

Updates to VHDA Audit Guide for Fiscal Years Ending On or After 12/31/11

With the exception of updating the opinion letter in conjunction with SAS 117 – 120, no major changes have been made to the VHDA Audit Guide for financial statements prepared for years ending on or after 12/31/11. We recommend that the Audit Guide be reviewed in its entirety. Questions can be directed to the asset manager assigned to the development or Nina Nolley at (804) 343-5859 or nina.nolley@vhda.com.

The Statement of Cash Flows, Statement of Profit and Loss and Balance Sheet are required in the VHDA formats. In addition to submission in the paper audited financial statements, the Statement of Profit and Loss and Balance Sheet must be submitted electronically using the forms and associated instructions found at:

<http://www.vhda.com/BusinessPartners/PropertyOwnersManagers/MFLoanServicing/Pages/MFAuditGuide.aspx>.

Any substantial deviation from the VHDA Audit Guide, including formatting changes to schedules and reports, must receive the prior written approval of the VHDA assigned asset manager. Fillable PDF's and/or Excel templates are provided as part of the Audit Guide on our website. The level of detail reflected in all VHDA forms is required and must be included if the templates provided are altered. Failure to provide this level of detail may result in VHDA, at its option, returning the financial statements.

Borrower Inquiry. The website address for VHDA's 24/7 multifamily mortgage loan information system is: <https://vhd.mfsasp.com/BorrowerInquiryWeb/common/login.jsp>. This is the site that mortgagors, management agents and CPAs must use to obtain mortgage confirmations.

Additional Reference Material. In addition to suggested reference material addressed on pages 3 through 5 of the Guide, the following documents should also be obtained: Affirmative Fair Housing Marketing Plan (AFHMP), Tenant Selection Plan (TSP), marketing material, the development waiting list, the development's policies and procedures, and any house rules of the audited development.

Statement of Cash Flows and Accounts Payable Other Than Trade Creditors (Due Mortgagor/Grantee). Often loans from the mortgagor entity/partners during the audited period are shown as Other Financing activities on the Statement of Cash Flows rather than Contributions from the Mortgagor Entity. Similarly, mortgagor entity/partner loans are not always included on Accounts Payable Other Than Trade Creditors (Due Mortgagor/Grantee). VHDA is seeking information about loans from and payable to the mortgagor entity/partners when reviewing the annual financial statements. Please ensure that clarification is provided on these types of activities in the statements.

Mortgagor/Grantee's Audit Guide

Table of Contents. Updated to reflect correct name of Appendix A, A-2., Report on Audited Financial Statements and Other VHDA Information.

Appendix A, A-2, Report on Audited Financial Statements and Other VHDA Information. Updated in conjunction with SAS 117 – 120.

Instructions for Electronic Submission of VHDA Balance Sheet and Statement of Profit and Loss

1. Access the VHDA Balance Sheet and P&L form(s) from <http://www.vhda.com/BusinessPartners/PropertyOwnersManagers/MFLoanServicing/Pages/MFAuditGuide.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 development operational data for only one property. Workbooks with numerous tabs are not readable by VHDA's system, thus the one form per development rule.
4. Save the form locally on your computer for the specific development.
5. Email the Balance Sheet and Statement of Profit and Loss to your VHDA asset manager as attachments.

For future submissions, download a new blank form(s) from <http://www.vhda.com/BusinessPartners/PropertyOwnersManagers/MFLoanServicing/Pages/MFAuditGuide.aspx> or open the blank form you have saved locally on your computer.

Important: Do not work off of a prior submission. It is essential to have a freshly completed form for each development and each reporting period.