Component Unit - Blended	14.896 PIH Family Self-Sufficiency Program	1 Business Activities	2 State/Local	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	14.EHV Emergency Housing Voucher	14.854 Public and Indian Housing Drug Elimination Program	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	$8,430,620	$1,597,058		$6,695,941	$2,337,999		$1,228,732		$97,084		$728,999	$12,793	$21,129,226		$21,129,226
112 Cash - Restricted - Modernization and Development											$0				
113 Cash - Other Restricted		$3,427,165			$2,464,193		$2,130,127				$0	$239,529	$8,261,014		$8,261,014
114 Cash - Tenant Security Deposits	$221,592	$225,511			$246,524						$0		$693,627		$693,627
115 Cash - Restricted for Payment of Current Liabilities										$57,397	$0		$57,397		$57,397
100 Total Cash	$8,652,212	$5,249,734	$0	$6,695,941	$5,048,716	$0	$3,358,859	$0	$97,084	$57,397	$728,999	$252,322	$30,141,264	$0	$30,141,264
121 Accounts Receivable - PHA Projects											$0				
122 Accounts Receivable - HUD Other Projects	$1,041,790		$0			$82,086	$0	$2,280	$275,841		$0		$1,401,997		$1,401,997
124 Accounts Receivable - Other Government					$342,756						$0		$342,756		$342,756
125 Accounts Receivable - Miscellaneous	$25,350	$117,905		$289,921	$1,132,703		$0				$0		$1,565,879		$1,565,879
126 Accounts Receivable - Tenants	$84,712	$95,347		$0	$392,098			$0	$0		$0		$572,157		$572,157
126.1 Allowance for Doubtful Accounts -Tenants	-$37,375	-$38,611	$0	$0	-$21,981			$0	$0		$0		-$97,967		-$97,967
126.2 Allowance for Doubtful Accounts - Other	-$1	$0	$0	$0	$0	$0	$0	$0	$0		$0		-$1		-$1
127 Notes, Loans, & Mortgages Receivable - Current		$0	$0	$0				$0			$0		$0		$0
128 Fraud Recovery							$149,897				$0		$149,897		$149,897
128.1 Allowance for Doubtful Accounts - Fraud							-$149,897				$0		-$149,897		-$149,897
129 Accrued Interest Receivable											$0				
120 Total Receivables, Net of Allowances for Doubtful Accounts	$1,114,476	$174,641	$0	$289,921	$1,845,576	$82,086	$0	$2,280	$275,841	$0	$0	$0	$3,784,821	$0	$3,784,821
131 Investments - Unrestricted											$0				
132 Investments - Restricted											$0				
135 Investments - Restricted for Payment of Current Liability											$0				
142 Prepaid Expenses and Other Assets	$16,910	$185,011		$198,389	$36,209		$122,910				$0	$16,941	$576,370		$576,370
143 Inventories											$0	$390	$390		$390
143.1 Allowance for Obsolete Inventories											$0	-$1	-$1		-$1
144 Inter Program Due From	$797,398			$332,825	$0		$39,673	$1,375			$305,260		$1,476,531	-$1,476,531	$0
145 Assets Held for Sale											$0				
150 Total Current Assets	$10,580,996	$5,609,386	$0	$7,517,076	$6,930,501	$82,086	$3,521,442	$3,655	$372,925	$57,397	$1,034,259	$269,652	$35,979,375	-$1,476,531	$34,502,844
161 Land	$3,469,464	$14,656,527			$8,388,207						$0		$26,514,198		$26,514,198
162 Buildings	$32,683,141	$82,712,036		$1,992,318	$31,607,002						$0	$6,099,167	$155,093,664		$155,093,664
163 Furniture, Equipment & Machinery - Dwellings											$0				
164 Furniture, Equipment & Machinery - Administration	$396,653	$1,038,934			$125,858		$292,138				$0	$329,424	$2,183,007		$2,183,007
165 Leasehold Improvements											$0				
166 Accumulated Depreciation	-$28,549,418	-$28,435,814		-$1,992,318	-$18,725,970		-$229,714				$0	-$2,691,975	-$80,625,209		-$80,625,209
167 Construction in Progress	$4,680,912	$33,400			$1,105,535						$0		$5,819,847		$5,819,847
168 Infrastructure											$0				
160 Total Capital Assets, Net of Accumulated Depreciation	$12,680,752	$70,005,083	$0	$0	$22,500,632	$0	$62,424	$0	$0	$0	$0	$3,736,616	$108,985,507	$0	$108,985,507
171 Notes, Loans and Mortgages Receivable - Non-Current		$0		$50,210,052	$2,680,602						$0		$52,890,654	-$52,890,654	$0
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due											$0				
173 Grants Receivable - Non Current											$0				
174 Other Assets	$71,999			$3,360,066	$1,961,642		$67,232				$7,418	$433,464	$5,901,821		$5,901,821
176 Investments in Joint Ventures											$0				
180 Total Non-Current Assets	$12,752,751	$70,005,083	$0	$53,570,118	$27,142,876	$0	$129,656	$0	$0	$0	$7,418	$4,170,080	$167,777,982	-$52,890,654	$114,887,328
200 Deferred Outflow of Resources	$144,210			$280,731	$217,913		$134,664				$14,859	$868,213	$1,660,590		$1,660,590
290 Total Assets and Deferred Outflow of Resources	$23,477,957	$75,614,469	$0	$61,367,925	$34,291,290	$82,086	$3,785,762	$3,655	$372,925	$57,397	$1,056,536	$5,307,945	$205,417,947	-$54,367,185	$151,050,762

Alexandria Redevelopment & Housing Authority (VA004)
Alexandria, VA
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit Fiscal Year End: 12/31/2022

	Project Total	6.2 Component Unit - Blended	14.896 PIH Family Self-Sufficiency Program	1 Business Activities	2 State/Local	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	14.EHV Emergency Housing Voucher	14.854 Public and Indian Housing Drug Elimination Program	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	COCC	Subtotal	ELIM	Total
311 Bank Overdraft											$0				
312 Accounts Payable <= 90 Days	$29,420	$14,950			$64,179		$893,052				$0	$32,651	$1,034,252		$1,034,252
313 Accounts Payable >90 Days Past Due											$0				
321 Accrued Wage/Payroll Taxes Payable	$50,755	$45,831		$53,299	$32,144		$9,495	$2,394			$2,511	$128,737	$325,166		$325,166
322 Accrued Compensated Absences - Current Portion	$45,769	$410			$48,011		$33,181	$1,261			$0	$183,491	$312,123		$312,123
324 Accrued Contingency Liability											$0				
325 Accrued Interest Payable	$2	$905			$8,858						$0		$9,765		$9,765
331 Accounts Payable - HUD PHA Programs		$123,228				$0				$57,397	$157,599		$338,224		$338,224
332 Account Payable - PHA Projects											$0				
333 Accounts Payable - Other Government	$133,362				$129,122						$0		$262,484		$262,484
341 Tenant Security Deposits	$221,592	$225,511			$246,524						$0		$693,627		$693,627
342 Unearned Revenue	$21,304	$23,328			$25,779		$37,238				$0		$107,649		$107,649
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue		$136,313									$0		$136,313		$136,313
344 Current Portion of Long-term Debt - Operating Borrowings											$0				
345 Other Current Liabilities		$11,703									$0		$11,703		$11,703
346 Accrued Liabilities - Other	$13,447	$221,725			$81,035		$120,407				$0		$436,614		$436,614
347 Inter Program - Due To	$1,021,972					$39,673					$0	$414,886	$1,476,531	-$1,476,531	$0
348 Loan Liability - Current											$0				
310 Total Current Liabilities	$1,537,623	$803,904	$0	$53,299	$635,652	$39,673	$1,093,373	$3,655	$0	$57,397	$160,110	$759,765	$5,144,451	-$1,476,531	$3,667,920
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue		$50,469,601		$275,590	$17,511,332						$0		$68,256,523	-$52,890,654	$15,365,869
352 Long-term Debt, Net of Current - Operating Borrowings											$0				
353 Non-current Liabilities - Other		$92,693			$1,564,648		$307,983				$0		$1,965,324		$1,965,324
354 Accrued Compensated Absences - Non Current							$49,772				$0		$49,772		$49,772
355 Loan Liability - Non Current											$0				
356 FASB 5 Liabilities											$0				
357 Accrued Pension and OPEB Liabilities	$22,534			$43,867	$34,052		$21,043				$2,322	$135,666	$259,484		$259,484
350 Total Non-Current Liabilities	$22,534	$50,562,294	$0	$319,457	$19,110,032	$0	$378,798	$0	$0	$0	$2,322	$135,666	$70,531,103	-$52,890,654	$17,640,449
300 Total Liabilities	$1,560,157	$51,366,198	$0	$372,756	$19,745,684	$39,673	$1,472,171	$3,655	$0	$57,397	$162,432	$895,431	$75,675,554	-$54,367,185	$21,308,369
400 Deferred Inflow of Resources	$195,563			$3,555,110	$295,513		$182,617				$20,150	$1,177,383	$5,426,336		$5,426,336
508.4 Net Investment in Capital Assets	$12,680,752	$19,399,169	$0	-$275,590	$4,989,300	$0	$62,424	$0	$0		$0	$3,736,616	$40,592,671	$52,890,654	$93,483,325
511.4 Restricted Net Position		$0	$0	$0		$0	$1,822,144	$0	$0		$0		$1,822,144		$1,822,144
512.4 Unrestricted Net Position	$9,041,485	$4,849,102	$0	$57,715,649	$9,260,793	$42,413	$246,406	$0	$372,925	$0	$873,954	-$501,485	$81,901,242	-$52,890,654	$29,010,588
513 Total Equity - Net Assets / Position	$21,722,237	$24,248,271	$0	$57,440,059	$14,250,093	$42,413	$2,130,974	$0	$372,925	$0	$873,954	$3,235,131	$124,316,057	$0	$124,316,057
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	$23,477,957	$75,614,469	$0	$61,367,925	$34,291,290	$82,086	$3,785,762	$3,655	$372,925	$57,397	$1,056,536	$5,307,945	$205,417,947	-$54,367,185	$151,050,762

Alexandria Redevelopment & Housing Authority (VA004)
Alexandria, VA
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit Fiscal Year End: 12/31/2022

	Project Total	6.2 Component Unit - Blended	14.896 PIH Family Self-Sufficiency Program	1 Business Activities	2 State/Local	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	14.EHV Emergency Housing Voucher	14.854 Public and Indian Housing Drug Elimination Program	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	$1,531,529	$3,521,208			$4,997,516						$0		$10,050,253	-$5,489,105	$4,561,148
70400 Tenant Revenue - Other	$31,690	$40,978			$58,660						$0		$131,328		$131,328
70500 Total Tenant Revenue	$1,563,219	$3,562,186	$0	$0	$5,056,176	$0	$0	$0	$0	$0	$0	$0	$10,181,581	-$5,489,105	$4,692,476
70600 HUD PHA Operating Grants	$5,050,001				$147,062	$897,563	$25,882,863	$158,964	$822,591		$1,532,248		$34,491,292		$34,491,292
70610 Capital Grants	$1,063,816										$0		$1,063,816		$1,063,816
70710 Management Fee											$0	$1,043,307	$1,043,307	-$1,043,307	$0
70720 Asset Management Fee											$0	$54,010	$54,010	-$54,010	$0
70730 Book Keeping Fee											$0	$199,525	$199,525	-$199,525	$0
70740 Front Line Service Fee											$0	$741,038	$741,038	-$741,038	$0
70750 Other Fees											$0				
70700 Total Fee Revenue											$0	$2,037,880	$2,037,880	-$2,037,880	$0
70800 Other Government Grants											$0				
71100 Investment Income - Unrestricted	$4,660	$275		$829,454	$51,053		$2,798				$73	$22	$888,335		$888,335
71200 Mortgage Interest Income											$0				
71300 Proceeds from Disposition of Assets Held for Sale											$0				
71310 Cost of Sale of Assets											$0				
71400 Fraud Recovery							$38,990				$0		$38,990		$38,990
71500 Other Revenue	$95,036	$582,123		$112,612	$473,701		$207,908				$0	$3,466,230	$4,937,610	-$873,664	$4,063,946
71600 Gain or Loss on Sale of Capital Assets		-$50,510									$0		-$50,510		-$50,510
72000 Investment Income - Restricted											$0				
70000 Total Revenue	$7,776,732	$4,094,074	$0	$942,066	$5,727,992	$897,563	$26,132,559	$158,964	$822,591	$0	$1,532,321	$5,504,132	$53,588,994	-$8,400,649	$45,188,345
91100 Administrative Salaries	$319,499	$201,995		$286	$523,525		$684,706				$25,930	$1,296,123	$3,052,064		$3,052,064
91200 Auditing Fees	$31,501	$85,500			$29,208						$3,090	$2,036	$151,335		$151,335
91300 Management Fee	$362,920				$210,679	$11,550	$416,650		$7,777		$33,731		$1,043,307	-$1,043,307	$0
91310 Book-keeping Fee	$39,466				$1,043	$3,788	$141,675		$4,005		$9,548		$199,525	-$199,525	$0
91400 Advertising and Marketing											$0				
91500 Employee Benefit contributions - Administrative	$160,775	$145,128		-$32,195	$137,422		$203,810	$21,818			$6,338	$422,868	$1,065,964		$1,065,964
91600 Office Expenses	$121,927	$63,641		$1,115	$164,051		$128,653	$82			$0	$328,429	$807,898		$807,898
91700 Legal Expense	$21,000	$10,561			$8,192						$0	$142,197	$181,950		$181,950
91800 Travel							$21,692				$0	$36,330	$58,022		$58,022
91810 Allocated Overhead											$0				
91900 Other	$718,428	$644,662		$8,524	$1,340,991		$63,250	$26,249			$0	$1,103,529	$3,905,633	-$110,477	$3,795,156
91000 Total Operating - Administrative	$1,775,516	$1,151,487	$0	-$22,270	$2,415,111	$15,338	$1,660,436	$48,149	$11,782	$0	$78,637	$3,331,512	$10,465,698	-$1,353,309	$9,112,389
92000 Asset Management Fee	$52,620				$1,390						$0		$54,010	-$54,010	$0
92100 Tenant Services - Salaries	$64,462	$25,131					$80,444	$110,815			$0	$174,367	$455,219		$455,219
92200 Relocation Costs	$0	$2,283			$3,162						$0		$5,445		$5,445
92300 Employee Benefit Contributions - Tenant Services											$0				
92400 Tenant Services - Other	$62,079	$101,381		$18,744	$151,375		$73,367				$0	$112	$407,058		$407,058
92500 Total Tenant Services	$126,541	$128,795	$0	$18,744	$154,537	$0	$153,811	$110,815	$0	$0	$0	$174,479	$867,722	$0	$867,722
93100 Water	$549,541	$127,031			$344,730						$0	$4,328	$1,025,630		$1,025,630
93200 Electricity	$320,545	$44,050			$37,836						$0	$61,390	$463,821		$463,821
93300 Gas	$69,586	$13,614			$26,132						$0	$12,598	$121,930		$121,930
93400 Fuel											$0				
93500 Labor											$0				
93600 Sewer	$49,918	$21,418			$34,775						$0	$118	$106,229		$106,229
93700 Employee Benefit Contributions - Utilities											$0				
93800 Other Utilities Expense											$0				
93000 Total Utilities	$989,590	$206,113	$0	$0	$443,473	$0	$0	$0	$0	$0	$0	$78,434	$1,717,610	$0	$1,717,610
94100 Ordinary Maintenance and Operations - Labor	$313,192	$285,940			$197,270						$0	$123,789	$920,191		$920,191
94200 Ordinary Maintenance and Operations - Materials and Other	$77,466				$52						$0	$961,516	$1,039,034		$1,039,034
94300 Ordinary Maintenance and Operations Contracts	$1,156,974	$809,999			$1,141,302						$0	$1,183,853	$4,292,128	-$630,561	$3,661,567
94500 Employee Benefit Contributions - Ordinary Maintenance											$0				

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94000 Total Maintenance	$1,547,632	$1,095,939	$0	$0	$1,338,624	$0	$0	$0	$0	$0	$0	$2,269,158	$6,251,353	-$630,561	$5,620,792
95100 Protective Services - Labor											$0				
95200 Protective Services - Other Contract Costs											$0				
95300 Protective Services - Other	$246,875	$29,056			$1,845						$0	$37,139	$314,915		$314,915
95500 Employee Benefit Contributions - Protective Services											$0				
95000 Total Protective Services	$246,875	$29,056	$0	$0	$1,845	$0	$0	$0	$0	$0	$0	$37,139	$314,915	$0	$314,915
96110 Property Insurance	$155,076	$201,608			$194,777						$0	$23,335	$574,796		$574,796
96120 Liability Insurance					$58,118		$27,495				$0		$85,613		$85,613
96130 Workmen's Compensation	$4,621	$2,609			$3,931		$3,938				$0	$125,321	$140,420		$140,420
96140 All Other Insurance	$45,878	$2,975			$7,077						$0	$72,388	$128,318		$128,318
96100 Total insurance Premiums	$205,575	$207,192	$0	$0	$263,903	$0	$31,433	$0	$0	$0	$0	$221,044	$929,147	$0	$929,147
96200 Other General Expenses	$1,434,499	$50,599			$43,852		$74,566		$8,440		$0	$293,830	$1,905,786	-$1,303,325	$602,461
96210 Compensated Absences	$735	$260									$0		$995		$995
96300 Payments in Lieu of Taxes	$63,653	$10,854			$73,037						$0		$147,544		$147,544
96400 Bad debt - Tenant Rents	$975	$14,537									$0		$15,512		$15,512
96500 Bad debt - Mortgages											$0				
96600 Bad debt - Other											$0				
96800 Severance Expense											$0				
96000 Total Other General Expenses	$1,499,862	$76,250	$0	$0	$116,889	$0	$74,566	$0	$8,440	$0	$0	$293,830	$2,069,837	-$1,303,325	$766,512
96710 Interest of Mortgage (or Bonds) Payable	$336	$344,014									$0		$344,350	-$161,350	$183,000
96720 Interest on Notes Payable (Short and Long Term)		$360,247			$351,731						$0		$711,978	-$712,314	-$336
96730 Amortization of Bond Issue Costs											$0				
96700 Total Interest Expense and Amortization Cost	$336	$704,261	$0	$0	$351,731	$0	$0	$0	$0	$0	$0	$0	$1,056,328	-$873,664	$182,664
96900 Total Operating Expenses	$6,444,547	$3,599,093	$0	-$3,526	$5,087,503	$15,338	$1,920,246	$158,964	$20,222	$0	$78,637	$6,405,596	$23,726,620	-$4,214,869	$19,511,751
97000 Excess of Operating Revenue over Operating Expenses	$1,332,185	$494,981	$0	$945,592	$640,489	$882,225	$24,212,313	$0	$802,369	$0	$1,453,684	-$901,464	$29,862,374	-$4,185,780	$25,676,594
97100 Extraordinary Maintenance											$0				
97200 Casualty Losses - Non-capitalized											$0				
97300 Housing Assistance Payments						$839,812	$23,328,312		$772,958		$1,343,778		$26,284,860	-$4,185,780	$22,099,080
97350 HAP Portability-In							$470,935				$0		$470,935		$470,935
97400 Depreciation Expense	$992,683	$2,131,525			$884,190		$17,725				$0	$183,008	$4,209,131		$4,209,131
97500 Fraud Losses											$0				
97600 Capital Outlays - Governmental Funds											$0				
97700 Debt Principal Payment - Governmental Funds											$0				
97800 Dwelling Units Rent Expense											$0				
90000 Total Expenses	$7,437,230	$5,730,618	$0	-$3,526	$5,971,693	$855,150	$25,737,218	$158,964	$793,180	$0	$1,422,415	$6,588,604	$54,691,546	-$8,400,649	$46,290,897
10010 Operating Transfer In	$772,742										$51,300		$824,042	-$824,042	$0
10020 Operating transfer Out	-$772,742										-$51,300		-$824,042	$824,042	$0
10030 Operating Transfers from/to Primary Government											$0				
10040 Operating Transfers from/to Component Unit											$0				
10050 Proceeds from Notes, Loans and Bonds											$0				
10060 Proceeds from Property Sales											$0				
10070 Extraordinary Items, Net Gain/Loss											$0				
10080 Special Items (Net Gain/Loss)											$0				
10091 Inter Project Excess Cash Transfer In											$0				
10092 Inter Project Excess Cash Transfer Out											$0				
10093 Transfers between Program and Project - In											$0				
10094 Transfers between Project and Program - Out											$0				
10100 Total Other financing Sources (Uses)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	$339,502	-$1,636,544	$0	$945,592	-$243,701	$42,413	$395,341	$0	$29,411	$0	$109,906	-$1,084,472	-$1,102,552	$0	-$1,102,552

Alexandria Redevelopment & Housing Authority (VA004)
Alexandria, VA
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit Fiscal Year End: 12/31/2022

	Project Total	6.2 Component Unit - Blended	14.896 PIH Family Self-Sufficiency Program	1 Business Activities	2 State/Local	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	14.EHV Emergency Housing Voucher	14.854 Public and Indian Housing Drug Elimination Program	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	COCC	Subtotal	ELIM	Total
11020 Required Annual Debt Principal Payments	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0
11030 Beginning Equity	$22,465,180	$25,884,815	$0	$56,494,467	$13,411,349	$0	$1,735,633	$0	$343,514	$0	$764,048	$4,319,603	$125,418,609		$125,418,609
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-$1,082,445				$1,082,445						$0		$0		$0
11050 Changes in Compensated Absence Balance											$0				
11060 Changes in Contingent Liability Balance											$0				
11070 Changes in Unrecognized Pension Transition Liability											$0				
11080 Changes in Special Term/Severance Benefits Liability											$0				
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents											$0				
11100 Changes in Allowance for Doubtful Accounts - Other											$0				
11170 Administrative Fee Equity							$308,829				$0		$308,829		$308,829
11180 Housing Assistance Payments Equity							$1,822,145				$0		$1,822,145		$1,822,145
11190 Unit Months Available	9092	4104		0	3084	544	23112		756		1302		41994	-3164	38830
11210 Number of Unit Months Leased	8581	3479		0	2967	505	18890		534		1273		36229	-3133	33096
11270 Excess Cash	$8,609,328										$0		$8,609,328		$8,609,328
11610 Land Purchases	$0										$0	$0	$0		$0
11620 Building Purchases	$1,074,186										$0	$0	$1,074,186		$1,074,186
11630 Furniture & Equipment - Dwelling Purchases	$0										$0	$0	$0		$0
11640 Furniture & Equipment - Administrative Purchases	$0										$0	$0	$0		$0
11650 Leasehold Improvements Purchases	$0										$0	$0	$0		$0
11660 Infrastructure Purchases	$0										$0	$0	$0		$0
13510 CFFP Debt Service Payments	$0										$0	$0	$0		$0
13901 Replacement Housing Factor Funds	$0										$0	$0	$0		$0

REQUIRED SUPPLEMENTAL INFORMATION

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION RELATED TO PENSIONS
FOR THE YEAR ENDED DECEMBER 31, 2022

Schedule of Changes in ARHA Net Pension Liability and Related Ratios

	2022	2021	2020	2019	2018
Total pension liability					
Service cost	$ 363,115	$ 381,991	$ 400,461	$ 401,147	$ 445,452
Interest	1,184,551	1,091,988	1,043,741	1,011,972	980,587
Difference between expected and acutal experience	(259,578)	(198,697)	215,941	157,186	(40,534)
Changes of assumptions	-	639,231	-	429,935	-
Benefit payments, including refunds of employee contributions	(930,848)	(881,807)	(1,008,932)	(979,380)	(894,912)
Net change in total pension liability	357,240	1,032,706	651,211	1,020,860	490,593
Total pension liability - beginning	17,651,208	16,618,502	15,967,291	14,946,431	14,455,838
Total pension liability - ending (a)	$ 18,008,448	$ 17,651,208	$ 16,618,502	$ 15,967,291	$ 14,946,431
Plan fiduciary net position					
Contributions - employer	$ 184,913	$ 182,397	$ 167,953	$ 185,245	$ 218,577
Contributions - employee	208,865	207,738	207,922	211,042	233,598
Net investment income	(13,387)	4,240,113	306,260	1,019,695	1,096,302
Benefit payments, including refunds of employee contributions	(930,848)	(881,807)	(1,008,932)	(979,380)	(894,912)
Administrative expense	(12,162)	(10,743)	(10,634)	(10,495)	(9,648)
Other	443	398	(353)	(639)	(967)
Net change in plan fiduciary net position	(562,176)	3,738,096	(337,784)	425,468	642,950
Plan fiduciary net position - beginning	19,399,692	15,661,596	15,999,380	15,573,912	14,930,962
Plan fiduciary net position - ending (b)	$ 18,837,516	$ 19,399,692	$ 15,661,596	$ 15,999,380	$ 15,573,912
ARHA's net pension liability (asset) - ending (a)-(b)	$ (829,068)	$ (1,748,484)	$ 956,906	$ (32,089)	$ (627,481)

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION RELATED TO PENSIONS
FOR THE YEAR ENDED DECEMBER 31, 2022

Schedule of Changes in ARHA Net Pension Liability and Related Ratios

	2017	2016	2015
Total pension liability			
Service cost	$ 448,941	$ 456,905	$ 456,967
Interest	959,961	920,184	893,769
Difference between expected and acutal experience	(34,943)	(96,461)	(350,240)
Changes of assumptions	(237,298)	-	-
Benefit payments, including refunds of employee contributions	(789,100)	(635,666)	(610,608)
Net change in total pension liability	347,561	644,962	389,888
Total pension liability - beginning	14,108,277	13,463,315	13,073,427
Total pension liability - ending (a)	$ 14,455,838	$ 14,108,277	$ 13,463,315
Plan fiduciary net position			
Contributions - employer	$ 217,473	$ 328,482	$ 334,135
Contributions - employee	230,918	225,277	228,475
Net investment income	1,643,242	235,235	593,919
Benefit payments, including refunds of employee contributions	(789,100)	(635,666)	(610,608)
Administrative expense	(9,618)	(8,327)	(8,065)
Other	(1,459)	(100)	(126)
Net change in plan fiduciary net position	1,291,456	144,901	537,730
Plan fiduciary net position - beginning	13,639,506	13,494,605	12,956,875
Plan fiduciary net position - ending (b)	$ 14,930,962	$ 13,639,506	$ 13,494,605
ARHA's net pension liability (asset) - ending (a)-(b)	$ (475,124)	$ 468,771	$ (31,290)
Plan fiduciary net position as a percentage of the total pension liability	103%	97%	100%
Covered employee payroll	$ 4,407,673	$ 4,671,615	$ 4,603,233
ARHA's net pension liability as a percentage of covered-employee payroll	-10.78%	10.03%	-0.68%

Totals, with the exception of the covered payroll are from Schedule E Total Pension Liability and Fiduciary Net Position on pages 117-129 and the Summary of Collective Amounts on page 4 of the GASB Statement No. 68 Report.

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION RELATED TO PENSIONS
FOR THE YEAR ENDED DECEMBER 31, 2022
(CONTINUED)

Schedule of Employer Contributions to VRS Related to Pensions
For the Years Ended June 30, 2013, through June 30, 2022.

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
6/30/2022	$ 234,841	$ 234,841	$ -	$ 4,687,441	5.01%
6/30/2021	231,943	231,943	-	4,629,597	5.01%
6/30/2020	210,692	210,692	-	4,600,254	4.58%
6/30/2019	210,197	210,197	-	4,589,460	4.58%
6/30/2018	184,913	184,913	-	4,687,441	3.94%
6/30/2017	217,473	217,473	-	4,407,673	4.93%
6/30/2016	328,482	328,482	-	4,671,615	7.03%
6/30/2015	334,135	334,135	-	4,603,233	7.26%
6/30/2014	424,072	424,072	-	3,971,713	10.68%
6/30/2013	438,540	438,540	-	4,326,482	10.14%

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION RELATED TO PENSIONS
FOR THE YEAR ENDED DECEMBER 31, 2022

Note 1: Changes of Benefit Terms

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

Changes of assumptions - The following changes in actuarial assumptions used in the June 30, 2021, valuation were based on the most recent experience study of the System for the four-year period ending June 30, 2020:

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 through 9 years
Lowered disability rates
Increased line of duty disability rate from 14% to 20%
Lowered the discount rate from 7.00% to 6.75%

All Others - Non-Hazardous Duty:

Updated mortality table RP-2014 projected to 2021
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 through 9 years
Lowered disability rates
Increased line of duty disability rate from 14% to 15%
Lowered the discount rate from 7.00% to 6.75%

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION RELATED TO OPEB
FOR THE YEAR ENDED DECEMBER 31, 2022

Schedule of Employer's Share of Net OPEB-GLI for the Measurement Dates of June 30, 2021 through 2017:

	2021	2020	2019	2018	2017
Employer's Proportion of the Net OPEB GLI Liability (Asset)	0.02242%	0.02235%	0.02346%	0.02603%	0.02596%
Employer's Proportionate Share of the Net GLI OPEB Liability (Asset)	$ 261,030	$ 372,985	$ 382,000	$ 395,000	$ 391,000
Employer's Covered Payroll	$ 4,687,441	$ 4,600,254	$ 4,599,003	$ 4,950,486	$ 4,788,370
Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of its Covered Payroll	5.57%	8.11%	8.31%	7.98%	8.17%
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	67.45%	52.64%	52.00%	51.22%	48.86%

Schedule is intended to show information for 10 years. Since 2021 is the fifth year for this presentation, only five years of data is available. However, additional years will be included as they become available.

The Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability for the VRS Group Life Insurance Program for each year is presented on page 130 of the VRS 2021 Comprehensive Annual Financial Report (CAFR).

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION RELATED TO OPEB
FOR THE YEAR ENDED DECEMBER 31, 2022
(CONTINUED)

Schedule of Employer OPEB-GLI Contributions to the VRS For the Years Ended June 30:

Date	Employer's Contribution Rate Due	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employers Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
6/30/2021	0.54%	$ 25,312	$ 25,312	$ -	$ 4,687,441	0.54%
6/30/2020	0.52%	23,921	23,921	-	4,600,254	0.52%
6/30/2019	0.52%	23,915	23,915	-	4,599,003	0.52%
6/30/2018	0.52%	25,743	25,743	-	4,950,486	0.52%
6/30/2017	0.52%	24,900	24,900	-	4,788,370	0.52%
6/30/2016	0.48%	24,500	22,189	2,311	4,622,639	0.48%
6/30/2015	0.53%	24,519	22,206	2,313	4,626,287	0.48%
6/30/2014	0.53%	22,414	20,300	2,114	4,229,149	0.48%
6/30/2013	0.53%	23,370	21,165	2,205	4,409,404	0.48%
6/30/2012	0.44%	19,099	12,154	6,945	4,340,680	0.28%

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION RELATED TO OPEB
FOR THE YEAR ENDED DECEMBER 31, 2022

Schedule of Employer's Share of Net OPEB-VLDP Liability for the Measurement Dates through June 30:

	2021	2020	2019	2018	2018
Employer's Proportion of the Net OPEB VLDP Liability (Asset)	0.59105%	0.59281%	0.58643%	0.58913%	0.45408%
Employer's Proportionate Share of the Net VLDP OPEB Liability (Asset)	$ (5,983)	$ 5,917	$ 12,306	$ 4,000	$ 2,000
Employer's Covered Payroll	$ 2,374,212	$ 2,209,086	$ 1,877,019	$ 1,430,450	$ 833,817
Employer's Proportionate Share of the Net VLDP OPEB Liability (Asset) as a Percentage of its Covered Payroll	-0.25%	0.27%	0.66%	0.28%	0.24%
Plan Fiduciary Net Position as a Percentage of the Total VLDP OPEB Liability	119.59%	76.84%	49.19%	51.39%	38.40%

Schedule is intended to show information for 10 years. Since 2021 is the fifth year for this presentation, only five years of data is available. However, additional years will be included as they become available.

The Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability for the Virginia Local Disability (VLDP) for each year is presented on page 131 of the VRS 2021 Comprehensive Annual Financial Report (CAFR).

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION RELATED TO OPEB
FOR THE YEAR ENDED DECEMBER 31, 2022
(CONTINUED)

Schedule of Employer OPEB-VLDP Contributions to the VRS For the Years Ended June 30:

Date	Employer's Contribution Rate Due	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employers Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
6/30/2021	0.83%	$ 19,706	$ 19,706	$ -	$ 2,374,212	0.83%
6/30/2020	0.72%	15,905	15,905	-	2,209,086	0.72%
6/30/2019	0.72%	13,515	13,515	-	1,877,019	0.72%
6/30/2018	0.60%	8,583	8,583	-	1,430,450	0.60%
6/30/2017	0.60%	5,003	5,003	-	833,817	0.60%
6/30/2016	0.61%	3,326	3,326	-	544,292	0.61%
6/30/2015	0.60%	2,990	2,990	-	498,351	0.60%
6/30/2014	0.60%	425	425	-	70,787	0.60%

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION RELATED TO OPEB
FOR THE YEAR ENDED DECEMBER 31, 2022

Note 1: <u>Changes of Benefit Terms</u>

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

Note 2: <u>Changes of assumptions</u>

The following changes in actuarial assumptions were made effective June 30, 2020 based on the most recent experience study of the System for the four-year period ending June 30, 2020:

<u>Largest 10 - Non-Hazardous Duty:</u>

Updated mortality table to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020

Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all

Adjusted withdrawal rates to better fit experience at each year age and service through 9 years

<u>All Others - Non-Hazardous Duty:</u>

Updated mortality table to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020

Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all

Adjusted withdrawal rates to better fit experience at each year age and service through 9 years

Alexandria Redevelopment and Housing Authority

Keith Pettigrew, *Chief Executive Officer*

2022 Audit CORRECTIVE ACTION PLAN

ARHA has already begun implementing actions necessary to improve financial reporting for the FDS. In early 2022 the long-time CFO suddenly passed away. A month later, the long-time Comptroller resigned. A couple of weeks later the long-time Accounts Payable person resigned. These resignations represented over 50% of the Accounting related staff. But the institutional knowledge between these longtime employees represented a far greater percentage of lost to our organization. We brought in consultants and temporary employees as quickly as we could and began hiring full-time staff. In the current hiring environment it was difficult to find and keep employees and did not find ourselves with what we would consider an almost stable department staffing level until around the summer of 2023. A fulltime CFO is scheduled to begin employment in October 2023. In the meantime, our accounting related staff/consultants/temps focused on day to day operations until we were able to focus on FDS reporting.

In addition to the significant loss of staff and institutional knowledge, in the summer of 2022 our computer system was taken down by a hacking incident resulting in lost of files. It took about a month to recoup from this incident. Other computer related problems with our current software application presented and it was difficult to get quick vendor assistance or to find consultants/employees that knew how to use out computer software application…our most knowledgeable accounting related employees in the software were the ones that were no longer with the company.

The issues with the changes to the FDS related to transactions that were not related to the day to day activity of our organization or resulted from computer software problems. Therefore we believe that staffing our department and implementing a new software application (we have begun a Yardi software implementation) will address the issues that plagued the FDS reporting in 2022/2023 and that the issues raised by the auditor are being addressed.

Person responsible for corrective action: Nicole Wickliffe, Deputy Executive Director, nwickliffe@arha.us