



MEMORANDUM

To: Owners and Management Agents
From: Neal Rogers, Manager of Asset Management
Subject: **Financial Reporting Requirement Changes**
Date: early April 2011

Asset Management is implementing a new effort in which VHDA will be able to electronically capture and upload property operational data into a new software system. This affects monthly, annual, and budget financial reporting requirements. This memo focuses on the submission of the monthly operating statements (MOS).

Required VHDA financial reporting forms are now available in a new location on our website at <http://www.vhda.com/BusinessPartners/PropertyOwnersManagers/MFFinan-Reporting-Reqs/Pages/MFFinan-Reporting.aspx>. The excel forms at this online location are specifically enhanced with added features to allow data to be captured electronically. Instructions for completing and sending these forms are detailed below.

Monthly

The VHDA Monthly Operating Summary (MOS) and instructions have been revised. Please note that the first tab includes instructions, and the MOS form is the second tab. Effective with the submission of the May 2011 reports, it will be necessary to utilize the new MOS form that is posted at the above referenced location on the website.

Annual Financial Statements

The VHDA P&L and VHDA Balance Sheet required to be submitted with the annual financial statements are available in the VHDA Mortgagee/Grantee's Audit Guide. As you are aware, the Guide is updated annually and posted on our website, so please check the website periodically for future updates. All changes to the Guide for fiscal years ending on and after 12/31/2010 have been posted.

Annual Budgets

Effective with the submission of the operating budgets for fiscal years beginning on or after January 1, 2012, it will be necessary to utilize the VHDA Budget Statement of Profit and Loss (VHDA Budget P&L) posted at the above referenced location on the website. The budget submission package should include the following:

- VHDA Budget P&L downloaded from the website
- Management's budget format detailing all income and expenses
- List of capital expenditures with proposed funding sources
- Updated annual needs projection, if necessary

We have your email address as a contact, yet it may be more appropriate for other members of your organization to receive this correspondence too. Thank you in advance for sending it on to accounting and property management staffs.

Should you have any questions, I can be reached at 804-343-5870 or email neal.rogers@vhda.com. We appreciate your help with our new efforts. Thanks!

Instructions for Financial Reports Required to be Submitted Electronically to VHDA

1. Access the MOS, VHDA P&L, VHDA Balance Sheet and VHDA Budget P&L form(s) from <http://www.vhda.com/BusinessPartners/PropertyOwnersManagers/MFFinan-Reporting-Regs/Pages/MFFinan-Reporting.aspx>.
2. Download a blank form(s) and save locally on your computer.
3. Complete the form(s) while keeping in mind several rules unique to VHDA's electronic capturing process
 - On the far right of each spreadsheet, there is a column that is used to "map" your values to our database. This is not visible on the printed document. Do not delete this column.
 - As with most spreadsheets, the entry number column can accept values that are copied and pasted from another cell reference, receive values from a linked location by using "=", and formulas may be built by using "=" as a prefix. These excel forms have not been password protected in order to allow for this functionality.
 - Each report should contain the property operational data for only one property (and for only one month for MOS). Workbooks with numerous tabs are not readable by VHDA's system, thus the one form per one property (per month for MOS) instruction.
4. Save the form locally on your computer for the specific property.
5. Email the submission to your VHDA asset manager as an attachment.

For the next submission, download from <http://www.vhda.com/BusinessPartners/PropertyOwnersManagers/MFFinan-Reporting-Regs/Pages/MFFinan-Reporting.aspx> or open the blank form you have saved locally on your computer. Important: do not work off of a prior submission; it's essential to have a freshly completed form for each reporting period.