
**ROANOKE HOUSING DEVELOPMENT CORPORATION
(A NORTH CAROLINA NOT-FOR-PROFIT CORPORATION)**

dba ROANOKE COMMONS and CLUB PLAZA APARTMENTS

HUD PROJECT NO. 053-11193

**REPORT ON AUDIT OF FINANCIAL
STATEMENTS AND ACCOMPANYING
INFORMATION AND COMPLIANCE
AND INTERNAL CONTROL**

YEARS ENDED JUNE 30, 2015 AND 2014

**ROANOKE HOUSING DEVELOPMENT CORPORATION
(A NORTH CAROLINA NOT-FOR-PROFIT CORPORATION)**

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Dauby O'Connor & Zaleski, LLC
A Limited Liability Company
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Roanoke Housing Development Corporation
(A North Carolina Not-For-Profit Corporation)

Report on the Financial Statements

We have audited the accompanying financial statements of Roanoke Housing Development Corporation, which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of profit and (loss) - changes in net assets, changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

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 an opinion 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 Roanoke Housing Development Corporation'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 Roanoke Housing Development Corporation'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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Roanoke Housing Development Corporation as of June 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

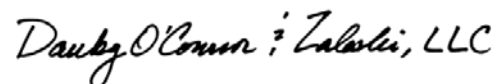
Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information shown on pages 17 to 30 is presented for purposes of additional analysis as required by the *Consolidated Audit Guide for Audits of HUD Programs* issued by the U.S. Department of Housing and Urban Development, Office of the Inspector General, and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards, as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 1, 2015, on our consideration of Roanoke Housing Development Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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 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 Housing Development Corporation's internal control over financial reporting and compliance.

September 1, 2015
Carmel, Indiana



Dauby O'Connor & Zaleski, LLC
Certified Public Accountants

ROANOKE HOUSING DEVELOPMENT CORPORATION
(A NORTH CAROLINA NOT-FOR-PROFIT CORPORATION)

STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2015 AND 2014

ASSETS

	<u>2015</u>	<u>2014</u>
Current assets		
Cash - operations	\$ 18,885	\$ 35,955
Accounts receivable - residents	87	3
Accounts receivable - HUD	86	202
Accounts receivable - other	1,856	1,885
Prepaid expenses	2,654	1,920
Total current assets	<u>23,568</u>	<u>39,965</u>
Deposits held in trust - funded		
Resident security deposits	<u>17,235</u>	<u>17,034</u>
Restricted deposits and funded reserves		
Escrow deposits	24,093	21,574
Reserve for replacements	428,216	410,460
Debt service escrow	26,480	22,251
Residual receipts	16,279	16,268
Total restricted deposits and funded reserves	<u>495,068</u>	<u>470,553</u>
Property and equipment		
Land and land improvements	273,805	273,805
Buildings	1,924,026	1,924,026
Building equipment	2,414	2,414
Furniture for community/resident use	34,810	34,810
Office furniture and equipment	8,984	8,984
Maintenance equipment	2,304	2,304
	<u>2,246,343</u>	<u>2,246,343</u>
Less: Accumulated depreciation	<u>(1,094,376)</u>	<u>(1,028,516)</u>
Total property and equipment	<u>1,151,967</u>	<u>1,217,827</u>
Other assets		
Unamortized costs, net	<u>87,158</u>	<u>91,306</u>
	<u>\$ 1,774,996</u>	<u>\$ 1,836,685</u>

ROANOKE HOUSING DEVELOPMENT CORPORATION
(A NORTH CAROLINA NOT-FOR-PROFIT CORPORATION)

STATEMENTS OF FINANCIAL POSITION (CONTINUED)
JUNE 30, 2015 AND 2014

LIABILITIES AND NET ASSETS

	<u>2015</u>	<u>2014</u>
Current liabilities		
Accounts payable - operations	\$ 5,545	\$ 21,092
Accrued wages payable	1,601	1,163
Accrued payroll taxes payable	134	95
Accrued management fee payable	2,730	3,035
Accrued interest on mortgage note payable	11,546	11,726
Current maturities of mortgage note payable	38,845	36,625
Residual receipts available for recapture	18	18
Prepaid revenue	12	223
	<u>60,431</u>	<u>73,977</u>
Total current liabilities	60,431	73,977
Deposit liabilities		
Resident security deposits	17,235	17,034
Long term liabilities		
Mortgage note payable, net of current maturities	<u>2,309,477</u>	<u>2,348,322</u>
Total liabilities	2,387,143	2,439,333
Net assets - unrestricted	<u>(612,147)</u>	<u>(602,648)</u>
	<u>\$ 1,774,996</u>	<u>\$ 1,836,685</u>

**ROANOKE HOUSING DEVELOPMENT CORPORATION
(A NORTH CAROLINA NOT-FOR-PROFIT CORPORATION)**

**STATEMENTS OF PROFIT AND (LOSS) - CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 2015 AND 2014**

		2015	2014
Rental revenue	Rent revenue - gross potential	\$ 145,171	\$ 142,009
	Tenant assistance payments	\$ 413,086	\$ 426,458
	Rent revenue - stores and commercial	\$	\$
	Garage and parking spaces	\$	\$
	Flexible subsidy revenue	\$	\$
	Miscellaneous rent revenue	\$	\$ 4,870
	Excess rent	\$	\$
	Rent revenue/insurance	\$	\$
	Special claims revenue	\$ 2,004	\$ 3,068
	Retained excess income	\$	\$
	Lease revenue (nursing home or section 232-B&C or AL)	\$	\$
Total rent revenue potential at 100% occupancy	\$ 560,261	\$ 576,405	
Vacancies	Apartments	(4,383)	(5,234)
	Stores and commercial	()	()
	Rental concessions	()	()
	Garage and parking spaces	()	()
	Miscellaneous	()	()
	Total vacancies	(4,383)	(5,234)
	Net rental revenue rent revenue less vacancies	\$ 555,878	\$ 571,171
Financial revenue	Nursing homes and other elderly care revenues	\$	\$
	Financial revenue - community operations	\$ 11	\$ 7
	Revenue from investments - residual receipts	\$ 11	\$ 18
	Revenue from investments - reserve for replacements	\$ 280	\$ 399
	Revenue from investments - miscellaneous	\$ 2	\$ 2
	Total financial revenue	\$ 304	\$ 426
Other revenue	Laundry and vending revenue	\$ 2,235	\$ 2,793
	Resident charges	\$ 601	\$ 287
	Interest reduction payments revenue	\$	\$
	Expiration of gift donor restrictions	\$	\$
	Gifts	\$	\$
	Miscellaneous revenue	\$	\$ 50
	Total other revenue	\$ 2,836	\$ 3,130
	Total revenue	\$ 559,018	\$ 574,727
Admin. expenses	Conventions and meetings	\$ 605	\$ 738
	Management consultants	\$	\$
	Advertising and marketing	\$ 390	\$ 285
	Other renting expenses	\$ 345	\$ 156
	Office salaries	\$ 9,252	\$ 9,768
	Office expenses	\$ 19,654	\$ 16,689
	Office or model apartment rent	\$	\$
	Management fee	\$ 34,837	\$ 35,952
	Manager or superintendent salaries	\$ 38,479	\$ 21,105
	Administrative rent free unit	\$	\$
	Legal expenses (community)	\$ 13	\$
	Audit expenses	\$ 4,500	\$ 4,370
	Bookkeeping fees/accounting services	\$ 858	\$ 492
	Bad debts	\$	\$
Miscellaneous administrative expenses	\$ 2,070	\$ 2,072	
	Total administrative expenses	\$ 111,003	\$ 91,627
Utilities expenses	Fuel oil/coal	\$	\$
	Electricity	\$ 9,455	\$ 9,346
	Water	\$ 3,756	\$ 3,595
	Gas	\$ 848	\$ 835
	Sewer	\$ 5,459	\$ 4,627
	Total utilities expense	\$ 19,518	\$ 18,403

**ROANOKE HOUSING DEVELOPMENT CORPORATION
(A NORTH CAROLINA NOT-FOR-PROFIT CORPORATION)**

**STATEMENTS OF PROFIT AND (LOSS) - CHANGES IN NET ASSETS (CONTINUED)
YEARS ENDED JUNE 30, 2015 AND 2014**

		2015	2014
Operating and maint. expenses	Payroll	\$ 29,148	\$ 42,074
	Supplies	\$ 24,641	\$ 12,527
	Contracts	\$ 80,440	\$ 51,490
	Operating and maintenance rent free unit	\$	\$
	Garbage and trash removal	\$ 7,883	\$ 7,841
	Security payroll/contract	\$ 600	\$ 911
	Security rent free unit	\$	\$
	Heating/cooling repairs and maintenance	\$ 2,982	\$ 1,609
	Snow removal	\$ 1,563	\$ 200
	Vehicle and maint. equipment operation and repairs	\$	\$
	Lease expense	\$	\$
	Miscellaneous operating and maintenance expenses	\$ 2,872	\$ 17,271
	Total operating and maintenance expenses	\$ 150,129	\$ 133,923
	Taxes and insurance	Real estate taxes	\$
Payroll taxes (community's share)		\$ 5,998	\$ 5,558
Property and liability insurance (hazard)		\$ 7,487	\$ 10,053
Fidelity bond insurance		\$ 59	\$ 56
Workmen's compensation		\$ 2,919	\$ 2,448
Health insurance and other employee benefits		\$ 9,134	\$ 11,594
Miscellaneous taxes, licenses, permits and insurance		\$	\$ 16
Total taxes and insurance	\$ 25,597	\$ 29,725	
Financial expenses	Interest on first mortgage (or bonds) payable	\$ 139,552	\$ 141,656
	Interest on other mortgages	\$	\$
	Interest on notes payable (long-term)	\$	\$
	Interest on notes payable (short-term)	\$	\$
	Interest on capital recovery payment (M2M)	\$	\$
	Mortgage insurance premium/service charge	\$ 9,882	\$ 11,635
	Miscellaneous financial expenses	\$	\$ 18
Total financial expenses	\$ 149,434	\$ 153,309	
Operating profit or (loss)	Nursing homes and other elderly care expenses	\$ 42,828	\$ 42,828
	Total cost of operations before depreciation	\$ 498,509	\$ 469,815
	Profit (loss) before depreciation	\$ 60,509	\$ 104,912
	Depreciation	\$ 65,860	\$ 64,545
	Amortization	\$ 4,148	\$ 4,149
Operating profit or (loss)	\$ (9,499)	\$ 36,218	
Entity income and expenses	Entity revenue	\$	\$
	Officer's salaries	\$	\$
	Incentive performance fee (M2M)	\$	\$
	Legal expenses	\$	\$
	Federal, state, and other income taxes	\$	\$
	Interest on notes payable	\$	\$
	Interest on mortgage payable	\$	\$
	Other expenses	\$	\$
Net entity expenses	\$ -	\$ -	
Change in net assets from operations	Change in unrestricted net assets from operations	\$ (9,499)	\$ 36,218
	Change in temporarily restricted net assets from operations	\$	\$
	Change in permanently restricted net assets from operations	\$	\$
	Change in total net assets from operations	\$ (9,499)	\$ 36,218

ROANOKE HOUSING DEVELOPMENT CORPORATION
(A NORTH CAROLINA NOT-FOR-PROFIT CORPORATION)

STATEMENTS OF CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 2015 AND 2014

Balance, July 1, 2013	\$ (638,866)
Change in unrestricted net assets	<u>36,218</u>
Balance, June 30, 2014	(602,648)
Change in unrestricted net assets	<u>(9,499)</u>
Balance, June 30, 2015	<u><u>\$ (612,147)</u></u>

ROANOKE HOUSING DEVELOPMENT CORPORATION
(A NORTH CAROLINA NOT-FOR-PROFIT CORPORATION)

STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
Cash flow from operating activities		
Revenue:		
Rental income	\$ 555,699	\$ 572,503
Financial	304	426
Other income	2,836	3,130
	<u>558,839</u>	<u>576,059</u>
Expenditures:		
Administrative	(71,509)	(68,029)
Management fee	(35,142)	(35,785)
Utilities	(19,543)	(18,378)
Salaries and wages	(76,441)	(75,118)
Operating and maintenance	(134,194)	(67,561)
Property insurance	(7,487)	(10,053)
Miscellaneous taxes and insurance	(18,071)	(19,845)
Resident security deposits	-	261
Interest	(139,732)	(141,826)
Mortgage insurance premium	(10,616)	(10,786)
Financial	-	(4,870)
	<u>(512,735)</u>	<u>(451,990)</u>
Net cash provided by (used in) operating activities	<u>46,104</u>	<u>124,069</u>
Cash flow from investing activities		
Purchase of property and equipment	(2,034)	(52,192)
Net change in escrow deposits	(2,519)	(6,165)
Net change in reserve for replacements	(17,756)	(22,679)
Net change in debt service escrow	(4,229)	(4,229)
Net change in residual receipts	(11)	4,852
Net cash provided by (used in) investing activities	<u>(26,549)</u>	<u>(80,413)</u>
Cash flow from financing activities		
Principal payments on mortgage note payable	(36,625)	(34,531)
Net cash provided by (used in) financing activities	<u>(36,625)</u>	<u>(34,531)</u>
Net change in cash and cash equivalents	<u>(17,070)</u>	<u>9,125</u>
Cash and cash equivalents, beginning	<u>35,955</u>	<u>26,830</u>
Cash and cash equivalents, ending	<u>\$ 18,885</u>	<u>\$ 35,955</u>

Supplemental information:

Cash flow from investing activities related to the purchase of property and equipment for the year ended June 30, 2015 includes \$2,034, which was included in accounts payable - operations at June 30, 2014.

ROANOKE HOUSING DEVELOPMENT CORPORATION
(A NORTH CAROLINA NOT-FOR-PROFIT CORPORATION)

STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED JUNE 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
Reconciliation of change in unrestricted net assets to net cash provided by (used in) operating activities		
Change in unrestricted net assets	<u>\$ (9,499)</u>	<u>\$ 36,218</u>
Adjustment to reconcile change in unrestricted net assets to net cash provided by (used in) operating activities:		
Depreciation	65,860	64,545
Amortization	4,148	4,149
Loss on disposal of fixed assets	-	14,455
Residual receipts available for recapture	-	(4,852)
Changes in:		
Accounts receivable - residents	(84)	(3)
Accounts receivable - HUD	116	1,379
Accounts receivable - other	29	2,259
Prepaid expenses	(734)	849
Resident security deposits funded	(201)	(434)
Accounts payable - operations	(13,513)	7,200
Accrued liabilities	172	(2,177)
Accrued interest on mortgage note payable	(180)	(170)
Resident security deposits liability	201	695
Prepaid revenue	(211)	(44)
Total adjustments	<u>55,603</u>	<u>87,851</u>
Net cash provided by (used in) operating activities	<u>\$ 46,104</u>	<u>\$ 124,069</u>

**ROANOKE HOUSING DEVELOPMENT CORPORATION
(A NORTH CAROLINA NOT-FOR-PROFIT CORPORATION)**

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2015 AND 2014**

NOTE 1-ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION

Roanoke Housing Development Corporation (a North Carolina Not-For-Profit Corporation) (the "Corporation") was organized to construct, own and operate a 33-unit apartment community in Raleigh, North Carolina, known as Roanoke Commons (the "Community"), pursuant to Section 202 of the National Housing Act, as amended. Effective July 18, 2006, the original mortgage was refinanced under Section 207, pursuant to Section 223(f) of the National Housing Act, as amended. The Community consists of 32 units under the housing assistance payments contract ("HAP Contract") and one non-revenue producing unit. The Corporation has entered into the standard Federal Housing Administration ("FHA") regulatory agreements (the "Regulatory Agreements") governing the operation of the Community with the FHA section of the Department of Housing and Urban Development ("HUD"). The Corporation leases apartment units to low income families (or persons) in the normal course of business. The terms of the leases are generally one year.

Effective July 18, 2006, the Corporation combined with Club Plaza Apartments, an affiliated not-for-profit Corporation. Club Plaza Apartments owned and operated a 32 unit apartment community. Club Plaza Apartments entered into a regulatory and loan agreement in accordance with Section 202 of the National Housing Act. All assets, liabilities and net assets were contributed at the book value which approximated fair value.

The Corporation has entered into a HAP Contract with HUD. The current HAP Contract expires on January 10, 2035. The HAP Contract is a rent assistance program for low-income families (or persons) as provided by the Section 8 Program of the National Housing Act, as amended. Eligible low-income residents pay 30% of their income as rent, while HUD pays the difference between this rental amount and "contract rent" (as defined). The Corporation can request from HUD an amount equal to 80% of contract rent during periods that the unit is vacant if certain conditions are met, but not to exceed 60 days. Claims must be submitted within 180 days of the date the unit was available for occupancy, and should be submitted only after the claim period has ended.

The HAP Contract, among other items, prohibits the sale, assignment, conveyance or transfer of the HAP Contract on all or any part of the Community without the prior consent of HUD.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of the financial statements

The primary intent of the financial statements is for the U.S. Office of Management and Budget. The financial statements will also be used by HUD; therefore, the presentation and account descriptions have been established to conform to their reporting guidelines. In addition, the financial statements are in conformity with the provisions required by the Not-for-Profit Entities Presentation of Financial Statements topic of the FASB *Accounting Standards Codification* ("ASC") 958-205. This statement established standards for external financial reporting for Not-for-Profit Organizations.

**ROANOKE HOUSING DEVELOPMENT CORPORATION
(A NORTH CAROLINA NOT-FOR-PROFIT CORPORATION)**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED JUNE 30, 2015 AND 2014**

**NOTE 1-ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Basis of preparation of the financial statements (continued)

The Not-for-Profit Entities Presentation of Financial Statements topic of the FASB ASC primarily affects the display of the financial statements and requires that the amounts for each of the three classes of net assets - unrestricted, temporarily restricted and permanently restricted - be displayed in an aggregate statement of financial position and the amounts of change in each of those classes of net assets be displayed in a statement of changes in net assets. All assets held by the Corporation at June 30, 2015 and 2014 are classified as unrestricted.

The financial statements have been prepared on the accrual basis of accounting in accordance with the accounting principles generally accepted in the United States of America.

Cash and cash equivalents

For the Statements of Cash Flows, all unrestricted investments with original maturities of three months or less are cash equivalents. As of June 30, 2015 and 2014, cash and cash equivalents consists of unrestricted checking and savings accounts and a petty cash account.

Resident receivable and bad debt policy

Resident rent charges for the current month are due on the first of the month. Residents who are evicted or move-out are charged with damages or cleaning fees, if applicable. Resident receivables consist of amounts due for rental income or the charges for damages and cleaning fees. The Corporation does not accrue interest on the resident receivable balances.

Resident receivables are charged to bad debt expense when they are determined to be uncollectible based upon a periodic review of the accounts by management. Accounting principles generally accepted in the United States of America require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not material to the financial statements for the years ended June 30, 2015 and 2014. Bad debts expensed for the years ended June 30, 2015 and 2014 totaled \$-0-.

Residual receipts

Due to a budget shortage for Housing Assistance Payments, HUD required \$-0- and \$4,870 to be withdrawn from the residual receipts fund during the years ended June 30, 2015 and 2014, respectively. The Corporation has elected to receive the funding in monthly increments. Since the residual receipts fund is an asset of the Corporation, this withdrawal has been reflected as a release of restricted cash from residual receipts to cash operations and is included in miscellaneous rent revenue in the Statements of Profit and (Loss) - Changes in Net Assets and in residual receipts available for recapture on the Statements of Financial Position, respectively.

**ROANOKE HOUSING DEVELOPMENT CORPORATION
(A NORTH CAROLINA NOT-FOR-PROFIT CORPORATION)**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED JUNE 30, 2015 AND 2014**

**NOTE 1-ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Property and equipment

Depreciation of property and equipment, stated at cost, is computed primarily using the straight-line method over the estimated useful lives of the assets ranging from 3 - 50 years. Costs that are deemed to increase the useful life of the property or equipment are capitalized. When assets are sold or otherwise disposed of, the costs and related reserves are removed from the accounts, and any resulting gain or loss is included in operations.

The Corporation is subject to the provisions of the Impairment or Disposal of Long-Lived Assets topic of the FASB ASC 360-10. Impairment or Disposal of Long-Lived Assets has no retroactive impact on the Corporation's financial statements. The standard requires impairment losses to be recorded on long-lived assets when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets (excluding interest) are less than the carrying amount of the assets. In such cases, the carrying value of assets to be held and used are adjusted to their estimated fair value and assets held for sale are adjusted to their estimated fair value less selling expenses. No impairment losses were recognized during the years ended June 30, 2015 and 2014.

Unamortized costs

In connection with obtaining the loan, the Corporation incurred financing costs. These costs will be amortized using the straight-line method over a period of 30 years. Generally accepted accounting principles require that the effective yield method be used to amortize financing costs; however, the effect of using the straight-line method is not material to the financial statements for the years ended June 30, 2015 and 2014.

Rental income

Rental income is recognized as rents become due. Rental payments received in advance are deferred until earned. All leases between the Corporation and the residents of the Community are operating leases.

Advertising costs

Advertising costs are expensed as incurred and are included in advertising and marketing in the Statements of Profit and (Loss) - Changes in Net Assets.

Property taxes

The Corporation has received an exemption from real and personal property taxes.

Concentration of credit risk

The Corporation deposits its cash in financial institutions. At times, deposits may exceed federally insured limits. The Corporation continuously monitors the financial strength of these institutions, and has not experienced any losses in such accounts.

**ROANOKE HOUSING DEVELOPMENT CORPORATION
(A NORTH CAROLINA NOT-FOR-PROFIT CORPORATION)**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED JUNE 30, 2015 AND 2014**

**NOTE 1-ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Concentration of credit risk (continued)

The rental income from the HAP Contract totaled \$415,090 or 75% of the net rental income. HUD is contemplating several changes that may have a significant financial impact on the Corporation. Management cannot reasonably estimate the ramifications, if any, of these uncertainties.

The Corporation's operations are concentrated in the multifamily real estate market. In addition, the Corporation operates in a heavily regulated environment. The operations of the Corporation are subject to the administrative directives, rules and regulations of federal, state, and local regulatory agencies, including but not limited to, HUD. Such administrative directives, rules and regulations are subject to change by an act of Congress or an administrative change mandated by HUD. Such changes may occur with little notice or inadequate funding to pay the related cost, including the additional administrative burden, if any, to comply with a change.

Use of estimates in the preparation of financial statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair value

The Corporation is subject to the provisions of the Fair Value Measurement topic of the FASB ASC 820-10, which provides guidance for assets and liabilities which are required to be measured at fair value and requires expanded disclosure for fair value measurement. The standard applies whenever other standards require or permit assets or liabilities to be measured at fair value and does not require any new fair value measurements. The Fair Value Measurement did not have a material impact on the Corporation's financial statements for the years ended June 30, 2015 and 2014.

Accounting for uncertainty in income taxes

The Corporation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and state income tax and has been classified as an other than private foundation. Accordingly, no provision for federal and state taxes on revenue and income has been recognized in the accompanying financial statements. Generally, the Federal and State tax returns were subject to examinations from the three years after the later of the original or extended due date or the date filed with the applicable tax authority.

**ROANOKE HOUSING DEVELOPMENT CORPORATION
(A NORTH CAROLINA NOT-FOR-PROFIT CORPORATION)**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED JUNE 30, 2015 AND 2014**

**NOTE 1-ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Subsequent events

Management performed an evaluation of the Corporation's activity through September 1, 2015, the audit report date, and has concluded that there are no significant subsequent events requiring disclosure through the date these financial statements were available to be issued.

NOTE 2-UNAMORTIZED COSTS

Financing costs of \$124,464 are being amortized over a period of 30 years using the straight-line method. Amortization expense for the years ended June 30, 2015 and 2014 totaled \$4,148 and \$4,149, respectively. At June 30, 2015 and 2014, accumulated amortization was \$37,306 and \$33,158, respectively.

Estimated amortization expense for each of the next five years and thereafter is as follows:

2016	\$	4,149
2017		4,149
2018		4,149
2019		4,149
2020		4,149
Thereafter		<u>66,413</u>
		<u>\$ 87,158</u>

NOTE 3-MORTGAGE NOTE

On July 13, 2006, the Corporation entered into a mortgage note provided by Walker & Dunlop, Inc. pursuant to the provisions of Section 207, pursuant to Section 223(f) of the National Housing Act, as amended. The original amount of the note was \$2,608,100. The note provides, among other things, for:

- a. a term of 34 years and 11 months ending August 1, 2041;
- b. an interest rate of 5.9%;
- c. monthly principal and interest payments of \$14,696.38;
- d. monthly deposits to a reserve fund for replacing assets of the Community;
- e. monthly deposits to a project-based Section 8 contract savings fund; and
- f. an initial deposit of \$619,405 to a repair escrow.

**ROANOKE HOUSING DEVELOPMENT CORPORATION
(A NORTH CAROLINA NOT-FOR-PROFIT CORPORATION)**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED JUNE 30, 2015 AND 2014**

NOTE 3-MORTGAGE NOTE (CONTINUED)

Annual principal payments for each of the next five years and thereafter are approximately as follows:

2016	\$	38,845
2017		41,200
2018		43,697
2019		46,346
2020		49,156
Thereafter		<u>2,129,078</u>
		<u>\$ 2,348,322</u>

During the years ended June 30, 2015 and 2014, interest expensed was \$139,552 and \$141,656, and interest paid was \$139,732 and \$141,826, all respectively. At June 30, 2015 and 2014, accrued interest was \$11,546 and \$11,726, respectively.

Pursuant to the terms of the Regulatory Agreement, the Corporation is required to make monthly deposits to a debt service savings escrow in the amount of \$352.26. This fund is under the control of HUD and held by the Mortgagor separate from other HUD required reserves. Disbursements from such fund may only be made after receiving the written consent of the Secretary of HUD.

	<u>2015</u>	<u>2014</u>
Balance, beginning	\$ 22,251	\$ 18,022
Deposits	4,227	4,227
Interest income	<u>2</u>	<u>2</u>
Balance, ending	<u>\$ 26,480</u>	<u>\$ 22,251</u>

The liability of the Corporation under the mortgage note is limited to the underlying value of the property and equipment collateral in addition to other amounts on deposit.

NOTE 4-CASH DISTRIBUTIONS, RESIDUAL RECEIPTS FUND, AND RESERVE FOR REPLACEMENTS FUND

Pursuant to the terms of the Regulatory Agreement, no cash distributions may be made to non-profit owners, nor can they incur obligations on behalf of the Community, to themselves or any officers, directors, stockholders, trustees, partners, beneficiaries under a trust, or any of their nominees without prior written approval of HUD. Surplus Cash as defined by HUD, existing at the end of the fiscal year must be deposited in a residual receipts fund in the name of the Community. The residual receipts fund is an asset of the Corporation held under HUD control. Withdrawals from the residual receipts fund may only be made with the approval of HUD for Community purposes, including reduction of housing assistance payments. Upon termination of the Regulatory Agreement, any excess funds in residual receipts must be remitted to HUD.

**ROANOKE HOUSING DEVELOPMENT CORPORATION
(A NORTH CAROLINA NOT-FOR-PROFIT CORPORATION)**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED JUNE 30, 2015 AND 2014**

NOTE 4-CASH DISTRIBUTIONS, RESIDUAL RECEIPTS FUND, AND RESERVE FOR REPLACEMENTS FUND (CONTINUED)

During the years ended June 30, 2015 and 2014, \$-0- was required to be deposited, and \$-0- and \$4,870 was withdrawn from the residual receipts fund, all respectively. At June 30, 2015 and 2014, there was a balance of \$16,279 and \$16,268 in the residual receipts fund, respectively.

Pursuant to the terms of the Regulatory Agreement, the Corporation is required to make monthly deposits to the reserve for replacements fund. This fund is under the control of HUD. Disbursements from such fund may only be made for the purpose of effecting replacement of structural elements and mechanical equipment of the Community and after receiving the written consent of the Secretary of HUD. As of June 30, 2015 and 2014, the balance in the reserve for replacements account was \$428,216 and \$410,460, respectively.

NOTE 5-MANAGEMENT AGREEMENT

The Community is managed by Community Management Corporation (the "Agent"). In accordance with the management agreement, the Corporation pays an annual management fee of 6.27% of residential and miscellaneous income collected. During the years ended June 30, 2015 and 2014, the Agent earned management fees of \$-0- and \$305 on residual receipt withdrawals used to fund the HAP Contract, respectively. During the years ended June 30, 2015 and 2014, the total management fees earned were \$34,837 and \$35,952 and paid were \$35,142 and \$35,785, all respectively. At June 30, 2015 and 2014, \$2,730 and \$3,035 remained payable, respectively.

In accordance with HUD regulations, the Agent is also entitled to be reimbursed for actual costs incurred for front-line management activities performed at the central office (as these activities are defined by HUD).

NOTE 6-RESIDUAL RECEIPTS FUND CONTINGENCY

In accordance with the Regulatory Agreement, if HUD determines at any time that Community funds are more than the amount needed for project operations, reserve requirements and permitted distributions, HUD may require excess to be placed in an account to be used to reduce HAP payments or for other project purposes. Upon termination of the HAP Contract, any excess funds must be remitted to HUD. Residual receipt fund balances in excess of \$250 per unit must be applied on a monthly basis to reduce the monthly housing assistance payments, and continue until the residual receipts fund reaches the retained balance of \$250 per unit. The excess of \$250 per unit is reflected in residual receipts available for recapture on the Statements of Financial Position and miscellaneous financial expense on the Statements of Profit and (Loss) - Changes in Net Assets. During the years ended June 30, 2015 and 2014, the loss due to recapture of residual receipts was \$-0- and \$18, respectively. At June 30, 2015 and 2014, \$18 remains payable.

**ROANOKE HOUSING DEVELOPMENT CORPORATION
(A NORTH CAROLINA NOT-FOR-PROFIT CORPORATION)**

**ACCOMPANYING INFORMATION REQUIRED BY HUD
YEAR ENDED JUNE 30, 2015**

Reserve for replacements

In accordance with provisions of the Regulatory Agreement, cash is held by Walker & Dunlop, Inc. to be used for replacing assets of the Community with HUD's approval.

Balance, July 1, 2014	\$	410,460
Monthly deposits		22,476
Approved withdrawal		(5,000)
Interest		280
		<hr/>
Balance, June 30, 2015	\$	428,216
		<hr/> <hr/>

Residual receipts

In accordance with provisions of the Regulatory Agreement, cash is held by Walker & Dunlop, Inc. to be used as allowed by HUD.

Balance, July 1, 2014	\$	16,268
Interest		11
		<hr/>
Balance, June 30, 2015	\$	16,279
		<hr/> <hr/>

**ROANOKE HOUSING DEVELOPMENT CORPORATION
(A NORTH CAROLINA NOT-FOR-PROFIT CORPORATION)**

**COMPUTATION OF SURPLUS CASH, DISTRIBUTIONS AND RESIDUAL RECEIPTS
YEAR ENDED JUNE 30, 2015**

Part A - Compute Surplus Cash

1. Cash	\$ 36,120	
2. Accounts Receivable - HUD	\$ 86	
3. Other	\$	
(a) Total Cash (Add Lines 1, 2, and 3)		\$ 36,206

Current Obligations

4. Accrued Mortgage (or Bond) Interest Payable	\$ 11,546	
5. Delinquent Mortgage (or Bond) Principal Payments	\$	
6. Delinquent Deposits to Reserve for Replacements	\$	
7. Accounts Payable (due Within 30 days)	\$ 5,545	
8. Loans and Notes Payable (due Within 30 days)	\$	
9. Deficient Tax Insurance or MIP Escrow Deposits	\$	
10. Accrued Expenses (not Escrowed)	\$ 4,465	
11. Prepaid Revenue	\$ 12	
12. Resident/Patient Deposits Held in Trust	\$ 17,235	
13. Other Current Obligations	\$	
(b) Less Total Current Obligations (Add Lines 4 Through 13)		\$ 38,803
(c) Surplus Cash (Deficiency) (Line (a) Minus Line (b))		\$ (2,597)

PART B - Compute Distributions to Owners and Required Deposit to Residual Receipts

1. Deposit Due Residual Receipts	\$	0
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BALANCE SHEET DATA
 SUPPLEMENTAL INFORMATION

Organization Name		FHA/Contract Number	
ROANOKE HOUSING DEVELOPMENT CORPORATION		See cover page	
For Year Ending			
June 30, 2015			
ASSETS			
Acct No.	Description of Account		
1120	Cash - Operations		18,885
1121	Construction Cash Account		-
1125	Cash - Entity		-
1130	Tenant/Member Accounts Receivable (Coops)	87	
1131	Allowance for Doubtful Accounts	-	
1130N	Net Tenant Accounts Receivable		87
1135	Accounts Receivable - HUD		86
1137	Medicare/Medicaid/Other Insurance Receivable	-	
1138	Allowance for Doubtful Accounts (Medicare/Medicaid/Other Insurance Receivable)	-	
1137N	Net Medicare/Medicaid/Other Insurance Receivable		-
1140	Accounts and Notes Receivable - Operations		1,856
1145	Accounts and Notes Receivable - Entity		-
1160	Accounts Receivable - Interest		-
1165	Interest Reduction Payment Receivable		-
1170	Short Term Investments - Operations		-
1175	Short Term Investments - Entity		-
1180	Inventory		-
1190	Miscellaneous Current Assets		-
1200	Prepaid Expenses		2,654
1100T	Total Current Assets		23,568
1191	Tenant/Patient Deposits Held in Trust		17,235
1310	Escrow Deposits		24,093
1320	Replacement Reserve		428,216
1330	Other Reserves		26,480
1340	Residual Receipts Reserve		16,279
1355	Bond Reserves		-
1367	Sinking Fund		-
1381	Management Improvement and Operating Plan		-
1300T	Total Deposits		495,068
1410	Land		273,805
1420	Buildings		1,924,026
1440	Building Equipment (Portable)		2,414
1450	Furniture for Project/Tenant Use		34,810
1460	Furnishings		-
1465	Office Furniture and Equipment		8,984
1470	Maintenance Equipment		2,304
1480	Motor Vehicles		-
1490	Miscellaneous Fixed Assets		-
1400T	Total Fixed Assets		2,246,343
1495	Accumulated Depreciation		1,094,376
1400N	Net Fixed Assets		1,151,967
1510	Investments - Operations		-
1515	Investments - Entity		-
1520	Deferred Financing Costs		87,158
1525	Cash Restricted for Long-term Investment		-
1590	Miscellaneous Other Assets		-
1500T	Total Other Assets		87,158
1000T	Total Assets		\$ 1,774,996

LIABILITIES			
2105	Bank Overdraft - Operations		-
2110	Accounts Payable - Operations		5,545
2111	Accounts Payable - Construction/Development		-
2112	Accounts Payable - Project Improvement Items		-
2113	Accounts Payable - Entity		-
2114	Incentive Performance Fee Payable		-
2115	Accounts Payable - 236 Excess Income due HUD		-
2116	Accounts Payable - Section 8 & Other		-
2120	Accrued Wages Payable		1,601
2121	Accrued Payroll Taxes Payable		134
2123	Accrued Management Fee Payable		2,730
2125	Accrued Lease Payments Payable		-
2130	Accrued Interest Payable - Section 236		-
2131	Accrued Interest Payable - First Mortgage (or Bonds)		11,546
2132	Accrued Interest Payable - Other Mortgages		-
2133	Accrued Interest Payable - Other Loans and Notes (Surplus Cash)		-
2134	Accrued Interest Payable - Other Loans and Notes		-
2135	Accrued Interest Payable - Flexible Subsidy Loan		-
2136	Accrued Interest Payable - Capital Improvements Loan		-
2137	Accrued Interest Payable - Operating Loss Loan		-
2139	Accrued Interest Payable - Capital Recovery Payment (M2M)		-
2150	Accrued Property Taxes		-
2160	Notes Payable (Short-term)		-
2170	Mortgage (or Bonds) Payable - First Mortgage (Bonds) (Short Term)		38,845
2172	Other Mortgages Payable (Short Term)		-
2173	Other Loans and Notes Payable - Surplus Cash (Short Term)		-
2174	Other Loans and Notes (Short Term)		-
2175	Flexible Subsidy Loan Payable (Short Term)		-
2176	Capital Improvement Loan Payable (Short Term)		-
2177	Operating Loss Loan Payable (Short Term)		-
2179	Capital Recovery Payment Payable (Short Term - M2M)		-
2180	Utility Allowances		-
2190	Miscellaneous Current Liabilities		18
2210	Prepaid Revenue		12
2122T	Total Current Liabilities		60,431
2191	Tenant/Patient Deposits Held In Trust (Contra)		17,235
2305	Accounts Payable - Entity (Long Term)		-
2306	Accrued Lease Payments Payable - Long Term		-
2310	Notes Payable (Long-Term)		-
2311	Notes Payable - Surplus Cash		-
2320	Mortgage (or Bonds) Payable - First Mortgage (or Bonds)		2,309,477
2322	Other Mortgages Payable (Long Term)		-
2323	Other Loans and Notes Payable - Surplus Cash		-
2324	Other Loans and Notes Payable		-
2325	Flexible Subsidy Loan Payable		-
2326	Capital Improvement Loan Payable		-
2327	Operating Loss Loan Payable		-
2329	Capital Recovery Payment (M2M)		-
2330	Interest on Loans or Notes Payable (Long Term)		-
2331	Accrued Interest Other Mortgages Payable (Long Term)		-
2332	Accrued Interest Notes Payable (Surplus Cash) (Long Term)		-
2390	Miscellaneous Long Term Liabilities		-
2300T	Total Long Term Liabilities		2,309,477
2000T	Total Liabilities		\$ 2,387,143
NET ASSETS			
3131	Unrestricted Net Assets		(612,147)
3132	Temporarily Restricted Net Assets		-
3133	Permanently Restricted Net Assets		-
3130	Total Net Assets		(612,147)
2033T	Total Liabilities and Equity/Net Assets		\$ 1,774,996

PROFIT AND LOSS DATA
 SUPPLEMENTAL INFORMATION

Organization Name		FHA/Contract Number
ROANOKE HOUSING DEVELOPMENT CORPORATION		See cover page
For Year Ending		
June 30, 2015		
Acct No.	Description of Account	
Rent Revenue		
5120	Rent Revenue - Gross Potential	145,171
5121	Tenant Assistance Payments	413,086
5140	Rent Revenue - Stores and Commercial	-
5170	Garage and Parking Spaces	-
5180	Flexible Subsidy Revenue	-
5190	Miscellaneous Rent Revenue	-
5191	Excess Rent	-
5192	Rent Revenue/Insurance	-
5193	Special Claims Revenue	2,004
5194	Retained Excess Income	-
5195	Lease Revenue (Nursing Home or Section 232 - B&C or AL)	-
5100T	Total Rent Revenue	560,261
Vacancies		
5220	Apartments	4,383
5240	Stores and Commercial	-
5250	Rental Concessions	-
5270	Garage and Parking Space	-
5290	Miscellaneous	-
5200T	Total Vacancies	4,383
5152N	Net Rental Revenue (Rent Revenue Less Vacancies)	555,878
5300 Revenue		
5300	Nursing Homes/ Assisted Living/Board & Care/Other Elderly Care/Coop/ and Other Revenues	-
Financial Revenue		
5410	Financial Revenue - Project Operation	11
5430	Revenue from Investments - Residual Receipts	11
5440	Revenue from Investments - Replacement Reserve	280
5490	Revenue from Investments - Miscellaneous	2
5400T	Total Financial Revenue	304
Other Revenue		
5910	Laundry and Vending Revenue	2,235
5920	Tenant Charges	601
5945	Interest Reduction Payments Revenue	-
5560	Expiration of Gift Donor Restrictions	-
5970	Gifts	-
5990	Miscellaneous Revenue	-
5900T	Total Other Revenue	2,836
5000T	Total Revenue	559,018
Administrative Expenses		
6203	Conventions and Meetings	605
6204	Management Consultants	-
6210	Advertising and Marketing	390
6250	Other Renting Expenses	345
6310	Office Salaries	9,252
6311	Office Expenses	19,654
6312	Office or Model Apartment Rent	-
6320	Management Fee	34,837
6330	Manager or Superintendent Salaries	38,479
6331	Administrative Rent Free Unit	-
6340	Legal Expense - Project	13
6350	Audit Expense	4,500
6351	Bookkeeping Fees/Accounting Services	858
6370	Bad Debts	-
6390	Miscellaneous Administrative Expenses	2,070
6263T	Total Administrative Expenses	111,003
Utilities Expenses		
6420	Fuel Oil/Coal	-
6450	Electricity	9,455
6451	Water	3,756
6452	Gas	848
6453	Sewer	5,459
6400T	Total Utilities Expense	19,518

Operating & Maintenance Expenses			
6510	Payroll	29,148	
6515	Supplies	24,641	
6520	Contracts	80,440	
6521	Operating and Maintenance Rent Free Unit	-	
6525	Garbage and Trash Removal	7,883	
6530	Security Payroll/Contract	600	
6531	Security Rent Free Unit	-	
6546	Heating/Cooling Repairs and Maintenance	2,982	
6548	Snow Removal	1,563	
6570	Vehicle and Maintenance Equipment Operation and Repairs	-	
6580	Lease Expense	-	
6590	Miscellaneous Operating and Maintenance Expenses	2,872	
6500T	Total Operating and Maintenance Expense		150,129
Taxes & Insurance			
6710	Real Estate Taxes	-	
6711	Payroll Taxes (Project's Share)	5,998	
6720	Property & Liability Insurance (Hazard)	7,487	
6721	Fidelity Bond Insurance	59	
6722	Workmen's Compensation	2,919	
6723	Health Insurance and Other Employee Benefits	9,134	
6790	Miscellaneous Taxes, Licenses, Permits and Insurance	-	
6700T	Total Taxes and Insurance		25,597
Financial Expenses			
6820	Interest on First Mortgage (or Bonds) Payable	139,552	
6825	Interest on Other Mortgages	-	
6830	Interest on Notes Payable (Long Term)	-	
6840	Interest on Notes Payable (Short Term)	-	
6845	Interest on Capital Recovery Payment (M2M)	-	
6850	Mortgage Insurance Premium/ Service Charge	9,882	
6890	Miscellaneous Financial Expenses	-	
6800T	Total Financial Expenses		149,434
6900 Expenses			
6900	Nursing Homes/Assisted Living/ Board & Care/Other Elderly Care Expenses		42,828
Operating Results			
6000T	Total Cost of Operations before Depreciation		498,509
5060T	Profit (Loss) before Depreciation		60,509
6600	Depreciation Expenses	65,860	
6610	Amortization Expense	4,148	
5060N	Operating Profit or (Loss)		(9,499)
Corporate or Mortgagor Revenue/Expenses			
7105	Entity Revenue	-	
7110	Officer's Salaries	-	
7115	Incentive Performance Fee	-	
7120	Legal Expenses	-	
7130	Federal, State, and Other Income Taxes	-	
7141	Interest on Notes Payable	-	
7142	Interest on Mortgage Payable	-	
7190	Other Expenses	-	
7100T	Net Entity Expenses		-
Change in Net Assets from Operations			
3247	Change in Unrestricted Net Assets from Operations	(9,499)	
3248	Change in Temporarily Restricted Net Assets from Operations	-	
3249	Change in Permanently Restricted Net Assets from Operations	-	
3250	Profit or Loss (Net Income or Loss)		\$ (9,499)
Part II			
S1000-010	Total first mortgage (or bond) principal payments required during the audit period (usually 12 months). This applies to all direct loans, HUD-held and HUD-insured first mortgages.		\$ 36,625
S1000-020	The total of all monthly reserve for replacement deposits (usually 12 months) required during the audit period even if deposits have been temporarily waived or suspended.		\$ 22,476
S1000-030	Replacement Reserves, or Residual Receipts and Releases which are included as expense items on this Profit and Loss statement.		\$ -
S1000-040	Project Improvement Reserve releases under the Flexible Subsidy Program that are included as expense items on this Profit and Loss statement.		\$ -

EQUITY DATA

SUPPLEMENTAL INFORMATION

Organization Name		FHA/Contract Number	
ROANOKE HOUSING DEVELOPMENT CORPORATION		See cover page	
For Year Ending			
June 30, 2015			
Acct No.	Description of Account		
S1100-060	Previous Year Unrestricted Net Assets	(602,648)	
3247	Change in Unrestricted Net Assets from Operations	(9,499)	
S1100-065	Other Changes in Unrestricted Net Assets	-	
3131	Unrestricted Net Assets		(612,147)
S1100-070	Previous Year Temporarily Restricted Net Assets	-	
3248	Change in Temporarily Restricted Net Assets from Operations	-	
S1100-075	Other Changes in Temporarily Restricted Net Assets	-	
3132	Temporarily Restricted Net Assets		-
S1100-080	Previous Year Permanently Restricted Net Assets	-	
3249	Change in Permanently Restricted Net Assets from Operations	-	
S1100-085	Other Changes in Permanently Restricted Net Assets	-	
3133	Permanently Restricted Net Assets		-
S1100-050	Previous Year Total Net Assets	(602,648)	
3250	Change in Total Net Assets from Operations	(9,499)	
S1100-055	Other Changes in Total Net Assets	-	
3130	Total Net Assets		\$ (612,147)

CASH FLOW DATA
SUPPLEMENTAL INFORMATION

Organization Name		FHA/Contract Number
ROANOKE HOUSING DEVELOPMENT CORPORATION		See cover page
For Year Ending		
June 30, 2015		
Acct No.	Description of Account	
Cash Flow from Operating Activities		
S1200-010	Rental Receipts	555,699
S1200-020	Interest Receipts	304
S1200-025	Gifts	-
S1200-030	Other Operating Receipts	2,836
S1200-035	Entity/Construction Receipts	-
S1200-040	Total Receipts	558,839
S1200-050	Administrative	(71,509)
S1200-070	Management Fee	(35,142)
S1200-090	Utilities	(19,543)
S1200-100	Salaries and Wages	(76,441)
S1200-110	Operating and Maintenance	(134,194)
S1200-115	Lease Payments	-
S1200-120	Real Estate Taxes	-
S1200-140	Property Insurance	(7,487)
S1200-150	Miscellaneous Taxes and Insurance	(18,071)
S1200-160	Tenant Security Deposits	-
S1200-170	Other Operating Expenses	-
S1200-180	Interest on Mortgages	(139,732)
S1200-181	Interest Payments - Second Mortgage	-
S1200-182	Interest Payments - Third Mortgage	-
S1200-190	Interest on Notes Payable	-
S1200-200	Interest on Capital Recovery Payment	-
S1200-210	Mortgage Insurance Premium (MIP)	(10,616)
S1200-220	Miscellaneous Financial	-
S1200-223	Entity - Incentive Performance Fee	-
S1200-225	Entity/Construction Disbursements	-
S1200-230	Total Disbursements	(512,735)
S1200-240	Net Cash provided by (used in) Operating Activities	46,104
Cash Flow from Investing Activities		
S1200-245	Net Deposits to the Mortgage Escrow account	(2,519)
S1200-250	Net Deposits to the Reserve for Replacement account	(17,756)
S1200-255	Net Deposits to Other Reserves	(4,229)
S1200-260	Net Deposits to the Residual Receipts account	(11)
S1200-300	Net Deposits to the Management Improvement and Operating Plan account	-
S1200-310	Net Deposits to the Long Term Investment account	-
S1200-330	Net Purchase of Fixed Assets	(2,034)
S1200-340	Other Investing Activities	-
S1200-345	Entity/Construction Investing Activities	-
S1200-350	Net Cash provided by (used in) Investing Activities	(26,549)

Cash Flow from Financing Activities		
S1200-360	Principal Payments - First Mortgage (or Bonds)	(36,625)
S1200-361	Principal Payments - Second Mortgage	-
S1200-362	Principal Payments - Third Mortgage	-
S1200-365	Proceeds from Mortgages, Loans or Notes Payable	-
S1200-370	Principal Payments on Loans or Notes Payable	-
S1200-385	Proceeds from Flexible Subsidy Loans	-
S1200-390	Flexible Subsidy Loan principal payments	-
S1200-395	Proceeds from Capital Improvement Loans	-
S1200-400	Principal payments on Capital Improvement Loan Payable	-
S1200-405	Proceeds from Operating Loss Loans	-
S1200-410	Principal payments on Operating Loss Loan Payable	-
S1200-413	Proceeds from Capital Recovery Payment	-
S1200-417	Principal Payments on Capital Recovery Payment	-
S1200-420	Distributions	-
S1200-430	Contributions	-
S1200-450	Other Financing Activities	-
S1200-455	Entity/Construction Financing Activities	-
S1200-460	Net Cash provided by (used in) Financing Activities	(36,625)
S1200-470	Net increase (decrease) in Cash and Cash Equivalents	(17,070)
Cash and Cash Equivalents		
S1200-480	Beginning of Period Cash	35,955
S1200-485	Gifts of Investment	-
S1200-486	Endowment Gifts Received	-
S1200T	End of Period Cash	\$ 18,885
Reconciliation of Net Profit (Loss) to Net Cash Provided by (Used in) Operating Activities		
3250	Change in Total Net Assets from Operations	(9,499)
Adjustments to Reconcile Net Profit (Loss) to Net Cash Provided by (Used in) Operating Activities		
6600	Depreciation Expenses	65,860
6610	Amortization Expense	4,148
S1200-490	Decrease (increase) in Tenant/Member Accounts Receivable	(84)
S1200-500	Decrease (increase) in Accounts Receivable - Other	145
S1200-505	Increase in Gifts Receivable	-
S1200-510	Decrease (increase) in Accrued Receivable	-
S1200-520	Decrease (increase) in Prepaid Expenses	(734)
S1200-530	Decrease (increase) in Cash Restricted for Tenant Security Deposits	(201)
S1200-535	Decrease (increase) in Entity/Construction Asset Accounts	-
S1200-540	Increase (decrease) in Accounts Payable	(13,513)
S1200-550	Increase (decrease) in Accounts Payable - HUD Excess Rents	-
S1200-560	Increase (decrease) in Accrued Liabilities	172
S1200-570	Increase (decrease) in Accrued Interest Payable	(180)
S1200-580	Increase (decrease) in Tenant Security Deposits held in trust	201
S1200-590	Increase (decrease) in Prepaid Revenue	(211)
S1200-600	Other adjustments to reconcile net profit (loss) to Net Cash provided by (used in) Operating Activities	-
S1200-605	Increase (decrease) in Entity/Construction Liability accounts	-
Net Cash provided by (used in) Operating Activities		
S1200-610	Net Cash provided by (used in) Operating Activities	\$ 46,104
S1200-620	Comments	
	Cash flow from investing activities related to the purchase of property and equipment for the year ended June 30, 2015 includes \$2,034, which was included in accounts payable - operations at June 30, 2014.	

DETAIL OF ACCOUNTS
SUPPLEMENTAL INFORMATION

Organization Name		FHA/Contract Number
ROANOKE HOUSING DEVELOPMENT CORPORATION		See cover page
For Year Ending		
June 30, 2015		
Acct No.	Detail Description	
Balance Sheet Data		
1140	Accounts and Notes Receivable - Operations	
	Capital advance receivable	-
	Commercial rents receivable	-
	Grant receivable	-
	Insurance refund	-
	Insurance settlement	-
	Inter-company receivable	-
	Laundry revenue receivable	-
	Leasee receivable	-
	Management fee overpayment receivable	-
	Mortgage insurance premium refund	-
	Mortgage proceeds receivable	-
	Other tenant receivables	-
	Overpaid/prepaid distributions	-
	Partner/officer/sponsor receivable	-
	Property tax refund	-
	Receivable from other project or business	-
	Related party receivable	-
	Sales tax refund	1,856
	Reserve withdrawals receivable	-
	Service coordinator receivable	-
	Syndication proceeds receivable	-
	Vendor rebate	-
	Vendor refund	-
	Other (must detail)	-
1140	Total Accounts and Notes Receivable - Operations	1,856
1145	Accounts and Notes Receivable - Entity	
	Asset management fee receivable	-
	Capital contributions receivable	-
	Income taxes receivable	-
	Entity interest receivable	-
	Leasee receivable	-
	Partner/officer/sponsor receivable	-
	Related party receivable	-
	Syndication proceeds receivable	-
	Other (must detail)	-
1145	Total Accounts and Notes Receivable - Entity	-
1190	Miscellaneous Current Assets	
	Payroll deposits	-
	Utility deposits	-
	Other (must detail)	-
1190	Total Miscellaneous Current Assets	-

1590	Miscellaneous Other Assets		
	Construction in progress	-	
	Notes receivable related parties	-	
	Offering costs	-	
	Utility deposits	-	
	Other (must detail)	-	
1590	Total Miscellaneous Other Assets		-
2132	Accrued Interest Payable - Other Mortgages		
	Second Mortgage	-	
	Third Mortgage	-	
	Fourth Mortgage	-	
	Fifth Mortgage	-	
2132	Total Accrued Interest Payable - Other Mortgages		-
2172	Other Mortgages Payable (Short Term)		
	Second Mortgage	-	
	Third Mortgage	-	
	Fourth Mortgage	-	
	Fifth Mortgage	-	
2172	Total Other Mortgages Payable (Short Term)		-
2190	Miscellaneous Current Liabilities		
	Residual receipts available for recapture	18	
		-	
		-	
2190	Total Miscellaneous Current Liabilities		18
2322	Other Mortgages Payable (Long Term)		
	Second Mortgage	-	
	Third Mortgage	-	
	Fourth Mortgage	-	
	Fifth Mortgage	-	
2322	Total Other Mortgages Payable (Long Term)		-
2331	Accrued interest Other Mortgages Payable (Long Term)		
	First Mortgage	-	
	Second Mortgage	-	
	Third Mortgage	-	
	Fourth Mortgage	-	
	Fifth Mortgage	-	
2331	Total Accrued interest Other Mortgages Payable (Long Term)		-
2390	Miscellaneous Long-term Liabilities		
		-	
		-	
		-	
2390	Total Miscellaneous Long-term Liabilities		-
Profit and Loss Data			
5190	Miscellaneous Rent Revenue		
		-	
		-	
		-	
		-	
5190	Total Miscellaneous Rent Revenue		-
5290	Miscellaneous		
		-	
		-	
		-	
		-	
5290	Total Miscellaneous		-

5490	Revenue from Investments - Miscellaneous		
	Security deposit interest income	-	
	Investment interest income	-	
	Debt service escrow interest income	2	
		-	
5490	Total Revenue from Investments - Miscellaneous		2
5990	Miscellaneous Revenue		
		-	
		-	
		-	
		-	
5990	Total Miscellaneous Revenue		-
6390	Miscellaneous Administrative Expenses		
	Bank fees	439	
	Supportive services	-	
	Employee mileage reimbursement	1,006	
	Other administrative expenses	625	
6390	Total Miscellaneous Administrative Expenses		2,070
6590	Miscellaneous Operating and Maintenance Expenses		
	Maintenance equipment purchases and rentals	428	
	Fire protection expenses	2,444	
	Cable expenses	-	
	Loss on disposal of fixed assets	-	
6590	Total Miscellaneous Operating and Maintenance Expenses		2,872
6790	Miscellaneous Taxes, Licenses, Permits and Insurance		
	Employee benefits liability insurance	-	
	Director and officers liability insurance	-	
	Auto insurance	-	
	Miscellaneous taxes, licenses, permits and insurance	-	
6790	Total Miscellaneous Taxes, Licenses, Permits and Insurance		-
6890	Miscellaneous Financial Expenses		
	Security deposit interest expense	-	
	Investment fees	-	
		-	
		-	
6890	Total Miscellaneous Financial Expenses		-
7190	Other Expenses		
	Partnership management fees	-	
		-	
		-	
		-	
7190	Total Other Expenses		-
Equity Data			
S1100-055	Other Changes in Total Net Assets		
		-	
		-	
		-	
S1100-055	Total Other Changes in Total Net Assets		-
Cash Flow Data			
S1200-035	Entity/Construction Receipts		
	Entity interest income	-	
		-	
		-	
		-	
S1200-035	Total Entity/Construction Receipts		-

S1200-225	Entity/Construction Disbursements		
	Partnership management fees	-	
		-	
		-	
		-	
S1200-225	Total Entity/Construction Disbursements		-
S1200-340	Other Investing Activities		
		-	
		-	
		-	
		-	
S1200-340	Total Other Investing Activities		-
S1200-345	Entity/Construction Investing Activities		
		-	
		-	
		-	
		-	
S1200-345	Total Entity/Construction Investing Activities		-
S1200-450	Other Financing Activities		
		-	
		-	
		-	
		-	
S1200-450	Total Other Financing Activities		-
S1200-455	Entity/Construction Financing Activities		
		-	
		-	
		-	
		-	
S1200-455	Total Entity/Construction Financing Activities		-
S1200-535	Decrease (increase) in Entity/ Construction Asset accounts		
		-	
		-	
		-	
		-	
S1200-535	Total Decrease (increase) in Entity/ Construction Asset accounts		-
S1200-600	Other adjustments to reconcile net profit (loss) to Net Cash provided by (used in) Operating Activities		
		-	
		-	
		-	
		-	
S1200-600	Total Other adjustments to reconcile net profit (loss) to Net Cash provided by (used in) Operating Activities		-
S1200-605	Increase (decrease) in Entity/Construction Liability accounts		
		-	
		-	
		-	
		-	
S1200-605	Total Increase (decrease) in Entity/Construction Liability accounts		-

**ROANOKE HOUSING DEVELOPMENT CORPORATION
(A NORTH CAROLINA NOT-FOR-PROFIT CORPORATION)**

**SCHEDULE OF CHANGES IN PROPERTY AND EQUIPMENT
YEAR ENDED JUNE 30, 2015**

	ASSETS			
	Balance 7/1/2014	Additions	Deletions	
Land and land improvements	\$ 273,805	\$ -	\$ -	\$ 273,805
Buildings	1,924,026	-	-	1,924,026
Building equipment	2,414	-	-	2,414
Furniture for community/resident	34,810	-	-	34,810
Office furniture and equipment	8,984	-	-	8,984
Maintenance equipment	2,304	-	-	2,304
	<u>\$ 2,246,343</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,246,343</u>
Accumulated depreciation	<u>\$ 1,028,516</u>	<u>\$ 65,860</u>	<u>\$ -</u>	<u>\$ 1,094,376</u>
Net Book Value				<u>\$ 1,151,967</u>

**ROANOKE HOUSING DEVELOPMENT CORPORATION
(A NORTH CAROLINA NOT-FOR-PROFIT CORPORATION)**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015**

U.S. Department of Housing and Urban Development

Mortgage Insurance for the Purchase or Refinancing of Existing
Multifamily Housing Projects (CFDA No. 14.155)

- Balance of HUD Insured Loan as of June 30, 2015 under Section 207,
pursuant to Section 223(f) of the National Housing Act \$ 2,348,322

Section 8 Housing Assistance Payments Program (CFDA No. 14.195) 415,090

\$ 2,763,412

Note: The schedule of expenditures of federal awards is prepared on the accrual basis of accounting.



Dauby O'Connor & Zaleski, LLC
A Limited Liability Company
Certified Public Accountants

**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***

To the Board of Directors of
Roanoke Housing Development Corporation
(A North Carolina Not-For-Profit Corporation)

We have audited, in accordance with the 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 Housing Development Corporation, which comprise the statement of financial position as of June 30, 2015, and the related statements of profit and (loss) - changes in net assets, changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 1, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Roanoke Housing Development Corporation'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Roanoke Housing Development Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of Roanoke Housing Development Corporation'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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of Roanoke Housing Development Corporation'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.

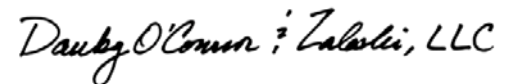
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Roanoke Housing Development Corporation's financial statements are free from 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 Roanoke Housing Development Corporation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Roanoke Housing Development Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

September 1, 2015
Carmel, Indiana



Dauby O'Connor & Zaleski, LLC
Certified Public Accountants



Dauby O'Connor & Zaleski, LLC
A Limited Liability Company
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the Board of Directors of
Roanoke Housing Development Corporation
(A North Carolina Not-For-Profit Corporation)

Report on Compliance for Each Major Federal Program

We have audited Roanoke Housing Development Corporation's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Roanoke Housing Development Corporation's major federal programs for the year ended June 30, 2015. Roanoke Housing Development Corporation's major federal programs are identified in the summary of auditor's results.

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 Roanoke Housing Development Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Roanoke Housing Development Corporation'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 Roanoke Housing Development Corporation's compliance.

Opinion on Each Major Federal Program

In our opinion, Roanoke Housing Development Corporation 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 June 30, 2015.

Report on Internal Control Over Compliance

Management of Roanoke Housing Development Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Roanoke Housing Development Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Roanoke Housing Development Corporation's internal control over compliance.

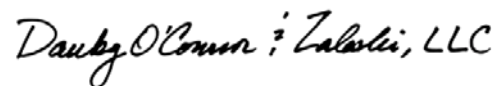
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a 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.

Restricted Use

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

September 1, 2015
Carmel, Indiana



Dauby O'Connor & Zaleski, LLC
Certified Public Accountants

**ROANOKE HOUSING DEVELOPMENT CORPORATION
(A NORTH CAROLINA NOT-FOR-PROFIT CORPORATION)**

**SUMMARY OF AUDITOR'S RESULTS
YEAR ENDED JUNE 30, 2015**

Section I-Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiencies identified that are not considered to be material weaknesses? yes none reported
- Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiencies identified that are not considered to be material weaknesses? yes none reported
- Dollar threshold used to distinguish between Type A and Type B programs: \$ 300,000
- Auditee qualifies as a low-risk auditee? yes no

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(A) of Circular A-133? yes no

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
14.155	Mortgage Insurance for the Purchase or Refinancing of Existing Multifamily Housing Projects
14.195	Section 8 Housing Assistance Payments Program

**ROANOKE HOUSING DEVELOPMENT CORPORATION
(A NORTH CAROLINA NOT-FOR-PROFIT CORPORATION)**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015**

Section II-Financial Statement Findings

Our audit disclosed no findings or questioned costs that are required to be reported.

Section III-Federal Award Findings and Questioned Costs

Our audit disclosed no findings or questioned costs that are required to be reported.

**ROANOKE HOUSING DEVELOPMENT CORPORATION
(A NORTH CAROLINA NOT-FOR-PROFIT CORPORATION)**

**AUDITOR'S COMMENTS ON AUDIT RESOLUTION MATTERS
YEAR ENDED JUNE 30, 2015**

There were no open findings or questioned costs from the prior audit report.

**ROANOKE HOUSING DEVELOPMENT CORPORATION
(A NORTH CAROLINA NOT-FOR-PROFIT CORPORATION)**

**MANAGEMENT AGENT CERTIFICATION
YEAR ENDED JUNE 30, 2015**

We hereby certify that we have examined the accompanying financial statements and supplemental data of Roanoke Housing Development Corporation and, to the best of our knowledge and belief, the same are accurate and complete.



David C. Eagan, President
Community Management Corporation

Date: September 1, 2015

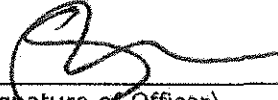
Federal Employer Identification Number: 56-1010128

**ROANOKE HOUSING DEVELOPMENT CORPORATION
(A NORTH CAROLINA NOT-FOR-PROFIT CORPORATION)**

**CERTIFICATION OF OFFICERS
YEAR ENDED JUNE 30, 2015**

We hereby certify that we have examined the accompanying financial statements and supplemental data of Roanoke Housing Development Corporation and, to the best of our knowledge and belief, the same are complete and accurate.

Officers:

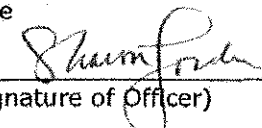


(Signature of Officer)

Gregg Warren

(Print Name of Officer)

President
(Title of Officer)

Date


(Signature of Officer)

Sharon Lorden

(Print Name of Officer)

Treasurer

(Title of Officer)

9/4/15

Date