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# **Report to the Governor, the Secretary of Commerce and Trade, the House Appropriations Committee and the Senate Finance Committee**

## **Status of the Virginia Housing Partnership Fund**

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**Submitted by:  
The Board of Housing and Community Development**

**October 2008**

**VIRGINIA HOUSING PARTNERSHIP REVOLVING FUND  
2008 FINANCIAL STATUS REPORT**

Pursuant to §36-150 of the Code of Virginia, the Board of Housing and Community Development submits the 2008 financial report on the status of the Virginia Housing Partnership Revolving Fund (the Fund). This report was prepared by the Virginia Housing Development Authority (VHDA), administrator and manager of the Fund. The financial status report on the Fund was included in the VHDA financial statements dated June 30, 2008 that have been audited by the public accounting firm KPMG. The members of the Board of Housing and Community Development have received and reviewed a copy of these financial statements and conclude that to the best of their knowledge they accurately reflect the status of the Fund.

**VIRGINIA HOUSING DEVELOPMENT AUTHORITY**  
(A Component Unit of the Commonwealth of Virginia)

Schedule of Net Assets Held on Behalf of  
Virginia Housing Partnership Revolving Fund  
June 30, 2008

	<b><u>General Operating Accounts</u></b>
<b>Assets</b>	
Cash	\$ 945
Investment	189,000
Interest receivable - investments	<u>3,649</u>
	<u>\$ 193,594</u>
<b>Net Assets</b>	
Net assets	<u>\$ 193,594</u>

See accompanying independent auditor's report.

**VIRGINIA HOUSING DEVELOPMENT AUTHORITY**  
(A Component Unit of the Commonwealth of Virginia)

Schedule of Revenues, Expenses, and Net Assets Information -  
Virginia Housing Partnership Revolving Fund  
Year ended June 30, 2008

	<b>General Operating Accounts</b>
<b>Revenue</b>	
Investment income	\$ 11,946
Fund contributions	<u>148,808</u>
Total revenues	<u>160,754</u>
<b>Expenses</b>	
Miscellaneous expenses	<u>155,575</u>
Net revenues over expenses	5,179
Net assets at beginning of year	<u>188,415</u>
Net assets at end of year	<u>\$ 193,594</u>

See accompanying independent auditors' report



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## Independent Auditors' Report

The Board of Commissioners  
Virginia Housing Development Authority:

We have audited the accompanying statements of net assets of the Virginia Housing Development Authority (the Authority), a component unit of the Commonwealth of Virginia, as of June 30, 2008 and 2007, and the related statements of revenues, expenses, and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these basic 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Virginia Housing Development Authority as of June 30, 2008 and 2007, and the respective changes in its financial position and its cash flows thereof for the years then ended in conformity with U.S. generally accepted accounting principles.

As discussed in note 1 to the basic financial statements, the Authority adopted Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* (OPEB), effective July 1, 2007.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 22, 2008 on our consideration of the Authority'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* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and Schedule of Funding Progress by Plan Valuation Date on pages 1 through 9 and page 42, respectively, are not a required part of the basic financial statements, but are supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods



of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in schedules 2 through 9 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

KPMG LLP

September 22, 2008