

*City of Alexandria, Virginia*11  
2-13-01

## MEMORANDUM

DATE: FEBRUARY 7, 2001

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: PHILIP SUNDERLAND, CITY MANAGER *PS*

SUBJECT: CAMERON VALLEY LIMITED PARTNERSHIP SEMI-ANNUAL REPORT TO CITY COUNCIL

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**ISSUE:** Semi-annual report on real estate taxes and financial status of the Cameron Valley Limited Partnership.

**RECOMMENDATION:** That City Council receive this report.

**DISCUSSION:** On February 10, 1998, the City Council approved a loan of \$937,019 in Housing Trust Fund monies to the Alexandria Redevelopment and Housing Authority (ARHA) to enable ARHA to pay the outstanding real property taxes, penalties and interest on 60 housing units at Quaker Hill. The loan is to be repaid to the City's Housing Trust Fund with 3 percent interest by August 15, 2006.

The loan agreement requires that ARHA provide a semi-annual report to the City Council "that shows (i) for the real estate taxes on the 60 Quaker Hill units becoming due each calendar year after the date of this Agreement, the amount of the taxes, the amount of payments made, the amount of any delinquency and the penalty and interest that have accrued in connection with the delinquency; (ii) for each fiscal year following the date of this Agreement, the operating deficiency or operating surplus inuring to Borrower's benefit out of the operation of Cameron Valley Limited Partnership; and (iii) such other financial information as Lender may reasonably request. Additionally, the first such report shall include Borrower's plan to achieve financial solvency or stability."

Attached is the fifth Cameron Valley Limited Partnership Semi-Annual Report to City Council for the period ending May 31, 1999. Highlights of this report are as follows:

- Property taxes on the Cameron Valley Limited Partnership's (operates under the name "Quaker Hill") 60 units are current, with ARHA having fully paid its 2000 real estate taxes before the due dates. ARHA made first-half tax payments of \$51,713 by June 15, 2000, and second-half tax payments of \$51,713 before November 15, 2000.

- In October 1998, the \$5,646,873 in mortgages on the Quaker Hill properties were refinanced, thereby reducing the mortgage interest rate from 10% to 7.5%. This has provided an annual savings to this project and assisted in the improved financial performance of Quaker Hill.
- The debt restructuring also finalized the tax credit installment payment with the tax credit partners providing ARHA with \$960,000 in initial tax credit installment payments in FY 1999. These new payments will eventually total \$3.2 million, in addition to \$4.0 million that the tax credit providers provided from 1991 to 1994. The next scheduled tax credit payment of \$450,000 was received in 1999, and \$450,000 will be received prior to June 30, 2001, with equal payments due in 2001 and 2002, and the final \$430,000 payment due in 2003. These tax credit payments are applied as income to help offset Quaker Hill operating and mortgage expenses and to help build a reserve for future project financing needs.
- In FY 2000, net cash flow of Quaker Hill was positive through the May reporting period by \$272,000, primarily due to the scheduled tax credit payments of \$450,000. These funds were credited on the project's books towards the cash loans ARHA had previously provided this project, but the cash remains reserved by ARHA in the Quaker Hill accounts to cover future cash flow needs of the Quaker Hill project.
- For FY 2001, net cash flow prior to the repayment of operating deficit loans to ARHA is also expected to be positive, as tax credit payments of \$450,000 due in FY 2000 will be available to support the project.
- Previous long-term projections developed by Resnick, Fedder, and Silverman indicated that "the current refinancing structure will generate enough cash flow to meet all anticipated obligations through the tax compliance period and to cover all but \$143,744 of the exit tax liability....Cash flow analysis indicates that there is enough equity and an adequate debt service coverage ratio to generate sufficient excess cash in a refinancing to be able to satisfy both the exit tax liability and to repay the City's Housing Trust Fund," which will be owed \$1,201,825, including interest, in FY 2006.
- Long-term projections were developed in November of 1999 by Resnick, Fedder, and Silverman for ARHA. Their projections indicate that:
  - ▶ Quaker Hill's cash flow will be positive until FY 2003 when it turns negative.
  - ▶ Cash reserves at the start of FY 2003 will be sufficient to cover those project losses until about 2006.
  - ▶ In FY 2006 (as is typical for a tax credit financing) the limited partners' equity in the project will need to be purchased. The cost is estimated at about \$1.2 million.
  - ▶ The real estate value of Quaker Hill in FY 2006 is estimated at \$10 million, which is an amount higher than the outstanding mortgages, tax loan owed to the City and liability payment to the limited partners.

- ▶ However, the ability of Quaker Hill to support additional debt service for a new mortgage to cover these payments is not evident at this time. It appears there is a small annual gap that will need to be closed. ARHA staff acknowledge that and have indicated that they will have to work out a long-term financial and service plan in order to meet their Quaker Hill obligations in FY 2006 and beyond.
- ARHA received a HOPE VI grant of \$6.7 million to assist in the redevelopment of Samuel Madden Homes (Downtown). This grant is no longer in default and remains current and available to ARHA, and will assist ARHA in transforming this 100-unit property into a mixed-unit, mixed-income community through demolition of the existing units and construction of new units on site, and the construction and purchase of units offsite. Negotiations between ARHA and the North Village/Madison Homes development team are ongoing.
- ARHA is also continuing to review options to reduce losses on Jefferson Village, which currently generates losses of \$250,000 annually, and Glebe Park, which generates losses of \$250,000 annually. In the case of Jefferson Village, discussions with HUD have been positive, with a work-out plan possibly using Section 8 vouchers as an option.
- The payment in lieu of taxes to be paid by ARHA in 2000 (for calendar year 1999) was calculated at \$123,434. ARHA paid this amount to the City in June of 2000.
- ARHA has also provided to the City financial status reports of its other activities (Attachment II). This includes its annual financial report for 1999, which was provided to the City in November of 2000. ARHA received with this financial report (page 1) the desired unqualified independent auditor's opinion (the best opinion given by auditors), as well as the finding that ARHA's financial statements were in compliance with established accounting standards. As part of an independent auditor's review, government accounting standards also require the auditor to look at internal controls, as well as compliance with grant regulations. The independent auditor's report on external controls and grant compliance identified a number of areas where improvements by ARHA could be made. These areas and ARHA's response are detailed starting on page 22 of Attachment II.

**ATTACHMENTS:**

- I. Transmittal Letter of the Cameron Valley Limited Partnership Semi-Annual Report to the City Manager from ARHA (with 3 attachments), dated July 28, 2000.
- II. ARHA Financial Report for the period January 1, 1999 to December 31, 1999.

**STAFF:** Mark Jinks, Assistant City Manager



## Alexandria Redevelopment and Housing Authority

### Commissioners

Michele I. Chapman, Chairperson  
 Antoine P. Cobb  
 Thelma Towles

Debra E. Zusman, Vice Chairperson  
 Myke W. Reid  
 Ruby J. Tucker

Murray M. Bonitt  
 Carlyle C. Ring, Jr.  
 Curtis L. Wagner, Jr.

600 North Fairfax Street  
 Alexandria, Virginia 22314

William M. Dearman, Executive Director  
 (703) 549-7115  
 FAX: (703) 549-8709  
 TDD: (703) 836-6425  
 Sec. 8 FAX: (703) 684-8376

July 28, 2000

Mildrilyn Stephens-Davis, Director  
 Office of Housing  
 The City of Alexandria  
 Office of the City Manager  
 301 King Street  
 Alexandria, VA 22314



Dear Mildrilyn:

Please find enclosed the Cameron Valley Limited Partnership (CVLP) Semi-Annual Report for the period ended May 31, 2000. This Report reflects the real estate taxes, financial status of the Cameron Valley Limited Partnership and other pertinent ARHA financial information.

### REAL ESTATE TAXES

Real estate taxes are due and payable on June 15<sup>th</sup> and November 15<sup>th</sup>. ARHA paid the real estate taxes prior to each of the aforementioned dates. The real estate taxes listed below, which represent the June 15<sup>th</sup> payment, were made on 06/05/00:

Townhouse Units (30)	\$34,230.81
Condominium Units (30)	\$17,482.52
Totals	\$51,713.33

(6/05/00 payment - \$51,713.31)

A Schedule is attached which provides additional details by property address for the real estate taxes reflected above. This Schedule (including a copy of the June 5<sup>th</sup> check) is included as *Attachment #1*.

There are currently no delinquent real estate taxes due for this Property.



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 Equal Housing Opportunity



## FINANCIAL STATUS

For the eleven-month period ended May 31, 2000, Quaker Hill generated a cash flow surplus of approximately \$272,000 (*Attachment #2*).

A tax credit payment of \$450,000 was received in January 2000. The next scheduled tax credit payment is anticipated in October 2000. We must continue to be mindful that the tax credit payments will cease in July 2003.

## ARHA PROPERTIES

In addition to the Quaker Hill property, ARHA is reviewing a number of options to improve its financial position:

- We are hopeful that we are coming to an end of the legal issues that have impeded the redevelopment of **Samuel Madden Homes (Downtown)**. We expect to transform this 100-unit obsolete property into a mixed-unit, mixed-income community that will provide high quality public housing with perhaps the broadest range of incomes of any community in the country.
- We have been encouraged by a show of support from the Department of Housing and Urban Development in assisting ARHA in identifying various options for improving **Jefferson Village**, and reducing, if not eliminating, the consistent financial drain. This property continues to generate annual losses in excess of \$300,000.
- We have been encouraged by a show of support from the Department of Housing and Urban Development in assisting ARHA in identifying various options for improving **Glebe Park**, and reducing, if not eliminating, the consistent financial drain. This property continues to generate annual losses of approximately \$300,000.

### **ANNUAL AUDIT REPORT**

The Independent Audits of ARHA and the Cameron Valley Limited Partnership (CVLP) for the 1999 fiscal year will be completed within the next two months. The audit firm of Rector & Moffitt will conduct these audits. Once completed, a copy of the audit reports will be submitted to your Office.

### **QUAKER HILL FY 2001 OPERATING BUDGET**

Attached is the proposed FY 2001 Operating Budget for the Quaker Hill property (*Attachment #3*).

There are 60 total units of tax credit funded public housing. As of May 2000, there were 44 Section Eight assisted and 13 Conventional public housing funded housing units. There were 57 occupied housing units as of the end of the reporting period.

Thank you very much for your continued support. Please contact me if you need additional information.

Respectfully,

  
William M. Dearman  
Chief Executive Officer, ARHA

Attachments

ALEXANDRIA REDEVELOPMENT & HOUSING AUTHORITY

ATTACHMENT #1

NUMBER	INVOICE DATE	REFERENCE NUMBER OR DESCRIPTION	AMOUNT	NET AMOUNT
075789 000000	06/01/00	1ST HALF 2000 REAL ESTATE TAX	51,713.31	51,713.3
000000		<b>TOTAL</b>	51,713.31	51,713.3



ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY  
 600 NORTH FAIRFAX STREET  
 ALEXANDRIA, VIRGINIA 22314  
 (703) 549 7115

BURKE & HERBERT  
 BANK & TRUST CO.  
 Alexandria, VA  
 68 106/560

046343

CHECK VOID AFTER 90 DAYS

DATE 06/05/00

CHECK NUMBER 46343

\$51,713	31
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\$51,713 DOLLARS & 31 CENTS

PAY TO THE ORDER OF

CITY OF ALEXANDRIA  
 CITY HALL  
 DEPARTMENT #750  
 ALEXANDRIA, VA 22334-0750

AUTHORIZED SIGNATURE

AUTHORIZED SIGNATURE

⑈00046343⑈ ⑆056001066⑆ ⑈010⑈562⑈7⑈

NOT NEGOTIABLE

QUAKER FILE	AMOUNT	DATE
June 1/2000		
India, please make a copy of this check and give it to Jeffery B.		
Thanks.		
Chita		
<b>Total</b>	<b>\$51,713.31</b>	

*Handwritten signature and date 6/1/00*

**CAMERON VALLEY LIMITED PARTNERSHIP  
FIRST HALF - 1999 TAXES PAID 05/21/99**

**TOWNHOUSES**

<b>Property Address</b>	<b>Assessed Value</b>	<b>Tax Due</b>	<b>Refuse Fee</b>	<b>Total Due</b>
1211 Quaker Hill	\$195,200	\$1,083.36	\$92.50	\$1,175.86
203 Ellsworth	\$195,200	\$1,083.36	\$92.50	\$1,175.86
1221 Quaker Hill	\$183,700	\$1,019.54	\$92.50	\$1,112.04
1285 Quaker Hill	\$188,400	\$1,045.62	\$92.50	\$1,138.12
1283 Quaker Hill	\$183,700	\$1,019.54	\$92.50	\$1,112.04
1281 Quaker Hill	\$183,700	\$1,019.54	\$92.50	\$1,112.04
1269 Quaker Hill	\$183,700	\$1,019.54	\$92.50	\$1,112.04
1267 Quaker Hill	\$199,000	\$1,107.78	\$92.50	\$1,200.28
1235 Quaker Hill	\$188,400	\$1,045.62	\$92.50	\$1,138.12
1223 Quaker Hill	\$183,700	\$1,019.54	\$92.50	\$1,112.04
1219 Quaker Hill	\$183,700	\$1,019.54	\$92.50	\$1,112.04
1295 Quaker Hill	\$189,400	\$1,051.17	\$92.50	\$1,143.67
1290 Quaker Hill	\$196,400	\$1,090.02	\$92.50	\$1,182.52
1297 Quaker Hill	\$184,900	\$1,026.20	\$92.50	\$1,118.70
1289 Quaker Hill	\$183,700	\$1,019.54	\$92.50	\$1,112.04
1287 Quaker Hill	\$188,400	\$1,045.62	\$92.50	\$1,138.12
1252 Quaker Hill	\$183,700	\$1,019.54	\$92.50	\$1,112.04
1254 Quaker Hill	\$183,700	\$1,019.54	\$92.50	\$1,112.04
227 Yale	\$195,200	\$1,083.36	\$92.50	\$1,175.86
205 Ellsworth	\$195,200	\$1,083.36	\$92.50	\$1,175.86
1292 Quaker Hill	\$196,400	\$1,090.02	\$92.50	\$1,182.52
1233 Quaker Hill	\$183,700	\$1,019.54	\$92.50	\$1,112.04
207 Yale	\$196,400	\$1,090.02	\$92.50	\$1,182.52
206 Ellsworth	\$183,700	\$1,019.54	\$92.50	\$1,112.04
225 Yale	\$195,200	\$1,083.36	\$92.50	\$1,175.86
205 Yale	\$196,400	\$1,090.02	\$92.50	\$1,182.52
202 Ellsworth	\$183,700	\$1,019.54	\$92.50	\$1,112.04
216 Ellsworth	\$183,700	\$1,019.54	\$92.50	\$1,112.04
1256 Quaker Hill	\$183,700	\$1,019.54	\$92.50	\$1,112.04
1209 Quaker Hill	\$195,200	\$1,083.36	\$92.50	\$1,175.86
<b>TOTALS</b>	<b>\$5,667,100</b>	<b>\$31,455.81</b>	<b>\$2,775.00</b>	<b>\$34,230.81</b>

TAX & REFUSE -Townhouses	\$34,230.81
TAX - Condominuims	\$17,482.52
<b>Total Tax Paid June 5, 2000</b>	<b>\$51,713.33</b>

**CAMERON VALLEY LIMITED PARTNERSHIP  
FIRST HALF - 2000 TAXES PAID 06/05/00**

**CONDOS**

Property Address	Assessed Value	Tax Due
1100 QUAKER HILL DR APT 102	\$105,000	\$582.75
1100 QUAKER HILL DR APT 106	\$105,000	\$582.75
1100 QUAKER HILL DR APT 110	\$105,000	\$582.75
1100 QUAKER HILL DR APT 113	\$105,000	\$582.75
1100 QUAKER HILL DR APT 117	\$105,000	\$582.75
1100 QUAKER HILL DR APT 120	\$105,000	\$582.75
1100 QUAKER HILL DR APT 124	\$105,000	\$582.75
1100 QUAKER HILL DR APT 128	\$105,000	\$582.75
1100 QUAKER HILL DR APT 202	\$105,000	\$582.75
1100 QUAKER HILL DR APT 206	\$105,000	\$582.75
1100 QUAKER HILL DR APT 210	\$105,000	\$582.75
1100 QUAKER HILL DR APT 213	\$105,000	\$582.75
1100 QUAKER HILL DR APT 217	\$105,000	\$582.75
1100 QUAKER HILL DR APT 220	\$105,000	\$582.75
1100 QUAKER HILL DR APT 224	\$105,000	\$582.75
1100 QUAKER HILL DR APT 228	\$105,000	\$582.75
1100 QUAKER HILL DR APT 302	\$105,000	\$582.77
1100 QUAKER HILL DR APT 306	\$105,000	\$582.75
1100 QUAKER HILL DR APT 310	\$105,000	\$582.75
1100 QUAKER HILL DR APT 313	\$105,000	\$582.75
1100 QUAKER HILL DR APT 317	\$105,000	\$582.75
1100 QUAKER HILL DR APT 320	\$105,000	\$582.75
1100 QUAKER HILL DR APT 324	\$105,000	\$582.75
1100 QUAKER HILL DR APT 328	\$105,000	\$582.75
1100 QUAKER HILL DR APT 410	\$105,000	\$582.75
1100 QUAKER HILL DR APT 413	\$105,000	\$582.75
1100 QUAKER HILL DR APT 417	\$105,000	\$582.75
1100 QUAKER HILL DR APT 420	\$105,000	\$582.75
1100 QUAKER HILL DR APT 424	\$105,000	\$582.75
1100 QUAKER HILL DR APT 428	\$105,000	\$582.75
<b>TOTALS</b>	<b>\$3,150,000</b>	<b>\$17,482.52</b>

Assessed Value - Townhouses	\$5,667,100
Assessed Value - Condominiums	\$3,150,000
Total Assessed Value CVLP Units	\$8,817,100

**Quaker Hill  
(Cash Flow)  
CY July '99 - June '2000**



ATTACHMENT #2

May 31, 2000

Annual Budget	Income	Monthly Budget	Monthly Actual	Monthly Variance	Year-to-Date Budget	Year-to-Date Actual	Year-to-Date Variance
620,000	Dwelling Rental	51,666.67	48,341.00	(3,325.67)	516,666.67	539,049.26	22,382.59
0	Non-Dwelling Rental	0.00	0.00	0.00	0.00	0.00	0.00
0	Excess Utilities	0.00	0.00	0.00	0.00	0.00	0.00
0	Admin/Mgt Fees	0.00	0.00	0.00	0.00	0.00	0.00
0	Interest Income	0.00	21.43	21.43	0.00	126.35	126.35
0	HUD Subsidy	0.00	0.00	0.00	0.00	0.00	0.00
0	Bond Income	0.00	0.00	0.00	0.00	0.00	0.00
6,000	Other Income	500.00	1,067.38	567.38	5,000.00	6,336.88	1,336.88
450,000	Tax Credit	37,500.00	0.00	(37,500.00)	375,000.00	450,000.00	75,000.00
1,076,000	<b>TOTAL INCOME</b>	<b>89,666.67</b>	<b>49,429.81</b>	<b>(40,236.86)</b>	<b>896,666.67</b>	<b>995,512.49</b>	<b>98,845.82</b>

Expenses							
Annual Budget		Monthly Budget	Monthly Actual	Monthly Variance	Year-to-Date Budget	Year-to-Date Actual	Year-to-Date Variance
35,000	Administrative Salaries	2,916.67	3,178.43	(261.76)	29,166.67	37,397.52	(8,230.85)
5,000	Legal Expense	416.67	0.00	416.67	4,166.67	1,149.42	3,017.25
500	Staff Training	41.67	0.00	41.67	416.67	83.48	333.19
0	Travel	0.00	0.00	0.00	0.00	38.32	(38.32)
5,000	Accounting and Auditing Expense	416.67	0.00	416.67	4,166.67	11,400.00	(7,233.33)
0	Bond Monitoring Contact/ Program Fees	0.00	0.00	0.00	0.00	5,000.00	(5,000.00)
500	Telephone	41.67	13.49	28.18	416.67	141.77	274.90
500	Membership	41.67	0.00	41.67	416.67	41.96	374.71
600	Postage	50.00	37.50	12.50	500.00	470.78	29.22
500	Publication	41.67	0.00	41.67	416.67	316.50	100.17
1,500	Office Supplies	125.00	8.42	116.58	1,250.00	980.58	269.42
1,300	Sundry Administrative Expense	108.33	205.02	(96.69)	1,083.33	1,994.86	(911.53)
1,000	Tenant Services - Salaries	83.33	0.00	83.33	833.33	0.00	833.33
500	Tenant Council/Recreation/Publication	41.67	0.00	41.67	416.67	0.00	416.67
200	Tenant Contract Costs and Training	16.67	0.00	16.67	166.67	0.00	166.67
98,000	HOA and Condo Fees	8,166.67	8,305.50	(138.83)	81,666.67	69,129.00	12,537.67
200	Water / Sewage	16.67	24.12	(7.45)	166.67	221.10	(54.43)
900	Electricity	75.00	107.00	(32.00)	750.00	642.14	107.86
60	Gas	5.00	0.00	5.00	50.00	37.40	12.60
0	Protective Services (Contract Costs)	0.00	0.00	0.00	0.00	0.00	0.00
25,000	Maintenance - Salaries	2,083.33	4,315.20	(2,231.87)	20,833.33	29,489.61	(8,656.28)
10,000	Maintenance - Supplies	833.33	41.34	791.99	8,333.33	7,151.59	1,181.74
28,000	Maintenance - Contracts	2,333.33	124.77	2,208.56	23,333.33	34,031.66	(10,698.33)
8,500	Insurance	708.33	850.52	(142.19)	7,083.33	8,615.23	(1,531.90)
0	PILOT	0.00	0.00	0.00	0.00	0.00	0.00
500	Terminal Leave	41.67	0.00	41.67	416.67	907.08	(490.41)
11,000	Employee Benefits/FICA	916.67	1,663.57	(746.90)	9,166.67	12,955.99	(3,789.32)
3,200	Collection Loss	266.67	(30.00)	296.67	2,666.67	858.63	1,808.04
560,000	Principal & Interest	46,666.67	33,766.29	12,900.38	466,666.67	408,374.28	58,292.39
0	Prior Year Adjustment	0.00	(30.00)	30.00	0.00	21,101.38	(21,101.38)
8,000	Other General Expense	666.67	0.00	666.67	6,666.67	5,287.25	1,379.42
1,000	Non-Routine/ Extraordinary Maint & Equip	83.33	0.00	83.33	833.33	13,500.00	(12,666.67)
500	Replacement Of Equipment	41.67	0.00	41.67	416.67	0.00	416.67
500	Property Betterments & Additions	41.67	0.00	41.67	416.67	0.00	416.67
110,000	Replacement Reserve, Taxes & Insurance	9,166.67	0.00	9,166.67	91,666.67	51,713.16	39,953.51
917,460	<b>TOTAL EXPENSES</b>	<b>76,455.00</b>	<b>52,581.17</b>	<b>23,873.83</b>	<b>764,550.00</b>	<b>723,030.69</b>	<b>41,519.31</b>
158,540	<b>RESIDUAL RECEIPTS (DEFICIT)</b>	<b>13,211.67</b>	<b>(3,151.36)</b>	<b>(64,110.69)</b>	<b>132,116.67</b>	<b>272,481.80</b>	<b>140,365.13</b>

**Alexandria Redevelopment & Housing Authority**  
**FY 2001 Budget Projection**  
**QUAKER HILL**

Attachment #3

	1999 Actual	Activity Thru 05/00	2000 Estimated	2000 Budget	FY 2001 Budget
<b>Income</b>					
Dwelling Rent	598,668.95	539,049.26	600,000	620,000	625,000
Tax Credits	960,000.00	450,000.00	450,000	450,000	450,000
Other Income	5,548.82	6,463.23	6,600	6,000	6,800
<b>Total Income</b>	<b>\$1,564,217.77</b>	<b>\$995,512.49</b>	<b>\$1,056,600</b>	<b>\$1,076,000</b>	<b>\$1,081,800</b>
<b>Expense</b>					
Administrative Salaries	31,583.07	37,397.52	41,000	35,000	45,000
Legal Expense	5,537.34	1,149.42	3,500	5,000	5,000
Staff Training	15.08	83.48	120	500	500
Travel	8.67	38.32	70	0	300
Auditing	4,500.00	11,400.00	11,400	5,000	6,000
Telephone	238.31	141.77	250	500	500
Membership	22.10	41.96	75	500	500
Postage	412.31	470.78	550	600	600
Publication	240.04	316.50	380	500	500
Office Supplies	1,085.13	980.58	1,200	1,500	1,300
Other Sundry expense	896.53	6,994.86	7,500	1,300	8,000
Condo Fees	95,041.50	69,129.00	95,052	98,000	102,000
<b>Total Administration</b>	<b>\$139,580.08</b>	<b>\$128,144.19</b>	<b>\$161,097</b>	<b>\$148,400</b>	<b>\$170,200</b>
<b>Social Services</b>					
Salaries	0.00	0.00	0	1,000	1,000
Materials/Supplies	0.00	0.00	0	500	500
Contract Costs	0.00	0.00	0	200	200
<b>Total Community Services</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0</b>	<b>\$1,700</b>	<b>\$1,700</b>
<b>Utilities</b>					
Water/Sewer	73.29	221.10	300	200	400
Electricity	812.30	642.14	750	900	900
Gas	21.44	37.40	50	60	60
<b>Total Utilities</b>	<b>\$907.03</b>	<b>\$900.64</b>	<b>\$1,100</b>	<b>\$1,160</b>	<b>\$1,360</b>
<b>Maintenance</b>					
Salaries	22,316.48	29,489.61	33,000	25,000	36,000
Supplies	10,477.53	7,151.59	8,800	10,000	10,000
Contract Costs	28,736.40	34,031.66	38,000	28,000	40,000
<b>Total Maintenance Costs</b>	<b>\$61,530.41</b>	<b>\$70,672.86</b>	<b>\$79,800</b>	<b>\$63,000</b>	<b>\$86,000</b>
<b>General Expense</b>					
Insurance	8,311.28	8,615.23	9,500	8,500	9,000
Terminal Leave	341.95	907.08	1,000	500	500
Employee Benefits	9,680.71	12,955.99	14,000	11,000	16,000
Collection Losses	2,793.15	858.63	1,200	3,200	2,000
Other General Expense	218,978.00	5,287.25	6,000	8,000	8,000
<b>Total General Expense</b>	<b>\$240,105.09</b>	<b>\$28,624.18</b>	<b>\$31,700</b>	<b>\$31,200</b>	<b>\$35,500</b>
<b>Non Routine expense</b>					
Extraordinary Maintenance	0.00	13,500.00	14,000	1,000	5,000
Replacement of Equipment	0.00	0.00	0	500	500
Property Betterments & Additions	0.00	0.00	0	500	500
<b>Total Non-Routine Expense</b>	<b>0.00</b>	<b>13,500.00</b>	<b>\$14,000</b>	<b>\$2,000</b>	<b>\$6,000</b>
<b>Total Operating Expense</b>	<b>\$442,122.61</b>	<b>\$241,841.87</b>	<b>\$287,697</b>	<b>\$247,460</b>	<b>\$299,060</b>
<b>Capital Expenditures</b>					
Principal & Interest Payments	393,402.13	408,374.28	500,000	560,000	560,000
Taxes & Insurance	105,107.86	51,713.16	110,000	110,000	115,000
Replacement Reserve	0.00	0.00	0	0	0
Prior Year Adjustments	0.00	21,101.38	22,000	0	0
<b>Total Capital Expenditures</b>	<b>\$498,509.99</b>	<b>\$481,188.82</b>	<b>\$632,000</b>	<b>\$670,000</b>	<b>\$675,000</b>
<b>Total Operating Expenditures</b>	<b>\$940,632.60</b>	<b>\$723,030.69</b>	<b>\$919,697</b>	<b>\$917,460</b>	<b>\$974,060</b>
<b>Net Income/(Loss)</b>	<b>\$623,585.17</b>	<b>\$272,481.80</b>	<b>\$136,903</b>	<b>\$158,540</b>	<b>\$107,740</b>

ALEXANDRIA REDEVELOPMENT AND  
HOUSING AUTHORITY  
Alexandria, Virginia

REPORT ON EXAMINATION  
OF FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 1999



## TABLE OF CONTENTS

	<u>Page</u>
Accountants' Report on Financial Statements	1
 <u>FINANCIAL STATEMENTS</u>	
Combined Balance Sheet – All Fund Types and Account Groups	2
Combined Statements of Revenues, Expenditures and Changes in Fund Balance	3
Combining Balance Sheet – General Fund	4
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – General Fund	5
Combining Balance Sheet – Special Revenue Sheet	6
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Special Revenue Funds	7
Combining Balance Sheet – Trust & Agency Funds	8
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Trust & Agency Funds	9
Notes to Financial Statements	10-20
Accountants' Report on Compliance and Internal Control Structure over Financial Reporting Based on An Audit of Financial Statements Performed in Accordance with Government Auditing Standards	21
Accountants' Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133	22-23
Status of Prior Audit Findings	24
Schedule of Findings and Questioned Costs	25-31
 <u>SUPPLEMENTARY INFORMATION</u>	
<u>GAAP BASIS</u>	
Financial Data Submission Summary – Balance Sheet Accounts	32-35
Financial Data Submission Summary – Income Statement Accounts	36-39
Schedule of Federal Financial Awards	40

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Alexandria Redevelopment  
and Housing Authority  
Alexandria, Virginia 22314

Washington, DC Office  
Public Housing Division  
820 First Street, NE  
Washington, DC 20002-4205

We have audited the accompanying general-purpose financial statements and the combining and account group financial statements of the Alexandria Redevelopment & Housing Authority as of and for the year ended December 31, 1999, 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 generally accepted auditing standards and the standards applicable to 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 misstatement. 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 financial position of the Alexandria Redevelopment & Housing Authority as of December 31, 1999, and the results of its operations and the changes in its surplus for the year then ended in conformity with generally accepted accounting principles. Also, in our opinion, the combining and account group financial statements, referred to above present fairly, in all material respects, the financial position of each of the individual funds and account groups of the Alexandria Redevelopment & Housing Authority, as of December 31, 1999, and the results of operations of such funds for the year then ended in conformity with generally accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated September 13, 2000, on our consideration of the Housing Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

The accompanying financial information listed as supplementary data in the table of contents is presented for the purpose of additional analysis and is not a required part of the financial statements of the Housing Authority. In addition to this information the accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose, combining and account group financial statements and, in our opinion, is fairly state, in all material respects, in relating to the financial statements of each of the respective individual funds and account groups taken as a whole.



CERTIFIED PUBLIC  
ACCOUNTANTS  
2046 West Park Place Blvd.  
Suite H  
Stone Mountain, GA 30087  
(770) 879-8411  
Fax: (770) 879-8431

*Rector & Moffitt, P.C.*  
Certified Public Accountants

Stone Mountain, Georgia  
September 13, 2000

**ALEXANDRIA REDEVELOPMENT & HOUSING AUTHORITY**  
Alexandria, Virginia

**COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS**  
**DECEMBER 31, 1999**

<b>ASSETS</b>	General	Special Revenue	Debt Service
Cash and Investments	\$ 623,292	\$ 3,418,642	\$ 660,966
Accounts receivable:			
Tenants	20,700	29,986	0
Interfund	765,850	2,560,134	0
Portables	0	189,675	0
Other	77,838	302,239	0
Due from other governments	202,115	1,783,434	100,280
Notes receivable	0	0	0
Prepaid expenses	50,741	148,308	0
Inventory	81,780	0	0
Other assets	0	345,705	0
Land, structures & equipment	0	0	0
Amount to be provided for retirement of debt	0	0	0
Amount available in debt service	0	0	0
<b>TOTAL ASSETS</b>	<b>\$ 1,822,316</b>	<b>\$ 8,778,123</b>	<b>\$ 761,246</b>
<b><u>LIABILITIES AND FUND EQUITY</u></b>			
Accounts payable - bank overdraft	\$ 0	\$ 1,265,892	\$ 0
Accounts payable - vendors	13,330	20,941	0
Accounts payable - interfund	798,656	4,229,104	0
Tenant security deposits	133,577	85,203	0
Due to other governments	97,984	1,151,683	0
Accrued expenses	154,757	44,120	0
Deferred revenue	3,392	10,478	0
Long-term debt	0	0	0
Matured interest payable	0	0	41,782
Matured notes and bonds payable	0	0	354,865
Trust deposit liabilities	15,774	50,377	0
<b>TOTAL LIABILITIES</b>	<b>1,217,470</b>	<b>6,857,798</b>	<b>396,647</b>
<b>FUND EQUITY:</b>			
Investment in general fixed assets	0	0	0
Fund balances:			
Reserved for prepaid expenses and inventory	132,521	148,308	0
Reserved for debt service	0	0	364,599
Undesignated	472,325	1,772,017	0
<b>TOTAL FUND EQUITY</b>	<b>604,846</b>	<b>1,920,325</b>	<b>364,599</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 1,822,316</b>	<b>\$ 8,778,123</b>	<b>\$ 761,246</b>

See notes to financial statements.

Capital Projects	Fiduciary Trust & Agency Fund	Account Groups		Total (Memorandum) (Only)
		Fixed Assets	Long-term Debt	
\$ 0	\$ 261,367	\$ 0	\$ 0	\$ 4,964,267
0	0	0	0	50,686
0	2,805,772	0	0	6,131,756
0	0	0	0	189,675
0	259,662	0	0	639,739
0	0	0	0	2,085,829
0	7,521,417	0	0	7,521,417
0	45,100	0	0	244,149
0	0	0	0	81,780
0	0	0	0	345,705
0	0	59,143,198	0	59,143,198
0	0	0	18,586,069	18,586,069
0	0	0	364,599	364,599
<u>\$ 0</u>	<u>\$ 10,893,318</u>	<u>\$ 59,143,198</u>	<u>\$ 18,950,668</u>	<u>\$ 100,348,869</u>
\$ 0	\$ 61,198	\$ 0	\$ 0	\$ 1,327,090
0	227,322	0	0	261,593
0	1,103,996	0	0	6,131,756
0	0	0	0	218,780
0	0	0	0	1,249,667
0	3,987	0	0	202,864
0	9,813	0	0	23,683
0	0	0	18,950,668	18,950,668
0	0	0	0	41,782
0	0	0	0	354,865
0	294,046	0	0	360,197
0	1,700,362	0	18,950,668	29,122,945
0	0	59,143,198	0	59,143,198
0	45,100	0	0	325,929
0	0	0	0	364,599
0	9,147,856	0	0	11,392,198
0	9,192,956	59,143,198	0	71,225,924
<u>\$ 0</u>	<u>\$ 10,893,318</u>	<u>\$ 59,143,198</u>	<u>\$ 18,950,668</u>	<u>\$ 100,348,869</u>

**ALEXANDRIA REDEVELOPMENT & HOUSING AUTHORITY**  
Alexandria, Virginia

**COMBINED STATEMENTS OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**DECEMBER 31, 1999**

	Governmental Fund Types		
	General	Special Revenue	Debt Service
<b>REVENUES:</b>			
Rentals	\$ 2,197,957	\$ 1,793,325	\$ 0
Intergovernmental	1,383,058	11,153,323	445,348
Other income	76,355	24,967	0
Interest	31,885	173,396	27,123
<b>TOTAL REVENUE</b>	<u>3,689,255</u>	<u>13,145,011</u>	<u>472,471</u>
<b>EXPENDITURES:</b>			
Administration	1,039,202	830,502	0
Tenant services	254,981	31,910	0
Utilities	1,080,399	201,410	0
Maintenance	885,512	354,220	0
Protective services	118,725	121	0
General expenditures	316,421	253,713	0
Extraordinary maintenance	34,951	8,159	0
Capital expenditures	46,497	71,336	0
Debt service:			
Principal retirement	0	0	237,122
Interest charges	0	0	1,412,742
Housing Assistance Payments	0	10,000,957	0
<b>TOTAL EXPENDITURES</b>	<u>3,776,688</u>	<u>11,752,328</u>	<u>1,649,864</u>
Excess/(Deficiency) of Revenue over expenditures	(87,433)	1,392,683	(1,177,393)
FUND BALANCE - Beginning	621,724	2,030,100	334,986
Transfer to/from other funds	70,555	(1,502,458)	1,207,006
<b>FUND BALANCE - Ending</b>	<u>\$ 604,846</u>	<u>\$ 1,920,325</u>	<u>\$ 364,599</u>

See notes to financial statements.

<u>Capital Projects</u>	<u>Fiduciary Trust &amp; Agency Fund</u>	<u>Total (Memorandum) (Only)</u>
\$ 0	\$ 0	\$ 3,991,282
1,366,768	0	14,348,497
0	436,529	537,851
0	50,634	283,038
<u>1,366,768</u>	<u>487,163</u>	<u>19,160,668</u>
0	624,086	2,493,790
0	32,557	319,448
0	0	3,235,202
0	0	3,535,909
0	0	118,846
0	24,681	594,815
0	0	43,110
1,366,768	54,805	1,539,406
0	0	237,122
0	0	1,412,742
0	0	10,000,957
<u>1,366,768</u>	<u>736,129</u>	<u>23,531,347</u>
0	(248,966)	(121,109)
0	9,217,025	12,203,835
0	224,897	0
<u>\$ 0</u>	<u>\$ 9,192,956</u>	<u>\$ 12,082,726</u>

**ALEXANDRIA REDEVELOPMENT & HOUSING AUTHORITY**  
**Alexandria, Virginia**

**COMBINING BALANCE SHEET**  
**GENERAL FUND**  
**DECEMBER 31, 1999**

	<u>Public Housing</u>	<u>Park Place</u>	<u>Combined Totals</u>
<b>ASSETS</b>			
Cash and Investments	\$ 516,304	\$ 106,988	\$ 623,292
Accounts receivable:			
Tenant - net	19,659	1,041	20,700
Interfund	685,850	80,000	765,850
Other	77,688	150	77,838
Due from other governments	202,115	0	202,115
Prepaid expenses	39,674	11,067	50,741
Inventory	<u>81,780</u>	<u>0</u>	<u>81,780</u>
 TOTAL ASSETS	 <u>\$ 1,623,070</u>	 <u>\$ 199,246</u>	 <u>\$ 1,822,316</u>
 <b><u>LIABILITIES AND FUND EQUITY</u></b>			
Accounts payable - bank overdraft	\$ 0	\$ 0	\$ 0
Accounts payable - vendors	5,036	8,294	13,330
Accounts payable - interfund	107,466	691,190	798,656
Tenant security deposits	125,476	8,101	133,577
Due to other governments	97,984	0	97,984
Accrued expenses	154,757	0	154,757
Deferred revenue	2,752	640	3,392
Trust deposit liability	<u>15,774</u>	<u>0</u>	<u>15,774</u>
 TOTAL LIABILITIES	 <u>509,245</u>	 <u>708,225</u>	 <u>1,217,470</u>
 <b>FUND EQUITY:</b>			
Reserved for prepaid expenses and inventory	81,780	0	81,780
Undesignated	<u>1,032,045</u>	<u>(508,979)</u>	<u>523,066</u>
 TOTAL FUND EQUITY	 <u>1,113,825</u>	 <u>(508,979)</u>	 <u>604,846</u>
 TOTAL LIABILITIES AND FUND EQUITY	 <u>\$ 1,623,070</u>	 <u>\$ 199,246</u>	 <u>\$ 1,822,316</u>

See notes to financial statements.

**ALEXANDRIA REDEVELOPMENT & HOUSING AUTHORITY**  
Alexandria, Virginia

**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

	Public Housing	Park Place	Saxony Square
<b><u>REVENUES:</u></b>			
Rentals	\$ 1,842,922	\$ 99,803	\$ 18,644
Intergovernmental	915,519	43,083	10,771
Other income	71,954	1,032	26
Interest	29,733	0	0
<b>TOTAL REVENUE</b>	<b>2,860,128</b>	<b>143,918</b>	<b>29,441</b>
<b><u>EXPENDITURES:</u></b>			
Administration	943,704	23,727	1,389
Tenant services	58,994	114	15
Utilities	892,093	109,456	21,462
Maintenance	737,738	12,222	3,220
Protective services	1,818	21	2
General expenditures	254,174	11,869	1,761
Nonroutine maintenance	19,687	0	0
Capital expenditures	42,973	1,262	0
<b>TOTAL EXPENDITURES</b>	<b>2,951,181</b>	<b>158,671</b>	<b>27,849</b>
Excess/(Deficiency) of Revenue over expenditures	(91,053)	(14,753)	1,592
FUND BALANCE - Beginning	1,204,878	(574,226)	(1,592)
Transfer to/from other funds	0	80,000	0
FUND BALANCE - Ending	<b>\$ 1,113,825</b>	<b>\$ (508,979)</b>	<b>\$ 0</b>

See notes to financial statements.

<u>Glebe Park</u>	<u>Jefferson Village</u>	<u>Public Housing Drug Elimination</u>	<u>Public Housing EDSS</u>	<u>Combined Totals</u>
\$ 56,389	\$ 180,199	\$ 0	\$ 0	\$ 2,197,957
43,083	64,625	116,835	189,142	1,383,058
1,164	2,179	0	0	76,355
2,152	0	0	0	31,885
<u>102,788</u>	<u>247,003</u>	<u>116,835</u>	<u>189,142</u>	<u>3,689,255</u>
26,496	43,886	0	0	1,039,202
2,671	4,045	0	189,142	254,981
27,497	29,891	0	0	1,080,399
32,306	100,026	0	0	885,512
20	29	116,835	0	118,725
18,613	30,004	0	0	316,421
1,737	13,527	0	0	34,951
0	2,262	0	0	46,497
<u>109,340</u>	<u>223,670</u>	<u>116,835</u>	<u>189,142</u>	<u>3,776,688</u>
(6,552)	23,333	0	0	(87,433)
(5,846)	(1,490)	0	0	621,724
12,398	(21,843)	0	0	70,555
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 604,846</u>

**ALEXANDRIA REDEVELOPMENT & HOUSING AUTHORITY**  
Alexandria, Virginia

**COMBINING BALANCE SHEET**  
**SPECIAL REVENUE FUNDS**  
**DECEMBER 31, 1999**

<b>ASSETS</b>	Housing Assistance Payments Program		
	Certificates	Vouchers	Moderate Rehabilitation
Cash and Investments	\$ 31,836	\$ 1,607,977	\$ 0
Accounts receivable:			
Tenant - net	0	0	0
Interfund	3,000	0	0
Portabilities	53,575	136,100	0
Other	0	0	0
Due from other governments	1,696,357	14,883	72,194
Prepaid expenses	4,195	1,377	0
Other assets	0	0	0
<b>TOTAL ASSETS</b>	<b>\$ 1,788,963</b>	<b>\$ 1,760,337</b>	<b>\$ 72,194</b>
<b><u>LIABILITIES AND FUND EQUITY</u></b>			
Accounts payable - bank overdraft	\$ 1,256,483	\$ 0	\$ 0
Accounts payable - vendors	20	0	0
Accounts payable - interfund	593,096	7,007	3,754
Tenant security deposits	0	0	0
Due to other governments	0	1,046,281	68,440
Accrued expenses	12,300	7,820	0
Deferred revenue	0	3,000	0
Trust deposit liability	22,224	28,153	0
<b>TOTAL LIABILITIES</b>	<b>1,884,123</b>	<b>1,092,261</b>	<b>72,194</b>
<b>FUND EQUITY:</b>			
Reserved for prepaid expenses and inventory	0	0	0
Undesignated	(95,160)	668,076	0
<b>TOTAL FUND EQUITY</b>	<b>(95,160)</b>	<b>668,076</b>	<b>0</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 1,788,963</b>	<b>\$ 1,760,337</b>	<b>\$ 72,194</b>

See notes to financial statements.

<u>Glebe Park</u>	<u>Jefferson Village</u>	<u>Hopkins Tancil</u>	<u>Combined Totals</u>
\$ 676,111	\$ 158,744	\$ 943,974	\$ 3,418,642
12,857	13,011	4,118	29,986
85,000	365,000	2,107,134	2,560,134
0	0	0	189,675
144,703	64,483	93,053	302,239
0	0	0	1,783,434
95,822	10,796	36,118	148,308
<u>158,347</u>	<u>117,000</u>	<u>70,358</u>	<u>345,705</u>
<u>\$ 1,172,840</u>	<u>\$ 729,034</u>	<u>\$ 3,254,755</u>	<u>\$ 8,778,123</u>
\$ 0	\$ 0	\$ 9,409	\$ 1,265,892
0	2,802	18,119	20,941
1,214,321	2,407,415	3,511	4,229,104
43,548	19,618	22,037	85,203
2,900	14,634	19,428	1,151,683
20,656	1,334	2,010	44,120
4,118	323	3,037	10,478
<u>0</u>	<u>0</u>	<u>0</u>	<u>50,377</u>
<u>1,285,543</u>	<u>2,446,126</u>	<u>77,551</u>	<u>6,857,798</u>
158,347	117,000	70,358	345,705
<u>(271,050)</u>	<u>(1,834,092)</u>	<u>3,106,846</u>	<u>1,574,620</u>
<u>(112,703)</u>	<u>(1,717,092)</u>	<u>3,177,204</u>	<u>1,920,325</u>
<u>\$ 1,172,840</u>	<u>\$ 729,034</u>	<u>\$ 3,254,755</u>	<u>\$ 8,778,123</u>

**ALEXANDRIA REDEVELOPMENT & HOUSING AUTHORITY**  
 Alexandria, Virginia

**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

	Housing Assistance Payments Program		
	Certificates	Vouchers	Moderate Rehabilitation
<b>REVENUES:</b>			
Rental	\$ 0	\$ 0	\$ 0
Intergovernmental	5,258,727	5,083,570	811,026
Other income	6,000	195	0
Interest	30,293	30,293	0
 TOTAL REVENUE	 5,295,020	 5,114,058	 811,026
<b>EXPENDITURES:</b>			
Administration	387,169	257,211	0
Tenant services	0	0	0
Utilities	0	0	0
Maintenance	8,577	8,577	0
Protective services	0	0	0
General expenditures	49,138	76,497	0
Nonroutine maintenance	0	0	0
Capital expenditures	0	0	0
Housing Assistance Payments	4,696,113	4,528,675	776,169
 TOTAL EXPENDITURES	 5,140,997	 4,870,960	 776,169
 Excess/(Deficiency) of Revenue over expenditures	 154,023	 243,098	 34,857
 FUND BALANCE - Beginning	 505,714	 424,978	 0
Transfer to/from other funds	(754,897)	0	(34,857)
 FUND BALANCE - Ending	 \$ (95,160)	 \$ 668,076	 \$ 0

See notes to financial statements.

<u>Glebe Park</u>	<u>Jefferson Village</u>	<u>Hopkins Tancil</u>	<u>Combined Totals</u>
\$ 687,698	\$ 145,701	\$ 959,926	\$ 1,793,325
0	0	0	11,153,323
11,653	956	6,163	24,967
<u>10,333</u>	<u>6</u>	<u>102,471</u>	<u>173,396</u>
<u>709,684</u>	<u>146,663</u>	<u>1,068,560</u>	<u>13,145,011</u>
79,866	17,079	89,177	830,502
3,421	1,535	26,954	31,910
84,387	12,878	104,145	201,410
161,033	16,275	159,758	354,220
59	7	55	121
85,231	10,560	32,287	253,713
8,159	0	0	8,159
0	0	71,336	71,336
<u>0</u>	<u>0</u>	<u>0</u>	<u>10,000,957</u>
<u>422,156</u>	<u>58,334</u>	<u>483,712</u>	<u>11,752,328</u>
287,528	88,329	584,848	1,392,683
(25,497)	(1,652,264)	2,777,169	2,030,100
<u>(374,734)</u>	<u>(153,157)</u>	<u>(184,813)</u>	<u>(1,502,458)</u>
<u>\$ (112,703)</u>	<u>\$ (1,717,092)</u>	<u>\$ 3,177,204</u>	<u>\$ 1,920,325</u>

**ALEXANDRIA REDEVELOPMENT & HOUSING AUTHORITY**  
**Alexandria, Virginia**

**COMBINING BALANCE SHEET**  
**TRUST & AGENCY FUNDS**  
**DECEMBER 31, 1999**

	<u>Revolving Fund</u>	<u>Cameron Valley Replacement Fund</u>	<u>Investment Fund</u>
<b>ASSETS</b>			
Cash and Investments	\$ 138,616	\$ 11,286	\$ 111,465
Accounts receivable:			
Interfund	116,040	1,225,363	1,464,369
Other	140,268	0	119,394
Notes receivable	0	7,521,417	0
Prepaid expenses	27,132	0	17,968
	<hr/>	<hr/>	<hr/>
Total Current Assets	422,056	8,758,066	1,713,196
	<hr/>	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	<b>\$ 422,056</b>	<b>\$ 8,758,066</b>	<b>\$ 1,713,196</b>
	<hr/>	<hr/>	<hr/>
<b>LIABILITIES AND FUND EQUITY</b>			
Current liabilities:			
Accounts payable-bank overdraft	\$ 0	\$ 0	\$ 61,198
Accounts payable-vendors	0	0	20,919
Accounts payable-interfund	403,600	0	700,396
Other current liabilities	0	0	206,403
Accrued expenses	0	0	3,987
Deferred revenue	0	0	9,813
Trust deposit liabilities	18,456	0	275,590
	<hr/>	<hr/>	<hr/>
<b>TOTAL CURRENT LIABILITIES</b>	<b>422,056</b>	<b>0</b>	<b>1,278,306</b>
<b>FUND EQUITY:</b>			
Fund balances-undesignated	0	8,758,066	434,890
	<hr/>	<hr/>	<hr/>
<b>TOTAL LIABILITIES AND     FUND EQUITY</b>	<b>\$ 422,056</b>	<b>\$ 8,758,066</b>	<b>\$ 1,713,196</b>
	<hr/>	<hr/>	<hr/>

See notes to financial statements.

Total  
Trust & Agency  
Fund

---

\$ 261,367  
2,805,772  
259,662  
7,521,417  

---

45,100  

---

10,893,318  
\$ 10,893,318

\$ 61,198  
20,919  
1,103,996  
206,403  
3,987  
9,813  

---

294,046  
1,700,362  

---

9,192,956  
\$ 10,893,318

ALEXANDRIA REDEVELOPMENT & HOUSING AUTHORITY  
Alexandria, Virginia

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - TRUST & AGENCY FUNDS  
FOR THE PERIOD ENDED DECEMBER 31, 1999

	Cameron Valley Replacement Fund	Investment Fund	Total Trust & Agency Fund
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>REVENUES:</b>			
Interest income	\$ 38,132	\$ 12,502	\$ 50,634
Bond monitoring fees	0	342,303	342,303
Other income	0	94,226	94,226
	<u>                    </u>	<u>                    </u>	<u>                    </u>
TOTAL REVENUE	38,132	449,031	487,163
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>EXPENDITURES:</b>			
Administration	0	624,086	624,086
Tenant services	0	32,557	32,557
General expenditures	0	24,681	24,681
Capital expenditures	0	54,805	54,805
	<u>                    </u>	<u>                    </u>	<u>                    </u>
TOTAL EXPENDITURES	0	736,129	736,129
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Excess/(Deficiency) of Revenue over expenditures	38,132	(287,098)	(248,966)
FUND BALANCE - Beginning	8,719,934	497,091	9,217,025
Transfer to/from other funds	0	224,897	224,897
	<u>                    </u>	<u>                    </u>	<u>                    </u>
FUND BALANCE - Ending	<u>\$ 8,758,066</u>	<u>\$ 434,890</u>	<u>\$ 9,192,956</u>

See notes to financial statements.

**ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY**  
Alexandria, Virginia

**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 1999**

NOTE A - Summary of Organization, Significant Accounting Policies and Reporting Entity:

1. Organization - The Alexandria Redevelopment and Housing Authority ("The Authority") is a non-profit corporation 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.

Reporting Entity – In determining how to define the reporting entity, management has considered all potential component units. The decision to include a component unit in the reporting entity was made by applying the criteria set forth in Section 2100 and 2600 of the Government Accounting Standards Board Codification and GASB Statement No. 14, The Financial Reporting Entity. These criteria include manifestation of oversight responsibility; including financial accountability; appointment of a voting majority; imposition of will; financial benefit to or burden on a primary organization; financial accountability as a result of fiscal dependency; potential for dual inclusion; and organizations included in the reporting entity although the primary organization is not financially accountable.

The members of the Board are as follows:

Michele I. Chapman, Chairman  
Debra E. Zusman, Vice-Chairman  
Murray M. Bonitt  
Antoine Cobb  
Myke W. Reid  
Thelma Towles  
Ruby J. Tucker  
Curtis L. Wagner, Jr.  
Carlyle C. Ring, Jr.

In addition to the above Commissioners, the Executive Director of the Housing Authority is William M. Dearman, and serves on the Board as Secretary.

Based upon the above criteria all the operations of the PHA are included in these financial statements and there are no operations or component units which have been excluded in this report.

Fund Accounting

The accounts of the Authority are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into four generic fund types and two broad fund categories as follows:

**ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY**  
Alexandria, Virginia

**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 1999**  
(Continued)

NOTE A - Summary of Organization, Significant Accounting Policies and Reporting Entity: (Cont'd)

Governmental Funds

General Fund - The General Fund is the general operating fund of the Authority. It is used to account for all financial resources except those required to be accounted for in another fund. The operation of the Public Housing Program is considered to be the general fund. Included with the Public Housing Program is are all of the Cameron Valley replacement units activity. Therefore, the entire public housing operating subsidy is included with this fund.

Special Revenue Fund - The Special Revenue Funds are used to account for the proceeds of specific revenue sources, such as the Section 8 programs, that are legally restricted to expenditures for specific purpose.

Hopkins/Tancil Courts

This project consists of 111 units operating under the name of Hopkins and Tancil Courts. These units were the former John Roberts and George Parker Homes (part of the original projects built by ARHA) which were purchased by ARHA and rehabilitated, and are now partially subsidized by a HAP contract effective June 25, 1982.

Park Place

This project consists of 38 condominium units purchased with a grant of CDBG funds from the City. These units will be a portion of the replacement units for the Cameron Valley project mentioned in the note above. If needed, these units will be subsidized through December, 2007, with the Cameron Valley Proceeds as directed by HUD.

Glebe Park

This project consists of 152 units of multi-family rental housing located in the Alexandria. The units are located on three separate properties and were acquired for rehabilitation by the Alexandria Redevelopment and Housing Authority. Glebe Park Apartments were financed primarily with funds insured by HUD. Tax-exempt "public purpose" bonds were issued to pay for the acquisition and rehabilitation of the units. The mortgage payable is co-insured under Section 221(d)(3) of the National Housing Act.

Jefferson Village

This project consisting of 69 units was purchased on August 22, 1988, with short-term debt obligations and ultimately through long-term Revenue Bonds. These units are a portion of the replacement units for the Cameron Valley project noted above. These units will also be subsidized from the Cameron Valley Proceeds, if needed, up to December, 2007. These units are for individuals and families with low to moderate income.

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY  
Alexandria, Virginia

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 1999  
(Continued)

NOTE A - Summary of Organization, Significant Accounting Policies and Reporting Entity: (Cont'd)

Section 8

The Alexandria Redevelopment and Housing Authority operates three Section 8 programs. Currently the Housing Authority has units 736 units leased in a Certificate Program and 569 units leased in a Voucher Program. These two programs will subsequently be merged. In addition to these the ARHA operates four Moderate Rehabilitation allocations of Section 8 housing in conjunction with the Hopkins Tancil property.

Trust & Agency Fund - The Trust & Agency Fund is a Fiduciary fund which provides for common resources of funding and the payment of ongoing expense. The ARHA's revolving fund is included into this fund as well as the following:

Investment Fund

The Investment Fund was created in prior years through the proceeds of the sale of former Housing Authority projects. This fund is used to subsidize the public housing operating expenses. This fund also includes the costs and improvements of the current administrative building.

Cameron Valley Proceeds

Pursuant to the Purchase Agreement dated May 20, 1987, the Alexandria Redevelopment and Housing Authority has sold 264 units known as Cameron Valley, Project No. VA 4-6. The ARHA received \$10,618,200.00 on December 17, 1987, and \$2,051,777.25 on May 20, 1988. In addition to this the ARHA also received \$650,000.00 for the release of the Presidential Green units. The total proceeds of \$13,319,977.25 are to be used for the purchase and subsidy for replacement housing. The tenants in the replacement housing are to be treated the same as public housing tenants of the ARHA.

Debt Service Fund - Debt Service Funds are used to account for financial resources to be used for the payment of general long-term debt principal, interest and related costs.

Capital Projects Fund - Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds, Special Assessment Funds and Trust Funds).

Fixed Assets and Long-Term Liabilities

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY  
Alexandria, Virginia

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 1999  
(Continued)

NOTE A - Summary of Organization, Significant Accounting Policies and Reporting Entity: (Cont'd)

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. No depreciation has been provided on general fixed assets.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds.

The account group is not a "fund." It is concerned only with the measurement of financial position. It is not involved with measurement of results of operations.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the General Long-Term Debt Account Group.

2. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting related to the timing of the measurements made, regardless of the measurement focus applied. All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt which is recognized when due.

3. Inventories

Inventories are valued at the lower of cost (first-in, first-out) or market. Inventories in the State Fund consist primarily of maintenance materials and supplies held for consumption. Reported inventories in are equally offset by reservation of a fund balance, which indicates that they do not constitute "available spendable resources". The cost of these supplies is regarded as an expenditure at the time the items are consumed. All obsolete inventory is written off at the end of the fiscal year, consequently there is no allowance at December 31, 1999.

4. Fixed Assets

The accounting and reporting treatment applied to fixed assets associated with a fund are determined by its measurement focus. General fixed assets acquired or constructed are recorded as expenditures in the individual funds and capitalized at cost in the General Fixed Assets Account Group. No depreciation has been provided on general fixed assets.

ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY  
Alexandria, Virginia

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 1999  
(Continued)

NOTE A - Summary of Organization, Significant Accounting Policies and Reporting Entity: (Cont'd)

All general fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated. An adjustment of \$1,946,851 was made during the audit period to remove all identifiable "soft" (non-construction) costs.

The cost of maintenance and repairs are charged to operations as incurred. Costs of major additions, improvements, and betterments are capitalized.

5. Investments

Investments are stated at cost or amortized cost, which approximates market.

6. 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.

7. Total Columns on Combined Statements - Overview

Total columns on the combined statements are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in aggregation of this data.

NOTE B - Cash and Investments:

1. Cash

It is the entity's policy for deposits to be 105% secured by collateral valued at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation (FDIC) insurance. The entity's deposits are categorized to give an indication of the level of risk assumed by the entity at December 31, 1999. The categories are described as follows:

Category 1 - Insured or collateralized with securities held by the entity or by its agent in the entity's name.

Category 2 - Collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name.

Category 3 - Uncollateralized. (This includes bank balances that are collateralized with securities held by the pledging financial institution, or by its trust department or agent but no in the entity's name.)

**ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY**  
**Alexandria, Virginia**

**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 1999**  
(Continued)

NOTE B - Cash and Investments: (Cont'd)

Cash, Deposits, categorized by level of risk, are:

<u>Total</u> <u>Bank Balances</u>	<u>Category</u>		
	1	2	3
\$ <u>738,252</u>	\$ <u>738,252</u>	\$ <u>0.00</u>	\$ <u>0.00</u>

1. Investments

Investing is performed in accordance with HUD regulations and State Statues. Funds may be invested in the following type of investments:

1. Direct obligations of the United States pledged by its full faith and credit.
2. Obligations of Federal government agencies and government sponsored agencies.
3. Demand, savings, money-market, certificates of deposit, and Super NOW deposits at commercial banks, mutual savings banks, savings and loan associations and credit unions provided that the entire deposit be insured by the FDIC or the National Credit Union Share Insurance Fund (NCUSIF) and any deposits in excess of insured amounts are adequately collateralized.
4. Certain municipal depositary funds and local government investment pools provided that all investments made by these funds or pools are on the HUD-approved list of investment securities. The entity must limit its investments in this category to no more than 30 percent of the entity's available investment funds.
5. Repurchase agreements for a term of 30 days or less entered into with Federally insured depositary institutions for purchase and sale of securities identified in 1 and 2 above.
6. Certain no-load, open-end mutual funds investing in only HUD-approved investment securities. The entity must limit its investment in this category to no more than 20 percent of the entity's available investment funds

The entity's investments are categorized to give an indication of the level of risk assumed by the entity at December 31, 1999. The categories are:

- Category 1 – Insured or registered, with securities held by the entity or its agent in the entity's name
- Category 2 - Uninsured and unregistered, with securities held by the conterparty's trust department or agent in the entity's name
- Category 3 - Uninsured and Unregistered, with securities held by the counterparty, or its trust department or agent but not in the entity's name

Investments, categorized by level of risk, are:

<u>Types of Investments</u>	<u>Category</u>			<u>Carrying Value</u>	<u>Cost</u>
	1	2	3		
Deposits at federally insured depositories	\$ <u>2,898,925</u>	\$ <u>0.00</u>	\$ <u>0.00</u>	\$ <u>2,898,925</u>	\$ <u>2,898,925</u>

**ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY**  
 Alexandria, Virginia

**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 1999**  
 (Continued)

NOTE B - Cash and Investments: (Cont'd)

2. Restricted Investments

Restricted investments consists of the following:

Hopkins/Tancil Courts:

Replacement reserve held at US Mortgage & Crestar Bank:

Real Estate Escrow	\$ 15,039
Replacement Reserve Escrow	186,984
Residual Receipts Escrow	<u>160,680</u>
	362,703

Family Self Sufficiency escrow	55,593
--------------------------------	--------

Glebe Park:

Debt service funds held at Patrician Mortgage:

Mortgage escrow deposits	51,425
Reserve for replacement	350,895
GNMA required deposits	<u>201,962</u>

Total Restricted investments	<u>\$ 1,022,578</u>
------------------------------	---------------------

NOTE C - Fixed Assets:

The following is a summary of changes in the General Fixed Assets Account Group during the fiscal year ended December 31, 1999:

	Balance at January 1, 1999	Additions	Transfers/ Retirements	Balance at December 31, 1999
Land	\$ 8,141,704	\$ 0	\$ 0	\$8,141,704
Buildings	48,966,860	1,435,057	(1,946,851)	48,455,066
Equipment	<u>2,442,079</u>	<u>104,349</u>	<u>0</u>	<u>2,546,428</u>
	<u>\$ 59,550,643</u>	<u>\$ 1,539,406</u>	<u>\$ (1,946,851)</u>	<u>\$ 59,143,198</u>

During the current audit period \$1,946,851 was written off for soft costs. This is to bring the asset value into agreement with the Generally Accepted Accounting Principles. The Housing Authority has elected to not record depreciation.

**ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY**  
**Alexandria, Virginia**

**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 1999**  
(Continued)

NOTE D - Accounts Receivable:

Accounts receivable as of December 31, 1999 was comprised of the following:

Due from HUD for grant funding	\$ 2,085,829
Interfund	6,131,756
Other	639,739
Tenants Accounts Receivable – Net of Allowance	50,686
Portable Housing Assistance Payments	<u>189,675</u>
	<u>\$ 9,097,685</u>

NOTE E - Notes Receivable:

Notes receivable as of December 31, 1999 was due from the Cameron Valley Limited Partnership. The balance of this note as of the end of the year was \$7,521,417. This includes accrued interest receivable of \$184,402. This loan is to be reduced by Limited Partner Capital contributions and is not considered to be a current obligation. The loan was needed to help fund the units constructed under the Cameron Valley Limited Partnership. Interest accrues at the rate of ½ percent per annum. All sums due under this Note shall be due and payable in accordance with Section 7.2(b) of the Cameron Valley Limited Partnership, or if not sooner paid, on April 1, 2011.

NOTE F - Accounts Payable & Accrued Liabilities:

Accounts payable and accrued liabilities at December 31, 1999 was comprised of the following:

Due to vendors & contractors	\$ 261,593
Interfund	6,131,756
Accrued compensated absences	202,864
Tenant security deposits	218,780
Due to HUD for excess funding	1,114,721
Due to City for PILOT tax	<u>134,946</u>
	<u>\$ 8,064,660</u>

NOTE G - Long-Term Liabilities:

**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 partnership in monthly installments of \$26,057.00 through November, 2025.

Under agreements with the mortgage lender and FHA, the project is required to make monthly escrow deposits for taxes, insurance and replacement of project assets, and is subject to restrictions as to operating policies, rental charges and operating expenditures. The escrow deposits began in 1986.

**ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY**  
**Alexandria, Virginia**

**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 1999**

(Continued)

NOTE G – Long-Term Liabilities: (Cont'd)

The liability of ARHA under the mortgage note is limited to the underlying value of the real estate collateral plus other amounts deposited with the lender.

Maturities of long-term debt for each of the five succeeding years are as follows:

December 31,		
2000	\$	24,787
2001		27,382
2002		30,250
2002		33,417
2003		36,916
Thereafter		<u>2,737,404</u>
Total	\$	<u>2,890,156</u>

**Locally Owned:**

Capital facilities are financed by debt which is guaranteed and subsidized by the Federal Government. This debt consisted of the following:

**Bonds Payable:**

Bonds payable are due annually in installments of varying principal and interest amounts. Bonds payable at December 31, 1999, were as follows:

<u>Project</u>	<u>Final Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>
VA 4-8	December 1, 2007	4.0%	<u>\$ 650,000</u>

Maturities of these bonds for each of the five succeeding years and in the aggregate are as follows:

December 31,		
2000	\$	70,000
2001		75,000
2002		75,000
2003		80,000
2004		80,000
Thereafter		<u>80,000</u>
Total	\$	<u>650,000</u>

**ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY**  
**Alexandria, Virginia**

**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 1999**

(Continued)

NOTE G – Long-Term Liabilities: (Cont'd)

Loans Payable to the Federal Financing Bank:

The Authority sold notes pertaining to Project VA 4-4, 4-7, 4-8 and 4-9 to the Federal Financing Bank in prior years. These notes are to be repaid on a long-term basis through subsidies by the Federal Government. At December 31, 1999, the Authority's loans payable to the Federal Financing Bank were as follows:

<u>Project</u>	<u>Final Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>
VA 4-8	November 1, 2006	6.60%	\$ 15,740
VA 4-9	November 1, 2017	6.60%	<u>3,585,676</u>
			<u>\$ 3,601,416</u>

Maturities of these notes for each of the five succeeding years and in the aggregate are as follows:

December 31,	
2000	\$ 110,913
2001	118,884
2002	126,731
2003	135,095
Thereafter	<u>3,109,793</u>
Total	<u>\$ 3,601,416</u>

**Jefferson Village:**

The Alexandria Redevelopment and Housing Authority at December 31, 1998 had bonds payable of \$6,000,000.00 under 1988 Series B Revenue Bonds. These bonds are for the purpose of loaning the proceeds to the West Street Limited Partnership for the acquisition, renovation and rehabilitation of the 69 unit Jefferson Village Apartments located in Alexandria, Virginia. The bonds are secured by a Deed of Trust, Assignment of Tenants and Security Agreement. These bonds have been purchased by MFS Managed Multi-State Tax Exempt Trust as of June 1, 1991.

Under the trust indenture sinking fund, payments begin on December 15, 2000, at \$100,000.00 a year with the final payment being made on December 15, 2018, of \$4,200,000.00. Interest is being paid semi-annually at a rate of 9.900% per annum.

**Glebe Park Apartments:**

The capital construction of 152 units was financed by a mortgage note payable to the Patrician Mortgage Company. This loan is insured by HUD and is collateralized by the project's property and equipment, together with an assignment of rents and leases thereon. In addition, the mortgage is collateralized by the escrow deposits maintained by the mortgagee.

**ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY**  
**Alexandria, Virginia**

**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 1999**  
(Continued)

NOTE G - Long-Term Liabilities: (Cont'd)

The mortgage note bears interest at the rate of 8.823% per annum. The note will be amortized over a 40-year term in monthly installments of \$55,756.44, including principal, interest and escrow deposits and is scheduled to be repaid by September 1, 2028. Principal payments required over the next five years are:

Year ending December 31,	
2000	\$ 49,165
2001	53,683
2002	58,616
2003	64,002
2004	69,883
Thereafter	<u>5,868,613</u>
	<u>\$ 6,163,961</u>

NOTE H - Pension Costs:

The Authority provides a defined contribution pension plan for eligible full-time employees. The Authority contributes an amount equal to 7.50% of each employee's annual compensation to the plan, and accounts for pension costs as incurred. Pension expense totaled \$247,877 for the year ended December 31, 1999 with the Authority contributing \$148,644 and employees contributing \$99,233. Total salaries covered under the pension plan totaled \$1,984,603.

NOTE I - 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.

NOTE J - Supplementary Information:

The supplementary 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 supplementary information is reviewed by the field office and provides greater detail concerning the operations of the Housing Authority.

ACCOUNTANT'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL STRUCTURE OVER  
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Commissioners  
Alexandria Redevelopment  
and Housing Authority  
Alexandria, Virginia 22314

Washington, DC Office  
Public Housing Division  
820 First Street, NE  
Washington, DC 20002-4205

We have audited the general purpose financial statements of the Alexandria Redevelopment & Housing Authority, as of and for the year ended December 31, 1999, and have issued our report thereon dated September 13, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Alexandria Redevelopment & Housing Authority's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of the general purpose 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 that are required to be reported under Government Auditing Standards which are described in the accompanying Schedule of Findings and Questioned Costs as item no. 99-01, 99-02, 99-03, 99-05, 99-06 and 99-07. However, we noted certain immaterial instances of noncompliance that we have reported to the Alexandria Redevelopment and Housing Authority's management in the General Comments section of this report.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Alexandria Redevelopment & Housing Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. We noted no matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Alexandria Redevelopment & Housing Authority's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs as item no. 99-02 and 99-07.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not disclose all reportable conditions that are also considered to be material weaknesses. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses. We also noted other matters involving internal control over financial reporting that we will report to the Alexandria Redevelopment and Housing Authority's management in the General Comments section of this report.

This report is intended for the information of the audit committee, Alexandria Redevelopment & Housing Authority, HUD and federal audit agencies. This restriction is not intended to limit the distribution of this report which, upon acceptance by HUD, other federal audit agencies and the Housing Authority, is a matter of public record.

*Rector & Moffitt, P.C.*  
Certified Public Accountant

Stone Mountain, Georgia  
September 13, 2000



CERTIFIED PUBLIC  
ACCOUNTANTS  
2046 West Park Place Blvd.  
Suite H  
Stone Mountain, GA 30087  
(770) 879-8411  
Fax: (770) 879-8431

ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE  
TO 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 22314

Washington, DC Office  
Public Housing Division  
820 First Street, NE  
Washington, DC 20002-4205

Compliance

We have audited the compliance of the Alexandria Redevelopment & Housing Authority with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 1999. The Alexandria Redevelopment & Housing Authority's major federal programs are identified in the schedule of federal awards section of this report. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Alexandria Redevelopment & Housing Authority's management. Our responsibility is to express an opinion on the Alexandria Redevelopment & Housing Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; 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, Audit of States, Local Governments, and Non-Profit Organizations. 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 Alexandria Redevelopment & Housing 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 Alexandria Redevelopment & Housing Authority's compliance with those requirements.

As described in items 99-02 and 99-07 in the accompanying Schedule of Findings and Questioned Costs, the Alexandria Redevelopment and Housing Authority did not comply with the requirements regarding cash management and equipment and real property management, and special tests and provisions that are applicable to its Public Housing program. Compliance with such requirements is necessary, in our opinion, for the Alexandria Redevelopment and Housing Authority to comply with requirements applicable to that program.

In our opinion, the Alexandria Redevelopment & Housing Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 1999. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and are described in the accompanying Schedule of Findings and Questioned Costs as items 99-01 through 99-07.

Internal Control Over Compliance

The management of the Alexandria Redevelopment & 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 Alexandria Redevelopment & Housing 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.



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ACCOUNTANTS  
2046 West Park Place Blvd.  
Suite H  
Stone Mountain, GA 30087  
(770) 879-8411  
Fax: (770) 879-8431

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the Alexandria Redevelopment and Housing Authority's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts and grants. Reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs as items 99-02 and 99-07.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of the audit committee, management, and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

*Reeta & Moffitt, P.C.*  
Certified Public Accountants

Stone Mountain, Georgia  
September 13, 2000

## STATUS OF PRIOR AUDIT FINDINGS

The prior audit report for the period ended December 31, 1998, contained the following formal audit findings.

**Finding No. 98-01**

**CFDA 14.850, 14.855 & 14.857:**

The Housing Authority did not properly maintain the Section 8 and Public Housing tenant files in accordance with applicable federal regulations governing these programs. Consequently, we have reviewed these files in the current audit period and have noted similar deficiencies. This finding continues, see current audit finding no. 99-01.

**Finding No. 98-02**

**CFDA 14.850:**

The detailed inventory of equipment has been completed but has not been reconciled to the general ledger control accounts and accounts no. 1260 and 1270 are still not properly supported. Consequently, this finding still exists and is restated in current audit finding no. 99-02.

**Finding No. 98-03**

**CFDA 14.850:**

The detailed tenants accounts receivable and security deposits are still not being reconciled to the general ledger control accounts on a regular monthly basis. The PHA was still adjusting the balances at the end of the year to agree with the detailed account balances. This finding is restated in finding no. 99-03.

**Finding No. 98-04**

**CFDA 14.855 & 14.857:**

The PHA had not maintained a adequate general ledger and subsidiary ledger for the family self sufficiency program. Although the PHA has established general ledger accounts, these have not been reconciled to the detailed ledgers showing the balance of escrow per client. Consequently, this finding continues and is restated as finding no. 99-04.

**Finding No. 98-05**

**CFDA 14.855 & 14.857:**

The PHA has properly prepared the year end financial statements for Section 8 per HUD instruction. Consequently, this finding is cleared.

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

### Summary of auditor's results:

- (1) The financial statements contain an unqualified opinion.
- (2) There were reportable conditions as noted below.
- (3) There were matters resulting from material noncompliance which should be disclosed in the financial statements.
- (4) There were reportable conditions in regards to the major federal financial awards programs.
- (5) There were matters noted below which are considered to be material noncompliance with regards to major programs as contained in the qualified opinion on major program compliance.
- (6) There were findings or questioned costs required to be reported under the section .510(a) of the OMB Circular A-133 as noted below.
- (7) The following are the major programs administered by the Department:
  - CFDA #14.850 Low-Income Public Housing
  - CFDA #14.855 Housing Assistance Program/Vouchers
  - CFDA #14.857 Housing Assistance Program/Certificates
  - CFDA #14.859 Low-Income Public Housing Comprehensive Grant
- (8) The dollar threshold used to distinguish between Type A and Type B programs was \$453,166.13.
- (9) The auditee does not qualify as a low-risk auditee.

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

(Continued)

### Findings related to financial statements in accordance with GAGAS:

Finding No. 99-01:

CFDA #14.850, 14.855 & 14.857

Criteria:

The Code of Federal regulations and HUD guidelines give the requirements for maintaining the tenant files for the Public Housing and Section 8. Also, PHA policy and procedure dictates full compliance with these regulations as well as guidelines to be followed in maintaining these files.

Condition & cause:

The PHA has had significant turnover in the Section 8 and Public Housing occupancy departments which has contributed to the poor maintenance of the tenant files. Of the 64 Public Housing tenant files examined, approximately one-third of the files did not have documentation within the file of current HQS inspections. Of the 43 Section 8 files examined only ten of the files were totally compliant. Seventeen files had old reexaminations and were not timely reviewed. Over 50% of the files did have inspections, most of which was due to a lack of obtaining complete documentation with portable vouchers. Eleven of the HAP payments were not supported from the file information. Many of the files had incomplete information. Federal regulations require an annual reexamination of all tenants, and that rental or HAP payments amounts to be properly supported. We believe that the deficiencies noted in the tenant files are a direct result of employee turnover.

Recommendation:

We recommend that the PHA utilize a standard filing system based upon a checklist and issue this to all required personnel. We recommend that supervisors and managers review on a regular monthly basis a random sample of all files to determine compliance with federal guidelines and PHA policy. We also recommend that the ARHA obtain all the appropriate documentation from other PHAs before making portable payments. We also recommend that the PHA review the process and internal controls over the monthly changes and that this procedure should require sign off and approval of both supervisors and the finance department.

ARHA Response:

The Housing Operations Department concurs with part of the audit finding, such as the improper income documentation of files and that staff turnover has contributed to some of the problems. As you are aware, we have completed a 100% quality control review of the Section 8 and Public Housing files in July 2000, as recommended in the FY 1998 Audit Report. This review identified the areas of strengths and weaknesses by Placement Officer. Also, disciplinary action was taken against those Placement Officers whose files reflected areas of serious weaknesses or repeated problems. We have developed a file format for both Section 8 and Public Housing files. We are currently developing a checklist similar to the one used for the 100% quality control review. We have also instituted a file review of the recertifications starting with September 2000 and will continue this to ensure program compliance.

The areas that we do not agree totally with are regarding the inspection books in the Public Housing files. The Report indicated that 1/3 of the Public Housing files did not have current HQS inspections. After reviewing these files we can understand why the Auditor may have reached his conclusion. The files contained the first page of the inspection book. Our internal practice had been that when a unit failed inspection, the inspector would retain the inspection book to follow up with the Maintenance Department regarding completing the repairs to the unit. In an effort to show the inspection had been completed, a copy of the first page was put in the tenant file. As a result of this audit, a copy of the complete book has been placed in the tenant file.

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

(Continued)

The other area that we do not totally agree is regarding the recertifications and inspections for tenants that have "ported" to another jurisdiction. While we agree that we must maintain the current 52665 Portability form in our file, the receiving jurisdiction is responsible for completing the recertification and the inspection, not ARHA. Also, we have been working with the metro area housing authorities to resolve our portable accounts.

Fairfax, Prince George and Arlington counties have decided to absorb all of our portable families. We are working with these housing agencies to obtain the proper documentation and resolve any payment issues.

Finally, all files will be placed in a central file location upon completion of the office renovation. Over all, this audit will be utilized as a tool to increase program compliance.

### Finding No. 99-02:

CFDA #14.850

#### Criteria:

The Code of Federal regulations and HUD guidelines give the requirements for maintaining the detailed property records and the reconciliation of annual inventories to such records for the Public Housing Program. Also, PHA policy, procedures and historical practices dictate the maintaining of proper subsidiary property records in order to facilitate the reconciliation on an annual basis with the inventory of equipment. Also OMB's Common Rule requires that an inventory of all nonexpendable equipment be done every two years and reconciled to the applicable property ledger and general ledger controls.

#### Condition & cause:

The Housing Authority has performed a complete inventory of all nonexpendable equipment but has not reconciled the results to the detailed property records. We also noted that the PHA did not perform a detailed inventory of all maintenance materials and equipment on had to adequately support the general ledger accounts no. 1260 & 1270.

#### Recommendation:

We recommend that the PHA complete the reconciliation of inventory of all nonexpendable equipment to the detailed property ledger. Any differences should be reviewed and write-offs of equipment should only be made after proper approval pursuant to the disposition policy. We also recommend that the PHA properly record inventory of materials and equipment per detailed counts at least at the end of each fiscal year.

#### ARHA Response:

ARHA did in fact contract with a very experienced firm that conducted a thorough physical inventory of all fixed assets and materials (in Warehouse). New bar code labels were affixed to each fixed asset. For each fixed asset, the Inventory firm recorded and reported the serial number, type of asset and the asset location.

The successfully completed material inventory was subsequently utilized to adjust the dollar value of the maintenance material costs.

This was the first comprehensive inventory of ARHA property in a number of years. For many previous years, the regulations regarding the completion of the required physical inventory was ignored. Additionally, ARHA property was disposed of with little or no regard to disposition rules and procedures. During the current fiscal year, we presented and obtained Board approval of a "Property Disposition" policy for ARHA.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

(Continued)

Although we completed a detailed physical inventory of all fixed assets, we did not completely conclude a detailed reconciliation of our findings with the property ledger at the fiscal year end. This task was assigned, but not successfully completed.

The physical inventory for the current fiscal year is almost complete, and I will work along with the new Accounting Manager to successfully complete this task by the end of the fiscal year.

**Finding No. 99-03:**

**CFDA #14.850**

**Criteria:**

The Code of Federal regulations and HUD guidelines give the requirements for maintaining the detailed tenants accounts and security deposit ledgers. According to the program requirements the Housing Authority should be maintaining a detailed tenants accounts receivable and tenant security deposit ledgers that are reconciled and in agreement with the general ledger control accounts. During the fiscal year these accounts were not properly reconciled.

**Condition & cause:**

The Housing Authority has had a shortage of personnel in the finance department as well as problems encountered in the computer applications for tenant accounting. Consequently, detailed reconciliations have not been performed which reconciled accounts on the general ledger back to the subsidiary records. The ARHA at the end of the year adjusted the balance in tenant accounts and security deposits to agree with the detailed accounts. However, there has not been monthly reconciliations of accounts from the detailed ledgers to the control accounts in the general ledger.

**Recommendation:**

We recommend that the Housing Authority reconcile on a monthly basis the activity in the detailed tenant ledgers with the entries in the general ledger. This reconciliation should be performed in order to isolate the potential software problems or the accounting entries needed to correctly state the general ledger control accounts. As a part of good internal control procedures this reconciliation should be performed monthly and any material differences reviewed in detail.

**ARHA Response:**

We concur with the Auditors recommendation. We continued to make progress towards resolving this longstanding audit finding. A significant amount of time was expended to resolve most of the computer-related tenant accounting problems. I will work along with the new "acting" Senior Accountant to resolve the remaining tasks by the end of the current fiscal year.

**Finding No. 99-05:**

**CFDA #14.855 & 14.857**

**Criteria:**

The Code of Federal regulations and HUD guidelines give the requirements for maintaining portable accounts. Also, good internal controls dictate that the balance in portable accounts receivable should be reviewed analyzed and collected on a regular monthly basis. Without the proper monitoring of the portable receivables the assets of the housing authority can be impaired.

**Condition & cause:**

The combined balance of the portable receivables as of July 31, 2000 was \$320,516.10 while the balance at December 31, 1999 was \$160,770.27. This has been a serious increase from the previous year. We have noticed that the ARHA has not always maintained detailed records, which agree in total with the General Ledger control accounts. We have noted that there still remain balances on the summary schedules, which

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
(Continued)

could not be determined. The ARHA has not been reviewing monthly the portable payments, promptly submitting bills and following up on uncollectable amounts. We believe that the current personnel in place have made good progress in reconstructing the records and in obtaining the current balances.

Recommendation:

We recommend that the ARHA reconcile all portable accounts on a regular monthly basis. We also recommend that the PHA follow up on all amounts due the Housing Authority for portable amounts from other PHAs on a regular monthly basis.

ARHA Response:

We concur with the Auditors recommendation that the newly assigned staff have made tremendous progress in reconstructing the records and in obtaining the correct balances. These Finance and Housing Operations staff representatives have begun to work aggressively to correct the imbalance between the supporting subsidiary schedule and the general ledger. We were able to balance the general ledger with the reconciled bank statement. The newly assigned staff will continue their efforts to appropriately revise the subsidiary schedule.

The balances on the supporting subsidiary schedules have consistently agreed with the general ledger throughout the current fiscal year.

Ms. Patricia Frost, new FSS Coordinator, has commenced providing the Accounting office with the HUD-50058 to support any changes in the FSS participant rent so their escrow accounts can be updated. Also, the FSS Coordinator has met with families who had questions regarding their accounts.

Finding No. 99-06:

CFDA #14.859

Criteria:

The Code of Federal regulations and HUD guidelines give the requirements for procurement, compliance and contracting for the comprehensive grant program. The ARHA has also adopted federal practices in monitoring Davis-Bacon compliance.

Condition & cause:

Upon review of the Comprehensive Grant expenditures and determining compliance with local and federal guidelines we have determined that the ARHA needs to more accurately document all contract activity. Due to a change over in personnel and improper review and monitoring the following deficiencies were noted:

- The contract for Comprehensive Grant year 94 with Pro Tech Builders, Inc. has no evidence of review of Davis-Bacon Wage compliance. There was no evidence of interviews or reviews of all payroll documents to determine compliance. We also noted that payrolls were obtained through June 11, 1999 and not subsequent to that date.
- The Pro Tech Builders, Inc. bid file contains documentation that the procurement policy was being followed but it does not provide a narrative to the selection process of the lowest and best qualified bidder. Due to the complexity of the contract, the bidding specifications and the number of alternatives, the selection process should have been formalized and made a part of the file.
- The Pro Tech Builders, Inc. contract contained several change orders, which had obtained the appropriate level of approval. However, we recommend that when contracts are materially amended with change orders, that the Board of Commissioners should approve the change. This change has subsequently, been made by the PHA.

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

(Continued)

- The contract for Millar Elevator Service contained the contract for services dated October 1997; however, the contract folder did not contain bid documents in order to determine compliance with the procurement policy. The Board has approved the contract and was presented with evidence, which would indicate management compliance with the procurement policy.
- There were payments totaling \$35,280.00 for contract services from James Simpson from the period of April 15, 1999 to the end of the fiscal year. Upon review of this contract, we could find no evidence that the ARHA complied with the federal and local procedures for bidding out such services.

### Recommendation:

We recommend that the ARHA maintain all contract files in sufficient condition to determine proper federal and state compliance with applicable guidelines. We recommend that the procurement procedure and selection of contractors be properly documented. We also recommend that the PHA obtain all payrolls, review charges in accordance with contract specifications and interview employees of the contractor for Davis-Bacon compliance.

### ARHA Response:

We concur with the Auditors recommendations. The new Director of Development, Redevelopment and Modernization has worked very diligently since her arrival in April 2000 to attempt to properly organize the construction and service-related files, and to ensure that these files contain all of the required information. We were able to locate the documentation denoting the procurement selection processes for Pro Tech Builders and Millar Elevator Service. Finally, we will work more diligently to ensure that our procurement efforts are properly coordinated and documented.

### Finding No. 99-07:

CFDA #14.850, 14.855, 14.857 & 14.859

### Criteria:

The Code of Federal regulations, HUD guidelines and basic internal control guidelines require that monthly reconciliations be made for all bank accounts and related general ledger accounts.

### Condition & cause:

There were internal control weaknesses in not timely reconciling the ARHA bank statements and recording correcting entries into the books of account. Of particular concern are the Section 8 general fund and the Public Housing general fund. Not all of the deposits per bank were properly reconciled and reflected within the general ledger accounts. We determined that the Section 8 program had funds due the Hopkins Tancil ledger for the Moderate Rehabilitation draws from HUD. During the audit period it was evident that the monthly reconciliations were not done on a consistent monthly basis. However, subsequent to the year-end we have determined that all accounts have been brought up to date.

### Recommendation:

We recommend that the ARHA reconcile all checking accounts of a regular monthly basis and record the appropriate activity in the applicable general ledger.

### ARHA Response:

We concur with the Auditors recommendation. The Finance department has taken measures to expedite the recording of correcting journal entries to the general ledger in the proper month. At the October 23<sup>rd</sup> Board meeting, ARHA Staff will seek Board approval to advertise for an Accounting Manager. The new Accounting Manager will work with each staff member to insure that the monthly closing process is properly coordinated.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

(Continued)

**Findings and questioned costs for Federal Awards as defined in Section .510:**

**Finding No. 99-01:**

**CFDA #14.850**

(This finding is a violation of the specific program requirements as outlined in the compliance supplement and documented above and does not need to be duplicated.)

**Finding No. 99-02:**

**CFDA #14.850**

(This finding is a violation of the specific program requirements as outlined in the compliance supplement and documented above and does not need to be duplicated.)

**Finding No. 99-03:**

**CFDA #14.850**

(This finding is a violation of the specific program requirements as outlined in the compliance supplement and documented above and does not need to be duplicated.)

**Finding No. 99-04:**

**CFDA #14.855 & 14.857**

**Criteria:**

The Code of Federal regulations and HUD guidelines give the requirements for the Family Self Sufficiency Program. Such requirements state that adequate books and records of account should be maintained to facilitate the accounting and reporting requirements.

**Condition & cause:**

Due to a lack of sufficient personnel in the accounting department, the PHA has failed to reconcile and completely record the family self sufficiency balances in the general ledger. At December 31, 1999 we determined that there was a \$10,557.00 imbalance between the detailed listing and the General Ledger control accounts.

**Recommendation:**

We recommend that the PHA reconcile these accounts on a regular monthly basis and record all activities into the appropriate general ledger accounts.

**Finding No. 99-05:**

**CFDA #14.855 & 14.857**

(This finding is a violation of the specific program requirements as outlined in the compliance supplement and documented above and does not need to be duplicated.)

**Finding No. 99-06:**

**CFDA #14.859**

(This finding is a violation of the specific program requirements as outlined in the compliance supplement and documented above and does not need to be duplicated.)

**Finding No. 99-07:**

**CFDA #14.850, 14.855, 14.857 & 14.859**

(This finding is a violation of the specific program requirements as outlined in the compliance supplement and documented above and does not need to be duplicated.)

SUPPLEMENTARY INFORMATION  
GAAP BASIS

Alexandria Redevelopment Housing Authority  
Financial Data Schedule - Balance Sheet  
December 31, 1999

Line Item #	Account Description	Low Rent 14.850	Section 8 Rental Voucher Program 14.855	Section 8 MOD Rehab. Program 14.856	Section 8 Rental Cert. Prgm./ Exist. Housing 14.857	CGP 14.859	PIH Drug Elimin. Program 14.854	Economic Develop. & Supportive Services Program 14.864
	<b>ASSETS:</b>							
	<b>CURRENT ASSETS:</b>							
	<b>Cash:</b>							
111	Cash - unrestricted	165,875	1,584,220					
112	Cash - restricted - modernization and development							
113	Cash - other restricted							
114	Cash - tenant security deposits							
100	<b>Total cash</b>	<b>165,875</b>	<b>1,584,220</b>					
	<b>Accounts and notes receivables:</b>							
121	Accounts receivable - PHA projects							
122	Accounts receivable - HUD other projects	202,115	14,883	72,194	1,696,357			
124	Accounts receivable - other government							
125	Accounts receivable - miscellaneous	77,838	136,100		53,575			
126	Accounts receivable- tenants - dwelling rents	106,059						
126.1	Allowance for doubtful accounts - dwelling rents	(85,359)						
126.2	Allowance for doubtful accounts - other							
127	Notes and mortgages receivable- current							
128	Fraud recovery							
128.1	Allowance for doubtful accounts - fraud							
129	Accrued interest receivable							
120	<b>Total receivables, net of allowances for doubtful accounts</b>	<b>300,653</b>	<b>150,983</b>	<b>72,194</b>	<b>1,749,932</b>			
	<b>Current investments</b>							
131	Investments - unrestricted	457,417						
132	Investments - restricted		23,757		31,836			
142	Prepaid expenses and other assets	50,741	1,377		4,195			
143	Inventories	81,780						
143.1	Allowance for obsolete inventories							
144	Interprogram - due from	765,850			3,000			
146	Amounts to be provided							
150	<b>TOTAL CURRENT ASSETS</b>	<b>1,822,316</b>	<b>1,760,337</b>	<b>72,194</b>	<b>1,788,963</b>			
	<b>NONCURRENT ASSETS:</b>							
	<b>Fixed assets:</b>							
161	Land							
162	Buildings							
163	Furniture, equipment & machinery - dwellings							
164	Furniture, equipment & machinery - administration							
165	Leasehold improvements							
166	Accumulated depreciation							
160	<b>Total fixed assets, net of accumulated depreciation</b>							
	<b>Other non-current assets:</b>							
171	Notes and mortgages receivable - non-current							
172	Notes and mortgages receivable-non-current - past due							
174	Other assets							
175	Undistributed debits							
176	Investment in joint ventures							
180	<b>TOTAL NONCURRENT ASSETS</b>							
190	<b>TOTAL ASSETS</b>	<b>1,822,316</b>	<b>1,760,337</b>	<b>72,194</b>	<b>1,788,963</b>			

Alexandria Redevelopment Housing Authority  
Financial Data Schedule - Balance Sheet  
December 31, 1999

Line	Account Description	Low Rent 14.850	Section 8 Rental Voucher Program 14.855	Section 8 MOD Rehab. Program 14.856	Section 8 Rental Cert. Prgm./ Exist Housing 14.857	CGP 14.859	PIH Drug Elimin. Program 14.854	Economic Develop. & Supportive Services Program 14.864
	<b>LIABILITIES AND EQUITY:</b>							
	<b>Liabilities:</b>							
	<b>Current Liabilities:</b>							
311	Bank overdraft				1,256,483			
312	Accounts payable ≤ 90 days	13,330			20			
313	Accounts payable > 90 days past due							
321	Accrued wage/payroll taxes payable							
322	Accrued compensated absences	154,757	7,820		12,300			
324	Accrued contingency liability							
325	Accrued interest payable							
331	Accounts Payable - HUD PHA Programs		1,046,281	68,440				
332	Accounts Payable - PHA projects							
333	Accounts payable - other government	97,984						
341	Tenant security deposits	133,577						
342	Deferred revenue	3,392	3,000					
343	Current portion of L-T debt - capital projects							
344	Current portion of L-T debt - operating borrowings							
345	Other current liabilities							
346	Accrued liabilities - other							
347	Interprogram - due to	798,656	7,007	3,754	593,096			
310	<b>TOTAL CURRENT LIABILITIES</b>	<b>1,201,696</b>	<b>1,064,108</b>	<b>72,194</b>	<b>1,861,899</b>			
	<b>NONCURRENT LIABILITIES:</b>							
351	Long-term debt, net of current - capital projects							
352	Long-term debt, net of current - operating borrowings							
353	Non-current liabilities - other	15,774	28,153		22,224			
350	<b>TOTAL NONCURRENT LIABILITIES</b>	<b>15,774</b>	<b>28,153</b>		<b>22,224</b>			
300	<b>TOTAL LIABILITIES</b>	<b>1,217,470</b>	<b>1,092,261</b>	<b>72,194</b>	<b>1,884,123</b>			
	<b>EQUITY:</b>							
501	Investment in general fixed assets							
	<b>Contributed Capital:</b>							
502	Project notes (HUD)							
503	Long-term debt - HUD guaranteed							
504	Net HUD PHA contributions							
505	Other HUD contributions							
507	Other contributions							
508	<b>Total contributed capital</b>							
	<b>Reserved fund balance:</b>							
509	Reserved for operating activities							
510	Reserved for capital activities							
511	<b>Total reserved fund balance</b>							
512	Undesignated fund balance/retained earnings	504,846	668,076		(95,160)			
513	<b>TOTAL EQUITY</b>	<b>504,846</b>	<b>668,076</b>		<b>(95,160)</b>			
600	<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1,322,316</b>	<b>1,760,337</b>	<b>72,194</b>	<b>1,788,963</b>			

Proof of concept

Alexandria Redevelopment Housing Authority  
 Financial Data Schedule - Balance Sheet  
 December 31, 1999

Line Item #	Account Description	Business Activities	State/ Local	Debt Service Fund	Fiduciary Fund	General Fixed Asset Account Group	General Long-Term Debt Account Group	TOTAL
	<b>ASSETS:</b>							
	<b>CURRENT ASSETS:</b>							
	Cash:							
111	Cash - unrestricted	11,316	165,315		120,160			2,046,886
112	Cash - restricted - modernization and development							
113	Cash - other restricted				18,456			18,456
114	Cash - tenant security deposits							
100	<b>Total cash</b>	<b>11,316</b>	<b>165,315</b>	<b>-</b>	<b>138,616</b>	<b>-</b>	<b>-</b>	<b>2,065,342</b>
	Accounts and notes receivables:							
121	Accounts receivable - PHA projects							
122	Accounts receivable - HUD other projects			100,280				2,085,829
124	Accounts receivable - other government							
125	Accounts receivable - miscellaneous	119,394	302,239		140,268			829,414
126	Accounts receivable- tenants - dwelling rents		75,678					181,737
126.1	Allowance for doubtful accounts - dwelling rents		(45,692)					(131,051)
126.2	Allowance for doubtful accounts - other							
127	Notes and mortgages receivable- current							
128	Fraud recovery							
128.1	Allowance for doubtful accounts - fraud							
129	Accrued interest receivable							
120	<b>Total receivables, net of allowances for doubtful accounts</b>	<b>119,394</b>	<b>332,225</b>	<b>100,280</b>	<b>140,268</b>	<b>-</b>	<b>-</b>	<b>2,965,929</b>
	Current investments							
131	Investments - unrestricted	111,435	646,529	660,966				1,876,347
132	Investments - restricted		966,985					1,022,578
142	Prepaid expenses and other assets	17,968	142,736		27,132			244,149
143	Inventories							81,780
143.1	Allowance for obsolete inventories							
144	Interprogram - due from	2,689,732	2,557,134		116,040			6,131,756
146	Amounts to be provided						18,950,668	18,950,668
150	<b>TOTAL CURRENT ASSETS</b>	<b>2,949,845</b>	<b>4,810,924</b>	<b>761,246</b>	<b>422,056</b>	<b>-</b>	<b>18,950,668</b>	<b>33,338,549</b>
	<b>NONCURRENT ASSETS:</b>							
	Fixed assets:							
161	Land							
162	Buildings					8,141,704		8,141,704
163	Furniture, equipment & machinery - dwellings					40,556,954		40,556,954
164	Furniture, equipment & machinery - administration					1,253,584		1,253,584
165	Leasehold improvements					1,292,844		1,292,844
166	Accumulated depreciation					(7,898,112)		(7,898,112)
160	<b>Total fixed assets, net of accumulated depreciation</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>59,143,198</b>	<b>-</b>	<b>59,143,198</b>
	Other non-current assets:							
171	Notes and mortgages receivable - non-current	7,521,417						7,521,417
172	Notes and mortgages receivable-non-current - past due							
174	Other assets		345,705					345,705
175	Undistributed debits							
176	Investment in joint ventures							
180	<b>TOTAL NONCURRENT ASSETS</b>	<b>7,521,417</b>	<b>345,705</b>	<b>-</b>	<b>-</b>	<b>59,143,198</b>	<b>-</b>	<b>67,010,320</b>
190	<b>TOTAL ASSETS</b>	<b>10,471,262</b>	<b>5,156,629</b>	<b>761,246</b>	<b>422,056</b>	<b>59,143,198</b>	<b>18,950,668</b>	<b>100,348,869</b>

Alexandria Redevelopment Housing Authority  
 Financial Data Schedule - Balance Sheet  
 December 31, 1999

Line	Account Description	Business Activities	State/ Local	Debt Service Fund	Fiduciary Fund	General Fixed Asset Account Group	General Long-Term Debt Account Group	TOTAL
	<b>LIABILITIES AND EQUITY:</b>							
	<b>Liabilities:</b>							
	<b>Current Liabilities:</b>							
311	Bank overdraft	61,198	9,409					1,327,090
312	Accounts payable ≤ 90 days	20,919	20,921					55,190
313	Accounts payable > 90 days past due							-
321	Accrued wage/payroll taxes payable							-
322	Accrued compensated absences	3,987	24,000					202,864
324	Accrued contingency liability							-
325	Accrued interest payable			41,782				41,782
331	Accounts Payable - HUD PHA Programs							1,114,721
332	Accounts Payable - PHA projects							-
333	Accounts payable - other government		36,962					134,946
341	Tenant security deposits		85,203					218,780
342	Deferred revenue	9,813	7,478					23,683
343	Current portion of L-T debt - capital projects			354,865				354,865
344	Current portion of L-T debt - operating borrowings							-
345	Other current liabilities	206,403						206,403
346	Accrued liabilities - other							-
347	Interprogram - due to	700,396	3,625,247		403,600			6,131,756
310	<b>TOTAL CURRENT LIABILITIES</b>	<b>1,002,716</b>	<b>3,809,220</b>	<b>396,647</b>	<b>403,600</b>	<b>-</b>	<b>-</b>	<b>9,812,080</b>
	<b>NONCURRENT LIABILITIES:</b>							
351	Long-term debt, net of current - capital projects						18,950,668	18,950,668
352	Long-term debt, net of current - operating borrowings							-
353	Non-current liabilities- other	275,590			18,456			360,197
350	<b>TOTAL NONCURRENT LIABILITIES</b>	<b>275,590</b>	<b>-</b>	<b>-</b>	<b>18,456</b>	<b>-</b>	<b>18,950,668</b>	<b>19,310,865</b>
300	<b>TOTAL LIABILITIES</b>	<b>1,278,306</b>	<b>3,809,220</b>	<b>396,647</b>	<b>422,056</b>	<b>-</b>	<b>18,950,668</b>	<b>29,122,945</b>
	<b>EQUITY:</b>							
501	Investment in general fixed assets					59,143,198		59,143,198
	<b>Contributed Capital:</b>							
502	Project notes (HUD)							-
503	Long-term debt - HUD guaranteed							-
504	Net HUD PHA contributions							-
505	Other HUD contributions							-
507	Other contributions							-
508	Total contributed capital							-
	<b>Reserved fund balance:</b>							
509	Reserved for operating activities							-
510	Reserved for capital activities							-
511	Total reserved fund balance							-
512	Undesignated fund balance/retained earnings	9,192,956	1,347,409	364,599				12,082,726
513	<b>TOTAL EQUITY</b>	<b>9,192,956</b>	<b>1,347,409</b>	<b>364,599</b>	<b>-</b>	<b>59,143,198</b>	<b>-</b>	<b>71,225,924</b>
600	<b>TOTAL LIABILITIES AND EQUITY</b>	<b>10,471,262</b>	<b>5,156,629</b>	<b>761,246</b>	<b>422,056</b>	<b>59,143,198</b>	<b>18,950,668</b>	<b>100,348,869</b>

Proof of concept

Alexandria Redevelopment Housing Authority  
 Financial Data Schedule - Income Statement  
 December 31, 1999

Line Item #	Account Description	Low Rent 14.850	Section 8 Rental Voucher Program 14.855	Section 8 MOD Rehab. Program 14.856	Section 8 Rental Cert. Prgm./ Exist. Housing 14.857	CGP 14.859	PIH Drug Elimina. Program 14.854	Economic Develop. & Supportive Serv. Program 14.864
<b>REVENUE:</b>								
703	Net tenant rental revenue	2,193,137						
704	Tenant revenue - other	4,820						
705	Total tenant revenue	2,197,957						
706	HUD PHA grants	1,077,081	5,083,570	811,026	5,258,727	1,366,768	116,835	189,142
708	Other government grants							
711	Investment income - unrestricted	31,885	30,293		30,293			
712	Mortgage interest income							
714	Fraud recovery							
715	Other revenue	76,355	195		6,000			
716	Gain or loss on sale of fixed assets							
720	Investment income - restricted							
700	<b>TOTAL REVENUE</b>	<b>3,383,278</b>	<b>5,114,058</b>	<b>811,026</b>	<b>5,295,020</b>	<b>1,366,768</b>	<b>116,835</b>	<b>189,142</b>
<b>EXPENSES:</b>								
<b>Administrative</b>								
911	Administrative salaries	723,529	175,689		274,476			
912	Auditing fees	7,284	6,076		6,076			
913	Outside management fees							
914	Compensated absences	24,822	423		7,970			
915	Employee benefit contributions- administrative	142,852	31,082		52,384			
916	Other operating- administrative	140,715	43,941		46,263			
<b>Tenant services</b>								
921	Tenant services - salaries	50,497						
922	Relocation costs							
923	Employee benefit contributions- tenant services	9,944						
924	Tenant services - other	5,398						189,142
<b>Utilities</b>								
931	Water	428,025						
932	Electricity	285,268						
933	Gas	236,188						
934	Fuel							
935	Labor							
937	Employee benefit contributions- utilities							
938	Other utilities expense	130,918						
<b>Ordinary maintenance &amp; operation</b>								
941	Ordinary maintenance and operations - labor	426,504						
942	Ordinary maintenance and operations - materials & other	105,888						
943	Ordinary maintenance and operations - contract costs	270,344	8,577		8,577			
945	Employee benefit contributions- ordinary maintenance	82,776						
<b>Protective services</b>								
951	Protective services - labor							
952	Protective services- other contract costs							
953	Protective services - other	1,890					116,835	
955	Employee benefit contributions- protective services							

Alexandria Redevelopment Housing Authority  
Financial Data Schedule - Income Statement  
December 31, 1999

Line Item	Account Description	Low Rent 14.850	Section 8 Rental Voucher Program 14.855	Section 8 MOD Rehab. Program 14.856	Section 8 Rental Cert. Prgm/ Exist. Housing 14.857	CGP 14.859	PIH Drug Elimin. Program 14.854	Economic Develop. & Supportive Serv. Program 14.864
	<b>General expenses</b>							
961	Insurance premiums	133,594	8,821		6,396			
962	Other general expenses	27,617	67,253		41,611			
963	Payments in lieu of taxes	123,434						
964	Bad debt - tenant rents							
965	Bad debt- mortgages							
966	Bad debt - other							
967	Interest expense							
968	Severance expense	31,776	423		1,131			
969	<b>TOTAL OPERATING EXPENSES</b>	<b>3,389,263</b>	<b>342,285</b>	<b>-</b>	<b>444,884</b>	<b>-</b>	<b>116,835</b>	<b>189,142</b>
970	<b>EXCESS OPERATING REVENUE OVER OPERATING EXPENSES</b>	<b>(5,985)</b>	<b>4,771,773</b>	<b>811,026</b>	<b>4,850,136</b>	<b>1,366,768</b>	<b>-</b>	<b>-</b>
971	Extraordinary maintenance	34,951						
972	Casualty losses - non capitalized							
973	Housing assistance payments		4,528,675	776,169	4,696,113			
974	Depreciation expense							
975	Fraud losses							
976	Capital outlays- governmental funds	46,497				1,366,768		
977	Debt principal payment- governmental funds							
978	Dwelling units rent expense							
900	<b>TOTAL EXPENSES</b>	<b>3,470,711</b>	<b>4,870,960</b>	<b>776,169</b>	<b>5,140,997</b>	<b>1,366,768</b>	<b>116,835</b>	<b>189,142</b>
	<b>OTHER FINANCING SOURCES (USES)</b>							
1001	Operating transfers in	365,532						
1002	Operating transfers out	(294,977)		(34,857)	(754,897)			
1003	Operating transfers from/to primary government							
1004	Operating transfers from/to component unit							
1005	Proceeds from notes, loans and bonds							
1006	Proceeds from property sales							
1010	<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>70,555</b>	<b>-</b>	<b>(34,857)</b>	<b>(754,897)</b>	<b>-</b>	<b>-</b>	<b>-</b>
1000	<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>(16,878)</b>	<b>243,098</b>	<b>-</b>	<b>(600,874)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>MEMO ACCOUNT INFORMATION:</b>								
1101	Capital Outlays - enterprise funds							
1102	Debt principal payments - enterprise funds							
1103	Beginning equity	822,435	400,894		499,307			
1104	Prior period adjustments	(200,711)	24,084		6,407			
1113	Maximum annual contributions commitment (per ACC)		7,088,242		5,493,097			
1114	Prorata maximum annual contributions applicable to a period of less than twelve months							
1115	Contingency reserve, ACC program reserve		801,275		2,095,083			
1116	Total annual contributions available		7,889,517		7,588,180			
1120	Unit months available		8,350		8,542			
1121	Number of unit months leased		8,350		8,542			

Alexandria Redevelopment Housing Authority  
 Financial Data Schedule - Income Statement  
 December 31, 1999

Line Item #	Account Description	Business Activities	State/ Local	Debt Service Fund	Fiduciary Fund	General Fixed Asset Account Group	General Long-Term Debt Account Group	TOTAL
<b>REVENUE:</b>								
703	Net tenant rental revenue		1,789,273					3,982,410
704	Tenant revenue - other		4,052					8,872
705	Total tenant revenue		1,793,325					3,991,282
706	HUD PHA grants			445,348				14,348,497
708	Other government grants	94,226	84,089					178,315
711	Investment income - unrestricted	12,753	28,721	27,123				161,068
712	Mortgage interest income	37,881						37,881
714	Fraud recovery							
715	Other revenue	342,303	18,772					443,625
716	Gain or loss on sale of fixed assets							
720	Investment income - restricted							
700	<b>TOTAL REVENUE</b>	487,163	1,924,907	472,471	-	-	-	19,160,668
<b>EXPENSES:</b>								
<b>Administrative</b>								
911	Administrative salaries	145,009	124,651					1,443,354
912	Auditing fees		3,304					22,740
913	Outside management fees							
914	Compensated absences		3,169					36,384
915	Employee benefit contributions- administrative	34,533	23,686					284,537
916	Other operating- administrative	444,544	31,312					706,775
<b>Tenant services</b>								
921	Tenant services - salaries	17,003	24,014					91,514
922	Relocation costs							
923	Employee benefit contributions- tenant services	4,049	4,149					18,142
924	Tenant services - other	11,505	3,747					209,792
<b>Utilities</b>								
931	Water		138,911					566,936
932	Electricity		12,834					298,102
933	Gas		49,665					285,853
934	Fuel							
935	Labor							
937	Employee benefit contributions- utilities							
938	Other utilities expense							130,918
<b>Ordinary maintenance &amp; operation</b>								
941	Ordinary maintenance and operations - labor		147,580					574,084
942	Ordinary maintenance and operations - materials & other		30,717					136,605
943	Ordinary maintenance and operations - contract costs		131,504					419,002
945	Employee benefit contributions- ordinary maintenance		27,265					110,041
<b>Protective services</b>								
951	Protective services - labor							
952	Protective services- other contract costs							
953	Protective services - other		121					118,846
955	Employee benefit contributions- protective services							

Alexandria Redevelopment Housing Authority  
 Financial Data Schedule - Income Statement  
 December 31, 1999

Line Item	Account Description	Business Activities	State/ Local	Debt Service Fund	Fiduciary Fund	General Fixed Asset Account Group	General Long-Term Debt Account Group	TOTAL
	General expenses							
961	Insurance premiums	3,320	83,891					236,022
962	Other general expenses	17,285	30,702					184,468
963	Payments in lieu of taxes		8,348					131,782
964	Bad debt - tenant rents							-
965	Bad debt- mortgages							-
966	Bad debt - other							-
967	Interest expense			1,412,742				1,412,742
968	Severance expense	4,076	5,137					42,543
969	<b>TOTAL OPERATING EXPENSES</b>	<b>681,324</b>	<b>884,707</b>	<b>1,412,742</b>				<b>7,461,182</b>
970	<b>EXCESS OPERATING REVENUE OVER OPERATING EXPENSES</b>							
		(194,161)	1,040,200	(940,271)				11,699,486
971	Extraordinary maintenance		8,159					43,110
972	Casualty losses - non capitalized							10,000,957
973	Housing assistance payments							-
974	Depreciation expense							-
975	Fraud losses							-
976	Capital outlays- governmental funds	54,805	71,336					1,539,406
977	Debt principal payment- governmental funds			237,122				237,122
978	Dwelling units rent expense							-
900	<b>TOTAL EXPENSES</b>	<b>736,129</b>	<b>964,202</b>	<b>1,649,864</b>				<b>19,281,777</b>
	<b>OTHER FINANCING SOURCES (USES)</b>							
1001	Operating transfers in	224,897	484,857	1,207,006				2,282,292
1002	Operating transfers out		(1,197,561)					(2,282,292)
1003	Operating transfers from/to primary government							-
1004	Operating transfers from/to component unit							-
1005	Proceeds from notes, loans and bonds							-
1006	Proceeds from property sales							-
1010	<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>224,897</b>	<b>(712,704)</b>	<b>1,207,006</b>				
1000	<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>(24,069)</b>	<b>248,001</b>	<b>29,613</b>				<b>(121,109)</b>
<b>MEMO ACCOUNT INFORMATION:</b>								
1101	Capital Outlays - enterprise funds							
1102	Debt principal payments - enterprise funds							
1103	Beginning equity	3,206,213	1,130,451	334,986				11,394,236
1104	Prior period adjustments	1,010,812	(31,043)					809,549
1113	Maximum annual contributions commitment (per ACC)							
1114	Prorata maximum annual contributions applicable to a period of less than twelve months							
1115	Contingency reserve, ACC program reserve							
1116	Total annual contributions available							
1120	Unit months available							16,892
1121	Number of unit months leased							16,892

**ALEXANDRIA REDEVELOPMENT & HOUSING AUTHORITY**  
 Alexandria, Virginia

**SCHEDULE OF FEDERAL FINANCIAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

<u>FEDERAL GRANTOR</u>		<u>FEDERAL</u>	
<u>U.S. DEPARTMENT OF HUD</u>	<u>TYPE</u>	<u>CFDA</u>	<u>PROGRAM</u>
		<u>NUMBER</u>	<u>EXPENSES</u>
<u>Annual Contributions Contract P-211:</u>			
Low-Income Public Housing:			
Annual contributions	Major	14.850	\$ 1,077,081
Operating subsidy	Major	14.850	<u>445,348</u>
			<u>\$ 1,522,429</u>
Drug Elimination Program	Nonmajor	14.854	<u>\$ 116,835</u>
Comprehensive Grant Program	Major	14.859	<u>\$ 1,366,768</u>
Economic Development & Supp. Serv.	Nonmajor	14.864	<u>\$ 189,142</u>
<u>Annual Contributions Contract P-2515:</u>			
<u>Lower Income Housing Assistance Program:</u>			
Annual Contributions Earned:			
Section 8 Certificates	Major	14.857	<u>\$ 5,258,727</u>
Section 8 Vouchers	Major	14.855	<u>\$ 5,083,570</u>
Section 8 Moderate Rehabilitation	Major	14.856	<u>\$ 811,026</u>
TOTAL FEDERAL FINANCIAL AWARDS			<u>\$ 14,348,497</u>