

STAUNTON REDEVELOPMENT & HOUSING AUTHORITY

REGULAR BOARD MEETING AGENDA

October 20, 2026 | 12:00 p.m.

100 Elizabeth Miller Gardens

Staunton, Virginia

I. Call to Order / Roll Call

II. Approval of Minutes (Action)

September 15, 2026, Regular Board Meeting

III. Public Comments

Three-minute limit per speaker

IV. Executive Director's Report

A. Financial Reports (Action)

1. Housing Choice Voucher (HCV) Program – July 2026
2. Multi-Family (MF) Program – July 2026

B. Housing Choice Voucher (HCV) Program Report

C. Multi-Family (MF) Program Report

D. Resident Needs Assessment and Self-Sufficiency Program Report

V. Board Committee Reports

A. Finance Committee

B. Personnel Committee

C. Program and Community Development Committee

VI. Old Business

A. FY2027 Annual PHA Plan

1. Resolution No: AP 2027 – Approval and Authorization to Submit the FY2027 Annual PHA Plan (Action)
2. Form HUD-50077-CRT-SM – Certifications of Compliance with PHA Plan and Related Regulations (Chairperson's Signature Following Board Approval)

B. Board Commissioner Finance Committee Designations (Discussion and Action)

C. Fiscal Year 2025 Independent Financial Audit

1. Presentation of the FY2025 Independent Financial Audit
2. Resolution No: AUD 2025 – Acceptance of the Fiscal Year 2025 Independent Financial Audit (Action)

VII. New Business

A. Proposed Policy Revisions – Public Comment Period (Information Only)

1. Housing Choice Voucher (HCV) Administrative Plan
2. Tenant Selection Plan (RAD PBRA)
3. EIV Use and Security Policy
4. Resident Transportation Policy

The proposed policies are available for public comment. Separate public hearings are anticipated in November 2026, with potential Board consideration for adoption in December 2026 or January 2027.

VIII. Adjournment

STAUNTON REDEVELOPMENT AND HOUSING AUTHORITY

Tuesday, September 15, 2026

12:00 p.m.

**100 Elizabeth Miller Gardens
Staunton, Virginia 24401**

I. Call to Order

Chair Nicholas Hurston called the Regular Meeting of the Board of Commissioners of the Staunton Redevelopment and Housing Authority (SRHA) to order on Tuesday, September 15, 2026, at 12:00 p.m. at the Authority's administrative office located at 100 Elizabeth Miller Gardens, Staunton, Virginia.

Roll Call

Present:

- Nicholas Hurston, Chair
- Suzi Armstrong
- Tyler Gallimore
- Sheba Lane
- Jonathan Mason

Absent:

- Chris Okay, Vice-Chair
- Tracy Toye

A quorum was established.

Also present was Deputy Executive Director/Director of Finance Lance Allen.

Vice-Chair Chris Okay arrived prior to consideration of Item II, Approval of Minutes – August 18, 2026.

II. Approval of Minutes – August 18, 2026

Chair Hurston called for consideration of the minutes of the August 18, 2026 Regular Board Meeting.

Commissioner Gallimore made a motion to approve the minutes as presented. The motion was seconded by Commissioner Mason.

AYES: Gallimore, Hurston, Lane, Mason, Okay

NAYS: None

ABSTAIN: Armstrong

The motion carried.

Commissioner Armstrong abstained because she was not present at the August 18, 2026 meeting.

III. Public Comments

There were no public comments.

IV. Executive Director's Report

A. Financial Reports – June 2026

Housing Choice Voucher Program

Deputy Executive Director/Director of Finance Lance Allen presented the June 2026 Housing Choice Voucher Program financial statements for the Board's review. Discussion followed.

Commissioner Armstrong made a motion to approve the June 2026 Housing Choice Voucher Program financial reports. The motion was seconded by Commissioner Gallimore.

AYES: Armstrong, Gallimore, Hurston, Lane, Mason, Okay

NAYS: None

The motion carried unanimously.

Multi-Family Program

Mr. Allen presented the June 2026 Multi-Family financial statements for the Board's review. Discussion followed.

Chair Hurston made a motion to approve the June 2026 Multi-Family financial reports. The motion was seconded by Vice-Chair Okay.

AYES: Armstrong, Gallimore, Hurston, Lane, Mason, Okay

NAYS: None

The motion carried unanimously.

Following discussion of the financial reports, the Board reviewed the Executive Director's reports.

B. Housing Choice Voucher Program Report

The Board reviewed the Housing Choice Voucher Program Report for August 2026.

Discussion followed.

No action was taken.

C. Multi-Family Program Report

The Board reviewed the Multi-Family Program Report for August 2026.

Discussion followed.

No action was taken.

D. Resident Needs Assessment / Self-Sufficiency

The Board reviewed the Resident Needs Assessment and Self-Sufficiency Program Report.

Discussion followed.

No action was taken.

V. Board Committee Reports

Finance Committee

No report.

Personnel Committee

No report.

Program and Community Development Committee

Commissioner Mason reported that there were no new committee matters to report. He informed the Board of an upcoming SAW Housing Lunch and Learn event.

Executive Director Velez advised that information regarding the event would be distributed to the Commissioners by email.

No action was taken.

VI. Old Business

A. FY2027 Moving to Work (MTW) Supplement to the Annual Plan

1. Board Resolution – Approval and Authorization to Submit the FY2027 MTW Supplement

The Board discussed the FY2027 Moving to Work (MTW) Supplement to the Annual Plan.

Following discussion, Commissioner Mason made a motion to adopt the Board Resolution approving and authorizing submission of the FY2027 MTW Supplement to the Annual Plan. The motion was seconded by Commissioner Armstrong.

AYES: Armstrong, Gallimore, Hurston, Lane, Mason, Okay

NAYS: None

The motion carried unanimously.

2. MTW Certifications of Compliance

Following discussion, Commissioner Armstrong made a motion to approve the MTW Certifications of Compliance associated with the FY2027 Moving to Work (MTW) Supplement to the Annual Plan. The motion was seconded by Commissioner Gallimore.

AYES: Armstrong, Gallimore, Hurston, Lane, Mason, Okay

NAYS: None

The motion carried unanimously.

B. Board Commissioner Committee Designations

The Board continued its prior discussion regarding Commissioner committee designations, with discussion focused on the Finance Committee. It was noted that the Finance Committee has not been active, and the Commissioners discussed formally designating members to serve on the committee.

Commissioner Armstrong agreed to take the lead on the Finance Committee. The Board agreed to place the Finance Committee designations on the October 2026 Regular Board Meeting agenda for further consideration and formal action.

No action was taken.

VII. New Business

A. Public Hearing – FY2027 Annual PHA Plan

Chair Hurston opened the public hearing on the proposed FY2027 Annual PHA Plan.

Executive Director Nehemias Velez presented the FY2027 Annual PHA Plan and provided the Board with an overview of the Plan.

Discussion followed among the Commissioners.

There were no public comments.

There being no further comments, Chair Hurston closed the public hearing.

No action was taken.

B. October and November 2026 Regular Board Meeting Dates

Executive Director Velez advised the Board that he would be unavailable to attend the regularly scheduled October and November Board meetings due to previously scheduled training.

The Board discussed the matter and agreed that the meetings could proceed as regularly scheduled, with Deputy Executive Director/Director of Finance Lance Allen attending on behalf of staff during the Executive Director's absence.

No action was taken.

C. SRHA Audit

Executive Director Velez reported that the SRHA audit had been completed and that the Authority was awaiting the final audit results.

Mr. Velez further reported that the Authority had not received any notification from the auditors identifying findings requiring corrective action.

Discussion followed.

No action was taken.

VIII. Adjournment

There being no further business, Chair Hurston made a motion to adjourn the meeting. The motion was seconded by Vice-Chair Okay.

AYES: Armstrong, Gallimore, Hurston, Lane, Mason, Okay

NAYS: None

The motion carried unanimously.

There being no further business to come before the Board, Chair Hurston adjourned the meeting at **12:55 p.m.**

Secretary

Chair

Housing Choice Voucher (HCV)

Balance Sheet

Period = Jul 2026

		Current Balance
0999-99-000	All	
1000-00-000	ASSETS	
1001-00-000	CURRENT ASSETS	
1100-00-000	CASH	
1110-00-000	Unrestricted Cash	
1111-11-000	Cash Operating AUB	1,492.22
1111-99-000	Total Unrestricted Cash	1,492.22
1112-00-000	Restricted Cash	
1112-03-100	Cash Restricted-HAP AUB	7,311.46
1112-99-000	Total Restricted Cash	7,311.46
1119-00-000	TOTAL CASH	8,803.68
1120-00-000	ACCOUNTS AND NOTES RECEIVABLE	
1122-00-000	A/R -Tenants	1,281.00
1129-00-000	A/R -Other	-80.00
1130-00-000	A/R Port Ins	-54.71
1149-00-000	TOTAL ACCOUNTS AND NOTES RECEIVABLE	1,146.29
1300-00-000	TOTAL CURRENT ASSETS	9,949.97
1400-00-000	NONCURRENT ASSETS:	
1400-01-000	FIXED ASSETS	
1400-08-000	Furniture and Equipment-Admin.	9,019.53
1405-03-000	Accum Depreciation-Furn & Equip Admin	-8,108.74
1420-00-000	TOTAL FIXED ASSETS	910.79
1430-00-000	Pension Asset	86,462.00
1440-00-000	Deferred Outflows	8,913.00
1499-00-000	TOTAL NONCURRENT ASSETS	96,285.79
1999-00-000	TOTAL ASSETS	106,235.76
2000-00-000	LIABILITIES & EQUITY	
2001-00-000	LIABILITIES:	
2100-00-000	CURRENT LIABILITIES:	
2111-00-000	A/P Vendors and Contractors	-1,723.39
2145-00-000	Interprogram-Due To	118,492.18
2240-00-000	Tenant Prepaid Rents	13.77
2260-00-000	Accrued Compensated Absences-Current	589.95
2299-00-000	TOTAL CURRENT LIABILITIES	117,372.51
2300-00-000	NONCURRENT LIABILITIES:	
2305-00-000	Accrued Compensated Absences-LT	5,309.52

Housing Choice Voucher (HCV)

Balance Sheet

Period = Jul 2026

		Current Balance
2360-00-000	OPEB Liability	2,964.00
2370-00-000	Deferred Inflows	22,811.00
2399-00-000	TOTAL NONCURRENT LIABILITIES	31,084.52
2499-00-000	TOTAL LIABILITIES	148,457.03
2800-00-000	EQUITY	
2807-00-000	RESERVED FUND BALANCE	
2807-01-000	Reserved for Operating Activities	3,379.94
2808-00-000	TOTAL RESERVED FUND BALANCE	3,379.94
2809-00-000	RETAINED EARNINGS:	
2809-01-000	Invested in Capital Assets-Net of Debt	3,643.22
2809-02-000	Retained Earnings-Unrestricted Net Assets	-49,244.43
2809-99-000	TOTAL RETAINED EARNINGS:	-45,601.21
2899-00-000	TOTAL EQUITY	-42,221.27
2999-00-000	TOTAL LIABILITIES AND EQUITY	106,235.76

Housing Choice Voucher (HCV)

Income Statement

Period = Jul 2026

		July	July		YTD	YTD	YTD	YTD	
		Actual	Budget	Variance	Actual	Budget	Variance	Last Year	Change
3000-00-000	INCOME								
3100-00-000	TENANT INCOME								
3101-00-000	Rental Income								
3112-05-000	Utility Reimbursement Recovery -59 & TC	0.00	0.00	0.00	75.00	0.00	75.00	944.00	-869.00
3199-00-000	TOTAL TENANT INCOME	0.00	0.00	0.00	75.00	0.00	75.00	944.00	-869.00
3400-00-000	GRANT INCOME								
3410-01-000	Section 8 HAP Earned	188,016.00	186,534.83	1,481.17	1,327,788.00	1,305,743.81	22,044.19	1,336,863.00	-9,075.00
3410-02-000	Section 8 Admin. Fee Income	16,130.00	17,583.33	-1,453.33	114,860.00	123,083.31	-8,223.31	106,325.00	8,535.00
3410-04-000	Port-In Admin Fees Earned	208.66	0.00	208.66	1,161.70	0.00	1,161.70	958.81	202.89
3410-06-000	Port In HAP Earned	4,494.00	0.00	4,494.00	20,580.00	0.00	20,580.00	18,713.00	1,867.00
3410-07-000	VASH HAP Earned	0.00	0.00	0.00	0.00	0.00	0.00	6,890.00	-6,890.00
3499-00-000	TOTAL GRANT INCOME	208,848.66	204,118.16	4,730.50	1,464,389.70	1,428,827.12	35,562.58	1,469,749.81	-5,360.11
3600-00-000	OTHER INCOME								
3640-10-000	Fraud Recovery HAP	187.50	0.00	187.50	991.50	0.00	991.50	0.00	991.50
3640-20-000	Fraud Recovery Admin	187.50	0.00	187.50	991.50	0.00	991.50	0.00	991.50
3699-00-000	TOTAL OTHER INCOME	375.00	0.00	375.00	1,983.00	0.00	1,983.00	0.00	1,983.00
3999-00-000	TOTAL INCOME	209,223.66	204,118.16	5,105.50	1,466,447.70	1,428,827.12	37,620.58	1,470,693.81	-4,246.11
4000-00-000	EXPENSES								
4100-00-000	ADMINISTRATIVE EXPENSES								
4100-99-000	Administrative Salaries								
4110-00-000	Administrative Salaries	8,951.53	9,000.00	48.47	58,160.84	63,000.00	4,839.16	57,948.57	-212.27
4110-05-000	Social Security & Medicare Expense	666.51	708.33	41.82	4,321.11	4,958.31	637.20	4,284.23	-36.88
4110-06-000	SUTA Expense	74.01	41.67	-32.34	623.26	291.69	-331.57	179.83	-443.43
4110-07-000	VRS Retire & Basic Life Expense	101.58	166.67	65.09	1,054.02	1,166.69	112.67	1,001.07	-52.95
4110-08-000	457b Expense	192.73	166.67	-26.06	1,343.84	1,166.69	-177.15	1,103.36	-240.48
4110-09-000	Health Insurance Expense	2,014.78	2,166.67	151.89	15,616.20	15,166.69	-449.51	13,747.21	-1,868.99
4110-10-000	Dental Insurance Expense	109.04	125.00	15.96	852.14	875.00	22.86	796.45	-55.69
4110-99-000	Total Administrative Salaries	12,110.18	12,375.01	264.83	81,971.41	86,625.07	4,653.66	79,060.72	-2,910.69

Housing Choice Voucher (HCV)

Income Statement

Period = Jul 2026

		July	July		YTD	YTD	YTD	YTD	
		Actual	Budget	Variance	Actual	Budget	Variance	Last Year	Change
4130-00-000	Legal Expense								
4130-02-000	Criminal Background Checks	13.85	166.67	152.82	277.00	1,166.69	889.69	735.10	458.10
4130-04-000	General Legal Expense	0.00	250.00	250.00	3,620.25	1,750.00	-1,870.25	1,595.84	-2,024.41
4131-00-000	Total Legal Expense	13.85	416.67	402.82	3,897.25	2,916.69	-980.56	2,330.94	-1,566.31
4139-00-000	Other Admin Expenses								
4140-00-000	Staff Training	0.00	333.33	333.33	5,785.10	2,333.31	-3,451.79	5,243.36	-541.74
4150-00-000	Travel	0.00	125.00	125.00	487.70	875.00	387.30	598.02	110.32
4170-00-000	Accounting Fees	277.50	250.00	-27.50	1,885.85	1,750.00	-135.85	1,859.25	-26.60
4171-00-000	Auditing Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4172-00-000	Port Out Admin Fee Paid	204.12	166.67	-37.45	1,297.60	1,166.69	-130.91	1,081.28	-216.32
4175-40-000	Security Deposit Assistance	319.25	0.00	-319.25	319.25	0.00	-319.25	0.00	-319.25
4182-00-000	Consultants	1,680.80	250.00	-1,430.80	7,494.59	1,750.00	-5,744.59	2,594.10	-4,900.49
4182-01-000	Program Consultants	273.50	166.67	-106.83	3,641.50	1,166.69	-2,474.81	1,016.10	-2,625.40
4189-00-000	Total Other Admin Expenses	2,755.17	1,291.67	-1,463.50	20,911.59	9,041.69	-11,869.90	12,392.11	-8,519.48
4190-00-000	Miscellaneous Admin Expenses								
4190-01-000	Membership and Fees	489.50	166.67	-322.83	2,291.41	1,166.69	-1,124.72	1,250.11	-1,041.30
4190-04-000	Office Supplies	523.89	250.00	-273.89	1,603.07	1,750.00	146.93	1,202.71	-400.36
4190-06-000	Computer Parts	1,308.99	666.67	-642.32	7,437.87	4,666.69	-2,771.18	3,920.30	-3,517.57
4190-07-000	Telephone	95.47	166.67	71.20	667.75	1,166.69	498.94	926.45	258.70
4190-08-000	Postage	412.12	166.67	-245.45	1,333.52	1,166.69	-166.83	1,220.12	-113.40
4190-09-000	Software Lisense Fees	7,440.57	666.67	-6,773.90	8,065.31	4,666.69	-3,398.62	7,659.39	-405.92
4190-11-000	Printer Supplies	337.39	166.67	-170.72	1,155.02	1,166.69	11.67	1,302.50	147.48
4190-13-000	Internet	83.82	83.33	-0.49	705.45	583.31	-122.14	629.51	-75.94
4190-22-000	Other Misc Admin Expenses	-31.45	416.67	448.12	1,673.01	2,916.69	1,243.68	3,437.54	1,764.53
4191-00-000	Total Miscellaneous Admin Expenses	10,660.30	2,750.02	-7,910.28	24,932.41	19,250.14	-5,682.27	21,548.63	-3,383.78
4199-00-000	TOTAL ADMINISTRATIVE EXPENSES	25,539.50	16,833.37	-8,706.13	131,712.66	117,833.59	-13,879.07	115,332.40	-16,380.26
4500-00-000	GENERAL EXPENSES								
4510-00-000	Insurance	0.00	333.33	333.33	1,672.73	2,333.31	660.58	1,551.33	-121.40
4599-00-000	TOTAL GENERAL EXPENSES	0.00	333.33	333.33	1,672.73	2,333.31	660.58	1,551.33	-121.40

Housing Choice Voucher (HCV)

Income Statement

Period = Jul 2026

		July	July		YTD	YTD	YTD	YTD	
		Actual	Budget	Variance	Actual	Budget	Variance	Last Year	Change
4700-00-000	HOUSING ASSISTANCE PAYMENTS								
4715-00-000	Housing Assistance Payments	175,813.00	186,534.83	10,721.83	1,245,670.00	1,305,743.81	60,073.81	1,266,245.00	20,575.00
4715-01-000	Tenant Utility Payments-Voucher	4,174.00	0.00	-4,174.00	29,630.00	0.00	-29,630.00	48,133.00	18,503.00
4715-02-000	Port Out HAP Payments	2,974.00	0.00	-2,974.00	48,128.00	0.00	-48,128.00	35,747.00	-12,381.00
4715-04-000	Port-Out Other Expense	0.00	0.00	0.00	0.00	0.00	0.00	86.00	86.00
4799-00-000	TOTAL HOUSING ASSISTANCE PAYMENTS	182,961.00	186,534.83	3,573.83	1,323,428.00	1,305,743.81	-17,684.19	1,350,211.00	26,783.00
8000-00-000	TOTAL EXPENSES	208,500.50	203,701.53	-4,798.97	1,456,813.39	1,425,910.71	-30,902.68	1,467,094.73	10,281.34
9000-00-000	NET INCOME	723.16	416.63	306.53	9,634.31	2,916.41	6,717.90	3,599.08	6,035.23

Multifamily Program (The Gardens of Staunton)

Balance Sheet

Period = Jul 2026

		Current Balance
0999-99-000	All	
1000-00-000	ASSETS	
1001-00-000	CURRENT ASSETS	
1100-00-000	CASH	
1110-00-000	Unrestricted Cash	
1111-11-000	Cash Operating AUB	60,057.27
1111-50-000	Cash Operating Vehicle Fund	2,984.83
1111-60-000	Cash Operating Recycle Fund	1,741.91
1111-90-000	Petty Cash	500.00
1111-99-000	Total Unrestricted Cash	65,284.01
1112-00-000	Restricted Cash	
1112-01-000	Cash Restricted-Security Deposits	49,312.49
1112-04-000	Cash Restricted-Reserve for Replacement	210,914.93
1112-99-000	Total Restricted Cash	260,227.42
1119-00-000	TOTAL CASH	325,511.43
1120-00-000	ACCOUNTS AND NOTES RECEIVABLE	
1122-00-000	A/R -Tenants	51,979.26
1122-01-000	Allowance for Doubtful Accounts-Tenants	-4,192.02
1135-01-000	A/R -50059 HAP	2,863.00
1149-00-000	TOTAL ACCOUNTS AND NOTES RECEIVABLE	50,650.24
1160-00-000	OTHER CURRENT ASSETS	
1162-10-000	Investments-Restricted	451,788.59
1260-00-000	Inventories-Materials	48,545.07
1275-00-000	Allowance for Obsolete Inventories	-4,505.18
1295-00-000	Interprogram-Due From	125,068.46
1299-00-000	TOTAL OTHER CURRENT ASSETS	620,896.94
1300-00-000	TOTAL CURRENT ASSETS	997,058.61
1400-00-000	NONCURRENT ASSETS:	
1400-01-000	FIXED ASSETS	
1400-05-000	Land	193,547.00
1400-06-000	Buildings	8,741,234.16
1400-07-000	Furniture and Equipment-Dwelling	209,769.47
1400-08-000	Furniture and Equipment-Admin.	262,535.44
1405-01-000	Accum Depreciation-Buildings	-7,791,416.91
1405-02-000	Accum Depreciation-Furn & Equip Dwellings	-147,991.58
1405-03-000	Accum Depreciation-Furn & Equip Admin	-240,706.51
1420-00-000	TOTAL FIXED ASSETS	1,226,971.07
1430-00-000	Pension Asset	349,697.00
1440-00-000	Deferred Outflows	36,047.00

Multifamily Program (The Gardens of Staunton)

Balance Sheet

Period = Jul 2026

		Current Balance
1499-00-000	TOTAL NONCURRENT ASSETS	1,612,715.07
1999-00-000	TOTAL ASSETS	2,609,773.68
2000-00-000	LIABILITIES & EQUITY	
2001-00-000	LIABILITIES:	
2100-00-000	CURRENT LIABILITIES:	
2111-00-000	A/P Vendors and Contractors	60,869.00
2114-00-000	Tenant Security Deposits	46,639.00
2114-03-000	Security Deposit-Pet	6,290.72
2117-01-000	A/P-Payroll Wages Payable	16,386.53
2117-03-000	A/P-Misc. Payroll Withholdings	0.24
2117-04-000	Federal Tax Withholding	1,852.00
2117-05-000	State Tax Withholding	1,050.00
2117-06-000	Employee FICA Withholding	3,640.32
2117-09-000	State Unemployment Tax	186.51
2117-11-000	VRS Payable	-154.58
2117-13-000	Health & Dental Payable	842.03
2240-00-000	Tenant Prepaid Rents	2,305.39
2260-00-000	Accrued Compensated Absences-Current	2,986.67
2299-00-000	TOTAL CURRENT LIABILITIES	142,893.83
2300-00-000	NONCURRENT LIABILITIES:	
2305-00-000	Accrued Compensated Absences-LT	26,880.02
2360-00-000	OPEB Liability	11,990.00
2370-00-000	Deferred Inflows	92,258.00
2399-00-000	TOTAL NONCURRENT LIABILITIES	131,128.02
2499-00-000	TOTAL LIABILITIES	274,021.85
2800-00-000	EQUITY	
2809-00-000	RETAINED EARNINGS:	
2809-02-000	Retained Earnings-Unrestricted Net Assets	2,335,751.83
2809-99-000	TOTAL RETAINED EARNINGS:	2,335,751.83
2899-00-000	TOTAL EQUITY	2,335,751.83
2999-00-000	TOTAL LIABILITIES AND EQUITY	2,609,773.68

Multifamily Progra (The Gardens of Staunton)

Income Statement

Period = Jul 2026

		July	July		YTD	YTD	YTD	YTD	
		Actual	Budget	Variance	Actual	Budget	Variance	Last Year	Change
3000-00-000	INCOME								
3100-00-000	TENANT INCOME								
3101-00-000	Rental Income								
3111-00-000	Tenant Rent	44,254.00	42,500.00	1,754.00	309,790.94	297,500.00	12,290.94	288,273.50	21,517.44
3112-00-000	HUD 50059 HAP Subsidy	58,192.00	60,416.67	-2,224.67	423,066.00	422,916.69	149.31	419,463.00	3,603.00
3112-03-000	Utility Reimbursement -59 & TC	1,635.00	0.00	-1,635.00	14,015.00	0.00	-14,015.00	15,092.00	1,077.00
3112-05-000	Utility Reimbursement Recovery -59 & TC	34.00	0.00	34.00	1,089.00	0.00	1,089.00	875.00	214.00
3119-00-000	Total Rental Income	100,845.00	102,916.67	-2,071.67	719,930.94	720,416.69	-485.75	693,519.50	26,411.44
3120-00-000	Other Tenant Income								
3120-01-000	Laundry and Vending	1,499.50	1,250.00	249.50	11,450.01	8,750.00	2,700.01	10,429.25	1,020.76
3120-04-000	Late Charges	175.49	208.33	-32.84	2,175.49	1,458.31	717.18	2,300.00	-124.51
3120-05-000	Legal Fees - Tenant	87.00	833.33	-746.33	2,092.00	5,833.31	-3,741.31	9,128.50	-7,036.50
3120-07-000	Tenant Owed Utilities	12,452.99	14,166.67	-1,713.68	103,533.49	99,166.69	4,366.80	107,975.94	-4,442.45
3120-09-000	Misc.Tenant Income	-250.00	0.00	-250.00	110.00	0.00	110.00	210.00	-100.00
3120-11-000	Work Orders	131.47	583.33	-451.86	5,245.75	4,083.31	1,162.44	4,358.36	887.39
3121-00-000	Tenant Payment Agreement (TPA) Rent	2,690.93	0.00	2,690.93	7,046.00	0.00	7,046.00	19,799.99	-12,753.99
3129-00-000	Total Other Tenant Income	16,787.38	17,041.66	-254.28	131,652.74	119,291.62	12,361.12	154,202.04	-22,549.30
3199-00-000	TOTAL TENANT INCOME	117,632.38	119,958.33	-2,325.95	851,583.68	839,708.31	11,875.37	847,721.54	3,862.14
3400-00-000	GRANT INCOME								
3415-00-000	Other Government Grants	5,048.70	10,770.83	-5,722.13	8,289.74	75,395.81	-67,106.07	448,642.34	-440,352.60
3499-00-000	TOTAL GRANT INCOME	5,048.70	10,770.83	-5,722.13	8,289.74	75,395.81	-67,106.07	448,642.34	-440,352.60
3600-00-000	OTHER INCOME								
3610-00-000	Investment Income - Unrestricted	13.48	0.00	13.48	53.24	0.00	53.24	0.00	53.24
3611-00-000	Investment Income - Restricted	723.30	1,666.67	-943.37	9,969.09	11,666.69	-1,697.60	16,402.73	-6,433.64
3612-00-000	Security Deposit Interest	6.28	0.00	6.28	42.18	0.00	42.18	0.00	42.18
3650-00-000	Miscellaneous Other Income	0.00	0.00	0.00	1,802.75	0.00	1,802.75	1,757.44	45.31
3660-00-000	Operating Transfers IN	5,000.00	0.00	5,000.00	6,150.00	0.00	6,150.00	0.00	6,150.00
3699-00-000	TOTAL OTHER INCOME	5,743.06	1,666.67	4,076.39	18,017.26	11,666.69	6,350.57	18,160.17	-142.91
3999-00-000	TOTAL INCOME	128,424.14	132,395.83	-3,971.69	877,890.68	926,770.81	-48,880.13	1,314,524.05	-436,633.37

Multifamily Progra (The Gardens of Staunton)

Income Statement

Period = Jul 2026

		July	July		YTD	YTD	YTD	YTD	
		Actual	Budget	Variance	Actual	Budget	Variance	Last Year	Change
4000-00-000	EXPENSES								
4100-00-000	ADMINISTRATIVE EXPENSES								
4100-99-000	Administrative Salaries								
4110-00-000	Administrative Salaries	30,130.90	26,166.67	-3,964.23	188,247.66	183,166.69	-5,080.97	172,410.60	-15,837.06
4110-05-000	Social Security & Medicare Expense	2,912.94	3,333.33	420.39	19,272.69	23,333.31	4,060.62	17,186.74	-2,085.95
4110-06-000	SUTA Expense	274.12	250.00	-24.12	3,290.39	1,750.00	-1,540.39	839.93	-2,450.46
4110-07-000	VRS Retire & Basic Life Expense	511.90	833.33	321.43	5,074.96	5,833.31	758.35	4,300.17	-774.79
4110-08-000	457b Expense	1,156.87	1,250.00	93.13	7,964.08	8,750.00	785.92	7,018.59	-945.49
4110-09-000	Health Insurance Expense	8,320.86	8,166.67	-154.19	66,044.70	57,166.69	-8,878.01	53,226.04	-12,818.66
4110-10-000	Dental Insurance Expense	499.80	583.33	83.53	3,952.01	4,083.31	131.30	3,340.43	-611.58
4110-11-000	Employee Assistance Program	0.00	0.00	0.00	2,650.00	3,000.00	350.00	2,600.00	-50.00
4110-99-000	Total Administrative Salaries	43,807.39	40,583.33	-3,224.06	296,496.49	287,083.31	-9,413.18	260,922.50	-35,573.99
4130-00-000	Legal Expense								
4130-02-000	Criminal Background Checks	13.85	166.67	152.82	221.60	1,166.69	945.09	651.65	430.05
4130-04-000	General Legal Expense	381.00	1,916.67	1,535.67	7,618.75	13,416.69	5,797.94	13,011.25	5,392.50
4131-00-000	Total Legal Expense	394.85	2,083.34	1,688.49	7,840.35	14,583.38	6,743.03	13,662.90	5,822.55
4139-00-000	Other Admin Expenses								
4140-00-000	Staff Training	0.00	416.67	416.67	3,363.53	2,916.69	-446.84	2,994.55	-368.98
4150-00-000	Travel	0.00	83.33	83.33	210.04	583.31	373.27	296.32	86.28
4170-00-000	Accounting Fees	277.50	500.00	222.50	3,494.60	3,500.00	5.40	3,894.25	399.65
4171-00-000	Auditing Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4182-00-000	Consultants	0.00	416.67	416.67	2,425.00	2,916.69	491.69	4,640.01	2,215.01
4182-01-000	Program Consultants	986.25	833.33	-152.92	6,356.50	5,833.31	-523.19	4,963.35	-1,393.15
4189-00-000	Total Other Admin Expenses	1,263.75	2,250.00	986.25	15,849.67	15,750.00	-99.67	16,788.48	938.81
4190-00-000	Miscellaneous Admin Expenses								
4190-01-000	Membership and Fees	489.50	250.00	-239.50	1,765.41	1,750.00	-15.41	1,720.95	-44.46
4190-04-000	Office Supplies	577.90	333.33	-244.57	1,739.05	2,333.31	594.26	1,484.51	-254.54
4190-06-000	Computer Parts	4,226.52	833.33	-3,393.19	10,517.15	5,833.31	-4,683.84	4,572.99	-5,944.16
4190-07-000	Telephone	95.48	166.67	71.19	667.76	1,166.69	498.93	926.52	258.76
4190-08-000	Postage	521.39	166.67	-354.72	1,180.10	1,166.69	-13.41	833.68	-346.42
4190-09-000	Software Lisense Fees	11,832.48	10,333.33	-1,499.15	12,576.94	12,333.31	-243.63	11,825.62	-751.32
4190-11-000	Printer Supplies	337.39	250.00	-87.39	1,155.05	1,750.00	594.95	1,302.50	147.45

Multifamily Progra (The Gardens of Staunton)

Income Statement

Period = Jul 2026

		July	July		YTD	YTD	YTD	YTD	
		Actual	Budget	Variance	Actual	Budget	Variance	Last Year	Change
4190-13-000	Internet	419.10	458.33	39.23	3,887.58	3,208.31	-679.27	3,147.76	-739.82
4190-18-000	Admin Contracts	4,634.54	1,666.67	-2,967.87	12,209.54	11,666.69	-542.85	0.00	-12,209.54
4190-20-000	Bank Fees	497.90	500.00	2.10	3,436.43	3,500.00	63.57	3,348.66	-87.77
4190-21-000	Sponsorships	0.00	83.33	83.33	0.00	583.31	583.31	0.00	0.00
4190-22-000	Other Misc Admin Expenses	616.47	1,000.00	383.53	5,730.92	7,000.00	1,269.08	5,559.74	-171.18
4191-00-000	Total Miscellaneous Admin Expenses	24,248.67	16,041.66	-8,207.01	54,865.93	52,291.62	-2,574.31	34,722.93	-20,143.00
4199-00-000	TOTAL ADMINISTRATIVE EXPENSES	69,714.66	60,958.33	-8,756.33	375,052.44	369,708.31	-5,344.13	326,096.81	-48,955.63
4200-00-000	TENANT SERVICES								
4220-00-000	Resident Council	0.00	200.00	200.00	0.00	1,400.00	1,400.00	0.00	0.00
4220-01-000	Other Tenant Svcs.	1,118.45	500.00	-618.45	1,230.05	3,500.00	2,269.95	1,555.21	325.16
4240-00-000	FSS General	0.00	250.00	250.00	0.00	1,750.00	1,750.00	0.00	0.00
4240-01-000	Food Pantry	0.00	333.33	333.33	60.51	2,333.31	2,272.80	0.00	-60.51
4240-02-000	Tutoring Program	0.00	250.00	250.00	0.00	1,750.00	1,750.00	0.00	0.00
4240-04-000	Events	66.98	0.00	-66.98	66.98	0.00	-66.98	0.00	-66.98
4299-00-000	TOTAL TENANT SERVICES EXPENSES	1,185.43	1,533.33	347.90	1,357.54	10,733.31	9,375.77	1,555.21	197.67
4300-00-000	UTILITY EXPENSES								
4310-00-000	Water	0.00	0.00	0.00	40,540.34	39,000.00	-1,540.34	38,349.05	-2,191.29
4320-00-000	Electricity	12,308.20	11,666.67	-641.53	67,286.79	81,666.69	14,379.90	74,135.89	6,849.10
4330-00-000	Gas	5,067.83	6,250.00	1,182.17	52,320.04	43,750.00	-8,570.04	48,586.77	-3,733.27
4340-00-000	Garbage/Trash Removal	1,993.46	2,000.00	6.54	12,877.74	14,000.00	1,122.26	30,325.76	17,448.02
4399-00-000	TOTAL UTILITY EXPENSES	19,369.49	19,916.67	547.18	173,024.91	178,416.69	5,391.78	191,397.47	18,372.56
4400-00-000	MAINTENANCE AND OPERATIONAL EXPENSES								
4400-99-000	General Maint Expense								
4410-00-000	Maintenance Salaries	8,920.73	11,333.33	2,412.60	70,426.63	79,333.31	8,906.68	56,984.02	-13,442.61
4413-00-000	Vehicle Gas, Oil, Grease	342.66	333.33	-9.33	2,238.99	2,333.31	94.32	1,605.05	-633.94
4415-00-000	Maintenance Miscellaneous Expense	1,799.00	416.67	-1,382.33	10,739.79	2,916.69	-7,823.10	1,545.51	-9,194.28
4416-00-000	Extraordinary Maintenance Expense	0.00	5,416.67	5,416.67	2,460.00	37,916.69	35,456.69	2,050.00	-410.00
4419-00-000	Total General Maint Expense	11,062.39	17,500.00	6,437.61	85,865.41	122,500.00	36,634.59	62,184.58	-23,680.83
4420-00-000	Materials								
4420-07-000	Supplies-Maint/Repairs	697.55	1,000.00	302.45	10,268.82	7,000.00	-3,268.82	8,615.44	-1,653.38

Multifamily Progra (The Gardens of Staunton)

Income Statement

Period = Jul 2026

		July	July		YTD	YTD	YTD	YTD	
		Actual	Budget	Variance	Actual	Budget	Variance	Last Year	Change
4420-11-000	Inventory Expense	0.00	3,333.33	3,333.33	24,326.33	23,333.31	-993.02	19,939.99	-4,386.34
4429-00-000	Total Materials	697.55	4,333.33	3,635.78	34,595.15	30,333.31	-4,261.84	28,555.43	-6,039.72
4430-00-000	Contract Costs								
4430-01-000	Contract-Alarm/Extinguisher	0.00	416.67	416.67	574.75	2,916.69	2,341.94	1,632.50	1,057.75
4430-03-000	Contract-Building Repairs	0.00	0.00	0.00	900.01	0.00	-900.01	0.00	-900.01
4430-04-000	Contract-Carpet Cleaning	0.00	0.00	0.00	100.00	0.00	-100.00	200.00	100.00
4430-05-000	Contract-Unit Turns	0.00	833.33	833.33	0.00	5,833.31	5,833.31	1,827.00	1,827.00
4430-06-000	Contract-Electrical	0.00	416.67	416.67	1,393.31	2,916.69	1,523.38	4,584.88	3,191.57
4430-07-000	Contract-Pest Control	874.00	416.67	-457.33	3,674.00	2,916.69	-757.31	2,924.00	-750.00
4430-09-000	Contract-Grounds	2,529.00	2,500.00	-29.00	15,174.00	17,500.00	2,326.00	11,344.00	-3,830.00
4430-10-000	Contract-Janitorial/Cleaning	0.00	1,166.67	1,166.67	5,615.00	8,166.69	2,551.69	6,511.17	896.17
4430-11-000	Contract-Plumbing	0.00	83.33	83.33	0.00	583.31	583.31	0.00	0.00
4430-13-000	Contract-HVAC	400.00	166.67	-233.33	523.95	1,166.69	642.74	1,837.50	1,313.55
4430-14-000	Contract-Vehicle Maintenance	0.00	333.33	333.33	3,896.59	2,333.31	-1,563.28	39.73	-3,856.86
4430-18-000	Contract-Alarm Monitoring	0.00	0.00	0.00	1,725.00	2,000.00	275.00	3,607.00	1,882.00
4439-00-000	Total Contract Costs	3,803.00	6,333.34	2,530.34	33,576.61	46,333.38	12,756.77	34,507.78	931.17
4499-00-000	TOTAL MAINTENANCE AND OPERATIONAL EXPENSES	15,562.94	28,166.67	12,603.73	154,037.17	199,166.69	45,129.52	125,247.79	-28,789.38
4500-00-000	GENERAL EXPENSES								
4510-00-000	Insurance	0.00	0.00	0.00	12,514.52	11,000.00	-1,514.52	11,682.91	-831.61
4510-10-000	Property Insurance	0.00	0.00	0.00	12,974.75	14,500.00	1,525.25	12,000.01	-974.74
4520-00-000	Payments in Lieu of Taxes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4570-00-000	Bad Debt-Tenant Rents	-480.00	0.00	480.00	-16,333.19	0.00	16,333.19	-21,427.89	-5,094.70
4599-00-000	TOTAL GENERAL EXPENSES	-480.00	0.00	480.00	9,156.08	25,500.00	16,343.92	2,255.03	-6,901.05
5000-00-000	NON-OPERATING ITEMS								
5210-00-000	Operating Transfers OUT	0.00	3,270.83	3,270.83	0.00	22,895.81	22,895.81	0.00	0.00
5231-00-000	Gain/Loss from Disposition of Non-Expend Equip.	0.00	0.00	0.00	0.00	0.00	0.00	-2,951.00	-2,951.00
5999-00-000	TOTAL NON-OPERATING ITEMS	0.00	3,270.83	3,270.83	0.00	22,895.81	22,895.81	-2,951.00	-2,951.00
8000-00-000	TOTAL EXPENSES	105,352.52	113,845.83	8,493.31	712,628.14	806,420.81	93,792.67	643,601.31	-69,026.83
9000-00-000	NET INCOME	23,071.62	18,550.00	4,521.62	165,262.54	120,350.00	44,912.54	670,922.74	-505,660.20

Staunton Redevelopment & Housing Authority

900 Elizabeth Miller Gardens, Staunton, VA 24401

P: 540-886-3413 F: 540-885-5414

October 9, 2026

Housing Choice Voucher Board Report for September 2026

Total vouchers:

- HCV- 238 (32 of these held for PBV)
- VASH- 15
- Total- 253

Utilization:

- HCV
 - 183
- PBV
 - 30
- VASH
 - 14
- CHOICE MOBILITY (PBRA-RAD TO HCV)
 - 0
- OUTGOING PORTS ADMINISTERED
 - 4
- Total
 - 231

Portability:

- Incoming ports
 - 0 searching
 - 3 administered
- Outgoing ports
 - 1 searching
 - 4 administered

Pre-Issue/intake appointments:

- HCV- 0
- PBV 3br- 5 in process
- Choice Mobility- 0

Staunton Redevelopment & Housing Authority does not discriminate on the basis of disabled status in the admission or access to, or treatment or employment in, its federally assisted programs and activities.

The person named below has been designated to coordinate compliance with the nondiscrimination requirements contained in the Department of Housing and Urban Development's regulations implementing Section 504 (24CFR, part 8 dated June 2, 1988),

Executive Director
900 Elizabeth Miller Gardens
Staunton, VA 24401
Phone: (540)866-3413
Virginia Relay Service 1-800-828-1120 (TDD) or 1-800-828-1140 (voice) for hearing-impaired inquiries



Vouchers Issued:

- 0

New voucher holders leased:

- HCV- 0
- Port-In- 0
- 3br PBV- 0
- VASH- 0

Total searching vouchers:

- 1 (1 VASH)

PBV referred:

- 3br- 0

Waiting List Applicants:

- 0 new HCV, 400 total on 9/30
 - 4 applicants added back to list for various reasons following the latest waitlist update, but no new applicants as list is closed
- 19 new 3br PBV, 195 total on 9/30
- Choice Mobility Priority List- 47 total

Top of Waiting List letters sent out:

- 0- HCV
- 0- 3br PBV
- 0- Choice Mobility

Note: PBV waiting list re-opened on March 30, 2026.

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

Audra M Hutchens

Audra Hutchens
Housing Programs Manager

10/09/2026

Date

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Staunton Redevelopment & Housing Authority

900 Elizabeth Miller Gardens

Staunton, VA 24401

P: 540-886-3413

F: 540-885-5414

Multi-Family Board Report for September 2026

October 9, 2026

Total Move-Ins:

- 3

Occupied units:

- 144

Move-Outs:

- 2 (evictions)

Evictions:

- 2

Unit Transfers:

- 0

Total Vacant Units:

- 6

Late Rents:

- 11

Repayment Agreements:

- 0 new

Unlawful Detainers:

- 0 filed

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Abandonment:

- 0

Waiting List Applicants:

- 1 bedroom – 13 new, 164 total
- 2 bedrooms – 24 new, 132 total
- 3 bedrooms – 8 new, 82 total
- 4 bedrooms – 5 new, 20 total
- 5 bedrooms – 3 new, 22 total

Numbers reflect the amount of people removed for non-response to our waitlist update letter compared to the previous month. There are 91 applicants whose mail was returned due to a letter spacing issue, and they will be sent another waitlist update letter with a new response deadline. Those applicants are still included in the totals above.

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

Audra M Hutchens
Audra Hutchens
Housing Programs Manager

10/09/2026
Date

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Staunton Redevelopment and Housing Authority
Resident Services / Self-Sufficiency Program
Board Update | Coordinator Data Report

Reporting Period: *September 2026* Prepared by: *Susan Venable*
Purpose. The program supports SRHA residents in achieving housing stability and independence by identifying barriers, coordinating services, and addressing urgent needs. This report tracks activity across the program's core data streams.

1. Food Pantry

Program Reach (cumulative): 77 individuals • 33 households for *August 2026*
SRHA households referred to pantry (this period): 8
Status: SHC-operated pantry holds USDA certification; residents referred as part of needs assessments and referrals.

2. Needs Assessments

Assessments completed (YTD 2026: 33) as of *September 2026*
Intake assessments vs. six-month updates; 3 follow-ups'
Top barriers identified: *Food insecurity, employment and transportation*

3. Referrals to Other Agencies

Total referrals made (this period 11) for *September*
Breakdown by type: *workforce • education and legal*
Referrals resulting in confirmed connection to services: 4

4. Eviction Prevention Program — Referrals (Active Participants)

September participants: (0): (YTD 2026:)7
New referrals pending (September): 0
Households retained in housing following assistance for September:0
Notes: *Disbursements for September: \$0 (YTD 2026): 6,214.83*

5. Workforce Education & Materials

Residents engaged in workforce / education activities: Six (6) remain engaged in workforce for the month of *September; with three (3) prior to September totaling six (6) in all.*

Educational materials distributed:

The educational material that we purchased and distributed to our three (3) new tenants through our Truist Workforce grant:

- *First (1) tenant received a study guide, clippers and scissors that she will need when she takes her state boards.*
- *Second (2) tenant began working and needed: scrubs, and shoes (this is/was mandatory clothing for her new job at Augusta Health).*
- *Third (3) tenant is now working for Good Will Industries in their SCSEP (Senior Community service employment) as a trainee for SRHA/SHC. The program assesses individuals over 60 who meet certain requirements and places them with non-profit organizations in the area. This particular tenant was due to be placed*

somewhere else, but they did not have any availability at that time so he came to SHC as a trainee and works 3 hours a day 4 days a week which will change to five (5) days a week next week. He is enjoying his position and is under Mark Allen' direction.

Partner programs utilized 3 (*Staunton City Schools, Augusta Health, and Blue Ridge Food bank*)

Outcomes (employment, enrollment, credential) six 6 employed, one (1) due to take boards)

6. Tutoring Program

Students enrolled / participating (this period): *October 15, 2026*

Progress / outcomes: None to report currently.

Notes: We currently have four (4) children enrolled but anticipate growth once we begin classes.

Coordinator Certification: I am now certified to teach Life skills under the “Life skills Training Program” to parents, here at SRHA and within the community.

I certify that the information reported above is accurate and complete to the best of my knowledge.

Susan Venable

Date: 10/8/2026

Coordinator Signature

Prepared for the SRHA Board of Commissioners — for oversight, accountability, and strategic planning.

STAUNTON REDEVELOPMENT & HOUSING AUTHORITY

BOARD RESOLUTION

Resolution No: AP 2027

Approval and Authorization to Submit the FY2027 Annual PHA Plan

October 20, 2026

WHEREAS, the Staunton Redevelopment & Housing Authority's mission is to provide safe and affordable housing to members of its community, enhance quality of life, promote economic opportunity, and offer a suitable living environment free from discrimination; and

WHEREAS, the Staunton Redevelopment & Housing Authority is required to prepare and submit its Annual PHA Plan in accordance with applicable U.S. Department of Housing and Urban Development (HUD) requirements; and

WHEREAS, the Staunton Redevelopment & Housing Authority has prepared its FY2027 Annual PHA Plan covering the period January 1, 2027, through December 31, 2027; and

WHEREAS, the Staunton Redevelopment & Housing Authority made its FY2027 Annual PHA Plan available for public review and comment, with the public hearing notice and proposed Plan posted on July 20, 2026; and

WHEREAS, the Staunton Redevelopment & Housing Authority conducted a public hearing on September 15, 2026, and no public comments were received during the public-comment period or at the public hearing; and

WHEREAS, the Board of Commissioners has reviewed and considered the FY2027 Annual PHA Plan and determined that the Plan is ready for approval and submission to HUD; and

WHEREAS, the FY2027 Annual PHA Plan and accompanying Form HUD-50077-CRT-SM, Certifications of Compliance with PHA Plan and Related Regulations, are incorporated by reference into this Resolution.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Commissioners of the Staunton Redevelopment & Housing Authority hereby approves the FY2027 Annual PHA Plan and authorizes the Executive Director to submit the Plan to the U.S. Department of Housing and Urban Development.

BE IT FURTHER RESOLVED, that the Board of Commissioners authorizes Chairperson Nicholas Hurston to execute Form HUD-50077-CRT-SM following Board approval of the FY2027 Annual PHA Plan and authorizes the Executive Director to execute all necessary

submission documents and make non-substantive administrative corrections consistent with the approved Plan.

NEHEMIAS VELEZ
EXECUTIVE DIRECTOR

Signature: _____

NICHOLAS HURSTON
CHAIRPERSON

Signature: _____

OCTOBER 20, 2026
DATE

Certifications of Compliance with PHA Plan and Related Regulations (Small PHAs)

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 09/30/2027

PHA Certifications of Compliance with PHA Plan, Civil Rights, and Related Laws and Regulations including PHA Plan Elements that Have Changed

Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairperson or other authorized PHA official if there is no Board of Commissioners, I approve the submission of the 5-Year and/or Annual PHA Plan, hereinafter referred to as "the Plan," of which this document is a part, and make the following certification and agreements with the Department of Housing and Urban Development (HUD) for the PHA fiscal year beginning 01/2027, in which the PHA receives assistance under 42 U.S.C. 1437f and/or 1437g in connection with the submission of the Plan and implementation thereof:

1. The Plan is consistent with the applicable comprehensive housing affordability strategy (or any plan incorporating such strategy) for the jurisdiction in which the PHA is located (24 CFR § 91.2).
2. The Plan contains a signed certification by the appropriate State or local official (form HUD-50077-SL) that the Plan is consistent with the applicable Consolidated Plan, which includes any applicable fair housing goals or strategies, for the PHA's jurisdiction and a description of the way the PHA Plan is consistent with the applicable Consolidated Plan (24 CFR §§ 91.2, 91.225, 91.325, and 91.425).
3. The PHA has established a Resident Advisory Board or Boards, the membership of which represents the residents assisted by the PHA, consulted with this Resident Advisory Board or Boards in developing the Plan, including any changes or revisions to the policies and programs identified in the Plan before they were implemented, and considered the recommendations of the Resident Advisory Board or Boards (24 CFR § 903.13). The PHA has included in the Plan submission a copy of the recommendations made by the Resident Advisory Board or Boards and a description of the way the Plan addresses these recommendations.
4. The PHA certifies that the following policies, programs, and plan components have been revised since submission of its last

Annual PHA Plan (check all policies, programs, and components that have been changed):

☒ 903.7a Housing Needs

☒ 903.7b Deconcentration and Other Policies Governing Eligibility, Selection, Occupancy, and Admissions Policies

☒ 903.7c Financial Resources

☒ 903.7d Rent Determination Policies

☐ 903.7h Demolition and Disposition

☐ 903.7k Homeownership Programs

☒ 903.7r Additional Information

☒ A. Progress in meeting 5-year mission and goals

☐ B. Criteria for substantial deviation and significant amendments

☐ C. Other information requested by HUD

☐ (1) Resident Advisory Board consultation process

☐ (2) Membership of Resident Advisory Board

☐ (3) Resident membership on PHA governing board

The PHA provides assurance as part of this certification that:

- i. The Resident Advisory Board had an opportunity to review and comment on the changes to the policies and programs before implementation by the PHA;
 - ii. The changes were duly approved by the PHA Board of Directors (or similar governing body); and
 - iii. The revised policies and programs are available for review and inspection, at the principal office of the PHA during normal business hours. Where possible, PHA's should make documents available electronically, for public inspection upon request.
5. The PHA made the proposed Plan and all information relevant to the public hearing available for public inspection at least 45 days before the hearing, published a notice that a hearing would be held and conducted a hearing to discuss the Plan and invited public comment. The PHA ensured all notices and meetings provided effective communication with persons with disabilities and further provided meaningful language access for persons with Limited English Proficiency (LEP).

6. The PHA certifies that it will carry out the public housing program of the agency in conformity with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d-2000d-4), the Fair Housing Act (42 U.S.C. 3601-19), Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), Title II of the Americans with Disabilities Act (42 U.S.C. 12101 et seq.), the Violence Against Women Act (34 U.S.C. § 12291 et seq.), and other applicable civil rights requirements, and that it will affirmatively further fair housing in the administration of all HUD programs. In addition, if it administers a Housing Choice Voucher Program, the PHA certifies that it will administer the program in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, Section 504 of the Rehabilitation Act of 1973, Title II of the Americans with Disabilities Act, the Violence Against Women Act, and other applicable civil rights requirements, and that it will affirmatively further fair housing in the administration of all HUD programs.
7. The PHA will affirmatively further fair housing, in compliance with the Fair Housing Act, 24 CFR § 5.150 et seq., 24 CFR § 903.7(o), and 24 CFR § 903.15, which means that it will take meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially or ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws (24 CFR § 5.151). Pursuant to 24 CFR § 903.15(c)(2), a PHA's policies should be designed to reduce the concentration of tenants and other assisted persons by race, national origin, and disability. PHA policies should include affirmative steps stated in 24 CFR § 903.15(c)(2)(i) and 24 CFR § 903.15(c)(2)(ii). Furthermore, under 24 CFR § 903.7(o), a PHA must submit a civil rights certification with its Annual and 5-year PHA Plans, except for qualified PHAs who submit the Form HUD-50077-CR as a standalone document. The PHA certifies that it will take no action that is materially inconsistent with its obligation to affirmatively further fair housing.
8. For a PHA Plan that includes a policy for site-based waiting lists:
 - The PHA regularly submits required data to HUD's 50058 PIC/IMS Module and/or its successor system: the Housing Information Portal (HIP) in an accurate, complete and timely manner (as specified in PIH Notice 2011-65);
 - The system of site-based waiting lists provides for full disclosure to each applicant in the selection of the development in which to reside, including basic information about available sites; and an estimate of the period of time the applicant would likely have to wait to be admitted to units of different sizes and types at each site;
 - Adoption of site-based waiting lists would not violate any court order or settlement agreement or be inconsistent with a pending complaint brought by HUD;
 - The PHA shall take reasonable measures to assure that such waiting list is consistent with affirmatively furthering fair housing; and
 - The PHA provides for review of its site-based waiting list policy to determine if it is consistent with civil rights laws and certifications, as specified in 24 CFR 903.7(c)(1).
9. The PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975.
10. In accordance with the Fair Housing Act, the PHA will not base a determination of eligibility for housing on marital status and will not otherwise discriminate because of sex.
11. The PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, 'Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped' for people with physical disabilities.
12. The PHA will comply with the requirements of Section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low-or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 135.
13. The PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable.
14. The PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105(a).
15. The PHA will provide the responsible entity or HUD any documentation that the responsible entity or HUD needs to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58 or Part 50, respectively.
16. With respect to public housing the PHA will comply with Davis-Bacon or HUD determined wage rate requirements under Section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety

Standards Act.

17. The PHA will keep records in accordance with 24 CFR 200.302 and facilitate an effective audit to determine compliance with program requirements.
18. The PHA will comply with the Lead-Based Paint Poisoning Prevention Act, the Residential Lead-Based Paint Hazard Reduction Act of 1992, and 24 CFR Part 35.
19. The PHA will comply with the policies, guidelines, and requirements of 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Financial Assistance, including but not limited to submitting the assurances required under 24 CFR §§ 1.5, 3.115, 8.50, and 107.25 by submitting an SF-424, including the required assurances in SF-424B or D, as applicable.
20. The PHA will undertake only activities and programs covered by the Plan in a manner consistent with its Plan and will utilize covered grant funds only for activities that are approvable under the regulations and included in its Plan.
21. All attachments to the Plan have been and will continue to always be available at all locations that the PHA Plan is available for public inspection. All required supporting documents have been made available for public inspection along with the Plan and additional requirements at the primary business office of the PHA and at all other times and locations identified by the PHA in its PHA Plan and will continue to be made available at least at the primary business office of the PHA and, where possible, should be made available for public inspection in an electronic format.
22. The PHA certifies that it is following all applicable Federal statutory and regulatory requirements, including the Declaration of Trust(s).

Staunton Redevelopment & Housing Authority

VA023

PHA Name

PHA Number/HA Code

5-Year PHA Plan for Fiscal Years 20__ - 20__

X Annual PHA Plan for Fiscal Year 2027

I/We, the undersigned, certify under penalty of perjury that the information provided above is true and correct. WARNING: Anyone who knowingly submits a false claim or makes a false statement is subject to criminal and/or civil penalties, including confinement for up to 5 years, fines, and civil and administrative penalties. (18 U.S.C. §§ 287, 1001, 1010, 1012, 1014; 31 U.S.C. §3729, 3802)

Name of Executive Director: MR Nehemias Velez	Name of Board Chairman: Nicholas Hurston
Signature: _____ Date: _____	Signature: _____ Date: _____

This information is collected to ensure compliance with PHA Plan, Civil Rights, and related laws and regulations including PHA plan elements that have changed.

Public reporting burden for this information collection is estimated to average 0.16 hours per year per response, including the time for reviewing instructions, searching existing data sources, gathering, and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions to reduce this burden, to the Reports Management Officer, REE, Department of Housing and Urban Development, 451 7th Street, SW, Room 4176, Washington, DC 20410-5000. When providing comments, please refer to OMB Approval No. 2577-0226. HUD may not collect this information, and respondents are not required to complete this form, unless it displays a currently valid OMB Control Number.

Privacy Notice. The United States Department of Housing and Urban Development is authorized to solicit the information requested in this form by virtue of Title 12, U.S. Code, Section 1701 et seq., and regulations promulgated thereunder at Title 12, Code of Federal Regulations. Responses to the collection of information are required to obtain a benefit or to retain a benefit. The information requested does not lend itself to confidentiality.

Form identification: *VA023-Staunton Redevelopment & Housing Authority form HUD-50077-CRT-SM (Form ID -366) printed by Nehemias Velez in HUD Secure Systems/Public Housing Portal at 10/02/26, 09:53 AM EST*



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

Daniel J. Dooley, C.P.A.

Michael H. Vicars, C.P.A.

September 25, 2026

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

We have audited the financial statements of the business-type activities of Staunton Redevelopment and Housing Authority for the year ended December 31, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the OMB Circular, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 1, 2026. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Staunton Redevelopment and Housing Authority are described in Note 1 to the financial statements. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the Staunton Redevelopment and Housing Authority's financial statements was:

Management's estimate of accumulated depreciation is based on the estimated useful life of the structures and equipment. We evaluated the key factors and assumptions used to develop the accumulated depreciation in determining that it is reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 25, 2026.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Information in Documents Containing Audited Financial Statements

The Management's Discussion and Analysis are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurement and presentation of supplementary information. However, we did not audit the information and express no opinion on it.

The accompanying Schedule of Expenditures of Federal Awards, Financial Data Schedule, and other supplementary information are presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and are not a required part of the financial statements. The information in those schedules has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

This information is intended solely for the use of Board of Commissioners, Department of Housing and Urban Development and management of the Staunton Redevelopment and Housing Authority and is not intended to be and should not be used by anyone other than these specified parties.



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

**STAUNTON REDEVELOPMENT
AND HOUSING AUTHORITY**

**AUDITED
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED DECEMBER 31, 2025

STAUNTON REDEVELOPMENT AND HOUSING AUTHORITY

**AUDITED
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED DECEMBER 31, 2025

STAUNTON REDEVELOPMENT AND HOUSING AUTHORITY

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	1
Management Discussion and Analysis	4
Statement of Net Position - Enterprise Fund	15
Statement of Revenues, Expenses, and Changes in Fund Net Position - Enterprise Fund	17
Statement of Cash Flows - Enterprise Fund	18
Notes to Financial Statements	20
 SUPPLEMENTAL INFORMATION	
Financial Data Schedule	34
Schedule of Expenditures of Federal Awards	43
Notes to Schedule of Expenditures of Federal Awards	44
 FINANCIAL COMPLIANCE REPORTS FOR FEDERAL FUNDS	
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	45
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 <i>Government Auditing Standards</i>	48
Summary Schedule of Prior Audit Findings	50
Schedule of Findings and Questioned Costs	51
Required Supplemental Information Related to Pensions	53
Notes to Required Supplemental Information Related to Pensions	55
Required Supplemental Information Related to Other Post Employment Benefits	56
Notes to Required Supplemental Information Related to Other Post Employment Benefits	58



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

Daniel J. Dooley, C.P.A.

Michael H. Vicars, C.P.A.

INDEPENDENT AUDITORS' REPORT

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

Opinions

We have audited the accompanying financial statements of the business-type activities which comprise the major fund of the Staunton Redevelopment and Housing Authority as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Staunton Redevelopment and Housing Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Staunton Redevelopment and Housing Authority, as of December 31, 2025, 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.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

INDEPENDENT AUDITORS' REPORT

(CONTINUED)

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 14, the Schedule of Net Pension and Other Post Employment Benefit (OPEB) Liabilities, and the Schedules of Employer Contributions to the Virginia Retirement System on pages 53 through 58, be presented to supplement the basic financial statements.

**INDEPENDENT AUDITORS' REPORT
(CONTINUED)**

Other Matters (Continued)

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

Other Information

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

The accompanying Schedule of Expenditures of Federal Awards, Financial Data Schedule, and other supplementary information as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the U.S. Department of Housing and Urban Development, are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2026, on our consideration of the Staunton 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 Staunton Redevelopment and Housing Authority's internal control over financial reporting and compliance.

Dooley & Vicars

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

Richmond, Virginia
September 25, 2026

**STAUNTON REDEVELOPMENT AND HOUSING AUTHORITY MANAGEMENT'S
DISCUSSION AND ANALYSIS (MD&A)
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025**

The Staunton Redevelopment and Housing Authority ("the Authority") Management's Discussion and Analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority's financial activity, (c) identify changes in the Authority's financial position (its ability to address the next and subsequent year challenges), and (d) identify individual program issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Authority's financial statements.

Financial Highlights

- The Authority's Net Position (the amount by which its assets exceeded its liabilities) increased by \$681,352 during the year ended December 31, 2025. Net Position was \$2,443,290 and \$3,124,642 at December 31, 2024 and December 31, 2025 respectively. Details concerning the Balance Sheet and Net Position are included in Table 1. Changes in Net Unrestricted Position are shown in Table 2.
- Operating Revenues were \$3,334,149 and \$4,457,387 for the years ended December 31, 2024 and December 31, 2025 respectively. A detailed analysis of changes is included later in this Management's Discussion and Analysis in Table 3.
- Operating Expenses were \$3,390,410 and \$3,837,381 for the years ended December 31, 2024 and December 31, 2025 respectively. A detailed analysis of changes is included later in this Management's Discussion and Analysis in Table 3.

**STAUNTON REDEVELOPMENT AND HOUSING AUTHORITY MANAGEMENT’S
DISCUSSION AND ANALYSIS (MD&A)
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025**

USING THIS ANNUAL REPORT

The Report includes three major sections, the “Management’s Discussion and Analysis (MD&A)”, “Basic Financial Statements”, and “Other Required Supplementary Information”:

MD&A

*~ MANAGEMENT DISCUSSION
AND ANALYSIS ~*

BASIC FINANCIAL STATEMENTS

*~ AUTHORITY-WIDE FINANCIAL STATEMENTS – PGS 15-19 ~
~ NOTES TO FINANCIAL STATEMENTS – PGS 20-33 ~*

OTHER REQUIRED SUPPLEMENTARY INFORMATION

*~ REQUIRED SUPPLEMENTARY INFORMATION PGS 34-58~
(OTHER THAN MD&A)*

**STAUNTON REDEVELOPMENT AND HOUSING AUTHORITY MANAGEMENT'S
DISCUSSION AND ANALYSIS (MD&A)
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025**

AUTHORITY-WIDE FINANCIAL STATEMENTS

The Authority-wide financial statements (see pgs 15-19) are designed to be corporate-like in that all business type activities are consolidated into columns which add to a total for the entire Authority.

Statement of Net Position

These Statements include a Statement of Net Position, which is similar to a Balance Sheet. The Statement of Net Position reports all financial and capital resources for the Authority. The statement is presented in the format where assets, minus liabilities, equals "Net Position", formerly known as equity. Assets and liabilities are presented in order of liquidity and are classified as "Current" (convertible into cash within one year), and "Non-current".

The focus of the Statement of Net Position (the "Unrestricted Net Position") is designed to represent the net available liquid (non-capital) assets, net of liabilities, for the entire Authority. Net Position (formerly equity) is reported in three broad categories:

Net Position, Invested in Capital Assets, Net of Related Debt: This component of Net Position consists of all Capital Assets, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position: This component of Net Position consists of restricted assets, when constraints are placed on the asset by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.

Unrestricted Net Position: Consists of Net Position that do not meet the definition of "Net Position Invested in Capital Assets, Net of Related Debt", or "Restricted Net Position".

Statement of Revenues, Expenses, and Changes in Net Position

The Authority-wide financial statements also include a Statement of Revenues, Expenses and Changes in Fund Net Position (similar to an Income Statement). This Statement includes Operating Revenues, such as rental income, Operating Expenses, such as administrative, utilities, and maintenance, and depreciation, and Non-Operating Revenue and Expenses, such as grant revenue, investment income and interest expense.

The focus of the Statement of Revenues, Expenses and Changes in Fund Net Position is the "Change in Net Position", which is similar to Net Income or Loss.

Statement of Cash Flows

Finally, a Statement of Cash Flows is included, which discloses net cash provided by, or used for operating activities, non-capital financing activities, and from capital and related financing activities and from investing activities.

**STAUNTON REDEVELOPMENT AND HOUSING AUTHORITY MANAGEMENT'S
DISCUSSION AND ANALYSIS (MD&A)
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025**

THE AUTHORITY'S MAIN PROGRAMS

Significant Programs – The focus of the Authority's Financial Statements should be on the significant programs of the Authority. The following are considered significant programs of the Authority:

Housing Choice Voucher Program

Under the Housing Choice Voucher Program, the Authority administers contracts with independent landlords that own the property. The Authority subsidizes the family's rent through a Housing Assistance Payment made to the landlord. The program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides Annual Contributions Funding to enable the Authority to structure a lease that sets the participants' rent at 30% of household income.

The Authority was authorized 253 housing choice vouchers under its Annual Contributions Contract at December 31, 2025, including 15 vouchers dedicated to the Veterans Affairs Supportive Housing (VASH) program. The Housing Choice Voucher Program transitioned to the Moving to Work (MTW) demonstration during fiscal 2024; the fiscal year ended December 31, 2025 was the Authority's first full year of Housing Choice Voucher operations under MTW.

Effective July 1, 2025, the Authority adopted a revised Housing Choice Voucher Administrative Plan incorporating the income determination, asset limitation, and related requirements of the Housing Opportunity Through Modernization Act (HOTMA). The Authority maintained no reporting errors in HUD's Inventory Management System during the year and prepared for the transition to HUD's Housing Information Portal

Project Based Rental Assistance / Multifamily Housing

On November 1, 2015, the Authority converted its Public Housing to Project Based Section 8 under HUD's Rental Assistance Demonstration (RAD) initiative. RAD provides two avenues for conversion: Project Based Vouchers ("PBV") which are administered by a PHA under the Housing Choice Voucher Program, and Project Based Rental Assistance ("PBRA") which is administered by HUD under the Multifamily Program. The Authority chose PBRA. Under PBRA, the Authority subsidizes the family's rent through Housing Assistance Payments received directly from HUD. HUD directly administers the Project Based Section 8 contract and provides HAP Funding to enable the Authority to structure a lease that sets the participants' rent at 30% of household income. The Authority owns, manages, and maintains the property. Unlike the Housing Choice Voucher Program, which includes tenant based assistance, PBRA is tied to a specific property and is therefore referred to as "project based" rental assistance.

The Authority owns, manages, and maintains 150 RAD PBRA units at Elizabeth Miller Gardens and Farrier Court under HAP Contract VA36RD00004, and submits annual Operating Cost Adjustment Factor (OCAF) rent adjustment requests. As one of the earlier RAD conversions nationally, the Authority's contract rents were established at levels that continue to constrain operating revenue relative to current operating and capital costs. Management continues to evaluate strategies to address the long-term operating viability of these properties under constrained revenue.

**STAUNTON REDEVELOPMENT AND HOUSING AUTHORITY MANAGEMENT'S
DISCUSSION AND ANALYSIS (MD&A)
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025**

Moving to Work (MTW) Program

Through a competitive application submitted to the Department of Housing and Urban Development (HUD), the Authority was approved for the Moving to Work (MTW) demonstration on March 16, 2024 as a Cohort 5 agency. The number of housing authorities authorized to participate in MTW is a small percentage of housing agencies nationwide. The Authority converted to the MTW model during the fiscal year ended December 31, 2024, and the fiscal year ended December 31, 2025 represented the Authority's first full year of operations under the demonstration. The model provides the Authority with funding fungibility across its housing assistance payment and administrative fee funding, together with regulatory flexibilities not available to most PHAs and the ability to design and test alternative affordable housing strategies, subject to the requirements of the MTW Operations Notice.

Two MTW activities received HUD approval during fiscal 2025 and were implemented: an alternative recertification schedule moving Housing Choice Voucher households from annual to triennial reexaminations, and self-certification of household assets below a \$50,000 threshold. The Authority submitted its MTW Supplement for the fiscal year beginning January 1, 2026 in October 2025, requesting approval of additional activities, each of which was pending HUD approval at December 31, 2025 and approved in fiscal 2026.

The Corporate Fund

The Authority's affiliated development entity is the Staunton Housing Corporation ("SHC"), a nonprofit corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, which replaced the Authority's former Business Activity fund. SHC gives the Authority greater ability to acquire, develop, and preserve affordable housing than the Authority could undertake directly. SHC is reported as a component unit within these financial statements and does not issue separate audited financial statements.

On July 30, 2025, the Virginia Department of Housing and Community Development approved SHC's application for Community Housing Development Organization (CHDO) status, submitted in connection with an application under the Affordable and Special Needs Housing program. CHDO designation allows SHC to compete for funding set aside for community-based nonprofit developers and is a predicate for several of the funding sources the Authority expects to use in its development pipeline. Recertification is required for each subsequent year in which SHC is awarded funding.

During fiscal 2025 the Authority and SHC advanced three development efforts. The Dunsmore project, an adaptive reuse of the historic Dunsmore Business College at 912 West Beverley Street into elderly-designated units supported by project-based vouchers, remained in feasibility and predevelopment. A one-bedroom cottage at 958 Anderson Street, intended for a formerly homeless veteran under the VASH program, remained under development. The Farrier Court expansion, a larger new-construction redevelopment of an existing Authority site, remained in early conceptual planning, and no project-based vouchers were placed at that site during the year.

**STAUNTON REDEVELOPMENT AND HOUSING AUTHORITY MANAGEMENT'S
DISCUSSION AND ANALYSIS (MD&A)
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025**

AUTHORITY-WIDE STATEMENTS AND CONDENSED FINANCIAL INFORMATION

The following table reflects the condensed Statement of Net Position compared to prior year.
The Authority is engaged only in Business-Type Activities.

TABLE 1 - STATEMENT OF NET POSITION

	December 31 2025	December 31 2024	Net Change
Assets:			
Current Assets	\$ 1,999,650	\$ 1,692,580	\$ 370,070
Capital Assets	1,181,435	794,470	386,965
Other Noncurrent Assets	436,159	386,440	49,719
Total Assets	\$ 3,617,244	\$ 2,873,490	\$ 743,754
Deferred Outflows of Resources	44,960	136,530	(91,570)
Total Assets and Deferred Outflows of Resources	\$ 3,662,204	\$ 3,010,020	\$ 652,184
Liabilities:			
Current Liabilities	\$ 164,937	\$ 371,266	\$ (206,329)
Non Current Liabilities	47,144	62,681	(15,537)
Total Liabilities	\$ 212,081	\$ 433,947	\$ (221,866)
Deferred Inflows of Resources	325,481	132,783	192,698
Total Liabilities and Deferred Inflows of Resources	\$ 537,562	\$ 566,730	\$ (29,168)
Net Position:			
Invested in Capital Assets	\$ 1,181,435	\$ 794,470	\$ 386,965
Restricted Net Position	580,576	629,176	(48,600)
Unrestricted Net Position	1,362,631	1,019,644	342,987
Total Net Position	\$ 3,124,642	\$ 2,443,290	\$ 681,352

Major Factors Affecting the Statement of Net Position

During year ended December 31, 2025, current assets increased by \$370,070. This was due to net positive cash flow – net income excluding non-cash expenses. Capital assets increased by \$386,965, the result of fixed asset additions exceeding depreciation for the year. For more detail see Tables 4 and 5 under “Capital Assets” below. Current liabilities decreased due to paying down accounts payable. Noncurrent assets, deferred outflows and deferred inflows experienced changes due to Pension and OPEB Accounting rules (GASB 68 and 75) and related changes as reported by the state retirement plan.

**STAUNTON REDEVELOPMENT AND HOUSING AUTHORITY MANAGEMENT'S
DISCUSSION AND ANALYSIS (MD&A)
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025**

Table 2 presents details on the change in Unrestricted Net Position

TABLE 2 - CHANGE OF UNRESTRICTED NET POSITION

Unrestricted Net Position, December 31, 2024	<u>\$ 1,019,633</u>
Income / (Loss) Before Contributions and Transfers	681,352
Adjustments:	
Depreciation (1)	124,345
Fixed Asset Additions (2)	(511,309)
Other Changes (3)	48,610
	<u> </u>
Adjusted Current Period Revenue in Excess of Expenses and Other Changes	<u>(338,354)</u>
Unrestricted Net Position, December 31, 2025	<u><u>\$ 1,362,631</u></u>

(1) Depreciation is treated as an expense and reduces the results from operations but does not have an impact on Unrestricted Net Position

(2) Fixed Asset Additions are an outflow of Cash / Unrestricted Net Assets. Note that some of these additions were funded from the restricted replacement reserves.

(3) Primarily caused by changes in Restricted Cash / Restricted Net Position

While the results of operations from the Statement of Revenues, Expenses and Changes in Net Position are a significant measure of the Authority's activities, the analysis of the changes in Unrestricted Net Position provides a clearer change in financial well-being.

**STAUNTON REDEVELOPMENT AND HOUSING AUTHORITY MANAGEMENT'S
DISCUSSION AND ANALYSIS (MD&A)
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025**

TABLE 3

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

The following schedule compares the revenues and expenses for the current and previous reporting periods. The Authority is engaged only in Business-Type Activities.

	<u>For the Year</u> <u>Ended</u> <u>Dec. 31, 2025</u>	<u>For the Year</u> <u>Ended</u> <u>Dec. 31, 2024</u>	<u>Net Change</u>
<u>OPERATING REVENUES</u>			
Tenant Rental & Other Tenant Revenue	\$ 710,854	\$ 733,740	\$ (22,886)
HUD Grants – Operating	3,165,101	2,581,431	583,670
Other Revenue	584,384	18,978	565,406
 Total Revenues	 4,460,339	 3,334,149	 1,126,190
<u>OPERATING EXPENSES</u>			
Administration	682,515	574,691	107,824
Tenant Services	6,106	4,112	1,994
Utilities	270,926	280,063	(9,137)
Ordinary Maintenance & Operations	285,766	389,248	(103,482)
General Expense	166,828	228,129	(63,351)
Housing Assistance Payments	2,302,945	1,762,667	540,278
Depreciation Expense	124,345	151,500	(27,155)
 Total Operating Expenses	 3,839,431	 3,390,410	 449,021
 EXCESS OF OPERATING REVENUE OVER EXPENSES	 620,908	 (56,261)	 564,647
 Non Operating Revenues/(Expenses)			
Interest Income	60,444	55,148	5,296
 Income /(Loss) Before Contributions and Transfers	 681,352	 (1,113)	 680,239
 Total Beginning Net Position	 \$2,443,290	 \$2,444,403	 (1,113)
 Total Ending Net Position	 \$3,124,642	 \$2,443,290	 \$ 681,352

**STAUNTON REDEVELOPMENT AND HOUSING AUTHORITY MANAGEMENT'S
DISCUSSION AND ANALYSIS (MD&A)
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025**

Major Factors Affecting the Statement of Revenue, Expenses and Changes In Net Position

Tenant Rental Revenue decreased slightly and Other Revenue decreased slightly in 2025. HUD operating grants increased by \$583,670, primarily in the category of Housing Choice Voucher Program revenue due to higher utilization. The Authority is leasing more vouchers.

Administrative, Tenant Services, and Housing Assistance Payments increased. Maintenance, Utilities, and General Expenses decreased. The \$540,278 increase in the category of Housing Assistance Payments (payments to landlords to subsidize affordable housing units) reflects the Authority's success in higher utilization of its program and providing higher levels of housing subsidies. This represents part of the net increase in total operating expenses of \$449,021. Increases in Ordinary Maintenance expenses reflect the Authority's commitment to providing good service and safe, decent, and affordable housing.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of year end, the Authority had \$1,181,435 invested in a variety of capital assets as reflected in the following schedule. Capital asset additions during the year reflect the Authority's energy efficiency and modernization program at its RAD PBRA properties, including completion of the full HVAC replacement at Farrier Court, replacement of 38 HVAC units at Elizabeth Miller Gardens, and work in progress on the remaining 50 PTAC units at Elizabeth Miller Gardens. This work was funded through a combination of Community Development Block Grant funds provided by the City of Staunton and the Authority's own capital reserves.

**TABLE 4
CAPITAL ASSETS AT YEAR-END
(NET OF DEPRECIATION)**

	December 31, 2025	December 31, 2024	Net Change
Land	\$ 214,877	\$ 214,877	\$ -0-
Buildings	8,675,633	8,164,324	511,309
Furniture, Equipment and Machinery	489,787	510,287	(20,500)
Accumulated Depreciation	(8,198,862)	(8,095,018)	(103,844)
Total	<u>\$ 1,181,435</u>	<u>\$ 794,470</u>	<u>\$ 386,965</u>

**STAUNTON REDEVELOPMENT AND HOUSING AUTHORITY MANAGEMENT'S
DISCUSSION AND ANALYSIS (MD&A)
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025**

TABLE 5

CHANGE IN CAPITAL ASSETS

The following reconciliation summarizes the change in Capital Assets during the year ended December 31, 2025.

Beginning Balance, December 31, 2024	\$ 794,470
Additions Net Of Dispositions	490,809
Less: Current Year Depreciation	<u>(103,844)</u>
Ending Balance, December 31, 2025	<u>\$ 1,181,435</u>

TABLE 6

OUTSTANDING DEBT, AT YEAR-END

	<u>2025</u>	<u>2024</u>
Outstanding Debt	<u>\$ -0-</u>	<u>\$ -0-</u>

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

- Federal funding provided by Congress to the Department of Housing and Urban Development, including the level and timing of Housing Choice Voucher renewal funding, administrative fee funding, and Moving to Work funding
- The use of continuing resolutions and other short-term federal funding measures, which affect the certainty with which the Authority can plan leasing and program expenditures
- Local labor supply and demand, which can affect salary and wage rates
- Local inflationary, recessionary and employment trends, which can affect resident incomes and therefore the amount of rental income
- Inflationary pressure on utility rates, supplies, insurance premiums and other operating costs
- Fair Market Rents and local rental market conditions, which affect Housing Assistance Payment costs and voucher utilization
- Contract rent levels at the Authority's RAD PBRA properties, which were established at conversion and are adjusted only by the annual Operating Cost Adjustment Factor, and which continue to constrain revenue relative to current operating and capital costs
- Regulatory implementation costs, including HOTMA and the transition to HUD's Housing Information Portal and to NSPIRE inspection standards
- Construction costs, interest rates, and the availability of tax credit equity and soft financing, which affect the feasibility and timing of the Authority's and the Staunton Housing Corporation's development activities

**STAUNTON REDEVELOPMENT AND HOUSING AUTHORITY MANAGEMENT'S
DISCUSSION AND ANALYSIS (MD&A)
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025**

FINANCIAL CONTACT

The individual to be contacted regarding this report is Nehemias Velez COS, CPO, Executive Director, Staunton Redevelopment and Housing Authority, 900 Elizabeth Miller Gardens, Staunton, Virginia, 24401, or via telephone (540) 886-3413

Staunton Redevelopment and Housing Authority

Statement of Net Position

December 31, 2025

ASSETS	Enterprise Fund
Current Assets	
Cash and cash equivalents	\$ 1,065,185
Restricted cash and cash equivalents	842,021
Receivables, net	41,429
Inventories, net	40,547
Prepaid expense and other assets	10,468
Total Current Assets	1,999,650
Noncurrent Assets	
Other Assets	436,159
Capital assets:	
Land	214,877
Buildings	8,675,633
Furniture, equipment & machinery - dwellings	209,203
Furniture, equipment & machinery - admin	280,584
Less: accumulated depreciation	(8,198,862)
Capital assets, net	1,181,435
Total Noncurrent Assets	1,617,594
Total Assets	3,617,244
Deferred Outflow of Resources	
Deferred Outflow of Resources	44,960
Total Assets and Deferred Outflow of Resources	\$ 3,662,204

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

Staunton Redevelopment and Housing Authority

Statement of Net Position December 31, 2025

LIABILITIES	Enterprise Fund
Current Liabilities	
Accounts payable	\$ 23,841
Accrued liabilities	27,299
Tenant security deposits	51,034
Unearned revenue	62,720
Other current liabilities	43
Total Current Liabilities	164,937
Noncurrent Liabilities	
Noncurrent liabilities - other	47,144
Total Noncurrent Liabilities	47,144
Total Liabilities	212,081
Deferred Inflow of Resources	
Deferred Inflow of Resources	325,481
Net Position	
Investment in capital assets - net of related debt	1,181,435
Restricted net position	580,576
Unrestricted net position	1,362,631
Total Net Position	3,124,642
Total Liabilities, Deferred Inflow of Resources, and Net Position	\$ 3,662,204

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

Staunton Redevelopment and Housing Authority

Statement of Revenues, Expenses, and Changes in Fund Net Position For the Year Ended December 31, 2025

	Enterprise Fund
Operating Revenues	
Tenant revenue	\$ 710,854
Government operating grants	3,165,101
Other government grants	456,601
Other revenue	124,831
Total operating revenues	<u>4,457,387</u>
Operating Expenses	
Administrative	682,515
Tenant services	6,106
Utilities	270,926
Maintenance	285,766
General	164,778
Housing assistance payment	2,302,945
Depreciation	124,345
Total operating expenses	<u>3,837,381</u>
Operating income (loss)	<u>620,006</u>
Non-Operating Revenues (Expenses)	
Extraordinary Maintenance	(2,050)
Gain/Loss on Sale of Capital Assets	2,952
Interest and investment revenue	60,444
Total nonoperating revenues (expenses)	<u>61,346</u>
Income (loss) before contributions and transfers	<u>681,352</u>
Change in Net Position	681,352
Total Beginning Net Position	2,443,290
Transfers, Prior Period Adjustments	-
Total Ending Net Position	<u><u>\$ 3,124,642</u></u>

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

Staunton Redevelopment and Housing Authority

Statement of Cash Flows

For the Year Ended December 31, 2025

	Enterprise Fund
Cash flows from operating activities:	
Cash received from tenants	\$ 818,171
Cash received from operating grants	3,165,101
Cash received from other sources	581,432
Cash paid for goods and services	(727,576)
Cash paid for employees and administrative	(940,200)
Housing Assistance payments	(2,302,945)
Cash paid for other	(240)
Net cash provided (used) by operating activities	<u>593,743</u>
Cash flows from capital and related financing activities:	
Purchases, Sales and construction of capital assets	(490,810)
Net cash provided (used) by capital and related financing activities	<u>(490,810)</u>
Cash flows from investing activities:	
Interest and dividends	60,444
Extraordinary Maintenance	(2,050)
Gain/Loss on Sale of Capital Assets	2,952
(Increase) Decrease in Deferred Outflow of Resources	71,071
Increase (Decrease) in Net Pension Asset	(74,719)
Increase (Decrease) in Deferred Inflow of Resources	192,698
Net cash provided (used) by investing activities	<u>250,396</u>
Net increase (decrease) in cash and cash equivalents	353,329
Cash and cash equivalents at beginning of year	1,553,877
Cash and cash equivalents at end of year	<u><u>\$ 1,907,206</u></u>
Cash and Cash Equivalents	
Unrestricted	\$ 1,065,185
Restricted	842,021
Total Cash and Cash Equivalents	<u><u>\$ 1,907,206</u></u>

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

Staunton Redevelopment and Housing Authority

Statement of Cash Flows

For the Year Ended December 31, 2025

	Enterprise Fund
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ 620,006
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	124,345
Changes in assets and liabilities:	
(Increase) Decrease in Receivables - net	45,994
(Increase) Decrease in Inventory	(288)
(Increase) Decrease in Prepaid expenses	25,553
(Increase) Decrease in Interprogram due from	35,573
Increase (Decrease) in Accounts payable	(235,130)
Increase (Decrease) in Accrued liabilities	(30,611)
Increase (Decrease) in Tenant security deposits	(1,069)
Increase (Decrease) in Deferred revenue	61,323
Increase (Decrease) in Interprogram due to	(35,573)
Increase (Decrease) in Noncurrent liabilities	(15,537)
Net cash provided (used) by operating activities	<u>\$ 593,743</u>

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

STAUNTON REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- a. Reporting Entity – The Staunton Redevelopment and Housing Authority (SRHA) was established by the Council of the City of Staunton (City) as a political subdivision of the Commonwealth of Virginia. SRHA is responsible for operating several low-rent housing programs which provide 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 SRHA are appointed by City Council. As required by GAAP, these statements present the funds, activities, and functions of SRHA (the primary government). SRHA has a blended component unit, the Staunton Housing Corporation.

The Staunton Housing Corporation (SHC) was incorporated on August 28, 2009, in the Commonwealth of Virginia. From inception, the Corporation was organized exclusively for charitable purposes, with the intent of qualifying the organization under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (“Code”). The principal purposes of the Corporation, as set forth in its Articles of Incorporation, are to construct, develop, acquire, renovate, manage, and operate in the City of Staunton and Augusta County, Virginia, safe and sanitary dwelling accommodations for persons of low income, qualified housing for mentally or physically disabled persons, and qualified housing for elderly persons. In addition, the Corporation is authorized to further the economic development of the community, including the elimination of conditions of blight and deterioration, and to promote and assist in the creation of economic and housing opportunities for low-income persons, the elderly, and/or the disabled within the community.

On September 9, 2024, the Internal Revenue Service issued a determination letter confirming SHC’s recognition as a tax-exempt nonprofit organization under Section 501(c)(3). This formal determination aligned SHC’s operational structure with its original charitable purpose and expanded its eligibility for public and private funding streams dedicated to affordable housing and community development.

Following receipt of its 501(c)(3) determination, SHC sought certification as a Community Housing Development Organization (CHDO) under the HOME Investment Partnerships Program (24 CFR Part 92). The Certification process required SHC to demonstrate:

- Maintenance of 501(c)(3) nonprofit status;
- A governing board structure that provides accountability to the low-income community it serves;
- Organization capacity to develop, own, and manage affordable housing; and
- A defined geographic service area.

On July 30, 2025, the Virginia Department of Housing and Community Development (DHCD) issued a letter formally certifying SHC as a CHDO. This designation made SHC eligible to access HOME set-aside funds and other federal and state resources designated for community-based affordable housing development.

The progression of SHC from incorporation in 2009, through formal recognition as a 501(c)(3) nonprofit in 2024, to CHDO certification in 2025, reflects a deliberate and strategic organizational restructuring. These actions were undertaken to expand funding eligibility, ensure compliance with federal and state program requirements, and enhance SHC’s capacity to fulfill its mission of providing and preserving affordable housing in coordination with the Staunton Redevelopment and Housing Authority (SRHA).

STAUNTON REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

- b. 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 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 requires 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 is 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, 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.

- c. 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.
- d. Cash and Cash Equivalents - Highly liquid investments with initial maturities of three months or less from date of purchase are considered cash equivalents.
- e. 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.
- f. Notes Receivable - Deed of Trust and rental rehabilitation loans are carried at their unpaid principal balance. No allowance for loan losses is considered necessary.

STAUNTON REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Real Property	40 years
Real Property Improvements	15 years
Office Furniture and Equipment	7 years
Data Processing Equipment and Automobiles	5 years

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

- h. Assets Held for Sale - Buildings held for resale 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.
- i. Annual Contributions and Operating Subsidies - In accordance with the annual contributions contracts, SRHA receives operating subsidies from HUD. Such amounts are included as grant revenues from the federal government in the financial statements.
- j. Compensated Absences - Employees earn annual vacation leave at a rate ranging from 12 days per year, up to a maximum of 24 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 based on years of service. At termination, employees are paid for any accumulated annual vacation leave with two weeks' notice. The liability for accrued annual and sick leave benefits at December 31, 2025, was \$35,767, and has been recorded as accrued compensated absences, representing the Authority's commitment to fund such costs from future operations. The amount is included in the accrued liabilities of the Authority.

For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

- k. Advertising Costs - Advertising costs are charged to operations when incurred.
- l. Pension Plans - SRHA participates in a defined benefit pension plan administered by the Virginia Retirement System (VRS). For purposes of measuring net pension liability, deferred inflows/outflows of resources related to pensions, and pension expense, information about the fiduciary net position of SRHA's retirement plan and the additions to/deductions from the plan's net fiduciary position have been determined on the same basis as they were reported by the Virginia Retirement System (VRS).
- m. Restricted Net Position - Restricted Net Position balances are designated by the Multifamily Housing, Housing Choice Voucher, Moving to Work, and Business Activities programs for future expenses, or must be returned to the grantor, and generally may not be used in any manner by SRHA except as specified under their respective contracts. The Restricted Net Position balance of the Business Activities is designated to provide for financial resource utilization in future periods. Deficit balances in net position are primarily attributable to accumulated depreciation charges on fixed assets.
- n. Income Taxes - As a political subdivision of the State of Virginia, SRHA is exempt from Federal and State income taxes.

STAUNTON REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

- o. 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 four items that meet the criterion for this category, deferrals of pension and OPEB expenses that result from the implementation of GASB Statements 68 and 75. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Authority has six items that meet the criterion for this category, deferrals of earnings on pension and OPEB plan investments that result from the implementation of GASB Statements 68 and 75.

NOTE 2: CASH, CASH EQUIVALENTS AND INVESTMENTS

At December 31, 2025, the carrying amount of the Authority's cash and cash equivalent deposits was \$1,907,206 and the bank balance was \$1,568,179 which 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 SRHA 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. SRHA follows HUD's guidelines for investment policy.

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

Concentration of Credit Risk - The Authority places no limit on the amount the Authority may invest in any one issuer. All of the Authority's investments are in Certificates of Deposit.

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.

- 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.

NOTE 3: PREPAID EXPENSES

Prepaid Expenses at December 31, 2025 consisted of the following:

Prepaid Health & Dental Insurance	\$ 10,468
Total Prepaid Expense	\$ 10,468

STAUNTON REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE 4: RECEIVABLES

Receivables as of year-end for the Authority's individual programs, including the applicable allowances for uncollectible accounts, are as follows:

	Multifamily Housing	Moving to Work	Total
Receivables			
Tenants	\$ 43,111	\$ -	\$ 43,111
Other	-	2,510	2,510
Gross Receivables	43,111	2,510	45,621
Less: Allowance for Uncollectibles	(4,192)	-	(4,192)
Net Total Receivables	\$ 38,919	\$ 2,510	\$ 41,429

NOTE 5: OTHER ASSETS

Other Assets at December 31, 2025 consisted of the following:

Pension Asset (Note 8)	\$ 436,159
Total Other Assets	\$ 436,159

NOTE 6: CAPITAL ASSETS

The following is a summary of changes in the Capital Assets for year ended December 31, 2025:

	Beginning Balances	Increases	Decreases	Ending Balances
Enterprise Activities				
Capital assets not being depreciated:				
Land	\$ 214,877	\$ -	\$ -	\$ 214,877
Total capital assets not being depreciated	214,877	-	-	214,877
Buildings & improvements	8,164,323	511,310	-	8,675,633
Furniture & equipment	510,287		(20,500)	489,787
Total capital assets being depreciated	8,674,610	511,310	(20,500)	9,165,420
Less accumulated depreciation for:				
Buildings & improvements	7,621,834	108,157	-	7,729,991
Furniture & equipment	473,183	9,059	(13,371)	468,871
Total accumulated depreciation	8,095,017	\$ 117,216	\$ (13,371)	8,198,862
Total capital assets being depreciated	579,593			966,558
Enterprise activity capital assets, net	\$ 794,470			\$ 1,181,435

STAUNTON REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE 7: CURRENT LIABILITIES

Current liabilities at December 31, 2025, consisted of the following:

Accounts Payable	\$ 23,841
Accrued Wages and Payroll Taxes	23,722
Accrued Compensated Absences – Current	3,577
Unearned Revenue	62,720
Tenant Security Deposits	51,034
Other Current Liabilities	<u>43</u>
Total Current Liabilities	<u>\$ 164,937</u>

NOTE 8: DEFINED BENEFIT PENSION PLAN

The Authority contributes to the Virginia Retirement System (VRS), a Multiple Employer Agent defined benefit plan, for public employees that acts as a common investment and administrative agent for political subdivisions in the Commonwealth of Virginia.

a. Plan Description

All full-time, salaried employees of SRHA are automatically covered by the VRS Retirement System upon employment. Benefits vest after five (5) years of service. Employees are eligible for an unreduced retirement benefit at age 55 with at least (30) years of service credit.

The VRS issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for VRS. A copy of that report may be obtained by visiting the VRS website at [VRS Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2025](#) or by writing the System's CFO at P. O. Box 2500, Richmond, VA 23218-2500.

b. Employees Covered by Benefit Terms

As of the June 30, 2024 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	<u>Number</u>
Inactive Members or Their Beneficiaries Currently Receiving Benefits	7
Inactive Members:	
Vested	3
Non-Vested	11
Active Elsewhere in VRS	<u>5</u>
Total Inactive Members	19
Active Members	<u>9</u>
Total Covered Employees	<u>35</u>

STAUNTON REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE 8: DEFINED BENEFIT PENSION PLAN – Continued

c. Contributions

The contribution requirement for active employees is governed by Title 51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to state agencies by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensations toward their retirement. Prior to July 1, 2012, all or part of the 5.00% member contribution may have been assumed by the employer. Beginning July 1, 2012, new employees were required to pay the 5.00%-member contribution. In addition, for existing employees, employers were required to begin making the employee pay the 5.00% member contribution. This could be phased in over a period of up to 5 years and the employer is required to provide a salary increase equal to the amount of the increase in the employee-paid member contribution. SRHA's contractually required contribution rate for the year ended June 30, 2025 was 0% of covered employee compensation. This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from SRHA to the pension plan were \$0 for the years ended December 31, 2024 and December 31, 2025, respectively.

Liabilities, expenses and deferred outflows/inflows of resources related to pensionsa. Actuarial Assumptions

The total pension liability for General Employees in SRHA's retirement plan was based on an actuarial valuation as of June 30, 2024, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2025.

Inflation	2.50%
Salary increases, including inflation	3.5% - 5.35%
Investment rate of return	6.75% net of investment expenses

STAUNTON REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE 8: DEFINED BENEFIT PENSION PLAN - Continued

b. Net Pension Liability

The Authority's net pension liability was measured as of June 30, 2025. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2024, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2025. The following table summarizes the changes in the (Net Pension Liability/Asset) which resulted in \$436,159 being reported as a pension asset as of December 31, 2025.

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a-b)
Balance at June 30, 2024	\$ 1,863,640	\$ 2,225,080	\$ (361,440)
Changes for the year:			
Service Cost	42,670	-	42,670
Interest	121,948	-	121,948
Changes of assumptions	17,511	-	17,511
Difference between expected and actual experience	(9,449)	-	(9,449)
Contributions-employer	-	3,341	(3,341)
Contributions-employee	-	20,793	(20,793)
Net investment income	-	224,583	(224,583)
Benefit payments, including refunds of employee contributions	(199,345)	(199,345)	-
Administrative expense	-	(1,374)	1,374
Other changes	-	56	(56)
Net Changes	(26,665)	48,054	(74,719)
Balance at June 30, 2025	\$ 1,836,975	\$ 2,273,134	\$ (436,159)

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

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

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
SRHA's Net Pension Liability	(\$183,774)	(\$436,159)	(\$643,847)

STAUNTON REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE 8: DEFINED BENEFIT PENSION PLAN – Continued

d. Pension Expense (Income)

For the year ended December 31, 2025, SRHA recognized pension expense/(income) of \$(464).
The components of pension expenses/(income) are as follows:

Service Costs	\$	42,670
Interest on total pension liability		121,948
Expensed portion of current-period difference between expected and actual experience in the total pension liability		(4,725)
Expensed portion of current-period changes of assumptions		8,756
Member contributions		(20,793)
Projected earnings on plan investments		(144,235)
Expensed Portion of Current-Period Differences Between Actual and Projected Earnings on Plan Investments		(16,070)
Administrative expense		1,374
Other		(56)
Recognition of beginning deferred outflows of resources		99,438
Recognition of beginning deferred inflows of resources		(87,843)
Pension Expense(Income)	\$	464

e. Deferred Outflows of Resources and Deferred Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between expected and actual earnings on pension plan investments	\$ 32,494	\$ 101,462
Difference between expected and actual experience	-	4,724
Changes of assumptions	8,755	-
Total	\$ 41,249	\$ 106,186

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

Year ended June 30,	
2027	\$ 7,186
2028	(27,591)
2029	(28,464)
2030	(16,068)
Thereafter	-

STAUNTON REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE 9: OTHER POST EMPLOYMENT BENEFITS (OPEB)

The Authority participates in Virginia Group Life Insurance (GLI) Plan that is being maintained by Virginia Retirement System (VRS). The VRS Group Life Insurance Program is a multiple employer, cost-sharing plan. It provides coverage to state employees, teachers, and employees of participating political subdivisions.

Detailed information about the Group Life Insurance Program's Fiduciary Net Position is available in the separately issued VRS 2025 Comprehensive Annual Financial Report (CAFR). A copy of the 2025 VRS CAFR may be downloaded from the VRS website at [VRS Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2025](#), or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

- a. Plan Description - The Group Life Insurance Program is a defined benefit plan that provides a basic group life insurance benefit for employees of participating employers. The benefits payable under the Group Life Insurance Program have several components. (a) Natural Death Benefit – The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. (b) Accidental Death Benefit – The accidental death benefit is double the natural death benefit. (c) Other Benefit Provisions – In addition to the basic natural and accidental death benefits, the program provides additional benefits provided under specific circumstances. These include: (i) Accidental dismemberment benefit, (ii) Safety belt benefit, (iii) Repatriation benefit, (iv) Felonious assault benefit, and (v) Accelerated death benefit option. The benefit amounts provided to members covered under the Group Life Insurance Program are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value.
- b. Contributions- The contribution requirements for the Group Life Insurance Program are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the Group Life Insurance Program was 1.18% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.71% (1.18% X 60%) and the employer component was 0.47% (1.18% X 40%). Employers may elect to pay all or part of the employee contribution, however the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2025 was 0.47% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the Group Life Insurance Program from the entity were \$2,151 and \$2,659 for the years ended June 30, 2025 and June 30, 2024, respectively.

STAUNTON REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE 9: OTHER POST EMPLOYMENT BENEFITS (OPEB) - Continued

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

- a. Actuarial Valuation Method and Assumptions - The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2024, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2025.

Inflation	2.50%
Salary increases, including inflation	3.5% - 5.35%
Investment rate of return	6.75% net of investment expenses

The actuarial assumptions used in the June 30, 2024, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Pre-Retirement: Pub-2010 Amount Weighted General Employee Rates projected generationally females set forward 2 years; Post-Retirement: Pub-2010 Amount Weighted General Healthy Retiree Rates projected generationally; 110% of rates for females. Post-Disability: Pub-2010 Amount Weighted General Disabled Rates projected generationally; males and females set forward 3 years. Beneficiaries and Survivors: Pub-2010 Amount Weighted General Contingent Annuitant Rates projected generationally; 110% of rates for males and females.

- b. Net OPEB Liability - At December 31, 2025, SRHA reported a liability of \$15,972 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2025 and the total OPEB liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of June 30, 2024. The covered employer's proportion of the Net OPEB Liability was based on the covered employer's actuarially determined employer contributions to the Group Life Insurance Program for the year ended June 30, 2025 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2025, the SRHA employer's proportion was 0.00166% as compared to 0.00192% at June 30, 2024.
- c. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate - The following presents the net OPEB liability of SRHA using the discount rate of 6.75%, as well as what SRHA's net OPEB liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
SRHA's Net OPEB Liability	\$26,945	\$15,972	\$7,120

STAUNTON REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE 9: OTHER POST EMPLOYMENT BENEFITS (OPEB) – Continued

- d. OPEB Expense- For the year ended December 31, 2025, SRHA recognized OPEB expense of \$936. Since there was a change in proportionate share between measurement dates, a portion of the OPEB expense was related to deferred amounts from changes in proportion.
- e. Deferred Outflows of Resources and Deferred Inflows of Resources - At December 31, 2025, SRHA reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between expected and actual earnings on pension plan investments	\$ -	\$ 2,235
Difference between expected and actual experience	2,833	301
Changes of assumptions	-	523
Changes in proportionate share	378	5,480
Total	\$ 3,211	\$ 8,539

Deferred outflows of resources and deferred inflows of resources related to OPEB resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the Net OPEB Liability in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in OPEB expense as follows:

Year ended June 30,	
2026	\$ (1,084)
2027	(1,558)
2028	(1,242)
2029	(1,133)
2030	(310)
Thereafter	-

Due to the immaterial amounts associated with the VLDP plan, the related footnote disclosures have not been included in the December 31, 2025 financials.

STAUNTON REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE 10: CONTINGENCIES AND OTHER MATTERS

a. Litigation and Other Matters

Certain claims, suits and complaints may arise in the ordinary course of business. None have been filed and none are pending against the Authority. In the opinion of the Authority's management, any such matters are adequately covered by insurance.

b. Grants

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

NOTE 11: 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 reports all of its risk management activities in its Multifamily Housing program and pays all claims for retained risks from Multifamily Housing program resources. The Authority intends to fund claims, if any, when they arise from the Multifamily Housing program. For all retained risks, claims expense and liabilities are reported when it is probable that a loss has occurred and the amount of loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. Liabilities are not discounted.

As of December 31, 2025, the Authority had no incurred or paid claims and no claims were outstanding at the beginning or end of the year.

NOTE 12: LEASES

As discussed in Note 1, the Authority leases certain property included in the Multifamily Housing program. Minimum annual rental income amounts receivable for the next five (5) years have not been presented for the Multifamily Housing program because rental income depends on the ultimate occupancy of units and tenant income. Tenant rental income in these funds is supplemented by HUD through annual contributions.

NOTE 13: ECONOMIC DEPENDENCY

Both the PHA Owned Multifamily Housing Program, Housing Choice Voucher, and the Moving to Work Program are economically dependent on annual contributions and grants from HUD. Both programs operate at a loss prior to receiving the contributions and grants.

STAUNTON REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE 14: IMPAIRMENT OF CAPITAL ASSETS

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

NOTE 15: NONCURRENT LIABILITIES:

Noncurrent liabilities at December 31, 2025, consisted of the following:

	Balance 12/31/2024	Increases	Decreases	Balance 12/31/2025	Long-Term Portion	Current Portion
Accrued Pension and OPEB Liabilities	\$ 20,349	\$ -	\$ (5,395)	\$ 14,954	\$ 14,954	\$ -
Compensated absences	47,036	33,035	(44,304)	35,767	32,190	3,577
Total long-term liabilities	\$ 67,385	\$ 33,035	\$ (49,699)	\$ 50,721	\$ 47,144	\$ 3,577

NOTE 16: ASSETS HELD FOR DEVELOPMENT:

The Authority purchased six properties on behalf of the City of Staunton. City funds paid for the properties directly and the properties will, in turn, be used for development.

NOTE 17: SUBSEQUENT EVENT

Management has evaluated subsequent events through September 25, 2026, the date on which financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

Staunton Redevelopment & Housing Authority (VA023)

STAUNTON, VA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit Fiscal Year End: 12/31/2025

	6.2 Component Unit - Blended	14.195 Section 8 Housing Assistance Payments Program_Special Allocations	14.HCV MTW Demonstration Program for HCV program	14.881 Moving to Work Demonstration Program	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$798,779	\$257,663		\$8,743	\$1,065,185		\$1,065,185
112 Cash - Restricted - Modernization and Development							
113 Cash - Other Restricted		\$580,576		\$210,412	\$790,988		\$790,988
114 Cash - Tenant Security Deposits		\$51,033			\$51,033		\$51,033
115 Cash - Restricted for Payment of Current Liabilities							
100 Total Cash	\$798,779	\$889,272	\$0	\$219,155	\$1,907,206	\$0	\$1,907,206
121 Accounts Receivable - PHA Projects							
122 Accounts Receivable - HUD Other Projects				\$1,802	\$1,802		\$1,802
124 Accounts Receivable - Other Government							
125 Accounts Receivable - Miscellaneous		\$1,191		\$708	\$1,899		\$1,899
126 Accounts Receivable - Tenants		\$41,920			\$41,920		\$41,920
126.1 Allowance for Doubtful Accounts -Tenants		-\$4,192			-\$4,192		-\$4,192
126.2 Allowance for Doubtful Accounts - Other		\$0		\$0	\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current							
128 Fraud Recovery							
128.1 Allowance for Doubtful Accounts - Fraud							
129 Accrued Interest Receivable							
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$0	\$38,919	\$0	\$2,510	\$41,429	\$0	\$41,429
131 Investments - Unrestricted							
132 Investments - Restricted							
135 Investments - Restricted for Payment of Current Liability							
142 Prepaid Expenses and Other Assets		\$8,898		\$1,570	\$10,468		\$10,468
143 Inventories		\$45,052			\$45,052		\$45,052
143.1 Allowance for Obsolete Inventories		-\$4,505			-\$4,505		-\$4,505
144 Inter Program Due From	\$123,158	\$6,089			\$129,247	-\$129,247	\$0
145 Assets Held for Sale							
150 Total Current Assets	\$921,937	\$983,725	\$0	\$223,235	\$2,128,897	-\$129,247	\$1,999,650

Staunton Redevelopment & Housing Authority (VA023)

STAUNTON, VA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit Fiscal Year End: 12/31/2025

	6.2 Component Unit - Blended	14.195 Section 8 Housing Assistance Payments Program_Special Allocations	14.HCV MTW Demonstration Program for HCV program	14.881 Moving to Work Demonstration Program	Subtotal	ELIM	Total
161 Land	\$21,330	\$193,547			\$214,877		\$214,877
162 Buildings	\$64,351	\$8,611,282			\$8,675,633		\$8,675,633
163 Furniture, Equipment & Machinery - Dwellings		\$209,203			\$209,203		\$209,203
164 Furniture, Equipment & Machinery - Administration	\$9,029	\$262,535		\$9,020	\$280,584		\$280,584
165 Leasehold Improvements							
166 Accumulated Depreciation	-\$10,638	-\$8,180,115		-\$8,109	-\$8,198,862		-\$8,198,862
167 Construction in Progress							
168 Infrastructure							
160 Total Capital Assets, Net of Accumulated Depreciation	\$84,072	\$1,096,452	\$0	\$911	\$1,181,435	\$0	\$1,181,435
171 Notes, Loans and Mortgages Receivable - Non-Current							
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due							
173 Grants Receivable - Non Current							
174 Other Assets		\$349,697		\$86,462	\$436,159		\$436,159
176 Investments in Joint Ventures							
180 Total Non-Current Assets	\$84,072	\$1,446,149	\$0	\$87,373	\$1,617,594	\$0	\$1,617,594
200 Deferred Outflow of Resources		\$36,047		\$8,913	\$44,960		\$44,960
290 Total Assets and Deferred Outflow of Resources	\$1,006,009	\$2,465,921	\$0	\$319,521	\$3,791,451	-\$129,247	\$3,662,204

Staunton Redevelopment & Housing Authority (VA023)

STAUNTON, VA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit Fiscal Year End: 12/31/2025

	6.2 Component Unit - Blended	14.195 Section 8 Housing Assistance Payments Program_Special Allocations	14.HCV MTW Demonstration Program for HCV program	14.881 Moving to Work Demonstration Program	Subtotal	ELIM	Total
311 Bank Overdraft							
312 Accounts Payable <= 90 Days		\$23,841			\$23,841		\$23,841
313 Accounts Payable >90 Days Past Due							
321 Accrued Wage/Payroll Taxes Payable		\$23,722			\$23,722		\$23,722
322 Accrued Compensated Absences - Current Portion		\$2,987		\$590	\$3,577		\$3,577
324 Accrued Contingency Liability							
325 Accrued Interest Payable							
331 Accounts Payable - HUD PHA Programs							
332 Account Payable - PHA Projects							
333 Accounts Payable - Other Government							
341 Tenant Security Deposits		\$51,034			\$51,034		\$51,034
342 Unearned Revenue		\$62,720		\$0	\$62,720		\$62,720
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue							
344 Current Portion of Long-term Debt - Operating Borrowings							
345 Other Current Liabilities				\$43	\$43		\$43
346 Accrued Liabilities - Other							
347 Inter Program - Due To				\$129,247	\$129,247	-\$129,247	\$0
348 Loan Liability - Current							
310 Total Current Liabilities	\$0	\$164,304	\$0	\$129,880	\$294,184	-\$129,247	\$164,937
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue							
352 Long-term Debt, Net of Current - Operating Borrowings							
353 Non-current Liabilities - Other							
354 Accrued Compensated Absences - Non Current		\$26,880		\$5,310	\$32,190		\$32,190
355 Loan Liability - Non Current							
356 FASB 5 Liabilities							
357 Accrued Pension and OPEB Liabilities		\$11,990		\$2,964	\$14,954		\$14,954
350 Total Non-Current Liabilities	\$0	\$38,870	\$0	\$8,274	\$47,144	\$0	\$47,144

Staunton Redevelopment & Housing Authority (VA023)

STAUNTON, VA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit Fiscal Year End: 12/31/2025

	6.2 Component Unit - Blended	14.195 Section 8 Housing Assistance Payments Program_Special Allocations	14.HCV MTW Demonstration Program for HCV program	14.881 Moving to Work Demonstration Program	Subtotal	ELIM	Total
300 Total Liabilities	\$0	\$203,174	\$0	\$138,154	\$341,328	-\$129,247	\$212,081
400 Deferred Inflow of Resources		\$92,258		\$233,223	\$325,481		\$325,481
508.4 Net Investment in Capital Assets	\$84,072	\$1,096,452		\$911	\$1,181,435		\$1,181,435
511.4 Restricted Net Position		\$580,576			\$580,576		\$580,576
512.4 Unrestricted Net Position	\$921,937	\$493,461	\$0	-\$52,767	\$1,362,631		\$1,362,631
513 Total Equity - Net Assets / Position	\$1,006,009	\$2,170,489	\$0	-\$51,856	\$3,124,642	\$0	\$3,124,642
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$1,006,009	\$2,465,921	\$0	\$319,521	\$3,791,451	-\$129,247	\$3,662,204

Staunton Redevelopment & Housing Authority (VA023)

STAUNTON, VA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit Fiscal Year End: 12/31/2025

	6.2 Component Unit - Blended	14.195 Section 8 Housing Assistance Payments Program_Special Allocations	14.HCV MTW Demonstration Program for HCV program	14.881 Moving to Work Demonstration Program	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue		\$519,475			\$519,475		\$519,475
70400 Tenant Revenue - Other		\$191,379			\$191,379		\$191,379
70500 Total Tenant Revenue	\$0	\$710,854	\$0	\$0	\$710,854	\$0	\$710,854
70600 HUD PHA Operating Grants		\$719,260	\$2,445,841		\$3,165,101		\$3,165,101
70610 Capital Grants							
70710 Management Fee							
70720 Asset Management Fee							
70730 Book Keeping Fee							
70740 Front Line Service Fee							
70750 Other Fees							
70700 Total Fee Revenue					\$0	\$0	\$0
70800 Other Government Grants		\$456,601			\$456,601		\$456,601
71100 Investment Income - Unrestricted	\$33,943				\$33,943		\$33,943
71200 Mortgage Interest Income							
71300 Proceeds from Disposition of Assets Held for Sale							
71310 Cost of Sale of Assets							
71400 Fraud Recovery				\$1,014	\$1,014		\$1,014
71500 Other Revenue	\$78,481	\$8,012		\$37,324	\$123,817		\$123,817
71600 Gain or Loss on Sale of Capital Assets		\$2,952			\$2,952		\$2,952
72000 Investment Income - Restricted		\$26,501			\$26,501		\$26,501
70000 Total Revenue	\$112,424	\$1,924,180	\$2,445,841	\$38,338	\$4,520,783	\$0	\$4,520,783
91100 Administrative Salaries		\$263,831		\$87,735	\$351,566		\$351,566
91200 Auditing Fees	\$4,669	\$4,669		\$4,670	\$14,008		\$14,008
91300 Management Fee							
91310 Book-keeping Fee							

Staunton Redevelopment & Housing Authority (VA023)

STAUNTON, VA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit Fiscal Year End: 12/31/2025

	6.2 Component Unit - Blended	14.195 Section 8 Housing Assistance Payments Program_Special Allocations	14.HCV MTW Demonstration Program for HCV program	14.881 Moving to Work Demonstration Program	Subtotal	ELIM	Total
91400 Advertising and Marketing							
91500 Employee Benefit contributions - Administrative		\$138,574		-\$6,039	\$132,535		\$132,535
91600 Office Expenses	\$9,321	\$58,118		\$32,755	\$100,194		\$100,194
91700 Legal Expense	\$6,146	\$23,785		\$1,596	\$31,527		\$31,527
91800 Travel		\$395		\$1,112	\$1,507		\$1,507
91810 Allocated Overhead							
91900 Other	\$4,125	\$32,341		\$14,712	\$51,178		\$51,178
91000 Total Operating - Administrative	\$24,261	\$521,713	\$0	\$136,541	\$682,515	\$0	\$682,515
92000 Asset Management Fee							
92100 Tenant Services - Salaries							
92200 Relocation Costs							
92300 Employee Benefit Contributions - Tenant Services							
92400 Tenant Services - Other		\$6,106			\$6,106		\$6,106
92500 Total Tenant Services	\$0	\$6,106	\$0	\$0	\$6,106	\$0	\$6,106
93100 Water		\$71,752			\$71,752		\$71,752
93200 Electricity		\$123,618			\$123,618		\$123,618
93300 Gas		\$75,556			\$75,556		\$75,556
93400 Fuel							
93500 Labor							
93600 Sewer							
93700 Employee Benefit Contributions - Utilities							
93800 Other Utilities Expense							
93000 Total Utilities	\$0	\$270,926	\$0	\$0	\$270,926	\$0	\$270,926
94100 Ordinary Maintenance and Operations - Labor		\$79,514			\$79,514		\$79,514
94200 Ordinary Maintenance and Operations - Materials and Other		\$54,233			\$54,233		\$54,233

Staunton Redevelopment & Housing Authority (VA023)

STAUNTON, VA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit Fiscal Year End: 12/31/2025

	6.2 Component Unit - Blended	14.195 Section 8 Housing Assistance Payments Program_Special Allocations	14.HCV MTW Demonstration Program for HCV program	14.881 Moving to Work Demonstration Program	Subtotal	ELIM	Total
94300 Ordinary Maintenance and Operations Contracts		\$111,726			\$111,726		\$111,726
94500 Employee Benefit Contributions - Ordinary Maintenance		\$40,293			\$40,293		\$40,293
94000 Total Maintenance	\$0	\$285,766	\$0	\$0	\$285,766	\$0	\$285,766
95100 Protective Services - Labor							
95200 Protective Services - Other Contract Costs							
95300 Protective Services - Other							
95500 Employee Benefit Contributions - Protective Services							
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96110 Property Insurance		\$48,559		\$3,217	\$51,776		\$51,776
96120 Liability Insurance	\$644				\$644		\$644
96130 Workmen's Compensation							
96140 All Other Insurance							
96100 Total insurance Premiums	\$644	\$48,559	\$0	\$3,217	\$52,420	\$0	\$52,420
96200 Other General Expenses				\$2,164	\$2,164		\$2,164
96210 Compensated Absences		\$60,369		\$12,083	\$72,452		\$72,452
96300 Payments in Lieu of Taxes		\$19,566			\$19,566		\$19,566
96400 Bad debt - Tenant Rents		\$18,176			\$18,176		\$18,176
96500 Bad debt - Mortgages							
96600 Bad debt - Other							
96800 Severance Expense							
96000 Total Other General Expenses	\$0	\$98,111	\$0	\$14,247	\$112,358	\$0	\$112,358
96710 Interest of Mortgage (or Bonds) Payable							
96720 Interest on Notes Payable (Short and Long Term)							
96730 Amortization of Bond Issue Costs							

Staunton Redevelopment & Housing Authority (VA023)

STAUNTON, VA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit Fiscal Year End: 12/31/2025

	6.2 Component Unit - Blended	14.195 Section 8 Housing Assistance Payments Program_Special Allocations	14.HCV MTW Demonstration Program for HCV program	14.881 Moving to Work Demonstration Program	Subtotal	ELIM	Total
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$24,905	\$1,231,181	\$0	\$154,005	\$1,410,091	\$0	\$1,410,091
97000 Excess of Operating Revenue over Operating Expenses	\$87,519	\$692,999	\$2,445,841	-\$115,667	\$3,110,692	\$0	\$3,110,692
97100 Extraordinary Maintenance		\$2,050			\$2,050		\$2,050
97200 Casualty Losses - Non-capitalized							
97300 Housing Assistance Payments				\$2,269,155	\$2,269,155		\$2,269,155
97350 HAP Portability-In				\$33,790	\$33,790		\$33,790
97400 Depreciation Expense	\$1,609	\$121,825		\$911	\$124,345		\$124,345
97500 Fraud Losses							
97600 Capital Outlays - Governmental Funds							
97700 Debt Principal Payment - Governmental Funds							
97800 Dwelling Units Rent Expense							
90000 Total Expenses	\$26,514	\$1,355,056	\$0	\$2,457,861	\$3,839,431	\$0	\$3,839,431
10010 Operating Transfer In		\$2,250		\$2,445,841	\$2,448,091	-\$2,448,091	\$0
10020 Operating transfer Out	-\$2,250		-\$2,445,841		-\$2,448,091	\$2,448,091	\$0
10030 Operating Transfers from/to Primary Government							
10040 Operating Transfers from/to Component Unit							
10050 Proceeds from Notes, Loans and Bonds							
10060 Proceeds from Property Sales							
10070 Extraordinary Items, Net Gain/Loss							
10080 Special Items (Net Gain/Loss)							
10091 Inter Project Excess Cash Transfer In							
10092 Inter Project Excess Cash Transfer Out							
10093 Transfers between Program and Project - In							

Staunton Redevelopment & Housing Authority (VA023)

STAUNTON, VA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit Fiscal Year End: 12/31/2025

	6.2 Component Unit - Blended	14.195 Section 8 Housing Assistance Payments Program_Special Allocations	14.HCV MTW Demonstration Program for HCV program	14.881 Moving to Work Demonstration Program	Subtotal	ELIM	Total
10094 Transfers between Project and Program - Out							
10100 Total Other financing Sources (Uses)	-\$2,250	\$2,250	-\$2,445,841	\$2,445,841	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$83,660	\$571,374	\$0	\$26,318	\$681,352	\$0	\$681,352
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0		\$0
11030 Beginning Equity	\$922,349	\$1,599,115	\$0	-\$78,174	\$2,443,290		\$2,443,290
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors							
11050 Changes in Compensated Absence Balance							
11060 Changes in Contingent Liability Balance							
11070 Changes in Unrecognized Pension Transition Liability							
11080 Changes in Special Term/Severance Benefits Liability							
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents							
11100 Changes in Allowance for Doubtful Accounts - Other							
11170 Administrative Fee Equity					\$0		\$0
11180 Housing Assistance Payments Equity					\$0		\$0
11190 Unit Months Available		1800		3036	4836		4836
11210 Number of Unit Months Leased		1733		2860	4593		4593
11270 Excess Cash					\$0		\$0
11610 Land Purchases					\$0		\$0
11620 Building Purchases					\$0		\$0
11630 Furniture & Equipment - Dwelling Purchases					\$0		\$0
11640 Furniture & Equipment - Administrative Purchases					\$0		\$0
11650 Leasehold Improvements Purchases					\$0		\$0
11660 Infrastructure Purchases					\$0		\$0
13510 CFFP Debt Service Payments					\$0		\$0
13901 Replacement Housing Factor Funds					\$0		\$0

STAUNTON REDEVELOPMENT AND HOUSING AUTHORITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2025

DIRECT FEDERAL ASSISTANCE

<u>FEDERAL GRANTOR/PROGRAM</u>	<u>ALN</u>	<u>FEDERAL EXPENDITURES</u>
<u>U.S. DEPARTMENT OF HUD</u>		
Multifamily Housing	14.195	\$ 719,260
Moving to Work – Housing Choice Voucher	14.HCV*	2,445,841
CDBG	14.218	<u>456,601</u>
TOTAL U.S. DEPARTMENT OF HUD		<u>\$ 3,621,702</u>

(*) Denotes Major Program

STAUNTON REDEVELOPMENT AND HOUSING AUTHORITY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2025

Note 1: Basis of Accounting

The Schedule of Expenditures of Federal Awards is prepared on the GAAP basis of accounting.

Note 2: Major Programs

The (*) to the right of an ALN identifies the grant as a major federal program as defined by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

Note 3: Award Balance

On the Housing Choice Voucher and Moving to Work programs, the Authority receives annual funds based on an annual estimate of need. Unexpended grant funds are used 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 15-percent de minimis 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.

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

Board of Commissioners
Staunton Redevelopment
and Housing Authority
Staunton, Virginia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Staunton Redevelopment and Housing Authority's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Staunton Redevelopment and Housing Authority's major federal programs for the year ended December 31, 2025. Staunton Redevelopment and Housing Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Staunton Redevelopment and Housing Authority's complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2025.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

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

Report on Internal Control over Compliance

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

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

Dooley & Vicars

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

Richmond, Virginia
September 25, 2026



Dooley & Vicars

Certified Public Accountants, L.L.P.

Daniel J. Dooley, C.P.A.

Michael H. Vicars, C.P.A.

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

Board of Commissioners
Staunton Redevelopment
and Housing Authority
Staunton, 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 Staunton Redevelopment and Housing Authority, the major fund of the Staunton Redevelopment and Housing Authority as of and for the year ended December 31, 2025, and the related notes to the financial statements and have issued our report thereon September 25, 2026.

Internal Control over Financial Reporting

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

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

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

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

Purpose of this Report

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

Dooley & Vicars

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

Richmond, Virginia
September 25, 2026

STAUNTON REDEVELOPMENT AND HOUSING AUTHORITY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2025

No Prior Audit Findings

STAUNTON REDEVELOPMENT AND HOUSING AUTHORITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2025

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

Federal Awards

Internal control over major programs:

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

Type of auditor's report issued on
compliance for major programs: UnmodifiedAny audit findings disclosed that are
required to be reported in accordance
with *Title 2, CFR Part 200 (Uniform Guidance)*: ___ yes _x_ no

STAUNTON REDEVELOPMENT AND HOUSING AUTHORITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2025
(CONTINUED)

Identification of major programs:

<i>ALN(s)</i>	<i>Name of Federal Program or Cluster</i>
14.HCV	MTW Demonstration Program for HCV Program

Dollar threshold used to distinguish
between type A and B programs: \$1,000,000

Auditee qualified as low-risk auditee? ☒ yes ☐ no

Section II -- Financial Statement Findings

There are no financial statement findings.

Section III -- Federal Awards Findings and Questioned Costs

There are no federal award findings.

REQUIRED SUPPLEMENTAL INFORMATION

STAUNTON REDEVELOPMENT AND HOUSING AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION RELATED TO PENSIONS
FOR THE YEAR ENDED DECEMBER 31, 2025

Schedule of Changes in SRHA's Net Pension Liability and Related Ratios

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability										
Service cost	\$ 42,670	\$ 41,333	\$ 39,293	\$ 29,877	\$ 32,740	\$ 32,712	\$ 26,145	\$ 26,051	\$ 29,388	\$ 29,948
Interest	121,948	112,100	118,732	124,462	112,837	105,181	97,420	82,717	77,804	72,288
Changes of assumptions	17,511	-	-	-	59,548	-	45,910	-	1,926	-
Difference between expected and actual experience	(9,449)	137,019	(66,652)	(89,206)	(35,537)	2,410	26,981	130,651	(13,974)	5,695
Benefit payments, including refunds of employee contributions	(190,280)	(92,448)	(290,865)	(28,029)	(26,443)	(27,320)	(32,542)	(26,218)	(23,700)	(34,559)
Net change in total pension liability	(17,600)	198,004	(199,492)	37,104	143,145	112,983	163,914	213,201	71,444	73,372
Total pension liability - beginning	1,863,640	1,665,636	1,865,128	1,828,024	1,684,879	1,571,896	1,407,982	1,194,781	1,123,337	1,049,965
Total pension liability - ending (a)	\$ 1,846,040	\$ 1,863,640	\$ 1,665,636	\$ 1,865,128	\$ 1,828,024	\$ 1,684,879	\$ 1,571,896	\$ 1,407,982	\$ 1,194,781	\$ 1,123,337
Plan fiduciary net position										
Contributions - employer	\$ 3,341	\$ -	\$ -	\$ 4,683	\$ 4,457	\$ 2,539	\$ 2,606	\$ 2,722	\$ 2,487	\$ 2,712
Contributions - employee	20,793	22,315	24,639	22,922	22,311	21,855	20,536	18,559	47,075	17,621
Net investment income	224,583	201,016	136,888	(3,164)	482,510	33,028	108,637	112,436	165,043	22,872
Benefit payments, including refunds of employee contributions	(190,280)	(92,448)	(290,865)	(28,029)	(26,443)	(27,320)	(32,542)	(26,218)	(23,700)	(34,559)
Administrative expense	(1,374)	(1,384)	(1,655)	(1,375)	(1,168)	(1,102)	(1,057)	(956)	(912)	(822)
Other	56	(103)	49	52	46	(39)	(69)	(101)	(148)	(10)
Net change in plan fiduciary net position	57,119	129,396	(130,944)	(4,911)	481,713	28,961	98,111	106,442	189,845	7,814
Plan fiduciary net position - beginning	2,225,080	2,095,684	2,226,628	2,231,539	1,749,826	1,720,865	1,622,754	1,516,312	1,326,467	1,318,653
Plan fiduciary net position - ending (b)	\$ 2,282,199	\$ 2,225,080	\$ 2,095,684	\$ 2,226,628	\$ 2,231,539	\$ 1,749,826	\$ 1,720,865	\$ 1,622,754	\$ 1,516,312	\$ 1,326,467
SRHA's net pension liability (asset) - ending (a)-(b)	\$ (436,159)	\$ (361,440)	\$ (430,048)	\$ (361,500)	\$ (403,515)	\$ (64,947)	\$ (148,969)	\$ (214,772)	\$ (321,531)	\$ (203,130)
Plan fiduciary net position as a percentage of the total Pension liability	124%	119%	126%	119%	104%	109%	115%	127%	118%	126%
Covered employee payroll	\$ 505,110	\$ 507,264	\$ 492,490	\$ 485,074	\$ 474,851	\$ 461,254	\$ 424,783	\$ 371,670	\$ 367,537	\$ 359,875
SRHA's net pension liability as a percentage of covered employee payroll	-86%	-71%	-87%	-75%	-14%	-35%	-58%	-87%	-56%	-76%

Totals, with the exception of the covered payroll, are from Appendix 16 - Total Pension Liability and Appendix 17 – Fiduciary Net Position of the GASB Statement No. 68 Report.

STAUNTON REDEVELOPMENT AND HOUSING AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION RELATED TO PENSIONS
FOR THE YEAR ENDED DECEMBER 31, 2025

Schedule of Contributions
6/30/2016 – 6/30/2025

Date	Employer's Contribution Rate Due	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employers Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
6/30/2025	0.73%	\$ 3,687	\$ 3,687	\$ -	\$ 505,110	0.73%
6/30/2024	0.00%	-	-	-	507,264	0.00%
6/30/2023	0.00%	-	-	-	492,490	0.00%
6/30/2022	1.24%	6,015	6,015	-	485,074	1.24%
6/30/2021	1.24%	5,888	5,888	-	474,851	0.79%
6/30/2020	0.79%	1,891	3,644	(1,753)	461,254	0.79%
6/30/2019	0.41%	1,742	3,356	(1,614)	424,783	0.73%
6/30/2018	0.73%	2,722	2,722	-	371,670	0.79%
6/30/2017	0.79%	2,904	2,904	-	367,537	0.79%
6/30/2016	0.79%	2,843	2,843	-	359,875	0.79%

STAUNTON REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION RELATED TO PENSIONS
FOR THE YEAR ENDED DECEMBER 31, 2025**Note 1: Changes of Benefit Terms**

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

Note 2: Changes of assumptions

The actuarial assumptions used in the June 30, 2024, valuation were based on the results of an actuarial experience study for the period from July 1, 2020, through June 30, 2024. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Largest 10 Locality Employers – General Employees

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Maintain PUB-2010 tables with adjustments, update to MP-2021 projection scale multiplied by 75%
Retirement Rates	Moved ~25% of the way to the observed experience, on a liability-weighted basis
Termination Rates	Moved ~25% of the way to the observed experience, on a liability-weighted basis
Disability Rates	Moved ~50% of the way to the observed experience, on a headcount-weighted basis, to maintain margin
Salary Scale	Increase Merit & Longevity 50 basis points
Line of Duty Disability	No change
Discount Rate	No change

STAUNTON REDEVELOPMENT AND HOUSING AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION RELATED TO OTHER POST EMPLOYMENT BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2025

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Employer's Proportion of the Net OPEB GLI Liability (Asset)	0.00166%	0.00192%	0.00226%	0.00223%	0.00230%	0.00224%	0.00218%	0.00199%	0.00196%
Employer's Proportionate Share of the Net GLI OPEB Liability (Asset)	\$15,972	\$21,426	\$27,104	\$26,851	\$26,778	\$37,832	\$35,474	\$30,000	\$30,000
Employer's Covered Payroll	\$505,110	\$457,664	\$492,490	\$531,692	\$485,074	\$474,853	\$461,254	\$377,842	\$361,155
Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of its Covered Payroll	3.16%	4.68%	5.50%	5.05%	5.64%	7.97%	7.69%	7.94%	8.31%
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	78.30%	73.41%	69.30%	67.21%	48.25%	52.64%	52.00%	51.22%	48.86%

Schedule is intended to show information for 10 years. Since 2025 is the ninth year for this presentation, only nine years of data are available. However, additional years will be included as they become available.

The Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability for the VRS Group Life Insurance Program for each year is presented on page 136 of the VRS 2025 Comprehensive Annual Financial Report (CAFR).

STAUNTON REDEVELOPMENT AND HOUSING AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION RELATED TO OTHER POST EMPLOYMENT
BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2025
(CONTINUED)

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

Date	Employer's Contribution Rate Due	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employers Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
6/30/2025	0.47%	\$ 2,374	\$ 2,374	\$ -	\$ 505,110	0.47%
6/30/2024	0.47%	2,151	2,151	-	457,664	0.47%
6/30/2023	0.54%	2,659	2,659	-	492,490	0.54%
6/30/2022	0.54%	2,871	2,871	-	531,692	0.54%
6/30/2021	0.54%	2,619	2,619	-	485,074	0.54%
6/30/2020	0.54%	2,564	2,564	-	474,853	0.54%
6/30/2019	0.52%	2,399	2,399	-	461,254	0.52%
6/30/2018	0.52%	1,965	1,965	-	377,842	0.52%
6/30/2017	0.52%	1,878	1,878	-	361,155	0.52%
6/30/2016	0.53%	1,875	1,698	177	353,678	0.48%

STAUNTON REDEVELOPMENT AND HOUSING AUTHORITY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION RELATED TO OTHER POST
EMPLOYMENT BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2025

Note 1: Changes of Benefit Terms

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

Note 2: Changes of assumptions

The actuarial assumptions used in the June 30, 2024, valuation were based on the results of an actuarial experience study for the period from July 1, 2020, through June 30, 2024. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Largest 10 Locality Employers – General Employees

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Maintain PUB-2010 tables with adjustments, update to MP-2021 projection scale multiplied by 75%
Retirement Rates	Moved ~25% of the way to the observed experience, on a liability-weighted basis
Termination Rates	Moved ~25% of the way to the observed experience, on a liability-weighted basis
Disability Rates	Moved ~50% of the way to the observed experience, on a headcount-weighted basis, to maintain margin
Salary Scale	Increase Merit & Longevity 50 basis points
Retiree liability estimation for Life Only	Change from 1.618% to 2.0%
Discount Rate	No change

STAUNTON REDEVELOPMENT & HOUSING AUTHORITY

BOARD RESOLUTION

Resolution No: AUD 2025

Acceptance of the Fiscal Year 2025 Independent Financial Audit

October 20, 2026

WHEREAS, the Staunton Redevelopment & Housing Authority is committed to responsible financial management, transparency, accountability, and the proper stewardship of public resources; and

WHEREAS, the Staunton Redevelopment & Housing Authority is subject to applicable federal and state financial reporting and audit requirements; and

WHEREAS, the independent accounting firm of Dooley & Vicars conducted an audit of the Authority's financial statements for the fiscal year ended December 31, 2025; and

WHEREAS, the independent auditor issued an unmodified opinion on the Authority's financial statements for the fiscal year ended December 31, 2025; and

WHEREAS, the independent auditor's report, audited financial statements, and related communications to those charged with governance have been provided for the Board of Commissioners' review; and

WHEREAS, the Board of Commissioners recognizes its responsibility to exercise financial oversight and to consider the results of the independent financial audit, including any findings, recommendations, or matters requiring management attention; and

WHEREAS, the Fiscal Year 2025 Independent Financial Audit and accompanying reports are incorporated by reference into this Resolution.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Commissioners of the Staunton Redevelopment & Housing Authority hereby formally accepts the Fiscal Year 2025 Independent Financial Audit for the fiscal year ended December 31, 2025.

BE IT FURTHER RESOLVED, that the Board of Commissioners acknowledges receipt of the independent auditor's report, audited financial statements, and related communications and directs that these documents be maintained in the Authority's official financial records.

BE IT FURTHER RESOLVED, that the Board of Commissioners authorizes the Executive Director to complete any required audit-related submissions, coordinate any necessary follow-up

with the independent auditor, and address any applicable recommendations or corrective actions in accordance with governing requirements and established Authority policies.

BE IT FINALLY RESOLVED, that acceptance of the independent financial audit constitutes acknowledgment of the completed audit and the Board's exercise of financial oversight and does not alter the respective responsibilities of management or the independent auditor.

NEHEMIAS VELEZ
EXECUTIVE DIRECTOR

Signature: _____

NICHOLAS HURSTON
CHAIRPERSON

Signature: _____

OCTOBER 20, 2026
DATE