



**Economic Development Authority of the City of Richmond  
Special Called Meeting Notice – September 21, 2023**

**WHAT:** The City of Richmond’s Economic Development Authority will hold a **Special Called Meeting.**

**WHEN:** Thursday September 21, 2023, at 11:00 A.M.

**WHERE:** Main Street Station, 1500 East Main Street, 3rd Floor Conference Room

**CONTACT:** Carla Childs at (804) 646-4746 or [carla.childs@rva.gov](mailto:carla.childs@rva.gov)

For more information about The City of Richmond’s Economic Development Authority (EDA), Visit: <http://www.Richmondeda.com/>

**ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF RICHMOND**  
**SPECIAL CALLED BOARD MEETING SEPTEMBER 21, 2023**  
**BOARD MEETING AGENDA**

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- I. Call to Order
  - A. Public Meeting Disclosure
- II. Comment (Maximum of Three Minutes Per Person)
- III. New Business
  - A. FY2023 EDA Financial Audit
  - B. RVA Street Foodies Agreement
  - C. Motion to Petition City Council to Create the Community Development Authority for the Diamond District Project
- IV. Report of the Officers
  - A. Report of the Chairman
  - B. Report of the Secretary
- V. Other Business
  - A. Affordable Housing Performance Grants Overview
- VI. Executive Session
  - A. Discuss the disposition of publically held real property located at 2401 West Leigh Street and to consult with the Authority's legal counsel regarding such property and its disposition.
- VII. Adjournment

**Upcoming Meetings**

- Board Meeting – October 26, 2023
- Finance Committee Meeting – October 26, 2023
- Marketing Committee Meeting – October 26, 2023

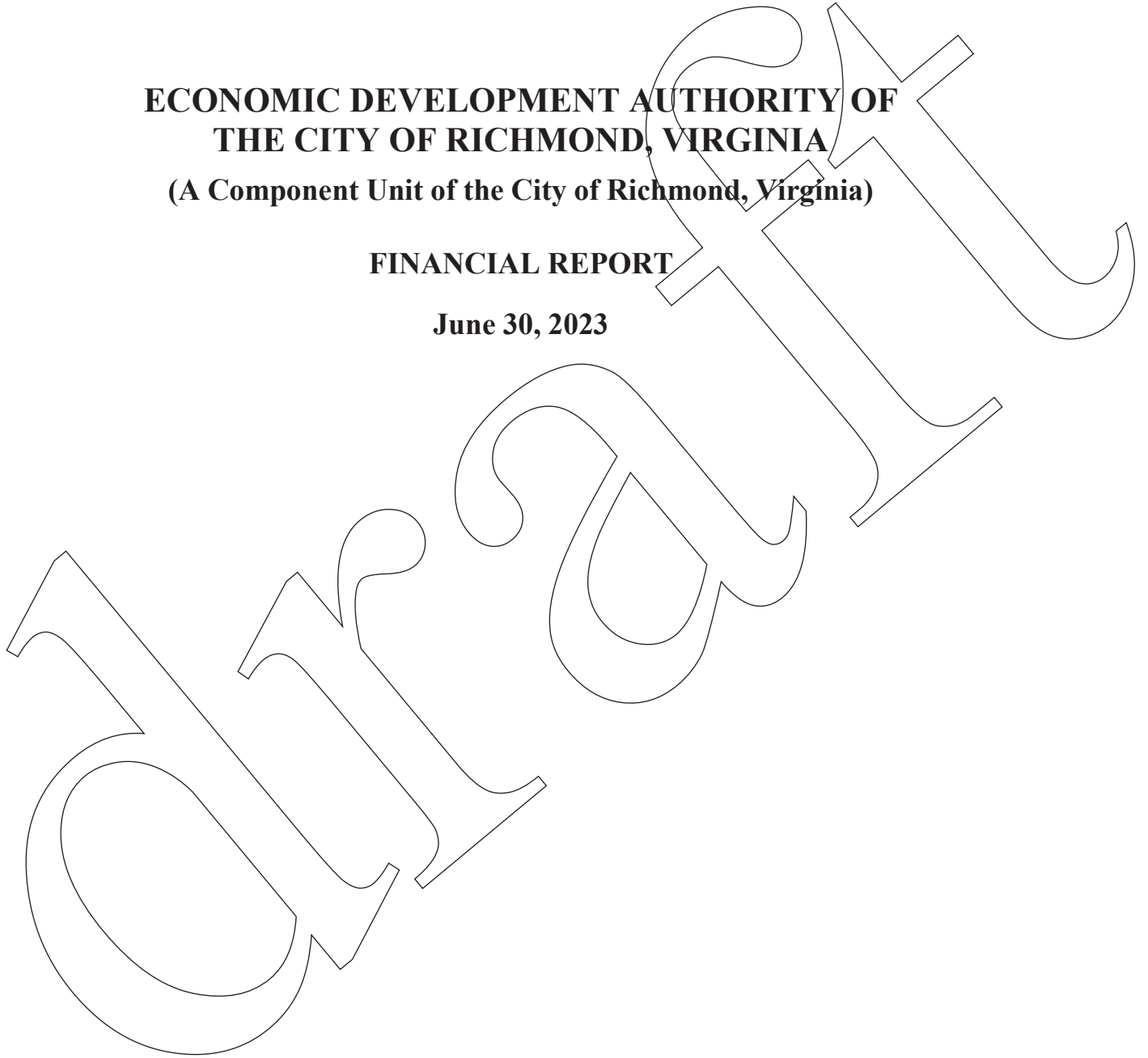
**FY2023  
AUDIT REPORT**

**ECONOMIC DEVELOPMENT AUTHORITY OF  
THE CITY OF RICHMOND, VIRGINIA**

**(A Component Unit of the City of Richmond, Virginia)**

**FINANCIAL REPORT**

**June 30, 2023**



## CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT .....	1
MANAGEMENT'S DISCUSSION AND ANALYSIS .....	4
BASIC FINANCIAL STATEMENTS:	
Government-Wide Financial Statements:	
Statement of Net Position .....	7
Statement of Activities .....	8
Governmental Fund Financial Statements:	
Balance Sheet - Governmental Fund and Reconciliation of Governmental Fund Balance Sheet to the Statement of Net Position .....	9
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund and Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Fund to Statement of Activities .....	10
Statement of Net Position - Enterprise Funds .....	11
Statement of Revenues, Expenses and Changes in Net Position - Enterprise Funds .....	12
Statement of Cash Flows - Enterprise Funds .....	13
Notes to Financial Statements .....	15
COMPLIANCE SECTION	
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> .....	27
Summary of Compliance Matters .....	29
Schedule of Findings and Responses .....	30
Corrective Action Plan .....	32

## INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of the Board of Directors of the  
Economic Development Authority of the City of Richmond, Virginia  
(A Component Unit of the City of Richmond, Virginia)  
Richmond, Virginia

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Economic Development Authority of the City of Richmond, Virginia (the Authority), a component unit of the City of Richmond, Virginia, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Economic Development Authority of the City of Richmond, Virginia, as of June 30, 2023, 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, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and *Specifications for Audits of Authorities, Boards, and Commissions* issued by the Auditor of Public Accounts of the Commonwealth of Virginia. 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 Economic Development Authority of the City of Richmond, Virginia, and to meet our 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 these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## **Report on the Audit of the Financial Statements (Continued)**

### ***Responsibilities of Management for the Financial Statements (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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in 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 and *Government Auditing Standards*, we:

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

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

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

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

**Report on the Audit of the Financial Statements (Continued)**

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

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

CERTIFIED PUBLIC ACCOUNTANTS

Newport News, Virginia

**ENTER DATE**



**ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF RICHMOND, VIRGINIA  
(A Component Unit of the City of Richmond, Virginia)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2023**

Management's Discussion and Analysis of the financial performance of the Economic Development Authority of the City of Richmond, Virginia (Authority) provides an overview of the financial activities for the year ended June 30, 2023. It should be read in conjunction with the financial statements.

Overview of the Financial Statements

The Authority receives operating funds from the rental of a parking garage, manages the operations of the training facility on Leigh Street, and leases certain property under a capital lease arrangement for the operation and future expansion of a brewery. It also manages loan portfolios of the City of Richmond, Virginia.

Government-Wide Statement of Net Position

Following is a condensed statement of net position showing the net position of the Authority at June 30:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2023</u>	<u>6/30/2022</u>
<b>Assets:</b>						
Cash and cash equivalents	\$ -	\$ -	\$ 10,632,851	\$ 10,676,682	\$ 10,632,851	\$ 10,676,682
Capital assets, net	142,165	142,165	12,422,400	12,676,875	12,564,565	12,819,040
Property held for sale	-	-	13,173,607	-	13,173,607	-
Other assets	-	-	30,061,985	31,056,799	30,061,985	31,056,799
<b>Total assets</b>	<b>\$ 142,165</b>	<b>\$ 142,165</b>	<b>\$ 66,290,843</b>	<b>\$ 54,410,356</b>	<b>\$ 66,433,008</b>	<b>\$ 54,552,521</b>
<b>Liabilities:</b>						
Current and other liabilities	\$ -	\$ -	\$ 1,038,620	\$ 1,058,697	\$ 1,038,620	\$ 1,058,697
Lease payable	-	-	1,469,283	1,469,283	1,469,283	1,469,283
Recoverable grant payable	-	-	23,635,000	24,885,000	23,635,000	24,885,000
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>26,142,903</b>	<b>27,412,980</b>	<b>26,142,903</b>	<b>27,412,980</b>
Deferred inflows of resources	-	-	54,295	380,065	54,295	380,065
<b>Net position</b>	<b>142,165</b>	<b>142,165</b>	<b>40,093,645</b>	<b>26,617,311</b>	<b>40,235,810</b>	<b>26,759,476</b>
<b>Total liabilities, deferred inflow of resources, and net position</b>	<b>\$ 142,165</b>	<b>\$ 142,165</b>	<b>\$ 66,290,843</b>	<b>\$ 54,410,356</b>	<b>\$ 66,433,008</b>	<b>\$ 54,552,521</b>

There was a decrease in cash and cash equivalents of \$43,831 primarily due to the return of grant funds to the State and payment of more economic incentive grants in the current year than in the prior year.

There was a decrease in net capital assets of \$254,475, primarily due to depreciation/amortization expense and write-off of expenses that were previously capitalized as construction in progress.

There was an increase in property held for sale due to the transfer of the Richmond Coliseum and surrounding properties from the City of Richmond and Redevelopment Housing Authority to the Authority in the current year as part of a redevelopment project.

There was a decrease in other assets of \$994,814, which is primarily due to the receipt of payments on lease and financed purchase notes receivables of \$955,904, current year increase in the allowance for doubtful accounts of approximately \$219,000, and a decrease in escrow funds for the training center of \$135,145. There was an overall decrease in loans receivable due to receipt of payments of approximately \$21,000. There was an overall decrease in other assets of \$37,639 due to receipt of payments on receivable balances for the Stone Brewery Fund. These are being offset by an increase in accrued interest receivable of \$374,176 in the current year over the prior year.

(Continued)

**ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF RICHMOND, VIRGINIA  
(A Component Unit of the City of Richmond, Virginia)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2023**

Government-Wide Statement of Net Position (Continued)

There was a decrease in current liabilities and other liabilities of \$20,007, primarily due to the timing of payment of accounts payable.

There was a decrease in the recoverable grant payable of \$1,250,000, due to the payments made on the recoverable grants payable to the City of Richmond related to the Stone Brewery and Leigh Street projects.

Government-Wide Statement of Activities

Condensed statements of activities for fiscal years ended June 30 are as follows:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2023</u>	<u>6/30/2022</u>
<b>Revenues:</b>						
Grant from the City of Richmond	\$ -	\$ -	\$ 1,085,881	\$ 246,929	\$ 1,085,881	\$ 246,929
Rental income	-	-	779,146	790,384	779,146	790,384
Loan administration fees	-	-	36,250	36,290	36,250	36,290
Bond and other fees	-	-	8,449	49,332	8,449	49,332
Loan program income	-	-	440,544	453,079	440,544	453,079
Interest on notes receivable	-	-	1,285,082	1,208,851	1,285,082	1,208,851
Other	-	-	14,012,041	793,101	14,012,041	793,101
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>17,647,393</b>	<b>3,577,966</b>	<b>17,647,393</b>	<b>3,577,966</b>
<b>Expenses:</b>						
Economic development incentives	-	-	817,756	56,929	817,756	56,929
Federal CARES grants	-	-	-	190,000	-	190,000
Grant repaid to the State	-	-	818,125	101	818,125	101
Other grants and rebates	-	-	286,385	280,208	286,385	280,208
Building operations and maintenance	-	-	332,614	323,353	332,614	323,353
Depreciation	-	17,084	350,127	321,300	350,127	338,384
Interest	-	-	752,867	773,839	752,867	773,839
Other	-	-	813,185	567,284	813,185	567,284
<b>Total expenses</b>	<b>-</b>	<b>17,084</b>	<b>4,171,059</b>	<b>2,513,014</b>	<b>4,171,059</b>	<b>2,530,098</b>
<b>Change in net position</b>	<b>\$ -</b>	<b>\$ (17,084)</b>	<b>\$ 13,476,334</b>	<b>\$ 1,064,952</b>	<b>\$ 13,476,334</b>	<b>\$ 1,047,868</b>

Grant revenue from the City and other grants was less than grant expenses due to a timing difference between receipt of the grant revenue from the City in the prior year and disbursement to the qualifying businesses in the current year, combined with pending reimbursement requests outstanding from the City at year-end. Grant activity from the City of Richmond was significantly higher, by \$838,952 in FY2023 as compared to FY2022 due to the influx of local funding from the City distributed to local businesses and organizations by the Authority in the prior year. There was also a grant repaid to the State of \$818,125 in 2023. This was due to a local business that did not meet the requirements per the performance agreement. As a result, the Authority was responsible for returning funding back to the state agency from which the funding had ultimately been received.

(Continued)

**ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF RICHMOND, VIRGINIA**  
**(A Component Unit of the City of Richmond, Virginia)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2023**

Government-Wide Statement of Activities (Continued)

There was an increase in other revenue of \$13,218,940 primarily due to the Coliseum and surrounding properties being contributed from the City and the Richmond Redevelopment Housing Authority to the Authority in the current year as part of a redevelopment project.

The Authority has maintained its lending programs, which are operated in coordination with the City of Richmond's Department of Economic Development. Operational costs of the programs are covered by the City. Any losses sustained in the lending programs are absorbed by the City or the relevant funding partner. The Authority receives fees adequate to cover its costs as well as audit fees associated with these activities. In summary, the outlook for the lending programs is favorable. The Authority can reasonably expect that its costs will continue to be covered.

Accomplishments and Economic Outlook

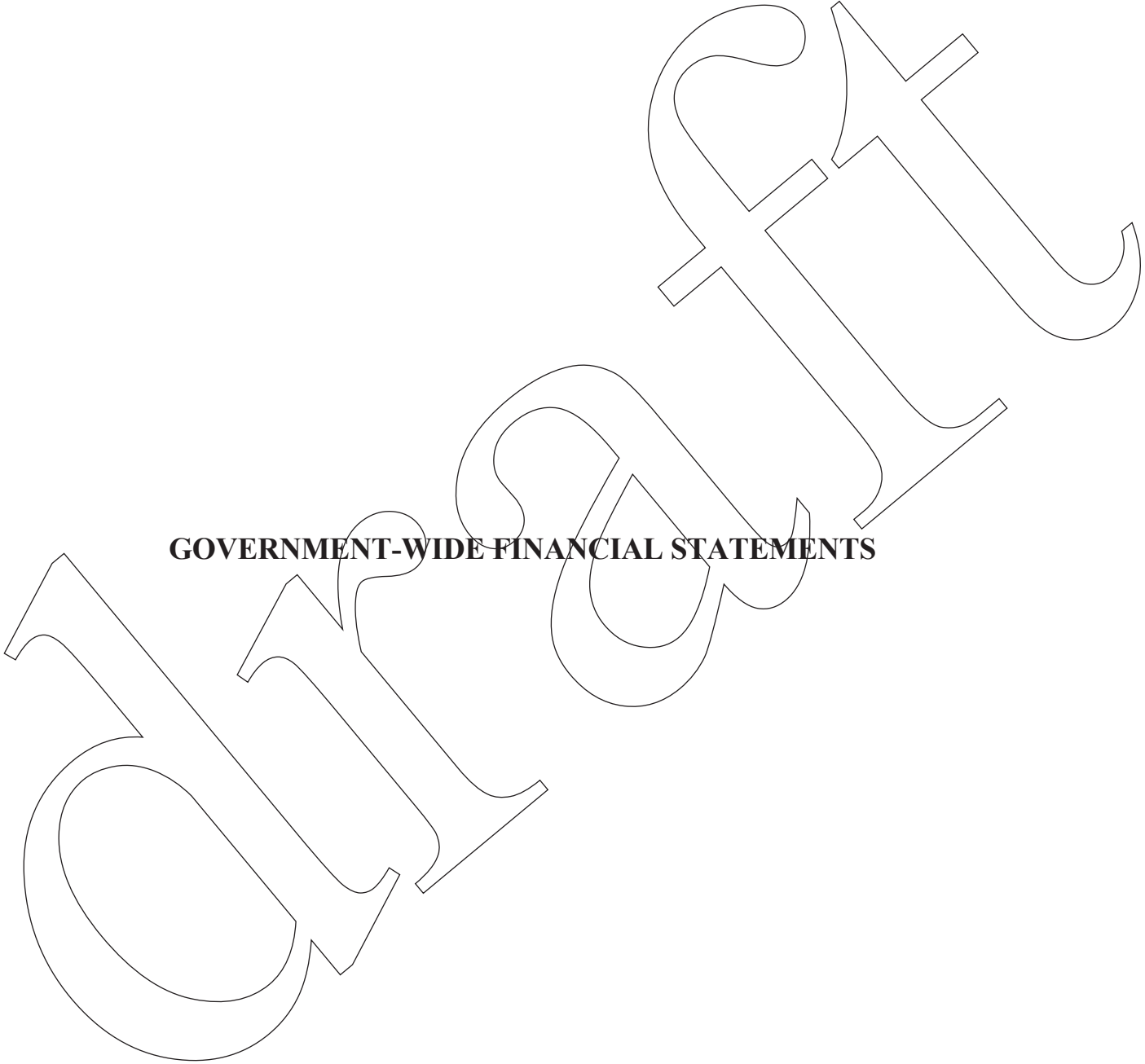
During the year ended June 30, 2023, the Authority supported the work of the City's Department of Economic Development to attract over \$2.55 billion in announced capital investment and 514 announced new jobs to the City. The Authority's administration of both local and state discretionary performance incentives assists in making these accomplishments possible. Several of which include:

- The Diamond District project that will redevelop 67 acres of publicly owned land into a new mixed-use, mixed-income neighborhood anchored by a new minor league baseball stadium;
- The Richmond Riverfront Performing Arts Venue that will be 7,500-person capacity amphitheater on the Downtown riverfront; and
- Virginia Public Media's (VPM) new headquarters in Downtown that will create 100 new jobs in the City.

The Authority and the Greater Richmond Convention Center Authority jointly issued a Request for Interest (RFI) and subsequent Request for Offers (RFO) to redevelop 9.4 acres of publicly owned property in a manner that aligns with the objectives of Richmond's City Center Small Area Plan. The primary objectives of the initial phase of the redevelopment project are to construct a 500-room headquarters hotel to support the tourism activities of the Greater Richmond Convention Center; increase Downtown residential density; revive the historic Blues Armory; develop commercial space to both attract retail and expand the life sciences industry; and construct infrastructure to reconnect the street grid and add greenspace. The selection of a development team to lead the project is anticipated in FY24.

Requests for information

This financial report is intended to provide a general overview of the Authority's finances. Any questions regarding this report or requests for additional financial information should be addressed to the Authority at 1500 East Main Street, Suite 400, Richmond, Virginia 23219.



**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF RICHMOND, VIRGINIA**  
**(A Component Unit of the City of Richmond, Virginia)**

**STATEMENT OF NET POSITION**  
**June 30, 2023**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents (Note 4)	\$ -	\$ 10,632,851	\$ 10,632,851
Due from the City (Note 13)	-	119,692	119,692
Other current assets	-	21,848	21,848
Financed purchase notes receivable, current portion (Note 5)	-	560,594	560,594
Lease receivable, current portion (Note 6)	-	56,959	56,959
Total current assets	<u>-</u>	<u>11,391,944</u>	<u>11,391,944</u>
<b>NONCURRENT ASSETS</b>			
Nondepreciable capital assets (Note 7)	142,165	1,490,463	1,632,628
Depreciable capital assets, net (Note 7)	-	10,931,937	10,931,937
Property held for sale (Note 8)	-	13,173,607	13,173,607
Financed purchase notes receivable, less current portion (Note 5)	-	18,786,457	18,786,457
Loans receivable, net (Note 11)	-	8,985,738	8,985,738
Accrued interest receivable	-	1,530,697	1,530,697
Total noncurrent assets	<u>142,165</u>	<u>54,898,899</u>	<u>55,041,064</u>
Total assets	<u>\$ 142,165</u>	<u>\$ 66,290,843</u>	<u>\$ 66,433,008</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable	\$ -	\$ 6,167	\$ 6,167
Due to the City (Note 13)	-	50,813	50,813
Accrued interest payable	-	89,103	89,103
Deposits and reserves	-	140,013	140,013
Current portion of recoverable grant payable (Note 15)	-	750,000	750,000
Total current liabilities	<u>-</u>	<u>1,036,096</u>	<u>1,036,096</u>
<b>NONCURRENT LIABILITIES</b>			
Lease liability (Note 9)	-	1,469,283	1,469,283
Recoverable grants payable (Note 15)	-	23,635,000	23,635,000
Other noncurrent liabilities	-	2,524	2,524
Total noncurrent liabilities	<u>-</u>	<u>25,106,807</u>	<u>25,106,807</u>
Total liabilities	<u>-</u>	<u>26,142,903</u>	<u>26,142,903</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Leases (Note 6)	-	54,295	54,295
<b>NET POSITION</b>			
Net investment in capital assets	142,165	4,953,117	5,095,282
Restricted	-	7,192,477	7,192,477
Unrestricted	-	27,948,051	27,948,051
Total net position	<u>142,165</u>	<u>40,093,645</u>	<u>40,235,810</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 142,165</u>	<u>\$ 66,290,843</u>	<u>\$ 66,433,008</u>

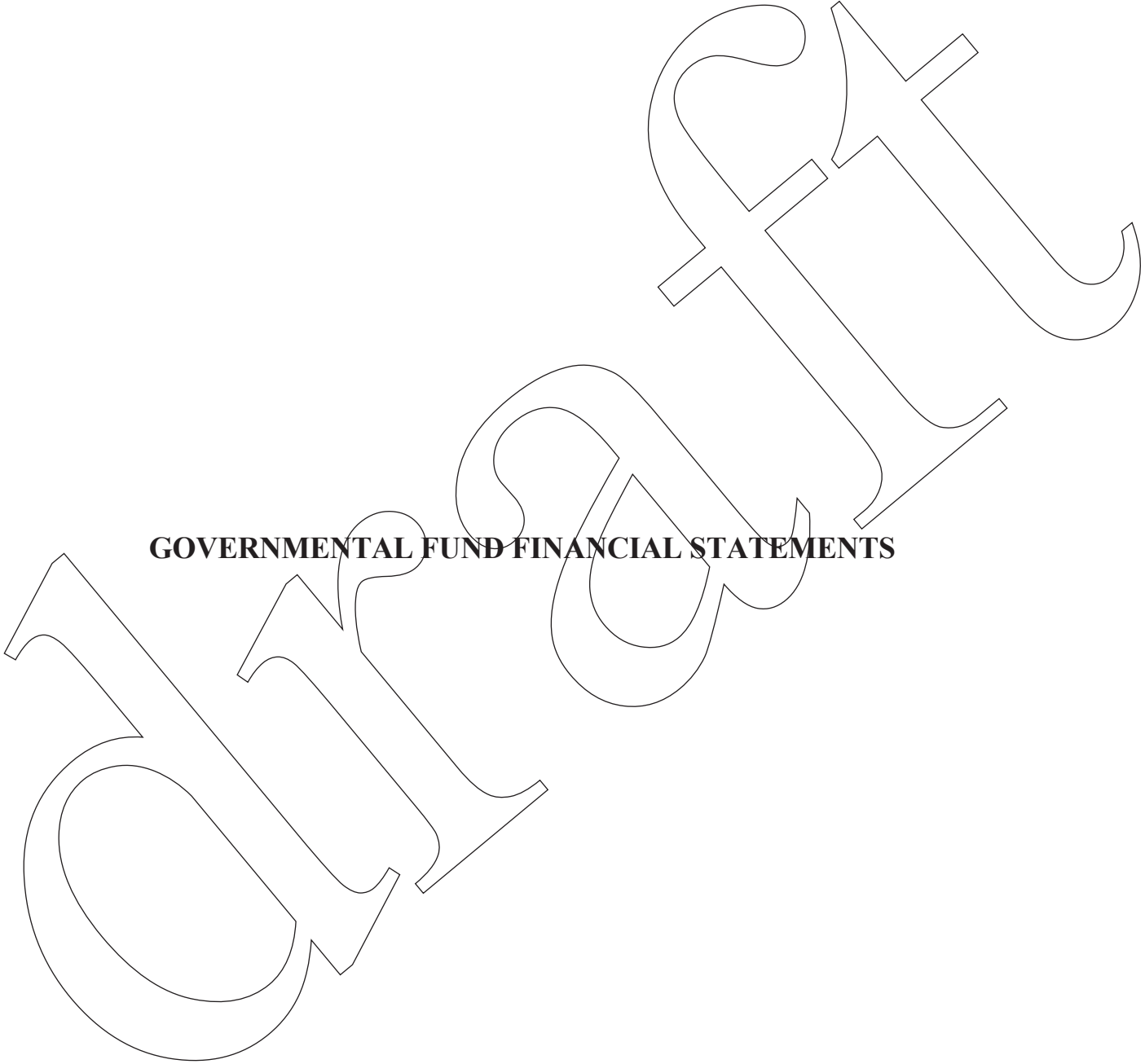
The Notes to Financial Statements are an integral part of this statement.

**ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF RICHMOND, VIRGINIA**  
**(A Component Unit of the City of Richmond, Virginia)**

**STATEMENT OF ACTIVITIES**  
**Year Ended June 30, 2023**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>OPERATING REVENUES</b>			
Rental and lease income	\$ -	\$ 779,146	\$ 779,146
Loan administration and other fees	-	36,250	36,250
Bond and other fees	-	8,449	8,449
Loan program income	-	440,544	440,544
Other	-	175,418	175,418
	<hr/>	<hr/>	<hr/>
Total operating revenues	-	1,439,807	1,439,807
<b>OPERATING EXPENSES</b>			
Personnel	-	194,971	194,971
Professional services	-	67,635	67,635
Internet and telephone services	-	4,754	4,754
Building operations and maintenance	-	332,614	332,614
Bad debt expense	-	219,027	219,027
Other	-	256,388	256,388
Loan administrative fees	-	35,999	35,999
Depreciation	-	350,127	350,127
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Total operating expenses	-	1,461,515	1,461,515
Operating loss	-	(21,708)	(21,708)
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Grants from the City of Richmond (Note 13)	-	1,085,881	1,085,881
Economic development incentives (Note 13)	-	(817,756)	(817,756)
Grant repaid to the State	-	(818,125)	(818,125)
Other grants and rebates (Note 11)	-	(286,385)	(286,385)
Contributed capital (Note 8)	-	13,173,607	13,173,607
Contribution from the City (Note 13)	-	600,000	600,000
Interest on notes receivable	-	1,285,082	1,285,082
Interest expense	-	(752,867)	(752,867)
Interest income	-	63,016	63,016
Loss on disposal of capital assets	-	(34,411)	(34,411)
	<hr/>	<hr/>	<hr/>
Total non-operating revenues	-	13,498,042	13,498,042
Change in net position	-	13,476,334	13,476,334
<b>NET POSITION</b>			
Beginning of year	<hr/>	<hr/>	<hr/>
	142,165	26,617,311	26,759,476
	<hr/>	<hr/>	<hr/>
End of year	<u>\$ 142,165</u>	<u>\$ 40,093,645</u>	<u>\$ 40,235,810</u>

The Notes to Financial Statements are an integral part of this statement.



**GOVERNMENTAL FUND FINANCIAL STATEMENTS**

**ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF RICHMOND, VIRGINIA**  
**(A Component Unit of the City of Richmond, Virginia)**

**BALANCE SHEET - GOVERNMENTAL FUND**  
**June 30, 2023**

	<u>Theater Fund</u>
<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash and cash equivalents	\$ -
<b>FUND BALANCE</b>	
Unassigned	\$ -
<b>RECONCILIATION OF GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT OF NET POSITION</b>	
Total fund balance per Governmental Fund Balance Sheet	\$ -
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the fund:	
Capital assets, cost	14,512,067
Accumulated depreciation	<u>(14,369,902)</u>
	<u>142,165</u>
Net position of governmental activities	<u>\$ 142,165</u>

The Notes to Financial Statements are an integral part of this statement.



**ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF RICHMOND, VIRGINIA  
(A Component Unit of the City of Richmond, Virginia)**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
GOVERNMENTAL FUND  
Year Ended June 30, 2023**

	<u>Theater Fund</u>
OPERATING REVENUES	
Naming rights fees	\$ -
OPERATING EXPENDITURES	
Restoration grant	-
Change in fund balance	-
FUND BALANCE	
Beginning of year	-
End of year	\$ -

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUND TO  
STATEMENT OF ACTIVITIES**

Change in fund balance, total governmental fund	\$ -
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the capital outlays exceeded depreciation in the current period. Details supporting this adjustment are as follows:	
Depreciation expense	-
Change in net position of governmental activities	\$ -

The Notes to Financial Statements are an integral part of this statement.

**ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF RICHMOND, VIRGINIA**  
(A Component Unit of the City of Richmond, Virginia)

**STATEMENT OF NET POSITION - ENTERPRISE FUNDS**  
June 30, 2023

	Major Funds				Total
	Operating Fund	Leigh St. Fund	Stone Brewery Fund	Loan Fund	
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents (Note 4)	\$ 2,422,114	\$ 204,390	\$ 2,547,219	\$ 5,459,128	\$ 10,632,851
Due from the City (Note 13)	119,692	-	-	-	119,692
Financed purchase notes receivable, current portion (Note 5)	9,159	-	551,435	-	560,594
Lease receivable, current portion (Note 6)	-	56,959	-	-	56,959
Other current assets	800	154	20,894	-	21,848
Total current assets	<u>2,551,765</u>	<u>261,503</u>	<u>3,119,548</u>	<u>5,459,128</u>	<u>11,391,944</u>
<b>NONCURRENT ASSETS</b>					
Nondepreciable capital assets (Note 7)	-	868,818	621,645	-	1,490,463
Depreciable capital assets, net (Note 7)	129,429	10,721,148	81,360	-	10,931,937
Property held for sale (Note 8)	13,173,607	-	-	-	13,173,607
Financed purchase notes receivable, less current portion (Note 5)	380,100	-	18,406,357	-	18,786,457
Loans receivable, net (Note 11):					
Community Area Revitalization Effort (CARE) Program	-	-	-	14,151	14,151
Contractor Assistance Program (CAP)	-	-	-	137,319	137,319
Economic Development and Housing Loan Fund (EDHLF) Program	-	-	-	8,031,139	8,031,139
Revolving Loan Program (RLP)	-	-	-	803,129	803,129
Accrued interest receivable	-	-	-	1,530,697	1,530,697
Total noncurrent assets	<u>13,683,136</u>	<u>11,589,966</u>	<u>19,109,362</u>	<u>10,516,435</u>	<u>54,898,899</u>
Total assets	<u>\$ 16,234,901</u>	<u>\$ 11,851,469</u>	<u>\$ 22,228,910</u>	<u>\$ 15,975,563</u>	<u>\$ 66,290,843</u>
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES</b>					
Accounts payable	\$ 5,799	\$ 368	\$ -	\$ -	\$ 6,167
Due to the City (Note 13)	-	-	-	50,813	50,813
Accrued interest payable	-	32,077	57,026	-	89,103
Reserves and deposits	-	140,013	-	-	140,013
Current portion of recoverable grants payable (Note 15)	-	-	750,000	-	750,000
Total current liabilities	<u>5,799</u>	<u>172,458</u>	<u>807,026</u>	<u>50,813</u>	<u>1,036,096</u>
<b>NONCURRENT LIABILITIES</b>					
Lease liability (Note 9)	-	1,469,283	-	-	1,469,283
Recoverable grants payable, long term (Note 15)	-	6,000,000	17,635,000	-	23,635,000
Other noncurrent liabilities	-	2,524	-	-	2,524
Total noncurrent liabilities	<u>-</u>	<u>7,471,807</u>	<u>17,635,000</u>	<u>-</u>	<u>25,106,807</u>
Total liabilities	<u>5,799</u>	<u>7,644,265</u>	<u>18,442,026</u>	<u>50,813</u>	<u>26,142,903</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Leases (Note 6)	-	54,295	-	-	54,295
<b>NET POSITION</b>					
Net investment in capital assets	129,429	4,120,683	703,005	-	4,953,117
Restricted	1,785,511	-	-	5,406,966	7,192,477
Unrestricted	14,314,162	32,226	3,083,879	10,517,784	27,948,051
Total net position	<u>16,229,102</u>	<u>4,152,909</u>	<u>3,786,884</u>	<u>15,924,750</u>	<u>40,093,645</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 16,234,901</u>	<u>\$ 11,851,469</u>	<u>\$ 22,228,910</u>	<u>\$ 15,975,563</u>	<u>\$ 66,290,843</u>

The Notes to Financial Statements are an integral part of this statement.

**ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF RICHMOND, VIRGINIA**  
**(A Component Unit of the City of Richmond, Virginia)**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -**  
**ENTERPRISE FUNDS**  
**Year Ended June 30, 2023**

	<b>Major Funds</b>				<b>Total</b>
	<b>Operating Fund</b>	<b>Leigh St. Fund</b>	<b>Stone Brewery Fund</b>	<b>Loan Fund</b>	
<b>OPERATING REVENUES</b>					
Rental and lease income	\$ -	\$ 779,146	\$ -	\$ -	\$ 779,146
Loan administration and other fees	36,000	-	-	250	36,250
Bond and other fees	8,449	-	-	-	8,449
Loan program income	-	-	-	440,544	440,544
Event and other income	10,000	165,418	-	-	175,418
<b>Total operating revenues</b>	<b>54,449</b>	<b>944,564</b>	<b>-</b>	<b>440,794</b>	<b>1,439,807</b>
<b>OPERATING EXPENSES</b>					
Personnel	889	194,082	-	-	194,971
Professional services	47,468	20,167	-	-	67,635
Internet and telephone services	-	4,754	-	-	4,754
Building operations and maintenance	-	332,614	-	-	332,614
Bad debt expense	-	-	-	219,027	219,027
Other	141,124	106,188	5,676	3,400	256,388
Loan administrative fees	-	-	-	35,999	35,999
Depreciation and amortization	634	347,402	2,091	-	350,127
<b>Total operating expenses</b>	<b>190,115</b>	<b>1,005,207</b>	<b>7,767</b>	<b>258,426</b>	<b>1,461,515</b>
<b>Operating (loss) income</b>	<b>(135,666)</b>	<b>(60,643)</b>	<b>(7,767)</b>	<b>182,368</b>	<b>(21,708)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Grants from the City of Richmond (Note 13)	1,085,881	-	-	-	1,085,881
Economic development incentives (Note 13)	(817,756)	-	-	-	(817,756)
Grant repaid to the State	(818,125)	-	-	-	(818,125)
Other grants and rebates (Note 11)	-	-	-	(286,385)	(286,385)
Contributed capital (Note 8)	13,173,607	-	-	-	13,173,607
Contribution from the City (Note 13)	-	-	-	600,000	600,000
Interest on notes receivable	13,134	-	1,271,948	-	1,285,082
Interest expense	-	(48,599)	(704,268)	-	(752,867)
Interest income	10,772	6,899	15,125	30,220	63,016
Loss on disposal of capital assets	-	-	(34,411)	-	(34,411)
<b>Total nonoperating revenues (losses)</b>	<b>12,647,513</b>	<b>(41,700)</b>	<b>548,394</b>	<b>343,835</b>	<b>13,498,042</b>
<b>Income before transfers</b>	<b>12,511,847</b>	<b>(102,343)</b>	<b>540,627</b>	<b>526,203</b>	<b>13,476,334</b>
<b>Transfers (out) in (Note 13)</b>	<b>(100,000)</b>	<b>100,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in net position</b>	<b>12,411,847</b>	<b>(2,343)</b>	<b>540,627</b>	<b>526,203</b>	<b>13,476,334</b>
<b>NET POSITION</b>					
Beginning of year	3,817,255	4,155,252	3,246,257	15,398,547	26,617,311
End of year	<u>\$ 16,229,102</u>	<u>\$ 4,152,909</u>	<u>\$ 3,786,884</u>	<u>\$ 15,924,750</u>	<u>\$ 40,093,645</u>

The Notes to Financial Statements are an integral part of this statement.

**ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF RICHMOND, VIRGINIA**  
**(A Component Unit of the City of Richmond, Virginia)**

**STATEMENT OF CASH FLOWS - ENTERPRISE FUNDS**  
**Year Ended June 30, 2023**

	Major Funds				Total
	Operating Fund	Leigh St. Fund	Stone Brewery Fund	Loan Fund	
<b>OPERATING ACTIVITIES</b>					
Receipts from rentals	\$ -	\$ 779,146	\$ -	\$ -	\$ 779,146
Receipts from loan administration	36,000	-	-	250	36,250
Issuances of loans	-	-	-	(10,000)	(10,000)
Receipts from loan repayments	-	-	-	31,275	31,275
Receipts from other activities	18,591	165,418	29,355	66,368	279,732
Payments for operating activities	(180,213)	(658,213)	(89,171)	(20,825)	(948,422)
Net cash (used in) provided by operating activities	(125,622)	286,351	(59,816)	67,068	167,981
<b>NONCAPITAL FINANCING ACTIVITIES</b>					
Grants and receipts from City of Richmond	1,085,881	-	-	600,000	1,685,881
Economic development incentive payments	(817,756)	-	-	-	(817,756)
Other grants and rebates	-	-	-	(286,385)	(286,385)
Grant repayments to the State	(818,125)	-	-	-	(818,125)
Receipt of escrows and reserves	-	152,142	-	-	152,142
Transfers (to) from other funds	(100,000)	100,000	-	-	-
Net cash (used in) provided by noncapital financing activities	(650,000)	252,142	-	313,615	(84,243)
<b>INVESTING ACTIVITIES</b>					
Interest received	10,772	6,899	15,125	30,220	63,016
<b>CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Purchase of capital assets	(130,063)	-	-	-	(130,063)
Cash paid on interest	-	-	(706,082)	-	(706,082)
Cash paid on leased asset	-	(40,560)	-	-	(40,560)
Payments received on notes receivable	22,000	-	1,885,287	-	1,907,287
Payments received on lease	-	8,833	-	-	8,833
Payments of recoverable grant payable	-	(500,000)	(730,000)	-	(1,230,000)
Net cash (used in) provided by capital and related financing activities	(108,063)	(531,727)	449,205	-	(190,585)
Net (decrease) increase in cash and cash equivalents	(872,913)	13,665	404,514	410,903	(43,831)
<b>CASH AND CASH EQUIVALENTS</b>					
Beginning of year	3,295,027	190,725	2,142,705	5,048,225	10,676,682
End of year	<u>\$ 2,422,114</u>	<u>\$ 204,390</u>	<u>\$ 2,547,219</u>	<u>\$ 5,459,128</u>	<u>\$ 10,632,851</u>

(Continued)

The Notes to Financial Statements are an integral part of this statement.

**ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF RICHMOND, VIRGINIA**  
**(A Component Unit of the City of Richmond, Virginia)**

**STATEMENT OF CASH FLOWS - ENTERPRISE FUNDS**  
**Year Ended June 30, 2023**

	<b>Major Funds</b>				<b>Total</b>
	<b>Operating Fund</b>	<b>Leigh St. Fund</b>	<b>Stone Brewery Fund</b>	<b>Loan Fund</b>	
<b>RECONCILIATION OF OPERATING (LOSS) INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>					
Operating (loss) income	\$ (135,666)	\$ (60,643)	\$ (7,767)	\$ 182,368	\$ (21,708)
Adjustments to reconcile operating (loss) income to cash provided by (used in) operating activities:					
Depreciation and amortization	634	347,402	2,091	-	350,127
Bad debt expense	-	-	-	219,027	219,027
Change in current assets and liabilities:					
Receivables	142	-	29,355	2,000	31,497
Prepaid expenses	5,108	-	130	-	5,238
Loans receivable, net	-	-	-	21,275	21,275
Accrued interest receivable	-	-	-	(374,176)	(374,176)
Accounts payable	4,160	(408)	(83,625)	(1,167)	(81,040)
Due to City	-	-	-	17,741	17,741
Net cash (used in) provided by operating activities	<u>\$ (125,622)</u>	<u>\$ 286,351</u>	<u>\$ (59,816)</u>	<u>\$ 67,068</u>	<u>\$ 167,981</u>
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH FINANCING AND INVESTING ACTIVITIES</b>					
Contributed capital	<u>\$ 13,173,607</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,173,607</u>

The Notes to Financial Statements are an integral part of this statement.

**ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF RICHMOND, VIRGINIA**  
**(A Component Unit of the City of Richmond, Virginia)**

**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**1. Organization and Purpose**

The Economic Development Authority of the City of Richmond, Virginia (EDA) was created as a political subdivision of the Commonwealth of Virginia on August 28, 1972, by action of the City Council of the City of Richmond, Virginia (City). On April 24, 2006, City Council revoked the EDA's ability to issue debt until it could be reorganized. On June 26, 2006, City Council renamed the EDA as the Economic Development Authority of the City of Richmond, Virginia (Authority). On October 9, 2006, City Council adopted an ordinance that reconfigured the Authority. The Authority is governed by a seven-member Board of Directors appointed by the Richmond City Council. The Authority is considered to be a component unit of the City of Richmond, Virginia.

The purpose of the Authority is to promote industry and develop trade by inducing manufacturing, industrial, government and commercial enterprise to locate in or remain in the City of Richmond, further the economic well-being of the citizens of the City, and benefit the inhabitants of the City, increase their commerce, and promote their safety, health, welfare, convenience, and prosperity. The Authority seeks to provide additional employment for all levels of the community, to promote economic stability and growth in the community, and to assist in meeting the City's development objectives.

**2. Summary of Significant Accounting Policies**

Government-wide financial statements

The government-wide financial statements include the statement of net position and the statement of activities. They report information on all of the non-fiduciary activities of the Authority. While government-wide and fund financial statements are presented separately, they are interrelated. The governmental activity column of the government wide statements incorporates data from the governmental fund, while business-type activities incorporate data from the Authority's enterprise funds. Separate financial statements are provided for governmental funds and proprietary funds.

Fund financial statements

The Authority utilizes the economic resources management focus and the accrual basis of accounting in preparing its financial statements where revenues are recognized when earned and expenses when incurred. The accounts of the Authority are organized on the basis of funds, each of which is considered a separate accounting entity as displayed in the supplementary information. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, net position, revenues and expenses, as appropriate.

Governmental fund - special revenue fund

Governmental funds are those through which most governmental functions typically are financed. A special revenue fund is a governmental fund which accounts for the proceeds of specific revenue sources (other than major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action. The Authority's special revenue fund is the Theater Fund, which contains the current Altria Theater building and associated agreements for funding of the restoration of this historic property.

**ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF RICHMOND, VIRGINIA**  
**(A Component Unit of the City of Richmond, Virginia)**

**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**2. Summary of Significant Accounting Policies (Continued)**

Enterprise funds

The Authority is required to follow the accounting and reporting practices of the Governmental Accounting Standards Board (GASB). For financial reporting purposes, the Operating Fund, the Leigh Street Fund, the Stone Brewery Fund, and Loan Fund all utilize the enterprise fund method of accounting using the accrual basis. For the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when incurred, regardless of when the related cash flows take place.

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Cash and cash equivalents

Cash and cash equivalents are stated at cost, which approximates market. Cash and cash equivalents include amounts in demand deposits, treasury bills, and savings accounts.

Property and equipment

Property and equipment consist of land, buildings and improvements, and equipment. Property and equipment are recorded at cost or, if acquired through contribution, at fair value at the date of the gift. Depreciation expense is computed using the straight-line method over the estimated useful lives of the respective assets. The estimated useful life of each class of depreciable assets is as follows:

Buildings and improvements	10 - 40 years
Equipment	5 - 7 years
Land leased - lease asset	51.5 years

Recoverable grant payable

Recoverable grants payable represents amounts provided by the City to the Authority for the construction of the Bon Secours Training Facility and the Stone Brewing Facility. These amounts are payable back to the City from revenues generated by the respective facilities. No formal repayment terms have been executed.

Leases

Key estimates and judgements include how the Authority determines (1) the discount rate it uses to discount the expected lease receipts and/or payments to present value, (2) lease term, and (3) lease receipts and or payments.

- The Authority uses an estimated incremental borrowing rate as the discount rate for the lease.
- The lease term includes the noncancellable periods of the lease. Lease receipts and payments are included in the measurement of the lease receivable or liability, respectively, and are composed of fixed payments.
- The Authority monitors changes in circumstances that would require a remeasurement of its leases and will remeasure if certain changes occur that are expected to significantly affect the amount of the lease receivable or liability.

(Continued)

**ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF RICHMOND, VIRGINIA**  
**(A Component Unit of the City of Richmond, Virginia)**

**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**2. Summary of Significant Accounting Policies (Continued)**

Right-of-use lease asset and related lease liability

The Authority is a lessee for a noncancellable lease of 15.04 acres of land. The Authority recognizes an intangible right-to-use asset (lease asset) and a related lease liability on the government-wide financial statements and enterprise fund financial statements. At the commencement of a lease, the Authority initially measures a lease liability at the present value of payments expected to be made during the lease period. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain direct costs. Subsequent to the initial measurement and recognition, the lease asset is amortized on a straight-line basis over its useful life.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt in the statement of net position.

Lease receivable and related deferred inflow of resources

The Authority is a lessor for one noncancellable lease of land. The Authority recognizes lease receivables and deferred inflows of resources in the government-wide and enterprise fund financial statements. At the commencement of the lease, the Authority initially measures the lease receivable at the present value of payments expected to be received during the lease terms. Subsequently, the lease receivable is reduced by the principal portions of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date less any lease incentives. Subsequent to the initial measurement and recognition, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates and assumptions.

Net position

Net position is the difference between assets and liabilities. Net position invested in capital assets represents capital assets, less accumulated depreciation, less outstanding debt related to the acquisition, construction or improvement of those assets.

(Continued)



**ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF RICHMOND, VIRGINIA**  
**(A Component Unit of the City of Richmond, Virginia)**

**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**3. Significant Activities**

Leigh St. Fund

The Authority has worked in cooperation with the City of Richmond, the Department of Economic and Community Development and other private parties to develop the Bon Secours Training Center. To that end, the Authority entered into a long-term lease with the Commonwealth of Virginia to lease 15.040 acres of land within the City as well as contracts to build the facility. The foregoing was facilitated by a recoverable grant from the City of Richmond in the amount of ten million dollars. The facility was substantially complete in fiscal year-end 2013. The development of this property and the leasing and naming rights agreements associated with the project are intertwined with an additional property known as the Westhampton School Property. The City of Richmond and the Board of the Authority have agreed to transfer ownership of the Westhampton School Property to the Authority, which in turn leases it to a third party under a long-term leasing arrangement.

Stone Brewery Fund

The Authority, in collaboration with the City of Richmond and Stone Brewing Co., developed the Stone Brewery facility. The Authority previously entered into certain real estate transactions as well as construction contracts to build the facility. The foregoing was facilitated by certain grants from the State and a recoverable grant from the City of Richmond. During 2016, when construction was completed, the long-term use lease agreement between the Authority and Stone Brewing Co. became effective. See Note 5.

**4. Deposits**

Deposits with banks are covered by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with the Virginia Security for Public Deposits Act (the "Act") Section 2.2-4400 et. Seq. of the *Code of Virginia*. Under the Act, banks and savings institutions holding public deposits in excess of the amounts insured by federal depository insurance must pledge collateral to the Commonwealth of Virginia Treasury Board. Financial Institutions may choose between two collateralization methodologies and depending upon that choice, will pledge collateral that ranges in the amounts from 50% to 130% of excess deposits. Accordingly, all deposits are considered fully collateralized.

**5. Financed Purchase Notes Receivable**

Stone Brewery Fund

The Authority has executed a financed purchase agreement with Stone Brewing Co., LLC for land, building and equipment. The note receivable has a value of \$31,179,771 at June 30, 2023, which is equal to the total future minimum payments under the terms of the agreement, which is \$1,740,266 annually over the term of the note which extends through June 2041. The financial statements include unearned income of \$12,221,979 related to unearned interest at 6% on the note receivable.

(Continued)

**ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF RICHMOND, VIRGINIA  
(A Component Unit of the City of Richmond, Virginia)**

**NOTES TO FINANCIAL STATEMENTS  
June 30, 2023**

**5. Financed Purchase Notes Receivable (Continued)**

Stone Brewery Fund (Continued)

The following lists the components of the financed purchase note receivable at June 30, 2023:

	<u>Minimum Note Payments</u>	<u>Less Unearned Revenue</u>	<u>Net Receivable</u>
Current portion	\$ 1,595,244	\$ (1,043,809)	\$ 551,435
Noncurrent portion	<u>29,584,527</u>	<u>(11,178,170)</u>	<u>18,406,357</u>
	<u>\$ 31,179,771</u>	<u>\$ (12,221,979)</u>	<u>\$ 18,957,792</u>

Operating Fund

The Authority has executed a financed purchase agreement with Tobacco Row Land, L.P. for land for a parking facility. The note receivable has a value of \$594,000 at June 30, 2023, which is equal to the total future minimum payments under the terms of the agreement, which is \$22,000 annually over the term of the note which extends through July 2049. The financial statements include unearned income of \$204,741. The interest rate used on the agreement as of July 1, 2021, was 3.25%.

The following lists the components of the financed purchase note receivable at June 30, 2023:

	<u>Minimum Note Payments</u>	<u>Less Unearned Revenue</u>	<u>Net Receivable</u>
Current portion	\$ 22,000	\$ (12,841)	\$ 9,159
Noncurrent portion	<u>572,000</u>	<u>(191,900)</u>	<u>380,100</u>
	<u>\$ 594,000</u>	<u>\$ (204,741)</u>	<u>\$ 389,259</u>

**6. Lease Receivable / Deferred Inflow of Resources**

Leigh St. Fund

The Authority, as a lessor, has entered into a lease with a local hospital for the use of office space in a building owned by the Authority. At the beginning of the lease, the Authority recognized an original lease receivable and deferred lease revenue balance of \$705,835, using a discount rate of 3.25%. As of June 30, 2023, the outstanding balance of the lease receivable was \$56,959, all of which is current. The related deferred inflow of resources was \$54,295 as of June 30, 2023. During 2023, the Authority recognized lease and interest revenue related to this lease of \$325,770 and \$6,874, respectively. The lease revenue is included in rental and lease income on the statement of revenues, expenses, and changes in net position.

(Continued)

**ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF RICHMOND, VIRGINIA**  
**(A Component Unit of the City of Richmond, Virginia)**

**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**7. Capital Assets**

A summary of changes in the Authority's capital assets are as follows:

	<u>Balance July 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2023</u>
<b>Governmental activities:</b>				
Nondepreciable:				
Land	\$ 142,165	\$ -	\$ -	\$ 142,165
Depreciable:				
Buildings and improvements	14,369,902	-	-	14,369,902
Accumulated depreciation	<u>(14,369,902)</u>	-	-	<u>(14,369,902)</u>
Total depreciable, net	-	-	-	-
Total governmental activities	<u>\$ 142,165</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 142,165</u>
<b>Business-type activities:</b>				
Nondepreciable:				
Land	\$ 1,470,223	\$ -	\$ -	\$ 1,470,223
Construction in progress	54,651	-	(34,411)	<u>20,240</u>
Total nondepreciable	<u>1,524,874</u>	-	<u>(34,411)</u>	<u>1,490,463</u>
Depreciable/amortizable:				
Buildings and improvements	15,621,304	3,168	-	15,624,472
Leased land	1,505,819	-	-	1,505,819
Website	-	126,895	-	126,895
Total depreciable/amortizable	<u>17,127,123</u>	<u>130,063</u>	-	<u>17,257,186</u>
Accumulated:				
Depreciation	(5,945,883)	(320,888)	-	(6,266,771)
Amortization of leased assets	<u>(29,239)</u>	<u>(29,239)</u>	-	<u>(58,478)</u>
Total accumulated depreciation/ amortization	<u>(5,975,122)</u>	<u>(350,127)</u>	-	<u>(6,325,249)</u>
Total depreciable/amortizable, net	<u>11,152,001</u>	<u>(220,064)</u>	-	<u>10,931,937</u>
Total business-type activities	<u>\$ 12,676,875</u>	<u>\$ (220,064)</u>	<u>\$ (34,411)</u>	<u>\$ 12,422,400</u>

(Continued)

**ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF RICHMOND, VIRGINIA  
(A Component Unit of the City of Richmond, Virginia)**

**NOTES TO FINANCIAL STATEMENTS  
June 30, 2023**

**8. Property Held for Sale/Contributed Capital**

Operating Fund

During the current year, the City and Richmond Redevelopment and Housing Authority (RRHA) conveyed land to the Authority with the intent that the land be sold to a developer for a redevelopment project. If the sale does not take place, the land conveyed by the City and RRHA may revert back to the City and/or the RRHA. In recognition of these land conveyances, the Authority recognized \$13,173,607 in contributed capital on the statement of activities and statement of revenues, expenses and changes in net position – enterprise funds during 2023. The related property is reflected in land held for sale on the statement of net position and statement of net position – enterprise funds at June 30, 2023. The property received from the City was valued at the net book value that the City carried the property at the time of the transfer. The property received from the RRHA was valued at their assessed values.

**9. Lease Liability**

Leigh St. Fund

The Authority, as a lessee, has entered into a noncancellable lease agreement for the use of land near the Bon Secours Training Center. During 2022, the Authority adopted GASB 87, *Leases*, and, as a result, recognized an intangible right-to-use lease asset and related lease liability. Payments of \$40,560 are due annually through January 2032 at which point payments escalate every ten years through 2072 and are discounted at 3.25%. The following is a summary of changes in the lease liability reported on the statement of net position for the fiscal year ended June 30, 2023:

	<u>Balance July 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2023</u>
Lease liability	\$ 1,469,283	\$ -	\$ -	\$ 1,469,283

Future maturities are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ -	\$ 40,560	\$ 40,560
2025	-	40,560	40,560
2026	-	40,560	40,560
2027	-	40,560	40,560
2028	-	40,560	40,560
2029 - 2033	-	219,024	219,024
2034 - 2038	-	283,920	283,920
2039 - 2043	-	295,277	295,277
2044 - 2048	91,097	249,608	340,705
2049 - 2053	134,743	219,590	354,333
2054 - 2058	217,642	191,203	408,845
2059 - 2063	272,342	152,857	425,199
2064 - 2068	391,318	99,297	490,615
2069 - 2073	362,141	30,351	392,492
	<u>\$ 1,469,283</u>	<u>\$ 1,943,927</u>	<u>\$ 3,413,210</u>

(Continued)

**ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF RICHMOND, VIRGINIA**  
**(A Component Unit of the City of Richmond, Virginia)**

**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**9. Lease Liability (Continued)**

Related lease assets totaling \$1,505,819, offset by accumulated amortization of \$58,478, is included in leased capital assets, net on the statement of net position as of June 30, 2023.

**10. Commitments and Contingencies**

The Authority has executed performance agreements with certain local businesses on behalf of the City, which contain capital investment and employment goals. Upon completion of the specific requirements, the grant funds are awarded as stated in the performance agreements. The Authority's responsibility for payment of these awards is subject to funding appropriation by the City, as such, the Authority has no exposure under these agreements. The Authority has received grant funds totaling \$352,402 from the City that have not yet been approved for distribution to the local businesses and thus are included in the Authority's restricted net position balance at June 30, 2023, along with other restricted revenue sources.

**11. Loans Program Receivables**

Commercial Area Revitalization Effort

The Commercial Area Revitalization Effort (CARE) is a loan and rebate program created by the City's Office of Economic Development and the Authority, which is designed to revitalize and return economic viability to older neighborhood commercial strips. The loan program provides for three different types of loans to eligible borrowers. CARE loans are classified as minor (less than \$125,000), moderate (\$125,000-\$200,000), and substantial (more than \$200,000). Minor loans have a 90% Authority, 10% minimum owner equity financing structure. For the substantial and moderate loans, a private loan of 50% of the requested loan amount must be obtained prior to the Authority's approval of an additional 40%, leaving a minimum 10% owner equity. The Authority has a second secured position in the moderate and substantial loans. The rebate program is designed to revitalize and return economic viability to older neighborhood districts, primarily in low and moderate-income communities. The Authority will rebate up to certain percentages and dollar amounts of renovation and improvement expenses incurred for exterior and interior rehabilitation, security improvements, and the connection of a water lateral line and/or the installation of a sprinkler system.

At June 30, 2023, the carrying value of loans receivable from the CARE program was \$26,307, less an uncollectible allowance of \$12,156. The fair value of these loans is not readily determinable. The Authority administered rebates in the amount of \$286,385 during the year ended June 30, 2023, which is included in other grants and rebates on the statement of activities.

Contractor Assistance Program

The Contractor Assistance Program (CAP) is a loan program created by City Council and administered by the City's Office of Economic Development and the Authority, which is designed to provide working capital, equipment financing, receivables financing and other qualifying uses that will support the delivery of goods or services that further the purpose of the CAP. The loan program provides loans to eligible borrowers of up to \$100,000 with varying amortizations and interest rates from 4% to 9% per annum depending on the overall credit rating of the transaction.

(Continued)

**ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF RICHMOND, VIRGINIA**  
**(A Component Unit of the City of Richmond, Virginia)**

**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**11. Loans Program Receivables (Continued)**

Contractor Assistance Program (Continued)

At June 30, 2023, the carrying value of loans receivable from the CAP program was \$224,645, less an uncollectible allowance of \$87,326. The fair value of these loans is not readily determinable.

Economic Development and Housing Loan Fund

During 2013, the Economic Development and Housing Loan Fund (EDHLF) was implemented for the purpose of providing financing to local developers and small businesses pursuing Section 108 eligible projects which meet one of the Community Development Block Grant National Objectives: to facilitate large real estate economic development projects, the creation of affordable housing and other special use projects that benefit low and moderate income persons, prevent or eliminate slums or blight, create or retain jobs and provide area benefits in the City's commercial corridors and residential neighborhoods.

During the fiscal year 2013, the City had drawn down the approved loan from the United States Department of Housing and Urban Development (HUD) in the amount of \$10,205,000 and transferred the proceeds to the Authority. At June 30, 2023, approximately eight million in loans had been granted from these funds, and the carrying value of the loans was \$8,191,037 which did not include a fee income receivable, less an uncollectible allowance of \$159,898.

Revolving Loan Program

The Citywide Revolving Loan Program (RLP) is a loan program created by City Council and administered by the City's Office of Economic Development and the Authority, which is designed to provide capital for property and land acquisition, infrastructure costs, construction, rehabilitation, working capital, machinery and equipment purchases, leasehold improvements and any other use that meets the Department of Housing and Urban Development's national objectives. The loan program provides loans to eligible borrowers of up to \$250,000 with amortizations of up to 20 years and interest rates that can vary from 3% to 9% per annum depending on the overall credit rating of the transaction.

At June 30, 2023, the carrying value of loans receivable from the RLP program was \$1,034,091, less an uncollectible allowance of \$230,962. The fair value of these loans is not readily determinable.

Enterprise Zone Incentive Loans

During 1996, the Enterprise Zone Incentive Loan (EZIL) program was implemented to provide City incentives through the Authority to worthy businesses. These incentives were designed to encourage investment and job creation by new or existing businesses within the City's enterprise zones.

The EZIL Program is no longer being funded by the City. During the year ended June 30, 2011, all remaining loans receivable from the EZIL program were written off. The fund remains open to collect residual loan recovery payments. There were recoveries from loans previously written off of \$14,000 during the year ended June 30, 2023.

(Continued)

**ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF RICHMOND, VIRGINIA**  
**(A Component Unit of the City of Richmond, Virginia)**

**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**12. Conduit Debt**

The Authority can authorize the issuance of revenue bonds for the purpose of obtaining and constructing facilities. Such debt is payable solely from the revenues derived from structured liens or pass-through leases of the facilities constructed for the related enterprises. Collections of revenues pledged to liquidate the bonds are assigned to a trustee. Such debt does not constitute a debt or pledge of the faith and credit of the Authority, the Commonwealth of Virginia or any political subdivision thereof. Accordingly, such debt and related assets are not presented in the financial statements.

**13. Related Party Transactions**

Loan Fund

The Authority has received funds from the City for programs that are not administered by the Authority. As a result, these are reported as Due to the City on the statement of net position. These funds total \$50,813 at June 30, 2023.

The Authority receives bookkeeping services from a third-party CPA firm. During 2000, the Authority, through the CARE program, loaned the CPA firm \$125,000. Under the original terms of this loan, interest only payments were required until May 2016 at which time the principal was due in full; however, this loan was refinanced during the year-ended June 30, 2017, to a term loan with principal and interest over a twenty-year amortization with a five-year balloon payment due May 2022. The remaining balance of \$1,410 was paid off in the current year.

During 2023, the City made a contribution to the CARE loan program of \$600,000.

Operating Fund

During the year ended June 30, 2023, the Authority received \$635,881 in economic development incentives from the City to be passed on to approved businesses in accordance with the terms of performance agreements. Incentive grants of \$817,362 were paid out during the year. Additionally, prior to 2021, the Authority made City-approved disbursements in excess of receipts of \$119,692. This is included in Due from the City on the statement of net position.

Prior to 2021, the Authority had received from the City \$550,000 in funding for a Façade Improvement Grant Program. During the year, the Authority received \$350,000 from the City in funding for the grant and the Hull Street Façade Grant. Grants of \$517,505 were awarded under this program in prior years and \$47,495 was awarded during the year ended June 30, 2023. These grants are included in other operating expenses on the statement of revenues, expenses and changes in net position. The remaining balance of \$335,000 is classified as restricted net position on the statement of net position.

During the year ended June 30, 2023, the Authority received \$100,000 from the City to be used for business recruitment and retention incentives, implementation of the Strategic Plan for Equitable Economic Development, and for expenses related to the Coliseum City Center redevelopment project.

During the year, there was a transfer of \$100,000 from the Operating Fund to the Leigh St. Fund to help supplement expenses incurred at the Bon Secours Training Center.

(Continued)

**ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF RICHMOND, VIRGINIA  
(A Component Unit of the City of Richmond, Virginia)**

**NOTES TO FINANCIAL STATEMENTS  
June 30, 2023**

**14. 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 carries commercial insurance for all of these risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past five fiscal years.

**15. Recoverable Grant Payable**

Amounts noted as recoverable grants payable are amounts payable to the City of Richmond. In prior years, funds were received from the City and were used for developing the Leigh Street and Stone Brewing projects. Funds must be paid back to the City in an amount equal to the initial outlay at the conclusion of the project. There have been no agreements or terms developed by the Authority or the City regarding repayment of the Leigh Street Fund grant payable. During 2017, the terms of the Stone Brewing project grant payable were determined and are as follows:

Recoverable grant payable to the City of Richmond of \$23,000,000 due in annual installments of varying amounts and at various interest rates through June 1, 2041; interest payable semi-annually at rates ranging from 3% to 4%. \$ 18,385,000

Activity in long-term recoverable grants payable for fiscal year 2023 follows:

	<u>Balance June 30, 2022</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2023</u>	<u>Amount Due Within One Year</u>
Leigh Street Fund	\$ 6,500,000	\$ -	\$ (500,000)	\$ 6,000,000	\$ -
Stone Brewery Fund	<u>19,115,000</u>	-	<u>(730,000)</u>	<u>18,385,000</u>	<u>750,000</u>
	<u>\$ 25,615,000</u>	<u>\$ -</u>	<u>\$ (1,230,000)</u>	<u>\$ 24,385,000</u>	<u>\$ 750,000</u>

(Continued)



**ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF RICHMOND, VIRGINIA  
(A Component Unit of the City of Richmond, Virginia)**

**NOTES TO FINANCIAL STATEMENTS  
June 30, 2023**

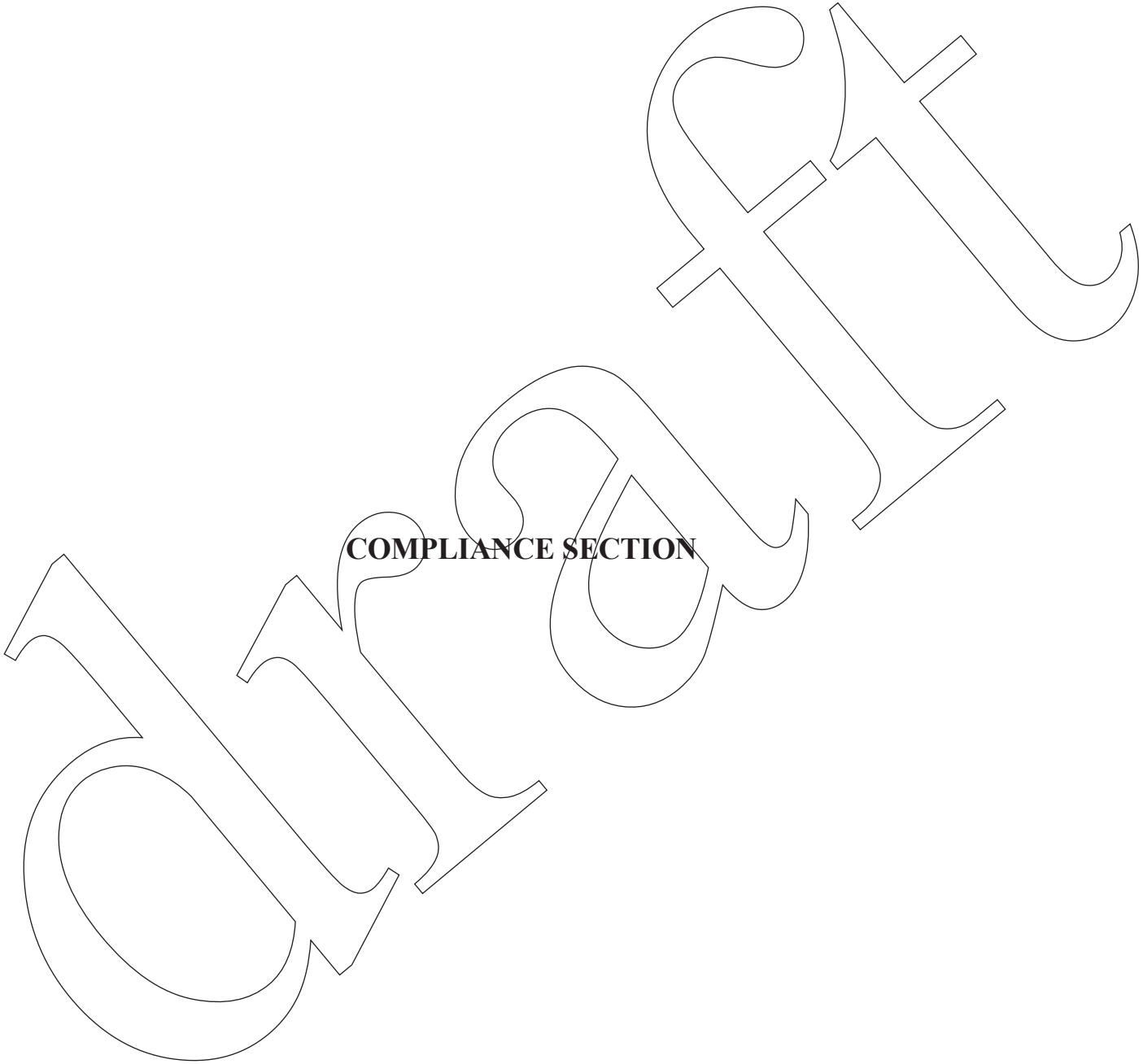
**15. Recoverable Grant Payable (Continued)**

Annual requirements to amortize long-term obligations and related interest are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 750,000	\$ 688,212	\$ 1,438,212
2025	775,000	665,713	1,440,713
2026	795,000	642,462	1,437,462
2027	820,000	617,619	1,437,619
2028	850,000	590,969	1,440,969
2029-2033	4,705,000	2,484,713	7,189,713
2034-2038	5,695,000	1,500,400	7,195,400
2039-2041	<u>3,995,000</u>	<u>323,800</u>	<u>4,318,800</u>
	<u>\$ 18,385,000</u>	<u>\$ 7,513,888</u>	<u>\$ 25,898,888</u>

**16. Subsequent Event**

The Authority entered into an agreement with the City of Richmond in October 2022 to allocate \$700,000 to the Authority from the City's American Rescue Program Act (ARPA) federal grant funds. The Authority plans to use the funds for technical assistance, loans, and grants to assist small business in an effort to promote economic development and recovery from the pandemic. The Authority did not receive the funds until August 14, 2023, from the City, and no expenditures related to the grant had been incurred as of June 30, 2023.



**COMPLIANCE SECTION**

**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***

To the Honorable Members of the Board of Directors of the  
Economic Development Authority of the City of Richmond, Virginia  
(A Component Unit of the City of Richmond, Virginia)  
Richmond, Virginia

We have audited, in accordance with the 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 *Specifications for Audits of Authorities, Board, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, business-type activities and each major fund of the Economic Development Authority of the City of Richmond, Virginia (the "Authority") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated **ENTER DATE**.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal controls, described in the accompanying schedule of findings and responses, as item 2023-001, that we consider to be a significant deficiency.

**Report on Compliance and Other Matters**

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

**Purpose of this Report**

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

CERTIFIED PUBLIC ACCOUNTANTS

Newport News, Virginia  
**ENTER DATE**

**ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF RICHMOND, VIRGINIA  
(A Component Unit of the City of Richmond, Virginia)**

**SUMMARY OF COMPLIANCE MATTERS  
June 30, 2023**

As more fully described in the 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*, we performed tests of the Authority's compliance with certain provisions of the laws, regulations, contracts, and grants shown below.

**STATE COMPLIANCE MATTERS**

*Code of Virginia*

- Cash and Investment Laws
- Conflicts of Interest Act
- Procurement Laws
- Uniform Disposition of Unclaimed Property Act

**ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF RICHMOND, VA**

**SCHEDULE OF FINDINGS AND RESPONSES  
June 30, 2023**

**A. SUMMARY OF AUDITOR'S RESULTS**

1. The auditor's report expresses an unmodified opinion on the financial statements.
2. One significant deficiency related to the audit of the financial statements was reported in the 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*.
3. No instances of noncompliance material to the financial statements were disclosed.

**B. FINDINGS - FINANCIAL STATEMENT AUDIT**

**2023-01: Material Adjusting Journal Entries (Significant Deficiency in Internal Control over Financial Reporting)**

*Condition and Criteria:*

As part of our audit, we proposed multiple significant adjustments related to various balances within the Stone Brewery and Operating Funds. These are reviewed and approved by management; however, we believe that this review would only detect material misstatements, and that a misstatement that is more than inconsequential may not be prevented or detected.

*Effect:*

Financial statements and related disclosures prepared on a generally accepted accounting principles (GAAP) basis may be misstated by an amount that is more than inconsequential.

*Cause:*

Due to the small size of the Authority, there is a limited accounting staff with the background needed in governmental accounting to assist with the majority of the audit adjustments posted.

*Recommendation:*

We recommend that material transactions be thoroughly reviewed by management and a member of the Board who has a background in financial reporting. We also recommend that management meet regularly with the auditors to keep up to date on changes in GAAP and continue to review the draft GAAP financial statements and related disclosures prior to issuance.

*Views of Responsible Officials and Planned Corrective Action:*

Management agrees with the recommendation that material transactions be thoroughly reviewed by management and a member of the Board who has a background in financial accounting. Management will update its internal policies and protocols to reflect this for material transactions related to the acquisition or disposition of real estate, the receipt or disbursement of federal funds, and other non-standard transactions. Management will also meet with the auditors semi-annually commencing in the Fall of 2023 to keep up to date on changes in GAAP and continue to review the draft GAAP financial statements and related disclosures prior to issuance.

**ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF RICHMOND, VA**

**SCHEDULE OF FINDINGS AND RESPONSES**  
**June 30, 2023**

**C. FINDINGS - COMMONWEALTH OF VIRGINIA**

None noted.

**D. STATUS OF PRIOR YEAR FINANCIAL STATEMENT AUDIT FINDINGS**

**2022-001: Allowance for Loan Losses on Notes Receivable (Significant Deficiency)**

*Condition:*

During our testing over the allowance for loan losses on notes receivables, we noted that the allowances for several of the loan programs were incorrectly calculated and resulted in overstating balances. As a result, the audit team had to post material adjustments to correct the balances.

*Recommendation:*

We recommend that someone other than the preparer review the calculations to ensure their accuracy prior to posting.

*Current Status:*

This has been addressed in the current year.

ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF RICHMOND, VA

CORRECTIVE ACTION PLAN

June 30, 2023



¶

¶

September 11, 2023¶

¶

¶

¶

Leslie F. Roberts, CPA¶

Partner¶

Brown, Edwards & Company, L.L.P.¶

701 Town Center Drive¶

Suite 700¶

Newport News, Virginia 23606¶

¶

Re: Corrective Action Plan to Finding 2023-01¶

¶

Dear Leslie:¶

¶

Thank you for the work done by the Brown, Edwards & Company, L.L.P. audit team on the Economic Development Authority of the City of Richmond, Virginia's ("EDA") Fiscal Year 2023 financial audit. The EDA is pleased that the work and corrective actions put in place to respond to findings in prior year audits have helped to ensure continuous improvement in the EDA's financial statements. Below is **Management's Response to Finding 2023-01** in the Fiscal Year 2023 audit.¶

¶

*Management agrees with the recommendation that material transactions be thoroughly reviewed by management and a member of the Board who has a background in financial accounting. Management will update its internal policies and protocols to reflect this for material transactions related to the acquisition or disposition of real estate, the receipt or disbursement of federal funds, and other non-standard transactions. Management will also meet with the auditors semi-annually commencing in the Fall of 2023 to keep up to date on changes in GAAP and continue to review the draft GAAP financial statements and related disclosures prior to issuance.¶*

¶

Please let me know if there is any additional information that we can provide.¶

¶

Sincerely,¶

¶

¶

¶

Leonard L. Sledge¶

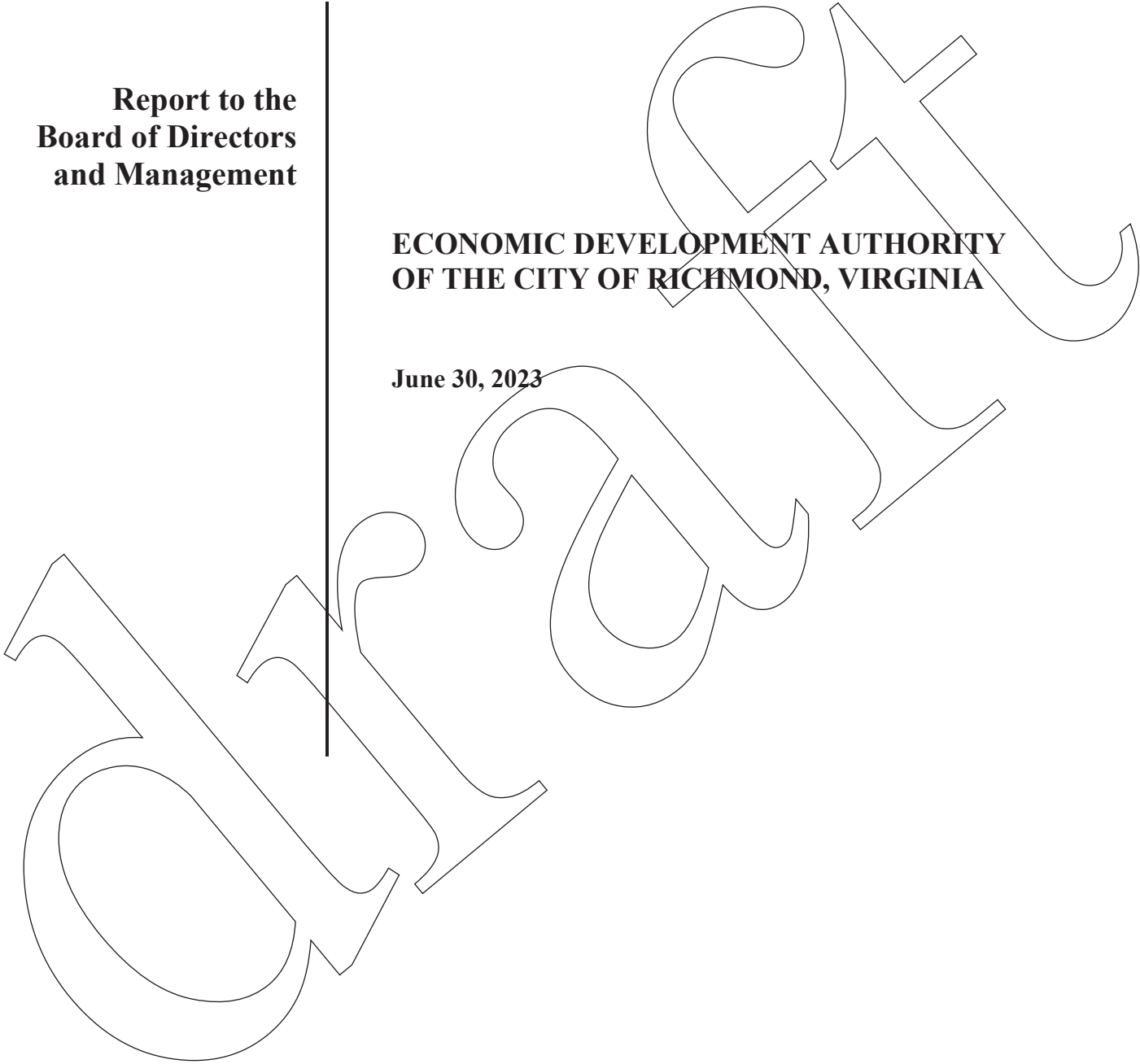
Executive Director¶



**Report to the  
Board of Directors  
and Management**

**ECONOMIC DEVELOPMENT AUTHORITY  
OF THE CITY OF RICHMOND, VIRGINIA**

**June 30, 2023**



## CONTENTS

	Page
CONTACTS.....	1
REQUIRED COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE.....	2
INDEPENDENT AUDITOR'S REPORT ON COMMENTS AND SUGGESTIONS .....	5
COMMENTS ON INTERNAL CONTROL FOR YOUR CONSIDERATION .....	7
ACCOUNTING AND OTHER MATTERS.....	8
APPENDIX A - MANAGEMENT REPRESENTATION LETTER	
APPENDIX B - ADJUSTING JOURNAL ENTRIES	

## CONTACTS

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## REQUIRED COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

To the Board of Directors and Management of  
Economic Development Authority of the City of Richmond, Virginia  
(A Component Unit of the City of Richmond, Virginia)  
Richmond, Virginia

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the Economic Development Authority of the City of Richmond, Virginia, collectively hereafter referred to as the Authority for the year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Governmental Auditing Standards*, 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 17, 2023. Professional standards also require that we communicate to you the following information related to our audit.

### Significant Audit Matters

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 2 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during 2023. We noted no transactions entered into by the Authority 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 estimates affecting the Authority's financial statements were:

- The useful lives of capital assets are based on management's knowledge and judgment, which is based on historical usage.
- The allowance for loan losses on loan program receivable are based on an analysis of risk assessments of credit risk of individual borrowers.
- Management's estimate of the right-of-use asset and related lease liability is based on the terms of the lease, assumptions regarding renewal options, and the discount rate selected by management.

We have evaluated the methods, assumptions, and data used to develop these estimates in determining that they are reasonable in relation to the financial statements as a whole.

## Significant Audit Matters (Continued)

### *Qualitative Aspects of Accounting Practices (Continued)*

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

- The disclosure of commitments and contingencies in Note 10 and the related party transactions disclosures in Note 13 to the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

### *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. There were no uncorrected misstatements and management has corrected certain other misstatements detected as a result of audit procedures as summarized in the attached journal entries (Appendix B).

### *Disagreements with Management*

For purposes of this letter, a disagreement with management is 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 included in Appendix A.

### *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 Economic Development Authority of the City of Richmond, Virginia'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 Economic Development Authority of the City of Richmond, Virginia's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition of our retention.

**Other Matters**

We applied certain limited procedures to the Management’s Discussion and Analysis as listed in the Table of Contents, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

**Restriction on Use**

This information is intended solely for the information and use of the Board of Directors and management of Economic Development Authority of the City of Richmond, Virginia and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

CERTIFIED PUBLIC ACCOUNTANTS

Newport News, Virginia

ENTER DATE

## INDEPENDENT AUDITOR'S REPORT ON COMMENTS AND SUGGESTIONS

To the Board of Directors and Management of  
Economic Development Authority of the City of Richmond, Virginia  
(A Component Unit of the City of Richmond, Virginia)  
Richmond, Virginia

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, and the major funds of the Economic Development Authority of the City of Richmond, Virginia (the Authority) as of and for the year ended June 30, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered its internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in circumstances for the purpose of expressing our opinions on the financial statements and to comply with any other applicable standards, such as *Government Auditing Standards*, 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.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls.

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

If material weaknesses or significant deficiencies were identified during our procedures they are appropriately designated as such in this report. Additional information on material weaknesses or significant deficiencies and compliance and other matters is included in the ***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*** which should be read in conjunction with this report.

Additionally, during our audit, we may have become aware of certain other matters that provide opportunities for improving your financial reporting system and/or operating efficiency. Such comments and suggestions regarding these matters, if any, are also included in the attached report, but are not designated as a material weakness or significant deficiency. Since our audit is not designed to include a detailed review of all systems and procedures, these comments should not be considered as being all-inclusive of areas where improvements might be achieved. We also have included information on accounting and other matters that we believe is important enough to merit consideration by management and those charged with governance. It is our hope that our suggestions will be taken in the constructive light in which they are offered.

We have already discussed these comments and suggestions with management, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of the Economic Development Authority of the City of Richmond, Virginia, management, and the appropriate state and federal regulatory agencies and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

CERTIFIED PUBLIC ACCOUNTANTS

Newport News, Virginia

ENTER DATE



## COMMENTS ON INTERNAL CONTROL FOR YOUR CONSIDERATION

### PROCUREMENT POLICY

During our testing over the Authority's procurement policy, we noted that the policy had been updated to incorporate the missing elements noted in the prior year that included use of competitive negotiation, competitive sealed bid and sole source provider. However, the policy is still in draft form and needs to be reviewed by the legal counsel. The Board only approved a portion of the policy but has yet to approve the portion that details out how purchases over \$200,000 are to be handled. We recommend that the Authority finalize the draft of the procurement policy and that the Board approves the whole policy.



## ACCOUNTING AND OTHER MATTERS

### NEW GASB PRONOUNCEMENTS

June 30, 2023

In this section, we would like to make you aware of certain confirmed and potential changes that are on the horizon that may affect your financial reporting and audit.

The GASB issued *Statement No. 99, Omnibus 2022* in April 2022. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The practice issues addressed by this Statement are as follows:

- Classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument.
- Extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt.
- Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP).
- Disclosures related to nonmonetary transactions.
- Pledges of future revenues when resources are not received by the pledging government.
- Clarification of provisions in Statement No. 34, *Basic Financial Statements— and Management's Discussion and Analysis— for State and Local Governments*, as amended, related to the focus of the government-wide financial statements.
- Terminology updates related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.
- Terminology used in Statement 53 to refer to resource flows statements.

***The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.***

## ACCOUNTING AND OTHER MATTERS

### NEW GASB PRONOUNCEMENTS

June 30, 2023

The GASB issued **Statement No. 100, *Accounting Changes and Error Corrections*** in June 2022. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements.

This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this Statement for changes in accounting principles apply to the implementation of a new pronouncement in absence of specific transition provisions in the new pronouncement. This Statement also requires that the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements.

This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated.

Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). For periods that are earlier than those included in the basic financial statements, information presented in RSI or SI should be restated for error corrections, if practicable, but not for changes in accounting principles.

***The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.***

## ACCOUNTING AND OTHER MATTERS

### NEW GASB PRONOUNCEMENTS

June 30, 2023

The GASB issued **Statement No. 101, *Compensated Absences*** in June 2022. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

This Statement requires that liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also requires that liability for specific types of compensated absences not be recognized until the leave is used.

This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities.

With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources.

***The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.***

## ACCOUNTING AND OTHER MATTERS

### CURRENT GASB PROJECTS

June 30, 2023

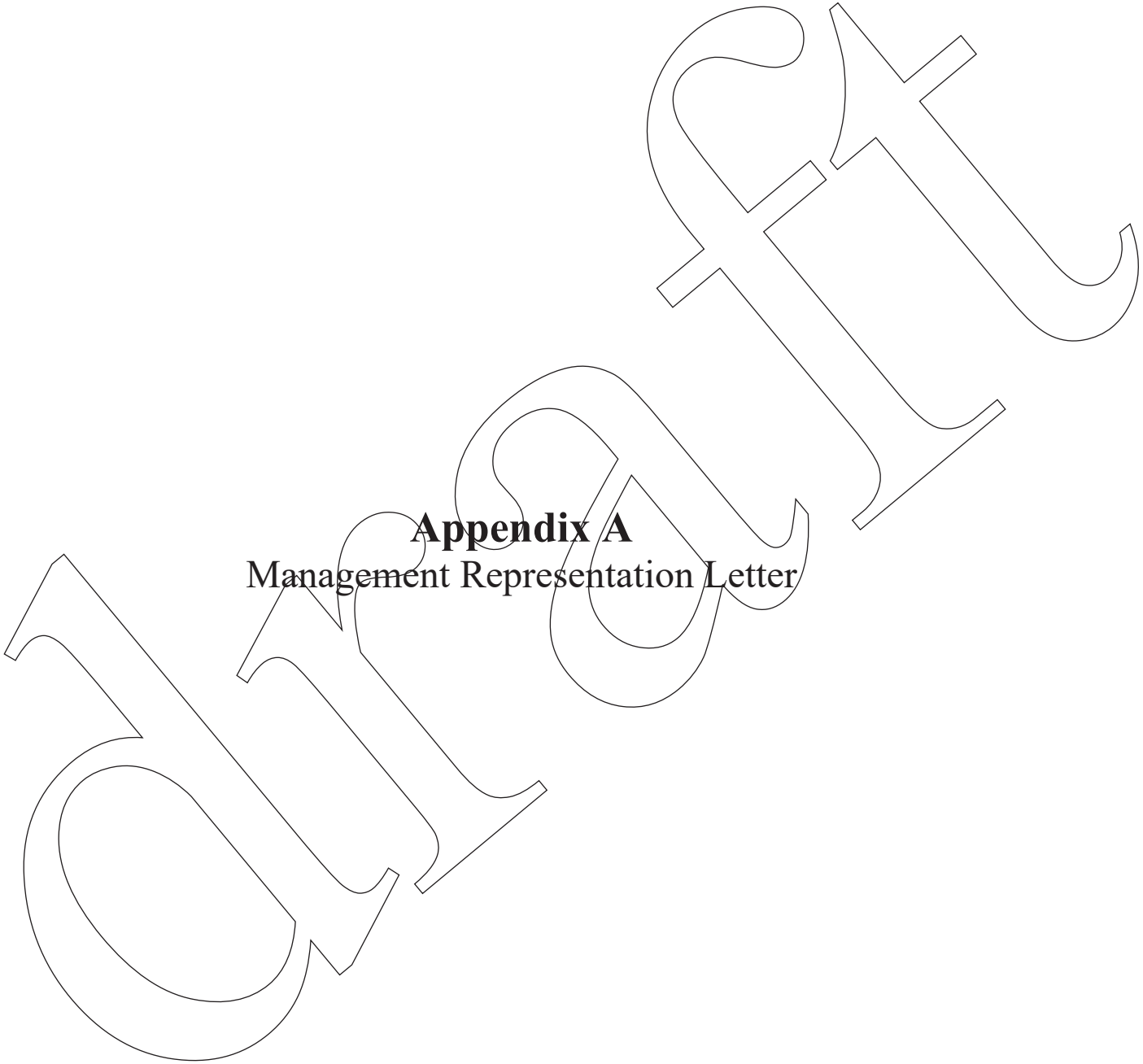
GASB currently has a variety of projects in process. Some of these projects discussed below.

**Conceptual Framework – Recognition.** The project’s objective is to develop recognition criteria for *whether* information should be reported in state and local governmental financial statements and *when* that information should be reported. This project ultimately will lead to a Concepts Statement on recognition of elements of financial statements. This project is currently in exposure draft re-deliberations period.

**Financial Reporting Model.** The objective of this project is to make improvements to the financial reporting model, including Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, and other reporting model-related pronouncements (Statements No. 35, *Basic Financial Statements – and Management’s Discussion and Analysis – for Public Colleges and Universities*, No. 37, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments: Omnibus*, No. 41, *Budgetary Comparison Schedules – Perspective Differences*, and No. 46, *Net Assets Restricted by Enabling Legislation, and Interpretation No. 6, Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*). The objective of these improvements would be to enhance the effectiveness of the model in providing information that is essential for decision-making and enhance the ability to assess a government’s accounting and address certain application issues, based upon the results of the pre-agenda research on the financial reporting model. This project is currently in exposure draft re-deliberations period.

**Revenue and Expense Recognition.** The objective of this project is to develop a comprehensive application model for the classification, recognition, and measurement of revenues and expenses. The purpose for developing a comprehensive model is (1) to improve the information regarding revenues and expenses that users need to make decisions and assess accountability, (2) to provide guidance regarding exchange and exchange-like transactions that have not been specifically addressed, (3) to evaluate revenue and expense recognition in the context of the conceptual framework, and (4) to address application issues identified in practice, based upon the results of the pre-agenda research on revenue for exchange and exchange-like transactions. This project is currently in the preliminary views re-deliberations period.

**Going Concern Uncertainties and Severe Financial Stress.** The objective of this project is to address issues related to disclosures regarding going concern uncertainties and severe financial stress. The project will consider (1) improvements to existing guidance for going concern considerations to address diversity in practice and clarify the circumstances under which disclosure is appropriate, (2) developing a definition of severe financial stress and criteria for identifying when governments should disclose their exposure to severe financial stress, and (3) what information about a government’s exposure to severe financial stress is necessary to disclose. This project is currently in the initial deliberations period. Additionally, infrastructure assets have been added to the agenda.



**Appendix A**  
**Management Representation Letter**



**Appendix B**  
Adjusting Journal Entries



September 21, 2023

Brown, Edwards & Company, L.L.P.  
701 Town Center Drive, Suite 700, Suite 700  
Newport News, Virginia 23606

This representation letter is provided in connection with your audit of the financial statements of Economic Development Authority of the City of Richmond, Virginia, which comprise the governmental activities, the business-type activities, and each major fund as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of the date of this letter, the following representations made to you during your audit.

### **Financial Statements**

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated June 6, 2023, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
2. The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
3. We acknowledge our responsibility 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.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
6. Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.



### **Financial Statements (Continued)**

7. Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
8. We are in agreement with the adjusting entries you have proposed, and they have been posted to the Authority's accounts. Also, there were no uncorrected misstatements or omitted disclosures noted by your during your audit.
9. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
10. Guarantees, whether written or oral, under which the Authority is contingently liable, if any, have been properly recorded or disclosed.

### **Information Provided**

11. We have provided you with:
  - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
  - b. Additional information that you have requested from us for the purpose of the audit.
  - c. Unrestricted access to persons within the Authority from whom you determined it necessary to obtain audit evidence.
  - d. Minutes of the meetings of the Board or summaries of actions of recent meetings for which minutes have not yet been prepared.
12. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
13. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
14. We have no knowledge of any fraud or suspected fraud that affects the Authority and involves—
  - Management,
  - Employees who have significant roles in internal control, or
  - Service organizations used by the Authority, or
  - Others where the fraud could have a material effect on the financial statements.
15. We have no knowledge of any allegations of fraud or suspected fraud affecting Authority's financial statements communicated by employees, former employees, regulators, or others.
16. We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.
17. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements and there have been no changes to the status of any pending litigation subsequent to the legal responses received from Bonnie Ashley, Deputy City Attorney, dated August 31, 2023, through the date of this letter.
18. We have disclosed to you the identity of the Authority's related parties and all the related party relationships and transactions of which we are aware.

## Government-Specific

19. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
20. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
21. The Authority has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, and fund balance or net position.
22. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and legal and contractual provisions for reporting specific activities in separate funds.
23. We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
24. We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
25. We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
26. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
27. As part of your audit, you assisted with preparation of the financial statements and related notes, assisted with the creation and maintenance of lease schedules in accordance with GASB 87, and assisted with the implementation of GASB 96, *Subscription-Based Information Technology Arrangements*. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services; and ensured that the entity's data and records are complete and received sufficient information to oversee the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.
28. The Authority has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
29. The Authority has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
30. The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
31. The financial statements properly classify all funds and activities, in accordance with [GASB Statement No. 34](#) , as amended, and [GASB Statement No. 84](#).

### **Government-Specific (Continued)**

33. All funds that meet the quantitative criteria in [GASBS Nos. 34](#) and [37](#) for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
34. Components of net position (net investment in capital assets; restricted; and unrestricted), and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
35. Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
36. Provisions for uncollectible receivables have been properly identified and recorded.
37. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
38. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
39. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
40. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
41. Capital assets have been evaluated for impairment as a result of significant and unexpected decline in service utility. Impairment loss and insurance recoveries have been properly recorded.
42. We have not completed the process of evaluating the impact that will result from adopting new Governmental Accounting Standards Board Statements (GASBS) that are not yet effective. The Authority is therefore unable to disclose the impact that adopting these Statements will have on its financial position and the result of its operations when the Statements are adopted.
43. We have appropriately disclosed the Authority's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
44. We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
45. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
46. Expenditures of federal awards were below the \$750,000 threshold in the audit period, and we were not required to have an audit in accordance with the Uniform Guidance.
47. We reaffirm the representations made to you in our letter dated October 12, 2022, regarding your audit for the fiscal year ended June 30, 2022.

We have evaluated subsequent events through the date of this letter, which is the date the financial statements were issued or available to be issued. No events have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.

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Leonard Sledge, Executive Director, and Board Secretary

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Lisa Jones, A.G. Reese

1500 Main Street, Ste. 400  
Richmond, Va. 23219  
[www.richmondeda.com](http://www.richmondeda.com)



**RVA Street  
Foodies  
Agreement**

**ECONOMIC DEVELOPMENT AUTHORITY  
OF THE CITY OF RICHMOND, VIRGINIA  
GRANT CONTRACT  
RVA Street Foodies**

**THIS GRANT CONTRACT** (the “Grant Contract”) is made and entered into as of \_\_\_\_\_, 2023, by and between the Economic Development Authority of the City of Richmond, Virginia (“the Authority”), a political subdivision of the Commonwealth of Virginia, RVA Street Foodies, LLC, a Virginia limited liability company (“RVA Street Foodies”), and Soul-Ice Vending, Inc., a Virginia corporation (the “Recipient”). RVA Street Foodies joins in this Grant Contract to indicate its agreement to those portions of this Grant Contract imposing obligations upon it and to make the certifications pertaining to it contained herein.

**RECITALS**

- A. The RVA Street Foodies project (“the Project”) entails the Recipient’s purchase of new food carts for use by RVA Street Foodies to support community-based entrepreneurial development, job training, and to increase access to fresh foods in underserved areas of the city of Richmond, Virginia.
- B. The Virginia Department of Agriculture and Consumer Services (“VDACS”), an agency of the Commonwealth of Virginia, awarded a Governor’s Agriculture and Forestry Industries Development program grant in the amount of up to \$20,000 (the “AFID Grant”), which will be provided to the City and then to the Authority for purposes of the Project.
- C. The Authority agreed to provide a reimbursement grant in the amount of up to \$10,000 (the “Local Match”) for the purpose of satisfying the AFID Grant’s local match requirement.
- D. The City of Richmond (the “City”) and VDACS entered into a Memorandum of Agreement dated July 1, 2022, outlining the terms of the AFID Grant.
- E. The Authority is authorized by section 15.2-4905 of the Code of Virginia to make economic development grants such as the one being made to the Recipient pursuant to this Grant Contract.
- F. The Authority desires to provide to the Recipient a grant of up to \$30,000, being the sum of the AFID Grant and the Local Match (the “Grant”) to reimburse the Recipient for expenditures related to the purchase and outfit of three to four food carts for the use of RVA Street Foodies to distribute foods, featuring fresh fruits and vegetables, to communities throughout Richmond, specifically underserved communities.
- G. The Recipient desires to accept the Grant in accordance with the terms and conditions of this Grant Contract.

**NOW, THEREFORE**, in consideration of the Recitals set forth above and good and valuable consideration as set forth below, the parties agree as follows:

1.0 **Grant.**

1.1 **Payment of Grant Funds.**

- A. Payment of the Grant to the Recipient shall be made in one lump sum as soon as practicable following full execution of this Grant Contract and the submission of all necessary documentation.
- B. All necessary documentation required by this Grant Contract must be received no later than December 31, 2023.

1.2 **Eligible Activities.** The Recipient is eligible for reimbursement for expenditures related to the purchase and outfit of three to four food carts for the use of RVA Street Foodies to distribute foods, featuring fresh fruits and vegetables, to communities throughout Richmond, specifically underserved communities.

2.0 **Necessary Documentation.**

2.1. **Documentation of Expenses.** The Recipient must submit expenses for which it seeks reimbursement, using the invoice template, which is attached as Exhibit A. The Recipient must include with the invoice the original or a copy of the receipts for all expenses included on the invoice, copies of related canceled checks to verify payment, and an explanation of how the expenditures are related to the approved workplan (the “Workplan”) attached as Exhibit B.

2.2. **Final Report.** The Recipient must submit a final report detailing activities and expenditures using the template, attached as Exhibit C. The Recipient must include photos of any purchased equipment with the final report.

3.0 **Conditions of Grant.**

3.1. **Compliance with Laws.** The Recipient and RVA Street Foodies shall obtain all necessary governmental approvals and permits and shall perform such acts as are necessary to effect the compliance with all laws, rules, ordinances, statutes, and regulations of any governmental authority applicable to its use of the Grant.

3.2. **Site Visits.** VDACS and/or its authorized representatives have the right, at all reasonable times, to make site visits to review project accomplishments and management control systems, and to provide such technical assistance as may be required.

4.0 **Records.**

4.1 **Maintenance of Records.** The Recipient shall maintain records of its expenditure of the Grant pursuant to generally accepted accounting principles and such other methods as the Authority may require documentation for a period of five (5) years after final payment,

including complete backup documentation, to support the Recipient's expenditure. The Recipient shall retain all invoices, checks, and other records showing billing and payment for any given expenditure; and shall maintain books of account with respect to the Grant.

4.2 **Access to Records and Audit.** The Recipient and RVA Street Foodies shall, at reasonable times and upon request, afford the Authority access to the records described in Section 4.1 ("Maintenance of Records") and any other records related to the Grant, wherever located, for such examination and audit by the Authority or its agent as the Authority may desire. The Authority may make copies of any records that the Authority has the right under this Grant Contract to access, examine, and audit. Additionally, the Recipient and RVA Street Foodies shall grant the Commonwealth of Virginia, VDACS, their authorized agents, and state auditors, any or all, access to and the right to examine any records related to the Grant, including but not limited to those described in Section 4.1 ("Maintenance of Records") and shall fully cooperate with the Authority should any such audit or examination be requested of it.

4.3 **Public Disclosure.** The Recipient acknowledges and agrees that this Grant Contract and any other records furnished, prepared by, or in the possession of the Authority or its agents may be subject to the retention and disposition requirements of the Virginia Public Records Act and the public disclosure requirements of the Virginia Freedom of Information Act.

5.0 **Protection of Authority.**

5.1 **Indemnification.**

5.1.1 **Generally.** The Recipient and RVA Street Foodies shall defend, hold harmless, and indemnify the Authority, its officers, its employees, and its agents from and against any and all actions, awards, causes of action, claims, costs, damages, expenses, judgments, liabilities, losses and suits (including costs relating to litigation and reasonable attorneys' fees) arising out of, caused by or resulting from any material default or breach by the Recipient of its obligations specified in this Grant Contract, as well as any and all actions, awards, causes of action, claims, costs, damages, expenses, judgments, liabilities, losses and suits (including costs relating to litigation and reasonable attorneys' fees) arising out of, caused by or resulting from errors, omissions, negligent acts or intentional acts of the Recipient, its officers, its employees, its agents, its contractors, its subcontractors, and its suppliers.

5.1.2 **Regulatory Compliance.** If the Recipient or RVA Street Foodies violates laws or regulations that govern the Grant, the Recipient or RVA Street Foodies, as applicable, shall defend, hold harmless, and indemnify the Authority against any fines or penalties or both that result from such violation. To the extent that such violation is the result of the negligence or other actionable conduct of the Recipient or RVA Street Foodies, the Recipient or RVA Street Foodies, as applicable, shall defend, hold harmless, and indemnify the Authority against any third-party claims, suits, awards, actions, causes of action or judgments, including, but not limited to, all attorneys' fees and costs incurred thereunder, that result from such violation.



6.0 **Expiration.** This Grant Contract will expire June 30, 2024, Sections 4.1, 4.2, and 5.0 of this Grant Contract shall survive its expiration.

7.0 **Representations and Warranties.**

7.1 Recipient represents and warrants that it purchased the food carts and otherwise made all expenditures related to the Grant for the food carts' sole use and possession by RVA Street Foodies and otherwise solely for the purposes set forth in this Grant Contract.

7.2 RVA Street Foodies represents and warrants that it took possession of or title to the food carts and operates such food carts for the purposes set forth in this Grant Contract.

8.0 **Miscellaneous Provisions.**

8.1 **Authority's Agent.** Notwithstanding Section 8.10 ("Notice"), the Authority may appoint one or more persons as its agents to perform reviews and approvals or exercise other rights of the Authority under this Grant Contract. In the event of such an appointment, the Authority shall inform the Recipient and RVA Street Foodies of the name and contact information of the agent.

8.2 **Captions.** All section titles or captions in this Grant Contract are for convenience of reference only. They should not be deemed to be part of this Grant Contract or to in any way define, limit, extend, or describe the scope or intent of any provisions of this Grant Contract.

8.3 **Counterparts.** This Grant Contract may be executed by the Authority, the Recipient, and RVA Street Foodies in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same Grant Contract. This Grant Contract is signed when a party's signature is delivered by facsimile, email, or other electronic medium. These signatures must be treated in all respects as having the same force and effect as original signatures.

8.4 **Entire Agreement.** This Grant Contract contains the entire understanding between the Authority, the Recipient, and RVA Street Foodies and supersedes any prior understandings and written or oral agreements between them respecting this subject matter. There are no representations, agreements, arrangements, or understandings, oral or written, between the Authority, the Recipient, and RVA Street Foodies relating to the subject matter of this Grant Contract that are not fully expressed in this Grant Contract.

8.5 **Governing Law and Forum Choice.** All issues and questions concerning the construction, enforcement, interpretation, and validity of this Grant Contract, or the rights and obligations of the Authority, the Recipient, and RVA Street Foodies in connection with this Grant Contract, shall be governed by, and construed and interpreted in accordance with, the laws of the Commonwealth of Virginia, without giving effect to any choice of law or conflict of laws rules or provisions, whether of the Commonwealth of Virginia or

any other jurisdiction, that would cause the application of the laws of any jurisdiction other than those of the Commonwealth of Virginia. Any and all disputes, claims, and causes of action arising out of or in connection with this Grant Contract, or any performances made hereunder, shall be brought, and any judicial proceeding shall take place, only in the Circuit Court of the City of Richmond, Virginia. With the exception of the provisions contained in Section 2.7.1 (“Indemnification”) of this Grant Contract, each party shall be responsible for its own attorneys’ fees in the event this Grant Contract is subject to litigation.

- 8.6 **Modifications.** This Grant Contract may be amended, modified, and supplemented only by the written consent of the Authority, the Recipient, and RVA Street Foodies preceded by all formalities required as prerequisites to the signature by each party of this Grant Contract.
- 8.7 **No Assignment.** This Grant Contract shall be binding upon and shall inure to the benefit of the successors and permitted assigns of the parties hereto; provided, however, that in no event may this Grant Contract or any of the rights, benefits, duties, or obligations of the parties hereto be assigned, transferred, or otherwise disposed of without the prior written consent of the other, which consent neither party shall be obligated to give.
- 8.8 **No Joint Venture.** The terms and conditions of this Grant Contract shall not be construed or interpreted in any manner as creating or constituting the Authority as a partner or joint venturer with the Recipient or RVA Street Foodies or as making the Authority liable for the debts, defaults, obligations, or lawsuits of the Recipient, RVA Street Foodies, or their assigns, contractors, or subcontractors.
- 8.9 **No Third-Party Beneficiaries.** Notwithstanding any other provision of this Grant Contract, the Authority, the Recipient, and RVA Street Foodies hereby agree that: (i) no individual or entity shall be considered, deemed, or otherwise recognized to be a third-party beneficiary of this Grant Contract; (ii) the provisions of this Grant Contract are not intended to be for the benefit of any individual or entity other than the Authority, the Recipient, and RVA Street Foodies; (iii) no individual or entity shall obtain any right to make any claim against the Authority, the Recipient, or RVA Street Foodies under the provisions of this Grant Contract; and (iv) no provision of this Grant Contract shall be construed or interpreted to confer third-party beneficiary status on any individual or entity. For purposes of this section, the phrase “individual or entity” means any individual or entity, including, but not limited to, individuals, tenants, subtenants, contractors, subcontractors, vendors, sub-vendors, assignees, licensors, and sub-licensors, regardless of whether such individual or entity is named in this Grant Contract.
- 8.10 **Notices.** All notices, offers, consents, or other communications required or permitted to be given pursuant to this Grant Contract shall be in writing and shall be considered as properly given or made if delivered personally, by messenger, by recognized overnight courier service, or by registered or certified U. S. mail with return receipt requested, and addressed to the address of the intended recipient at the following addresses:

- A. To Authority:

Executive Director  
Economic Development Authority of the City of Richmond  
1500 East Main Street  
Suite 400  
Richmond, Virginia 23219

With a copy to:

Chairman  
Economic Development Authority of the City of Richmond, Virginia  
1500 East Main Street, Suite 400  
Richmond, Virginia 23219

B. To the Recipient:

Dr. Malcolm Andress  
9013 Buffalo Springs Drive  
Midlothian, VA 23112

C. To RVA Street Foodies:

Dr. Malcolm Andress  
9013 Buffalo Springs Drive  
Midlothian, VA 23112

Either party may change any of its address information given above by giving notice in writing stating its new address to the other party.

8.11 **Records and Reports – Point of Contact.** All records and reports required by this Grant Contract shall be provided to the following point of contact:

Leonard Sledge  
Executive Director  
Economic Development Authority of the City of Richmond  
1500 East Main Street  
Suite 400  
Richmond, Virginia 23219

8.12 **Recipient’s Authority to Execute.** The Recipient and RVA Street Foodies represent that the signatory for each is duly authorized to enter into this Grant Contract and thereby bind the Recipient and RVA Street Foodies to this Grant Contract’s terms and conditions. This Grant Contract is signed when a party’s signature is delivered by facsimile, email, or other electronic medium. These signatures must be treated in all respects as having the same force and effect as original signatures.

**SIGNATURES ON FOLLOWING PAGE**

IN WITNESS WHEREOF, the parties have executed this Grant Contract as of the day and year first written above.

[INSERT RECIPIENT]

By: \_\_\_\_\_

Name:

Title:

[RVA Street Foodies]

By:

Name:

Title:

**ECONOMIC DEVELOPMENT AUTHORITY  
OF THE CITY OF RICHMOND, VIRGINIA**  
a political subdivision of the Commonwealth of  
Virginia

By: \_\_\_\_\_

John Molster  
Chairman

APPROVED AS TO FORM:

\_\_\_\_\_  
Bonnie M. Ashley  
General Counsel to the Authority

Appendix A – Invoice Template

Expenditure Description	Expenditure Amount	How does this expenditure relate to the activities outlined in the approved workplan?
<b>TOTAL</b>	0	

For any equipment purchases, please include photographs of the equipment (installed, if applicable).

**Governor’s Agriculture and Forestry Industries Development Fund –  
 Infrastructure Grant Program  
 (AFID Infrastructure Program)  
 Grant Application**

**I. Overview**

Project Title: RVA Street Foodies	
Applicant Jurisdiction: City of Richmond	Other localities (for multijurisdictional applications only):
Project Start Date: July 1, 2022	Anticipated End Date: Winter, 2022
Requested Amount: \$20,000	
Primary Contact Information	
Name: George Bolos	
Title: Economic Development Business Services Manager	
Organization: City of Richmond Department of Economic Development	
Telephone: (804) 646-0477	
Email Address: <a href="mailto:George.bolos@rva.gov">George.bolos@rva.gov</a>	
Mailing Address: 1500 East Main Street, Suite 400	
City, State, Zip: Richmond, VA 23219	

## II. Project Description

Please provide a narrative describing your project purpose; the issue to be addressed; and the importance of the project. Clearly identify project goals in this section, including but not limited to, the following:

- Expected impact of the project on affected localities' agriculture and forestry related industries
- Demonstration of the likelihood of success in achieving the promised deliverables
- Demonstration of support from the agricultural community
- Demonstration of sustainable agriculture practices

The City of Richmond Department of Economic Development wishes to support food-based, community-based entrepreneurial development in the City as way to increase economic growth and opportunity. Dr. Malcolm Andress, III of RVA Street Foodies has a proven record of successful social enterprise in the City. Through this project proposal we wish to support his efforts as they align with the goals of the City. Specifically, Objective 17.4 of the City's Comprehensive Plan (Richmond 300) states, ***“Expand access to the local healthy food system, prioritizing residents in low-income areas.”***

RVA Street Foodies Mobile Market is an Urban Social Enterprise (USE) Mobile Market Case Study, providing SNAP eligible foods featuring fresh fruits and vegetables in targeted areas of Richmond using food carts. The USE Mobile Market creates employment and entrepreneurship to exceed livable wage standards, a business literacy and vocational training curriculum to educate and launch new social entrepreneurs, a food supply chain to increase access to healthy food options, and a strategic marketing plan that utilizes cultural values to meet social integration standards.

RVA Street Foodies wishes to expand this method of sales and distribution of SNAP eligible foods featuring fresh fruits and vegetables to a larger cross-section of the public. In 2020, RVA Street Foodies rented a commissary for food storage and production to increase the quantity of Virginia farmed goods and, in 2021, developed a partnership with the City of Richmond to launch the RVA Street Foodies Mobile Market on four Richmond Public School lots.

This grant will provide additional carts to expand RVA Street Foodies ability to reach additional communities. Agricultural products grown in the Commonwealth will be featured products offered by RVA Street Foodies. SNAP eligible foods featuring fresh fruits and vegetables will be distributed in underserved communities in targeted areas of the city. These products are grown by Virginia farmers, with 30% or greater from originating MBE farming operations such as Goldman Farms of Central Virginia (Cullen/Lynchburg), Thelonious Cook, Hanover Vegetable Farm, Second Baptist Church of South Richmond Farm, Black Church Food Security Network, and Dr. Marcus Comer of Virginia State University. RVA Street Foodies will also work with minority- owned farm growers who engage in sustainable agricultural practices and support family-owned Virginia-based businesses as their primary suppliers.

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### III. Eligibility

Please briefly describe how your project meets one or more of the following eligible project types:

- Processing facilities that are primarily locally owned, including commercial kitchens, packaging and labeling facilities, animal slaughtering facilities, or other facilities, and that are primarily utilized for the processing of meats, dairy products, produce, or other products
- Farmers' markets
- Food hubs and other agricultural aggregation facilities

Through the commissary, which purchases and prepares for sale SNAP eligible foods featuring fresh fruits and vegetables through the carts, RVA Street Foodies acts as an aggregator of local produce.

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### IV. Match Requirement

Please indicate if your project qualifies for a reduced match requirement as described in the Program Guidelines:

A. Is the project located in an economically-distressed locality Yes: <input type="checkbox"/> No: <input checked="" type="checkbox"/>
B. Is the project located in an underserved community? Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>
C. Does the project serve two or more small-scale agricultural producers? Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>

If you responded "Yes" to either B. or C., please describe how your project meets the criterion.

The communities served by RVA Street Foodies are identified as low income and low access according to the USDA's Food Access Research Atlas. The additional carts will increase access to SNAP eligible foods featuring fresh fruits and vegetables from multiple local agricultural producers.

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### V. Budget and Budget Narrative

Please use the attached budget form to show total project costs. Provide a budget narrative below; outline specifics on the proposed use of funding and explain the details about the personnel and expenses that are itemized in the budget.

Funds will be used to purchase and outfit three to four additional food carts to distribute food to communities throughout Richmond. The \$30,000 needed to purchase the carts will come from

## Appendix B - Workplan

AFID funds and a cash match of \$10,000 from the Economic Development Authority of the City of Richmond.

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### VI. Work Plan

<b>Project Activity</b>	<b>Who</b>	<b>Timeline (Month / Year)</b>
Food cart purchase (3 to 4)	RVA Foodies	Summer of 2022

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### VII. Metrics and Outcomes

Please describe what success would mean for the project and how that success will be measured.

This project would create additional selling opportunities by increasing the number of carts used in the distribution of meals and will open new markets of opportunity in underserved communities through partnership agreements with Richmond Public Schools and other interested parties. The continued use of carts as the distribution mechanism will create new job training and shared ownership.

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### VIII. Letters of Support/Attachments

Please attach the following documentation:

- Letter for the chief administrative officer of applicant political subdivision(s) expressing support and how they will assist
- Letters of support from the agricultural industry, forestry industry, and/or other affected constituents

**AFID INFRASTRUCTURE GRANT  
PROJECT BUDGET FORM**

Locality Name	City of Richmond		
Project Title	RVA Street Foodies		
Requested Award	\$20,000		
<b>INCOME SOURCES</b>	<b>AMOUNT</b>	<b>COMMENTS</b>	
<b>APPLICANT MATCH</b>			
Local Cash Match	\$10,000		
Local In-Kind Match			
<b>Subtotal Applicant Match Income</b>	<b>\$ 10,000</b>		
<b>OTHER MATCH</b>			
Foundation/Non-profit			
Cash			
in-kind			
Federal			
Virginia Tobacco Region Revitalization Commission			
Other			
<b>Subtotal Other Match Income</b>	<b>\$ -</b>		
<b>TOTAL INCOME</b>	<b>\$ 10,000</b>		

<b>EXPENSES</b>	<b>TOTAL PROJECT BUDGET</b>	<b>AFID REQUEST</b>	<b>CASH MATCH</b>	<b>IN-KIND MATCH</b>
Personnel				
Fringe				
Travel				
Supplies/Materials	\$30,000	\$20,000	\$10,000	
Contractural				
Other				
<b>TOTAL EXPENSES</b>	<b>\$ 30,000</b>	<b>\$ 20,000</b>	<b>\$ 10,000</b>	<b>\$ -</b>

**BUDGET CATEGORIES**

Personnel: Costs for staff that are employees of the locality

Fringe: Costs for FICA and other payroll taxes, health and life insurance for employees

Travel: Mileage and per diems

**AFID INFRASTRUCTURE GRANT  
PROJECT BUDGET FORM**

Supplies/Materials: All programmatic and office supplies, including capital expenditures

Contractual: Costs for consultants creating feasibility studies, strategic plans, etc.

Other: Any items not covered in the above categories, such as postage, marketing expenses, etc.

## Appendix C – AFID Infrastructure Final Report Questions

### I. Project Summary

- Describe the initial purpose of the project and the specific need/problems to be addressed
- Describe this project's approach toward achieving its purpose and addressing that specific need/problem. Include the goals of the project and its specific deliverables.

### II. Goals and Outcomes Achieved (to be completed by Recipient)

- Supply the activities and specific deliverables completed in order to achieve the goals and outcomes for the project.
- Compare actual accomplishments with the goals and deliverable described in the approved project workplan. Explain what went right/wrong in achieving/not achieving each.