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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 2011**

**VIRGINIA HOUSING PARTNERSHIP REVOLVING FUND  
2011 FINANCIAL STATUS REPORT**

Pursuant to §36-150 of the Code of Virginia, the Board of Housing and Community Development submits the 2011 financial report on the status of the Virginia Housing Partnership Revolving Fund (the Fund). The Virginia Housing Development Authority (VHDA), administrator and manager of the Fund, prepared this report. The financial status report on the Fund was included in the VHDA financial statements dated June 30, 2011 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, 2011

	<b>General Operating Accounts</b>
<b>Assets</b>	
Cash	\$ 980
Investment	467,800
Interest receivable - investments	<u>119</u>
	<u>\$ 468,899</u>
<b>Net Assets</b>	
Net assets	<u>\$ 468,899</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, 2011

	<b>General Operating Account</b>
<b>Revenue</b>	
Investment income	\$ 1,361
Fund contributions	<u>85,880</u>
Total revenues	<u>87,241</u>
<b>Expenses</b>	
Miscellaneous expenses	---
Net revenues over expenses	87,241
Net assets at beginning of year	<u>381,657</u>
Net assets at end of year	<u>\$ 468,899</u>

See accompanying independent auditor's report.



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**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***

The Board of Commissioners  
Virginia Housing Development Authority:

We have audited the basic financial statements of the Virginia Housing Development Authority (the Authority), a component unit of the Commonwealth of Virginia, as of and for the year ended June 30, 2011, and have issued our report thereon dated September 20, 2011. 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.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered the Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing an opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

A deficiency in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Authority's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of basic 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*.



This report is intended solely for the information and use of the Board of Commissioners, the Audit Committee, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

September 20, 2011