

**ALEXANDRIA REDEVELOPMENT
AND HOUSING AUTHORITY**

**AUDITED
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
DECEMBER 31, 2011**

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Dooley & Vicars
Certified Public Accountants, L.L.P.

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INDEPENDENT AUDITORS' REPORT

The Board of Commissioners
Alexandria Redevelopment
and Housing Authority
Alexandria, Virginia

We have audited the accompanying financial statements of the business-type activities, each major fund, and the aggregate remaining fund information and component unit of the Alexandria Redevelopment and Housing Authority as of and for the year ended December 31, 2011, which collectively comprise the Authority's basic financial statements, as listed in the Table of Contents. These financial statements are the responsibility of the Housing Authority's management. 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, the standards for financial audits contained in the 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 of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly in all material respects the respective financial position of the business-type activities, each major fund and the aggregate remaining fund information and component unit of the Alexandria Redevelopment and Housing Authority at December 31, 2011, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated September 30, 2011 on our consideration of the Alexandria Redevelopment and Housing Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 12 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 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 managements' 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 performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards, Financial Data Schedule, and other supplementary information are presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the U.S. Department of Housing and Urban Development, 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 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 basic financial statements taken as a whole.

Dooley & Vicars
Certified Public Accountants, L.L.P.

September 30, 2011

Alexandria Redevelopment & Housing Authority

Statement of Net Assets - All Funds

December 31, 2011

<u>ASSETS</u>	Totals Primary Government	Component Units	Totals Reporting Entity
Current Assets			
Cash and cash equivalents	\$ 10,179,123	\$ 1,996,572	\$ 12,175,695
Restricted Cash	8,276,926	-	8,276,926
Receivables, net	767,442	1,156,250	1,923,692
Prepaid Expense and Other Assets	1,002,304	104	1,002,408
Interprogram due from	-	-	-
Total current assets	<u>20,225,795</u>	<u>3,152,926</u>	<u>23,378,721</u>
Noncurrent Assets			
Capital assets:			
Land	6,350,735	-	6,350,735
Buildings	76,389,325	-	76,389,325
Furniture, Equipment & Machinery - Admin	412,801	-	412,801
Construction in Progress	2,701,476	-	2,701,476
Less: accumulated depreciation	<u>(34,453,196)</u>	<u>-</u>	<u>(34,453,196)</u>
Capital assets, net	51,401,141	-	51,401,141
Noncurrent Notes, Loans & Mortgages Receivable	21,080,496	218,567	21,299,063
Total noncurrent assets	<u>72,481,637</u>	<u>218,567</u>	<u>72,700,204</u>
Total Assets	<u>\$ 92,707,432</u>	<u>\$ 3,371,493</u>	<u>\$ 96,078,925</u>

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

Alexandria Redevelopment & Housing Authority

Statement of Net Assets - All Funds December 31, 2011

<u>LIABILITIES</u>	Totals Primary Government	Component Units	Totals Reporting Entity
Current Liabilities			
Accounts Payable	\$ 205,113	\$ 4,687	\$ 209,800
Accrued Liabilities	1,569,908	21,959	1,591,867
Intergovernmental payables	434,010	-	434,010
Tenant security deposits	518,103	-	518,103
Deferred revenue	7,115,257	-	7,115,257
Current portion of long-term debt	232,206	-	232,206
Other current liabilities	597,157	-	597,157
Interprogram due to	-	-	-
Total current liabilities	<u>10,671,754</u>	<u>\$ 26,646</u>	<u>10,698,400</u>
Noncurrent liabilities			
Long-term debt, net of current	22,889,430	-	22,889,430
Noncurrent liabilities - other	531,302	23,722	555,024
Total noncurrent liabilities	<u>23,420,732</u>	<u>23,722</u>	<u>23,444,454</u>
	-		
Total Liabilities	<u>34,092,486</u>	<u>50,368</u>	<u>34,142,854</u>
Net Assets			
Investment in Capital Assets - Net of Related Debt	28,555,095	-	28,555,095
Restricted Net Assets	18,886,169	-	18,886,169
Unrestricted Net Assets	11,173,682	3,321,125	14,494,807
Total Net Assets	<u>58,614,946</u>	<u>3,321,125</u>	<u>61,936,071</u>
Total Liabilities and Net Assets	<u>\$ 92,707,432</u>	<u>\$ 3,371,493</u>	<u>\$ 96,078,925</u>

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

Alexandria Redevelopment & Housing Authority

Statement of Revenues, Expenses and Changes in Fund Net Assets - All Funds For the year ended December 31, 2011

	Totals Primary Government	Component Units	Totals Reporting Entity
Operating Revenues			
Tenant revenue	\$ 4,700,921	\$ -	\$ 4,700,921
Government operating grants	27,840,167	-	27,840,167
Other Government Grants	4,004,553	-	4,004,553
Other revenue	2,545,573	3,067,182	5,612,755
Total operating revenues	<u>39,091,214</u>	<u>3,067,182</u>	<u>42,158,396</u>
Operating Expenses			
Administrative	4,706,065	991,546	5,697,611
Tenant services	388,159	206	388,365
Utilities	1,287,696	1,362	1,289,058
Maintenance	1,877,260	3,035	1,880,295
Protective services	22,746	-	22,746
General	1,861,924	2,536	1,864,460
Housing assistance payment	20,500,942	-	20,500,942
Depreciation	2,040,627	-	2,040,627
Total operating expenses	<u>32,685,419</u>	<u>998,685</u>	<u>33,684,104</u>
Operating income (loss)	<u>6,405,795</u>	<u>2,068,497</u>	<u>8,474,292</u>
Non-Operating Revenues (Expenses)			
Interest Expense	(1,058,246)	(43,258)	(1,101,504)
Gain/Loss on sale of fixed assets	2,847,825	1,295,886	4,143,711
Interest and investment revenue	272,016	-	272,016
Total nonoperating revenues (expenses)	<u>2,061,595</u>	<u>1,252,628</u>	<u>3,314,223</u>
Income (loss) before contributions and transfers	8,467,390	3,321,125	11,788,515
Capital Grants - Federal Government	613,055	-	613,055
Change in Net Assets	9,080,445	3,321,125	12,401,570
Total Beginning Net Assets	51,789,093	-	51,789,093
Prior Period Adjustments/Equity Transfers	(2,254,592)	-	(2,254,592)
Total Ending Net Assets	<u>\$ 58,614,946</u>	<u>\$ 3,321,125</u>	<u>\$ 61,936,071</u>

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

Alexandria Redevelopment & Housing Authority

Statement of Cash Flows - All funds For the year ended December 31, 2011

	Totals Primary Government	Component Units	Totals Reporting Entity
Cash flows from operating activities:			
Cash received from tenants	\$ 7,314,950	\$ -	\$ 7,314,950
Cash received from operating grants	29,784,247	-	29,784,247
Cash received from other government grants	4,004,553	-	4,004,553
Cash received from other sources	4,219,667	1,910,828	6,130,495
Cash paid for goods and services	(4,789,228)	45,765	(4,743,463)
Cash paid for employees and administrative	(6,307,167)	(991,546)	(7,298,713)
Housing Assistance payments	(20,500,942)	-	(20,500,942)
Cash paid for other	(3,009,224)	(2,536)	(3,011,760)
Net cash provided (used) by operating activities	<u>10,716,856</u>	<u>962,511</u>	<u>11,679,367</u>
Cash flows from noncapital financing activities:			
Transfers	<u>(2,254,592)</u>	<u>-</u>	<u>(2,254,592)</u>
Cash flows from capital and related financing activities:			
Capital Grants received - Federal Government	613,055	-	613,055
Purchases, Sales and construction of capital assets	(6,926,950)	1,295,886	(5,631,064)
Principal paid on capital debt	2,015,743	-	2,015,743
Proceeds from capital debt	(179,392)	(218,567)	(397,959)
Interest paid on capital debt	(1,058,246)	(43,258)	(1,101,504)
Net cash (used) for capital and related financing activities	<u>(4,239,904)</u>	<u>(261,825)</u>	<u>(4,501,729)</u>
Cash flows from investing activities:			
Interest and dividends	<u>272,016</u>	<u>-</u>	<u>272,016</u>
Net cash provided by investing activities	<u>272,016</u>	<u>-</u>	<u>272,016</u>
	-		
Net increase (decrease) in cash and cash equivalents	3,198,490	1,996,572	5,195,062
Cash and cash equivalents at beginning of year	15,257,559	-	15,257,559
Cash and cash equivalents at end of year	<u>\$ 18,456,049</u>	<u>\$ 1,996,572</u>	<u>\$ 20,452,621</u>
Reconciliation of cash and restricted cash			
Cash and cash equivalents	\$ 10,179,123	1,996,572	\$ 12,175,695
Restricted Cash and cash equivalents	8,276,926	-	8,276,926
Total Cash and cash equivalents	<u>\$ 18,456,049</u>	<u>\$ 1,996,572</u>	<u>\$ 20,452,621</u>

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

Alexandria Redevelopment & Housing Authority

Statement of Cash Flows - All funds For the year ended December 31, 2011

	Totals Primary Government	Component Units	Totals Reporting Entity
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 6,405,795	\$ 2,068,497	\$ 8,474,292
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation expense	2,040,627	-	2,040,627
Changes in assets and liabilities:			
(Increase) Decrease in Receivables - net	2,827,660	(1,156,250)	1,671,410
(Increase) Decrease in Prepaid expenses	(701,947)	-	(701,947)
(Increase) Decrease in Interprogram due from	8,763,279	(104)	8,763,175
(Increase) Decrease in Noncurrent Notes Receivable	(4,010,824)	-	(4,010,824)
Increase (Decrease) in Bank Overdraft	-	-	-
Increase (Decrease) in Accounts payable	(770,688)	4,687	(766,001)
Increase (Decrease) in Accrued expenses	984,310	21,959	1,006,269
Increase (Decrease) in Other liabilities	(22,149)	-	(22,149)
Increase (Decrease) in Unearned revenue	4,011,986	-	4,011,986
Increase (Decrease) in Intergovernmental payables	(21,530)	-	(21,530)
Increase (Decrease) in Interprogram due to	(8,763,279)	-	(8,763,279)
Increase (Decrease) in Noncurrent liabilities	(26,384)	23,722	(2,662)
Net cash provided (used) by operating activities	<u>\$ 10,716,856</u>	<u>\$ 962,511</u>	<u>\$ 11,679,367</u>

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

Alexandria Redevelopment & Housing Authority

Balance Sheet - Proprietary Funds
December 31, 2011

ASSETS	Business Activities	Low Rent Public Housing	Revitalization of Severely Distressed Public Housing	Housing Choice Vouchers	State/Local	Nonmajor Proprietary Funds	Total Before Eliminations	Inter-entity Eliminations	Totals Primary Government	Component Units	Totals Reporting Entity
Current Assets											
Cash and cash equivalents	4,376,748	3,461,990	-	1,723,930	-	616,455	10,179,123	-	10,179,123	1,996,572	12,175,695
Restricted Cash	-	313,064	2,721,296	5,037,527	205,039	-	8,276,926	-	8,276,926	-	8,276,926
Receivables, net	-	468,097	-	145,632	108,094	45,619	767,442	-	767,442	1,156,250	1,923,692
Prepaid Expense and Other Assets	949	35,494	-	899,039	63,979	2,843	1,002,304	-	1,002,304	104	1,002,408
Interprogram due from	-	-	-	-	-	71,497	-	(71,497)	-	-	-
Total current assets	4,377,697	4,278,645	2,721,296	7,806,128	377,112	736,414	20,297,292	(71,497)	20,225,795	3,152,926	23,378,721
Noncurrent Assets											
Capital assets:											
Land	-	-	-	-	-	-	-	-	-	-	-
Buildings	1,992,318	3,855,621	-	-	2,495,114	-	6,350,735	-	6,350,735	-	6,350,735
Furniture, Equipment & Machinery - Admin	-	39,204,526	-	-	34,123,632	1,068,849	76,389,325	-	76,389,325	-	76,389,325
Construction in Progress	-	-	-	206,475	125,858	80,468	412,801	-	412,801	-	412,801
Less: accumulated depreciation	(1,440,726)	(2,655,960)	-	-	-	45,516	2,701,476	-	2,701,476	-	2,701,476
Capital assets, net	551,592	20,750,040	-	(203,475)	(6,964,758)	(878,170)	(34,453,196)	-	(34,453,196)	-	(34,453,196)
Noncurrent Notes, Loans & Mortgages Receivable	7,460,124	4,238,591	9,682,757	3,000	29,779,846	316,663	51,401,141	-	51,401,141	-	51,401,141
Total noncurrent assets	8,011,716	24,988,631	9,682,757	3,000	36,938,994	316,663	79,941,761	(7,460,124)	72,481,637	218,567	72,700,204
Total Assets	\$ 12,389,413	\$ 29,267,276	\$ 12,404,053	\$ 7,809,128	\$ 37,316,106	\$ 1,053,077	\$ 100,239,053	\$ (7,531,621)	\$ 92,707,432	\$ 3,371,493	\$ 96,078,925

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

Alexandria Redevelopment & Housing Authority

Balance Sheet - Proprietary Funds
December 31, 2011

LIABILITIES	Business Activities	Low Rent Public Housing	Revitalization of Severely Distressed Public Housing	Housing Choice Vouchers	State/Local	Nonmajor Proprietary Funds	Total Before Eliminations	Inter-entity Eliminations	Totals Primary Government	Component Units	Totals Reporting Entity
Accounts Payable	\$ 10,522	\$ 90,283	\$ -	\$ 7,522	\$ 54,595	\$ 42,191	\$ 205,113	\$ -	\$ 205,113	\$ 4,687	\$ 209,800
Accrued Liabilities	543,056	169,699	-	289,038	985,507	155,716	2,143,016	(573,108)	1,569,908	21,959	1,591,867
Intergovernmental payables	-	51,864	-	-	368,046	14,100	434,010	-	434,010	-	434,010
Tenant security deposits	-	313,064	-	-	205,039	-	518,103	-	518,103	-	518,103
Deferred revenue	70,423	-	-	-	7,029,337	-	7,115,257	-	7,115,257	-	7,115,257
Current portion of long-term debt	-	15,497	-	-	232,206	-	232,206	-	232,206	-	232,206
Other current liabilities	-	-	-	-	539,760	57,397	597,157	(71,497)	525,660	-	525,660
Interprogram due to	45,560	-	-	-	-	25,937	71,497	-	71,497	-	71,497
Interprogram due to	669,561	640,407	-	296,560	9,414,490	295,341	11,316,359	(644,605)	10,671,754	26,646	10,698,400
Total current liabilities											
Noncurrent liabilities											
Long-term debt, net of current	275,590	-	-	-	29,500,856	-	29,776,446	(6,887,016)	22,889,430	-	22,889,430
Noncurrent liabilities - other	-	172,850	-	197,395	21,493	139,564	531,302	-	531,302	23,722	555,024
Total noncurrent liabilities	275,590	172,850	-	197,395	29,522,349	139,564	30,307,748	(6,887,016)	23,420,732	23,722	23,444,454
Total Liabilities	\$ 945,151	\$ 813,257	\$ -	\$ 493,955	\$ 38,936,839	\$ 434,905	\$ 41,624,107	\$ (7,531,621)	\$ 34,092,486	\$ 50,368	\$ 34,142,854
Net Assets											
Investment in Capital Assets - Net of Related Debt	\$ 551,592	\$ 20,750,040	\$ -	\$ 3,000	\$ 46,784	\$ 316,663	\$ 21,668,079	\$ 6,887,016	\$ 28,555,095	\$ -	\$ 28,555,095
Restricted Net Assets	-	-	12,404,053	4,886,679	1,595,437	-	18,886,169	-	18,886,169	-	18,886,169
Unrestricted Net Assets	10,892,670	7,703,979	-	2,425,494	(3,262,954)	301,509	18,060,698	(6,887,016)	11,173,682	3,321,125	14,494,807
Total Net Assets	11,444,262	28,454,019	12,404,053	7,315,173	(1,620,733)	618,172	58,614,946	-	58,614,946	3,321,125	61,936,071
Total Liabilities and Net Assets	\$ 12,389,413	\$ 29,267,276	\$ 12,404,053	\$ 7,809,128	\$ 37,316,106	\$ 1,053,077	\$ 100,239,053	\$ (7,531,621)	\$ 92,707,432	\$ 3,371,493	\$ 96,078,925

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

Alexandria Redevelopment & Housing Authority

Statement of Revenues, Expenses and Changes in Net Assets - Proprietary funds For the year ended December 31, 2011

	Business Activities	Low Rent Public Housing	Revitalization of Severely Distressed Public		Housing Choice Vouchers	State/Local	Nonmajor Proprietary Funds	Inter-entity Eliminations	Totals Primary Government	Component Units	Totals Reporting Entity
			Public	Public							
Operating Revenues											
Tenant revenue	\$ -	\$ 1,380,585	\$ -	\$ -	\$ -	\$ 3,320,336	\$ -	\$ -	\$ 4,700,921	\$ -	\$ 4,700,921
Government operating grants	-	5,284,119	-	21,017,926	-	-	3,860,580	(2,322,458)	27,840,167	-	27,840,167
Other Government Grants	-	99,840	-	-	-	3,904,713	-	-	4,004,553	-	4,004,553
Other revenue	160,563	126,703	495,000	1,096,474	634,867	-	31,966	-	2,545,573	3,067,182	5,612,755
Total operating revenues	160,563	6,891,247	495,000	22,114,400	7,859,916	3,892,546	(2,322,458)	39,091,214	3,067,182	42,158,396	
Operating Expenses											
Administrative	32,048	1,720,639	-	1,574,056	-	785,320	2,195,104	(1,601,102)	4,706,065	991,546	5,697,611
Tenant services	37,156	239,009	-	10,680	-	119,493	76,391	(94,570)	388,159	206	388,365
Utilities	-	959,026	-	8,537	-	294,851	25,282	-	1,287,696	1,362	1,289,058
Maintenance	-	1,435,250	-	26,637	-	532,659	509,500	(626,786)	1,877,260	3,035	1,880,295
Protective services	-	4,627	-	6,525	-	975	10,619	-	22,746	-	22,746
General	-	1,340,594	-	147,008	-	313,101	61,221	-	1,861,924	2,536	1,864,460
Housing assistance payment	-	-	-	19,408,570	-	-	1,092,372	-	20,500,942	-	20,500,942
Depreciation	57,690	1,222,243	-	1,500	-	708,395	50,799	-	2,040,627	-	2,040,627
Total operating expenses	126,894	6,921,388	-	21,183,513	2,754,794	4,021,288	(2,322,458)	32,685,419	998,685	33,684,104	
Operating Transfers In/(Out)	-	-	-	-	-	-	-	-	-	-	-
Operating income (loss)	33,669	(30,141)	495,000	930,887	5,105,122	(128,742)	6,405,795	2,068,497	8,474,292		
Non-Operating Revenues (Expenses)											
Interest Expense	-	-	-	-	-	(1,058,246)	-	-	(1,058,246)	(43,258)	(1,101,504)
Gain/Loss on sale of fixed assets	-	2,847,825	-	-	-	-	-	-	2,847,825	1,295,886	4,143,711
Interest and investment revenue	34,544	50,908	179,576	4,708	2,039	241	241	-	272,016	-	272,016
Total nonoperating revenues (expenses)	34,544	2,898,733	179,576	4,708	(1,056,207)	241	241	-	2,061,595	1,252,628	3,314,223
Income (loss) before contributions and transfers	68,213	2,868,592	674,576	935,595	4,048,915	(128,501)	-	-	8,467,390	3,321,125	11,788,515
Capital Grants - Federal	-	613,055	-	-	-	-	-	-	613,055	-	613,055
Change in Net Assets	68,213	3,481,647	674,576	935,595	4,048,915	(128,501)	-	9,080,445	3,321,125	12,401,570	
Total Beginning Net Assets	11,376,049	26,253,209	11,729,477	6,368,041	(5,669,648)	1,731,965	-	51,789,093	-	51,789,093	
Prior Period Adjustments/Equity Transfers	-	(1,280,837)	-	11,537	-	(985,292)	-	(2,254,592)	-	-	(2,254,592)
Total Ending Net Assets	\$ 11,444,262	\$ 28,454,019	\$ 12,404,053	\$ 7,315,173	\$ (1,620,733)	\$ 618,172	\$ -	\$ 58,614,946	\$ 3,321,125	\$ 61,936,071	

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

Alexandria Redevelopment & Housing Authority
Statement of Cash Flows - Proprietary Funds
For the year ended December 31, 2011

	Business Activities	Low Rent Public Housing	Revitalization of Severely Distressed Public Housing				State/Local	Nonmajor Proprietary Funds	Totals Primary Government	Component Units	Totals Reporting Entity
			Housing	Housing Choice Vouchers	Housing Choice Vouchers	Housing Choice Vouchers					
Cash flows from operating activities:											
Cash received from tenants	\$ 619,975	\$ 2,023,438	\$ -	\$ -	\$ 4,534,868	\$ 136,669	\$ 7,314,950	\$ -	\$ 7,314,950	\$ 29,784,247	
Cash received from operating grants	-	5,284,119	-	20,585,136	-	3,914,992	29,784,247	-	29,784,247	4,004,553	
Cash received from other government grants	-	99,840	-	-	3,904,713	-	4,004,553	-	4,004,553	6,130,495	
Cash received from other sources	126,128	(480,967)	495,000	1,096,474	3,969,153	(986,121)	4,219,667	1,910,828	6,130,495	-	
Cash Transferred in/(out)	-	-	-	-	-	-	-	-	-	-	
Cash paid for goods and services	475,978	(2,626,765)	(495,000)	(744,523)	(782,897)	(616,021)	(4,789,228)	45,765	(4,743,463)	(20,500,942)	
Cash paid for employees and administrative Housing Assistance payments	(32,048)	(1,720,639)	-	(1,574,056)	(785,320)	(2,195,104)	(6,307,167)	(991,546)	(7,298,713)	-	
Cash paid for other	-	-	-	(19,408,570)	-	(1,092,372)	(20,500,942)	-	(20,500,942)	-	
Net cash provided (used) by operating activities	3,763,438	289,319	2,130,314	(192,547)	4,343,017	383,315	10,716,856	962,511	11,679,367	(2,254,592)	
Cash flows from noncapital financing activities:											
Equity transfers and prior year adjustments	-	(1,280,837)	-	11,537	-	(985,292)	(2,254,592)	-	(2,254,592)	-	
Net cash (used) for noncapital financing activities	-	(1,280,837)	-	11,537	-	(985,292)	(2,254,592)	-	(2,254,592)	-	
Cash flows from capital and related financing activities:											
Capital Grants received - Federal Government	-	613,055	-	-	-	-	613,055	-	613,055	(5,631,064)	
Purchases, Sales and construction of capital assets	-	3,641,946	-	-	(11,542,651)	973,755	(6,926,950)	1,295,886	(5,631,064)	2,015,743	
Principal paid on capital debt	-	-	-	-	2,015,743	-	2,015,743	-	2,015,743	(397,959)	
Proceeds (payments of) from capital debt	-	-	-	(179,392)	-	-	(179,392)	-	(179,392)	(43,258)	
Interest paid on capital debt	-	-	-	-	(1,058,246)	-	(1,058,246)	-	(1,058,246)	(1,101,504)	
Net cash (used) for capital and related financing activities	-	4,255,001	(179,392)	-	(10,585,154)	973,755	(5,535,790)	1,034,061	(4,501,729)	-	
Cash flows from investing activities:											
Interest and dividends	34,544	50,908	179,576	4,708	2,039	241	272,016	-	272,016	-	
Net cash provided by investing activities	34,544	50,908	179,576	4,708	2,039	241	272,016	-	272,016	-	
Net increase (decrease) in cash and cash equivalents	3,797,982	3,314,391	2,130,498	(176,302)	(6,240,098)	372,019	3,198,490	1,996,572	5,195,062	15,257,559	
Cash and cash equivalents at beginning of year	578,766	460,663	590,798	6,937,759	6,445,137	244,436	15,257,559	-	15,257,559	20,452,621	
Cash and cash equivalents at end of year	\$ 4,376,748	\$ 3,775,054	\$ 2,721,296	\$ 6,761,457	\$ 205,039	\$ 616,455	\$ 18,456,049	\$ 1,996,572	\$ 20,452,621	\$ 20,452,621	
Reconciliation of Unrestricted Cash and Restricted Cash											
Cash and Cash Equivalents	\$ 4,376,748	\$ 3,461,990	\$ -	\$ 1,723,930	\$ -	\$ 616,455	\$ 10,179,123	\$ 1,996,572	\$ 12,175,695	\$ 8,276,926	
Restricted Cash and Cash Equivalents	-	313,064	2,721,296	5,037,527	205,039	-	8,276,926	-	8,276,926	-	
Total Cash and Cash Equivalents	\$ 4,376,748	\$ 3,775,054	\$ 2,721,296	\$ 6,761,457	\$ 205,039	\$ 616,455	\$ 18,456,049	\$ 1,996,572	\$ 20,452,621	\$ 20,452,621	

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

Alexandria Redevelopment & Housing Authority
Statement of Cash Flows - Proprietary Funds
For the year ended December 31, 2011

	Business Activities	Low Rent Public Housing	Revitalization of Severely Distressed Public Housing				State/Local	Nonmajor Proprietary Funds	Totals Primary Government	Component Units	Totals Reporting Entity
			Housing Vouchers	Housing Choice Vouchers	Housing	Public Housing					
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:											
Operating income (loss)	\$ 33,669	\$ (30,141)	\$ 495,000	\$ 930,887	\$ 5,105,122	\$ (128,742)	\$ 6,405,795	\$ 2,068,497	\$ 8,474,292		
Adjustments to reconcile operating income to net cash provided (used) by operating activities:											
Depreciation expense	57,690	1,222,243	-	1,500	708,395	50,799	2,040,627	-	2,040,627		
Changes in assets and liabilities:											
(Increase) Decrease in Receivables - net	549,552	655,592	-	(145,632)	308,067	1,460,081	2,827,660	(1,156,250)	1,671,410		
(Increase) Decrease in Prepaid expenses	6,482	9,909	-	(889,151)	165,081	5,732	(701,947)	-	(701,947)		
(Increase) Decrease in Interprogram due from	2,527,845	3,630,921	2,130,314	-	-	474,199	8,763,279	(104)	8,763,175		
(Increase) Decrease in Noncurrent Notes Receivable	(34,435)	(4,238,591)	-	-	262,202	-	(4,010,824)	-	(4,010,824)		
Increase (Decrease) in Bank Overdraft	-	-	-	-	-	-	-	-	-		
Increase (Decrease) in Accounts payable	8,729	(129,854)	-	1,037	(610,101)	(40,463)	(770,652)	4,687	(765,965)		
Increase (Decrease) in Accrued expenses	497,923	80,898	-	259,340	57,209	86,866	982,236	21,359	1,004,195		
Increase (Decrease) in Other liabilities	-	10,546	-	(29,387)	568,779	(73,086)	476,852	-	476,852		
Increase (Decrease) in Unearned revenue	70,423	(12,739)	(495,000)	-	3,954,302	(1,963)	3,515,023	-	3,515,023		
Increase (Decrease) in intergovernmental payables	-	7,213	-	-	(42,224)	13,481	(21,530)	-	(21,530)		
Increase (Decrease) in interprogram due to	45,560	(956,326)	-	(287,156)	(6,142,175)	(1,423,180)	(8,763,279)	-	(8,763,279)		
Increase (Decrease) in Noncurrent liabilities	-	39,648	-	(33,983)	8,360	(40,409)	(26,384)	-	(26,384)		
Net cash provided (used) by operating activities	\$ 3,763,438	\$ 289,319	\$ 2,130,314	\$ (192,547)	\$ 4,343,017	\$ 383,315	\$ 10,716,856	\$ 962,511	\$ 11,679,367		

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

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011**NOTE 1: ORGANIZATION AND REPORTING ENTITY**

- A. Reporting Entity - The Alexandria Redevelopment and Housing Authority (ARHA) is a non-profit organization which was organized under the laws of the Commonwealth of Virginia to provide low rent housing for qualified individuals in accordance with the rules and regulations prescribed by the Department of Housing and Urban Development and other Federal Agencies. ARHA is responsible for operating a low-rent housing program which provides housing for eligible families, for operating redevelopment and conservation programs and for the delivery of services to citizens of low-rent housing and urban renewal areas through the encouragement and development of social and economic opportunities. As required by GAAP, these statements present the funds, activities and functions of ARHA (the primary government).

Component units are reported as part of the reporting entity under either the blended or discrete method of presentation. Blended involves merging the component unit data with the primary government. The discrete method presents the financial statements of the component unit outside of the basic financial statement totals of the primary government. There are two situations where blending is allowed: (1) when the board of the component unit is substantially the same as that of the primary government, and (2) when the component unit served the primary government exclusively, or almost exclusively.

In determining how to define the reporting entity, management has considered all potential component units. The decision to include component units in the reporting entity is made by applying the criteria set forth in *Section 2100 and 2500 of the Codification of Governmental Accounting and Financial Reporting Standards and Statement No. 14 (amended), of the Governmental Accounting Standards Board: The Financial Reporting Entity*. These criteria include manifestation of oversight responsibility including financial benefit to or burden on a primary organization, financial accountability as a result of fiscal dependency, potential for dual inclusion, and organization included in the reporting entity although the primary organization is not financially accountable. The Authority has two blended component units, Virginia Housing Development, LLC and Quaker Hill Limited Partnership.

Financial Accountability - ARHA is responsible for its debts, does not impose a financial burden on the City of Alexandria and is entitled to all surpluses. No separate agency receives a financial benefit nor imposes a financial burden on ARHA.

Appointment of a Voting Majority - ARHA is governed by a Board of Commissioners appointed by the City of Alexandria and has governance responsibilities over all functions related to all housing activities within the City of Alexandria. The Board of Commissioners has decision making authority and the power to designate management. The members do not serve at the discretion of the City; i.e., they can be removed only for cause. ARHA's Board elects its own chairperson.

Imposition of Will - The City has no influence over the management, budget, or policies of ARHA. ARHA's Board of Commissioners has the responsibility to significantly influence the ARHA's operations. This includes, but is not limited to, adoption of the budget, personnel management, sole title to, and residual interest in all assets (including facilities and properties), signing contracts, issuing bonds, and deciding which programs are to be provided.

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011**NOTE 1: ORGANIZATION AND REPORTING ENTITY (Cont'd)**

- B. Government-Wide and Fund Financial Statements - The government-wide fund financial statements report information on all of the activities of the Authority. For the most part, the effect of inter-fund activity has been removed from these statements. The Authority's activities are entirely business-type activities, which rely to a significant extent on fees and charges for support.

Major individual enterprise funds are reported as separate columns in the fund financial statements.

All the funds of the Authority are proprietary funds. They are described below:

Proprietary Funds - are used to account for activities that are similar to those often found in the private sector. These funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. The following are the Authority's proprietary funds:

Enterprise Funds - account for operations that are financed in a manner similar to private business enterprises, where the intent is that costs of providing goods or services to the general of the Authority is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges.

- C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation - The government wide fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The Authority has no governmental funds.

The Authority reports the following major proprietary funds:

Low-Rent Housing Fund - The Low-Rent Housing Fund includes the Housing Operations Programs. These funds are used to account for housing operations primarily funded by the annual contributions contract with the Department of Housing and Urban Development (HUD).

Section 8 Funds - The Section 8 Funds include the Housing Choice Voucher, Section 8 Moderate Rehabilitation, and Section 8 New Construction programs. Under these programs, rental assistance payments are made by the Authority primarily to landlords on behalf of eligible families. These programs are funded by the annual contributions contract with HUD.

State Fund - The State/Local Fund includes Jefferson Village as well as the Security Deposit Loan Fund, Donations Fund, Miller Homes, Quaker Hill and Hopkins Tancil.

Revitalization of Severely Distressed Public Housing - This program provides a portion of mixed use financing to demolish severely distressed public housing and replace with projects that include market rent units, low income tax credit units, and public housing units.

Business Activities - The business activities fund provides loans for other programs to invest in affordable housing and also invests directly in affordable housing.

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011**NOTE 1: ORGANIZATION AND REPORTING ENTITY (Cont.)****C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation - (Cont.)**

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Authority has elected not to follow subsequent private-sector guidance.

As a general rule the effect of inter-fund activity has been eliminated from the government-wide fund financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between certain Authority's functions because the elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of all the Authority's enterprise funds are governmental grants used for maintaining and operating low income housing assistance programs. Operating expenses for these enterprise funds include administrative expenses, utilities and maintenance of housing units and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

- D. Use of Estimates - The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingencies at the date of the financial statements, and revenues and expenses recognized during the reporting period. Actual results could differ from those estimates.
- E. Cash and Cash Equivalents - Highly liquid investments with initial maturities of three months or less from date of purchase are considered cash equivalents.
- F. Investments - Investments are carried at fair value, with changes in fair value recognized as a component of investment income. Fair value is determined by reference to quoted market prices.

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED DECEMBER 31, 2011**NOTE 1: ORGANIZATION AND REPORTING ENTITY (Cont.)**

- G. Land, Structures and Equipment - Land, structures and equipment are capitalized at cost with depreciation calculated on the straight-line basis over the following estimated useful lives:

Real Property	30 years
Real Property Improvements	20 years
Office Furniture and Equipment	7 years
Data Processing Equipment and Automobiles	5 years

When assets are retired, demolished, or sold, their costs are removed from the accounts and the proceeds, if any, are reflected in revenues currently.

- H. Impairment of Long-Lived Assets

GASB Statement No. 42, Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries, establishes accounting and financial reporting standards for impairment of capital assets. Under the provisions of the statement, prominent events or changes in circumstances affecting capital assets are required to be evaluated to determine whether impairment of a capital asset has occurred. Impaired capital assets that will no longer be used should be reported at the lower of carrying value or fair value. Impairment of capital assets with physical damage generally should be measured using the restoration cost approach, which uses the estimated cost to restore the capital asset to identify the portion of the historical cost of the capital asset that should be written-off. No such impairment loss was incurred during the current year.

- I. Intangible Assets

Bond financing costs on the capital program revenue bonds are amortized over the life of the issue using the straight-line method, which approximates the effective-interest method.

- I. Annual Contributions and Operating Subsidies - In accordance with the annual contributions contracts, ARHA receives operating subsidies from HUD. Such amounts are included as grant revenues from the federal government in the financial statements. The Component Unit does not participate in any grant programs at this time
- J. Compensated Absences - Accumulated Unpaid Vacation, Sick Pay, and Other Employee Benefit Amounts - Accumulated unpaid vacation and other employee benefit amounts are accrued when incurred in the applicable fund. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits.
- K. Indirect Costs - Certain indirect costs are funded on a fee-for-services basis. These fees were approved by the appropriate grantors as of ARHA's overall operations budget for the fiscal year.

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED DECEMBER 31, 2011

- L. Net Assets - Net Assets balances are designated by the Low Rent Fund, Section 8 Housing Choice Voucher Fund, Other Federal Grants Fund, Business Activities and State/Local Fund for future expenses, or must be returned to the grantor, and generally may not be used in any manner by ARHA except as specified under their respective contracts. The Net Assets balance of the Business Activities Fund are designated to provide for financial resource utilization in future periods. Deficit balances in net assets are primarily attributable to accumulated depreciation charges on fixed assets.
- M. Pension Plans - ARHA participates in a defined benefit pension plan administered by the Virginia Retirement System. It is ARHA's policy to fund the normal cost and amortization of unfunded prior service cost (over 30 years). Expenses are recognized as incurred.
- N. Income Taxes - As a political subdivision of the State of Virginia, ARHA is exempt from Federal and State income taxes.
- O. New Accounting Pronouncements - During 2011, ARHA implemented no new accounting standards issued by GASB.

Subsequent Events

In April 2009, the GASB issued GASB No. 56 Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards. This standard incorporates governmental accounting literature regarding the recent AICPA pronouncement including subsequent events. That standard incorporates into authoritative accounting literature certain guidance that already existed within generally accepted auditing standards, with the requirements concerning recognition and disclosure of subsequent events remaining essentially unchanged. This guidance addresses events which occur after the statement of net assets date but before the issuance of financial statements. Under GASB No. 56, as under previous practice, an entity must record the effects of subsequent events that provide evidence about conditions that existed at the statement of net asset date and must disclose but not record the effect of subsequent events which provide evidence about conditions that existed after the statement of net assets date. This standard added an additional required disclosure relative to the date through which subsequent events have been evaluated and whether that is the date on which the financial statements were issued or were available to be issued. The additional disclosures required by this standard are included in Note 21.

NOTE 2: DEPOSITS & INVESTMENTS

Deposits - At year end, the carrying amount of deposits with banks and savings institutions was \$12,175,695 and \$8,276,926 was restricted. Of the bank balance, \$18,708,522 was covered by Federal depository insurance or collateralized in accordance with the Virginia Security for Public Deposits Act (the Act) and HUD requirements. Under the Act, banks holding public deposits in excess of the amounts insured by federal depository insurance must pledge collateral in the amount of 50% of excess deposits to a collateral pool in the name of the State Treasury Board. Savings and loan institutions are required to collateralize 100% of deposits in excess of federal depository insurance limits under the Act, while HUD requires collateralization of 100% of deposits in excess of federal depository insurance from all banks, savings and loan, and investment institutions for all cash deposits and for investment vehicles not directly held. The State Treasury Board requires ARHA to obtain additional collateral from participating financial institutions to cover collateral shortfalls in the event of default and is responsible

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED DECEMBER 31, 2011**NOTE 2: DEPOSITS & INVESTMENTS (Cont'd)**

for monitoring compliance with the collateralization and reporting requirements of the Act and for notifying local governments of noncompliance by banks and savings and loan institutions. ARHA follows HUD's guidelines for investments policy. The PHA had \$260 in petty cash funds at December 31, 2011.

Investments – As of December 31, 2011, the Authority had no investment balances.

Interest Rate Risk – The Authority does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Credit Risk – The Authority places no limit on the amount the Authority may invest in any one issuer. All of the Authority's investments are in U.S. Government Securities.

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority does not have a deposit policy for custodial credit risk. As of December 31, 2011, all of the Authority's investments were in U.S. Government Securities held in the Authority's name.

Restricted Cash – Restricted cash is made up of HOPE VI non-federal modernization funds, restricted HAP Funds, security deposit, FSS escrow funds and restricted cash for replacement reserve, residual receipts and taxes and insurance needs. They are restricted by HUD for the purposes stated above.

NOTE 3: RECEIVABLES

Receivables as of December 31, 2011, for the Authority's individual major funds and other proprietary funds in the aggregate, including the applicable allowance for uncollectible accounts, are as follows:

	Business Activities	Low Rent Public Housing	Revitalization of Severely Distressed Public Housing	Housing Choice Vouchers	State/ Local Funds	Component Units	Nonmajor Proprietary Funds	Total
Receivables								
Tenants	\$ -	66,671	\$ -	\$ -	\$ 62,567	\$ -	\$ -	129,238
Intergovernmental	-	362,311	-	145,632	37,642	-	45,619	591,204
Miscellaneous	-	56,330	-	-	46,689	1,156,250	-	1,259,269
Notes, Loans and Mortgages - Curr.	-	-	-	-	-	-	-	-
Gross Receivables	0	485,312	0	145,632	146,898	1,156,250	45,619	1,979,711
Less: Allowance for Uncollectibles	-	(17,215)	-	-	(38,804)	-	-	(56,019)
Net Total Receivables	\$0	\$468,097	\$0	\$145,632	\$108,094	\$1,156,250	\$45,619	\$1,923,692

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED DECEMBER 31, 2011**NOTE 5: MORTGAGES AND NOTES RECEIVABLE AND NONCURRENT ASSETS**

At December 31, 2011 the Authority had various notes receivable balance related to HOPE VI loans, Turnkey III and Development Ventures Inc. loans. The amounts due are as follows:

HOPE VI	\$ 9,682,757
Business Activities	7,460,124
State/Local – Old Dominion	4,024,107
State/Local – Jefferson Village	3,006,804
Low Rent Public Housing	<u>4,238,591</u>
Total Mortgages and Notes Receivable	28,412,383
Other Noncurrent Assets	346,804
Elimination Entry – Quaker Hill Loan	<u>(7,460,124)</u>
Total Noncurrent assets	<u>\$ 21,299,063</u>

HOPE VI:

The HOPE VI program has various loans with the HOPE VI partnerships which are considered to be related entities but not component units. The loans outstanding at December 31, 2011 were \$8,475,962 with accrued interest of \$1,206,795 for a total of \$9,682,757. There were no amounts considered to be currently receivable due to the nature of the arrangements. All accrued interest is considered long-term due to the fact that the notes will be collected off of future cash flows from operations and then the accrued interest will be due from the partnerships.

These notes receivable consist of the following:

- Note Receivable from Braddock Whiting Reynolds, LLC issued on December 16, 2004 in the amount up to \$3,862,330 at 4.68% interest with an outstanding balance. The balance on the Authority HOPE VI loan at December 31, 2011 was \$3,714,528 with accrued interest of \$1,072,225 for a total Authority HOPE VI loan in the amount of \$4,786,753 at December 31, 2011. The loan carries a 40 year term and matures on December 16, 2044. This loan is secured by a second deed of trust which covers three (3) parcels of real property, assignment of rents and lease, security agreement and fixture filing.
- Note Receivable from Braddock Whiting Reynolds, LLC issued on December 16, 2004 in the amount up to \$3,050,814. Prior to construction completion, interest is payable at a variable rate based upon three month LIBOR plus 225 basis points. Upon construction completion, the rate of interest is converted to a fixed rate of .25%. At the end of construction the loan converted to permanent financing. The balance on the Authority loan at December 31, 2011 was \$2,772,370 with accrued interest of \$134,570 for a total Authority loan in the amount of \$2,906,940 at December 31, 2011. The loan carries a 40 year term and matures on December 16, 2044. This loan is secured by a second deed of trust which covers three (3) parcels of real property, assignment of rents and lease, security agreement and fixture filing. This loan is first in line between the respective loans with the LLC.
- Notes Receivable from Chatham Square, LLC - \$1,989,064 loan with accrued interest of \$0 for a total Authority loan in the amount of \$1,989,064 at December 31, 2011. The loan bears no interest, and has fifty year term due on January 20, 2054

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED DECEMBER 31, 2011**NOTE 5: MORTGAGES AND NOTES RECEIVABLE AND NONCURRENT ASSETS - (Cont.)**

Business Activities:

ARHA entered into an agreement with the Cameron Valley Limited Partnership to fund operating deficits for the partnerships 60 unit condominium and townhouses.

This note receivable consists of the following:

Note Receivable from the Cameron Valley Limited Partnership issued on April 12, 1991 in the amount \$6,887,016 represents an operating deficit loan between ARHA and Cameron Valley Limited Partnership. ARHA has agreed to fund the operating deficits with security in the 60 unit condominium and townhouses owned by the Partnership. The stated interest rate is .5% per annum on the outstanding balance at December 31, 2009. The total accrued interest at December 31, 2009 was \$512,848, for a total long-term notes receivable balance of \$7,399,863. The Alexandria Redevelopment & Housing Authority bought out the limited partner in the Cameron Valley Limited Partnership on April 1, 2010 and the note receivable was transferred to Quaker Hill Limited Partnership. At December 31, 2011 the note receivable had a balance of \$6,887,016 with accrued interest of \$573,108. This loan was eliminated for reporting purposes.

State/Local:

ARHA entered into various agreements via the Glebe Park revitalization project and loaned \$4,024,107 to the Old Dominion Limited Partnership. There is an additional loan in the amount of \$3,006,804 due from Old Dominion Partnership, \$2,615,893 and \$390,911 in interest that will be paid back from future equity. The loan is for the Developer, EYA, and will be paid off through cash flows according to the loan documents. The note matures on June 1, 2039.

Low Rent Public Housing:

ARHA entered into a construction loan agreement with James Bland Housing I, L.P. in the maximum amount of \$2,200,000. The loan is secured by a deed of trust on the project and interest compounds annually at a rate of 1% per annum, maturing on January 28, 2050. As of December 31, 2011, the note receivable had a balance of \$557,410.

ARHA entered into a construction loan agreement with James Bland Housing II, L.P. in the maximum amount of \$3,681,181. The loan is secured by a deed of trust on the project and interest compounds annually at a rate of 1% per annum, maturing on December 17, 2050. The loan will be paid back from capital contributions and residual receipts. As of December 31, 2011, the note receivable had a balance of \$3,681,181.

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED DECEMBER 31, 2011**NOTE 6: CAPITAL ASSETS**

Land, structures and equipment consist of the following at December 31, 2011:

	Beginning Balances	Increases	Decreases	Ending Balances
Enterprise Activities				
Capital Assets not being depreciated				
Land	\$ 6,447,356	\$ -	\$ (96,621)	\$ 6,350,735
Construction in progress	7,690,605	-	(4,989,129)	2,701,476
Total capital assets not being depreciated	14,137,961	-	(5,085,750)	9,052,211
Buildings & improvements	64,284,846	12,104,479	-	76,389,325
Furniture & equipment	412,801	-	-	412,801
Total capital assets being depreciated	64,697,647	12,104,479	-	76,802,126
Less accumulated depreciation:				-
Buildings, Improvements, Furniture & Equipment	35,168,615	818,384	(1,533,803)	34,453,196
Total accumulated depreciation	35,168,615	818,384	(1,533,803)	34,453,196
Total capital assets being depreciated	29,529,032			42,348,930
Enterprise activity capital assets, net	\$43,666,993			\$51,401,141

NOTE 7: ACCOUNTS PAYABLE

Accounts payable at December 31, 2011, consisted of the following:

Vendors & contractors	\$ 209,800
Payments in lieu of taxes – City of Alexandria	66,745
Accounts payable – HUD	367,265
Tenant security deposits	518,103
	<u>\$ 1,161,913</u>

NOTE 8: ACCRUED EXPENSES AND OTHER ACCRUED LIABILITIES

Accrued expenses and other current liabilities at December 31, 2011, consisted of the following:

Accrued salary payable	\$ 249,914
Accrued compensated absences – current portion	263,684
Accrued interest payable	375,294
Unearned revenue – prepaid rents	260,485
Unearned revenue – exchange credits	6,854,772
Current portion of long-term debt	232,206
Other current liabilities	597,157
Accrued liabilities – other	702,975
	<u>\$ 9,536,487</u>

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED DECEMBER 31, 2011**NOTE 9: DEFINED BENEFIT PENSION PLAN**a. Plan Description

All full-time, salaried employees of participating employers must participate in the VRS. Benefits vest after five years of service. Employees are eligible for an unreduced retirement benefit at age 65 with 5 years of service (age 60 with 5 years of service for participating law enforcement officers and firefighters) and at age 50 with 30 years of service for participating employers (age 50 with 25 years of service for participating law enforcement officers and firefighters) payable monthly for life in an amount equal to 1.7 percent of their average final compensation (AFC) for each year of credited service. Benefits are actuarially reduced for retirees who retire prior to becoming eligible for full retirement benefits. In addition, retirees qualify for an annual cost-of-living adjustment (COLA) beginning in their second year of retirement. The COLA is limited to 5% per year. AFC is defined as the highest consecutive 36 months of reported compensation. Participating law enforcement officers and firefighters may receive a monthly benefit supplement if they retire prior to age 65. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia (1950), as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

The System issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for VRS. A copy of that report is available on the VRS website at <http://www.varetire.org/Pdf/Publications/2011-Annual-Report.pdf> or obtained by writing the System's Chief Financial Officer at P. O. Box 2500, Richmond, VA 23218-2500.

b. Funding Policy

Plan members are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5% of their annual salary to the VRS. The employer assumed is 5% member contribution. In addition, ARHA is required to contribute the remaining amounts necessary to fund its participation in the VRS using the actuarial basis specified by the Code of Virginia and approved by the VRS Board of Trustees. ARHA's contribution rate for the fiscal year ended December 31, 2011, was 5% of annual covered payroll.

c. Annual Pension Cost

For 2011, ARHA's annual pension cost of \$508,209 was equal to the required and actual contributions. The required contribution was determined as part of the June 30, 2011 actuarial valuation using the entry age normal cost method. The actual assumptions included (a) 7.0% investment rate of return, (b) projected salary increases of 3.75% to 5.6% per year for employees depending on position (c) 2.5% per year cost-of-living adjustments.

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED DECEMBER 31, 2011**NOTE 9: DEFINED BENEFIT PENSION PLAN - (Cont.)**

Both (a) and (b) included an inflation component of 2.5%. The actuarial value of ARHA's assets is equal to the modified market value of assets. This method was determined using techniques that smooth the effects of short-term volatility in the market value of assets over a five-year period. ARHA's unfunded actuarial accrued liability is being amortized as a level percentage of payroll on an open basis within a period of 30 years or less.

Three-Year Trend information for Alexandria Redevelopment and Housing Authority:

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
December 31, 2009	\$ 358,512	100%	None
December 31, 2010	449,478	100%	None
December 31, 2011	508,209	100%	None

d. Schedule of Funding Progress (Unaudited)

Historical trend information is not available for the years prior to June 30, 1996.

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
June 30, 2009	10,142,890	10,118,379	< 24,511 >	100.24%	3,417,232	< .72% >
June 30, 2010	10,154,109	11,619,990	1,465,881	87.38%	3,971,713	36.91%
June 30, 2011	10,307,935	12,026,489	1,718,554	85.71%	4,459,639	38.54%

Analysis of the dollar amounts of plan net assets, actuarial accrued liability, and unfunded actuarial accrued liability in isolation can be misleading. Expressing net assets as a percentage of the actuarial accrued liability provides one indication of ARHA's funding status on a going-concern basis. Analysis of this percentage over time, indicates whether ARHA is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the company. Trends in the unfunded actuarial accrued liability and annual covered payroll are both affected by inflation. Expressing the unfunded actuarial accrued liability as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of ARHA's progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger ARHA.

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED DECEMBER 31, 2011**NOTE 10: CONTINGENCIES AND OTHER MATTERS**a. Litigation and Other Matters

Certain claims, suits and complaints arising in the ordinary course of business have been filed and are pending against ARHA and the Component Unit. In the opinion of management, all such matters are adequately covered by insurance, or, if not so covered, are without merit or are of such kind or involve such amounts as would not have a material adverse effect on the financial statements of ARHA or the Component Unit.

b. Grants

ARHA has received various other grants for specific purposes. These grants are subject to financial and compliance audits. Such audits could result in requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. ARHA management is of the opinion that disallowances, if any, will not be material.

NOTE 11: IMPAIRMENT OF CAPITAL ASSETS

In accordance with new financial reporting standards issued by the Government Accounting Standards Board's, "Statement No. 42, "Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries" requires certain note disclosures. There were no permanent impairments experienced by the Authority that required material adjustments to the Statement of Net Assets.

Note 12: DEFERRED COMPENSATION PLAN

ARHA provides an approved deferred compensation plan under Section 457 of the Internal Revenue Service which is administered by Mutual of America Life Insurance Company. All regular full-time HRHA employees are eligible to participate. The Internal Revenue Code requires that the plan assets and income attributed to the assets be held in trust for the exclusive benefit of the participants and/or beneficiaries. All amounts of employees' compensation deferred under the plan are deposited with the plan trustee, Mutual of America Life Insurance Company, for management and investment. The plan trustee holds all assets of the plan, maintains accounting of each plan participant's accumulated assets, and makes distributions to participants in accordance with the plan document.

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 13: INVESTMENTS IN OPERATING PARTNERSHIPS

	West Glebe L.P.	Braddock Whiting Reynolds L.P.	Madden AUCE L.P.	Old Dominion L.P.	James Bland Housing I, L.P.	James Bland Housing II, L.P.
<u>Balance Sheet</u>						
Total Current Assets	\$ 94,510	587,654	354,961	14,130	55,623	2,701,559
Total Restricted Assets	166,338	680,660	893,696	134,704	2,940,054	-
Total Net Fixed Assets	8,502,784	9,460,550	8,367,432	4,353,121	4,072,332	2,438,379
Total Other Assets	72,972	364,349	76,868	48,439	33,682	-
TOTAL ASSETS	\$ 8,836,604	11,093,213	9,692,957	4,550,394	7,101,691	5,139,938
Total Current Liabilities	3,264	10,495	15,180	25,750	45,731	1,248
Total Other Liabilities	3,524,584	7,728,544	7,068,264	2,278,351	7,047,427	4,867,779
Total Partners' Capital	5,308,756	3,354,174	2,609,513	2,246,293	8,533	270,911
TOTAL LIABILITIES AND PARTNERS'	\$ 8,836,604	11,093,213	9,692,957	4,550,394	7,101,691	5,139,938
<u>Income Statement</u>						
Rental Income	396,541	394,337	440,619	256,572	53,425	-
Interest Income	(67,045)	-	-	2,413	-	-
Other Income	-	11,592	9,062	-	742	-
TOTAL INCOME	329,496	405,929	449,681	258,985	54,167	-
TOTAL EXPENSES	(567,657)	(715,838)	(755,649)	(375,061)	(260,229)	(1,439)
Net Income <Loss>	(238,161)	(309,909)	(305,968)	(116,076)	(206,062)	(1,439)
Contributions	3,794,142	-	-	2,090,839	-	272,350
Beginning Capital	1,752,775	3,664,083	2,915,481	271,530	214,595	-
TOTAL CAPITAL	\$ 5,308,756	3,354,174	2,609,513	2,246,293	8,533	270,911

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED DECEMBER 31, 2011**NOTE 14: NET ASSETS**

Net Assets includes HUD grants for development and modernization projects of ARHA's low-income housing units.

NOTE 15: NONCURRENT LIABILITIES

Noncurrent liabilities at December 31, 2011 consisted of the following:

	Balance 12/31/2010	Increases	Decreases	Balance 12/31/2011	Long-Term Portion	Current Portion
Long-Term Debt, Net of Current	\$20,598,098	\$ 3,426,781	\$(1,135,449)	\$ 22,889,430	\$ 22,889,430	\$ 232,206
Non-Current Liabilities-Other	833,276	-	(278,252)	555,024	555,024	-
Total Non-Current Liabilities	<u>\$21,431,374</u>	<u>\$ 3,426,781</u>	<u>\$(1,413,701)</u>	<u>\$ 23,444,454</u>	<u>\$ 23,444,454</u>	<u>\$ 232,206</u>

Hopkins/Tancil Courts - The mortgage note is insured by the Federal Housing Administration (FHA) and collateralized by a deed of trust on the rental property. The note bears interest at the rate of 10%. Principal and interest are payable by the Authority in monthly installments of \$26,056.89 through November 2025. The balance of the mortgage note payable was paid off on November 1, 2010.

The project entered an agreement with Burke & Herbert on November 1, 2010 in the amount of \$3,000,000. The terms of the loan were 5.25 percent per annum with a balloon payment due on November 1, 2015 for all interest and principal due as of that date. The monthly payments for the new loan are \$18,115. Total interest paid on both loans for the fiscal year was \$155,769.

Maturities of long-term debt are as follows:

Year	Principal	Interest	Totals
2012	64,919	152,456	217,375
2013	68,410	148,965	217,375
2014	72,089	145,286	217,375
2015	2,727,987	141,409	2,869,396
	<u>2,933,405</u>	<u>588,116</u>	<u>3,521,521</u>

Jefferson Village - The project entered an agreement with Burke & Herbert on June 30, 2009 in the amount of \$5.2 million. The terms of the loan were 6 percent per annum with a balloon payment due on June 3, 2014 for all interest and principal due as of that date. The monthly payments for the new loan are \$33,783. Total interest paid on both loans for the fiscal year was \$302,114.

Principal payments required:

Year	Principal	Interest	Totals
2012	105,936	299,460	405,396
2013	113,431	291,964	405,395
2014	4,738,297	121,077	4,859,374
Totals	<u>4,957,664</u>	<u>712,501</u>	<u>5,670,165</u>

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED DECEMBER 31, 2011**NOTE 15: LONG-TERM DEBT – (Cont'd)**

Quaker Hill – Quaker Hill was sold by Cameron Valley Limited Partnership to the Quaker Hill Limited Partnership. In order for Quaker Hill Limited Partnership to acquire the property, its General Partner, Alexandria Redevelopment and Housing Authority entered into an agreement to transfer the loan obligations related to the operating deficits of the Cameron Valley Limited Partnership, over to the new owner, the Quaker Hill Limited Partnership in the amount of \$6,887,016 with accrued interest of \$512,847 on April 1, 2010. The interest rate on the loan is .5% per annum. Accrued interest at December 31, 2011 was \$573,108.

The Project also entered into an agreement with the City of Alexandria in the amount of \$4,704,600 on April 1, 2010. The interest rate on the loan is 2.0% per annum.

The payments due under this note shall be made from Borrower to lender as follows: commencing on or before March 31, 2023 in an amount equal to one hundred percent (100%) of the Borrowers' Residual Receipts, if any, as that term is defined in the Loan Agreement entered into in conjunction with this note, along with the first annual payment of interest. Subsequent annual payments of the remaining interest and principal shall be made at the same rate of one hundred percent (100%) of the Borrower's Residual Receipts, if any. Notwithstanding any other provisions to the contrary, if the City loan is not fully paid in thirty (30) years of the date hereof, the Terms of the Agreement shall be renegotiated, giving to the City reasonable opportunity to revisit the conditions and to request any adjustments it considers warranted at that time, contingent on the approval of the Senior Debt Lender. Borrower shall pay not penalty if the loan is not repaid in thirty (30) years, and payment of one hundred percent (100%) of Borrower's Residual Receipts shall continue to be made until the loan is paid in full.

Total interest charged to the loans as of December 31, 2011 was \$34,435 and \$94,092, respectively.

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY
ALEXANDRIA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS - CONTINUED
TWELVE MONTHS ENDED DECEMBER 31, 2011

NOTE 15: LONG-TERM DEBT – (Cont'd)

Glebe Park Apartments - The City of Alexandria loaned the ARHA \$5,600,000 for the purpose of paying off the Glebe Park loan on March 1, 2010. The funds are to be repaid from escrow funds from the prior Glebe Park HUD insured loan, sale of Glebe Park and James Bland and/or James Bland Addition properties, from future Glebe Park HOPE VI grants and residual receipts from the redeveloped Glebe Park property. The loan bears an interest rate of 2% per annum. Due to the terms of the loan and volatility of the market we are unsure as to when the various terms of repayment of the loan will be met and do not believe that any portion of the loan will be due in fiscal year 2010. The loan value as of December 31, 2011 is \$5,007,000.

The Project entered into a loan with City of Alexandria for \$1,440,000 in 2009. The loan was in conjunction with the Old Dominion Limited Partnership and there is an offsetting receivable due from the developer for that project. At December 31, 2011 \$440,000 remains payable to the City of Alexandria.

Jefferson Village Bridge Loan – Jefferson Village entered into a loan with Burke and Herbert to invest in the Old Dominion redevelopment in the amount of \$2,622,749. The loan was in conjunction with the Old Dominion Notes Receivable loan, \$3,006,804, and matures on June 1, 2039. No repayment aside from interest on the note, 2% per annum, is made on a monthly basis. In December 2011 \$955,136 was paid on the loan leaving a balance of \$1,667,613 at December 31, 2011.

NOTE 16: INTERFUND BALANCES

Interfund balances have been eliminated in the combined financial statements.

NOTE 17: ECONOMIC DEPENDENCY

Both the PHA Owned Housing Program and the Section 8 Program are economically dependent on annual contributions and grants from HUD. Both programs operate at a loss prior to receiving the contributions and grants.

NOTE 18: RELATED PARTY TRANSACTIONS

The HOPE VI program has various loans with the HOPE VI partnerships which are considered to be related entities but not component units along with tax credit partnerships. These notes receivable consist of the following:

- Note Receivable from Braddock Whiting Reynolds, LLC - The balance on the Authority HOPE VI loan at December 31, 2011 was \$3,714,528 with accrued interest of \$1,072,225 for a total Authority HOPE VI loan in the amount of \$4,786,753 at December 31, 2011. The loan carries a 40 year term and matures on December 16, 2044.
- Note Receivable from Braddock Whiting Reynolds, LLC - The balance on the Authority loan at December 31, 2011 was \$2,772,370 with accrued interest of \$134,570 for a total Authority loan in the amount of \$2,906,940 at December 31, 2011. The loan carries a 40 year term and matures on December 16, 2044.
- Notes Receivable from Chatham Square, LLC - \$1,989,064 loan with accrued interest of \$0 for a total Authority HOPE VI loan in the amount of \$1,989,064 at December 31, 2011.

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY
ALEXANDRIA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS - CONTINUED
TWELVE MONTHS ENDED DECEMBER 31, 2011

NOTE 18: RELATED PARTY TRANSACTIONS

- Note Receivable from the Quaker Hill Limited Partnership - \$6,887,016 loan with accrued interest of \$573,108, for a total long-term notes receivable balance of \$7,460,124 at December 31, 2011.
- ARHA is entered into a joint venture with Madden AUOE Limited Partnership and Mid-City Urban LLC. On January 1, 2007, Mid-City Urban, LLC turned its interest in the partnership over to ARHA which made ARHA the sole member of the General Partner. ARHA's ownership interest in the partnership is .01%.
- ARHA has entered into management agreements with Madden AUOE Limited Partnership to manage the property owned by the partnership. ARHA receives \$56.36 per unit per month and a bookkeeping fee of \$7.50 per unit per month. The total fees received by ARHA from the partnerships, for the year ended December 31, 2011, was \$40,589.
- ARHA has entered into two financing arrangements with the City of Alexandria to fund the revitalizing of the Glebe Park property and the Cameron Valley LP properties. The debt proceeds for each property was \$5,600,000 and \$4,704,600, respectively. The Glebe Park loan net loan balance as of December 31, 2011 was \$5,007,000. The loan for the Cameron Valley LP property was a pass through to the entity and is now completely controlled by ARHA.
- ARHA entered into two financing agreements with the Old Dominion Limited Partnership, \$4,024,107, and the Developer of the project, EYA in the amount of \$1,440,000. The first note has a maturity June 1, 2039 while the second loan is a short-term note meant to be used as bridge financing for the project. The Housing Authority paid off \$1,000,000 of the developer fee loan during FY 2010.
- ARHA has entered into management agreements with Braddock Whiting Reynolds Limited Partnership to manage the property owned by the partnership. ARHA receives 58.70 per unit per month and a bookkeeping fee of \$7.50 per unit per month. The total fees received by ARHA from the partnerships, for the year ended December 31, 2011, was \$47,397.
- ARHA entered into a development agreement with Braddock Whiting Reynolds Limited Partnership. Under the terms of the agreement, the Partnership shall pay a developer's fee in the amount of \$743,200. Of the total fees, twenty-five percent (25%) will be re-contributed to the Partnership on behalf of one (1) of the general partners. The entire amount of the fees has been earned and capitalized as part of the building costs.
- ARHA has entered into an agreement with the Braddock Whiting Reynolds LP to provide payroll services and is reimbursed for all payroll, workers compensation insurance, and other direct benefits.
- ARHA GP LLC, has entered into a development agreement for \$150,000 with Old Dominion Housing LP for services in connection with the development and construction of the project. The outstanding balance is payable from net cash flow, as defined in the notes to the financials of the Old Dominion Housing LP audit report for FY 2011, note 5. If the development fee has not been paid in full by the thirteenth anniversary of the completion, the General Partner shall make a capital contribution in order to enable the Partnership to pay any unpaid portion of the developer's fee. None of the development fee has been earned or accrued at December 31, 2011.

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY
ALEXANDRIA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS - CONTINUED
TWELVE MONTHS ENDED DECEMBER 31, 2011

NOTE 18: RELATED PARTY TRANSACTIONS (Cont'd)

- ARHA GP LLC entered into an operating deficit loan agreement with Old Dominion Housing LP for any operating deficits if reserves are not available. These advances will not be reimbursed. Subsequent to rental achievement, ARHA GP LLC will advance funds up to \$300,000 as a subordinated loan. This obligation will terminate on the later of the fifth anniversary of rental achievement and break-even operations for twelve months.
- ARHA provided the Old Dominion Housing LP a construction loan in the amount of \$2,615,893 bearing a 0% per annum, secured by a deed of trust and security agreement. Prepayment for the note is not permitted prior to maturity on June 1, 2039. This loan is subordinate to the bridge loan.
- ARHA has entered into an agreement with the Old Dominion Housing LP to act as the guarantor of the affiliate of the Investment Limited partner who is providing a bridge loan during construction in the amount of \$1,907,834 and bearing interest at 6.5%. The loan is due on June 30, 2011. The loan is secured by a deed of trust and assignment of rents with EYA Construction, Inc. The loan was paid in full during the year ended December 31, 2011.
- ARHA has entered into management agreements with Old Dominion Housing Limited Partnership to manage the property owned by the partnership. ARHA receives \$58.70 per unit per month and a bookkeeping fee of \$7.50 per unit per month. The total fees received by ARHA from the partnerships, for the year ended December 31, 2011, was \$31,172.
- ARHA has entered into an agreement with the West Glebe Housing Limited Partnership to use ARHA's revolving fund bank account for its cash receipts and disbursements. At December 31, 2011, \$46,991 was due to ARHA's master cash account.
- ARHA entered into an agreement to fund interest prior to construction with West Glebe Housing Limited Partnership and as of December 31, 2011 the amount of the advances were \$210,741.
- ARHA entered into a development agreement for \$150,000 with West Glebe Housing Limited Partnership for services in connection with the development and construction of the project. The outstanding balance is payable from net cash flow, as defined in the notes to the financials of the West Glebe Housing LP audit report for FY 2011, note 2. If the developer fee has not been paid in full by the thirteenth anniversary of the completion, the General Partner shall make a capital contribution in order to enable the Partnership to pay any unpaid portion of the developer's fee. Additionally, as described in the Partnership agreement, excess proceeds to pay an incentive developer fee up to a maximum amount of \$250,000 were approved. The outstanding balance is payable when excess funds exist, but not earlier than the payment of the fifth installment of the Limited Partner's capital contribution and the determination and payment of credit adjusters, if any. As of December 31, 2011, \$400,000 of the development fees remained payable.
- ARHA GP LLC entered into an operating deficit loan agreement with West Glebe Housing LP for any operating deficits. These advances will not be reimbursed. Subsequent to rental achievement, ARHA GP LLC will advance funds up to \$300,000 as a subordinated loan. This obligation will terminate on the later of the fifth anniversary of rental achievement and break-even operations for twelve months.

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY
ALEXANDRIA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS - CONTINUED
TWELVE MONTHS ENDED DECEMBER 31, 2011

NOTE 18: RELATED PARTY TRANSACTIONS (Cont'd)

- ARHA provided the West Glebe Housing LP a construction loan in the amount of \$4,024,107 bearing a 0% per annum, secured by a deed of trust and security agreement. Prepayment for the note is not permitted prior to maturity on June 1, 2039. This loan is subordinate to the bridge loan.
- ARHA has entered into an agreement with the West Glebe Housing LP to act as the guarantor of the affiliate of the Investment Limited partner who is providing a bridge loan during construction in the amount of \$3,636,361 and bearing interest at 6.5%. The loan was paid in full during the year ended December 31, 2011.
- ARHA has entered into management agreements with West Glebe Housing Limited Partnership to manage the property owned by the partnership. ARHA receives the lesser of \$33,811 or the amount permitted by HUD as management fees. A construction management fee may be paid in addition to the management fee. During the year ended December 31, 2011, \$41,098 were earned in management fees and \$4,193 in bookkeeping fees.
- ARHA has entered into a development agreement with James Bland Housing I, L.P. Pursuant to the agreement, ARHA will receive a developer fee of \$475,000 from the Limited Partner's capital contributions and cash flow. As of December 31, 2011, a developer fee of \$356,250 remained receivable.
- ARHA has entered into a construction loan agreement with James Bland Housing I, L.P. in the maximum amount of \$2,200,000. The loan is secured by a deed of trust on the project and bears an interest rate, compounded annually, of 1.00% and will mature January 28, 2050. As of December 31, 2011 the outstanding principal balance was \$2,200,000 and accrued interest was \$42,608, for a total of \$2,242,608.
- ARHA has entered into a management agreement with James Bland Housing I, L.P. and earns a fee equal to the lesser of the amount permitted by HUD or \$58.70 per unit per month. For the year ended December 31, 2011, ARHA earned management fees of \$6,228.
- ARHA has entered into a development agreement with James Bland Housing II, L.P. Pursuant to the agreement, ARHA will receive a developer fee of \$548,000 paid from the Limited Partner's capital contributions and cash flow. As of December 31, 2011, a developer fee of \$137,000 remained receivable.
- ARHA has entered into a construction loan agreement with James Bland Housing II, L.P. in the maximum amount of \$3,681,181. The loan is secured by a deed of trust on the project and bears an interest rate of 1.00%, compounded annually and matures on December 17, 2050. As of December 31, 2011, the outstanding principal balance was \$3,681,181.

NOTE 19: CONTINGENCIES:

The entity is subject to possible examinations made by federal regulators who determine compliance with terms, conditions, laws and regulations governing grants given to the entity in the current and prior years. These examinations may result in required refunds by the entity to federal grantors and/or program beneficiaries. There are currently lawsuits ongoing; however, there are no amounts which are deemed as contingent liabilities which should be disclosed or accrued in the financial statements. Subsequent to the balance sheet date the PHA was in the process of settling a lawsuit with a prior Executive Secretary but the amount and date of the final resolution were not known as of the management representation letter. The amount of the settlement is not considered material by management or legal counsel.

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY
ALEXANDRIA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS - CONTINUED
TWELVE MONTHS ENDED DECEMBER 31, 2011

NOTE 20: RISK MANAGEMENT

The Authority is exposed to all common perils associated with the ownership and rental of real estate properties. A risk management program has been established to minimize loss occurrence and to transfer risk through various levels of insurance. Property, casualty, employee dishonesty and public official's liability forms are used to cover the respective perils.

Our search for contingent liabilities revealed no liabilities that required disclosure against the ARHA as of December 31, 2011.

NOTE 21: SUBSEQUENT EVENTS

Management has evaluated subsequent events through **September 19, 2012**, the date on which the financial statements were available to be issued.

NOTE 22: SUPPLEMENTAL INFORMATION

The supplemental information has been included in order to show the financial statements of the Housing Authority on the GAAP basis of accounting but in the format of the HUD Handbook 7476.3, Audit Guide. This is due to the fact that some supplemental information is reviewed by the field office and provides greater detail concerning the operations of the Housing Authority.

SUPPORTING SCHEDULES

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY
 STATEMENT OF CERTIFICATION OF MODERNIZATION COSTS
 FOR THE YEAR ENDED DECEMBER 31, 2011

The Actual Modernization costs of Project are as follows:	VA39p004501-05
Funds Approved	\$ 1,377,247
Funds Expended	<u>1,377,247</u>
 EXCESS OF FUNDS APPROVED	 <u>\$ -</u>
Funds Advanced	\$ 1,377,247
Funds Expended	<u>1,377,247</u>
 EXCESS <DEFICIENCY> OF FUNDS ADVANCED	 <u>\$ -</u>

The distribution of costs by project as shown on the Final Statement of Modernization Costs accompanying the Actual Modernization Cost Certificate submitted to HUD for approval is in agreement with the Authorities records.

All modernization costs have been paid and all related liabilities have been discharged through payment.

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY
 STATEMENT OF CERTIFICATION OF MODERNIZATION COSTS
 FOR THE YEAR ENDED DECEMBER 31, 2011

The Actual Modernization costs of Project are as follows: VA39P004501-06

Funds Approved	\$ 1,314,270
Funds Expended	<u>1,314,270</u>

EXCESS OF FUNDS APPROVED	<u><u>\$ -</u></u>
--------------------------	--------------------

Funds Advanced	\$ 1,314,270
Funds Expended	<u>1,314,270</u>

EXCESS <DEFICIENCY> OF FUNDS ADVANCED	<u><u>\$ -</u></u>
--	--------------------

The distribution of costs by project as shown on the Final Statement of Modernization Costs accompanying the Actual Modernization Cost Certificate submitted to HUD for approval is in agreement with the Authorities records.

All modernization costs have been paid and all related liabilities have been discharged through payment.

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY
 STATEMENT OF CERTIFICATION OF MODERNIZATION COSTS
 FOR THE YEAR ENDED DECEMBER 31, 2011

The Actual Modernization costs of Project are as follows: VA39P004502-06

Funds Approved	\$	38,829
Funds Expended		38,829

EXCESS OF FUNDS APPROVED	\$	-
--------------------------	----	---

Funds Advanced	\$	38,829
Funds Expended		38,829

EXCESS <DEFICIENCY> OF FUNDS ADVANCED	\$	-
--	----	---

The distribution of costs by project as shown on the Final Statement of Modernization Costs accompanying the Actual Modernization Cost Certificate submitted to HUD for approval is in agreement with the Authorities records.

All modernization costs have been paid and all related liabilities have been discharged through payment.

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY
 STATEMENT OF CERTIFICATION OF MODERNIZATION COSTS
 FOR THE YEAR ENDED DECEMBER 31, 2011

The Actual Modernization costs of Project are as follows: VA39S004501-09

Funds Approved	\$ 1,791,960
Funds Expended	<u>1,791,960</u>

EXCESS OF FUNDS APPROVED	<u>\$ -</u>
--------------------------	-------------

Funds Advanced	\$ 1,791,960
Funds Expended	<u>1,791,960</u>

EXCESS <DEFICIENCY> OF FUNDS ADVANCED	<u>\$ -</u>
--	-------------

The distribution of costs by project as shown on the Final Statement of Modernization Costs accompanying the Actual Modernization Cost Certificate submitted to HUD for approval is in agreement with the Authorities records.

All modernization costs have been paid and all related liabilities have been discharged through payment.

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2011

<u>CFDA TITLE ASSISTANCE TYPE</u>	<u>CFDA NUMBER</u>	<u>THRU ENTITY</u>	<u>PASS FEDERAL EXPENDITURES</u>
<u>FEDERAL GRANTOR: U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Low-Rent Public Housing	14.850a*	N/A	\$ 4,881,989
Public Housing Capital Fund Program	14.872*	N/A	1,015,185
Resident Opportunity and Supportive Services	14.870	N/A	131,084
Housing Choice Voucher Program	14.871*	N/A	21,017,926
Section 8 Moderate Rehab	14.856*	N/A	<u>1,220,210</u>
TOTAL U.S. DEPARTMENT OF HUD			<u>28,266,394</u>
TOTAL FEDERAL AWARDS EXPENDED			<u>\$ 28,266,394</u>

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2011

Note 1: Basis of Accounting

The Schedule of Expenditures of Federal Awards is prepared on the same basis of accounting as ARHA's financial statements, accounting principles generally accepted in the United States of America.

Note 2: Major Programs

The (*) to the right of a CFDA number identifies the grant as a major federal program as defined by OMB Circular A-133.

Note 3: Award Balance

On the Section 8 Vouchers/Certificate programs, ARHA receives annual funds based on an annual estimate of need. Any unused HAP funds are restricted for payment of future HAP payments.

Note 4: Program Costs

The amounts shown as current year expenditures represent only the federal portion of the actual program costs. Actual program costs, including ARHA's portion, may be more than shown.

**FINANCIAL COMPLIANCE REPORTS
FOR
FEDERAL FUNDS**



REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT
AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Commissioners
Alexandria Redevelopment
and Housing Authority
Alexandria, Virginia

Compliance

We have audited the compliance of the Alexandria Redevelopment and Housing Authority 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 its major federal programs for the year ended December 31, 2011. The Alexandria Redevelopment and Housing Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

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. 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 the Authority'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. Our audit does not provide a legal determination on the Authority's compliance with those requirements.

In our opinion, the Authority complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011. The results of our auditing procedures disclosed no instances of noncompliance with those requirements that are reported in accordance with OMB Circular A-133.

Internal Control Over Compliance

The management of the Alexandria Redevelopment and Housing Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance 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 the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT
AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(CONTINUED)

A deficiency in internal control 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 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.

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

This report is intended for the information of the Board of Commissioners, management, and the Department of Housing and Urban Development and is not intended to be and should not be used by anyone other than those specified parties.

Dooley & Vicars
Certified Public Accountants, L.L.P.

September 30, 2011



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

Board of Commissioners
Alexandria Redevelopment
and Housing Authority
Alexandria, Virginia

We have audited the financial statements of the business-type activities, each major fund, and the aggregate remaining fund information and component unit of the Alexandria Redevelopment and Housing Authority as of and for the year ended December 31, 2011, and have issued our report thereon dated September 30, 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 Alexandria Redevelopment and Housing Authority's internal control over financial reporting as a basis for designing our auditing procedures 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 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 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, 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 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.

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
(CONTINUED)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Alexandria Redevelopment and Housing Authority's financial statements are free of material misstatement, we performed test 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 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 matter that are required to be reported under Government Auditing Standards.

This report is intended for the information of the Board of Commissioners and management of the Alexandria Redevelopment and Housing Authority and the Department of Housing and Urban Development and is not intended to be and should not be used by anyone other than those specified parties.

Dooley & Vicars
Certified Public Accountants, L.L.P.

September 30, 2011

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY
STATUS OF PRIOR AUDIT FINDINGS
AT DECEMBER 31, 2011

There were no audit findings in the prior audit report.

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2011

Section I -- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified: yes no
- Significant Deficiency(s) identified that are not considered to be material weakness(es)? 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 Deficiency(s) identified that are not considered to be material weakness(es)? yes none reported

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

Any audit findings disclosed that are required to be reported in accordance with section 501(a) of Circular A-133: yes no

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED DECEMBER 31, 2011
 (CONTINUED)

Identification of major programs:

<i>CFDA Number(s)</i>	<i>Name of Federal Program or Cluster</i>
14.850A	Low Rent Public Housing
14.872	Public Housing Capital Fund
14.871	Section 8 Housing Choice Vouchers
14.856	Section 8 Moderate Rehab

Dollar threshold used to distinguish
 between type A and B programs: \$ 845,857

Auditee qualified as low-risk auditee? X yes no

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2011
(CONTINUED)

Section II -- Financial Statement Findings

There are no financial statement findings.

Section III – Federal Awards Findings and Questioned Costs

There were no financial awards findings or questioned costs.

SUPPLEMENTAL INFORMATION

Alexandria Redevelopment & Housing Authority (VA004)
ALEXANDRIA, VA
Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2011

	Project Total	14 659 Public Housing Comprehensive Grant Program	14 670 Resident Opportunity and Supportive Services	14 241 Housing Opportunities for Persons with AIDS	14 871 Housing Choice Vouchers	14 866 Revitalization of Severely Distressed Public Housing	6 Component Units	2 State/Local
111 Cash - Unrestricted	\$3,461,990				\$1,723,930	\$2,721,296	\$1,996,572	
112 Cash - Restricted - Modernization and Development								
113 Cash - Other Restricted					\$4,896,679			
114 Cash - Tenant Security Deposits	\$313,964				\$150,848			\$205,039
115 Cash - Restricted for Payment of Current Liabilities								
100 Total Cash	\$3,775,954	\$0	\$0	\$0	\$6,761,457	\$2,721,296	\$1,996,572	\$205,039
121 Accounts Receivable - PHA Projects					\$145,632			
122 Accounts Receivable - HUD Other Projects	\$862,311		\$11,837					
123 Accounts Receivable - Other Government								
125 Accounts Receivable - Miscellaneous	\$56,330							\$37,642
125 Accounts Receivable - Tenants	\$66,671						\$1,156,250	\$46,689
126.1 Allowance for Doubtful Accounts - Tenants	-\$17,215	\$0	\$0	\$0	\$0	\$0	\$0	\$62,567
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$38,804
127 Notes, Loans, & Mortgages Receivable - Current	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
128 Fraud Recovery								
128.1 Allowance for Doubtful Accounts - Fraud								
129 Accrued Interest Receivable								
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$463,097	\$0	\$11,837	\$0	\$145,632	\$0	\$1,156,250	\$108,094
131 Investments - Unrestricted								
132 Investments - Restricted								
135 Investments - Reserved for Payment of Current Liability								
142 Prepaid Expenses and Other Assets	\$35,494				\$699,039		\$104	\$63,979
143 Inventories								
143.1 Allowance for Obsolete Inventories								
144 Inter Program Due From								
145 Assets Held for Sale								
150 Total Current Assets	\$4,278,645	\$0	\$11,837	\$0	\$7,806,128	\$2,721,296	\$3,152,926	\$377,112
161 Land								
162 Buildings	\$3,855,621							\$2,495,114
163 Furniture, Equipment & Machinery - Dwellings	\$39,204,526							\$4,123,632
164 Furniture, Equipment & Machinery - Administration								
165 Leasehold Improvements					\$206,475			\$125,858
166 Accumulated Depreciation	-\$24,966,067							
167 Construction in Progress	\$2,655,960				-\$203,475			-\$6,964,758
168 Infrastructure								
160 Total Capital Assets, Net of Accumulated Depreciation	\$20,750,040	\$0	\$0	\$0	\$3,000	\$0	\$0	\$29,779,646
171 Notes, Loans and Mortgages Receivable - Non-Current								
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due	\$4,238,591					\$9,662,757		\$7,030,910
173 Grants Receivable - Non Current								
174 Other Assets								
175 Investments in Joint Ventures							\$218,567	\$128,238
180 Total Non-Current Assets	\$24,988,631	\$0	\$0	\$0	\$3,000	\$9,662,757	\$218,567	\$36,938,904

190 Total Assets	\$29,267,276	\$0	\$11,837	\$0	\$7,809,128	\$12,404,053	\$3,371,493	\$37,316,106
311 Bank Overdraft								
312 Accounts Payable <= 90 Days	\$90,283				\$7,522		\$4,687	\$54,595
313 Accounts Payable >90 Days Past Due								
321 Accrued Wage/Payroll Taxes Payable	\$54,466				\$29,961		\$6,144	\$22,777
322 Accrued Compensated Absences - Current Portion	\$115,233				\$31,031		\$15,815	\$14,328
324 Accrued Contingency Liability								
325 Accrued Interest Payable								\$946,402
331 Accounts Payable - HUD PHA Programs								\$533,165
332 Account Payable - PHA Projects								
333 Accounts Payable - Other Government	\$51,864							\$14,881
341 Tenant Security Deposits	\$313,064							\$205,039
342 Deferred Revenues	\$15,497							\$7,029,337
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds								\$232,206
344 Current Portion of Long-term Debt - Operating Borrowings								
345 Other Current Liabilities								\$539,760
346 Accrued Liabilities - Other					\$228,046			
347 Inter Program - Due To			\$11,837					
348 Loan Liability - Current								
310 Total Current Liabilities	\$640,407	\$0	\$11,837	\$0	\$296,560	\$0	\$26,646	\$9,414,490
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue								
352 Long-term Debt, Net of Current - Operating Borrowings								\$29,500,856
353 Non-current Liabilities - Other								
354 Accrued Compensated Absences - Non Current	\$172,850				\$150,848			
355 Loan Liability - Non Current					\$46,547		\$23,722	\$21,493
356 FASB 5 Liabilities								
357 Accrued Pension and OPEB Liabilities								
350 Total Non-Current Liabilities	\$172,850	\$0	\$0	\$0	\$197,395	\$0	\$23,722	\$29,522,349
300 Total Liabilities	\$813,257	\$0	\$11,837	\$0	\$493,955	\$0	\$50,368	\$39,936,839
508.1 Invested In Capital Assets, Net of Related Debt								
509.2 Fund Balance Reserved	\$20,750,040							\$46,784
511.2 Unreserved, Designated Fund Balance					\$3,000			
511.1 Restricted Net Assets								
512.1 Unrestricted Net Assets	\$7,703,979	\$0	\$0	\$0	\$4,886,679	\$12,404,053	\$3,321,125	\$1,595,437
512.2 Unreserved, Undesignated Fund Balance					\$2,425,484	\$0	\$3,321,125	\$3,262,954
513 Total Equity/Net Assets	\$28,454,019	\$0	\$0	\$0	\$7,315,173	\$12,404,053	\$3,321,125	\$1,620,733
600 Total Liabilities and Equity/Net Assets	\$29,267,276	\$0	\$11,837	\$0	\$7,809,128	\$12,404,053	\$3,371,493	\$37,316,106

1 Business Activities	14,854 Public and Indian Housing Drug Elimination Program	Income Housing Assistance Program, Section 6 Moderate	COCC	Subtotal	ELIM	Total
\$4,376,748	\$339,699	\$276,756	\$12,175,695	\$2,721,296		\$12,175,695
	\$0		\$2,721,296	\$4,886,679		\$2,721,296
	\$0		\$668,951			\$4,886,679
	\$0					\$668,951
\$4,376,748	\$339,699	\$276,756	\$20,452,621	\$0		\$20,452,621
	\$0		\$145,632			\$145,632
	\$33,782		\$407,930			\$407,930
	\$0		\$37,642			\$37,642
	\$0		\$1,259,269			\$1,259,269
	\$0		\$129,238			\$129,238
	\$0		-\$56,019		\$0	-\$56,019
	\$0		\$0		\$0	\$0
	\$0					
	\$0					
	\$0					
	\$0					
\$0	\$33,782	\$0	\$1,923,692	\$0		\$1,923,692
	\$0					
	\$0					
\$949	\$0	\$2,843	\$1,002,408			\$1,002,408
	\$0					
	\$0					
\$57,397	\$14,100		\$71,497	-\$71,497		\$0
\$4,377,697	\$387,581	\$279,599	\$23,450,218	-\$71,497		\$23,378,721
	\$0		\$6,350,735			\$6,350,735
\$1,892,318	\$0	\$1,068,849	\$76,389,325			\$76,389,325
	\$0		\$80,468			\$80,468
	\$0		\$412,801			\$412,801
	\$0					
-\$1,440,726	\$0	-\$878,170	\$34,453,196			-\$34,453,196
	\$0	\$45,516	\$2,701,476			\$2,701,476
\$551,592	\$0	\$316,683	\$51,401,141	\$0		\$51,401,141
\$7,480,124	\$0		\$28,412,382	-\$7,460,124		\$20,952,258
	\$0					
	\$0		\$346,805			\$346,805
\$8,011,716	\$0	\$316,663	\$80,160,328	-\$7,460,124		\$72,700,204

\$12,389,413	\$57,397	\$387,581	\$596,262	\$103,610,546	-\$7,531,621	\$96,078,925
\$10,522	\$0	\$0	\$42,133	\$209,800		\$209,800
\$68,127	\$0	\$2,038	\$68,401	\$249,914		\$249,914
	\$0	\$0	\$87,277	\$263,684		\$263,684
	\$0	\$0	\$0	\$948,402	-\$573,108	\$375,294
	\$14,100	\$0	\$367,265	\$367,265		\$367,265
	\$0	\$0	\$0	\$66,745		\$66,745
	\$0	\$0	\$0	\$518,103		\$518,103
\$70,423	\$0	\$0	\$7,115,257	\$7,115,257		\$7,115,257
	\$0	\$0	\$232,206	\$232,206		\$232,206
	\$57,397	\$0	\$0	\$0		\$57,397
\$474,929	\$0	\$0	\$0	\$597,157		\$597,157
\$45,560	\$14,100	\$0	\$0	\$702,975		\$702,975
	\$0	\$0	\$0	\$71,497	-\$71,497	\$0
\$669,561	\$57,397	\$30,296	\$195,811	\$11,343,005	-\$644,605	\$10,698,400
	\$0	\$0	\$0	\$29,500,856	-\$6,887,016	\$22,613,840
\$275,590	\$0	\$0	\$275,590	\$275,590		\$275,590
	\$8,648	\$0	\$159,496	\$159,496		\$159,496
	\$0	\$0	\$130,916	\$395,528		\$395,528
	\$0	\$0	\$0	\$0		\$0
	\$0	\$0	\$0	\$0		\$0
\$275,590	\$0	\$8,648	\$130,916	\$30,331,470	-\$6,887,016	\$23,444,454
\$945,151	\$57,397	\$38,844	\$328,727	\$41,674,475	-\$7,531,621	\$34,142,854
\$551,592	\$0	\$0	\$316,663	\$21,668,079	\$6,887,016	\$28,555,095
	\$0	\$0	\$0	\$0		\$0
	\$0	\$0	\$0	\$18,886,169		\$18,886,169
\$10,892,670	\$0	\$348,637	-\$47,128	\$21,381,823	-\$6,887,016	\$14,494,807
	\$0	\$0	\$0	\$0		\$0
\$11,444,262	\$0	\$348,637	\$289,535	\$61,936,071	\$0	\$61,936,071
\$12,389,413	\$57,397	\$387,581	\$596,262	\$103,610,546	-\$7,531,621	\$96,078,925

Alexandria Redevelopment & Housing Authority (VA004)
ALEXANDRIA, VA

Entity Wide Revenue and Expense Summary

Submission Type - Audited/A-133

Fiscal Year End: 12/31/2011

	Project Total	14,859 Public Housing Comprehensive Grant Program	14,870 Resident Opportunity and Supportive Services	14,241 Housing Opportunities for Persons with AIDS	14,871 Housing Choice Vouchers	14,865 Revitalization of Severely Distressed Public Housing	6 Component Units	2 State/Local	1 Business Activities
70300 Net Tenant Rental Revenue	\$1,316,719							\$3,295,680	
70400 Tenant Revenue - Other	\$63,866							\$24,656	
70500 Total Tenant Revenue	\$1,380,585	\$0	\$0	\$0	\$0	\$0	\$0	\$3,320,336	\$0
70600 HUD PHA Operating Grants	\$5,284,119		\$131,084		\$21,017,926				
70610 Capital Grants	\$615,055								
70710 Management Fee									
70720 Asset Management Fee									
70730 Book Keeping Fee									
70740 Front Line Service Fee									
70750 Other Fees									
70700 Total Fee Revenue									
70900 Other Government Grants	\$99,840							\$3,904,713	
71000 Investment Income - Unrestricted	\$50,908				\$324			\$2,039	\$34,544
71200 Mortgage Interest Income									
71300 Proceeds from Disposition of Assets Held for Sale									
71310 Cost of Sale of Assets									
71400 Fraud Recovery									
71500 Other Revenue	\$126,703				\$41,563				
71600 Gain or Loss on Sale of Capital Assets	\$2,647,825				\$1,054,911	\$495,000	\$3,067,182	\$534,867	\$160,563
72000 Investment Income - Restricted									
70000 Total Revenue	\$10,403,035	\$0	\$131,084	\$0	\$4,384	\$179,576	\$3,067,182	\$7,861,955	\$195,107
91100 Administrative Salaries	\$501,954		\$51,928		\$705,338		\$233,115	\$188,155	
91200 Auditing Fees	\$28,610				\$661			\$9,593	
91300 Management Fee	\$430,094				\$283,458		\$474,400	\$170,615	
91310 Book-keeping Fee	\$30,783				\$137,745			\$20,145	
91400 Advertising and Marketing							\$223	\$399	
91500 Employee Benefit Contributions - Administrative	\$246,239		\$5,965		\$185,155		\$31,740	\$90,028	
91600 Office Expenses	\$57,959		\$225		\$175,486		\$7,142	\$15,645	
91700 Legal Expense	\$47,864				\$250		\$282	\$28,458	
91800 Travel	\$607		\$151		\$1,727		\$1,472	\$56	
91810 Allocated Overhead									
91900 Other	\$254,994		\$277		\$84,056				
91000 Total Operating - Administrative	\$1,720,639	\$0	\$59,546	\$0	\$1,574,056	\$0	\$991,546	\$263,236	\$32,048
92000 Asset Management Fee	\$67,710							\$26,860	
92100 Tenant Services - Salaries	\$138,598		\$48,768					\$83,518	
92200 Relocation Costs	\$2,681							\$2,022	
92300 Employee Benefit Contributions - Tenant Services	\$21,237		\$22,392						
92400 Tenant Services - Other	\$6,783		\$378		\$9,364				
92500 Total Tenant Services	\$171,299	\$0	\$71,538	\$0	\$10,680	\$0	\$206	\$7,093	\$37,156
								\$92,633	\$37,156

