

Roanoke Redevelopment and Housing Authority

FINANCIAL STATEMENTS

Roanoke Redevelopment and Housing Authority

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September 30, 2013

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Roanoke Redevelopment and Housing Authority:

Report on the Financial Statements

We have audited the accompanying financial statements of the Roanoke Redevelopment and Housing Authority, (the "Authority"), as of and for the year ended September 30, 2013 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Roanoke Redevelopment and Housing Authority as of September 30, 2013, and the respective changes in financial position, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis contained on pages 3 through 11 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.

Other Information

Our audits were 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 schedule of expenditures of federal awards and the financial data schedule are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and financial data schedule are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 3, 2014 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* in considering Roanoke Redevelopment and Housing Authority's internal control over financial reporting and compliance.

April 3, 2014
Toms River, New Jersey

Imp Scutellaro & Company LLP

ROANOKE REDEVELOPMENT & HOUSING AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2013

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 activities for the fiscal year ended September 30, 2013. Please read this overview of the Authority's financial activities in conjunction with the financial statements which begin on page 10.

The discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The financial section of this report includes management's discussion and analysis, the basic financial statements, and other supplementary information. The basic financial statements are composed of two parts: 1) the financial statements and 2) the notes to the basic financial statements. The other supplementary information included in the financial section of the report presents required information as well as some information that is not required yet considered of interest to readers of the report.

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 management discussion and analysis.

FINANCIAL HIGHLIGHTS

The Authority's FY 2013 major financial highlights included the following:

Total assets and liabilities of the Authority were approximately \$56.2 million and \$5.1 million respectively; thus total net assets were approximately \$51.1 million at September 30, 2013.

Total Revenues (including capital contributions and grants) and expenses were approximately \$20.5 million and \$22.7 million respectively, thus net assets decreased by approximately \$2.2 million during the fiscal year.

Revenues are derived from various sources with approximately 80% received either directly or indirectly (through the City) from the U. S. Department of Housing and Urban Development (HUD). Rental Revenues account for an additional 16% of total revenue; the remaining 4% of revenue balance is derived from miscellaneous fees for services, other government grants, or nonoperating sources (i.e. investment income, and development fees).

Total liabilities decreased during the year by approximately (26%) due to reductions in bonds and notes outstanding.

The net decrease in cash for the year was approximately \$ 6 million. Operating activities reduced cash flows by \$ 3 million because of cash outlays to suppliers and employees. Investing activities increased cash by \$ 7 million while capital and financing activities reduced it by \$1 million.

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, 2013, the Authority owned over 1,200 residential units that are leased to low-income families and individuals. In addition, housing assistance was paid to over 1,600 households under the Federal Housing Choice Voucher program for privately owned existing housing.

BASIC FINANCIAL STATEMENTS

The Authority is presenting its fiscal year 2013 management's discussion and analysis based on the financial results of its enterprise programs in three basic financial statements - the statement of net position; the statement of revenues, expenses and changes in net assets; and the statement of cash flows. The statement of net position reports all financial and capital assets of the Authority and is presented in a format where assets equal liabilities plus net position. Net position are broken down into the following three categories:

- *Net position, 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 position* consists 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 position* consists of net position that do not meet the definition of net position invested in capital assets, net of related debt, or restricted net position.

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 position, 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 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)

The following table summarizes the changes in net position between September 30, 2013 and 2012 for the Authority as a whole:

	<u>2013</u>	<u>2012</u>	<u>NET CHANGE</u>	<u>%</u>
Cash	\$ 7,779,507	\$ 8,408,676	\$ (629,169)	-7.48%
Current Assets	5,933,428	6,653,263	(719,835)	-10.82%
Non-current Assets	3,617,151	6,562,502	(2,945,351)	-44.88%
Capital Assets - Net	<u>38,860,539</u>	<u>38,643,593</u>	216,946	0.56%
Total Assets	<u>56,190,625</u>	<u>60,268,034</u>	<u>(4,077,409)</u>	<u>-6.77%</u>
Current Liabilities	1,757,320	1,695,782	61,538	3.63%
Non-current Liabilities	<u>3,341,525</u>	<u>5,234,489</u>	<u>(1,892,964)</u>	<u>-36.16%</u>
Total Liabilities	<u>5,098,845</u>	<u>6,930,271</u>	<u>(1,831,426)</u>	<u>-26.43%</u>
Invested in Capital Assets -net of Related Debt	38,327,677	37,690,512	637,165	1.69%
Restricted Net Position	472,792	1,262,266	(789,474)	-62.54%
Unrestricted Net Position	<u>12,291,311</u>	<u>14,384,985</u>	<u>(2,093,674)</u>	<u>-14.55%</u>
Total Net Position	<u>\$ 51,091,780</u>	<u>\$ 53,337,763</u>	<u>\$ (2,245,983)</u>	<u>-4.21%</u>

Total assets of the Authority decreased 7% due to a decrease in cash, investments, notes receivables, and other assets.

Cash decreased approximately 7% due to several projects for extraordinary maintenance that was begun in 2012 and not completed until 2013. Current assets decreased approximately 11% as a result of investments that either matured or were called during the year and reverted to the Authority's cash account.

Noncurrent assets decreased 45% due to a decrease in notes and mortgages receivable and other assets. Notes and mortgages receivable decreased due to allowances for bad debt taken during the year and other assets decreased due to the write-off of Day Avenue LP which was established in 2005 to rehabilitate homes in the Miller's Hill neighborhood. The Authority acquired 17 houses on Day Avenue in the City of Roanoke, Virginia with funds provided by the City of Roanoke. Day Avenue LP sold the last house in February 2013 and ceased its operations. Subsequently, the asset on the Authority's books were written off.

Of the approximately \$5.1 million of liabilities, \$1.8 million or 34% are current liabilities, which will require payment within 12 months of the reported fiscal year-end and \$3.3 million or 66% are non-current liabilities for which payments will be made in following periods.

Non-current liabilities were reduced during the year by approximately 36% due to a reduction in debt outstanding related to principal payments on capital bonds and mortgage notes. No new debt was issued during the year.

Total net position decreased slightly from the prior year by 4% as a result of the combined activities of HUD and Non-HUD programs throughout the year.

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

The following table summarizes the changes in operations between fiscal years 2013 and 2012 for the Authority as a whole:

	<u>2013</u>	<u>2012</u>	<u>NET CHANGE</u>	<u>%</u>
Tenant Rental Revenue	\$ 3,353,220	\$ 3,137,545	\$ 215,675	6.87%
HUD Operating Grants	14,552,412	13,876,392	676,020	4.87%
Fraud Recovery	-	-	-	0.00%
Other Revenue	739,177	1,689,656	(950,479)	-56.25%
Total Operating Revenue	<u>18,644,809</u>	<u>18,703,593</u>	<u>(58,784)</u>	<u>-0.31%</u>
Operating Expenses:				
Administrative	3,224,753	3,238,593	(13,840)	-0.43%
Tenant Services	600,433	593,103	7,330	1.24%
Utilities	1,880,867	1,853,237	27,630	1.49%
Maintenance	2,609,952	2,681,411	(71,459)	-2.66%
General Expenses	1,652,079	844,258	807,821	95.68%
Housing Assistance Payments	9,992,546	9,609,964	382,582	3.98%
Depreciation	2,464,493	2,265,444	199,049	8.79%
Total Expenses	<u>22,425,123</u>	<u>21,086,010</u>	<u>1,339,113</u>	<u>6.35%</u>
Operating Income (Loss)	(3,780,314)	(2,382,417)	(1,397,897)	58.68%
Non-operating Revenue (Expenses):				
Investment / Mortgage Interest	18,615	131,007	(112,392)	-85.79%
Interest Expense	(88,127)	(118,091)	29,964	-25.37%
Extraordinary Maintenance	(222,469)	(84,019)	(138,450)	164.78%
Casualty losses	(4,484)	-	(4,484)	0.00%
Losses from Sale of Capital Assets	-	(11,269)	11,269	-100.00%
Non-operating Loss	(296,465)	(82,372)	(214,093)	259.91%
HUD Capital Grants	1,830,796	2,717,918	(887,122)	-32.64%
Net Change	<u>(2,245,983)</u>	<u>253,129</u>	<u>(2,499,112)</u>	<u>-987.29%</u>
Beginning Net Position	53,337,763	53,084,634	253,129	0.48%
Total Net Position	<u>\$ 51,091,780</u>	<u>\$ 53,337,763</u>	<u>\$ (2,245,983)</u>	<u>-4.21%</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

Total Revenue decreased 5% due to a net reduction in HUD grants of approximately \$.2 million and decrease in Other Revenue of \$.9 million. Tenant Revenue increased 7% due to higher occupancy rates in the low rent program.

Other revenue decreased approximately \$ 9 million as a result of several factors that occurred during the prior year including:

A donation received from the Roanoke Valley Housing Corporation during 2012. No donations were received in 2013.

Interest income accrued in the prior year from the tax credit entity Shenandoah Crossings Inc. of which none was received in 2013 due to the sale of the asset.

Developer fees paid in the prior year from the component unit Day Ave LP. No developers fees were received in the current year.

Total expenses increased by \$1.5 million or 7% due to an increase in general expenses, Housing Assistance payments, and depreciation expense.

General expenses increased 95% due to significantly higher bad debt expense recognized from tenants for excess utilities; write off of investment and management fees not collected from component units whose assets were sold during the year; increased payments in lieu of taxes related to higher occupancy percentages during the year in the low rent program; and increased program expenses related to the South Jefferson Redevelopment project.

Operating Loss increased 59% due to the decrease in Other Revenue of \$950,479, and an increase in General expenses, Housing Assistance payments, and depreciation which totaled \$1,389,452. The decrease in Other Revenue was offset partially by an increase in Tenant Revenue and HUD Operating Grants.

Investment Interest Income decreased approximately 86% due to a continuing reduction in the amount invested. Maturing investments were not reinvested.

Interest Expense decreased 25% due to declining balances of bonds and notes payable.

Extraordinary Maintenance increased 165% due to expenditures incurred in the low rent program for improvements to various sites for mechanical repairs and enhancements.

Losses from Sale of Capital Assets decreased 100% due to the cost of property gifted to a local non profit organization to promote low to moderate income housing needs.

HUD Capital Grants decreased 33% due to a decrease in size of grants awarded, expenditures and number of active grants.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets:

The following table summarizes the changes in capital assets between September 30, 2013 and 2012:

	<u>2013</u>	<u>2012</u>	<u>Net Change</u>	<u>Variance</u>
Land	\$ 15,576,237	\$ 12,353,863	\$ 3,222,374	26.08%
Infrastructure	3,109,317	4,931,649	(1,822,332)	-36.95%
Buildings and Improvements	69,172,092	64,959,893	4,212,199	6.48%
Furniture and Equipment	2,243,159	2,088,107	155,052	7.43%
Construction in Progress	4,614,405	7,759,356	(3,144,951)	-40.53%
Total	<u>94,715,210</u>	<u>92,092,868</u>	<u>2,622,342</u>	<u>2.85%</u>
Accumulated Depreciation	55,864,671	53,449,275	2,415,396	4.52%
Net Capital Assets	<u>\$ 38,850,539</u>	<u>\$ 38,643,593</u>	<u>\$ 206,946</u>	<u>0.54%</u>

All variances were primarily due to modernization projects that were active or completed during the year.

- *Public Housing Loans and Bonds* - In prior years, the Authority issued notes to the Federal Financing Bank to permanently finance certain Public Housing projects. HUD pays the annual debt service on the outstanding balance of \$96,772 for those notes. In fiscal year 2003, the Authority issued bonds for \$3.3 million to fund additional Public Housing construction. The principal balance of those bonds as of September 30, 2013 was \$330,000.

- *Dual-funded Mortgage Loans* - In fiscal year 2013 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, 2013 was \$657,473.

- *City of Roanoke Loans* - the Authority 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 \$1.9 million at September 30, 2013.

Economic Factors

The Authority continues to face uncertainties regarding the subsidized funding levels provided by HUD for its assisted housing programs. These uncertainties have both an immediate and long range impact on the operations of the Authority. The Authority receives 80% of its funding from HUD. For 2013, HUD funded housing authorities low rent program at 82% of eligibility. In 2012 and 2011 funding level was 95% and 100% of eligibility; prior to 2010, agencies had not received full operating funding since 2002. HUD announced in January that the public housing low rent operating program would be funded for the 2014 calendar year at approximately 88% a meaningful increase. Funding for the Capital Fund program for 2014 is expected to remain level, which is disappointing given the capital needs facing the housing Authorities across the nation including RRHA.

The Housing Choice Voucher (HCV) program has also experienced a reduction in funding for the past several years. During 2013 it required the use of reserves and systematically reduced new funding to ensure the use of these reserves resulting in reduced service. HUD has notified RRHA that it will fund the housing choice voucher program at a proration of 99.7% for calendar year 2014. Rate Administrative Fees to fund the program were not included. The Authority anticipates a 75% proration to fund calendar year 2014. Administrative Fees for the HCV program reached an all time low in 2013 and were funded at 69%.

While the Authority expects increased funding levels in federal programs in 2014 over 2013, it also faces challenges with escalating costs in managing these programs. RRHA's management staff will closely monitor these programs and seek out innovative cost reduction measures to fulfill its mission.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

The financial report is designed to provide a general overview of the Authority's finances for all those interested. 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, Roanoke, VA 24017 or visit our website at www.rkehousing.org

BASIC FINANCIAL STATEMENTS

Roanoke Redevelopment and Housing Authority
Statement of Net Position
September 30, 2013

ASSETS	<u>Enterprise Fund</u>	Component <u>Units</u>	Total Reporting <u>Entity</u>
CURRENT ASSETS:			
Cash and cash equivalents	\$ 7,779,507	527,180	8,306,687
Accounts receivable - other	640,649	-	640,649
Accounts receivable - tenants, net	36,165	32,042	68,207
Notes & mortgage receivable - current	243,169	-	243,169
Investments	2,770,039	-	2,770,039
Prepaid expenses	275,516	211,277	486,793
Accrued interest receivable	21,607	-	21,607
Assets held for sale	<u>1,946,283</u>	<u>601,094</u>	<u>2,547,377</u>
Total current assets	<u>13,712,935</u>	<u>1,371,593</u>	<u>15,084,528</u>
RESTRICTED ASSETS:			
Cash and cash equivalents	<u>904,151</u>	<u>602,968</u>	<u>1,507,119</u>
Total restricted assets	<u>904,151</u>	<u>602,968</u>	<u>1,507,119</u>
NONCURRENT ASSETS:			
Land, structures and equipment net of accumulated depreciation	<u>38,860,539</u>	<u>28,777,107</u>	<u>67,637,646</u>
Total fixed assets, net	<u>38,860,539</u>	<u>28,777,107</u>	<u>67,637,646</u>
Notes & mortgages receivable, excluding current portion, net	2,713,000	-	2,713,000
Other assets	<u>-</u>	<u>201,560</u>	<u>201,560</u>
Total assets	<u>\$ 56,190,625</u>	<u>30,953,228</u>	<u>87,143,853</u>
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES:			
Accounts payable	\$ 529,970	182,587	712,557
Accounts payable - HUD	11,909	-	11,909
Accrued wages and payroll taxes	126,131	-	126,131
Accrued compensated absences	104,816	-	104,816
Accrued interest	8,730	86,775	95,505
Accrued liability - other	1,190	-	1,190
Tenant security deposits	156,955	62,350	219,305
Bonds payable, current portion	426,772	-	426,772
Notes payable, current portion	280,713	408,547	689,260
Deferred revenues	29,553	1,296	30,849
Other current liabilities	<u>80,581</u>	<u>-</u>	<u>80,581</u>
Total current liabilities	<u>1,757,320</u>	<u>741,555</u>	<u>2,498,875</u>
NONCURRENT LIABILITIES:			
Notes payable, excluding current portion	2,868,634	14,279,561	17,148,195
Other liabilities	<u>472,891</u>	<u>1,743,941</u>	<u>2,216,832</u>
Total noncurrent liabilities	<u>3,341,525</u>	<u>16,023,502</u>	<u>19,365,027</u>
Net position:			
Invested in capital assets, net	38,327,677	15,089,170	53,416,847
Restricted	472,792	538,311	1,011,103
Unrestricted	<u>12,291,311</u>	<u>(1,439,310)</u>	<u>10,852,001</u>
Total net position	<u>51,091,780</u>	<u>14,188,171</u>	<u>65,279,951</u>
Total liabilities and net position	<u>\$ 56,190,625</u>	<u>30,953,228</u>	<u>87,143,853</u>

See accompanying notes to financial statements.

Roanoke Redevelopment and Housing Authority
Statement of Revenues, Expenses, and Changes
in Net position
For the Year Ended September 30, 2013

	Enterprise Fund	Component Units	Total Reporting Entity
Operating revenues:			
Tenant revenue	\$ 3,353,220	1,671,649	5,024,869
HUD operating grants	14,552,412	-	14,552,412
Other government grants	5,900	-	5,900
Proceeds from the disposition of assets held for sale	898	-	898
Cost of sale of assets	(28,301)	-	(28,301)
Other revenue	760,680	17,664	778,344
	<u>18,644,809</u>	<u>1,689,313</u>	<u>20,334,122</u>
Total operating revenue			
Operating expenses:			
Administrative salaries	1,913,191	96,912	2,010,103
Other administrative expenses	1,311,562	216,580	1,528,142
Tenant / community services	600,433	-	600,433
Utility expense	1,880,867	174,148	2,055,015
Maintenance salaries	856,558	77,511	934,069
Maintenance other	1,753,394	257,373	2,010,767
Contract / protective services	-	16,057	16,057
Insurance	294,749	76,691	371,440
Other general expenses	292,176	580,630	872,806
Bad debt	945,227	24,109	969,336
Payments in lieu of taxes	119,927	59,404	179,331
Housing assistance payments	9,992,546	-	9,992,546
Depreciation	2,464,493	1,019,864	3,484,357
	<u>22,425,123</u>	<u>2,599,279</u>	<u>25,024,402</u>
Total operating expenses			
Operating loss	<u>(3,780,314)</u>	<u>(909,966)</u>	<u>(4,690,280)</u>
Non-operating revenues (expenses):			
Capital grants	1,830,796	-	1,830,796
Investment income / mortgage interest	18,615	1,016	19,631
Extraordinary maintenance	(222,469)	-	(222,469)
Interest expense	(88,127)	(435,239)	(523,366)
Casualty losses	(4,484)	(3,956)	(8,440)
	<u>1,534,331</u>	<u>(438,179)</u>	<u>1,096,152</u>
Net non-operating income (loss)			
Change in net position	(2,245,983)	(1,348,145)	(3,594,128)
Total net position, beginning	<u>53,337,763</u>	<u>15,536,316</u>	<u>68,874,079</u>
Total net position, end of year	<u>\$ 51,091,780</u>	<u>14,188,171</u>	<u>65,279,951</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, 2013

Cash Flows from Operating Activities:

Receipts from tenants	\$ 3,375,101
Receipts operating grants and subsidies	14,648,042
Other receipts	1,127,031
Payments to suppliers and employees	<u>(19,483,504)</u>
Net cash flows used by operating activities	<u>(333,330)</u>

Cash Flows from Capital and Related Financing Activities:

Net deposits to (from) restricted cash	819,049
Purchases of capital assets	(2,674,469)
Disposal of capital assets	1
Interest paid on capital debt	(95,222)
Principal payments of notes payable	(718,415)
Capital grant contributions	1,830,796
Casualty losses	(4,484)
Extraordinary maintenance	<u>(222,469)</u>
Net cash flows used in capital and related financing activities	<u>(1,065,213)</u>

Cash Flows from Investing Activities:

Payments received on notes receivable	208,042
Accrued interest receivable	1,776
Matured investments	400,000
Interest and dividends	<u>159,556</u>

Net cash flows provided by investing activities	<u>769,374</u>
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Net decrease in cash	(629,169)
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Cash at beginning of year	<u>8,408,676</u>
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Cash at end of year	<u>\$ 7,779,507</u>
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Roanoke Redevelopment and Housing Authority
Statement of Cash Flows (continued) - All Enterprise Funds
For the Year Ended September 30, 2013

Reconciliation of operating income to cash provided by
operating activities

Operating loss	\$ (3,780,314)
Items which did not provide (use) cash:	
Depreciation	2,464,493
Bad debt	945,227
Working capital changes which provided (used) cash:	
Accounts receivable - tenants	(77,211)
Accounts receivable - other	(17,526)
Deferred revenue	1,772
Prepaid expenses	21,256
Assets held for sale	16,661
Accounts payable- HUD	11,857
Accounts payable	58,861
Accrued expenses	(17,727)
Other liabilities	37,253
Tenant security deposits	917
Other current liabilities	<u>1,151</u>
Net cash used in operating activities	<u>\$ (333,330)</u>

See accompanying notes to financial statements.

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements

For the Year Ended September 30, 2013

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.

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 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 it is earned. Revenue 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 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 Roanoke Redevelopment and Housing Authority (the Authority or RRHA) was created by the City of Roanoke in 1949 under the provisions of the United States Housing Act of 1937. The Authority is governed by a seven member board of commissioners which are appointed by Roanoke's City Council for staggered four year terms. The Board elects a chairman and employs an Executive Director to administer the affairs of the Authority.

2. REPORTING ENTITY DEFINITION (continued)

The Authority is a separate political subdivision of the State of Virginia. The Authority has complete legislative and administrative authority over its affairs and recruits and employs personnel. 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 adopts an annual budget that is approved by the Board of Commissioners. Subsidies are received primarily from the Department of Housing and Urban Development (HUD). The Authority is responsible for its debts and is entitled to surpluses.

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 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 Hurt 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.

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.

2. REPORTING ENTITY DEFINITION (continued)

Discretely Presented Component Units (continued)

Shenandoah Crossings, Limited Partnership (SCLP) (continued)

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.

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, 2012 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, 2012 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.

2. REPORTING ENTITY DEFINITION (continued)

Discretely Presented Component Units (continued)

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.

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, 2012 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.

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, 2012 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.

2. REPORTING ENTITY DEFINITION (continued)

Discretely Presented Component Units (continued)

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.

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, 2012 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, 2012 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) 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.

3. CASH AND INVESTMENT DEPOSITS (continued)

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

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, 2013, the carrying amount of the Enterprise fund's cash and cash equivalents (including restricted cash) was \$8,683,658 and the bank balance approximated \$9,309,341. 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, 2013 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, 2013				
Federal Coupons	\$ 2,770,039	2,770,039	-	-

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	\$5,169,602
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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

During the 2012 fiscal year the Authority changed pension plans. For September 1, 2011 - December 31, 2011 the Authority provided retirement benefits for its full-time employees through a defined contribution plan administered by American Funds. In this plan the benefits depended solely on the amounts contributed to the plan plus investment earnings. All employees who were scheduled to work at least 20 hours per week for 5 months per year were eligible. The Authority contributed a total of 14% of each participant's compensation for the plan year while the employees had no contribution requirement. The Authority's contributions for each employee and any interest earned were fully vested after 5 years of continuous service. During fiscal year 2012 the Authority made required contributions of \$107,007 to this plan. As of December 31, 2011 this plan was closed and the Authority became a member of the Virginia Retirement System (VRS) on January 1, 2012.

The Authority now requires all its full-time permanent employees to enroll in the Virginia Retirement System (VRS). The Authority also offers enrollment in the VRS Deferred Benefit Plan on a voluntary basis for full time and part time employees; temporary and contract employees are not eligible to participate in either plan.

The VRS is a mixed agent and cost-sharing, multiple-employer defined benefit pension plan administered by the State of Virginia. The defined benefit plan provides a lifetime monthly benefit during retirement based on a retirement multiplier as a percentage of the member's average 60 consecutive months of highest compensation multiplied by the member's total service credit. The retirement multiplier for the Authority employees (considered non-hazardous duty members) is 1.70%. Benefits vest after five years of service credit. Members earn one month of service credit for each month they are employed. The VRS administers two defined benefit plans for local government employees. The Authority and its employees are covered under Plan 2 which is for members joining on July 1, 2010 or later and the Hybrid plan which is required for all members joining on January 1, 2014 or later. Members are eligible for unreduced benefits beginning at their normal Social Security retirement age with at least five years of service credit or when the sum of their age and service equals 90. They may retire with a reduced benefit as early as age 60 with at least five years of service credit.

Members are required to contribute 5% of regular earnings to the plan each pay period and the Authority contributes 4.72% per pay period. The FY 2013 required contribution was determined by the VRS based on the Authority's employee population and the benefits the Authority elected to provide to its employees.

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

9. PENSION PLAN (continued)

The actuarial methods and assumptions for this plan are as follows:

Valuation Date	June 30, 2013
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent of Pay, Closed
Payroll Growth Rate	3%
Remaining Amortization Period	30 years (decreasing by one each year in subsequent valuations until reaching 0 years)
Asset Valuation Method	5-Year, Smoothed Market
Investment Rate of Return	7%
Projected Salary Increases	3.50% to 5.35%
Cost-of-Living adjustment (Plan 2)	2.25%

For the fiscal year end September 30, 2013, the Authority's annual pension cost of \$326,375 for VRS was equal to the required and actual contributions.

<u>Annual Required Contribution Rate</u>	<u>June 30, 2013</u>	<u>June 30, 2012</u>
a. Contribution Rate	6.22%	8.18%
b. Funding Period in Years	30 Years	29 Years
c. Amortization Factor based on funding period	18.2204	17.8892

Funded Status and Funding Progress

As of June 30, 2013, the most recent actuarial valuation date, the plan was funded at 122%. The actuarial accrued liability for benefits was \$1,099,123 and the actuarial value of assets was \$1,335,603, resulting in an unfunded actuarial accrued liability (UAAL) of (\$236,480). The covered payroll (annual payroll of 67 active employees covered by the plan) was \$2,793,262 and the ratio of the UAAL to the covered payroll was (8.5%).

Schedule of Funding Progress for the Authority Pension Plan.

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio Assets as % of AAL (a/b)</u>	<u>UAAL as % of Covered Payroll (c)</u>	<u>UAAL as % of Covered Payroll ((b-a)/c)</u>
6/30/13	1,335,603	1,099,123	(236,480)	121.52%	2,793,262	(8.47)%
6/30/12	1,006,319	902,866	(103,453)	111.46%	2,969,069	(3.48)%

Comprehensive annual financial reports that include financial statements and required supplementary information for the plan are available by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500 or from the VRS via web site at <http://www.varetire.org/Pdf/Publications/2013-annual-report.pdf>.

10. COMPENSATED ABSENCES

In the past the Authority operated under vacation and sick leave policies which granted employees vacation benefits in varying amounts based 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 termination. Unpaid accrued vacation was recorded as a liability while sick leave was recorded as an expense when the employee utilized it.

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

10. COMPENSATED ABSENCES (continued)

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, 2013 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 at gross of \$60,706 less of an allowance for doubtful accounts of \$24,541 for the year ended September 30, 2013.

Accounts receivable - tenants for the component units are shown at gross of \$126,864 less of an allowance for doubtful accounts of \$94,822 for the year ended December 31, 2012.

Accounts Receivable - Other

Accounts Receivable - Other, consists of following:

	Enterprise Fund	Component Units
Accounts receivable - HUD	\$ 494,385	-
Accounts receivable - other government	62,426	-
Fraud recovery	54,479	-
Fraud recovery - allowance	(9,006)	-
Accounts receivable - management & development fees	19,949	-
Accounts receivable - miscellaneous	<u>18,416</u>	<u>-</u>
	<u>\$ 640,649</u>	<u>-</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, 2013 consisted of the following:

Low rent and Capital Fund Program	\$ 9,624
Choice Neighborhood	(1,099)
Section 8 Mod Rehab	-
Hope VI	-
ROSS	(8,525)
Housing Choice Vouchers	-
State/Local	-
COCC	631,115
Veterans Affairs Supportive Housing	-
Business Activities	(630,563)
Shelter Plus	(552)
CDBG	(7,360)
Home Investment Partnership	7,360
Mainstream	-
	<u>\$ -</u>

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

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	\$ 30,245	-
Restricted for Tenant Security	156,955	64,657
Restricted for Debt Service and Related Reserve	380,135	538,311
Restricted for Loan Loss Reserve	157,543	-
Restricted for FSS Escrow	151,832	-
Restricted for Payment of Program Income	<u>27,441</u>	<u>-</u>
	<u>\$ 904,151</u>	<u>602,968</u>

14. NOTES AND MORTGAGES RECEIVABLE

Notes and mortgage receivable at September 30, 2013 are as follows:

The Authority loaned funds to qualified homeowners through a home rehabilitation program. The Authority entered into a \$2,250,000 Note Purchase Agreement with SunTrust Bank to finance a portion of these mortgage loans with additional funds coming from the city of Roanoke. These mortgage loans are held by the Authority are collateralized by the single-family residences.

\$ 2,426,725

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

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.

442,444

Developers fees receivable from discrete component units

1,638,509

Less: Allowance for doubtful accounts

(1,638,509)

Total

2,956,169

Less: current portion

(243,169)

Notes receivable, excluding current portion

\$ 2,713,000

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

15. CAPITAL ASSETS

A summary of the Authority's Capital Assets at September 30, 2013 is as follows:

Enterprise Fund Detail:

	BUSINESS ACTIVITIES	CDBG	PUBLIC HOUSING & CAPITAL FUND	HOPE VI
Land and Improvements	\$ 146,086	4,215,961	11,197,132	-
Infrastructure	-	1,822,317	-	-
Building and Improvements	659,005	-	68,279,837	-
Furniture and Equipment	24,285	-	1,696,808	-
Construction in Process	-	-	4,614,405	-
Less: Accumulated Depreciation	<u>(601,702)</u>	<u>(444,318)</u>	<u>(53,667,815)</u>	<u>-</u>
Total Property and Equipment	<u>\$ 227,674</u>	<u>5,593,960</u>	<u>32,120,367</u>	<u>-</u>

	HOUSING CHOICE VOUCHERS	COCC	STATE/LOCAL	TOTAL
Land and Improvements	\$ -	-	17,058	15,576,237
Infrastructure	-	-	1,287,000	3,109,317
Building and Improvements	233,250	-	-	69,172,092
Furniture and Equipment	130,450	391,616	-	2,243,159
Construction in Process	-	-	-	4,614,405
Less: Accumulated Depreciation	<u>(328,622)</u>	<u>(366,870)</u>	<u>(445,344)</u>	<u>(55,854,671)</u>
Total Property and Equipment	<u>\$ 35,078</u>	<u>24,746</u>	<u>858,714</u>	<u>38,860,539</u>

Enterprise Fund Summary:

	October 1, 2012 Balance	Additions	Transfers & Deletions	September 30, 2013 Balance
Land	\$ 12,353,863	-	3,222,374	15,576,237
Construction in Process	<u>7,759,356</u>	<u>1,510,796</u>	<u>(4,655,747)</u>	<u>4,614,405</u>
Total Assets not being depreciated	20,113,219	1,510,796	(1,433,373)	20,190,642
Infrastructure	4,931,649	-	(1,822,332)	3,109,317
Buildings and Improvements	64,959,893	1,138,073	3,074,126	69,172,092
Furniture and Equipment	<u>2,088,107</u>	<u>25,600</u>	<u>129,452</u>	<u>2,243,159</u>
Total Property and Equipment	92,092,868	2,674,469	(52,127)	94,715,210
Less: Accumulated Depreciation	<u>(53,449,275)</u>	<u>(2,457,522)</u>	<u>52,126</u>	<u>(55,854,671)</u>
Net Book Value	<u>\$ 38,643,593</u>	<u>216,947</u>	<u>(1)</u>	<u>38,860,539</u>

A summary of the Discrete Component Unit's Capital Assets at December 31, 2012 is as follows:

	January 1, 2012 Balance	Additions	Transfers & Deletions	December 31, 2012 Balance
Land	\$ 2,354,473	-	-	2,354,473
Land Improvements	<u>865,861</u>	<u>-</u>	<u>-</u>	<u>865,861</u>
Total Assets not depreciated	3,220,334	-	-	3,220,334
Buildings and Improvements	31,910,470	-	-	31,910,470
Furniture and Equipment	<u>233,565</u>	<u>-</u>	<u>-</u>	<u>233,565</u>
Total Property and Equipment	35,364,369	-	-	35,364,369
Less: Accumulated Depreciation	<u>(5,574,711)</u>	<u>(1,012,551)</u>	<u>-</u>	<u>(6,587,262)</u>
Net Book Value	<u>\$ 29,789,658</u>	<u>(1,012,551)</u>	<u>-</u>	<u>28,777,107</u>

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

16. BONDS AND NOTES PAYABLE

Bonds and Permanent Notes

1. 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. The bond payments are financed through the Authority's Capital Fund Program. Interest paid and charged to expense during the year was \$29,250. The bonds are secured by the projects' land, structures, and equipment. As of September 30, 2013, the outstanding principal balance of these bonds payable was \$330,000 the current portion of which totaled \$330,000. Future projected payments are as follows:

Fiscal Year	Principal	Interest	Balance Due
2014	<u>330,000</u>	<u>14,850</u>	-
Total Payments	<u>\$ 330,000</u>	<u>14,850</u>	

2. The Authority issued notes to the Federal Financing Bank in the original principal amount of \$1,390,869. These notes are payable in annual installments each November 1 until maturity in 2014, with interest at 6.6%. The 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 \$12,410. As of September 30, 2013, the outstanding principal balance of these debt instruments was \$96,772. Future projected payments are as follows:

Fiscal Year	Principal	Interest	Balance Due
2014	<u>96,772</u>	<u>9,387</u>	-
Total Payments	<u>\$ 96,772</u>	<u>9,387</u>	

A summary of the bonds payable at September 30, 2013:

	<u>Total</u>	<u>Current</u>	<u>Long-Term</u>
Capital Fund Bonds	\$ 330,000	330,000	-
Federal Financing Bank Notes	<u>96,772</u>	<u>96,772</u>	-
	<u>\$ 426,772</u>	<u>426,772</u>	<u>-</u>

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

16. BONDS AND NOTES PAYABLE (continued)

Notes Payable

3. Through the Authority's City Activities fund qualified residents who were unable to obtain financing from commercial sources were given mortgage loans to rehabilitate their home. These loans were made in conjunction with CDBG or HOME mortgage loans provided by the City of Roanoke. The Authority obtained loans from SunTrust Bank to fund the mortgage loans provided to the qualified homeowners and collateralized those loans with deeds of trust on the various single-family residences. Interest rates on the notes payable to SunTrust Bank range from 4.7% to 8.13% and 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 \$43,854. The principal balance at September 30, 2013 was \$657,473. Debt service requirements are as follows:

Fiscal Year	Principal	Interest	Balance Due
2014	\$ 150,653	35,423	506,820
2015	154,299	26,055	352,521
2016	112,506	17,384	240,015
2017	80,404	12,163	159,611
2018	46,439	8,592	113,172
2019-2022	<u>113,172</u>	<u>9,729</u>	-
Total Payments	\$ <u>657,473</u>	<u>109,346</u>	

4. 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 \$7,733. The note is secured by capital assets related to the Jamison and Downing Properties. The outstanding principal balance as of September 30, 2013 was \$106,090. Future projected payments are as follows:

Fiscal Year	Principal	Interest	Balance Due
2014	\$ 10,173	7,054	95,917
2015	10,878	6,326	85,039
2016	11,659	5,545	73,380
2017	12,495	4,708	60,885
2018	13,392	3,812	47,493
2019-2022	<u>47,493</u>	<u>5,155</u>	-
Total Payments	\$ <u>106,090</u>	<u>32,600</u>	

Other Non-current Liabilities Payable to the City of Roanoke

5. Qualified homeowners participating in a home rehabilitation program were given mortgage loans by the Authority to repair their homes. The Authority entered into an agreement with the City of Roanoke to finance a portion of these mortgage loans through its CDBG and HOME funds. CDBG/HOME funded mortgage loan payments received by the Authority 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, 2013, is \$1,943,340. The current portion is \$31,887.

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

16. BONDS AND NOTES PAYABLE (continued)

Other Non-current Liabilities Payable to the City of Roanoke (continued)

6. 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, 2013 was \$442,444. The current portion is \$88,000.

A summary of the notes payable at September 30, 2013:

	Total	Current	Long Term
City Activities Notes	\$ 657,473	150,653	506,820
Jamison, Downing Properties	106,090	10,173	95,917
Capital Fund Bonds	330,000	330,000	-
Federal Financing Bank Notes	96,772	96,772	-
CDBG/HOME Notes	1,943,340	31,887	1,911,453
Hancock Building Note	442,444	88,000	354,444
	<u>\$3,576,119</u>	<u>707,485</u>	<u>2,868,634</u>

17. ENTERPRISE FUND LONG-TERM LIABILITIES

As required by governmental accounting standards, a summary of Enterprise Fund Long-term liability activity for the year ended September 30, 2013, is as follows:

	October 1, 2012			September 30, 2013
	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>
Accrued Compensated Absences	\$ 106,020	232,591	233,795	104,816
Accrued OPEB Liabilities	186,440	19,221	-	205,661
Bonds Payable	837,520	-	410,748	426,772
Notes Payable	4,657,014	-	1,507,667	3,149,347
Other Long Term Liabilities	272,886	20,793	10,910	282,769
Less: Current Portion	<u>(825,391)</u>	<u>(432,439)</u>	<u>(429,990)</u>	<u>(827,840)</u>
Long-Term Liabilities	<u>\$ 5,234,489</u>	<u>(159,834)</u>	<u>1,733,130</u>	<u>3,341,525</u>

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

18. 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, 2012 was \$5,086,006, the current portion of \$49,240.

2. As of December 31, 2012, 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. This debt was forgiven January 2013.

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, 2012, the outstanding balance was \$114,279. The debt was forgiven on May 31, 2013.

Debt service requirements for Shenandoah Crossings, LP's mortgage payable with Berkadia as of December 31, 2012 are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Balance Due</u>
2013	\$ 49,240	252,169	5,036,766
2014	51,749	249,660	4,985,017
2015	54,386	247,024	4,930,631
2016	57,157	244,252	4,873,474
2017	60,069	241,340	4,813,405
2018-2022	349,494	1,157,551	4,463,911
2023-2027	448,080	1,058,965	4,015,831
2028-2032	574,475	932,570	3,441,356
2033-2037	736,524	770,512	2,704,832
2038-2042	944,284	562,762	1,760,548
2043-2047	1,210,648	296,397	549,900
2048-2049	<u>549,900</u>	<u>27,811</u>	-
Total Payments	<u>\$ 5,086,006</u>	<u>6,041,013</u>	

This property was sold May 31, 2013 and the mortgage was assumed by the buyer.

4. As of December 31, 2012, Stepping Stone, LP had a promissory note issued to Virginia Housing and Development Authority in the amount of \$423,625. 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.

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

18. NOTES PAYABLE - DISCRETE COMPONENT UNITS (continued)

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, 2012, the partnership owed \$352,233 against this note.

Debt service requirements for Stepping Stone, LP's notes payable as of December 31, 2012 are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Balance Due</u>
2013	\$ 24,551	20,640	751,307
2014	25,205	19,980	726,102
2015	25,883	19,302	700,219
2016	26,562	18,623	673,657
2017	27,296	17,889	646,361
2018-2022	369,683	77,969	276,678
2023-2027	92,582	50,464	184,096
2028-2032	108,896	21,667	75,200
2033-2037	<u>75,200</u>	<u>4,001</u>	-
Total Payments	\$ <u>775,858</u>	<u>250,535</u>	

6. As of December 31, 2012, Indian Village, LP has two VHDA notes secured by a Deed of Trust in the amounts of \$885,223 and \$500,000 plus interest. The VHDA note 1 is bearing interest at 3.5% with principal and interest payments of \$3,926 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.

Debt service requirements for Indian Village, LP's notes payable as of December 31, 2012 are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Balance Due</u>
2013	\$ 16,394	40,721	1,368,829
2014	16,977	40,138	1,351,852
2015	17,580	39,535	1,334,272
2016	18,206	38,909	1,316,066
2017	18,853	28,262	1,297,213
2018-2022	104,816	180,761	1,192,397
2023-2027	124,829	160,747	1,067,568
2028-2032	148,664	136,912	918,904
2033-2037	177,051	108,525	741,853
2038-2042	710,858	34,719	30,995
2043	<u>30,995</u>	<u>408</u>	-
Total Payments	\$ <u>1,385,223</u>	<u>809,637</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.

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

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

8. As of December 31, 2012, 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, 2012, Day Ave, LP had a construction loan with BB&T Bank totaling \$289,714. The interest rate is BB&T's prime plus 1.00% with a maturity date of January 22, 2013.

10. As of December 31, 2012, Day Ave, LP had promissory notes to the Roanoke Redevelopment and Housing Authority in the amount of \$158,251 with an interest rate of 4% on the unpaid principal. All the notes mature in 2042.

11. As of December 31, 2012, 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.

12. Park Street, LP has two notes secured by a Deed of Trust in the amount of \$518,790 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, 2012 are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Balance Due</u>
2013	\$ 8,508	21,022	510,282
2014	8,811	20,719	501,471
2015	9,124	20,406	492,347
2016	9,449	20,082	482,898
2017	9,785	19,745	473,113
2018-2022	54,399	93,253	418,714
2023-2027	64,786	82,866	353,928
2028-2032	77,156	58,495	276,772
2033-2037	91,889	40,763	184,883
2038-2042	109,434	23,217	75,449
2043-2045	75,449	4,140	-
Total Payments	\$ <u>518,790</u>	<u>404,708</u>	

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

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

13. As of December 31, 2012, Hurt Park, LP had a mortgage loan with VHDA with a balance due of \$1,289,980. 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>
2013	\$ 20,140	62,731	1,269,840
2014	20,985	61,886	1,248,855
2015	21,865	61,006	1,226,990
2016	22,782	60,089	1,204,208
2017	23,738	59,133	1,180,470
2018-2022	134,493	279,862	1,045,977
2023-2027	165,175	249,179	880,802
2028-2032	202,858	198,163	677,944
2033-2037	249,137	115,217	428,807
2038-2042	305,974	58,380	122,833
2043-2044	<u>122,833</u>	<u>4,688</u>	-
Total Payments	\$ <u>1,289,980</u>	<u>1,210,334</u>	

19. DISCRETE COMPONENT UNITS LONG-TERM LIABILITIES

Long-term liability activity for the year ended December 31, 2012, applicable to the Discrete Component Units, was as follows:

	January 1, 2012			December 31, 2012
	<u>Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u>
Notes Payable	\$14,799,245	76,251	187,388	14,688,108
Other Liabilities	1,807,279	12,913	76,251	1,743,941
Less Current Portion	<u>(476,119)</u>	<u>(4,714)</u>	<u>(72,286)</u>	<u>(408,547)</u>
Long-Term Liabilities	\$ <u>16,130,405</u>	<u>84,450</u>	<u>191,353</u>	<u>16,023,502</u>

Other liabilities consist of developer fees payable of \$1,545,560, accrued interest of \$190,115 and other liabilities of \$8,266.

20. RESTRICTED NET POSITION

Restricted net position consist of the following:

	Enterprise <u>Fund</u>	Component <u>Units</u>
Restricted for HAP Payments	\$ 30,245	-
Restricted for Debt Service and Related Reserves	380,135	538,311
Restricted Loan Loss Reserve	<u>62,412</u>	<u>-</u>
	\$ <u>472,792</u>	<u>538,311</u>

21. 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.

22. RELATED PARTY TRANSACTIONS

Agreements with Shenandoah Crossings, Limited Partnership (Component Unit)

The Authority and Shenandoah Crossings, LP entered into an agreement whereby the Authority will provide property management, services to the LP in exchange for a service fee of 5% of gross rents collected. As of and for the year ended, September 30, 2013, \$76,116 in revenue was recorded by the Authority under this agreement.

Agreements with Stepping Stone, Limited Partnership (Component Unit)

The Authority and Stepping Stone, LP have entered an agreement whereby the Authority will provide property management services to the LP in exchange for a service fee of 5% of collected rents. As of September 30, 2013, Stepping Stone, LP owed the Authority \$1,648 for property management services and had paid the Authority \$16,050 in management fees during the year.

Agreements with Indian Village, Limited Partnership (Component Unit)

The Authority and Indian Village, LP have entered into an agreement whereby the Authority will provide property management services in exchange for a service fee of 6% of gross rents collected. As of September 30, 2013, Indian Village, LP owed the Authority \$2,052 in accrued management fees and expenses. During the year, the Partnership paid \$9,059 in management fees to the Authority.

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

The Authority and Park Street, LP have entered into an agreement whereby the Authority will provide property management services in exchange for a service fee of 6% of gross rents collected. RRHA has an outstanding loan with Park Street, LP of \$2,253,163. As of September 30, 2012, Park Street, LP owed the Authority \$1,548 in accrued management fees and expenses. During the year the partnership paid \$8,354 in management fees to the Authority.

22. RELATED PARTY TRANSACTIONS (continued)

Agreements with Hurt Park, Limited Partnership (Component Unit)

The Authority and Hurt Park, LP have entered into an agreement whereby the Authority will provide property management services to the LP in exchange for a service fee of 6% of collected rents. As of September 30, 2013, Hurt Park, LP owed the Authority \$3,715 for property management services and had paid the Authority \$41,488 in management fees during the year.

23. 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 \$936,289 as of September 30, 2013. No debt of this type was issued for the fiscal year ended September 30, 2013.

24. 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, Hurt Park, LP, and Roanoke Valley Housing Corporation based on the recommendation of the Housing Authority's management.

The aforementioned partnership audits for the year ended December 30, 2012 were performed by Dooley and Vicars, LLP, a highly regarded, independent auditing firm in Richmond, VA. All six audits had unqualified opinions with no findings.

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

25. DIFFERENT REPORTING PERIODS

The Roanoke Redevelopment and Housing Authority has a September 30th year end and each of the six discrete component units have December 31st year ends. The December 31, 2012 financial statements for the component units are included in the Authority's September 30, 2013 basic financial statements in the component unit column. According to the Governmental Accounting Standards Board (GASB) Statement 14, paragraph 59.118, 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. Statement 14 continues 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, 2012	\$ 1,651,641
Net Transfers from January 1, 2013 to September 30, 2013	<u>(1,651,641)</u>
Balance at September 30, 2013	<u>-</u>
<u>RRHA - Due to/Due from Day Ave, LP</u>	<u>DR (CR)</u>
Balance at December 31, 2012	474,594
Net Transfers from January 1, 2013 to September 30, 2013	<u>(474,594)</u>
Balance at September 30, 2013	<u>-</u>
<u>RRHA - Due to/Due from Park Street Housing, LP</u>	<u>DR (CR)</u>
Balance at December 31, 2012	2,255,101
Net Transfers from January 1, 2013 to September 30, 2013	<u>(390)</u>
Balance at September 30, 2013	<u>2,254,711</u>
<u>RRHA - Due to/Due from Stepping Stone, LP</u>	<u>DR (CR)</u>
Balance at December 31, 2012	1,302
Net Transfers from January 1, 2013 to September 30, 2013	<u>346</u>
Balance at September 30, 2013	<u>1,648</u>
<u>RRHA - Due to/Due from Indian Village, LP</u>	<u>DR (CR)</u>
Balance at December 31, 2012	2,979
Net Transfers from January 1, 2013 to September 30, 2013	<u>(927)</u>
Balance at September 30, 2013	<u>2,052</u>
<u>RRHA - Due to/Due from Hurt Park, LP</u>	<u>DR (CR)</u>
Balance at December 31, 2012	4,076
Net Transfers from January 1, 2013 to September 30, 2013	<u>(361)</u>
Balance at September 30, 2013	<u>\$ 3,715</u>
<u>RRHA - Due to/Due from RVHC</u>	<u>DR (CR)</u>
Balance at December 31, 2012	35
Net Transfers from January 1, 2013 to September 30, 2013	<u>(35)</u>
Balance at September 30, 2013	<u>\$ -</u>

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

26. GRANTS

During the fiscal year ended September 30, 2013, the Authority closed the following grants:

Capital Fund Program <u>Grant Number</u>	Expenditures prior to fiscal <u>year 2013</u>	Expenditures for fiscal <u>year 2013</u>	Total <u>Expenditures</u>
VA36P011501-09	\$ 2,188,765	170,724	2,359,489
VA36P011501-10	\$ 1,874,907	296,193	2,171,100
VA36S011501II198	<u>15,373,940</u>	<u>-</u>	<u>15,373,940</u>
	<u>\$ 19,437,612</u>	<u>466,917</u>	<u>19,904,529</u>

27. SUBSEQUENT EVENTS

Management has evaluated subsequent events through April 3, 2014, the date the financial statements were available to be issued. During the 2013 fiscal year Day Ave., L.P. completed the sale of final house for the project and ceased its operations. During the 2013 fiscal year Shenadoah Crossing, L.P. sold the rental building to a new owner and began the process of ceasing its operations.

28. OTHER POSTEMPLOYMENT BENEFIT PLAN

Plan Description

The Authority participates in a healthcare plan managed by the Commonwealth of Virginia and administered by Anthem Blue Cross and Blue Shield. The plan subsidizes retiree medical health care coverage at various rates based upon age at retirement. The health care plan is fully-insured and partially experienced-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 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, 2013, the other postemployment plan (OPEB) expense was \$58,600.

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)

28. OTHER POSTEMPLOYMENT BENEFIT PLAN (continued)

Annual Required Contribution	\$	58,600
Interest on Net OPEB Obligation		8,390
Adjustment to annual required contribution		<u>(7,947)</u>
Annual OPEB expense		59,043
Contributions made		<u>(39,822)</u>
Increase in net OPEB obligation		19,221
Net OPEB Obligation-beginning of year		<u>186,441</u>
Net OPEB Obligation-end of year	\$	<u><u>205,662</u></u>

The employer contributions of \$39,822 represent 68% of the annual required contribution for the year ended September 30, 2013. The annual required contribution calculation for the year ended September 30, 2013 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		56,077
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		-
Unfunded Actuarial Accrued Liability (UAAL)	\$	<u><u>583,714</u></u>

Funded ratio 0 %

Covered payroll \$ 2,828,813

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 below shows 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.

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

28. OTHER POSTEMPLOYMENT BENEFIT PLAN (continued)

Schedule of Funding Progress for the Authority OPEB Plan

<u>As of</u>	<u>Actuarial Value of Assets</u> (a)	<u>Actuarial Liability (AAL)</u> (b)	<u>Unfunded AAL (UAAL)</u> (b-a)	<u>Funded Ratio</u> (a/b)	<u>Covered Payroll</u> (c)	<u>UAAL as % of Covered Payroll</u> ((b-a)/c)
10/1/2010	\$-	\$1,349,461	\$1,349,461	0%	\$3,099,765	43.5%
10/1/2011	\$-	\$583,714	\$583,714	0%	\$2,828,813	20.6%
10/1/2012	\$-	\$583,714	\$583,714	0%	\$2,828,813	20.6%
10/1/2013	\$-	\$583,714	\$583,714	0%	\$2,828,813	20.6%

Schedule of Employer Contributions for the Authority OPEB Plan

<u>FYE</u>	<u>Employer Contributions</u> a	<u>Annual Required Contribution (ARC)</u> b	<u>% of ARC Contributed</u> c=a/b
9/30/2010	\$77,072	\$148,561	51.9%
9/30/2011	\$36,451	\$58,600	62.2%
9/30/2012	\$40,096	\$58,600	68.4%
9/30/2013	\$39,822	\$58,600	68.0%

29. NEW ACCOUNTING PRONOUNCEMENTS

The Authority adopted the newly implemented Governmental Accounting Standard requiring the reporting of deferred outflows, deferred inflows, and net position. The term Net Assets will no longer be used and will be replaced with Net Position. The Statement of Net Position includes the reporting of assets, deferred outflows, liabilities and deferred inflows. The deferred outflows are reported under assets and deferred inflows are reported under liabilities on the Statement of Net Position. Items previously classified as assets and liabilities but not meeting that definition have then been reviewed for categorization as deferred outflows or deferred inflows. Items not classified as an asset, deferred outflows, liability or deferred inflows have been charged to the Statement of Activities in the current year. The Authority did not have any deferred outflows or deferred inflows to be included on the Statement of Net Position at year end.

30. UNCERTAIN TAX POSITIONS

The Authority had no unrecognized tax benefits at September 30, 2013 and no open years prior to September 30, 2010. The Authority files tax returns in the U.S. federal jurisdiction and the State of Virginia.

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

12 LEXINGTON AVENUE TOMS RIVER, NJ 08753 PHONE (732) 240-7377 FAX (732) 505-8307 WEBSITE: jumpcpa.com

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Roanoke Redevelopment and Housing Authority, (the "Authority"), as of and for the year ended September 30, 2013 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated April 3, 2014.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

April 3, 2014
Toms River, New Jersey

Jump Santillano c Company LLP

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

12 LEXINGTON AVENUE TOMS RIVER, NJ 08753 PHONE (732) 240-7377 FAX (732) 505-8307 WEBSITE: jumpcpa.com
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

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

Report on Compliance for Each Major Federal Program

We have audited Roanoke Redevelopment and Housing Authority's, (the "Authority"), compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of the Authority's major federal programs for the year ended September 30, 2013. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and 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 audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the Authority's compliance.

Opinion of Each Major Federal Program

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2013.

Report on Internal Control Over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

April 3, 2014
Toms River, New Jersey

Jump, Santellaro e Panpay LLP

Roanoke Redevelopment and Housing Authority

Schedule of Expenditures of Federal Awards

For the Year Ended September 30, 2013

<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	\$ 3,934,624
Housing Choice Vouchers	14.871	9,786,079
Mainstream	14.181	163,658
Resident Opportunity and Support Services	14.870	289,571
Public Housing Capital Fund Program	14.872	2,058,601
Choice Neighborhoods Planning Grants	14.892	14,514
Pass-through from City of Roanoke:		
Shelter Plus Care Program	14.238	133,571
Community Development Block Grant	14.218	<u>2,590</u>
		<u>\$16,383,208</u>

Roanoke Redevelopment and Housing Authority

Notes to Schedule of Federal Awards

September 30, 2013

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, 2013, 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, 2013

I. Summary of Auditor's Results

Financial Statement Section

- | | | |
|----|---|------------|
| 1. | Type of auditor's report issued: | Unmodified |
| 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 Rent Public Housing | Unmodified |
| | Public Housing Capital Fund | Unmodified |
| 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 | \$491,496 |
| 5. | Auditee qualified as low risk? | Yes |

6. Major Programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
14.850	Low Rent Public Housing
14.872	Public Housing Capital Fund

Roanoke Redevelopment and Housing Authority
Schedule of Findings and Questioned Costs (continued)

September 30, 2013

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 (continued)

September 30, 2013

Current year findings and questioned costs

None

Supplementary Information

Roanoke Redevelopment and Housing Authority

Schedule of Funding Progress

For the Year Ended September 30, 2013

Schedule of Funding Progress for the Authority Pension Plan:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio Assets as % of AAL (a/b)	Covered Payroll (c)	UAAL as % of Covered Payroll ((b-a)/c)
6/30/13	1,335,603	1,099,123	(236,480)	121.52%	2,793,262	(8.47)%
6/30/12	1,006,319	902,866	(103,453)	111.46%	2,969,069	(3.48)%

Schedule of Funding Progress for the Authority OPEB Plan:

As of	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as % of Covered Payroll ((b-a)/c)
10/1/2010	\$-	\$1,349,461	\$1,349,461	0%	\$3,099,765	43.5%
10/1/2011	\$-	\$583,714	\$583,714	0%	\$2,828,813	20.6%
10/1/2012	\$-	\$583,714	\$583,714	0%	\$2,828,813	20.6%
10/1/2013	\$-	\$583,714	\$583,714	0%	\$2,828,813	20.6%

Balance Sheet															
FDS #	Row #	Description	Total AMPs	S8 HCY Fund 306 14,871	S8 HCY Fund 306 399,709	S8 HCY Fund 306 124,523	S8 HCY Fund 306 151,541	S8 HCY Fund 306 524,232	Choice Neighborhood 14,892	S8 MAINSTREAM Fund 310 14,181	S8 Mod Rehab Prgrms Combined 14,856	Hope VI 14,866	ROSS 14,870	CDBG 14,218	HOME 14,239
111	7	Cash-unrestricted	4,442,411							119,999	214,257				
112	8	Cash-restricted-modernization and development	-												
113	9	Cash-other restricted	437,689												
114	10	Cash-tenant security deposits	151,541												27,441
115	11	Cash - Restricted for payment of current liability	-												
100	12	Total Cash	5,031,641							119,999	214,257				27,441
121	14	Accounts receivable - PHA projects	-												
122-010	15	Accounts receivable - HUD other projects - Operating Subsidy	1,298												
122-020	16	Accounts receivable - HUD other projects - Capital fund	364,412												
122-030	17	Accounts receivable - HUD other projects - Other	94,561						2,289				31,825		
122	18	Accounts receivable - HUD other projects	460,271						2,289				31,825		
124	19	Account receivable - other government	-											8,353	1,389
125-010	20	Account receivable - miscellaneous - Not For Profit	-												
125-020	21	Account receivable - miscellaneous - Partnership	-												
125-030	22	Account receivable - miscellaneous - Joint Venture	-												
125-040	23	Account receivable - miscellaneous - Tax Credit	-												
125-050	24	Account receivable - miscellaneous - Other	19,919	6,438											
125	25	Account receivable - miscellaneous	19,919	6,438											
126	26	Accounts receivable - tenants	53,559												
126	27	Allowance for doubtful accounts - tenants	(19,394)												
126	28	Allowance for doubtful accounts - other	-												
127	29	Notes, Loans, & Mortgages Receivable - Current	-											17,593	14,294
128	30	Fraud recovery	-	54,479											
128	31	Allowance for doubtful accounts - fraud	-	(9,006)											
129	32	Accrued interest receivable	8,332												
120	33	Total receivables, net of allowance for doubtful accounts	524,687	51,911					2,289				31,825	27,928	16,760
131	35	Investments - unrestricted	2,113,449												
132	36	Investments - restricted	-												
135	37	Investments - Restricted for payment of current liability	-												
142	38	Prepaid expenses and other assets	215,668			24,208									
143	39	Inventories	-												
143	40	Allowance for obsolete inventories	-												
144	41	Inter program - due from	9,624												7,360
145	42	Assets held for sale	-												
150	43	Total Current Assets	7,895,069	600,351					2,289	119,999	214,257		31,825	27,928	51,561
161	45	Land	11,197,132												
162	46	Buildings	68,279,837	233,250											4,215,961
163	47	Furniture, equipment and machinery - dwellings	767,669												
164	48	Furniture, equipment and machinery - administration	929,139	130,450											
165	49	Leasehold improvements	-												
166	50	Accumulated depreciation	(53,667,815)	(328,622)											
167	51	Construction in progress	4,614,405												
168	52	Infrastructure	-												
160	53	Total capital assets, net of accumulated depreciation	32,120,367	35,078											5,593,960

Balance Sheet											
FDS #	Row #	Description	Total ANIPs	SB HCY Fund 306 14,871	Choice Neighborhood 14,892	SB MAINSTREAM Fund 310 14,181	SB Mod Rehab Prgrms Combined 14,856	Hope VI 14,866	ROSS 14,870	CDBG 14,218	HOME 14,239
171-010	55	Notes, Loans, & mortgages receivable - Non-current - Not For Profit	-								
171-020	56	Notes, Loans, & mortgages receivable - Non-current - Partnership	-								
171-030	57	Notes, Loans, & mortgages receivable - Non-current - Joint Venture	-								
171-040	58	Notes, Loans, & Mortgages receivable - Non-current - Tax Credit	-								
171-050	59	Notes, Loans, & Mortgages receivable - Non-current - Other	-							532,827	1,378,640
171	60	Notes, Loans, & Mortgages receivable - Non-current	-							532,827	1,378,640
172-010	61	Notes, Loans, & mortgages receivable - Non-current - past due - Not For Profit	-								
172-020	62	Notes, Loans, & mortgages receivable - Non-current - Partnership	-								
172-030	63	Notes, Loans, & mortgages receivable - Non-current - Joint Venture	-								
172-040	64	Notes, Loans, & Mortgages receivable - Non-current - Tax Credit	-								
172-050	65	Notes, Loans, & Mortgages receivable - Non-current - Other	-								
172	66	Notes, Loans, & Mortgages receivable - Non-current	-								
173	67	Grants receivable - Non-current	-								
174-040	68	Other assets - Tax Credit	-								
174-050	69	Other assets - Other	-								
174	70	Other assets	-								
176-010	71	Investment in Joint venture - Not For Profit	-								
176-020	72	Investment in Joint venture - Partnership	-								
176-030	73	Investment in Joint venture - Joint Venture	-								
176-040	74	Investment in Joint venture - Tax Credit	-								
176-050	75	Investment in Joint venture - Other	-								
176	76	Investment in joint venture	-								
180	77	Total Non-current Assets	32,120,367	35,078	-	-	-	-	-	6,126,787	1,378,640
190	79	Total Assets	40,015,436	635,429	2,289	119,999	214,257	-	31,825	6,154,715	1,430,201

311	81	Bank overdraft	-								
312	82	Accounts payable <= 90 days	82,264								
313	83	Accounts payable > 90 days past due	-								
321	84	Accrued wage/payroll taxes payable	52,548	14,450	1,190				5,473		
322	85	Accrued compensated absences - current portion	47,479	9,251					1,255		
324	86	Accrued contingency liability	-								
325	87	Accrued interest payable	7,092								
331-010	88	Accounts payable - HUD PHA Programs - Operating Subsidy	-			11,909					
331-020	89	Accounts payable - HUD PHA Programs - Capital fund	-								
331-030	90	Accounts payable - HUD PHA Programs - Other	-								
331	91	Accounts payable - HUD PHA Programs	-			11,909					
332	92	Accounts payable - PHA Projects	-								
333	93	Accounts payable - other government	119,927								
341	94	Tenant security deposits	151,541							4,532	37,267
342-010	95	Deferred revenue - Operating Subsidy	6,134								

Balance Sheet

FDS #	Row #	Description	Total AMPs	S8 HCV Fund 306	Choice Neighborhood	S8 MAINSTREAM Fund 310	S8 Mod Rehab Prgrms Combined	Hope VI	ROSS	CDBG	HOME
342-020	96	Deferred revenue - Capital fund	-								
342-030	97	Deferred revenue - Other	23,419								
342	98	Deferred revenue	29,553								
343-010	99	CFPP	426,772								
343-020	100	Capital Projects/ Mortgage Revenue									
343	101	Curr portion long-term debt - capital prjcs/mortg revenue/bonds	426,772								
344	102	Current portion of long-term debt - operating borrowings	-								
345	103	Other current liabilities	65,042								
346	104	Accrued liabilities - other	-								
347	105	Inter program - due to	-		1,099				8,525	7,360	
348-010	106	Loan liability - current - Not For Profit	-								
348-020	107	Loan liability - current - Partnership	-								
348-030	108	Loan liability - current - Joint Venture	-								
348-040	109	Loan liability - current - Tax Credit	-								
348-050	110	Loan liability - current - Other	-								
348	111	Loan liability - current	-								
310	112	Total Current Liabilities	982,218	23,701	2,289	11,909	-	-	15,253	29,485	51,561
351-010	114	Long-term debt - CFPP	-								
351-020	115	Long-term - Capital Projects/ Mortgage Revenue	-								
351	116	Capital Projects- Mortgages/ Revenue Bonds	-								
352	117	Long-term debt, net of current - operating borrowings	-								
353	118	Non-current liabilities - other	57,551	118,142							
354	119	Accrued compensated absences- Non-current	-								
355-010	120	Loan liability - Non-current - Not For Profit	-								
355-020	121	Loan liability - Non-current - Partnership	-								
355-030	122	Loan liability - Non-current - Joint Venture	-								
355-040	123	Loan liability - Non-current - Tax Credit	-								
355-050	124	Loan liability - Non-current - Other	-								
355	126	Loan liability - Non-current	-							532,813	1,378,640
356	127	FASB 5 Liabilities	-								
357	128	Accrued Pension and OPEB Liability	146,578	19,262					16,572		
350	129	Total Non-current liabilities	204,129	137,404	-	-	-	-	16,572	532,813	1,378,640
300	131	Total Liabilities	1,186,347	161,105	2,289	11,909	-	-	31,825	562,298	1,430,201
508	133	Invested in capital assets, net of related debt	31,693,595	35,078	-	-	-	-	-	5,593,960	-
511		Restricted Net Assets	380,135	30,245							
512		Unrestricted Net Assets	6,755,159	409,001		108,090	214,257			(1,513)	
513	136	Total Equity/Net Assets	38,829,089	474,324	-	108,090	214,257	-	-	5,592,417	-
600	138	Total Liabilities and Equity/Net assets	40,015,436	635,429	2,289	119,999	214,257	-	31,825	6,154,715	1,430,201

		Income Statement									
FDS #	Row #	Description	Total AMPs	S8 HCV Fund 306 14,871	S8 MAIN-STREAM FUND 310 14,181	S8 Mod Rehab Prgm Total 14,856	Hope VI 14,866	ROSS 14,870	CDBG 14,218	HOME 14,239	
70300	144	Net tenant rental revenue	2,917,927								
70400	145	Tenant revenue - other	285,230								
70500	146	Total Tenant Revenue	3,203,157								
70600-010	148	Housing assistance payments	-	8,956,919	133,997						
70600-020	149	Ongoing administrative fees earned	-	777,698	29,661						
70600-030	150	FSS Coordinator	-	51,462							
70600-040	151	Actual independent public accountant audit costs	-								
70600-050	152	Total preliminary fees earned	-								
70600-060	153	Interest earned on advances	-								
70600-070	154	Admin fee calculation description	-								
70600	155	HUD PHA operating grants	4,162,429	9,786,079	163,658			289,571	2,590	-	
70610	156	Capital grants	1,830,796								
70710	158	Management Fee	-								
70720	159	Asset Management Fee	-								
70730	160	Book-Keeping Fee	-								
70740	161	Front Line Service Fee	-								
70750	162	Other Fees	-								
70700	163	Total Fee Revenue	-								
70800	165	Other government grants	-								
71100-010	166	Housing Assistance Payment	-								
71100-020	167	Administrative Fee	(41,450)								
71100	168	Investment income - unrestricted	1,200						954	1,672	
71200	169	Mortgage interest income	-								
71300	170	Proceeds from disposition of assets held for sale	-								
71310	171	Cost of sale of assets	-								
71400-010	172	Housing Assistance Payment	-	2,197							
71400-020	173	Administrative Fee	-	2,196							
71400	174	Fraud recovery	-	4,393							
71500	175	Other revenue	102,933	10,807							
71600	176	Gain or loss on sale of capital assets	-								
72000-010	177	Housing Assistance Payment	-	79							
72000-020	178	Administrative Fee	-	79							
72000	179	Investment income - restricted	-								
70000	180	Total Revenue	9,259,065	9,801,358	14,514	163,658	-	289,571	3,544	1,672	
91100	182	Administrative salaries	459,936	282,936	11,432	7,773					
91200	183	Auditing fees	25,930	14,205							
91300	184	Management Fees	1,037,074	142,598							
91310	185	Book-Keeping Fee	112,920	142,028							
91400	186	Advertising and Marketing	10,918	864							
91500	187	Employee benefit contributions - administrative	134,600	87,777	3,082	2,327					
91600	188	Office Expenses	214,841	25,714							
91700	189	Legal Expense	141,356	27							
91800	190	Travel	1,864	576							
91810	191	Allocated Overhead	-								
91900	192	Other	124,452	79,602							
91000	193	Total Operating-Administrative	2,463,871	776,327	14,514	12,730	-	-	1,646	1,646	
92000	195	Asset Management Fee	151,320								
92100	197	Tenant services - salaries	125,178	36,962						182,152	
92200	198	Relocation Costs	704								

Income Statement										
FDS #	Row #	Description	Total AMIPs	S8 HCY Fund 306 14,871	S8 MAIN-STREAM FUND 310 14,181	S8 Mod Rehab Prgm Total 14,856	Hope VI 14,866	ROSS 14,870	CDBG 14,218	HOME 14,239
92300	199	Employee benefit contributions - tenant services	38,603	11,100				43,468		
92400	200	Tenant services - other	53,396	3,329				63,753		
92500	201	Total Tenant Services	217,881	51,391				289,373		
93100	203	Water	355,457	999	26					
93200	204	Electricity	619,690	1,482	39					
93300	205	Gas	501,870	1,910	49					
93400	206	Fuel	-							
93500	207	Labor	-							
93600	208	Sewer	368,051	1,013	27					
93700	209	Employee benefit contributions - utilities	-							
93750		HAP Portability-In	-							
93800	211	Other utilities expense	-							
93000	212	Total Utilities	1,845,068	5,404	141					
94100	214	Ordinary maint & operations-labor	742,339							
94200	215	Ordinary maint & operations-materials and other	387,102		176					
94300-010	216	Ordinary maint & operations contracts-Garbage/Trash Removal	134,529							
94300-020	217	Ordinary maint & operations contracts-Heating & Cooling	44,012							
94300-030	218	Ordinary maint & operations contracts-Snow Removal	-							
94300-040	219	Ordinary maint & operations contracts-Elevator Maint	63,938							
94300-050	220	Ordinary maint & operations contracts-Landscape & Grounds	139,163							
94300-060	221	Ordinary maint & operations contracts-Unit Turnaround	165,249							
94300-070	222	Ordinary maint & operations contracts-Electrical	71,384							
94300-080	223	Ordinary maint & operations contracts-Plumbing	33,091							
94300-090	224	Ordinary maint & operations contracts-Extermination	74,694							
94300-100	225	Ordinary maint & operations contracts-Junitorial	7,871							
94300-110	226	Ordinary maint & operations contracts-Routine Maint	277,634							
94300-120	227	Ordinary maint & operations contracts-Misc	107,237	7,176						
94300	228	Ordinary Maintenance and Operations Contracts	1,118,802	7,176						
94500	229	Ordinary maint- Employee benefit contributions	232,473							
94000	230	Total Maintenance	2,480,716	7,176	176					
95100	232	Protective services - labor	-							
95200	233	Protective services - other contract costs	-							
95300	234	Protective services - other	-							
95500	235	Protective services - Employee benefit contributions	-							
95000	236	Total Protective Services	-							
96110	238	Property insurance	151,747							
96120	239	Liability insurance	57,183	6,562						
96130	240	Workers' Compensation	28,592	5,618						
96140	241	All other insurance	14,605	1,485	361					

		Income Statement									
FDS #	Row #	Description	Total AMPs	S8 HCV Fund 306	S8 MAIN-STREAM FUND 310	S8 Mod Rehab Prgm Total	Hope VI	ROSS	CDBG	HOME	
96100	242	Total Insurance Premiums	252,127	13,665	14,181	14,856	14,866	14,870	14,218	14,239	
96200	244	Other general expenses	10,664						1,898	1,672	
96210	245	Compensated absences	(881)					198			
96300	246	Payments in lieu of taxes	119,927	25,941							
96400	247	Bad debt - tenant rents	93,945								
96500	248	Bad debt - mortgages	-								
96600	249	Bad debt - other	-								
96800	250	Severance expense	-								
96000	251	Total Other General Expenses	223,655	25,941	-	-	-	198	1,898	1,672	
96710	253	Interest of Mortgage (or Bonds) Payable	36,138								
96720	254	Interest on Notes Payable (Short and Long Term)	-								
96730	255	Amortization of Bond Issue Costs	401								
96700	256	Interest expense and Amortization cost	36,539								
96900	258	Total Operating Expenses	7,471,177	879,904	14,514	13,408	-	289,571	3,544	1,672	
97000	260	Excess Revenue Over Operating Expenses	1,787,888	8,921,454	-	150,250	-	-	-	-	
97100	262	Extraordinary maintenance	222,469								
97200	263	Casualty losses- Non-capitalized	4,484								
97300-010	264	Mainstream 1 & 5 year	-		194,847						
97300-020	265	Home-Ownership	-								
97300-023	266	Litigation	-								
97300-030	267	Hope IV	-								
97300-033	268	Moving to Work	-								
97300-040	269	Tenant Protection	-								
97300-050	270	Portability In	-								
97300-060	271	Enhanced	-								
97300-070	272	All Other	-	9,660,106							
97300-100	273	Total HAP Payment	-								
97300	274	Housing assistance payments	-	9,660,106	194,847						
97350	275	HAP Portability In	-	10,480							
97400	276	Depreciation expense	2,321,844	10,683					61,038		
97500	277	Fraud losses	-								
97800	278	Dwelling units rent expense	-								
90000	279	Total Expenses	10,019,974	10,561,173	14,514	208,255	-	289,571	64,582	1,672	
10010	281	Operating transfer in									
10020	282	Operating transfer out	20,559								
10030-010	283	Net For Profit	(20,559)								
10030-020	284	Partnership	-								
10030-030	285	Joint Venture	-								
10030-040	286	Tax Credit	-								
10030-050	287	Other	-								
10030	288	Operating transfers from / to primary government	-								
10040	289	Operating transfers from / to component unit	-								
10070	290	Extraordinary items, net gain/loss	-								
10080	291	Special items, net gain/loss	-								
10091	292	Inter AMP Excess Cash Transfer In	-								
10092	293	Inter AMP Excess Cash Transfer Out	-								
10093	294	Transfers from Program to AMP	-	(60,850)							
10094	295	Transfers from AMP to Program	-								
10100	296	Total other financing sources (uses)	-	(60,850)		60,850	-	-	-	-	

Income Statement

FDS #	Row #	Description	Total AMP's	S8 HCY Fund 306 14.871	S8 MAIN-STREAM FUND 310 14.181	S8 Mod Rehab Prgm Total 14.956	Hope VI 14.866	ROSS 14.870	CDBG 14.218	HOME 14.239
18000	298	Excess (Deficiency) of Revenue Over (Under) Expenses	(760,909)	(820,665)	16,253	-	-	-	(61,038)	-
11020	300	Required Annual Debt Principal Payments	410,748	-	-	-	-	-	-	-
11030	302	Beginning equity	31,290,423	1,294,989	91,837	214,257	9,517,023	-	5,653,455	-
11040-010	304	Prior period adjustments and correction of errors - Editable	-	-	-	-	-	-	-	-
11040-020	305	Prior period adjustments and correction of errors - Editable	-	-	-	-	-	-	-	-
11040-030	306	Prior period adjustments and correction of errors - Editable	-	-	-	-	-	-	-	-
11040-040	307	Prior period adjustments and correction of errors - Editable	-	-	-	-	-	-	-	-
11040-050	308	Prior period adjustments and correction of errors - Editable	-	-	-	-	-	-	-	-
11040-060	309	Prior period adjustments and correction of errors - Editable	-	-	-	-	-	-	-	-
11040-070	310	Equity Transfers (UNRESTRICTED)	-	-	-	-	-	-	-	-
11040-080	311	Equity Transfers (RESTRICTED)	-	-	-	-	-	-	-	-
11040-090	312	Equity Transfers	-	-	-	-	-	-	-	-
11040-100	313	Equity Transfers	9,517,023	-	-	-	(9,517,023)	-	-	-
11040-110	314	Equity Transfers	(1,217,448)	-	-	-	-	-	-	-
11040	315	Prior period adjustments, equity transfers, & correction of errors	8,299,575	-	-	-	(9,517,023)	-	-	-

		Balance Sheet										Total	Component Units Combined	Entity Wide Total
FDS #	Row #	Description	STATE/ LOCAL	2012 Shelter Plus Care 14,238	Business Activity	Central Office Cost Center	Eliminations	Total		Component Units Combined		Entity Wide Total		
111	7	Cash-unrestricted	1,754,438	-	-	848,693	-	7,779,507	527,180	-	8,306,687	-		
112	8	Cash-restricted-modernization and development	-	-	-	-	-	-	-	-	-	-		
113	9	Cash-other restricted	157,543	-	-	-	-	747,196	538,311	-	1,285,507	-		
114	10	Cash-tenant security deposits	-	-	5,414	-	-	156,955	64,657	-	221,612	-		
115	11	Cash - Restricted for payment of current liability	-	-	-	-	-	-	-	-	-	-		
100	12	Total Cash	1,911,981	-	5,414	848,693	-	8,683,658	1,130,148	-	9,813,806	-		
121	14	Accounts receivable - PHA projects	-	-	-	-	-	-	-	-	-	-		
122-010	15	Accounts receivable - HUD other projects - Operating Subsidy	-	-	-	-	-	1,298	-	-	1,298	-		
122-020	16	Accounts receivable - HUD other projects - Capital fund	-	-	-	-	-	364,412	-	-	364,412	-		
122-030	17	Accounts receivable - HUD other projects - Other	-	-	-	-	-	128,675	-	-	128,675	-		
122	18	Accounts receivable - HUD other projects	-	-	-	-	-	494,385	-	-	494,385	-		
124	19	Account receivable - other government	52,684	-	-	-	-	62,426	-	-	62,426	-		
125-010	20	Account receivable - miscellaneous - Not For Profit	-	-	-	-	-	-	-	-	-	-		
125-020	21	Account receivable - miscellaneous - Partnership	-	-	-	-	-	-	-	-	-	-		
125-030	22	Account receivable - miscellaneous - Joint Venture	-	-	-	-	-	-	-	-	-	-		
125-040	23	Account receivable - miscellaneous - Tax Credit	-	-	19,949	-	-	19,949	-	-	19,949	-		
125-050	24	Account receivable - miscellaneous - Other	-	552	-	198,489	-	18,416	-	(210,041)	18,416	-		
125	25	Account receivable - miscellaneous	-	552	19,949	198,489	-	38,365	-	(210,041)	38,365	-		
126	26	Accounts receivable - tenants	-	-	5,147	-	-	60,706	-	-	60,706	-		
126	27	Allowance for doubtful accounts - tenants	-	-	(5,147)	-	-	(24,541)	-	-	(94,822)	-		
126	28	Allowance for doubtful accounts - other	-	-	-	-	-	-	-	-	-	-		
127	29	Notes, Loans, & Mortgages Receivable - Current	211,282	-	-	-	-	243,169	-	-	243,169	-		
128	30	Fraud recovery	-	-	-	-	-	54,479	-	-	54,479	-		
128	31	Allowance for doubtful accounts - fraud	-	-	-	-	-	(9,006)	-	-	(9,006)	-		
129	32	Accrued interest receivable	13,275	-	-	-	-	21,607	-	-	21,607	-		
120	33	Total receivables, net of allowance for doubtful accounts	277,241	552	19,949	198,489	(210,041)	941,590	37,042	-	973,632	-		
131	35	Investments - unrestricted	656,590	-	-	-	-	2,770,039	-	-	2,770,039	-		
132	36	Investments - restricted	-	-	-	-	-	-	-	-	-	-		
135	37	Investments - Restricted for payment of current liability	-	-	-	-	-	-	-	-	-	-		
142	38	Prepaid expenses and other assets	188	-	10,355	25,097	-	275,516	211,277	-	486,793	-		
143	39	Inventories	-	-	-	-	-	-	-	-	-	-		
143	40	Allowance for obsolete inventories	-	-	-	-	-	-	-	-	-	-		
144	41	Inter program - due from	-	-	-	631,115	(648,099)	-	-	-	-	-		
145	42	Assets held for sale	1,795,323	-	150,960	-	-	1,946,283	601,094	-	2,547,377	-		
150	43	Total Current Assets	4,641,323	552	186,678	1,703,394	(858,140)	14,617,086	1,974,561	-	16,591,647	-		
161	45	Land	17,058	-	146,086	-	-	15,576,237	3,220,334	-	18,796,571	-		
162	46	Buildings	-	-	659,005	-	-	69,172,092	31,910,470	-	101,082,562	-		
163	47	Furniture, equipment and machinery - dwellings	-	-	-	-	-	767,669	105,896	-	873,565	-		
164	48	Furniture, equipment and machinery - administration	-	-	24,285	391,616	-	1,475,490	127,669	-	1,603,159	-		
165	49	Leasehold improvements	-	-	-	-	-	-	-	-	-	-		
166	50	Accumulated depreciation	(445,344)	-	(601,702)	(366,870)	-	(55,854,671)	(6,587,262)	-	(62,441,933)	-		
167	51	Construction in progress	-	-	-	-	-	4,614,405	-	-	4,614,405	-		
168	52	Infrastructure	1,287,000	-	-	-	-	3,109,317	-	-	3,109,317	-		
160	53	Total capital assets, net of accumulated depreciation	858,714	-	227,674	24,746	-	38,860,539	28,777,107	-	67,637,646	-		

FDS #		Balance Sheet		STATE/ LOCAL	2012 Shelter Plus Care 14,238	Business Activity	Central Office Cost Center	Eliminations	Total	COMPONENT UNITS COMBINED 6	ENTITY WIDE TOTAL
Row #	Description										
171-010	Notes, Loans, & mortgages receivable - Non-current - Not For Profit										
55											
171-020	Notes, Loans, & mortgages receivable - Non-current - Partnership										
56											
171-030	Notes, Loans, & mortgages receivable - Non-current - Joint Venture										
57											
171-040	Notes, Loans, & Mortgages receivable - Non-current - Tax Credit										
58											
171-050	Notes, Loans, & Mortgages receivable - Non-current - Other	856,182						(54,649)	2,713,000		2,713,000
59											
171	Notes, Loans, & Mortgages receivable - Non-current	856,182						(54,649)	2,713,000		2,713,000
60											
172-010	Notes, Loans, & mortgages receivable - Non-current - past due - Not For Profit										
61											
172-020	Notes, Loans, & mortgages receivable - Non-current - Partnership										
62											
172-030	Notes, Loans, & mortgages receivable - Non-current - Joint Venture										
63											
172-040	Notes, Loans, & Mortgages receivable - Non-current - Tax Credit										
64											
172-050	Notes, Loans, & Mortgages receivable - Non-current - Other										
65											
172	Notes, Loans, & Mortgages receivable - Non-current										
66											
173	Grants receivable - Non-current										
67											
174-040	Other assets - Tax Credit										
68											
174-050	Other assets - Other									201,560	201,560
69											
174	Other assets									201,560	201,560
70											
176-010	Investment in Joint venture - Not For Profit										
71											
176-020	Investment in Joint venture - Partnership										
72											
176-030	Investment in Joint venture - Joint Venture										
73											
176-040	Investment in Joint venture - Tax Credit										
74											
176-050	Investment in Joint venture - Other										
75											
176	Investment in Joint venture										
76											
180	Total Non-current Assets	1,714,896				227,674	24,746	(54,649)	41,573,539	28,978,667	70,552,206
77											
190	Total Assets	6,356,219	552	414,352	1,728,140	(912,789)	56,190,625	30,953,228	87,143,853		
311	Bank overdraft										
81											
312	Accounts payable <= 90 days			1,143					83,714	159,427	243,141
82											
313	Accounts payable > 90 days past due										
83											
321	Accrued wage/payroll taxes payable			4,342					126,131		126,131
84											
322	Accrued compensated absences - current portion			3,697					104,816		104,816
85											
324	Accrued contingency liability										
86											
325	Accrued interest payable			1,638					8,730	86,775	95,505
87											
331-010	Accounts payable - HUD PHA Programs - Operating Subsidy								11,909		11,909
88											
331-020	Accounts payable - HUD PHA Programs - Capital fund										
89											
331-030	Accounts payable - HUD PHA Programs - Other										
90											
331	Accounts payable - HUD PHA Programs								11,909		11,909
91											
332	Accounts payable - PHA Projects								446,256	23,160	469,416
92											
333	Accounts payable - other government	284,530							156,955	62,350	219,305
93											
341	Tenant security deposits			5,414					6,134		6,134
94											
342-010	Deferred revenue - Operating Subsidy										
95											

Balance Sheet										
FDS #	Row #	Description	STATE/ LOCAL	2012 Shelter Plus Care 14,238	Business Activity	Central Office Cost Center	Eliminations	Total	COMPONENT UNITS COMBINED 6	ENTITY WIDE TOTAL
342-020	96	Deferred revenue - Capital fund						23,419	1,296	24,715
342-030	97	Deferred revenue - Other						29,553	1,296	30,849
342	98	Deferred revenue						426,772		426,772
343-010	99	CFPP								
343-020	100	Capital Projects/ Mortgage Revenue								
343	101	Curr portion long-term debt - capital proj's/mortg revenue bonds			10,173			436,945	118,833	555,778
344	102	Current portion of long-term debt - operating borrowings								
345	103	Other current liabilities			18,000		(18,000)	65,042		65,042
346	104	Accrued liabilities - other			1,190	13,539		16,729		16,729
347	105	Inter program - due to		552	630,563		(648,099)			
348-010	106	Loan liability - current - Not For Profit								
348-020	107	Loan liability - current - Partnership								
348-030	108	Loan liability - current - Joint Venture								
348-040	109	Loan liability - current - Tax Credit	238,653					270,540	289,714	560,254
348-050	110	Loan liability - current - Other	238,653					270,540	289,714	560,254
348	111	Loan liability - current	238,653					270,540	289,714	560,254
310	112	Total Current Liabilities	524,821	552	674,522	107,108	(666,099)	1,757,320	741,555	2,498,875
351-010	114	Long-term debt - CFPP								
351-020	115	Long-term - Capital Projects/ Mortgage Revenue								
351	116	Capital Projects- Mortgages/ Revenue Bonds			95,917			95,917	13,569,104	13,665,021
352	117	Long-term debt, net of current - operating borrowings								
353	118	Non-current liabilities - other	96,076		56,568	11,000	(56,568)	282,769	1,735,675	2,018,444
354	119	Accrued compensated absences- Non-current								
355-010	120	Loan liability - Non-current - Not For Profit								
355-020	121	Loan liability - Non-current - Partnership								
355-030	122	Loan liability - Non-current - Joint Venture								
355-040	123	Loan liability - Non-current - Tax Credit								
355-050	124	Loan liability - Non-current - Other	861,264					2,772,717	710,457	3,483,174
355	126	Loan liability - Non-current	861,264					2,772,717	718,723	3,491,440
356	127	FASB 5 Liabilities								
357	128	Accrued Pension and OPEB Liability			7,710	190,122	(190,122)	190,122		190,122
350	129	Total Non-current liabilities	957,340		160,195	201,122	(246,690)	3,341,525	16,023,502	19,365,027
300	131	Total Liabilities	1,482,161	552	834,717	308,230	(912,789)	5,098,845	16,765,057	21,863,902
508	133	Invested in capital assets, net of related debt	858,714		121,584	24,746		38,327,677	15,089,170	53,416,847
511		Restricted Net Assets	67,412					472,792	538,311	1,011,103
512		Unrestricted Net Assets	3,952,932		(541,949)	1,395,164		12,291,311	(1,439,310)	10,852,001
513	136	Total Equity/Net Assets	4,874,058		(420,365)	1,419,910		51,091,780	14,188,171	65,279,951
600	138	Total Liabilities and Equity/Net assets	6,356,219	552	414,352	1,728,140	(912,789)	56,190,625	30,953,228	87,143,853

Income Statement

FDS #	Row #	Description	STATE/ LOCAL 2	Shelter Plus Care 14,238	Business Activity 1	Central Office Cost Center	Elimination	Total	COMPONENT UNITS COMBINED 6	ENTITY WIDE TOTAL
70300	144	Net tenant rental revenue	-	-	148,740	-	-	3,066,667	1,557,879	4,624,546
70400	145	Tenant revenue - other	-	-	1,323	-	-	286,553	113,770	400,323
70500	146	Total Tenant Revenue	-	-	150,063	-	-	3,353,220	1,671,649	5,024,869
70600-010	148	Housing assistance payments	-	127,113	-	-	-	9,218,029	-	9,218,029
70600-020	149	Ongoing administrative fees earned	-	-	-	-	-	807,359	-	807,359
70600-030	150	FSS Coordinator	-	-	-	-	-	51,462	-	51,462
70600-040	151	Actual independent public accountant audit costs	-	-	-	-	-	-	-	-
70600-050	152	Total preliminary fees earned	-	-	-	-	-	-	-	-
70600-060	153	Interest earned on advances	-	-	-	-	-	-	-	-
70600-070	154	Admin fee calculation description	-	6,458	-	-	-	6,458	-	6,458
70600	155	HUD PHA operating grants	-	133,571	-	-	-	14,552,412	-	14,552,412
70610	156	Capital grants	-	-	-	-	-	1,830,796	-	1,830,796
70710	158	Management Fee	-	-	-	1,296,650	(1,296,650)	-	-	-
70720	159	Asset Management Fee	-	-	-	151,320	(151,320)	-	-	-
70730	160	Book-Keeping Fee	-	-	-	254,948	(254,948)	-	-	-
70740	161	Front Line Service Fee	-	-	-	223,027	(223,027)	-	-	-
70750	162	Other Fees	-	-	-	-	-	-	-	-
70700	163	Total Fee Revenue	-	-	-	1,925,945	(1,925,945)	-	-	-
70800	165	Other government grants	5,900	-	-	-	-	5,900	-	5,900
71100-010	166	Housing Assistance Payment	-	-	-	-	-	-	-	-
71100-020	167	Administrative Fee	-	-	-	-	-	-	-	-
71100	168	Investment income - unrestricted	(16,270)	-	35,403	-	-	(22,317)	628	(21,689)
71200	169	Mortgage interest income	37,027	-	-	-	-	40,853	-	40,853
71300	170	Proceeds from disposition of assets held for sale	898	-	-	-	-	898	-	898
71310	171	Cost of sale of assets	(28,301)	-	-	-	-	(28,301)	-	(28,301)
71400-010	172	Housing Assistance Payment	-	-	-	-	-	2,197	-	2,197
71400-020	173	Administrative Fee	-	-	-	-	-	2,196	-	2,196
71400	174	Fraud recovery	-	-	-	-	-	4,393	-	4,393
71500	175	Other revenue	238,570	-	1,019,117	53,728	(668,868)	756,287	17,664	773,951
71600	176	Gain or loss on sale of capital assets	-	-	-	-	-	-	-	-
72000-010	177	Housing Assistance Payment	-	-	-	-	-	79	-	79
72000-020	178	Administrative Fee	-	-	-	-	-	79	-	79
72000	179	Investment income - restricted	-	-	-	-	-	-	388	467
70000	180	Total Revenue	237,824	133,571	1,204,583	1,979,673	(2,594,813)	20,494,220	1,690,329	22,184,549
91100	182	Administrative salaries	1,389	3,096	83,803	1,063,516	(690)	1,913,191	96,912	2,010,103
91200	183	Auditing fees	152	260	686	5,515	-	46,748	9,290	56,038
91300	184	Management Fees	-	-	18,677	-	(1,198,349)	-	120,062	120,062
91310	185	Book-Keeping Fee	-	-	-	-	(254,948)	-	-	-
91400	186	Advertising and Marketing	-	-	-	7,326	-	19,108	3,005	22,113
91500	187	Employee benefit contributions - administrative	88	1,383	26,166	295,073	-	550,496	-	550,496
91600	188	Office Expenses	-	-	920	100,602	-	342,077	23,074	365,151
91700	189	Legal Expense	310	-	7,322	50,899	-	199,894	31,075	230,969
91800	190	Travel	-	-	-	16,079	-	18,519	606	19,125
91810	191	Allocated Overhead	-	-	-	-	-	-	-	-
91900	192	Other	-	1,313	132,186	23,277	(230,386)	134,720	29,468	164,188
91000	193	Total Operating-Administrative	1,939	6,052	269,760	1,562,287	(1,664,373)	3,224,753	313,492	3,538,245
92000	195	Asset Management Fee	-	-	-	-	(151,320)	-	-	-
92100	197	Tenant services - salaries	-	-	-	-	-	344,292	-	344,292
92200	198	Relocation Costs	-	-	-	-	-	704	-	704

Income Statement		STATE/ LOCAL 2	Shelter Plus Care 14,238	Business Activity 1	Central Office Cost Center	Elimination	Total	COMPONENT UNITS COMBINED 6	ENTITY WIDE TOTAL
FDS #	Row #	Description							
92300	199	Employee benefit contributions - tenant services	-	-	-	-	93,171	-	93,171
92400	200	Tenant services - other	-	-	46,348	(4,560)	162,266	-	162,266
92500	201	Total Tenant Services	-	-	46,348	(4,560)	600,433	-	600,433
93100	203	Water	-	15	5,205	-	362,354	30,867	393,221
93200	204	Electricity	-	23	7,721	-	629,494	110,185	739,679
93300	205	Gas	-	30	9,944	-	513,803	2,773	516,576
93400	206	Fuel	-	-	-	-	-	-	-
93500	207	Labor	-	-	-	-	-	-	-
93600	208	Sewer	-	16	5,278	-	375,216	30,323	405,539
93700	209	Employee benefit contributions - utilities	-	-	-	-	-	-	-
93750		HAP Portability-In	-	-	-	-	-	-	-
93800	211	Other utilities expense	-	-	-	-	-	-	-
93000	212	Total Utilities	-	84	28,148	-	1,880,867	174,148	2,055,015
94100	214	Ordinary maint & operations-labor	-	-	59,932	-	856,558	77,511	934,069
94200	215	Ordinary maint & operations-materials and other	-	-	11,068	-	407,488	43,054	450,542
94300-010	216	Ordinary maint & operations contracts-Garbage/Trash Removal	-	61	-	-	134,590	13,161	147,751
94300-020	217	Ordinary maint & operations contracts-Heating & Cooling	-	-	-	-	44,012	21,897	65,909
94300-030	218	Ordinary maint & operations contracts-Snow Removal	-	-	-	-	-	-	-
94300-040	219	Ordinary maint & operations contracts-Elevator Maint	-	-	-	-	63,938	12,616	76,554
94300-050	220	Ordinary maint & operations contracts-Landscape & Grounds	1,509	3,708	-	-	144,380	25,771	170,151
94300-060	221	Ordinary maint & operations contracts-Unit Turnaround	-	-	-	-	165,249	12,510	177,759
94300-070	222	Ordinary maint & operations contracts-Electrical	-	-	-	(69,061)	2,323	194	2,517
94300-080	223	Ordinary maint & operations contracts-Plumbing	-	-	-	-	33,091	265	33,356
94300-090	224	Ordinary maint & operations contracts-Extermination	-	1,963	-	-	76,657	6,607	83,264
94300-100	225	Ordinary maint & operations contracts-Janitorial	-	-	15,614	-	23,485	19,263	42,748
94300-110	226	Ordinary maint & operations contracts-Routine Maint	-	-	-	(15,986)	261,756	17,584	279,340
94300-120	227	Ordinary maint & operations contracts-Misc	-	108	3,226	(645)	130,449	84,451	214,900
94300	228	Ordinary Maintenance and Operations Contracts	1,509	19,187	18,840	(85,692)	1,079,930	214,319	1,294,249
94500	229	Ordinary maint- Employee benefit contributions	-	15,984	17,519	-	265,976	-	265,976
94000	230	Total Maintenance	1,509	98,000	107,359	(85,692)	2,609,952	334,884	2,944,836
95100	232	Protective services - labor	-	-	-	-	-	-	-
95200	233	Protective services - other contract costs	-	-	-	-	-	-	-
95300	234	Protective services - other	-	-	-	-	-	16,057	16,057
95500	235	Protective services - Employee benefit contributions	-	-	-	-	-	-	-
95000	236	Total Protective Services	-	-	-	-	-	16,057	16,057
9610	238	Property Insurance	159	2,931	242	-	155,079	68,793	223,872
96120	239	Liability Insurance	74	1,085	1,535	-	66,439	2,452	68,891
96130	240	Workmen's Compensation	-	2,815	15,234	-	52,259	1,899	54,158
96140	241	All other Insurance	-	1,537	2,770	-	20,972	3,517	24,519

		Income Statement										Entity Wide Total
FDS #	Row #	Description	STATE/ LOCAL	Shelter Plus Care	Business Activity	Central Office Cost Center	Elimination	Total	COMPONENT UNITS COMBINED	ENTITY WIDE TOTAL		
96100	242	Total Insurance Premiums	233	214	8,368	19,781	-	294,749	76,691	371,440		
96200	244	Other general expenses	238,570	-	-	-	-	252,804	580,630	833,434		
96210	245	Compensated absences	-	-	10,082	4,032	-	39,372	-	39,372		
96300	246	Payments in lieu of taxes	-	-	-	-	-	119,927	59,404	179,331		
96400	247	Bad debt - tenant rents	-	-	5,147	-	-	99,092	24,109	123,201		
96500	248	Bad debt - mortgages	-	-	-	-	-	-	-	-		
96600	249	Bad debt - other	200,600	-	1,275,635	39,368	(668,868)	846,135	-	846,135		
96800	250	Severance expense	-	-	-	-	-	-	-	-		
96000	251	Total Other General Expenses	438,570	-	1,290,864	43,400	(668,868)	1,357,330	664,143	2,021,473		
96710	253	Interest of Mortgage (or Bonds) Payable	-	-	-	-	-	36,138	401,342	437,480		
96720	254	Interest on Notes Payable (Short and Long Term)	43,854	-	7,734	-	-	51,588	31,691	83,279		
96730	255	Amortization of Bond Issue Costs	-	-	-	-	-	401	2,206	2,607		
96700	256	Interest expense and Amortization cost	43,854	-	7,734	-	-	88,127	435,239	523,366		
96900	258	Total Operating Expenses	486,105	6,458	1,677,348	1,807,323	(2,594,813)	10,056,211	2,014,654	12,070,865		
97000	260	Excess Revenue Over Operating Expenses	(248,281)	127,113	(472,765)	172,350	-	10,438,009	(324,325)	10,113,684		
97100	262	Extraordinary maintenance	-	-	-	-	-	222,469	-	222,469		
97200	263	Casualty losses- Non-capitalized	-	-	-	-	-	4,484	3,956	8,440		
97300-010	264	Mainstream I & 5 year	-	-	-	-	-	194,847	-	194,847		
97300-020	265	Home-Ownership	-	-	-	-	-	-	-	-		
97300-025	266	Litigation	-	-	-	-	-	-	-	-		
97300-030	267	Hope IV	-	-	-	-	-	-	-	-		
97300-035	268	Moving to Work	-	-	-	-	-	-	-	-		
97300-040	269	Tenant Protection	-	-	-	-	-	-	-	-		
97300-050	270	Portability In	-	-	-	-	-	-	-	-		
97300-060	271	Enhanced	-	-	-	-	-	-	-	-		
97300-070	272	All Other	-	127,113	-	-	-	9,787,219	-	9,787,219		
97300-100	273	Total HAP Payment	-	127,113	-	-	-	-	-	-		
97350	274	Housing assistance payments	-	-	-	-	-	9,982,066	-	9,982,066		
97400	276	Depreciation expense	42,899	-	25,388	2,641	-	10,480	-	10,480		
97500	277	Fraud losses	-	-	-	-	-	2,464,493	1,019,864	3,484,357		
97800	278	Dwelling units rent expense	-	-	-	-	-	-	-	-		
90000	279	Total Expenses	529,004	133,571	1,702,736	1,809,964	(2,594,813)	22,740,203	3,038,474	25,778,677		
10010	281	Operating transfer in	-	-	-	-	-	-	-	-		
10020	282	Operating transfer out	-	-	-	-	(20,559)	-	-	-		
10030-010	283	Not For Profit	-	-	-	-	20,559	-	-	-		
10030-020	284	Partnership	-	-	-	-	-	-	-	-		
10030-030	285	Joint Venture	-	-	-	-	-	-	-	-		
10030-040	286	Tax Credit	-	-	-	-	-	-	-	-		
10030-050	287	Other	-	-	-	-	-	-	-	-		
10030	288	Operating transfers from / to primary government	-	-	-	-	-	-	-	-		
10040	289	Operating transfers from / to component unit	-	-	-	-	-	-	-	-		
10070	290	Extraordinary items, net gain/loss	-	-	-	-	-	-	-	-		
10080	291	Special items, net gain/loss	-	-	-	-	-	-	-	-		
10091	292	Inter AMP Excess Cash Transfer In	-	-	-	-	-	60,850	-	60,850		
10092	293	Inter AMP Excess Cash Transfer Out	-	-	-	-	-	(60,850)	-	(60,850)		
10093	294	Transfers from Program to AMP	-	-	-	-	-	-	-	-		
10094	295	Transfers from AMP to Program	-	-	-	-	-	-	-	-		
10100	296	Total other financing sources (uses)	-	-	-	-	-	-	-	-		

		Income Statement								
FDS #	Row #	Description	STATE/ LOCAL 2	Shelter Plus Care 14,238	Business Activity 1	Central Office Cost Center	Elimination	Total	COMPONENT UNITS COMBINED 6	ENTITY WIDE TOTAL
10000	298	Excess (Deficiency) of Revenue Over (Under) Expenses	(291,180)	-	(498,153)	169,709	-	(2,245,983)	(1,348,145)	(3,594,128)
11020	300	Required Annual Debt Principal Payments	142,549	-	28,173	-	-	581,470	192,807	774,277
11030	302	Beginning equity	3,947,790	-	77,788	1,250,201	-	53,337,763	15,536,316	68,874,079
11040-010	304	Prior period adjustments and correction of errors - Editable	-	-	-	-	-	-	-	-
11040-020	305	Prior period adjustments and correction of errors - Editable	-	-	-	-	-	-	-	-
11040-030	306	Prior period adjustments and correction of errors - Editable	-	-	-	-	-	-	-	-
11040-040	307	Prior period adjustments and correction of errors - Editable	-	-	-	-	-	-	-	-
11040-050	308	Prior period adjustments and correction of errors - Editable	-	-	-	-	-	-	-	-
11040-060	309	Prior period adjustments and correction of errors - Editable	-	-	-	-	-	-	-	-
11040-070	310	Equity Transfers (UNRESTRICTED)	-	-	-	-	-	-	-	-
11040-080	311	Equity Transfers (RESTRICTED)	-	-	-	-	-	-	-	-
11040-090	312	Equity Transfers	-	-	-	-	-	-	-	-
11040-100	313	Equity Transfers	-	-	-	-	-	-	-	-
11040-110	314	Equity Transfers	1,217,448	-	-	-	-	-	-	-
11040	315	Prior period adjustments, equity transfers, & correction of errors	1,217,448	-	-	-	-	-	-	-

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, 2013, and have issued our reports thereon dated April 3, 2014. 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 3, 2014, 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 3, 2014
Toms River, New Jersey

Jump, Scutellaro & Company LLP

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

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