

Roanoke Redevelopment and Housing Authority

FINANCIAL STATEMENTS

Roanoke Redevelopment and Housing Authority

Table of Contents

September 30, 2015

<u>Contents</u>	<u>Page</u>
Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-9
Basic Financial Statements	10
Statement of Net Position	11-12
Statement of Revenues, Expenses, and Changes in Net Position	13
Statement of Cash Flows	14-15
Notes to Financial Statements	16-39
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	40-41
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required By OMB Circular A-133	42-43
Schedule of Expenditures of Federal Awards	44
Notes to Schedule of Federal Awards	45
Schedule of Findings and Questioned Costs	46-48
Supplementary Information	49
Schedule of Funding Progress	50
Financial Data Schedule	51-62
Independent Accountant's Report on Applying Agreed-Upon Procedures	63-64

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, 2015 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, 2015, and the respective changes in financial position, and cash flows for the year 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 4 through 9 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 February 25, 2016 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.

February 25, 2016
Toms River, New Jersey

Imp, Reay and Company LLP

ROANOKE REDEVELOPMENT & HOUSING AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2015

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, 2015. 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 2015 major financial highlights included the following:

Total assets and liabilities of the Authority were approximately \$56.8 million and \$4.7 million respectively; thus total net assets were approximately \$52.1 million at September 30, 2015.

The net increase in capital assets for the year was approximately \$1.5 million due to the construction of 15 replacement housing units in the Public Housing Program.

Total liabilities increased during the year by approximately 6% primarily due to a loan that was obtained to fund replacement housing units in the Public Housing program.

Total Revenues (including capital contributions and grants) and expenses were approximately \$22.3 million and \$21.9 million respectively.

Revenues are derived from various sources with approximately 83% 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 (1%) of revenue balance is derived from the cost of sale of assets, miscellaneous fees for services, and nonoperating sources (i.e. investment income, and development fees).

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, 2015, 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 1,800 households under the Federal Housing Choice Voucher program for privately owned existing housing.

BASIC FINANCIAL STATEMENTS

The Authority is presenting its fiscal year 2015 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 position; 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 is 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 position includes operating revenues, such as operating grants and rental income; operating expenses, such as administrative, utilities, maintenance, and 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, 2015 and 2014 for the Authority as a whole:

	<u>2015</u>	<u>2014</u>	<u>NET CHANGE</u>	<u>%</u>
Cash	\$ 12,120,476	\$ 11,975,941	\$ 144,535	1.21%
Current Assets	3,774,279	4,596,763	(822,484)	-17.89%
Non-current Assets	2,180,090	2,281,976	(101,886)	-4.46%
Capital Assets - Net	38,805,569	37,320,837	1,484,732	3.98%
Total Assets	<u>56,880,414</u>	<u>56,175,517</u>	<u>704,897</u>	<u>1.25%</u>
Current Liabilities	1,849,004	1,498,771	350,233	23.37%
Non-current Liabilities	2,897,577	2,964,202	(66,625)	-2.25%
Total Liabilities	<u>4,746,581</u>	<u>4,462,973</u>	<u>283,608</u>	<u>6.35%</u>
Invested in Capital Assets -net of Related Debt	37,986,179	37,224,896	761,283	2.05%
Restricted Net Position	371,684	701,604	(329,920)	-47.02%
Unrestricted Net Position	13,775,970	13,786,044	(10,074)	-0.07%
Total Net Position	<u>\$ 52,133,833</u>	<u>\$ 51,712,544</u>	<u>\$ 421,289</u>	<u>0.81%</u>

Total assets of the Authority increased slightly 1% due to an increase in cash and capital assets.

Cash increased approximately 1% due to maturing investments that were not reinvested.

Current assets decreased approximately 18% as a result of decreased investments that either matured or were called during the year and reverted to the Authority's cash account and assets held for sale.

Noncurrent assets decreased 4% due to a decrease in notes and mortgages receivable.

Capital Assets increased 4% due to an increase in construction in progress for replacement housing and other capital expenditures.

Of the approximately \$4.7 million of liabilities, \$1.8 million or 39% are current liabilities, which will require payment within 12 months of the reported fiscal year-end and \$2.9 million or 61% are non-current liabilities for which payments will be made in following periods.

Current Liabilities increased 23% due to capital projects underway at year end that were related to the construction of 15 new public housing units.

Non-current liabilities were reduced during the year by approximately 2% due to issuance of new debt in the Public Housing Program, principal payments on older notes and the forgiveness of notes payable to the City of Roanoke.

Total net position increased slightly from the prior year by 1% 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 2015 and 2014 for the Authority as a whole:

	<u>2015</u>	<u>2014</u>	<u>NET CHANGE</u>	<u>%</u>
Tenant Rental Revenue	\$ 3,490,638	\$ 3,492,255	\$ (1,617)	-0.05%
HUD Operating Grants	15,856,553	16,482,995	(626,442)	-3.80%
Other Revenue	356,942	(72,449)	429,391	-592.68%
Total Operating Revenue	<u>19,704,133</u>	<u>19,902,801</u>	<u>(198,668)</u>	<u>-1.00%</u>
Operating Expenses:				
Administrative	3,177,736	3,323,206	(145,470)	-4.38%
Tenant Services	651,611	457,785	193,826	42.34%
Utilities	1,957,520	2,030,828	(73,308)	-3.61%
Maintenance	2,768,332	2,493,046	275,286	11.04%
Protective Services	70	-	70	100.00%
General Expenses	916,988	702,454	214,534	30.54%
Housing Assistance Payments	9,956,958	9,683,921	273,037	2.82%
Depreciation	2,666,926	2,604,904	62,022	2.38%
Total Expenses	<u>22,096,141</u>	<u>21,296,144</u>	<u>799,997</u>	<u>3.76%</u>
Operating Income (Loss)	(2,392,008)	(1,393,343)	(998,665)	71.67%
Non-operating Revenue (Expenses):				
Investment Income/ Mortgage Interest	12,166	247	11,919	4825.51%
Interest Expense	(33,479)	(57,515)	24,036	-41.79%
Extraordinary Maintenance	(87,760)	(36,969)	(50,791)	137.39%
Casualty losses	(4,973)	(173)	(4,800)	2774.57%
Loss on the Sale of Capital Assets	(23,480)	20,045	(43,525)	-217.14%
Non-operating Loss	(137,526)	(74,365)	(63,161)	84.93%
HUD Capital Grants	2,569,016	2,088,472	480,544	23.01%
Net Change	39,482	620,764	(581,282)	-93.64%
Beginning Net Position	51,712,544	51,091,780	620,764	1.21%
Equity Adjustments	381,807	-	381,807	100.00%
Total Net Position	<u>\$ 52,133,833</u>	<u>\$ 51,712,544</u>	<u>\$ 421,289</u>	<u>0.81%</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

Total Operating Revenue decreased 1% due to the net decrease in HUD grants of approximately \$626,442 and an increase in Other Revenue of \$429,391.

HUD Operating grants decreased \$626,442 mostly due to a decrease in funding for the Housing Choice Voucher program and a slight decrease in Public Housing operating subsidy funding.

Other revenue increased approximately \$429,391 due to a decrease in cost of assets sold. During the 2014 year the Authority transferred 22 parcels of land back to the City of Roanoke which contributed significantly to a total cost of assets sold of (\$780,896). During 2015 the cost of assets sold was (\$340,786).

Total Operating expenses increased by \$800,000 or 4% due to an increase in tenant services, maintenance expenses, general expenses, and housing assistance payments.

Tenant Services expenses increased approximately 42% due to an increase in expenses related to the Jobs Plus grant. The Jobs Plus Grant is a \$3 million grant that the Authority was awarded during the 2015 fiscal year in order to assist the residents of Lansdowne Park with employment and training opportunities over the course of the next four years.

Maintenance expenses increased 11% due to increased contract costs for heating and cooling, grounds maintenance, and unit turnaround.

General Expenses increased 30% due to an increase in compensated absences, PILOT, and bad debt and a small decrease in insurance.

Operating Loss increased 72% due to the combined effect of decreased revenues of (\$198,668) and increased expenses of \$800,000 which resulted in an overall increase in the operating loss of (\$998,665).

Investment Income/Mortgage Interest increased approximately 4825% due to a continuing reduction in the amount invested which resulted in a decrease of the unrealized losses on those investments.

Interest Expense decreased 41% due to declining balances of bonds and notes payable through monthly payments.

Extraordinary Maintenance increased 137% due to expenditures for new storm doors that were purchased for Hackley Apartments.

Casualty Losses increased 2775% due to three unit fires and insurance deductibles paid for four vehicle accidents during 2015 while there was only a small deductible amount paid in 2014 of \$173.

Losses from the Sale of Capital Assets increased 217% due to the loss on unexercised options for property purchases in 2015 as compared to the gain on the sale of surplus equipment in 2014 at fair market value over book value.

Non-operating loss increased 85% primarily due to extraordinary maintenance and loss on sale of capital assets.

HUD Capital Grants increased 23% due to an increase in capital grant expenditures for replacement housing in the Public Housing program in 2015. During 2015 the Authority contracted to have 15 new replacement public housing units built using its Capital Fund Program Replacement Grants to fund most of the capital construction costs. The remainder of the construction costs were funded through financing an \$850,000 loan through a local credit union and pledging to repay the proceeds of the loan using a portion its capital fund program grants over the next five years.

Equity adjustments increased 100% due to the Authority's adoption of GASB 68 and a correction of a prior period entry. The Authority adopted GASB 68 - The Accounting and Financial Reporting for Pensions, resulting in an increase to beginning equity of \$435,948. A correction of HAP money returned to HUD in the Section 8 program resulted in a decrease in equity of (\$54,141).

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets:

The following table summarizes the changes in capital assets between September 30, 2015 and 2014:

	<u>2015</u>	<u>2014</u>	<u>Net Change</u>	<u>Variance</u>
Land	\$ 15,418,821	\$ 15,235,852	\$ 182,969	1.20%
Infrastructure	3,109,317	3,109,317	-	0.00%
Buildings and Improvements	73,321,019	72,093,857	1,227,162	1.70%
Furniture and Equipment	2,917,924	2,184,417	733,507	33.58%
Construction in Progress	4,997,728	3,046,729	1,950,999	64.04%
Total	99,764,809	95,670,172	4,094,637	4.28%
Accumulated Depreciation	(60,959,240)	(58,349,335)	(2,609,905)	4.47%
Net Capital Assets	<u>\$ 38,805,569</u>	<u>\$ 37,320,837</u>	<u>\$ 1,484,732</u>	<u>3.98%</u>

Variances in capital assets were primarily due to modernization projects that were active or completed during the year and to construction of 15 replacement public housing units.

Debt Administration:

- *Dual-funded Mortgage Loans* - In fiscal year 2015 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, 2015 was \$349,968.

- *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 \$1.3 million at September 30, 2015.

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. In 2015 the Authority received 80% of its funding from HUD.

The Public Housing program was funded at 85% of its eligibility for 2015 while in 2014 it was funded at 88%. In 2013, 2012, and 2011 the funding was 82%, 95% and 100% respectively. Prior to 2010 housing agencies had not been fully funded since 2002.

Although funding for the Capital Fund program for 2016 and 2015 has increased over prior periods, it continues to fall short of the Authority's annual capital needs.

The Housing Choice Voucher (HCV) program HAP funding was increased for calendar year 2015 to 101%. This is up from 99.7% in 2014. HCV Administrative fees were funded at 80.11% for calendar year 2015, 79% for 2014, and 69% for 2013.

While the Authority expects increased funding levels in federal programs in 2016 over 2015, it also faces challenges with escalating costs in managing these programs. RRHA's management staff continue to 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, 2015

	<u>Enterprise Fund</u>	<u>Component Units</u>	<u>Total Reporting Entity</u>
CURRENT ASSETS:			
Cash and cash equivalents	\$ 11,281,518	459,113	11,740,631
Accounts receivable - PHA Projects	1,420	-	1,420
Accounts receivable - other	1,079,507	-	1,079,507
Accounts receivable - tenants, net	74,206	33,746	107,952
Notes & mortgage receivable - current	207,026	-	207,026
Investments	529,809	-	529,809
Prepaid expenses	228,287	28,194	256,481
Accrued interest receivable	996	-	996
Assets held for sale	<u>1,653,028</u>	<u>-</u>	<u>1,653,028</u>
Total current assets	<u>15,055,797</u>	<u>521,053</u>	<u>15,576,850</u>
RESTRICTED ASSETS:			
Cash and cash equivalents	<u>838,958</u>	<u>600,415</u>	<u>1,439,373</u>
Total restricted assets	<u>838,958</u>	<u>600,415</u>	<u>1,439,373</u>
NONCURRENT ASSETS:			
Land, structures and equipment net of accumulated depreciation	<u>38,805,569</u>	<u>18,201,547</u>	<u>57,007,116</u>
Total fixed assets, net	<u>38,805,569</u>	<u>18,201,547</u>	<u>57,007,116</u>
Notes & mortgages receivable, non-current	1,610,472	-	1,610,472
Other assets	<u>396,784</u>	<u>34,271</u>	<u>431,055</u>
Total assets	<u>56,707,580</u>	<u>19,357,286</u>	<u>76,064,866</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred outflows	<u>172,834</u>	<u>-</u>	<u>172,834</u>
Total deferred outflows of resources	<u>172,834</u>	<u>-</u>	<u>172,834</u>
Total assets and deferred outflows of resources	<u>\$ 56,880,414</u>	<u>19,357,286</u>	<u>76,237,700</u>

Roanoke Redevelopment and Housing Authority
Statement of Net Position
September 30, 2015

	<u>Enterprise Fund</u>	<u>Component Units</u>	<u>Total Reporting Entity</u>
CURRENT LIABILITIES:			
Accounts payable	\$ 742,280	18,548	760,828
Accounts payable - HUD	35,883	-	35,883
Accrued wages and payroll taxes	200,418	-	200,418
Accrued compensated absences	111,129	-	111,129
Accrued interest	3,993	11,247	15,240
Accrued liability - other	8,162	3,934	12,096
Tenant security deposits	154,377	29,500	183,877
Notes payable, current portion	395,778	74,459	470,237
Deferred revenues	76,810	-	76,810
Other current liabilities	<u>120,174</u>	<u>355</u>	<u>120,529</u>
Total current liabilities	<u>1,849,004</u>	<u>138,043</u>	<u>1,987,047</u>
NONCURRENT LIABILITIES:			
Notes payable, excluding current portion	2,298,463	7,071,571	9,370,034
Other liabilities	<u>490,479</u>	<u>1,283,301</u>	<u>1,773,780</u>
Total noncurrent liabilities	<u>2,788,942</u>	<u>8,354,872</u>	<u>11,143,814</u>
Total liabilities	<u>4,637,946</u>	<u>8,492,915</u>	<u>13,130,861</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred inflows	<u>108,635</u>	<u>-</u>	<u>108,635</u>
Total deferred inflows of resources	<u>108,635</u>	<u>-</u>	<u>108,635</u>
NET POSITION:			
Invested in capital assets, net	37,986,179	11,055,517	49,041,696
Restricted	371,684	571,128	942,812
Unrestricted	<u>13,775,970</u>	<u>(762,274)</u>	<u>13,013,696</u>
Total net position	<u>52,133,833</u>	<u>10,864,371</u>	<u>62,998,204</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 56,880,414</u>	<u>19,357,286</u>	<u>76,237,700</u>

Roanoke Redevelopment and Housing Authority
Statement of Revenues, Expenses, and Changes
in Net Position
For the Year Ended September 30, 2015

	Enterprise <u>Fund</u>	Component <u>Units</u>	Total Reporting <u>Entity</u>
Operating revenues:			
Tenant revenue	\$ 3,490,638	756,244	4,246,882
HUD operating grants	15,856,553	-	15,856,553
Other government grants	14,131	-	14,131
Proceeds from the disposition of assets held for sale	58,200	-	58,200
Cost of sale of assets	(340,786)	-	(340,786)
Other revenue	625,397	4,303	629,700
Total operating revenue	19,704,133	760,547	20,464,680
Operating expenses:			
Administrative salaries	1,819,232	34,116	1,853,348
Other administrative expenses	1,358,504	119,387	1,477,891
Tenant / community services	651,611	-	651,611
Utility expense	1,957,520	51,638	2,009,158
Maintenance salaries	751,055	19,435	770,490
Maintenance other	2,017,277	111,206	2,128,483
Contract / protective services	70	-	70
Insurance	283,126	53,773	336,899
Other general expenses	342,761	92,787	435,548
Bad debt	165,397	26,008	191,405
Payments in lieu of taxes	125,704	-	125,704
Housing assistance payments	9,956,958	-	9,956,958
Depreciation	2,666,926	691,315	3,358,241
Total operating expenses	22,096,141	1,199,665	23,295,806
Operating loss	(2,392,008)	(439,118)	(2,831,126)
Non-operating revenues (expenses):			
Investment income / mortgage interest	12,166	10,715	22,881
Extraordinary maintenance	(87,760)	-	(87,760)
Interest expense	(33,479)	(146,647)	(180,126)
Gain (Loss) on sale of fixed assets	(23,480)	-	(23,480)
Casualty losses	(4,973)	(5,004)	(9,977)
Total non-operating revenues (expenses)	(137,526)	(140,936)	(278,462)
Loss before capital contributions	(2,529,534)	(580,054)	(3,109,588)
Capital contributions	2,569,016	-	2,569,016
Change in net position	39,482	(580,054)	(540,572)
Total net position, beginning	51,712,544	11,444,425	63,156,969
Prior Period Adjustment	381,807	-	381,807
Total net position, end of year	\$ 52,133,833	10,864,371	62,998,204

Roanoke Redevelopment and Housing Authority
Statement of Cash Flows - All Enterprise Funds
For the Year Ended September 30, 2015

Cash Flows from Operating Activities:

Receipts from tenants	\$ 3,507,608
Receipts operating grants and subsidies	15,148,366
Other receipts (payments)	(53,972)
Payments to suppliers and employees	<u>(18,568,923)</u>
Net cash flows provided by operating activities	<u>33,079</u>

Cash Flows from Capital and Related Financing Activities:

Purchases of capital assets	(4,227,120)
Disposal of capital assets	75,462
Interest paid on capital debt	(30,938)
Principal payments of notes payable	(58,597)
Capital grant contributions	2,569,016
Gain(Loss) on sale of capital assets	(23,480)
Casualty losses	(4,973)
Extraordinary maintenance	<u>(87,760)</u>
Net cash flows used in capital and related financing activities	<u>(1,788,390)</u>

Cash Flows from Investing Activities:

Payments received on notes receivable	740,495
Accrued interest receivable	12,763
Matured investments	1,100,000
Interest and dividends	<u>46,588</u>
Net cash flows provided by investing activities	<u>1,899,846</u>
Net increase in cash	144,535
Cash at beginning of year	<u>11,975,941</u>
Cash at end of year	<u>\$ 12,120,476</u>

Roanoke Redevelopment and Housing Authority
Statement of Cash Flows (continued) - All Enterprise Funds
For the Year Ended September 30, 2015

Reconciliation of operating income to cash provided by
operating activities

Operating loss	\$ (2,392,008)
Items which did not provide (use) cash:	
Depreciation	2,666,926
Prior Period Adjustment	381,807
Deferred Outflows of Resources	(172,834)
Deferred Inflows of Resources	108,635
Working capital changes which provided (used) cash:	
Accounts receivable - misc	(1,420)
Accounts receivable - tenants	16,970
Accounts receivable - other	(720,897)
Other assets	(396,783)
Deferred revenue	28,412
Prepaid expenses	41,407
Assets held for sale	270,248
Accounts payable- HUD	1,599
Accounts payable	59,089
Accrued expenses	54,240
Other liabilities	(11,713)
Tenant security deposits	(2,175)
Other current liabilities	<u>101,576</u>
Net cash provided by operating activities	<u>\$ 33,079</u>

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements

For the Year Ended September 30, 2015

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 Note 4.

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

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. Expenses relating to the issuance of loans are capitalized and expensed using a straight-line basis over the life of the loan.

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.

N. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

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.

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:

Discretely Presented Component Units

Roanoke Valley Housing Corporation (RVHC) - was created as a not-for-profit affiliate organization of the Authority and incorporated in 1995. RVHC was created to assist the Authority in its mission to provide affordable housing to low-income families in the City of Roanoke, (the City). Roanoke Valley Housing Corporation is the sole member of the general partner of Hurt Park, LP, Stepping Stone, LP, Indian Village, LP, and Park Street Housing, LP.

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.

2. REPORTING ENTITY DEFINITION (continued)

Discretely Presented Component Units (continued)

Stepping Stone, Limited Partnership (SSLP), (continued)

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, 2014 year-end financial statements are included within the Authority's basic financial statements. Inquiries regarding the limited partnership should be directed to the VP of Finance of Roanoke Redevelopment and Housing Authority, 2624 Salem Turnpike N.W., Roanoke, VA 24017.

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

The limited partnership was formed for the purpose of constructing and operating 24 apartment units. RVHC acted as the developer on this project. The Authority applied for an application of low-income housing tax credits from the Virginia Housing Development Authority on March 11, 2005. Construction on the project began in June 2006 and was completed January 2008.

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, 2014 year end financial statements are included within the Authority's basic financial statements. Inquires regarding the limited partnership should be directed to the VP of Finance of Roanoke and Redevelopment and Housing Authority, 2624 Salem Turnpike N.W., Roanoke, VA 24017.

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

2. REPORTING ENTITY DEFINITION (continued)

Discretely Presented Component Units (continued)

Park Street Housing, Limited Partnership (PSLP) 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, 2014 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, 2014 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.

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

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.

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, 2015, the carrying amount of the Enterprise fund's cash and cash equivalents (including restricted cash) was \$12,120,476 and the bank balance approximated \$13,660,707. 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, 2015 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, 2015				
Federal Coupons	\$ 529,809	529,809	-	-

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

5. CONTRACTUAL COMMITMENTS

The Authority had Total Outstanding Contractual Commitments of \$6,606,815 as of September 30, 2015.

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

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 workmans compensation. The Authority established a risk management program for employee's group health insurance in 1995. The Authority has not had any significant reductions in insurance coverage or any claims not reimbursed.

7. CONCENTRATION OF RISK

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

8. SIGNIFICANT ESTIMATES

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

9. PENSION PLAN

The Authority became a member of the Virginia Retirement System (VRS) on January 1, 2012. All full-time permanent employees are required to enroll in the 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% for Plan 1 and Plan 2 members and 1.0% for Hybrid members. Plan 2 members retirement multiplier changes to 1.65% for service beginning January 1, 2013. 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.

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

9. PENSION PLAN (continued)

Members are required to contribute 5% of regular earnings to the plan each pay period and the Authority contributes 6.22% per pay period. Beginning July 1, 2016, the Authority's contribution rate decreased to 5.68% per pay period. This required contribution rate was determined by the VRS based on the Authority's employee population and the benefits the Authority elected to provide to its employees. The funding period is 30 years and the amortization factor based on the funding period is 18.2204.

For the fiscal year end September 30, 2015, the Authority's annual pension cost of \$304,218 for VRS was equal to the required and actual contributions.

Funded Status and Funding Progress

As of June 30, 2015, the most recent actuarial valuation date, the plan was funded at 115%. The actuarial accrued liability for benefits was \$1,828,751 and the actuarial value of assets was \$2,110,714, resulting in an unfunded actuarial accrued liability (UAAL) of (\$281,963). The covered payroll (annual payroll of 69 active employees covered by the plan) was \$2,886,888, and the ratio of the UAAL to the covered payroll was (9.77%).

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) (a/b)	Covered Payroll (c)	UAAL as % of Covered Payroll ((b-a)/c)
6/30/15	2,110,714	1,828,751	(281,963)	115.42%	2,886,888	(9.77)%
6/30/14	1,719,277	1,403,233	(316,044)	122.52%	2,838,454	(11.13)%
6/30/13	1,335,603	1,099,123	(236,480)	121.52%	2,793,262	(8.47)%

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/2015-annual-report.pdf>.

Actuarial Assumptions

The total pension liability for the Authority was determined by applying procedures to the actuarial valuation as of June 30, 2015, and rolling back the total pension liability to June 30, 2014. The financial reporting actuarial valuation as of June 30, 2015, used the following actuarial methods and assumptions, applied to all prior periods included in the measurement:

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

9. PENSION PLAN (continued)

Actuarial Assumptions (continued)

Valuation Date	June 30, 2015
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent of Pay, Closed
Payroll Growth Rate	3%
Remaining Amortization Period	20-28 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*	
1) Non-LEO Members	3.50% To 5.35%
2) LEO Members	3.50% To 4.75%
Cost-of-Living adjustment	
1) Plan 1 Members	2.50%
1) Plan 2 Members	2.25%
* Includes Inflation of 2.50%	

The rates of mortality are based on RP-2000 Employee Table Projected with Scale AA to 2020 issued by the Society of Actuaries. Pre-retirement Tables use set back of males three years and females five years. Post-retirement Tables use male set back two years and females three years.

Discount Rate

The discount rate used to measure the total pension liability was 7.00%.

Projected Cash Flows

The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at statutory contribution rates.

Long Term Rate of Return

The long-term expected rate of return was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Municipal Bond Rate

The discount rate determination does not use a municipal bond rate.

Periods of Projected Benefit Payments

Projected future benefit payments were projected through 2121.

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

9. PENSION PLAN (continued)

Assumed Asset Allocation

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class as provided by the System for use in the last actuarial experience study for the four year period ending June 30, 2012 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	19.50 %	6.46 %
Developed Non US Equity	16.50 %	6.28 %
Emerging Market Equities	6.00 %	10.00 %
Fixed Income	15.00 %	0.09 %
Emerging Debt	3.00 %	3.51 %
Rate Sensitive Credits	4.50 %	3.51 %
Non Rate Sensitive Credits	4.50 %	5.00 %
Convertibles	3.00 %	4.81 %
Public Real Estate	2.25 %	6.12 %
Private Real Estate	12.75 %	7.10 %
Private Equity	12.00 %	10.41 %
Cash	<u>1.00 %</u>	(1.50)%
	<u>100.00 %</u>	

Sensitivity Analysis

In accordance with GASB 68 regarding the disclosure of the sensitivity of the Net Pension Liability to changes in the discount rate, the table below presents the Net Pension Liability calculated using the discount rate of 7.00%, as well as what the Net Pension Liability would be if it were calculated using a discount rate that is 1.00% lower (6.00%) or 1.00% higher (8.00%) than the current rate. At time of audit report issuance the sensitivity analysis was as follows:

	1.0% Increase <u>(6.00%)</u>	Current Discount <u>(7.00%)</u>	1.0% Increase <u>(8.00%)</u>
Net Pension Liability	(162,104)	(396,784)	(589,760)

Summary of Significant Accounting Policies

Employer contributions to VRS are calculated based upon creditable compensation for active members reported by employers. Employer contributions are accrued when earned and the employer has made a formal commitment to provide the contributions.

Basis of Accounting

The underlying financial information used to prepare allocation schedules is based on VRS' combining financial statements. VRS' combining financial statements for all plans are prepared using the accrual basis of accounting and are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) that apply to governmental accounting for fiduciary funds.

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

9. PENSION PLAN (continued)

Use of Estimates in the Preparation of the Schedules

The preparation of the Schedules in conformity with GAAP requires management to make estimates and assumptions that affect certain amounts and disclosures. The Authority accrues employer contributions using estimates based on historical data. Actual results could differ from those estimates.

Net Pension Liability

In accordance with GASB Statement 68, Accounting and Financial Reporting for Pensions, employers are required to recognize and report certain amounts associated with their participation in the Virginia Retirement System (VRS). Statement 68 became effective June 30, 2015 and includes requirements to record and report their proportionate share of the collective Net Pension Liability, Pension Expense, Deferred Inflows and Deferred Outflows of resources associated with pensions.

	Net Pension Liability as of <u>June 30, 2014</u>	Net Pension Liability as of <u>June 30, 2015</u>
Employer Proportional Share	(305,620)	(396,784)

At September 30, 2015, the employer recorded a liability of (\$396,784) for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2015, and the Total Pension Liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of July 1, 2014. The employer's proportion of the Net Pension Liability was based on the employer's contributions received by the Authority during the measurement period July 1, 2014, through June 30, 2015.

Changes in actuarial assumptions and methods

There were no changes in assumptions or other inputs that affected the measurement of the Total Pension Liability.

Changes in benefit terms

There have been no changes in benefit terms since the previous measurement date.

Changes in proportionate share

There were no changes between the measurement date of the collective Net Pension Liability and the employer's reporting date that are expected to have a significant effect on the employer's proportionate share of the collective NPL.

Pension Expense

At September 30, 2015, the employer recognized a Pension Expense of \$147,799 for its proportionate share of the VRS' Pension Expense.

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

9. PENSION PLAN (continued)

Recognition of Beginning Deferred Outflow - GASB 71

At September 30, 2015, the employer recognized a beginning deferred outflow of resources for the employers fiscal year 2015 contributions of \$172,834.

Deferred Inflows and Outflows

At September 30, 2015, the employer reported its proportionate share of deferred outflows of resources and deferred inflows of resources related to the Authority from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	108,635
Net differences between projected and actual earnings on plan investments	-	-
Employer contributions subsequent to the measurement date	<u>172,834</u>	<u>-</u>
Total	<u>\$ 172,834</u>	<u>\$ 108,635</u>

*Amounts reported as deferred outflows of resources related to pensions resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in Pension Expense as follows:

Year ended June 30:	
2016	\$ (27,159)
2017	(27,159)
2018	(27,159)
2019	(27,158)
Thereafter	-
Total	<u>(108,635)</u>

The Schedule of Deferred Inflows and Outflows, and Pension Expense include only certain categories of deferred outflows of resources and deferred inflows of resources. These include differences between expected and actual experience, changes of assumptions and differences between projected and actual earnings on plan investments. The Schedule does not include deferred outflows/inflows of resources for changes in the employer's proportionate share of contribution or employer contributions made subsequent to the measurement date. The net pension liability as of June 30, 2014, is based on the June 30, 2014, actuarial valuation for the first year of implementation. As a result, there are no differences between expected and actual experience or changes in assumptions subject to amortization. Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed five-year period.

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

10. COMPENSATED ABSENCES

The Authority currently provides its employees paid time off (PTO) and limited supplement (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, 2015 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 \$134,971 less of an allowance for doubtful accounts of \$60,765 for the year ended September 30, 2015.

Accounts Receivable - Other

Accounts Receivable - Other, consists of following:

	Enterprise Fund
Accounts receivable - HUD	\$ 893,174
Accounts receivable - other government	67,807
Fraud recovery	90,884
Fraud recovery - allowance	(23,110)
Accounts receivable - management & development fees	32,155
Accounts receivable - miscellaneous	18,597
	<u>\$ 1,079,507</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, 2015 consisted of the following:

Low rent and Capital Fund Program	\$ 129,229
ROSS	(11,237)
Housing Choice Vouchers	3,798
COCC	465,835
Business Activities	(465,104)
Shelter Plus	(729)
Jobs Plus Fund	(121,792)
	<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
Restricted for HAP Payments	\$ 203,979
Restricted for Modernization & Development	167,705
Restricted for Tenant Security	154,377
Restricted for Debt Service and Related Reserve	-
Restricted for Loan Loss Reserve	71,904
Restricted for FSS Escrow	142,426
Restricted for Payment of Program Income	47,904
Restricted for Payment of Current Liability	<u>50,663</u>
	<u>\$ 838,958</u>

14. NOTES AND MORTGAGES RECEIVABLE

Notes and mortgages receivable at September 30, 2015 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, and are collateralized by the single-family residences.

\$ 1,479,054

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.

72,000

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.

266,444

Developers fees receivable from discrete component units

1,638,509

Less: Allowance for doubtful accounts

(1,638,509)

Total

1,817,498

Less: current portion

(207,026)

Notes receivable, excluding current portion

\$ 1,610,472

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

15. CAPITAL ASSETS

A summary of the Authority's Capital Assets at September 30, 2015 is as follows:

Enterprise Fund Detail:

	<u>BUSINESS ACTIVITIES</u>	<u>CDBG</u>	<u>PUBLIC HOUSING & CAPITAL FUND</u>	<u>CHOICE NEIGHBORHOOD</u>
Land and Improvements	\$ 68,204	3,472,285	11,871,332	-
Infrastructure	-	1,822,317	-	-
Building and Improvements	659,005	-	72,375,313	-
Furniture and Equipment	16,385	-	2,403,427	-
Construction in Process	-	-	4,832,728	165,000
Less: Accumulated Depreciation	<u>(626,472)</u>	<u>(566,394)</u>	<u>(58,536,980)</u>	<u>-</u>
Total Property and Equipment	<u>\$ 117,122</u>	<u>4,728,208</u>	<u>32,945,820</u>	<u>165,000</u>

	<u>HOUSING CHOICE VOUCHERS</u>	<u>COCC</u>	<u>STATE/LOCAL</u>	<u>TOTAL</u>
Land and Improvements	\$ -	-	7,000	15,418,821
Infrastructure	-	-	1,287,000	3,109,317
Building and Improvements	233,250	-	53,451	73,321,019
Furniture and Equipment	127,555	370,557	-	2,917,924
Construction in Process	-	-	-	4,997,728
Less: Accumulated Depreciation	<u>(345,630)</u>	<u>(352,622)</u>	<u>(531,142)</u>	<u>(60,959,240)</u>
Total Property and Equipment	<u>\$ 15,175</u>	<u>17,935</u>	<u>816,309</u>	<u>38,805,569</u>

Enterprise Fund Summary:

	October 1, 2014 <u>Balance</u>	<u>Additions</u>	<u>Transfers & Deletions</u>	September 30, 2015 <u>Balance</u>
Land	\$ 15,235,852	-	182,969	15,418,821
Construction in Process	<u>3,046,729</u>	<u>3,269,549</u>	<u>(1,318,550)</u>	<u>4,997,728</u>
Total Assets not being depreciated	18,282,581	3,269,549	(1,135,581)	20,416,549
Infrastructure	3,109,317	-	-	3,109,317
Buildings and Improvements	72,093,857	286,342	940,820	73,321,019
Furniture and Equipment	<u>2,184,417</u>	<u>671,229</u>	<u>62,278</u>	<u>2,917,924</u>
Total Property and Equipment	95,670,172	4,227,120	(132,483)	99,764,809
Less: Accumulated Depreciation	<u>(58,349,335)</u>	<u>(2,659,956)</u>	<u>50,051</u>	<u>(60,959,240)</u>
Net Book Value	<u>\$ 37,320,837</u>	<u>1,567,164</u>	<u>(82,432)</u>	<u>38,805,569</u>

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

16. NOTES PAYABLE

Notes Payable

1. 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 \$25,901. The principal balance at September 30, 2015 was \$349,968. Debt service requirements are as follows:

Fiscal Year	Principal	Interest	Balance Due
2016	\$ 112,506	17,384	237,462
2017	80,404	12,163	157,058
2018	46,439	8,592	110,619
2019	49,205	5,611	61,414
2020	40,918	3,035	20,496
2021-2022	<u>20,496</u>	<u>1,082</u>	-
Total Payments	\$ <u>349,968</u>	<u>47,867</u>	

2. During fiscal year ending September 30, 2007, the Authority issued a mortgage note payable to SunTrust Bank to fund capital activities related to private units owned by the Authority. The note bears interest at 6.95% and is payable in equal monthly installments of \$1,434. The amount of interest paid and charged to expense during the year was \$6,326. The note is secured by capital assets related to the Jamison and Downing Properties. The outstanding principal balance as of September 30, 2015 was \$85,062. Future projected payments are as follows:

Fiscal Year	Principal	Interest	Balance Due
2016	\$ 11,659	5,545	73,403
2017	12,495	4,708	60,908
2018	13,392	3,812	47,516
2019	14,353	2,851	33,163
2020	15,383	1,821	17,780
2021-2022	<u>17,780</u>	<u>725</u>	-
Total Payments	\$ <u>85,062</u>	<u>19,462</u>	

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

16. NOTES PAYABLE (continued)

3. 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, 2015, is \$1,258,439. The current portion is \$23,195.

4. 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, 2015 was \$266,444. The current portion is \$88,000.

5. During the fiscal year ending September 30, 2015, the Authority entered into a loan agreement with Freedom First Federal Credit Union for a loan in the amount of \$850,000 to be used for the construction of 12 units on various lots in the City of Roanoke. The note bears an interest rate of 4.5% for 5 years and is payable in equal monthly installments of \$15,848. During 2015, \$26,963 in interest payments were made and capitalized as part of the construction cost. The note is secured by payments from future capital grants received from HUD. The principal balance of this loan at September 30, 2015 was \$734,328.

Fiscal Year	Principal	Interest	Balance Due
2016	\$ 160,418	29,763	573,910
2017	167,787	22,393	406,123
2018	175,495	14,685	230,628
2019	183,557	6,623	47,071
2020	<u>47,071</u>	<u>353</u>	-
Total Payments	\$ <u>734,328</u>	<u>73,817</u>	

A summary of the notes payable at September 30, 2015:

	Total	Current	Long Term
City Activities Notes	\$ 349,968	112,506	237,462
Jamison, Downing Properties	85,062	11,659	73,403
Replacement Housing Loan	734,328	160,418	573,910
CDBG/HOME Notes	1,258,439	23,195	1,235,244
Hancock Building Note	<u>266,444</u>	<u>88,000</u>	<u>178,444</u>
	<u>\$2,694,241</u>	<u>395,778</u>	<u>2,298,463</u>

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

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, 2015, is as follows:

	October 1, 2014			September 30, 2015
	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>
Accrued Compensated Absences	\$ 105,965	223,644	218,480	111,129
Accrued OPEB Liabilities	231,694	69,201	46,178	254,717
Notes Payable	2,752,838	850,000	908,597	2,694,241
Other Long Term Liabilities	283,322	154,588	193,986	243,924
Less: Current Portion	<u>(409,617)</u>	<u>(5,350)</u>	<u>100,102</u>	<u>(515,069)</u>
Long-Term Liabilities	<u>\$ 2,964,202</u>	<u>1,292,083</u>	<u>1,467,343</u>	<u>2,788,942</u>

18. RESTRICTED NET POSITION

Restricted net position consist of the following:

	Enterprise Fund
Restricted for HAP Payments	\$ 203,979
Restricted for Debt Service and Related Reserves	<u>167,705</u>
	<u>\$ 371,684</u>

19. OTHER COMMITMENTS AND CONTINGENCIES

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

20. RELATED PARTY TRANSACTIONS

Agreements with Stepping Stone, Limited Partnership (Component Unit)

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 6% of collected rents. As of September 30, 2015, Stepping Stone, LP owed the Authority \$2,549 for property management services and had paid the Authority \$11,471 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, 2015, Indian Village, LP owed the Authority \$3,208 in accrued management fees and expenses. During the year, the Partnership paid \$9,242 in management fees to the Authority.

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

20. RELATED PARTY TRANSACTIONS (continued)

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, 2015, Park Street, LP owed the Authority \$2,698 in accrued management fees and expenses. During the year the partnership paid \$8,336 in management fees to the Authority.

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, 2015, Hurt Park, LP owed the Authority \$5,574 for property management services and had paid the Authority \$13,818 in management fees during the year.

21. CONDUIT DEBT

The Authority, with the approval of the City or other Commonwealth of Virginia local governmental entities, may issue and sell debt to finance the acquisition, development, construction and/or rehabilitation of mixed-use and/or multi-family housing projects and commercial facilities deemed to be in the public interest. Such debt is payable solely from the revenue of the projects, which are owned by the developers, and does not constitute a debt or pledge of the full faith and credit of the Authority, the Commonwealth of Virginia or any political subdivision thereof. Accordingly, such debt and related assets are not presented in the basic financial statements. The aggregate amount of all conduit debt obligations outstanding was zero as of September 30, 2015. No debt of this type was issued for the fiscal year ended September 30, 2015.

22. USE OF ANOTHER AUDITOR'S WORK

According to Statements of Auditing Standards, an auditor may "Use the work and reports of other independent auditors who have audited the financial statements of one or more subsidiaries, divisions, branches, components, or investments included in the financial statements presented". When making the decision of whether to include said statements, the Principle Auditor, must take in consideration "the professional reputation and independence of the other auditor". During the Roanoke Redevelopment and Housing Authority audit, we elected to use another independent auditor's work for Stepping Stone, LP, Indian Village, 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 31, 2014 were performed by Dooley and Vicars, LLP, a highly regarded, independent auditing firm in Richmond, VA. All five audits had unqualified opinions with no findings.

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

23. DIFFERENT REPORTING PERIODS

The Roanoke Redevelopment and Housing Authority has a September 30th year end and each of the five discrete component units have December 31st year ends. The December 31, 2014 financial statements for the component units are included in the Authority's September 30, 2015 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 Park Street Housing, LP</u>	<u>DR (CR)</u>
Balance at December 31, 2014	2,254,899
Net Transfers from January 1, 2015 to September 30, 2015	<u>962</u>
Balance at September 30, 2015	<u><u>2,255,861</u></u>
<u>RRHA - Due to/Due from Stepping Stone, LP</u>	<u>DR (CR)</u>
Balance at December 31, 2014	2,374
Net Transfers from January 1, 2015 to September 30, 2015	<u>175</u>
Balance at September 30, 2015	<u><u>2,549</u></u>
<u>RRHA - Due to/Due from Indian Village, LP</u>	<u>DR (CR)</u>
Balance at December 31, 2014	2,035
Net Transfers from January 1, 2015 to September 30, 2015	<u>1,173</u>
Balance at September 30, 2015	<u><u>3,208</u></u>
<u>RRHA - Due to/Due from Hurt Park, LP</u>	<u>DR (CR)</u>
Balance at December 31, 2014	4,186
Net Transfers from January 1, 2015 to September 30, 2015	<u>1,388</u>
Balance at September 30, 2015	<u><u>\$ 5,574</u></u>
<u>RRHA - Due to/Due from RVHC</u>	<u>DR (CR)</u>
Balance at December 31, 2014	-
Net Transfers from January 1, 2015 to September 30, 2015	<u>-</u>
Balance at September 30, 2015	<u><u>\$ -</u></u>

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

24. GRANTS

During the fiscal year ended September 30, 2015, the Authority closed the following grants:

Capital Fund Program <u>Grant Number</u>	Expenditures prior to fiscal year 2015	Expenditures for fiscal year 2015	Total Expenditures
VA36P011501-12	\$ 1,620,371	159,597	1,779,968
VA36R011502-07	106,438	91,473	197,911
VA36R011502-08	-	198,644	198,644
VA36R011502-09	-	171,949	171,949
VA36R011502-10	-	187,080	187,080
VA36R011502-11	-	155,838	155,838
VA36R011501-09	13,386	176,576	189,962
VA36R011501-10	-	194,133	194,133
	<u>\$ 1,740,195</u>	<u>1,335,290</u>	<u>3,075,485</u>

25. SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 25, 2016, the date the financial statements were available to be issued. No subsequent events requiring recognition or disclosure in the financial statements were identified by management.

26. 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, 2015, the other postemployment plan (OPEB) expense was \$59,327.

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

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

26. OTHER POSTEMPLOYMENT BENEFIT PLAN (continued)

Annual Required Contribution	\$	58,776
Interest on Net OPEB Obligation		10,426
Adjustment to annual required contribution		<u>(9,875)</u>
Annual OPEB expense		59,327
Contributions made		<u>(36,222)</u>
Increase in net OPEB obligation		23,105
Net OPEB Obligation-beginning of year		<u>231,696</u>
Net OPEB Obligation-end of year	\$	<u><u>254,801</u></u>

The employer contributions of \$36,222 represent 61.62% of the annual required contribution for the year ended September 30, 2015. The annual required contribution calculation for the year ended September 30, 2015 is as follows:

Normal cost at beginning of year	\$	34,290
Amortization of the unfunded actuarial accrued liability		<u>21,955</u>
Total normal cost and amortization payment		56,245
Adjustment for timing		<u>2,531</u>
Total Annual Required Contribution (ARC)	\$	<u><u>58,776</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	\$	538,267
Actuarial value of assets-beginning of year		<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	\$	<u><u>538,267</u></u>

Funded ratio 0 %

Covered payroll \$ 2,932,399

UAAL as % of covered payroll 18.4%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presented 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)

26. 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 Accrued 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)
10/1/2012	\$0	\$583,714	\$583,714	0%	\$2,828,813	20.6%
10/1/2013	\$0	\$538,267	\$538,267	0%	\$2,932,399	18.4%
10/1/2014	\$0	\$538,267	\$538,267	0%	\$2,932,399	18.4%

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
9/30/2013	\$39,822	\$58,600	68.0%
9/30/2014	\$33,232	\$58,776	56.5%
9/30/2015	\$36,220	\$58,776	61.6%

Historical Annual OPEB Cost

<u>As of</u>	<u>Annual OPEB Cost</u> a	<u>% of Annual OPEB Cost Contributed</u> b	<u>Net OPEB Obligation</u> c=a/b
9/30/2013	\$59,043	67.40%	205,662
9/30/2014	\$59,266	56.10%	231,696
9/30/2015	\$59,327	61.10%	254,801

27. UNCERTAIN TAX POSITIONS

The Authority had no unrecognized tax benefits at September 30, 2015 and no open years prior to September 30, 2012. The Authority files tax returns in the U.S. federal jurisdiction and the State of Virginia.

28. PRIOR PERIOD ADJUSTMENT

The implementation of GASB 68 resulted in recording the Deferred Outflows, Deferred Inflows and Pension liability on the September 30, 2015 financial statements. The balances at June 30, 2014 have been recorded into the beginning net position for a total adjustment of \$435,948. This net recording into the net position created non-comparability in the MD&A and has been acknowledged and allowed by the GASB. An error in recording HAP money returned to HUD in the Section 8 program resulted in a decrease in equity of (\$54,141).

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

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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, 2015 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated February 25, 2016.

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.

John P. Perry and Company LLP

February 25, 2016
Toms River, New Jersey

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

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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, 2015. 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, 2015.

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.

Inf. Perry and Company

February 25, 2016
Toms River, New Jersey

Roanoke Redevelopment and Housing Authority
 Schedule of Expenditures of Federal Awards
 For the Year Ended September 30, 2015

<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	\$ 4,834,325
Housing Choice Vouchers	14.871	10,495,937
Mainstream	14.879	204,199
Resident Opportunity and Support Services	14.870	265,226
Jobs Plus Pilot Program Grant	14.895	162,074
Public Housing Capital Fund Program	14.872	2,745,188
Choice Neighborhoods Planning Grants	14.892	18,138
Pass-through from City of Roanoke:		
Shelter Plus Care Program	14.238	201,440
Community Development Block Grant	14.218	<u>1,384</u>
		<u>\$18,927,911</u>

Roanoke Redevelopment and Housing Authority

Notes to Schedule of Federal Awards

September 30, 2015

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, 2015, 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, 2015

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 | \$567,837 |
| 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, 2015

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, 2015

Current year findings and questioned costs

None

Supplementary Information

Roanoke Redevelopment and Housing Authority

Schedule of Funding Progress

For the Year Ended September 30, 2015

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)
6/30/15	\$ 2,110,714	1,828,751	(281,963)	115.42%	2,886,888	(9.77)%
6/30/14	1,719,277	1,403,233	(316,044)	122.52%	2,838,454	(11.13)%
6/30/13	1,335,603	1,099,123	(236,480)	121.52%	2,793,262	(8.47)%

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)
10/1/2011	0	583,714	583,714	0%	2,828,813	20.6%
10/1/2012	0	583,714	583,714	0%	2,828,813	20.6%
10/1/2013	0	538,267	538,267	0%	2,932,399	18.4%
10/1/2014	0	538,267	538,267	0%	2,932,399	18.4%
10/1/2015	0	538,267	538,267	0%	2,939,399	18.4%

FDS #	Description	Total AMPs	S8 HCV Fund 306 14,871	Choice Neighborhood 14,892	S8 MAINSTREAM Fund 310 14,879	S8 Mod Rehab Prgrms Combined 14,856	Jobs Plus Fund 601 14,895	ROSS 14,870	CDBG 14,218	HOME 14,239	STATE/ LOCAL
111	Cash-unrestricted	6,716,184	516,756		122,518	-					2,500,186
112	Cash-restricted-modernization and development	167,705				-					-
113	Cash-other restricted	53,002	293,403			-			22,591	25,313	71,904
114	Cash-tenant security deposits	148,445				-					-
115	Cash - Restricted for payment of current liability	14,780	35,663		220	-					-
100	Total Cash	7,100,116	845,822	-	122,738	-	-	-	22,591	25,313	2,572,090
121	Accounts receivable - PHA projects	-			1,420	-					-
122-010	Accounts receivable - HUD other projects - Operating Subsidy	-				-					
122-020	Accounts receivable - HUD other projects - Capital fund	712,921									
122-030	Accounts receivable - HUD other projects - Other	-					132,472	47,781			
122	Accounts receivable - HUD other projects	712,921	-	-	-	-	132,472	47,781	-	-	-
124	Account receivable - other government	-							13,005	1,389	52,684
125-010	Account receivable - miscellaneous - Not For Profit	-									
125-020	Account receivable - miscellaneous - Partnership	-									
125-030	Account receivable - miscellaneous - Joint Venture	-									
125-040	Account receivable - miscellaneous - Tax Credit	-									
125-050	Account receivable - miscellaneous - Other	6,031							2,024	888	-
125	Account receivable - miscellaneous	6,031	-	-	-	-	-	-	2,024	888	-
126	Accounts receivable - tenants	133,091									-
126	Allowance for doubtful accounts - tenants	(60,154)									-
126	Allowance for doubtful accounts - other	-									-
127	Notes, Loans, & Mortgages Receivable - Current	-							16,377	6,818	183,831
128	Fraud recovery	-	90,884								-
128	Allowance for doubtful accounts - fraud	-	(23,110)								-
129	Accrued interest receivable	-									996
120	Total receivables, net of allowance for doubtful accounts	791,889	67,774	-	1,420	-	132,472	47,781	31,406	9,095	237,511
131	Investments - unrestricted	529,809									-
132	Investments - restricted	-									-
135	Investments - Restricted for payment of current liability	-									-
142	Prepaid expenses and other assets	189,238	20,689								334
143	Inventories	-									-
143	Allowance for obsolete inventories	-									-
144	Inter program - due from	621,549	3,798								-
145	Assets held for sale	-									1,516,009
150	Total Current Assets	9,232,601	938,083	-	124,158	-	132,472	47,781	53,997	34,408	4,325,944
161	Land	11,871,332							3,472,285		7,000
162	Buildings	72,375,313	233,250								53,451
163	Furniture, equipment and machinery - dwellings	879,998									-
164	Furniture, equipment and machinery - administration	1,523,429	127,555								-
165	Leaschold improvements	-									-
166	Accumulated depreciation	(58,536,980)	(345,630)						(566,394)		(531,142)
167	Construction in progress	4,832,728		165,000							-
168	Infrastructure	-							1,822,317		1,287,000

FDS #	Description	Total AMPs	S8 HCV Fund 306 14.871	Choice Neighborhood 14.892	S8 MAINSTREAM Fund 310 14.879	S8 Mod Rehab Prgrms Combined 14.856	Jobs Plus Fund 601 14.895	ROSS 14.870	CDBG 14.218	HOME 14.239	STATE/ LOCAL
160	Total capital assets, net of accumulated depreciation	32,945,820	15,175	165,000	-	-	-	-	4,728,208	-	816,309
171-010	Notes, Loans, & mortgages receivable - Non-current - Not For Profit	-									
171-020	Notes, Loans, & mortgages receivable - Non-current - Partnership	-									
171-030	Notes, Loans, & mortgages receivable - Non-current - Joint Venture	-									
171-040	Notes, Loans, & Mortgages receivable - Non-current - Tax Credit	-									-
171-050	Notes, Loans, & Mortgages receivable - Non-current - Other	-							294,555	940,703	375,214
171	Notes, Loans, & Mortgages receivable - Non-current	-	-	-	-	-	-	-	294,555	940,703	375,214
172-010	Notes, Loans, & mortgages receivable - Non-current - past due - Not For Profit	-									
172-020	Notes, Loans, & mortgages receivable - Non-current - Partnership	-									
172-030	Notes, Loans, & mortgages receivable - Non-current - Joint Venture	-									
172-040	Notes, Loans, & Mortgages receivable - Non-current - Tax Credit	-									
172-050	Notes, Loans, & Mortgages receivable - Non-current - Other	-									
172	Notes, Loans, & Mortgages receivable - Non-current - past due	-	-	-	-	-	-	-	-	-	-
173	Grants receivable - Non-current	-									-
174-040	Other assets - Tax Credit	-									
174-050	Other assets - Other	187,710	46,225								
174	Other assets	187,710	46,225								
176-010	Investment in Joint venture - Not For Profit	-									
176-020	Investment in Joint venture - Partnership	-									
176-030	Investment in Joint venture - Joint Venture	-									
176-040	Investment in Joint venture - Tax Credit	-									
176-050	Investment in Joint venture - Other	-									
176	Investment in joint venture	-	-	-	-	-	-	-	-	-	-
180	Total Non-current Assets	33,133,530	61,400	165,000	-	-	-	-	5,022,763	940,703	1,191,523
200	Deferred Outflow of Resources	78,177	20,142								
190	Total Assets	42,444,308	1,019,625	165,000	124,158	-	132,472	47,781	5,076,760	975,111	5,517,467
311	Bank overdraft	-									-
312	Accounts payable <= 90 days	225,355	643				454	25	123	-	177
313	Accounts payable > 90 days past due	-									-
321	Accrued wage/payroll taxes payable	82,363	16,783				8,748	11,809			-
322	Accrued compensated absences - current portion	46,870	7,513				1,479	3,009			-
324	Accrued contingency liability	-									-
325	Accrued interest payable	2,295									1,698
331-010	Accounts payable - HUD PHA Programs - Operating Subsidy	-									
331-020	Accounts payable - HUD PHA Programs - Capital fund	-									
331-030	Accounts payable - HUD PHA Programs - Other	-	35,663		220						

FDS #	Description	Total AMPs	S8 HCV Fund 306 14.871	Choice Neighborhood 14.892	S8 MAINSTREAM Fund 310 14.879	S8 Mod Rehab Prgrms Combined 14.856	Jobs Plus Fund 601 14.895	ROSS 14.870	CDBG 14.218	HOME 14.239	STATE/ LOCAL
331	Accounts payable - HUD PHA Programs	-	35,663	-	220	-	-	-	-	-	-
332	Accounts payable - PHA Projects	-	-	-	-	-	-	-	-	-	-
333	Accounts payable - other government	125,704	-	-	-	-	-	-	39,054	27,590	316,417
341	Tenant security deposits	148,445	-	-	-	-	-	-	-	-	-
342-010	Deferred revenue - Operating Subsidy	2,948	-	-	-	-	-	-	-	-	-
342-020	Deferred revenue - Capital fund	-	-	-	-	-	-	-	-	-	-
342-030	Deferred revenue - Other	30,221	42,168	-	-	-	-	-	-	-	-
342	Deferred revenue	33,169	42,168	-	-	-	-	-	-	-	-
343-010	CFFP	160,418	-	-	-	-	-	-	-	-	-
343-020	Capital Projects/ Mortgage Revenue	-	-	-	-	-	-	-	-	-	-
343	Curr portion long-term debt - capital projs/mortg revenue bonds	160,418	-	-	-	-	-	-	-	-	-
344	Current portion of long-term debt - operating borrowings	-	-	-	-	-	-	-	-	-	-
345	Other current liabilities	120,174	-	-	-	-	-	-	-	-	-
346	Accrued liabilities - other	-	-	-	-	-	-	-	-	-	-
347	Inter program - due to	492,320	-	-	-	-	121,791	11,237	-	-	-
348-010	Loan liability - current - Not For Profit	-	-	-	-	-	-	-	-	-	-
348-020	Loan liability - current - Partnership	-	-	-	-	-	-	-	-	-	-
348-030	Loan liability - current - Joint Venture	-	-	-	-	-	-	-	-	-	-
348-040	Loan liability - current - Tax Credit	-	-	-	-	-	-	-	-	-	-
348-050	Loan liability - current - Other	-	-	-	-	-	-	-	16,377	6,818	200,506
348	Loan liability - current	-	-	-	-	-	-	-	16,377	6,818	200,506
310	Total Current Liabilities	1,437,113	102,770	-	220	-	132,472	26,080	55,554	34,408	518,798
351-010	Long-term debt - CFFP	573,910	-	-	-	-	-	-	-	-	-
351-020	Long-term - Capital Projects/ Mortgage Revenue	-	-	-	-	-	-	-	-	-	-
351	Capital Projects- Mortgages/ Revenue Bonds	573,910	-	-	-	-	-	-	-	-	-
352	Long-term debt, net of current - operating borrowings	-	-	-	-	-	-	-	-	-	-
353	Non-current liabilities - other	52,783	89,410	-	-	-	-	-	-	-	95,131
354	Accrued compensated absences- Non-current	-	-	-	-	-	-	-	-	-	-
355-010	Loan liability - Non-current - Not For Profit	-	-	-	-	-	-	-	-	-	-
355-020	Loan liability - Non-current - Partnership	-	-	-	-	-	-	-	-	-	-
355-030	Loan liability - Non-current - Joint Venture	-	-	-	-	-	-	-	-	-	-
355-040	Loan liability - Non-current - Tax Credit	-	-	-	-	-	-	-	-	-	-
355-050	Loan liability - Non-current - Other	-	-	-	-	-	-	-	294,541	940,703	415,906
	Other - Comment	-	-	-	-	-	-	-	-	-	-
355	Loan liability - Non-current	-	-	-	-	-	-	-	294,541	940,703	415,906
356	FASB 5 Liabilities	-	-	-	-	-	-	-	-	-	-
357-010	Accrued Pension	-	-	-	-	-	-	-	-	-	-
357-020	OPEB Liability	199,002	23,571	-	-	-	-	21,701	-	-	-
357	Accrued Pension and OPEB Liability	199,002	23,571	-	-	-	-	21,701	-	-	-
350	Total Non-current liabilities	825,695	112,981	-	-	-	-	21,701	294,541	940,703	511,037
400	Deferred Inflow of Resources	49,157	12,656	-	-	-	-	-	-	-	-
300	Total Liabilities	2,311,965	228,407	-	220	-	132,472	47,781	350,095	975,111	1,029,835
508	Invested in capital assets, net of related debt	32,211,492	15,175	165,000	-	-	-	-	4,728,208	-	816,309
511	Restricted Net Assets	167,705	203,979	-	-	-	-	-	-	-	-
512	Unrestricted Net Assets	7,753,146	572,064	-	123,938	-	-	-	(1,543)	-	3,671,323
513	Total Equity/Net Assets	40,132,343	791,218	165,000	123,938	-	-	-	4,726,665	-	4,487,632
600	Total Liabilities and Equity/Net assets	42,444,308	1,019,625	165,000	124,158	-	132,472	47,781	5,076,760	975,111	5,517,467

FDS #	Description	Total AMPs	S8 HCV Fund 306 14.871	Choice Neighborhood 14.892	S8 MAINSTREAM Fund 310 14.879	S8 Mod Rehab Prgrms Combined 14.856	Jobs Plus Fund 601 14.895	ROSS 14.870	CDBG 14.218	HOME 14.239	STATE/ LOCAL
Income Statement											
70310	Net tenant rental revenue	3,091,295									
70400	Tenant revenue - other	235,209									
70500	Total Tenant Revenue	3,326,504									
70600-010	Housing assistance payments	-	9,098,191		186,229						
70600-020	Ongoing administrative fees earned	-	876,244		24,481						
70600-030	FSS Coordinator	-	12,649								
70600-040	Actual independent public accountant audit costs	-									
70600-050	Total preliminary fees earned	-									
70600-060	Interest earned on advances	-									
70600-070	Admin fee calculation description	-									
70600	HUD PHA operating grants	5,028,635	9,987,084		210,710		162,074	265,226	1,384		
70610	Capital grants	2,550,878		18,138							
70710	Management Fee	-									
70720	Asset Management Fee	-									
70730	Book-Keeping Fee	-									
70740	Front Line Service Fee	-									
70750	Other Fees	-									
70760	Total Fee Revenue	-	-	-	-	-	-	-	-	-	-
70800	Other government grants	-						10,709			3,422
71100-010	Housing Assistance Payment	-									
71100-020	Administrative Fee	-									
71100	Investment income - unrestricted	(4,760)									(1,084)
71200	Mortgage interest income	-						775		844	16,391
71300	Proceeds from disposition of assets held for sale	-									58,200
71310	Cost of sale of assets	-							(72,373)		(268,413)
71400-010	Housing Assistance Payment	-	6,854								
71400-020	Administrative Fee	-	6,854								
71400	Fraud recovery	-	13,708								
71500	Other revenue	107,031	33,249						68,385		53,361
71600	Gain or loss on sale of capital assets	2,500									
72000-010	Housing Assistance Payment	-									
72000-020	Administrative Fee	-									
72000	Investment income - restricted	-									
73000	Total Revenue	11,010,788	10,034,041	18,138	210,710	-	162,074	265,226	8,880	844	(138,123)
91100	Administrative salaries	380,225	287,639		7,486						142
91200	Auditing fees	15,973	16,740		787						
91300	Management Fees	1,038,221	160,937								
91310	Book-Keeping Fee	112,530	146,183								
91400	Advertising and Marketing	18,723	8,315								
91500	Employee benefit contributions - administrative	132,336	98,350		2,579						
91600	Office Expenses	216,840	11,951								
91700	Legal Expense	73,389	2,927		76			10,594			15,439
91800	Travel	2,024	1,818		46						
91810	Allocated Overhead	-									
91900	Other	192,368	99,824		2,149				1,384		6,321
91000	Total Operating-Administrative	2,182,629	834,684	-	13,123	-	-	-	11,978	-	21,902
92000	Asset Management Fee	151,320									
92100	Tenant services - salaries	90,064	8,138				34,570	173,036			
92200	Relocation Costs	-									
92300	Employee benefit contributions - tenant services	29,551	3,083				9,239	58,948			
92400	Tenant services - other	74,167	5,769				113,949	25,410			
92500	Total Tenant Services	193,782	17,990	-	-	-	157,758	257,394	-	-	-
93100	Water	399,848	1,103		20						
93200	Electricity	637,943	1,523		31						
93300	Gas	472,314	199		929						

FDS #	Description	Total AMPs	S8 HCV Fund 306 14,871	Choice Neighborhood 14,892	S8 MAINSTREAM Fund 310 14,879	S8 Mod Rehab Prgrms Combined 14,856	Jobs Plus Fund 601 14,895	ROSS 14,870	CDBG 14,218	HOME 14,239	STATE/ LOCAL
93400	Fuel	-									-
93500	Labor	-									-
93600	Sewer	410,716	1,067		19						-
93700	Employee benefit contributions - utilities	-									-
93750	HAP Portability-In	-									-
93800	Other utilities expense	-									-
93900	Total Utilities	1,920,821	3,892	-	999	-	-	-	-	-	-
94100	Ordinary maint & operations-labor	654,395									-
94200	Ordinary maint & operations-materials and other	441,570	1,622								-
94300-010	Ordinary maint & operations contracts-Garbage/Trash Removal	145,531									-
94300-020	Ordinary maint & operations contracts-Heating & Cooling	184,259									-
94300-030	Ordinary maint & operations contracts-Snow Removal	-									-
94300-040	Ordinary maint & operations contracts-Elevator Maint	26,213									-
94300-050	Ordinary maint & operations contracts-Landscape & Grounds	135,020									870
94300-060	Ordinary maint & operations contracts-Unit Turnaround	177,290									-
94300-070	Ordinary maint & operations contracts-Electrical	112,372									-
94300-080	Ordinary maint & operations contracts-Plumbing	41,633									-
94300-090	Ordinary maint & operations contracts-Extermination	73,657									-
94300-100	Ordinary maint & operations contracts-Janitorial	13,580	2,779								-
94300-110	Ordinary maint & operations contracts-Routine Maint	378,734									-
94300-120	Ordinary maint & operations contracts-Misc	94,000	4,156		223						-
94500	Ordinary Maintenance and Operations Contracts	1,382,289	6,935	-	223	-	-	-	-	-	870
94500	Ordinary maint- Employee benefit contributions	229,732									-
94600	Total Maintenance	2,707,986	8,557	-	223	-	-	-	-	-	870
95100	Protective services - labor	-									-
95200	Protective services - other contract costs	70									-
95300	Protective services - other	-									-
95500	Protective services - Employee benefit contributions	-									-
95600	Total Protective Services	70	-	-	-	-	-	-	-	-	-
96100	Property Insurance	167,238									57
96150	Liability Insurance	56,998	6,818		905				115		20
96180	Workmen's Compensation	9,227	2,991								-
96140	All other Insurance	17,945	2,099								-
96100	Total insurance Premiums	251,408	11,908	-	305	-	-	-	115	-	77
96200	Other general expenses	-							69,160	844	51,008
96210	Compensated absences	90,276	21,832				4,316	7,832			-
96300	Payments in lieu of taxes	125,704									-
96400	Bad debt - tenant rents	151,711									-
96500	Bad debt - mortgages	-									-
96600	Bad debt - other	-	13,006								-
96800	Severance expense	-									-
96800	Total Other General Expenses	367,691	34,838	-	-	-	4,316	7,832	69,160	844	51,008
96710	Interest of Mortgage (or Bonds) Payable	-									-
96720	Interest on Notes Payable (Short and Long Term)	-									25,901
96730	Amortization of Bond Issue Costs	1,252									-
96730	Interest expense and Amortization cost	1,252	-	-	-	-	-	-	-	-	25,901

FDS #	Description	Total AMPs	S8 HCV Fund 306 14,871	Choice Neighborhood 14,892	S8 MAINSTREAM Fund 310 14,879	S8 Mod Rehab Prgrms Combined 14,856	Jobs Plus Fund 601 14,895	ROSS 14,870	CDBG 14,218	HOME 14,239	STATE/ LOCAL
969001	Total Operating Expenses	7,776,959	911,869	-	14,650	-	162,074	265,226	81,253	844	99,758
97000	Excess Revenue Over Operating Expenses	3,233,829	9,122,172	18,138	196,060	-	-	-	(72,373)	-	(237,881)
97100	Extraordinary maintenance	50,000									
97200	Casualty losses- Non-capitalized	3,293									
97300-010	Mainstream 1 & 5 year	-			189,549						
97300-020	Home-Ownership	-	52,404								
97300-025	Litigation	-									
97300-030	Hope IV	-									
97300-035	Moving to Work	-									
97300-040	Tenant Protection	-	250,070								
97300-050	All Other	-	9,272,200								
97300	Housing assistance payments	-	9,574,674		189,549						
97350	HAP Portability In										
97400	Depreciation expense	2,524,958	9,220						61,038		42,899
97500	Fraud losses	-									
97800	Dwelling units rent expense	-									
98000	Total Expenses	10,355,210	10,495,763	-	204,199	-	162,074	265,226	142,291	844	142,657
10010	Operating transfer in	18,969									
10020	Operating transfer out	(18,969)									
10030-010	Not For Profit	-									
10030-020	Partnership	-									
10030-030	Joint Venture	-									
10030-040	Tax Credit	-									
10030-050	Other	-									
10030	Operating transfers from / to primary government	-									
10040	Operating transfers from / to component unit	-									
10070	Extraordinary items, net gain/loss	-									
10080	Special items, net gain/loss	-									
10091	Inter AMP Excess Cash Transfer In	509,523									
10092	Inter AMP Excess Cash Transfer Out	(509,523)									
10093	Transfers from Program to AMP	-									
10094	Transfers from AMP to Program	-									
10100	Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
10090	Excess (Deficiency) of Revenue Over (Under) Expenses	655,578	(461,722)	18,138	6,511	-	-	-	(133,411)	-	(280,780)
11020	Required Annual Debt Principal Payments	115,673									200,506
11030	Beginning equity	39,279,499	1,042,036	146,862	117,427	214,257			4,860,076		4,768,412
11040-010	Prior period adjustments and correction of errors - Editable	-	(54,141)								
11040-020	Prior period adjustments and correction of errors - Editable	197,266	50,788								
11040-030	Prior period adjustments and correction of errors - Editable	-									
11040-040	Prior period adjustments and correction of errors - Editable	-									
11040-050	Prior period adjustments and correction of errors - Editable	-									
11040-060	Prior period adjustments and correction of errors - Editable	-									
11040-070	Equity Transfers (UNRESTRICTED)	-	214,257								
11040-080	Equity Transfers (RESTRICTED)	-									
11040-090	Equity Transfers	-				(214,257)					
11040-100	Equity Transfers	-									
11040-110	Equity Transfers	-									
11040	Prior period adjustments, equity transfers, & correction of errors	197,266	210,904	-	-	(214,257)	-	-	-	-	-

FDS #	Description	2015 Shelter Plus Care 14.238	Business Activity	Central Office Cost Center	Eliminations	Total	COMPONENT UNITS COMBINED 6	ENTITY WIDE TOTAL
111	Cash-unrestricted		-	1,425,874		11,281,518	459,113	11,740,631
112	Cash-restricted-modernization and development		-	-		167,705	-	167,705
113	Cash-other restricted		-	-		466,213	571,128	1,037,341
114	Cash-tenant security deposits		5,932	-		154,377	29,287	183,664
115	Cash - Restricted for payment of current liability		-	-		50,663	-	50,663
100	Total Cash	-	5,932	1,425,874	-	12,120,476	1,059,528	13,180,004
			33					
121	Accounts receivable - PHA projects		-	-		1,420	-	1,420
122-010	Accounts receivable - HUD other projects - Operating Subsidy		-	-		-	-	-
122-020	Accounts receivable - HUD other projects - Capital fund		-	-		712,921	-	712,921
122-030	Accounts receivable - HUD other projects - Other		-	-		180,253	-	180,253
122	Accounts receivable - HUD other projects	-	-	-	-	893,174	-	893,174
124	Account receivable - other government	729	-	-		67,807	-	67,807
125-010	Account receivable - miscellaneous - Not For Profit		-	-		-	-	-
125-020	Account receivable - miscellaneous - Partnership		-	-		-	-	-
125-030	Account receivable - miscellaneous - Joint Venture		-	-		-	-	-
125-040	Account receivable - miscellaneous - Tax Credit		32,155	-		32,155	-	32,155
125-050	Account receivable - miscellaneous - Other		-	256,293	(246,639)	18,597	-	18,597
125	Account receivable - miscellaneous	-	32,155	256,293	(246,639)	50,752	-	50,752
126	Accounts receivable - tenants		1,880	-		134,971	158,907	293,878
126	Allowance for doubtful accounts - tenants		(611)	-		(60,765)	(125,161)	(185,926)
126	Allowance for doubtful accounts - other		-	-		-	-	-
127	Notes, Loans, & Mortgages Receivable - Current		-	-		207,026	-	207,026
128	Fraud recovery		-	-		90,884	-	90,884
128	Allowance for doubtful accounts - fraud		-	-		(23,110)	-	(23,110)
129	Accrued interest receivable		-	-		996	-	996
120	Total receivables, net of allowance for doubtful accounts	729	33,424	256,293	(246,639)	1,363,155	33,746	1,396,901
131	Investments - unrestricted		-	-		529,809	-	529,809
132	Investments - restricted		-	-		-	-	-
135	Investments - Restricted for payment of current liability		-	-		-	-	-
142	Prepaid expenses and other assets		7,868	10,158		228,287	28,194	256,481
143	Inventories		-	-		-	-	-
143	Allowance for obsolete inventories		-	-		-	-	-
144	Inter program - due from		-	465,835	(1,091,182)	-	-	-
145	Assets held for sale		137,019	-		1,653,028	-	1,653,028
150	Total Current Assets	729	184,243	2,158,160	(1,337,821)	15,894,755	1,121,468	17,016,223
161	Land		68,204	-		15,418,821	2,983,483	18,402,304
162	Buildings		659,005	-		73,321,019	19,829,764	93,150,783
163	Furniture, equipment and machinery - dwellings		-	-		879,998	217,711	1,097,709
164	Furniture, equipment and machinery - administration		16,385	370,557		2,037,926	-	2,037,926
165	Leasehold improvements		-	-		-	-	-
166	Accumulated depreciation		(626,472)	(352,622)		(60,959,240)	(4,829,411)	(65,788,651)
167	Construction in progress		-	-		4,997,728	-	4,997,728
168	Infrastructure		-	-		3,109,317	-	3,109,317

FDS #	Description	2015 Shelter Plus Care 14.238	Business Activity	Central Office Cost Center	Eliminations	Total	COMPONENT UNITS COMBINED 6	ENTITY WIDE TOTAL
	Total capital assets, net of accumulated depreciation	-	117,122	17,935	-	38,805,569	18,201,547	57,007,116
160								
171-010	Notes, Loans, & mortgages receivable - Non-current - Not For Profit		-	-		-	-	-
171-020	Notes, Loans, & mortgages receivable - Non-current - Partnership		-	-		-	-	-
171-030	Notes, Loans, & mortgages receivable - Non-current - Joint Venture		-	-		-	-	-
171-040	Notes, Loans, & Mortgages receivable - Non-current - Tax Credit		-	-		-	-	-
171-050	Notes, Loans, & Mortgages receivable - Non-current - Other		-	-		1,610,472	-	1,610,472
171	Notes, Loans, & Mortgages receivable - Non-current		-	-		1,610,472	-	1,610,472
172-010	Notes, Loans, & mortgages receivable - Non-current - past due - Not For Profit		-	-		-	-	-
172-020	Notes, Loans, & mortgages receivable - Non-current - Partnership		-	-		-	-	-
172-030	Notes, Loans, & mortgages receivable - Non-current - Joint Venture		-	-		-	-	-
172-040	Notes, Loans, & Mortgages receivable - Non-current - Tax Credit		-	-		-	-	-
172-050	Notes, Loans, & Mortgages receivable - Non-current - Other		-	-		-	-	-
172	Notes, Loans, & Mortgages receivable - Non-current - past due		-	-		-	-	-
173	Grants receivable - Non-current		-	-		-	-	-
174-040	Other assets - Tax Credit		-	-		-	-	-
174-050	Other assets - Other		13,411	157,603	(8,165)	396,784	34,271	431,055
174	Other assets		13,411	157,603	(8,165)	396,784	34,271	431,055
176-010	Investment in Joint venture - Not For Profit		-	157,603		157,603	-	157,603
176-020	Investment in Joint venture - Partnership		-	-		-	-	-
176-030	Investment in Joint venture - Joint Venture		-	-		-	-	-
176-040	Investment in Joint venture - Tax Credit		-	-		-	-	-
176-050	Investment in Joint venture - Other		-	-		-	-	-
176	Investment in joint venture		-	-		-	-	-
180	Total Non-current Assets		130,533	175,538	(8,165)	40,812,825	18,235,818	59,048,643
200	Deferred Outflow of Resources		5,848	68,667		172,834	-	172,834
190	Total Assets	729	320,624	2,402,365	(1,345,986)	56,880,414	19,357,286	76,237,700
311	Bank overdraft		-	-		-	-	-
312	Accounts payable <= 90 days		2,093	4,645		233,515	18,548	252,063
313	Accounts payable > 90 days past due		-	-		-	-	-
321	Accrued wage/payroll taxes payable		6,059	74,656		200,418	-	200,418
322	Accrued compensated absences - current portion		1,998	50,260		111,129	-	111,129
324	Accrued contingency liability		-	8,162		8,162	-	8,162
325	Accrued interest payable		-	-		3,993	11,247	15,240
331-010	Accounts payable - HUD PHA Programs - Operating Subsidy		-	-		-	-	-
331-020	Accounts payable - HUD PHA Programs - Capital fund		-	-		-	-	-
331-030	Accounts payable - HUD PHA Programs - Other		-	-		35,883	-	35,883

FDS #	Description	2015 Shelter Plus Care 14.238	Business Activity	Central Office Cost Center	Eliminations	Total	COMPONENT UNITS COMBINED 6	ENTITY WIDE TOTAL
331	Accounts payable - HUD PHA Programs	-	-	-	-	35,883	-	35,883
332	Accounts payable - PHA Projects	-	-	-	-	-	-	-
333	Accounts payable - other government	-	-	-	-	508,765	-	508,765
341	Tenant security deposits	-	5,932	-	-	154,377	29,500	183,877
342-010	Deferred revenue - Operating Subsidy	-	-	-	-	2,948	-	2,948
342-020	Deferred revenue - Capital fund	-	-	-	-	-	-	-
342-030	Deferred revenue - Other	-	1,073	400	-	73,862	-	73,862
342	Deferred revenue	-	1,073	400	-	76,810	-	76,810
343-010	CFPP	-	-	-	-	160,418	-	160,418
343-020	Capital Projects/ Mortgage Revenue	-	-	-	-	-	-	-
343	Curr portion long-term debt - capital projs/mortg revenue bonds	-	11,659	-	-	172,077	74,459	246,536
344	Current portion of long-term debt - operating borrowings	-	-	-	-	-	-	-
345	Other current liabilities	-	-	-	-	120,174	-	120,174
346	Accrued liabilities - other	-	-	-	-	-	3,934	3,934
347	Inter program - due to	729	465,104	-	(1,091,181)	-	-	-
348-010	Loan liability - current - Not For Profit	-	-	-	-	-	-	-
348-020	Loan liability - current - Partnership	-	-	-	-	-	355	355
348-030	Loan liability - current - Joint Venture	-	-	-	-	-	-	-
348-040	Loan liability - current - Tax Credit	-	-	-	-	-	-	-
348-050	Loan liability - current - Other	-	-	-	-	223,701	-	223,701
348	Loan liability - current	-	-	-	-	223,701	355	224,056
310	Total Current Liabilities	729	493,918	138,123	(1,091,181)	1,849,004	138,043	1,987,047
351-010	Long-term debt - CFPP	-	-	-	-	573,910	-	573,910
351-020	Long-term - Capital Projects/ Mortgage Revenue	-	73,403	-	-	73,403	-	73,403
351	Capital Projects- Mortgages/ Revenue Bonds	-	73,403	-	-	647,313	7,071,571	7,718,884
352	Long-term debt, net of current - operating borrowings	-	-	-	-	-	-	-
353	Non-current liabilities - other	-	-	6,600	-	243,924	1,283,301	1,527,225
354	Accrued compensated absences- Non-current	-	-	-	-	-	-	-
355-010	Loan liability - Non-current - Not For Profit	-	-	-	-	-	-	-
355-020	Loan liability - Non-current - Partnership	-	-	-	-	-	-	-
355-030	Loan liability - Non-current - Joint Venture	-	-	-	-	-	-	-
355-040	Loan liability - Non-current - Tax Credit	-	-	-	-	-	-	-
355-050	Loan liability - Non-current - Other	-	-	-	-	1,651,150	-	1,651,150
355	Other - Comment	-	-	-	-	-	-	-
355	Loan liability - Non-current	-	-	-	-	1,651,150	-	1,651,150
356	FASB 5 Liabilities	-	-	-	-	-	-	-
357-010	Accrued Pension	-	-	-	-	-	-	-
357-020	OPEB Liability	-	10,531	246,555	(254,805)	246,555	-	246,555
357	Accrued Pension and OPEB Liability	-	10,531	246,555	(254,805)	246,555	-	246,555
350	Total Non-current liabilities	-	83,934	253,155	(254,805)	2,788,942	8,354,872	11,143,814
400	Deferred Inflow of Resources	-	3,672	43,150	-	108,635	-	108,635
300	Total Liabilities	729	581,524	434,428	(1,345,986)	4,746,581	8,492,915	13,239,496
508	Invested in capital assets, net of related debt	-	32,060	17,935	-	37,986,179	11,055,517	49,041,696
511	Restricted Net Assets	-	-	-	-	371,684	571,128	942,812
512	Unrestricted Net Assets	-	(292,960)	1,950,002	-	13,775,970	(762,274)	13,013,696
513	Total Equity/Net Assets	-	(260,900)	1,967,937	-	52,133,833	10,864,371	62,998,204
600	Total Liabilities and Equity/Net assets	729	320,624	2,402,365	(1,345,986)	56,880,414	19,357,286	76,237,700

FDS #	Description	2015 Shelter Plus Care 14.238	Business Activity	Central Office Cost Center	Eliminations	Total	COMPONENT UNITS COMBINED 6	ENTITY WIDE TOTAL
Income Statement								
70300	Net tenant rental revenue		163,691	-		3,254,986	741,628	3,996,614
70400	Tenant revenue - other		443			235,652	14,616	250,268
70500	Total Tenant Revenue		164,134	-	-	3,490,638	756,244	4,246,882
70600-010	Housing assistance payments	192,735				9,477,155	-	9,477,155
70600-020	Ongoing administrative fees earned	8,705				909,430	-	909,430
70600-030	FSS Coordinator					12,649	-	12,649
70600-040	Actual independent public accountant audit costs					-	-	-
70600-050	Total preliminary fees earned					-	-	-
70600-060	Interest earned on advances					-	-	-
70600-070	Admin fee calculation description					-	-	-
70600	HUD PEA operating grants	201,440		-	-	15,856,553	-	15,856,553
70610	Capital grants					2,569,016	-	2,569,016
70710	Management Fee		-	1,288,484	(1,288,484)	-	-	-
70720	Asset Management Fee		-	151,320	(151,320)	-	-	-
70730	Book-Keeping Fee		-	258,713	(258,713)	-	-	-
70740	Front Line Service Fee		-	371,020	(371,020)	-	-	-
70750	Other Fees		-	-	-	-	-	-
70700	Total Fee Revenue		-	2,069,537	(2,069,537)	-	-	-
70800	Other government grants		-	-	-	14,131	-	14,131
71100-010	Housing Assistance Payment		-	-	-	-	-	-
71100-020	Administrative Fee		-	-	-	-	-	-
71100	Investment income - unrestricted		-	-	-	(5,844)	10,239	4,395
71200	Mortgage interest income		-	-	-	18,010	-	18,010
71300	Proceeds from disposition of assets held for sale		-	-	-	58,200	-	58,200
71310	Cost of sale of assets		-	-	-	(340,786)	-	(340,786)
71400-010	Housing Assistance Payment		-	-	-	6,854	-	6,854
71400-020	Administrative Fee		-	-	-	6,854	-	6,854
71400	Fraud recovery		-	-	-	13,708	-	13,708
71500	Other revenue		310,079	46,405	(6,821)	611,689	4,303	615,992
71600	Gain or loss on sale of capital assets		-	(25,980)	-	(23,480)	-	(23,480)
72000-010	Housing Assistance Payment		-	-	-	-	-	-
72000-020	Administrative Fee		-	-	-	-	-	-
72000	Investment income - restricted		-	-	-	-	476	476
70000	Total Revenue	201,440	474,213	2,089,962	(2,076,358)	22,261,835	771,262	23,033,097
91100	Administrative salaries	2,200	65,564	1,075,976		1,819,232	34,116	1,853,348
91200	Auditing fees	622	361	5,375		39,858	3,700	43,558
91300	Management Fees		89,326	-	(1,288,484)	-	80,518	80,518
91310	Book-Keeping Fee		-	-	(258,713)	-	-	-
91400	Advertising and Marketing		-	12,615		39,653	304	39,957
91500	Employee benefit contributions - administrative	2,413	20,904	354,886		611,468	-	611,468
91600	Office Expenses		1,126	104,202		334,119	19,161	353,280
91700	Legal Expense	67	46	18,606	(56,126)	65,018	2,805	67,823
91800	Travel	41	3,828	15,100		22,857	2,601	25,458
91810	Allocated Overhead		-	-		-	-	-
91900	Other	1,963	46,225	62,519	(167,222)	245,531	10,298	255,829
91000	Total Operating-Administrative	7,306	227,380	1,649,279	(1,770,545)	3,177,736	153,503	3,331,239
92000	Asset Management Fee				(151,320)	-	-	-
92100	Tenant services - salaries		346	-		306,154	-	306,154
92200	Relocation Costs		-	-		-	-	-
92300	Employee benefit contributions - tenant services		111	-		100,932	-	100,932
92400	Tenant services - other		-	40,976	(16,746)	244,525	-	244,525
92500	Total Tenant Services		457	40,976	(16,746)	651,611	-	651,611
93100	Water	19	1,013	5,591		407,594	17,951	425,545
93200	Electricity	29	298	7,918		647,742	13,016	660,758
93300	Gas	848	-	9,266		483,556	3,251	486,807

FDS #	Description	2015 Shelter Plus Care 14,238	Business Activity	Central Office Cost Center	Eliminations	Total	COMPONENT UNITS COMBINED 6	ENTITY WIDE TOTAL
93400	Fuel	-	-	-	-	-	-	-
93500	Labor	-	-	-	-	-	-	-
93600	Sewer	18	1,295	5,513	-	418,628	17,420	436,048
93700	Employee benefit contributions - utilities	-	-	-	-	-	-	-
93750	HAP Portability-In	-	-	-	-	-	-	-
93800	Other utilities expense	-	-	-	-	-	-	-
93900	Total Utilities	914	2,606	28,288	-	1,957,520	51,638	2,009,158
94100	Ordinary maint & operations-labor	-	37,157	59,503	-	751,055	19,435	770,490
94200	Ordinary maint & operations-materials and other	-	7,383	6,481	(289)	456,767	26,043	482,810
94300-010	Ordinary maint & operations contracts-Garbage/Trash Removal	-	194	-	-	145,725	10,471	156,196
94300-020	Ordinary maint & operations contracts-Heating & Cooling	-	140	-	-	184,399	4,870	189,269
94300-030	Ordinary maint & operations contracts-Snow Removal	-	-	-	-	-	-	-
94300-040	Ordinary maint & operations contracts-Elevator Maint	-	-	-	-	26,213	-	26,213
94300-050	Ordinary maint & operations contracts-Landscape & Grounds	-	4,235	1,849	-	141,974	19,765	161,739
94300-060	Ordinary maint & operations contracts-Unit Turnaround	-	-	-	-	177,290	22,657	199,947
94300-070	Ordinary maint & operations contracts-Electrical	-	13,787	-	(106,350)	19,809	1,983	21,792
94300-080	Ordinary maint & operations contracts-Plumbing	-	350	-	-	41,983	2,080	44,063
94300-090	Ordinary maint & operations contracts-Extermination	-	2,548	-	-	76,205	4,649	80,854
94300-100	Ordinary maint & operations contracts-Janitorial	-	-	15,769	-	32,128	600	32,728
94300-110	Ordinary maint & operations contracts-Routine Maint	-	468	-	-	379,202	15,049	394,251
94300-120	Ordinary maint & operations contracts-Misc	202	3,883	2,275	(31,108)	73,631	3,039	76,670
94300	Ordinary Maintenance and Operations Contracts	202	25,605	19,893	(137,458)	1,298,559	85,163	1,383,722
94500	Ordinary maint- Employee benefit contributions	-	12,679	19,540	-	261,951	-	261,951
94600	Total Maintenance	202	82,824	105,417	(137,747)	2,768,332	130,641	2,898,973
95100	Protective services - labor	-	-	-	-	-	-	-
95200	Protective services - other contract costs	-	-	-	-	70	-	70
95300	Protective services - other	-	-	-	-	-	-	-
95500	Protective services - Employee benefit contributions	-	-	-	-	-	-	-
95600	Total Protective Services	-	-	-	-	70	-	70
96110	Property Insurance	-	3,243	-	-	170,538	47,947	218,485
96120	Liability Insurance	283	1,423	1,841	-	67,803	4,570	72,373
96130	Workmen's Compensation	-	935	8,702	-	21,855	646	22,501
96140	All other Insurance	-	787	2,099	-	22,930	610	23,340
96100	Total insurance Premiums	283	6,388	12,642	-	283,126	53,773	336,899
96200	Other general expenses	-	-	-	-	121,012	92,787	213,799
96210	Compensated absences	-	3,426	94,067	-	221,749	-	221,749
96300	Payments in lieu of taxes	-	-	-	-	125,704	-	125,704
96400	Bad debt - tenant rents	-	680	-	-	152,391	26,008	178,399
96500	Bad debt - mortgages	-	-	-	-	-	-	-
96600	Bad debt - other	-	-	-	-	13,006	-	13,006
96800	Severance expense	-	-	-	-	-	-	-
96900	Total Other General Expenses	-	4,106	94,067	-	633,862	118,795	752,657
96710	Interest of Mortgage (or Bonds) Payable	-	6,326	-	-	6,326	142,524	148,850
96720	Interest on Notes Payable (Short and Long Term)	-	-	-	-	25,901	-	25,901
96730	Amortization of Bond Issue Costs	-	-	-	-	1,252	4,123	5,375
96700	Interest expense and Amortization cost	-	6,326	-	-	33,479	146,647	180,126

FDS #	Description	2015 Shelter Plus Care 14.238	Business Activity	Central Office Cost Center	Eliminations	Total	COMPONENT UNITS COMBINED 6	ENTITY WIDE TOTAL
96900	Total Operating Expenses	8,705	330,087	1,930,669	(2,076,358)	9,505,736	654,997	10,160,733
97000	Excess Revenue Over Operating Expenses	192,735	144,126	159,293	-	12,756,099	116,265	12,872,364
97100	Extraordinary maintenance		37,760	-	-	87,760	-	87,760
97200	Casualty losses- Non-capitalized		-	1,680	-	4,973	5,004	9,977
97300-010	Mainstream 1 & 5 year		-	-	-	189,549	-	189,549
97300-020	Home-Ownership		-	-	-	52,404	-	52,404
97300-025	Litigation		-	-	-	-	-	-
97300-030	Hope IV		-	-	-	-	-	-
97300-035	Moving to Work		-	-	-	-	-	-
97300-040	Tenant Protection		-	-	-	250,070	-	250,070
97300-050	All Other	192,735	-	-	-	9,464,935	-	9,464,935
97300	Housing assistance payments	192,735	-	-	-	9,956,958	-	9,956,958
97350	HAP Portability In		-	-	-	-	-	-
97400	Depreciation expense		22,688	6,123	-	2,666,926	691,315	3,358,241
97500	Fraud losses		-	-	-	-	-	-
97800	Dwelling units rent expense		-	-	-	-	-	-
99900	Total Expenses	201,440	390,535	1,938,472	(2,076,358)	22,222,353	1,351,316	23,573,669
10010	Operating transfer in		-	-	(18,969)	-	-	-
10020	Operating transfer out		-	-	18,969	-	-	-
10030-010	Not For Profit		-	-	-	-	-	-
10030-020	Partnership		-	-	-	-	-	-
10030-030	Joint Venture		-	-	-	-	-	-
10030-040	Tax Credit		-	-	-	-	-	-
10030-050	Other		-	-	-	-	-	-
10030	Operating transfers from / to primary government		-	-	-	-	-	-
10040	Operating transfers from / to component unit		-	-	-	-	-	-
10070	Extraordinary items, net gain/loss		-	-	-	-	-	-
10080	Special items, net gain/loss		-	-	-	-	-	-
10091	Inter AMP Excess Cash Transfer In		-	-	(509,523)	-	-	-
10092	Inter AMP Excess Cash Transfer Out		-	-	509,523	-	-	-
10095	Transfers from Program to AMP		-	-	-	-	-	-
10094	Transfers from AMP to Program		-	-	-	-	-	-
10100	Total other financing sources (uses)		-	-	-	-	-	-
10000	Excess (Deficiency) of Revenue Over (Under) Expenses	-	83,676	151,490	-	39,482	(580,054)	(540,572)
11020	Required Annual Debt Principal Payments		10,878	-	-	327,057	86,361	413,418
11030	Beginning equity		(359,313)	1,643,288	-	51,712,544	11,444,425	63,156,969
11040-010	Prior period adjustments and correction of errors - Editable		-	-	-	(54,141)	-	(54,141)
11040-020	Prior period adjustments and correction of errors - Editable		14,735	173,159	-	435,948	-	435,948
11040-030	Prior period adjustments and correction of errors - Editable		-	-	-	-	-	-
11040-040	Prior period adjustments and correction of errors - Editable		-	-	-	-	-	-
11040-050	Prior period adjustments and correction of errors - Editable		-	-	-	-	-	-
11040-060	Prior period adjustments and correction of errors - Editable		-	-	-	-	-	-
11040-070	Equity Transfers (UNRESTRICTED)		-	-	-	214,257	-	214,257
11040-080	Equity Transfers (RESTRICTED)		-	-	-	-	-	-
11040-090	Equity Transfers		-	-	-	(214,257)	-	(214,257)
11040-100	Equity Transfers		-	-	-	-	-	-
11040-110	Equity Transfers		-	-	-	-	-	-
11040	Prior period adjustments, equity transfers, & correction of errors		14,735	173,159	-	381,807	-	381,807

JUMP, PERRY 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, 2015, and have issued our reports thereon dated February 25, 2016. 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 February 25, 2016, 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.



February 25, 2016
Toms River, New Jersey

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

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