



Harrisonburg Redevelopment & Housing Authority

P.O. BOX 1071 + HARRISONBURG, VA 22803

Phone/VTDD 540-434-7386 + Fax 540-432-1113

October 15, 2021

The Regular Meeting of the Harrisonburg Redevelopment and Housing Authority's Board of Commissioners will be held on **Wednesday, October 20, 2021 at 4:00 p.m.**, at the Municipal Building, City Council Chambers located at 409 South Main Street, Harrisonburg, Virginia.


Michael G. Wong
Executive Director

Enclosures

EQUAL HOUSING OPPORTUNITY PROVIDER

HRHA provides reasonable accommodations to persons with disabilities consistent with the Section 504 Final Rule (24 CFR Part 8) and the Fair Housing Amendments Act

AGENDA
Regular Meeting
October 20, 2021

- I. Call to order and determination of quorum
- II. Review and Approval of Minutes
 - September 2021
 - October 6, 2021
- III. Review and Approval Financial Statements
 - September 2021
- IV. Reports
 - A. Executive Director
 - 1. Public Comment
 - 2. 2020 Audit
 - 3. Request for Proposals: Financing of Lineweaver Annex Renovation Project
 - B. Any New Business/ Old Business
 - 1. Strategic Initiatives Updates
 - Homeownership and Neighborhood Revitalization
 - Addressing Homelessness and Affordable Housing
 - Improving Organizational Efficiency and Effectiveness
 - C. Management Reports
 - 1. Housing Choice Voucher Management Report
 - 2. J.R. "Polly" Lineweaver/Lineweaver Annex Program Management Report
 - 3. Franklin Heights Program Management Report
 - 4. Commerce Village Management Report
 - 5. Family Self Sufficiency Management Report
 - 6. Financial Monthly Report & Quarterly Investment Update
 - 7. Complaints Monthly Report Update

MINUTES

Regular Meeting
September 15, 2021

The Regular Meeting of the Harrisonburg Redevelopment & Housing Authority Board of Commissioners was held on Wednesday September 15 at 4:00 p.m., at the City of Harrisonburg's Hall Chambers located at 409 South Main Street, Harrisonburg Virginia.

Those present were:

Dany Fleming, Chair
Gil Colman, Commissioner
Kevin Coffman, Commissioner
Jody Johannessen, Commissioner

Also present were:

Michael G. Wong, Executive Director
Melisa Michelsen, Attorney

The Regular Meeting was called to order and quorum declared present by Dany Fleming Chair.

Mr. Wong then presented the August 18th minutes for consideration of approval. After a period of discussion, Commissioner Coffman seconded by Commissioner Colman made the motion for approval. The motion was unanimously approved.

Mr. Wong then presented the August financials for consideration of approval. After a period of discussion, Commissioner Johannessen seconded by Commissioner Colman made the motion for approval. The motion was unanimously approved.

Chairperson Fleming then opened the floor for general public comment. No public comment was received.

Commissioner Colman seconded by Commissioner Coffman then made the motion to go into closed session 2.2-3711(A)(1) for compensation and executive director's performance review. After a period of discussion, Commissioner Colman seconded by Commissioner Coffman made a motion to come out of closed session. Roll call was taken that only public business matters lawfully exempt from open meeting requirements under the Virginia Freedom of Information act and only such business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered in the meeting by the Authority:

Dany Fleming, Chair	Aye
Jody Johannessen, Commissioner	Aye
Kevin Coffman, Commissioner	Aye
Gil Colman, Commissioner	Aye

Commissioner Colman seconded by Commissioner Johannsson then made the

motion approving the employment contract for Mr. Wong. The motion was unanimously approved.

Mr. Wong then related of the need for a special meeting for a public hearing for the Authority's MTW Safe Harbors Policy. He related of the requirement for the hearing 45 days from the initial posting of the proposed policy. The board related of availability for the October 6 special meeting.

Mr. Wong then provided a brief update and overview of the program initiatives and management reports. After a period of discussion, Commissioner Johannessen seconded by Commissioner Colman then made the motion to approve the management reports and adjourn. The motion was unanimously approved.

Michael G. Wong
Executive Director

Dany Fleming
Chair

MINUTES

Special Meeting
October 6, 2021

The Regular Meeting of the Harrisonburg Redevelopment & Housing Authority Board of Commissioners was held on Wednesday October 6 at 4:00 p.m., at the City of Harrisonburg's Hall Chambers located at 409 South Main Street, Harrisonburg Virginia.

Those present were:

Dany Fleming, Chair
Gil Colman, Commissioner
Kevin Coffman, Commissioner
Shaundra Green, Commissioner
Luciano Benjamin, Commissioner

Also present were:

Michael G. Wong, Executive Director

The special meeting was called to order and quorum declared present by Dany Fleming Chairperson.

Chairperson Fleming then opened the floor for public comment on the Authority's MtW Safe Harbor policy. Mr. Wong related that the Safe Harbor policy was expanded due to several of the Authority's proposed Move to Work(MtW) activities being nonconforming to Housing and Urban Development's (HUD) approved activities. He stated that HUD required a public comment period on the policy 45 days from the initial public posting and that any comment received requires a response from the Authority. He related of including within the impact statements the analysis of the elimination of the childcare deduction. He then briefly reviewed the comments received to date and the responses provided by the Authority. He stated of the plan to submit the Authority's annual and MtW plan by the end of the week. He related of anticipated approval by January 2022 with implementation of the MtW activities effective March 1, 2022.

After a period of further discussion, Chairperson Fleming then stated of no community members being present within the room with no public comment being received. Commissioner Colman seconded by Commissioner Benjamin then made the motion to close the public comment period and adjourn. The motion was unanimously approved.

Michael G. Wong
Executive Director

Dany Fleming
Chair

LOCAL COMMUNITY DEVELOPMENT (LCD)
Statement of Revenues, Expenses, and Changes in Fund Equity
For the Month of September 2021

	Annual Budget	Monthly Budget	Total This Month	Actual To Date	Budget To Date	Over/(Under) To Date
Receipts:						
3410 HMIS COC Homelessness Grant-19	84,072.00	7,006.00	10,387.38	48,123.63	63,054.00	(14,930.37)
3410 VHSP-VA Hsg Solutions Prgm Grant	59,391.00	4,949.25	0.00	38,461.72	44,543.25	(6,081.53)
3410 COC Planning Grant Funds	21,161.00	1,763.42	1,940.51	7,491.56	15,870.75	(8,379.19)
3410 VHSP-COVID-19 ESO Grant	23,074.00	1,922.83	0.00	23,074.00	17,305.50	5,768.50
3610 Interest Income	0.00	0.00	20.53	106.27	0.00	106.27
3690 Developer's Fees/Other Income	130,000.00	10,833.33	0.00	0.00	97,500.00	(97,500.00)
3690 Admin. Fees	0.00	0.00	0.00	0.00	0.00	0.00
3690 Application Fees	15,000.00	1,250.00	0.00	22,500.00	11,250.00	11,250.00
3690 Lease Income	4,800.00	400.00	600.00	4,000.00	3,600.00	400.00
3690 Management Fees-CV	10,000.00	833.33	957.32	8,310.53	7,500.00	810.53
3690 BPort Net Receipts	187,590.00	15,632.50	14,334.24	136,331.58	140,692.50	(4,360.92)
3690 Lineweaver Apts. Net Receipts	378,740.00	31,561.67	30,969.16	283,714.49	284,055.00	(340.51)
Total Receipts	913,828.00	76,152.33	59,209.14	572,113.78	685,371.00	(113,257.22)
Expenses:						
Administration						
4110 Adm Salaries	136,850.00	11,404.17	10,755.90	95,212.72	102,637.50	(7,424.78)
4540 Adm Benefits	41,900.00	3,491.67	2,935.09	21,511.77	31,425.00	(9,913.23)
4130 Legal Expense	5,000.00	416.67	0.00	19,360.41	3,750.00	15,610.41
4140 Staff Training	3,000.00	250.00	549.00	4,657.99	2,250.00	2,407.99
4150 Travel	5,000.00	416.67	400.00	6,002.54	3,750.00	2,252.54
4171 Auditing Fees	4,000.00	333.33	0.00	0.00	3,000.00	(3,000.00)
4190 Sundry-Admin. Exp.	22,400.00	1,866.67	1,002.43	36,765.56	16,800.00	19,965.56
4190 VHSP-COVID-19 ESO Grant	23,074.00	1,922.83	0.00	23,074.00	17,305.50	5,768.50
4190 VHSP-VA Hsg Solutions Prgm Grant	59,391.00	4,949.25	3,294.69	49,577.42	44,543.25	5,034.17
4190 COC Planning Grant Funds	21,161.00	1,763.42	1,940.51	7,491.56	15,870.75	(8,379.19)
4190 HMIS Match for Grant Funds	10,000.00	833.33	157.20	7,387.14	7,500.00	(112.86)
4190 Community Donations (OpDr/COC,etc)	15,000.00	1,250.00	0.00	10,000.00	11,250.00	(1,250.00)
4190 HMIS Homeless Assistance-19	84,072.00	7,006.00	5,997.02	48,123.63	63,054.00	(14,930.37)
Total Administration	430,848.00	35,904.00	27,031.84	329,164.74	323,136.00	6,028.74
Utilities						
4310 Water-CST	0.00	0.00	(40.32)	138.69	0.00	138.69
4320 Electric includes CST	3,200.00	266.67	(318.40)	993.87	2,400.00	(1,406.13)
4330 Gas includes CST	1,800.00	150.00	1.15	97.58	1,350.00	(1,252.42)
4390 Sewer-CST	0.00	0.00	68.12	568.41	0.00	568.41
Total Utilities	5,000.00	416.67	(289.45)	1,798.55	3,750.00	(1,951.45)
Maintenance						
4410 Maintenance Salaries	35,575.00	2,964.58	2,455.99	24,025.95	26,681.25	(2,655.30)
4540 Maintenance Benefits	9,600.00	800.00	641.42	5,829.06	7,200.00	(1,370.94)
4420 Materials	4,000.00	333.33	160.52	4,386.27	3,000.00	1,386.27
4430 Contract Costs	6,000.00	500.00	82.28	5,614.52	4,500.00	1,114.52
Total Maintenance	55,175.00	4,597.92	3,340.21	39,855.80	41,381.25	(1,525.45)
General						
4510 Insurance	8,600.00	716.67	603.75	6,385.65	6,450.00	(64.35)
4570 Collection Loss/Bad Debt Expens	0.00	0.00	0.00	0.00	0.00	0.00
4580 Real Estate Taxes (CST)	6,000.00	500.00	0.00	3,471.33	4,500.00	(1,028.67)
4000 Bport Expenses	34,600.00	2,883.33	3,316.25	26,462.61	25,950.00	512.61
4000 Lineweaver Apartments Expenses	373,590.00	31,132.50	25,776.30	273,326.94	280,192.50	(6,865.56)
Total General	422,790.00	35,232.50	29,696.30	309,646.53	317,092.50	(7,445.97)
TOTAL EXPENSES	913,813.00	76,151.08	59,778.90	680,465.62	685,359.75	(4,894.13)
TOTAL RECEIPTS TO DATE						572,113.78
TOTAL EXPENSES TO DATE						680,465.62
TOTAL RECEIPTS LESS TOTAL EXPENSES TO DATE-Income/Loss						(108,351.84)

Michael G. Wong, Executive Director

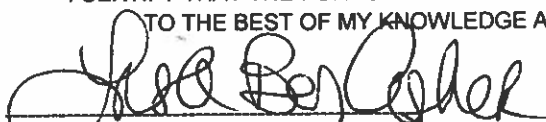
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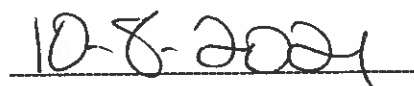
10/8/2021

LINEWEAVER ANNEX APARTMENTS
Statement of Revenues, Expenses, and Changes in Fund Equity
Attachment A
For the Month of September 2021

	Annual Budget	Monthly Budget	Total This Month	Actual To Date	Budget To Date	Over/(Under) To Date
Receipts:						
3110 Rental Income	202,000.00	16,833.33	17,208.00	152,240.31	151,500.00	740.31
3410 HAP Funding	168,440.00	14,036.67	13,204.00	124,192.00	126,330.00	(2,138.00)
3690 Other Income-Laundry	3,800.00	316.67	314.56	2,988.41	2,850.00	138.41
3690 Other Income-Late fees,workordr	4,500.00	375.00	242.60	4,293.77	3,375.00	918.77
Total Receipts	378,740.00	31,561.67	30,969.16	283,714.49	284,055.00	(340.51)
Expenses:						
Administration:						
4110 Adm Salaries	81,300.00	6,775.00	6,124.79	56,178.26	60,975.00	(4,796.74)
4540 Adm Benefits	23,650.00	1,970.83	1,921.25	16,709.97	17,737.50	(1,027.53)
4130 Legal Fees	1,000.00	83.33	0.00	3,311.50	750.00	2,561.50
4140 Staff Training	1,000.00	83.33	500.00	620.00	750.00	(130.00)
4150 Travel	1,000.00	83.33	0.00	0.00	750.00	(750.00)
4171 Auditing	1,200.00	100.00	0.00	0.00	900.00	(900.00)
4190 Sundry	15,300.00	1,275.00	628.75	17,282.02	11,475.00	5,807.02
Total Administration	124,450.00	10,370.83	9,174.79	94,101.75	93,337.50	764.25
Tenant Services:						
4240 Tenant Services-Other	1,000.00	83.33	0.00	13.24	750.00	(736.76)
Total Tenant Serv.	1,000.00	83.33	0.00	13.24	750.00	(736.76)
Utilities:						
4310 Water	8,300.00	691.67	689.37	7,127.69	6,225.00	902.69
4320 Electricity	60,000.00	5,000.00	4,342.87	45,193.92	45,000.00	193.92
4390 Sewer	23,970.00	1,997.50	1,698.60	16,810.20	17,977.50	(1,167.30)
Total Utilities	92,270.00	7,689.17	6,730.84	69,131.81	69,202.50	(70.69)
Maintenance:						
4410 Maintenance Salaries	54,350.00	4,529.17	4,382.78	41,774.33	40,762.50	1,011.83
4540 Maintenance Benefits	15,850.00	1,320.83	879.86	8,233.86	11,887.50	(3,653.64)
4420 Materials	18,000.00	1,500.00	1,114.20	10,751.63	13,500.00	(2,748.37)
4430 Contract Costs	50,000.00	4,166.67	2,702.89	42,679.16	37,500.00	5,179.16
Total Maintenance	138,200.00	11,516.67	9,079.73	103,438.98	103,650.00	(211.02)
General Expenses:						
4510 Insurance Expenses	7,670.00	639.17	790.94	6,641.16	5,752.50	888.66
4570 Collection Loss	10,000.00	833.33	0.00	0.00	7,500.00	(7,500.00)
Total General Exp.	17,670.00	1,472.50	790.94	6,641.16	13,252.50	(6,611.34)
TOTAL EXPENSES	373,590.00	31,132.50	25,776.30	273,326.94	280,192.50	(6,865.56)
TOTAL RECEIPTS TO DATE						283,714.49
TOTAL EXPENSES TO DATE						273,326.94
TOTAL RECEIPTS LESS TOTAL EXPENSES TO DATE-Income/Loss						10,387.55

I CERTIFY THAT THE FOREGOING INFORMATION IS TRUE AND CORRECT
TO THE BEST OF MY KNOWLEDGE AND BELIEF

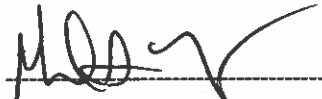

Lisa Benasher, Lineweaver Manager


Date

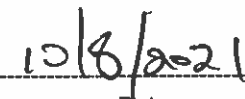
BRIDGEPORT COMPLEX
Statement of Revenues, Expenses, and Changes in Fund Equity
Attachment B
For the Month of September 2021

	Annual Budget	Monthly Budget	Total This Month	Actual To Date	Budget To Date	Over/(Under) To Date
Receipts:						
3690 Rental Income	187,590.00	15,632.50	14,334.24	136,331.58	140,692.50	(4,360.92)
3690 Other Income	0.00	0.00	0.00	0.00	0.00	0.00
Total Receipts	187,590.00	15,632.50	14,334.24	136,331.58	140,692.50	(4,360.92)
Expenses:						
Operations						
4130 Legal Expenses	1,000.00	83.33	0.00	0.00	750.00	(750.00)
4190-Sundry-Phone	600.00	50.00	42.60	382.98	450.00	(67.02)
Total Op. Expenses	1,600.00	133.33	42.60	382.98	1,200.00	(817.02)
Utilities:						
4310 Water	1,200.00	100.00	0.00	318.00	900.00	(582.00)
4320 Electricity	0.00	0.00	0.00	0.00	0.00	0.00
4330 Gas	0.00	0.00	0.00	0.00	0.00	0.00
4310 Sewer	0.00	0.00	0.00	0.00	0.00	0.00
Total Utilities	1,200.00	100.00	0.00	318.00	900.00	(582.00)
Maintenance:						
4420 Materials	3,000.00	250.00	0.00	802.50	2,250.00	(1,447.50)
4430 Contract Costs	12,000.00	1,000.00	1,843.26	12,110.30	9,000.00	3,110.30
Total Maintenance	15,000.00	1,250.00	1,843.26	12,912.80	11,250.00	1,662.80
General Expenses:						
4510 Insurance Expenses	0.00	0.00	0.00	0.00	0.00	0.00
4580 Interst Expense	16,800.00	1,400.00	1,430.39	12,848.83	12,600.00	248.83
Total General Exp.	16,800.00	1,400.00	1,430.39	12,848.83	12,600.00	248.83
TOTAL EXPENSES	34,600.00	2,883.33	3,316.25	26,462.61	25,950.00	512.61
TOTAL RECEIPTS TO DATE						136,331.58
TOTAL EXPENSES TO DATE						26,462.61
TOTAL RECEIPTS LESS TOTAL EXPENSES TO DATE-Income/Loss						109,868.97

I CERTIFY THAT THE FOREGOING INFORMATION IS TRUE AND CORRECT
TO THE BEST OF MY KNOWLEDGE AND BELIEF



Michael G. Wong
Executive Director



Date

Please note: A principal payment to Bank of the James was made in the amount of \$2,177.75 for a total of \$17,463.82 for this fiscal year.

J. R. "POLLY" LINEWEAVER (JRL)
Statement of Revenues, Expenses, and Changes in Fund Equity
For the Month of September 2021

	Annual Budget	Monthly Budget	Total This Month	Actual To Date	Budget To Date	Over/(Under) To Date
Receipts:						
3110 Dwelling Rent	184,248.00	15,354.00	15,364.09	136,515.71	138,186.00	(1,670.29)
3410 HAP Funding	276,372.00	23,031.00	20,855.00	194,396.00	207,279.00	(12,883.00)
3410 Service Coord Grant-2020	67,105.00	5,592.08	33,338.50	39,550.41	50,328.75	(10,778.34)
3690 Other Income-Laundry	3,800.00	316.67	314.57	2,993.60	2,850.00	143.60
3690 Other Income-Late fees,w/orders	12,000.00	1,000.00	151.10	4,159.10	9,000.00	(4,840.90)
Total Receipts	543,525.00	45,293.75	70,023.26	377,614.82	407,643.75	(30,028.93)
Expenses:						
Administration						
4110 Adm Salaries	50,955.00	4,246.25	3,770.32	34,086.16	38,216.25	(4,130.09)
4540 Adm Benefits	17,800.00	1,483.33	1,303.09	11,214.91	13,350.00	(2,135.09)
4130 Legal Fees	0.00	0.00	0.00	895.15	0.00	895.15
4140 Staff Training	0.00	0.00	0.00	0.00	0.00	0.00
4150 Travel	0.00	0.00	0.00	0.00	0.00	0.00
4171 Auditing Fees	1,200.00	100.00	0.00	0.00	900.00	(900.00)
4190 Sundry	7,500.00	625.00	752.19	15,904.61	5,625.00	10,279.61
Total Administration	77,455.00	6,454.58	5,825.60	62,100.83	58,091.25	4,009.58
Tenant Services:						
4220-40 Service Coord Grant-2019	67,105.00	5,592.08	4,858.27	39,649.41	50,328.75	(10,679.34)
4230 Tenant Services-Other	1,000.00	83.33	0.00	13.23	750.00	(736.77)
Total Tenant Serv.	68,105.00	5,675.42	4,858.27	39,662.64	51,078.75	(11,416.11)
Utilities:						
4310 Water	8,000.00	666.67	705.17	6,286.29	6,000.00	286.29
4320 Electric	65,000.00	5,416.67	3,973.88	46,267.38	48,750.00	(2,482.62)
4390 Sewer	25,000.00	2,083.33	1,755.22	15,796.98	18,750.00	(2,953.02)
Total Utilities	98,000.00	8,166.67	6,434.27	68,350.65	73,500.00	(5,149.35)
Maintenance:						
4410 Maintenance Salaries	40,740.00	3,395.00	3,195.12	31,163.21	30,555.00	608.21
4540 Maintenance Benefits	10,020.00	835.00	582.44	5,545.83	7,515.00	(1,969.17)
4420 Materials	12,000.00	1,000.00	1,014.58	12,498.01	9,000.00	3,498.01
4430 Contract	41,000.00	3,416.67	2,044.28	48,727.18	30,750.00	17,977.18
Total Maintenance	103,760.00	8,646.67	6,836.42	97,934.23	77,820.00	20,114.23
General:						
4510 Insurance	8,500.00	708.33	891.55	7,757.74	6,375.00	1,382.74
4570 Collection Loss	0.00	0.00	0.00	0.00	0.00	0.00
4580 United Bank/VCC Interest	36,575.00	3,047.92	3,059.99	28,549.50	27,431.25	1,118.25
Total General	45,075.00	3,756.25	3,951.54	36,307.24	33,806.25	2,500.99
TOTAL EXPENSES	392,395.00	32,699.58	27,906.10	304,355.59	294,296.25	10,059.34
TOTAL RECEIPTS TO DATE						377,614.82
TOTAL EXPENSES TO DATE						304,355.59
TOTAL RECEIPTS LESS TOTAL EXPENSES TO DATE-Income/Loss						73,259.23

I CERTIFY THE FOREGOING INFORMATION IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF


 Lisa Benasher, Lineweaver Manager

10-8-2021
 Date

Please note: A principal payment to United Bank was made in the amount of \$6,929.89 a total of \$69,037.41 for this fiscal year and a principal payment to Virginia Community Capital in the amount of \$5,608.85 for a total of \$44,137.70 for this fiscal year.

Housing Choice Voucher Program (HCV)
Statement of Revenues, Expenses, and Changes in Fund Equity
For the Month of September 2021

	Annual Budget	Monthly Budget	Total This Month	Actual To Date	Budget To Date	Over/(Under) To Date
Receipts						
3300RC Adm-Fraud/Abuse/Set Off Del	7,000.00	583.33	356.50	2,595.77	5,250.00	(2,654.23)
3300RC HAP-Fraud/Abuse/Set Off Del	7,000.00	583.33	356.50	2,595.78	5,250.00	(2,654.22)
3300 FSS Fort.	2,000.00	166.67	0.00	7,004.99	1,500.00	5,504.99
3300 Portability Fee Income	0.00	0.00	0.00	0.00	0.00	0.00
3610 Interest-HAP	0.00	0.00	0.00	0.00	0.00	0.00
3610 Interest-Adm	0.00	0.00	0.00	0.00	0.00	0.00
3410 HCV FSS Grant Funds	35,103.00	2,925.25	2,925.25	26,327.25	26,327.25	0.00
3410 HCV HAP Payment-Adm Fees	531,060.00	44,255.00	50,873.00	499,070.93	398,295.00	100,775.93
3410 HCV HAP Payment-HAP Fees	5,933,400.00	494,450.00	502,709.00	4,067,855.00	4,450,050.00	(382,195.00)
Total Receipts	6,515,563.00	542,963.58	557,220.25	4,605,449.72	4,886,672.25	(281,222.53)
Expenses						
Administration						
4110 Adm Salaries	312,023.00	26,001.92	25,590.20	254,750.78	234,017.25	20,733.53
4110 FSS Salaries (grant portion)	35,103.00	2,925.25	2,925.25	26,327.25	26,327.25	0.00
4540 Adm/FSS Benefits	103,200.00	8,600.00	9,762.98	86,069.31	77,400.00	8,669.31
4130 Legal Fees	5,000.00	416.67	0.00	1,285.50	3,750.00	(2,464.50)
4140 Staff Training	5,000.00	416.67	0.00	2,164.99	3,750.00	(1,585.01)
4150 Travel	5,000.00	416.67	0.00	0.00	3,750.00	(3,750.00)
4171 Auditing Fees	6,940.00	578.33	0.00	0.00	5,205.00	(5,205.00)
4190 Sundry/Rent & Utility Adj	60,000.00	5,000.00	6,213.19	108,178.62	45,000.00	63,178.62
4190.2 Portability Fees	5,000.00	416.67	160.84	1,374.86	3,750.00	(2,375.14)
4190.4 LL Incentives-CARES Act	0.00	0.00	1,750.00	19,750.00	0.00	19,750.00
Total Administration	537,266.00	44,772.17	46,402.46	499,901.31	402,949.50	96,951.81
Utilities						
4310 Water	0.00	0.00	0.00	0.00	0.00	0.00
4320 Electric	4,000.00	333.33	438.08	3,717.35	3,000.00	717.35
4330 Gas	2,000.00	166.67	42.17	1,854.56	1,500.00	354.56
4390 Sewer	0.00	0.00	0.00	0.00	0.00	0.00
Total Utilities	6,000.00	500.00	480.25	5,571.91	4,500.00	1,071.91
Maintenance						
4420 Maintenance Salaries	0.00	0.00	0.00	0.00	0.00	0.00
4540 Maintenance Benefits	0.00	0.00	0.00	0.00	0.00	0.00
4420 Materials	0.00	0.00	0.00	0.00	0.00	0.00
4430 Contract Costs (Unit Inspections)	0.00	0.00	0.00	0.00	0.00	0.00
Total Maintenance	0.00	0.00	0.00	0.00	0.00	0.00
General						
4510 Insurance	7,700.00	856.33	637.33	5,569.47	7,706.97	(2,137.50)
4570 Collection Loss	0.00	0.00	0.00	0.00	0.00	0.00
4715 HAP Portability In	0.00	0.00	0.00	0.00	0.00	0.00
Total	7,700.00	856.33	637.33	5,569.47	7,706.97	(2,137.50)
Total Expenses (excluding HAP)	550,966.00	46,128.50	47,520.04	511,042.69	415,156.47	95,886.22
4715 HAP	5,942,400.00	495,200.00	474,102.00	4,284,430.00	4,456,800.00	(172,370.00)
4715 UAP	0.00	0.00	7,578.00	88,862.00	0.00	88,862.00
4718 FSS Escrow	0.00	0.00	4,368.00	49,089.00	0.00	49,089.00
HAP Total	5,942,400.00	495,200.00	486,048.00	4,422,381.00	4,456,800.00	(34,419.00)
Total Expenses	6,493,366.00	541,328.50	533,568.04	4,933,423.69	4,871,956.47	61,467.22
TOTAL RECEIPTS TO DATE						4,605,449.72
TOTAL EXPENSES TO DATE						4,933,423.69
TOTAL RECEIPTS LESS TOTAL EXPENSES TO DATE-Net Income/Loss						(327,973.97)
					Adm Funds	16,951.26
					HAP Funds	(344,925.23)

I CERTIFY THAT THE FOREGOING INFORMATION IS TRUE AND CORRECT
TO THE BEST OF MY KNOWLEDGE AND BELIEF

Liz Webb, Housing Choice Voucher Mgr

Date

6/30/2021 HCV HUD Held Reserve \$843,157 and MS5 HUD Held Reserve \$266,945
3/30/2021 HCV FY2021 Renewal Funding \$5,787,538

FRANKLIN HEIGHTS, LLC
Statement of Revenues, Expenses, and Changes in Fund Equity
For the Month of September 2021

	Annual Budget	Monthly Budget	Total This Month	Actual To Date	Budget To Date	Over/(Under) To Date
Receipts:						
3110 Dwelling Rent	335,000.00	27,916.67	33,239.00	265,530.12	251,250.00	14,280.12
3410 HAP Funding	1,137,066.00	94,755.50	95,313.00	884,389.00	852,799.50	31,589.50
3610 Interest Income	900.00	75.00	37.44	379.16	675.00	(295.84)
3690 Other Income-Late fees, etc.	20,000.00	1,666.67	3,996.00	26,693.00	15,000.00	11,693.00
3410 Other Receipts-CDBG Funds	164,000.00	13,666.67	0.00	78,000.00	123,000.00	(45,000.00)
Total Receipts	1,656,966.00	138,080.50	132,585.44	1,254,991.28	1,242,724.50	12,266.78
Expenses:						
Administration						
4110 Adm Salaries	227,580.00	18,965.00	13,968.05	125,265.71	170,685.00	(45,419.29)
4540 Adm Benefits	69,475.00	5,789.58	4,692.14	38,934.97	52,106.25	(13,171.28)
4130 Legal Fees	1,000.00	83.33	0.00	1,000.00	750.00	250.00
4140 Staff Training	1,000.00	83.33	0.00	428.00	750.00	(322.00)
4150 Travel	1,500.00	125.00	0.00	0.00	1,125.00	(1,125.00)
4171 Auditing Fees	1,800.00	150.00	0.00	0.00	1,350.00	(1,350.00)
4190 Sundry	35,000.00	2,916.67	2,527.09	68,321.12	26,250.00	42,071.12
4190 CDBG Down Payment Assistance Program	24,000.00	2,000.00	4,000.00	12,000.00	18,000.00	(6,000.00)
Total Administration	361,355.00	30,112.92	25,187.28	245,949.80	271,016.25	(25,066.45)
Tenant Services						
4240 Tenant Services-Recreation	1,000.00	83.33	230.00	624.09	750.00	(125.91)
Total Tenant Services	1,000.00	83.33	230.00	624.09	750.00	(125.91)
Utilities						
4310 Water	0.00	0.00	(81.28)	(1,523.04)	0.00	(1,523.04)
4320 Electric	10,000.00	833.33	408.62	5,009.36	7,500.00	(2,490.64)
4330 Gas	2,000.00	166.67	0.00	82.90	1,500.00	(1,417.10)
4390 Sewer	0.00	0.00	(1,037.84)	(3,337.50)	0.00	(3,337.50)
Total Utilities	12,000.00	1,000.00	(710.50)	231.72	9,000.00	(8,768.28)
Maintenance						
4410 Maintenance Salaries	113,386.00	9,448.83	9,724.85	87,882.83	85,039.50	2,843.33
4540 Maintenance Benefits	37,410.00	3,117.50	2,258.20	19,846.52	28,057.50	(8,210.98)
4420 Materials	40,000.00	3,333.33	4,773.98	30,293.15	30,000.00	293.15
4430 Contract	75,000.00	6,250.00	5,749.57	62,568.66	56,250.00	6,318.66
Total Maintenance	265,796.00	22,149.67	22,506.60	200,591.16	199,347.00	1,244.16
General						
4510 Insurance	25,000.00	2,083.33	2,170.42	18,552.76	18,750.00	(197.24)
4570 Collection Loss	15,000.00	1,250.00	0.00	0.00	11,250.00	(11,250.00)
4590 Real Estate Taxes	25,000.00	2,083.33	0.00	12,288.20	18,750.00	(6,461.80)
4580 Interest Expense-HHR	84,600.00	7,050.00	0.00	84,600.00	63,450.00	21,150.00
4580 Interest Expense-FH	111,625.00	9,302.08	0.00	111,625.00	83,718.75	27,906.25
4580 Interest Expense-FORK(BJ)	0.00	0.00	3,603.17	9,929.05	0.00	9,929.05
4580 Interest Expense-FORK(UB)	25,544.00	2,128.67	0.00	15,563.90	19,158.00	(3,594.10)
4580 Interest Expense-FORK(Seller Fin)	38,991.00	3,249.25	0.00	20,676.50	29,243.25	(8,566.75)
Total General	325,760.00	27,146.67	5,773.59	273,235.41	244,320.00	28,915.41
TOTAL EXPENSES	965,911.00	80,492.58	52,986.97	720,632.18	724,433.25	(3,801.07)
TOTAL RECEIPTS TO DATE						1,254,991.28
TOTAL EXPENSES TO DATE						720,632.18
TOTAL RECEIPTS LESS TOTAL EXPENSES TO DATE-Net Income/Loss						534,359.10

I CERTIFY THE FOREGOING INFORMATION IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF


Nehemias Velez, FH Manager

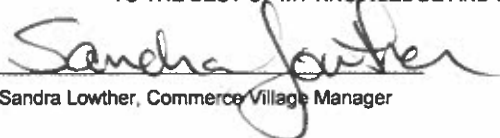
10/8/21
Date

Please note P/I payments below:	Debt Pymts Due	Debt Pymts YTD	Debt Pymts Outstanding	
HHR 2006/14 Go Bond Payment	219,690	219,600	0	135000
FH 2009/11 Go Bond Payment	446,825	446,825	0	335000
Bank of the James	51,740	20,696	31,044	36295
United Bank-Forkovitch Units	47,551	47,551	0	29027
Seller Financed-Forkovitch Units	60,053	60,053	0	31582
Total	825,769	794,725	31,044	

COMMERCE VILLAGE LLC (CVO)
Statement of Revenues, Expenses, and Changes in Fund Equity
For the Month of September 2021

	Annual Budget	Monthly Budget	Total This Month	Actual To Date	Budget To Date	Over/(Under) To Date
Receipts:						
3110 Rental Income	95,000.00	7,916.67	8,408.00	73,195.00	71,250.00	1,945.00
3410 HAP Funding	109,448.00	9,120.67	9,792.00	84,800.00	82,086.00	2,714.00
3610 Interest (Replacement&Operatir	400.00	33.33	2.86	28.14	300.00	(271.86)
3690 Other Income-Laundry&Donatio	2,000.00	166.67	158.38	1,296.04	1,500.00	(203.96)
3690 Other Inc-Late fees,workorders	3,000.00	250.00	0.00	2,036.74	2,250.00	(213.26)
Total Receipts	209,848.00	17,487.33	18,361.24	161,355.92	157,386.00	3,969.92
Expenses:						
Administration:						
4110 Adm Salaries	21,600.00	1,800.00	1,554.67	14,653.66	16,200.00	(1,546.34)
4540 Adm Benefits	7,500.00	625.00	513.96	4,491.77	5,625.00	(1,133.23)
4130 Legal Fees	0.00	0.00	0.00	0.00	0.00	0.00
4140 Staff Training	500.00	41.67	400.00	500.00	375.00	125.00
4150 Travel	0.00	0.00	0.00	0.00	0.00	0.00
4171 Auditing	0.00	0.00	0.00	0.00	0.00	0.00
4190 Sundry	4,600.00	383.33	285.28	9,536.96	3,450.00	6,086.96
4190 Sundry-Management fees	10,000.00	833.33	957.32	8,310.53	7,500.00	810.53
4190 Sundry-HCC fees	6,400.00	533.33	0.00	6,566.97	4,800.00	1,766.97
Total Administration	50,600.00	4,216.67	3,711.23	44,059.89	37,950.00	6,109.89
Tenant Services:						
4240-Case Mgt/Peer Counseling	20,000.00	1,666.67	0.00	13,750.00	15,000.00	(1,250.00)
4240 Tenant Services-Client	1,500.00	125.00	50.00	605.00	1,125.00	(520.00)
Total Tenant Serv.	21,500.00	1,791.67	50.00	14,355.00	16,125.00	(1,770.00)
Utilities:						
4310 Water	4,300.00	358.33	363.83	3,224.41	3,225.00	(0.59)
4320 Electricity	20,000.00	1,666.67	1,396.97	12,578.93	15,000.00	(2,421.07)
4330 Gas	2,100.00	175.00	146.44	1,457.67	1,575.00	(117.33)
4390 Sewer	11,650.00	970.83	849.30	7,643.70	8,737.50	(1,093.80)
Total Utilities	38,050.00	3,170.83	2,756.54	24,904.71	28,537.50	(3,632.79)
Maintenance:						
4410 Maintenance Salaries	15,450.00	1,287.50	823.85	10,696.61	11,587.50	(890.89)
4540 Maintenance Benefits	3,550.00	295.83	188.41	1,894.59	2,662.50	(767.91)
4420 Materials	2,500.00	208.33	15.87	2,276.16	1,875.00	401.16
4430 Contract Costs	15,000.00	1,250.00	1,590.99	16,138.92	11,250.00	4,888.92
Total Maintenance	36,500.00	3,041.67	2,619.12	31,006.28	27,375.00	3,631.28
General Expenses:						
4510 Insurance Expenses	2,800.00	233.33	309.17	2,313.99	2,100.00	213.99
4570 Collection Loss	500.00	41.67	0.00	0.00	375.00	(375.00)
4580 Interest Expense	16,380.00	1,365.00	1,365.00	12,285.00	12,285.00	0.00
4590 Real Estate Taxes	24.00	2.00	1.01	9.09	18.00	(8.91)
1162 Replacement Reserve Acct	9,000.00	750.00	750.00	6,750.00	6,750.00	0.00
Total General Exp.	28,704.00	2,392.00	2,425.18	21,358.08	21,528.00	(169.92)
TOTAL EXPENSES	175,354.00	14,612.83	11,562.07	135,683.96	131,515.50	4,168.46
TOTAL RECEIPTS TO DATE						161,355.92
TOTAL EXPENSES TO DATE						135,683.96
TOTAL RECEIPTS LESS TOTAL EXPENSES TO DATE-Income/Loss						25,671.96

I CERTIFY THAT THE FOREGOING INFORMATION IS TRUE AND CORRECT
TO THE BEST OF MY KNOWLEDGE AND BELIEF


Sandra Lowther, Commerce Village Manager

10-08-21
Date

**HARRISONBURG REDEVELOPMENT
AND HOUSING AUTHORITY**

**AUDITED
FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED
DECEMBER 31, 2020**

HARRISONBURG REDEVELOPMENT AND HOUSING AUTHORITY

**AUDITED
FINANCIAL STATEMENTS**

FOR THE PERIOD ENDED DECEMBER 31, 2020

HARRISONBURG REDEVELOPMENT AND HOUSING AUTHORITY

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

Daniel J. Dooley, C.P.A.
Michael H. Vicars, C.P.A.

1

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the business-type activities which comprise the major fund of the Harrisonburg Redevelopment and Housing Authority as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

21 S. Sheppard Street ♦ Richmond, VA 23221
Telephone: 804.355.2808 ♦ FAX: 804.359.3897

**INDEPENDENT AUDITORS' REPORT
(CONTINUED)**

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities which comprise the major fund of the Harrisonburg Redevelopment and Housing Authority at December 31, 2020, 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.

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

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements.

The accompanying Schedule of Expenditures of Federal Awards, Financial Data Schedule, and other supplementary information 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.

**INDEPENDENT AUDITORS' REPORT
(CONTINUED)**

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2020, on our consideration of the Harrisonburg 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 Harrisonburg Redevelopment and Housing Authority's internal control over financial reporting and compliance.

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

Richmond, Virginia
October 21, 2020

Harrisonburg Redevelopment and Housing Authority

Statement of Net Position December 31, 2020

ASSETS	Enterprise Fund	Component Units
Current Assets		
Cash and Cash Equivalents	\$ 744,837	\$ 160,992
Restricted Cash, Cash Equivalents	807,415	15,346
Investments	-	175,513
Receivables, Net	203,432	1,822
Inventories - Net of Allowance	7,715	-
Prepaid Charges and Other Assets	27,998	3,826
Interprogram Due From	42,935	-
Total Current Assets	1,834,332	357,499
Non-current Assets		
Capital Assets		
Land	1,644,886	300,000
Buildings	17,614,510	3,159,823
Furniture Equipment & Machinery- Dwellings	629,817	53,339
Furniture Equipment & Machinery- Admin	685,094	42,518
Leasehold Improvements	7,775,032	425,796
Less: Accumulated Depreciation	(15,416,732)	(601,392)
Fixed Assets - Net	12,932,607	3,380,084
Notes, Loans, & Mortgages Receivable	451,685	-
Other Assets	140,600	92
Total Non-current Assets	13,524,892	3,380,176
Deferred Outflow of Resources		
Deferred Outflow of Resources	-	-
Total Assets and Deferred Outflow of Resources	\$ 15,359,224	\$ 3,737,675

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

Harrisonburg Redevelopment and Housing Authority

Statement of Net Position

December 31, 2020

LIABILITIES	Enterprise Fund	Component Units
Current Liabilities		
Accounts Payable	\$ 103,172	\$ 3,228
Accrued Liabilities	135,622	57,762
Tenant Security Deposits	162,874	15,346
Current Portion Long-term Debt	770,898	-
Unearned Revenue and Other Liabilities	94,949	1,087
Interprogram Due To	-	42,935
Total Current Liabilities	1,267,515	120,358
Noncurrent Liabilities		
Long-term Debt	8,075,120	1,150,000
Accrued Absences - Long-term	61,801	1,903
Non-current Other	230,299	380,533
Total Non-current Liabilities	8,367,220	1,532,436
Total Liabilities	9,634,735	1,652,794
Deferred Inflow of Resources		
Deferred Inflow of Resources	-	-
Net Position		
Invested in Capital Assets, Net of Related Debt	4,086,589	2,230,084
Restricted Net Position	431,877	-
Unrestricted Net Position	1,206,023	(145,203)
Total Net Position	5,724,489	2,084,881
Total Liabilities, Deferred Inflow of Resources, and Net Position	\$ 15,359,224	\$ 3,737,675

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

Harrisonburg Redevelopment and Housing Authority

Statement of Revenues, Expenses, and Changes in Fund Net Position For The Year Ended December 31, 2020

	Enterprise Fund	Component Units
Revenues		
Tenant Revenue	\$ 2,238,485	\$ 205,721
Program Grants/Subsidies	7,336,518	-
Other Governmental Grants	339,357	-
Other Income	73,565	77,314
Total Revenues	9,987,925	283,035
Expenses		
Administrative	1,644,749	53,216
Tenant Services	193,613	14,929
Utilities	163,766	30,398
Maintenance	519,546	25,221
General	152,467	5,787
Housing Assistance Payments	5,929,023	-
Depreciation	1,074,355	143,524
Total Expenses	9,677,519	273,075
Net Income (Loss)	310,406	9,960
Non-Operating Revenues (Expenses)		
Capital Grant	146,211	-
Interest Expense	(334,796)	(26,925)
Gain/(Loss) on Sale of Fixed Assets	-	(970,767)
Interest and Investment Revenue	983	307
Total Nonoperating Revenues (Expenses)	(187,602)	(997,385)
Income (Loss) before Contributions and Transfers	122,804	(987,425)
Operating Transfers	298,547	(298,547)
Change in Net Position	421,351	(1,285,972)
Beginning of Year Net Position	5,303,138	3,370,852
Total Ending Net Position	\$ 5,724,489	\$ 2,084,880

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

Harrisonburg Redevelopment and Housing Authority

Statement of Cash Flows

For The Year Ended December 31, 2020

	Enterprise Fund	Component Units
Cash Flows from Operating Activities:		
Cash Received from Tenants	\$ 2,369,336	\$ 204,781
Cash Received from Operating Grants	7,336,518	-
Cash Received from Other Sources	519,260	77,479
Cash Paid for Goods and Services	(574,263)	(101,159)
Cash Paid for Employees and Administrative	(1,838,362)	(68,145)
Housing Assistance Payments	(5,929,023)	-
Cash Paid for Other	(113,340)	(5,641)
Net Cash Provided (Used) By Operating Activities	<u>1,770,126</u>	<u>107,315</u>
Cash Flows from Noncapital Financing Activities:		
Operating Transfers	298,547	(298,547)
Total Cash Flows from Noncapital Financing Activities	<u>298,547</u>	<u>(298,547)</u>
Cash Flows from Capital and Related Financing Activities:		
Capital Grants received	146,211	-
Purchases, Sales, and Construction of Capital Assets	(219,128)	-
Principal Paid on Capital Debt	(742,194)	(33,064)
Interest Paid on Capital Debt	(334,796)	(26,925)
Net Cash Provided (Used) for Capital and Related Financing Activities	<u>(1,149,907)</u>	<u>(59,989)</u>
Cash Flows from Investing Activities:		
Interest and Dividends	983	307
Purchase/Sale of investments	-	302,940
Net Cash Provided (Used) By Investing Activities	<u>983</u>	<u>303,247</u>
Net Increase (Decrease) in Cash and Cash Equivalents	919,749	52,026
Cash and Cash Equivalents at Beginning of Year	632,503	124,312
Cash and Cash Equivalents at End of Year	<u>\$ 1,552,252</u>	<u>\$ 176,338</u>
Cash and Cash Equivalents:		
Unrestricted	\$ 744,837	\$ 160,992
Restricted	807,415	15,346
Total Cash and Cash Equivalents	<u>\$ 1,552,252</u>	<u>\$ 176,338</u>

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

Harrisonburg Redevelopment and Housing Authority

Statement of Cash Flows

For The Year Ended December 31, 2020

	Enterprise Fund	Component Units
Reconciliation of Operating Income (Loss) to Net Cash Provided		
(Used) By Operating Activities:		
Operating Income (Loss)	\$ 310,406	\$ 9,960
Adjustments to Reconcile Operating Income to Net Cash Provided		
(Used) By Operating Activities:		
Depreciation Expense	1,074,355	143,524
Changes in Assets and Liabilities:		
(Increase) Decrease in Receivables	130,851	(940)
(Increase) Decrease in Inventories	357	-
(Increase) Decrease in Prepaid Expenses	59,118	165
(Increase) Decrease in Interprogram Due From	45,248	-
(Increase) Decrease in Notes Receivable	1,972	-
Increase (Decrease) in Accounts Payable	41,677	(1,951)
Increase (Decrease) in Accrued Expenses	(26,502)	8,800
Increase (Decrease) in Tenant Security Deposits	4,951	146
Increase (Decrease) in Unearned Revenue	93,517	277
Increase (Decrease) in Interprogram Due To	(1)	(52,370)
Increase (Decrease) in Non-current Liabilities	34,177	(296)
Net Cash Provided (Used) By Operating Activities	<u>\$ 1,770,126</u>	<u>\$ 107,315</u>

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

HARRISONBURG REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- a. **Reporting Entity** - The Harrisonburg Redevelopment and Housing Authority (HRHA) was established by the Council of the City of Harrisonburg (City) as a political subdivision of the Commonwealth of Virginia. HRHA 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. The Commissioners of HRHA are appointed by City Council. As required by GAAP, these statements present the programs, activities and functions of HRHA (the primary government) and its component units. The component units discussed below are included in HRHA's reporting entity because of the significance of its operational and financial relationship with HRHA.
- b. **Component Units** - The Component Units purpose is to provide housing, social, and economic opportunities for the benefit of low to moderate income people. They are component units of HRHA because of the significance of their operational and financial relationships with HRHA. The disclosure requirements of GASB 61 are met by the combined financial statement presentation of the sole Component Unit. Footnotes regarding the policies of HRHA apply to the Component Unit unless otherwise noted. The Component Units consist of:
 1. **Lineweaver Annex Corporation** is a nonstock nonprofit Virginia corporation organized in 1991. The corporation is controlled by one member, the Shenandoah Housing Corporation. The Directors of the Lineweaver Annex Corporation and the Shenandoah Housing Corporation are the same as the Harrisonburg Redevelopment and Housing Authority's Board of Commissioners. Complete financial statements of the Lineweaver Annex Corporation are included in this report.
 2. **Shenandoah Housing Corporation** is a non-stock, non-membership Virginia corporation organized in 1991. The principal activity of the corporation is being the controlling member of the Lineweaver Annex Corporation. The Directors of the Shenandoah Housing Corporation are the same as the Harrisonburg Redevelopment and Housing Authority's Board of Commissioners. Complete financial statements of the Shenandoah Housing Corporation are included in this report.

HARRISONBURG REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

b. Component Units - continued

3. One Fifty South Main, L.L.C. is a limited liability company organized on April 7, 2005. The company is controlled by the Harrisonburg Redevelopment and Housing Authority. The principal activity of the company is to purchase and renovate property in Harrisonburg, Virginia for the purpose of establishing the Harrisonburg Children's Museum. Complete financial statements of the One Fifty South Main, L.L.C. are included in this report. During 2020, the Authority gifted its interest in the Harrisonburg Children's Museum to the Museum.
4. Franklin Heights, L.L.C. is a limited liability company organized on October 17, 2008. The company is controlled by the Harrisonburg Redevelopment and Housing Authority. The principal activity of the company is to provide housing to low- and moderate-income individuals. Complete financial statements of Franklin Heights, L.L.C. are included in this report.
5. Commerce Village, L.L.C. is a limited liability company organized on March 5, 2013. The company is controlled by the Harrisonburg Redevelopment and Housing Authority. The principal activity of the company is to provide housing to low- and moderate-income individuals. Complete financial statements of Commerce Village, L.L.C. are included in this report.
6. Commerce Village Management, L.L.C. is a limited liability company organized on October 24, 2014. The company is controlled by the Harrisonburg Redevelopment and Housing Authority. The principal activity of the company is owning a managing interest in Commerce Village, L.L.C. Complete financial statements of Commerce Village Management, L.L.C. are included in this report.

All the component units are discretely presented, except for Franklin Heights, L.L.C., which is blended due to HRHA management having operational responsibility for Franklin Heights, L.L.C.

HARRISONBURG REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

- c. **Measurement Focus, Basis of Accounting, and Financial Statement Presentation** – The financial statements of the Housing Authority have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Authority is a Special Purpose Government entity engaged only in business-type activities and therefore, presents only the financial statements required for the enterprise fund, in accordance with GASB 34.

The Authority has multiple programs which are accounted for in one enterprise fund, which is presented as the "enterprise fund" in the basic financial statements as follows:

Enterprise Fund – In accordance with the Enterprise Fund Method, activity is recorded using the accrual basis of accounting and the measurement focus is on the flow of economic resources. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. This required the Housing Authority to account for operations in a manner similar to private business or where the Board has decided that the determination of revenues earned, costs incurred and/or net income necessary for management accountability.

Enterprise 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.

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.

HARRISONBURG REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

- 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.
- 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. **Notes Receivable** - Deed of Trust and rental rehabilitation loans are carried at their unpaid principal balance. No allowance for loan losses is considered necessary.
- h. **Due from/Due to Other Programs** - During the course of its operations, HRHA has numerous transactions between funds to finance operations and provide services, and the Component Unit may or may not have such transactions. To the extent that certain transactions between funds had not been paid or received as of December 31, 2020, balances of inter-programs amounts receivable and payable have been recorded.
- i. **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	40 years
Site Improvement	15 years
Office Furniture and Equipment	5 years
Data Processing Equipment	5 years
Automobiles	5 years
Maintenance Equipment	3 years

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

- j. **Other Assets** - Buildings held for resale are listed as "Other Assets" and are stated at the lower of cost or fair market value as of the acquisition or renovation completion date. Total land and redevelopment costs, where applicable, are allocated to total salable acreage under redevelopment, and are charged to the expense of sale on a prorated basis when the property is sold.
- k. **Annual Contributions and Operating Subsidies** - In accordance with the annual contributions contracts, HRHA receives operating subsidies from HUD. Such amounts are included as grant revenues from the federal government in the financial statements.

HARRISONBURG REDEVELOPMENT AND HOUSING AUTHORITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

- i. **Compensated Absences** - Employees earn annual vacation leave at a rate ranging from 12 days per year, up to a maximum of 18 days per year after 20 years of service. Vacation leave shall be approved in advance by the Executive Director and shall be taken within one year after its accrual. The maximum carryover per year shall be 30 days. At termination, employees are paid for any accumulated annual vacation leave. The amount is included in the accrued liabilities of the Authority.

- m. **Pension Plans** - HRHA participates in a defined contribution plan administered John Hancock Retirement Plan Services. All Employees are vested at 20% after the first year of service and an additional 20% each year up to five years. The Authority contributes 7.5% of each eligible employee's salary. The Authority's contribution and pension expense for the year ending December 31, 2020; December 31, 2019; and December 31, 2018 were \$78,843 \$70,284, and \$74,189 respectively. As of December 31, 2020, the Authority had no liability related to the defined contribution plan.

The Authority also maintains a 457-deferred compensation plan administered by the ICMA retirement Corporation. The Authority does not contribute to this plan. Contributions are voluntary.

- n. **Income Taxes** - As a political subdivision of the State of Virginia, HRHA is exempt from Federal and State income taxes. The Component Units are exempt from Federal and State income tax under Internal Revenue Code Section 501(c)(3).

- o. **Indirect Costs** - Certain indirect costs are allocated to expenses in the various programs in accordance with cost allocation plans. These plans were approved by the appropriate grantors as of HRHA's overall operations budget for the fiscal year.

- p. **Inventories** - The inventories consist principally of maintenance supplies and are valued at cost (first-in, first-out). Inventories are recognized as expenditures when consumed or sold. Franklin Heights, a Blended Component Unit, maintains an inventory balance.

- q. **Net Position** - Net Position balances are designated by the Housing Choice Voucher program and Non-Major program for future expenses, or must be returned to the grantor, and generally may not be used in any manner by HRHA except as specified under their respective contracts. The Net Position balance of the Business Activities program, and of the Component Unit are designated to provide for financial resource utilization in future periods. Deficit balances in net assets are primarily attributable to accumulated depreciation charges on fixed assets.

HARRISONBURG REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

- r. **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 no items 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 no items that meet the criterion for this category.

NOTE 2: CASH, CASH EQUIVALENTS AND INVESTMENTS

At December 31, 2020, the carrying amount of the Authority's deposits was \$1,728,590 and the bank balance was \$1,835,571. Of the bank balance, \$1,835,571 was 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. The State Treasury Board requires HRHA 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. HRHA follows HUD's guidelines for investment policy.

Investments - As of December 31, 2020, Commerce Village, L.L.C., part of the discretely presented component unit, had investments in restricted reserve accounts totaling \$175,513.

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. The Authority had no investments at December 31, 2020.

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, 2020, all of the Authority's investments were in U.S. Government Securities held in the Authority's name.

HARRISONBURG REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 3: RESTRICTED CASH

The following is a summary of the portion of the cash referred to in Note 2 which is classified as restricted:

Enterprise Fund	
Security Deposits	\$ 163,951
HCV - CARES Act	91,042
HCV - Mainstream Vouchers	69,690
HCV - Restricted Net Position	362,187
FSS Escrows	120,545
	<u>\$ 807,415</u>
Component Units	
Security Deposits	<u>\$ 15,346</u>
Total	<u>\$ 822,761</u>

NOTE 4: RECEIVABLES

Receivables as of year-end for the Authority and Component Units, including the applicable allowances for uncollectible accounts, are as follows:

	Enterprise Fund	Component Units
Receivables		
Tenants	<u>\$ 144,362</u>	<u>\$ 1,946</u>
Gross Receivables	<u>144,362</u>	<u>1,946</u>
Other Receivables		
HUD - Other Projects	12,320	-
Miscellaneous	108,222	-
Fraud Recovery	31,431	-
Current Notes & Mortgages Receivable	<u>1,972</u>	<u>-</u>
Less: Allowance for Uncollectibles	<u>(94,875)</u>	<u>(124)</u>
Total Receivables	<u>\$ 203,432</u>	<u>\$ 1,822</u>
L/T Notes and Mortgage Receivables	<u>\$ 451,685</u>	<u>\$ -</u>

HARRISONBURG REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 5: CAPITAL ASSETS

The following is a summary of changes in the Capital Assets during the fiscal year ended December 31, 2020:

Enterprise Fund	1/1/2020	Increases	Decreases	12/31/2020
Land	\$ 1,644,886	\$ -	\$ -	\$ 1,644,886
Buildings	17,614,510	-	-	17,614,510
Equipment - Dwelling	205,553	425,279	(1,015)	629,817
Equipment - Administration	384,681	302,280	(1,867)	685,094
Leasehold Improvements	8,287,789	87,852	(600,609)	7,775,032
Accumulated Depreciation	(14,355,585)	(1,074,355)	13,208	(15,416,732)
	<u>\$ 13,781,834</u>	<u>\$ (258,944)</u>	<u>\$ (590,283)</u>	<u>\$ 12,932,607</u>
Comp Unit - Discretely Presented	1/1/2020	Increases	Transfers	12/31/2020
Land	\$ 376,000	\$ -	\$ (76,000)	\$ 300,000
Building	3,583,015	-	(423,192)	3,159,823
Equipment - Dwelling	53,339	-	-	53,339
Equipment - Administration	42,518	-	-	42,518
Leasehold Improvements	711,216	-	(285,420)	425,796
Accumulated Depreciation	(831,814)	(143,524)	373,946	(601,392)
	<u>\$ 3,934,274</u>	<u>\$ (143,524)</u>	<u>\$ (410,666)</u>	<u>\$ 3,380,084</u>

NOTE 6: PREPAID CHARGES

Prepaid charges at December 31, 2020, consisted of the following:

	Enterprise Fund	Component Units
Prepaid Insurance	\$ 27,998	\$ 3,826
Total Prepaid Charges	<u>\$ 27,998</u>	<u>\$ 3,826</u>

HARRISONBURG REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 7: OTHER ASSETS

On November 6, 2020, the Authority, through Shenandoah Housing Corporation, sold its investment in DP Apartments, L.P. to LMC Delmont, L.L.C. The Authority recognized a \$560,100 loss on the sale.

NOTE 8: CURRENT LIABILITIES

Current liabilities at December 31, 2020, consisted of the following:

<u>Totals Primary Government</u>		<u>Discretely Presented Component Unit</u>	
Accounts Payable	\$ 103,172	Accounts Payable	\$ 3,228
Current Portion - Long Term Debt	770,898	Current Portion - Long Term Debt	-
Due to Affiliates	-	Due to Affiliates	42,935
Accrued Liabilities	135,622	Accrued Liabilities	57,762
Unearned Revenue	94,949	Unearned Revenue	1,087
Tenant Security Deposits	162,874	Tenant Security Deposits	15,346
Total Current Liabilities	<u>\$ 1,267,515</u>	Total Current Liabilities	<u>\$ 120,358</u>

NOTE 9: CONTINGENCIES AND OTHER MATTERS

a. Litigation and Other Matters

Certain claims, suits and complaints may arise in the ordinary course of business. In the opinion of the Authority's management, any such matters are adequately covered by insurance.

b. Grants

The Authority has received various other grants for specific purposes. These grants are subject to financial and compliance audits. Such audits could result in requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. The Authority's management is of the opinion that disallowances, if any, will not be material.

NOTE 10: INSURANCE AND RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority has purchased commercial insurance for all claims.

HARRISONBURG REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 11: ECONOMIC DEPENDENCY

The Housing Choice Voucher Program is economically dependent on annual contributions and grants from HUD. The program operates at a loss prior to receiving the contributions and grants.

NOTE 12: 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 Assets.

NOTE 13: INTERFUND RECEIVABLES AND PAYABLES

The following interfund activity was incurred during normal operating activities:

	Due To	Due From
Business Activities	\$ -	\$ 226,807
N/C S/R Section 8 Programs	63,854	
Component Units	162,953	-
Interfund Eliminations	(226,807)	(226,807)
	<u>\$ -</u>	<u>\$ -</u>

NOTE 14: DEFINED CONTRIBUTION PENSION PLAN

The Authority offers a defined contribution pension plan for eligible employees administered by the John Hancock Retirement Plan Services. A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individuals' account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution pension plan, the benefits a participant will receive depends solely on the amount contributed to the participant's account, the returns earned on investments of those contributions, and the forfeitures of other participants' benefits that may be allocated to such participant's account. All "full-time Employees" shall participate in the Plan on the first day of the month after attaining age 21 and completing one year of continuous and uninterrupted employment. All "part-time" employees are eligible to participate in the Plan once they work 1,000 hours. Participating employees shall vest in the employer's contributions at the rate of twenty percent for each full year of continuous employment.

HARRISONBURG REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 14: DEFINED CONTRIBUTION PENSION PLAN – Continued

Forfeitures of the accounts of partially vested terminated participants in excess of plan expenses shall be reallocated among the accounts of remaining participants. There were no forfeitures during fiscal year ended December 31, 2020, and no outstanding liability due to the plan. The Authority contributes an amount equal to 7.5% of each participating employee's annual compensation to the plan. Pension costs are expensed as incurred and the Authority recognized total pension expense of \$78,844 for the year ended December 31, 2020. The total covered payroll for the year ended December 31, 2020, was \$1,216,946.

NOTE 15: NONCURRENT LIABILITIES

Noncurrent liabilities at December 31, 2020, consisted of the following:

	Balance 12/31/2019	Increases	Decreases	Long-Term Balance 12/31/2020	Current Portion
Long-Term Debt, Net of Current	\$ 10,058,320	\$ -	\$ (833,200)	\$ 9,225,120	\$ 770,898
Long-Term Compensated Absences	59,124	4,580	-	63,704	6,570
Non-Current Liabilities - Other	581,532	29,301	-	610,833	-
Total Non-Current Liabilities	<u>\$ 10,698,976</u>	<u>\$ 33,881</u>	<u>\$ (833,200)</u>	<u>\$ 9,899,657</u>	<u>\$ 777,468</u>

Notes Payable: Section 8 New Construction/Substantial Rehabilitation

On December 31, 2020, the Authority received a promissory note payable to Virginia Community Capital, Inc. (VCC) in the amount of 200,000. Principal and interest (4.25% per annum) in the form of payments of \$5,932 is due monthly beginning January 31, 2020 and ending December 31, 2022, when the note is due in full. As of December 31, 2020, the Authority owes VCC \$136,075.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 66,912	\$ 4,494	\$ 71,189
2022	<u>69,163</u>	<u>1,604</u>	<u>70,984</u>
	<u>136,075</u>	<u>6,098</u>	<u>142,173</u>

HARRISONBURG REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 15: NONCURRENT LIABILITIES – Continued

Notes Payable: Section 8 New Construction/Substantial Rehabilitation

The Authority originally issued a Renovation and Refinancing Project Revenue bond in 2011, in the amount of \$1,730,000 to finance the complete renovations and refinance debt on the 61-unit JR Polly Lineweaver building. The bonds are payable through United Bank. The bond was refinanced in 2017 in the amount of \$1,347,171. The first principal and interest payment (3.10% per annum) is due monthly beginning August 21, 2017, and ends October 21, 2031. As of December 31, 2020, the balance on the bond was \$1,081,531.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 83,698	\$ 32,297	\$ 115,995
2022	86,330	29,665	115,995
2023	89,045	26,951	115,996
2024	91,845	24,151	115,996
2025	94,978	21,018	115,996
2026 to 2030	530,936	60,253	591,189
2031	104,699	1,630	106,329
	<u>\$ 1,081,531</u>	<u>\$ 195,965</u>	<u>\$ 1,277,496</u>

Notes Payable: Blended Component Unit

The \$3,500,000 General Obligation Public Improvement Bonds, Series 2006, will be used to renovate certain housing units that it owns and to refinance loans in the Local Community Development Fund. The Bond was issued by the City of Harrisonburg. The bond is payable through Davenport & Company, L.L.C., and principal payments start February 2010 and end February 2033 with an average interest cost of 4.3%. As of December 31, 2020, the Authority owes \$2,055,000 to the City of Harrisonburg on the bonds.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 135,000	\$ 84,600	\$ 219,600
2022	140,000	77,850	217,850
2023	150,000	70,850	220,850
2024	150,000	63,350	213,350
2025	165,000	55,850	220,850
2026 to 2030	900,000	191,900	1,091,900
2031 to 2033	415,000	25,000	440,000
	<u>\$ 2,055,000</u>	<u>\$ 569,400</u>	<u>\$ 2,624,400</u>

HARRISONBURG REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 15: NONCURRENT LIABILITIES – Continued

Notes Payable: Blended Component Unit – Continued

The \$6,436,515 General Obligation Public Improvement Bonds, Series 2009A-2, will be used to renovate certain housing units that it owns and to refinance the Authority's outstanding Revenue Note issued to Newbridge Bank in the original principal amount of \$2,000,000. The Bond was issued by the City Of Harrisonburg. The bond is payable through Davenport & Company, L.L.C., and principal payments start February 2010 and end August 2029 with an average interest cost of 4.5%. As of December 31, 2020, the Authority owes \$3,435,000 to the City of Harrisonburg on the bonds.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 335,000	\$ 104,925	\$ 439,925
2022	345,000	93,050	438,050
2023	360,000	82,475	442,475
2024	370,000	77,075	447,075
2025	380,000	65,975	445,975
2026 to 2029	<u>1,645,000</u>	<u>102,700</u>	<u>1,747,700</u>
	<u>\$ 3,435,000</u>	<u>\$ 526,200</u>	<u>\$ 3,961,200</u>

On December 21, 2010, Franklin Heights, L.L.C. purchased property for the purpose of renovating 25 affordable housing units. The property was purchased for \$1,700,000, of which Franklin Heights has a seller financed note payable to Forkovitch Family in the amount of \$1,300,000. Principal and interest (5.0% per annum) is due monthly beginning January 21, 2011 and ending December 21, 2030. As of December 31, 2020, the Authority owes the Forkovitch Family \$809,424.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 64,038	\$ 38,915	\$ 102,953
2022	67,234	35,719	102,953
2023	70,674	32,279	102,953
2024	74,290	28,663	102,953
2025	78,090	24,863	102,953
2026 to 2030	<u>455,098</u>	<u>59,668</u>	<u>514,766</u>
	<u>\$ 809,424</u>	<u>\$ 220,107</u>	<u>\$ 1,029,531</u>

HARRISONBURG REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 15: NONCURRENT LIABILITIES – Continued

Notes Payable: Blended Component Unit - Continued

The Authority originally issued Acquisition and Renovation Revenue bonds in 2011 in the amount of \$1,200,000 to finance the remainder of Franklin Heights, L.L.C.'s property purchase price and the cost of renovations. The bonds are payable through United Bank. The bonds were refinanced in 2017 in the amount of \$946,675. The first principal and interest payment (3.10% per annum) is due monthly beginning August 21, 2017, and ends January 21, 2031. As of December 31, 2020, the balance on the loan was \$759,467.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 58,893	\$ 22,619	\$ 81,512
2022	60,665	20,847	81,512
2023	62,573	18,939	81,512
2024	64,541	16,971	81,512
2025	66,570	14,942	81,512
2026 to 2030	366,065	41,495	407,560
2031	80,160	1,352	81,512
	<u>\$ 759,467</u>	<u>\$ 137,165</u>	<u>\$ 896,632</u>

Notes Payable: Business Activities

On September 21, 2017, The Authority issued a Bank Qualified Series 2017 Revenue bond in the amount of \$650,000 at 3.02% to finance the renovation of the basement of the Bridgeport Building in order to lease such space to the Harrisonburg Rockingham Social Services District. The bonds are payable through Bank of the James, with principal and interest being payable in 240 monthly installments commencing on October 21, 2017. As of December 31, 2020, the balance on the bond was \$569,239.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 27,357	\$ 15,941	\$ 43,298
2022	27,521	15,777	43,298
2023	28,157	15,141	43,298
2024	29,017	14,281	43,298
2025	29,905	13,393	43,298
2026 to 2030	156,733	59,755	216,488
2031 to 2035	193,702	22,786	216,488
2036 to 2037	77,129	2,109	79,238
	<u>\$ 569,521</u>	<u>\$ 159,183</u>	<u>\$ 728,704</u>

HARRISONBURG REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 15: NONCURRENT LIABILITIES – Continued

Commerce Village, L.L.C.

HRHA is owed a note payable by CV in the amount of \$58,000 for the permanent financing of the project. The note is secured by a deed of trust in the project and accrues interest at 1.50% per annum. At December 31, 2020, the balance of accrued interest is \$3,406. The note is administered by the Virginia Department of Housing and Community Development (DHCD) through the Permanent Supportive Housing grant program.

CV also has a DHCD HOME loan in the amount of \$342,000 and is secured by a deed of trust. The loan has a stated interest rate of 1.50% and Interest only payments of \$428 are due monthly and the mortgage is due and payable in full on March 1, 2036.

CV has another DHCD Housing Trust Fund loan in the amount of \$750,000 and is secured by a deed of trust and has a stated interest rate of 1.50%. Interest only payments of \$938 are due monthly and the mortgage is due and payable in full on March 1, 2036.

Conduit Debt:

HRHA serves as a financing conduit for the issuance of Tax-Exempt Revenue Bonds used for the development of various Housing Projects. HRHA receives an origination fee as well as yearly administration fees for performing this service. The respective properties are used as collateral for payment of these bonds and HRHA is not liable for payment in the event of default. All principal is guaranteed through Governmental insurance (ex. FHA) or private insurance. All projects are for 103b(4)A Housing projects. The Bonds issued to date, which are not part of these financial statements, are as follows:

Revenue Bonds	Date Issued	Amount of Issue	Balance Outstanding
New Bridge Village Apts.	2/27/2020	\$ 15,000,000	\$ 14,794,808
Oakmeade Apts.	2/9/2012	4,700,000	4,195,000
TOTAL		\$ 19,700,000	\$ 18,989,808

HARRISONBURG REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 16: 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 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.

On March 27, 2020, Congress passed the Coronavirus Aid, Relief and Economic Security Act (CARES Act) in response to the COVID-19 Pandemic. The CARES Act provided additional funding for the Public Housing, Mod Rehab, Mainstream Voucher, and Housing Choice Voucher programs to "prevent, prepare for, and respond to coronavirus, including to provide additional funds for public housing agencies to maintain normal operations and take other necessary actions during the period that the program is impacted by coronavirus." As of December 31, 2020, the Authority was allocated \$431,436 in CARES Act funding. Of this amount, \$91,042 of CARES Act Funding had been received and none had been spent.

NOTE 17: COMPONENT UNITS

A condensed presentation of the component units financial statements can be found on the following page.

HARRISONBURG REDEVELOPMENT AND HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 17: COMPONENT UNITS – Continued

	Shenandoah Housing Corp	Unweaver Annex Corp	Commerce Village Mgt, LLC	150 South Main, LLC	Commerce Village, LLC	Discretely Presented Component Units TOTAL
Statement of Net Assets- Balance Sheet						
Cash	\$ -	\$ -	\$ -	\$ -	\$ 178,338	\$ 178,338
Other Current Assets	785	785	-	-	179,591	181,161
Noncurrent Assets	-	-	92	-	3,380,084	3,380,176
Total Assets	785	785	92	-	3,738,013	3,737,675
Liabilities						
Current Liabilities	-	40,414	2,495	-	77,449	120,358
Long Term Liabilities	-	-	-	-	1,532,437	1,532,437
Total Liabilities	-	40,414	2,495	-	1,609,886	1,652,785
Net Assets - Equity						
Net Assets	\$ 785	\$ (39,629)	\$ (2,403)	\$ -	\$ 2,128,127	\$ 2,084,880
Statement of Activities - Income Statement						
Revenues	\$ -	\$ -	\$ -	\$ -	\$ 205,721	\$ 205,721
Other	-	-	-	77,264	50	77,314
Total Revenue	-	-	-	77,264	205,771	283,035
Expenses						
Administrative	1,955	425	450	50	65,265	68,145
Maintenance and Operations	-	-	-	-	55,619	55,619
General	996	998	-	-	3,795	5,787
Depreciation	-	-	-	16,970	126,554	143,524
Total Expenses	2,951	1,421	450	17,020	251,233	273,075
Operating Income <Loss>	(2,951)	(1,421)	(450)	60,244	(45,462)	9,960
Investment Revenue	-	-	-	-	307	307
Gain/(Loss) on Sale of Fixed Assets	(560,100)	-	-	(410,687)	-	(970,787)
Less: Interest Expense	-	-	-	(288)	(28,659)	(28,925)
Income <Loss>	(563,051)	(1,421)	(450)	(350,689)	(71,814)	(987,425)
Beginning Net Assets (Equity)	882,383	(38,208)	(1,953)	350,689	2,197,941	3,370,852
Equity Transfer/Prior Year Adjustment	(298,547)	-	-	-	-	(298,547)
Ending Net Assets (Equity)	\$ 785	\$ (39,629)	\$ (2,403)	\$ -	\$ 2,128,127	\$ 2,084,880

HARRISONBURG REDEVELOPMENT AND HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 17: COMPONENT UNITS – Continued

	Shenandoah Housing Corp	Lineweaver Annex Corp	Commerce Village Mgt. LLC	150 South Main, L.L.C	Commerce Village, L.L.C.	Discretely Presented Component Units
Cash flows from operating activities:						
Cash received from tenants	\$ -	\$ -	\$ -	\$ -	\$ 204,781	\$ 204,781
Cash received from other sources	(3,768)	1,282	450	23,455	55,058	77,479
Cash paid for goods and services	-	-	-	-	(94,036)	(94,036)
Cash paid for employees and administrative	(2,812)	(1,282)	(450)	9,976	(73,477)	(68,145)
Cash paid for other	-	-	-	-	(5,641)	(5,641)
Net cash provided (used) by operating activities	(8,578)	-	-	33,331	87,685	114,438
Cash flows from noncapital financing activities:						
Operating transfers	(298,547)	-	-	-	-	(298,547)
Total cash flows from noncapital financing activities	(298,547)	-	-	-	-	(298,547)
Cash flows from capital and related financing activities:						
Proceeds from the sale of assets	(560,100)	-	-	(410,687)	-	(970,787)
Purchases, sales and construction of capital assets	-	-	-	410,686	-	410,686
Principal paid on capital debt	-	-	-	(33,084)	-	(33,084)
Interest Paid on Capital Debt	-	-	-	(266)	(28,659)	(28,925)
Net cash (used) for capital and related financing activities	(560,100)	-	-	(33,331)	(28,659)	(620,090)
Cash flows from investing activities:						
Interest and dividends	-	-	-	-	307	307
(Increase) Decrease in Investments	865,225	-	-	-	(9,307)	855,918
Net cash provided by investing activities	865,225	-	-	-	(9,000)	856,225
Net increase (decrease) in cash and cash equivalents	-	-	-	-	52,026	52,026
Cash and cash equivalents at beginning of year	-	-	-	-	124,312	124,312
Cash and cash equivalents at end of year	\$ -	\$ -	\$ -	\$ -	\$ 176,338	\$ 176,338
Cash and Cash Equivalents:						
Unrestricted	\$ -	\$ -	\$ -	\$ -	\$ 160,992	\$ 160,992
Restricted	-	-	-	-	15,346	15,346
Total Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ 176,338	\$ 176,338
Noncash Investing, Capital, and Financing Activities						
Accrued Contingent Liability						
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ (2,951)	\$ (1,421)	\$ (450)	\$ 60,244	\$ (45,462)	\$ 9,960
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Depreciation expense	-	-	-	16,970	126,554	143,524
(Increase) Decrease in Receivables	-	-	-	-	(940)	(940)
(Increase) Decrease in Prepaid Expenses	139	139	-	(1)	(112)	165
Increase (Decrease) in Accounts payable	-	-	-	-	(1,951)	(1,951)
Increase (Decrease) in Accrued expenses	-	-	-	9,927	(1,127)	8,800
Increase (Decrease) in Tenant Security Deposits	-	-	-	-	146	146
Increase (Decrease) in Other liabilities	-	-	-	-	277	277
Increase (Decrease) in Interprogram due to	(3,768)	1,282	450	(53,809)	10,596	(45,247)
Increase (Decrease) in Noncurrent liabilities	-	-	-	-	(296)	(296)
Net cash provided (used) by operating activities	\$ (8,578)	\$ -	\$ -	\$ 33,331	\$ 87,685	\$ 114,438

SUPPLEMENTAL INFORMATION

	14.010 14.011 14.012 14.013 14.014 14.015 14.016 14.017 14.018 14.019 14.020 14.021 14.022 14.023 14.024 14.025 14.026 14.027 14.028 14.029 14.030 14.031 14.032 14.033 14.034 14.035 14.036 14.037 14.038 14.039 14.040 14.041 14.042 14.043 14.044 14.045 14.046 14.047 14.048 14.049 14.050 14.051 14.052 14.053 14.054 14.055 14.056 14.057 14.058 14.059 14.060 14.061 14.062 14.063 14.064 14.065 14.066 14.067 14.068 14.069 14.070 14.071 14.072 14.073 14.074 14.075 14.076 14.077 14.078 14.079 14.080 14.081 14.082 14.083 14.084 14.085 14.086 14.087 14.088 14.089 14.090 14.091 14.092 14.093 14.094 14.095 14.096 14.097 14.098 14.099 14.100 14.101 14.102 14.103 14.104 14.105 14.106 14.107 14.108 14.109 14.110 14.111 14.112 14.113 14.114 14.115 14.116 14.117 14.118 14.119 14.120 14.121 14.122 14.123 14.124 14.125 14.126 14.127 14.128 14.129 14.130 14.131 14.132 14.133 14.134 14.135 14.136 14.137 14.138 14.139 14.140 14.141 14.142 14.143 14.144 14.145 14.146 14.147 14.148 14.149 14.150 14.151 14.152 14.153 14.154 14.155 14.156 14.157 14.158 14.159 14.160 14.161 14.162 14.163 14.164 14.165 14.166 14.167 14.168 14.169 14.170 14.171 14.172 14.173 14.174 14.175 14.176 14.177 14.178 14.179 14.180 14.181 14.182 14.183 14.184 14.185 14.186 14.187 14.188 14.189 14.190 14.191 14.192 14.193 14.194 14.195 14.196 14.197 14.198 14.199 14.200 14.201 14.202 14.203 14.204 14.205 14.206 14.207 14.208 14.209 14.210 14.211 14.212 14.213 14.214 14.215 14.216 14.217 14.218 14.219 14.220 14.221 14.222 14.223 14.224 14.225 14.226 14.227 14.228 14.229 14.230 14.231 14.232 14.233 14.234 14.235 14.236 14.237 14.238 14.239 14.240 14.241 14.242 14.243 14.244 14.245 14.246 14.247 14.248 14.249 14.250 14.251 14.252 14.253 14.254 14.255 14.256 14.257 14.258 14.259 14.260 14.261 14.262 14.263 14.264 14.265 14.266 14.267 14.268 14.269 14.270 14.271 14.272 14.273 14.274 14.275 14.276 14.277 14.278 14.279 14.280 14.281 14.282 14.283 14.284 14.285 14.286 14.287 14.288 14.289 14.290 14.291 14.292 14.293 14.294 14.295 14.296 14.297 14.298 14.299 14.300 14.301 14.302 14.303 14.304 14.305 14.306 14.307 14.308 14.309 14.310 14.311 14.312 14.313 14.314 14.315 14.316 14.317 14.318 14.319 14.320 14.321 14.322 14.323 14.324 14.325 14.326 14.327 14.328 14.329 14.330 14.331 14.332 14.333 14.334 14.335 14.336 14.337 14.338 14.339 14.340 14.341 14.342 14.343 14.344 14.345 14.346 14.347 14.348 14.349 14.350 14.351 14.352 14.353 14.354 14.355 14.356 14.357 14.358 14.359 14.360 14.361 14.362 14.363 14.364 14.365 14.366 14.367 14.368 14.369 14.370 14.371 14.372 14.373 14.374 14.375 14.376 14.377 14.378 14.379 14.380 14.381 14.382 14.383 14.384 14.385 14.386 14.387 14.388 14.389 14.390 14.391 14.392 14.393 14.394 14.395 14.396 14.397 14.398 14.399 14.400 14.401 14.402 14.403 14.404 14.405 14.406 14.407 14.408 14.409 14.410 14.411 14.412 14.413 14.414 14.415 14.416 14.417 14.418 14.419 14.420 14.421 14.422 14.423 14.424 14.425 14.426 14.427 14.428 14.429 14.430 14.431 14.432 14.433 14.434 14.435 14.436 14.437 14.438 14.439 14.440 14.441 14.442 14.443 14.444 14.445 14.446 14.447 14.448 14.449 14.450 14.451 14.452 14.453 14.454 14.455 14.456 14.457 14.458 14.459 14.460 14.461 14.462 14.463 14.464 14.465 14.466 14.467 14.468 14.469 14.470 14.471 14.472 14.473 14.474 14.475 14.476 14.477 14.478 14.479 14.480 14.481 14.482 14.483 14.484 14.485 14.486 14.487 14.488 14.489 14.490 14.491 14.492 14.493 14.494 14.495 14.496 14.497 14.498 14.499 14.500 14.501 14.502 14.503 14.504 14.505 14.506 14.507 14.508 14.509 14.510 14.511 14.512 14.513 14.514 14.515 14.516 14.517 14.518 14.519 14.520
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HARRISONBURG REDEVELOPMENT AND HOUSING AUTHORITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020

DIRECT FEDERAL ASSISTANCE		
<u>FEDERAL GRANTOR/PROGRAM</u>	<u>CFDA NUMBER</u>	<u>FEDERAL EXPENDITURES</u>
Grant Passthrough Identification		
<u>U.S. DEPARTMENT OF HUD</u>		
Housing Choice Vouchers	14.871*	\$ 6,335,359
CARES Act – Housing Choice Vouchers	14.871*	<u>328,236</u>
Subtotal for Housing Choice Voucher		6,663,595
Mainstream Vouchers	14.879*	196,132
CARES Act – Mainstream Vouchers	14.879*	<u>5,498</u>
Subtotal for Mainstream Voucher		<u>201,630</u>
Housing Voucher Cluster		6,865,225
N/C S/R Section 8 Programs	14.182	254,674
CARES Act – Moderate Rehab	14.182	<u>6,660</u>
Subtotal for N/C S/R Section 8 Programs		261,334
Multifamily Housing Coordinator	14.191	66,683
PIH Family Self-Sufficiency Program	14.896	35,103
Continuum of Care Program	14.267	<u>108,173</u>
TOTAL DIRECT U.S. DEPARTMENT OF HUD		<u>\$ 7,336,518</u>
Pass-Through from the City of Harrisonburg		
Community Development Block Grants # - 19CDBG01 & 18CDBG01	14.219	<u>\$ 146,211</u>
TOTAL CITY OF HARRISONBURG		<u>\$ 146,211</u>
TOTAL FEDERAL ASSISTANCE		<u>\$ 7,482,729</u>

*Major program

HARRISONBURG REDEVELOPMENT AND HOUSING AUTHORITY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020

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 Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

Note 2: Major Programs

The (*) to the right of a CFDA 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, the Authority receives annual funds based on an annual estimate of need. Unexpended grant funds are available to meet subsequent year HAP shortfalls.

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 the housing Authority'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**



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

Daniel J. Dooley, C.P.A.

Michael H. Vicars, C.P.A.

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

Board of Commissioners
Harrisonburg Redevelopment
and Housing Authority
Harrisonburg, Virginia

Report on Compliance for Each Major Federal Program

We have audited Harrisonburg Redevelopment and Housing Authority's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Harrisonburg Redevelopment and Housing Authority's major federal programs for the year ended December 31, 2020. Harrisonburg 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.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Harrisonburg Redevelopment and Housing Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs identified above for the year ended December 31, 2020.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as finding 2020-001. Our opinion on each major federal program is not modified with respect to these matters.

21 S. Sheppard Street ♦ Richmond, VA 23221
Telephone: 804.355.2808 ♦ FAX: 804.359.3897

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

Response to Findings

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

Report on Internal Control Over Compliance

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

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

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

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

Dooley & Vicars
Certified Public Accountants

Richmond, Virginia
October 21, 2020



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

Daniel J. Dooley, C.P.A.

Michael H. Vicars, C.P.A.

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**INDEPENDENT AUDITOR'S REPORT ON 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
Harrisonburg Redevelopment
and Housing Authority
Harrisonburg, 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 Harrisonburg Redevelopment and Housing Authority, which comprise the balance sheet as of December 31, 2020, and the related statements of income (loss) and cash flows to the year then ended, and the related notes to the financial statements and have issued our report thereon on October 21, 2020.

Internal Control over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Harrisonburg 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 instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and questioned costs as item 2020-001.

21 S. Sheppard Street ♦ Richmond, VA 23221
Telephone: 804.355.2808 ♦ FAX: 804.359.3897

**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)**

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as finding 2020-001. Our opinion on the major federal program is not modified with respect to these matters.

Response to Findings

Harrisonburg Redevelopment and Housing Authority's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Harrisonburg 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 Harrisonburg Redevelopment and Housing Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Richmond, Virginia
October 21, 2020

HARRISONBURG REDEVELOPMENT AND HOUSING AUTHORITY

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2020**

No prior year audit findings.

HARRISONBURG REDEVELOPMENT AND HOUSING AUTHORITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Section I -- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

• Material weakness(es) identified: ☐ yes ☒ no• significant deficiency(ies) identified
that are not considered to be
material weakness(es)? ☐ yes ☒ none reportedNoncompliance material to financial
statements noted? ☐ yes ☒ no*Federal Awards*

Internal control over major programs:

• Material weakness(es) identified: ☐ yes ☒ no• Reportable condition(s) identified
that are not considered to be
material weakness(es)? ☒ yes ☐ none reportedType of auditor's report issued on
compliance for major programs: UnmodifiedAny audit findings disclosed that are
required to be reported in accordance
with section Title 2, Part 200 (Uniform Guidance): ☒ yes ☐ no

HARRISONBURG REDEVELOPMENT AND HOUSING AUTHORITY

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(CONTINUED)**

Identification of major programs:

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

Dollar threshold used to distinguish
between type A and B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

 x yes no

Section II – Financial Statement Findings

There were no Financial Statement findings.

HARRISONBURG REDEVELOPMENT AND HOUSING AUTHORITY

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(CONTINUED)**

Section III -- Federal Awards Findings and Questioned Costs

Finding No. 2020-001 Section 8 Housing Choice Vouchers (CFDA 14.871)

Type: Federal Award Compliance - Eligibility: Enterprise Income Verification; Significant Deficiency

CONDITION: The Authority's Housing Choice Voucher program had several participant new admission files missing income verification checks using the Enterprise Income Verification system (EIV) within the required performance time period.

CRITERIA: Participants in the Housing Choice Voucher program are required to be certified on admission and recertified annually in accordance with HUD regulations. Certification guidelines require tenants reported incomes to be reconciled to the EIV system. EIV checks are required to be performed within 120 days of admission or recertification per 24 CFR 5.233(a)(2)(i) and detailed in PIH Notice 2018-18.

QUESTIONED COSTS: The amount of questioned costs could not be determined.

CONTEXT: Forty participant files were chosen using a statically valid sample. Of the forty participant files examined, four files failed to have EIV checks done within 120 days as specified by regulation. All files missing the EIV checks were new admissions to the program during 2020. All files did have EIV checks, but were performed outside of the 120 day compliance window.

EFFECT: The Authority could be accepting participants who are not properly certified in accordance with HUD regulations and may not be paying the appropriate amount of rent.

CAUSE: The overall cause was a lack of management oversight combined with Authority staff being required to work from home during COVID. During 2020, the Authority staff were required to work from home for a majority of the year and lacked immediate access to the EIV system at home. The lack of EIV access combined with changes in the Authority's usual internal control and monitor activities during COVID caused the failure to timely perform the EIV checks.

RECOMMENDATION: The Housing Authority should revise monitoring procedures over the Housing Choice Voucher program and implement additional tracking for tenant income verification and annual recertification while employees are working in a remote environment.



Harrisonburg Redevelopment & Housing Authority

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Phone/VTD 540-434-7386 + Fax 540-432-1113

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Harrisonburg Redevelopment & Housing Authority Corrective Action Plan For the Fiscal Year Ended December 31, 2020

AUDIT FINDINGS

Finding No. 2020-001 Section 8 Housing Choice Vouchers (CFDA 14.871)

Type: Federal Award Compliance - Eligibility; Enterprise Income Verification; Significant Deficiency

Description of Finding:

The 2020 audit reviewed 40 participant files. This included ten new admissions files, of which four contained EIV Income Reports that were generated more than 120 days after submission of the PIC admission record.

Statement of Concurrence or Non-Concurrence:

EIV reports were completed late for four of ten new admissions files in the audited sample.

Corrective Action:

HRHA policy, aligned to HUD guidelines, is to print the report within 120 days of the PIC record submission, and resolve discrepancies within 60 days. HCV Specialists are expected to review EIV admissions and incoming portable actions on a monthly basis.

EIV Reports have been generated for all 2020 admissions, and for all admissions through June 2021 (for which PIC records were submitted on July 2). Telework has been discontinued, and all staff are working in the office, except when flexibility is requested and approved for extenuating circumstances. Additional tracking and monitoring will be automated in 2022 as part of the software conversion to Yardi, which will flag files and push staff notifications 90 days after new admissions are completed.

Staff will continue to complete paper checklists that align with workflows for new admissions, as well as other required certifications. Checklist forms will be updated to include staff signature certification of completeness. Procedures will be modified such that all completed checklists will be submitted to the HCV Manager, so that the sample of certifications is reviewed in a timely manner. Performance standards and job descriptions will be updated to reflect these expectations, which will be part of regular reviews of performance and compensation.

Status of Corrective Action: Ongoing

Name of Contact Person: Liz Webb, HCV Manager, 540-434-7386, liz@harrisonburgha.com

Projected Completion Date: 2022, with quarterly monitoring of status and implementation.

EQUAL HOUSING OPPORTUNITY PROVIDER

HRHA provides reasonable accommodations to persons with disabilities consistent with the Section 504 Final Rule (24 CFR Part 8) and the Fair Housing Amendments Act

VOUCHER PROGRAM MANAGEMENT SUMMARY
SEPTEMBER 2021 FOR 10/20/21 BOARD MEETING

1. Waiting List, Housing Choice Voucher (month-end)

	1BR	2BR	3BR	4BR	5BR	6BR	Total
Applications by Unit Size	585	887	628	233	46	5	2,384
New Applicants This Month	44	59	31	10	2		146

2. Voucher Utilization (month-end)

All Available Vouchers	956	100%
Leased (under HAP):	809	85%
Issued (searching):	71	7%
Not Assigned:	76	8%

3. HAP Expenditures

Total HAP (excludes FSS, incentives)	\$482,850
Leased Vouchers (month end)	804
Average Per Unit Cost	\$600.56

4. Issued Vouchers ("on the street") – Household Search Time by Voucher Size

	1BR	2BR	3BR	4BR	5BR	Total
# of Searching Households	43	17	6	4	1	71
Average Search Time (days)	82	85	145	43	202	88

5. Vouchers Issued This Month

New Vouchers Issued & Briefed	
New Tenant-Based / Briefing Session	16
Project-Based / Briefing Session	2
Port-In / Briefing Session	0

6. Landlord Information

<u>216</u>	Landlords currently in program (excluding HRHA)
<u>1</u>	New landlords to the program this month
<u>5</u>	Landlord bonuses (\$250 each) paid this month
<u>0</u>	Landlord damage claim requests (\$750 each) paid this month
<u>44</u>	Landlords using Assistance Connect Portal as of 10/15/21

**7. Inspections Completed this Month
by HRHA**

- 15 New lease inspections (all pass)
- 45 Annual/biennial inspections (30 pass, 15 fail)
- 9 Annual/biennial reinspections (8 pass, 1 abated)

by WRHA

- 2 (all pass)
- 19 (12 pass, 7 fail)
- 12 (all pass)

8. PIC Submission: 99.87%

9. Certification Details (for the month)

	Annual Certs	Interim Certs	New Leases	Ends of Participation	Total	Caseload (housed)
Kim	29	20	-	0	49	237
Jon	15	14	10	3	42	260
Kristin	16	15	-	3	34	269
Sandra	2	0	-	0	2	30
Total	62	49	10	6	127	796

New Leases	Franklin Heights	Commerce Village	Voucher at Lineweaver	Private Landlord	Total
New Admission	2	0	1	5	8
Transfer/Change of Unit	0	0	0	2	2
Incoming Portable	--	--	-	0	0
Total	2	0	1	7	10

Interim Certifications		Owner Rent Increases	Total
Income Decrease	26	Franklin Heights	10
Income Increase	14	Commerce Village	2
Household Change	5	Lineweaver Annex	4
Other	3	Private Tax Credit	8
Owner-Led (rent change)	1	Private – Rent Study	9
Total	49	Total	33

End of Participation / Termination	Total
<i>Abandoned Unit</i>	1
<i>Deceased</i>	3
<i>Full Rent for 6 months</i>	1
<i>Voucher Expired</i>	1
Total	6

Additional Information – 2020 Audit Finding

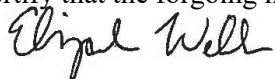
The 2020 audit included a Housing Choice Voucher program finding noted as a significant deficiency. 40 participant files were reviewed, including 10 new admissions, and 4 of the new admissions were found to be deficient as follows.

After an admission record is submitted, identity verification is matched in HUD's database - usually about two months after the admission record was finalized. Program rules stipulate that HCV programs must log into the HUD database and run a household income report (EIV) after the match is complete but no more than 120 days after the admission has been submitted. The EIV report was present in all files, though it was generated late in the four deficient files.

The volume of work HCV completed in 2020 was enormous. Staff stayed abreast of near-constant COVID-related waivers from HUD, kept up with process revisions that made it possible for certifications to be conducted by mail and phone, developed and trained clients on new online tools, implemented and marketed a landlord incentives program, and began researching, planning, and communicating with clients regarding the Move-to-Work program. I am immensely proud of what the HCV team accomplished in 2020. I have included four changes in my corrective action plan, which I expect will remedy this error:

1. Additional tracking and monitoring will be automated in 2022 as part of the software conversion to Yardi, which will flag files and push staff notifications 90 days after new admissions are completed.
2. In 2020, the HCV team was together in the office on average only two days per month, and many updates communicated by email were not reinforced by in person meetings and conversations. As of now, telework has been discontinued, and all staff are working in the office, except when flexibility is requested and approved for extenuating circumstances.
3. Certification checklists will be updated to include staff signature certification of completeness. Procedures will be modified such that all completed checklists will be submitted to me, so I can review a sample of certifications in a timely manner.
4. HCV job descriptions will be updated; performance standards will be developed; and a regular review process of performance and compensation will be piloted.

I certify that the forgoing information is true and correct to the best of my knowledge and belief.



Elizabeth Webb, HCV Manager

October 15, 2021
Date

JR "Polly" Lineweaver Program Management Report
Month of September 2021

Applications

	Efficiency	One bedroom
Currently On Waiting List	0	90
New Applications Taken	0	8

Marketing

	Efficiency	One bedroom	Total
# of units vacant	4	2	6
# of Tenants who moved in	1	0	1
# of Tenants who moved out	1	0	1
# of Tenants who transferred	0	1	1
# of Legal Notices	1	0	1
# of Unlawful Detainers	1	0	1

Occupancy

15	# of minorities	23%
54	# of disabled tenants	89%
33	# of elderly tenants	58%
Total Number of Units Leased: <u>55</u>		

Tenant Accounts Receivable

Accounts Receivable at end of Month	\$27,947.24		
Delinquent Accounts By Age	30 2	60 10	>60 10
Security Deposits Held	\$13,440.57		
Pet Deposits Held	\$1,395.00		
Rent Billed	\$15,314.93		
Rent Collected	\$14,206.71		

Number of Inspections	0
-----------------------	---

Management

Comments on any problems experienced during the month:

--

I certify that the foregoing information is true and correct to the best of my knowledge and belief.


Lisa Benasher, Lineweaver Property Manager

10-6-2021
Date

Lineweaver Annex Program Management Report...
Month of September 2021

Applications

Currently On Waiting List	78
New Applications Taken	1

Marketing

# of units vacant	4
# of Tenants who moved in	2
# of Tenants who moved out	2
# of Tenants who transferred	0
# of Legal Notices	1
# of Unlawful Detainers	1

Occupancy

17	# of minorities	23%
47	# of disabled tenants	83%
15	# of elderly tenants	26%
Total Number of Units Leased 56		

Tenant Accounts Receivable

Accounts Receivable at end of Month	\$31,075.73		
Delinquent Accounts By Age	30 97	60 9	>60 9
Security Deposits Held	\$28,495.76		
Pet Deposits Held	\$1,600.00		
Rent Billed	\$17,208.00		
Rent Collected	\$16,273.51		

Number of Inspections	0
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Management

Comments on any problems experienced during the month:

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I certify that the forgoing information is true and correct to the best of my knowledge and belief.


Lisa Benasher, Lineweaver Manager

10-6-2021
Date

COMMERCE VILLAGE PROGRAM MANAGEMENT REPORT

FOR THE MONTH OF September 2021

	VASH	HCV
# OF VACANT UNITS	0	0
# MOVE IN	0	0
# MOVE OUT	0	0
# EVICTED	0	0
# TRANSFERRED	0	0
# LEGAL NOTICES	0	0
# UNLAWFUL DET	0	0

TOTAL NUMBER OF UNITS LEASED 30

OUTSTANDING BALANCE	\$1,868.00
DELINQUENT ACCOUNTS	30: 0 60: 0 90+: 0
SECURITY/PET DEPOSITS	\$15,207.00
RENT BILLED	\$18,200.00
RENT COLLECTED	\$18,015.00

CURRENTLY ON WAIT LIST 814

Comments on any problems experienced during month

I certify that the foregoing information is true and correct to the best of my knowledge and belief

Sandra Lowther

10-12-21

FRANKLIN HEIGHTS PROGRAM MANAGEMENT REPORT
FOR THE MONTH OF SEPTEMBER 2021

1.) Marketing:

	<u>1 BDR</u>	<u>2 BDR</u>	<u>3 BDR</u>	<u>4 BDR</u>	<u>5 BDR</u>	<u>Total</u>
# of Units Vacant	<u>0</u>	<u>1</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>5</u>
# of Tenants who moved in	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
# of Tenants who moved out	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
# of Tenants evicted	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
# of Tenants who transferred	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
# of Legal Notices	<u>3</u>	<u>7</u>	<u>14</u>	<u>3</u>	<u>0</u>	<u>27</u>
# of Unlawful Detainers	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Tenants who are over-housed	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Tenants who are under-housed	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Units with handicap access	<u>9</u>	<u>0</u>	<u>2</u>	<u>4</u>	<u>1</u>	<u>16</u>
Tenants who need handicap access	<u>5</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5</u>
Tenants who have handicap access	<u>5</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5</u>

2.) Occupancy:

TOTAL NUMBER OF UNITS LEASED: 124

3.) Tenant Accounts Receivable:

Security and Pet Deposits Held:	<u>\$112,907.00</u>
Rent Billed	<u>\$138,160.00</u>
Rent Collected	<u>\$136,510.52</u>

4.) Applications:

	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5BR</u>
Currently on the Waiting List there are a total of <u>1,898</u> applicants.	<u>682</u>	<u>702</u>	<u>338</u>	<u>145</u>	<u>031</u>

5.) Inspections:

Number Completed	Excellent	Acceptable	Needs work	Issues
0	0	0	0	0

6.) **Management:**

Comments on any problems experienced during the month:

Franklin Heights, LLC (FH) had two move-ins and no move-outs for the month of September 2021. For the month of September 2021 FH collected \$125.00 in recoupment from tenant(s) who had bad debt. FH has started adjudicating rental issues in court (FH will work with any client with regards to payment agreements and/or willing to apply for rental assistance). FH continues to take applications for the program.

I CERTIFY THAT THE FOREGOING INFORMATION IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF



Nehemias Velez, FH Property Manager

10/7/21

Date

Monthly Report –September 2021

HCV PARTICIPANTS

Employment	Education/Training	Escrow
In Program: 22	Enrolled in GED: 0	Positive Escrow Balances: 19
Employed: 12	Enrolled in ESL: 0	Earning Monthly Escrow: 7
Unemployed/Furlough: 9	Enrolled in Continuing Ed: 1	Newly Earning Escrow: 0
Medical Leave/ Disability: Maternity Leave: 1	Started this month: 0	Increase in Earning Escrow: 1
		Decrease in Earning Escrow: 1
		Interim Escrow Withdrawals: 2

FRANKLIN HEIGHTS PARTICIPANTS

Employment	Education/Training	Escrow
In Program: 30	Enrolled in GED: 1	Positive Escrow Balances: 18
Employed: 17	Enrolled in ESL: 1	Earning Monthly Escrow: 11
Unemployed/Furlough: 10	Enrolled in Continuing Ed.:3	Newly Earning Escrow: 0
Medical Leave/ Disability: Maternity Leave: 3	Started this month: 0	Increase in Earning Escrow: 0
		Decrease in Earning Escrow: 2
		Interim Escrow Withdrawals: 0

HARRISON HEIGHTS

Employment	Education/Training	Escrow
In Program: 11	Enrolled in GED: 0	Positive Escrow Balances: 9
Employed: 7	Enrolled in ESL: 1	Earning Monthly Escrow: 4
Unemployed: 4	Enrolled in Continuing Ed:2	Newly Earning Escrow: 1
Medical Leave/ Disability: Maternity Leave: 1	Started this month: 0	Escrow Increases: 1
New jobs this month: 0		Decrease in Earning Escrow: 0
		Interim Escrow Withdrawals: 0

Program Highlights

1 Way 2Go referral. 1 Master Gardener Meetings, 1 participant graduate with over 11k in escrow! FSS Coordinators held Back to School Bash including 10 Community Partner Organizations, 5 pieces of Furniture donated by Schewels.

Date: 9/30/2021 FSS Coordinator: Zoe Parakuo

FSS Coordinator: Everett Brubaker

**Harrisonburg Redevelopment & Housing Authority Report
Financial Report as September 30, 2021**

LOCAL COMMUNITY DEVELOPMENT

Cash:	First Bank & Trust-Operating Funds		\$282,728.27
		Total	\$282,728.27
	AR Due from:		
	JR Polly Lineweaver Apartments	\$133,002.45	
	Housing Choice Voucher Program	\$41,866.25	
	Commerce Village, LLC	\$11,309.01	
	Franklin Heights, LLC-Operating Expenses	\$64,769.36	
	Franklin Heights, LLC-Debt Servicing	\$80,000.00	
		\$330,947.07	

HOUSING CHOICE VOUCHER PROGRAM

Cash:	SunTrust-Checking Account	\$335,409.81
	United Bank-FSS Escrow for participants	\$113,430.67
	Total	\$448,840.48

J.R. POLLY LINEWEAVER APARTMENTS

Cash:	United Bank-Checking Account	\$18,691.01
	Total	\$18,691.01

ALL PROGRAMS-FH, LW, JRL

Cash:	United Bank-Security Deposit Account	\$183,002.57
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COMPONENT UNITS

Franklin Heights, LLC

Cash:	United Bank-Checking Account	\$33,492.74
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Commerce Village, LLC

Cash:	First Bank & Trust	\$196,013.80
	BB&T-Operating Reseve Account	\$130,736.82

Grand Total **\$1,293,505.69**

Harrisonburg Redevelopment & Housing Authority Report
YTD Financial Report as of September 30, 2021

	Cash Balance as of 1/31	Cash Balance as of 2/28	Cash Balance as of 3/31	Cash Balance as of 4/30	Cash Balance as of 5/31	Cash Balance as of 6/30	Cash Balance as of 7/31	Cash Balance as of 8/31	Cash Balance as of 9/30
LOCAL COMMUNITY DEVELOPMENT									
Cash: First Bank & Trust	\$454,455.31	\$375,785.96	\$477,755.38	\$538,647.51	\$506,120.45	\$406,611.72	\$239,013.80	\$186,214.43	\$282,728.27
HOUSING CHOICE VOUCHER PROGRAM									
Cash: SunTrust-Checking	\$779,964.88	\$834,696.23	\$805,669.12	\$774,742.36	\$406,384.11	\$383,831.25	\$358,968.48	\$336,358.89	\$335,409.81
United Bank-FSS Escrow	\$125,387.61	\$119,258.82	\$121,765.04	\$125,248.87	\$123,339.44	\$117,311.37	\$118,025.21	\$120,885.26	\$113,430.67
J.R. POLLY LINEWEAVER APARTMENTS									
Cash: United Bank-Checking	\$2,349.54	\$7,671.70	\$5,482.47	\$5,046.34	\$5,765.37	\$7,468.21	\$2,784.24	\$15,421.64	\$18,691.01
ALL PROGRAMS-FH, LW, JRL, CVO									
Cash: United Bank-Security Dep.	\$149,153.59	\$181,586.84	\$183,375.50	\$187,260.48	\$189,990.12	\$179,168.44	\$180,131.53	\$180,498.35	\$183,002.57
COMPONENT UNITS									
Franklin Heights, LLC									
Cash: United Bank-Checking	\$5,353.25	\$136,134.48	\$118,328.81	\$200,770.16	\$280,428.12	\$368,403.99	\$413,314.85	\$10,310.58	\$33,492.74
Commerce Village LLC									
Cash: First Bank & Trust	\$177,038.22	\$193,129.22	\$179,738.47	\$182,548.83	\$187,522.92	\$189,988.17	\$193,207.88	\$195,712.18	\$196,013.80
BB&T (Operating Reserve)	\$130,728.17	\$130,729.17	\$130,730.28	\$130,731.35	\$130,732.46	\$130,733.53	\$130,734.64	\$130,735.75	\$130,736.82
Total	\$1,824,430.57	\$1,978,992.42	\$2,022,845.07	\$2,144,995.90	\$1,830,282.99	\$1,783,516.68	\$1,636,180.63	\$1,176,137.08	\$1,293,505.69

Harrisonburg Redevelopment & Housing Authority Report
Financial Report as of September 30, 2021

Franklin Heights, LLC

Income	\$	1,254,991.28
Expenses	\$	(720,632.18)
Less: Principal Payments	\$	(563,342.18)
Total	\$	(28,983.08)

J.R. POLLY LINEWEAVER APARTMENTS

Income	\$	338,064.41
Expenses	\$	(264,706.18)
Total	\$	73,358.23
Add: Service Coordinator Grant Funds	\$	39,550.41
Less: Service Coordinator Grant Expenses	\$	(39,649.41)
	\$	(99.00)
Profit (Loss)/Gain	\$	73,259.23
Less: Principal Payments	\$	(113,175.11)
Total	\$	(39,915.88)