

Economic Development Authority of the City of Richmond, Virginia

(A Component Unit of the City of Richmond, Virginia)

Financial Statements as of and for the
Year Ended June 30, 2015, and
Independent Auditors' Report

**Economic Development Authority of the City of Richmond, Virginia
(A Component Unit of the City of Richmond, Virginia)**

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Independent Auditors' Report

To the Honorable Members of the Board of Directors
Economic Development Authority of the City of Richmond, Virginia
(A Component Unit of the City of Richmond, Virginia)

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the business-type activities of the Economic Development Authority of the City of Richmond, Virginia, a component unit of the City of Richmond, Virginia, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Economic Development Authority of the City of Richmond, Virginia'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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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; and *Specifications for Audits of Authorities, Boards and Commissions* issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards and specifications require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 auditors' 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 auditors consider 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Economic Development Authority of the City of Richmond, Virginia as of June 30, 2015, and the respective changes in its 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 on pages 3 through 6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental 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 about 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Economic Development Authority of the City of Richmond, Virginia's basic financial statements. The accompanying combining statement of fiduciary assets and liabilities and the combining statement of changes in fiduciary assets and liabilities – agency funds on pages 25 - 26 are not a required part of the financial statements. These statements are the responsibility of management and were derived from and relate 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 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 November 5, 2015, on our consideration of the Economic Development Authority of the City of Richmond, Virginia'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 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 the Economic Development Authority of the City of Richmond, Virginia's internal control over financial reporting and compliance.

Dixon Hughes Goodman LLP

Richmond, Virginia
November 5, 2015

**Economic Development Authority of the City of Richmond, Virginia
(A Component Unit of the City of Richmond, Virginia)**

Management's Discussion and Analysis

June 30, 2015

Management's Discussion and Analysis of the financial performance of the Economic Development Authority of the City of Richmond, Virginia (Authority) provides an overview of the financial activities for the years ended June 30, 2015 and 2014. It should be read in conjunction with the financial statements.

Overview of the Financial Statements

The Authority receives operating funds from the rental of a parking lot and an office building, the Advantech Center, where it operates an incubator program for new businesses and provides low cost office space, business services, and mentoring. It also receives funds for managing loan portfolios of the City of Richmond, Virginia. The Authority acts as the fiscal agent and maintains separate fiduciary accounts for each of these portfolios.

Government-Wide Statement of Net Position

Following is a condensed statement of net position showing the net position of the Authority at June 30:

	2015	2014
Assets		
Cash and cash equivalents	\$ 2,241,369	\$ 2,257,969
Property and equipment - net	24,911,449	17,750,810
Other assets	2,890,069	124,726
Total assets	30,042,887	20,133,505
Liabilities		
Current liabilities	2,879,707	72,638
Revenues received in advance	1,607,089	1,219,172
Recoverable grant payable	16,612,355	10,000,000
Notes payable – long-term	532,422	-
	21,631,573	11,291,810
Net position	8,411,314	8,841,695
	\$ 30,042,887	\$ 20,133,505

There was a decrease in cash and cash equivalents of \$16,600, primarily due to the payment of costs on the Stone Brewery project.

There was an increase in property, plant, and equipment of \$7,160,639, primarily due to the cost for the Stone Brewery construction and purchase.

There was an increase in other assets of \$2,765,343, primarily due to the balance due from the City for the Stone Brewery improvements.

There was an increase in current liabilities of \$2,807,069, primarily due to the balance due to the contractors for the construction of the Stone Brewery.

There was an increase in advance receipt of revenues of \$387,917, primarily due to the receipt of the additional installment of the Leigh Street Property naming rights.

There was an increase in recoverable grant payable of \$6,612,355, primarily due to the funds received for the Stone Brewery project from the City of Richmond.

There was an increase in long-term notes payable of \$532,422, primarily due to note payable for the purchase of the land for the Stone Brewery Project.

Following is a condensed statement of fiduciary assets and liabilities of the fiduciary funds at June 30:

	2015	2014
Assets		
Cash	\$ 11,856,134	\$ 12,540,801
Notes and interest receivable – net of allowance	1,576,867	1,182,932
Equipment - net	1,848	3,130
Total assets	\$ 13,434,849	\$ 13,726,863
Liabilities		
Accounts payable	\$ 25,108	\$ 41
Due to the City of Richmond	13,409,741	13,726,822
Total liabilities	\$ 13,434,849	\$ 13,726,863

There was a decrease in cash of \$684,667, primarily due to new loans made from the EDHLF program.

There was an increase in notes and interest receivable of \$393,935, primarily due to new loans funded out of the EDHLF program

There was a decrease in amounts due to the City of Richmond of \$317,081, primarily due to funds expended on the CARE programs.

Government-Wide Statement of Activities

Condensed statements of activities for fiscal years ended June 30 are as follows:

	2015	2014
Revenues		
Grant from the City of Richmond	\$ 2,326,382	\$ 2,250,000
Rental income	974,392	1,100,223
Loan administration fees	37,050	36,000
Sponsorship fees	443,333	443,328
Naming rights fees	2,000,000	2,000,000
City of Richmond bond proceeds	-	14,000,000
Other	128,478	135,305
Total revenues	\$ 5,909,635	\$ 19,964,856
Expenses		
Economic development incentives	\$ 1,951,382	\$ 2,050,000
Restoration grants	2,000,000	16,000,000
Building operations and maintenance	516,251	419,250
Depreciation	875,467	856,632
Other	996,916	501,439
Total expenses	\$ 6,340,016	\$ 19,827,321
Change in net position	\$ (430,381)	\$ 137,535

There was a decrease in restoration grants of \$14,000,000, primarily due to not receiving funds for restoration of the Altria Theater during 2015.

Grant revenue from the City of Richmond, Virginia exceeded grant expenses by \$375,000 primarily due to the grant received from the City for the Façade Program.

The Authority has expanded its lending programs, which are operated in coordination with the City of Richmond's Department of Economic and Community Development. Operational costs of the programs are covered by the City. Any losses sustained in the lending programs are absorbed by the City or the relevant funding partner. The Authority receives fees adequate to cover its costs as well as audit fees associated with these activities. In summary, the outlook for the lending programs is favorable with a good likelihood of additional funding for loan programs. The Authority can reasonably expect that its costs will continue to be covered.

Accomplishments and Economic Outlook

Fund (EDH-RLF) debt on three catalytic economic development real estate projects with the total development costs in the amount of \$9,600,000. The \$6,400,000 in private investment primarily came in the form of tax credit equity and owner's equity. The economic impact was tremendous with a total of 124 direct and indirect jobs on the Black History Museum's adaptive reuse of the historic armory into a state of the art, multi-use museum and cultural center. Additionally, 16 units of affordable for sale residential units will come online within the next 12-15 months in the Bellmeade neighborhood which is a targeted commercial corridor for revitalization in the City. The Citywide Revolving Loan Fund created an additional 1.5 new permanent jobs during the year.

In the coming year, the Authority will close \$1,950,000 for two more real estate projects from the Economic Development and Housing Loan Fund. These projects will result in approximately \$11,000,000 in private investment and create up to 50 permanent and construction jobs over the next 12-24 months. The loan proceeds will bring online 32 new residential homes for first time buyer low-wealth families and 77 units of affordable rental housing in the Highland Park neighborhood which is another priority target in the City and its East Brookland Park Blvd. commercial corridor which is experiencing significant new and expanded retail storefront growth.

The Authority anticipates being a major player in the \$200 million North Church Hill neighborhood revitalization de-concentration of poverty project in that historic east end neighborhood in our City. This mixed-use & mixed-income initiative will be ongoing for the next 10 years with the creation of shopping, dining, retail, commercial and rooftops within the current Creighton public housing complex and the old Armstrong High School site. The first phase will be an \$11.9 million mixed-income development of 60 units of rental units on the Armstrong site. We anticipate funding up to \$3,800,000 from our EDH-RLF with the balance of funding coming from private debt, low income housing tax credits and developer/owner equity.

The Authority, in cooperation with the City of Richmond and private parties, completed the rehabilitation of the Landmark Theater property. To that end, the Authority took title to the property during fiscal year 2013 and entered into a long-term lease to a non-profit company to renovate and operate the facility. The project is not expected to have any material impact on the Authority's fund balance, but the acquisition of the property does have a material impact on the Authority's Statement of Net Position. The rehabilitation of the Landmark Theater was completed during fiscal year 2015.

The Authority has worked in cooperation with the City of Richmond, the Department of Economic and Community Development and other private parties to operate the Bon Secours Washington Redskins Training Center. The Authority completed the facility early in this fiscal year. All of the first floor and approximately one-third of the second floor is under lease. The Bon Secours Washington Redskins Training Center is expected to have a material positive impact on the statement of revenues, expenses and changes in net position of the Authority for the foreseeable future.

In cooperation with the City of Richmond, the EDA administered a façade project in the Arts District of the City. The project provided matching funds for restoration and improvements to facades of buildings in the Arts District.

In cooperation with the Department of Economic and Community Development, the EDA secured a commitment from Stone Brewing Company to lease and operate a facility in the Fulton area of the City. The EDA anticipates that the facility will be completed and occupied in fiscal year 2016. A second phase of the project should be completed by fiscal year 2020. The complete projects should generate up to 400 jobs.

Requests for Information

This financial report is intended to provide a general overview of the Authority's finances. Any questions regarding this report or requests for additional financial information should be addressed to the Authority at 501 E. Franklin Street, Richmond, Virginia 23219.

**Economic Development Authority of
the City of Richmond, Virginia
(A Component Unit of the City of Richmond, Virginia)**

**Government-Wide Financial
Statements**

Year Ended June 30, 2015

Economic Development Authority of the City of Richmond, Virginia
(A Component Unit of the City of Richmond, Virginia)

Statement of Net Position

June 30, 2015

	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets			
Cash and cash equivalents	\$ -	\$ 2,241,369	\$ 2,241,369
Rent receivables, net of allowance for doubtful accounts of \$4,243	-	4,760	4,760
Other receivables	-	2,788,647	2,788,647
Prepaid expenses	-	22,845	22,845
Total current assets	-	5,057,621	5,057,621
Noncurrent assets			
Property and equipment - net of accumulated depreciation	3,033,174	21,878,275	24,911,449
Other noncurrent assets	-	73,817	73,817
Total noncurrent assets	3,033,174	21,952,092	24,985,266
Total assets	\$ 3,033,174	\$ 27,009,713	\$ 30,042,887
Liabilities			
Current liabilities			
Accounts payable	\$ -	\$ 2,800,454	\$ 2,800,454
Accrued interest payable	-	6,945	6,945
Customer deposits	-	47,027	47,027
Rents received in advance	-	25,281	25,281
Total current liabilities	-	2,879,707	2,879,707
Noncurrent liabilities			
Recoverable grant payable	-	16,612,355	16,612,355
Notes payable - long term	-	532,422	532,422
Sponsorship fee received in advance	-	1,607,089	1,607,089
Total current liabilities	-	18,751,866	18,751,866
Total liabilities	-	21,631,573	21,631,573
Net position			
Net investment in capital assets	3,033,174	21,345,853	24,379,027
Unrestricted	-	(16,423,653)	(16,423,653)
Restricted	-	455,940	455,940
	3,033,174	5,378,140	8,411,314
	\$ 3,033,174	\$ 27,009,713	\$ 30,042,887

The accompanying notes are an integral part of these financial statements.

Economic Development Authority of the City of Richmond, Virginia
(A Component Unit of the City of Richmond, Virginia)

Statement of Activities

Year Ended June 30, 2015

	Governmental Activities	Business-Type Activities	Total
Operating revenues			
Naming rights fees	\$ 2,000,000	\$ -	\$ 2,000,000
Sponsorship fee	-	443,333	443,333
Rental income	-	974,392	974,392
Loan administration fees	-	37,050	37,050
Other	-	122,063	122,063
Total operating revenues	2,000,000	1,576,838	3,576,838
Operating expenses			
Restoration grant	2,000,000	-	2,000,000
Personnel	-	236,431	236,431
Professional services	-	155,871	155,871
Internet and telephone services	-	43,967	43,967
Bad debt expense	-	60,841	60,841
Building operations and maintenance	-	516,251	516,251
Rent	-	40,560	40,560
Other	-	459,245	459,245
Depreciation	478,987	396,480	875,467
Total operating expenses	2,478,987	1,909,646	4,388,633
Operating loss	(478,987)	(332,808)	(811,795)
Non-operating revenues (expenses)			
Grants from the City of Richmond	-	2,326,382	2,326,382
Economic development incentives	-	(1,951,383)	(1,951,383)
Interest income	-	6,415	6,415
Total non-operating revenues	-	381,414	381,414
Change in net position	(478,987)	48,606	(430,381)
Net position - beginning of year	3,512,161	5,329,534	8,841,695
Net position - end of year	\$ 3,033,174	\$ 5,378,140	\$ 8,411,314

The accompanying notes are an integral part of these financial statements.

**Economic Development Authority
of the City of Richmond, Virginia
(A Component Unit of the City of Richmond, Virginia)**

**Governmental Fund Financial
Statements**

Year Ended June 30, 2015

**Economic Development Authority of the City of Richmond, Virginia
(A Component Unit of the City of Richmond, Virginia)**

**Balance Sheet
Governmental Fund**

June 30, 2015

	Assets	<u>Theater Fund</u>
Current assets		
Cash and cash equivalents		\$ -
	Fund Balance	
Unassigned		\$ -

Reconciliation of Governmental Fund Balance Sheet to the Statement of Net Position

Total fund balance per Governmental Fund Balance Sheet	<u>\$ -</u>
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**Amounts reported for governmental activities in the Statement of Net Position
are different because:**

Capital assets used in governmental activities are not financial resources and, therefore,
are not reported in the funds:

Capital assets, cost	14,512,067
Less: accumulated depreciation	<u>(11,478,893)</u>
	<u>3,033,174</u>
 Net position of governmental activities	 <u>\$ 3,033,174</u>

The accompanying notes are an integral part of these financial statements.

**Economic Development Authority of the City of Richmond, Virginia
(A Component Unit of the City of Richmond, Virginia)**

**Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Fund**

Year Ended June 30, 2015

	<u>Theater Fund</u>
Revenues	
Naming rights fees	<u>\$ 2,000,000</u>
Expenditures	
Restoration grant	<u>2,000,000</u>
Change in fund balance	<u>-</u>
Fund balance - beginning of year	<u>-</u>
Fund balance - end of year	<u><u>\$ -</u></u>

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund
Balance of Governmental Funds to Statement of Activities**

Change in fund balance - total governmental fund	<u><u>\$ -</u></u>
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**Amounts reported for governmental activities in the statement of activities
are different because:**

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the capital outlays exceeded depreciation in the current period. Details supporting this adjustment are as follows:

Depreciation expense	<u>(478,987)</u>
Change in net position of governmental activities	<u><u>\$ (478,987)</u></u>

The accompanying notes are an integral part of these financial statements.

Economic Development Authority of the City of Richmond, Virginia
(A Component Unit of the City of Richmond, Virginia)

Statement of Net Position
Enterprise Funds

June 30, 2015

	Operating Fund	RVA Works Fund	Leigh St. Fund	Stone Brewery Fund	Total
Assets					
Current assets					
Cash and cash equivalents	\$ 1,414,622	\$ 3,582	\$ 748,182	\$ 74,983	\$ 2,241,369
Rent receivables, net of allowance for doubtful accounts of \$4,243	-	4,760	-	-	4,760
Other receivables	-	2,000	-	2,786,647	2,788,647
Prepaid expenses	-	2,565	20,280	-	22,845
Total current assets	1,414,622	12,907	768,462	2,861,630	5,057,621
Non-current assets					
Property and equipment - net of accumulated depreciation	-	2,394,928	11,250,093	8,233,254	21,878,275
Other noncurrent assets	-	-	73,817	-	73,817
Total noncurrent assets	-	2,394,928	11,323,910	8,233,254	21,952,092
Total assets	\$ 1,414,622	\$ 2,407,835	\$ 12,092,372	\$ 11,094,884	\$ 27,009,713
Liabilities					
Current liabilities					
Accounts payable	\$ -	\$ 11,867	\$ 1,940	\$ 2,786,647	\$ 2,800,454
Accrued interest payable	-	-	-	6,945	6,945
Customer deposits	-	14,027	33,000	-	47,027
Rents received in advance	22,000	3,281	-	-	25,281
Total current liabilities	22,000	29,175	34,940	2,793,592	2,879,707
Noncurrent liabilities					
Recoverable grant payable	-	-	9,500,000	7,112,355	16,612,355
Notes payable - long term	-	-	-	532,422	532,422
Sponsorship fee received in advance	-	-	1,607,089	-	1,607,089
Total noncurrent liabilities	-	-	11,107,089	7,644,777	18,751,866
Total liabilities	22,000	29,175	11,142,029	10,438,369	21,631,573
Net position					
Net investment in capital assets	-	2,394,928	11,250,093	7,700,832	21,345,853
Unrestricted	936,682	(16,268)	(10,299,750)	(7,044,317)	(16,423,653)
Restricted	455,940	-	-	-	455,940
	1,392,622	2,378,660	950,343	656,515	5,378,140
	\$ 1,414,622	\$ 2,407,835	\$ 12,092,372	\$ 11,094,884	\$ 27,009,713

The accompanying notes are an integral part of these financial statements.

**Economic Development Authority of the City of Richmond, Virginia
(A Component Unit of the City of Richmond, Virginia)**

**Statement of Revenues, Expenses and Changes in Net Position
Enterprise Funds**

Year Ended June 30, 2015

	Operating Fund	RVA Works Fund	Leigh St. Fund	Stone Brewery Fund	Total
Operating revenues					
Sponsorship fee	\$ -	\$ -	\$ 443,333	\$ -	\$ 443,333
Rental income	49,345	361,363	563,684	-	974,392
Loan administration fees	37,050	-	-	-	37,050
Other	5,859	317	115,887	-	122,063
Total operating revenues	92,254	361,680	1,122,904	-	1,576,838
Operating expenses					
Personnel	-	133,670	102,761	-	236,431
Professional services	47,850	21,321	86,700	-	155,871
Internet and telephone services	-	40,517	3,450	-	43,967
Bad debt	-	60,841	-	-	60,841
Building operations and maintenance	-	204,104	312,147	-	516,251
Rent	-	-	40,560	-	40,560
Other	34,777	24,378	393,130	6,960	459,245
Depreciation	-	107,272	289,208	-	396,480
Total operating expenses	82,627	592,103	1,227,956	6,960	1,909,646
Operating income (loss)	9,627	(230,423)	(105,052)	(6,960)	(332,808)
Nonoperating revenues (expenses)					
Grants from the City of Richmond	2,326,382	-	-	-	2,326,382
Economic development incentives	(1,951,383)	-	-	-	(1,951,383)
Interest income	5,914	79	400	22	6,415
Total nonoperating revenues	380,913	79	400	22	381,414
Income (loss) before transfers	390,540	(230,344)	(104,652)	(6,938)	48,606
Transfers in (out)	(770,613)	107,160	-	663,453	-
Change in net position	(380,073)	(123,184)	(104,652)	656,515	48,606
Net position - beginning of year	1,772,695	2,501,844	1,054,995	-	5,329,534
Net position - end of year	\$ 1,392,622	\$ 2,378,660	\$ 950,343	\$ 656,515	\$ 5,378,140

The accompanying notes are an integral part of these financial statements.

Economic Development Authority of the City of Richmond, Virginia
(A Component Unit of the City of Richmond, Virginia)

Statement of Cash Flows
Enterprise Funds

Year Ended June 30, 2015

	Operating Fund	RVA Works Fund	Leigh St. Fund	Stone Brewery Fund	Total
Cash flows from operating activities					
Receipt from sponsorship fee	\$ -	\$ -	\$ 443,333	\$ -	\$ 443,333
Receipts from rentals	82,345	298,864	951,601	-	1,332,810
Receipts from loan administration	37,050	-	-	-	37,050
Receipts from other activities	5,859	317	115,887	-	122,063
Payments for operating activities	(88,082)	(425,064)	(928,778)	(15)	(1,441,939)
Net cash from operating activities	37,172	(125,883)	582,043	(15)	493,317
Cash flows from noncapital financing activities					
Receipts from City of Richmond grants	2,326,382	-	-	-	2,326,382
Economic development incentive payments	(1,951,383)	-	-	-	(1,951,383)
Transfers between funds	(405,613)	107,160	-	298,453	-
Net cash from noncapital financing activities	(30,614)	107,160	-	298,453	374,999
Cash flows from investing activities					
Interest earned	5,914	79	400	22	6,415
Cash flows from capital and related financing activities					
Proceeds (payments) from recoverable grant payable	-	-	(500,000)	7,112,355	6,612,355
Payments for capital assets	-	-	(167,854)	(7,335,832)	(7,503,686)
Net cash from capital and related financing activities	-	-	(667,854)	(223,477)	(891,331)
Net increase (decrease) in cash and cash equivalents	12,472	(18,644)	(85,411)	74,983	(16,600)
Cash and cash equivalents - beginning of year	1,402,150	22,226	833,593	-	2,257,969
Cash and cash equivalents - end of year	\$ 1,414,622	\$ 3,582	\$ 748,182	\$ 74,983	\$ 2,241,369
Reconciliation of operating income (loss) to net cash from operating activities:					
Operating income (loss)	\$ 9,627	\$ (230,423)	\$ (105,052)	\$ (6,960)	\$ (332,808)
Adjustments to reconcile operating income (loss) to cash from operating activities:					
Depreciation	-	107,272	289,208	-	396,480
Bad debt	-	60,841	-	-	60,841
Change in:					
Receivables	11,000	(56,325)	-	-	(45,325)
Prepaid expenses	-	(2,241)	-	-	(2,241)
Other assets	-	-	8,030	-	8,030
Accounts payable	(5,455)	1,167	1,940	6,945	4,597
Customer deposits	-	(5,270)	-	-	(5,270)
Prepaid revenue	22,000	(904)	387,917	-	409,013
	\$ 37,172	\$ (125,883)	\$ 582,043	\$ (15)	\$ 493,317

Non-cash capital and related financing activities:

During 2015, the Operating Fund transferred land with a book value of \$365,000 to the Stone Brewery Fund. Also, the Stone Brewery Fund acquired \$532,422 in debt to finance the purchase of land.

The accompanying notes are an integral part of these financial statements.

**Economic Development Authority of the City of Richmond, Virginia
(A Component Unit of the City of Richmond, Virginia)**

**Statement of Fiduciary Assets and Liabilities
Agency Funds**

June 30, 2015

Assets

Cash and cash equivalents	\$ 11,856,134
Receivables, net of allowance for noncollectibles of \$125,077	
Notes	1,565,334
Interest	6,105
Fee income	5,428
Equipment, net of accumulated depreciation of \$20,252	1,848
	<hr/>
	\$ 13,434,849

Liabilities

Accounts payable	\$ 25,108
Due to the City of Richmond	13,409,741
	<hr/>
	\$ 13,434,849

The accompanying notes are an integral part of these financial statements.

**Economic Development Authority of the City of Richmond, Virginia
(A Component Unit of the City of Richmond, Virginia)**

Notes to Financial Statements

June 30, 2015

1. Organization and Purpose

The Industrial Development Authority of the City of Richmond, Virginia (IDA) was created as a political subdivision of the Commonwealth of Virginia on August 28, 1972 by action of the City Council of the City of Richmond, Virginia (City). On April 24, 2006, City Council revoked the IDA's ability to issue debt until it could be reorganized. On June 26, 2006, City Council renamed the IDA as the Economic Development Authority of the City of Richmond, Virginia (Authority). On October 9, 2006, City Council adopted an ordinance that reconfigured the Authority. The Authority is governed by a seven member Board of Directors appointed by the Richmond City Council. The Authority is considered to be a component unit of the City of Richmond, Virginia.

The purpose of the Authority is to promote industry and develop trade by inducing manufacturing, industrial, government and commercial enterprise to locate in or remain in the City of Richmond, further the economic well-being of the citizens of the City, and benefit the inhabitants of the City, increase their commerce and promote their safety, health, welfare, convenience and prosperity. The Authority seeks to provide additional employment for all levels of the community, to promote economic stability and growth in the community, and to assist in meeting the City's development objectives.

2. Summary of Significant Accounting Policies

Government-Wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. They report information on all of the nonfiduciary activities of the Authority. While government-wide and fund financial statements are presented separately, they are interrelated. The governmental activity column of the government wide statements incorporates data from the governmental fund, while business-type activities incorporate data from the Authority's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. However, data from the fiduciary funds is not incorporated in the government-wide financial statements.

Fund Financial Statements

The Authority utilizes the economic resources management focus and the accrual basis of accounting in preparing its financial statements where revenues are recognized when earned and expenses when incurred. The accounts of the Authority are organized on the basis of funds, each of which is considered a separate accounting entity as displayed in the supplementary information. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, net position, revenues and expenses, as appropriate.

Governmental Fund – Special Revenue Fund

Governmental Funds are those through which most governmental functions typically are financed. A Special Revenue Fund is a governmental fund which accounts for the proceeds of specific revenue sources (other than major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action. The Authority's Special Revenue Fund is the Theater Fund, which contains the current Landmark Theater building and associated agreements for funding of the restoration of this historic property.

Enterprise Funds

The Authority is required to follow the accounting and reporting practices of the Governmental Accounting Standards Board (GASB). For financial reporting purposes, the Operating Fund, the RVA Works Fund, the Leigh Street Fund, and the Stone Brewery Fund all utilize the enterprise fund method of accounting using the accrual basis. For the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when incurred, regardless of when the related cash flows take place.

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Fiduciary Funds (Agency Funds)

The Commercial Area Revitalization Effort (CARE), Enterprise Zone Incentive Loans (EZIL), Contractor Assistance Program (CAP), Economic Development and Housing Loan Fund (EDHLF), and Revolving Loan Program (RLP) Funds are funds held by the Authority in an agency capacity for the City of Richmond and are reported utilizing the accrual basis of accounting.

Cash and Cash Equivalents

Cash and cash equivalents are stated at cost, which approximates market. Cash and cash equivalents include amounts in demand deposits, treasury bills, and savings accounts.

Rent Receivables/Allowance for Doubtful Accounts

Rent receivables are stated at book value utilizing an allowance for doubtful accounts. The allowance is computed using historical collection data.

Property and Equipment

Property and equipment consist of land, buildings and improvements, and equipment. Property and equipment are recorded at cost or, if acquired through contribution, at fair value at the date of the gift. Depreciation expense is computed using the straight-line method over the estimated useful lives of the respective assets. The estimated useful life of each class of depreciable assets is as follows:

Buildings and improvements	10 - 40 years
Equipment	5 - 7 years

Recoverable Grant Payable

Recoverable grants payable represent amounts provided by the City to the Authority for the construction of the Bon Secours Redskins Training Facility and the Stone Brewing Facility. These amounts are payable back to the City from revenues generated by the respective facilities. No formal repayment terms have been executed.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates and assumptions.

Net Position

Net position is the difference between assets and liabilities. Net position invested in capital assets represents capital assets, less accumulated depreciation, less any outstanding debt related to the acquisition, construction or improvement of those assets.

Subsequent Events

In preparing these financial statements, the Authority has evaluated events and transactions for potential recognition or disclosure through November 5, 2015, the date the financial statements were available to be issued.

3. Activity in Current Fiscal Year

Leigh St. Fund

The Authority has worked in cooperation with the City of Richmond, the Department of Economic and Community Development and other private parties to develop the Bon Secours Washington Redskins Training Center. To that end, the Authority entered into a long-term lease with the Commonwealth of Virginia to lease 15.040 acres of land within the City as well as contracts to build the facility. The foregoing was facilitated by a recoverable grant from the City of Richmond in the amount of ten million dollars. The facility was substantially complete at fiscal year-end 2013. The Authority entered into subleases, naming rights agreements and other related documents in fiscal year 2014 that have resulted in approximately fifty percent of the property being leased and is in negotiation with prospective tenants for an additional twenty-five percent of the property. The development of this property and the leasing and naming rights agreements associated with the project are intertwined with an additional property known as the Westhampton School Property. The City of Richmond and the Board of the Authority have agreed to transfer ownership of the Westhampton School Property to the Authority, which in turn will lease it to a third party under a long term lease. Both facilities will have a material impact on the Authority's statement of net position. Additionally, the Bon Secours Washington Redskins Training Center is expected to have a material positive impact on the statement of activities of the Authority for the foreseeable future. At June 30, 2015, another payment on the naming rights agreement of \$831,250 had been received and recorded in deferred revenue. Pursuant to the agreement, the amount of revenue recognized in the current fiscal year was \$443,333, with the remaining \$1,607,089 being recorded in deferred revenue.

Stone Brewery Fund

The Authority is working with the City of Richmond and Stone Brewing Co. to develop the Stone Brewery facility. To that end, the Authority has entered into certain real estate transactions as well as contracts to build the facility. The foregoing is being facilitated by certain grants from the State and a recoverable grant from the City of Richmond. That facility was still under construction at June 30, 2015. The intention is that Stone Brewing Co. will lease the facility from the Authority upon completion of construction. The Authority has entered into a lease agreement with Stone Brewing Co. for the long-term use of the facility and lease payments under the agreement are scheduled to begin in fiscal year 2017.

4. Deposits

Deposits with banks are covered by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with the Virginia Security for Public Deposits Act (the "Act") Section 2.2-4400 et. Seq. of the Code of Virginia. Under the provisions of the Act, banks and savings institutions holding public deposits in excess of the amounts insured by federal depository insurance must pledge collateral to the Commonwealth of Virginia Treasury Board. Financial Institutions may choose between two collateralization methodologies and depending upon that choice, will pledge collateral that ranges in the amounts from 50% to 130% of excess deposits. Accordingly, all deposits are considered fully collateralized. At June 30, 2015, the Authority had deposits, including agency fund deposits, in excess of federally insured limits of \$12,320,435.

5. Property and Equipment

A summary of changes in the Authority's property and equipment by fund are as follows:

Governmental Fund

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
Land	\$ 142,165	\$ -	\$ -	\$ 142,165
Buildings and improvements	14,369,902	-	-	14,369,902
	14,512,067	-	-	14,512,067
Less: accumulated depreciation	(10,999,906)	(478,987)	-	(11,478,893)
Total property and equipment - governmental funds	\$ 3,512,161	\$ (478,987)	\$ -	\$ 3,033,174

Enterprise Funds

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
Land	\$ 1,528,578	\$ 795,650	\$ -	\$ 2,324,228
Buildings and improvements	17,275,578	166,272	-	17,441,850
Equipment	548,645	1,580	-	550,225
Construction in process	-	7,072,604	-	7,072,604
	19,352,801	8,036,106	-	27,388,907
Less: accumulated depreciation	(5,114,152)	(396,480)	-	(5,510,632)
Total property and equipment - enterprise funds	\$ 14,238,649	\$ 7,639,626	\$ -	\$ 21,878,275

Agency Funds

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
Equipment	\$ 22,100	\$ -	\$ -	\$ 22,100
Less: accumulated depreciation	(18,970)	(1,282)	-	(20,252)
Total property and equipment - agency funds	\$ 3,130	\$ (1,282)	\$ -	\$ 1,848

Total of All Funds

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
Land	\$ 1,670,743	\$ 795,650	\$ -	\$ 2,466,393
Buildings and improvements	31,645,480	166,272	-	31,811,752
Equipment	570,745	1,580	-	572,325
Construction in process	-	7,072,604	-	7,072,604
	33,886,968	8,036,106	-	41,923,074
Less: accumulated depreciation	(16,133,028)	(876,749)	-	(17,009,777)
Total property and equipment - all funds	\$ 17,753,940	\$ 7,159,357	\$ -	\$ 24,913,297

Total depreciation expense for all funds for the year ended June 30, 2015 was \$876,749.

6. Commitments and Contingencies

The Authority has executed performance agreements with certain local businesses on behalf of the City, which contain capital investment and employment goals. Upon completion of the specific requirements, the grant funds are awarded as stated in the performance agreements. At June 30, 2015, the Authority has outstanding performance agreements of approximately \$3,400,000 pending the accomplishment of the goals contained in the performance agreements.

During the year ended June 30, 2001, the Authority received a direct grant (award #01-01-3888) in the amount of \$775,000 from the U.S. Department of Commerce through the Federal Economic Development Administration. The grant was awarded to assist in the purchase and renovation of the Authority's incubator building and is repayable by the Authority should the incubator building be sold as said grantor agency is recorded as having a second lien on the building.

During the year ended June 30, 2015, the Authority entered into construction contracts related to the design and construction of the Stone Brewing Co. facility. Remaining amounts committed under the contract at June 30, 2015, are \$15,660,619 and are expected to be funded by the City of Richmond as part of a recoverable grant.

7. Notes Receivable – Agency Funds

A. Commercial Area Revitalization Effort

The Commercial Area Revitalization Effort (CARE) is a loan and rebate program created by the City's Office of Economic Development and the Authority, which is designed to revitalize and return economic viability to older neighborhood commercial strips. The loan program provides for three different types of loans to eligible borrowers. CARE loans are classified as minor (less than \$125,000), moderate (\$125,000-\$200,000), and substantial (more than \$200,000). Minor loans have a 90% Authority, 10% minimum owner equity financing structure. For the substantial and moderate loans, a private loan of 50% of the requested loan amount must be obtained prior to the Authority's approval of an additional 40%, leaving a minimum 10% owner equity. The Authority has a second secured position in the moderate and substantial loans. The rebate program is designed to revitalize and return economic viability to older neighborhood districts, primarily in low and moderate-income communities. The Authority will rebate up to certain percentages and dollar amounts of renovation and improvement expenses incurred for exterior and interior rehabilitation, security improvements, and the connection of a water lateral line and or the installation of a sprinkler system.

At June 30, 2015, the carrying value of loans receivable from the CARE program was \$265,865, less an uncollectible allowance of \$85,773. The fair value of these loans is not readily determinable. The Authority administered rebates in the amount of \$164,529 during the year ended June 30, 2015.

B. Contractor Assistance Program

The Contractor Assistance Program (CAP) is a loan program created by City Council and administered by the City's Office of Economic Development and the Authority, which is designed to provide working capital, equipment financing, receivables financing and other qualifying uses that will support the delivery of goods or services that further the purpose of the CAP. The loan program provides loans to eligible borrowers of up to \$100,000 with varying amortizations and interest rates from 4% to 9% per annum depending on the overall credit rating of the transaction.

At June 30, 2015, the carrying value of loans receivable from the CAP program was \$75,614, less an uncollectible allowance of \$19,375. The fair value of these loans is not readily determinable.

C. Revolving Loan Program

The Citywide Revolving Loan Program (RLP) is a loan program created by City Council and administered by the City's Office of Economic Development and the Authority, which is designed to provide capital for property and land acquisition, infrastructure costs, construction, rehabilitation, working capital, machinery and equipment purchases, leasehold improvements and any other use that meets the Department of Housing and Urban Development's national objectives. The loan program provides loans to eligible borrowers of up to \$250,000 with amortizations of up to 20 years and interest rates that can vary from 3% to 9% per annum depending on the overall credit rating of the transaction.

At June 30, 2015, the carrying value of loans receivable from the RLP program was \$517,519, less an uncollectible allowance of \$19,950. The fair value of these loans is not readily determinable.

D. Enterprise Zone Incentive Loans

During 1996, the Enterprise Zone Incentive Loan (EZIL) program was implemented to provide City incentives through the Authority to worthy businesses. These incentives were designed to encourage investment and job creation by new or existing businesses within the City's enterprise zones.

The EZIL Program is no longer being funded by the City. During the year ended June 30, 2011, all remaining loans receivable from the EZIL program were written off. The fund remains open to collect residual loan recovery payments. Recoveries from loans previously written off were \$3,075 during the year ended June 30, 2015.

E. Economic Development and Housing Loan Fund

During 2013, the Economic Development and Housing Loan Fund (EDHLF) was implemented for the purpose of providing financing to local developers and small businesses pursuing Section 108 eligible projects which meet one of the Community Development Block Grant National Objectives to facilitate large real estate economic development projects, the creation of affordable housing and other special use projects that benefit low and moderate income persons, prevent or eliminate slums or blight, create or retain jobs and provide area benefits in the City's commercial corridors and residential neighborhoods.

During the fiscal year 2013, the City had drawn down the approved loan from the United States Department of Housing and Urban Development (HUD) in the amount of \$10,125,000 and transferred the proceeds to the Authority. Approximately \$831,000 in loans had been made from these funds at June 30, 2015.

8. Conduit Debt

The Authority can authorize the issuance of revenue bonds for the purpose of obtaining and constructing facilities. Such debt is payable solely from the revenues derived from structured liens or pass-through leases of the facilities constructed for the related enterprises. Collections of revenues pledged to liquidate the bonds are assigned to a trustee. Such debt does not constitute a debt or pledge of the faith and credit of the Authority, the Commonwealth of Virginia or any political subdivision thereof. Accordingly, such debt and related assets are not presented in the financial statements.

9. Incubator Project – RVA Works Fund

In December 1999, the Authority purchased the RVA Works building (previously called the Advantech building) at 501 E. Franklin Street in order to establish their new business "incubator" project, a project established to foster small businesses by helping them jump-start their set-up and business operations. Rental income for the year ended June 30, 2015 was \$361,363.

10. Notes Payable

During the year ended June 30, 2015, the Authority entered into certain real estate transactions as part of obtaining the property at the site of the Stone Brewing Co. facility. The following is a summary of the resulting notes payable:

Note payable to the Richmond Redevelopment and Housing Authority of \$282,422 due in annual interest-only payments of 6.00%, all unpaid principal and interest due at maturity, April 2030.	\$ 282,422
Note payable to the Restaurateur, Inc. of \$250,000 due in annual interest-only payments of 3.25%, all unpaid principal and interest due at maturity, February 2025.	<u>250,000</u>
Total notes payable - noncurrent	<u>\$ 532,422</u>

11. Related Party Transactions

Enterprise Funds

During the year ended June 30, 2015, the Authority received \$2,076,382 in economic development incentives from the City to be passed on to businesses operating within the City. Incentive grants of \$1,951,383 were paid out during the year. The Authority received an additional \$250,000 in the current year for the remaining funding of a Façade Improvement Grant Program for which \$200,000 was also received in the prior year. Grants totaling \$20,067 were awarded under this program and the remaining balance of \$455,940 is classified as restricted net position on the statement of net position.

Agency Funds

The Authority receives bookkeeping services from a third-party CPA firm. During 2000, the Authority, through the CARE program, loaned the CPA firm \$125,000. Interest only payments are required until 2016 at which time the principal will be due in full.

12. Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority carries commercial insurance for all of these risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past five fiscal years.

13. Due to City of Richmond – Agency Fund

Amounts noted as due to the City of Richmond within the Agency Funds (CARE, CAP, RLP, EDHLF and EZIL) are funds, which belong to and would be returned to the City should the programs cease operations.

14. Recoverable Grant Payable – Enterprise Fund

Amounts noted as a recoverable grants payable are amounts payable to the City of Richmond. The funds were received from the City and were to be used for developing the Leigh Street project and are currently being used for developing the Stone Brewing project. Funds must be paid back to the City in an amount equal to the initial outlay at the conclusion of the project. There have been no agreements or terms developed by the Authority or the City regarding repayment of this grant payable.

15. Interfund Transactions

Transfers between funds during the year were as follows:

	In	Out
Operating Fund	\$ -	\$ 770,613
RVA Works Fund	107,160	-
Stone Brewery Fund	663,453	-
Total	\$ 770,613	\$ 770,613

* * * * *

**Economic Development Authority
of the City of Richmond, Virginia
(A Component Unit of the City of Richmond, Virginia)**

Compliance Section

Year Ended June 30, 2015



Independent Auditors' 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 Honorable Members of the Board of Directors
Economic Development Authority of the City of Richmond, Virginia
(A Component Unit of the City of Richmond, Virginia)

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 the governmental activities and business-type activities of the Economic Development Authority of the City of Richmond, Virginia as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Economic Development Authority of the City of Richmond, Virginia's basic financial statements, and have issued our report thereon dated November 5, 2015.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Economic Development Authority of the City of Richmond, Virginia'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 the Economic Development Authority of the City of Richmond, Virginia's internal control. Accordingly, we do not express an opinion on the effectiveness of the Economic Development Authority of the City of Richmond, Virginia'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 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 Economic Development Authority of the City of Richmond, Virginia'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 the Economic Development Authority of the City of Richmond, Virginia'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.

Dixon Hughes Goodman LLP

Richmond, Virginia
November 5, 2015

**Economic Development Authority
of the City of Richmond, Virginia
(A Component Unit of the City of Richmond, Virginia)**

Supplementary Information

Year Ended June 30, 2015

**Economic Development Authority of the City of Richmond, Virginia
(A Component Unit of the City of Richmond, Virginia)**

**Combining Statement of Fiduciary Assets and Liabilities
Agency Funds**

	Agency Funds						
	CARE	CAP	RLP	EZIL	EDHLF	Agency Operations	Total
Assets							
Cash and cash equivalents	\$ 411,372	\$ 859,462	\$ 1,016,684	\$ 216,381	\$ 9,308,920	\$ 43,315	\$ 11,856,134
Receivables - net of allowance							
Notes	180,092	56,239	497,569	-	831,434	-	1,565,334
Interest	865	105	2,409	375	2,351	-	6,105
Fee income	-	-	-	-	-	5,428	5,428
Equipment - net of accumulated depreciation	-	1,848	-	-	-	-	1,848
	\$ 592,329	\$ 917,654	\$ 1,516,662	\$ 216,756	\$ 10,142,705	\$ 48,743	\$ 13,434,849
Liability							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,108	\$ 25,108
Due to the City of Richmond, Virginia	592,329	917,654	1,516,662	216,756	10,142,705	23,635	13,409,741
	\$ 592,329	\$ 917,654	\$ 1,516,662	\$ 216,756	\$ 10,142,705	\$ 48,743	\$ 13,434,849

**Economic Development Authority of the City of Richmond, Virginia
(A Component Unit of the City of Richmond, Virginia)**

**Combining Statement of Changes in Fiduciary Assets and Liabilities
Agency Funds**

Year Ended June 30, 2015

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
CARE				
Assets				
Cash	\$ 712,995	106,326	\$ (407,949)	\$ 411,372
Notes receivable - net	267,616	-	(87,524)	180,092
Interest receivable	1,127	865	(1,127)	865
	<u>\$ 981,738</u>	<u>\$ 107,191</u>	<u>\$ (496,600)</u>	<u>\$ 592,329</u>
Liabilities				
Due to City of Richmond	<u>\$ 981,738</u>	<u>\$ 107,191</u>	<u>\$ (496,600)</u>	<u>\$ 592,329</u>
CAP				
Assets				
Cash	\$ 739,727	129,914	\$ (10,179)	\$ 859,462
Notes receivable - net	175,193	-	(118,954)	56,239
Interest receivable	193	105	(193)	105
Equipment - net	3,130	-	(1,282)	1,848
	<u>\$ 918,243</u>	<u>\$ 130,019</u>	<u>\$ (130,608)</u>	<u>\$ 917,654</u>
Liabilities				
Due to City of Richmond	<u>\$ 918,243</u>	<u>\$ 130,019</u>	<u>\$ (130,608)</u>	<u>\$ 917,654</u>
RLP				
Assets				
Cash	\$ 764,180	269,299	\$ (16,795)	\$ 1,016,684
Notes receivable - net	737,191	26,015	(265,637)	497,569
Interest receivable	1,612	2,409	(1,612)	2,409
	<u>\$ 1,502,983</u>	<u>\$ 297,723</u>	<u>\$ (284,044)</u>	<u>\$ 1,516,662</u>
Liabilities				
Due to City of Richmond	<u>\$ 1,502,983</u>	<u>\$ 297,723</u>	<u>\$ (284,044)</u>	<u>\$ 1,516,662</u>
EZIL				
Assets				
Cash	\$ 213,037	3,344	\$ -	\$ 216,381
Interest receivable	-	375	-	375
	<u>\$ 213,037</u>	<u>\$ 3,719</u>	<u>\$ -</u>	<u>\$ 216,756</u>
Liabilities				
Due to City of Richmond	<u>\$ 213,037</u>	<u>\$ 3,719</u>	<u>\$ -</u>	<u>\$ 216,756</u>
EDHLF				
Assets				
Cash	\$ 10,100,878	45,796	\$ (837,754)	\$ 9,308,920
Notes receivable - net	-	831,434	-	831,434
Interest receivable	-	2,351	-	2,351
	<u>\$ 10,100,878</u>	<u>\$ 879,581</u>	<u>\$ (837,754)</u>	<u>\$ 10,142,705</u>
Liabilities				
Due to City of Richmond	<u>\$ 10,100,878</u>	<u>\$ 879,581</u>	<u>\$ (837,754)</u>	<u>\$ 10,142,705</u>
Operating				
Assets				
Cash	\$ 9,984	40,869	\$ (7,538)	\$ 43,315
Fee income receivable	-	5,428	-	5,428
	<u>\$ 9,984</u>	<u>\$ 46,297</u>	<u>\$ (7,538)</u>	<u>\$ 48,743</u>
Liabilities				
Accounts payable	\$ 41	25,108	\$ (41)	\$ 25,108
Due to City of Richmond	9,943	21,189	(7,497)	23,635
	<u>\$ 9,984</u>	<u>\$ 46,297</u>	<u>\$ (7,538)</u>	<u>\$ 48,743</u>
Total - All Agency Funds				
Assets				
Cash	\$ 12,540,801	\$ 595,548	\$ (1,280,215)	\$ 11,856,134
Notes receivable - net	1,180,000	857,449	(472,115)	1,565,334
Interest receivable	2,932	6,105	(2,932)	6,105
Fee income receivable	-	5,428	-	5,428
Equipment - net	3,130	-	(1,282)	1,848
	<u>\$ 13,726,863</u>	<u>\$ 1,464,530</u>	<u>\$ (1,756,544)</u>	<u>\$ 13,434,849</u>
Liabilities				
Accounts payable	\$ 41	\$ 25,108	\$ (41)	\$ 25,108
Due to City of Richmond	13,726,822	1,439,422	(1,756,503)	13,409,741
	<u>\$ 13,726,863</u>	<u>\$ 1,464,530</u>	<u>\$ (1,756,544)</u>	<u>\$ 13,434,849</u>

See Independent Auditors' Report