

**ALEXANDRIA REDEVELOPMENT
AND HOUSING AUTHORITY**

**AUDITED
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
DECEMBER 31, 2010**

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Dooley & Vicars

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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, 2010, 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, 2010, 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
MANAGEMENT'S DISCUSSION & ANALYSIS
FISCAL YEAR ENDED DECEMBER 31, 2010**

This section of the Authority's annual financial report presents Management's analysis of the Authority's financial performance during the Fiscal Year Ended December 31, 2010.

FINANCIAL HIGHLIGHTS AND CONCLUSIONS:

The Alexandria Redevelopment & Housing Authority had a relatively good year as illustrated by the outcome of its fiscal year operation, bought out the investor in the Quaker Hill LLC Development, begun a major renovation project of that development as well as took over complete ownership of the entity. The PHA has moved toward reviewing the possibility of rehabbing older economically depressed developments where continued maintenance and minor capital projects aren't sufficient in neither meeting the goals and objectives of the PHA nor meeting the PHA's obligation to its residents and community in providing affordable quality housing.

Total Net Assets increased by \$4.7 million which was mainly capital projects, specifically the Quaker Hill Redevelopment.

REQUIRED FINANCIAL STATEMENTS

The Financial Statements of the Authority report information using accounting methods similar to those used by private sector companies (Enterprise Fund).

The Statement of Net Assets (Balance Sheet) includes all of the Authority's assets and liabilities and provides information about the amounts and investments in assets and the obligations to Authority creditors. It also provides a basis of assessing the liquidity and financial flexibility of the Authority. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial health of the Authority is improving or deteriorating.

The current year's revenues, expenses, and changes in net assets are accounted for in the Statement of Revenues, Expenses and Net Assets. This statement measures the success of the Authority's operations over the past fiscal year.

The Statement of Cash Flows is to provide information about the Authority's cash receipts and disbursements during the reporting period. The statement reports net changes in cash resulting from operations.

FINANCIAL ANALYSIS OF THE AUTHORITY

One question frequently asked about an Authority's finances is "Did the Authority's operations and financial position improve or deteriorate over the previous fiscal year?" The Statement of Net Assets and the Statement of Revenues, Expenses and Net Assets report information about the Authority's activities and are summarized in the following sections.

To begin our analysis, a summary of the Authority's Statement of Net Assets is presented in Table I.

Alexandria Redevelopment & Housing Authority
Combined Statement of Net Assets
TABLE I

Account Descriptions	2010	2009	Total Change	% Change
Current Assets	19,153,018	16,661,343	2,491,675	14.95%
Noncurrent Assets	16,924,715	23,389,786	(6,465,071)	-27.64%
Capital Assets	43,666,993	28,094,474	15,572,519	55.43%
Total Assets	79,744,726	68,145,603	11,599,123	17.02%
Current Liabilities	6,524,259	4,362,583	2,161,676	49.55%
Noncurrent Liabilities	21,431,374	16,526,380	4,904,994	29.68%
Total Liabilities	27,955,633	20,888,963	7,066,670	33.83%
Invested in Capital Assets				
Net of Related Debt	25,899,438	15,446,657	10,452,781	67.67%
Restricted Net Assets	15,578,829	16,000,518	(421,689)	-2.64%
Unrestricted Net Assets	10,310,826	15,809,465	(5,498,639)	-34.78%
Total Net Assets	51,789,093	47,256,640	4,532,453	9.59%
Total Liabilities & Net Assets	79,744,726	68,145,603	11,599,123	17.02%

Current Assets:

Current assets are made up of cash, receivables and prepaid expenses. Current assets increased by \$2,491,675 due to several factors. Overall cash increased by \$656,197, receivables increased by \$87,058 and prepaid expenses increased by \$28,425. HUD Accounts Receivable increased by \$148,144 with reductions in tax credit receivables of \$(113,842). These changes are mainly due to timing issues.

Non-current Assets

Non-current assets are made up of notes receivable and other assets. Non-current assets decreased by \$(6,465,071). The decrease was driven by overall decreases in notes receivable, \$(7,991,081) related to the elimination entry for the Quaker Hill LP Notes Receivable since the PHA bought out the investor in the prior Cameron Valley LP and took over ownership of the entity. The Entity is now known as the Quaker Hill LP and the loan was renegotiated, and other assets, \$(1,096,739) related to the change in ownership of Cameron Valley LP as well. The investment in joint venture was translated into a part of the notes receivable balance due to the change in ownership of Quaker Hill LP to ARHA GP which ARHA is the sole owner of.

Current Liabilities

Current liabilities are made of accounts payable, accrued liabilities, unearned revenue and security deposits. Current liabilities increased by \$2,161,677 mainly due to deferred revenue increases, \$1,206,561 related to TCAP funding for the Quaker Hill Development. Accounts Payable increased by \$762,516 as well as increases in accrued interest payable, \$226,185, and other current liabilities in the amount of \$169,683.

Non-current Liabilities

Non-current liabilities are made up of long-term debt, family self-sufficiency escrow accounts, accrued compensated absences and other accrued liabilities that are long term in nature. Non-current liabilities increased by \$2,282,245 due to loans received for the Quaker Hill Redevelopment. The PHA reclassified some of the operating and long term loans due to changes in understanding as to how the loans would be utilized, operating and capital, as well as new issues of debt related to the Quaker Hill Redevelopment and refinancing of the Hopkins Tancil project. See Note 15 in the Notes to the Financial Statements for a full description of the activity. Minimal decreases in accrued compensated absences and in FSS Escrow also occurred during the year but were not the material reason the non-current liabilities increased during the year.

Net Assets

As illustrated in the Combined Statement of Net Assets, the overall Net Assets of the Authority increased by \$4,532,453. The “Invested in Capital Assets” increased by \$10,452,781 or 67.67% due to Quaker Hill Development activity as well as current CFP activity within the AMP’s.

The Restricted Net Asset account is made up of a HOPE VI notes receivable, reserve accounts for long-term debt and capital funding as well as Housing Choice Voucher reserves. Restricted net assets decreased by \$(421,689) or less than (2.64) % which was immaterial.

The Unrestricted Net Assets decreased by \$(5,498,639) or (34.78) %. This reflects the elimination of the prior Cameron Valley LP notes receivable from the books due to the offsetting ownership of the entity in the current year, Quaker Hill LP, and changes in operating and capital debt as well as positive operating income during fiscal year 2010.

While the Statement of Net Assets shows the change in financial position, the Statement of Revenues, Expenses, and Net Assets breaks down our revenues and expenses further. Table III, which follows, provides a combined statement of these changes in Net Assets. Table III provides a Statement of Revenues, Expenses and Net Assets by Revenue Source.

Alexandria Redevelopment & Housing Authority
Combined Statement of Revenues, Expenses and Change in Net Assets
TABLE II

Account Descriptions	2010	2009	Total Change	% Change
Tenant Revenue	4,025,156	4,068,945	(43,789)	-1.08%
Grant Funding	29,984,376	23,590,780	6,393,596	27.10%
Interest Income	219,035	197,023	22,013	11.17%
Loss on disposition of homes	-	(3,841,626)	3,841,626	100.00%
Other Income	1,687,970	4,617,207	(2,929,237)	-63.44%
Total Revenue	35,916,537	28,632,329	7,284,209	25.44%
Administration	5,189,807	4,668,739	521,068	11.16%
Tenant Services	511,129	298,692	212,437	71.12%
Utilities	1,383,329	1,341,511	41,818	3.12%
Maintenance	1,650,802	1,529,343	121,459	7.94%
Protective services	5,925	6,029	(104)	-1.72%
General expense	960,997	1,263,729	(302,732)	-23.96%
Housing Assistance Payments	19,267,285	17,503,247	1,764,038	10.08%
Interest expense	1,017,019	666,028	350,991	52.70%
Depreciation	1,397,791	1,439,490	(41,699)	-2.90%
Amortization	-	63,000	(63,000)	-100.00%
Total Expenses	31,384,084	28,779,808	2,604,276	9.05%
Prior year adjustments	-	-	-	-100.00%
Change in Net Assets	4,532,453	(147,479)	4,679,932	-3173.28%
Beginning Net Assets	47,256,640	47,404,119	(147,479)	-0.31%
Ending Net Assets	51,789,093	47,256,640	4,532,453	9.59%

REVENUES

In reviewing the Statement of Revenues, Expenses, and Net Assets, you will find that 83% of the Authority's revenues are derived from grants from the Department of Housing and Urban Development. The Authority receives revenue from tenants for dwelling rental charges, excess utilities, and miscellaneous charges of 14% of total revenue. Other Revenue comprises the remaining 2% and Interest income represents less than 1%. Compared to the Fiscal Year Ended December 31, 2009, revenues had an overall increase of \$7,284,009 or 25.44 %.

Tenant Revenue - Tenant Revenue had a decrease from \$4,068,945 to \$4,025,156 or a decrease of \$(43,789). The decrease was related to decreases in tenant rent within the State/Local program exceeding the increases within the AMP programs.

Program Grants/Subsidies – Federal and State subsidies for the year increased by \$6,393,596, or 27.10 %, from \$23,590,780 in fiscal year 2009 to \$29,984,376 in fiscal year 2010. The increase mainly related to the HCV program, \$4,241,567, ARRA funding, \$1,168,400, and Public Housing Subsidy, \$910,040. See Table IV for the comparative funding schedule:

Table III
HUD Funding Comparative

<u>Year</u>	<u>Public Housing</u>	<u>Mod Rehab</u>	<u>CFP</u>
2010	4,700,765.00	1,229,329.00	1,439,345.00
2009	3,790,725.00	1,076,305.00	1,507,932.00
Net Change	910,040.00	153,024.00	(68,587.00)
% Change	24.01%	14.22%	0.00%
<u>Year</u>	<u>Vouchers</u>	<u>ARRA</u>	<u>Totals</u>
2010	21,053,153.00	1,480,180.00	29,902,772.00
2009	16,811,586.00	311,780.00	23,498,328.00
Net Change	4,241,567.00	1,168,400.00	994,477.00
% Change	25.23%	374.75%	4.23%

Other Income/Interest Income – Other income decreased by \$(2,929,237). The decrease was mainly due to the lack of activity related to tax credit refinancing activity and revenue source activity. The Quaker Hill Redevelopment project brought in over \$3.7 million in TCAP funding which is deferred and amortized over the life of the tax credit compliance period.

Interest income increased by \$22,013, which was immaterial.

EXPENSES

The Alexandria Redevelopment & Housing Authority experienced an increase in operating expenses for the current year from \$28,779,808 to \$31,117,790 or a net increase of \$2,337,982 or 8.12%. The highlights of the expenses for the current year are as follows:

Administrative – Administrative costs include all non-maintenance and non-resident service personnel costs (including benefits and accrued leave), legal costs, auditing costs, travel and training costs, and other administrative costs such as supplies, telephone expense, etc. Compared to 2009, administrative costs increased by \$521,068 or 11.16%. The largest increase related to salaries and other administrative costs while the administrative benefits reduced by \$(102,763).

Tenant Services – Tenant Services costs include all costs incurred by the Authority to provide social services to the residents. The ARC and Ladrey Advisory Boards receive funding for board meetings, training costs, and other items to assist them in staying informed on its role in the Authority's operations. Tenant Services costs increased from \$298,692 to \$511,129 or an increase of 212,437 or 71.12%. The increase was due to increases in Salaries, benefits and relocation costs.

Utilities - The total utilities expense for the Authority increased by \$41,818 or 3.12%. The increase in water, \$82,178 was the driving factor in the overall increase in utility costs.

Maintenance – Maintenance costs are all costs incurred by the Authority for the 889 Public Housing units, which are owned by the Authority in a safe and sanitary manner. Costs include personnel costs, materials used to maintain the units, contracts for waste management, vehicle costs and maintenance, and telephone/radio service, etc. The Maintenance Expense for the Authority increased from \$1,529,343 to \$1,650,802 for a increase of \$121,459 or 7.94 %. Salaries and benefits were the driving factor in the overall minimal increase.

Protective Services – Protective services costs were used for police and fire services. The total expense for the year was \$5,925 or a decrease of \$(104) or (1.72) %. The Authority utilizes the police services for security services and protection for elderly and disabled residents. The services helped reduce crime in the elderly and disabled sites.

General Expenses – General Expenses include insurance costs (property, auto, liability, workers’ compensation, public officials’ liability, lead based paint insurance, etc.), collection losses, and payment in lieu of taxes to the City of Alexandria. General expenses for the Authority decreased from \$1,263,729 to \$960,997 or a decrease of \$(302,732) or (23.96) %. Decreases in bad debt write offs and insurance costs were the main factors in the overall decrease in this category. The PHA improved their collection rates as well as reduced available rental units which led to the overall decrease in insurance needs.

Housing Assistance Payments Program – HAP payments consist of rental payments to owners of private property for which the housing authority has a HAP agreement with the tenant and the owner for the difference between the tenants rent and the applicable payment standard. HAP payments for the Authority increased from \$17,503,247 to \$19,267,285 or an overall increase of \$1,764,038 or 10.08 %. The increase was due to increased lease-ups during the fiscal year and utilization of James Bland Relocation vouchers.

Depreciation – Because the costs of all capitalized additions are spread over the estimated useful life of an asset, the estimated current year costs of capitalized items is recorded as depreciation. Depreciation Expense for the current year slightly decreased by \$(41,699), or (2.9) %. Depreciation expense decreased due to capital assets being fully depreciated in the prior year.

Other Non-Operating Expenses – The Authority had other non-operating revenues/expenditures related to interest income, gain on the sale of fixed assets and interest expense. Gains on the sale of fixed assets are nonordinary items during a fiscal year and not a revenue item generally budgeted for. The PHA demolished the Glebe Park project in FY 2009 but no similar activity occurred during fiscal year 2010. Interest expense increased by \$84,691 or 12.72%.

CAPITAL ASSETS

At the end of fiscal year 2009 the Authority had invested in Capital Assets of \$32,017,426, net of depreciation. As of December 31, 2010, the Authority had a net increase in net capital assets of \$15.6 million to \$43.67 million or 55.43 %. The following illustrates the Capital Asset values for 2010 and 2009.

Alexandria Redevelopment & Housing Authority
Combined Statement of Capital Assets
TABLE IV

<u>Account Descriptions</u>	<u>2010</u>	<u>2009</u>	<u>Total Change</u>	<u>% Change</u>
Land	6,447,356	6,447,356	-	0.00%
Buildings & improvements	71,975,451	55,005,141	16,970,310	30.85%
Equipment	412,801	412,801	-	0.00%
Accumulated Depreciation	78,835,608	61,865,298	16,970,310	27.43%
	(35,168,615)	(33,770,824)	(1,397,791)	4.14%
Total Capital Assets	<u>43,666,993</u>	<u>28,094,474</u>	<u>15,572,519</u>	<u>55.43%</u>

The Authority has five ongoing HUD Capital Fund grants and an ARRA grant as well as a revitalization of the Quaker Hill Development. The total capital improvement for the year was \$16.97 million, \$1.39 million for CFP, \$1.03 million in ARRA activity and the remaining related to Quaker Hill and other minor projects. Depreciation Expense for the year ended December 31, 2010 was \$1,397,791.

The Authority is aggressively working to improve the overall quality of their housing stock and have used the programs for that purpose. The Authority expects continued increases in capital expenditures for the upcoming years to continue the upgrade of the Authority's housing stock.

LONG TERM DEBT

Noted in the State/Local fund, the PHA has three funds with long-term capital debt financing. These entities, Quaker Hill, Glebe Park, Jefferson Village, and Hopkins Tancil, provide low-income rental housing, under the Public Housing and Multi-family HUD funding systems, for the residents of the City of Alexandria. Table V gives us an analysis of debt activity from FY 2009 to FY 2010.

Table V
Outstanding Debt Schedule

	<u>2010</u>	<u>2009</u>	<u>Net Change</u>
Current Portion of Long Term Debt	\$ 232,206	185,581	46,625
Long Term Debt, Net of	\$ 20,598,098	15,884,148	4,713,950
Totals	<u>\$ 20,830,304</u>	<u>16,069,729</u>	<u>4,760,575</u>

The long-term debt balance increased by \$2.4 million. The increase was due to financing activities related to Quaker Hill as well as refinancing of the Hopkins Tancil project, see note 15.

ECONOMIC FACTORS AND EVENTS AFFECTING OPERATIONS:

Several factors may affect the financial position of the authority in the subsequent fiscal year. These factors include:

- (1) The population of the City of Alexandria was 128,283 per the 2000 census figures.¹
- (2) The City of Alexandria, per the 2000 census, had 8.9% of the city's population under the poverty level.²
- (3) As described in the Authority's Five-Year Plan, the Authority is working to increase the number of quality properties and units available for low-income residents of the City of Alexandria. Included in this plan is to revitalize current housing stock with innovative funding methods to accomplish these goals. The Authority is actively working to improve the Authority's image within the community of the City of Alexandria through increased public relation efforts. This will provide a higher visibility of the Authority and its goals so that the community will understand the vision of the Authority. This will provide a working relationship between the community and Authority in providing safe, decent, and affordable housing opportunities.
- (4) The Authority has begun construction of new housing units on the old Samuel Madden Low-Rent Public Housing site and the project is almost completed. This is funded by a mixture of HUD HOPE VI grant, tax credits and proceeds from the sale of the land of the Samuel Madden site. There are a total of 152 units under construction with 52 being purchased by the Authority for use in the Low-Income Public Housing program. The remaining units will be sold by the developer to the public. The prices of the units range from \$800,000 to \$1.7 million.
- (5) The Authority is also active in the tax credit market and is working at finding innovative methods in which to finance the improvement at Glebe Park. The Jefferson Village and Glebe Park properties are mixed income units with a mix of market rate and Public Housing units. The properties are in need of renovation and the Authority has partnered with the City of Alexandria, through the Community Development Block Grant (CDBG) to renovate the Jefferson Village property. The City has worked with the Authority to renovate other properties in the past. The Authority has received loans from the City of Alexandria to pay off

¹ http://www.cspdc.org/documents/ASW_EconOver.pdf

² http://factfinder.census.gov/servlet/GCTTable?_bm=y&-geo_id=04000US51&-box_head_nbr=GCT-P14&-ds_name=DEC_2000_SF3_U&-lang=en&-redol.log=false&-mt_name=DEC_2000_SF3_U_GCTH9_ST7&-format=ST-7&-_sse=on

the HUD Insured loan on the Glebe Park property and is actively seeking a investor for the revitalization of the property. No final financing agreement or sale of the property has been reached as of the report date.

CONCLUSIONS:

Overall, the Alexandria Redevelopment & Housing Authority had a good year financially which is consistent with prior years' performances after backing out non-ordinary prior year adjustments from the financial statements. Its management is committed to staying abreast of regulations and appropriations as well as maintains an ongoing analysis of all budgets and expenses to ensure that the Authority continues to operate at the highest standards established by the Real Estate Assessment Center and the Department of Housing and Urban Development.

This financial report is designed to provide our AHRA residents, the citizens of Alexandria, Virginia, all federal and state regulatory bodies, and any creditors with a general overview of the Authority's finances. If you have any questions regarding these financial statements or supplemental information, you may contact Derek McDaniel, Finance Director at (703) 549-7115 Ext 220, or by writing: Alexandria Redevelopment Housing Authority, 600 North Fairfax Street, Alexandria, Va. 22314.

Alexandria Redevelopment & Housing Authority

Statement of Net Assets - All Funds December 31, 2010

	Totals	Primary Government
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 8,866,722	
Restricted Cash	6,390,837	
Receivables, net	3,595,102	
Prepaid Expense and Other Assets	300,357	
Interprogram due from	-	
Total current assets	<u>19,153,018</u>	
Noncurrent Assets		
Capital assets:		
Land	6,447,356	
Buildings	64,284,846	
Furniture, Equipment & Machinery - Admin	412,801	
Construction in Progress	7,690,605	
Less: accumulated depreciation	(35,168,615)	
Capital assets, net	43,666,993	
Noncurrent Notes, Loans & Mortgages Receivable	16,924,715	
Total noncurrent assets	<u>60,591,708</u>	
Total Assets	<u>\$ 79,744,726</u>	

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

Alexandria Redevelopment & Housing Authority

Statement of Net Assets - All Funds December 31, 2010

	Totals
	Primary Government
<u>LIABILITIES</u>	<u></u>
Current Liabilities	
Accounts Payable	\$ 975,801
Accrued Liabilities	620,032
Intergovernmental payables	455,540
Tenant security deposits	415,329
Deferred revenue	3,103,271
Current portion of long-term debt	232,206
Other current liabilities	722,080
Interprogram due to	-
Total current liabilities	<u>6,524,259</u>
Noncurrent liabilities	
Long-term debt, net of current	20,598,098
Noncurrent liabilities - other	833,276
Total noncurrent liabilities	<u>21,431,374</u>
Total Liabilities	<u>27,955,633</u>
Net Assets	
Investment in Capital Assets - Net of Related Debt	25,899,438
Restricted Net Assets	15,578,829
Unrestricted Net Assets	10,310,826
Total Net Assets	<u>51,789,093</u>
Total Liabilities and Net Assets	<u>\$ 79,744,726</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, 2010

	Totals Primary Government
Operating Revenues	
Tenant revenue	\$ 4,025,156
Government operating grants	27,388,730
Other Government Grants	81,604
Other revenue	1,687,970
Total operating revenues	<u>33,183,460</u>
Operating Expenses	
Administrative	5,189,807
Tenant services	511,129
Utilities	1,383,329
Maintenance	1,650,802
Protective services	5,925
General	960,997
Housing assistance payment	19,267,285
Depreciation	1,397,791
Total operating expenses	<u>30,367,065</u>
Operating income (loss)	<u>2,816,395</u>
Non-Operating Revenues (Expenses)	
Interest Expense	(1,017,019)
Interest and investment revenue	219,035
Total nonoperating revenues (expenses)	<u>(797,984)</u>
Income (loss) before contributions and transfers	<u>2,018,411</u>
Capital Grants - Federal Government	2,514,042
Change in Net Assets	4,532,453
Total Beginning Net Assets	47,256,640
Prior Period Adjustments/Equity Transfers	-
Total Ending Net Assets	<u><u>\$ 51,789,093</u></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, 2010

	Totals
	Primary Government
Cash flows from operating activities:	
Cash received from tenants	\$ 3,660,994
Cash received from operating grants	27,496,901
Cash received from other government grants	81,604
Cash received from other sources	9,443,211
Cash paid for goods and services	(5,871,167)
Cash paid for employees and administrative	(6,622,694)
Housing Assistance payments	(19,267,285)
Cash paid for other	(39,583)
Net cash provided (used) by operating activities	<u>8,881,981</u>
Cash flows from noncapital financing activities:	
Transfers	<u>-</u>
Cash flows from capital and related financing activities:	
Capital Grants received - Federal Government	2,514,042
Purchases, Sales and construction of capital assets	(16,970,310)
Principal paid on capital debt	9,300,431
Proceeds from capital debt	(182,150)
Interest paid on capital debt	(1,017,019)
Net cash (used) for capital and related financing activities	<u>(6,355,006)</u>
Cash flows from investing activities:	
Interest and dividends	219,035
Net cash provided by investing activities	<u>219,035</u>
Net increase (decrease) in cash and cash equivalents	2,746,010
Cash and cash equivalents at beginning of year	12,511,549
Cash and cash equivalents at end of year	<u>\$ 15,257,559</u>
Reconciliation of cash and restricted cash	
Cash and cash equivalents	\$ 8,866,722
Restricted Cash and cash equivalents	6,390,837
Total Cash and cash equivalents	<u>\$ 15,257,559</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, 2010

	Totals
	Primary Government
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ 2,816,395
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	1,397,791
Changes in assets and liabilities:	
(Increase) Decrease in Receivables - net	282,760
(Increase) Decrease in Prepaid expenses	(28,425)
(Increase) Decrease in Interprogram due from	1,795,783
(Increase) Decrease in Noncurrent Notes Receivable	1,844,281
Increase (Decrease) in Bank Overdraft	(189,401)
Increase (Decrease) in Accounts payable	776,899
Increase (Decrease) in Accrued expenses	731,475
Increase (Decrease) in Other liabilities	(1,281,967)
Increase (Decrease) in Unearned revenue	2,718,680
Increase (Decrease) in Intergovernmental payables	(101,961)
Increase (Decrease) in Interprogram due to	(1,795,783)
Increase (Decrease) in Noncurrent liabilities	(84,546)
Net cash provided (used) by operating activities	<u>\$ 8,881,981</u>

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

Alexandria Redevelopment & Housing Authority

Balance Sheet - Proprietary Funds December 31, 2010

ASSETS	Business Activities	Low Rent Public Housing	Revitalization of Severely Distressed		Housing Choice Vouchers	State/Local	Nonmajor Proprietary Funds	Total Before Eliminations	Inter-entity Eliminations	Totals Primary Government
			Public Housing	Public Housing						
Current Assets										
Cash and cash equivalents	\$ 578,766	\$ 205,280	\$ -	\$ -	\$ 3,088,407	\$ 4,749,833	\$ 244,436	\$ 8,866,722	\$ -	\$ 8,866,722
Restricted Cash	-	255,383	590,798	-	3,849,352	1,695,304	-	6,390,837	-	6,390,837
Receivables, net	549,552	1,123,689	-	-	-	416,161	1,505,700	3,595,102	-	3,595,102
Prepaid Expense and Other Assets	7,431	45,403	-	-	9,888	229,060	8,575	300,357	-	300,357
Interprogram due from	2,527,845	3,630,921	2,130,314	-	-	-	545,696	8,834,776	(8,834,776)	-
Total current assets	3,663,594	5,260,676	2,721,112	6,947,647	7,090,358	2,304,407	27,987,794	(8,834,776)	19,153,018	
Noncurrent Assets										
Capital assets:	-	-	-	-	-	-	-	-	-	-
Land	-	3,952,242	-	-	-	2,495,114	-	6,447,356	-	6,447,356
Buildings	1,992,318	38,702,586	-	-	-	22,535,893	1,054,049	64,284,846	-	64,284,846
Furniture, Equipment & Machinery - Admin	-	-	-	206,475	125,858	-	80,468	412,801	-	412,801
Construction in Progress	-	6,611,446	-	-	45,088	-	1,034,071	7,690,605	-	7,690,605
Less: accumulated depreciation	(1,383,036)	(26,499,870)	-	(201,975)	(6,256,363)	(827,371)	(35,168,615)	-	-	(35,168,615)
Capital assets, net	609,282	22,766,404	-	4,500	18,945,590	1,341,217	43,666,993	-	-	43,666,993
Noncurrent Notes, Loans & Mortgages Receivable	7,425,689	-	9,503,365	-	7,421,350	-	24,350,404	(7,425,689)	-	16,924,715
Total noncurrent assets	8,034,971	22,766,404	9,503,365	4,500	26,366,940	1,341,217	68,017,397	(7,425,689)	60,591,708	
Total Assets	\$ 11,698,565	\$ 28,027,080	\$ 12,224,477	\$ 6,952,147	\$ 33,457,298	\$ 3,645,624	\$ 96,005,191	\$ (16,260,465)	\$ 79,744,726	

Alexandria Redevelopment & Housing Authority

Balance Sheet - Proprietary Funds December 31, 2010

	Business Activities	Low Rent Public Housing	Revitalization of Severly Distressed Public Housing	Housing Choice Vouchers	State/Local	Nonmajor Proprietary Funds	Total Before Eliminations	Inter-entity Eliminations	Totals Primary Government
LIABILITIES									
Current Liabilities									
Accounts Payable	\$ 1,793	\$ 220,137	\$ -	\$ 6,485	\$ 664,696	\$ 82,690	\$ 975,801	\$ -	\$ 975,801
Accrued Liabilities	45,133	88,801	-	29,698	928,298	66,776	1,158,706	(538,674)	620,032
Intergovernmental payables	-	44,651	-	-	410,270	619	455,540	-	455,540
Tenant security deposits	-	255,383	-	-	159,946	-	415,329	-	415,329
Deferred revenue	-	28,236	-	-	3,075,035	-	3,103,271	-	3,103,271
Current portion of long-term debt	-	-	-	-	232,206	-	232,206	-	232,206
Other current liabilities	-	47,135	495,000	29,387	16,074	134,484	722,080	-	722,080
Interprogram due to	-	956,326	-	287,158	6,142,175	1,449,117	8,834,776	(8,834,776)	-
Total current liabilities	46,926	1,640,669	495,000	352,728	11,628,700	1,733,686	15,897,709	(9,373,450)	6,524,259
Noncurrent liabilities									
Long-term debt, net of current	-	-	-	-	27,485,113	-	27,485,113	(6,887,015)	20,598,098
Noncurrent liabilities - other	275,590	133,202	-	231,378	13,133	179,973	833,276	-	833,276
Total noncurrent liabilities	275,590	133,202	-	231,378	27,498,246	179,973	28,318,389	(6,887,015)	21,431,374
Total Liabilities	\$ 322,516	\$ 1,773,871	\$ 495,000	\$ 584,106	\$ 39,126,946	\$ 1,913,659	\$ 44,216,098	\$ (16,260,465)	\$ 27,955,633
Net Assets									
Investment in Capital Assets - Net of Related Debt	\$ 609,282	\$ 22,766,404	\$ -	\$ 4,500	\$ (5,708,980)	\$ 1,341,217	\$ 19,012,423	\$ 6,887,015	\$ 25,899,438
Restricted Net Assets	-	-	11,729,477	3,849,352	-	-	15,578,829	-	15,578,829
Unrestricted Net Assets	10,766,767	3,486,805	-	2,514,189	39,332	390,748	17,197,841	(6,887,015)	10,310,826
Total 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
Total Liabilities and Net Assets	\$ 11,698,565	\$ 28,027,080	\$ 12,224,477	\$ 6,952,147	\$ 33,457,298	\$ 3,645,624	\$ 96,005,191	\$ (16,260,465)	\$ 79,744,726

Alexandria Redevelopment & Housing Authority

Statement of Revenues, Expenses and Changes in Net Assets - Proprietary funds

For the year ended December 31, 2010

	Business Activities	Low Rent Public Housing	Revitalization of Severly Distressed Public Housing	Housing Choice Vouchers	State/Local	Nonmajor Proprietary Funds	Inter-entity Eliminations	Totals Primary Government
Operating Revenues								
Tenant revenue	\$ -	\$ 1,315,500	\$ -	\$ -	\$ 2,709,656	\$ -	\$ -	\$ 4,025,156
Government operating grants	-	5,106,248	-	21,053,153	-	1,229,329	-	27,388,730
Other Government Grants	-	81,604	-	-	-	-	-	81,604
Other revenue	170,124	66,601	-	708,131	12,339	2,645,023	(1,914,248)	1,687,970
Total operating revenues	170,124	6,569,953	-	21,761,284	2,721,995	3,874,352	(1,914,248)	33,183,460
Operating Expenses								
Administrative	18,158	2,122,917	-	1,503,550	710,037	2,268,032	(1,432,887)	5,189,807
Tenant services	4,396	468,034	-	2,593	131,403	1,793	(97,090)	511,129
Utilities	-	1,105,794	-	7,851	246,199	23,485	-	1,383,329
Maintenance	2,665	1,202,237	-	34,034	410,294	385,843	(384,271)	1,650,802
Protective services	-	1,485	-	1,422	1,317	1,701	-	5,925
General	-	684,586	-	109,683	125,200	41,528	-	960,997
Housing assistance payment	-	-	-	18,152,729	-	1,114,556	-	19,267,285
Depreciation	57,691	1,064,784	-	1,500	260,828	12,988	-	1,397,791
Total operating expenses	82,910	6,649,837	-	19,813,362	1,885,278	3,849,926	(1,914,248)	30,367,065
Operating Transfers In/(Out)	-	-	-	-	-	-	-	-
Operating income (loss)	87,214	(79,884)	-	1,947,922	836,717	24,426	-	2,816,395
Non-Operating Revenues (Expenses)								
Interest Expense	-	-	-	-	(1,017,019)	-	-	(1,017,019)
Gain/Loss on sale of fixed assets	-	-	-	-	-	-	-	-
Interest and investment revenue	26,203	-	182,489	3,349	6,672	322	-	219,035
Total nonoperating revenues (expenses)	26,203	-	182,489	3,349	(1,010,347)	322	-	(797,984)
Income (loss) before contributions and transfers	113,417	(79,884)	182,489	1,951,271	(173,630)	24,748	-	2,018,411
Capital Grants - Federal	-	1,033,862	-	-	-	1,480,180	-	2,514,042
Change in Net Assets	113,417	953,978	182,489	1,951,271	(173,630)	1,504,928	-	4,532,453
Total Beginning Net Assets	11,262,632	23,819,051	11,546,988	4,416,770	(5,496,018)	1,707,217	-	47,256,640
Prior Period Adjustments/Equity Transfers	-	1,480,180	-	-	-	(1,480,180)	-	-
Total Ending Net Assets	\$ 11,376,049	\$ 26,253,209	\$ 11,729,477	\$ 6,368,041	\$ (5,669,648)	\$ 1,731,965	\$ -	\$ 51,789,093

Alexandria Redevelopment & Housing Authority

Statement of Cash Flows - Proprietary Funds
For the year ended December 31, 2010

	Business Activities	Low Rent Public Housing	Revitalization of Severely Distressed Public Housing	Housing Choice Vouchers	State/Local	Nonmajor Proprietary Funds	Totals Primary Government
Cash flows from operating activities:							
Cash received from tenants	\$ 443,856	\$ 940,910	\$ -	\$ -	\$ 2,276,228	\$ -	\$ 3,660,994
Cash received from operating grants	-	5,106,248	-	21,166,308	-	1,224,345	27,496,901
Cash received from other government grants	-	81,604	-	-	-	-	81,604
Cash received from other sources	144,298	(852,302)	-	708,131	6,395,680	3,047,404	9,443,211
Cash Transferred in/(out)	-	-	-	-	-	-	-
Cash paid for goods and services	(436,284)	(2,761,113)	-	(1,452,856)	(802,007)	(418,907)	(5,871,167)
Cash paid for employees and administrative Housing Assistance payments	(18,158)	(2,122,917)	-	(1,503,550)	(710,037)	(2,268,032)	(6,622,694)
Cash paid for other	(696,782)	(369,878)	-	(109,683)	1,607,014	(470,254)	(39,583)
Net cash provided (used) by operating activities	(563,070)	22,552	-	655,621	8,766,878	-	8,881,981
Cash flows from noncapital financing activities:							
Equity transfers and prior year adjustments	-	1,480,180	-	-	-	(1,480,180)	-
Net cash (used) for noncapital financing activities	-	1,480,180	-	-	-	(1,480,180)	-
Cash flows from capital and related financing activities:							
Capital Grants received - Federal Government	-	1,033,862	-	-	-	1,480,180	2,514,042
Purchases, Sales and construction of capital assets	-	(2,514,042)	-	-	(14,456,268)	-	(16,970,310)
Principal paid on capital debt	-	-	-	-	9,300,431	-	9,300,431
Proceeds (payments of) from capital debt	-	-	(182,150)	-	-	-	(182,150)
Interest paid on capital debt	-	-	-	-	(1,017,019)	-	(1,017,019)
Net cash (used) for capital and related financing activities	-	(1,480,180)	(182,150)	-	(6,172,856)	1,480,180	(6,355,006)
Cash flows from investing activities:							
Interest and dividends	26,203	-	182,489	3,349	6,672	322	219,035
Net cash provided by investing activities	26,203	-	182,489	3,349	6,672	322	219,035
Net increase (decrease) in cash and cash equivalents	(536,867)	22,552	339	658,970	2,600,694	322	2,746,010
Cash and cash equivalents at beginning of year	1,115,633	438,111	590,459	6,278,789	3,844,443	244,114	12,511,549
Cash and cash equivalents at end of year	\$ 578,766	\$ 460,663	\$ 590,798	\$ 6,937,759	\$ 6,445,137	\$ 244,436	\$ 15,257,559
Reconciliation of Unrestricted Cash and Restricted Cash							
Cash and Cash Equivalents	\$ 578,766	\$ 205,280	-	\$ 3,088,407	\$ 4,749,833	\$ 244,436	\$ 8,866,722
Restricted Cash and Cash Equivalents	-	255,383	590,798	3,849,352	1,695,304	-	6,390,837
Total Cash and Cash Equivalents	\$ 578,766	\$ 460,663	\$ 590,798	\$ 6,937,759	\$ 6,445,137	\$ 244,436	\$ 15,257,559

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, 2010

	Business Activities	Low Rent Public Housing	Revitalization of Severely Distressed Public Housing	Housing Choice Vouchers	State/Local	Nonmajor Proprietary Funds	Totals Primary Government
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:							
Operating income (loss)	\$ 87,214	\$ (79,884)	\$ -	\$ 1,947,922	\$ 836,717	\$ 24,426	\$ 2,816,395
Adjustments to reconcile operating income to net cash provided (used) by operating activities:							
Depreciation expense	57,691	1,064,784		1,500	260,828	12,988	1,397,791
Changes in assets and liabilities:							
(Increase) Decrease in Receivables - net	443,856	(375,342)	-	218,713	(103,519)	99,052	282,760
(Increase) Decrease in Prepaid expenses	26,661	(24,262)	-	(9,888)	(12,794)	(8,142)	(28,425)
(Increase) Decrease in Interprogram due from	(296,769)	(918,903)	-	-	3,140,887	(129,432)	1,795,783
(Increase) Decrease in Noncurrent Notes Receivable	(25,826)	-	-	-	1,870,107	-	1,844,281
Increase (Decrease) in Bank Overdraft	-	(189,401)	-	-	-	-	(189,401)
Increase (Decrease) in Accounts payable	(1,113)	114,409	-	(3,498)	611,813	55,194	776,805
Increase (Decrease) in Accrued expenses	(209,037)	70,424	-	29,698	773,614	66,870	731,569
Increase (Decrease) in Other liabilities	-	56,841	-	(1,482,732)	66,837	75,124	(1,283,930)
Increase (Decrease) in Unearned revenue	-	752	-	-	2,717,928	1,963	2,720,643
Increase (Decrease) in Intergovernmental payables	-	(47,135)	-	-	(55,445)	619	(101,961)
Increase (Decrease) in Interprogram due to	(400,013)	361,843	-	(105,558)	(1,353,228)	(298,827)	(1,795,783)
Increase (Decrease) in Noncurrent liabilities	(245,734)	(11,574)	-	59,464	13,133	100,165	(84,546)
Net cash provided (used) by operating activities	\$ (563,070)	\$ 22,552	\$ -	\$ 655,621	\$ 8,766,878	\$ -	\$ 8,881,981

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, 2010

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. Management does not consider any organization component units.

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, 2010

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, 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, 2010

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, 2010**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, 2010

- 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 2010, 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 \$15,257,299. Of the bank balance, \$14,892,239 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, 2010**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, 2010.

Investments – As of December 31, 2010, 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, 2010, 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, 2010, for the Authority's individual major funds and other proprietary funds in the aggregate, including the applicable allowance for uncollectible accounts, are as follows:

Receivables	Business Activities	Low Rent	Housing	Housing	State/	Nonmajor	Total
		Public	Vouchers	Choice	Local Funds	Proprietary Funds	
Tenants	\$ -	250,626	\$ -	-	226,400	\$ -	477,026
Intergovernmental	-	956,326	-	-	-	1,505,700	2,462,026
Miscellaneous	549,552	51,438	-	-	210,938	-	811,928
Notes, Loans and Mortgages - Curr.	-	-	-	-	-	-	-
Gross Receivables	549,552	1,258,390	0	437,338	1,505,700	3,750,980	
Less: Allowance for Uncollectibles	-	(134,701)	-	(21,177)	-	(155,878)	
Net Total Receivables	\$549,552	\$1,123,689	\$0	\$416,161	\$1,505,700	\$3,595,102	

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 5: MORTGAGES AND NOTES RECEIVABLE AND NONCURRENT ASSETS

At December 31, 2010 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	\$ 9,503,365
Business Activities	7,425,689
State/Local – Old Dominion	4,024,107
State/Local – EYA	2,849,382
State/Local – EYA	<u>440,000</u>
Elimination Entry – Quaker Hill Loan	<u>(7,425,689)</u>
Total Noncurrent assets	<u>\$ 16,816,854</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, 2010 were \$8,475,962 with accrued interest of \$1,027,403 for a total of \$9,503,365. 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, 2010 was 3,714,528 with accrued interest of \$899,764 for a total Authority HOPE VI loan in the amount of \$4,614,292 at December 31, 2010. 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, 2010 was \$2,772,370 with accrued interest of \$127,639 for a total Authority loan in the amount of \$2,900,009 at December 31, 2010. 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, 2010. 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, 2010**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, 2010 the note receivable had a balance of \$6,887,016 with accrued interest of \$538,674. 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 and \$1,440,000 to the developer of the project, EYA, for short-term financing needs awaiting the tax credit proceeds receipt. The developer fee loan receivable balance as of December 31, 2010 is \$440,000, which has an offsetting payable of \$440,000 to the City of Alexandria. There is an additional loan in the amount of \$2,849,382 due from Old Dominion Partnership, \$2,615,893 and \$233,489 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.

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY
 NOTES TO FINANCIAL STATEMENTS - Continued
 FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 6: CAPITAL ASSETS

Land, structures and equipment consist of the following at December 31, 2010:

	Beginning Balances	Increases	Decreases	Ending Balances
Enterprise Activities				
Capital assets not being depreciated:				
Land	\$ 6,447,356	\$ -	\$ -	\$ 6,447,356
Construction in progress	5,386,917	2,514,042	210,354	7,690,605
Total capital assets not being depreciated	<u>11,834,273</u>	<u>2,514,042</u>	<u>210,354</u>	<u>14,137,961</u>
Buildings & improvements	49,618,225	14,666,621	-	64,284,846
Furniture & equipment	412,801	-	-	412,801
Total capital assets being depreciated	<u>50,031,026</u>	<u>14,666,621</u>	<u>-</u>	<u>64,697,647</u>
Less accumulated depreciation for:				
Buildings & improvements	33,274,834	1,437,834	41,543	34,671,125
Furniture & equipment	495,990	1,500	-	497,490
Total accumulated depreciation	<u>33,770,824</u>	<u>1,439,334</u>	<u>41,543</u>	<u>35,168,615</u>
Total capital assets being depreciated	<u>16,260,202</u>			<u>29,529,032</u>
Enterprise activity capital assets, net	<u>\$ 28,094,475</u>			<u>\$ 43,666,993</u>

NOTE 7: ACCOUNTS PAYABLE

Accounts payable at December 31, 2010, consisted of the following:

Vendors & contractors	\$ 961,417
Payments in lieu of taxes – City of Alexandria	64,586
Accounts payable – HUD	390,954
Tenant security deposits	415,329
	<u>\$ 1,832,286</u>

NOTE 8: ACCRUED EXPENSES AND OTHER ACCRUED LIABILITIES

Accrued expenses and other current liabilities at December 31, 2010, consisted of the following:

Accrued salary payable	\$ 59,517
Accrued compensated absences – current portion	194,030
Accrued interest payable	380,869
Unearned revenue – prepaid rents	55,433
Unearned revenue – exchange credits	3,047,838
Current portion of long-term debt	232,206
Other current liabilities	692,693
Accrued liabilities - other	29,387
	<u>\$ 4,691,973</u>

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY
 NOTES TO FINANCIAL STATEMENTS - Continued
 FOR THE YEAR ENDED DECEMBER 31, 2010

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.
- b. Funding Policy
- 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/2010-Annual-Report.pdf> or obtained by writing the System's Chief Financial Officer at P. O. Box 2500, Richmond, VA 23218-2500.
- c. Annual Pension Cost
- 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, 2010, was 5% of annual covered payroll.
- For 2010, ARHA's annual pension cost of \$449,478 was equal to the required and actual contributions. The required contribution was determined as part of the June 30, 2010 actuarial valuation using the entry age normal cost method. The actual assumptions included (a) 7.5% 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, 2010

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, 2008	\$ 161,380	100%	None
December 31, 2009	358,512	100%	None
December 31, 2010	449,478	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 Liability (UAAL)</u>		<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
			<u>Accrued Liability</u>	<u>UAAL</u>			
June 30, 2008	10,172,797	9,518,464	< 591,334 >		100.17%	2,657,501	< 22.25% >
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%

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, 2010**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, 2010

NOTE 13: INVESTMENTS IN OPERATING PARTNERSHIPS

	West Glebe L.P.	Braddock Writing Reynolds L.P.	Madden AUOE L.P.	Old Dominion L.P.
<u>Balance Sheet</u>				
Total Current Assets	\$ 177,670	584,019	352,818	4,910
Total Restricted Assets	340,580	564,033	756,780	160,453
Total Net Fixed Assets	8,776,716	9,698,320	8,669,098	5,059,395
Total Other Assets	78,607	375,404	83,636	
TOTAL ASSETS	\$ 9,373,573	11,221,776	9,862,332	5,224,758
Total Current Liabilities	3,196,691	44,770	35,618	619,194
Total Other Liabilities	4,424,107	7,512,923	6,911,233	2,851,742
Total Partners Capital	1,752,775	3,664,083	2,915,481	1,753,822
TOTAL LIABILITIES AND PARTNERS	9,373,573	11,221,776	9,862,332	5,224,758
<u>Income Statement</u>				
Rental Income	\$ 48,245	293,653	342,109	278
Interest Income	32,440	0	0	396
Other Income		43	6,650	2,865
TOTAL INCOME	80,685	293,696	348,759	3,539
TOTAL EXPENSES	(586,391)	(675,927)	(746,865)	(12,060)
Net Income <Loss>	(505,706)	(382,231)	(398,106)	(8,521)
Contributions	1,935,745	0	0	0
Beginning Capital	322,736	4,046,314	3,313,587	1,762,343
TOTAL CAPITAL	\$ 1,752,775	3,664,083	2,915,481	1,753,822

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY
 NOTES TO FINANCIAL STATEMENTS - Continued
 FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 14: NET ASSETS

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

NOTE 15: LONG-TERM DEBT

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 \$223,181.

Maturities of long-term debt are as follows:

Year	Principal	Interest	Totals
2011	61,506	155,769	217,275
2012	64,919	152,456	217,375
2013	68,410	148,965	217,375
2014	72,089	145,286	217,375
2015	2,728,086	118,118	2,846,204
	<u>2,995,010</u>	<u>720,594</u>	<u>3,715,604</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 \$313,089.

Principal payments required:

Year	Principal	Interest	Totals
2011	103,281	302,114	405,395
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>5,060,945</u>	<u>1,014,615</u>	<u>6,075,560</u>

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED DECEMBER 31, 2010**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, 2010 was \$538,674.

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: (1) \$500,000 to be paid on or before July 1, 2011 and (2) commencing on or before July 1, 2012, 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, 2010 was \$25,827 and \$94,092, respectively.

Principal payments required for the Quaker Hill City of Alexandria are as follows:

Year	Principal	Interest	Totals
2011	67,419	98,901	166,320
2012	76,745	97,553	174,298
2013	86,336	96,019	182,355
2014	96,198	94,291	190,489
2015	106,326	92,368	198,694
2016-2020	693,000	425,699	1,118,699
2021-2025	915,832	415,485	1,331,317
2026-2030	1,146,457	403,383	1,549,840
2031-2034	1,516,287	83,015	1,599,302
	<u>4,704,600</u>	<u>1,806,714</u>	<u>6,511,314</u>

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY
ALEXANDRIA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS - CONTINUED
TWELVE MONTHS ENDED DECEMBER 31, 2010

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, 2010 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, 2010 \$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, \$2,849,382, and matures on June 1, 2039. No repayment aside from interest on the note, 2% per annum, is made on a monthly basis.

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, 2010 was 3,714,528 with accrued interest of \$899,764 for a total Authority HOPE VI loan in the amount of \$4,614,292 at December 31, 2010. 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, 2010 was \$2,772,370 with accrued interest of \$127,639 for a total Authority loan in the amount of \$2,900,009 at December 31, 2010. 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, 2010.

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY
ALEXANDRIA, VIRGINIA

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NOTES TO FINANCIAL STATEMENTS - CONTINUED
TWELVE MONTHS ENDED DECEMBER 31, 2010

NOTE 18: RELATED PARTY TRANSACTIONS

- Note Receivable from the Cameron Valley Limited Partnership - \$6,887,016 loan with accrued interest of \$538,674, for a total long-term notes receivable balance of \$7,425,690 at December 31, 2010.
- 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 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, 2010, was \$48,844.
- 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, 2010 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, 2010, was \$46,406.
- 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 has entered into an agreement with the Old Dominion Housing Limited Partnership to use ARHA's revolving fund bank account for its cash receipts and disbursements. At December 31, 2010, \$1,039 was due to ARHA's master cash account.
- 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 2010, note 3. 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, 2010.

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY
ALEXANDRIA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS - CONTINUED
TWELVE MONTHS ENDED DECEMBER 31, 2010

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 incurred \$233,489 interest costs on obtaining financing to fund the loan and is expected to be repaid via future equity contributions from Boston Capital, West Glebe Housing LP and Old Dominion Housing LP, and future land proceeds from the James Bland redevelopment.
- 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 amount of the draws as of December 31, 2010 is 1,907,834.
- 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, 2010, was \$42,423.
- 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, 2010, \$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, 2010 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 2010, note 3. 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, 2010, \$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, 2010

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 is due on June 30, 2011. The loan is secured by a deed of trust and assignment of rents with EYA Construction, Inc. The amount of the draws as of December 31, 2010 is 2,333,614 with accrued interest which amounted to \$13,062.
- ARHA has entered into management agreements with West Glebe Housing Limited Partnership to manage the property owned by the partnership. ARHA receives the lessor 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, 2012, 12,152 were earned in management fees and \$1,628 in bookkeeping fees. The amount was payable per the LP's financial statements as of December 31, 2010.

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.

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, 2010.

NOTE 21: SUBSEQUENT EVENTS

The Housing Authority is involved in the revitalization process for the James Bland and will demolish the property during fiscal year 2010 as well as revitalize the project with a mixture of homeownership and rental properties. This will take on five phases and cost roughly \$37.5 million. The PHA continues to receive CFP grants from HUD on an annual basis.

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY
ALEXANDRIA, VIRGINIA

NOTES TO FINANCIAL STATEMENTS - CONTINUED
TWELVE MONTHS ENDED DECEMBER 31, 2010

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
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED DECEMBER 31, 2010

CFDA TITLE ASSISTANCE TYPE	CFDA NUMBER	THRU ENTITY	PASS FEDERAL EXPENDITURES
<u>FEDERAL GRANTOR: U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Low-Rent Public Housing	14.850a*	N/A	\$ 4,700,765
Public Housing Capital Fund Program	14.872*	N/A	1,439,345
Housing Choice Voucher Program	14.871*	N/A	21,053,153
Section 8 Moderate Rehab	14.856	N/A	1,229,329
Formula Capital Fund Stimulus Grant (ARRA)	14.885*	N/A	<u>1,480,180</u>
TOTAL U.S. DEPARTMENT OF HUD			<u>29,902,772</u>
TOTAL FEDERAL AWARDS EXPENDED			<u>\$ 29,902,772</u>

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2010

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**



Doolley & Vicars

Certified Public Accountants, L.L.P.

Burnice C. Doolley, C.P.A.

Michael H. Vicars, C.P.A.

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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, 2010. 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, 2010. 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

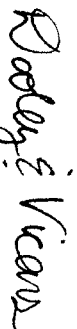
The management of the Alexandria Redevelopment and Housing Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered 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



Doolley & Vicars

Certified Public Accountants, L.L.P.

Burnice C. Doolley, C.P.A.

Michael H. Vicars, C.P.A.

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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, 2010, 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.

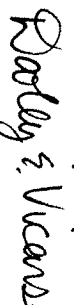
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(CONTINUED)

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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, 2010

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, 2010

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

X no

- Significant Deficiency(s) identified that are not considered to be material weakness(es)?

___ yes

X none reported

Noncompliance material to financial statements noted?

___ yes

X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified:

___ yes

X no

- Significant Deficiency(s) identified that are not considered to be material weakness(es)?

___ yes

X 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

X no

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2010
(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
14.885	Formula Capital Fund Stimulus Grant (ARRA)

Dollar threshold used to distinguish
between type A and B programs: \$ 897,083

Auditee qualified as low-risk auditee? yes no

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2010
(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 12/31/2010

	Project Total	14 871 Housing Choice Vouchers	14 886 Rehabilitation of Severely Distressed Public Housing	14 854 Public and Indian Housing Drug Elimination Program	8 Other Federal Program 1	2 State/Local	14 859 Public Housing_Comprehensive Grant Program	1 Business Activities	14 885 Formula Capital Fund Stimulus Grant	14 870 Resident Opportunity and Supportive Services	14 856 Lower Income Housing Assistance Program_Section 8 Moderate	COGC	Subtotal	ELM	Total
111 Cash - Unrestricted	\$205,280	\$3,098,407	\$590,798			\$4,749,833		\$578,766			\$27	\$244,409	\$8,866,722		\$8,866,722
112 Cash - Restricted - Modernization and Development											\$0		\$590,798		\$590,798
113 Cash - Other Restricted		\$3,849,352				\$1,536,358					\$0		\$5,384,710		\$5,384,710
114 Cash - Tenant Security Deposits	\$255,383					\$159,946					\$0		\$415,329		\$415,329
115 Cash - Restricted for Payment of Current Liabilities											\$0				\$0
100 Total Cash	\$460,663	\$6,937,759	\$590,798	\$0	\$0	\$6,445,137	\$0	\$578,766	\$0	\$0	\$27	\$244,409	\$15,257,559	\$0	\$15,257,559
121 Accounts Receivable - PHA Projects											\$0				\$0
122 Accounts Receivable - HUD Other Projects	\$956,326						\$1,280,837				\$88,194		\$2,325,357		\$2,325,357
124 Accounts Receivable - Other Government					\$136,699						\$0		\$136,699		\$136,699
125 Accounts Receivable - Miscellaneous	\$51,438					\$210,938		\$549,552			\$0		\$811,928		\$811,928
126 Accounts Receivable - Tenants		\$250,626				\$226,400					\$0		\$477,026		\$477,026
126.1 Allowance for Doubtful Accounts - Tenants											\$0		\$477,026		\$477,026
126.2 Allowance for Doubtful Accounts - Other											\$0		\$477,026		\$477,026
127 Notes, Loans, & Mortgages Receivable - Current	\$0				\$0	\$0	\$0	\$0			\$0		\$0		\$0
128 Fraud Recovery											\$0				\$0
128.1 Allowance for Doubtful Accounts - Fraud											\$0				\$0
129 Accrued Interest Receivable											\$0				\$0
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$1,123,689	\$0	\$0	\$0	\$136,699	\$416,161	\$1,280,837	\$549,552	\$0	\$0	\$88,194	\$0	\$3,595,102	\$0	\$3,595,102
131 Investments - Unrestricted											\$0				\$0
132 Investments - Restricted											\$0				\$0
135 Investments - Restricted for Payment of Current Liability											\$0				\$0
142 Prepaid Expenses and Other Assets	\$45,403	\$9,868				\$229,060		\$7,431			\$0	\$8,575	\$300,357		\$300,357
143 Inventories											\$0				\$0
143.1 Allowance for Obsolete Inventories											\$0				\$0
144 Inter Program Due From	\$3,630,921		\$2,130,314	\$57,397				\$2,527,845		\$71,160	\$296,621	\$130,518	\$8,834,776	-\$8,834,776	\$0
145 Assets Held for Sale											\$0				\$0
150 Total Current Assets	\$5,260,676	\$6,947,647	\$2,721,112	\$57,397	\$136,699	\$7,090,358	\$1,280,837	\$3,663,584	\$0	\$71,160	\$374,842	\$383,502	\$27,987,794	-\$8,834,776	\$19,153,018
161 Land	\$3,952,242					\$2,465,114					\$0		\$6,447,356		\$6,447,356
162 Buildings	\$38,702,598					\$22,535,893		\$1,992,318			\$0	\$1,054,049	\$64,284,846		\$64,284,846
163 Furniture, Equipment & Machinery - Dwellings											\$0				\$0
164 Furniture, Equipment & Machinery - Administration		\$206,475				\$125,859					\$0	\$80,468	\$412,801		\$412,801
165 Leasehold Improvements											\$0				\$0
166 Accumulated Depreciation	-\$26,439,870	-\$201,875				-\$6,298,363		-\$1,383,036			\$0	-\$827,371	-\$35,168,615		-\$35,168,615
167 Construction in Progress	\$8,611,446					\$45,068	\$973,755				\$0	\$90,318	\$7,690,605		\$7,690,605
168 Infrastructure											\$0				\$0
160 Total Capital Assets, Net of Accumulated Depreciation	\$22,786,404	\$4,500	\$0	\$0	\$0	\$18,845,590	\$973,755	\$669,282	\$0	\$0	\$0	\$367,462	\$43,666,993	\$0	\$43,666,993
171 Notes, Loans and Mortgages Receivable - Non-Current			\$9,503,365			\$7,313,499		\$7,425,689			\$0		\$24,242,543	-\$7,425,689	\$18,816,854
172 Notes, Loans, & Mortgages Receivable - Non-Current - Past Due											\$0				\$0
173 Grants Receivable - Non-Current											\$0				\$0
174 Other Assets						\$107,961					\$0		\$107,961		\$107,961
176 Investments in Joint Ventures											\$0				\$0
180 Total Non-Current Assets	\$22,786,404	\$4,500	\$9,503,365	\$0	\$0	\$76,366,940	\$973,755	\$8,034,971	\$0	\$0	\$0	\$367,462	\$68,017,397	-\$7,425,689	\$60,591,708
190 Total Assets	\$28,027,080	\$6,852,147	\$12,224,477	\$57,397	\$136,699	\$33,457,296	\$2,254,592	\$11,698,565	\$0	\$71,160	\$374,842	\$750,964	\$96,005,191	-\$16,260,465	\$79,744,726
311 Bank Overdraft											\$0				\$0
312 Accounts Payable <= 90 Days	\$220,137	\$6,485				\$664,696		\$1,793			\$94	\$88,212	\$981,417		\$981,417
313 Accounts Payable >90 Days Past Due											\$0				\$0
321 Accrued Wage/Payroll Taxes Payable								\$45,123			\$0	\$14,364	\$59,517		\$59,517
322 Accrued Compensated Absences - Current Portion	\$88,801	\$29,699				\$8,755					\$0	\$66,776	\$194,030		\$194,030
324 Accrued Contingency Liability											\$0				\$0
325 Accrued Interest Payable						\$919,543					\$0		\$919,543	\$538,674	\$390,869
331 Accounts Payable - HUD PHA Programs						\$389,336					\$619		\$390,954		\$390,954
332 Accounts Payable - PHA Projects											\$0				\$0
333 Accounts Payable - Other Government	\$44,651					\$19,835					\$0		\$64,586		\$64,586
341 Tenant Security Deposits		\$255,383				\$159,946					\$0		\$415,329		\$415,329
342 Deferred Revenues	\$28,236					\$3,075,036					\$0		\$3,103,271		\$3,103,271
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds						\$232,206					\$0		\$232,206		\$232,206
344 Current Portion of Long-term Debt - Operating Borrowings											\$0				\$0

345 Other Current Liabilities	\$47,135		\$495,000	\$57,367		\$16,074					\$1,963	\$75,124	\$692,893		\$692,893
346 Accrued Liabilities - Other		\$29,367									\$0	\$29,367			\$29,367
347 Inev Programs - Due To	\$956,326	\$287,158			\$125,132	\$6,142,175	\$1,280,837				\$43,146		\$8,834,776	-\$8,834,776	\$0
348 Loan Liability - Current											\$0				\$0
350 Total Current Liabilities	\$1,640,669	\$352,728	\$495,000	\$57,367	\$125,132	\$11,628,700	\$1,280,837	\$46,926	\$0	\$0	\$45,824	\$224,406	\$15,897,709	-\$9,373,450	\$6,524,259
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue						\$24,422,364					\$0		\$24,422,364	-\$6,887,015	\$17,535,349
352 Long-term Debt, Net of Current - Operating Borrowings						\$3,062,749					\$0		\$3,062,749		\$3,062,749
353 Non-current Liabilities - Other		\$186,831						\$275,560		\$71,160	\$8,648		\$542,229		\$542,229
354 Accrued Compensated Absences - Non Current	\$133,202	\$44,547				\$13,133					\$0	\$100,165	\$291,047		\$291,047
355 Loan Liability - Non Current											\$0				\$0
356 FASB 5 Liabilities											\$0				\$0
357 Accrued Pension and OPEB Liabilities											\$0				\$0
350 Total Non-Current Liabilities	\$133,202	\$231,378	\$0	\$0	\$0	\$27,495,246	\$0	\$275,560	\$0	\$71,160	\$8,648	\$100,165	\$28,318,389	-\$6,887,015	\$21,431,374
300 Total Liabilities	\$1,773,871	\$584,106	\$495,000	\$57,367	\$125,132	\$39,123,946	\$1,280,837	\$322,516	\$0	\$71,160	\$54,472	\$324,661	\$44,216,098	-\$16,260,465	\$27,955,633
508 1 Invested in Capital Assets, Net of Related Debt	\$22,786,494	\$4,500				-\$5,708,980	\$973,755	\$906,282			\$0	\$367,462	\$19,012,423	\$6,887,015	\$25,899,438
509 2 Fund Balance Reserves											\$0				\$0
511 2 Unreserved, Designated Fund Balance											\$0				\$0
511 1 Restricted Net Assets		\$3,849,352	\$11,729,477								\$0		\$15,578,829		\$15,578,829
512 1 Unrestricted Net Assets	\$3,486,805	\$2,514,189	\$0	\$0	\$11,537	\$39,332	\$0	\$10,766,767	\$0	\$0	\$320,370	\$58,841	\$17,187,841	-\$6,887,015	\$10,310,826
512 2 Unreserved, Undesignated Fund Balance											\$0				\$0
513 Total Equity/Net Assets	\$26,253,299	\$6,368,041	\$11,729,477	\$0	\$11,537	-\$5,669,648	\$973,755	\$11,376,049	\$0	\$0	\$320,370	\$426,303	\$51,789,063	\$0	\$51,789,063
600 Total Liabilities and Equity/Net Assets	\$28,027,090	\$6,952,147	\$12,224,477	\$57,367	\$136,669	\$33,457,298	\$2,254,592	\$11,698,565	\$0	\$71,160	\$374,842	\$750,964	\$96,005,191	-\$16,260,465	\$79,744,726

Alexandria Redevelopment & Housing Authority (VA004)
ALEXANDRIA, VA

Entity Wide Revenue and Expense Summary

Submission Type Audited/A-133

Fiscal Year End 12/31/2010

	Project Total	14 871 Housing Choice Vouchers	14 895 Reinstatement of Severely Distressed Public Housing	14 854 Public and Indian Housing Drug Elimination Program	8 Other Federal Program 1	2 State/Local	14 858 Public Housing, Comprehensive Grant Program	1 Business Activities	14 985 Formula Capital Fund Stimulus Grant	14 870 Resident Opportunity and Supportive Services	14 856 Lower Income Housing Assistance Program, Section 8 Moderate	COCC	Subtotal	ELM	Total
70500 Total Tenant Rental Revenue	\$1,285,706					\$2,686,897					\$0		\$3,962,603		\$3,962,603
70400 Tenant Revenue - Other	\$49,794					\$12,756					\$0		\$62,553		\$62,553
70500 Total Tenant Revenue	\$1,335,500	\$0	\$0	\$0	\$0	\$2,709,656	\$0	\$0	\$0	\$0	\$0	\$0	\$4,025,156	\$0	\$4,025,156
70600 HUD-PIHA Operating Grants	\$5,106,248	\$21,053,153									\$11,229,329		\$27,388,730		\$27,388,730
70610 Capital Grants	\$1,033,882								\$1,480,180				\$2,514,042		\$2,514,042
70710 Management Fee										\$0	\$1,357,565		\$1,357,565	-\$1,214,870	\$142,695
70720 Asset Management Fee										\$0	\$117,180		\$117,180	-\$97,090	\$20,090
70730 Book Keeping Fee										\$0	\$233,085		\$233,085	\$218,017	\$15,068
70740 Front Line Service Fee										\$0	\$384,271		\$384,271	-\$384,271	\$0
70750 Other Fees										\$0			\$0		\$0
70700 Total Fee Revenue										\$0	\$2,092,101		\$2,092,101	-\$1,814,248	\$177,853
70800 Other Government Grants	\$81,504												\$0	\$81,504	\$81,504
71100 Investment Income - Unrestricted		\$134				\$6,672		\$26,203					\$0	\$332	\$33,331
71200 Mortgage Interest Income													\$0		\$0
71300 Proceeds from Disposition of Assets Held for Sale													\$0		\$0
71310 Cost of Sale of Assets													\$0		\$0
71400 Fraud Recovery		\$54,027											\$0	\$54,027	\$54,027
71500 Other Revenue	\$66,601	\$654,104				\$12,339		\$170,124					\$0	\$552,922	\$1,456,090
71600 Gain or Loss on Sale of Capital Assets													\$0		\$0
72000 Investment Income - Restricted		\$3,215	\$182,489										\$0	\$185,704	\$185,704
70000 Total Revenue	\$7,603,815	\$21,764,833	\$182,489	\$0	\$0	\$2,728,667	\$0	\$190,327	\$1,480,180	\$0	\$11,229,329	\$2,645,345	\$37,830,785	-\$1,914,248	\$35,916,537
91100 Administrative Salaries	\$417,851	\$700,182				\$156,158					\$46,309	\$1,478,352	\$2,787,852		\$2,787,852
91200 Auditing Fees	\$32,497	\$3,200				\$7,406					\$0		\$43,105		\$43,105
91300 Management Fee	\$764,022	\$294,241				\$131,723					\$24,684		\$1,214,870	-\$1,214,870	\$0
91310 Book-keeping Fee	\$55,987	\$137,526				\$18,830					\$7,672		\$218,017	\$218,017	\$0
91400 Advertising and Marketing	\$450										\$0	\$3,257	\$3,707		\$3,707
91500 Employee Benefit Contributions - Administrative	\$189,244	\$171,795				\$33,254				\$11,297	\$296,814		\$702,404		\$702,404
91600 Office Expenses	\$65,442	\$149,653				\$18,008					\$0	\$173,964	\$407,064		\$407,064
91700 Legal Expense	\$42,355	\$3,495				\$16,471					\$0	\$45,668	\$107,989		\$107,989
91800 Travel	\$3,305	\$1,276				\$470					\$0	\$4,271	\$9,322		\$9,322
91810 Allocated Overhead											\$0		\$0		\$0
91900 Other	\$551,744	\$42,180				\$330,718		\$18,158			\$0	\$175,544	\$1,118,364		\$1,118,364
91000 Total Operating - Administrative	\$2,122,917	\$1,903,550	\$0	\$0	\$0	\$716,037	\$0	\$18,158	\$0	\$0	\$90,162	\$2,177,870	\$6,622,694	\$1,432,887	\$5,189,807
92000 Asset Management Fee	\$74,650					\$22,440					\$0		\$97,090	\$97,090	\$0
92100 Tenant Services - Salaries	\$202,713					\$73,575					\$0	\$259	\$278,547		\$278,547
92200 Relocation Costs	\$156,149					\$13,115					\$0		\$171,264		\$171,264
92300 Employee Benefit Contributions - Tenant Services	\$6,429					\$15,768					\$0		\$22,197		\$22,197
92400 Tenant Services - Other	\$26,993	\$2,583				\$6,505		\$4,356			\$0	\$1,534	\$41,121		\$41,121
92500 Total Tenant Services	\$393,304	\$2,583	\$0	\$0	\$0	\$108,963	\$0	\$4,356	\$0	\$0	\$0	\$1,793	\$511,129	\$0	\$511,129
93100 Water	\$899,580					\$210,019					\$0	\$1,348	\$912,955		\$912,955
93200 Electricity	\$323,171	\$6,346				\$20,845					\$0	\$20,977	\$371,339		\$371,339
93300 Gas	\$83,035	\$1,505				\$13,335					\$0	\$1,160	\$99,035		\$99,035
93400 Fuel											\$0		\$0		\$0
93500 Labour											\$0		\$0		\$0
93600 Sewer											\$0		\$0		\$0
93700 Employee Benefit Contributions - Utilities											\$0		\$0		\$0
93800 Other Utilities Expense											\$0		\$0		\$0
93000 Total Utilities	\$1,105,794	\$7,851	\$0	\$0	\$0	\$246,199	\$0	\$0	\$0	\$0	\$0	\$23,485	\$1,383,329	\$0	\$1,383,329
94100 Ordinary Maintenance and Operations - Labor	\$453,305					\$115,619					\$0	\$172,013	\$740,937		\$740,937
94200 Ordinary Maintenance and Operations - Materials and Other	\$135,796	\$3,075				\$59,431		\$505			\$95	\$67,636	\$281,547	-\$125,000	\$156,547
94300 Ordinary Maintenance and Operations - Contracts	\$562,531	\$30,965				\$210,465		\$2,160			\$0	\$99,260	\$903,071	\$258,271	\$643,800
94500 Employee Benefit Contributions - Ordinary Maintenance	\$50,203					\$24,779					\$0	\$34,536	\$109,518		\$109,518
94000 Total Maintenance	\$1,202,237	\$34,034	\$0	\$0	\$0	\$410,294	\$0	\$2,665	\$0	\$0	\$95	\$385,748	\$2,035,073	-\$384,271	\$1,650,802
95100 Protective Services - Labor											\$0		\$0		\$0
95200 Protective Services - Other Contract Costs											\$0		\$0		\$0
95300 Protective Services - Other	\$1,485	\$1,422				\$1,317					\$0	\$1,701	\$5,925		\$5,925

9550C Employee Benefit Contributions - Protective Services												\$0					
9550C Total Protective Services	\$1,405	\$1,422	\$0	\$0	\$0	\$1,317	\$0	\$0	\$0	\$0	\$0	\$1,701	\$5,925	\$0	\$5,925		
96110 Property Insurance	\$138,711	\$2,204				\$88,473						\$0	\$17,217	\$246,605		\$246,605	
96120 Liability Insurance	\$38,020	\$13,335				\$9,562						\$0	\$0	\$60,917		\$60,917	
96130 Workmen's Compensation	\$24,810	\$12,411				\$2,595						\$0	\$23,048	\$62,664		\$62,664	
96140 All Other Insurance	\$5,002	\$7,250				\$5,223						\$0	\$1,263	\$18,738		\$18,738	
96100 Total Insurance Premiums	\$206,543	\$35,200	\$0	\$0	\$0	\$105,853	\$0	\$0	\$0	\$0	\$0	\$41,528	\$388,924	\$0	\$388,924		
96200 Other General Expenses	\$434,528	\$74,483										\$0	\$509,011		\$509,011		
96210 Compensated Absences												\$0					
96300 Payments in Lieu of Taxes	\$44,651					\$19,935						\$0	\$64,596		\$64,596		
96400 Bad debt - Tenant Rents	\$936					\$588						\$0	\$1,524		\$1,524		
96500 Bad debt - Mortgages												\$0					
96600 Bad debt - Other												\$0					
96900 Severance Expense												\$0					
96900 Total Other General Expenses	\$478,243	\$74,483	\$0	\$0	\$0	\$19,347	\$0	\$0	\$0	\$0	\$0	\$0	\$572,073	\$0	\$572,073		
96710 Interest of Mortgage (or Bonds) Payable						\$1,017,019						\$0	\$1,017,019		\$1,017,019		
96720 Interest on Notes Payable (Short and Long Term)												\$0					
96730 Amortization of Bond Issue Costs												\$0					
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0	\$1,017,019	\$0	\$0	\$0	\$0	\$0	\$0	\$1,017,019	\$0	\$1,017,019		
96900 Total Operating Expenses	\$5,585,053	\$1,659,133	\$0	\$0	\$0	\$2,641,469	\$0	\$25,219	\$0	\$0	\$90,257	\$2,632,125	\$12,632,256	\$1,914,248	\$10,719,008		
97000 Excess of Operating Revenue over Operating Expenses	\$2,018,762	\$20,105,500	\$182,488	\$0	\$0	\$87,196	\$0	\$171,106	\$1,460,180	\$0	\$1,139,072	\$13,220	\$25,197,528	\$0	\$25,197,529		
97100 Extraordinary Maintenance												\$0					
97200 Casualty Losses - Non-capitalized												\$0					
97300 Housing Assistance Payments		\$17,583,663										\$1,114,556	\$18,698,219		\$18,698,219		
97350 HAP Portability In		\$569,066										\$0	\$569,066		\$569,066		
97400 Depreciation Expense	\$1,064,784	\$1,500				\$280,828		\$57,681				\$0	\$12,986	\$1,387,791		\$1,387,791	
97500 Fraud Losses												\$0					
97600 Capital Outlays - Governmental Funds												\$0					
97700 Debt Principal Payment - Governmental Funds												\$0					
97800 Dwellings Units Rent Expense												\$0					
99000 Total Expenses	\$6,649,837	\$19,813,302	\$0	\$0	\$0	\$2,902,297	\$0	\$82,910	\$0	\$0	\$1,204,813	\$2,645,113	\$33,286,332	\$1,914,248	\$31,364,084		
10010 Operating Transfer In	\$582,157											\$14,979	\$597,136		\$597,136		
10020 Operating Transfer Out	\$582,157											\$14,979	\$597,136		\$597,136		
10030 Operating Transfers from/to Primary Government												\$0					
10040 Operating Transfers from/to Component Unit												\$0					
10050 Proceeds from Notes, Loans and Bonds												\$0					
10060 Proceeds from Property Sales												\$0					
10070 Extraordinary Items - Net Gain/Loss												\$0					
10090 Special Items (Net Gain/Loss)												\$0					
10091 Inter-Project Excess Cash Transfer In												\$0					
10092 Inter-Project Excess Cash Transfer Out												\$0					
10093 Transfers between Program and Project - In												\$0					
10094 Transfers between Project and Program - Out												\$0					
10100 Total Other Financing Sources (Used)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$563,078	\$1,951,271	\$182,488	\$0	\$0	\$-175,630	\$0	\$113,417	\$1,460,180	\$0	\$24,516	\$232	\$4,532,453	\$0	\$4,532,453		
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
11030 Beginning Equity	\$23,819,051	\$4,416,770	\$11,546,858	\$0	\$11,537	\$5,496,018	\$873,756	\$11,262,632	\$0	\$0	\$295,854	\$426,071	\$47,256,640		\$47,256,640		
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$1,480,180											\$0	\$0		\$0		
11050 Changes in Compensated Absence Balance												\$0					
11060 Changes in Contingent Liability Balance												\$0					
11070 Changes in Unrecognized Pension Transition Liability												\$0					
11080 Changes in Special Term/Severance Benefits Liability												\$0					
11090 Changes in Allowance for Doubtful Accounts - Dwellings Units												\$0					
11100 Changes in Allowance for Doubtful Accounts - Other												\$0					
11170 Administrative Fee Equity		\$2,518,689										\$0	\$2,518,689		\$2,518,689		
11180 Housing Assistance Payments Equity		\$3,849,352										\$0	\$3,849,352		\$3,849,352		
11190 Unit Months Available	8968	23872				2852						1332	35964		35964		
11210 Number of Unit Months Leased	7678	18337				2448						1201	29862		29862		
11220 Excess Cash	\$3,172,510											\$0	\$3,172,510		\$3,172,510		
11610 Land Purchases	\$0											\$0	\$0		\$0		
11620 Building Purchases	\$2,514,042											\$0	\$0	\$2,514,042		\$2,514,042	
11630 Furniture & Equipment - Dwellings Purchases	\$0											\$0	\$0		\$0		
11640 Furniture & Equipment - Administrative Purchases	\$0											\$0	\$0		\$0		

11850 Leasehold Improvements Purchases	\$0									\$0	\$0	\$0	\$0
11890 Infrastructure Purchases	\$0									\$0	\$0	\$0	\$0
13510 GPPP Debt Service Payments	\$0									\$0	\$0	\$0	\$0
19901 Replacement Housing Factor Funds	\$0									\$0	\$0	\$0	\$0