

Roanoke Redevelopment and Housing Authority

FINANCIAL STATEMENTS

Roanoke Redevelopment and Housing Authority

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September 30, 2019

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners  
Roanoke Redevelopment and Housing Authority:

**Report on the Financial Statements**

We have audited the accompanying financial statements of the Roanoke Redevelopment and Housing Authority, (the "Authority"), as of and for the year ended September 30, 2019 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 did not audit the financial statements of Hurt Park, LP, Indian Village, LP, Park Street, LP, Stepping Stone, LP, and Roanoke Valley Housing Corporation which together represent one hundred percent of the assets, net position, and revenues of the discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the discrete component units, is based solely on the reports of the other auditors. 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. The financial statements of Hurt Park, LP, Indian Village, LP, Park Street, LP, Stepping Stone, LP, and Roanoke Valley Housing Corporation were not audited in accordance with *Government Auditing Standards*.

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, 2019, 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 that collectively comprise the Roanoke Redevelopment and Housing Authority's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the information listed as supplemental information, including the Financial Data Schedule are presented for the purpose of additional analysis and is not a required part of the basic 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.

The information listed as Supplementary Information in the accompanying table of contents, has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 17, 2020 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. 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.

March 17, 2020  
Toms River, New Jersey

*Imp, Berry and Company LLP*

# ROANOKE REDEVELOPMENT & HOUSING AUTHORITY

## MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2019

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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, 2019. 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 fiscal year 2019 major financial highlights included the following:

Total assets and liabilities of the Authority were approximately \$57 million and \$5 million respectively; with a total net position of \$52 million at September 30, 2019.

Total assets increased during the year by approximately \$1 million primarily due to increased cash.

Total liabilities increased during the year by approximately \$1.4 million due to an increase in Notes Payable.

Total Revenues (including capital contributions and grants) and expenses were approximately \$25.3 million and \$25.5 million respectively.

Revenues are derived from various sources with approximately 85% received either directly from the U. S. Department of Housing and Urban Development (HUD) or indirectly from the City. Rental Revenues account for an additional 14% of total revenue; the remaining 1% of revenue balance is derived from the sale of assets, miscellaneous fees for services, and nonoperating sources (miscellaneous leasing 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, 2019, the Authority owned over 1275 residential units that are leased to low-income families and individuals. In addition, housing assistance was paid to over 1,760 households under the Federal Housing Choice Voucher program for privately owned existing housing.

### BASIC FINANCIAL STATEMENTS

The Authority is presenting its fiscal year 2019 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* consists 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 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, 2019 and 2018 for the Authority as a whole:

	<u>2019</u>	<u>2018</u>	<u>NET CHANGE</u>	<u>%</u>
Cash	\$ 18,271,710	\$ 15,813,607	\$ 2,458,103	15.54%
Current Assets	1,057,108	2,357,004	(1,299,896)	-55.15%
Non-current Assets	1,488,098	1,677,254	(189,156)	-11.28%
Capital Assets - Net	<u>36,269,871</u>	<u>36,162,576</u>	<u>107,295</u>	<u>0.30%</u>
Total Assets	<u>57,086,787</u>	<u>56,010,441</u>	<u>1,076,346</u>	<u>1.92%</u>
Current Liabilities	1,858,620	1,700,648	157,972	9.29%
Non-current Liabilities	<u>3,103,408</u>	<u>1,916,684</u>	<u>1,186,724</u>	<u>61.92%</u>
Total Liabilities	<u>4,962,028</u>	<u>3,617,332</u>	<u>1,344,696</u>	<u>37.17%</u>
Invested in Capital Assets -net of Related Debt	36,222,801	35,884,432	338,369	0.94%
Restricted Net Position	197,656	1,730,312	(1,532,656)	-88.58%
Unrestricted Net Position	<u>15,704,302</u>	<u>14,778,365</u>	<u>925,937</u>	<u>6.27%</u>
Total Net Position	<u>\$ 52,124,759</u>	<u>\$ 52,393,109</u>	<u>\$ (268,350)</u>	<u>-0.51%</u>

Total assets of the Authority increased \$1 million for the 2019 fiscal year. The two primary changes were through cash and assets held for sale.

Cash increased approximately \$2.5 million or 15.5% due to recent bank accounts funded through the Public Housing Operating Fund Financing Program (OFFP).

Current assets decreased approximately 55% as a result of a decrease in assets held for sale.

Noncurrent assets decreased 11% due to payments received for mortgage receivables.

Capital Assets increased \$107,000 due to a combination of construction, equipment purchases, and depreciation.

Total liabilities increased 37% from prior year primarily due to loans incurred for the Public Housing OFFP.

Current liabilities increased 9% primarily due to Accounts payable - HUD and Deferred revenues.

Accounts Payable - HUD increased \$182,000 due to unspent Section 8 housing assistance funds and Deferred revenues increased \$112,000 due to unearned rental assistance funds from the State of Virginia. These increases were offset by decreases in Accounts payable - vendors and Notes payable.

Non-current liabilities increased during the year by approximately \$1.2 million due to loans financed through the Public Housing Operating Fund Financing Program (OFFP). The OFFP program allows Public Housing Agency's (PHA's) to borrow private capital to finance development and modernization activities of its public housing developments. PHA's are permitted to use a portion of its Operating Fund Reserve balances to collateralize financings and pay debt service and financing costs where the financing is used for public housing development and modernization expenses. During 2019 the Authority initiated two OFFP financing initiatives in order to make modernization improvements at several of its public housing developments to make necessary accessibility improvements. In addition, a second OFFP loan was initiated in order to build eight public housing units in the Hurt Park neighborhood.

Total net position decreased slightly from the prior year due to losses in operations as a result of decreases in HUD operating grants along with an increase in operating expenses for the year.

Restricted Net Position decreased 89% due to restrictions placed on Public Housing Reserves for future modernization improvements in the prior year that are now offset with debt in the current year.

**MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED**

The following table summarizes the changes in operations between fiscal years 2019 and 2018 for the Authority as a whole:

	<u>2019</u>	<u>2018</u>	<u>NET CHANGE</u>	<u>%</u>
Tenant Rental Revenue	\$ 3,655,439	\$3,499,601	\$ 155,838	4.45%
HUD Operating Grants	18,411,961	19,339,157	(927,196)	-4.79%
Other Revenue	<u>324,745</u>	<u>606,720</u>	<u>(281,975)</u>	<u>-46.48%</u>
Total Operating Revenue	22,392,145	23,445,478	(1,053,333)	-4.49%
<b>Operating Expenses:</b>				
Administrative	3,168,731	3,157,481	11,250	0.36%
Tenant Services	789,146	849,612	(60,466)	-7.12%
Utilities	1,885,829	1,886,553	(724)	-0.04%
Maintenance	3,006,397	2,755,018	251,379	9.12%
Protective Services	233,257	186,796	46,461	24.87%
General Expenses	2,233,671	985,660	1,248,011	126.62%
Housing Assistance Payments	11,535,556	12,070,525	(534,969)	-4.43%
Depreciation	<u>2,667,844</u>	<u>2,812,739</u>	<u>(144,895)</u>	<u>-5.15%</u>
Total Operating Expenses	25,520,431	24,704,384	816,047	3.30%
Operating Income (Loss)	(3,128,286)	(1,258,906)	(1,869,380)	148.49%
<b>Non-operating Revenue (Expenses):</b>				
Investment Income/ Mortgage Interest	4,912	7,486	(2,574)	-34.38%
Interest Expense	(9,046)	(19,630)	10,584	-53.92%
Extraordinary Maintenance	(85,640)	(392,711)	307,071	-78.19%
Casualty losses	(9,263)	(6,138)	(3,125)	50.91%
Gain on the Sale of Capital Assets	<u>-</u>	<u>3,000</u>	<u>(3,000)</u>	<u>100.00%</u>
Non-operating Loss	(99,037)	(407,993)	308,956	-75.73%
HUD Capital Grants	<u>2,958,973</u>	<u>1,285,565</u>	<u>1,673,408</u>	<u>130.17%</u>
Net Change	<u>(268,350)</u>	<u>(381,334)</u>	<u>112,984</u>	<u>-29.63%</u>
Beginning Net Position	52,393,109	52,774,443	(381,334)	-0.72%
Equity Adjustments	<u>-</u>	<u>-</u>	<u>-</u>	
Total Net Position	<u>\$ 52,124,759</u>	<u>\$ 52,393,109</u>	<u>\$ (268,350)</u>	<u>-0.51%</u>

## MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

Total Operating Revenue decreased 4.5% due to an overall decrease in HUD grants and Other Revenue.

Tenant Rental Revenue decreased slightly due to larger participation of tenants in the Jobs Plus program in 2018 that allowed tenants to pay reduced rent. The Authority received a one time \$3 million grant in 2014 from the Department of Housing and Urban Development. The Jobs Plus program is an initiative to combine traditional employment, training, and job placement services with a rent incentive in an effort to help low income residents find higher paying jobs. The Authority has utilized its Lansdowne Park development to assist residents with employment training services. The grant will end during the Authority's 2021 fiscal year.

HUD Operating grants decreased \$927,000 or 4.8% due to reduced draws of operating subsidy in order for the Authority to participate in HUD's Housing Opportunities Through Modernization program (HOTMA) of 2016. HOTMA provides PHA's the flexibility to use up to 20% of its Operating Subsidy appropriated each year for Capital Fund Program activities. The Authority has identified several capital improvement projects that would benefit from this program at several of its Public Housing developments. The work on these projects has not begun and should occur later in the 2020 fiscal year and be completed during fiscal year 2021.

Total Operating expenses increased \$824,000 or 3.3% primarily due to an increase in maintenance and other general expenses.

Administrative expenses increased \$11,000 due to merit increases.

Tenant Services expenses decreased approximately \$60,000 due to a decrease in salary expenditures by use of temporary employees in ROSS and vacated positions remaining open through several pay periods.

Maintenance expenses increased \$251,000 due to increases in almost all areas. As the Public Housing developments prepared for their REAC inspections there were maintenance repair items that needed to be completed in a measure to pass the inspections.

Protective Services increased \$46,000 or 25% due to use of providing police patrolling services above the baseline.

General Expenses increased \$1.2 million due to the sale of property in the South Jefferson Redevelopment project and the subsequent return of the sale proceeds to the City of Roanoke.

Housing Assistance Payments decreased \$535,000 or 4.4% due to a decrease in rented units in the Section Eight program.

Operating Loss increased \$1.9 million or 151% due to the decrease in operating revenue in addition to an increase in operating expenses.

Interest Expense decreased 54% due to the regularly scheduled payments on Replacement Housing funded notes.

Extraordinary Maintenance decreased 78% due to decreased non-routine spending in maintenance of Public Housing sites.

HUD Capital Grants increased \$1.7 million or 130% due to a increase in capital grant expenditures during the year. The Authority has a backlog of capital improvements needed at its Public Housing developments. Over the last several years the Authority has received additional Capital Funds amounts awarded and has been able to utilize those additional funds to address a portion of the projects that have been backlogged.

Overall, the Authority had a larger loss in 2018 than 2019 mainly due to an increase in HUD Capital Grant Revenues.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets:**

The following table summarizes the changes in capital assets between September 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>	<u>Net Change</u>	<u>Variance</u>
Land	\$ 17,034,308	\$ 16,706,095	\$ 328,213	1.96%
Infrastructure	3,109,317	3,109,317	-	0.00%
Buildings and Improvements	79,228,035	77,920,583	1,307,452	1.68%
Furniture and Equipment	3,815,237	3,702,559	112,678	3.04%
Construction in Progress	4,632,823	3,618,822	1,014,001	28.02%
Total	107,819,720	105,057,376	2,762,344	2.63%
Accumulated Depreciation	(71,549,849)	(68,894,800)	(2,655,049)	3.85%
Net Capital Assets	<u>\$ 36,269,871</u>	<u>\$ 36,162,576</u>	<u>\$ 107,295</u>	<u>0.30%</u>

Variances in capital assets were primarily due to modernization projects that were active or completed during the year.

**Debt Administration:**

- *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 owed to the City of Roanoke was \$265,011 at September 30, 2019.

**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 2019 the Authority received 84% of its funding from HUD.

For the 2019 calendar year, HUD funded Public Housing operating subsidy requests at 97.77% of the eligible amounts. In the last twenty years, Public Housing Agencies have only been fully funded twice, which was 2010 and 2002.

The Capital Fund program funding continues to fall short of the Authority's annual capital needs which are prioritized and addressed according to urgency and available funding.

The Housing Choice Voucher (HCV) program HAP funding was decreased for calendar year 2019 to 99.50%. This is down from 99.75% in 2018. HCV Administrative fees were funded at 81.10% for calendar year 2019, 80.02% for 2018, and 74.25% for 2017.

In addition to the uncertainties of federal funding for the 2019 fiscal year, the Authority also faces the challenge of escalating management costs for their programs. RRHA's management staff continues 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](http://www.rkehousing.org).

## BASIC FINANCIAL STATEMENTS

Roanoke Redevelopment and Housing Authority  
Statement of Net Position  
September 30, 2019

	<u>Enterprise Fund</u>	<u>Component Units</u>	<u>Total Reporting Entity</u>
<b>CURRENT ASSETS:</b>			
Cash and cash equivalents	\$ 15,554,749	542,769	16,097,518
Accounts receivable - other	547,883	431	548,314
Accounts receivable - tenants, net	98,222	23,292	121,514
Notes & mortgage receivable - current	11,244	-	11,244
Prepaid expenses	267,745	29,164	296,909
Accrued interest receivable	242	-	242
Assets held for sale	<u>131,772</u>	<u>-</u>	<u>131,772</u>
Total current assets	<u>16,611,857</u>	<u>595,656</u>	<u>17,207,513</u>
<b>RESTRICTED ASSETS:</b>			
Cash and cash equivalents	<u>2,716,961</u>	<u>630,650</u>	<u>3,347,611</u>
Total restricted assets	<u>2,716,961</u>	<u>630,650</u>	<u>3,347,611</u>
<b>NONCURRENT ASSETS:</b>			
Land, structures and equipment net of accumulated depreciation	<u>36,269,871</u>	<u>15,780,547</u>	<u>52,050,418</u>
Total fixed assets, net	<u>36,269,871</u>	<u>15,780,547</u>	<u>52,050,418</u>
Notes & mortgages receivable, non-current	714,358	-	714,358
Other assets	<u>525,706</u>	<u>-</u>	<u>525,706</u>
Total assets	<u>56,838,753</u>	<u>17,006,853</u>	<u>73,845,606</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred outflows	<u>248,034</u>	<u>-</u>	<u>248,034</u>
Total deferred outflows of resources	<u>248,034</u>	<u>-</u>	<u>248,034</u>
Total assets and deferred outflows of resources	<u>\$ 57,086,787</u>	<u>17,006,853</u>	<u>74,093,640</u>

Roanoke Redevelopment and Housing Authority  
Statement of Net Position  
September 30, 2019

	<u>Enterprise Fund</u>	<u>Component Units</u>	<u>Total Reporting Entity</u>
<b>CURRENT LIABILITIES:</b>			
Accounts payable	\$ 888,079	18,807	906,886
Accounts payable - HUD	191,995	-	191,995
Accrued wages and payroll taxes	90,825	-	90,825
Accrued compensated absences	92,823	-	92,823
Accrued interest	147	10,426	10,573
Tenant security deposits	153,853	29,250	183,103
Notes payable, current portion	47,070	85,644	132,714
Unearned revenues	313,601	7,318	320,919
Other current liabilities	<u>80,227</u>	<u>1,083</u>	<u>81,310</u>
Total current liabilities	<u>1,858,620</u>	<u>152,528</u>	<u>2,011,148</u>
<b>NONCURRENT LIABILITIES:</b>			
Notes payable, excluding current portion	1,786,262	7,092,297	8,878,559
Other liabilities	<u>1,198,182</u>	<u>1,283,301</u>	<u>2,481,483</u>
Total noncurrent liabilities	<u>2,984,444</u>	<u>8,375,598</u>	<u>11,360,042</u>
Total liabilities	<u>4,843,064</u>	<u>8,528,126</u>	<u>13,371,190</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred inflows	<u>118,964</u>	<u>-</u>	<u>118,964</u>
Total deferred inflows of resources	<u>118,964</u>	<u>-</u>	<u>118,964</u>
<b>NET POSITION:</b>			
Invested in capital assets, net	36,222,801	8,657,636	44,880,437
Restricted	197,656	601,676	799,332
Unrestricted	<u>15,704,302</u>	<u>(780,585)</u>	<u>14,923,717</u>
Total net position	<u>52,124,759</u>	<u>8,478,727</u>	<u>60,603,486</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 57,086,787</u>	<u>17,006,853</u>	<u>74,093,640</u>

Roanoke Redevelopment and Housing Authority  
Statement of Revenues, Expenses, and Changes  
in Net Position  
For the Year Ended September 30, 2019

	Enterprise <u>Fund</u>	Component <u>Units</u>	Total Reporting <u>Entity</u>
<b>Operating revenues:</b>			
Tenant revenue	\$ 3,655,439	753,312	4,408,751
HUD operating grants	18,411,961	-	18,411,961
Other government grants	82,800	-	82,800
Proceeds from the disposition of assets held for sale	1,203,684	-	1,203,684
Cost of sale of assets	(1,517,559)	-	(1,517,559)
Other revenue	<u>555,820</u>	<u>1,697</u>	<u>557,517</u>
<b>Total operating revenue</b>	<u><b>22,392,145</b></u>	<u><b>755,009</b></u>	<u><b>23,147,154</b></u>
<b>Operating expenses:</b>			
Administrative salaries	1,831,124	38,508	1,869,632
Other administrative expenses	1,337,607	113,360	1,450,967
Tenant / community services	789,146	-	789,146
Utility expense	1,885,829	53,663	1,939,492
Maintenance salaries	632,901	7,287	640,188
Maintenance other	2,373,496	121,510	2,495,006
Contract / protective services	233,257	2,376	235,633
Insurance	327,037	69,413	396,450
Other general expenses	1,618,816	32	1,618,848
Bad debt	131,988	14,267	146,255
Payments in lieu of taxes	155,830	103,662	259,492
Housing assistance payments	11,535,556	-	11,535,556
Depreciation	<u>2,667,844</u>	<u>684,027</u>	<u>3,351,871</u>
<b>Total operating expenses</b>	<u><b>25,520,431</b></u>	<u><b>1,208,105</b></u>	<u><b>26,728,536</b></u>
<b>Operating loss</b>	<u><b>(3,128,286)</b></u>	<u><b>(453,096)</b></u>	<u><b>(3,581,382)</b></u>
<b>Non-operating revenues (expenses):</b>			
Investment income / mortgage interest	4,912	1,220	6,132
Extraordinary maintenance	(85,640)	-	(85,640)
Interest expense	(9,046)	(133,896)	(142,942)
Gain (Loss) on sale of fixed assets	-	-	-
Casualty losses	<u>(9,263)</u>	<u>-</u>	<u>(9,263)</u>
<b>Total non-operating revenues (expenses)</b>	<u><b>(99,037)</b></u>	<u><b>(132,676)</b></u>	<u><b>(231,713)</b></u>
<b>Loss before capital grants</b>	<u><b>(3,227,323)</b></u>	<u><b>(585,772)</b></u>	<u><b>(3,813,095)</b></u>
<b>Capital grants</b>	<u><b>2,958,973</b></u>	<u><b>-</b></u>	<u><b>2,958,973</b></u>
<b>Change in net position</b>	<u><b>(268,350)</b></u>	<u><b>(585,772)</b></u>	<u><b>(854,122)</b></u>
<b>Total net position, beginning</b>	<u><b>52,393,109</b></u>	<u><b>9,064,499</b></u>	<u><b>61,457,608</b></u>
<b>Total net position, end of year</b>	<u><b>\$ 52,124,759</b></u>	<u><b>8,478,727</b></u>	<u><b>60,603,486</b></u>

Roanoke Redevelopment and Housing Authority  
Statement of Cash Flows - All Enterprise Funds  
For the Year Ended September 30, 2019

Cash Flows from Operating Activities:

Receipts from tenants	\$ 3,621,992
Receipts operating grants and subsidies	18,314,937
Other receipts (payments)	221,045
Payments to suppliers and employees	<u>(21,036,183)</u>
Net cash flows provided by operating activities	<u>1,121,791</u>

Cash Flows from Capital and Related Financing Activities:

Purchases of capital assets	(2,894,029)
Disposal of capital assets	118,890
Interest paid on capital debt	(9,878)
Principal payments of notes payable	(480,171)
Acquisition of notes payable	1,521,250
Capital grant contributions	2,958,973
Casualty losses	(9,263)
Extraordinary maintenance	<u>(85,640)</u>
Net cash flows provided by capital and related financing activities	<u>1,120,132</u>

Cash Flows from Investing Activities:

Accrued interest receivable	205
Advances on notes receivable	211,063
Interest and dividends	<u>4,912</u>
Net cash flows provided by investing activities	<u>216,180</u>

Net increase in cash 2,458,103

Cash at beginning of year 15,813,607

Cash at end of year \$ 18,271,710

Roanoke Redevelopment and Housing Authority  
Statement of Cash Flows (continued) - All Enterprise Funds  
For the Year Ended September 30, 2019

Reconciliation of operating income to cash provided by  
operating activities

Operating loss	\$ (3,128,286)
Items which did not provide (use) cash:	
Depreciation	2,667,844
Bad debt	131,988
Deferred Outflows of Resources	18,700
Deferred Inflows of Resources	(51,716)
Working capital changes which provided (used) cash:	
Accounts receivable - tenants	(165,435)
Accounts receivable - other	(179,824)
Other assets	(20,900)
Unearned revenue	112,602
Prepaid expenses	(7,150)
Assets held for sale	1,500,405
Accounts payable- HUD	182,145
Accounts payable	(29,903)
Accrued expenses	27,259
Other liabilities	33,036
Tenant security deposits	357
Other current liabilities	<u>30,669</u>
Net cash provided by operating activities	<u>\$ 1,121,791</u>

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements

For the Year Ended September 30, 2019

**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 pronouncements issued by the Governmental Accounting Standards Board 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 where they 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 the 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. Prepaid Items**

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

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

**1. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**E. 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.

**F. Unearned 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.

**G. 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.

**H. Property and Equipment**

Property and equipment are recorded at cost. The capitalization threshold for non-infrastructure capital assets including machinery and equipment is \$5,000. The capitalization threshold for infrastructure related capital assets and any improvements that extend the useful life of the asset is \$50,000. All costs associated with the purchase or construction are considered for capitalization, including interest. Maintenance and repair costs are expensed while significant betterments are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the assets and is expensed in the Statement of Revenues, Expenses, and Changes in Net Position. Estimated useful lives are as follows:

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

**I. 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.

**1. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**J. 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.

**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 component 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 Stepping Stone, LP, Indian Village, LP, Park Street Housing, LP, and Hurt Park, LP.

**2. REPORTING ENTITY DEFINITION (continued)**

**Discretely Presented Component Units (continued)**

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

The limited partnership was formed for the purpose of constructing 15 duplex units at the Villages at Lincoln. The Authority applied for and received 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 and construction began in August 2004. RVHC acted as the developer on this project which was completed in October 2005. Marketing for Stepping Stone Apartments began in January 2005 and rental of the 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, 2018 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. The Authority applied for and received low-income housing tax credits from the Virginia Housing Development Authority on March 11, 2005. Construction on the project began in June 2006 with RVHC as the developer and was completed in 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, 2018 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.

**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 partnership.

The limited partnership was formed for the purpose of constructing and operating 25 apartment units. 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 with RVHC as the developer 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, 2018 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 40 apartment units. The Authority applied for and received low-income housing tax credits from the Virginia Housing Development Authority. Construction on the project began in 2007 with RVHC as the developer and 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, 2018 year end financial statements are included within the Authority's basic financial statements. Inquiries regarding the limited partnership should be directed to the VP of Finance of Roanoke and Redevelopment and Housing Authority, 2624 Salem Turnpike N.W., Roanoke, VA 24017.

### 3. CASH AND INVESTMENT DEPOSITS

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

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, 2019, the carrying amount of the Enterprise fund's cash and cash equivalents (including restricted cash) was \$18,271,710. 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. CONTRACTUAL COMMITMENTS

The Authority had Total Outstanding Contractual Commitments of \$9,087,581 as of September 30, 2019.

### 5. RISK MANAGEMENT

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

**6. 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.

**7. 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.

**8. PENSION PLAN**

The Authority became a member of the Virginia Retirement System (VRS) on January 1, 2012. VRS is the administrator of governmental retirement plans qualified under Section 401(a) of the Internal Revenue Code. It is governed by the provisions of Title 51.1 of the Code of Virginia. Changes to the law can be made only by an act of the General Assembly. VRS is an independent state agency and as provided in the Constitution of Virginia, its funds are separate from other state funds and can be used only to administer and pay benefits for members, retirees and beneficiaries.

The VRS plan for political subdivisions is an agent, multiple-employer defined benefit pension plan with separate cost-sharing pools for each locality and is administered by the Virginia Retirement System. All full-time permanent employees are required to enroll in the VRS upon employment. The Authority also offers enrollment in the VRS defined contribution plan on a voluntary basis for full time and part time employees; temporary and contract employees are not eligible to participate in either plan.

**8. PENSION PLAN (continued)**

The defined benefit plan provides a lifetime monthly benefit during retirement based on 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 1.7% 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 employed and for which they and the Authority paid contributions to VRS. The VRS administers three benefit structures for political subdivision employees - Plan 1, Plan 2, and Hybrid. The Authority employees are covered under Plan 2 (members joined on July 1, 2010 or later) or the Hybrid Plan (all members joined 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.

Active Plan 2 members are required to contribute 5% of their creditable compensation per year. Active Hybrid members are required to contribute 4% of their creditable compensation to the defined benefit plan and 1% to the defined contribution component of the Hybrid Plan. The Authority's required contribution rate for July 1, 2018 through June 30, 2020 is 5.12%. The required contribution rate is actuarially determined based on the Authority's employee population, covered payroll, and the benefits the Authority elected to provide to its employees. The contribution requirement for active employees is governed by the Code of Virginia but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly.

Members of VRS also have benefit coverage in the form of life insurance, disability coverage, long-term care benefits, and survivor/beneficiary benefits.

The Cost-of-Living Adjustment (COLA) is deferred for one full calendar year after the member reaches unreduced retirement age. The deferred COLA does not apply to members who retire with twenty or more years of service. Members of all plans qualify for COLA on July 1 of the second calendar year after retirement.

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

**8. PENSION PLAN (continued)**

**Actuarial Assumptions**

The Authority's total pension liability was determined by applying certain procedures to the actuarial valuation as of June 30, 2017, and rolling it forward to the measurement date of June 30, 2018. The actuarial valuation used the following actuarial methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2017
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent of Pay, Closed
Payroll Growth Rate	3% / year
Remaining Amortization Period	16-25 years (decreasing by one each year in subsequent valuations until reaching 0 years)
Asset Valuation Method	5-Year, Smoothed Market
Investment Rate of Return*	7.00% / year
Inflation Assumption	2.50% / year
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%
2) Plan 2 Members	2.25%
Marriage Assumption	100% of active employees are assumed to be married, with males two years older than females
Election of Deferred Termination Benefit	Terminating members are assumed to elect a return of contributions or a deferred annuity, whichever is most valuable at the time of termination. Termination benefits are assumed to commence at normal retirement.
Service Related Disability	Service related disability benefits do not include an adjustment for Social Security or Worker's Compensation benefits
Mortality Rates	15% of deaths are assumed to be service related
1) Pre-Retirement	RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020; males 95% of rates, females 105%
2) Post-Retirement	RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90
3) Post-Disablement	RP-2014 Disabled Mortality Rates projected with Scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates

\* Includes Inflation of 2.50%

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

8. PENSION PLAN (continued)

Summary Table of Membership Statistics, Asset Values, and Contribution Rates

	<u>June 30, 2018</u>	<u>June 30, 2017</u>
1. Participants		
a. Actives	75	80
b. Transfers Out	9	8
c. Retirees and Beneficiaries	5	4
d. Retirees and Beneficiaries Elsewhere	-	-
e. Inactive, Vested	3	1
f. Inactive, Nonvested	<u>59</u>	<u>46</u>
Total	151	139
2. Covered Payroll	3,066,801	3,188,163
3. Averages for active members		
a. Average Age	47.0	47.2
b. Average Years of Service	4.4	4.0
c. Average Pay	40,891	39,852
4. Expected Retirement Benefits	107,321	96,798
5. Assets		
a. Market Value of Assets	2,970,740	2,590,277
b. Actuarial Value of Assets	2,946,609	2,554,131
6. Actuarial Accrued Liability	2,388,774	2,100,806
7. Unfunded Actuarial Accrued Liability	(557,835)	(453,325)
8. Normal Cost Rate		
a. Gross Normal Cost Rate	9.54 %	9.77 %
b. Member Contribution Rate	<u>4.47 %</u>	<u>4.52 %</u>
c. Employer Normal Cost Rate (8a-8b)	5.07 %	5.25 %
9. Recommended Employer Contribution Rate for	Informational	
Fiscal Year Ending	Purposes Only	2019 & 2020
a. Employer Normal Cost Rate	5.07 %	5.25 %
b. Amortization Charge	(1.26)%	(0.95)%
c. Administrative Expenses	0.05 %	0.04 %
d. DC Match	<u>0.75 %</u>	<u>0.78 %</u>
e. Total(9a+9b+9c (not less than zero)+ 9d)	4.61 %	5.12 %
10. Amortization Period	16-25	17-26

Normal Cost

	June 30, 2018	June 30, 2017
1. Normal Cost as Percent of Payroll		
a. Retirement Benefits	5.46 %	5.58 %
b. Termination Benefits	2.12 %	2.09 %
c. Disability Benefits	1.73 %	1.85 %
d. Death Benefits	<u>0.23 %</u>	<u>0.25 %</u>
e. Total	9.54 %	9.77 %
2. Covered Payroll	3,066,801	3,188,163

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

8. PENSION PLAN (continued)

**Discount Rate**

The discount rate applied in the measurement of the total pension liability was 7.00%. The discount rate determination does not use a municipal bond rate for the Roanoke Redevelopment and Housing Authority. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board and the member rate. The long-term expected rate of return on pension System investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension system investment expense and inflation) 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 adding expected inflation.

**Long-Term (LT) Expected Rate of Return**

The long-term expected rate of return on pension system investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension system investment expense and inflation) 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.

The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Arithmetic LT Expected Real Rate of Return</u>	<u>Weighted Avg LT Expected Rate of Return</u>
Public Equity	40.00 %	4.54 %	1.82 %
Fixed Income	15.00 %	0.69 %	0.10 %
Credit Strategies	15.00 %	3.96 %	0.59 %
Real Assets	15.00 %	5.76 %	0.86 %
Private Equity	<u>15.00 %</u>	9.53 %	<u>1.43 %</u>
	<u>100.00 %</u>		<u>4.80 %</u>
Inflation			<u>2.50 %</u>
*Expected arithmetic nominal return			<u>7.30 %</u>

\* The above allocation provides a one-year return of 7.30%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.83% including expected inflation of 2.5%.

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

**8. PENSION PLAN (continued)**

**Sensitivity Analysis**

GASB 68 requires disclosure of the sensitivity of the net pension liability to changes in the discount rate. The net pension liability was calculated using a discount rate of 7.00%. The table below presents the net pension liability calculated using the current 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.

	1.0% Decrease <u>(6.00%)</u>	Current Discount <u>(7.00%)</u>	1.0% Increase <u>(8.00%)</u>
Net Pension Liability	(150,017)	(525,708)	(835,011)

**Changes in Net Pension Liability**

	Total Pension Liability (a)	Plan Fiduciary Net Pension (b)	Net Pension Liability (a)-(b)
Balance at June 30, 2017	\$ <u>2,085,471</u>	<u>2,590,277</u>	<u>(504,806)</u>
Changes for the year:			
Service Cost	307,830	-	307,830
Interest	142,241	-	142,241
Benefit changes	-	-	-
Difference between expected and actual experience	16,408	-	16,408
Changes in assumptions	-	-	-
Contributions - employer	-	151,251	(151,251)
Contributions - employee	-	140,383	(140,383)
Net investment income	-	197,702	(197,702)
Benefit payments, including refund of employee contributions	(106,918)	(106,918)	-
Administrative expense	-	(1,524)	1,524
Other changes	-	(431)	431
	<u>359,561</u>	<u>380,463</u>	<u>(20,902)</u>
Balance at June 30, 2018	\$ <u><u>2,445,032</u></u>	<u><u>2,970,740</u></u>	<u><u>(525,708)</u></u>

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

8. PENSION PLAN (continued)

Roll Forward of the Total Pension Liability

	<u>Actual</u>	<u>Actual Before</u> <u>Assumption</u> <u>Changes</u>	<u>Expected</u>
(a) TPL as of June 30, 2017	\$ 2,100,806	\$ 2,100,806	\$ 2,085,471
(b) Entry age normal cost for the period June 30, 2016-June 30,2018	287,692	287,692	287,692
(c) Actual benefit payments and refunds for the period June 30, 2017-June 30, 2018	106,918	106,918	106,918
(d) Changes in benefit terms	-	-	-
(e) TPL as of June 30, 2018 = (((a)+(b))*(1.07))-((c)*(1.035))+(d)	\$ 2,445,032	\$ 2,445,032	\$ 2,445,032
(f) Changes in Assumptions		-	
(g) Difference between expected and actual experience			16,408

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.

Deferred Inflows and Outflows

At September 30, 2019, the employer reported deferred outflows of resources and deferred inflows of resources as follows:

	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflows of</u> <u>Resources</u>
Differences between expected and actual experience	\$ 53,692	\$ 35,873
Changes of assumptions	-	54,851
Net difference between projected and actual earnings on pension plan investments	-	28,240
Employer contributions subsequent to the measurement date	<u>194,342</u>	<u>-</u>
Total	<u>\$ 248,034</u>	<u>\$ 118,964</u>

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

**8. PENSION PLAN (continued)**

**Amortization of Deferred (Inflows) and Outflows of Resources**

Year ended June 30:	
2020	\$ (14,436)
2021	(23,222)
2022	(25,615)
2023	(1,998)
2024	-
Thereafter	-

**Pension Expense**

	June 30, 2018
Service Cost	\$ 307,830
Interest on the total pension liability	142,241
Current period benefit changes	-
Expensed portion of current period difference between expected and actual experience in the total pension liability	4,207
Expensed portion of current period changes of assumptions	-
Member contributions	(140,383)
Projected earnings on plan investments	(187,716)
Expensed portion of current period differences between actual and projected earnings on plan investments	(1,997)
Administrative expense	1,524
Other	431
Recognition of beginning deferred outflows of resources as pension expense	45,708
Recognition of beginning deferred inflows of resources as pension expense	<u>(89,514)</u>
Pension expense	<u>\$ 82,331</u>

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/2018-annual-report.pdf>.

Individual reports on the actuarial valuation of the VRS plan relevant to the RRHA are available by writing the VP of Finance/CFO, Roanoke Redevelopment & Housing Authority at 2624 Salem Turnpike, NW, Roanoke, VA, 24017.

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

**9. COMPENSATED ABSENCES**

The Authority currently provides its employees paid time off (PTO) at various rates that are determined by tenure with the Authority. Upon voluntary termination from the Authority, an employee will be paid for any unused PTO balances up to 75 hours. Unused PTO balances of 75 hours or less are accrued as of September 30, 2019 and carried as a liability by the Authority.

Full time employees are eligible for an Extended Illness Bank which is funded only by employee contributions if the employee was hired after November 1, 2018, or funded by carryover from Limited Supplement balances and employee contributions if the employee was hired before November 1, 2018. The Extended Illness bank is expensed as used but not accrued.

**10. ACCOUNTS RECEIVABLE**

Accounts Receivable - Tenants

Accounts receivable - tenants for the Enterprise fund are shown at gross of \$156,800 less an allowance for doubtful accounts of \$58,578 for the year ended September 30, 2019.

Accounts Receivable - Other

Accounts Receivable - Other, consists of following:

	Enterprise Fund
Accounts receivable - HUD	\$ 443,878
Accounts receivable - other PHAs	-
Accounts receivable - fraud recovery	7,087
Account receivable - City of Roanoke	12,608
Accounts receivable - management & development fees	13,753
Accounts receivable - miscellaneous	70,557
	<u>\$ 547,883</u>

**11. INTERPROGRAM ACTIVITY**

The Authority manages a number of various programs. Many charges, such as 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, 2019 consisted of the following:

Low rent and Capital Fund Program	\$ 85,718
ROSS	(7,196)
Housing Choice Vouchers	5,362
PIH Family Self Sufficiency	(10,724)
Jobs Plus Fund	(73,160)
	<u>\$ -</u>

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

**12. 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	\$ 676,840
Restricted for Modernization & Development	1,513,651
Restricted for Tenant Security	153,853
Restricted for FSS Escrow	164,353
Restricted for Payment of Program Income	123,977
Restricted for Payment of Current Liability	<u>84,287</u>
	<u>\$ 2,716,961</u>

**13. NOTES AND MORTGAGES RECEIVABLE**

Notes and mortgages receivable at September 30, 2019 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.

\$ 282,602

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 from Park Street LP includes a capital loan of \$12,465 with 8% interest per annum and an operating deficit GP loan of \$42,535 with interest being waived. Payable of \$1,202 due annually since January 1, 2020, if cash available. Full balance due on May 1, 2042.

55,000

Note receivable from Hurt Park, LP payable in full on February 5, 2045 with interest being waived and not forgiven. No principal due until payoff date.

316,000

Total	725,602
Less: current portion	<u>(11,244)</u>
Notes receivable, excluding current portion	<u>\$ 714,358</u>

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

**14. CAPITAL ASSETS**

A summary of the Authority's Capital Assets at September 30, 2019 is as follows:

Enterprise Fund Detail:

	BUSINESS ACTIVITIES	CDBG	PUBLIC HOUSING & CAPITAL FUND
Land and Improvements	\$ 84,004	3,441,584	13,505,220
Infrastructure	-	1,822,317	-
Building and Improvements	850,699	-	78,105,891
Furniture and Equipment	28,766	-	3,172,909
Construction in Process	-	-	4,622,372
Less: Accumulated Depreciation	<u>(777,927)</u>	<u>(810,546)</u>	<u>(68,587,750)</u>
Total Property and Equipment	<u>\$ 185,542</u>	<u>4,453,355</u>	<u>30,818,642</u>

	HOUSING CHOICE VOUCHERS	COCC	STATE/LOCAL	TOTAL
Land and Improvements	\$ -	-	3,500	17,034,308
Infrastructure	-	-	1,287,000	3,109,317
Building and Improvements	233,250	-	38,195	79,228,035
Furniture and Equipment	235,835	377,727	-	3,815,237
Construction in Process	-	10,451	-	4,632,823
Less: Accumulated Depreciation	<u>(359,221)</u>	<u>(311,667)</u>	<u>(702,738)</u>	<u>(71,549,849)</u>
Total Property and Equipment	<u>\$ 109,864</u>	<u>76,511</u>	<u>625,957</u>	<u>36,269,871</u>

Enterprise Fund Summary:

	October 1, 2018 Balance	Additions	Transfers & Deletions	September 30, 2019 Balance
Land	\$ 16,706,095	-	328,213	17,034,308
Construction in Process	<u>3,618,822</u>	<u>2,777,016</u>	<u>(1,763,015)</u>	<u>4,632,823</u>
Total Assets not being depreciated	20,324,917	2,777,016	(1,434,802)	21,667,131
Infrastructure	3,109,317	-	-	3,109,317
Buildings and Improvements	77,920,583	895	1,306,557	79,228,035
Furniture and Equipment	<u>3,702,559</u>	<u>116,118</u>	<u>(3,440)</u>	<u>3,815,237</u>
Total Property and Equipment	105,057,376	2,894,029	(131,685)	107,819,720
Less: Accumulated Depreciation	<u>(68,894,800)</u>	<u>(2,670,285)</u>	<u>15,236</u>	<u>(71,549,849)</u>
Net Book Value	<u>\$ 36,162,576</u>	<u>223,744</u>	<u>(116,449)</u>	<u>36,269,871</u>

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

**15. NOTES PAYABLE**

**Notes Payable**

1. 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 mortgages is deferred until payments are received from the homeowners. The Authority's outstanding balance included in long-term debt owed to the City for these loans as of September 30, 2019, is \$265,012. The current portion is \$0.

2. 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. The note bears an interest rate of 4.5% for 5 years and is payable in equal monthly installments of \$15,848. During 2019, \$6,623 in interest payments were made. The note is secured by payments from future capital grants received from HUD. The principal balance of this loan at September 30, 2019 was \$47,070.

Fiscal Year	Principal	Interest	Balance Due
2020	\$ 47,070	353	-

3. During the fiscal year ending September 30, 2019, the Authority entered into a loan agreement with VCC Bank for \$719,000. The loan bears an interest rate of 2.5% per annum based on a year of 360 days, until paid in full. Payment is due in one lump sum of principal and interest on April 12, 2021. This loan was incurred in order for the Authority to participate in HUD's Operating Fund Financing Program. Under this program, the Authority is allowed to use a portion of its operating fund reserve balances to collateralize financings and pay debt service where the financing is used for public housing development or modernization. This loan will be used to modernize public housing units to be more accessible to tenants with disabilities. The principal balance of this loan at September 30, 2019 was \$719,000.

Fiscal Year	Principal	Interest	Balance Due
2021	\$ 719,000	36,499	-

4. During the fiscal year ending September 30, 2019, the Authority entered into a loan agreement with VCC Bank for \$802,250. The note bears an interest rate of 2.5% per annum based on a year of 360 days, until paid in full. Payment is due in one lump sum of principal and interest on July 29, 2021. The loan was incurred in order for the Authority to participate in HUD's Operating Fund Financing Program. This Program allows the Authority to use operating reserves for modernization and capital projects. This loan will be used to construct eight public housing units in the Hurt Park area. The principal balance of this loan at September 30, 2019 was \$802,250.

Fiscal Year	Principal	Interest	Balance Due
2021	\$ 802,250	40,725	-

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

**15. NOTES PAYABLE (continued)**

A summary of the notes payable at September 30, 2019:

	Total	Current	Long Term
Replacement Housing Loan	\$ 47,070	47,070	-
VCC Bank	1,521,250	-	1,521,250
CDBG/HOME Notes	<u>265,012</u>	<u>-</u>	<u>265,012</u>
	<u>\$ 1,833,332</u>	<u>47,070</u>	<u>1,786,262</u>

**16. ENTERPRISE FUND LONG-TERM LIABILITIES**

Enterprise Fund Long-term liability activity for the year ended September 30, 2019, is as follows:

	October 1, 2018		September 30, 2019	
	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>
Accrued Compensated Absences	\$ 95,321	267,431	269,929	92,823
Accrued OPEB Liabilities	1,072,636	38,745	84,458	1,026,923
Notes Payable	792,253	1,521,250	480,171	1,833,332
Other Long Term Liabilities	134,843	116,406	66,134	185,115
Less: Current Portion	<u>(349,049)</u>	<u>(283,222)</u>	<u>(478,522)</u>	<u>(153,749)</u>
Long-Term Liabilities	<u>\$ 1,746,004</u>	<u>1,660,610</u>	<u>422,170</u>	<u>2,984,444</u>

**17. RESTRICTED NET POSITION**

The Authority's restricted net position for the year is as follows:

	Enterprise
	<u>Fund</u>
Restricted for HAP Payments	\$ 194,766
Restricted for OFFP program	<u>2,890</u>
	<u>\$ 197,656</u>

**18. 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.

**19. 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, 2019, Stepping Stone, LP owed the Authority \$2,493 for property management services and had paid the Authority \$11,110 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, 2019, Indian Village, LP owed the Authority \$1,417 in accrued management fees and expenses. During the year, the Partnership paid \$8,424 in management fees to the Authority.

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

The Authority and Park Street, LP have entered into an agreement whereby the Authority will provide property management services in exchange for a service fee of 6% of gross rents collected. RRHA has an outstanding loan with Park Street, LP of \$2,308,163. As of September 30, 2019 Park Street, LP owed the Authority \$1,218 in accrued management fees and expenses. During the year the partnership paid \$8,356 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, 2019, Hurt Park, LP owed the Authority \$2,845 for property management services and had paid the Authority \$13,813 in management fees during the year.

**20. 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 into 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.

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

**20. USE OF ANOTHER AUDITOR'S WORK (continued)**

The aforementioned partnership audits for the year ended December 31, 2018 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.

**21. 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, 2018 financial statements for the component units are included in the Authority's September 30, 2019 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 Stepping Stone, LP</u>	<u>DR (CR)</u>
Balance at December 31, 2018	1,947
Net Transfers from January 1, 2019 to September 30, 2019	<u>546</u>
Balance at September 30, 2019	<u><u>2,493</u></u>
<u>RRHA - Due to/Due from Indian Village, LP</u>	<u>DR (CR)</u>
Balance at December 31, 2018	1,310
Net Transfers from January 1, 2019 to September 30, 2019	<u>107</u>
Balance at September 30, 2019	<u><u>1,417</u></u>
<u>RRHA - Due to/Due from Park Street Housing, LP</u>	<u>DR (CR)</u>
Balance at December 31, 2018	2,255,475
Net Transfers from January 1, 2019 to September 30, 2019	<u>53,936</u>
Balance at September 30, 2019	<u><u>2,309,411</u></u>
<u>RRHA - Due to/Due from Hurt Park, LP</u>	<u>DR (CR)</u>
Balance at December 31, 2018	2,190
Net Transfers from January 1, 2019 to September 30, 2019	<u>655</u>
Balance at September 30, 2019	<u><u>\$ 2,845</u></u>
<u>RRHA - Due to/Due from RVHC</u>	<u>DR (CR)</u>
Balance at December 31, 2018	569
Net Transfers from January 1, 2019 to September 30, 2019	<u>134</u>
Balance at September 30, 2019	<u><u>\$ 703</u></u>

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

**22. GRANTS**

During the fiscal year ended September 30, 2019, the Authority closed the following grants:

Capital Fund Program <u>Grant Number</u>	Expenditures prior to fiscal <u>year 2019</u>	Expenditures for fiscal <u>year 2019</u>	Total <u>Expenditures</u>
VA36P011501-15	\$ 1,885,901	35,475	1,921,376
VA36P011501-16	1,875,702	121,067	1,996,769
VA36E011501-17	<u>20,357</u>	<u>229,643</u>	<u>250,000</u>
	<u>\$ 3,781,960</u>	<u>386,185</u>	<u>4,168,145</u>

**23. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through March 17, 2020, 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.

The COVID-19 outbreak is disrupting supply chains and affecting production and sales across a range of industries. The extent of the impact of COVID-19 on the Authority's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on the Authority's customers, employees and vendors all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the Authority's financial condition or results of operations is uncertain.

**24. OTHER POSTEMPLOYMENT BENEFITS**

*Benefit Description*

The Authority participates in a healthcare plan managed by the Commonwealth of Virginia and administered by Anthem Blue Cross and Blue Shield. The health care plan is fully-insured and partially experienced-rated. The Authority subsidizes retiree medical health care coverage at various rates based upon age at retirement and years of service.

*Benefit Policy*

The Authority subsidizes 40%-80% of the medical insurance single premium rate for a retiree based on qualifications of employee age and years of service at retirement. Subsidy rates are categorized into 3 tiers based on the retiree qualifications. The Authority does not subsidize spousal coverage and the retiree is responsible for any premium not covered by the Authority. The Authority has funded its retiree health benefits on a pay-as-you-go basis. The benefit offered to retirees was established and can be amended by the Authority's board of directors. All information regarding Other Postemployment Benefits is included in the Authority's Audited Financial report. The Other Postemployment Benefit Plan does not issue a separate stand-alone financial report. For the year ended September 30, 2019, the other postemployment benefits (OPEB) expense was \$38,742.

Roanoke Redevelopment and Housing Authority.

Notes to Financial Statements (continued)

**24. OTHER POSTEMPLOYMENT BENEFITS (continued)**

Retirement Subsidy Tiers		
<u>Retirement Tiers</u>	<u>ER Contribution</u>	<u>Subsidized Rate</u>
Tier 1- 62 w 5 years	100% of primary ER share	80%
Tier 2 - 60 w 5 years	70% of primary ER share	56%
Tier 3 - 55 w 10 years	50% of primary ER share	40%

*Plan Membership*

As of September 30, 2019, plan membership consisted of the following:

Inactive members receiving benefits	4
Active members	<u>76</u>
Total	80

The Total OPEB Liability of the Housing Authority at September 30, 2019 was \$1,026,923.

**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate**

The chart below presents the total OPEB liability, calculated using the current healthcare cost trend rate of 8.0% decreasing to 4.5%, as well as the total OPEB liability calculated using a healthcare cost trend rate that is 1 percentage point lower (7.0% decreasing to 3.5%) or 1 percentage point higher (9.0% decreasing to 5.5%) than the current rate:

	1% Decrease 7.0% decreasing to <u>3.5%</u>	Current Healthcare Cost Trent Rate 8.0% decreasing to <u>4.5%</u>	1% Increase 9.0% decreasing to <u>5.5%</u>
Total OPEB Liability	970,327	1,026,921	1,090,184

**Sensitivity of the Total OPEB Liability to Changes in Discount Rate**

The chart below presents the total OPEB liability, calculated using the current discount rate of 3.58%, as well as the OPEB liability calculated using a discount rate that is 1 percentage point lower (2.58%) or 1 percentage point higher (4.58%) than the current rate:

	1% Decrease to <u>2.58%</u>	Current Discount Rate <u>3.58%</u>	1% Increase to <u>4.58%</u>
Total OPEB Liability	1,087,711	1,026,921	971,741

There are no assets accumulated in a trust so the Net Fiduciary Position is \$0 and the Net OPEB Liability is equal to the Total OPEB Liability.

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

**24. OTHER POSTEMPLOYMENT BENEFITS (continued)**

<b>Schedule of Changes in Total OPEB Liability</b>	Fiscal Year Ending <u>9/30/19</u>
Total OPEB Liability - Beginning of Year	\$ 1,072,639
Converted OPEB Liability - Beginning of Year	1,072,639
Service Cost	118,649
Interest	41,839
Changes in Benefit Terms	-
Difference between Expected and Actual Experience	(121,748)
Changes in Assumptions	-
Benefit Payments	<u>(84,458)</u>
Net Change in Total OPEB Liability	(45,718)
Total OPEB Liability - End of Year	1,026,921
Covered Employee Payroll	2,981,275
Total OPEB Liability as a Percentage of the Covered Employee Payroll	34.45 %

<b>OPEB Expense</b>	Fiscal Year Ending <u>9/30/19</u>
Service Cost	\$ 118,648
Interest on Total OPEB Liability	41,839
Effect of Plan Changes	-
Administrative Expenses	-
Recognition of Deferred (Inflows)/Outflows of Resources	-
Differences between expected and actual experience	(121,745)
Assumption Changes	<u>-</u>
OPEB Expense	<u>\$ 38,742</u>

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

**24. OTHER POSTEMPLOYMENT BENEFITS (continued)**

**Alternative Measurement Method (AMM) Assumptions**

Measurement Date	September 30, 2019
Valuation Date	September 30, 2019
Reporting Date	September 30, 2019
Measurement Period	October 1, 2018 to September 30, 2019
Discount Rate	3.58% per year

The discount rate used to measure the total pension liability as of September 30, 2019 was 3.58%. As an unfunded plan, the discount rate reflects the index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

General Inflation	2.5% per year
Salary Increases	3.5% per year
Cost Method	Entry Age Normal Level % of Salary Method
Employer Funding Policy	Pay-as-you-go cash basis

Health Care Cost Trend Rates

<u>Year</u>	<u>Rate %</u>	<u>Year</u>	<u>Rate %</u>
2019	8.00	2023	6.00
2020	7.50	2024	5.50
2021	7.00	2025	5.00
2022	6.50	2026+	4.50

Mortality	SOA RPH-2018 Total Dataset Mortality table fully generated using Scale MP-2018
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**25. UNCERTAIN TAX POSITIONS**

The Authority had no unrecognized tax benefits at September 30, 2019 and no open years prior to September 30, 2016. The Authority files tax returns in the U.S. federal jurisdiction and the State of Virginia.

**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, 2019 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated March 17, 2020. Our report includes a reference to other auditors who audited the financial statements of Hurt Park, LP, Indian Village, LP, Park Street, LP, Stepping Stone, LP, and Roanoke Valley Housing Corporation, as described in our report of the Authority's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

***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.

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**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.



March 17, 2020  
Toms River, New Jersey

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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 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, 2019. 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 the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and the Uniform Guidance 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, 2019.

## **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 the Uniform Guidance, 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Imp, Berry and Conway LLP*

March 17, 2020  
Toms River, New Jersey

Roanoke Redevelopment and Housing Authority

Schedule of Expenditures of Federal Awards

For the Year Ended September 30, 2019

<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	\$ 4,745,098
Housing Choice Vouchers	14.871	12,137,651
Mainstream	14.879	<u>245,375</u>
Total Cluster		12,383,026
Family Self-Sufficiency Program	14.896	137,826
Resident Opportunity and Support Services	14.870	<u>65,021</u>
Total Cluster		202,847
Jobs Plus Pilot Program Grant	14.895	491,991
Public Housing Capital Fund Program	14.872	3,314,641
Pass-through from City of Roanoke:		
Community Development Block Grant	14.218	<u>5,416</u>
		<u>\$21,143,019</u>

Roanoke Redevelopment and Housing Authority

Notes to Schedule of Federal Awards

September 30, 2019

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 the Uniform Guidance, 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, 2019, the Authority is not the guarantor of any loans outstanding, except as discussed in the notes to the financial statements.

3. Indirect Cost Rate

The Authority has elected not to use the 10% de minimis indirect cost rate allowed under Uniform Guidance.

Roanoke Redevelopment and Housing Authority

Schedule of Findings and Questioned Costs

September 30, 2019

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 the Uniform Guidance (section .516(a)) | No         |
| 4. | Dollar threshold used to determine Type A Programs: type A and B programs   | \$750,000  |
| 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, 2019

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, 2019

Current year findings and questioned costs

None

## Supplementary Information

Roanoke Redevelopment and Housing Authority

Schedule of Changes in Employer's Net Pension Liability

For the Year Ended September 30, 2019

<b>Change in the Net Pension Liability</b>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability					
Service cost	307,830	319,415	325,513	345,298	349,221
Interest	142,241	125,184	106,466	99,660	75,160
Benefit changes	-	-	-	-	-
Difference between actual and expected experience	16,408	(18,918)	89,185	(74,302)	-
Assumption changes	-	(99,265)	-	-	-
Benefit payments, including refunds of contributions	<u>(106,918)</u>	<u>(58,583)</u>	<u>(448,927)</u>	<u>(97,929)</u>	<u>(50,830)</u>
Net change in total pension liability	359,561	267,833	72,237	272,727	373,551
Total pension liability - beginning	<u>2,085,471</u>	<u>1,817,638</u>	<u>1,745,401</u>	<u>1,472,674</u>	<u>1,099,123</u>
Total pension liability - ending	2,445,032	2,085,471	1,817,638	1,745,401	1,472,674
Plan fiduciary net position:					
Contributions - employer	151,251	158,003	169,028	169,738	130,328
Contributions - members	140,383	146,283	136,761	141,937	144,381
Net investment income	197,702	272,201	42,160	94,384	241,924
Benefit payments including refunds of contributions	(106,918)	(58,583)	(448,927)	(97,929)	(50,830)
Administrative expense	(1,524)	(1,307)	(1,587)	(1,051)	(1,101)
Other	<u>(431)</u>	<u>(253)</u>	<u>(17)</u>	<u>(22)</u>	<u>13</u>
Net change in plan fiduciary net position	380,463	516,344	(102,582)	307,057	464,715
Plan fiduciary net position - beginning	<u>2,590,277</u>	<u>2,073,933</u>	<u>2,176,515</u>	<u>1,869,458</u>	<u>1,404,743</u>
Plan fiduciary net position - ending	2,970,740	2,590,277	2,073,933	2,176,515	1,869,458
Net pension liability - ending	(525,708)	(504,806)	(256,295)	(431,114)	(396,784)
Plan fiduciary net position as a percentage of the total pension liability	121.50 %	124.21 %	114.10 %	124.70 %	126.94 %
Covered payroll	3,066,801	3,188,163	3,070,860	2,886,888	2,838,454
Net pension liability as a percentage of covered payroll	(17.14)%	(15.83)%	(8.35)%	(14.93)%	(13.98)%

Roanoke Redevelopment and Housing Authority

Employer Contribution Schedule

For the Year Ended September 30, 2019

**Schedule of RRHA Pension Contribution**

<u>Year Ended June 30</u>	Actuarially Determined Contribution <u>(a)</u>	Actual Contributions and Receivables Recognized by Pension Plan <u>(b)</u>	Actuarial less Actual Contributions <u>(c)</u>	Covered Payroll <u>(d)</u>	Actual Contributions as a Percentage of Covered Payroll <u>(b)/(d)</u>
2018	174,194	151,251	22,943	3,066,801	4.93 %
2017	198,304	158,003	40,301	3,188,163	4.96 %
2016	191,007	169,028	21,979	3,070,860	5.50 %
2015	179,564	169,738	9,826	2,886,888	5.88 %
2014	133,975	130,328	3,647	2,838,454	4.59 %

Roanoke Redevelopment and Housing Authority  
Schedule of Changes in Total OPEB Liability  
For the Year Ended September 30, 2019

**Changes in Total OPEB Liability**

<u>Schedule of Changes in Total OPEB Liability</u>	Fiscal Year Ending <u>9/30/19</u>	Fiscal Year Ending <u>9/30/18</u>	Fiscal Year Ending <u>9/30/17</u>
Total OPEB Liability - Beginning of Year	\$ 1,072,639	\$ 997,671	\$ 263,939
Conversion from GASB 45 to 75	<u>-</u>	<u>-</u>	<u>558,577</u>
Converted OPEB Liability - Beginning of Year	1,072,639	997,671	822,516
Service Cost	118,648	114,481	105,935
Interest	41,839	39,053	41,359
Changes in Benefit Terms	-	-	-
Difference between Expected and Actual Experience	(121,747)	-	-
Changes in Assumptions	-	-	46,784
Benefit Payments	<u>(84,458)</u>	<u>(78,566)</u>	<u>(18,923)</u>
Net Change in Total OPEB Liability	(45,718)	74,968	175,155
Total OPEB Liability - End of Year	1,026,921	1,072,639	997,671
Covered Employee Payroll	2,981,275	3,267,959	3,172,776
Total OPEB Liability as a Percentage of the Covered Employee Payroll	34.45 %	32.82 %	31.44 %

FDS #	Description	Total AMPs	S8 HCV Fund 306 14.871	S8 MAINSTREAM Fund 310 14.879	Jobs Plus Fund 601 14.895	ROSS 14.896	ROSS 14.870	CDBG 14.218	HOME 14.239	STATE/ LOCAL	2015 Shelter Plus Care 14.238	Business Activity
111	Cash-unrestricted	9,163,991	911,727	182,543						2,514,045		741,643
112	Cash, restricted- modernizm & developmt	1,513,651								-		-
113	Cash-other restricted	71,289	287,830	191,754				86,784	37,193	290,320		-
114	Cash-tenant security deposits	148,085										5,768
115	Cash - Restricted for pymt of curr liability	-	80,802	3,485								-
100	<b>Total Cash</b>	<b>10,897,016</b>	<b>1,280,359</b>	<b>377,782</b>	-	-	-	<b>86,784</b>	<b>37,193</b>	<b>2,804,365</b>	-	<b>747,411</b>
121	AR - PHA projs	-	1,877									-
122-010	AR - HUD other projs - Operating Subsidy	11,493			66,475	12,057	9,547					-
122-020	AR - HUD other projs - Capital fund	344,306										-
122-030	AR - HUD other projs - Other	-										-
122	<b>Accounts receivable - HUD other projs</b>	<b>355,799</b>	-	-	<b>66,475</b>	<b>12,057</b>	<b>9,547</b>	-	-	-	-	-
124	Account receivable - other govt	5,976						5,243	1,389			-
125-040	Account receivable - misc - Tax Credit	-										13,753
125-050	Account receivable - misc - Other	-	59,942	3,560						3,040		-
125	<b>Account receivable - miscellaneous</b>	-	<b>59,942</b>	<b>3,560</b>	-	-	-	-	-	<b>3,040</b>	-	<b>13,753</b>
126	Accounts receivable - tenants	155,252										1,548
126.1	Allowance for doubtful accounts - tenants	(58,486)										(92)
126	Allowance for doubtful accounts - other	-	(1,877)									-
127	Loans & Mortgages Recvbl - Current	-								10,905		-
128	Fraud recovery	-	104,105									-
128	Allowance for doubtful accounts - fraud	-	(97,018)									-
129	Accrued interest receivable	-								242		-
120	<b>Total Receivables, net allow for doubtful accts</b>	<b>458,541</b>	<b>67,029</b>	<b>3,560</b>	<b>66,475</b>	<b>12,057</b>	<b>9,547</b>	<b>5,243</b>	<b>1,389</b>	<b>14,187</b>	-	<b>15,209</b>
142	Prepaid expenses, Other assets	219,911	17,463							274		4,382
143	Inventories	-										-
143	Allowance- obsolete inventories	-										-
144	Inter program - due from	85,718	5,362									-
145	Assets held for sale	-						30,701		101,071		-
150	<b>Total Current Assets</b>	<b>11,661,186</b>	<b>1,370,213</b>	<b>381,342</b>	<b>66,475</b>	<b>12,057</b>	<b>9,547</b>	<b>122,728</b>	<b>38,582</b>	<b>2,919,897</b>	-	<b>767,002</b>
161	Land	13,505,220						3,441,584		3,500		84,004
162	Buildings	78,105,891	233,250							38,195		850,699
163	Furniture, equip, machinery - dwellings	1,120,210										-
164	Furniture, equip, machinery - admin	2,052,699	235,835									28,766
165	Leasehold improvements	-										-
166	Accumulated depreciation	(68,587,750)	(359,221)					(810,546)		(702,738)		(777,927)
167	Construction in progress	4,622,372										-
168	Infrastructure	-						1,822,317		1,287,000		-
160	<b>Total capital assets, net accum depreciation</b>	<b>30,818,642</b>	<b>109,864</b>	-	-	-	-	<b>4,453,355</b>	-	<b>625,957</b>	-	<b>185,542</b>
171-040	Loans & Mortgages recvbl - Non-curr - Tax Credit	316,000										-
171-050	Loans & Mortgages recvbl - Non-curr - Other	-						58,400	206,612	78,685		-
171	<b>Loans &amp; Mortgages recvbl - Non-current</b>	<b>316,000</b>	-	-	-	-	-	<b>58,400</b>	<b>206,612</b>	<b>78,685</b>	-	-
172-040	Loans & Mortgs recvbl - NC past due - Tax Credit	-										-
172-050	Loans & Mortgs recvbl - NC past due - Other	-										-
172	<b>Loans &amp; Mortgs recvbl - Non-current, past due</b>	-						-	-	-		-
173	Grants receivable - Non-current	-										-
174-040	Other assets - Tax Credit	-										-
174-050	Other assets - Other	229,101	57,548		9,840	5,645	2,939					16,766
174	<b>Other assets</b>	<b>229,101</b>	<b>57,548</b>		<b>9,840</b>	<b>5,645</b>	<b>2,939</b>	-	-	-	-	<b>16,766</b>
180	<b>Total Non-current Assets</b>	<b>31,363,743</b>	<b>167,412</b>	-	<b>9,840</b>	<b>5,645</b>	<b>2,939</b>	<b>4,511,755</b>	<b>206,612</b>	<b>704,642</b>	-	<b>202,308</b>
190	<b>Total Assets</b>	<b>43,024,929</b>	<b>1,537,625</b>	<b>381,342</b>	<b>76,315</b>	<b>17,702</b>	<b>12,486</b>	<b>4,634,483</b>	<b>245,194</b>	<b>3,624,539</b>	-	<b>969,310</b>
200	<b>Deferred Outflow of Resources</b>	<b>99,447</b>	<b>24,694</b>		<b>12,074</b>	<b>6,662</b>	<b>3,165</b>					<b>7,292</b>
290	<b>Total Assets &amp; Deferred Outflow of Resources</b>	<b>43,124,376</b>	<b>1,562,319</b>	<b>381,342</b>	<b>88,389</b>	<b>24,364</b>	<b>15,651</b>	<b>4,634,483</b>	<b>245,194</b>	<b>3,624,539</b>	-	<b>976,602</b>

FDS #	Description	Total AMPs	S8 HCV Fund 306 14.871	S8 MAINSTREAM Fund 310 14.879	Jobs Plus Fund 601 14.895	ROSS 14.896	ROSS 14.870	CDBG 14.218	HOME 14.239	STATE/ LOCAL	2015 Shelter Plus Care 14.238	Business Activity
311	Bank overdraft	-								-		-
312	Accounts payable <= 90 days	132,256	74,008	3,485	1,471		501	600		76		1,604
313	Accounts payable > 90 days past due	-								-		-
321	Accrued wage/payroll taxes payable	35,316	10,109		2,981	3,339	2,037			-		1,893
322	Accrued compensated absences - curr portion	44,199	6,311		3,100	1,148	284			-		521
324	Accrued contingency liability	-								-		-
325	Accrued interest payable	147						-		-		-
331-010	AP - HUD PHA Programs - Operating Subsidy	-								-		-
331-020	AP - HUD PHA Programs - Capital fund	-								-		-
331-030	AP - HUD PHA Programs - Other	-		191,754						-		241
331	<b>Accounts payable - HUD PHA Programs</b>	-	-	<b>191,754</b>	-	-	-	-	-	-	-	<b>241</b>
332	Accounts payable - PHA Projects	-								-		-
333	Accounts payable - other govt	155,830						92,970	38,582	386,696		-
341	Tenant security deposits	148,085								-		5,768
342-010	Unearned revenue - Operating Subsidy	-								290,320		-
342-020	Unearned revenue - Capital fund	-								-		-
342-030	Unearned revenue - Other	21,280								-		307
342	<b>Unearned revenue</b>	<b>21,280</b>	-	-	-	-	-	-	-	290,320	-	307
343-010	CFFP	47,070								-		-
343-020	Capital Projects/ Mortgage Revenue	-								-		-
343	<b>Curr portion LT debt - capital projs</b>	<b>47,070</b>								-		-
344	Curr portion LT debt - operating borrowings	-								-		-
345	Other current liabilities	66,371	13,856							-		-
346	Accrued liabilities - other	-								-		-
347	Inter program - due to	-			73,160	10,724	7,196			-		-
348-020	Loan liability - current - Partnership	-								-		-
348-040	Loan liability - current - Tax Credit	-								-		-
348-050	Loan liability - current - Other	-								-		-
348	<b>Loan liability - current</b>	-	-	-	-	-	-	-	-	-	-	-
310	<b>Total Current Liabilities</b>	<b>650,554</b>	<b>104,284</b>	<b>195,239</b>	<b>80,712</b>	<b>15,211</b>	<b>10,018</b>	<b>93,570</b>	<b>38,582</b>	<b>677,092</b>	<b>-</b>	<b>10,334</b>
351-010	Long-term debt - CFFP	-								-		-
351-020	Long-term - Capital Projects	-								-		-
351	<b>Capital Projects - Mortgages</b>	-								-		-
352	LT debt, net of current - operating borrowings	-								-		-
353	Non-current liabilities - other	78,197	93,064							-		-
354	Accrued compensated absences- Non-current	-								-		-
355-040	Loan liability - Non-current - Tax Credit	-								-		-
355-050	Loan liability - Non-current - Other	1,521,250						58,400	206,612	-		-
	Other - Comment									-		-
355	<b>Loan liability - Non-current</b>	<b>1,521,250</b>	-	-	-	-	-	<b>58,400</b>	<b>206,612</b>	-	-	-
356	FASB 5 Liabilities	-								-		-
357-010	Pension Liability	-								-		-
357-020	OPEB Liability	550,459	81,861		1,886	5,958	4,115			-		44,050
357	Accrued Pension and OPEB Liability	550,459	81,861	-	1,886	5,958	4,115	-	-	-	-	44,050
350	<b>Total Non-current liabilities</b>	<b>2,149,906</b>	<b>174,925</b>	<b>-</b>	<b>1,886</b>	<b>5,958</b>	<b>4,115</b>	<b>58,400</b>	<b>206,612</b>	<b>-</b>	<b>-</b>	<b>44,050</b>
300	<b>Total Liabilities</b>	<b>2,800,460</b>	<b>279,209</b>	<b>195,239</b>	<b>82,598</b>	<b>21,169</b>	<b>14,133</b>	<b>151,970</b>	<b>245,194</b>	<b>677,092</b>	<b>-</b>	<b>54,384</b>
400	<b>Deferred Inflow of Resources</b>	<b>47,698</b>	<b>11,844</b>	<b>-</b>	<b>5,791</b>	<b>3,195</b>	<b>1,518</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,498</b>
508.4	Capital asset Investmt, net related debt	30,771,572	109,864	-	-	-	-	4,453,355	-	625,957	-	185,542
511.4	Restricted Net Position	2,890	194,766	-	-	-	-	-	-	-	-	-
512.4	Unrestricted Net Position	9,501,756	966,636	186,103	-	-	-	29,158	-	2,321,490	-	733,178
513	<b>Total Net Position</b>	<b>40,276,218</b>	<b>1,271,266</b>	<b>186,103</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,482,513</b>	<b>-</b>	<b>2,947,447</b>	<b>-</b>	<b>918,720</b>
600	<b>Total Liabs, Def. Inflow of Res, &amp; Net Position</b>	<b>43,124,376</b>	<b>1,562,319</b>	<b>381,342</b>	<b>88,389</b>	<b>24,364</b>	<b>15,651</b>	<b>4,634,483</b>	<b>245,194</b>	<b>3,624,539</b>	<b>-</b>	<b>976,602</b>

FDS #	Description	Total AMPs	S8 HCV Fund 306 14.871	S8 MAINSTREAM Fund 310 14.879	Jobs Plus Fund 601 14.895	ROSS 14.896	ROSS 14.870	CDBG 14.218	HOME 14.239	STATE/ LOCAL	2015 Shelter Plus Care 14.238	Business Activity
	ttl assets less ttl liabs + equity	-	-	-	-	-	-	-	-	-	-	-

**Income Statement**

70300	Net tenant rental revenue	3,411,327									-	170,331
70400	Tenant revenue - other	208,087									-	414
70500	<b>Total Tenant Revenue</b>	<b>3,619,414</b>	-	-	-	-	-	-	-	-	-	170,745

70600-010	Housing assistance payments	-	11,313,480	232,452								
70600-020	Ongoing administrative fees earned	-	1,034,457	30,551							-	
70600-030	FSS Coordinator	-										
70600-040	Independent public acctant audit costs	-										
70600-050	Total preliminary fees earned	-										
70600-060	Interest earned on advances	-										
70600-070	Admin fee calculation description	-										
70600	<b>HUD PHA operating grants</b>	<b>5,100,767</b>	<b>12,347,937</b>	<b>263,003</b>	<b>491,991</b>	<b>137,826</b>	<b>65,021</b>	<b>5,416</b>	-	-	-	
70610	<b>Capital grants</b>	<b>2,958,973</b>			-		-	-	-	-	-	-

70710	Management Fee	-										-
70720	Asset Management Fee	-										
70730	Book-Keeping Fee	-										
70740	Front Line Service Fee	-										
70750	Other Fees	-										
70700	<b>Total Fee Revenue</b>	-	-	-	-	-	-	-	-	-	-	-

70800	Other government grants	-								82,800		-
71100-010	Housing Assistance Payment	-										-
71100-020	Administrative Fee	-										-
71100	<b>Investment income - unrestricted</b>	-	-	-	-	-	-	-	-	-	-	-
71200	Mortgage interest income	-							610	1,412		-
71300	Proceeds - disposition of assets held for sale	-								1,203,684		-
71310	Cost of sale of assets	(7,263)								(1,510,296)		-
71400-010	Housing Assistance Payment	-	5,976									
71400-020	Administrative Fee	-	5,976									
71400	<b>Fraud recovery</b>	-	<b>11,952</b>	-						-		-
71500	Other revenue	137,677	6,710					63,721		36,652		272,993
71600	Gain / loss - sale of capital assets	-								-		-
72000-010	Housing Assistance Payment	-										
72000-020	Administrative Fee	-										
72000	<b>Investment income - restricted</b>	2,890										-
70000	<b>Total Revenue</b>	<b>11,812,458</b>	<b>12,366,599</b>	<b>263,003</b>	<b>491,991</b>	<b>137,826</b>	<b>65,021</b>	<b>69,137</b>	<b>610</b>	<b>(185,748)</b>	-	<b>443,738</b>

91100	Administrative salaries	456,191	273,365	7,363						2,724		55,099
91200	Auditing fees	16,117	18,899	501						128		619
91300-010	To PHA Administered Program (i.e. COCC)	1,362,480	206,891									89,860
91300-020	To Third Party/Outside Entity	-										5,925
91300	<b>Management Fees</b>	<b>1,362,480</b>	<b>206,891</b>		-	-	-	-	-	-	-	<b>95,785</b>
91310	Book-Keeping Fee	114,548	158,115									
91400	Advertising and Marketing	18,604	224							351		
91500	Employee Benefit contributions - Admin	153,077	62,457	2,304						859		17,534
91600	Office Expenses	207,234	11,625							6		893
91700	Legal Expense	58,494	10,574	263				3,649		7,350		1,396
91800	Travel	1,197	81	2								1,922
91810	Allocated Overhead	-										
91900	Other	131,303	89,085	1,871				1,766		4,202		13,526
91000	<b>Total Operating-Administrative</b>	<b>2,519,245</b>	<b>831,316</b>	<b>12,304</b>	-	-	-	<b>5,415</b>	-	<b>15,620</b>	-	<b>186,774</b>

92000	Asset Management Fee	153,000										
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FDS #	Description	Total AMPs	S8 HCV Fund 306 14.871	S8 MAINSTREAM Fund 310 14.879	Jobs Plus Fund 601 14.895	ROSS 14.896	ROSS 14.870	CDBG 14.218	HOME 14.239	STATE/ LOCAL	2015 Shelter Plus Care 14.238	Business Activity
92100	Tenant services - salaries	92,898	2,070		165,037	98,393	38,771			-		-
92200	Relocation Costs	-								-		-
92300	Employee benefit contribs - tenant services	38,571	746		47,261	27,514	13,924			-		13
92400	Tenant services - other	84,676	1,808		267,220	6,449	10,154			-		230
92500	<b>Total Tenant Services</b>	<b>216,145</b>	<b>4,624</b>	-	<b>479,518</b>	<b>132,356</b>	<b>62,849</b>	-	-	-	-	243
93100	Water	401,646	1,256	33						6		880
93200	Electricity	592,470	1,290	32						8		773
93300	Gas	440,183	1,719	42						12		-
93400	Fuel	-								-		-
93500	Labor	-								-		-
93600	Sewer	414,605	1,062	26						72		1,750
93700	Employee benefit contributions - utilities	-								-		-
93750	HAP Portability-In	-								-		-
93800	Other utilities expense	-								-		-
93000	<b>Total Utilities</b>	<b>1,848,904</b>	<b>5,327</b>	<b>133</b>	-	-	-	-	-	98	-	3,403
94100	OMO-labor	586,508								-		30,977
94200	OMO-materials, other	479,048	891							-		1,561
94300-010	OMO contracts-Trash Removal	244,324								48		2,897
94300-020	OMO contracts-HVAC	164,236								-		872
94300-030	OMO contracts-Snow Removal	-								-		-
94300-040	OMO contracts-Elevator Maint	81,131								-		-
94300-050	OMO contracts-Grounds	198,084								2,038		-
94300-060	OMO contracts-Unit Turnaround	84,545								-		-
94300-070	OMO contracts-Electrical	199,051								-		-
94300-080	OMO contracts-Plumbing	147,703								-		2,892
94300-090	OMO contracts-Extermination	76,137								-		2,053
94300-100	OMO contracts-Janitorial	9,363	2,977							-		-
94300-110	OMO contracts-Routine Maint	438,032								-		-
94300-120	OMO contracts-Misc	57,645	977	118						31		16,786
94300	<b>Ordinary Maint &amp; Operations Contracts</b>	<b>1,700,251</b>	<b>3,954</b>	<b>118</b>	-	-	-	-	-	<b>2,117</b>	-	25,500
94500	OMO- Employee benefit contributions	181,643								-		10,812
94000	<b>Total Maintenance</b>	<b>2,947,450</b>	<b>4,845</b>	<b>118</b>	-	-	-	-	-	<b>2,117</b>	-	68,850
95100	Protective services - labor	-								-		-
95200	Protective services - contract costs (police)	219,835								-		-
95300	Protective services - other	13,422								-		-
95500	Protective services - Employee benefit contribs	-								-		-
95000	<b>Total Protective Services</b>	<b>233,257</b>	-	-	-	-	-	-	-	-	-	-
96110	Property Insurance	167,264	1,195							56		2,779
96120	Liability Insurance	78,972	6,761	368						125		1,291
96130	Workmen's Compensation	39,262	6,902							-		1,730
96140	All other Insurance	565								-		341
96100	<b>Total insurance Premiums</b>	<b>286,063</b>	<b>14,858</b>	<b>368</b>	-	-	-	-	-	<b>181</b>	-	<b>6,141</b>
96200	Other general expenses (FSS Escrow)	50,323						63,722	610	1,236,559		-
96210	Compensated absences	99,377	24,461		12,473	5,470	2,172			-		1,824
96300	Payments in lieu of taxes	155,830								-		-
96400	Bad debt - tenant rents	127,838								-		(533)
96500	Bad debt - mortgages	-								-		-
96600	Bad debt - other	-	4,683							-		-
96800	Severance expense	-								-		-
96000	<b>Total Other General Expenses</b>	<b>433,368</b>	<b>29,144</b>	-	<b>12,473</b>	<b>5,470</b>	<b>2,172</b>	<b>63,722</b>	<b>610</b>	<b>1,236,559</b>	-	<b>1,291</b>
96710	Interest of Mortgage (or Bonds) Payable	7,754								-		1,292
96720-020	Interest on All Other Debt	-								-		-

FDS #	Description	Total AMPs	S8 HCV Fund 306 14,871	S8 MAINSTREAM Fund 310 14,879	Jobs Plus Fund 601 14,895	ROSS 14,896	ROSS 14,870	CDBG 14,218	HOME 14,239	STATE/ LOCAL	2015 Shelter Plus Care 14,238	Business Activity
96720	Interest on Notes Payable (Short and Long Term)	-								-		-
96730	Amortization of Bond Issue Costs	-								-		-
96700	<b>Interest expense and Amortization cost</b>	<b>7,754</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,292</b>
96900	<b>Total Operating Expenses</b>	<b>8,645,186</b>	<b>890,114</b>	<b>12,923</b>	<b>491,991</b>	<b>137,826</b>	<b>65,021</b>	<b>69,137</b>	<b>610</b>	<b>1,254,575</b>	<b>-</b>	<b>267,994</b>
97000	<b>Excess Revenue Over Operating Expenses</b>	<b>3,167,272</b>	<b>11,476,485</b>	<b>250,080</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,440,323)</b>	<b>-</b>	<b>175,744</b>
97100	Extraordinary maintenance	85,640								-		-
97200	Casualty losses- Non-capitalized	9,263								-		-
97300-010	Mainstream 1 & 5 year	-		232,452								-
97300-020	Home-Ownership	-	38,164									-
97300-025	Litigation	-										-
97300-030	Hope IV	-										-
97300-035	Moving to Work	-										-
97300-040	Tenant Protection	-	76,206									-
97300-050	All Other	-	11,121,843							57,952		-
97300	<b>Housing assistance payments</b>	<b>-</b>	<b>11,236,213</b>	<b>232,452</b>								<b>-</b>
97350	<b>HAP Portability In</b>											<b>-</b>
97400	Depreciation expense	2,524,862	11,324					61,038		42,899		14,910
97500	Fraud losses	-								-		-
97800	Dwelling units rent expense	-								-		-
90000	<b>Total Expenses</b>	<b>11,264,951</b>	<b>12,137,651</b>	<b>245,375</b>	<b>491,991</b>	<b>137,826</b>	<b>65,021</b>	<b>130,175</b>	<b>610</b>	<b>1,355,426</b>	<b>-</b>	<b>282,904</b>
10010	Operating transfer in	22,544								-		-
10020	Operating transfer out	(22,544)								-		-
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	450,000								-		-
10092	Inter AMP Excess Cash Transfer Out	(450,000)								-		-
10093	Transfers between Program and Project - In	-								-		-
10094	Transfers between Program and Project - Out	-								-		-
10100	<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
10000	<b>Excess (Deficiency) of Revenues vs Expenses</b>	<b>547,507</b>	<b>228,948</b>	<b>17,628</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(61,038)</b>	<b>-</b>	<b>(1,541,174)</b>	<b>-</b>	<b>160,834</b>
11020	Required Annual Debt Principal Payments	183,558			-	-		34,813	2,211	2,444		47,516
11030	Beginning equity	39,728,711	1,042,318	168,475	-	-	-	4,543,551	-	4,488,621		757,886
11040-010	Prior period adjs & correction of errors	-								-		-
11040-020	Prior period adjs & correction of errors	-								-		-
11040-030	Prior period adjs & correction of errors	-								-		-
11040-040	Prior period adjs & correction of errors	-								-		-
11040-050	Prior period adjs & correction of errors	-								-		-
11040-060	Prior period adjs & correction of errors	-								-		-
11040-070	Equity Transfers (UNRESTRICTED)	-								-		-
11040-080	Equity Transfers (RESTRICTED)	-								-		-
11040-090	Equity Transfers	-								-		-
11040-100	Equity Transfers	-								-		-
11040-110	Equity Transfers	-								-		-
11040	<b>Prior pd adjs, equity trnsfrs, &amp; error corrections</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

FDS #	Description	Central Office Cost Center	Eliminations	Total	COMPONENT UNITS COMBINED 6	ENTITY WIDE TOTAL
111	Cash-unrestricted	2,040,800		15,554,749	542,769	16,097,518
112	Cash, restricted- modernizn & developmt	-		1,513,651	-	1,513,651
113	Cash-other restricted	-		965,170	601,676	1,566,846
114	Cash-tenant security deposits	-		153,853	28,974	182,827
115	Cash - Restricted for pymt of curr liability	-		84,287	-	84,287
100	<b>Total Cash</b>	<b>2,040,800</b>	<b>-</b>	<b>18,271,710</b>	<b>1,173,419</b>	<b>19,445,129</b>
121	AR - PHA projs	-		1,877	-	1,877
122-010	AR - HUD other projs - Operating Subsidy	-		99,572	-	99,572
122-020	AR - HUD other projs - Capital fund	-		344,306	-	344,306
122-030	AR - HUD other projs - Other	-		-	-	-
122	<b>Accounts receivable - HUD other projs</b>	<b>-</b>	<b>-</b>	<b>443,878</b>	<b>-</b>	<b>443,878</b>
124	Account receivable - other govt	-		12,608	-	12,608
125-040	Account receivable - misc - Tax Credit	-		13,753	-	13,753
125-050	Account receivable - misc - Other	4,015		70,557	431	70,988
125	<b>Account receivable - miscellaneous</b>	<b>4,015</b>	<b>-</b>	<b>84,310</b>	<b>431</b>	<b>84,741</b>
126	Accounts receivable - tenants	-		156,800	30,615	187,415
126.1	Allowance for doubtful accounts - tenants	-		(58,578)	(7,323)	(65,901)
126	Allowance for doubtful accounts - other	-		(1,877)	-	(1,877)
127	Loans & Mortgages Recvbl - Current	339		11,244	-	11,244
128	Fraud recovery	-		104,105	-	104,105
128	Allowance for doubtful accounts - fraud	-		(97,018)	-	(97,018)
129	Accrued interest receivable	-		242	-	242
120	<b>Total Receivables, net allow for doubtful accts</b>	<b>4,354</b>	<b>-</b>	<b>657,591</b>	<b>23,723</b>	<b>681,314</b>
142	Prepaid expenses, Other assets	25,715		267,745	29,164	296,909
143	Inventories	-		-	-	-
143	Allowance- obsolete inventories	-		-	-	-
144	Inter program - due from	-	(91,080)	-	-	-
145	Assets held for sale	-		131,772	-	131,772
150	<b>Total Current Assets</b>	<b>2,070,869</b>	<b>(91,080)</b>	<b>19,328,818</b>	<b>1,226,306</b>	<b>20,555,124</b>
161	Land	-		17,034,308	3,299,483	20,333,791
162	Buildings	-		79,228,035	19,829,764	99,057,799
163	Furniture, equip, machinery - dwellings	-		1,120,210	217,711	1,337,921
164	Furniture, equip, machinery - admin	377,727		2,695,027	-	2,695,027
165	Leasehold improvements	-		-	-	-
166	Accumulated depreciation	(311,667)		(71,549,849)	(7,566,411)	(79,116,260)
167	Construction in progress	10,451		4,632,823	-	4,632,823
168	Infrastructure	-		3,109,317	-	3,109,317
160	<b>Total capital assets, net accum depreciation</b>	<b>76,511</b>	<b>-</b>	<b>36,269,871</b>	<b>15,780,547</b>	<b>52,050,418</b>
171-040	Loans & Mortgages recvbl - Non-curr - Tax Credit	54,661		370,661	-	370,661
171-050	Loans & Mortgages recvbl - Non-curr - Other	-		343,697	-	343,697
171	<b>Loans &amp; Mortgages recvbl - Non-current</b>	<b>54,661</b>	<b>-</b>	<b>714,358</b>	<b>-</b>	<b>714,358</b>
172-040	Loans & Mortgs recvbl - NC past due - Tax Credit	-		-	-	-
172-050	Loans & Mortgs recvbl - NC past due - Other	-		-	-	-
172	<b>Loans &amp; Mortgs recvbl - Non-current, past due</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
173	Grants receivable - Non-current	-		-	-	-
174-040	Other assets - Tax Credit	-		-	-	-
174-050	Other assets - Other	203,867		525,706	-	525,706
174	<b>Other assets</b>	<b>203,867</b>	<b>-</b>	<b>525,706</b>	<b>-</b>	<b>525,706</b>
180	<b>Total Non-current Assets</b>	<b>335,039</b>	<b>-</b>	<b>37,509,935</b>	<b>15,780,547</b>	<b>53,290,482</b>
190	<b>Total Assets</b>	<b>2,405,908</b>	<b>(91,080)</b>	<b>56,838,753</b>	<b>17,006,853</b>	<b>73,845,606</b>
200	Deferred Outflow of Resources	94,700		248,034	-	248,034
290	<b>Total Assets &amp; Deferred Outflow of Resources</b>	<b>2,500,608</b>	<b>(91,080)</b>	<b>57,086,787</b>	<b>17,006,853</b>	<b>74,093,640</b>

FDS #	Description	Central Office Cost Center	Eliminations	Total	COMPONENT UNITS COMBINED 6	ENTITY WIDE TOTAL
311	Bank overdraft	-	-	-	-	-
312	Accounts payable <= 90 days	-	-	214,001	16,495	230,496
313	Accounts payable > 90 days past due	-	-	-	2,312	2,312
321	Accrued wage/payroll taxes payable	35,150	-	90,825	-	90,825
322	Accrued compensated absences - curr portion	37,260	-	92,823	-	92,823
324	Accrued contingency liability	-	-	-	-	-
325	Accrued interest payable	-	-	147	10,426	10,573
331-010	AP - HUD PHA Programs - Operating Subsidy	-	-	-	-	-
331-020	AP - HUD PHA Programs - Capital fund	-	-	-	-	-
331-030	AP - HUD PHA Programs - Other	-	-	191,995	-	191,995
331	<b>Accounts payable - HUD PHA Programs</b>	-	-	<b>191,995</b>	-	<b>191,995</b>
332	Accounts payable - PHA Projects	-	-	-	-	-
333	Accounts payable - other govt	-	-	674,078	-	674,078
341	Tenant security deposits	-	-	153,853	29,250	183,103
342-010	Unearned revenue - Operating Subsidy	-	-	290,320	-	290,320
342-020	Unearned revenue - Capital fund	-	-	-	-	-
342-030	Unearned revenue - Other	1,694	-	23,281	7,318	30,599
342	<b>Unearned revenue</b>	<b>1,694</b>	<b>-</b>	<b>313,601</b>	<b>7,318</b>	<b>320,919</b>
343-010	CFFP	-	-	47,070	-	47,070
343-020	Capital Projects/ Mortgage Revenue	-	-	-	-	-
343	<b>Curr portion LT debt - capital projs</b>	<b>-</b>	<b>-</b>	<b>47,070</b>	<b>85,305</b>	<b>132,375</b>
344	Curr portion LT debt - operating borrowings	-	-	-	339	339
345	Other current liabilities	-	-	80,227	569	80,796
346	Accrued liabilities - other	-	-	-	-	-
347	Inter program - due to	-	(91,080)	-	-	-
348-020	Loan liability - current - Partnership	-	-	-	514	514
348-040	Loan liability - current - Tax Credit	-	-	-	-	-
348-050	Loan liability - current - Other	-	-	-	-	-
348	<b>Loan liability - current</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>514</b>	<b>514</b>
310	<b>Total Current Liabilities</b>	<b>74,104</b>	<b>(91,080)</b>	<b>1,858,620</b>	<b>152,528</b>	<b>2,011,148</b>
351-010	Long-term debt - CFFP	-	-	-	-	-
351-020	Long-term - Capital Projects	-	-	-	-	-
351	<b>Capital Projects - Mortgages</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,037,606</b>	<b>7,037,606</b>
352	LT debt, net of current - operating borrowings	-	-	-	54,691	54,691
353	Non-current liabilities - other	-	-	171,261	1,283,301	1,454,562
354	Accrued compensated absences- Non-current	-	-	-	-	-
355-040	Loan liability - Non-current - Tax Credit	-	-	-	-	-
355-050	Loan liability - Non-current - Other	-	-	1,786,262	-	1,786,262
	Other - Comment	-	-	-	-	-
355	<b>Loan liability - Non-current</b>	<b>-</b>	<b>-</b>	<b>1,786,262</b>	<b>-</b>	<b>1,786,262</b>
356	FASB 5 Liabilities	-	-	-	-	-
357-010	Pension Liability	-	-	-	-	-
357-020	OPEB Liability	338,592	-	1,026,921	-	1,026,921
357	Accrued Pension and OPEB Liability	338,592	-	1,026,921	-	1,026,921
350	<b>Total Non-current liabilities</b>	<b>338,592</b>	<b>-</b>	<b>2,984,444</b>	<b>8,375,598</b>	<b>11,360,042</b>
300	<b>Total Liabilities</b>	<b>412,696</b>	<b>(91,080)</b>	<b>4,843,064</b>	<b>8,528,126</b>	<b>13,371,190</b>
400	<b>Deferred Inflow of Resources</b>	<b>45,420</b>	<b>-</b>	<b>118,964</b>	<b>-</b>	<b>118,964</b>
508.4	Capital asset investmt, net related debt	76,511	-	36,222,801	8,657,636	44,880,437
511.4	Restricted Net Position	-	-	197,656	601,676	799,332
512.4	Unrestricted Net Position	1,965,981	-	15,704,302	(780,585)	14,923,717
513	<b>Total Net Position</b>	<b>2,042,492</b>	<b>-</b>	<b>52,124,759</b>	<b>8,478,727</b>	<b>60,603,486</b>
600	<b>Total Liabs, Def. Inflow of Res, &amp; Net Position</b>	<b>2,500,608</b>	<b>(91,080)</b>	<b>57,086,787</b>	<b>17,006,853</b>	<b>74,093,640</b>

FDS #	Description	Central Office Cost Center	Eliminations	Total	COMPONENT UNITS COMBINED 6	ENTITY WIDE TOTAL
	ttl assets less ttl liabs + equity	-	-	-	-	-

**Income Statement**

70300	Net tenant rental revenue	-	(134,720)	3,446,938	735,510	4,182,448
70400	Tenant revenue - other			208,501	17,802	226,303
70500	<b>Total Tenant Revenue</b>	-	(134,720)	<b>3,655,439</b>	<b>753,312</b>	<b>4,408,751</b>

70600-010	Housing assistance payments			11,545,932	-	11,545,932
70600-020	Ongoing administrative fees earned			1,065,008	-	1,065,008
70600-030	FSS Coordinator			-	-	-
70600-040	Independent public acctant audit costs			-	-	-
70600-050	Total preliminary fees earned			-	-	-
70600-060	Interest earned on advances			-	-	-
70600-070	Admin fee calculation description			-	-	-
70600	<b>HUD PHA operating grants</b>	-	-	<b>18,411,961</b>	-	<b>18,411,961</b>
70610	<b>Capital grants</b>	-	-	<b>2,958,973</b>	-	<b>2,958,973</b>

70710	Management Fee	1,659,231	(1,659,231)	-	-	-
70720	Asset Management Fee	153,000	(153,000)	-	-	-
70730	Book-Keeping Fee	272,663	(272,663)	-	-	-
70740	Front Line Service Fee	133,093	(133,093)	-	-	-
70750	Other Fees	-	-	-	-	-
70700	<b>Total Fee Revenue</b>	<b>2,217,987</b>	<b>(2,217,987)</b>	-	-	-

70800	Other government grants	-		82,800	-	82,800
71100-010	Housing Assistance Payment			-	-	-
71100-020	Administrative Fee			-	-	-
71100	<b>Investment income - unrestricted</b>	-	-	-	<b>1,220</b>	<b>1,220</b>
71200	Mortgage interest income	-		2,022	-	2,022
71300	Proceeds - disposition of assets held for sale	-		1,203,684	-	1,203,684
71310	Cost of sale of assets	-		(1,517,559)	-	(1,517,559)
71400-010	Housing Assistance Payment			5,976	-	5,976
71400-020	Administrative Fee			5,976	-	5,976
71400	<b>Fraud recovery</b>	-	-	<b>11,952</b>	-	<b>11,952</b>
71500	Other revenue	56,345	(30,230)	543,868	1,697	545,565
71600	Gain / loss - sale of capital assets	-		-	-	-
72000-010	Housing Assistance Payment			-	-	-
72000-020	Administrative Fee			-	-	-
72000	<b>Investment income - restricted</b>	-	-	<b>2,890</b>	-	<b>2,890</b>
70000	<b>Total Revenue</b>	<b>2,274,332</b>	<b>(2,382,937)</b>	<b>25,356,030</b>	<b>756,229</b>	<b>26,112,259</b>

91100	Administrative salaries	1,036,382		1,831,124	38,508	1,869,632
91200	Auditing fees	6,644		42,908	3,700	46,608
91300-010	To PHA Administered Program (i.e. COCC)	-	(1,659,231)	-	42,508	42,508
91300-020	To Third Party/Outside Entity	-		5,925	42,986	48,911
91300	Management Fees	-	(1,659,231)	5,925	85,494	91,419
91310	Book-Keeping Fee	-	(272,663)	-	-	-
91400	Advertising and Marketing	5,189		24,368	-	24,368
91500	Employee Benefit contributions - Admin	360,800		597,031	-	597,031
91600	Office Expenses	124,474		344,232	12,340	356,572
91700	Legal Expense	66,765		148,491	4,283	152,774
91800	Travel	4,310		7,512	904	8,416
91810	Allocated Overhead	-		-	-	-
91900	Other	32,702	(107,315)	167,140	6,639	173,779
91000	<b>Total Operating-Administrative</b>	<b>1,637,266</b>	<b>(2,039,209)</b>	<b>3,168,731</b>	<b>151,868</b>	<b>3,320,599</b>

92000	Asset Management Fee		(153,000)	-	-	-
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FDS #	Description	Central Office Cost Center	Eliminations	Total	COMPONENT UNITS COMBINED 6	ENTITY WIDE TOTAL
92100	Tenant services - salaries	-		397,169	-	397,169
92200	Relocation Costs	-		-	-	-
92300	Employee benefit contribs - tenant services	-		128,029	-	128,029
92400	Tenant services - other	54,001	(160,590)	263,948	-	263,948
92500	<b>Total Tenant Services</b>	<b>54,001</b>	<b>(160,590)</b>	<b>789,146</b>	-	<b>789,146</b>
93100	Water	6,215		410,036	22,406	432,442
93200	Electricity	7,152		601,725	8,964	610,689
93300	Gas	8,861		450,817	3,013	453,830
93400	Fuel	-		-	-	-
93500	Labor	-		-	-	-
93600	Sewer	5,736		423,251	19,280	442,531
93700	Employee benefit contributions - utilities	-		-	-	-
93750	HAP Portability-In	-		-	-	-
93800	Other utilities expense	-		-	-	-
93000	<b>Total Utilities</b>	<b>27,964</b>	<b>-</b>	<b>1,885,829</b>	<b>53,663</b>	<b>1,939,492</b>
94100	OMO-labor	15,416		632,901	7,287	640,188
94200	OMO-materials, other	1,062		482,562	17,963	500,525
94300-010	OMO contracts-Trash Removal	-		247,269	13,385	260,654
94300-020	OMO contracts-HVAC	-		165,108	11,414	176,522
94300-030	OMO contracts-Snow Removal	-		-	-	-
94300-040	OMO contracts-Elevator Maint	-		81,131	-	81,131
94300-050	OMO contracts-Grounds	-		200,122	27,672	227,794
94300-060	OMO contracts-Unit Turnaround	-		84,545	12,005	96,550
94300-070	OMO contracts-Electrical	-		199,051	-	199,051
94300-080	OMO contracts-Plumbing	-		150,595	974	151,569
94300-090	OMO contracts-Extermination	-		78,190	5,228	83,418
94300-100	OMO contracts-Janitorial	19,021		31,361	4,210	35,571
94300-110	OMO contracts-Routine Maint	-	(27,546)	410,486	26,463	436,949
94300-120	OMO contracts-Misc	3,292	(2,592)	76,257	2,196	78,453
94300	<b>Ordinary Maint &amp; Operations Contracts</b>	<b>22,313</b>	<b>(30,138)</b>	<b>1,724,115</b>	<b>103,547</b>	<b>1,827,662</b>
94500	OMO- Employee benefit contributions	(25,636)		166,819	-	166,819
94000	<b>Total Maintenance</b>	<b>13,155</b>	<b>(30,138)</b>	<b>3,006,397</b>	<b>128,797</b>	<b>3,135,194</b>
95100	Protective services - labor	-		-	-	-
95200	Protective services - contract costs (police)	-		219,835	-	219,835
95300	Protective services - other	-		13,422	2,376	15,798
95500	Protective services - Employee benefit contribs	-		-	-	-
95000	<b>Total Protective Services</b>	<b>-</b>	<b>-</b>	<b>233,257</b>	<b>2,376</b>	<b>235,633</b>
96110	Property Insurance	-		171,294	63,859	235,153
96120	Liability Insurance	1,288		88,805	4,082	92,887
96130	Workmen's Compensation	14,980		62,874	981	63,855
96140	All other Insurance	3,158		4,064	491	4,555
96100	<b>Total insurance Premiums</b>	<b>19,426</b>	<b>-</b>	<b>327,037</b>	<b>69,413</b>	<b>396,450</b>
96200	Other general expenses (FSS Escrow)	-		1,351,214	32	1,351,246
96210	Compensated absences	121,825		267,602	-	267,602
96300	Payments in lieu of taxes	-		155,830	103,662	259,492
96400	Bad debt - tenant rents	-		127,305	14,267	141,572
96500	Bad debt - mortgages	-		-	-	-
96600	Bad debt - other	-		4,683	-	4,683
96800	Severance expense	-		-	-	-
96000	<b>Total Other General Expenses</b>	<b>121,825</b>	<b>-</b>	<b>1,906,634</b>	<b>117,961</b>	<b>2,024,595</b>
96710	Interest of Mortgage (or Bonds) Payable	-		9,046	132,299	141,345
96720-020	Interest on All Other Debt	-		-	32	32

FDS #	Description	Central Office Cost Center	Eliminations	Total	COMPONENT UNITS COMBINED 6	ENTITY WIDE TOTAL
96720	Interest on Notes Payable (Short and Long Term)	-	-	-	-	-
96730	Amortization of Bond Issue Costs	-	-	-	1,565	1,565
96700	<b>Interest expense and Amortization cost</b>	-	-	<b>9,046</b>	<b>133,896</b>	<b>142,942</b>
96900	<b>Total Operating Expenses</b>	<b>1,873,637</b>	<b>(2,382,937)</b>	<b>11,326,077</b>	<b>657,974</b>	<b>11,984,051</b>
97000	<b>Excess Revenue Over Operating Expenses</b>	<b>400,695</b>	<b>-</b>	<b>14,029,953</b>	<b>98,255</b>	<b>14,128,208</b>
97100	Extraordinary maintenance	-	-	85,640	-	85,640
97200	Casualty losses- Non-capitalized	-	-	9,263	-	9,263
97300-010	Mainstream 1 & 5 year	-	-	232,452	-	232,452
97300-020	Home-Ownership	-	-	38,164	-	38,164
97300-025	Litigation	-	-	-	-	-
97300-030	Hope IV	-	-	-	-	-
97300-035	Moving to Work	-	-	-	-	-
97300-040	Tenant Protection	-	-	76,206	-	76,206
97300-050	All Other	-	-	11,179,795	-	11,179,795
97300	<b>Housing assistance payments</b>	-	-	<b>11,526,617</b>	-	<b>11,526,617</b>
97350	<b>HAP Portability In</b>	-	-	-	-	-
97400	Depreciation expense	12,811	-	2,667,844	684,027	3,351,871
97500	Fraud losses	-	-	-	-	-
97800	Dwelling units rent expense	8,939	-	8,939	-	8,939
90000	<b>Total Expenses</b>	<b>1,895,387</b>	<b>(2,382,937)</b>	<b>25,624,380</b>	<b>1,342,001</b>	<b>26,966,381</b>
10010	Operating transfer in	-	(22,544)	-	-	-
10020	Operating transfer out	-	22,544	-	-	-
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	-	(450,000)	-	-	-
10092	Inter AMP Excess Cash Transfer Out	-	450,000	-	-	-
10093	Transfers between Program and Project - In	-	-	-	-	-
10094	Transfers between Program and Project - Out	-	-	-	-	-
10100	<b>Total other financing sources (uses)</b>	-	-	-	-	-
10000	<b>Excess (Deficiency) of Revenues vs Expenses</b>	<b>378,945</b>	<b>-</b>	<b>(268,350)</b>	<b>(585,772)</b>	<b>(854,122)</b>
11020	Required Annual Debt Principal Payments	-	-	270,542	82,191	352,733
11030	Beginning equity	1,663,547	-	52,393,109	9,064,499	61,457,608
11040-010	Prior period adjs & correction of errors	-	-	-	-	-
11040-020	Prior period adjs & correction of errors	-	-	-	-	-
11040-030	Prior period adjs & correction of errors	-	-	-	-	-
11040-040	Prior period adjs & correction of errors	-	-	-	-	-
11040-050	Prior period adjs & correction of errors	-	-	-	-	-
11040-060	Prior period adjs & correction of errors	-	-	-	-	-
11040-070	Equity Transfers (UNRESTRICTED)	-	-	-	-	-
11040-080	Equity Transfers (RESTRICTED)	-	-	-	-	-
11040-090	Equity Transfers	-	-	-	-	-
11040-100	Equity Transfers	-	-	-	-	-
11040-110	Equity Transfers	-	-	-	-	-
11040	<b>Prior pd adjs, equity trnsfrs, &amp; error corrections</b>	-	-	-	-	-

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), on 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. Roanoke Redevelopment and Housing Authority is responsible for the accuracy and completeness of the electronic submission. The sufficiency of the procedure is solely the responsibility of Roanoke Redevelopment and Housing Authority and REAC. 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, 2019, and have issued our reports thereon dated March 17, 2020. 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 March 17, 2020, 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 the Uniform Guidance, 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.

*Jump, Perry and Company LLP*

March 17, 2020  
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