

Roanoke Redevelopment and Housing Authority

FINANCIAL STATEMENTS

Roanoke Redevelopment and Housing Authority

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September 30, 2016

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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, 2016 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Roanoke Redevelopment and Housing Authority as of September 30, 2016, and the respective changes in financial position, and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis contained on pages 4 through 9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements of the Roanoke Redevelopment and Housing Authority basic financial statements. The accompanying information listed as supplemental information, including the Financial Data Schedule and Schedule of Expenditures of Federal Awards required by the U.S. Office of Management and Uniform Guidance, Audits of States, Local Governments, and Non-Profit Organizations is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 16, 2017 on our consideration of the Roanoke Redevelopment and Housing Authority's internal control over financial reporting and our tests on its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Roanoke Redevelopment and Housing Authority's internal control over financial reporting and compliance.

February 16, 2017
Toms River, New Jersey

Imp, Perry and Company LLP

ROANOKE REDEVELOPMENT & HOUSING AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2016

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, 2016. Please read this overview of the Authority's financial activities in conjunction with the financial statements which begin on page 10.

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

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

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

FINANCIAL HIGHLIGHTS

The Authority's FY 2016 major financial highlights included the following:

Total assets and liabilities of the Authority were approximately \$56.3 million and \$3.6 million respectively; thus total net assets were approximately \$52.7 million at September 30, 2016.

Total assets decreased during the year by approximately \$586,000 due to current year depreciation.

Total liabilities decreased during the year by approximately \$1.2 million due to loans owed to the City being forgiven and the transfer of cash from the central office cost center to business activities fund.

Total Revenues (including capital contributions and grants) and expenses were approximately \$24.6 million and \$23.9 million respectively.

Revenues are derived from various sources with approximately 83% 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 15% of total revenue; the remaining (2%) of revenue balance is derived from the cost of sale of assets, miscellaneous fees for services, and nonoperating sources (i.e. investment income, and development fees).

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

AUTHORITY FINANCIAL STATEMENTS

The Authority's mission focuses on the planning, design, construction, preservation, rehabilitation, financing, and management of housing, primarily for low- and moderate-income households, assisting in the revitalization of neighborhoods, and redevelopment of commercial and industrial areas in the City of Roanoke. As of September 30, 2016, the Authority owned over 1,200 residential units that are leased to low-income families and individuals. In addition, housing assistance was paid to over 1,800 households under the Federal Housing Choice Voucher program for privately owned existing housing.

BASIC FINANCIAL STATEMENTS

The Authority is presenting its fiscal year 2016 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, 2016 and 2015 for the Authority as a whole:

	<u>2016</u>	<u>2015</u>	<u>NET CHANGE</u>	<u>%</u>
Cash	\$ 13,244,874	\$ 12,120,476	\$ 1,124,398	9.28%
Current Assets	2,905,496	3,774,279	(868,783)	-23.02%
Non-current Assets	1,949,056	2,180,090	(231,034)	-10.60%
Capital Assets - Net	38,194,761	38,805,569	(610,808)	-1.57%
Total Assets	<u>56,294,187</u>	<u>56,880,414</u>	<u>(586,227)</u>	<u>-1.03%</u>
Current Liabilities	1,468,499	1,849,004	(380,505)	-20.58%
Non-current Liabilities	2,112,873	2,897,577	(784,704)	-27.08%
Total Liabilities	<u>3,581,372</u>	<u>4,746,581</u>	<u>(1,165,209)</u>	<u>-24.55%</u>
Invested in Capital Assets -net of Related Debt	37,547,447	37,986,179	(438,732)	-1.15%
Restricted Net Position	-	371,684	(371,684)	-100.00%
Unrestricted Net Position	15,165,368	13,775,970	1,389,398	10.09%
Total Net Position	<u>\$ 52,712,815</u>	<u>\$ 52,133,833</u>	<u>\$ 578,982</u>	<u>1.11%</u>

Total assets of the Authority decreased slightly by 1% primarily due to depreciation expense charges booked during the current year

Cash increased approximately 9% due to maturing investments that were not reinvested, collection of accounts receivable from the City, and HUD payment on accounts receivable from fiscal year 2015.

Current assets decreased approximately 23% as a result of decreased investments that matured during the year and reverted to the Authority's cash account, assets held for sale that were sold, and payment on receivables from HUD.

Noncurrent assets decreased 11% due to a decrease in notes and mortgages receivable.

Capital Assets decreased 2% due to annual depreciation that exceeded additions to construction in progress and assets held for sale.

Total liabilities were \$3.6 million at year end which was a decrease of \$1.2 million or 25% from prior year. This decrease was primarily due to note payments and debts related to the homeownership mortgage program, that were forgiven during the year.

Current Liabilities decreased 21% due to smaller accounts payable at year end, smaller contract retainage liabilities, and payoffs of current debt.

Non-current liabilities were reduced during the year by approximately 27% due to regular payments on capital loans, accelerated payoffs of older notes and the forgiveness of notes payable to the City of Roanoke.

Total net position increased slightly from the prior year by 1% as a result of the combined activities of HUD and Non-HUD programs throughout the year.

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

The following table summarizes the changes in operations between fiscal years 2016 and 2015 for the Authority as a whole:

	2016	2015	NET CHANGE	%
Tenant Rental Revenue	\$ 3,637,872	\$ 3,490,638	\$ 147,234	4.22%
HUD Operating Grants	18,338,188	15,856,553	2,481,635	15.65%
Other Revenue	519,843	356,942	162,901	45.64%
Total Operating Revenue	<u>22,495,903</u>	<u>19,704,133</u>	<u>2,791,770</u>	<u>14.17%</u>
Operating Expenses:				
Administrative	3,086,304	3,177,736	(91,432)	-2.88%
Tenant Services	955,272	651,611	303,661	46.60%
Utilities	1,794,952	1,957,520	(162,568)	-8.30%
Maintenance	2,858,342	2,768,332	90,010	3.25%
Protective Services	58,509	70	58,439	83484.29%
General Expenses	937,518	916,988	20,530	2.24%
Housing Assistance Payments	11,445,755	9,956,958	1,488,797	14.95%
Depreciation	2,824,463	2,666,926	157,537	5.91%
Total Expenses	<u>23,961,115</u>	<u>22,096,141</u>	<u>1,864,974</u>	<u>8.44%</u>
Operating Income (Loss)	(1,465,212)	(2,392,008)	926,796	-38.75%
Non-operating Revenue (Expenses):				
Investment Income/ Mortgage Interest	11,209	12,166	(957)	-7.87%
Interest Expense	(37,071)	(33,479)	(3,592)	10.73%
Extraordinary Maintenance	-	(87,760)	87,760	-100.00%
Casualty losses	(5,220)	(4,973)	(247)	4.97%
Gain on the Sale of Capital Assets	13,763	(23,480)	37,243	-158.62%
Non-operating Loss	(17,319)	(137,526)	120,207	-87.41%
HUD Capital Grants	2,061,513	2,569,016	(507,503)	-19.75%
Net Change	<u>578,982</u>	<u>39,482</u>	<u>539,500</u>	<u>1366.45%</u>
Beginning Net Position	52,133,833	51,712,544	421,289	0.81%
Equity Adjustments	-	381,807	(381,807)	-100.00%
Total Net Position	<u>\$ 52,712,815</u>	<u>\$ 52,133,833</u>	<u>\$ 578,982</u>	<u>1.11%</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

Total Operating Revenue increased 14% due to the increase in HUD operating grants of approximately \$2.5 million and small increases in Tenant and Other Revenue of \$147,000 and \$163,000 respectively.

HUD Operating grants increased \$2.5 million or 16% due to an increase in funding for the Housing Choice Voucher program and an increase in Jobs Plus grants due to a full year of activity.

Other Revenue increased approximately \$162,901 or 46% due to a decrease in the loss on assets sold and income from the City to cover losses on mortgage loans. The loss on sale of assets in 2015 was (\$282,586) and decreased to (\$150,200) in 2016.

Total Operating expenses increased by \$1.9 million or 8% primarily due to an increase in tenant services and housing assistance payments which is explained further under the explanation for Housing Assistance Payments described below.

Tenant Services expenses increased approximately 47% due to an increase in expenditures related to the Jobs Plus and ROSS grants. The Jobs Plus Grant is a four year \$3 million grant the Authority was awarded in the later part of the 2015 fiscal year. The grant's purpose is to assist the residents of Lansdowne Park with employment and training opportunities. The Authority also had four ROSS grants operating during the 2016 year.

Utility expenses decreased (\$162,568) or 8% due to savings derived from repairs and upgrades to water and HVAC systems.

Protective Services increased \$58,439 due to a contract with Roanoke City police to patrol the public housing sites. This initiative was not incurred in prior years.

Housing Assistance Payments increased \$1,488,797 or 15% due to an increase of 130 units under lease and a \$50/unit increase in HAP monthly payments.

Operating Loss decreased \$926,796 or 39% due to the combined effect of increased revenues of \$2,791,770 and increased operating expenses of \$1,864,974 which resulted in an overall decrease in the operating loss.

Interest Expense increased 11% due to a bank note issued to pay for replacement housing construction. The construction was complete in 2016 and the note interest was then expensed in 2016 instead of capitalized as it had been in 2015.

Extraordinary Maintenance decreased 100% due to the prior year (2015) purchase of new storm doors for Hackley Apartments and repairs to common areas at the Melrose Towers public housing site. There were no such expenses in 2016.

Sale of Capital Assets went from a loss in 2015 to a gain in 2016. The loss in 2015 was due to unexercised options for property purchases. The gain in 2016 was due to the sale of surplus vehicles.

Non-operating loss decreased 87% primarily due to extraordinary maintenance and sale of capital assets.

HUD Capital Grants decreased 20% due to a decrease in capital grant expenditures for replacement housing in the Public Housing program. During 2015 the Authority contracted to have 15 new replacement public housing units built using its Capital Fund Program Replacement Grants to fund most of the capital construction costs. The remainder of the construction costs were funded through financing an \$850,000 loan through a local credit union and pledging to repay the proceeds of the loan using a portion its capital fund program grants over the next five years. The construction was complete in 2015 and no additional construction occurred in 2016.

Equity adjustments decreased 100% due to the Authority's adoption of GASB 68 and a correction of a prior period entry in 2015. The Authority adopted GASB 68 - The Accounting and Financial Reporting for Pensions, resulting in an increase to beginning equity of \$435,948. A correction of HAP money returned to HUD in the Section 8 program resulted in a decrease in equity of (\$54,141). No such adjustments were needed in 2016.

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets:

The following table summarizes the changes in capital assets between September 30, 2016 and 2015:

	<u>2016</u>	<u>2015</u>	<u>Net Change</u>	<u>Variance</u>
Land	\$ 15,820,573	\$ 15,418,821	\$ 401,752	2.61%
Infrastructure	3,109,317	3,109,317	-	0.00%
Buildings and Improvements	76,162,008	73,321,019	2,840,989	3.87%
Furniture and Equipment	3,234,528	2,917,924	316,604	10.85%
Construction in Progress	3,192,854	4,997,728	(1,804,874)	-36.11%
Total	101,519,280	99,764,809	1,754,471	1.76%
Accumulated Depreciation	(63,324,519)	(60,959,240)	(2,365,279)	3.88%
Net Capital Assets	\$ 38,194,761	\$ 38,805,569	\$ (610,808)	-1.57%

Variances in capital assets were primarily due to modernization projects that were active or completed during the year and to a reclassification of assets from held for sale to fixed assets.

Debt Administration:

- *Dual-funded Mortgage Loans* - In fiscal year 2016 the Authority paid off notes related to a dual-funded loan program that allowed low to moderate-income homeowners to rehabilitate their homes. The outstanding balance as of September 30, 2016 was \$0.

- *City of Roanoke Loans* - the Authority entered into an agreement with the City of Roanoke to finance a portion of home rehabilitation loans. The outstanding balance on amounts owed to the City of Roanoke was \$1.0 million at September 30, 2016.

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 2016 the Authority received 83% of its funding from HUD.

The Public Housing program funding percentages by fiscal year are shown below. Prior to 2010 housing agencies had not been fully funded since 2002.

<u>Fiscal Year</u>	<u>Percentage</u>	<u>Fiscal Year</u>	<u>Percentage</u>
2016	90%	2013	82%
2015	85%	2012	95%
2014	88%	2011	100%

The Capital Fund program funding continues to fall short of the Authority's annual capital needs.

The Housing Choice Voucher (HCV) program HAP funding was decreased for calendar year 2016 to 99.6%. This is down from 101% in 2015. HCV Administrative fees were funded at 83.94% for calendar year 2016, 80.11% for 2015, and 79% for 2014.

Due to a change in Administrations the Authority is uncertain as to funding levels in its federal programs for the 2017 fiscal year, it also faces challenges with escalating costs in managing these programs. RRHA's management staff continue to closely monitor these programs and seek out innovative cost reduction measures to fulfill its mission.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

Roanoke Redevelopment and Housing Authority
Statement of Net Position
September 30, 2016

	<u>Enterprise Fund</u>	<u>Component Units</u>	<u>Total Reporting Entity</u>
CURRENT ASSETS:			
Cash and cash equivalents	\$ 12,861,024	469,247	13,330,271
Accounts receivable - other	374,234	-	374,234
Accounts receivable - tenants, net	68,191	29,009	97,200
Notes & mortgage receivable - current	166,760	-	166,760
Investments	20,286	-	20,286
Prepaid expenses	269,579	43,627	313,206
Accrued interest receivable	2,046	-	2,046
Assets held for sale	<u>2,004,400</u>	<u>-</u>	<u>2,004,400</u>
Total current assets	<u>15,766,520</u>	<u>541,883</u>	<u>16,308,403</u>
RESTRICTED ASSETS:			
Cash and cash equivalents	<u>383,850</u>	<u>575,133</u>	<u>958,983</u>
Total restricted assets	<u>383,850</u>	<u>575,133</u>	<u>958,983</u>
NONCURRENT ASSETS:			
Land, structures and equipment net of accumulated depreciation	<u>38,194,761</u>	<u>17,517,520</u>	<u>55,712,281</u>
Total fixed assets, net	<u>38,194,761</u>	<u>17,517,520</u>	<u>55,712,281</u>
Notes & mortgages receivable, non-current	1,279,829	-	1,279,829
Other assets	<u>452,483</u>	<u>30,147</u>	<u>482,630</u>
Total assets	<u>56,077,443</u>	<u>18,664,683</u>	<u>74,742,126</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred outflows	<u>216,744</u>	<u>-</u>	<u>216,744</u>
Total deferred outflows of resources	<u>216,744</u>	<u>-</u>	<u>216,744</u>
Total assets and deferred outflows of resources	<u>\$ 56,294,187</u>	<u>18,664,683</u>	<u>74,958,870</u>

Roanoke Redevelopment and Housing Authority
Statement of Net Position
September 30, 2016

	<u>Enterprise Fund</u>	<u>Component Units</u>	<u>Total Reporting Entity</u>
CURRENT LIABILITIES:			
Accounts payable	\$ 672,597	14,778	687,375
Accounts payable - HUD	753	-	753
Accrued wages and payroll taxes	86,389	-	86,389
Accrued compensated absences	96,364	-	96,364
Accrued interest	2,010	11,285	13,295
Accrued liability - other	10,287	5,753	16,040
Tenant security deposits	151,694	29,500	181,194
Notes payable, current portion	279,437	77,006	356,443
Deferred revenues	116,029	1,218	117,247
Other current liabilities	<u>52,939</u>	<u>410</u>	<u>53,349</u>
Total current liabilities	<u>1,468,499</u>	<u>139,950</u>	<u>1,608,449</u>
NONCURRENT LIABILITIES:			
Notes payable, excluding current portion	1,589,455	6,994,542	8,583,997
Other liabilities	<u>379,861</u>	<u>1,283,301</u>	<u>1,663,162</u>
Total noncurrent liabilities	<u>1,969,316</u>	<u>8,277,843</u>	<u>10,247,159</u>
Total liabilities	<u>3,437,815</u>	<u>8,417,793</u>	<u>11,855,608</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred inflows	<u>143,557</u>	<u>-</u>	<u>143,557</u>
Total deferred inflows of resources	<u>143,557</u>	<u>-</u>	<u>143,557</u>
NET POSITION:			
Invested in capital assets, net	37,547,447	10,445,972	47,993,419
Restricted	-	545,672	545,672
Unrestricted	<u>15,165,368</u>	<u>(744,754)</u>	<u>14,420,614</u>
Total net position	<u>52,712,815</u>	<u>10,246,890</u>	<u>62,959,705</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 56,294,187</u>	<u>18,664,683</u>	<u>74,958,870</u>

Roanoke Redevelopment and Housing Authority
Statement of Revenues, Expenses, and Changes
in Net Position
For the Year Ended September 30, 2016

	Enterprise <u>Fund</u>	Component <u>Units</u>	Total Reporting <u>Entity</u>
Operating revenues:			
Tenant revenue	\$ 3,637,872	766,565	4,404,437
HUD operating grants	18,338,188	-	18,338,188
Other government grants	115,910	-	115,910
Proceeds from the disposition of assets held for sale	16,548	-	16,548
Cost of sale of assets	(166,748)	-	(166,748)
Other revenue	554,133	751	554,884
	<u>22,495,903</u>	<u>767,316</u>	<u>23,263,219</u>
Total operating revenue			
Operating expenses:			
Administrative salaries	1,775,858	43,860	1,819,718
Other administrative expenses	1,310,446	129,229	1,439,675
Tenant / community services	955,272	-	955,272
Utility expense	1,794,952	52,071	1,847,023
Maintenance salaries	793,888	19,914	813,802
Maintenance other	2,064,454	144,273	2,208,727
Contract / protective services	58,509	2,111	60,620
Insurance	264,868	57,868	322,736
Other general expenses	340,257	95,732	435,989
Bad debt	171,656	11,843	183,499
Payments in lieu of taxes	160,737	-	160,737
Housing assistance payments	11,445,755	-	11,445,755
Depreciation	2,824,463	684,027	3,508,490
	<u>23,961,115</u>	<u>1,240,928</u>	<u>25,202,043</u>
Total operating expenses			
Operating loss	<u>(1,465,212)</u>	<u>(473,612)</u>	<u>(1,938,824)</u>
Non-operating revenues (expenses):			
Investment income / mortgage interest	11,209	511	11,720
Extraordinary maintenance	-	-	-
Interest expense	(37,071)	(144,380)	(181,451)
Gain (Loss) on sale of fixed assets	13,763	-	13,763
Casualty losses	(5,220)	-	(5,220)
	<u>(17,319)</u>	<u>(143,869)</u>	<u>(161,188)</u>
Total non-operating revenues (expenses)			
Loss before capital contributions	(1,482,531)	(617,481)	(2,100,012)
Capital contributions	<u>2,061,513</u>	<u>-</u>	<u>2,061,513</u>
Change in net position	578,982	(617,481)	(38,499)
Total net position, beginning	<u>52,133,833</u>	<u>10,864,371</u>	<u>62,998,204</u>
Total net position, end of year	<u>\$ 52,712,815</u>	<u>10,246,890</u>	<u>62,959,705</u>

Roanoke Redevelopment and Housing Authority
Statement of Cash Flows - All Enterprise Funds
For the Year Ended September 30, 2016

Cash Flows from Operating Activities:

Receipts from tenants	\$ 3,643,887
Receipts operating grants and subsidies	18,519,945
Other receipts (payments)	513,234
Payments to suppliers and employees	<u>(22,041,151)</u>
Net cash flows provided by operating activities	<u>635,915</u>

Cash Flows from Capital and Related Financing Activities:

Purchases of capital assets	(2,788,317)
Disposal of capital assets	539,710
Interest paid on capital debt	(39,054)
Principal payments of notes payable	(534,921)
Capital grant contributions	2,702,359
Gain(Loss) on sale of capital assets	13,763
Casualty losses	<u>(5,220)</u>
Net cash flows used in capital and related financing activities	<u>(111,680)</u>

Cash Flows from Investing Activities:

Payments received on notes receivable	80,481
Accrued interest receivable	(1,050)
Matured investments	500,000
Interest and dividends	<u>20,732</u>
Net cash flows provided by investing activities	<u>600,163</u>

Net increase in cash 1,124,398

Cash at beginning of year 12,120,476

Cash at end of year \$ 13,244,874

Roanoke Redevelopment and Housing Authority
Statement of Cash Flows (continued) - All Enterprise Funds
For the Year Ended September 30, 2016

Reconciliation of operating income to cash provided by
operating activities

Operating loss	\$ (1,465,212)
Items which did not provide (use) cash:	
Depreciation	2,826,132
Bad debt	171,656
Cost of sale of assets	165,000
Working capital changes which provided (used) cash:	
Accounts receivable - misc	1,420
Accounts receivable - tenants	(165,641)
Accounts receivable - other	64,427
Other assets	(55,699)
Deferred revenue	39,219
Prepaid expenses	(42,961)
Assets held for sale	(481,420)
Accounts payable- HUD	(35,130)
Accounts payable	(69,683)
Accrued expenses	(126,669)
Other liabilities	(119,606)
Tenant security deposits	(2,683)
Other current liabilities	<u>(67,235)</u>
Net cash provided by operating activities	<u>\$ 635,915</u>

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements

For the Year Ended September 30, 2016

1. SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

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

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

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

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

B. Cash

The Authority considers cash on hand and cash in checking to be cash equivalents. Cash on hand is not included in 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. Investments

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

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

1. SIGNIFICANT ACCOUNTING POLICIES (con)tinued

D. Investments (continued)

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

E. Prepaid Items

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

F. Assets Held for Resale

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

G. Deferred Revenue

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

H. Revenue Accounting Policies

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

I. Postemployment Benefits

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

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Property and Equipment

Property and equipment are recorded at cost. 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

K. Intangible Assets

Intangible assets with finite useful lives are amortized over their estimated useful life. Expenses relating to the issuance of loans are capitalized and expensed using a straight-line basis over the life of the loan.

L. Fair Value Measurements

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

M. Long-lived Assets

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

N. Deferred Outflows/Inflows of Resources

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

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

2. REPORTING ENTITY DEFINITION

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

The Authority is a separate political subdivision of the State of Virginia. The Authority has complete legislative and administrative authority over its affairs and recruits and employs personnel. The Authority has substantial legal authority to control its affairs without local government approval therefore all operations of the Authority are a separate reporting entity as reflected in this report.

The Authority adopts an annual budget that is approved by the Board of Commissioners. Subsidies are received primarily from the Department of Housing and Urban Development (HUD). The Authority is responsible for its debts and is entitled to surpluses.

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

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

2. REPORTING ENTITY DEFINITION (continued)

Discretely Presented Component Units (continued)

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

The limited partnership was formed for the purpose of constructing 15 duplex units at the Villages at Lincoln. 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, 2015 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, 2015 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 partnerships.

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, 2015 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, 2015 year end financial statements are included within the Authority's basic financial statements. Inquiries regarding the limited partnership should be directed to the VP of Finance of Roanoke and Redevelopment and Housing Authority, 2624 Salem Turnpike N.W., Roanoke, VA 24017.

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

3. CASH AND INVESTMENT DEPOSITS

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

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

Deposits: The three credit risk categories are:

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

As of September 30, 2016, the carrying amount of the Enterprise fund's cash and cash equivalents (including restricted cash) was \$13,244,874. All funds are covered by the federal depository insurance or by collateral held by the Authority's agent in the Authority's name. The Authority is authorized by HUD to invest in time deposits, certificates of deposits and obligations of the U.S. Treasury.

4. FAIR VALUE MEASUREMENTS

Fair values of assets and liabilities measured on a recurring basis at September 30, 2016 are as follows:

Fair Value Measurements at Reporting Date Using

<u>Fair Value</u>	Quoted Prices In Active Markets for Identical Assets/ Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
\$ 20,286	20,286	-	-

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

5. CONTRACTUAL COMMITMENTS

The Authority had Total Outstanding Contractual Commitments of \$4,461,593 as of September 30, 2016.

6. RISK MANAGEMENT

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

7. CONCENTRATION OF RISK

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

8. SIGNIFICANT ESTIMATES

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

9. PENSION PLAN

The Authority 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.

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

9. 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, 2016 through June 30, 2018 is 5.68%. 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.

<u>Annual Required Contribution Rate</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Contribution Rate	6.22%	6.22%	4.72%

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

9. 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, 2014, and rolling it forward to the measurement date of June 30, 2015. The actuarial valuation used the following actuarial methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2014
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent of Pay, Closed
Payroll Growth Rate	3% / year
Remaining Amortization Period	20-29 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% / 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 spouses the same age as participants
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	14% of deaths are assumed to be service related
1) Pre-Retirement	RP-2000 Employee Mortality Table projected with Scale AA to 2020 with males set forward 4 years and females set back 2 years
2) Post-Retirement	RP-2000 Combined Mortality Table projected with Scale AA to 2020 with males set forward 1 year
3) Post-Disablement	RP-2000 Disabled Life Morality Table with males set back 3 years and no provision for future mortality improvement

* Includes Inflation of 2.50%

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

9. PENSION PLAN (continued)

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

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
1. Participants		
a. Actives	69	68
b. Transfers Out	2	1
c. Retirees and Beneficiaries	2	1
d. Retirees and Beneficiaries Elsewhere	-	-
e. Inactive, Vested	-	-
f. Inactive, Nonvested	<u>23</u>	<u>14</u>
Total	96	84
2. Covered Payroll	2,886,888	2,838,454
3. Averages for active members		
a. Average Age	48.9	50.5
b. Average Years of Service	3.9	3.6
c. Average Pay	41,839	41,742
4. Expected Retirement Benefits	23,825	10,731
5. Assets		
a. Market Value of Assets	2,176,515	1,869,458
b. Actuarial Value of Assets	2,110,714	1,719,277
6. Actuarial Accrued Liability	1,828,751	1,403,233
7. Unfunded Actuarial Accrued Liability	(281,963)	(316,044)
8. Normal Cost Rate		
a. Gross Normal Cost Rate	10.74 %	11.59 %
b. Member Contribution Rate	<u>4.78 %</u>	<u>4.95 %</u>
c. Employer Normal Cost Rate (8a-8b)	5.96 %	6.64 %
9. Recommended Employer Contribution Rate for		Informational
Fiscal Year Ending	2017 \$ 2018	Purposes Only
a. Employer Normal Cost Rate	5.96 %	6.64 %
b. Amortization Charge	(0.59)%	(0.67)%
c. Administrative Expenses	0.04 %	- %
d. DC Match	<u>0.27 %</u>	<u>0.06 %</u>
e. Total(9a+9b+9c (not less than zero)+ 9d)	5.68 %	6.03 %
10. Amortization Period	20-28	20-29

Normal Cost

	June 30, 2015	June 30, 2014
1. Normal Cost as Percent of Payroll		
a. Retirement Benefits	6.94 %	7.47 %
b. Termination Benefits	1.54 %	1.62 %
c. Disability Benefits	1.93 %	2.20 %
d. Death Benefits	<u>0.33 %</u>	<u>0.30 %</u>
e. Total	10.74 %	11.59 %
2. Covered Payroll	2,886,888	2,838,454

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

9. 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.

Projected future benefit payments were projected through 2121.

Assumed Asset Allocation

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	19.50 %	6.46 %
Developed Non US Equity	16.50 %	6.28 %
Emerging Market Equity	6.00 %	10.00 %
Fixed Income	15.00 %	9.00 %
Emerging Debt	3.00 %	3.51 %
Rate Sensitive Credits	4.50 %	3.51 %
Non Rate Sensitive Credits	4.50 %	5.00 %
Convertibles	3.00 %	4.81 %
Public Real Estate	2.25 %	6.12 %
Private Real Estate	12.75 %	7.10 %
Private Equity	12.00 %	10.41 %
Cash	<u>1.00 %</u>	(1.50)%
	<u>100.00 %</u>	

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

9. 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% Increase (6.00%)	Current Discount (7.00%)	1.0% Increase (8.00%)
Net Pension Liability	(149,809)	(431,114)	(662,946)

Changes in Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Pension (b)	Net Pension Liability (a)-(b)
Balance at June 30, 2014	\$ <u>1,472,674</u>	<u>1,869,458</u>	<u>(396,784)</u>
Changes for the year:			
Service Cost	345,298	-	345,298
Interest	99,660	-	99,660
Benefit changes	-	-	-
Difference between expected and actual experience	(74,302)	-	(74,302)
Changes in assumptions	-	-	-
Contributions - employer	-	169,738	(169,738)
Contributions - employee	-	141,937	(141,937)
Net investment income	-	94,384	(94,384)
Benefit payments, including refund of employee contributions	(97,929)	(97,929)	-
Administrative expense	-	(1,051)	1,051
Other changes	-	(22)	22
	<u>272,727</u>	<u>307,057</u>	<u>(34,330)</u>
Balance at June 30, 2015	\$ <u>1,745,401</u>	<u>2,176,515</u>	<u>(431,114)</u>

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

9. PENSION PLAN (continued)

Roll Forward of the Total Pension Liability

	<u>Actual</u>	<u>Expected</u>
(a) TPL as of June 30, 2014	\$ 1,403,233	1,472,674
(b) Entry age normal cost for the period June 30, 2014- June 30, 2015	322,708	322,708
(c) Actual benefit payments and refunds for the period June 30, 2014- June 30, 2015	97,929	97,929
(d) Changes in benefit terms	-	-
(e) TPL as of June 30, 2015 = (((a)+(b))*(1.07))-((c)*(1.035))+(d)	1,745,401	1,819,703
(f) Difference between expected and actual experience		(74,302)

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, 2016, the employer reported deferred outflows of resources and deferred inflows of resources as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 62,081
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	35,138	81,476
Employer contributions subsequent to the measurement date	<u>181,606</u>	<u>-</u>
Total	<u>\$ 216,744</u>	<u>\$ 143,557</u>

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

9. PENSION PLAN (continued)

Amortization of Deferred (Inflows) and Outflows of Resources

Year ended June 30:		
2017	\$	(30,596)
2018		(30,596)
2019		(30,595)
2020		(3,435)
2021		(12,221)
Thereafter		(976)

Pension Expense

	June 30, 2015
Service Cost	\$ 345,298
Interest on the total pension liability	99,660
Current period benefit changes	-
Expensed portion of current period difference between expected and actual experience in the total pension liability	(12,221)
Expensed portion of current period changes of assumptions	-
Member contributions	(141,937)
Projected earnings on plan investments	(138,306)
Expensed portion of current period differences between actual and projected earnings on plan investments	8,784
Administrative expense	1,051
Other	22
Recognition of beginning deferred outflows of resources as pension expense	-
Recognition of beginning deferred inflows of resources as pension expense	<u>(27,159)</u>
Pension expense	\$ <u>135,192</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/2015-annual-report.pdf>.

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

10. COMPENSATED ABSENCES

The Authority currently provides its employees paid time off (PTO) and limited supplement (LS) in varying amounts according to tenure with the Authority. Upon voluntary termination from the Authority an employee will be paid for any unused PTO balance up to 75 hours. Limited Supplement is not vested nor paid upon termination. PTO accrued but not paid as of September 30, 2016 is carried as a liability while LS is expensed as used but not accrued.

11. ACCOUNTS RECEIVABLE

Accounts Receivable - Tenants

Accounts receivable - tenants for the Enterprise fund are shown at gross of \$125,452 less an allowance for doubtful accounts of \$57,261 for the year ended September 30, 2016.

Accounts Receivable - Other

Accounts Receivable - Other, consists of following:

	Enterprise Fund
Accounts receivable - HUD	\$ 291,226
Accounts receivable - other government	7,063
Fraud recovery	117,630
Fraud recovery - allowance	(73,336)
Accounts receivable - management & development fees	22,208
Accounts receivable - miscellaneous	<u>9,443</u>
	<u>\$ 374,234</u>

12. INTERPROGRAM ACTIVITY

The Authority manages several 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, 2016 consisted of the following:

Low rent and Capital Fund Program	\$ 7,877
ROSS	(5,570)
Housing Choice Vouchers	903
COCC	-
Business Activities	-
Shelter Plus	-
Jobs Plus Fund	<u>(3,210)</u>
	<u>\$ -</u>

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

13. RESTRICTED CASH

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

	Enterprise Fund
Restricted for HAP Payments	\$ 4,284
Restricted for Modernization & Development	-
Restricted for Tenant Security	151,694
Restricted for Debt Service and Related Reserve	-
Restricted for Loan Loss Reserve	-
Restricted for FSS Escrow	90,157
Restricted for Payment of Program Income	61,822
Restricted for Payment of Current Liability	<u>75,893</u>
	<u>\$ 383,850</u>

14. NOTES AND MORTGAGES RECEIVABLE

Notes and mortgages receivable at September 30, 2016 are as follows:

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

\$ 1,196,145

The Authority has a lease/purchase program for prospective homeowners. The purchasers of the homes finance their mortgages through banks, grants from other organizations and occasionally soft second mortgages from the Authority. These soft second mortgages are secured through deeds of trust and deferred purchase money notes bearing zero interest.

72,000

Note receivable with The Hancock Building LLC, payable in full upon default of loan agreement within a 10 year period due October 10, 2018. Unsecured and non-interest bearing.

178,444

Total	1,446,589
Less: current portion	<u>(166,760)</u>
Notes receivable, excluding current portion	<u>\$ 1,279,829</u>

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

15. CAPITAL ASSETS

A summary of the Authority's Capital Assets at September 30, 2016 is as follows:

Enterprise Fund Detail:

	<u>BUSINESS ACTIVITIES</u>	<u>CDBG</u>	<u>PUBLIC HOUSING & CAPITAL FUND</u>	<u>CHOICE NEIGHBORHOOD</u>
Land and Improvements	\$ 84,004	3,472,285	12,257,284	-
Infrastructure	-	1,822,317	-	-
Building and Improvements	850,699	-	75,027,459	-
Furniture and Equipment	12,620	-	2,774,526	-
Construction in Process	-	-	3,177,404	-
Less: Accumulated Depreciation	<u>(715,870)</u>	<u>(627,432)</u>	<u>(60,767,905)</u>	<u>-</u>
Total Property and Equipment	<u>\$ 231,453</u>	<u>4,667,170</u>	<u>32,468,768</u>	<u>-</u>
	<u>HOUSING CHOICE VOUCHERS</u>	<u>COCC</u>	<u>STATE/LOCAL</u>	<u>TOTAL</u>
Land and Improvements	\$ -	-	7,000	15,820,573
Infrastructure	-	-	1,287,000	3,109,317
Building and Improvements	233,250	-	50,600	76,162,008
Furniture and Equipment	95,580	351,802	-	3,234,528
Construction in Process	-	15,450	-	3,192,854
Less: Accumulated Depreciation	<u>(321,413)</u>	<u>(317,858)</u>	<u>(574,041)</u>	<u>(63,324,519)</u>
Total Property and Equipment	<u>\$ 7,417</u>	<u>49,394</u>	<u>770,559</u>	<u>38,194,761</u>

Enterprise Fund Summary:

	<u>October 1, 2015 Balance</u>	<u>Additions</u>	<u>Transfers & Deletions</u>	<u>September 30, 2016 Balance</u>
Land	\$ 15,418,821	29,300	372,452	15,820,573
Construction in Process	<u>4,997,728</u>	<u>1,905,825</u>	<u>(3,710,699)</u>	<u>3,192,854</u>
Total Assets not being depreciated	20,416,549	1,935,125	(3,338,247)	19,013,427
Infrastructure	3,109,317	-	-	3,109,317
Buildings and Improvements	73,321,019	553,434	2,287,555	76,162,008
Furniture and Equipment	<u>2,917,924</u>	<u>500,280</u>	<u>(183,676)</u>	<u>3,234,528</u>
Total Property and Equipment	99,764,809	2,988,839	(1,234,368)	101,519,280
Less: Accumulated Depreciation	<u>(60,959,240)</u>	<u>(2,894,937)</u>	<u>529,658</u>	<u>(63,324,519)</u>
Net Book Value	<u>\$ 38,805,569</u>	<u>93,902</u>	<u>(704,710)</u>	<u>38,194,761</u>

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

16. NOTES PAYABLE

Notes Payable

1. Through the Authority's City Activities fund qualified residents who were unable to obtain financing from commercial sources were given mortgage loans to rehabilitate their home. These loans were made in conjunction with CDBG or HOME mortgage loans provided by the City of Roanoke. The Authority obtained loans from SunTrust Bank to fund the mortgage loans provided to the qualified homeowners and collateralized those loans with deeds of trust on the various single-family residences. Interest rates on the notes payable to SunTrust Bank range from 4.7% to 8.13% and principal and interest payments are due in varying amounts through October of 2022. The amount of interest charged and paid as expense during the year was \$9,021. The principal balance at September 30, 2016 was \$0. All loans were paid in full during the year.

2. During the fiscal year ending September 30, 2007, the Authority issued a mortgage note payable to SunTrust Bank to fund capital activities related to private units owned by the Authority. The note bears interest at 6.95% and is payable in equal monthly installments of \$1,434. The amount of interest paid and charged to expense during the year was \$5,545. The note is secured by capital assets related to the Jamison and Downing Properties. The outstanding principal balance as of September 30, 2016 was \$73,404. Future projected payments are as follows:

Fiscal Year	Principal	Interest	Balance Due
2017	\$ 12,495	4,708	60,909
2018	13,392	3,812	47,517
2019	14,353	2,851	33,164
2020	15,383	1,821	17,781
2021	16,487	717	1,294
2022	<u>1,294</u>	<u>7</u>	-
Total Payments	\$ <u>73,404</u>	<u>13,916</u>	

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

16. NOTES PAYABLE (continued)

3. Qualified homeowners participating in a home rehabilitation program were given mortgage loans by the Authority to repair their homes. The Authority entered into an agreement with the City of Roanoke to finance a portion of these mortgage loans through its CDBG and HOME funds. CDBG/HOME funded mortgage loan payments received by the Authority are due back to the City. Repayment from the Authority to the City of outstanding 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, 2016, is \$1,043,576. The current portion is \$11,155.

4. The Authority entered into a loan agreement with the City of Roanoke and the Hancock Building, LLC to loan funds provided by the City to The Hancock Building, LLC in the amount of \$880,000. This loan is interest free and the Authority is obligated to pay the City any amounts received from the The Hancock Building, LLC. The principal balance of this loan at September 30, 2016 was \$178,444. The current portion is \$88,000.

5. During the fiscal year ending September 30, 2015, the Authority entered into a loan agreement with Freedom First Federal Credit Union for a loan in the amount of \$850,000 to be used for the construction of 12 units on various lots in the City of Roanoke. The note bears an interest rate of 4.5% for 5 years and is payable in equal monthly installments of \$15,848. During 2016, \$29,763 in interest payments were made and \$10,720 was capitalized as part of the construction cost. The note is secured by payments from future capital grants received from HUD. The principal balance of this loan at September 30, 2016 was \$573,910.

Fiscal Year	Principal	Interest	Balance Due
2017	\$ 167,787	22,393	406,123
2018	175,495	14,685	230,628
2019	183,557	6,623	47,071
2020	<u>47,071</u>	<u>353</u>	-
Total Payments	\$ <u>573,910</u>	<u>44,054</u>	

A summary of the notes payable at September 30, 2016:

	Total	Current	Long Term
Jamison, Downing Properties	\$ 73,404	12,495	60,909
Replacement Housing Loan	573,910	167,787	406,123
CDBG/HOME Notes	1,043,134	11,155	1,031,979
Hancock Building Note	<u>178,444</u>	<u>88,000</u>	<u>90,444</u>
	<u>\$1,868,892</u>	<u>279,437</u>	<u>1,589,455</u>

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

17. ENTERPRISE FUND LONG-TERM LIABILITIES

Enterprise Fund Long-term liability activity for the year ended September 30, 2016, is as follows:

	October 1, 2015			September 30, 2016
	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>
Accrued Compensated Absences	\$ 111,129	228,167	242,932	96,364
Accrued OPEB Liabilities	254,717	91,696	61,104	285,309
Notes Payable	2,694,241	-	825,349	1,868,892
Other Long Term Liabilities	243,924	100,904	210,381	134,447
Less: Current Portion	<u>(515,069)</u>	<u>(48,100)</u>	<u>(147,473)</u>	<u>(415,696)</u>
Long-Term Liabilities	<u>\$ 2,788,942</u>	<u>372,667</u>	<u>1,192,293</u>	<u>1,969,316</u>

18. RESTRICTED NET POSITION

Restricted net position consist of the following:

The Authority's restricted net position for the year was zero.

19. OTHER COMMITMENTS AND CONTINGENCIES

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

20. RELATED PARTY TRANSACTIONS

Agreements with Stepping Stone, Limited Partnership (Component Unit)

The Authority and Stepping Stone, LP have entered an agreement whereby the Authority will provide property management services to the LP in exchange for a service fee of 6% of collected rents. As of September 30, 2016, Stepping Stone, LP owed the Authority \$1,589 for property management services and had paid the Authority \$11,431 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, 2016, Indian Village, LP owed the Authority \$2,806 in accrued management fees and expenses. During the year, the Partnership paid \$9,643 in management fees to the Authority.

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

20. RELATED PARTY TRANSACTIONS (continued)

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

The Authority and Park Street, LP have entered into an agreement whereby the Authority will provide property management services in exchange for a service fee of 6% of gross rents collected. RRHA has an outstanding loan with Park Street, LP of \$2,253,163. As of September 30, 2016, Park Street, LP owed the Authority \$1,776 in accrued management fees and expenses. During the year the partnership paid \$8,310 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, 2016, Hurt Park, LP owed the Authority \$4,568 for property management services and had paid the Authority \$15,009 in management fees during the year.

21. 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.

The aforementioned partnership audits for the year ended December 31, 2015 were performed by Dooley and Vicars, LLP, a highly regarded, independent auditing firm in Richmond, VA. All five audits had unqualified opinions with no findings.

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

22. 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, 2015 financial statements for the component units are included in the Authority's September 30, 2016 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, 2015	2,558
Net Transfers from January 1, 2016 to September 30, 2016	(969)
Balance at September 30, 2016	<u>1,589</u>
 <u>RRHA - Due to/Due from Indian Village, LP</u>	 <u>DR (CR)</u>
Balance at December 31, 2015	1,972
Net Transfers from January 1, 2016 to September 30, 2016	834
Balance at September 30, 2016	<u>2,806</u>
 <u>RRHA - Due to/Due from Park Street Housing, LP</u>	 <u>DR (CR)</u>
Balance at December 31, 2015	2,255,303
Net Transfers from January 1, 2016 to September 30, 2016	(364)
Balance at September 30, 2016	<u>2,254,939</u>
 <u>RRHA - Due to/Due from Hurt Park, LP</u>	 <u>DR (CR)</u>
Balance at December 31, 2015	2,996
Net Transfers from January 1, 2016 to September 30, 2016	1,572
Balance at September 30, 2016	<u>\$ 4,568</u>

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

23. GRANTS

During the fiscal year ended September 30, 2016, the Authority closed the following grants:

<u>Capital Fund Program Grant Number</u>	<u>Expenditures prior to fiscal year 2016</u>	<u>Expenditures for fiscal year 2016</u>	<u>Total Expenditures</u>
VA36P011501-13	\$ 1,232,987	344,096	1,577,083

24. SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 16, 2017, 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.

25. OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The Authority participates in a healthcare plan managed by the Commonwealth of Virginia and administered by Anthem Blue Cross and Blue Shield. The 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.

Benefit Policy

The Authority subsidizes 50%-100% of the medical insurance single premium rate for a retiree based on the age of the employee at retirement. The Authority does not subsidize spousal coverage and the retiree is responsible for any premium not covered by the Authority. The Authority has funded its retiree health benefits on a pay-as-you-go basis. For the year ended September 30, 2016, the other postemployment benefits (OPEB) expense was \$59,382.

Annual OPEB Cost and Net OPEB Obligation

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

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

25. OTHER POSTEMPLOYMENT BENEFITS (continued)

Annual Required Contribution	\$ 58,776
Interest on Net OPEB Obligation	11,466
Adjustment to annual required contribution	<u>(10,860)</u>
Annual OPEB expense	59,382
Contributions made	<u>(50,244)</u>
Increase in net OPEB obligation	9,138
Net OPEB Obligation-beginning of year	<u>254,801</u>
Net OPEB Obligation-end of year	<u><u>\$ 263,939</u></u>

The employer contributions of \$50,244 represent 85.48% of the annual required contribution for the year ended September 30, 2016. The annual required contribution calculation for the year ended September 30, 2016 is as follows:

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

Funded Status and Funding Progress

The funded status of the OPEB based on an actuarial valuation is as follows:

Actuarial accrued liability-beginning of year	\$ 538,267
Actuarial value of assets-beginning of year	<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u><u>\$ 538,267</u></u>
Funded ratio	0 %
Covered payroll	<u>\$ 2,932,399</u>
UAAL as % of covered payroll	18.4%

Actuarial valuations of ongoing OPEB involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the OPEB and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presented below shows multiyear trend information about whether the actuarial value of OPEB assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Roanoke Redevelopment and Housing Authority

Notes to Financial Statements (continued)

25. OTHER POSTEMPLOYMENT BENEFITS (continued)

Schedule of Funding Progress for the Authority OPEB

<u>As of</u>	<u>Actuarial Value of Assets</u> (a)	<u>Actuarial Accrued Liability (AAL)</u> (b)	<u>Unfunded AAL (UAAL)</u> (b-a)	<u>Funded Ratio</u> (a/b)	<u>Covered Payroll</u> (c)	<u>UAAL as % of Covered Payroll</u> ((b-a)/c)
10/1/2013	\$0	\$538,267	\$538,267	0%	\$2,932,399	18.4%
10/1/2014	\$0	\$538,267	\$538,267	0%	\$2,932,399	18.4%
10/1/2015	\$0	\$538,267	\$538,267	0%	\$2,932,399	18.4%

Schedule of Employer Contributions for the Authority OPEB

<u>FYE</u>	<u>Employer Contributions</u> a	<u>Annual Required Contribution (ARC)</u> b	<u>% of ARC Contributed</u> c=a/b
9/30/2014	\$33,232	\$58,776	56.5%
9/30/2015	\$36,220	\$58,776	61.6%
9/30/2016	\$50,244	\$58,776	85.5%

Historical Annual OPEB Cost

<u>As of</u>	<u>Annual OPEB Cost</u> a	<u>% of Annual OPEB Cost Contributed</u> b	<u>Net OPEB Obligation</u> c=a/b
9/30/2014	\$59,266	56.10%	231,696
9/30/2015	\$59,327	61.10%	254,801
9/30/2016	\$59,382	84.60%	263,939

26. UNCERTAIN TAX POSITIONS

The Authority had no unrecognized tax benefits at September 30, 2016 and no open years prior to September 30, 2013. The Authority files tax returns in the U.S. federal jurisdiction and the State of Virginia.

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, 2016 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated February 16, 2017.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Handwritten signature in cursive script that reads "Jimp, Perry and Company LLP".

February 16, 2017
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, 2016. 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, 2016.

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.

February 16, 2017
Toms River, New Jersey

Imp, Perry and Company LLP

Roanoke Redevelopment and Housing Authority
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2016

<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	\$ 4,951,607
Housing Choice Vouchers	14.871	11,918,228
Public Housing Family Self-Sufficiency under ROSS	14.877	29,891
PIH Family Self-Sufficiency Program	14.896	141,280
Mainstream	14.879	216,670
Resident Opportunity and Support Services	14.870	112,666
Jobs Plus Pilot Program Grant	14.895	490,959
Public Housing Capital Fund Program	14.872	2,296,393
Pass-through from City of Roanoke:		
Shelter Plus Care Program	14.238	266,364
Community Development Block Grant	14.218	<u>4,572</u>
		<u>\$20,428,630</u>

Roanoke Redevelopment and Housing Authority

Notes to Schedule of Federal Awards

September 30, 2016

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, 2016, the Authority is not the guarantor of any loans outstanding, except as discussed in the notes to the financial statements.

Roanoke Redevelopment and Housing Authority

Schedule of Findings and Questioned Costs

September 30, 2016

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:
Housing Choice Vouchers | 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>
14.871	Housing Choice Vouchers

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

September 30, 2016

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, 2016

Current year findings and questioned costs

None

Supplementary Information

Roanoke Redevelopment and Housing Authority

Schedule of Funding Progress

For the Year Ended September 30, 2016

Schedule of Funding Progress for the Authority OPEB Plan:

<u>As of</u>	Actuarial Value of <u>Assets</u> (a)	Actuarial Accrued Liability <u>(AAL)</u> (b)	Unfunded AAL <u>(UAAL)</u> (b-a)	Funded <u>Ratio</u> (a/b)	Covered <u>Payroll</u> (c)	UAAL as % of Covered <u>Payroll</u> ((b-a)/c)
10/1/2011	0	583,714	583,714	0%	2,828,813	20.6%
10/1/2012	0	583,714	583,714	0%	2,828,813	20.6%
10/1/2013	0	538,267	538,267	0%	2,932,399	18.4%
10/1/2014	0	538,267	538,267	0%	2,932,399	18.4%
10/1/2015	0	538,267	538,267	0%	2,939,399	18.4%

Roanoke Redevelopment and Housing Authority
Schedule of Changes in Employer's Net Pension Liability
For the Year Ended September 30, 2016

Change in the Net Pension Liability	2015	2014
Total pension liability		
Service cost	345,298	349,221
Interest	99,660	75,160
Benefit changes	-	-
Difference between actual and expected experience	(74,302)	-
Assumption changes	-	-
Benefit payments, including refunds of contributions	<u>(97,929)</u>	<u>(50,830)</u>
Net change in total pension liability	272,727	373,551
Total pension liability - beginning	<u>1,472,674</u>	<u>1,099,123</u>
Total pension liability - ending	1,745,401	1,472,674
Plan fiduciary net position:		
Contributions - employer	169,738	130,328
Contributions - members	141,937	144,381
Net investment income	94,384	241,924
Benefit payments including refunds of contributions	(97,929)	(50,830)
Administrative expense	(1,051)	(1,101)
Other	<u>(22)</u>	<u>13</u>
Net change in plan fiduciary net position	307,057	464,715
Plan fiduciary net position - beginning	<u>1,869,458</u>	<u>1,404,743</u>
Plan fiduciary net position - ending	2,176,515	1,869,458
Net pension liability - ending	(431,114)	(396,784)
Plan fiduciary net position as a percentage of the total pension liability	124.70 %	126.94 %
Covered payroll	2,886,888	2,838,454
Net pension liability as a percentage of covered payroll	(14.93)%	(13.98)%

Roanoke Redevelopment and Housing Authority

Employer Contribution Schedule

For the Year Ended September 30, 2016

Year Ended June 30	Actuarially Determined Contribution (a)	Actual Contributions and Receivables Recognized by Pension Plan (b)	Actuarial less Actual Contributions (c)	Covered Payroll (d)	Actual Contributions as a Percentage of Covered Payroll (b)/(d)
2015	179,564	169,738	9,826	2,886,888	5.88 %
2014	133,975	130,328	3,647	2,838,454	4.59 %

FDS #	Description	Total AMPs	S8 HCV Fund 306 14.871	Choice Neighborhood 14.892	S8 MAINSTREAM Fund 310 14.879	S8 Mod Rehab Prgrms Combined 14.856	Jobs Plus Fund 601 14.895	ROSS 14.8XX	CDBG 14.218	HOME 14.239	STATE/ LOCAL
111	Cash-unrestricted	7,954,210	674,626		139,471	-					2,313,848
112	Cash-restricted-modernization and development	-				-					-
113	Cash-other restricted	40,352	49,805		753	-		37,897		23,925	-
114	Cash-tenant security deposits	146,127				-					-
115	Cash - Restricted for payment of current liability	16,346	59,547			-					-
100	Total Cash	8,157,035	783,978	-	140,224	-	-	-	37,897	23,925	2,313,848
121	Accounts receivable - PHA projects	-				-					-
122-010	Accounts receivable - HUD other projects - Operating Subsidy	17,662				-					
122-020	Accounts receivable - HUD other projects - Capital fund	72,104				-					
122-030	Accounts receivable - HUD other projects - Other	-	101,883		-	-	60,171	39,406			
122	Accounts receivable - HUD other projects	89,766	101,883	-	-	-	60,171	39,406	-	-	-
124	Account receivable - other government	-				-		5,674	1,389		-
125-010	Account receivable - miscellaneous - Not For Profit	-				-					
125-020	Account receivable - miscellaneous - Partnership	-				-					
125-030	Account receivable - miscellaneous - Joint Venture	-				-					
125-040	Account receivable - miscellaneous - Tax Credit	-				-					
125-050	Account receivable - miscellaneous - Other	7,361				-				442	-
125	Account receivable - miscellaneous	7,361	-	-	-	-	-	-	-	442	-
126	Accounts receivable - tenants	125,452				-					-
126	Allowance for doubtful accounts - tenants	(57,261)				-					-
126	Allowance for doubtful accounts - other	-				-					-
127	Notes, Loans, & Mortgages Receivable - Current	-				-		5,268	5,887		155,605
128	Fraud recovery	-	117,630			-					-
128	Allowance for doubtful accounts - fraud	-	(73,336)			-					-
129	Accrued interest receivable	-				-		217			1,829
120	Total receivables, net of allowance for doubtful accounts	165,318	146,177	-	-	-	60,171	39,406	11,159	7,718	157,434
131	Investments - unrestricted	20,286				-					-
132	Investments - restricted	-				-					-
142	Prepaid expenses and other assets	210,190	28,827			-					329
144	Inter program - due from	7,877	903			-					-
145	Assets held for sale	468,317				-					1,536,083
150	Total Current Assets	9,029,023	959,885	-	140,224	-	60,171	39,406	49,056	31,643	4,007,694
161	Land	12,257,284				-		3,472,285			7,000
162	Buildings	75,027,459	233,250			-					50,600
163	Furniture, equipment and machinery - dwellings	934,483				-					-
164	Furniture, equipment and machinery - administration	1,840,043	95,580			-					-
165	Leasehold improvements	-				-					-
166	Accumulated depreciation	(60,767,905)	(321,413)			-		(627,432)			(574,041)
167	Construction in progress	3,177,404				-					-
168	Infrastructure	-				-		1,822,317			1,287,000
160	Total capital assets, net of accumulated depreciation	32,468,768	7,417	-	-	-	-	4,667,170	-	-	770,559
171-050	Notes, Loans, & Mortgages receivable - Non-current - Other	-				-		173,420	858,573		247,836
171	Notes, Loans, & Mortgages receivable - Non-current	-	-	-	-	-	-	173,420	858,573		247,836
173	Grants receivable - Non-current	-				-					-
174-040	Other assets - Tax Credit	-				-					-
174-050	Other assets - Other	216,902	48,864			-					-
174	Other assets	216,902	48,864			-	-	-	-	-	-
180	Total Non-current Assets	32,685,670	56,281	-	-	-	-	4,840,590	858,573		1,018,395
190	Total Assets	41,714,693	1,016,166	-	140,224	-	60,171	39,406	4,889,646	890,216	5,026,089
200	Deferred Outflow of Resources	106,464	23,154			-					
290	Total Assets and Deferred Outflow of Resources	41,821,157	1,039,320	0	140,224	0	60,171	39,406	4,889,646	890,216	5,026,089
311	Bank overdraft	-				-					-
312	Accounts payable <= 90 days	81,212	22,538			-	39,552	837			307
313	Accounts payable > 90 days past due	-				-					-
321	Accrued wage/payroll taxes payable	37,352	7,778			-	4,251	4,796			-

FDS #	Description	Total AMPs	S8 HCV Fund 306 14.871	Choice Neighborhood 14.892	S8 MAINSTREAM Fund 310 14.879	S8 Mod Rehab Prgrms Combined 14.856	Jobs Plus Fund 601 14.895	ROSS 14.8XX	CDBG 14.218	HOME 14.239	STATE/ LOCAL
322	Accrued compensated absences - current portion	41,976	5,144			-	2,871	3,928			-
324	Accrued contingency liability	-				-					-
325	Accrued interest payable	1,793							217		-
331-010	Accounts payable - HUD PHA Programs - Operating Subsidy	-									-
331-020	Accounts payable - HUD PHA Programs - Capital fund	-									-
331-030	Accounts payable - HUD PHA Programs - Other	-			753						-
331	Accounts payable - HUD PHA Programs	-	-	-	753	-	-	-	-	-	-
332	Accounts payable - PHA Projects	-				-					-
333	Accounts payable - other government	160,737				-			45,128	25,756	289,465
341	Tenant security deposits	146,127				-					-
342-010	Unearned revenue - Operating Subsidy	-									-
342-020	Unearned revenue - Capital fund	-									-
342-030	Unearned revenue - Other	43,435	69,331								-
342	Unearned revenue	43,435	69,331	-	-	-	-	-	-	-	-
343-010	CFFP	167,787									-
343-020	Capital Projects/ Mortgage Revenue	-									-
343	Curr portion long-term debt - capital projs/mortg revenue bonds	167,787				-					-
344	Current portion of long-term debt - operating borrowings	-				-					-
345	Other current liabilities	12,438	39,895								606
346	Accrued liabilities - other	-				-	10,287				-
347	Inter program - due to	-				-	3,210	5,570			-
348-010	Loan liability - current - Not For Profit	-									-
348-020	Loan liability - current - Partnership	-									-
348-030	Loan liability - current - Joint Venture	-									-
348-040	Loan liability - current - Tax Credit	-									-
348-050	Loan liability - current - Other	-							5,268	5,887	88,000
348	Loan liability - current	-	-	-	-	-	-	-	5,268	5,887	88,000
310	Total Current Liabilities	692,857	144,686	-	753	-	60,171	15,131	50,613	31,643	378,378
											-
351-010	Long-term debt - CFFP	406,123									-
351-020	Long-term - Capital Projects/ Mortgage Revenue	-									-
351	Capital Projects- Mortgages/ Revenue Bonds	406,123				-					-
352	Long-term debt, net of current - operating borrowings	-				-					-
353	Non-current liabilities - other	40,347	49,805			-					-
354	Accrued compensated absences- Non-current	-				-					-
355-050	Loan liability - Non-current - Other	-							173,406	858,573	90,444
	Other - Comment										
355	Loan liability - Non-current	-	-	-	-	-	-	-	173,406	858,573	90,444
357-010	Pension Liability	-									-
357-020	OPEB Liability	223,442	25,645					24,275			-
357	Accrued Pension and OPEB Liability	223,442	25,645	-	-	-	-	24,275	-	-	-
350	Total Non-current liabilities	669,912	75,450	-	-	-	-	24,275	173,406	858,573	90,444
300	Total Liabilities	1,362,769	220,136	-	753	-	60,171	39,406	224,019	890,216	468,822
400	Deferred Inflow of Resources	70,501	15,346			-					-
508.4	Invested in capital assets, net of related debt	31,894,858	7,417	-	-	-	-	-	4,667,170	-	770,559
511.4	Restricted Net Position	-	-			-					-
512.4	Unrestricted Net Position	8,493,029	796,421		139,471	-	-	-	(1,543)		3,786,708
513	Total Equity/Net Assets/Position	40,387,887	803,838	-	139,471	-	-	-	4,665,627	-	4,557,267
600	Total Liab., Def. Inflow of Res., and Equity - Net Assets / Position	41,821,157	1,039,320	-	140,224	-	60,171	39,406	4,889,646	890,216	5,026,089

FDS #	Description	Business Activity	Central Office Cost Center	Eliminations	Total	COMPONENT UNITS COMBINED 6	ENTITY WIDE TOTAL
111	Cash-unrestricted	609,745	1,169,124		12,861,024	469,247	13,330,271
112	Cash-restricted-modernization and development	-	-		-	-	-
113	Cash-other restricted	-	-		156,263	545,672	701,935
114	Cash-tenant security deposits	5,567	-		151,694	29,461	181,155
115	Cash - Restricted for payment of current liability	-	-		75,893	-	75,893
100	Total Cash	615,312	1,169,124	-	13,244,874	1,044,380	14,289,254
121	Accounts receivable - PHA projects	-	-		-	-	-
122-010	Accounts receivable - HUD other projects - Operating Subsidy	-	-		17,662	-	17,662
122-020	Accounts receivable - HUD other projects - Capital fund	-	-		72,104	-	72,104
122-030	Accounts receivable - HUD other projects - Other	-	-		201,460	-	201,460
122	Accounts receivable - HUD other projects	-	-	-	291,226	-	291,226
124	Account receivable - other government	-	-		7,063	-	7,063
125-010	Account receivable - miscellaneous - Not For Profit	-	-		-	-	-
125-020	Account receivable - miscellaneous - Partnership	-	-		-	-	-
125-030	Account receivable - miscellaneous - Joint Venture	-	-		-	-	-
125-040	Account receivable - miscellaneous - Tax Credit	22,208	-		22,208	-	22,208
125-050	Account receivable - miscellaneous - Other	-	270,645	(269,005)	9,443	-	9,443
125	Account receivable - miscellaneous	22,208	270,645	(269,005)	31,651	-	31,651
126	Accounts receivable - tenants	-	-		125,452	35,373	160,825
126	Allowance for doubtful accounts - tenants	-	-		(57,261)	(6,364)	(63,625)
126	Allowance for doubtful accounts - other	-	-		-	-	-
127	Notes, Loans, & Mortgages Receivable - Current	-	-		166,760	-	166,760
128	Fraud recovery	-	-		117,630	-	117,630
128	Allowance for doubtful accounts - fraud	-	-		(73,336)	-	(73,336)
129	Accrued interest receivable	-	-		2,046	-	2,046
120	Total receivables, net of allowance for doubtful accounts	22,208	270,645	(269,005)	611,231	29,009	640,240
131	Investments - unrestricted	-	-		20,286	-	20,286
132	Investments - restricted	-	-		-	-	-
142	Prepaid expenses and other assets	9,443	20,790		269,579	43,627	313,206
144	Inter program - due from	-	-	(8,780)	-	-	-
145	Assets held for sale	-	-		2,004,400	-	2,004,400
150	Total Current Assets	646,963	1,460,559	(277,785)	16,150,370	1,117,016	17,267,386
161	Land	84,004	-		15,820,573	2,983,483	18,804,056
162	Buildings	850,699	-		76,162,008	19,829,764	95,991,772
163	Furniture, equipment and machinery - dwellings	-	-		934,483	217,711	1,152,194
164	Furniture, equipment and machinery - administration	12,620	351,802		2,300,045	-	2,300,045
165	Leasehold improvements	-	-		-	-	-
166	Accumulated depreciation	(715,870)	(317,858)		(63,324,519)	(5,513,438)	(68,837,957)
167	Construction in progress	-	15,450		3,192,854	-	3,192,854
168	Infrastructure	-	-		3,109,317	-	3,109,317
160	Total capital assets, net of accumulated depreciation	231,453	49,394	-	38,194,761	17,517,520	55,712,281
171-050	Notes, Loans, & Mortgages receivable - Non-current - Other	-	-		1,279,829	-	1,279,829
171	Notes, Loans, & Mortgages receivable - Non-current	-	-	-	1,279,829	-	1,279,829
173	Grants receivable - Non-current	-	-		-	-	-
174-040	Other assets - Tax Credit	-	-		-	-	-
174-050	Other assets - Other	14,143	172,574		452,483	30,147	482,630
174	Other assets	14,143	172,574	-	452,483	30,147	482,630
180	Total Non-current Assets	245,596	221,968	-	39,927,073	17,547,667	57,474,740
190	Total Assets	892,559	1,682,527	(277,785)	56,077,443	18,664,683	74,742,126
200	Deferred Outflow of Resources	6,672	80,454	-	216,744	-	216,744
290	Total Assets and Deferred Outflow of Resources	899,231	1,762,981	(277,785)	56,294,187	18,664,683	74,958,870
311	Bank overdraft	-	-		-	-	-
312	Accounts payable <= 90 days	1,187	2,347		147,980	14,778	162,758
313	Accounts payable > 90 days past due	-	-		-	-	-
321	Accrued wage/payroll taxes payable	2,462	29,750		86,389	-	86,389

FDS #	Description	Business Activity	Central Office Cost Center	Eliminations	Total	COMPONENT UNITS COMBINED 6	ENTITY WIDE TOTAL
322	Accrued compensated absences - current portion	1,937	40,508		96,364	-	96,364
324	Accrued contingency liability	-	-		-	-	-
325	Accrued interest payable	-	-		2,010	11,285	13,295
331-010	Accounts payable - HUD PHA Programs - Operating Subsidy	-	-		-	-	-
331-020	Accounts payable - HUD PHA Programs - Capital fund	-	-		-	-	-
331-030	Accounts payable - HUD PHA Programs - Other	-	-		753	-	753
331	Accounts payable - HUD PHA Programs	-	-	-	753	-	753
332	Accounts payable - PHA Projects	-	-		-	-	-
333	Accounts payable - other government	-	-		524,617	-	524,617
341	Tenant security deposits	5,567	-		151,694	29,500	181,194
342-010	Unearned revenue - Operating Subsidy	-	-		-	-	-
342-020	Unearned revenue - Capital fund	-	-		-	-	-
342-030	Unearned revenue - Other	1,533	1,730		116,029	1,218	117,247
342	Unearned revenue	1,533	1,730	-	116,029	1,218	117,247
343-010	CFFP	-	-		167,787	-	167,787
343-020	Capital Projects/ Mortgage Revenue	-	-		-	-	-
343	Curr portion long-term debt - capital projs/mortg revenue bonds	12,495	-		180,282	77,006	257,288
344	Current portion of long-term debt - operating borrowings	-	-		-	-	-
345	Other current liabilities	-	-		52,939	-	52,939
346	Accrued liabilities - other	-	-		10,287	5,753	16,040
347	Inter program - due to	-	-	(8,780)	-	-	-
348-010	Loan liability - current - Not For Profit	-	-		-	-	-
348-020	Loan liability - current - Partnership	-	-		-	410	410
348-030	Loan liability - current - Joint Venture	-	-		-	-	-
348-040	Loan liability - current - Tax Credit	-	-		-	-	-
348-050	Loan liability - current - Other	-	-		99,155	-	99,155
348	Loan liability - current	-	-	-	99,155	410	99,565
310	Total Current Liabilities	25,181	74,335	(8,780)	1,468,499	139,950	1,608,449
351-010	Long-term debt - CFFP	-	-		406,123	-	406,123
351-020	Long-term - Capital Projects/ Mortgage Revenue	60,909	-		60,909	-	60,909
351	Capital Projects- Mortgages/ Revenue Bonds	60,909	-	-	467,032	6,994,542	7,461,574
352	Long-term debt, net of current - operating borrowings	-	-		-	-	-
353	Non-current liabilities - other	-	4,400		94,552	1,283,301	1,377,853
354	Accrued compensated absences- Non-current	-	-		-	-	-
355-050	Loan liability - Non-current - Other	-	-		1,122,423	-	1,122,423
	Other - Comment	-	-		-	-	-
355	Loan liability - Non-current	-	-	-	1,122,423	-	1,122,423
357-010	Pension Liability	-	-		-	-	-
357-020	OPEB Liability	11,947	269,005	(269,005)	285,309	-	285,309
357	Accrued Pension and OPEB Liability	11,947	269,005	(269,005)	285,309	-	285,309
350	Total Non-current liabilities	72,856	273,405	(269,005)	1,969,316	8,277,843	10,247,159
300	Total Liabilities	98,037	347,740	(277,785)	3,437,815	8,417,793	11,855,608
400	Deferred Inflow of Resources	4,422	53,288		143,557	-	143,557
508.4	Invested in capital assets, net of related debt	158,049	49,394		37,547,447	10,445,972	47,993,419
511.4	Restricted Net Position	-	-		-	545,672	545,672
512.4	Unrestricted Net Position	638,723	1,312,559		15,165,368	(744,754)	14,420,614
513	Total Equity/Net Assets/Position	796,772	1,361,953	-	52,712,815	10,246,890	62,959,705
600	Total Liab., Def. Inflow of Res., and Equity - Net Assets / Position	899,231	1,762,981	(277,785)	56,294,187	18,664,683	74,958,870

FDS #	Description	Total AMPs	S8 HCV Fund 306 14.871	Choice Neighborhood 14.892	S8 MAINSTREAM Fund 310 14.879	S8 Mod Rehab Prgms Combined 14.856	Jobs Plus Fund 601 14.895	ROSS 14.8XX	CDBG 14.218	HOME 14.239	STATE/ LOCAL
Income Statement											
70300	Net tenant rental revenue	3,283,258				-					-
70400	Tenant revenue - other	195,292				-					-
70500	Total Tenant Revenue	3,478,550	-	-	-	-	-	-	-	-	-
70600-010	Housing assistance payments	-	10,799,846		204,798	-					
70600-020	Ongoing administrative fees earned	-	1,073,921		27,405	-					
70600-030	FSS Coordinator	-				-					
70600	HUD PHA operating grants	5,186,487	11,873,767		232,203	-	490,959	283,836	4,572	-	-
70610	Capital grants	2,061,513				-					-
70710	Management Fee	-									
70720	Asset Management Fee	-									
70730	Book-Keeping Fee	-									
70740	Front Line Service Fee	-									
70750	Other Fees	-									
70700	Total Fee Revenue	-	-	-	-	-	-	-	-	-	-
70800	Other government grants	-							5,062		110,848
71100-010	Housing Assistance Payment	-									
71100-020	Administrative Fee	-									
71100	Investment income - unrestricted	(1,708)	-	-	-	-					-
71200	Mortgage interest income	-						1,487			11,430
71300	Proceeds from disposition of assets held for sale	-	2,269								12,657
71310	Cost of sale of assets	-		(165,000)							(1,748)
71400-010	Housing Assistance Payment	-	7,878								
71400-020	Administrative Fee	-	7,878								
71400	Fraud recovery	-	15,756	-	-	-					-
71500	Other revenue	127,112	39,056						62,095		51,814
71600	Gain or loss on sale of capital assets	12,763									-
72000-010	Housing Assistance Payment	-									
72000-020	Administrative Fee	-									
72000	Investment income - restricted	-									
70000	Total Revenue	10,864,717	11,930,848	(165,000)	232,203	-	490,959	283,836	73,216	-	185,001
91100	Administrative salaries	436,250	257,495		6,641	-					375
91200	Auditing fees	18,249	15,425		674	-					-
91300-010	To PHA Administered Program (i.e. COCC)	1,149,378	198,069			-					-
91300-020	To Third Party/Outside Entity	-				-					-
91300	Management Fees	1,149,378	198,069			-	-	-	-	-	-
91310	Book-Keeping Fee	114,105	158,430			-					-
91400	Advertising and Marketing	18,212	1,555			-					-
91500	Employee Benefit contributions - Administrative	132,567	89,848		2,128	-					106
91600	Office Expenses	206,103	15,471			-					-
91700	Legal Expense	68,870	1,626		31	-		4,506			10,046
91800	Travel	11,823	408		10	-					-
91810	Allocated Overhead	-				-					-
91900	Other	189,016	92,702		1,937	-		4,001			2,394
91000	Total Operating-Administrative	2,344,573	831,029	-	11,421	-	-	8,507	-	-	12,921
92000	Asset Management Fee	152,590									
92100	Tenant services - salaries	89,886	1,510			-	130,352	184,164			-
92200	Relocation Costs	2,322				-					-
92300	Employee benefit contributions - tenant services	23,924				-	41,864	55,060			-
92400	Tenant services - other	64,534	4,054			-	310,743	36,340			-
92500	Total Tenant Services	180,666	5,564	-	-	-	482,959	275,564	-	-	-
93100	Water	367,946	1,061		24	-					-
93200	Electricity	614,582	1,467		32	-					-
93300	Gas	390,028	1,503		35	-					-

FDS #	Description	Total AMPs	S8 HCV Fund 306 14.871	Choice Neighborhood 14.892	S8 MAINSTREAM Fund 310 14.879	S8 Mod Rehab Prgrms Combined 14.856	Jobs Plus Fund 601 14.895	ROSS 14.8XX	CDBG 14.218	HOME 14.239	STATE/ LOCAL
93400	Fuel	-				-					-
93500	Labor	-				-					-
93600	Sewer	387,508	1,011		23	-					36
93700	Employee benefit contributions - utilities	-				-					-
93750	HAP Portability-In	-				-					-
93800	Other utilities expense	-				-					-
93000	Total Utilities	1,760,064	5,042	-	114	-	-	-	-	-	36
94100	Ordinary maint & operations-labor	701,576				-					-
94200	Ordinary maint & operations-materials and other	471,660	778			-					-
94300-010	Ordinary maint & operations contracts-Garbage/Trash Removal	194,556				-					-
94300-020	Ordinary maint & operations contracts-Heating & Cooling	71,543				-					-
94300-030	Ordinary maint & operations contracts-Snow Removal	-				-					-
94300-040	Ordinary maint & operations contracts-Elevator Maint	25,836				-					-
94300-050	Ordinary maint & operations contracts-Landscape & Grounds	189,622				-					640
94300-060	Ordinary maint & operations contracts-Unit Turnaround	112,297				-					-
94300-070	Ordinary maint & operations contracts-Electrical	106,585				-					-
94300-080	Ordinary maint & operations contracts-Plumbing	54,870				-					-
94300-090	Ordinary maint & operations contracts-Extermination	84,424				-					-
94300-100	Ordinary maint & operations contracts-Janitorial	11,490	3,766			-					-
94300-110	Ordinary maint & operations contracts-Routine Maint	468,572	105			-					-
94300-120	Ordinary maint & operations contracts-Misc	46,788	983		129	-					-
94300	Ordinary Maintenance and Operations Contracts	1,366,583	4,854	-	129	-	-	-	-	-	640
94500	Ordinary maint- Employee benefit contributions	250,110				-					-
94000	Total Maintenance	2,789,929	5,632	-	129	-	-	-	-	-	640
95100	Protective services - labor	-				-					-
95200	Protective services - other contract costs (police)	38,839				-					-
95300	Protective services - other	19,670				-					-
95500	Protective services - Employee benefit contributions	-				-					-
95000	Total Protective Services	58,509	-	-	-	-	-	-	-	-	-
96110	Property Insurance	167,139				-					167
96120	Liability Insurance	54,561	6,106		208	-			110		57
96130	Workmen's Compensation	4,713	943			-					-
96140	All other Insurance	15,222	1,856			-					-
96100	Total insurance Premiums	241,635	8,905	-	208	-	-	-	110	-	224
96200	Other general expenses	-				-			64,599		49,625
96210	Compensated absences	90,179	19,543			-	8,000	8,272			-
96300	Payments in lieu of taxes	160,737				-					-
96400	Bad debt - tenant rents	121,377				-					-
96500	Bad debt - mortgages	-				-					-
96600	Bad debt - other	-	50,279			-					-
96800	Severance expense	-				-					-
96000	Total Other General Expenses	372,293	69,822	-	-	-	8,000	8,272	64,599	-	49,625
96710	Interest of Mortgage (or Bonds) Payable	20,836				-					-
96720-010	Interest on EPC Related Debt	-				-					-
96720-020	Interest on All Other Debt	-				-					-
96720	Interest on Notes Payable (Short and Long Term)	-				-					9,021
96730	Amortization of Bond Issue Costs	1,669				-					-
96700	Interest expense and Amortization cost	22,505	-	-	-	-	-	-	-	-	9,021
96900	Total Operating Expenses	7,922,764	925,994	-	11,872	-	490,959	283,836	73,216	-	72,467
97000	Excess Revenue Over Operating Expenses	2,941,953	11,004,854	(165,000)	220,331	-	-	-	-	-	112,534
97100	Extraordinary maintenance	-				-					-
97200	Casualty losses- Non-capitalized	5,220				-					-
97300-010	Mainstream 1 & 5 year	-			204,798	-					-
97300-020	Home-Ownership	-	53,360			-					-

FDS #	Description	Total AMPs	S8 HCV Fund 306 14.871	Choice Neighborhood 14.892	S8 MAINSTREAM Fund 310 14.879	S8 Mod Rehab Prgms Combined 14.856	Jobs Plus Fund 601 14.895	ROSS 14.8XX	CDBG 14.218	HOME 14.239	STATE/ LOCAL
97300-025	Litigation	-				-					
97300-030	Hope IV	-				-					
97300-035	Moving to Work	-				-					
97300-040	Tenant Protection	-	243,636			-					
97300-050	All Other	-	10,687,480			-					
97300	Housing assistance payments	-	10,984,476	-	204,798	-					
97350	HAP Portability In										
97400	Depreciation expense	2,681,189	7,758	-		-			61,038		42,899
97500	Fraud losses	-				-					-
97800	Dwelling units rent expense	-				-					-
90000	Total Expenses	10,609,173	11,918,228	-	216,670	-	490,959	283,836	134,254	-	115,366
10010	Operating transfer in	23,700				-					-
10020	Operating transfer out	(23,700)				-					-
10030-010	Not For Profit	-				-					-
10030-020	Partnership	-				-					-
10030-030	Joint Venture	-				-					-
10030-040	Tax Credit	-				-					-
10030-050	Other	-				-					-
10030	Operating transfers from / to primary government	-				-	-	-	-	-	-
10040	Operating transfers from / to component unit	-				-					-
10070	Extraordinary items, net gain/loss	-				-					-
10080	Special items, net gain/loss	-				-					-
10091	Inter AMP Excess Cash Transfer In	914,523				-					-
10092	Inter AMP Excess Cash Transfer Out	(914,523)				-					-
10093	Transfers between Program and Project - IN	-				-					-
10094	Transfers between Program and Project - Out	-				-					-
10100	Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
10000	Excess (Deficiency) of Revenue Over (Under) Expenses	255,544	12,620	(165,000)	15,533	-	-	-	(61,038)	-	69,635
11020	Required Annual Debt Principal Payments	160,418				-	-	-	6,622	6,251	200,506
11030	Beginning equity	37,896,726	791,218	165,000	123,938	-	-	-	4,726,665	-	4,487,632
11040-010	Prior period adjustments and correction of errors - Editable	-	39,906			-					-
11040-020	Prior period adjustments and correction of errors - Editable	-	(39,906)			-					-
11040-070	Equity Transfers (UNRESTRICTED)	-				-					-
11040-080	Equity Transfers (RESTRICTED)	2,235,617				-					-
11040-090	Equity Transfers	-				-					-
11040-100	Equity Transfers	-				-					-
11040-110	Equity Transfers	-				-					-
11040	Prior period adjustments, equity transfers, & correction of errors	2,235,617	-	-	-	-	-	-	-	-	-

FDS #	Description	Business Activity	Central Office Cost Center	Eliminations	Total	COMPONENT UNITS COMBINED 6	ENTITY WIDE TOTAL
Income Statement							
70300	Net tenant rental revenue	158,998	-		3,442,256	752,035	4,194,291
70400	Tenant revenue - other	324			195,616	14,530	210,146
70500	Total Tenant Revenue	159,322	-	-	3,637,872	766,565	4,404,437
70600-010	Housing assistance payments				11,259,786	-	11,259,786
70600-020	Ongoing administrative fees earned				1,112,548	-	1,112,548
70600-030	FSS Coordinator				-	-	-
70600	HUD PHA operating grants		-	-	18,338,188	-	18,338,188
70610	Capital grants	-	-		2,061,513	-	2,061,513
70710	Management Fee	-	1,438,074	(1,438,074)	-	-	-
70720	Asset Management Fee		152,590	(152,590)	-	-	-
70730	Book-Keeping Fee		272,535	(272,535)	-	-	-
70740	Front Line Service Fee		282,104	(282,104)	-	-	-
70750	Other Fees		-		-	-	-
70700	Total Fee Revenue	-	2,145,303	(2,145,303)	-	-	-
70800	Other government grants	-	-		115,910	-	115,910
71100-010	Housing Assistance Payment	-			-	-	-
71100-020	Administrative Fee				-	-	-
71100	Investment income - unrestricted	-	-	-	(1,708)	192	(1,516)
71200	Mortgage interest income	-	-		12,917	-	12,917
71300	Proceeds from disposition of assets held for sale	1,622	-		16,548	-	16,548
71310	Cost of sale of assets	-	-		(166,748)	-	(166,748)
71400-010	Housing Assistance Payment				7,878	-	7,878
71400-020	Administrative Fee				7,878	-	7,878
71400	Fraud recovery	-	-	-	15,756	-	15,756
71500	Other revenue	227,612	52,918	(22,230)	538,377	751	539,128
71600	Gain or loss on sale of capital assets	-	1,000		13,763	-	13,763
72000-010	Housing Assistance Payment				-	-	-
72000-020	Administrative Fee				-	-	-
72000	Investment income - restricted	-	-	-	-	319	319
70000	Total Revenue	388,556	2,199,221	(2,167,533)	24,582,388	767,827	25,350,215
91100	Administrative salaries	52,801	1,017,982		1,775,858	43,860	1,819,718
91200	Auditing fees	278	4,744		39,958	3,700	43,658
91300-010	To PHA Administered Program (i.e. COCC)	90,627		(1,438,074)	-	44,246	
91300-020	To Third Party/Outside Entity	-			-	38,881	
91300	Management Fees	90,627	-	(1,438,074)	-	83,127	83,127
91310	Book-Keeping Fee	-	-	(272,535)	-	-	-
91400	Advertising and Marketing	-	2,977		22,744	1,444	24,188
91500	Employee Benefit contributions - Administrative	18,821	339,461		585,251	-	585,251
91600	Office Expenses	774	102,068		324,416	20,976	345,392
91700	Legal Expense	447	32,997		118,560	5,757	124,317
91800	Travel	786	17,157		30,195	5,805	36,000
91810	Allocated Overhead	-	-		-	-	-
91900	Other	23,108	18,957	(144,914)	189,322	8,420	197,742
91000	Total Operating-Administrative	187,642	1,536,343	(1,855,523)	3,086,304	173,089	3,259,393
92000	Asset Management Fee			(152,590)	-	-	
92100	Tenant services - salaries	-	-		405,912	-	405,912
92200	Relocation Costs	-	-		2,322	-	2,322
92300	Employee benefit contributions - tenant services	-	-		120,848	-	120,848
92400	Tenant services - other	-	45,329	(34,810)	426,190	-	426,190
92500	Total Tenant Services	-	45,329	(34,810)	955,272	-	955,272
93100	Water	842	5,564		375,464	20,316	395,780
93200	Electricity	630	7,771		624,517	9,977	634,494
93300	Gas	-	7,878		399,481	3,197	402,678

FDS #	Description	Business Activity	Central Office Cost Center	Eliminations	Total	COMPONENT UNITS COMBINED 6	ENTITY WIDE TOTAL
93400	Fuel	-	-	-	-	-	-
93500	Labor	-	-	-	-	-	-
93600	Sewer	1,582	5,304	-	395,490	18,581	414,071
93700	Employee benefit contributions - utilities	-	-	-	-	-	-
93750	HAP Portability-In	-	-	-	-	-	-
93800	Other utilities expense	-	-	-	-	-	-
93000	Total Utilities	3,054	26,517	-	1,794,952	52,071	1,847,023
94100	Ordinary maint & operations-labor	42,002	50,310	-	793,888	19,914	813,802
94200	Ordinary maint & operations-materials and other	5,920	6,450	-	484,808	37,051	521,859
94300-010	Ordinary maint & operations contracts-Garbage/Trash Removal	174	-	-	194,730	9,279	204,009
94300-020	Ordinary maint & operations contracts-Heating & Cooling	-	-	-	71,543	9,958	81,501
94300-030	Ordinary maint & operations contracts-Snow Removal	-	-	-	-	-	-
94300-040	Ordinary maint & operations contracts-Elevator Maint	-	-	-	25,836	-	25,836
94300-050	Ordinary maint & operations contracts-Landscape & Grounds	9,020	285	-	199,567	17,902	217,469
94300-060	Ordinary maint & operations contracts-Unit Turnaround	-	-	-	112,297	40,874	153,171
94300-070	Ordinary maint & operations contracts-Electrical	7,917	-	(80,642)	33,860	3,792	37,652
94300-080	Ordinary maint & operations contracts-Plumbing	385	-	-	55,255	3,171	58,426
94300-090	Ordinary maint & operations contracts-Extermination	2,263	-	-	86,687	4,799	91,486
94300-100	Ordinary maint & operations contracts-Janitorial	-	16,082	-	31,338	735	32,073
94300-110	Ordinary maint & operations contracts-Routine Maint	712	-	(43,968)	425,421	15,876	441,297
94300-120	Ordinary maint & operations contracts-Misc	11,970	1,067	-	61,076	836	61,912
94300	Ordinary Maintenance and Operations Contracts	32,441	17,434	(124,610)	1,297,610	107,222	1,404,832
94500	Ordinary maint- Employee benefit contributions	13,521	18,405	-	282,036	-	282,036
94000	Total Maintenance	93,884	92,599	(124,610)	2,858,342	164,187	3,022,529
95100	Protective services - labor	-	-	-	-	-	-
95200	Protective services - other contract costs (police)	-	-	-	38,839	-	38,839
95300	Protective services - other	-	-	-	19,670	2,111	21,781
95500	Protective services - Employee benefit contributions	-	-	-	-	-	-
95000	Total Protective Services	-	-	-	58,509	2,111	60,620
96110	Property Insurance	3,061	-	-	170,367	51,511	221,878
96120	Liability Insurance	1,219	1,665	-	64,154	5,571	69,725
96130	Workmen's Compensation	337	4,313	-	10,306	286	10,592
96140	All other Insurance	909	2,054	-	20,041	500	20,541
96100	Total insurance Premiums	5,526	8,032	-	264,868	57,868	322,736
96200	Other general expenses	-	-	-	114,224	95,732	209,956
96210	Compensated absences	4,686	95,353	-	226,033	-	226,033
96300	Payments in lieu of taxes	-	-	-	160,737	-	160,737
96400	Bad debt - tenant rents	-	-	-	121,377	11,843	133,220
96500	Bad debt - mortgages	-	-	-	-	-	-
96600	Bad debt - other	-	-	-	50,279	-	50,279
96800	Severance expense	-	-	-	-	-	-
96000	Total Other General Expenses	4,686	95,353	-	672,650	107,575	780,225
96710	Interest of Mortgage (or Bonds) Payable	5,545	-	-	26,381	140,257	166,638
96720-010	Interest on EPC Related Debt	-	-	-	-	-	-
96720-020	Interest on All Other Debt	-	-	-	-	-	-
96720	Interest on Notes Payable (Short and Long Term)	-	-	-	9,021	-	9,021
96730	Amortization of Bond Issue Costs	-	-	-	1,669	4,123	5,792
96700	Interest expense and Amortization cost	5,545	-	-	37,071	144,380	181,451
96900	Total Operating Expenses	300,337	1,804,173	(2,167,533)	9,727,968	701,281	10,429,249
97000	Excess Revenue Over Operating Expenses	88,219	395,048	-	14,854,420	66,546	14,920,966
97100	Extraordinary maintenance	-	-	-	-	-	-
97200	Casualty losses- Non-capitalized	-	-	-	5,220	-	5,220
97300-010	Mainstream 1 & 5 year	-	-	-	204,798	-	204,798
97300-020	Home-Ownership	-	-	-	53,360	-	53,360

FDS #	Description	Business Activity	Central Office Cost Center	Eliminations	Total	COMPONENT UNITS COMBINED 6	ENTITY WIDE TOTAL
97300-025	Litigation	-	-	-	-	-	-
97300-030	Hope IV	-	-	-	-	-	-
97300-035	Moving to Work	-	-	-	-	-	-
97300-040	Tenant Protection	-	-	-	243,636	-	243,636
97300-050	All Other	-	-	-	10,943,961	-	10,943,961
97300	Housing assistance payments	-	-	-	11,445,755	-	11,445,755
97350	HAP Portability In	-	-	-	-	-	-
97400	Depreciation expense	23,188	8,391	-	2,824,463	684,027	3,508,490
97500	Fraud losses	-	-	-	-	-	-
97800	Dwelling units rent expense	-	-	-	-	-	-
90000	Total Expenses	323,525	1,812,564	(2,167,533)	24,003,406	1,385,308	25,388,714
10010	Operating transfer in	-	-	(23,700)	-	-	-
10020	Operating transfer out	-	-	23,700	-	-	-
10030-010	Not For Profit	-	-	-	-	-	-
10030-020	Partnership	-	-	-	-	-	-
10030-030	Joint Venture	-	-	-	-	-	-
10030-040	Tax Credit	-	-	-	-	-	-
10030-050	Other	-	-	-	-	-	-
10030	Operating transfers from / to primary government	-	-	-	-	-	-
10040	Operating transfers from / to component unit	-	-	-	-	-	-
10070	Extraordinary items, net gain/loss	-	-	-	-	-	-
10080	Special items, net gain/loss	-	-	-	-	-	-
10091	Inter AMP Excess Cash Transfer In	-	-	-	914,523	-	914,523
10092	Inter AMP Excess Cash Transfer Out	-	-	-	(914,523)	-	(914,523)
10093	Transfers between Program and Project - IN	992,641	-	(992,641)	-	-	-
10094	Transfers between Program and Project - Out	-	(992,641)	992,641	-	-	-
10100	Total other financing sources (uses)	992,641	(992,641)	-	-	-	-
10000	Excess (Deficiency) of Revenue Over (Under) Expenses	1,057,672	(605,984)	-	578,982	(617,481)	(38,499)
11020	Required Annual Debt Principal Payments	11,659	-	-	385,456	74,482	459,938
11030	Beginning equity	(260,900)	1,967,937	-	49,898,216	10,864,371	60,762,587
11040-010	Prior period adjustments and correction of errors - Editable	-	-	-	39,906	-	39,906
11040-020	Prior period adjustments and correction of errors - Editable	-	-	-	(39,906)	-	(39,906)
11040-070	Equity Transfers (UNRESTRICTED)	-	-	-	-	-	-
11040-080	Equity Transfers (RESTRICTED)	-	-	-	2,235,617	-	2,235,617
11040-090	Equity Transfers	-	-	-	-	-	-
11040-100	Equity Transfers	-	-	-	-	-	-
11040-110	Equity Transfers	-	-	-	-	-	-
11040	Prior period adjustments, equity transfers, & correction of errors	-	-	-	2,235,617	-	2,235,617

Independent Accountant's Report on Applying
Agreed-Upon Procedures

To Roanoke Redevelopment and Housing Authority:

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

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

We were engaged to perform an audit in accordance with Audits of States, Local Governments, and Non-profit Organizations, of the financial statements of Roanoke Redevelopment and Housing Authority as of and for the year ended September 30, 2016, and have issued our reports thereon dated February 16, 2017. The information in the "Hard Copy Documents" column was included within the scope, or was a by-product of that audit. Further, our opinion on the fair presentation of the supplemental financial data templates dated February 16, 2017, 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.

February 16, 2017
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