

Roanoke Redevelopment and Housing Authority

FINANCIAL STATEMENTS

Roanoke Redevelopment and Housing Authority

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September 30, 2011

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Roanoke Redevelopment and Housing Authority:

We have audited the accompanying financial statements of the business-type activities which comprise the enterprise fund of the Roanoke Redevelopment and Housing Authority, (the Authority), as of and for the year ended September 30, 2011 which collectively comprise the Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the discretely presented component units, which represent 35.10 percent, 23.49 percent, and 6.34 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 previously present fairly, in all material respects, the financial position of the business-type activities which comprise the major fund and the discretely presented component units of Roanoke Redevelopment and Housing Authority as of September 30, 2011, and the results of its operations and changes in net assets and, where applicable, 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 5, 2012 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.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis contained on pages 3 through 8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the 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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied by us and the other auditors, in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

April 5, 2012
Toms River, New Jersey

Sup Scatellaro and Company LLP

ROANOKE REDEVELOPMENT & HOUSING AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2011

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, 2011, to assist the reader in focusing on significant financial issues and concerns.

The Authority's fiscal year 2011 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 Authority's FY 2011 major financial highlights included the following:

- The assets of the Authority exceeded its liabilities as of September 30, 2011 by \$53.1 million (net assets).
- The Authority's cash balance increased 43% due to investments that matured or were called during the year.
- Total Current Assets decreased approximately 17% due to a decrease in assets held for sale and due to a decrease in investments that were called or matured and reverted to the Authority's cash account.
- Total Current Liabilities increased approximately 14% due to a liability owed to the City of Roanoke for a sale of property in the South Jefferson Redevelopment area.
 - Non Current Liabilities decreased approximately 13% due to a decrease in long term bonds payable and due to compensated absences decreased over the prior year related to the Authority's change in leave policies.
- Total Revenues decreased approximately 9% related to a decrease in total tenant revenues due to higher occupancy percentages because of modernization and unit turnovers, and due to other revenue losses related to the sale of assets in the South Jefferson redevelopment area.
- Total Expenses increased slightly mainly related to maintenance, depreciation, and housing assistance payments.
- Non Operating Revenue (Loss) increased due to the write off of grant expenses related to the Hurt Park Low Rent Program.

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, 2011, 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 2011 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 decreased by \$1.9 million during the year primarily due to an impairment loss recognized with the acquisition of assets in the South Jefferson Redevelopment project.

Total cash increased 43% as a result of investments that either matured or were called during the year and reverted to the Authority's cash account

Current assets decreased approximately 17% due to investments that matured or were called during the year and due to the sale of assets held for sale related to the Authority's role in acquiring and selling property in the South Jefferson redevelopment area.

Total liabilities decreased approximately 7% due to principle payments on bonds the Authority issued in 2003.

The following table summarizes the changes in net assets between September 30, 2011 and 2010 for the Authority as a whole:

	<u>2011</u>	<u>2010</u>	<u>NET CHANGE</u>	<u>%</u>
Cash	\$ 6,629,394	\$ 4,643,508	\$ 1,985,886	42.77%
Current Assets	9,605,064	11,638,402	(2,033,338)	-17.47%
Non-current Assets	6,803,493	6,785,573	17,920	0.26%
Capital Assets - Net	38,458,942	40,303,213	(1,844,271)	-4.58%
Total Assets	<u>61,496,893</u>	<u>63,370,696</u>	<u>(1,873,803)</u>	<u>-2.96%</u>
Current Liabilities	2,503,887	2,189,936	313,951	14.34%
Non-current Liabilities	5,908,372	6,806,829	(898,457)	-13.20%
Total Liabilities	<u>8,412,259</u>	<u>8,996,765</u>	<u>(584,506)</u>	<u>-6.50%</u>
Invested in Capital Assets -net of Related Debt	36,984,568	37,890,933	(906,365)	-2.39%
Restricted Net Assets	1,203,738	1,088,033	115,705	10.63%
Unrestricted Net Assets	14,896,328	15,394,965	(498,637)	-3.24%
Total Net Assets	<u>\$ 53,084,634</u>	<u>\$ 54,373,931</u>	<u>\$ (1,289,297)</u>	<u>-2.37%</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

The following table summarizes the changes in operations between fiscal years 2011 and 2010 for the Authority as a whole:

	<u>2011</u>	<u>2010</u>	<u>NET CHANGE</u>	<u>%</u>
Tenant Rental Revenue	\$ 2,988,341	\$ 3,233,735	\$ (245,394)	-7.59%
HUD Operating Grants	20,515,807	20,722,677	(206,870)	-1.00%
Fraud Recovery	-	-	-	0.00%
Other Revenue	<u>(815,913)</u>	<u>1,087,132</u>	<u>(1,903,045)</u>	<u>-175.05%</u>
Total Operating Revenue	22,688,235	25,043,544	(2,355,309)	-9.40%
Operating Expenses:				
Administrative	3,322,297	4,241,202	(918,905)	-21.67%
Tenant Services	660,212	737,245	(77,033)	-10.45%
Utilities	1,934,087	2,053,693	(119,606)	-5.82%
Maintenance	2,678,602	2,401,760	276,842	11.53%
General Expenses	1,861,762	1,716,142	145,620	8.49%
Housing Assistance Payments	9,487,269	8,796,666	690,603	7.85%
Depreciation	<u>2,296,249</u>	<u>2,112,252</u>	<u>183,997</u>	<u>8.71%</u>
Total Expenses	22,240,478	22,058,960	181,518	0.82%
Operating Income	447,757	2,984,584	(2,536,827)	85.00%
Non-operating Revenue (Expenses):				
Interest on Investments	313,173	432,237	(119,064)	-27.55%
Interest Expense	(213,117)	(230,392)	17,275	-7.50%
Extraordinary Maintenance	(176,428)	(57,077)	(119,351)	209.11%
Impairment loss	(1,894,100)	(779,300)	(1,114,800)	143.05%
Proceeds from Sale of Capital Assets	<u>(1,119,427)</u>	<u>(309,754)</u>	<u>(809,673)</u>	<u>261.39%</u>
Non-operating Income (Loss)	(3,089,899)	(944,286)	(2,145,613)	227.22%
HUD Capital Grants	1,964,292	4,411,755	(2,447,463)	-55.48%
Equity transfers	<u>(611,447)</u>	-	<u>(611,447)</u>	<u>0.00%</u>
Net Change	<u>(1,289,297)</u>	<u>6,452,053</u>	<u>(5,204,523)</u>	<u>-80.66%</u>
Beginning Net Assets	54,373,931	47,921,878	6,452,053	13.46%
Total Net Assets	<u>\$ 53,084,634</u>	<u>\$ 54,373,931</u>	<u>\$ (1,289,297)</u>	<u>-2.37%</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

Total Revenue decreased approximately 9% due to a decreases in tenant revenues and operating grants.

Other revenue decreased \$1.9 million due to the impairment loss realized on property in the South Jefferson Redevelopment Area. Through the South Jefferson Redevelopment agreement the Authority has agreed to acquire property in a specific area of the City of Roanoke and prepare those acquisitions for resale to outside parties for redevelopment purposes.

Total expenses increased slightly less than 1% due to increased maintenance expenses for the Low Rent Program. General expenses increased primarily due to bad debt expense for tenant accounts receivable that increased during the year due to a policy change that allows the Authority to write off uncollectible accounts for vacated tenants over 90 days.

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.

Interest Income decreased approximately 28% due to a decline in interest rates for investments and due to a reduction of the amount of principal invested.

Extraordinary Maintenance increased 200% due to underground electrical repairs and sidewalk replacements.

The Authority recognized an impairment loss in the amount of \$1.9 million due to the property purchased in the South Jefferson Redevelopment Area that has been acquired for the demolition and sale to a third party and is in compliance with GASB 42 which requires the Authority to recognize an impairment when an assets is deemed to be impaired.

Proceeds from Sale of Capital Assets increased due to the close out of capital fund grants that were used in the demolition of the Hurt Park Public Housing Apartment Complex. The grant was closed out during the year and the loss was recognized in the Authority's financial statements.

HUD Capital Grants decreased 55% due to a decrease in both Capital Fund Program and to the American Recovery Reinvestment Act (ARRA) grants as a result of funding cuts by HUD for the CFP and the ARRA grant was a one time grant in order to stimulate the economy.

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, 2011 and 2010:

	<u>2011</u>	<u>2010</u>	<u>Net Change</u>	<u>Variance</u>
Land	\$ 12,097,637	\$ 11,897,987	\$ 199,650	1.68%
Infrastructure	4,945,703	4,888,452	57,251	1.17%
Buildings and Improvements	63,817,940	62,726,907	1,091,033	1.74%
Furniture and Equipment	2,006,788	1,990,120	16,668	0.84%
Construction in Progress	7,114,333	8,267,875	(1,153,542)	-13.95%
Total	<u>89,982,401</u>	<u>89,771,341</u>	<u>211,060</u>	<u>0.24%</u>
Accumulated Depreciation	51,523,459	49,468,128	2,055,331	4.15%
Net Capital Assets	<u>\$ 38,458,942</u>	<u>\$ 40,303,213</u>	<u>\$ (1,844,271)</u>	<u>-4.58%</u>

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.

- *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 \$1 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 \$1.3 million as of September 30, 2011.

- *Dual-funded Mortgage Loans* - In fiscal year 2011, the Authority has debt related to a dual-funded loan program that allowed low-to moderate-income homeowners to rehabilitate their homes. The outstanding balance as of September 30, 2011 was \$945,000.

- *City of Roanoke Loans* - the Authority has entered into an agreement with the City of Roanoke to finance a portion of home rehabilitation loans. The outstanding balance on amounts owed to the City of Roanoke was \$2 million at September 30, 2011.

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, 2011

ASSETS	Enterprise <u>Fund</u>	Component <u>Units</u>	Total Reporting <u>Entity</u>
CURRENT ASSETS:			
Cash and cash equivalents	\$ 6,629,394	1,039,395	7,668,789
Accounts receivable - other	1,006,535	415	1,006,950
Accounts receivable - tenants, net	40,014	23,268	63,282
Notes & mortgage receivable - current	266,371	-	266,371
Investments	6,283,879	-	6,283,879
Prepaid expenses	110,869	180,119	290,988
Accrued interest receivable	39,701	-	39,701
Assets held for sale	<u>1,857,695</u>	<u>431,045</u>	<u>2,288,740</u>
Total current assets	<u>16,234,458</u>	<u>1,674,242</u>	<u>17,908,700</u>
RESTRICTED ASSETS:			
Cash and cash equivalents	<u>1,675,961</u>	<u>559,998</u>	<u>2,235,959</u>
Total restricted assets	<u>1,675,961</u>	<u>559,998</u>	<u>2,235,959</u>
NONCURRENT ASSETS:			
Land, structures and equipment net of accumulated depreciation	<u>38,458,942</u>	<u>30,802,427</u>	<u>69,261,369</u>
Total fixed assets (net)	<u>38,458,942</u>	<u>30,802,427</u>	<u>69,261,369</u>
Notes & mortgages receivable, excluding current portion, net	4,758,276	-	4,758,276
Other assets	<u>369,256</u>	<u>220,595</u>	<u>589,851</u>
Total assets	<u>\$ 61,496,893</u>	<u>33,257,262</u>	<u>94,754,155</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES:			
Accounts payable	\$ 1,211,131	225,880	1,437,011
Accounts payable - HUD	619	-	619
Accrued wages and payroll taxes	128,125	-	128,125
Accrued compensated absences	86,157	-	86,157
Accrued interest	29,548	81,169	110,717
Accrued liability - other	28,981	-	28,981
Tenant security deposits	154,197	55,063	209,260
Bonds payable, current portion	512,457	-	512,457
Notes payable, current portion	283,606	431,103	714,709
Deferred revenues	64,773	1,191	65,964
Other current liabilities	<u>4,293</u>	<u>-</u>	<u>4,293</u>
Total current liabilities	<u>2,503,887</u>	<u>794,406</u>	<u>3,298,293</u>
NONCURRENT LIABILITIES:			
Bonds payable, excluding current portion	837,520	-	837,520
Notes payable, excluding current portion	4,655,829	14,454,351	19,110,180
Other liabilities	<u>415,023</u>	<u>1,712,469</u>	<u>2,127,492</u>
Total noncurrent liabilities	<u>5,908,372</u>	<u>16,166,820</u>	<u>22,075,192</u>
NET ASSETS:			
Invested in capital assets, (net)	36,984,568	16,890,686	53,875,254
Restricted	1,203,738	500,417	1,704,155
Unrestricted	<u>14,896,328</u>	<u>(1,095,067)</u>	<u>13,801,261</u>
Total net assets	<u>53,084,634</u>	<u>16,296,036</u>	<u>69,380,670</u>
Total liabilities and net assets	<u>\$ 61,496,893</u>	<u>33,257,262</u>	<u>94,754,155</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, 2011

	Enterprise <u>Fund</u>	Component <u>Units</u>	Total Reporting <u>Entity</u>
Operating revenues:			
Tenant revenue	\$ 2,988,341	1,631,719	4,620,060
HUD operating grants	17,397,957	-	17,397,957
Other government grants	3,117,850	-	3,117,850
Proceeds from the disposition of assets held for sale	844,221	119,988	964,209
Cost of sale of assets	(2,395,801)	(161,483)	(2,557,284)
Other revenue	735,667	21,742	757,409
Total operating revenue	<u>22,688,235</u>	<u>1,611,966</u>	<u>24,300,201</u>
Operating expenses:			
Administrative salaries	1,784,144	104,261	1,888,405
Other administrative expenses	1,538,153	609,627	2,147,780
Tenant / community services	660,212	-	660,212
Utility expense	1,934,087	180,100	2,114,187
Maintenance salaries	850,181	87,224	937,405
Maintenance other	1,828,421	241,996	2,070,417
Contract / protective services	6,110	4,327	10,437
Insurance	348,429	70,010	418,439
Other general expenses	1,079,270	113,695	1,192,965
Bad debt	333,099	27,074	360,173
Payments in lieu of taxes	94,854	59,158	154,012
Housing assistance payments	9,487,269	-	9,487,269
Depreciation	2,296,249	1,016,375	3,312,624
Total operating expenses	<u>22,240,478</u>	<u>2,513,847</u>	<u>24,754,325</u>
Operating income (loss)	<u>447,757</u>	<u>(901,881)</u>	<u>(454,124)</u>
Non-operating revenues (expenses):			
Capital grants	1,964,292	-	1,964,292
Investment income	313,173	1,095	314,268
Extraordinary maintenance	(176,428)	-	(176,428)
Interest expense	(213,117)	(416,603)	(629,720)
Gain (Loss) on sale of fixed assets	(1,119,427)	-	(1,119,427)
Casualty losses	-	(524)	(524)
Net non-operating income (loss)	<u>768,493</u>	<u>(416,032)</u>	<u>352,461</u>
Capital contributions	-	2,057,214	2,057,214
Impairment loss	(1,894,100)	-	(1,894,100)
Change in net assets	(677,850)	739,301	61,451
Total net assets, beginning	<u>54,373,931</u>	<u>14,945,288</u>	<u>69,319,219</u>
Equity transfers	(611,447)	611,447	-
Total net assets, end of year	<u>\$ 53,084,634</u>	<u>16,296,036</u>	<u>69,380,670</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, 2011

Cash Flows from Operating Activities:

Receipts from tenants	\$ 3,011,323
Receipts operating grants and subsidies	20,315,631
Other receipts	1,580,288
Payments to suppliers and employees	<u>(23,202,628)</u>

Net cash flows provided by operating activities	<u>1,704,614</u>
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Cash Flows from Capital and Related Financing Activities:

Deposits to (from) restricted cash	(318,635)
Purchases of capital assets	(1,768,673)
Disposal of capital assets	1,316,695
Interest paid on capital debt	(228,043)
Principal payments of notes payable	(1,223,942)
Capital grant contributions	1,964,292
Gain(Loss) on sale of capital assets	(1,119,427)
Extraordinary maintenance	<u>(176,428)</u>

Net cash flows used in capital and related financing activities	<u>(1,554,161)</u>
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Cash Flows from Investing Activities:

Advances of notes receivable	462,834
Accrued interest receivable	36,413
Interest and dividends	<u>1,418,386</u>

Net cash flows provided by investing activities	<u>1,917,633</u>
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Net increase in cash	2,068,086
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Cash at beginning of year	<u>4,561,308</u>
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Cash at end of year	<u>\$ 6,629,394</u>
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Roanoke Redevelopment and Housing Authority
Statement of Cash Flows continued - All Enterprise Funds
For the Year Ended September 30, 2011

Reconciliation of operating income to cash provided by
operating activities

Operating income	\$ 447,757
Items which did not provide (use) cash:	
Depreciation	2,296,249
Special items (gain / (loss))	(1,894,100)
Operating Transfer	(611,447)
Working capital changes which provided (used) cash:	
Accounts receivable - misc	22,278
Accounts receivable - tenants	22,982
Accounts receivable - other	(222,454)
Other assets	400
Deferred revenue	63,393
Prepaid expenses	8,073
Assets held for sale	978,907
Inventory	1,607
Accounts payable- HUD	(11,642)
Accounts payable	743,840
Accrued expenses	(137,420)
Other liabilities	(38,856)
Tenant security deposits	(8,614)
Other current liabilities	<u>43,661</u>
Net cash provided by operating activities	<u>\$ 1,704,614</u>

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements

For the Year Ended September 30, 2011

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

These assets consist of foreclosure homes, rental and commercial properties. The foreclosure homes and rental properties are listed at actual cost while the commercial property is listed at actual cost less impairment.

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 non 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

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

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

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.

M. Long-lived assets

The Authority evaluates the carrying value of long-lived assets. When indications of an impairment are present, the recoverability of the carrying value of the assets in question are assessed based on the future undiscounted cash flows expected to result from their use. If the carrying value cannot be recovered, impairment losses are recognized to the extent the carrying value exceeds fair value.

2. REPORTING ENTITY DEFINITION

The Authority is a separate political subdivision of the State of Virginia 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

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 Crossings, Inc. is the general partner of a real estate limited partnership, Shenandoah Crossings, Limited Partnership. Shenandoah Crossings, 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

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 was previously 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 of Roanoke, (the City), and its operations were indistinguishable from the Authority. Roanoke Valley Housing Corporation is a partner in the general partner of Roanoke Park, LP, Indian Village, LP, Stepping Stone, LP, Park Street Housing, LP and Day Avenue, LP. RVHC became a discretely presented component unit at January 1, 2011, based on changes in the Authority's role on governance.

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 known, 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)

Discretely Presented Component Units (continued)

Shenandoah Crossings, Limited Partnership (SCLP) (continued)

The responsibility for management of the affairs of the limited partnership, and the ongoing management of Shenandoah Crossings Apartments is vested with the general partner, Shenandoah Crossings, Inc. The limited partnership's December 31, 2010 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.

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. The Authority 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, 2010 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, 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 24 apartment units. RVHC acted as the developer on this project. The Authority 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.

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements

2. REPORTING ENTITY DEFINITION (continued)

Discretely Presented Component Units (continued)

Indian Village, Limited Partnership (IVLP) (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, 2010 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 seventeen historic homes on the 400 block of Day Avenue located in the City of Roanoke. The Authority acted as the developer on this project. The Authority applied for an allocation of historical tax credits from the Department of Historic Resources. Rehabilitation on the project began in January 2006 and all houses with the exception of one have been rehabilitated and sold.

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, 2010 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, a real estate limited partnership (PSLP) 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 25 apartment units. RVHC acted as the developer on this project. The Authority 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.

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

2. REPORTING ENTITY DEFINITION (continued)

Discretely Presented Component Units (continued)

Park Street Housing, Limited Partnership (PSLP) (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, 2010 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, Limited Partnership (HPLP) The Authority has significant influence over the general partner, Hurt Park, LLC, 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, 2010 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, 2011, the carrying amount of the Enterprise fund's cash and cash equivalents (including restricted cash) was \$8,305,355 and the bank balance approximated \$8,767,737. 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, 2011 are as follows:

		<u>Fair Value Measurements at Reporting Date Using</u>		
		Quoted Prices In Active Markets for Identical Assets/ Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
		<u>Fair Value</u>		
September 30, 2011		-	-	-
Federal Coupons	\$	6,283,879	6,283,879	-

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 Date as follows:

Total Commitments	\$6,353,647
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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 of assets 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 2011, the Authority made the required contributions in the amount of \$446,512.

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 were entitled to reimbursement of accrued vacation leave, up to a maximum of 45 days. Sick leave was not vested and was not paid upon employee upon termination. Unpaid accrued vacation was recorded as a liability while sick leave was recorded as an expense when the employee utilized it.

Effective July 1, 2011, the Authority terminated the vacation and sick leave policies and implemented Paid Time Off (PTO) and Limited Supplement (LS) policies. Under these new policies employees are granted PTO and LS in varying amounts according to tenure with the Authority. Upon voluntary termination from the Authority an employee will be paid for any unused PTO balance up to 75 hours. Limited Supplement is not vested nor paid upon termination. PTO accrued but not paid as of September 30, 2011 is carried as a liability while LS is expensed as used but not accrued.

11. ACCOUNTS RECEIVABLE

Accounts Receivable - Tenants

Accounts receivable - tenants for the Enterprise fund are shown net of an allowance for doubtful accounts of \$4,212 for the year ended September 30, 2011.

Accounts receivable - tenants for the component units are shown net of an allowance for doubtful accounts of \$43,296 for the year ended December 31, 2010.

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	\$ 531,769	-
Accounts receivable - other government	81,249	-
Fraud recovery	60,378	-
Fraud recovery - allowance	(11,025)	-
Accounts receivable - management & development fees	189,403	-
Accounts receivable - miscellaneous	<u>154,761</u>	<u>415</u>
	<u>\$ 1,006,535</u>	<u>415</u>

12. INTERPROGRAM ACTIVITY

The Authority manages several programs. Many charges, i.e., payroll, benefits, insurance, etc. are paid by the Authority's revolving fund and subsequently reimbursed by the other various funds. Balances due for such charges are reflected in the Interprogram Due to/Due from account balances. Interprograms at September 30, 2011 consisted of the following:

Low rent and Capital Fund Program	\$ 12,281
Community Development Block Grants	-
Section 8 Mod Rehab	-
Hope VI	(65)
ROSS	(12,216)
Housing Choice Vouchers	-
State/Local	-
COCC	738,371
Veterans Affairs Supportive Housing	-
Business Activities	(738,115)
Shelter Plus	(256)
ARRA	-
Home Investment Partnership	-
Mainstream	-
	<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	\$ 720,268	-
Restricted for Tenant Security	154,197	59,581
Restricted for Debt Service and Related Reserve	380,110	500,417
Restricted for Loan Loss Reserve	198,488	-
Restricted for FSS Escrow	159,454	-
Restricted for Payment of Program Income	<u>63,444</u>	<u>-</u>
	<u>\$ 1,675,961</u>	<u>559,998</u>

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

14. NOTES AND MORTGAGES RECEIVABLE

Notes and mortgage receivable at September 30, 2011 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.	\$ 2,819,218
The Authority has a lease/purchase program for prospective homeowners. The purchasers of the homes finance their mortgages through banks, grants from other organizations and occasionally soft second mortgages from the Authority. These soft second mortgages are secured through deeds of trust and deferred purchase money notes bearing zero interest.	87,000
Mortgage receivable from one remaining Highland home. Will be paid off in 2012.	1,406
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.	184,300
Note receivable with The Hancock Building LLC, payable in full upon default of loan agreement within a 10 year period due October 10, 2018. Unsecured and non-interest bearing.	618,444
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, LP loans payable in full in 2042.	40,438
Note receivable from Shenandoah Crossings, Inc. Unsecured with interest accruing monthly on the unpaid balance at the rate of 4.00% to be paid in full by 2042.	1,926,186
Note receivable interest on voluntary loan on the Shenandoah Crossings Inc. loan	693,359
Developers fees receivable from discrete component units	1,471,909
Less: Allowance for doubtful accounts	<u>(4,213,892)</u>
Total	5,024,647
Less: current portion	<u>(266,371)</u>
Notes receivable, excluding current portion	<u>\$ 4,758,276</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, 2011 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	\$ 146,086	4,227,536	7,604,182	119,833
Infrastructure	-	1,822,317	-	1,836,386
Building and Improvements	616,500	-	53,037,563	9,930,627
Furniture and Equipment	24,285	-	1,202,102	202,497
Construction in Process	19,968	-	7,094,365	-
Less: Accumulated Depreciation	<u>(560,603)</u>	<u>(322,242)</u>	<u>(47,296,601)</u>	<u>(2,192,523)</u>
Total Property and Equipment	<u>\$ 246,236</u>	<u>5,727,611</u>	<u>21,641,611</u>	<u>9,896,820</u>
	<u>HOUSING CHOICE VOUCHERS</u>	<u>COCC</u>	<u>STATE/LOCAL</u>	<u>TOTAL</u>
Land and Improvements	\$ -	-	-	12,097,637
Infrastructure	-	-	1,287,000	4,945,703
Building and Improvements	233,250	-	-	63,817,940
Furniture and Equipment	100,656	477,248	-	2,006,788
Construction in Process	-	-	-	7,114,333
Less: Accumulated Depreciation	<u>(318,271)</u>	<u>(473,673)</u>	<u>(359,546)</u>	<u>(51,523,459)</u>
Total Property and Equipment	<u>\$ 15,635</u>	<u>3,575</u>	<u>927,454</u>	<u>38,458,942</u>

Enterprise Fund Summary:

	<u>October 1, 2010 Balance</u>	<u>Additions</u>	<u>Transfers & Deletions</u>	<u>September 30, 2011 Balance</u>
Land	\$ 11,897,987	61,733	137,917	12,097,637
Construction in Process	<u>8,267,875</u>	<u>1,679,685</u>	<u>(2,833,227)</u>	<u>7,114,333</u>
Total Assets not being depreciated	20,165,862	1,741,418	(2,695,310)	19,211,970
Infrastructure	4,888,452	9,220	48,031	4,945,703
Buildings and Improvements	62,726,907	354	1,090,679	63,817,940
Furniture and Equipment	<u>1,990,120</u>	<u>17,681</u>	<u>(1,013)</u>	<u>2,006,788</u>
Total Property and Equipment	89,771,341	1,768,673	(1,557,613)	89,982,401
Less: Accumulated Depreciation	<u>(49,468,128)</u>	<u>(2,293,456)</u>	<u>238,125</u>	<u>(51,523,459)</u>
Net Book Value	<u>\$ 40,303,213</u>	<u>(524,783)</u>	<u>(1,319,488)</u>	<u>38,458,942</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, 2010 is as follows:

	January 1, 2010 <u>Balance</u>	<u>Additions</u>	<u>Transfers & Deletions</u>	December 31, 2010 <u>Balance</u>
Land	\$ 3,220,334	-	-	3,220,334
Construction in Progress	-	-	-	-
Total Assets not depreciated	3,220,334	-	-	3,220,334
Buildings and Improvements	31,910,470	-	-	31,910,470
Furniture and Equipment	233,565	-	-	233,565
Total Property and Equipment	35,364,369	-	-	35,364,369
Less: Accumulated Depreciation	(3,552,875)	(1,009,067)	-	(4,561,942)
Net Book Value	<u>\$ 31,811,494</u>	<u>(1,009,067)</u>	<u>-</u>	<u>30,802,427</u>

16. BONDS AND NOTES PAYABLE

Notes Payable

1. Qualified residents who were unable to obtain financing from commercial sources were 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 amount of interest charged and paid as expense during the year was \$61,512. The principal balance at September 30, 2011 was \$944,581. Debt service requirements are as follows:

Fiscal Year	Principal	Interest	Balance Due
2012	\$ 137,815	53,546	806,766
2013	145,689	44,668	661,077
2014	150,653	35,423	510,424
2015	154,299	26,055	356,125
2016	112,506	14,384	243,619
2017-2021	237,925	46,786	5,694
2022-2023	<u>5,694</u>	-	-
Total Payments	<u>\$ 944,581</u>	<u>220,862</u>	

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

16. BONDS AND NOTES PAYABLE (continued)

2. 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 \$9,220. The note is secured by capital assets related to the Jamision and Downing Properties. The outstanding principal balance as of September 30, 2011 was \$124,397. Future projected payments are as follows:

Fiscal Year	Principal	Interest	Balance Due
2012	\$ 8,836	8,367	115,561
2013	9,470	7,734	106,091
2014	10,050	7,054	96,041
2015	10,878	6,326	85,163
2016	11,659	5,545	73,504
2017-2021	72,102	13,909	1,402
2022	<u>1,402</u>	<u>7</u>	<u>-</u>
Total Payments	\$ <u>124,397</u>	<u>48,942</u>	

3. During fiscal year ending September 30, 2006, 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 \$78. The loan was paid off during 2011.

Bonds and Permanent Notes

4. 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 \$55,530. The bonds are secured by the projects' land, structures, and equipment. As of September 30, 2011, the outstanding principal balance of these bonds payable was \$960,000 the current portion of which totaled \$310,000. Future projected payments are as follows:

Fiscal Year	Principal	Interest	Balance Due
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>960,000</u>	<u>86,913</u>	

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

16. BONDS AND NOTES PAYABLE (continued)

Bonds and Permanent Notes (continued)

5. 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% paid in full 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 \$46,669. As of September 30, 2011, the outstanding principal balance of these debt instruments was \$389,977. Future projected payments are as follows:

Fiscal Year	Principal	Interest	Balance Due
2012	\$ 202,457	25,738	187,520
2013	90,749	12,410	96,771
2014	<u>96,771</u>	<u>9,387</u>	-
Total Payments	<u>\$ 389,977</u>	<u>47,535</u>	

Other Non-current Liabilities Payable to the City of Roanoke

6. 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, 2011, is \$2,052,012. The current portion is \$48,955.

7. 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.

8. 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, 2011 was \$618,444. The current portion is \$88,000.

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, 2011, was as follows:

	October 1, 2010			September 30, 2011
	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>
Bonds Payable	\$ 2,279,900	-	929,923	1,349,977
Accrued Compensated Absences	258,418	-	172,261	86,157
Notes Payable	5,233,456	-	294,021	4,939,435
Accrued OPEB Liabilities	145,047	22,490	-	167,537
Other Long Term Liabilities	269,462	172,167	171,651	269,978
Less: Current portion	<u>(1,379,454)</u>	<u>(522,053)</u>	<u>(996,795)</u>	<u>(904,712)</u>
Long-Term Liabilities	<u>\$ 6,806,829</u>	<u>(327,396)</u>	<u>571,061</u>	<u>5,908,372</u>

17. NOTES PAYABLE - DISCRETE COMPONENT UNITS

1. In 2001, Shenandoah Crossings, 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 housing project with an interest rate of 7.25% and monthly payments of principal and interest in the amount of \$33,412. 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 housing project with an interest rate of 4.98% and monthly payments of principal and interest in the amount of \$25,117. The remaining balance, if any, is due in full on June 1, 2049. The outstanding balance of the mortgage loan at December 31, 2010 was \$5,177,440, the current portion of \$44,581.

2. As of December 31, 2010, 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 Crossings, LP has 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, 2010, the outstanding balance was \$114,279.

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 Berkadia as of December 31, 2010 are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Balance Due</u>
2011	\$ 44,581	256,828	5,132,859
2012	46,853	254,557	5,086,006
2013	49,240	252,169	5,036,766
2014	51,749	249,660	4,985,017
2015	54,385	247,023	4,930,632
2016-2020	316,427	1,190,618	4,614,205
2021-2025	405,686	1,100,630	4,208,519
2026-2030	520,122	986,923	3,688,397
2031-2035	666,839	840,206	3,021,558
2036-2040	854,941	652,104	2,166,617
2041-2045	1,096,104	410,941	1,070,513
2046-2049	<u>1,070,513</u>	<u>111,224</u>	-
Total Payments	\$ <u>5,177,440</u>	<u>6,552,883</u>	

4. As of December 31, 2010, Stepping Stone, LP had a promissory note issued to Virginia Housing and Development Authority in the amount of \$447,498. 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 is due in 15 years. Payments on the note began in February of 2006. As of December 31, 2010, the partnership owed \$375,582 against this note.

Debt service requirements for Stepping Stone, LP's notes payable as of December 31, 2010 are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Balance Due</u>
2011	\$ 23,287	21,898	799,793
2012	23,890	21,294	775,903
2013	24,551	20,633	751,352
2014	25,210	19,974	726,142
2015	25,888	19,296	700,254
2016-2020	140,274	85,649	559,980
2021-2025	335,727	44,228	224,253
2026-2030	102,050	28,512	122,203
2031-2035	120,032	10,531	2,171
2036-2040	<u>2,171</u>	<u>6</u>	-
Total Payments	\$ <u>823,080</u>	<u>272,021</u>	

6. As of December 31, 2010, Indian Village, LP has two VHDA notes secured by a Deed of Trust in the amounts of \$916,341 and \$500,000 plus interest. The VHDA note #1 is bearing interest at 3.5% with principal and interest payments of \$6,781 per month. The loan is to be paid in full by December 2043. The VHDA note #2 is also secured by a Deed of Trust and bears interest at 2%. Current interest only payments of \$833 monthly are required. 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)

Debt service requirements for Indian Village, LP's notes payable as of December 31, 2010 are as follows:

<u>Fiscal Year</u>		<u>Principal</u>	<u>Interest</u>	<u>Balance Due</u>
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		16,977	40,138	1,351,852
2015		17,580	39,535	1,334,272
2016-2020		97,738	187,837	1,236,534
2021-2025		116,401	169,175	1,120,133
2026-2030		138,627	146,949	981,506
2031-2035		165,097	120,479	816,409
2036-2040		696,621	68,955	119,788
2041-2045		119,788	5,852	-
Total Payments	\$	<u>1,416,341</u>	<u>902,755</u>	

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.

8. As of December 31, 2010, Day Ave, LP owed Roanoke Valley Housing Corporation for three notes. One note for \$86,532, a second for \$147,174 and a third for \$318,500. These loans have no interest and mature in 2042.

9. As of December 31, 2010, Day Ave, LP had a construction loan with BB&T Bank totaling \$321,448. The interest rate is BB&T's prime plus 1.00% with a maturity date of June 15, 2011.

10. Day Ave, LP has a line of credit with Roanoke Redevelopment and Housing Authority. Interest on the outstanding principal amount is due each month. As of December 31, 2010, the partnership owed \$18,059 to the Authority towards the line of credit. The note bears interest at the prime rate of BB&T's bank and matures in January 2012.

11. As of December 31, 2010, Day Ave, LP had promissory notes to the Roanoke Redevelopment and Housing Authority in the amount of \$82,000 with an interest rate of 4% on the unpaid principal. All the notes mature in 2042.

12. As of December 31, 2010, Park Street, LP had two promissory notes issued to Roanoke Redevelopment and Housing Authority with outstanding principal balances as of \$ 1,133,034 and \$1,120,129. 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)

13. Park Street, LP has two notes secured by a Deed of Trust in the amount of \$534,940 and \$100,000 plus interest. The VHDA note #1 is bearing interest at 3.5% with principal and interest payments of \$2,211 per month. The loan is to be paid in full by December 2045. The VHDA note #2 is also secured by a Deed of Trust and bearing interest at 3%. Currently interest only payments of \$250 monthly are required. The loan is to be paid in full by December 2028.

Debt service requirements for Park Street, LP's notes payable to VHDA as of December 31, 2010 are as follows:

<u>Fiscal Year</u>		<u>Principal</u>	<u>Interest</u>	<u>Balance Due</u>
2011	\$	7,934	23,996	627,006
2012		8,216	23,714	618,790
2013		8,508	23,422	610,282
2014		8,811	23,119	601,471
2015		9,124	22,806	592,347
2016-2020		50,726	108,925	541,621
2021-2025		60,412	99,239	481,209
2026-2030		171,947	76,904	309,262
2031-2035		85,685	46,966	223,577
2036-2040		102,046	30,605	121,531
2041-2045		<u>121,531</u>	<u>11,120</u>	-
Total Payments	\$	<u>634,940</u>	<u>490,816</u>	

14. As of December 31, 2010, Hurt Park, LP had a mortgage loan with VHDA with a balance due of \$1,327,860. The mortgage loan has an interest rate of 4.117% and monthly payments of \$6,073. The mortgage matures in September 2044.

Hurt Park, LP also has a second mortgage with VHDA carrying a balance of \$500,000 and bearing an interest rate of 2%. Payments consist of interest only and the mortgage matures in September 2029.

<u>Fiscal Year</u>		<u>Principal</u>	<u>Interest</u>	<u>Balance Due</u>
2011	\$	18,550	64,321	1,809,310
2012		19,329	63,542	1,789,981
2013		20,140	62,731	1,769,841
2014		20,985	61,886	1,748,856
2015		21,865	61,006	1,726,991
2016-2020		123,880	290,475	1,603,111
2021-2025		152,141	262,213	1,450,970
2026-2030		686,850	214,171	764,120
2031-2035		229,477	134,877	534,643
2036-2040		281,829	82,525	252,814
2041-2045		<u>252,814</u>	<u>20,450</u>	-
Total Payments	\$	<u>1,827,860</u>	<u>1,318,197</u>	

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements

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

Long-term liability activity for the year ended December 31, 2010, applicable to the Discrete Component Units, was as follows:

	January 1, 2010			December 31, 2010
	<u>Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u>
Long Term Debt	\$10,272,396	321,448	392,736	\$10,201,108
Notes Payable to VHDA	4,365,846	318,500	-	4,684,346
Developer Fees Payable to RVHC	3,513,850	-	1,982,214	1,531,636
Accrued interest	176,199	4,634	-	180,833
Less Current Portion	<u>(411,767)</u>	<u>(19,706)</u>	<u>(370)</u>	<u>(431,103)</u>
Long-Term Liabilities	<u>\$17,916,524</u>	<u>624,876</u>	<u>2,374,580</u>	<u>\$16,166,820</u>

18. RESTRICTED NET ASSETS

Restricted net assets consist of the following:

	Enterprise Fund	Component Units
Restricted for HAP Payments	\$ 720,268	-
Restricted for Debt Service and Related Reserves	380,113	500,417
Restricted Loan Loss Reserve	<u>103,357</u>	<u>-</u>
	<u>\$ 1,203,738</u>	<u>500,417</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 Stepping Stone, Limited Partnership (Component Unit)

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, 2011, \$136,513 of revenue have been recorded by the Authority under this agreement. The Authority management has assessed these revenues to be fully collectable.

20. RELATED PARTY TRANSACTIONS (continued)

**Agreements with Stepping Stone, Limited Partnership (Component Unit)
(continued)**

On June 11, 2004, RVHC entered into a development agreement with SSLP whereby RVHC agreed to perform certain services relating to construction, development, financing, and initial operating of a 30 unit apartment complex for SSLP. In return for these services, RVHC was entitled to receive a developer's fee. During the year ended September 30, 2005 RVHC recognized \$650,000 as developer's fee revenue under this agreement. As of September 30, 2011, SSLP owes RVHC unpaid developer's fees of \$470,153. Remaining payment is to be made from future cash flows of the apartment complex no later than December 21, 2018 in accordance with the development agreement. The development fee has 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. During the year ended September 30, 2011, RVHC recognized no development fee revenue under this agreement. As of September 30, 2011, \$470,000 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) the end of the project's tax credit 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 acquisition, rehabilitation and sale of seventeen historic homes on the 400 block of Day Avenue in the City of Roanoke. In return for these services the Authority was entitled to receive a developer's fee equal to 20% of the development costs which was anticipated to be approximately \$1,041,000. As of September 30, 2011 DALP owes RRHA unpaid developer's fees of \$171,909. DALP has received additional disbursements from RRHA totaling \$82,000. These loans have an interest rate of 4% and maturity dates of 2042. Payment of the developer's fees and loans is to be made from the sales of the individual houses by DALP. The developer's fees and loans have been fully reserved. RRHA also extended a line of credit to DALP that was paid in full during the 2011 year. DALP has also received disbursements from RVHC totaling \$465,674. Payment is to be made from the sales of the individual houses. RVHC has reserved the full amount.

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

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. During the year ended September 30, 2011, \$520,000 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) the end of the project's tax credit compliance period.

Agreements with Hurt Park, Limited Partnership (Component Unit)

On October 31, 2006 RVHC entered into a development agreement with Hurt Park LP whereby RVHC agreed to perform certain services relating to the construction, development, financing, and initial operating phases of a 40 unit apartment complex. In return for these services RVHC is entitled to receive a developer's fee. As of September 30, 2011 unpaid accrued developer fees of \$287,786 have been recorded by RVHC and Hurt Park LP. Payment is to be made with future available cash provided that any unpaid balance shall be due and payable in all events at the later of October 31, 2021 or the end of the project's tax credit compliance period.

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 \$4,646,146 as of September 30, 2011. No debt of this type was issued for the fiscal year ended September 30, 2011.

22. USE OF ANOTHER AUDITOR'S WORK

According to Statements of Auditing Standards, 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". 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.

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

22. USE OF ANOTHER AUDITOR'S WORK (continued)

The aforementioned partnership audits for the year ended December 31, 2010 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.

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, 2010 financial statements for the component units are included in the Authority's September 30, 2011 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 Crossings, LP</u>	<u>DR (CR)</u>
Balance at December 31, 2010	\$ 293,944
Net Transfers from January 1, 2011 to September 30, 2011	<u>4,635</u>
Balance at September 30, 2011	<u>298,579</u>
<u>RRHA - Due to/Due from Day Ave, LP</u>	<u>DR (CR)</u>
Balance at December 31, 2010	482,692
Net Transfers from January 1, 2011 to September 30, 2011	<u>72,116</u>
Balance at September 30, 2011	<u>554,808</u>
<u>RRHA - Due to/Due from Park Street Housing, LP</u>	<u>DR (CR)</u>
Balance at December 31, 2010	2,308,525
Net Transfers from January 1, 2011 to September 30, 2011	<u>-</u>
Balance at September 30, 2011	<u>2,308,525</u>
<u>RRHA - Due to/Due from Stepping Stone, LP</u>	<u>DR (CR)</u>
Balance at December 31, 2010	2,854
Net Transfers from January 1, 2011 to September 30, 2011	<u>(147)</u>
Balance at September 30, 2011	<u>2,707</u>
<u>RRHA - Due to/Due from Indian Village, LP</u>	<u>DR (CR)</u>
Balance at December 31, 2010	934,638
Net Transfers from January 1, 2011 to September 30, 2011	<u>-</u>
Balance at September 30, 2011	<u>934,638</u>
<u>RRHA - Due to/Due from Hurt Park, LP</u>	<u>DR (CR)</u>
Balance at December 31, 2010	4,534
Net Transfers from January 1, 2011 to September 30, 2011	<u>(827)</u>
Balance at September 30, 2011	<u>\$ 3,707</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, 2011, the Authority closed out one capital fund grants. The following schedule summarizes the grants closed during 2011:

Capital Fund Program Grant <u>Number</u>	Expenditures prior to fiscal year 2011	Expenditures for fiscal year 2011	Total <u>Expenditures</u>
VA36P011501-07	\$ <u>2,194,398</u>	<u>170,497</u>	<u>2,364,895</u>

25. SUBSEQUENT EVENTS

Management has evaluated subsequent events through April 5, 2012, the date the financial statements were available to be issued. There are no subsequent events to report.

26. OTHER POSTEMPLOYMENT BENEFIT PLAN

Plan Description. The Authority participates in a healthcare plan administered by the Commonwealth of Virginia. 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 60 with 5 years of service or age 55 with 10 years of service.

Funding Policy. The Authority contributes an explicit subsidy equal to 80% of the single premium rate until June 30, 2011. Effective July 1, 2011, the Authority contributes a subsidy between 50%-100% of the single premium rate based on the age of the employee at retirement. The Authority does not subsidize spousal coverage and the retiree is responsible for any premium not covered by the Authority. Historically, the Authority has funded its retiree health benefits on a pay-as-you-go basis. For the year ended September 30, 2011, the other postemployment plan (OPEB) expense was \$58,945.

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	\$	58,600
Interest on Net OPEB Obligation		6,527
Adjustment to annual required contribution		<u>(6,182)</u>
Annual OPEB expense		58,945
Contributions made		<u>(36,453)</u>
Increase in net OPEB obligation		22,492
Net OPEB Obligation--beginning of year		<u>145,045</u>
Net OPEB Obligation--end of year	\$	<u><u>167,537</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 \$36,451 represents 62.2% of the annual required contribution for the year ended September 30, 2011. The annual required contribution calculation for the year ended September 30, 2011 is as follows:

Normal cost at beginning of year	\$	32,269
Amortization of the unfunded actuarial accrued liability		<u>23,808</u>
Total normal cost and amortization payment		<u>56,077</u>
Adjustment for timing		<u>2,523</u>
Total Annual Required Contribution (ARC)	\$	<u><u>58,600</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	\$	583,714
Actuarial value of assets--beginning of year		<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	\$	<u><u>583,714</u></u>
Funded ratio		0 %
Covered payroll	\$	<u><u>2,828,813</u></u>
UAAL as % of covered payroll		20.6%

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, 2011, 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.

27. UNCERTAIN TAX POSITIONS

The Authority had no unrecognized tax benefits at September 30, 2011 and no open years prior to September 30, 2008. The Authority files tax returns in the U.S. federal jurisdiction and the State of Virginia.

28. IMPAIRMENT LOSS

The Authority recognized an impairment loss for the year ended September 30, 2011, due to property purchased in the South Jefferson Redevelopment Area that had been acquired for demolition and sale to a third party. The cost of the property exceeded fair market value as of September 30, 2011, by \$1,894,100, resulting in the impairment loss and offsetting reduction of assets held for sale.

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 the business-type activities which comprise the major fund and the discretely presented component units of the Roanoke Redevelopment and Housing Authority, (the Authority), as of and for the year ended September 30, 2011 which collectively comprise the Authority's basic financial statements and have issued our report thereon dated April 5, 2012. Our report includes a reference to 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. 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 for the purpose of 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 *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatements of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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, the Authority's board members, others within the Authority, and federal 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 5, 2012
Toms River, New Jersey

Imp Sufellaro and Company LLC

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

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE
A DIRECT AND MATERIAL EFFECT ON EACH
MAJOR PROGRAM AND ON 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, 2011. 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 of the Authority's compliance with those requirements.

In our opinion, the Authority, complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2011.

Internal Control Over Compliance

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 programs. In planning and performing our audit, we considered the Authority's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control over compliance that might be deficiencies, 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 and use of management, Authority Board members, others within the Authority, federal 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 5, 2012
Toms River, New Jersey

Imp Scatellaro

Roanoke Redevelopment and Housing Authority

Schedule of Expenditures of Federal Awards

For the Year Ended September 30, 2011

<u>Federal 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	\$ 6,063,070
Housing Choice Vouchers	14.871	9,857,138
Veterans Affairs Supportive Housing	14.VSH	164,351
Section 8 Moderate Rehabilitation Program	14.856	122,779
Mainstream	14.181	220,217
Resident Opportunity and Support Services	14.870	396,846
Revitalization of Severely Distressed Public Housing	14.866	10,624
Public Housing Capital Fund Program	14.872	1,942,149
Capital Fund Stimulus Grant - ARRA	14.885	404,722
Pass-through from City of Roanoke:		
Shelter Plus Care Program	14.238	110,514
Community Development Block Grant	14.218	<u>69,839</u>
		<u>\$ 19,362,249</u>

Roanoke Redevelopment and Housing Authority

Notes to Schedule of Federal Awards

September 30, 2011

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, 2011, 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, 2011

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: | |
| | Low Income Public Housing | Unqualified |
| | Public Housing Capital Fund Program | Unqualified |
| | Capital Fund Stimulus Grant - ARRA | 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 | \$580,867 |
| 5. | Auditee qualified as low risk? | Yes |

6. Major Programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
14.850	Low Income Public Housing
14.872	Public Housing Capital Fund Program
14.885	Capital Fund Stimulus Grant - ARRA

Roanoke Redevelopment and Housing Authority

Schedule of Findings and Questioned Costs

September 30, 2011

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, 2011

Current year findings and questioned costs

None

Supplementary Information

Balance Sheet

FDS #	Description	Total AMT's	S8 HCV Fund 4306 14.871	S8 VASH Fund 308,309 14.9511	S8 MAIN-STREAM Fund 310 14.181	S8 Med Rehab Prgrms Combined 14.856	Hope VI 14.866	ROSS 14.870	ARUA 14.885	CDBG 14.218	HOME 14.239	STATE/ LOCAL 1
111	Cash-unrestricted	4,361,061	374,665		73,373	208,805						1,190,000
112	Cash-restricted-modernization and development									42,312	21,132	198,488
113	Cash-other restricted	469,548	790,284									
114	Cash-tenant security deposits	149,637										
115	Cash - Restricted for payment of current liability											
100	Total Cash	4,980,246	1,164,949		73,373	208,805				42,312	21,132	1,388,488
121	Accounts receivable - PIIA projects											
122-010	Accounts receivable - HUD other projects - Operating Subsidy	204,695			1,339	979						
122-020	Accounts receivable - HUD other projects - Capital Fund	69,970										
122-030	Accounts receivable - HUD other projects - Other	209,179					65	45,542				
122	Accounts receivable - HUD other projects	483,844			1,339	979	65	45,542				
124	Account receivable - other government		6,158							7,336	1,389	52,684
125-010	Account receivable - miscellaneous - Not For Profit											
125-020	Account receivable - miscellaneous - Partnership											
125-030	Account receivable - miscellaneous - Joint Venture											
125-040	Account receivable - miscellaneous - Tax Credit											
125-050	Account receivable - miscellaneous - Other	194,982								2,378	2,186	
125	Account receivable - miscellaneous	39,627								2,378	2,186	
126	Allowance for doubtful accounts - tenants	(4,212)										
126	Allowance for doubtful accounts - other											
127	Notes, Loans, & Mortgages Receivable - Current		60,378									
128	Fraud recovery		(11,025)									
128	Allowance for doubtful accounts - fraud	36,102								240		3,359
129	Accrued interest receivable				1,339	979	65	45,542		35,796	26,988	272,053
120	Total receivables, net of allowance for doubtful accounts	750,343	55,511		1,339	979	65	45,542		35,796	26,988	272,053
131	Investments - unrestricted	6,283,879										
132	Investments - restricted											
135	Investments - Restricted for payment of current liability											
142	Prepaid expenses and other assets	76,398	10,205									
143	Inventories											
143	Allowance for obsolete inventories											
144	Inter program - due from	12,281										
145	Assets held for sale											
150	Total Current Assets	12,103,147	1,230,665		74,712	209,784	65	45,542		78,188	48,120	3,333,333
161	Land	7,604,182					119,833					
162	Buildings	53,037,563	233,250				9,930,627			4,227,536		
163	Furniture, equipment and machinery - dwellings	199,603					122,982					
164	Furniture, equipment and machinery - administration	1,002,499					78,515					
165	Leasehold improvements		100,656									
166	Accumulated depreciation	(47,296,601)	(318,271)				(2,192,523)			(322,242)		(359,546)
167	Construction in progress	7,094,365										
168	Infrastructure						1,836,386			1,822,317		1,282,000
160	Total capital assets, net of accumulated depreciation	21,641,611	15,635				9,896,510			5,727,611		927,454
171-040	Notes, Loans, & Mortgages receivable - Non-current - Tax Credit											1,200,000
171-050	Notes, Loans, & Mortgages receivable - Non-current - Other	87,000								567,312	1,435,759	1,891,276
171	Notes, Loans, & Mortgages receivable - Non-current	87,000								567,312	1,435,759	3,091,276
172-040	Notes, Loans, & Mortgages receivable - Non-current - Tax Credit											
172-050	Notes, Loans, & Mortgages receivable - Non-current - Other											
172	Notes, Loans, & Mortgages receivable - Non-current - part due											
173	Grants receivable - Non-current											
174-040	Other assets - Tax Credit											

FUS #	Description	Total AMIPs	SA HCV Fund 306 14,871	SS VASH Fund 308-309 14,9511	SS MAIN-STREAM Fund 310 14,181	SS Mod Rehab Prgrms Combined 14,856	Hope VI 14,866	ROSS 14,870	ARMA 14,885	CDBG 14,218	HOME 14,239	STATE/ LOCAL 2
174-050	Other assets - Other	21,456										
174	Other assets	21,456										
176-040	Investment in joint venture - Tax Credit											
176-050	Investment in joint venture - Other											
176	Investment in joint venture											
180	Total Non-current Assets	21,750,067	15,635				9,896,820		6,194,923		1,435,759	4,018,730
190	Total Assets	33,853,214	1,246,300		74,712	202,784	9,896,885	45,542	6,373,031		1,483,879	7,372,065
311	Bank overdraft											
312	Accounts payable <= 90 days	74,015	948					6,573				962
313	Accounts payable > 90 days past due											
321	Accrued wages/payroll taxes payable	55,898	12,463					9,007				119
322	Accrued compensated absences - current portion	37,577	8,056					2,992				
324	Accrued contingency liability											
325	Accrued interest payable	27,161										2,387
331-010	Accounts payable - HUD PIA Programs - Operating Subsidy											
331-020	Accounts payable - HUD PIA Programs - Capital fund											
331-030	Accounts payable - HUD PIA Programs - Other											
331	Accounts payable - HUD PIA Programs											
332	Accounts payable - PIA Projects	121,824										
333	Accounts payable - other government	94,297										
341	Tenant security deposits	149,637										
342-010	Deferred revenue - Operating Subsidy	55,976										
342-020	Deferred revenue - Capital fund											
342-030	Deferred revenue - Other	8,797										
342	Deferred revenue	64,773										
343-010	CFPP	512,457										
343-020	Capital Projects/ Mortgage Revenue											
343	Current portion long-term debt - capital projects/ mortgage revenue bonds	512,457										
344	Current portion of long-term debt - operating borrowings											
345	Other current liabilities	3,348										
346	Accrued liabilities - other	6,351										
347	Inter program - due to							63				
348-040	Loan liability - current - Tax Credit											
348-050	Loan liability - current - Other											
348	Loan liability - current											
310	Total Current Liabilities	1,147,238	21,469			619		30,788		79,665	48,120	1,061,043
351-010	Long-term debt - CFPP	837,520										
351-020	Long-term - Capital Projects/ Mortgage Revenue											
351	Capital Projects/ Mortgage Revenue Bonds	837,520										
352	Long-term debt, net of current - operating borrowings											
353	Non-current liabilities - other	89,434	70,013									95,131
354	Accrued compensated absences - Non-current											
355-040	Loan liability - Non-current - Tax Credit											
355-050	Loan liability - Non-current - Other											
355	Other - Current											
357	Accrued Pension and OPEB Liability	92,596	20,473					14,754				7,537,211
350	Total Non-current liabilities	1,019,550	90,486					14,754		567,298	1,435,759	2,632,342
300	Total Liabilities	2,166,888	111,955			619		45,542		646,963	1,483,879	3,693,385
308	Invested in capital assets, net of related debt	20,291,634	15,635							5,727,611		937,454
311	Restricted Net Assets	380,113	130,268									103,357
312	Unrestricted Net Assets	11,014,579	398,442									2,647,869
313	Total Equity/Net Assets	31,886,326	1,334,345							5,726,068		3,678,680
600	Total Liabilities and Equity/Net assets	33,853,214	1,246,300		74,712	202,784	9,896,885	45,542	6,373,031		1,483,879	7,372,065

(All assets less all liab + equity)

FDS #	Description	Total AMT's	SB HCV Fund 306 14,871	SB VASH Fund 308,109 14,558	SB MAIN-STREAM Fund 310 14,181	SB Med Rehab Prgrms Combined 14,856	Hope VI 14,866	ROSS 14,870	ARBA 14,885	CDBG 14,218	HOME 14,239	STATE/ LOCAL
94300-020	Ordinary maint & operations contracts-Heating & Cooling	65,345										
94300-030	Ordinary maint & operations contracts-Snow Removal											
94300-040	Ordinary maint & operations contracts-Elevator Maint	7,380										
94300-050	Ordinary maint & operations contracts-Landscape & Grounds	56,745										752
94300-060	Ordinary maint & operations contracts-Unit Turnaround	31,677										
94300-070	Ordinary maint & operations contracts-Electrical	85,849										
94300-080	Ordinary maint & operations contracts-Plumbing	30,871										
94300-090	Ordinary maint & operations contracts-Extermination	38,717										
94300-100	Ordinary maint & operations contracts-Juniorior	4,329	1,575		17	27						425
94300-110	Ordinary maint & operations contracts-Routine Maint	235,941										
94300-120	Ordinary maint & operations contracts-Misc	296,193	2,567									
94300	Ordinary Maintenance and Operations Contracts	1,011,249	4,142		17	27						1,177
94500	Ordinary maint- Employee benefit contributions	323,358										
94800	Total Maintenance	2,491,688	6,715		136	131						1,296
95100	Protective services - labor											
95200	Protective services - other contract costs											
95300	Protective services - other	6,110										
95500	Protective services - Employee benefit contributions											
95900	Total Protective Services	6,110										
96100	Property insurance	190,729										
96200	Liability insurance	57,937	6,506		311	138				2,947	1,537	1,252
96300	Workers' Compensation	19,084	6,452		89	89						2,549
96400	Bad debt - tenant rents	79,544										
96500	Bad debt - mortgages	30,913			35	193						
96600	Bad debt - other	298,663	15,566		441	428				2,947		3,801
96800	Severance expense											
96900	Total Other General Expenses	268,918	18,678					7,779		3,252	1,537	865,331
96710	Interest of Mortgage (or Bonds) Payable	140,910										
96720	Interest on Notes Payable (Short and Long Term)											
96730	Amortization of Bond Issue Costs	401										61,512
96780	Interest expense and Amortization cost	141,311										61,512
96900	Total Operating Expenses	7,736,457	925,196		13,960	13,130	1,049	396,846	67,380	8,168	1,537	938,734
97000	Excess Revenue Over Operating Expenses	2,492,610	8,952,755	164,355	206,669	110,039	9,575	337,342	1,280			707,119
97100	Extraordinary maintenance	196,438										
97200	Casualty losses- Non-capitalized				190,378							
97200-010	Mainstream 1 & 5 year				190,378							
97300-020	Home-Ownership	31,891										
97300-025	Litigation											
97300-030	Hope IV											
97300-035	Moving to Work											
97300-040	Tenant Protection	73,879										
97300-050	Portability In	15,065										
97300-060	Enhanced	73,905										
97300-070	All Other	8,813,355				94,457						
97300-078	Total HAP Payment											
97300-100	Housing assistance payments	88,226										
97400	Depreciation expense	1,761,607										
97500	Fraud losses	8,428					382,213			61,038		42,899
97800	Dwelling units rent expense											
98000	Total Expenses	9,674,292	9,942,317	88,226	204,518	107,587	385,263	396,846	67,380	89,266	1,537	981,633
10010	Operating transfer in											
10020	Operating transfer out	37,314										
10030-040	Tax Credit	(37,314)										
10030-050	Other											
10030	Operating transfers from / to primary government											
10040	Operating transfers from / to equipment unit											
10070	Extraordinary items, net gains/loss											

FDS #	Description	Total AMPs	SR HCV Fund 306 14.871	SR VASH Fund 308,309 14,158	SR MAIN- STREAM Fund 310 14,181	SR Mod Rehab Progs Combined 14,856	Hope VI 14,866	ROSS 14,870	ARDA 14,885	CBRG 14,218	HOME 14,239	STATE/ LOCAL 1
10086	Special items, net gain/loss											(1,894,100)
10091	Intr AMP Excess Cash Transfer In											
10092	Intr AMP Excess Cash Transfer Out											
10093	Transfers from Program to AMP											
10094	Transfers from AMP to Program											
10100	Total Inter-financing sources (use)											(1,894,100)
10000	Excess (Deficiency) of Revenue Over (Under) Expenses	554,575	(64,266)	76,129	16,091	15,582	(372,639)		337,342	(59,759)		(1,239,860)
11020	Required Annual Debt Principal Payments	929,922										
11030	Beginning equity	30,294,409	896,763	225,819	58,621	193,583	10,269,458		0	5,785,826		4,908,540
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 (UNRESTRICTED)		9,609	(9,609)								
11040-080	Equity Transfers (RESTRICTED)		292,339	(292,339)								
11040-090	Equity Transfers											
11040-100	Equity Transfers	337,342							(337,342)			
11040-110	Equity Transfers											
11040	Prior period adjustments, equity transfers, & correction of errors	337,342	301,948	(301,948)					(337,342)			

Balance Sheet		Shelter Plus Care 14,138	Business Activity 1	Central Office Cost Center	Eliminations	Total	COMPONENT UNITS COMBINED 6	ENTITY WIDE TOTAL
FDS #	Description							
111	Cash-unrestricted			421,490		6,629,394	1,039,395	7,668,789
112	Cash-restricted-modernization and development							
113	Cash-other restricted					1,521,764	500,417	2,023,181
114	Cash-tenant security deposits		4,560			154,197	59,381	213,778
115	Cash - Restricted for payment of current liability		4,560					
100	Total Cash		4,560	421,490		8,205,355	1,599,393	9,804,748
121	Accounts receivable - PHA projects							
122-010	Accounts receivable - HUD other projects - Operating Subsidy					207,013		207,013
122-020	Accounts receivable - HUD other projects - Capital fund					69,970		69,970
122-030	Accounts receivable - HUD other projects - Other					254,786		254,786
122	Accounts receivable - HUD other projects				(191,414)	154,761	415	189,403
124	Account receivable - other government	256	13,426	146,329	(191,414)	344,164	415	344,579
125-010	Account receivable - miscellaneous - Not For Profit					44,226	66,564	110,790
125-020	Account receivable - miscellaneous - Partnership					(4,212)	(43,206)	(47,418)
125-030	Account receivable - miscellaneous - Joint Venture							
125-040	Account receivable - miscellaneous - Tax Credit		189,403					189,403
125-050	Account receivable - miscellaneous - Other							
125	Account receivable - miscellaneous - Other		189,403	146,329	(191,414)	154,761	415	344,579
126	Accounts receivable - tenants		4,599	146,329	(191,414)	344,164	415	344,579
126	Allowance for doubtful accounts - tenants					44,226	66,564	110,790
127	Notes, Loans, & Mortgages receivable - Current					(4,212)	(43,206)	(47,418)
128	Fraud recovery			40,774	(39,369)	266,371		266,371
128	Allowance for doubtful accounts - fraud					60,378		60,378
129	Accrued interest receivable					(11,025)		(11,025)
120	Total receivables, net of allowance for doubtful accounts	256	207,428	187,103	(230,782)	1,352,621	23,683	1,376,304
131	Investments - uncollected					6,283,879		6,283,879
132	Investments - restricted							
135	Investments - restricted for payment of current liability							
142	Prepaid expenses and other assets		7,472	16,794		110,469	180,119	290,988
143	Inventories							
143	Allowance for obsolete inventories							
144	Other program - due from			738,371	(750,652)			
145	Assets held for sale		164,901			1,857,695	431,045	2,288,740
150	Total Current Assets	256	384,361	1,361,738	(981,434)	17,910,419	2,234,240	20,144,659
161	Land					12,097,637	3,220,334	15,317,971
162	Buildings					63,817,940	31,910,470	95,728,410
163	Furniture, equipment and machinery - dwellings					322,385	103,896	426,281
164	Furniture, equipment and machinery - administration		24,285	477,248		1,684,203	127,669	1,811,872
165	Leasehold improvements							
166	Accumulated depreciation		(560,603)	(473,673)		(51,523,459)	(4,561,942)	(56,085,401)
167	Construction in progress		19,968			7,114,333		7,114,333
168	Infrastructure					4,945,703		4,945,703
160	Total capital assets, net of accumulated depreciation		246,236	3,575		38,458,942	30,802,427	69,261,369
171-040	Notes, Loans, & Mortgages receivable - Non-current - Tax Credit		728,079		(419,500)	1,498,579		1,498,579
171-050	Notes, Loans, & Mortgages receivable - Non-current - Other				(721,650)	3,259,697		3,259,697
171	Notes, Loans, & Mortgages receivable - Non-current		728,079		(1,151,150)	4,758,276		4,758,276
172-040	Notes, Loans, & Mortgages receivable - Non-current - Tax Credit							
172-050	Notes, Loans, & Mortgages receivable - Non-current - Other							
172	Notes, Loans, & Mortgages receivable - Non-current - past due							
173	Grants receivable - Non-current							
174-040	Other assets - Tax Credit		344,400			344,400		344,400

FDS #	Description	Shelter Plus Care 14.228	Business Activity i	Central Office Cost Center	Eliminations	Total	COMPONENT UNITS COMBINED 6	ENTITY WIDE TOTAL
174-050	Other assets - Other		3,400			24,856	220,595	245,451
174	Other assets		347,800			369,256	220,595	589,851
176-040	Investment in joint venture - Tax Credit							
176-050	Investment in joint venture - Other							
176	Investment in joint venture							
180	Total Non-current Assets		1,324,115	3,575	(1,151,150)	47,536,474	31,023,022	74,609,496
190	Total Assets	256	1,706,476	1,367,333	(2,132,584)	61,496,893	35,257,262	94,754,155
311	Bank overdraft							
312	Accounts payable <= 90 days		417	2,450		85,165	214,627	299,992
313	Accounts payable > 90 days past due							
321	Accrued wages/payroll taxes payable		6,819	43,817		128,125	128,125	128,125
322	Accrued compensated absences - current portion		2,810	34,722		86,157	86,157	86,157
324	Accrued contingency liability							
325	Accrued interest payable							
331-010	Accounts payable - HUD PHA Programs - Operating Subsidy					29,548	81,169	110,717
331-020	Accounts payable - HUD PHA Programs - Capital fund					619	619	619
331-030	Accounts payable - HUD PHA Programs - Other							
331	Accounts payable - HUD PHA Programs					619	619	619
332	Accounts payable - PHA Projects					121,824	121,824	121,824
333	Accounts payable - other government					1,002,942	11,253	1,015,195
341	Tenant security deposits		4,560			134,197	55,063	209,260
342-010	Deferred revenue - Operating Subsidy					55,976		55,976
342-020	Deferred revenue - Capital fund							
342-030	Deferred revenue - Other					8,797	1,191	9,988
342	Deferred revenue					64,273	1,191	65,464
343-010	CFRP					512,457		512,457
343-020	Capital Projects/ Mortgage Revenue							
343	Cur portion long-term debt - capital proj/mortg revenue bonds		8,836			511,293	18,550	952,396
344	Current portion of long-term debt - operating borrowings							
345	Other current liabilities		39,368		(39,368)	4,293		4,293
346	Accrued liabilities - other		18,000	22,630	(18,000)	28,981		28,981
347	Other program - due to	256	738,115		(750,652)			
348-040	Loan liability - current - Tax Credit							
348-050	Loan liability - current - Other					274,770		274,770
348	Loan liability - current					274,770		274,770
310	Total Current Liabilities	256	818,925	104,619	(808,020)	2,503,287	794,406	3,297,293
351-010	Long-term debt - CFRP					837,520		837,520
351-020	Long-term - Capital Projects/ Mortgage Revenue		115,561			3,261,368	3,276,929	3,276,929
351	Capital Projects/ Mortgage Revenue Bonds		115,561			953,081	14,454,351	15,407,432
352	Long-term debt, net of current - operating borrowings							
353	Non-current liabilities - other		1,189,069	13,400	(1,189,069)	269,978	1,712,469	1,982,447
354	Accrued compensated absences - Non-current							
355-040	Loan liability - Non-current - Tax Credit							
355-050	Loan liability - Non-current - Other					4,540,268		4,540,268
355	Loan liability - Non-current					4,540,268		4,540,268
357	Accrued Pension and OPEB Liability		7,672	145,045	(135,495)	145,045		145,045
350	Total Non-current liabilities		1,312,302	160,445	(1,312,564)	5,908,372	16,166,820	21,075,192
300	Total Liabilities	256	2,131,227	264,064	(2,132,584)	8,417,239	16,961,216	25,378,485
508	Invested in capital assets, net of related debt		121,839	3,575		36,984,568	16,890,686	53,875,254
511	Restricted Net Assets					1,203,738	580,417	1,784,155
512	Unrestricted Net Assets		(546,590)	1,099,694		14,896,328	(1,095,867)	13,800,461
513	Total Equity/Net Assets		(424,751)	1,103,769		53,084,634	16,296,036	69,380,670
600	Total Liabilities and Equity/Net assets	256	1,706,476	1,367,333	(2,132,584)	61,496,893	33,257,262	94,754,155

(All assets less all liab + equity)

FDS #	Description	Shelter Plus Care 14.228	Business Activity J	Central Office Court Center	Eliminations	Total	COMPONENT UNITS COMBINED 6	ENTITY WIDE TOTAL
Incomes Statement								
70300	Net tenant rental revenue		150,594			2,882,747	1,511,247	4,393,994
70400	Tenant revenue - other		504			105,594	120,472	216,066
70500	Total Tenant Revenue		151,098			2,988,341	1,631,719	4,620,060
70600-010	Housing assistance payments	103,315				9,486,631		9,486,631
70600-020	Ongoing administrative fees earned	5,199				937,034		937,034
70600-030	FSS Coordinator					51,334		51,334
70600-040	Actual independent public accountant audit costs							
70600-050	Total preliminary fees earned							
70600-060	Interest earned on advances							
70600-070	Admin fee calculation description							
70600	HUD PHA operating grants	110,514				17,397,957		17,397,957
70610	Capital grants					1,964,292		1,964,292
70710	Management Fee			1,395,499	(1,395,499)			
70720	Asset Management Fee			144,750	(144,750)			
70730	Book-keeping Fee			249,825	(249,825)			
70740	Front Line Service Fee							
70750	Other Fees			240,210	(240,180)			
70700	Total Fee Revenue			2,030,284	(2,030,254)			
70800	Other government grants					3,117,850		3,117,850
71000-010	Housing Assistance Payment					56		56
71100-020	Administrative Fee					250,499	529	251,028
71200	Investment income - unrestricted		82,796	59		62,657		62,657
71300	Mortgage interest income			342		844,221	119,988	964,209
71400-010	Proceeds from disposition of assets held for sale					(2,395,803)	(661,482)	(2,557,284)
71400-020	Housing Assistance Payment					530		530
71400	Administrative Fee					530		530
71500	Fraud recovery					1,060		1,060
71600	Other revenue		374,945	40,599		734,377	21,742	756,119
72000-010	Gain on loss on sale of capital assets		1,869			(1,119,427)		(1,119,427)
72000-020	Housing Assistance Payment					13		13
72000	Administrative Fee					17		17
72000	Investment income - restricted					566		566
70000	Total Revenue	110,514	610,708	2,071,284	(2,030,254)	23,846,273	1,613,061	25,459,334
91100	Administrative salaries		106,369	983,499		1,784,144	104,201	1,888,405
91200	Auditing Fees		977	4,074		6,580		6,580
91300	Outside Management Fee		128,692		(1,095,999)	39,501		46,084
91310	Book-keeping Fee				(249,826)	115,125		115,125
91400	Advertising and Marketing			8,762		21,619	3,890	25,509
91500	Employee benefit contributions - administrative		44,278	424,207		784,372	784,372	784,372
91600	Office Expenses		464	100,318		359,851	23,828	383,679
91700	Legal Expense		3,322	88,436		441,214	630,479	630,479
91800	Travel			10,073		13,849	1,069	14,918
91810	Allocated Overhead							
91900	Other		32,614	20,740	(187,074)	139,693	17,921	147,614
91000	Total Operating, Administrative	4,819	316,716	1,641,109	(1,931,399)	3,571,297	713,888	4,285,185
92000	Asset Management Fee				(144,750)			
92100	Tenant services - salaries					330,993		330,993
92200	Relocation Costs					130,381		130,381
92300	Employee benefit contributions - tenant services					198,838		198,838
92400	Tenant services - other			3,411	(10,435)	660,212		660,212
92500	Total Tenant Services			3,411	(10,435)	660,212		660,212
93100	Water	14	589	5,355		358,964	26,996	385,960
93200	Electricity	19	1,399	7,076		123,131		123,131
93300	Gas	31	280	11,483		611,094	3,089	614,093
93400	Fuel							
93500	Labor					26,884		26,884
93600	Sewer	16		5,640		385,466		385,466
93700	Employee benefit contributions - utilities							
93750	HAP Portability-fee							
93800	Other utilities expense							
91000	Total Utilities	80	3,034	29,584		1,934,087	180,100	2,114,187
94100	Ordinary maint & operations-labor		72,127	52,038		850,181	87,224	937,405
94200	Ordinary maint & operations-materials and other		7,066	9,410		450,466	490,226	490,226
94300-010	Ordinary maint & operations contracts-Garbage/Trash Removal			561		138,813	11,967	150,780

FDS #	Description	Shelter Plus Care 14.138	Business Activity 1	Central Office Cost Center	Eliminations	Total	COMPONENT UNITS COMBINED 6	ENTITY WIDE TOTAL
94300-020	Ordinary maint. & operations contracts-Heating & Cooling					65,345	10,405	75,750
94300-030	Ordinary maint & operations contracts-Snow Removal							
94300-040	Ordinary maint & operations contracts-Elevator Maint					7,380	11,086	18,466
94300-050	Ordinary maint & operations contracts-Landscape & Grounds	238				37,735	14,241	71,976
94300-060	Ordinary maint & operations contracts-Unit Turnaround					31,677	44,953	76,630
94300-070	Ordinary maint & operations contracts-Electrical					46,635	774	47,409
94300-080	Ordinary maint & operations contracts-Plumbing					30,821	1,101	31,922
94300-090	Ordinary maint & operations contracts-Extermination					61,155	5,302	66,457
94300-100	Ordinary maint & operations contracts-Janitorial					15,644	2,833	18,477
94300-110	Ordinary maint & operations contracts-Routine Maint	71		9,896		236,012	29,783	265,795
94300-120	Ordinary maint & operations contracts-Misc	4,848		5,934		305,186	69,425	374,611
94300	Ordinary Maintenance and Operations Contracts	71		15,291	(3,450)	996,403	202,070	1,198,473
94500	Ordinary maint. Employee benefit contributions			26,096	(42,670)	381,552		381,552
94600	Total Maintenance	71		102,835	(42,670)	2,678,602	329,220	3,007,822
95100	Protective services - labor							
95200	Protective services - other contract costs						4,327	4,327
95300	Protective services - other					6,110		6,110
95500	Protective services - Employee benefit contributions							
95600	Total Protective Services					6,110	4,327	10,437
96110	Property Insurance	229	5,197	56		197,463	62,468	259,931
96120	Liability Insurance		1,063	219		71,670	7,118	78,788
96130	Workers' Compensation		3,252	8,227		37,199	37,199	37,199
96140	All other insurance		1,317	7,031		42,097	424	42,521
96100	Total Insurance Premiums	229	10,829	15,533		348,429	70,010	418,439
96200	Other general expenses					891,990	112,693	1,004,683
96300	Compensated absences		7,769	79,846		187,280	187,280	187,280
96400	Payments in lieu of taxes					94,854	59,158	154,012
96500	Bad debt - tenant fees					79,344	27,074	106,418
96600	Bad debt - mortgages							
96700	Bad debt - other		253,535			253,535		253,535
96800	Services expense							
96900	Total Other General Expenses		261,334	79,846		1,507,223	199,977	1,707,200
96710	Interest on Mortgage (or Bonds) Payable					140,210	150,949	291,159
96720	Interest on Notes Payable (Short and Long Term)		10,294			71,806	263,448	335,254
96730	Amortization of Bond Issue Costs					401	2,206	2,607
96700	Interest expense and Amortization cost		10,294			213,117	416,603	629,760
96900	Total Operating Expenses	5,199	220,597	1,872,888	(2,030,154)	10,670,077	1,914,075	12,584,152
97000	Excess Revenue Over Operating Expenses	105,315	(109,879)	198,996		134,176,196	(301,014)	12,975,182
97100	Extraordinary maintenance					176,428		176,428
97200	Casualty losses - Non-capitalized						524	524
97300-010	Mainstream 1 & 3 year					190,578	180,578	180,578
97300-020	Home-Ownership					31,891		31,891
97300-025	Litigation							
97300-030	Hope IV							
97300-035	Moving to Work							
97300-040	Tenant Protection					73,879	73,879	73,879
97300-050	Portability fee					15,665	15,665	15,665
97300-060	Enhanced					73,995	73,995	73,995
97300-070	All Other	105,315				9,101,351	9,101,351	9,101,351
97300-100	Total HFAP Payment	105,315				9,101,351		9,101,351
97400	Housing assistance payments	105,315				9,487,269		9,487,269
97500	Depreciation expense		23,458	16,606		2,296,249	1,016,375	3,312,624
97600	Fraud losses							
97800	Dwelling units rent expense							
99000	Total Expenses	110,514	244,045	1,888,894	(2,030,154)	21,630,023	2,930,974	25,560,997
10010	Operating transfer in							
10020	Operating transfer out					37,314		37,314
10030-040	Tax Credit					(37,314)		(37,314)
10030-050	Other							
10030	Operating transfers from / to primary government							
10040	Operating transfers from / to component unit							
10070	Extraordinary (losses, net gains)					(611,447)		611,447

FDS #	Description	Shelter Plus Care 14.236	Business Activity 1	Central Office Cost Center	Eliminations	Total	COMPONENT UNITS COMBINED 6	ENTITY WIDE TOTAL
10080	Special items not audited					(1,894,100)	2,037,214	163,114
10091	Inter AMP Excess Cash Transfer In							
10092	Inter AMP Excess Cash Transfer Out							
10093	Transfers from Program to AMP							
10094	Transfers from AMP to Program							
10100	Total other financing sources (uses)		(611,447)			(2,505,547)	2,668,661	163,114
10000	Excess (Deficiency) of Revenue Over (Under) Expenses		(744,784)	182,390		(1,289,397)	1,359,748	61,451
11020	Required Annual Debt Principal Payments		25,710			955,632	371,647	1,327,279
11030	Beginning equity		320,031	920,872		54,378,931	14,945,288	69,319,319
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 (UNRESTRICTED)							
11040-080	Equity Transfers (RESTRICTED)							
11040-090	Equity Transfers							
11040-100	Equity Transfers							
11040-110	Equity Transfers							
11040	Prior period adjustments, equity transfers, & correction of errors							

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

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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.

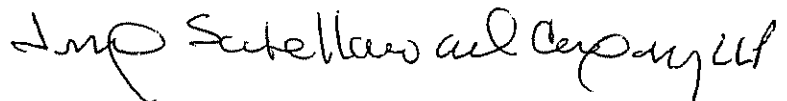
We compared the electronic submission of the items listed in the "UFRS Rule Information" column with the corresponding printed documents listed in the "Hard Copy Documents" column. The results of the performance of our agreed-upon procedure indicate agreement or non-agreement of the electronically submitted 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, 2011, and have issued our reports thereon dated April 5, 2012. 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 5, 2012, 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 5, 2012
Toms River, New Jersey



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