

Roanoke Redevelopment and Housing Authority

FINANCIAL STATEMENTS

Roanoke Redevelopment and Housing Authority

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September 30, 2009

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Roanoke Redevelopment and Housing Authority:

We have audited the accompanying statements of net assets of the Roanoke Redevelopment and Housing Authority, (the "Authority"), as of September 30, 2009 and the related statements of revenues, expenses, and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these basic financial statements based on our audit. We did not audit the financial statements of the discretely presented component units, which represent 36.67 percent, 23.40 percent, and 24.84 percent, respectively, of the assets, net assets and revenues of the Roanoke Redevelopment and Housing Authority. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component units, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the Roanoke Redevelopment and Housing Authority as of September 30, 2009, and the results of its operations and changes in net assets, and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 26, 2010 on our consideration of the Roanoke Redevelopment and Housing Authority's internal control over financial reporting and our tests on its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis contained on pages 3 through 7 are not a required part of the basic financial statements but is supplementary information required by the Government Accounting Standards Board. This supplementary information is the responsibility of the Authority's management. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required 2009 supplementary information. However, we did not audit the information and we do not express such an opinion on it.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the Roanoke Redevelopment and Housing Authority taken as a whole. The accompanying information listed as supplemental information, including the Financial Data Schedule and Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied by us and the other auditors, in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the financial statements taken as a whole.

April 26, 2010
Toms River, New Jersey

Imp Scatellaro and Company LLP

ROANOKE REDEVELOPMENT & HOUSING AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2009

The Roanoke Redevelopment and Housing Authority (the Authority or RRHA) is a political subdivision of the Commonwealth of Virginia and is empowered to implement housing, community development, redevelopment, and revitalization programs within the City of Roanoke, (the City). The City created the Authority in 1949 under the provisions of the United States Housing Act of 1937. Under title 36 of the Code of Virginia, the Authority has the power to acquire, lease, and improve property, to acquire via eminent domain; to make loans or grants; to investigate and determine whether an area is blighted; and to carry out a redevelopment plan in cooperation with local government.

The Authority presents this discussion and analysis of its financial performance during the fiscal year ended September 30, 2009, to assist the reader in focusing on significant financial issues and concerns.

The Authority's fiscal year 2009 annual financial report consists of three parts - the management's discussion and analysis, the basic financial statements (which include notes to those financial statements) and other supplemental information.

The primary focus of the Authority's financial statements is on the financial statements of a single business-type activity that combines all programs administered by the Authority. A separate column in the financial statements also shows the combined transactions of the Authority's real estate limited partnership component units.

The financial results of the discretely presented component units are not addressed in this discussion and analysis.

FINANCIAL HIGHLIGHTS

- The assets of the Authority exceeded its liabilities as of September 30, 2009 by \$47,921,878 (net assets).
- The Authority's cash balance, including escrow deposits and long-term investments as of September 30, 2009 was \$10,120,388 representing an increase of 2% from September 30, 2008 due mainly to a decrease in operating expenses during the 2009 fiscal year.
- The Authority had intergovernmental revenues of \$16,760,092 in HUD Operating Grants, \$2,094,357 of HUD Capital Grants and \$383,661 in Other Government Grants for the year ended September 30, 2009.
- The Authority had an ending total revenue balance of \$24,518,732 representing a slight increase from 2008 due primarily to an increase in operating grant funding, while total operating expenses had a balance of \$20,563,906 representing a 3% decrease in expenses primarily attributable to reduced expenses in utility and maintenance costs.

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

AUTHORITY FINANCIAL STATEMENTS

The Authority's mission focuses on the planning, design, construction, preservation, rehabilitation, financing, and management of housing, primarily for low- and moderate-income households, assisting in the revitalization of neighborhoods, and redevelopment of commercial and industrial areas in the City of Roanoke. As of September 30, 2009, the Authority owned over 1,200 residential units that are leased to low-income families and individuals. In addition, housing assistance was being paid to over 1,500 households under the Federal Housing Choice Voucher and Mod Rehab programs for privately owned existing housing.

BASIC FINANCIAL STATEMENTS

The Authority is presenting its fiscal year 2009 management's discussion and analysis based on the financial results of its enterprise programs in three basic financial statements - the statement of net assets; the statement of revenues, expenses and changes in net assets; and the statement of cash flows. The statement of net assets reports all financial and capital assets of the Authority and is presented in a format where assets equal liabilities plus net assets. Net assets are broken down into the following three categories:

- *Net assets, invested in capital assets, net of related debt* consist of all capital assets net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of these assets.
- *Restricted net assets* consist of assets that are restricted by constraints placed on the asset by external parties, such as, creditors, grantors, contributors, laws, or regulations reduced by liabilities payable from such assets.
- *Unrestricted net assets* consists of net assets that do not meet the definition of net assets invested in capital assets, net of related debt, or restricted net assets.

The statement of revenues, expenses, and changes in net assets includes operating revenues, such as operating grants and rental income; operating expenses, such as administrative, utilities, maintenance, depreciation; and nonoperating revenues and expenses, such as investment income, interest expense, capital contributions and special items, such as impairment loss on capital assets. The statement's focus is the change in net assets, which is similar to net income or loss.

Finally, a statement of cash flows is included, which discloses net cash flows from operating activities, capital and related financing activities, investing activities and noncapital financing activities.

These basic financial statements utilize the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized in the period they are earned and expenses in the period when they are incurred.

These financial statements represent over a dozen programs and activities. Most of these programs are financed by federal grants from HUD, rents, and other user charges resulting from operations of subsidized housing, by development and financing fees, and by investment income and loan proceeds. The Authority also administers housing and community development activities, in which funding is controlled at the City level.

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

FINANCIAL ANALYSIS OF THE AUTHORITY (ENTERPRISE FUND)

Total assets increased during the year primarily due to an increase in current assets from notes and mortgages receivable and from an increase in capital assets net of accumulated depreciation.

Cash decreased from the prior year's audit due to the classification of investments as cash in the prior year. Overall, the Authority's cash and investments increased 13% during the 2009 fiscal year. Current assets increased due to increases in cash and investments as discussed above and due to an increase in notes and mortgages classified as current during the current fiscal year and due to an increase in prepaid expenses.

Total liabilities decreased 18% due to decreases in accounts payable, accrued payroll and a reduction in mortgages and notes payable related to mortgages and bonds payable.

The following table summarizes the changes in net assets between September 30, 2009 and 2008 for the Authority as a whole:

	<u>2009</u>	<u>2008</u>	<u>NET CHANGE</u>	<u>%</u>
Cash	\$ 2,491,853	\$ 7,703,219	\$ (5,211,366)	-209.14%
Current Assets	8,854,883	3,124,539	5,730,344	64.71%
Non-current Assets	8,102,575	8,014,975	87,600	1.08%
Capital Assets - Net	<u>38,993,502</u>	<u>38,029,159</u>	<u>964,343</u>	<u>2.47%</u>
Total Assets	58,442,813	56,871,892	1,570,921	2.69%
Current Liabilities	2,357,464	3,661,757	(1,304,293)	-55.33%
Non-current Liabilities	8,163,471	8,707,109	(543,638)	-6.66%
Total Liabilities	<u>10,520,935</u>	<u>12,368,866</u>	<u>(1,847,931)</u>	<u>-17.56%</u>
Invested in Capital Assets -net of				
Related Debt	35,667,349	33,866,838	1,800,511	5.05%
Restricted Net Assets	757,017	1,854,638	(1,097,621)	-144.99%
Unrestricted Net Assets	<u>11,497,512</u>	<u>8,781,550</u>	<u>2,715,962</u>	<u>23.62%</u>
Total Net Assets	<u>\$ 47,921,878</u>	<u>\$ 44,503,026</u>	<u>\$ 3,418,852</u>	<u>7.13%</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

The following table summarizes the changes in operations between fiscal years 2009 and 2008 for the Authority as a whole:

	<u>2009</u>	<u>2008</u>	<u>NET CHANGE</u>	<u>%</u>
Tenant Rental Revenue	\$ 3,024,617	\$ 3,020,032	\$ 4,585	0.15%
HUD Operating Grants	17,143,753	16,759,056	384,697	2.30%
Fraud Recovery	-	-	-	0.00%
Other Revenue	1,815,798	2,233,666	(417,868)	-18.71%
Total Operating Revenue	<u>21,984,168</u>	<u>22,012,754</u>	<u>(28,586)</u>	<u>-0.13%</u>
Operating Expenses:				
Administrative	3,485,074	3,257,281	227,793	6.99%
Tenant Services	922,778	972,399	(49,621)	-5.10%
Utilities	2,166,539	2,077,453	89,086	4.29%
Maintenance	2,540,090	2,987,719	(447,629)	-14.98%
Protective Services	-	280	(280)	-100.00%
General Expenses	796,346	2,657,995	(1,861,649)	-70.04%
Housing Assistance Payments	8,624,810	7,395,055	1,229,755	16.63%
Depreciation	2,028,269	1,840,869	187,400	10.18%
Total Expenses	<u>20,563,906</u>	<u>21,189,051</u>	<u>(625,145)</u>	<u>-2.95%</u>
Operating Income	1,420,262	823,703	596,559	-72.42%
Non-operating Revenue (Expenses):				
Interest on Investments	440,207	501,940	(61,733)	-12.30%
Special Items Gain/ (Loss)	-	(915,550)	915,550	-100.00%
Interest Expense	(291,237)	(308,330)	17,093	-5.54%
Extraordinary Maintenance	(142,844)	-	(142,844)	0.00%
Proceeds from Sale of Capital	(186,793)	(542,046)	355,253	-65.54%
Total Revenue (Exp)	<u>(180,667)</u>	<u>(1,263,986)</u>	<u>1,083,319</u>	<u>-85.71%</u>
Non-operating Income (Loss)	1,239,595	(440,283)	1,679,878	-381.55%
HUD Capital Grants	2,094,357	2,161,756	(67,399)	-3.12%
Equity transfers	84,900	-	84,900	0.00%
Net Income	<u>3,418,852</u>	<u>1,721,473</u>	<u>1,697,379</u>	<u>98.60%</u>
Beginning Net Assets	44,503,026	42,781,553	1,721,473	4.02%
Total Net Assets	<u>\$ 47,921,878</u>	<u>\$ 44,503,026</u>	<u>\$ 3,418,852</u>	<u>7.68%</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

Other revenue decreased 22% due to a decrease in development related projects during the year.

Maintenance decreased 15% due to a decrease in maintenance related expenses that were paid from operations during the current year. The Authority was awarded an additional capital fund grant with stimulus funds that allowed the opportunity to have several projects upgraded to capital fund projects reducing general maintenance expenses.

General expenses decreased primarily due to the allowances for uncollectible accounts that were recorded in the previous year related to development projects that the Authority was involved in during the 2008 fiscal year.

Housing Assistance Payments increased due to an increase in the required HAP funds needed to support changes in participant incomes due to the ailing economy.

Special Items Gain/ (Loss) decreased.

During the prior year the Authority had several Capital Fund Replacement Housing Grants that expired before the Authority expended the funds. During the year HUD allowed the Authority to transfer \$915,550 in Capital Assets purchased with HOPE VI funds in previous years to the Capital Fund Replacement Program to expend these grants. As a result, the Authority was required to repay HUD the \$915,550 expended by the HOPE VI program on the capital assets. This repayment of \$915,550 was shown as a special item in the HOPE VI program during the prior year. This type of activity did not occur during the 2009 fiscal year.

Income increased in FY 2009 related to increased funding from HUD to support the voucher program.

Expenses increased in FY 2009 due to the additional vouchers leased in the Housing Choice Voucher and Veterans Assisted Housing Programs and because of increased costs associated with participants enrolled in the program due to the ailing economy which has resulted in an increase in program expenses for rental assistance payments.

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets:

The following table summarizes the changes in capital assets between September 30, 2009 and 2008:

	<u>2009</u>	<u>2008</u>	<u>Net Change</u>	<u>Variance</u>
Land	\$ 12,882,146	\$ 12,359,114	\$ 523,032	4.23%
Infrastructure	4,834,494	4,421,209	413,285	9.35%
Buildings and Improvements	62,276,640	59,004,108	3,272,532	5.55%
Furniture and Equipment	1,900,206	1,880,929	19,277	1.02%
Construction in Progress	4,660,064	6,002,189	(1,342,125)	-22.36%
Total	86,553,550	83,667,549	2,886,001	3.45%
Accumulated Depreciation	47,560,048	45,638,390	1,921,658	4.21%
Net Capital Assets	\$ 38,993,502	\$ 38,029,159	\$ 964,343	2.54%

Buildings and Improvements increased primarily due to the completion of modernization projects that occurred during the year and were reclassified from construction in progress to Infrastructure and Buildings and Improvements which also decreased Construction in Progress for the year.

The Authority's fiscal year 2009 financial statements include debt, consisting of loans, notes, and bonds payable, of approximately \$ 9 million.

- *Public Housing Loans and Bonds* - In prior years, the Authority issued notes and Bonds to permanently finance certain Public Housing projects. HUD pays the debt service on the outstanding \$3.5 million of these notes and bonds annually. In fiscal year 2003, the Authority issued additional bonds for \$3.3 million. The principal balance of Public Housing debt was \$3 million as of September 20, 2009.

- *Dual-funded Mortgage Loans* - In fiscal year 2009, the Authority has debt related to a dual-funded loan program that allows low-to moderate-income homeowners to refinance or purchase homes and rehabilitate them to HUD standards. The outstanding balance as of September 30, 2009 was \$1.5 million.

- *City of Roanoke Loans* - the Authority has entered into an agreement with the City of Roanoke to finance a portion of homeownership loans. The outstanding balance on amounts owed to the City of Roanoke was \$2 million at September 30, 2009.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

The financial report is designed to provide a general overview of the Authority's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the VP of Finance/CFO, Roanoke Redevelopment & Housing Authority, 2624 Salem Turnpike, NW, PO Box 6359, Roanoke, VA 24017 or visit our website at www.rkehousing.org.

BASIC FINANCIAL STATEMENTS

Roanoke Redevelopment and Housing Authority
Statement of Net Assets
September 30, 2009

ASSETS	Enterprise Fund	Component Units	<u>Total</u> <u>Reporting</u> <u>Entity</u>
CURRENT ASSETS:			
Cash and cash equivalents	\$ 2,491,853	177,626	2,669,479
Accounts receivable - other	1,391,111	3,699	1,394,810
Accounts receivable - tenants, net	193,195	11,514	204,709
Notes & mortgage receivable	406,374	-	406,374
Investments	6,508,538	-	6,508,538
Inventory	1,607	-	1,607
Prepaid expenses	164,770	147,265	312,035
Accrued interest receivable	65,953	-	65,953
Assets held for sale	123,335	-	123,335
Total current assets	<u>11,346,736</u>	<u>340,104</u>	<u>11,686,840</u>
RESTRICTED ASSETS:			
Cash and cash equivalents	<u>1,119,997</u>	<u>367,581</u>	<u>1,487,578</u>
Total restricted assets	<u>1,119,997</u>	<u>367,581</u>	<u>1,487,578</u>
NONCURRENT ASSETS:			
Land, structures and equipment net of accumulated depreciation	<u>38,993,502</u>	<u>32,898,415</u>	<u>71,891,917</u>
Total fixed assets (net)	<u>38,993,502</u>	<u>32,898,415</u>	<u>71,891,917</u>
Notes & mortgages receivable, excluding current portion	6,609,782	-	6,609,782
Other assets	<u>372,796</u>	<u>224,194</u>	<u>596,990</u>
Total assets	<u>\$ 58,442,813</u>	<u>33,830,294</u>	<u>92,273,107</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES:			
Accounts payable	\$ 665,992	378,720	1,044,712
Accounts payable - HUD	9,886	-	9,886
Accrued wages and payroll taxes	95,204	-	95,204
Accrued compensated absences	170,408	-	170,408
Accrued interest	58,320	76,237	134,557
Accrued liability - other	4,844	2,473	7,317
Tenant security deposits	157,968	39,743	197,711
Bonds payable, current portion	888,163	79,570	967,733
Notes payable, current portion	305,299	-	305,299
Deferred revenues	<u>1,380</u>	<u>18,038</u>	<u>19,418</u>
Total current liabilities	<u>2,357,464</u>	<u>594,781</u>	<u>2,952,245</u>
NONCURRENT LIABILITIES:			
Bonds payable, excluding current portion	2,279,900	15,890,199	18,170,099
Accrued compensated absences, excluding current portion	105,973	-	105,973
Notes payable, excluding current portion	5,451,806	2,712,458	8,164,264
Other liabilities	<u>325,792</u>	<u>-</u>	<u>325,792</u>
Total noncurrent liabilities	<u>8,163,471</u>	<u>18,602,657</u>	<u>26,766,128</u>
NET ASSETS:			
Invested in capital assets, (net)	35,667,349	14,061,623	49,728,972
Restricted	757,017	328,079	1,085,096
Unrestricted	<u>11,497,512</u>	<u>243,154</u>	<u>11,740,666</u>
Total net assets	<u>47,921,878</u>	<u>14,632,856</u>	<u>62,554,734</u>
Total liabilities and net assets	<u>\$ 58,442,813</u>	<u>33,830,294</u>	<u>92,273,107</u>

See accompanying notes to financial statements.

Roanoke Redevelopment and Housing Authority
Statement of Revenues, Expenses, and Changes
in Net Assets
For the Year Ended September 30, 2009

	<u>Enterprise Fund</u>	<u>Component Units</u>	<u>Total Reporting Entity</u>
Operating revenues:			
Tenant revenue	\$ 3,024,617	1,357,367	4,381,984
Government grants	16,760,092	-	16,760,092
Other government grants	383,661	-	383,661
Proceeds from the disposition of assets held for sale	35,000	1,000	36,000
Cost of sale of assets	(43,767)	(1,580)	(45,347)
Other revenue	<u>1,824,565</u>	<u>15,756</u>	<u>1,840,321</u>
Total operating revenue	<u>21,984,168</u>	<u>1,372,543</u>	<u>23,356,711</u>
Operating expenses:			
Administrative salaries	1,777,711	27,479	1,805,190
Other administrative expenses	1,707,366	203,533	1,910,899
Tenant / community services	922,778	-	922,778
Utility expense	2,166,539	141,897	2,308,436
Maintenance salaries	895,211	60,143	955,354
Maintenance other	1,644,879	208,447	1,853,326
Contract / protective services	-	434	434
Insurance	351,409	86,790	438,199
Other general expenses	348,016	96,645	444,661
Bad debt	20,504	3,331	23,835
Payments in lieu of taxes	76,415	24,535	100,950
Housing assistance payments	8,624,809	-	8,624,809
Depreciation	<u>2,028,269</u>	<u>780,836</u>	<u>2,809,105</u>
Total operating expenses	<u>20,563,906</u>	<u>1,634,070</u>	<u>22,197,976</u>
Operating income (loss)	<u>1,420,262</u>	<u>(261,527)</u>	<u>1,158,735</u>
Non-operating revenues (expenses):			
Capital grants	2,094,357	-	2,094,357
Investment income	440,207	738	440,945
Extraordinary maintenance	(142,844)	-	(142,844)
Interest expense	(291,237)	(445,333)	(736,570)
Loss on sale of fixed assets	(181,522)	-	(181,522)
Casualty losses	<u>(5,271)</u>	<u>-</u>	<u>(5,271)</u>
Net non-operating income (loss)	<u>1,913,690</u>	<u>(444,595)</u>	<u>1,469,095</u>
Change in net assets	3,333,952	(706,122)	2,627,830
Total net assets, beginning	44,503,026	9,449,108	53,952,134
Partner contributions	-	5,889,870	5,889,870
Equity transfers	<u>84,900</u>	<u>-</u>	<u>84,900</u>
Total net assets, end of year	<u>\$ 47,921,878</u>	<u>14,632,856</u>	<u>62,554,734</u>

See accompanying notes to financial statements.

Roanoke Redevelopment and Housing Authority
Statement of Cash Flows - All Enterprise Funds
For the Year Ended September 30, 2009

Cash Flows from Operating Activities:	
Receipts from tenants	\$ 2,960,267
Receipts operating grants and subsidies	17,889,088
Other receipts	1,819,853
Payments to suppliers and employees	<u>(19,757,830)</u>
Net cash flows provided by operating activities	<u>2,911,378</u>
Cash Flows from Capital and Related Financing Activities:	
Deposits to (from) restricted cash	786,881
Purchases of capital assets	(6,445,701)
Disposal of capital assets	3,467,661
Interest paid on capital debt	(291,237)
Principal payments of notes payable	(551,388)
Capital grant contributions	2,094,357
Gain(Loss) on sale of capital assets	(181,522)
Casualty losses	(5,271)
Extraordinary maintenance	<u>(142,844)</u>
Net cash flows (used in) capital and related financing activities	<u>(1,269,064)</u>
Cash Flows from Investing Activities:	
Reclassification of investments	(6,181,147)
Acquisition of notes receivable	(1,114,180)
Accrued interest receivable	1,440
Interest and dividends	<u>440,207</u>
Net cash flows (used in) investing activities	<u>(6,853,680)</u>
Net (decrease) in cash	(5,211,366)
Cash at beginning of year	<u>7,703,219</u>
Cash at end of year	<u>\$ 2,491,853</u>

See accompanying notes to financial statements.

Roanoke Redevelopment and Housing Authority
Statement of Cash Flows continued - All Enterprise Funds
For the Year Ended September 30, 2009

Reconciliation of operating income to cash provided by
operating activities

Operating income	\$ 1,420,262
Items which did not use cash:	
Depreciation	2,028,269
Equity transfers	84,900
Working capital changes which provided (used) cash:	
Accounts receivable - tenants	(64,350)
Accounts receivable - other	745,335
Other assets	(4,712)
Deferred revenue	(396,709)
Prepaid expenses	(48,472)
Assets held for sale	59,970
Accounts payable- HUD	9,886
Accounts payable	(952,592)
Accrued expenses	(3,899)
Other liabilities	103,411
Tenant security deposits	(2,885)
Other current liabilities	<u>(67,036)</u>
Net cash provided by operating activities	<u>\$ 2,911,378</u>

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements

For the Year Ended September 30, 2009

1. SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The financial statements of the Authority have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Authority is a Special Purpose Government engaged only in business-type activities and therefore, presents only the financial statements required for the enterprise fund.

The Authority has multiple programs which are accounted for as one business type activity for financial reporting purposes which are presented as the "enterprise fund" in the basic financial statements as follows:

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

Governmental Accounting Standards — The Housing Authority has applied all applicable Governmental Accounting Standards Board pronouncements as well as pronouncements issued by the Financial Accounting Standards Board on or before November 30, 1989, and those issued after November 30, 1989 except for those that conflict with or contradict Governmental Accounting Standards Board pronouncements.

B. Cash

The Authority considers cash on hand and cash in checking to be cash equivalents. Cash on hand is not included in calculation of collateral required.

C. Accounts Receivable

Rents are due from tenants on the first day of each month. As a result, tenants receivable balances primarily consist of rents past due and vacated tenants. An allowance for doubtful accounts is established to provide for all accounts that may not be collected in the future for any reason.

D. Investments

The required disclosures for investments carried at fair value on a recurring basis are detailed in footnote 4.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Investments (continued)

The Fair Value Measurements Topic of the FASB Accounting Standards Codification establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows: Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date; Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; Level 3 inputs are unobservable inputs for the asset or liability. Management did not elect the fair value option for certain financial assets and financial liabilities, which were all eligible for the fair value option, since those instruments were not affected by changes in management's risk management and investment strategy.

E. Prepaid Items

Prepaid items consists of payments made to vendors for services that will benefit future periods.

F. Assets Held for Resale

Inventories consist of homes constructed or renovated for sale to private homeowners. The houses are valued at actual costs.

G. Deferred Revenue

The Authority recognizes revenues as earned. The amount received in advance of the period in which it is earned is recorded as a liability under deferred revenue.

H. Revenue Accounting Policies

Dwelling rental income, HUD Grants received for operations, other operating fund grants and operating miscellaneous income are shown as operating income. HUD grants received for capital assets and all other revenue are shown as operating income. The financial statements do not contain material inter-fund revenues and expenses for internal activity. The policy is to eliminate any material inter-fund revenues and expenses for these financial statements.

I. Postemployment benefits

The Authority implemented the requirements of GASB Accounting Standards Codification related to postemployment benefits for the year ended September 30, 2009, which recognizes the cost of postemployment health benefits in the year when employee services are received. Recognition of prior years accumulated liability will be phased in over 30 years, as the Authority has adopted the requirements prospectively.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Property and Equipment

Property and equipment are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The costs of maintenance and repairs are expensed, while significant renewals and betterments are capitalized. Small dollar value minor equipment items are expensed. Depreciation on assets has been expensed in the statement of income and expenses. Estimated useful lives are as follows:

Dwellings and improvements	15-40 years
Furniture, equipment, and machinery	5 years
Infrastructure	30 years

K. Intangible Assets

Intangible assets with finite useful lives are amortized over their estimated useful life. Bond issuance costs consist primarily of unamortized revenue bond issuance costs. Expenses relating to the issuance of the capital program bonds are capitalized and amortized on a straight-line basis over the term of the bonds maturity.

L. Fair Value Measurements

Fair Value Measurements Topic of the FASB Accounting Standard Codification was established to create a single definition of fair value and a framework for measuring fair value in generally accepted accounting principles (GAAP) that is intended to result in increased consistency and comparability in fair value measurements. It also expands disclosures about fair value measurements. It applies whenever other authoritative literature requires (or permits) certain assets or liabilities to be measured at fair value, but does not expand the use of fair value. Items carried at fair value on a recurring basis consist of financial instruments which are valued primarily based on quoted prices in active or brokered markets for identical as well as similar assets.

2. REPORTING ENTITY DEFINITION

The Authority is a separate non-profit corporation with a Board of Commissioners. The applicable jurisdictions appoint the Board of Commissioners. However, the Housing Authority has complete legislative and administrative authority and it recruits and employs personnel. The Authority adopts a budget that is approved by the Board of Commissioners. Subsidies for operations are received primarily from HUD. The authority has substantial legal authority to control its affairs without local government approval; therefore, all operations of the Authority are a separate reporting entity as reflected in this report. The Authority is responsible for its debts and is entitled to surpluses.

2. REPORTING ENTITY DEFINITION (continued)

In determining how to define the reporting entity, management has considered all potential component units. The decision to include a component unit in the reporting entity was made by applying certain criteria. These criteria include manifestation of will, financial benefit to or burden on a primary organization, financial accountability as a result of fiscal dependency, potential for dual inclusion, and organizations included in the reporting entity although the primary organization is not financially accountable. Based upon the application of these criteria, the reporting entity includes the following components units:

Blended Component Units

Roanoke Valley Housing Corporation (RVHC) was created as a not-for-profit affiliate organization of the Authority and incorporated in 1995. RVHC was created to assist the Authority in the development of low-income housing projects. RVHC is reported as a blended component unit because it was created to assist the Authority in its mission to provide affordable housing to low-income families in the City and its operations are indistinguishable from the authority. Roanoke Valley Housing Corporation is a partner in the general partner of Hurt Park, LP, Indian Village LP, Stepping Stone LP, Park Street Housing, LP and Day Avenue, LP.

Shenandoah Crossings, Inc., incorporated on June 13, 2000, was created to assist the Authority in the renovation of an office building into an apartment complex. Shenandoah Crossing, Inc. is the general partner of a real estate limited partnership, Shenandoah Crossings, Limited Partnership. Shenandoah Crossing, Inc. is reported as a blended component unit because it was created to assist the Authority in its mission of housing redevelopment in the City and its operations are indistinguishable from the Authority.

Discretely Presented Component Units

Shenandoah Crossings, Limited Partnership (SCLP) - The Authority has significant influence over the general partner (Shenandoah Crossings, Inc.) of a real estate limited partnership (SCLP) that has significant financial relationships with the Authority. The limited partnership interests are held by third parties unrelated to the Authority. The Authority has certain rights and responsibilities which enable it to impose its will on the limited partnership due to the significant influence over the general partner and financial relationships with the partnership.

The limited partnership was formed for the purpose of renovating an office building of historical and architectural significance into a luxury apartment complex. On May 24, 2001, the limited partnership acquired the vacant Norfolk & Western General Office Building South (historic name) located at 8 Jefferson Street, NW, Roanoke Virginia (the Office Building). The Office Building is an architectural landmark of Roanoke and is located in the commercial area north of the downtown business district. The limited partnership renovated the Office Building into an 87-unit apartment complex know, as Eight Jefferson Place. Marketing activities of Eight Jefferson Place began in July 2002 and rental of apartments to tenants began September 2002.

2. REPORTING ENTITY DEFINITION (continued)

The responsibility for management of the affairs of the limited partnership, and the ongoing management of Shenandoah Crossing Apartments is vested with the general partner, Shenandoah Crossings, Inc. The limited partnership's December 31, 2008 year-end financial statements are included within the Authority's basic financial statements. Complete financial statements of the limited partnership can be obtained from the VP of Finance of Roanoke Redevelopment and Housing Authority, 2624 Salem Turnpike N.W., Roanoke, VA 24017.

Discretely Presented Component Units (continued)

Stepping Stone, Limited Partnership (SSLP) The Authority has significant influence over the general partner, Stepping Stone Apartments, LLC, of a real estate limited partnership (SSLP) that has significant financial relationships with the Authority. The Authority has certain rights and responsibilities which enable it to impose its will on the limited partnership due to the significant influence over the general partner and financial relationships with the partnership.

The limited partnership was formed for the purpose of constructing 15 duplex units at the Villages at Lincoln. RVHC acted as the developer on this project. RRHA applied for an allocation of low-income housing tax credits from the Virginia Housing Development Authority. On November 10, 2003 the authority conveyed 15 vacant lots to SSLP. Construction on the project began in August 2004 and was completed in October 2005. Marketing activities of Stepping Stone Apartments began in January 2005 and rental of duplex units to tenants began in March 2005.

The responsibility for management of the affairs of the limited partnership, and the ongoing management of Stepping Stone Apartments is vested with Stepping Stone Apartments, LLC. The Authority has entered into a fifteen-year agreement with SSLP to manage the thirty units over the life of the tax credit compliance period. The limited partnership's December 31, 2008 year-end financial statements are included within the Authority's basic financial statements. Inquiries regarding the limited partnership should be directed to the VP of Finance of Roanoke Redevelopment and Housing Authority, 2624 Salem Turnpike N.W., Roanoke, VA 24017.

Indian Village, Limited Partnership (IVLP) The Authority has significant influence over the general partner, Indian Village, LLC, of a real estate limited partnership (IVLP) that has significant financial relationships with the Authority. The Authority has certain rights and responsibilities which enable it to impose its will on the limited partnership due to the significant influence over the general partner and financial relationships with the partnership.

The limited partnership was formed for the purpose of constructing and operating 5 town homes. RVHC acted as the developer on this project. RRHA applied for an application of low-income housing tax credits from the Virginia Housing Development Authority on March 11, 2005. Construction on the project began in June 2006 and was completed January 2008.

2. REPORTING ENTITY DEFINITION (continued)

Discretely Presented Component Units (continued)

The responsibility for management of the affairs of the limited partnership, and the ongoing management of Hillcrest Heights Town Homes is vested with Indian Village, LLC. The Authority has entered into a fifteen year agreement with IVLP to manage the twenty four units over the life of the tax credit compliance period. The limited partnership's December 31, 2008 year end financial statements are included within the Authority's basic financial statements. Inquires regarding the limited partnership should be directed to the VP of Finance of Roanoke and Redevelopment and Housing Authority, 2624 Salem Turnpike N.W., Roanoke, VA 24017.

Day Avenue, Limited Partnership (DALP) The Authority has significant influence over the general partner, Day Avenue Improvements, LLC, of a real estate limited partnership (DALP) that has significant financial relationships with the Authority. The Authority has certain rights and responsibilities which enable it to impose its will on the limited partnership due to significant influence over the general partner and financial relationships with the partnership. The Roanoke Redevelopment and Housing Authority is a limited partner in Day Avenue, LP.

The limited partnership was formed September 1, 2005 for the purpose of acquiring, constructing, rehabilitating, and selling of seventeen historic homes on the 400 block of Day Avenue located in the City of Roanoke. RRHA acted as the developer on this project. RRHA applied for an allocation of historical tax credits from the Department of Historic Resources. Rehabilitation on the project began in January 2006 and was scheduled to be completed in 2008. However, due to the downturn in the housing market the project's completion date has been delayed.

The responsibility for management of the affairs of the limited partnership, and the ongoing management of DALP is vested with Day Avenue Improvements, LLC. The limited partnership's December 31, 2008 year end financial statements are included within the Authority's basic financial statements. Inquiries regarding the limited partnership should be directed to the VP of Finance of Roanoke and Redevelopment and Housing Authority, 2624 Salem Turnpike N.W., Roanoke, VA 24017.

Park Street Housing Limited Partnership (PSLP) The Authority has significant influence over the general partner, Park Street Housing Development, LLC, of real estate limited partnership (PSPL) that has significant financial relationships with the Authority. The Authority has certain rights and responsibilities which enable it to impose its will on the limited partnership due to the significant influence over the general partner and financial relationships with the partnerships.

The limited partnership was formed for the purpose of constructing and operating six town homes. RVHC acted as the developer on this project. RRHA applied for an allocation of low income housing tax credits from the Virginia Housing Development Authority on March 11, 2005. Construction on the project began in April 2006 and was completed in December 2007.

2. REPORTING ENTITY DEFINITION (continued)

Discretely Presented Component Units (continued)

The responsibility for management of the affairs of the limited partnership, and the ongoing management of Park Street Square is vested with Park Street Housing Development, LLC. The Authority has entered into a fifteen year agreement with PSLP to manage the twenty five units over the life of the tax credit compliance period. The limited partnership's December 31, 2008 year end financial statements are included within the Authority's basic financial statements. Inquiries regarding the limited partnership should be directed to the VP of Finance of Roanoke and Redevelopment and Housing Authority, 2624 Salem Turnpike N.W., Roanoke, VA 24017.

Hurt Park, LP The Authority has significant influence over the general partner, Roanoke Valley Housing Corporation, of a real estate limited partnership (Hurt Park, LP) that has significant financial relationships with the Authority. The Authority has certain rights and responsibilities which enable it to impose its will on the limited partnership due to the significant influence over the general partner and financial relationships with the partnership.

The limited partnership was formed for the purpose of constructing and operating a 40 unit apartment complex in Roanoke Virginia. RVHC acted as the developer on this project. Construction on the project began in 2007. Construction was completed in May 2009.

The responsibility for management of the affairs of the limited partnership is vested with the general partner. The limited partnership's December 31, 2008 year end financial statements are included within the Authority's basic financial statements. Inquiries regarding the limited partnership should be directed to the VP of Finance of Roanoke and Redevelopment and Housing Authority, 2624 Salem Turnpike N.W., Roanoke, VA 24017.

3. CASH AND INVESTMENT DEPOSITS

The U.S. Department of Housing and Urban Development, (HUD) also requires that deposits be fully collateralized at all times. Acceptable collateralization includes FDIC/FSLIC insurance and the market value of securities purchased and pledged to the political subdivision. Pursuant to HUD restrictions, obligations of the United States are allowed as security deposits. Obligations furnished as security must be held by the Authority or with an unaffiliated bank or trust company for the account of the Authority.

It is the Authority's policy to maintain collateralization in accordance with state and HUD requirements.

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

3. CASH AND INVESTMENT DEPOSITS (continued)

Deposits: The three credit risk categories are:

1. Insured or collateralized with securities held by the entity or by its agent (correspondent bank or Federal Reserve bank) in the entity's name.
2. Collateralized with securities held by the pledging financial institution trust department or agent in the entity's name.
3. Uncollateralized or collateralized with securities held by the pledging financial institution or by its trust department or agent but not in the entity's name.

As of September 30, 2009, the carrying amount of the Enterprise fund's cash and cash equivalents (including restricted cash) was \$3,611,850 and the bank balance approximated \$3,882,376. All funds are covered by the federal depository insurance or by collateral held by the Authority's agent in the Authority's name. The Authority is authorized by HUD to invest in time deposits, certificates of deposits and obligations of the U.S. Treasury.

4. FAIR VALUE MEASUREMENTS

Fair values of assets and liabilities measured on a recurring basis at September 30, 2009 are as follows:

Fair Value Measurements at Reporting Date Using

	<u>Fair Value</u>	Quoted Prices In Active Markets for Identical Assets/Liabili- ties (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
September 30, 2009	-	-	-	-
Federal Coupons	\$ 6,341,021	6,341,021	-	-
Mutual government bond fund	<u>167,517</u>	<u>167,517</u>	-	-
Total Assets	<u>\$ 6,508,538</u>	<u>6,508,538</u>	-	-

All assets and liabilities have been valued using a market approach.

5. CONTRACTUAL COMMITMENTS

The Authority had Outstanding Contractual Commitments as of the Balance Sheet Dates as follows:

Total Commitments \$3,915,439

6. RISK MANAGEMENT

The Authority is exposed to various risks of losses related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority carries commercial insurance for all risks of loss, including workman's compensation. The Authority established a risk management program for employee's group health insurance in 1995. The Authority has not had any significant reductions in insurance coverage or any claims not reimbursed.

7. CONCENTRATION OF RISK

The Authority receives most of its funding from HUD. These funds and grants are subject to modification by HUD depending on the availability of funding.

8. SIGNIFICANT ESTIMATES

The financial statements include some amounts that are based on management's best estimates and judgments. The most significant estimates relate to depreciation and useful lives and to reserves for uncollectibility of notes and mortgages receivable. These estimates may be adjusted as more current information becomes available, and any adjustment could be significant.

9. PENSION PLAN

The Authority provides pension benefits for all of its full-time employees through a defined contribution plan. The plan is administered by American Funds. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. All employees whose customary employment is, or is reasonably expected to be, for at least 20 hours per week for 5 months per year are eligible. The Authority contributes a total of 14% of each participant's compensation for the plan year, while the employees are not required to contribute to the plan. The Authority's contributions for each employee (and interest allocated to the employee's account) are fully vested after 5 years of continuous service. During fiscal year 2009, the Authority made the required contributions in the amount of \$429,152.

10. COMPENSATED ABSENCES

It is the Authority's policy to grant employees vacation benefits in varying amounts to specified maximums depending on tenure with the Authority. Upon termination, employees are entitled to reimbursement of accrued vacation leave, up to a maximum of 45 days. Sick leave is not vested and is not paid to an employee upon termination. Vacation leave accrued but not yet paid as of September 30, 2009, is shown as a liability allocated between current and non-current. Sick leave is recorded as an expense as the employee utilizes it.

11. ACCOUNTS RECEIVABLE

Accounts Receivable - Tenants

Accounts receivable - tenants for the Enterprise fund are shown net of an allowance for doubtful accounts of \$31,311 for the year ended September 30, 2009.

Accounts receivable - tenants for the component units are shown net an allowance for doubtful accounts of \$18,083 for the year ended December 31, 2008.

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

11. ACCOUNTS RECEIVABLE (continued)

Accounts Receivable - Other

Accounts Receivable - Other, consists of following:

	ENTERPRISE FUND	COMPONENT UNITS
Accounts Receivable - HUD	\$ 759,653	-
Accounts Receivable - other government	236,287	3,449
Fraud recovery	106,453	-
Fraud recovery - allowance	(10,564)	-
Accounts Receivable - Management & Development Fees	249,762	-
Accounts Receivable - Miscellaneous	<u>49,520</u>	<u>250</u>
	<u>\$ 1,391,111</u>	<u>3,699</u>

12. INTERPROGRAM ACTIVITY

The Authority manages several programs. Many charges, i.e., payroll, benefits, insurance, etc. are paid by the Authority's various funds and subsequently reimbursed by the Public Housing Program. Balance due for such charges are reflected in the Interprogram Due to/Due from account balances. Interprograms at September 30, 2009 consisted of the following:

Low rent and Capital Fund Program	\$ 1,576,586
Community Development Block Grants	48,791
Section 8 Mod Rehab	183,818
Hope VI	(85,708)
ROSS	(17,003)
Housing Choice Vouchers	353,934
State/Local	185,984
COCC	789,203
Veterans Affairs Supportive Housing	202,446
Business Activities	(3,261,266)
Shelter Plus	(548)
Home Investment Partnership	10,282
Mainstream	<u>13,481</u>
	<u>\$ -</u>

13. RESTRICTED CASH

The Authority's restricted cash consists of the following as of the end of the fiscal year:

	ENTERPRISE FUND	COMPONENT UNITS
Restricted for HAP Payments	276,803	-
Restricted for Tenant Security	\$ 157,968	40,929
Restricted for Debt Service and Related Reserve	380,033	326,652
Restricted for Loan Loss Reserve	195,312	-
Restricted for FSS Escrow	<u>109,881</u>	<u>-</u>
	<u>\$ 1,119,997</u>	<u>367,581</u>

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

14. NOTES AND MORTGAGES RECEIVABLE

Notes and mortgage receivable at September 30, 2009 are as follows:

Qualified residents who are unable to obtain financing from commercial sources may be loaned funds by the Authority. The Authority has entered into a \$2,250,000 Note Purchase Agreement with SunTrust Bank to finance a portion of these mortgage loans. Funds to finance the remaining mortgage loans disbursed have been obtained primarily from the City of Roanoke. Mortgage loans held by the Authority are collateralized by single-family residences.	\$ 3,472,358
Non-interest bearing, unsecured promissory note due from Shenandoah Crossings, LLP, a discretely presented component, of \$1,200,000. The principal balance is due in full May 1, 2042. The Authority's management has assessed the \$1,200,000 as fully collectible.	1,200,000
Second unsecured promissory note due from Shenandoah Crossings, LP for an amount up to \$3,000,000. The second note bears interest at 4% annually, with interest payments due monthly, and the outstanding principal balance due May 1, 2042.	114,279
Interest receivable on \$3,000,000 promissory note due from Shenandoah Crossings LP payable at full maturity on May 1, 2042.	175,030
Note receivable with The Hancock Building LLC, payable in full upon default of loan agreement within a 10 year period. Unsecured and non-interest bearing.	794,444
Note receivable from Day Ave, LP payable at maturity 2042. Unsecured and non-interest bearing. The Authority management has assessed the outstanding balance as fully collectible.	147,174
Day Ave, L.P. line of credit maturing Jan 2010. Unsecured with interest accruing monthly on the unpaid balance at the rate of 4.00%	18,059
Note receivables from Day Ave, LP various N/Rs payable at maturity 2042. Unsecured with interest accruing monthly on the unpaid balance at the rate of 4.00%	82,000
Interest receivable on Day Avenue loans payable in full in 2042.	42,812
Note receivable from Shenandoah Crossings, Inc. Unsecured with interest accruing monthly on the unpaid balance at the rate of 4.00%	1,926,186
N/R Interest on voluntary loan on the Shenandoah Crossing Inc. loan	537,124
Developers fees receivable from discrete component units	3,816,685
Less: Allowance for doubtful accounts	<u>(5,309,995)</u>
Total	7,016,156
Less: current portion	<u>(406,374)</u>
Notes receivable, excluding current portion	<u>\$ 6,609,782</u>

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

15. CAPITAL ASSETS

A summary of the Authority's Capital Assets at September 30, 2009 is as follows:

Enterprise Fund Detail:

	<u>BUSINESS ACTIVITIES</u>	<u>CDBG</u>	<u>PUBLIC HOUSING & CAPITAL FUND</u>	<u>HOPE VI</u>
Land and Improvements	\$ 161,886	4,293,044	7,460,639	118,633
Infrastructure	-	1,774,287	-	1,773,207
Building and Improvements	808,194	114,975	51,916,746	9,203,475
Furniture and Equipment	25,100	-	939,901	194,908
Construction in Process	-	-	4,611,547	48,517
Less: Accumulated Depreciation	<u>(559,073)</u>	<u>(198,990)</u>	<u>(44,267,326)</u>	<u>(1,430,524)</u>
Total Property and Equipment	<u>\$ 436,107</u>	<u>5,983,316</u>	<u>20,661,507</u>	<u>9,908,216</u>
	<u>HOUSING CHOICE VOUCHERS</u>	<u>COCC</u>	<u>STATE/LOCAL</u>	<u>TOTAL</u>
Land and Improvements	\$ -	-	847,944	12,882,146
Infrastructure	-	-	1,287,000	4,834,494
Building and Improvements	233,250	-	-	62,276,640
Furniture and Equipment	106,226	634,071	-	1,900,206
Construction in Process	-	-	-	4,660,064
Less: Accumulated Depreciation	<u>(304,191)</u>	<u>(526,196)</u>	<u>(273,748)</u>	<u>(47,560,048)</u>
Total Property and Equipment	<u>\$ 35,285</u>	<u>107,875</u>	<u>1,861,196</u>	<u>38,993,502</u>

Enterprise Fund Summary:

	<u>October 1, 2008 Balance</u>	<u>Additions</u>	<u>Transfers & Deletions</u>	<u>September 30, 2009 Balance</u>
Land	\$ 12,359,114	669,793	(146,761)	12,882,146
Construction in Process	<u>6,002,189</u>	<u>1,875,533</u>	<u>(3,217,658)</u>	<u>4,660,064</u>
Total Assets not being depreciated	18,361,303	2,545,326	(3,364,419)	17,542,210
Infrastructure	4,421,209	417,891	(4,606)	4,834,494
Buildings and Improvements	59,004,108	3,385,637	(113,105)	62,276,640
Furniture and Equipment	<u>1,880,929</u>	<u>96,847</u>	<u>(77,570)</u>	<u>1,900,206</u>
Total Property and Equipment	83,667,549	6,445,701	(3,559,700)	86,553,550
Less: Accumulated Depreciation	<u>(45,638,390)</u>	<u>(2,044,554)</u>	<u>122,896</u>	<u>(47,560,048)</u>
Net Book Value	<u>\$ 38,029,159</u>	<u>4,401,147</u>	<u>(3,436,804)</u>	<u>38,993,502</u>

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

15. CAPITAL ASSETS (continued)

A summary of the Discrete Component Unit's Capital Assets at December 31, 2008 is as follows:

	January 1, 2008 <u>Balance</u>	<u>Additions</u>	<u>Transfers & Deletions</u>	December 31, 2008 <u>Balance</u>
Land	\$ 2,517,457	-	59,906	2,577,363
Construction in Progress	<u>2,165,721</u>	<u>5,904,019</u>	<u>(206,977)</u>	<u>7,862,763</u>
Total Assets not depreciated	4,683,178	5,904,019	(147,071)	10,440,126
Buildings and Improvements	24,627,171	386,075	(59,906)	24,953,340
Furniture and Equipment	<u>156,629</u>	<u>2,886</u>	<u>(250)</u>	<u>159,265</u>
Total Property and Equipment	29,466,978	6,292,980	(207,227)	35,552,731
Less: Accumulated Depreciation	<u>(1,878,868)</u>	<u>(775,448)</u>	<u>-</u>	<u>(2,654,316)</u>
Net Book Value	<u>\$ 27,588,110</u>	<u>5,517,532</u>	<u>(207,227)</u>	<u>32,898,415</u>

16. BONDS AND NOTES PAYABLE

Notes Payable

1. Qualified residents who are unable to obtain financing from commercial sources may be loaned funds by the Authority. The Authority has obtained mortgage loans from SunTrust Bank to fund a portion of the loans provided to qualified homeowners. The Authority's loans obtained from SunTrust are collateralized by deeds of trust on the various single-family residences. Interest rates on the applicable mortgage notes payable to SunTrust Bank range from 4.7% to 8.13%. Principal and interest payments are due in varying amounts through October of 2022. The principal balance at September 30, 2009 was \$1,207,695. Debt service requirements are as follows:

Fiscal Year	Principal	Interest	Balance Due
2010	\$ 124,021	71,352	1,083,674
2011	132,985	62,370	950,689
2012	140,907	53,784	809,782
2013	146,577	44,799	663,205
2014	151,602	35,423	511,603
2015-2019	442,853	69,805	68,750
2020-2022	<u>68,750</u>	<u>4,117</u>	-
Total Payments	<u>\$ 1,207,695</u>	<u>341,650</u>	

2. The Authority has obtained an additional mortgage loan from SunTrust Bank to fund a portion of the loans provided to qualified homeowners. The note is collateralized by deeds of trust on the various single-family residences. The interest rate on the applicable mortgage note payable to SunTrust Bank is 6.71%. Principal and interest payments are due in monthly installments through May 2010. The amount of interest paid and charged to expense during the year was \$3,149. The principal balance at September 30, 2009 was \$27,458. Debt service requirements are as follows:

Fiscal Year	Principal	Interest	Balance Due
2010	\$ <u>27,458</u>	<u>749</u>	-
Total Payments	<u>\$ 27,458</u>	<u>749</u>	

16. BONDS AND NOTES PAYABLE (continued)

3. During fiscal year ending September 30, 2007, the Authority issued a mortgage note payable to SunTrust Bank to fund capital activities related to private units owned by the Authority. The note bears interest at 6.95% and is payable in equal monthly installments of \$1,434. The amount of interest paid and charged to expense during the year was \$10,010. The note is secured by capital assets related to the Jamision and Downing Properties. The outstanding principal balance as of September 30, 2009 was \$140,090. Future projected payments are as follows:

Fiscal Year	Principal	Interest	Balance Due
2010	\$ 7,689	9,515	132,401
2011	8,240	8,964	124,161
2012	8,831	8,372	115,330
2013	9,465	7,739	105,865
2014	10,144	7,059	95,721
2015-2019	62,634	23,637	33,087
2020-2021	<u>33,087</u>	<u>2,755</u>	-
Total Payments	\$ <u>140,090</u>	<u>68,041</u>	

4. During fiscal year ending September 30, 2007, the Authority borrowed funds from a line of credit opened with BB&T Bank. The funds were borrowed to loan to Day Ave, LP, a discretely presented component unit, to assist with the construction of affordable housing. Interest is payable in variable monthly installments calculated using BB&T Bank's prime rate. Interest paid and charged to expense during the year was \$8,775. The Authority's outstanding liability balance due to BB&T Bank was \$121,220. The current portion is \$18,000.

Bonds and Permanent Notes

5. To permanently finance certain public housing projects, the Authority issued bonds in the original principal amount of \$3,315,000 with interest rates from 1.60% to 4.50% maturing in September 2014. Interest paid and charged to expense during the year was \$77,063. The bonds are secured by the projects' land, structures, and equipment. As of September 30, 2009, the outstanding principal balance of these bonds payable was \$1,540,000 the current portion of which totaled \$285,000. Future projected payments are as follows:

Fiscal Year	Principal	Interest	Balance Due
2010	\$ 285,000	66,750	1,255,000
2011	295,000	55,350	960,000
2012	310,000	42,813	650,000
2013	320,000	29,250	330,000
2014	<u>330,000</u>	<u>14,850</u>	-
Total Payments	\$ <u>1,540,000</u>	<u>209,013</u>	

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

16. BONDS AND NOTES PAYABLE (continued)

Bonds and Permanent Notes (continued)

6. To permanently finance certain public housing projects, the Authority issued bonds in the original principal amount of \$8,075,000 with interest at 4.375%, maturing in September 2011. In addition to the bonds, the Authority issued notes to the Federal Financing Bank in the original principal amount of \$3,042,616. These notes are payable in annual installments each November 1 until maturity in 2011 and 2013, with interest at 6.6%. Both the bonds and notes are secured by the projects' land, structures, and equipment, and debt service is paid annually by HUD under an annual contributions contract. Interest paid and charged to expense during the year was \$111,475. As of September 30, 2009, the outstanding principal balance of these debt instruments was \$1,628,063. Future projected payments are as follows:

Fiscal Year	Principal	Interest	Balance Due
2010	\$ 603,163	92,445	1,024,900
2011	634,922	59,967	389,978
2012	202,457	25,738	187,521
2013	90,749	12,410	96,772
2014	<u>96,772</u>	<u>9,387</u>	-
Total Payments	<u>\$ 1,628,063</u>	<u>199,947</u>	

Other Non-current Liabilities Payable to the City of Roanoke

7. Qualified residents who are unable to obtain financing from commercial sources may be loaned funds by the Authority. The Authority has entered into an agreement with the City of Roanoke to finance a portion of these mortgage loans. Mortgage payments received by the Authority from the homeowners are due back to the City. Repayment from the Authority to the City of outstanding principal and interest balances is deferred without interest for periods of up to fifteen years. The Authority's outstanding balance included in long-term debt owed to the City for these loans as of September 30, 2009, is \$2,266,196. The current portion is \$43,939.

8. Included in long-term debt is \$1,200,000 payable to the City of Roanoke related to amounts provided by the City to the Authority to help fund development of the Shenandoah Crossings project. The amount is repayable to the City by the Authority upon receipt by the Authority of the \$1,200,000 note receivable from Shenandoah Crossings, Limited Partnership.

9. The Authority entered into a loan agreement with the City of Roanoke and the Hancock Building, LLC to loan funds provided by the City to The Hancock Building, LLC in the amount of \$880,000. This loan is interest free and the Authority is obligated to pay the City any amounts received from the The Hancock Building, LLC. The principal balance of this loan at September 30, 2009 was \$794,446.

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

16. BONDS AND NOTES PAYABLE (continued)

Bonds and Permanent Notes (continued)

Enterprise Fund Long-term debt activity for the year ended September 30, 2009, was as follows:

	October 1, 2008			September 30, 2009
	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>
Bonds Payable	\$ 4,015,038	-	846,975	3,168,063
Accrued Compensated Absences	257,247	188,054	168,920	276,381
Notes Payable	5,461,518	880,000	584,413	5,757,105
Accrued OPEB Liabilities	-	97,344	-	97,344
Other Long Term Liabilities	280,008	32,313	83,873	228,448
Less: Current portion	<u>(1,306,702)</u>	<u>(135,738)</u>	<u>(78,570)</u>	<u>(1,363,870)</u>
Long-Term Liabilities	<u>\$ 8,707,109</u>	<u>1,061,973</u>	<u>1,605,611</u>	<u>8,163,471</u>

17. NOTES PAYABLE - DISCRETE COMPONENT UNITS

1. In 2001, Shenandoah Crossing, LP signed a promissory note with a mortgage company, in the amount of \$5,223,300. The note is secured by the land and structures of the affordable housing project. The interest rate of the mortgage loan is 7.25% with payments of principal and interest due in monthly installments of \$33,412. Any remaining balance is due in full on June 1, 2042. The outstanding balance on the mortgage loan at December 31, 2008 was \$ 5,039,209 , the current portion of which totaled \$ 36,808 . In October 2009, Shenandoah Crossings, LP refinanced its mortgage in the amount of \$5,223,300. The note is secured by the land and structures of the affordable housing project. The interest rate on the mortgage loan is 4.98% with payments of principal and interest due in monthly installments of \$25,117. Any remaining balance is due in full on June 1, 2049. The outstanding balance of the mortgage loan at December 31, 2009 was \$5,219,859, the current portion of which is totaled \$42,420.

2. As of December 31, 2008, Shenandoah Crossings, LP had a non-interest bearing, unsecured promissory note issued to Roanoke Redevelopment and Housing Authority in the amount of \$1,200,000. Any outstanding principal is due May 1, 2042.

3. Shenandoah Crossing, LP had a second unsecured promissory note issued to Roanoke Redevelopment and Housing Authority for an amount up to \$3,000,000. The note bears interest at 4% annually with interest payments due monthly. Any outstanding principal is due May 1, 2042. As of December 31, 2008, the partnership owed RRHA \$114,279 against this note.

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

17. NOTES PAYABLE - DISCRETE COMPONENT UNITS (continued)

Debt service requirements for Shenandoah Crossings, LP's mortgage payable with GMAC as of December 31, 2008 are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Balance Due</u>
2009	\$ 36,808	364,135	5,002,401
2010	39,567	361,376	4,962,834
2011	42,533	358,410	4,920,301
2012	45,721	355,222	4,874,580
2013	49,149	351,795	4,825,431
2014-2018	306,848	1,697,871	4,518,583
2019-2023	440,434	1,564,285	4,078,149
2024-2028	632,178	1,372,541	3,445,971
2029-2033	907,397	1,097,322	2,538,574
2034-2038	1,302,433	702,286	1,236,141
2039-2043	<u>1,236,141</u>	<u>167,173</u>	-
Total Payments	<u>\$ 5,039,209</u>	<u>8,392,416</u>	

4. As of December 31, 2008, Stepping Stone, LP had a promissory note issued to Virginia Housing and Redevelopment Authority in the amount of \$468,966. The note bears interest at 3.25%. Principal and interest is payable in 360 monthly installments of \$2,176. Payments on the note began February of 2006.

5. Stepping Stone, LP had a second promissory note issued to Virginia Community Capital Incorporated. The note bears interest at 2%. Principal and interest are payable monthly with a final payment of all outstanding principal and accrued interest due in 15 years. Payments on the note began in February of 2006. As of December 31, 2008, the partnership owed \$398,024 against this note.

Debt service requirements for Stepping Stone, LP's notes payable as of December 31, 2008 are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Balance Due</u>
2009	\$ 22,256	22,928	844,734
2010	22,846	22,338	821,888
2011	23,453	21,731	798,435
2012	24,078	21,107	774,357
2013	24,720	20,465	749,637
2014-2018	133,876	92,046	615,761
2019-2023	152,873	73,050	462,888
2024-2028	174,735	51,189	288,153
2029-2033	199,915	26,009	88,238
2034-2038	<u>88,238</u>	<u>2,510</u>	-
Total Payments	<u>\$ 866,990</u>	<u>353,373</u>	

6. As of December 31, 2008, Indian Village, LP had two notes payable to VHDA. The first note in the amount of \$944,189 is secured by a Deed of Trust bearing interest at 3.5%. Principal and interest payments are \$6,781 and is to be paid in full by 2043. The second note in the amount of \$500,000 is secured by a Deed of Trust bearing interest at 2.0%. Currently interest only payments of \$833 are being made. The note is to be paid in full by 2038.

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

17. NOTES PAYABLE - DISCRETE COMPONENT UNITS - (continued)

7. Indian Village, LP owes the Roanoke Valley Housing Corporation \$464,638. No interest accrues on the note, and is payable from net cash flow.

Debt service requirements for Indian Village, LP's notes payable as of December 31, 2008 are as follows:

<u>Fiscal Year</u>		<u>Principal</u>	<u>Interest</u>	<u>Balance Due</u>
2009	\$	13,086	40,103	1,431,103
2010		14,762	42,353	1,416,341
2011		15,287	41,828	1,401,054
2012		15,831	41,285	1,385,223
2013		16,394	40,722	1,368,829
2014-2018		91,140	194,436	1,277,689
2019-2023		108,543	177,033	1,169,146
2024-2028		129,268	156,308	1,039,878
2029-2033		153,951	131,625	885,927
2034-2038		683,347	102,229	202,580
2039-2043		202,580	17,289	-
Total Payments	\$	<u>1,444,189</u>	<u>985,211</u>	

8. As of December 31, 2008, Day Ave, LP had a construction loan due to Stellar One in the amount of \$260,594. The interest rate on this note was 5% with a maturity of December 31, 2008. The loan was paid in full on February 4, 2009.

9. Day Ave, LP has two construction loans due to SunTrust Bank totaling \$606,739. The interest rates were one month LIBOR Rate plus 1.75% with maturity dates of January 10, 2010 and December 30, 2009, respectively. On December 15, 2009, one of the loans was paid in full in the amount of \$319,895.

10. Day Ave, LP has established a line of credit with Roanoke Redevelopment and Housing Authority. Interest on the outstanding principal amount is due each month. As of December 31, 2008, the partnership owed \$150,559 to the Authority towards the line of credit. The note bears interest at the prime rate of BB&T bank and matures in January 2010. The partnership owes the Authority additional notes in the amounts of \$86,532. The partnership also has a note payable to Roanoke Valley Housing Corporation for \$147,174. These loans have no interest and are payable in 2042. The partnership owes the Authority another note in the amount of \$57,000. Interest on unpaid principal accrues at 4%. Payments are due to the extent of cash flows from operations on January 1st through July 1st each year, depending on the individual loan. All notes are due by 2042.

11. As of December 31, 2008, Park Street, LP had two promissory notes issued to Roanoke Redevelopment and Housing Authority with outstanding principal balances as of December 31, 2008 of \$1,128,866 and \$1,073,515. Interest due the Authority on the notes has been waived but not forgiven. The principal balance of the notes is due November 5, 2035.

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements

17. NOTES PAYABLE - DISCRETE COMPONENT UNITS - (continued)

12. Park Street, LP has two notes payable to the Authority. Interest on the notes has been waived but not forgiven. The principal balance of the notes is due November 5, 2035. The balance of the notes at December 31, 2008 are \$1,128,866 and \$1,073,515.

13. Park Street, LP has two notes with VHDA. Note #1 in the amount of \$549,393 is secured by a Deed of Trust bearing interest 3.5%. Principal and interest payments are \$2,211 per month. The loan is to be paid in full by December 2045. Note #2 in the amount of \$100,000 is secured by a Deed of Trust and bearing interest at 3%. Interest only payments are currently being made. The loan is to be paid in full by December 2028.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Balance Due</u>
2009	\$ 7,420	24,511	641,973
2010	7,684	24,247	634,289
2011	7,957	23,973	626,332
2012	8,240	23,690	618,092
2013	8,533	23,397	609,559
2014-2018	47,440	112,212	562,119
2019-2023	56,498	103,154	505,621
2024-2028	167,286	92,366	338,335
2029-2033	80,134	52,518	258,201
2034-2038	95,434	37,217	162,767
2039-2043	113,657	18,995	49,110
2044-2048	49,110	1,737	-
Total Payments	\$ <u>649,393</u>	<u>538,017</u>	

14. Hurt Park, LP has a note payable with First Citizens Bank due with a balance of \$2,078,137, payable on May 15, 2009 and interest accruing at 3.9%. The note was payable on May 15, 2009 from the proceeds of permanent financing that were to be obtained at the end of construction. The construction loan was paid in full in August 2009.

Long-term liability activity for the year ended December 31, 2008, applicable to the Discrete Component Units, was as follows:

	January 1, 2008	Increase	Decrease	December 31, 2008
	<u>Balance</u>			<u>Balance</u>
Long Term Debt	\$10,153,881	2,560,520	618,049	\$12,096,352
Notes Payable to RRHA	3,898,294	61,647	86,524	3,873,417
Developer Fees Payable to RRHA	3,057,973	968,824	1,314,339	2,712,458
Less Current Portion	<u>(136,404)</u>	<u>20,506</u>	<u>(36,328)</u>	<u>(79,570)</u>
Long-Term Liabilities	<u>\$16,973,744</u>	<u>3,611,497</u>	<u>1,982,584</u>	<u>\$18,602,657</u>

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements

18. RESTRICTED NET ASSETS

Restricted net assets consist of the following:

	Enterprise Fund	Component Units
Restricted for HAP Payments	\$ 276,803	-
Restricted for Tenant Security Deposits	-	1,427
Restricted for Debt Service and Related Reserves	380,033	326,652
Restricted Loan Loss Reserve	<u>100,181</u>	<u>-</u>
	<u>\$ 757,017</u>	<u>328,079</u>

19. OTHER COMMITMENTS AND CONTINGENCIES

Amounts received or receivable from HUD are subject to audit and adjustment by grantor agencies. If expenses are disallowed as a result of these audits, the claims for reimbursement to the grantor agency would become a liability of the Authority. In the opinion of management, any such adjustments would not be significant.

20. RELATED PARTY TRANSACTIONS

Agreements with Shenandoah Crossings, Limited Partnership (Component Unit)

On May 18, 2001, the Authority entered into a development agreement with SCLP whereby the Authority agreed to perform certain services relating to planning activities, coordination and arrangement of financing and administrative services of an apartment complex for SCLP. In return for the services provided in the agreement, the Authority is entitled to receive a developer's fee. During the year ended September 30, 2002, the Authority recognized development fee revenue under this agreement of \$1,130,000. As of September 30, 2009, \$ 1,300,000 in accrued development fees have been recorded by the Authority and SCLP. Payment is to be made with future contributions from limited partners of SCLP and cash flows of the apartment complex no later than January 1, 2009 in accordance with the development agreement. However, based on current forecasts, the Authority established a 100% allowance related to the \$1,300,000 accrued developer's fees receivable from SCLP during fiscal year 2003.

Also on May 18, 2001, the Authority entered into a supervisory management and incentive agreement with SCLP. Under the agreement, the Authority provides consulting services regarding compliance with historical tax credits, assistance in developing a marketing program and asset management services. As of, and for the year ended, September 30, 2009, \$125,584 revenue have been recorded by the Authority under this agreement. Authority management has assessed these revenues to be fully collectable.

20. RELATED PARTY TRANSACTIONS (continued)

Agreements with Stepping Stone, Limited Partnership (Component Unit)

On June 11, 2004, RVHC entered into a development agreement with SSLP whereby RVHC agreed to perform certain services relating to planning activities, coordination and arrangement of financing and administrative services of 15 duplex units for SSLP. In return for the services provided in the agreement, RVHC is entitled to receive a developer's fee. During the year ended September 30, 2005, RVHC recognized development fee revenue under this agreement of \$650,000. As of September 30, 2009, \$470,153 in accrued development fees has been recorded by RVHC and SSLP. Remaining payment is to be made with future contributions from limited partners of SSLP and cash flows of the apartment complex no later than December 21, 2018 in accordance with the development agreement. The development fee and applicable interest receivable have been fully reserved.

Agreements with Indian Village, Limited Partnership (Component Unit)

On October 24, 2005, RVHC entered into a development agreement with IVLP whereby RVHC agreed to perform certain services relating to the construction and operation of five town homes for IVLP. In return for the services provided in the agreement, RVHC is entitled to receive a developer's fee totaling \$500,000. This fee will be recognized by RVHC as follows: (1) 20% upon the signing of the agreement; (2) 40% upon substantial completion of the projects; and (3) 40% upon 95% occupancy of the project. During the year ended September 30, 2009, RVHC recognized no development fee revenue under this agreement. As of September 30, 2009, \$500,000 in accrued development fees has been recorded by RVHC and IVLP. Payment is to be made with future contributions from limited partners of IVLP and cash flows of the town homes at the later of (i) October 24, 2020, or (ii) if the project qualifies for tax credits under IRS code Section 42, the end of the project's compliance period. The development fee and applicable interest receivable have been fully reserved.

Agreements with Day Avenue, Limited Partnership (Component Units)

On December 28, 2006, the Authority entered into a development agreement with DALP whereby the Authority agreed to assist DALP in the acquiring, constructing, rehabilitating, and selling seventeen historic homes on the 400 block of Day Avenue in the City. In return for then services provided in the agreement, the Authority is entitled to receive a developer's fee equal to 20% of the development costs which is anticipated to be approximately \$1,041,000. As of and for the year ended September 30, 2009, \$401,851 development revenue has been recorded by RRHA under this agreement.

As of September 30, 2009, \$171,909 in accrued development fees and \$86,532 of accrued other disbursements have been recorded by RRHA. Payment is to be made with proceeds from the sales of the individual houses by DALP and any unpaid balance of the development fee will be dues and payable no later than December 31, 2009. The Authority has reserved \$118,909 of the development fee and the \$86,532 loan receivable.

20. RELATED PARTY TRANSACTIONS (continued)

Agreements with Park Street Housing, Limited Partnership (Component Unit)

On October 24, 2005, RVHC entered into a development agreement with PSLP whereby RVHC agreed to perform certain services relating to the construction and operation of six town homes for PSLP. In return for the services provided in the agreement, RVHC agreed as follows: (1) 20% upon the signing of this agreement; (2) 40% upon substantial completion of the project; and (3) 40% upon 95% occupancy of the project. During the year ended September 30, 2009, RVHC recognized \$464,638 of development fee revenue under this agreement. As of September 30, 2009, \$85,632 in accrued development fees has been recorded by RVHC and PSLP. Payment is to be made with future contributions from limited partners of PSLP and cash flows of the town homes at the later of (i) October 24, 2020, or (ii) if the project qualifies for tax credits under IRS code Section 42, the end of the project's compliance period. The development fee and applicable interest receivable have been fully reserved.

21. CONDUIT DEBT

The Authority, with the approval of the City or other Commonwealth of Virginia local governmental entities, may issue and sell debt to finance the acquisition, development, construction and/or rehabilitation of mixed-use and/or multi-family housing projects and commercial facilities deemed to be in the public interest. Such debt is payable solely from the revenue of the projects, which are owned by the developers, and does not constitute a debt or pledge of the full 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 basic financial statements. The aggregate amount of all conduit debt obligations outstanding was approximately \$ 6,045,020 as of September 30, 2009. No debt of this type was issued for the fiscal year ended September 30, 2009.

22. USE OF ANOTHER AUDITOR'S WORK

According to Statements of Auditing Standards (SAS) No.1, section 543.01, Part of Audit Performed by Other Independent Auditors, an auditor may "use the work and reports of other independent auditors who have audited the financial statements of one or more subsidiaries, divisions, branches, components, or investments included in the financial statements presented". When making the decision of whether to include said statements, the Principle Auditor, must take in consideration "the professional reputation and independence of the other auditor" (SAS No. 1, section 543.10). During the Roanoke Redevelopment and Housing Authority audit, we elected to use another independent auditor's work for Shenandoah Crossings, LP, Stepping Stone, LP, Indian Village, LP, Day Ave, LP, Park Street Housing, LP and Hurt Park, LP based on the recommendation of the Housing Authority's management.

The aforementioned partnership audits for the year ended December 31, 2008 were performed by Dooley and Vicars, LLP, a highly regarded, independent auditing firm in Richmond, VA. All six audits had unqualified opinions with no findings.

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

23. DIFFERENT REPORTING PERIODS

The Roanoke Redevelopment and Housing Authority has a September 30 year end and each of the six discrete component units have December 31 year ends. The December 31, 2008 financial statements for the component units are included in the Authority's September 30, 2009 basic financial statements in the component unit column. If a component unit has a year end differing from that of the reporting entity, the financial statements for the component unit's fiscal year ending during the reporting entity's fiscal year should be incorporated. If transactions between component units that have different fiscal years result in inconsistencies in amounts reported as due to or due from, and so forth, the nature and amount of those transactions should be disclosed in the notes to the financial statements.

<u>RRHA - Due to/Due from Shenandoah Crossing, LP</u>	<u>DR (CR)</u>
Balance at December 31, 2008	\$ 2,785,843
Net Transfers from January 1, 2009 to September 30, 2009	<u>3,466</u>
Balance at September 30, 2009	<u>2,789,309</u>
<u>RRHA - Due to/Due from Day Ave, LP</u>	<u>DR (CR)</u>
Balance at December 31, 2008	628,600
Net Transfers from January 1, 2009 to September 30, 2009	<u>(161,400)</u>
Balance at September 30, 2009	<u>467,200</u>
<u>RRHA - Due to/Due from Park Street Housing, LP</u>	<u>DR (CR)</u>
Balance at December 31, 2008	2,287,743
Net Transfers from January 1, 2009 to September 30, 2009	<u>20,782</u>
Balance at September 30, 2009	<u>2,308,525</u>
<u>RRHA - Due to/Due from Stepping Stone, LP</u>	<u>DR (CR)</u>
Balance at December 31, 2008	470,153
Net Transfers from January 1, 2009 to September 30, 2009	<u>-</u>
Balance at September 30, 2009	<u>470,153</u>
<u>RRHA - Due to/Due from Indian Village, LP</u>	<u>DR (CR)</u>
Balance at December 31, 2008	964,638
Net Transfers from January 1, 2009 to September 30, 2009	<u>(30,000)</u>
Balance at September 30, 2009	<u>934,638</u>
<u>RRHA - Due to/Due from Hurt Park, LP</u>	<u>DR (CR)</u>
Balance at December 31, 2008	600,000
Net Transfers from January 1, 2009 to September 30, 2009	<u>(30,000)</u>
Balance at September 30, 2009	<u>570,000</u>

24. GRANTS

The Authority receives grant funds, principally from HUD and the City, for various programs. Monies from HUD are both received directly from the federal agency as well as passed through the City. Certain expenditures of these funds are subject to audit by HUD or the City, and the Authority is contingently liable to refund amounts received in excess of allowable expenditures. In the opinion of management of the Authority, no material refunds will be required as a result of expenditures disallowed by HUD or the City.

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

24. GRANTS (continued)

During the fiscal year ended September 30, 2009, the Authority closed out eleven capital fund grants. The following schedule summarizes the grants closed during 2009:

Capital Fund Program Grant <u>Number</u>	Expenditures prior to fiscal year 2009	Expenditures for fiscal year 2009	Total <u>Expenditures</u>
VA36R011502-06	\$ -	165,578	165,578
VA36R011501-05	-	233,123	233,123
VA36R011501-02	-	101,708	101,708
VA36P011501-05	2,105,333	21,572	2,126,905
VA36R011501-04	-	226,712	226,712
VA36R011501-03	184,720	-	184,720
VA36R011501-01	-	3,709	3,709
VA36P011501-03	1,667,910	-	1,667,910
VA36P011502-03	391,292	-	391,292
VA36P011501-02	2,232,345	-	2,232,345
VA36P011501-01	2,505,461	-	2,505,461
	<u>\$ 9,087,061</u>	<u>752,402</u>	<u>9,839,463</u>

25. Subsequent Events

Management has evaluated subsequent events through April 26, 2010, the date the financial statements were available to be issued.

26. Other Postemployment Benefit Plan

Plan Description. The Authority has a self administered single-employer defined benefit healthcare plan. The Plan subsidizes retiree medical health care coverage. The health care plan is fully insured benefits and partially experience rated. Eligibility is based on reaching age 55 with 5 years of service or age 50 with 10 years of service. Retirees are allowed to remain on the plan until they reach age 65.

Funding Policy. The Authority contributes an explicit subsidy equal to 80% of the single premium rate, and does not subsidize spousal coverage. Retirees are responsible for the portion of the premium rates not covered by the Authority. The Authority has historically funded its retiree health benefits on a pay-as-you-go basis. For the year ended September 30, 2009 the Authority's other postemployment plan (OPEB) expense amounted to \$142,449.

Annual OPEB Cost and Net OPEB Obligation. The Authority's annual OPEB expense is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of the GASB Codification. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period of thirty years. The following table shows the components of the Authority's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the net OPEB obligation.

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

26. Other Postemployment Benefit Plan (continued)

Annual Required Contribution	\$ 142,449
Interest on Net OPEB Obligation	-
Adjustment to annual required contribution	<u>-</u>
Annual OPEB expense	142,449
Contributions made	<u>(70,065)</u>
Increase in net OPEB obligation	72,384
Net OPEB Obligation-beginning of year	<u>-</u>
Net OPEB Obligation-end of year	<u><u>\$ 72,384</u></u>

As fiscal year 2009 was the first year of implementation, of the GASB requirement, and the Authority has elected to implement prospectively, prior years comparative data is not available. In future years, three year trend information will be presented. The employer contributions of \$70,065 represents 49.2% of the annual required contribution for the year ended September 30, 2009. The annual Required Contribution calculation for the year ended September 30, 2009 is as follows:

Normal Cost at beginning of year	\$ 84,286
Amortization of the Unfunded Actuarial Accrued Liability	<u>52,029</u>
Total normal cost and amortization payment	<u>136,315</u>
Adjustment for timing	<u>6,134</u>
Total Annual Required Contribution (ARC)	<u><u>\$ 142,449</u></u>

Funded Status and Funding Progress. The funded status of the plan based on an actuarial valuation is as follows:

Actuarial Accrued Liability-beginning of year	\$ 1,275,604
Actuarial value of assets-beginning of year	<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u><u>\$ 1,275,604</u></u>
Funded ratio	0 %
Covered payroll	<u>\$ 3,009,481</u>
UAAL as % of covered payroll	42.4%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, will multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. Since fiscal year 2009 was the year of implementation of the GASB Codification requirement and the Authority elected to apply the requirements prospectively, only one year is presented, as is shown above. In future years required trend data will be presented.

26. Other Postemployment Benefit Plan (continued)

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the September 30, 2009, actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 4.5 percent investment rate of return on plan assets, a discount rate of 4.5% on liabilities and an annual healthcare cost trend rate of 10 percent initially, reduced by decrements to an ultimate rate of 5 percent after ten years. Both rates included a 3.0 percent inflation assumption. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis, over 30 years.

JUMP, SCUTELLARO AND COMPANY, L.L.P. CERTIFIED PUBLIC ACCOUNTANTS

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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

The Board of Commissioners of the
Roanoke Redevelopment and Housing Authority:

We have audited the financial statements of Roanoke Redevelopment and Housing Authority, (the "Authority"), as of and for the year ended September 30, 2009 and have issued our report thereon dated April 26, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Other auditors audited the discretely presented components units as described in our report on Roanoke Redevelopment and Housing Authority's financial statements. The financial statements of the discretely presented component units were not audited in accordance with Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Authority's internal control over financial reporting as a basis for designing our auditing procedures and expressing our opinion on the financial statements, but not for expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Authority's financial statements that is more than inconsequential will not be prevented or detected by the Authority's internal control.

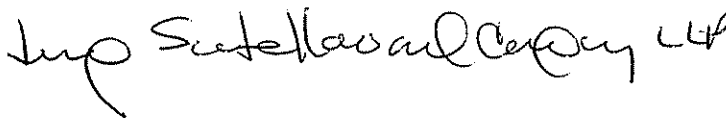
A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Authority's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

This report is intended solely for the information and the use of management, of the Authority's board members, others within the Authority, management and other federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Sup Sutekarnakorn" followed by a stylized mark that could be initials or a flourish.

April 26, 2010
Toms River, New Jersey

JUMP, SCUTELLARO AND COMPANY, L.L.P. CERTIFIED PUBLIC ACCOUNTANTS

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133

The Board of Commissioners of the
Roanoke Redevelopment and Housing Authority:

Compliance

We have audited the compliance of the Roanoke Redevelopment and Housing Authority, (the "Authority"), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended September 30, 2009. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audits to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Authority's compliance with those requirements.

In our opinion, the Authority, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2009.

Internal Control Over Compliance

The management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to the federal and state programs. In planning and performing our audit, we considered the Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal and state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

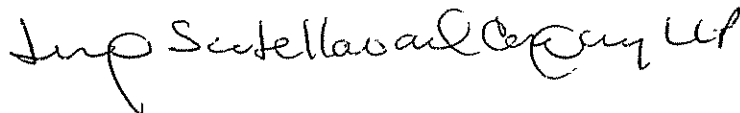
A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a state or federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal or state program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal or state program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information of the Authority's Board members, others within the Authority, management, state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

April 26, 2010
Toms River, New Jersey



Roanoke Redevelopment and Housing Authority

Schedule of Expenditures of Federal Awards

For the Year Ended September 30, 2009

<u>Federal and State Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Expenditures</u>
U.S. Department of Housing and Urban Development:		
Direct Awards:		
Public Housing	14.850	\$ 5,793,976
Housing Choice Vouchers	14.871	9,267,502
Veterans Affairs Supportive Housing	14.VSH	45,826
Section 8 Moderate Rehabilitation Program	14.856	126,254
Mainstream Stream	DV	172,016
Resident Opportunity and Support Services	14.870	633,690
Revitalization of Severely Distressed Public Housing	14.866	150,614
Public Housing Capital Fund Program	14.872	2,869,116
Pass-through from City of Roanoke:		
Shelter Plus Care Program	14.238	75,135
Community Development Block Grant	14.218	725,339
Home Investment Partnership Program	14.239	<u>46,614</u>
		<u>\$19,906,082</u>

Roanoke Redevelopment and Housing Authority

Notes to Schedule of Federal Awards

September 30, 2009

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Roanoke Redevelopment and Housing Authority and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

2. Loan Guarantees

At September 30, 2009, the Authority is not the guarantor of any loans outstanding, except as discussed in the notes to the financial statements.

Roanoke Redevelopment and Housing Authority

Schedule of Findings and Questioned Costs

September 30, 2009

I. Summary of Auditor's Results

Financial Statement Section

- 1. Type of auditor's report issued: Unqualified
- 2. Internal control over financial reporting
 - a. Material Weakness(es) identified? No
 - b. Were significant deficiencies identified not considered to be material weaknesses? No
- 3. Noncompliance material to the financial statements? No

Federal Awards Section

- 1. Internal control over major programs:
 - a. Material Weakness(es) identified? No
 - b. Were significant deficiencies identified not considered to be material weaknesses? No
- 2. Type of auditor's report issued on compliance for major programs:

Public Housing	Unqualified
Public Housing Capital Fund Program	Unqualified
Resident Opportunity & Self Sufficiency	Unqualified
Community Development Block Grant	Unqualified
- 3. Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (section .510(a)) No
- 4. Dollar threshold used to determine Type A Programs: type A and B programs \$597,182
- 5. Auditee qualified as low risk? No

6. Major Programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
14.850	Public Housing
14.872	Public Housing Capital Fund Program
14.870	Resident Opportunity & Self Sufficiency
14.218	Community Development Block Grant

Roanoke Redevelopment and Housing Authority

Schedule of Findings and Questioned Costs

September 30, 2009

II. Financial Statement Findings

None

III. Federal Award Findings and Questioned Costs

None

IV. Summary of Prior Audit Findings and Questioned Costs

None

Roanoke Redevelopment and Housing Authority

Schedule of Findings and Questioned Costs

September 30, 2009

Current year findings and questioned costs

None

Supplementary Information

Line Item No.	Description	Total AMT's	Section 8 Hsg Choice Voucher Prgm S-8 306 14,871	HUD-VASHI FUND 308 14-VSHI	MAIN-STREAM 14-181	Section 8 Mod Reimb Prgm Total 14,556	Hope VI 14,866	ROSS 14,970	ARRA 14,885	CDRC 14,218	HOME 14,239	STATE/ LOCAL 2	Shelter Plus Care 14,238	Business Activity 1
111	Cash-unrestricted	-	-	-	-	-	-	-	-	-	-	16,197	-	2,418,270
112	Capitalized modernization and development	-	-	-	-	-	-	-	-	-	-	-	-	-
113	Cash-other restricted	380,033	30,525	-	-	-	-	-	-	-	-	193,312	-	276,803
114	Cash-tenant security deposits	153,293	-	-	-	-	-	-	-	-	-	-	-	4,675
115	Cash - Restricted for payment of current liability	79,356	30,525	-	-	-	-	-	-	-	-	211,509	-	2,729,768
100	Total Cash	611,682	30,525	-	-	-	-	-	-	-	-	-	-	-
121	Accounts receivable - PHA process	-	-	-	-	-	-	-	-	-	-	-	-	-
122-010	Accounts receivable - HUD other projects - Operating Subsidy	-	-	-	-	-	-	-	-	-	-	-	-	-
122-020	Accounts receivable - HUD other projects - Capital fund	84,244	-	-	-	-	-	-	-	-	-	-	-	-
122-030	Accounts receivable - HUD other projects - Other	246,130	18,902	-	-	-	-	-	-	-	-	-	-	-
122	Accounts receivable - HUD other projects	330,374	18,902	17,327	17,327	5,413	103,237	75,198	203,654	-	-	-	518	-
124	Accounts receivable - other government	384	39,442	-	-	8,413	103,237	75,198	203,654	-	-	-	518	-
125-010	Accounts receivable - miscellaneous - Not For Profit	-	-	-	-	-	-	-	-	-	1,389	234,440	-	-
125-020	Accounts receivable - miscellaneous - Partnership	-	-	-	-	-	-	-	-	-	-	-	-	-
125-030	Accounts receivable - miscellaneous - Joint Venture	-	-	-	-	-	-	-	-	-	-	-	-	-
125-040	Accounts receivable - miscellaneous - Tax Credit	-	-	-	-	-	-	-	-	-	-	-	-	-
125-050	Accounts receivable - miscellaneous - Other	100,174	-	-	-	-	-	-	-	1,446	1,291	37,432	-	219,762
	Other - Comment	-	-	-	-	-	-	-	-	-	-	-	-	(187)
125	Account receivable - miscellaneous	100,174	-	-	-	-	-	-	-	1,446	1,291	37,432	-	219,575
126	Accounts receivable - tenants	233,998	-	-	-	-	-	-	-	-	-	-	-	308
126.1	Allowance for doubtful accounts - tenants	(31,311)	-	-	-	-	-	-	-	-	-	-	-	-
126.2	Allowance for doubtful accounts - other	-	-	-	-	-	-	-	-	-	-	-	-	-
127	Notes, Loans, & Mortgages Receivable - Current	-	-	-	-	-	-	-	-	-	-	-	-	-
128	Fixed asset	-	106,453	-	-	-	-	-	10,840	10,840	25,092	315,754	-	42,812
128.1	Allowance for doubtful accounts - fixed	-	(10,564)	-	-	-	-	-	-	-	-	-	-	-
129	Accrued interest receivable	59,896	-	-	-	-	-	-	-	14	193	3,830	-	-
129	Accrued interest receivable	685,515	154,233	-	17,327	8,413	103,237	75,198	203,654	20,000	27,972	593,476	518	292,895
120	Total receivables, net of allowance for doubtful accounts	6,341,021	-	-	-	-	-	-	-	-	-	-	-	107,517
131	Investments - unrestricted	-	-	-	-	-	-	-	-	-	-	-	-	-
132	Investments - restricted	-	-	-	-	-	-	-	-	-	-	-	-	-
135	Liabilities - Restricted for payment of current liability	-	-	-	-	-	-	-	-	-	-	-	-	-
142	Prepaid expenses and other assets	114,426	25,818	-	-	-	-	-	-	-	-	-	-	6,700
143	Inventory	1,607	-	-	-	-	-	-	-	-	-	-	-	-
143.1	Allowance for obsolete inventories	-	-	-	-	-	-	-	-	-	-	-	-	-
144	Inter program - due from	1,576,286	353,934	202,446	13,481	163,818	-	-	-	48,791	10,282	185,984	-	-
145	Assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-
139	Total Current Assets	9,231,837	564,510	202,446	30,808	192,231	103,237	75,198	203,654	69,091	38,254	1,114,301	518	3,196,080
161	Land	7,460,639	-	-	-	-	-	-	-	-	-	-	-	161,886
162	Buildings	51,916,746	233,250	-	-	-	-	-	-	4,293,044	-	817,944	-	808,194
163	Furniture, equipment and machinery - depreciable	-	-	-	-	-	-	-	-	114,973	-	-	-	-
164	Furniture, equipment and machinery - administration	939,701	106,276	-	-	-	-	-	-	-	-	-	-	25,100
165	Leasehold improvements	-	-	-	-	-	-	-	-	-	-	-	-	-
166	Accumulated depreciation	(44,267,226)	(304,191)	-	-	-	-	-	-	(198,990)	-	-	-	(550,027)
167	Construction in progress	4,611,517	-	-	-	-	-	-	-	-	-	-	-	-
168	Intangible	-	-	-	-	-	-	-	-	-	-	-	-	-
169	Total capital assets, net of accumulated depreciation	20,661,807	35,285	-	-	-	-	-	-	1,774,287	-	1,287,000	-	344,000
171-010	Notes, Loans, & mortgages receivable - Non-current - Not For Profit	-	-	-	-	-	-	-	-	-	-	-	-	-
171-020	Notes, Loans, & mortgages receivable - Non-current - Partnership	-	-	-	-	-	-	-	-	-	-	-	-	-
171-030	Notes, Loans, & mortgages receivable - Non-current - Joint Venture	-	-	-	-	-	-	-	-	-	-	-	-	-
171-040	Notes, Loans, & mortgages receivable - Non-current - Tax Credit	-	-	-	-	-	-	-	-	-	-	-	-	-
171-050	Notes, Loans, & mortgages receivable - Non-current - Other	87,000	-	-	-	-	-	-	-	687,036	1,535,235	2,309,636	-	1,936,042
	Other - Comment	-	-	-	-	-	-	-	-	-	-	-	-	-
171	Notes, Loans, & mortgages receivable - Non-current	87,000	-	-	-	-	-	-	-	687,036	1,535,235	2,309,636	-	1,936,042
172-010	Notes, Loans, & mortgages receivable - Non-current - Not For Profit	-	-	-	-	-	-	-	-	-	-	-	-	-
172-020	Notes, Loans, & mortgages receivable - Non-current - Partnership	-	-	-	-	-	-	-	-	-	-	-	-	-
172-030	Notes, Loans, & mortgages receivable - Non-current - Joint Venture	-	-	-	-	-	-	-	-	-	-	-	-	-
172-040	Notes, Loans, & mortgages receivable - Non-current - Tax Credit	-	-	-	-	-	-	-	-	-	-	-	-	-
172-050	Notes, Loans, & mortgages receivable - Non-current - Other	-	-	-	-	-	-	-	-	-	-	-	-	-
	Other - Comment	-	-	-	-	-	-	-	-	-	-	-	-	-
172	Notes, Loans, & mortgages receivable - Non-current	-	-	-	-	-	-	-	-	-	-	-	-	-
173	Grants receivable - Non-current	-	-	-	-	-	-	-	-	-	-	-	-	-
174-010	Other assets - Not For Profit	-	-	-	-	-	-	-	-	-	-	-	-	-
174-020	Other assets - Partnership	-	-	-	-	-	-	-	-	-	-	-	-	-
174-030	Other assets - Joint Venture	-	-	-	-	-	-	-	-	-	-	-	-	-
174-040	Other assets - Tax Credit	-	-	-	-	-	-	-	-	-	-	-	-	-
174-050	Other assets - Other	22,257	-	-	-	-	-	-	-	-	-	-	-	344,000
	Other - Comment	-	-	-	-	-	-	-	-	-	-	-	-	3,400
174	Other assets	22,257	-	-	-	-	-	-	-	-	-	-	-	347,800

Line Item No.	Description	Total AMPs	Section 8 Hrg. Choice Voucher Prgm S-8 306 14.871	HUD-VASH FUND 308 14.VSH	MAIN-STREAM 14.181	Section 8 Mod Rehab Prgm Total 14.856	Hope VI 14.866	ROSS 14.870	ARRA 14.885	CDBG 14.218	HOME 14.239	STATE/LOCAL 7	Shelter Plus Care 14.238	Business Activity
176	Investment in Joint venture - Other - Comment	20,770,764	35,285				9,908,216			6,670,252	1,535,235	5,370,832		3,719,549
180	Total Non-current Assets	30,102,601	599,825	202,446	30,908	192,231	10,011,453	75,498	203,654	67,99,443	1,573,489	6,985,136	548	5,916,839
311	Bank overdraft	0	13,063			0								0
312	Accounts payable <= 90 days	93,785	3,001	1	3	8	17,313	21,787	203,654			25,934		1,724
313	Accounts payable > 90 days past due	0												0
321	Accrued compensation/retiree payable	39,919	12,782		56	492	176	4,757				288		6,182
322	Accrued compensated absences - current portion	76,122	22,235		123	866	40	8,379				367		5,687
324	Accrued compensatory liability	0				0								0
325	Accrued interest payable	54,959				0					193	3,154		0
331-010	Accounts payable - HUD PHA Programs - Operating Subsidy	0				0								0
331-020	Accounts payable - HUD PHA Programs - Capital fund	0				0								0
331-030	Accounts payable - HUD PHA Programs - Other	0				0								0
331	Accounts payable - PHA Programs	121,792				9,886								0
333	Accounts payable - other government	26,416				0								0
341	Tenant security deposits	153,233				0				52,478	12,962			4,675
342-010	Deferred revenue - Operating Subsidy	0				0								0
342-020	Deferred revenue - Capital fund	1,380				0								0
342	Deferred revenue - Other	1,380				0								0
343-010	CFPP	1,380				0								0
343-020	Capital Projects/Mortgage Revenue	888,163				0								0
343	Current portion of long-term debt - capital projects/mortgage revenue funds	888,163				0								0
344	Current portion of long-term debt - operating borrowings	0				0								0
345	Other current liabilities	0				0								0
346	Other liabilities - other	0				0								0
347	Other programs - due to	0				0				1,310				0
348-010	Loan liability - current - Net For Profit	0				0						1,875		0
348-020	Loan liability - current - Partnership	0				0							348	3,461,266
348-030	Loan liability - current - Joint Venture	0				0								0
348-040	Loan liability - current - Tax Credit	0				0								0
348-050	Other - Comment	0				0								0
348	Loan liability - current	0				0				18,840	25,099	256,166		25,194
310	Total Current Liabilities	1,595,749	53,681	1	182	11,252	103,237	51,926	203,654	72,642	39,254	267,701	548	3,307,608
351-010	Long-term debt - CFPP	2,279,900				0								0
351-020	Long-term - Capital Projects/Mortgage Revenue	0				0								0
352	Capital Projects/Mortgage Revenue Bonds	2,279,900				0								0
353	Long-term debt, net of current - operating borrowings	0				0								0
354	Non-current liabilities - other	82,913				0								0
355	Accrued compensated absences - Non-current	30,604				486								0
355-010	Loan liability - Non-current - Net For Profit	31,270				0								0
355-020	Loan liability - Non-current - Partnership	0				0								0
355-030	Loan liability - Non-current - Joint Venture	0				0								0
355-040	Loan liability - Non-current - Tax Credit	0				0								0
355-050	Other - Comment	0				0								0
355	Loan liability - Non-current	0				0				687,023	1,535,235	2,993,431		299,766
356	FASB 5 Liabilities	0				0				687,023	1,535,235	2,993,431		299,766
357	Accrued Pension and OPEB Liability	50,341				0								0
359	Total Non-current liabilities	2,462,650	64,492	0	0	486				687,023	1,535,235	3,089,599	0	1,538,977
308	Total Liabilities	3,970,999	118,173	1	182	11,738	103,237	75,498	203,654	79,665	1,511,489	3,337,293	548	4,845,685
308.1	Invested in capital assets, net of related debt	17,493,444	35,285			0	9,908,216			3,983,116		1,861,196		278,017
511-1	Restricted Net Assets	380,033	74,258	204,445		0								1,001,181
512-1	Unrestricted Net Assets	8,258,725	372,009		30,626	180,493				0				1,166,466
513	Total Equity/Net Assets	26,132,202	481,552	204,445	30,626	180,493	9,908,216			3,979,780		3,127,843		793,127
609	Total Liabilities and Equity/Net assets	30,102,601	599,825	204,446	30,908	192,231	10,011,453	75,498	203,654	67,99,443	1,573,489	6,985,136	548	5,916,839

Line Item No.	Description	Total AMT's	Section 8 Hq. Choice Voucher Prgm S-8 306 14,871	HUD-YASHI FUND 308 14-YSHI	MAIN-STREAM 14,481	Section 8 Mod Reimb Prgm Total 14,856	Hope VI 14,866	ROSS 14,870	ARRA 14,885	CDBG 14,218	HOME 14,239	STATE/LOCAL 2	Shelter Plus Care 14,238	Business Activity 1
Income Statement														
70300	Net tenant rental revenue	2,833,243												136,096
70400	Tenant revenue - other	49,804												1,074
70500	Total Tenant Revenue	2,883,047	0	0	0	0	0	0	0	0	0	0	0	137,170
70600-010	Housing assistance payments	0	6,037,001	172,009	190,413	140,481								
70600-020	Outgoing administrative fees earned	0	0	0	0	0								
70600-030	FSS Coordinator	0	0	0	0	0								
70600-040	Actual independent public accountant audit costs	0	0	0	0	0								
70600-050	Total preliminary fees earned	0	0	0	0	0								
70600-060	Interest earned on advances	0	0	0	0	0								
70600-070	Admin fee calculation description	0	0	0	0	0								
70600	HUD PHA overbilling credits	6,617,233	6,037,001	172,009	190,413	140,481	101,897	633,698		725,339	46,614	0	75,135	
70610	Capital tenants	1,804,138					48,317		241,681			0		0
70710	Management Fee	0	0	0	0	0								
70720	Asset Management Fee	0	0	0	0	0								
70730	Book-Keeping Fee	0	0	0	0	0								
70740	Front Line Service Fee	0	0	0	0	0								
70750	Other Fees	0	0	0	0	0								
70700	Total Fee Revenue	0	0	0	0	0								
70800	Other government grants	0	0	0	0	0								
71000-010	Housing Assistance Payment	0	0	0	0	0								
71100-020	Administrative Fee	5,360	5,360	38	270	1,789								383,661
71100	Investment income - unrefunded	243,926	243,926	38	270	1,789								81,606
71200	Monetary interest income	0	0	0	0	0								
71300	Proceeds from disposition of assets held for sale	0	0	0	0	0								
71310	Cost of sale of assets	0	0	0	0	0								
71400-010	Housing Assistance Payment	0	93,830	0	0	0								
71400-020	Administrative Fee	0	93,789	0	0	0								
71400	Fract recovery	0	187,619	0	0	0								
71500	Other revenue	229,965	174,479	2,929	0	0								62,623
71600	Gain or loss on sale of capital assets	7,790	3,630	0	0	0		2,696						1,885,753
72000-010	Housing Assistance Payment	0	0	0	0	0								
72000-020	Administrative Fee	0	9,030	0	0	0								448,339
72000	Investment income - credited	0	9,030	0	0	0								
70800	Total Revenue	11,728,139	8,276,689	175,036	190,683	142,278	153,210	633,698	241,681	642,268	47,009	469,497	75,135	1,261,669
91100	Administrative salaries	411,278	342,845		3,678	14,714	10,433			(146)		6,339	4,664	130,651
91200	Auditing fees	21,956	19,153	178		341						1,608	210	2,761
91300	Management Fee	978,329	176,279							22,885		1,187		18,677
91310	Book-Keeping Fee	108,152	143,513											0
91400	Advertising and Marketing	3,912												0
91500	Employee benefit contributions - administrative	179,878	146,698	1,248	5,788	5,788	3,164	1,936		459				53,051
91600	Office Expenses	234,864		99										3,537
91700	Lease Expense	98,253		75										13,990
91800	Travel	2,690												0
91900	Allocated Overhead	0												0
91910	Other	123,270	87,203			115	2,023							115,684
91600	Total Operating-Administrative	2,154,622	915,693	253	5,125	20,558	21,278	4,339	34,712	23,962	0	18,093	4,974	318,351
92000	Asset Management Fee	141,300												
92100	Tenant services - salaries	74,226	33,356					224,771						0
92200	Relocation Costs	1,693												0
92300	Employee benefit contributions - tenant services	44,104	13,792					70,314						0
92400	Tenant services - other	41,211	4,370					33,173						449
92500	Total Tenant Services	161,134	51,958	0	0	0	80,377	333,173	0	0	0	0	0	449

Line Item No.	Description	Total AMTs	Section 8 Hrg Choice Voucher Prgm S-9-306 14.871	HUD-VASH FUND 308 14-VSH	MAIN-STREACH 14.181	Section 8 Mod Rehab Prgm Total 14.856	Home VI 14.866	ROSS 14.870	ARRA 14.885	CDBG 14.218	HOME 14.239	STATE/LOCAL 7	Shelter Plus Care 14.238	Business Activity 1
93100	Water	348,483	879	10	19	58								
93200	Electricity	532,750	1,214	13	27	80								1,192
93300	Gas	875,307	2,931	33	63	194								113
93400	Fuel													
93500	Labor													
93600	Sever	368,230	924	10	20	60								1,198
93700	Employee benefit contributions - utilities													
93750	HAP Portability-In													
93800	Other utilities expense													
921000	Total Utilities	2,124,270	5,969	66	131	392								2,413
94100	Ordinary maintenance and operations - labor	729,077												
94200	Ordinary maintenance and operations - materials and other	351,285	3,748	15	30	92								120,578
94300-010	Ordinary Maintenance and Operations Contracts - Garbage and Trash Removal Contracts													
94300-020	Ordinary Maintenance and Operations Contracts - Heating & Cooling Contracts	141,423												13
94300-030	Ordinary Maintenance and Operations Contracts - Snow Removal Contracts	72,283												
94300-040	Ordinary Maintenance and Operations Contracts - Elevator Maintenance Contracts													
94300-050	Ordinary Maintenance and Operations Contracts - Landscaping & Grounds Contracts	19,379												
94300-060	Ordinary Maintenance and Operations Contracts - Unit Turnaround Contracts	21,989												539
94300-070	Ordinary Maintenance and Operations Contracts - Electrical Contracts													
94300-080	Ordinary Maintenance and Operations Contracts - Plumbing Contracts	70,572												
94300-090	Ordinary Maintenance and Operations Contracts - Extermination Contracts	14,381												209
94300-100	Ordinary Maintenance and Operations Contracts - Janitorial Contracts	59,692												2,249
94300-110	Ordinary Maintenance and Operations Contracts - Inherital Contracts	1,151												6,015
94300-120	Ordinary Maintenance and Operations Contracts - Routine Maintenance Contracts	256,207												
94300-130	Ordinary Maintenance and Operations Contracts - Nite Contracts	238,307												8,242
94300-140	Ordinary Maintenance and Operations Contracts - Other Contracts	969,904												2,272
94300-150	Employee benefit contributions - ordinary maintenance	292,378												19,493
94300	Total Maintenance	2,342,236	5,748	15	30	92								46,763
95100	Protective services - labor													186,838
95200	Protective services - other contract costs													
95300	Protective services - other													
95500	Employee benefit contributions - protective services													
95900	Total Protective Services													
9610	Property insurance	207,176	1,972	74	98	112								5,267
9620	Liability insurance	37,263												945
9630	Workers' Compensation	20,971	5,813											2,180
9640	Aut auto insurance	49,026												890
96100	Total Insurance Premiums	314,436	7,785	74	98	112								9,384
96200	Other general expenses	10,662												
96210	Compensated absences	92,137	23,448		245	979								47,000
96300	Payments in lieu of taxes	76,415												413
96400	Bad debt - tenant rents	(12,783)												
96500	Bad debt - mortgages													
96600	Bad debt - other		9,070											
96800	Severance expense													
96900	Total Other General Expenses	166,429	34,518		245	979								24,219
96710	Interest of Mortgage (to Bonds) Payable	76,203												34,501
96720	Interest on Notes Payable (Short and Long Term)	111,476												
96730	Amortization of Bond Issue Costs	401												
96700	Interest expense and Amortization cost	188,080												
96900	Total Operating Expenses	7,493,807	1,021,671	408	5,629	21,133	101,097	633,690		123,767	47,800	119,956	4,874	589,719
97000	Excess Revenue Over Operating Expenses	4,264,233	7,255,018	174,628	185,094	120,137	51,213		241,692	518,493		342,541	70,361	771,958

Line Item No.	Description	Total AMT's	Section 8 Htg Choice Youcher Prgm 5-8-306 14,871	HUD-YASH FUND 308 14-YSH 14,871	MAIN-STREAM 14,181	Section 8 Mod Rehab Prgm Total 14,856	Hope VI 14,866	ROSS 14,870	ARRA 14,865	CDBG 14,218	HOME 14,239	STATE/LOCAL 2	Shelter Plus Care 14,239	Business Activity 1
97100	Extraordinary maintenance	142,844												
97200	Community centers, non-capitalized	5,271												
97300-010	Sublease 1 & 3 Year				166,387									
97300-020	Home Ownership													
97300-035	Litigation													
97300-030	Hope IV													
97300-035	Moving to Work													
97300-040	Tenant Protection													
97300-050	Portability In													
97300-060	Enhanced													
97300-070	All Other		8,238,622	45,418		104,121								
97300-100	Total HUD Payment		8,238,622	45,418	166,387	104,121								
97400	Operating expenses, not included	1,536,155	7,209	45,418	166,387	104,121	343,281			43,844		42,827	70,261	26,985
97500	Frugal leases													
97800	Dwelling units rent expenses													
99900	Total Expenses	9,278,077	9,267,502	45,826	172,816	136,354	445,278	633,650	0	167,611	47,000	162,855	75,135	616,704
10010	Operating transfer in	823,276												
10020	Operating transfer out	(823,276)												
10030-010	Net For Profit													
10030-020	Partnership													
10030-030	Joint Venture													
10030-040	Tax Credit													
10030-050	Other													
10030-099	Other Contract													
10070	Operating transfers from / to primary non-ement													
10080	Operating transfers from / to component unit													
10090	Extraordinary items, net gains/loss													
10090	Special items and sub/loss													
10091	Inter AMHP Excess Cash Transfer In													
10092	Inter AMHP Excess Cash Transfer Out													
10093	Transfers from Programs to AMP	254,477												
10094	Transfers from AMP to Program													
10100	Total other financing sources (uses)	254,477	0	0	0	0	(234,477)							
10099	Excess (deficiency) of Revenue Over (Under) Expenses	2,744,539	(990,813)	129,410	18,667	16,016	(516,545)	0	241,683	474,649	0	386,642	0	744,965
11020	Required Annual Debt Principal Payments	846,976												
11030	Beginning equity	23,061,081	1,472,463	73,235	11,939	164,477	10,424,761	0	0	5,593,129	0	2,821,201	0	376,179
11040-010	Prior period adjustments and correction of errors - Editable													
11040-020	Prior period adjustments and correction of errors - Editable													
11040-030	Prior period adjustments and correction of errors - Editable													
11040-040	Prior period adjustments and correction of errors - Editable													
11040-050	Prior period adjustments and correction of errors - Editable													
11040-060	Prior period adjustments and correction of errors - Editable													
11040-070	Equity Transfers													
11040-080	Equity Transfers													
11040-090	Equity Transfers	356,582												
11040-100	Equity Transfers													
11040-110	Equity Transfers													
11040	Prior period adjustments, equity, transfers, and correction of errors	376,582	0	0	0	0	0	0	(211,682)	0	0	0	0	0

Line Item No.	Description	Central Office Cost Center	Elimination	Total	COMPONENT UNITS COMBINED	TOTAL ENTITY WIDE FDS
111	Cash-unrestricted	27,366	-	2,491,853	\$ 177,676	\$ 2,669,479
112	Centristicted-modernization and development	-	-	-	-	-
113	Cash-other restricted	-	-	882,673	\$ 326,031	\$ 1,209,135
114	Cash-tenant security deposits	-	-	157,968	\$ 40,929	\$ 198,897
115	Cash - Restricted for payment of current liability	-	-	79,336	-	\$ 79,336
100	Total Cash	27,366	-	3,611,830	\$ 545,707	\$ 4,157,037
121	Accounts receivable - PHA request	-	-	-	-	-
122-010	Accounts receivable - HUD other projects - Operating Subsidy	-	-	-	-	-
122-020	Accounts receivable - HUD other projects - Capital fund	-	-	84,244	-	\$ 84,244
122-030	Accounts receivable - HUD other projects - Other	-	-	675,409	-	\$ 675,409
122	Accounts receivable - HUD other projects	-	-	759,653	-	\$ 759,653
123	Account receivable - other government	-	(37,469)	236,387	\$ 3,449	\$ 239,736
123-010	Account receivable - miscellaneous - Not For Profit	-	-	-	-	-
123-020	Account receivable - miscellaneous - Partnership	-	-	-	-	-
123-030	Account receivable - miscellaneous - Joint Venture	-	-	-	-	-
123-040	Account receivable - miscellaneous - Tax Credit	-	-	249,762	-	\$ 249,762
123-050	Account receivable - miscellaneous - Other	1,283	(91,919)	49,520	-	\$ 49,520
123	Other - Comment	-	-	-	-	-
125	Account receivable - miscellaneous	1,283	(91,919)	299,282	\$ 250	\$ 299,531
126	Accounts receivable - tenants	-	-	274,506	\$ 79,597	\$ 354,103
126.1	Allowance for doubtful accounts - tenants	-	-	(31,111)	\$ (18,693)	\$ (49,804)
126.2	Allowance for doubtful accounts - other	-	-	-	-	-
127	Notes, Loans, & Mortgages Receivable - Current	3,869	-	406,374	-	\$ 406,374
128	Fund recovery	-	-	106,453	-	\$ 106,453
128.1	Allowance for doubtful accounts - fund	-	-	(10,564)	-	\$ (10,564)
129	Accrued interest receivable	-	-	65,933	-	\$ 65,933
129	Total receivables, net of allowance for doubtful accounts	5,152	(1,31,287)	2,056,633	\$ 15,213	\$ 2,071,846
131	Investments - unrestricted	-	-	6,308,538	-	\$ 6,308,538
132	Investments - restricted	-	-	-	-	-
135	Investments - Restricted for payment of current liability	-	-	-	-	-
142	Prepaid expenses and other assets	17,796	-	164,779	\$ 147,265	\$ 312,035
143	Inventories	-	-	1,007	-	\$ 1,007
143.1	Allowance for obsolete inventories	-	-	-	-	-
144	Inter program - due from	789,203	-	3,364,525	-	\$ 3,364,525
145	Assets held for sale	-	-	123,335	-	\$ 123,335
150	Total Current Assets	8,939,517	(1,31,287)	13,931,238	\$ 707,685	\$ 16,538,943
161	Land	-	-	12,882,146	\$ 2,377,363	\$ 15,459,569
162	Buildings	-	-	62,276,649	\$ 24,953,340	\$ 87,229,989
163	Furniture, equipment and machinery - dwellings	-	-	115,393	\$ 31,596	\$ 146,989
164	Furniture, equipment and machinery - administration	634,071	-	1,764,813	\$ 127,069	\$ 1,911,482
165	Leasehold improvements	-	-	-	-	-
166	Accumulated depreciation	(326,196)	-	(47,560,048)	\$ (2,654,316)	\$ (30,214,364)
167	Construction in progress	-	-	4,660,064	\$ 7,862,763	\$ 12,522,827
168	Infrastructure	-	-	4,834,494	-	\$ 4,834,494
169	Total capital assets, net of accumulated depreciation	107,875	-	38,992,502	\$ 31,898,415	\$ 71,891,917
171-010	Notes, Loans, & mortgages receivable - Non-current - Not For Profit	-	-	-	-	-
171-020	Notes, Loans, & mortgages receivable - Non-current - Partnership	-	-	-	-	-
171-030	Notes, Loans, & mortgages receivable - Non-current - Joint Venture	-	-	-	-	-
171-040	Notes, Loans, & mortgages receivable - Non-current - Tax Credit	-	(139,400)	2,706,547	-	\$ 2,706,547
171-050	Notes, Loans, & mortgages receivable - Non-current - Other	-	(721,649)	3,877,258	-	\$ 3,877,258
171	Other - Comment	-	-	-	-	-
171	Notes, Loans, & mortgages receivable - Non-current	5,982	(1,151,449)	6,609,782	\$ -	\$ 6,609,782
172-010	Notes, Loans, & mortgages receivable - Non-current - part due - Not For Profit	-	-	-	-	-
172-020	Notes, Loans, & mortgages receivable - Non-current - Partnership	-	-	-	-	-
172-030	Notes, Loans, & mortgages receivable - Non-current - Joint Venture	-	-	-	-	-
172-040	Notes, Loans, & mortgages receivable - Non-current - Tax Credit	-	-	-	-	-
172-050	Notes, Loans, & mortgages receivable - Non-current - Other	-	-	-	-	-
172	Other - Comment	-	-	-	-	-
172	Notes, Loans, & mortgages receivable - Non-current - part due	-	-	-	-	-
173	Grants receivable - Non-current	-	-	-	-	-
174-010	Other assets - Not For Profit	-	-	-	-	-
174-020	Other assets - Partnership	-	-	-	-	-
174-030	Other assets - Joint Venture	-	-	-	-	-
174-040	Other assets - Tax Credit	-	-	344,409	-	\$ 344,409
174-050	Other assets - Other	-	(66,119)	(66,119)	-	\$ (66,119)
174	Other - Comment	-	-	-	-	-
174	Total Assets	94,515	(91,776)	372,796	\$ 214,194	\$ 596,990

Line Item No.	Description	Central Office Cost Center	Elimination	Total	COMPONENT UNITS COMBINED	TOTAL ENTITY WIDE FDS
176-010	Investment in Joint Venture - Not For Profit					
176-010	Investment in Joint Venture - Partnership					
176-010	Investment in Joint Venture - Joint Venture					
176-010	Investment in Joint Venture - Tax Credit					
176-010	Investment in Joint Venture - Other					
176	Other - Comment					
180	Investment in Joint Venture	308,272	(1,124,925)	45,976,080	31,122,609	79,098,689
	Total Non-current Assets					
190	Total Assets	1,047,889	(1,374,413)	61,807,338	33,830,294	95,637,632
311	Bank overdraft	0	0	13,063	0	13,063
312	Accounts payable - < 90 days	19,551		389,281	378,720	768,001
313	Accounts payable > 90 days past due	0		0	0	0
321	Accrued wage/payroll taxes payable	30,712		95,204	0	95,204
322	Accrued compensated absences - current position	51,639		170,408	0	170,408
324	Accrued contingency liability	0		0	0	0
325	Accrued interest payable	0		58,320	76,237	134,557
331-010	Accounts payable - HUD PHA Programs - Operating Subsidy	0		0	0	0
331-020	Accounts payable - HUD PHA Programs - Capital fund	0		0	0	0
331-030	Accounts payable - HUD PHA Programs - Other	0		0	0	0
332	Accounts payable - PHA Process	0		9,886	0	9,886
333	Accounts payable - other government	0		121,792	0	121,792
341	Tenant security deposit	0		141,856	0	141,856
342-010	Deferred revenue - Operating Subsidy	0		157,968	39,743	197,711
342-020	Deferred revenue - Capital fund	0		0	0	0
342-030	Deferred revenue - Other	0		0	0	0
342	Deferred revenue	0		1,380	18,038	19,418
343-010	CFEP	0		888,163	0	888,163
343-020	Capital Process/ Mortgage Revenue	0		0	0	0
343	Current portion of long-term debt - capital project/mortgage revenue	0		888,163	79,570	967,733
344	Current portion of long-term debt - operating borrowings	0		0	0	0
345	Other current liabilities	0		0	0	0
346	Accrued liabilities - other	1,659		4,844	2,473	7,317
347	Interposition - due to	0		3,364,525	0	3,364,525
348-010	Loan liability - current - Not For Profit	0		0	0	0
348-020	Loan liability - current - Partnership	0		0	0	0
348-030	Loan liability - current - Joint Venture	0		0	0	0
348-040	Loan liability - current - Tax Credit	0		0	0	0
348-050	Loan liability - current - Other	0		308,299	0	308,299
348	Other - Comment					
348	Loan liability - current	108,551	0	308,299	0	308,299
310	Total Current Liabilities			3,721,283	594,791	6,316,770
351-010	Long-term debt - CFEP	0		2,279,500	0	2,279,500
351-020	Long-term - Capital Process/ Mortgage Revenue	0		0	0	0
351	Capital Process/ Mortgage Revenue Bonds	0		2,279,500	15,890,199	18,170,099
352	Long-term debt, net of current - operating borrowings	0		0	0	0
353	Non-current liabilities - other	19,800		228,448	0	228,448
354	Accrued compensated absences - Non-current	17,715		105,973	0	105,973
355-010	Loan liability - Non-current - Not For Profit	0		0	0	0
355-020	Loan liability - Non-current - Partnership	0		0	0	0
355-030	Loan liability - Non-current - Joint Venture	0		0	0	0
355-040	Loan liability - Non-current - Tax Credit	0		0	0	0
355-050	Loan liability - Non-current - Other	0		0	0	0
355	Other - Comment		(54,649)	5,431,806		5,431,806
355	Loan liability - Non-current	0	(54,649)	5,431,806	2,712,459	8,164,764
356	FASB 5 Liabilities	0		97,344	0	97,344
357	Accrued Pension and OPEB Liability	134,859	(91,776)	97,344	0	97,344
350	Total Non-current liabilities		(1,374,413)	8,163,471	18,602,657	26,766,138
300	Total Liabilities			13,885,460	19,197,438	33,082,898
508-1	Invested in capital assets, net of related debt	107,875		34,667,349	14,061,633	49,738,972
511-1	Restricted Net Assets	699,604		11,897,512	318,030	1,988,096
512-1	Unrestricted Net Assets	807,479	0	47,921,878	243,154	1,740,666
513	Total Equity/Net Assets			61,807,338	14,622,856	62,551,731
600	Total Liabilities and Equity/Net Assets	1,047,889	(1,374,413)	61,807,338	33,830,294	95,637,632

Line Item No.	Description	Central Office Cost Center	Elimination	Total	COMPONENT UNITS COMBINED	TOTAL ENTITY WIDE FBS
Income Statement						
70300	Net tenant rental revenue	0		2,973,739	1,235,122	4,208,861
70400	Tenant revenue - other	0		50,878	122,245	173,123
70500	Total Tenant Revenue	0	0	3,024,617	1,357,367	4,381,984
70600-910	Heading assistance payments			8,559,964		8,559,964
70600-920	Chargeback administrative fees earned			-		0
70600-930	FSS Coordinator			-		0
70600-940	Actual independent public accountant audit costs			-		0
70600-950	Total preliminary fees earned			-		0
70600-960	Interest earned on advances			-		0
70600-970	Admin fee calculation description			-		0
70600	HUD PHA operating grants	0	0	16,760,092		16,760,092
70610	Capital grants	0	0	2,094,337	0	2,094,337
70710	Management Fee	1,275,931	(1,197,227)	78,624		78,624
70720	Asset Management Fee	141,500	(141,500)	-		0
70730	Book Keeping Fee	251,665	(251,665)	-		0
70740	Front Line Service Fee			-		0
70750	Other Fees	162,923	(124,334)	38,589		38,589
70700	Total Fee Revenue	1,832,041	(1,714,026)	117,215		117,215
70800	Other government grants	0		383,661	0	383,661
71000-910	Housing Assistance Payment			-		0
71100-910	Administrative Fee			7,657		7,657
71100	Investment Income - unrestricted	2,089	0	340,646	738	341,381
71200	Nonresidence interest income	0		99,331		99,331
71300	Proceeds from disposition of assets held for sale	0		35,089		36,000
71310	Cost of sale of assets	0		(43,767)		(43,347)
71400-910	Housing Assistance Payment			93,830		93,830
71400-920	Administrative Fee			93,789		93,789
71400	Fraud recovery			187,619		187,619
71500	Other revenue	8,131	0	1,519,731	15,736	1,534,467
71600	Gain or loss on sale of Capital assets	2,715		(181,522)	0	(181,522)
72000-910	Housing Assistance Payment			2,030		2,030
72000-920	Administrative Fee			-		0
72000	Investment Income - restricted	0	0	9,039	0	9,039
72000	Total Revenue	1,844,976	(1,714,026)	24,337,210	1,372,281	25,710,491
91100	Administrative Salaries	853,237		1,777,711	27,479	1,805,190
91200	Auditing Fees	11,017		57,264	5,700	62,964
91300	Nonresidence Fee	0	(1,197,227)	-	73,311	73,311
91310	Book-Keeping Fee	0	(251,665)	-		0
91400	Advertising and Marketing	13,874		17,786	3,117	20,903
91500	Employee benefit contributions - administrative	316,217		276,013	0	276,013
91600	Office Expenses	144,902		375,413	13,986	389,399
91700	Local Expense	100,481		225,923	11,206	237,129
91800	Travel	7,892		14,985	224	15,209
91810	Allocated Overhead	0		-	0	0
91900	Other	6,971	(64,481)	290,880	95,989	386,869
91900	Total Operating Administrative	1,474,691	(1,511,473)	3,483,077	231,013	3,716,089
92000	Asset Management Fee		(141,800)	-		-
92100	Tenant services - salaries	0		312,593	0	312,593
92200	Relocation Costs	0		1,693	0	1,693
92300	Employee benefit contributions - tenant services	0		128,210	0	128,210
92400	Tenant services - other	0		460,282	0	460,282
92500	Total Tenant Services	0	0	922,778	0	922,778

Line Item No.	Description	Central Office Cost Center	Elimination	Total	COMPONENT UNITS COMBINED	TOTAL ENTITY-WIDE FDS
93100	Water	4,830		354,381	25,854	381,235
93200	Electricity			540,869	75,709	616,578
93300	Gas	16,220		894,771		908,608
93400	Fuel					0
93500	Lease					0
93600	Sever					0
93700	Employee benefit contributions - utilities	3,076		374,518	12,749	388,277
93750	HAP Feasibility/In					0
93800	Other utilities expense					0
93900	Total Utilities	32,788	0	2,166,539	141,897	2,908,436
94100	Ordinary maintenance and operations - labor	45,536		876,211	60,143	935,354
94200	Ordinary maintenance and operations - materials and other	7,323		364,493	27,786	392,279
94300-010	Ordinary Maintenance and Operations Contracts - Garbage and Trash Removal Contracts			141,436	9,039	150,495
94300-020	Ordinary Maintenance and Operations Contracts - Heating & Cooling Contracts			72,283	3,233	75,516
94300-030	Ordinary Maintenance and Operations Contracts - Snow Removal Contracts					0
94300-040	Ordinary Maintenance and Operations Contracts - Elevator Maintenance Contracts			19,379	10,088	29,467
94300-050	Ordinary Maintenance and Operations Contracts - Landscaping & Grounds Contracts			76,963	14,383	91,288
94300-060	Ordinary Maintenance and Operations Contracts - Unit Turnaround Contracts					0
94300-070	Ordinary Maintenance and Operations Contracts - Electrical Contracts			10,928	492	11,420
94300-080	Ordinary Maintenance and Operations Contracts - Plumbing Contracts		(50,853)	16,630	0	16,630
94300-090	Ordinary Maintenance and Operations Contracts - Extermination Contracts			63,707	4,026	69,733
94300-100	Ordinary Maintenance and Operations Contracts - Initial Contracts			1,157	19,761	20,418
94300-110	Ordinary Maintenance and Operations Contracts - Routine Maintenance Contracts			264,449	45,605	310,054
94300-120	Ordinary Maintenance and Operations Contracts - Misc Contracts	12,805		273,534	72,339	345,873
94300	Ordinary Maintenance and Operations Contracts	12,805	(50,853)	942,408	180,661	1,123,069
94500	Employee benefit contributions - ordinary maintenance	(1,157)		337,978		337,978
94600	Total Maintenance	64,537	(50,853)	2,540,090	268,530	3,809,680
95100	Protective services - labor					0
95200	Protective services - other contract costs				434	434
95300	Protective services - other					0
95500	Employee benefit contributions - protective services					0
95900	Total Protective Services				434	434
96110	Property Insurance	1,958		216,657	51,040	267,697
96120	Liability Insurance	1,366		39,574	12,575	52,149
96130	Workers Compensation	19,764		39,728		39,728
96140	All other insurance	5,434		55,450	23,175	78,625
96180	Total Insurance Premiums	19,572	0	331,409	86,790	438,199
96200	Other general expenses	157,467		96,645		254,112
96210	Compensated absences	60,602		106,549		167,151
96300	Payments in lieu of taxes			24,535		24,535
96400	Bad debt - tenant/rent			(12,785)		(12,785)
96500	Bad debt - mortgage					0
96600	Bad debt - other			33,289		33,289
96700	Severance expense					0
96800	Total Other General Expenses	60,602	0	444,933	124,511	569,446
96710	Interest of Mortgage for Bond Payable			76,203		76,203
96720	Interest on Notes Payable (Short and Long Term)			214,633		214,633
96730	Amortization of Bond Issue Costs			401		401
96780	Interest expense and Amortization cost			291,237		291,237
96900	Total Operating Expenses	1,652,140	(1,714,926)	10,202,065	1,298,567	11,580,632
97000	Excess Revenue Over Operating Expenses	192,836	0	14,133,143	74,714	14,209,859

Line Item No.	Description	Central Office Cost Center	Elimination	Total	COMPONENT UNITS COMBINED	TOTAL ENTITY WIDE FDS
97100	Extraordinary maintenance	0		142,844	0	142,844
97200	Grants - Non-Edulitred	0		5,271	0	5,271
97300-010	Maintenance 1 & 5 Year	0		166,387	0	166,387
97300-020	Home-Ownership	0		0	0	0
97300-025	Litigation	0		0	0	0
97300-030	Heps IV	0		0	0	0
97300-035	Moving to Work	0		0	0	0
97300-040	Tenant Protection	0		0	0	0
97300-050	Portability In	0		0	0	0
97300-060	Enhanced	0		0	0	0
97300-070	All Other	0		0	0	0
97300-100	Total HAF Payment	0		8,386,161	0	8,386,161
97300	Housing assistance payments	0		8,624,809	0	8,624,809
97400	Depreciation expense	27,896		2,028,269	789,836	2,809,105
97500	Travel expenses	0		0	0	0
97600	Dwelling unit rent expense	0		0	0	0
99000	Total Expenses	1,680,036	(1,714,816)	21,003,238	2,079,403	23,082,641
10010	Operating transfer in	216,943		1,060,219	0	1,060,219
10020	Operating transfer out	(216,943)		(1,060,219)	0	(1,060,219)
10030-010	Res For Profit	0		0	0	0
10030-020	Partnership	0		0	0	0
10030-030	Joint Venture	0		0	0	0
10030-040	Tax Credit	0		0	0	0
10030-050	Other	0		0	0	0
10030	Other Comment	0		0	0	0
10030	Operating transfers from / to primary government	0	0	0	0	0
10040	Operating transfers from / to component unit	0	0	0	0	0
10070	Extraordinary items, net transfers	0		0	0	0
10080	Special items, net transfers	0		0	0	0
10091	Inter AMP Excess Cash Transfer In	0		0	0	0
10092	Inter AMP Excess Cash Transfer Out	0		0	0	0
10093	Transfers from Program to AMP	0		224,477	0	224,477
10094	Transfers from AMP to Program	0		(224,477)	0	(224,477)
10100	Total other financing sources (uses)	0	0	0	0	0
10000	Excess (Deficiency) of Revenue Over (Under) Expenses	164,940	0	3,333,932	(706,122)	2,627,810
11020	Required Annual Debt Principal Payments	0		1,002,633	4,617,087	5,620,342
11030	Beginning equity	642,539		44,303,026	9,449,108	53,992,134
11040-010	Prior period adjustments and correction of errors - Edible	0		0	0	0
11040-020	Prior period adjustments and correction of errors - Edible	0		0	0	0
11040-030	Prior period adjustments and correction of errors - Edible	0		0	0	0
11040-040	Prior period adjustments and correction of errors - Edible	0		0	0	0
11040-050	Prior period adjustments and correction of errors - Edible	0		0	0	0
11040-060	Prior period adjustments and correction of errors - Edible	0		0	0	0
11040-070	Equity Transfer	0		(241,692)	5,889,870	5,648,188
11040-080	Equity Transfer	0		0	0	0
11040-090	Equity Transfer	0		326,582	0	326,582
11040-100	Equity Transfer	0		0	0	0
11040-110	Equity Transfer	0		0	0	0
11040	Prior period adjustments, equity transfers, and correction of errors	0	0	84,900	5,889,870	5,974,770

Independent Accountant's Report on Applying
Agreed-Upon Procedures

To Roanoke Redevelopment and Housing Authority:

We have performed the procedure described in the second paragraph of this report, which was agreed to by Roanoke Redevelopment and Housing Authority and the U.S. Department of Housing and Urban Development, Real Estate Assessment Center (REAC), solely to assist them in determining whether the electronic submission of certain information agrees with the related hard copy documents included within the reporting package. Roanoke Redevelopment and Housing Authority is responsible for accuracy and completeness of the electronic submission. This agreed-upon procedure engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedure is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedure described below for which this report has been requested or for any other purpose.

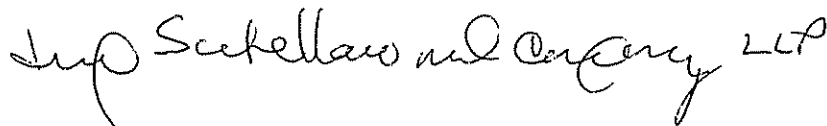
We compared the electronic submission of the items listed in the "UFRS Rule Information" column with the corresponding printed documents listed in the "Hard Copy Documents" column. The results of the performance of our agreed-upon procedure indicate agreement or non-agreement of the electronically submitted information and hard copy documents as shown in the attached chart.

We were engaged to perform an audit in accordance with Audits of States, Local Governments, and Non-profit Organizations, of the financial statements of Roanoke Redevelopment and Housing Authority as of and for the year ended September 30, 2009, and have issued our reports thereon dated April 26, 2010. The information in the "Hard Copy Documents" column was included within the scope, or was a by-product of that audit. Further, our opinion on the fair presentation of the supplemental financial data templates dated April 26, 2010, was expressed in relation to the basic financial statements of Roanoke Redevelopment and Housing Authority taken as a whole.

A copy of the financial statement package required by OMB Circular A-133, which includes the auditor's reports is available in its entirety from Roanoke Redevelopment and Housing Authority. We have not performed any additional auditing procedures since the date of the aforementioned audit reports. Further, we take no responsibility for the security of the information transmitted electronically to the U.S. Department of Housing and Urban Development, REAC.

This report is intended solely for the information and use of Roanoke Redevelopment and Housing Authority and the U.S. Department of Housing and Urban Development, REAC, and is not intended to be and should not be used by anyone other than these specified parties.

April 26, 2010
Toms River, New Jersey

 Stephen Sabellaw and Company LLP

Attachment to Independent Accountant's Report on Applying
Agreed-Upon Procedures

UFRS Rule Information	Hard Copy Document(s)	Findings
Balance Sheet and Revenue and Expense (data line items 111 to 1121)	Financial Data Schedules, all CFDAs	Agrees
Footnotes (data element G5000-010)	Footnotes to audited basic financial statements	Agrees
Type of Opinion on the Financial Data Schedule (data element G5100-010)	Auditor's supplemental report on Financial Data Schedule	Agrees
Audit Findings Narrative (data element G5200-010)	Schedule of Findings and Questioned Costs	Agrees
General information (data element series G2000, G2100, G2200, G2300, G9000, G9100)	OMB Data Collection Form	Agrees
Financial statement report information (data element G3000-010 to G3000-050, G3100-010 to G3100-030, G3200-010 to G3200-030, G3300-010 to G3300-060, G3400-010 to G3400-020)	Schedule of Findings and Questioned costs, Part 1 and OMB Data Collection Form.	Agrees
Federal program report information (data element G4000-010 to G4000-040)	Schedule of Findings and Questioned costs, Part 1 and OMB Data Collection Form.	Agrees
Federal agencies required to receive reporting package (data element G4000-050)	OMB Data Collection Form	Agrees
Basic financial statements and auditor's reports required to be submitted electronically.	Basic financial statements (inclusive of auditor reports)	Agrees