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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 2012**

**VIRGINIA HOUSING PARTNERSHIP REVOLVING FUND  
2012 FINANCIAL STATUS REPORT**

Pursuant to §36-150 of the Code of Virginia, the Board of Housing and Community Development submits the 2012 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, provided the material included in this report. The financial status report on the Fund was included in the VHDA financial statements for the years ended June 30, 2012 and 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	\$ 947
Investment	264,800
Interest receivable - investments	<u>78</u>
	<u>\$ 265,825</u>
<b>Net Assets</b>	
Net assets	<u>\$ 265,825</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	\$ 883
Fund contributions	<u>          </u>
Total revenues	<u>    883</u>
<b>Expenses</b>	
Miscellaneous expenses	---
Fund Distributions	<u>203,957</u>
Net revenues over expenses	(203,074)
Net assets at beginning of year	<u>468,899</u>
Net assets at end of year	<u>\$ 265,825</u>

See accompanying independent auditor's report.



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## Independent Auditors' Report

The Board of Commissioners  
Virginia Housing Development Authority:

We have audited the accompanying basic financial statements of the Virginia Housing Development Authority (the Authority), a component unit of the Commonwealth of Virginia, as of and for the years ended June 30, 2012 and 2011, as listed in the table of contents. These basic 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 basic 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 basic financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic 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, 2012 and 2011, and the changes in its financial position and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 12, 2012 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.

U.S. generally accepted accounting principles require that the Management's Discussion and Analysis and Schedule of Funding Progress by Plan Valuation Date on pages 1 through 9 and page 46, respectively, 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.

Our audit was conducted for the purpose of forming an opinion on the Authority's basic financial statements. The supplementary information included in schedules 2 through 9 on pages 47 through 56 is presented for purposes of additional analysis and is not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the 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 basic financial statements as a whole.

KPMG LLP

September 12, 2012