

HOUSING INITIATIVES, INC.

FINANCIAL STATEMENTS WITH
SUPPLEMENTARY INFORMATION

December 31, 2012 and 2011

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Independent Auditors' Report

Board of Directors
Housing Initiatives, Inc.
Madison, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of Housing Initiatives, Inc., which comprise the statements of financial position as of December 31, 2012 and 2011, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Housing Initiatives, Inc. as of December 31, 2012 and 2011, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of revenue and expenses by grant, schedule of real property, schedule of CDBG office funds expended by program, provider agency expense reports, and supplementary data required by WHEDA are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is also presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of revenue and expenses by grant, schedule of real property, schedule of CDBG office funds expended by program, provider agency expense reports, and supplementary data required by WHEDA and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 15, 2013, on our consideration of Housing Initiatives, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Housing Initiatives, Inc.'s internal control over financial reporting and compliance.



Milwaukee, Wisconsin
July 15, 2013

HOUSING INITIATIVES, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2012 and 2011

ASSETS	<u>2012</u>	<u>2011</u>
CURRENT ASSETS		
Cash	\$ 28,986	\$ 51,084
Accounts receivable	73,872	48,092
Prepaid expenses	<u>23,233</u>	<u>20,473</u>
Total current assets	126,091	119,649
Property and equipment - net	4,678,691	4,586,490
OTHER ASSETS		
Replacement reserves	52,815	50,727
Tax escrow	374	10,986
Loan costs - net	<u>34,930</u>	<u>33,364</u>
Total assets	<u><u>\$ 4,892,901</u></u>	<u><u>\$ 4,801,216</u></u>
LIABILITIES AND NET DEFICIT		
CURRENT LIABILITIES		
Current portion of notes payable	\$ 55,280	\$ 48,643
Accounts payable	27,302	20,681
Accrued expenses	22,622	30,430
Deferred revenue	<u>14,699</u>	<u>9,169</u>
Total current liabilities	119,903	108,923
LONG-TERM LIABILITIES		
Notes payable less current portion	1,496,576	1,412,505
Deferred loans	<u>4,199,293</u>	<u>4,064,743</u>
Total long-term liabilities	<u>5,695,869</u>	<u>5,477,248</u>
Total liabilities	5,815,772	5,586,171
NET DEFICIT		
Unrestricted	<u>(922,871)</u>	<u>(784,955)</u>
Total liabilities and net deficit	<u><u>\$ 4,892,901</u></u>	<u><u>\$ 4,801,216</u></u>

See accompanying notes.

HOUSING INITIATIVES, INC.
STATEMENTS OF ACTIVITIES
Years ended December 31, 2012 and 2011

UNRESTRICTED NET DEFICIT	2012	2011
SUPPORT AND REVENUE		
Government grants	\$ 931,491	\$ 903,968
Client rent payments	309,046	295,917
Other	45,556	38,871
Total unrestricted support and revenue	1,286,093	1,238,756
EXPENSES		
Program services		
Shelter Plus Care	456,543	450,741
Property Development and Management	745,642	753,874
Total program services	1,202,185	1,204,615
Supporting activities		
Management and general	221,824	227,208
Total expenses	1,424,009	1,431,823
Change in net deficit	(137,916)	(193,067)
Net deficit - beginning of year	(784,955)	(591,888)
Net deficit - end of year	\$ (922,871)	\$ (784,955)

See accompanying notes.

HOUSING INITIATIVES, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
Year ended December 31, 2012

	<u>Shelter Plus Care</u>	<u>Property Development and Management</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Total</u>
Personnel	\$ -	\$ 199,242	\$ 199,242	\$ 162,992	\$ 362,234
Operating	-	86,833	86,833	9,649	96,482
Property management	-	459,567	459,567	-	459,567
Professional services	-	-	-	49,183	49,183
Rental assistance	<u>456,543</u>	<u>-</u>	<u>456,543</u>	<u>-</u>	<u>456,543</u>
Total expenses	<u><u>\$ 456,543</u></u>	<u><u>\$ 745,642</u></u>	<u><u>\$1,202,185</u></u>	<u><u>\$ 221,824</u></u>	<u><u>\$1,424,009</u></u>

See accompanying notes.

HOUSING INITIATIVES, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
Year ended December 31, 2011

	Shelter Plus Care	Property Development and Management	Total Program Services	Management and General	Total
Personnel	\$ -	\$ 205,391	\$ 205,391	\$ 168,022	\$ 373,413
Operating	-	83,180	83,180	9,243	92,423
Property management	-	465,303	465,303	-	465,303
Professional services	-	-	-	49,943	49,943
Rental assistance	450,741	-	450,741	-	450,741
Total expenses	<u>\$ 450,741</u>	<u>\$ 753,874</u>	<u>\$1,204,615</u>	<u>\$ 227,208</u>	<u>\$1,431,823</u>

See accompanying notes.

HOUSING INITIATIVES, INC.
STATEMENTS OF CASH FLOWS
Years ended December 31, 2012 and 2011

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net deficit	\$ (137,916)	(193,067)
Adjustments to reconcile change in net deficit to net cash used in operating activities		
Depreciation and amortization	176,760	170,349
(Increase) decrease in assets		
Accounts receivable	(25,780)	(2,915)
Prepaid expenses	(2,760)	4,762
Increase (decrease) in liabilities		
Accounts payable	6,621	14,410
Accrued expenses	(7,808)	(15,412)
Deferred revenue	5,530	1,042
	14,647	(20,831)
Net cash provided by (used in) operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Deposits to replacement reserves	(21,474)	(24,558)
Withdrawals from replacement reserves	19,386	15,118
Deposits to tax and insurance escrows	(6,000)	-
Withdrawals from tax and insurance escrows	16,612	-
Purchases of property and equipment	(270,527)	(42,471)
	(262,003)	(51,911)
Net cash used in investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on notes payable	(129,292)	(46,874)
Proceeds from notes payable	220,000	-
Proceeds from deferred loans	134,550	123,640
	225,258	76,766
Net cash provided by financing activities		
Net change in cash	(22,098)	4,024
Cash - beginning of year	51,084	47,060
Cash - end of year	\$ 28,986	\$ 51,084
SUPPLEMENTAL INFORMATION		
Cash paid for interest	\$ 43,691	\$ 41,856
Noncash investing and financing transactions		
Acquisition of properties	-	195,000
Deferred loans on properties	-	(195,000)

See accompanying notes.

HOUSING INITIATIVES, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2012 and 2011

Housing Initiatives, Inc. provides housing assistance, primarily within the Dane County area, to hard to serve homeless persons with disabilities such as mental illness, drug and alcohol problems, or Acquired Immunodeficiency Syndrome. The primary sources of support and revenue are grants from the Dane County Department of Human Services and client rental payments.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Housing Initiatives is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Accounts Receivable

Accounts receivable are stated at the amount Housing Initiatives expects to collect from balances outstanding at year-end. Housing Initiatives provides for probable uncollectible amounts through a charge to revenue and a credit to valuation allowance based on its assessment of the current status of individual accounts. Normal accounts receivable are due the first of the month for that month's rent. Accounts receivable past due more than 60 days are considered delinquent. Delinquent receivables are written off based on individual evaluation and specific circumstances of the client. As of December 31, 2012 and 2011 all accounts were considered collectible and therefore no allowance for doubtful accounts was deemed necessary.

Property and Equipment

Acquisitions of property and equipment in excess of \$500 are recorded at cost and depreciated over the estimated useful lives of the assets using the straight-line method. Estimated useful lives of the assets range from 3 to 30 years. Property and equipment with a value of less than \$500 are expensed against the grant that authorized the purchase. Expenditures for maintenance of property and equipment held for leasing (included those for planned major maintenance projects), repairs and minor renewals to maintain facilities in operating condition are generally expensed as incurred. Major replacements and renewals are capitalized.

Income Tax Status

Housing Initiatives is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Housing Initiatives' federal exempt organization returns are subject to examination by the Internal Revenue Service, generally for three years after they are filed. With few exceptions, Housing Initiatives is no longer subject to such examinations for tax years before 2009.

HOUSING INITIATIVES, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2012 and 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Expense Allocation

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities and the statement of functional expenses. Accordingly, certain costs have been allocated among the program services and supporting activities benefited.

Shelter Plus Care – A rental assistance program for people who have mental illness, are homeless, and are low income.

Property Development and Management – A program to purchase and maintain property to be used to provide shelter for people who have mental illness, are homeless, and are low income.

Date of Management’s Review

Management has evaluated subsequent events through July 15, 2013, the date which the financial statements were available to be issued.

NOTE 2 – PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2012 and 2011 consisted of the following:

	2012	2011
Land	\$ 802,850	\$ 752,150
Buildings	4,990,530	4,774,808
Equipment	36,515	35,180
Property and equipment	5,829,895	5,562,138
Less accumulated depreciation	1,151,204	975,648
Property and equipment - net	\$ 4,678,691	\$ 4,586,490

Depreciation expense for 2012 and 2011 was \$175,556 and \$169,158.

HOUSING INITIATIVES, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2012 and 2011

NOTE 3 – LONG-TERM DEBT

Notes payable at December 31, 2012 and 2011 consisted of the following:

	2012	2011
Mortgage payable in monthly installments of \$424 including interest at 4%, maturing January 1, 2019. Secured by 824-826 Fairmont property.	\$ 27,445	\$ 31,352
Mortgage payable in monthly installments of \$303 including interest at 4%, maturing January 1, 2019. Secured by 810-812 Brandie property.	19,602	22,393
Mortgage payable in monthly installments of \$382 including interest at 4%, maturing June 1, 2031. Secured by 34 Powers property.	59,845	61,988
Mortgage payable in monthly installments of \$406 including interest at 4%, maturing September 1, 2029. Secured by 2005 East Washington property.	59,376	61,818
Mortgage payable in monthly installments of \$353 including interest at 4%, maturing August 1, 2030. Secured by 1822 Helene property.	53,643	55,692
Mortgage payable in monthly installments of \$497 including interest at 2%, maturing August 1, 2035. Secured by Stonebridge property.	108,334	112,093
Mortgage payable in monthly installments of \$1,848 including interest at 2%, maturing October 1, 2035. Secured by Ruskin property.	406,250	420,151
Mortgage payable in monthly installments of \$1,027 including interest at 2.3%, maturing January 1, 2038. Secured by Mifflin property	232,956	240,083
Mortgage payable in monthly installments of \$992 including interest at 4%, maturing July 1, 2038. Secured by Dayton Street property.	190,524	194,720
Mortgage payable in monthly installments of \$1,140 including interest at 3%, maturing March 1, 2040. Secured by Brentwood, Balsam, and Camden property	254,925	260,858

HOUSING INITIATIVES, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2012 and 2011

NOTE 3 – LONG-TERM DEBT (continued)

Mortgage payable in monthly installments of \$515 including interest at 2%, maturing November 1, 2042. Secured by Pinecrest property.	138,956	-
Notes payable	1,551,856	1,461,148
Less current portion of notes payable	55,280	48,643
Notes payable less current portion	\$ 1,496,576	\$ 1,412,505

Future principal payments are as follows:

2013	\$ 55,280
2014	54,434
2015	56,010
2016	57,639
2017	59,315
Thereafter	1,269,178
Future principal payments	\$ 1,551,856

Interest expense was \$43,691 and \$41,856 for 2012 and 2011.

Loan fees are being amortized using the straight line method over 30 years. Accumulated amortization at December 31, 2012 and 2011 was \$3,505 and \$2,301. Amortization expense totaled \$1,204 and \$1,189 for 2012 and 2011.

Replacement Reserves and Tax Escrow

Housing Initiatives has entered into mortgage agreements with Wisconsin Housing and Economic Development Authority (WHEDA) that are secured by the properties listed below. In addition to the mortgage payments, Housing Initiatives is required to make monthly payments between \$67 and \$372 for each property to replacement reserve and tax escrow accounts maintained by WHEDA. The replacement reserves and interest earned thereon may be used to pay for the expenses of repairing and replacing structural elements of the properties in accordance with WHEDA's approval. The replacement reserves and tax escrow consisted of the following at December 31, 2012 and 2011:

HOUSING INITIATIVES, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2012 and 2011

NOTE 3 – LONG-TERM DEBT (continued)

	2012	2011
824-826 Fairmont	\$ 4,910	\$ 4,069
810-812 Brandie	5,362	4,517
2005 East Washington	2,150	2,478
1822 Helene	2,650	4,901
1110 Ruskin	3,095	6,489
Stonebridge	2,638	6,079
Mifflin	10,501	5,965
Dayton and Johnson	9,480	7,007
34 Powers	5,183	4,340
Brentwood	4,930	4,882
Pinecrest	1,916	-
	<u>\$ 52,815</u>	<u>\$ 50,727</u>
Replacement reserves		
Camden	\$ -	\$ 10,986
Pinecrest	374	-
	<u>\$ 374</u>	<u>\$ 10,986</u>
Tax escrow		

Housing Initiatives has received deferred loans from the City of Madison CDBG office that are payable upon the sale or change of use of the property. A deferred loan was received from U.S. Department of Housing and Urban Development (HUD) that is payable upon the sale or change in use of the property before December 2016. The deferred loans at December 31 are summarized as follows:

Property Description	Funding Source	2012	2011
824-826 Fairmont	City of Madison CDBG	\$ 60,000	\$ 60,000
810-812 Brandie	City of Madison CDBG	70,000	70,000
734-736 Fairmont	City of Madison CDBG	103,870	103,870
2005 East Washington	City of Madison CDBG	70,000	70,000
1822 Helene	City of Madison CDBG	140,000	140,000
34 Powers	City of Madison CDBG	124,000	124,000
Mifflin Properties	City of Madison CDBG	238,679	238,679
1110 Ruskin	City of Madison CDBG	508,705	508,705
1110 Ruskin	City of Madison CDBG	124,732	124,732
1110 Ruskin	Federal Home Loan Bank	54,000	54,000
Stonebridge	City of Madison CDBG	343,200	343,200
Stonebridge	City of Madison CDBG	200,000	200,000
Stonebridge	HUD	96,834	96,834
Johnson	City of Madison CDBG	217,500	217,500
Dayton	City of Madison CDBG	217,400	217,400
Dayton	HUD	117,514	117,514

HOUSING INITIATIVES, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2012 and 2011

NOTE 3 – LONG-TERM DEBT (continued)

2505 Brentwood	City of Madison CDBG	216,000	216,000
5838 Balsam	City of Madison CDBG	203,200	203,200
5028 Camden	City of Madison CDBG - NSP	48,473	48,473
5028 Camden	City of Madison CDBG	108,000	108,000
Las Casitas	City of Madison CDBG - NSP	267,996	267,996
Las Casitas	City of Madison CDBG	216,000	216,000
Las Casitas	HUD	123,640	123,640
Troy	City of Madison CDBG	195,000	195,000
Pinecrest	City of Madison CDBG	134,550	-
		<u>\$ 4,199,293</u>	<u>\$ 4,064,743</u>

NOTE 4 – ECONOMIC DEPENDENCY

Housing Initiatives receives approximately 61% and 64% for 2012 and 2011 of its support and revenue from Dane County Department of Human Services. A significant reduction in the level of this funding could have an adverse effect on Housing Initiatives' programs and activities.

NOTE 5 – RETIREMENT PLAN

Housing Initiatives adopted a 403(b) retirement plan in March 2001. The plan contributes 10% of all employees' defined compensation. Retirement expense for 2012 and 2011 was \$25,146 and \$29,748.

NOTE 6 – LEASING ARRANGEMENTS

Housing Initiatives leases housing units to homeless persons with disabilities such as mental illness, drug and alcohol problems, or Acquired Immunodeficiency Syndrome. Lease terms are typically for one year beginning in April and are cancellable with a thirty day notice from either party. Housing Initiatives collects a security deposit from each tenant that may be retained due to damages to the leased premises that exceed ordinary wear and tear, waste and neglect of the premises, and nonpayment of rent amounts and amounts owed for utilities.

Land, buildings, and improvements held for leasing purposes consist of the following:

	2012	2011
Land	\$ 742,950	\$ 692,250
Buildings and improvements	3,850,793	3,637,655
	4,593,743	4,329,905
Accumulated depreciation	(831,178)	(698,215)
	<u>\$ 3,762,565</u>	<u>\$ 3,631,690</u>

HOUSING INITIATIVES, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2012 and 2011

NOTE 6 – LEASING ARRANGEMENTS (continued)

Housing Initiatives built an office building in April 2005 to be used for its operations. Additional space in the building not being used as office space is leased to nine tenants under one year lease agreements. As of December 31, 2012 and 2011 the value of the land totaled \$59,900. As of December 31, 2012 and 2011 the value of buildings and improvements totaled \$1,139,738 and \$1,137,153. As of December 31, 2012 and 2011 accumulated depreciation totaled \$295,199 and \$256,595.

HOUSING INITIATIVES, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended December 31, 2012

Federal Grantor/ Pass Through Grantor/ Program Title	CFDA Number	Pass Through ID Number	Total Federal Expenditures
U.S. Department of Housing and Urban Development			
Supportive Housing Program	14.235		\$ 214,348
Pass through			
Dane County Department of Human Services			
Shelter Plus Care	14.238	81676	789,664
City of Madison Community Development Block Grant Office			
Shelter Plus Care	14.238		<u>215,700</u>
Total Shelter Plus Care	14.238		1,005,364
City of Madison - Community Development Authority			
Section 8 Housing Assistance Payments Program	14.195		131,671
City of Madison Community Development Block Grant Office			
Home Investment Partnerships (HOME)	14.239		3,098,156
City of Madison Community Development Block Grant Office			
Neighborhood Stabilization Program (NSP)	14.256		440,109
Continuum of Care Grant			
Stonebridge Supportive Services	14.267		10,157
City of Madison Community Development Block Grant Office			
Community Development Block Grants Entitlement Grants	14.218		<u>84,748</u>
Total expenditures of federal awards			<u><u>\$4,984,553</u></u>

See accompanying notes to schedule of expenditures of federal awards.

HOUSING INITIATIVES, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
December 31, 2012 and 2011

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Housing Initiatives, Inc. under programs of the federal government for the year ended December 31, 2012. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of operations of Housing Initiatives, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Housing Initiatives, Inc.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

NOTE 3 – LOANS OUTSTANDING

The federal expenditures reported on the schedule include the balances of loans from previous year for which the Department of Housing and Urban Development imposes continuing compliance requirements. At December 31, 2012, the balance of loans outstanding totals \$4,199,293.

HOUSING INITIATIVES, INC.
SCHEDULE OF REVENUE AND EXPENSES BY GRANT
Year ended December 31, 2012

	Shelter Plus Care				Other	Total
	Dane County	Other	Eliminations	Total		
SUPPORT AND REVENUE						
Government grants	\$ 789,664	\$ -	\$ -	\$ 789,664	\$ 141,827	\$ 931,491
Client rent payments	-	251,057	-	251,057	57,989	309,046
Rent income	-	525,684	(525,684)	-	-	-
Other	-	-	-	-	45,556	45,556
Total revenue	789,664	776,741	(525,684)	1,040,721	245,372	1,286,093
EXPENSES						
Program expenses						
Personnel	-	-	-	-	199,242	199,242
Operations	-	-	-	-	546,400	546,400
Special costs	731,170	251,057	(525,684)	456,543	-	456,543
Total program expenses	731,170	251,057	(525,684)	456,543	745,642	1,202,185
Administrative expenses						
Personnel	58,494	-	-	58,494	104,498	162,992
Operations	-	-	-	-	58,832	58,832
Special costs	-	-	-	-	-	-
Total administrative expenses	58,494	-	-	58,494	163,330	221,824
Total expenses	789,664	251,057	(525,684)	515,037	908,972	1,424,009
Excess revenue (expenses)	\$ -	\$ 525,684	\$ -	\$ 525,684	\$ (663,600)	\$ (137,916)

HOUSING INITIATIVES, INC.
SCHEDULE OF REVENUE AND EXPENSES BY GRANT
Year ended December 31, 2011

	Shelter Plus Care				Other	Total
	Dane County	Other	Eliminations	Total		
SUPPORT AND REVENUE						
Government grants	\$ 796,201	\$ -	\$ -	\$ 796,201	\$ 107,767	\$ 903,968
Client rent payments	-	238,816	-	238,816	57,101	295,917
Rent income	-	525,298	(525,298)	-	-	-
Other	-	-	-	-	38,871	38,871
Total revenue	796,201	764,114	(525,298)	1,035,017	203,739	1,238,756
EXPENSES						
Program expenses						
Personnel	-	-	-	-	205,391	205,391
Operations	-	-	-	-	548,483	548,483
Special costs	737,223	238,816	(525,298)	450,741	-	450,741
Total program expenses	737,223	238,816	(525,298)	450,741	753,874	1,204,615
Administrative expenses						
Personnel	58,978	-	-	58,978	109,044	168,022
Operations	-	-	-	-	59,186	59,186
Special costs	-	-	-	-	-	-
Total administrative expenses	58,978	-	-	58,978	168,230	227,208
Total expenses	796,201	238,816	(525,298)	509,719	922,104	1,431,823
Excess revenue (expenses)	\$ -	\$ 525,298	\$ -	\$ 525,298	\$ (718,365)	\$ (193,067)

HOUSING INITIATIVES, INC.
SCHEDULE OF REAL PROPERTY
December 31, 2012

Property Description	Land	Buildings	Total Property	Notes Payable	Deferred Loans	Total Debt
824-826 Fairmont	\$ 24,960	\$ 100,538	\$ 125,498	\$ 27,445	\$ 60,000	\$ 87,445
810-812 Brandie	23,346	108,512	131,858	19,602	70,000	89,602
734-736 Fairmont	15,806	110,161	125,967	-	103,870	103,870
2005 E. Washington	32,958	103,823	136,781	59,376	70,000	129,376
1822 Helene	57,812	210,940	268,752	53,643	140,000	193,643
34 Powers	44,189	151,638	195,827	59,845	124,000	183,845
Stonebridge	-	474,817	474,817	108,334	343,200	451,534
1110 Ruskin	59,900	1,139,738	1,199,638	406,250	687,437	1,093,687
1336 E Mifflin / 1313 Crowley	119,104	424,250	543,354	232,956	238,679	471,635
Johnson / Dayton	118,625	516,279	634,904	190,524	552,414	742,938
Stonebridge	-	317,332	317,332	-	296,834	296,834
2505 Brentwood	33,426	202,751	236,177	84,975	216,000	300,975
5838 Balsam	60,212	193,478	253,690	84,975	203,200	288,175
5028 Camden	38,526	220,680	259,206	84,975	156,473	241,448
Las Casitas	62,794	400,240	463,034	-	607,636	607,636
Troy	60,492	139,264	199,756	-	195,000	195,000
Pinecrest	50,700	176,089	226,789	138,956	134,550	273,506
	<u>\$ 802,850</u>	<u>\$ 4,990,530</u>	<u>\$ 5,793,380</u>	<u>\$ 1,551,856</u>	<u>\$ 4,199,293</u>	<u>\$ 5,751,149</u>

HOUSING INITIATIVES, INC.
SCHEDULE OF REAL PROPERTY
December 31, 2011

Property Description	Land	Buildings	Total Property	Notes Payable	Deferred Loans	Total Debt
824-826 Fairmont	\$ 24,960	\$ 100,538	\$ 125,498	\$ 31,352	\$ 60,000	\$ 91,352
810-812 Brandie	23,346	108,512	131,858	22,393	70,000	92,393
734-736 Fairmont	15,806	110,161	125,967	-	103,870	103,870
2005 E. Washington	32,958	103,823	136,781	61,818	70,000	131,818
1822 Helene	57,812	192,607	250,419	55,692	140,000	195,692
34 Powers	44,189	148,716	192,905	61,988	124,000	185,988
Stonebridge	-	473,360	473,360	112,093	343,200	455,293
1110 Ruskin	59,900	1,137,153	1,197,053	420,151	687,437	1,107,588
1336 E Mifflin / 1313 Crowley	119,104	424,250	543,354	240,083	238,679	478,762
Johnson / Dayton	118,625	516,279	634,904	194,720	552,414	747,134
Stonebridge	-	317,332	317,332	-	296,834	296,834
2505 Brentwood	33,426	196,518	229,944	86,953	216,000	302,953
5838 Balsam	60,212	189,278	249,490	86,953	203,200	290,153
5028 Camden	38,526	220,063	258,589	86,952	156,473	243,425
Las Casitas	62,794	398,837	461,631	-	607,636	607,636
Troy	60,492	137,381	197,873	-	195,000	195,000
	<u>\$ 752,150</u>	<u>\$ 4,774,808</u>	<u>\$ 5,526,958</u>	<u>\$ 1,461,148</u>	<u>\$ 4,064,743</u>	<u>\$ 5,525,891</u>

HOUSING INITIATIVES, INC.
SCHEDULE OF CDBG OFFICE FUNDS EXPENDED BY PROGRAM
 Years ended December 31, 2012 and 2011

2012	
Property / Description	
706 PINECREST	
CDBG Office funds	
CDBG - Entitlement Grants - deferred loans	\$ 134,550
CDBG Office funds expended	
Building	<u>134,550</u>
Excess (deficit)	<u>\$ -</u>
2011	
Property / Description	
1601 Troy	
CDBG Office funds	
CDBG - Entitlement Grants - deferred loans	\$ 195,000
CDBG Office funds expended	
Building	<u>195,000</u>
Excess (deficit)	<u>\$ -</u>

DANE COUNTY DEPARTMENT OF HUMAN SERVICES PROVIDER AGENCY EXPENSE REPORT THROUGH:

Provider Name:	Housing Initiatives, Inc.	Contract #:	81968	*Provider Certified By:	<i>Gretchen Kaseman</i>	Date	2/7/2013
Program Name:	Rental Assist HUD Grant #6	Program Group #:	10027		Gretchen Kaseman, CPA		

	1 Approved County-Funded Budget	2 YTD County-Funded Admin Expense	3 YTD County-Funded Program Expense	4 YTD County-Funded Expense Total (= Col. 2 + 3)	5 YTD County-Funded Budget	6 YTD % Variance from Budget
A PERSONNEL						
Salaries				0		
Taxes				0		
Benefits				0		
Subtotal A	0	0	0	0	0	#DIV/0!
B OPERATING						
Insurance				0		
Professional Fees	58,494	58,494		58,494	58,494	
Audit				0		
Data Processing Fees				0		
Postage, Office, and Program Supplies				0		
Equipment/Furnishings				0		
Depreciation				0		
Telephone				0		
Training/Conference				0		
Food/Household Supplies				0		
Auto Allowance				0		
Vehicle Costs				0		
Other1:				0		
Other2:				0		
Subtotal B	58,494	58,494	0	58,494	58,494	0.00%
C SPACE						
Rent				0		
Utilities				0		
Maintenance				0		
Mortgage Interest, Depreciation,				0		
Property Taxes				0		
Subtotal C	0	0	0	0	0	#DIV/0!
D SPECIAL COSTS						
Assistance to Individuals	982,227		982,227	982,227	982,227	
Subtotal D	982,227	0	982,227	982,227	982,227	0.00%
E OTHER						
Other3:				0		
Other4:				0		
Subtotal E	0	0	0	0	0	#DIV/0!
This section for Adult - DD only.						
F OFF-SETTING REVENUE						
Show as negative numbers:						
Government Benefits (SSI, SSDI, etc.)						
Private Pay (Trust Funds, etc.)						
Cost Share						
Other	(251,057)		(251,057)	(251,057)	(251,057)	
Subtotal F	(251,057)	0	(251,057)	(251,057)	(251,057)	0.00%
TOTAL A THROUGH F	789,664	58,494	731,170	789,664	789,664	0.00%

*CERTIFICATION: I certify the expenses listed above are true, correct, and allowable, in the amount stated and have not been reimbursed heretofore.

	PRIOR YEAR - 2011 FINAL COUNTY APPROVED					CURRENT YEAR - 2012			
	1 TOTAL BUDGET	2 COUNTY FUNDED (= Col 3 + 4)	3 COUNTY FUNDED ADMIN	4 COUNTY FUNDED PROGRAM	5 TOTAL BUDGET	6 COUNTY FUNDED (= Col 7 + 8)	7 COUNTY FUNDED ADMIN	8 COUNTY FUNDED PROGRAM	9 PERCENT TO TOT CO FUNDED (= Col 6/Col 5 Tot)
A. PERSONNEL									
Salaries									0.00%
Taxes									0.00%
Benefits									0.00%
Subtotal A	0	0	0	0	0	0	0	0	0.00%
B. OPERATING									
Insurance									0.00%
Professional Fees	58,978	58,978	58,978		58,494	58,494		982,227	7.41%
Audit									0.00%
Data Processing									0.00%
Postage, Office, and Program Supplies									0.00%
Equipment/Furnishings									0.00%
Depreciation									0.00%
Telephone									0.00%
Training/Conference									0.00%
Food/Household Supplies									0.00%
Auto Allowance									0.00%
Vehicle Costs									0.00%
Other1:									0.00%
Other2:									0.00%
Subtotal B	58,978	58,978	58,978	0	58,494	58,494	0	982,227	7.41%
C. SPACE									
Rent									0.00%
Utilities									0.00%
Maintenance									0.00%
Mortgage Interest, Depreciation									0.00%
Property Taxes									0.00%
Subtotal C	0	0	0	0	0	0	0	0	0.00%
D. SPECIAL COSTS									
Assistance to Individuals	976,039	976,039		976,039	982,227			982,227	124.39%
Subtotal D	976,039	976,039	0	976,039	982,227			982,227	124.39%
E. OTHER (Specify)									
Other3:									0.00%
Other4:									0.00%
Subtotal E	0	0	0	0	0	0	0	0	0.00%
F. OFF-SETTING REVENUE									
Show as negative numbers:									
Government Benefits (SSI, SSDI, etc.)									0.00%
Private Pay (Trust Funds, etc.)									0.00%
Cost Share									0.00%
Other	(238,816)	(238,816)		(238,816)	(251,057)		(251,057)	(251,057)	-31.79%
Subtotal F	(238,816)	(238,816)	0	(238,816)	(251,057)		(251,057)	(251,057)	-31.79%
TOTAL A THROUGH F	796,201	796,201	58,978	737,223	789,664	58,494	731,170	731,170	100.00%

Prior Year Agency Administrative Cost Percent:	7.41%
Agency Administrative Cost Percent:	7.41%

ANNUAL SCHEDULE OF ASSETS for Multifamily Projects

Project Name: Dayton/Johnson

Period Beginning: 1/1/12 thru: 12/31/12

Project Number: 2768

Description of Account	ID	Account	Amount	Totals
1100 CURRENT ASSETS				
Cash - Operations		1120		
Construction Cash Account		1121		
Cash - Entity		1125		
Tenant Accounts Receivable		1130		
Allowance for Doubtful Accounts (deduct)		1131		
Accounts Receivable - WHEDA _{SM}		1135		
Accounts and Notes Receivable - Operations		1140		
Accounts and Notes Receivable - Entity		1145		
Accounts Receivable - Interest		1160		
Interest Reduction Payment Receivable		1165		
Short Term Investments - Operations		1170		
Short Term Investments - Entity		1175		
Miscellaneous Current Assets		1190		
Insurance Escrow		1312		
Real Estate Tax or PILOT Escrow		1311		
TOTAL CURRENT ASSETS		1100		\$0
1191		1191		
Tenant Security Deposits - RESTRICTED ASSET				
1200 PREPAID EXPENSES		1200		
Miscellaneous Prepaid Expenses				
1300 FUNDED RESERVES				
Escrow Deposits		1310		
Reserve for Replacements		1320	\$9,480	
Other Reserve		1330		
Residual Receipts Reserve		1340		
Management Improvement and Operating Plan		1381		
Development Cost Escrow (DCE)		1390		
FHA Insurance Reserve		1392		
Total Funded Reserves		1300		\$9,480
1400 FIXED ASSETS				
Land		1410	\$118,625	
Buildings		1420	516,279	
Building Equipment (portable)		1440		
Furniture for Project/Tenant Use		1450		
Furnishings		1460		
Office Furniture and Equipment		1465		
Maintenance Equipment		1470		
Motor Vehicles		1480		
Miscellaneous Fixed Assets		1490		
Gross Fixed Assets		1400	\$634,904	
1495 ALLOWANCE ACCOUNTS				
Accumulated Depreciation		1495	\$86,174	
Total Accumulated Depreciation			\$86,174	
Net Fixed Assets		1400		\$548,730
1500 INVESTMENTS				
Investments - Operations		1510		
Investments - Entity		1515		
Intangible Assets		1520		
Miscellaneous Other Assets		1590		
TOTAL OTHER ASSETS		1500	\$0	
TOTAL ASSETS		1000		\$558,210

ANNUAL SCHEDULE OF LIABILITIES AND EQUITY for Multifamily Projects

Project Name: Dayton/Johnson

Period Beginning: 1/1/12 thru: 12/31/12

Project Number: 2768

Description of Account	Account	Amount	Totals
2100 CURRENT LIABILITIES	Bank Overdraft - Operations	2105	
	Accounts Payable-30 Days	2109	
	Accounts Payable - Operations	2110	
	Accounts Payable - Construction/Development	2111	
	Accounts Payable-Project Improvements Items	2112	
	Accounts Payable - Entity	2113	
	Accounts Payable-236 Excess Income Due HUD	2115	
	Accounts Payable-WHEDA _{SM} /HUD	2116	
	Accrued Wages Payable	2120	
	Accrued Payroll Taxes Payable	2121	
	Accrued Management Fee Payable	2123	
	Accrued Interest Payable - Section 236	2130	
	Accrued Interest Payable - First Mortgage	2131	
	Accrued Interest Payable - Second Mortgage	2132	
	Accrued Interest Payable - Other Loans & Notes(Surplus Cash)	2133	
	Accrued Interest Payable - Other Loans and Notes	2134	
	Accrued Interest Payable - Flexible Subsidy Loan	2135	
	Accrued Interest Payable - Capital Improvement Loan	2136	
	Accrued Interest Payable - Operating Loss Loan	2137	
	Accrued Real Estate & Property Tax Payable	2150	
	Short Term Notes Payable	2160	
	Mortgage Payable - First Mortgage (Short Term)	2170	
	Mortgage Payable - Second Mortgage (Short Term)	2172	
	Other Loans and Notes Payable, Surplus Cash (Short Term)	2173	
	Other Loans and Notes (Short Term)	2174	
	Flexible Subsidy Loan Payable (Short Term)	2175	
	Capital Improvement Loan Payable (Short Term)	2176	
	Operating Loss Loan Payable (Short Term)	2177	
	Utility Allowances	2180	
	Miscellaneous Current Liabilities/Preservation Fee	2190	
	Current Liabilities		\$0
2191	Tenant Security Deposits - CONTRA ASSET	2191	
2200 PREPAID REVENUES	Prepaid Revenue	2210	
	TOTAL CURRENT LIABILITIES	2122	\$0
2300 LONG-TERM LIABILITIES	Notes Payable - Long Term	2310	
	Notes Payable - Surplus Cash	2311	
	Mortgage Payable - First Mortgage	2320	190,524
	Mortgage Payable - Second Mortgage	2322	
	Other Loans and Notes Payable - Surplus Cash	2323	
	Other Loans and Notes Payable	2324	552,414
	Flexible Subsidy Loan Payable	2325	
	Capital Improvement Loan Payable	2326	
	Operating Loss Loan Payable	2327	
	Miscellaneous Long Term Liabilities	2390	
	Total Long Term Liabilities	2300	\$742,938
	TOTAL LIABILITIES	2000	\$742,938
3033 TOTAL EQUITY	Total Equity/Retained Earnings	3033	(\$184,728)
	TOTAL LIABILITIES and EQUITY/RETAINED EARNINGS	2033	\$558,210

SCHEDULE OF PROFIT AND LOSS for Multifamily Projects

Project Name: Dayton/Johnson

Project Number: 2768

Period Beginning: 1/1/12 thru: 12/31/12

Year: 2012

Description of Account	Acct. No.	Amount	Totals
5100 RENTAL REVENUE	Rent Revenue - Gross Potential	5120 76,397	
	Tenant Assistance Payments	5121	
	Rent Revenue - Commercial/Stores @ 100%	5140	
	Rent Revenue - Garage/Parking @ 100%	5170	
	Flexible Subsidy Revenue	5180	
	Miscellaneous Rent Revenue	5190	
	Excess Rent	5191	
	Rent Revenue/Insurance	5192	
	Special Claims Revenue	5193	
	Retained Excess Income	5194	
	Total Rent Revenue Potential	5100	76,397
5200 VACANCIES	Apartment Vacancies	5220	
	Stores/Commercial Vacancies or Concessions	5240	
	Rental Concessions	5250	
	Garage/Parking Vacancies or Concessions	5270	
	Miscellaneous	5290	
	Total Vacancies or Concessions	5200	0
	Net Rental Revenue (Rent Revenue less Vacancies)	5152	76,397
5300	Total Service Income	5300	0
5400 FINANCIAL REVENUE	Financial Revenue - Project Operations	5410	
	Revenue from Investments-Residual Receipts	5430	
	Revenue from Investments-Replacement Reserve	5440 74	
	Revenue from Investments-Miscellaneous	5490	
	Total Financial Revenue	5400	74
5900 MISC. REVENUE	Laundry/Vending Income (Net)	5910	
	Tenant Charges	5920	
	Miscellaneous Revenue	5990	
	Total Miscellaneous Revenue	5900	0
	Total Revenue	5000	76,471
6200 RENT EXPENSE	Conventions and Meetings	6203	
	Management Consultants	6204	
	Advertising/Marketing Expense	6210	
	Other Rent Expense	6250	
	Total Rent Expense		0
6300 ADMIN. EXPENSES	Office Salaries	6310	
	Office Expenses	6311	
	Office or Model Apartment Rent	6312	
	Management Fee - Residential Rents	6320	
	Management Fee - Commercial Rents	6321	
	Management Fee - Miscellaneous Income	6322	
	Manager/Superintendent Salaries	6330	
	Administrative Rent-free Unit	6331	
	Legal Expense-project only	6340	
	Audit Expense-project only	6350	
	Bookkeeping Fees/Accounting Services	6351	
	Bad Debt Expense	6370	
	Miscellaneous Administrative Expense - Relocation Expenses	6390	
	Total Administrative Expense		0
6200 + 6300	Total Rent & Administrative Expense	6263	0
6400 UTILITIES EXPENSE	Fuel Oil	6420	
	Electricity	6450 7,588	
	Water	6451	
	Gas	6452	
	Sewer	6453	
	Total Utilities Expense	6400	7,588

Description of Account	Acct. No.	Amount	Totals
6500 OPERATING & MAINTENANCE EXPENSE	Payroll	6510	13,440
	Supplies	6515	
	Contracts	6520	
	Operating and Maintenance Rent Free Unit	6521	
	Garbage & Trash Removal	6525	
	Security Payroll/Contract (incl. taxes and benefits)	6530	
	Security Rent Free Unit	6531	
	Heating/Cooling Repairs & Maintenance	6546	
	Snow Removal	6548	
	Vehicle/Maintenance Equipment Operation & Repairs	6570	
	Misc. Operating & Maintenance Expense	6590	9,227
	Total Operating & Maintenance Expense	6500	22,667
6900	Total Service Expense	6900	0
6700 TAXES AND INSURANCE	Real Estate & Personal Property Taxes	6710	
	Payroll Taxes (Project's Share)	6711	1,543
	Property & Liability Insurance (Hazard)	6720	531
	Fidelity Bond Insurance	6721	
	Workmen's Compensation	6722	
	Health Insurance and Other Employee Benefits	6723	
	Miscellaneous Taxes, Licenses, Permits and Insurance	6790	
	Total Taxes and Insurance	6700	2,074
3220	Replacement Reserve Deposits as Required by WHEDA	3220	2,474
	Total Operating Expenses		34,803
	Net Operating Income (NOI)		41,668
6800 FINANCIAL EXPENSE	Interest on Mortgage Payable	6820	7,712
	Interest on Notes Payable (Long Term)	6830	
	Interest on Notes Payable (Short Term)	6840	
	Mortgage Insurance Premium/Service Charge	6850	
	Miscellaneous Financial Expense/Preservation Fee	6890	
	Total Financial Expense	6800	7,712
	Total Expenses of Operations Before Depreciation	6000	42,515
	Profit or (Loss) Before Depreciation	5060	33,956
6600	Depreciation Expense (Total)	6601	19,300
	Amortization Expense	6610	104
	Operating Profit or Loss	5060	14,552
7100 CORPORATE OR MORTGAGOR EXPENSE	Officer's Salaries	7110	6,731
	Legal Expense	7120	
	Federal, State and Other Income Taxes	7130	
	Interest Income	7140	
	Interest on Notes Payable	7141	
	Interest on Mortgage Payable	7142	
	Other Expense	7190	
	Net Entity Expenses	7100	6,731
	NET PROFIT OR (LOSS)	3250	7,821
TOTAL PRINCIPAL PAYMENTS	WHEDA First Mortgage	9910	4,196
	Second Mortgage	9911	
	Other Mortgage(s)	9912	
	Reserve releases to reimburse items expensed on this schedule.	9920	
	Capital expenditures paid from project operations and expensed on this schedule.	9930	

ANNUAL SCHEDULE OF ASSETS for Multifamily Projects

Project Name: Mifflin 3 Sites

Period Beginning: 1/1/12 thru: 12/31/12

Project Number: 2740

Description of Account	ID	Account	Amount	Totals
1100 CURRENT ASSETS				
Cash - Operations		1120		
Construction Cash Account		1121		
Cash - Entity		1125		
Tenant Accounts Receivable		1130		
Allowance for Doubtful Accounts (deduct)		1131		
Accounts Receivable - WHEDA _{SM}		1135		
Accounts and Notes Receivable - Operations		1140		
Accounts and Notes Receivable - Entity		1145		
Accounts Receivable - Interest		1160		
Interest Reduction Payment Receivable		1165		
Short Term Investments - Operations		1170		
Short Term Investments - Entity		1175		
Miscellaneous Current Assets		1190		
Insurance Escrow		1312		
Real Estate Tax or PILOT Escrow		1311		
TOTAL CURRENT ASSETS		1100		\$0
1191		1191		
Tenant Security Deposits - RESTRICTED ASSET				
1200 PREPAID EXPENSES		1200		
Miscellaneous Prepaid Expenses				
1300 FUNDED RESERVES				
Escrow Deposits		1310		
Reserve for Replacements		1320	\$10,501	
Other Reserve		1330		
Residual Receipts Reserve		1340		
Management Improvement and Operating Plan		1381		
Development Cost Escrow (DCE)		1390		
FHA Insurance Reserve		1392		
Total Funded Reserves		1300		\$10,501
1400 FIXED ASSETS				
Land		1410	\$119,104	
Buildings		1420	741,582	
Building Equipment (portable)		1440		
Furniture for Project/Tenant Use		1450		
Furnishings		1460		
Office Furniture and Equipment		1465		
Maintenance Equipment		1470		
Motor Vehicles		1480		
Miscellaneous Fixed Assets		1490		
Gross Fixed Assets		1400	\$860,686	
1495 ALLOWANCE ACCOUNTS				
Accumulated Depreciation		1495	\$149,733	
Total Accumulated Depreciation			\$149,733	
Net Fixed Assets		1400		\$710,953
1500 INVESTMENTS				
Investments - Operations		1510		
Investments - Entity		1515		
Intangible Assets		1520		
Miscellaneous Other Assets		1590		
TOTAL OTHER ASSETS		1500	\$0	
TOTAL ASSETS		1000		\$721,454

ANNUAL SCHEDULE OF LIABILITIES AND EQUITY for Multifamily Projects

Project Name: Mifflin 3 Sites

Period Beginning: 1/1/12 thru: 12/31/12

Project Number: 2740

Description of Account	Account	Amount	Totals
2100 CURRENT LIABILITIES	Bank Overdraft - Operations	2105	
	Accounts Payable-30 Days	2109	
	Accounts Payable - Operations	2110	
	Accounts Payable - Construction/Development	2111	
	Accounts Payable-Project Improvements Items	2112	
	Accounts Payable - Entity	2113	
	Accounts Payable-236 Excess Income Due HUD	2115	
	Accounts Payable-WHEDA _{SM} /HUD	2116	
	Accrued Wages Payable	2120	
	Accrued Payroll Taxes Payable	2121	
	Accrued Management Fee Payable	2123	
	Accrued Interest Payable - Section 236	2130	
	Accrued Interest Payable - First Mortgage	2131	
	Accrued Interest Payable - Second Mortgage	2132	
	Accrued Interest Payable - Other Loans & Notes(Surplus Cash)	2133	
	Accrued Interest Payable - Other Loans and Notes	2134	
	Accrued Interest Payable - Flexible Subsidy Loan	2135	
	Accrued Interest Payable - Capital Improvement Loan	2136	
	Accrued Interest Payable - Operating Loss Loan	2137	
	Accrued Real Estate & Property Tax Payable	2150	
	Short Term Notes Payable	2160	
	Mortgage Payable - First Mortgage (Short Term)	2170	
	Mortgage Payable - Second Mortgage (Short Term)	2172	
	Other Loans and Notes Payable, Surplus Cash (Short Term)	2173	
	Other Loans and Notes (Short Term)	2174	
	Flexible Subsidy Loan Payable (Short Term)	2175	
	Capital Improvement Loan Payable (Short Term)	2176	
	Operating Loss Loan Payable (Short Term)	2177	
	Utility Allowances	2180	
	Miscellaneous Current Liabilities/Preservation Fee	2190	
	Current Liabilities		\$0
2191	Tenant Security Deposits - CONTRA ASSET	2191	
2200 PREPAID REVENUES	Prepaid Revenue	2210	
	TOTAL CURRENT LIABILITIES	2122	\$0
2300 LONG-TERM LIABILITIES	Notes Payable - Long Term	2310	
	Notes Payable - Surplus Cash	2311	
	Mortgage Payable - First Mortgage	2320	232,956
	Mortgage Payable - Second Mortgage	2322	
	Other Loans and Notes Payable - Surplus Cash	2323	
	Other Loans and Notes Payable	2324	535,513
	Flexible Subsidy Loan Payable	2325	
	Capital Improvement Loan Payable	2326	
	Operating Loss Loan Payable	2327	
	Miscellaneous Long Term Liabilities	2390	
	Total Long Term Liabilities	2300	\$768,469
	TOTAL LIABILITIES	2000	\$768,469
3033 TOTAL EQUITY	Total Equity/Retained Earnings	3033	(\$47,015)
	TOTAL LIABILITIES and EQUITY/RETAINED EARNINGS	2033	\$721,454

SCHEDULE OF PROFIT AND LOSS for Multifamily Projects**Project Name:** Mifflin 3 Site**Project Number:** 2740**Period Beginning:** 1/1/12 thru: 12/31/12**Year:** 2012

Description of Account	Acct. No.	Amount	Totals
5100 RENTAL REVENUE	Rent Revenue - Gross Potential	5120	95,341
	Tenant Assistance Payments	5121	
	Rent Revenue - Commercial/Stores @ 100%	5140	
	Rent Revenue - Garage/Parking @ 100%	5170	
	Flexible Subsidy Revenue	5180	
	Miscellaneous Rent Revenue	5190	
	Excess Rent	5191	
	Rent Revenue/Insurance	5192	
	Special Claims Revenue	5193	
	Retained Excess Income	5194	
	Total Rent Revenue Potential	5100	95,341
5200 VACANCIES	Apartment Vacancies	5220	
	Stores/Commercial Vacancies or Concessions	5240	
	Rental Concessions	5250	
	Garage/Parking Vacancies or Concessions	5270	
	Miscellaneous	5290	
	Total Vacancies or Concessions	5200	0
	Net Rental Revenue (Rent Revenue less Vacancies)	5152	95,341
5300	Total Service Income	5300	0
5400 FINANCIAL REVENUE	Financial Revenue - Project Operations	5410	
	Revenue from Investments-Residual Receipts	5430	
	Revenue from Investments-Replacement Reserve	5440	72
	Revenue from Investments-Miscellaneous	5490	
	Total Financial Revenue	5400	72
5900 MISC. REVENUE	Laundry/Vending Income (Net)	5910	
	Tenant Charges	5920	
	Miscellaneous Revenue	5990	0
	Total Miscellaneous Revenue	5900	0
	Total Revenue	5000	95,413
6200 RENT EXPENSE	Conventions and Meetings	6203	
	Management Consultants	6204	
	Advertising/Marketing Expense	6210	
	Other Rent Expense	6250	
	Total Rent Expense		0
6300 ADMIN. EXPENSES	Office Salaries	6310	
	Office Expenses	6311	242
	Office or Model Apartment Rent	6312	
	Management Fee - Residential Rents	6320	
	Management Fee - Commercial Rents	6321	
	Management Fee - Miscellaneous Income	6322	
	Manager/Superintendent Salaries	6330	
	Administrative Rent-free Unit	6331	
	Legal Expense-project only	6340	
	Audit Expense-project only	6350	
	Bookkeeping Fees/Accounting Services	6351	
	Bad Debt Expense	6370	
	Miscellaneous Administrative Expense Condo Fees	6390	5,168
	Total Administrative Expense		5,410
6200 + 6300	Total Rent & Administrative Expense	6263	5,410
6400 UTILITIES EXPENSE	Fuel Oil	6420	
	Electricity	6450	10,341
	Water	6451	
	Gas	6452	
	Sewer	6453	
	Total Utilities Expense	6400	10,341

Description of Account	Acct. No.	Amount	Totals
6500 OPERATING & MAINTENANCE EXPENSE	Payroll	6510	20,160
	Supplies	6515	
	Contracts	6520	
	Operating and Maintenance Rent Free Unit	6521	
	Garbage & Trash Removal	6525	
	Security Payroll/Contract (incl. taxes and benefits)	6530	
	Security Rent Free Unit	6531	
	Heating/Cooling Repairs & Maintenance	6546	
	Snow Removal	6548	
	Vehicle/Maintenance Equipment Operation & Repairs	6570	
	Misc. Operating & Maintenance Expense	6590	8,847
	Total Operating & Maintenance Expense	6500	29,007
6900	Total Service Expense	6900	0
6700 TAXES AND INSURANCE	Real Estate & Personal Property Taxes	6710	
	Payroll Taxes (Project's Share)	6711	2,315
	Property & Liability Insurance (Hazard)	6720	1,253
	Fidelity Bond Insurance	6721	
	Workmen's Compensation	6722	
	Health Insurance and Other Employee Benefits	6723	
	Miscellaneous Taxes, Licenses, Permits and Insurance	6790	
	Total Taxes and Insurance	6700	3,568
3220	Replacement Reserve Deposits as Required by WHEDA	3220	4,536
	Total Operating Expenses		52,862
	Net Operating Income (NOI)		42,551
6800 FINANCIAL EXPENSE	Interest on Mortgage Payable	6820	5,447
	Interest on Notes Payable (Long Term)	6830	
	Interest on Notes Payable (Short Term)	6840	
	Mortgage Insurance Premium/Service Charge	6850	
	Miscellaneous Financial Expense/Preservation Fee	6890	
	Total Financial Expense	6800	5,447
	Total Expenses of Operations Before Depreciation	6000	58,309
	Profit or (Loss) Before Depreciation	5060	37,104
6600	Depreciation Expense (Total)	6601	26,296
	Amortization Expense	6610	68
	Operating Profit or Loss	5060	10,740
7100 CORPORATE OR MORTGAGOR EXPENSE	Officer's Salaries	7110	10,097
	Legal Expense	7120	
	Federal, State and Other Income Taxes	7130	
	Interest Income	7140	
	Interest on Notes Payable	7141	
	Interest on Mortgage Payable	7142	
	Other Expense	7190	
	Net Entity Expenses	7100	10,097
	NET PROFIT OR (LOSS)	3250	643
TOTAL PRINCIPAL PAYMENTS	WHEDA First Mortgage	9910	7,127
	Second Mortgage	9911	
	Other Mortgage(s)	9912	
	Reserve releases to reimburse items expensed on this schedule.	9920	
	Capital expenditures paid from project operations and expensed on this schedule.	9930	

ANNUAL SCHEDULE OF ASSETS for Multifamily Projects

Project Name: Washington

Period Beginning: 1/1/12 thru: 12/31/12

Project Number: 1759

Description of Account	ID	Account	Amount	Totals
1100 CURRENT ASSETS				
Cash - Operations		1120		
Construction Cash Account		1121		
Cash - Entity		1125		
Tenant Accounts Receivable		1130		
Allowance for Doubtful Accounts (deduct)		1131		
Accounts Receivable - WHEDA _{SM}		1135		
Accounts and Notes Receivable - Operations		1140		
Accounts and Notes Receivable - Entity		1145		
Accounts Receivable - Interest		1160		
Interest Reduction Payment Receivable		1165		
Short Term Investments - Operations		1170		
Short Term Investments - Entity		1175		
Miscellaneous Current Assets		1190		
Insurance Escrow		1312		
Real Estate Tax or PILOT Escrow		1311		
TOTAL CURRENT ASSETS		1100		\$0
1191		1191		
Tenant Security Deposits - RESTRICTED ASSET				
1200 PREPAID EXPENSES		1200		
Miscellaneous Prepaid Expenses				
1300 FUNDED RESERVES				
Escrow Deposits		1310		
Reserve for Replacements		1320	\$2,150	
Other Reserve		1330		
Residual Receipts Reserve		1340		
Management Improvement and Operating Plan		1381		
Development Cost Escrow (DCE)		1390		
FHA Insurance Reserve		1392		
Total Funded Reserves		1300		\$2,150
1400 FIXED ASSETS				
Land		1410	\$32,958	
Buildings		1420	103,823	
Building Equipment (portable)		1440		
Furniture for Project/Tenant Use		1450		
Furnishings		1460		
Office Furniture and Equipment		1465		
Maintenance Equipment		1470		
Motor Vehicles		1480		
Miscellaneous Fixed Assets		1490		
Gross Fixed Assets		1400	\$136,781	
1495 ALLOWANCE ACCOUNTS				
Accumulated Depreciation		1495	\$53,240	
Total Accumulated Depreciation			\$53,240	
Net Fixed Assets		1400		\$83,541
1500 INVESTMENTS				
Investments - Operations		1510		
Investments - Entity		1515		
Intangible Assets		1520		
Miscellaneous Other Assets		1590		
TOTAL OTHER ASSETS		1500	\$0	
TOTAL ASSETS		1000		\$85,691

ANNUAL SCHEDULE OF LIABILITIES AND EQUITY for Multifamily Projects

Project Name: Washington

Period Beginning: 1/1/12 thru: 12/31/12

Project Number: 1759

Description of Account	Account	Amount	Totals
2100	Bank Overdraft - Operations	2105	
CURRENT LIABILITIES	Accounts Payable-30 Days	2109	
	Accounts Payable - Operations	2110	
	Accounts Payable - Construction/Development	2111	
	Accounts Payable-Project Improvements Items	2112	
	Accounts Payable - Entity	2113	
	Accounts Payable-236 Excess Income Due HUD	2115	
	Accounts Payable-WHEDA _{SM} /HUD	2116	
	Accrued Wages Payable	2120	
	Accrued Payroll Taxes Payable	2121	
	Accrued Management Fee Payable	2123	
	Accrued Interest Payable - Section 236	2130	
	Accrued Interest Payable - First Mortgage	2131	
	Accrued Interest Payable - Second Mortgage	2132	
	Accrued Interest Payable - Other Loans & Notes(Surplus Cash)	2133	
	Accrued Interest Payable - Other Loans and Notes	2134	
	Accrued Interest Payable - Flexible Subsidy Loan	2135	
	Accrued Interest Payable - Capital Improvement Loan	2136	
	Accrued Interest Payable - Operating Loss Loan	2137	
	Accrued Real Estate & Property Tax Payable	2150	
	Short Term Notes Payable	2160	
	Mortgage Payable - First Mortgage (Short Term)	2170	
	Mortgage Payable - Second Mortgage (Short Term)	2172	
	Other Loans and Notes Payable, Surplus Cash (Short Term)	2173	
	Other Loans and Notes (Short Term)	2174	
	Flexible Subsidy Loan Payable (Short Term)	2175	
	Capital Improvement Loan Payable (Short Term)	2176	
	Operating Loss Loan Payable (Short Term)	2177	
Utility Allowances	2180		
Miscellaneous Current Liabilities/Preservation Fee	2190		
	Current Liabilities		\$0
2191	Tenant Security Deposits - CONTRA ASSET	2191	
2200 PREPAID REVENUES	Prepaid Revenue	2210	
	TOTAL CURRENT LIABILITIES	2122	\$0
LONG-TERM LIABILITIES	Notes Payable - Long Term	2310	
	Notes Payable - Surplus Cash	2311	
	Mortgage Payable - First Mortgage	2320	59,376
	Mortgage Payable - Second Mortgage	2322	
	Other Loans and Notes Payable - Surplus Cash	2323	
	Other Loans and Notes Payable	2324	70,000
	Flexible Subsidy Loan Payable	2325	
	Capital Improvement Loan Payable	2326	
	Operating Loss Loan Payable	2327	
	Miscellaneous Long Term Liabilities	2390	
	Total Long Term Liabilities	2300	\$129,376
	TOTAL LIABILITIES	2000	\$129,376
3033 TOTAL EQUITY	Total Equity/Retained Earnings	3033	(\$43,685)
	TOTAL LIABILITIES and EQUITY/RETAINED EARNINGS	2033	\$85,691

SCHEDULE OF PROFIT AND LOSS for Multifamily Projects

Project Name: Washington

1759

Period Beginning: 1/1/12 thru: 12/31/12

Year: 2012

Description of Account	Acct. No.	Amount	Totals
5100 RENTAL REVENUE	Rent Revenue - Gross Potential	5120 19,878	
	Tenant Assistance Payments	5121	
	Rent Revenue - Commercial/Stores @ 100%	5140	
	Rent Revenue - Garage/Parking @ 100%	5170	
	Flexible Subsidy Revenue	5180	
	Miscellaneous Rent Revenue	5190	
	Excess Rent	5191	
	Rent Revenue/Insurance	5192	
	Special Claims Revenue	5193	
	Retained Excess Income	5194	
	Total Rent Revenue Potential	5100	19,878
5200 VACANCIES	Apartment Vacancies	5220	
	Stores/Commercial Vacancies or Concessions	5240	
	Rental Concessions	5250	
	Garage/Parking Vacancies or Concessions	5270	
	Miscellaneous	5290	
	Total Vacancies or Concessions	5200	0
	Net Rental Revenue (Rent Revenue less Vacancies)	5152	19,878
5300	Total Service Income	5300	0
5400 FINANCIAL REVENUE	Financial Revenue - Project Operations	5410	
	Revenue from Investments-Residual Receipts	5430	
	Revenue from Investments-Replacement Reserve	5440 17	
	Revenue from Investments-Miscellaneous	5490	
	Total Financial Revenue	5400	17
5900 MISC. REVENUE	Laundry/Vending Income (Net)	5910	
	Tenant Charges	5920	
	Miscellaneous Revenue	5990	
	Total Miscellaneous Revenue	5900	0
	Total Revenue	5000	19,895
6200 RENT EXPENSE	Conventions and Meetings	6203	
	Management Consultants	6204	
	Advertising/Marketing Expense	6210	
	Other Rent Expense	6250	
	Total Rent Expense		0
6300 ADMIN. EXPENSES	Office Salaries	6310	
	Office Expenses	6311 805	
	Office or Model Apartment Rent	6312	
	Management Fee - Residential Rents	6320	
	Management Fee - Commercial Rents	6321	
	Management Fee - Miscellaneous Income	6322	
	Manager/Superintendent Salaries	6330	
	Administrative Rent-free Unit	6331	
	Legal Expense-project only	6340	
	Audit Expense-project only	6350	
	Bookkeeping Fees/Accounting Services	6351	
	Bad Debt Expense	6370	
	Miscellaneous Administrative Expense	6390	
	Total Administrative Expense		805
6200 + 6300	Total Rent & Administrative Expense	6263	805
6400 UTILITIES EXPENSE	Fuel Oil	6420	
	Electricity	6450 2,896	
	Water	6451	
	Gas	6452	
	Sewer	6453	
	Total Utilities Expense	6400	2,896

Description of Account	Acct. No.	Amount	Totals
6500 OPERATING & MAINTENANCE EXPENSE	Payroll	6510	5,040
	Supplies	6515	
	Contracts	6520	
	Operating and Maintenance Rent Free Unit	6521	
	Garbage & Trash Removal	6525	
	Security Payroll/Contract (incl. taxes and benefits)	6530	
	Security Rent Free Unit	6531	
	Heating/Cooling Repairs & Maintenance	6546	
	Snow Removal	6548	
	Vehicle/Maintenance Equipment Operation & Repairs	6570	
	Misc. Operating & Maintenance Expense	6590	3,927
	Total Operating & Maintenance Expense	6500	8,967
6900	Total Service Expense	6900	0
6700 TAXES AND INSURANCE	Real Estate & Personal Property Taxes	6710	
	Payroll Taxes (Project's Share)	6711	579
	Property & Liability Insurance (Hazard)	6720	1,326
	Fidelity Bond Insurance	6721	
	Workmen's Compensation	6722	
	Health Insurance and Other Employee Benefits	6723	
	Miscellaneous Taxes, Licenses, Permits and Insurance	6790	
	Total Taxes and Insurance	6700	1,905
3220	Replacement Reserve Deposits as Required by WHEDA	3220	748
	Total Operating Expenses		15,321
	Net Operating Income (NOI)		4,574
6800 FINANCIAL EXPENSE	Interest on Mortgage Payable	6820	2,428
	Interest on Notes Payable (Long Term)	6830	
	Interest on Notes Payable (Short Term)	6840	
	Mortgage Insurance Premium/Service Charge	6850	
	Miscellaneous Financial Expense/Preservation Fee	6890	
	Total Financial Expense	6800	2,428
	Total Expenses of Operations Before Depreciation	6000	17,749
	Profit or (Loss) Before Depreciation	5060	2,146
6600	Depreciation Expense (Total)	6601	3,510
	Amortization Expense	6610	
	Operating Profit or Loss	5060	(1,364)
7100 CORPORATE OR MORTGAGOR EXPENSE	Officer's Salaries	7110	2,524
	Legal Expense	7120	
	Federal, State and Other Income Taxes	7130	
	Interest Income	7140	
	Interest on Notes Payable	7141	
	Interest on Mortgage Payable	7142	
	Other Expense	7190	
	Net Entity Expenses	7100	2,524
	NET PROFIT OR (LOSS)	3250	(3,888)
TOTAL PRINCIPAL PAYMENTS	WHEDA First Mortgage	9910	2,442
	Second Mortgage	9911	
	Other Mortgage(s)	9912	
	Reserve releases to reimburse items expensed on this schedule.	9920	
	Capital expenditures paid from project operations and expensed on this schedule.	9930	

ANNUAL SCHEDULE OF ASSETS for Multifamily Projects

Project Name: Stonebridge

Period Beginning: 1/1/12 thru: 12/31/12

Project Number: 2681

Description of Account	ID	Account	Amount	Totals
1100 CURRENT ASSETS				
Cash - Operations		1120		
Construction Cash Account		1121		
Cash - Entity		1125		
Tenant Accounts Receivable		1130		
Allowance for Doubtful Accounts (deduct)		1131		
Accounts Receivable - WHEDA _{SM}		1135		
Accounts and Notes Receivable - Operations		1140		
Accounts and Notes Receivable - Entity		1145		
Accounts Receivable - Interest		1160		
Interest Reduction Payment Receivable		1165		
Short Term Investments - Operations		1170		
Short Term Investments - Entity		1175		
Miscellaneous Current Assets		1190		
Insurance Escrow		1312		
Real Estate Tax or PILOT Escrow		1311		
TOTAL CURRENT ASSETS		1100		\$0
1191		1191		
1200 PREPAID EXPENSES		1200		
1300 FUNDED RESERVES				
Escrow Deposits		1310		
Reserve for Replacements		1320	\$2,639	
Other Reserve		1330		
Residual Receipts Reserve		1340		
Management Improvement and Operating Plan		1381		
Development Cost Escrow (DCE)		1390		
FHA Insurance Reserve		1392		
Total Funded Reserves		1300		\$2,639
1400 FIXED ASSETS				
Land		1410		
Buildings		1420	474,817	
Building Equipment (portable)		1440		
Furniture for Project/Tenant Use		1450		
Furnishings		1460		
Office Furniture and Equipment		1465		
Maintenance Equipment		1470		
Motor Vehicles		1480		
Miscellaneous Fixed Assets		1490		
Gross Fixed Assets		1400	\$474,817	
1495 ALLOWANCE ACCOUNTS				
Accumulated Depreciation		1495	\$122,558	
Total Accumulated Depreciation			\$122,558	
Net Fixed Assets		1400		\$352,259
1500 INVESTMENTS				
Investments - Operations		1510		
Investments - Entity		1515		
Intangible Assets		1520		
Miscellaneous Other Assets		1590		
TOTAL OTHER ASSETS		1500	\$0	
TOTAL ASSETS		1000		\$354,898

ANNUAL SCHEDULE OF LIABILITIES AND EQUITY for Multifamily Projects

Project Name: Stonebridge

Period Beginning: 1/1/12 thru: 12/31/12

Project Number: 2681

Description of Account	Account	Amount	Totals
2100	Bank Overdraft - Operations	2105	
CURRENT LIABILITIES	Accounts Payable-30 Days	2109	
	Accounts Payable - Operations	2110	
	Accounts Payable - Construction/Development	2111	
	Accounts Payable-Project Improvements Items	2112	
	Accounts Payable - Entity	2113	
	Accounts Payable-236 Excess Income Due HUD	2115	
	Accounts Payable-WHEDA _{SM} /HUD	2116	
	Accrued Wages Payable	2120	
	Accrued Payroll Taxes Payable	2121	
	Accrued Management Fee Payable	2123	
	Accrued Interest Payable - Section 236	2130	
	Accrued Interest Payable - First Mortgage	2131	
	Accrued Interest Payable - Second Mortgage	2132	
	Accrued Interest Payable - Other Loans & Notes(Surplus Cash)	2133	
	Accrued Interest Payable - Other Loans and Notes	2134	
	Accrued Interest Payable - Flexible Subsidy Loan	2135	
	Accrued Interest Payable - Capital Improvement Loan	2136	
	Accrued Interest Payable - Operating Loss Loan	2137	
	Accrued Real Estate & Property Tax Payable	2150	
	Short Term Notes Payable	2160	
	Mortgage Payable - First Mortgage (Short Term)	2170	
	Mortgage Payable - Second Mortgage (Short Term)	2172	
	Other Loans and Notes Payable, Surplus Cash (Short Term)	2173	
	Other Loans and Notes (Short Term)	2174	
	Flexible Subsidy Loan Payable (Short Term)	2175	
	Capital Improvement Loan Payable (Short Term)	2176	
Operating Loss Loan Payable (Short Term)	2177		
Utility Allowances	2180		
Miscellaneous Current Liabilities/Preservation Fee	2190		
Current Liabilities			\$0
2191	Tenant Security Deposits - CONTRA ASSET	2191	
2200 PREPAID REVENUES	Prepaid Revenue	2210	
TOTAL CURRENT LIABILITIES		2122	\$0
LONG-TERM LIABILITIES	Notes Payable - Long Term	2310	
	Notes Payable - Surplus Cash	2311	
	Mortgage Payable - First Mortgage	2320	108,334
	Mortgage Payable - Second Mortgage	2322	
	Other Loans and Notes Payable - Surplus Cash	2323	
	Other Loans and Notes Payable	2324	343,200
	Flexible Subsidy Loan Payable	2325	
	Capital Improvement Loan Payable	2326	
	Operating Loss Loan Payable	2327	
	Miscellaneous Long Term Liabilities	2390	
Total Long Term Liabilities		2300	\$451,534
TOTAL LIABILITIES		2000	\$451,534
3033 TOTAL EQUITY	Total Equity/Retained Earnings	3033	(\$96,636)
TOTAL LIABILITIES and EQUITY/RETAINED EARNINGS		2033	\$354,898

Wisconsin Housing and Economic Development Authority		FORM 800 (Rev.12/05)		
SCHEDULE OF PROFIT AND LOSS for Multifamily Projects				
Project Name: Stonebridge		Project Number: 2681		
Period Beginning: 1/1/12 thru: 12/31/12		Year: 2012		
Description of Account	Acct. No.	Amount	Totals	
5100 RENTAL REVENUE	Rent Revenue - Gross Potential	5120	46,370	
	Tenant Assistance Payments	5121		
	Rent Revenue - Commercial/Stores @ 100%	5140		
	Rent Revenue - Garage/Parking @ 100%	5170		
	Flexible Subsidy Revenue	5180		
	Miscellaneous Rent Revenue	5190		
	Excess Rent	5191		
	Rent Revenue/Insurance	5192		
	Special Claims Revenue	5193		
	Retained Excess Income	5194		
	Total Rent Revenue Potential	5100		46,370
5200 VACANCIES	Apartment Vacancies	5220		
	Stores/Commercial Vacancies or Concessions	5240		
	Rental Concessions	5250		
	Garage/Parking Vacancies or Concessions	5270		
	Miscellaneous	5290		
		Total Vacancies or Concessions	5200	
	Net Rental Revenue (Rent Revenue less Vacancies)	5152		46,370
5300	Total Service Income	5300		0
5400 FINANCIAL REVENUE	Financial Revenue - Project Operations	5410		
	Revenue from Investments-Residual Receipts	5430		
	Revenue from Investments-Replacement Reserve	5440	60	
	Revenue from Investments-Miscellaneous	5490		
		Total Financial Revenue	5400	
5900 MISC. REVENUE	Laundry/Vending Income (Net)	5910		
	Tenant Charges	5920		
	Miscellaneous Revenue	5990		
		Total Miscellaneous Revenue	5900	
	Total Revenue	5000		46,430
6200 RENT EXPENSE	Conventions and Meetings	6203		
	Management Consultants	6204		
	Advertising/Marketing Expense	6210		
	Other Rent Expense	6250		
		Total Rent Expense		0
6300 ADMIN. EXPENSES	Office Salaries	6310		
	Office Expenses	6311	150	
	Office or Model Apartment Rent	6312		
	Management Fee - Residential Rents	6320		
	Management Fee - Commercial Rents	6321		
	Management Fee - Miscellaneous Income	6322		
	Manager/Superintendent Salaries	6330		
	Administrative Rent-free Unit	6331		
	Legal Expense-project only	6340		
	Audit Expense-project only	6350		
	Bookkeeping Fees/Accounting Services	6351		
	Bad Debt Expense	6370		
	Miscellaneous Administrative Expense - Condo Fees	6390	13,072	
	Total Administrative Expense		13,222	
6200 + 6300	Total Rent & Administrative Expense	6263		13,222
6400 UTILITIES EXPENSE	Fuel Oil	6420		
	Electricity	6450	3,727	
	Water	6451		
	Gas	6452		
	Sewer	6453		
		Total Utilities Expense	6400	

Description of Account	Acct. No.	Amount	Totals
6500 OPERATING & MAINTENANCE EXPENSE	Payroll	6510	8,400
	Supplies	6515	
	Contracts	6520	
	Operating and Maintenance Rent Free Unit	6521	
	Garbage & Trash Removal	6525	
	Security Payroll/Contract (incl. taxes and benefits)	6530	
	Security Rent Free Unit	6531	
	Heating/Cooling Repairs & Maintenance	6546	
	Snow Removal	6548	
	Vehicle/Maintenance Equipment Operation & Repairs	6570	
	Misc. Operating & Maintenance Expense	6590	3,795
	Total Operating & Maintenance Expense	6500	12,195
6900	Total Service Expense	6900	0
6700 TAXES AND INSURANCE	Real Estate & Personal Property Taxes	6710	
	Payroll Taxes (Project's Share)	6711	964
	Property & Liability Insurance (Hazard)	6720	4,502
	Fidelity Bond Insurance	6721	
	Workmen's Compensation	6722	
	Health Insurance and Other Employee Benefits	6723	
	Miscellaneous Taxes, Licenses, Permits and Insurance	6790	
	Total Taxes and Insurance	6700	5,466
3220	Replacement Reserve Deposits as Required by WHEDA	3220	1,560
	Total Operating Expenses		36,170
	Net Operating Income (NOI)		10,260
6800 FINANCIAL EXPENSE	Interest on Mortgage Payable	6820	2,208
	Interest on Notes Payable (Long Term)	6830	
	Interest on Notes Payable (Short Term)	6840	
	Mortgage Insurance Premium/Service Charge	6850	
	Miscellaneous Financial Expense/Preservation Fee	6890	
	Total Financial Expense	6800	2,208
	Total Expenses of Operations Before Depreciation	6000	38,378
	Profit or (Loss) Before Depreciation	5060	8,052
6600	Depreciation Expense (Total)	6601	17,071
	Amortization Expense	6610	
	Operating Profit or Loss	5060	(9,019)
7100 CORPORATE OR MORTGAGOR EXPENSE	Officer's Salaries	7110	4,207
	Legal Expense	7120	
	Federal, State and Other Income Taxes	7130	
	Interest Income	7140	
	Interest on Notes Payable	7141	
	Interest on Mortgage Payable	7142	
	Other Expense	7190	
	Net Entity Expenses	7100	4,207
	NET PROFIT OR (LOSS)	3250	(13,226)
TOTAL PRINCIPAL PAYMENTS	WHEDA First Mortgage	9910	3,759
	Second Mortgage	9911	
	Other Mortgage(s)	9912	
	Reserve releases to reimburse items expensed on this schedule.	9920	
	Capital expenditures paid from project operations and expensed on this schedule.	9930	

ANNUAL SCHEDULE OF ASSETS for Multifamily Projects

Project Name: Powers

Period Beginning: 1/1/12

thru: 12/31/12

Project Number: 2606

Description of Account		ID	Account	Amount	Totals	
1100 CURRENT ASSETS	Cash - Operations		1120			
	Construction Cash Account		1121			
	Cash - Entity		1125			
	Tenant Accounts Receivable		1130			
	Allowance for Doubtful Accounts (deduct)		1131			
	Accounts Receivable - WHEDA _{SM}		1135			
	Accounts and Notes Receivable - Operations		1140			
	Accounts and Notes Receivable - Entity		1145			
	Accounts Receivable - Interest		1160			
	Interest Reduction Payment Receivable		1165			
	Short Term Investments - Operations		1170			
	Short Term Investments - Entity		1175			
	Miscellaneous Current Assets		1190			
	Insurance Escrow		1312			
	Real Estate Tax or PILOT Escrow		1311			
	TOTAL CURRENT ASSETS		1100			\$0
	1191	Tenant Security Deposits - RESTRICTED ASSET		1191		
1200 PREPAID EXPENSES	Miscellaneous Prepaid Expenses		1200			
1300 FUNDED RESERVES	Escrow Deposits		1310			
	Reserve for Replacements		1320	\$5,183		
	Other Reserve		1330			
	Residual Receipts Reserve		1340			
	Management Improvement and Operating Plan		1381			
	Development Cost Escrow (DCE)		1390			
	FHA Insurance Reserve		1392			
	Total Funded Reserves		1300			\$5,183
1400 FIXED ASSETS	Land		1410	\$44,189		
	Buildings		1420	151,638		
	Building Equipment (portable)		1440			
	Furniture for Project/Tenant Use		1450			
	Furnishings		1460			
	Office Furniture and Equipment		1465			
	Maintenance Equipment		1470			
	Motor Vehicles		1480			
	Miscellaneous Fixed Assets		1490			
	Gross Fixed Assets		1400		\$195,827	
1495 ALLOWANCE ACCOUNTS	Accumulated Depreciation		1495	\$61,550		
	Total Accumulated Depreciation			\$61,550		
	Net Fixed Assets		1400		\$134,277	
1500 INVESTMENTS	Investments - Operations		1510			
	Investments - Entity		1515			
	Intangible Assets		1520			
	Miscellaneous Other Assets		1590			
TOTAL OTHER ASSETS		1500		\$0		
TOTAL ASSETS		1000			\$139,460	

ANNUAL SCHEDULE OF LIABILITIES AND EQUITY for Multifamily Projects

Project Name: Powers

Period Beginning: 1/1/12 thru: 12/31/12

Project Number: 2606

Description of Account	Account	Amount	Totals
2100	Bank Overdraft - Operations	2105	
CURRENT LIABILITIES	Accounts Payable-30 Days	2109	
	Accounts Payable - Operations	2110	
	Accounts Payable - Construction/Development	2111	
	Accounts Payable-Project Improvements Items	2112	
	Accounts Payable - Entity	2113	
	Accounts Payable-236 Excess Income Due HUD	2115	
	Accounts Payable-WHEDA _{SM} /HUD	2116	
	Accrued Wages Payable	2120	
	Accrued Payroll Taxes Payable	2121	
	Accrued Management Fee Payable	2123	
	Accrued Interest Payable - Section 236	2130	
	Accrued Interest Payable - First Mortgage	2131	
	Accrued Interest Payable - Second Mortgage	2132	
	Accrued Interest Payable - Other Loans & Notes(Surplus Cash)	2133	
	Accrued Interest Payable - Other Loans and Notes	2134	
	Accrued Interest Payable - Flexible Subsidy Loan	2135	
	Accrued Interest Payable - Capital Improvement Loan	2136	
	Accrued Interest Payable - Operating Loss Loan	2137	
	Accrued Real Estate & Property Tax Payable	2150	
	Short Term Notes Payable	2160	
	Mortgage Payable - First Mortgage (Short Term)	2170	
	Mortgage Payable - Second Mortgage (Short Term)	2172	
	Other Loans and Notes Payable, Surplus Cash (Short Term)	2173	
	Other Loans and Notes (Short Term)	2174	
	Flexible Subsidy Loan Payable (Short Term)	2175	
	Capital Improvement Loan Payable (Short Term)	2176	
Operating Loss Loan Payable (Short Term)	2177		
Utility Allowances	2180		
Miscellaneous Current Liabilities/Preservation Fee	2190		
	Current Liabilities		\$0
2191	Tenant Security Deposits - CONTRA ASSET	2191	
2200 PREPAID REVENUES	Prepaid Revenue	2210	
	TOTAL CURRENT LIABILITIES	2122	\$0
LONG-TERM LIABILITIES	Notes Payable - Long Term	2310	
	Notes Payable - Surplus Cash	2311	
	Mortgage Payable - First Mortgage	2320	59,845
	Mortgage Payable - Second Mortgage	2322	
	Other Loans and Notes Payable - Surplus Cash	2323	
	Other Loans and Notes Payable	2324	124,000
	Flexible Subsidy Loan Payable	2325	
	Capital Improvement Loan Payable	2326	
	Operating Loss Loan Payable	2327	
	Miscellaneous Long Term Liabilities	2390	
	Total Long Term Liabilities	2300	\$183,845
	TOTAL LIABILITIES	2000	\$183,845
3033 TOTAL EQUITY	Total Equity/Retained Earnings	3033	(\$44,385)
	TOTAL LIABILITIES and EQUITY/RETAINED EARNINGS	2033	\$139,460

SCHEDULE OF PROFIT AND LOSS for Multifamily Projects**Project Name: Powers****Project Number: 2606****Period Beginning:** 1/1/12 thru: 12/31/12**Year:** 2012

Description of Account		Acct. No.	Amount	Totals
5100 RENTAL REVENUE	Rent Revenue - Gross Potential	5120	32,061	
	Tenant Assistance Payments	5121		
	Rent Revenue - Commercial/Stores @ 100%	5140		
	Rent Revenue - Garage/Parking @ 100%	5170		
	Flexible Subsidy Revenue	5180		
	Miscellaneous Rent Revenue	5190		
	Excess Rent	5191		
	Rent Revenue/Insurance	5192		
	Special Claims Revenue	5193		
	Retained Excess Income	5194		
	Total Rent Revenue Potential	5100		32,061
5200 VACANCIES	Apartment Vacancies	5220		
	Stores/Commercial Vacancies or Concessions	5240		
	Rental Concessions	5250		
	Garage/Parking Vacancies or Concessions	5270		
	Miscellaneous	5290		
		Total Vacancies or Concessions	5200	
	Net Rental Revenue (Rent Revenue less Vacancies)	5152		32,061
5300	Total Service Income	5300		0
5400 FINANCIAL REVENUE	Financial Revenue - Project Operations	5410		
	Revenue from Investments-Residual Receipts	5430		
	Revenue from Investments-Replacement Reserve	5440	43	
	Revenue from Investments-Miscellaneous	5490		
	Total Financial Revenue	5400		43
5900 MISC. REVENUE	Laundry/Vending Income (Net)	5910		
	Tenant Charges	5920		
	Miscellaneous Revenue	5990		
	Total Miscellaneous Revenue	5900		0
	Total Revenue	5000		32,104
6200 RENT EXPENSE	Conventions and Meetings	6203		
	Management Consultants	6204		
	Advertising/Marketing Expense	6210		
	Other Rent Expense	6250		
	Total Rent Expense		0	
6300 ADMIN. EXPENSES	Office Salaries	6310		
	Office Expenses	6311	1,535	
	Office or Model Apartment Rent	6312		
	Management Fee - Residential Rents	6320		
	Management Fee - Commercial Rents	6321		
	Management Fee - Miscellaneous Income	6322		
	Manager/Superintendent Salaries	6330		
	Administrative Rent-free Unit	6331		
	Legal Expense-project only	6340		
	Audit Expense-project only	6350		
	Bookkeeping Fees/Accounting Services	6351		
	Bad Debt Expense	6370		
	Miscellaneous Administrative Expense	6390		
	Total Administrative Expense		1,535	
6200 + 6300	Total Rent & Administrative Expense	6263		1,535
6400 UTILITIES EXPENSE	Fuel Oil	6420		
	Electricity	6450	4,384	
	Water	6451		
	Gas	6452		
	Sewer	6453		
	Total Utilities Expense	6400		4,384

Description of Account	Acct. No.	Amount	Totals
6500 OPERATING & MAINTENANCE EXPENSE	Payroll	6510	5,040
	Supplies	6515	
	Contracts	6520	
	Operating and Maintenance Rent Free Unit	6521	
	Garbage & Trash Removal	6525	
	Security Payroll/Contract (incl. taxes and benefits)	6530	
	Security Rent Free Unit	6531	
	Heating/Cooling Repairs & Maintenance	6546	
	Snow Removal	6548	
	Vehicle/Maintenance Equipment Operation & Repairs	6570	
	Misc. Operating & Maintenance Expense	6590	3,710
	Total Operating & Maintenance Expense	6500	8,750
6900	Total Service Expense	6900	0
6700 TAXES AND INSURANCE	Real Estate & Personal Property Taxes	6710	
	Payroll Taxes (Project's Share)	6711	579
	Property & Liability Insurance (Hazard)	6720	1,092
	Fidelity Bond Insurance	6721	
	Workmen's Compensation	6722	
	Health Insurance and Other Employee Benefits	6723	
	Miscellaneous Taxes, Licenses, Permits and Insurance	6790	
	Total Taxes and Insurance	6700	1,671
3220	Replacement Reserve Deposits as Required by WHEDA	3220	843
	Total Operating Expenses		17,183
	Net Operating Income (NOI)		14,921
6800 FINANCIAL EXPENSE	Interest on Mortgage Payable	6820	2,441
	Interest on Notes Payable (Long Term)	6830	
	Interest on Notes Payable (Short Term)	6840	
	Mortgage Insurance Premium/Service Charge	6850	
	Miscellaneous Financial Expense/Preservation Fee	6890	
	Total Financial Expense	6800	2,441
	Total Expenses of Operations Before Depreciation	6000	19,624
	Profit or (Loss) Before Depreciation	5060	12,480
6600	Depreciation Expense (Total)	6601	5,113
	Amortization Expense	6610	
	Operating Profit or Loss	5060	7,367
7100 CORPORATE OR MORTGAGOR EXPENSE	Officer's Salaries	7110	2,524
	Legal Expense	7120	
	Federal, State and Other Income Taxes	7130	
	Interest Income	7140	
	Interest on Notes Payable	7141	
	Interest on Mortgage Payable	7142	
	Other Expense	7190	
	Net Entity Expenses	7100	2,524
	NET PROFIT OR (LOSS)	3250	4,843
TOTAL PRINCIPAL PAYMENTS	WHEDA First Mortgage	9910	2,143
	Second Mortgage	9911	
	Other Mortgage(s)	9912	
	Reserve releases to reimburse items expensed on this schedule.	9920	
	Capital expenditures paid from project operations and expensed on this schedule.	9930	

ANNUAL SCHEDULE OF ASSETS for Multifamily Projects

Project Name: Helene

Period Beginning: 1/1/12 thru: 12/31/12

Project Number: 1780

Description of Account	ID	Account	Amount	Totals
1100 CURRENT ASSETS				
Cash - Operations		1120		
Construction Cash Account		1121		
Cash - Entity		1125		
Tenant Accounts Receivable		1130		
Allowance for Doubtful Accounts (deduct)		1131		
Accounts Receivable - WHEDA _{SM}		1135		
Accounts and Notes Receivable - Operations		1140		
Accounts and Notes Receivable - Entity		1145		
Accounts Receivable - Interest		1160		
Interest Reduction Payment Receivable		1165		
Short Term Investments - Operations		1170		
Short Term Investments - Entity		1175		
Miscellaneous Current Assets		1190		
Insurance Escrow		1312		
Real Estate Tax or PILOT Escrow		1311		
TOTAL CURRENT ASSETS		1100		\$0
1191		1191		
Tenant Security Deposits - RESTRICTED ASSET				
1200 PREPAID EXPENSES		1200		
Miscellaneous Prepaid Expenses				
1300 FUNDED RESERVES				
Escrow Deposits		1310		
Reserve for Replacements		1320	\$2,650	
Other Reserve		1330		
Residual Receipts Reserve		1340		
Management Improvement and Operating Plan		1381		
Development Cost Escrow (DCE)		1390		
FHA Insurance Reserve		1392		
Total Funded Reserves		1300		\$2,650
1400 FIXED ASSETS				
Land		1410	\$57,812	
Buildings		1420	210,940	
Building Equipment (portable)		1440		
Furniture for Project/Tenant Use		1450		
Furnishings		1460		
Office Furniture and Equipment		1465		
Maintenance Equipment		1470		
Motor Vehicles		1480		
Miscellaneous Fixed Assets		1490		
Gross Fixed Assets		1400	\$268,752	
1495 ALLOWANCE ACCOUNTS				
Accumulated Depreciation		1495	\$80,503	
Total Accumulated Depreciation			\$80,503	
Net Fixed Assets		1400		\$188,249
1500 INVESTMENTS				
Investments - Operations		1510		
Investments - Entity		1515		
Intangible Assets		1520		
Miscellaneous Other Assets		1590		
TOTAL OTHER ASSETS		1500	\$0	
TOTAL ASSETS		1000		\$190,899

ANNUAL SCHEDULE OF LIABILITIES AND EQUITY for Multifamily Projects

Project Name: Helene

Period Beginning: 1/1/12 thru: 12/31/12

Project Number: 1780

Description of Account	Account	Amount	Totals
2100 CURRENT LIABILITIES	Bank Overdraft - Operations	2105	
	Accounts Payable-30 Days	2109	
	Accounts Payable - Operations	2110	
	Accounts Payable - Construction/Development	2111	
	Accounts Payable-Project Improvements Items	2112	
	Accounts Payable - Entity	2113	
	Accounts Payable-236 Excess Income Due HUD	2115	
	Accounts Payable-WHEDA _{SM} /HUD	2116	
	Accrued Wages Payable	2120	
	Accrued Payroll Taxes Payable	2121	
	Accrued Management Fee Payable	2123	
	Accrued Interest Payable - Section 236	2130	
	Accrued Interest Payable - First Mortgage	2131	
	Accrued Interest Payable - Second Mortgage	2132	
	Accrued Interest Payable - Other Loans & Notes(Surplus Cash)	2133	
	Accrued Interest Payable - Other Loans and Notes	2134	
	Accrued Interest Payable - Flexible Subsidy Loan	2135	
	Accrued Interest Payable - Capital Improvement Loan	2136	
	Accrued Interest Payable - Operating Loss Loan	2137	
	Accrued Real Estate & Property Tax Payable	2150	
	Short Term Notes Payable	2160	
	Mortgage Payable - First Mortgage (Short Term)	2170	
	Mortgage Payable - Second Mortgage (Short Term)	2172	
	Other Loans and Notes Payable, Surplus Cash (Short Term)	2173	
	Other Loans and Notes (Short Term)	2174	
	Flexible Subsidy Loan Payable (Short Term)	2175	
	Capital Improvement Loan Payable (Short Term)	2176	
	Operating Loss Loan Payable (Short Term)	2177	
	Utility Allowances	2180	
	Miscellaneous Current Liabilities/Preservation Fee	2190	
	Current Liabilities		\$0
2191	Tenant Security Deposits - CONTRA ASSET	2191	
2200 PREPAID REVENUES	Prepaid Revenue	2210	
	TOTAL CURRENT LIABILITIES	2122	\$0
2300 LONG-TERM LIABILITIES	Notes Payable - Long Term	2310	
	Notes Payable - Surplus Cash	2311	
	Mortgage Payable - First Mortgage	2320	53,643
	Mortgage Payable - Second Mortgage	2322	
	Other Loans and Notes Payable - Surplus Cash	2323	
	Other Loans and Notes Payable	2324	140,000
	Flexible Subsidy Loan Payable	2325	
	Capital Improvement Loan Payable	2326	
	Operating Loss Loan Payable	2327	
	Miscellaneous Long Term Liabilities	2390	
	Total Long Term Liabilities	2300	\$193,643
	TOTAL LIABILITIES	2000	\$193,643
3033 TOTAL EQUITY	Total Equity/Retained Earnings	3033	(\$2,744)
	TOTAL LIABILITIES and EQUITY/RETAINED EARNINGS	2033	\$190,899

SCHEDULE OF PROFIT AND LOSS for Multifamily Projects**Project Name: Helene****Project Number: 1780****Period Beginning:** 1/1/12 thru: 12/31/12**Year:** 2012

Description of Account	Acct. No.	Amount	Totals
5100 RENTAL REVENUE	Rent Revenue - Gross Potential	5120 34,563	
	Tenant Assistance Payments	5121	
	Rent Revenue - Commercial/Stores @ 100%	5140	
	Rent Revenue - Garage/Parking @ 100%	5170	
	Flexible Subsidy Revenue	5180	
	Miscellaneous Rent Revenue	5190	
	Excess Rent	5191	
	Rent Revenue/Insurance	5192	
	Special Claims Revenue	5193	
	Retained Excess Income	5194	
	Total Rent Revenue Potential	5100	34,563
5200 VACANCIES	Apartment Vacancies	5220	
	Stores/Commercial Vacancies or Concessions	5240	
	Rental Concessions	5250	
	Garage/Parking Vacancies or Concessions	5270	
	Miscellaneous	5290	
	Total Vacancies or Concessions	5200	0
	Net Rental Revenue (Rent Revenue less Vacancies)	5152	34,563
5300	Total Service Income	5300	0
5400 FINANCIAL REVENUE	Financial Revenue - Project Operations	5410	
	Revenue from Investments-Residual Receipts	5430	
	Revenue from Investments-Replacement Reserve	5440 48	
	Revenue from Investments-Miscellaneous	5490	
	Total Financial Revenue	5400	48
5900 MISC. REVENUE	Laundry/Vending Income (Net)	5910	
	Tenant Charges	5920	
	Miscellaneous Revenue	5990	
	Total Miscellaneous Revenue	5900	0
	Total Revenue	5000	34,611
6200 RENT EXPENSE	Conventions and Meetings	6203	
	Management Consultants	6204	
	Advertising/Marketing Expense	6210	
	Other Rent Expense	6250	
	Total Rent Expense		0
6300 ADMIN. EXPENSES	Office Salaries	6310	
	Office Expenses	6311 1,825	
	Office or Model Apartment Rent	6312	
	Management Fee - Residential Rents	6320	
	Management Fee - Commercial Rents	6321	
	Management Fee - Miscellaneous Income	6322	
	Manager/Superintendent Salaries	6330	
	Administrative Rent-free Unit	6331	
	Legal Expense-project only	6340	
	Audit Expense-project only	6350	
	Bookkeeping Fees/Accounting Services	6351	
	Bad Debt Expense	6370	
	Miscellaneous Administrative Expense	6390	
	Total Administrative Expense		1,825
6200 + 6300	Total Rent & Administrative Expense	6263	1,825
6400 UTILITIES EXPENSE	Fuel Oil	6420	
	Electricity	6450 6,354	
	Water	6451	
	Gas	6452	
	Sewer	6453	
	Total Utilities Expense	6400	6,354

Description of Account	Acct. No.	Amount	Totals
6500 OPERATING & MAINTENANCE EXPENSE	Payroll	6510	6,720
	Supplies	6515	
	Contracts	6520	
	Operating and Maintenance Rent Free Unit	6521	
	Garbage & Trash Removal	6525	
	Security Payroll/Contract (incl. taxes and benefits)	6530	
	Security Rent Free Unit	6531	
	Heating/Cooling Repairs & Maintenance	6546	
	Snow Removal	6548	
	Vehicle/Maintenance Equipment Operation & Repairs	6570	
	Misc. Operating & Maintenance Expense	6590	7,135
	Total Operating & Maintenance Expense	6500	13,855
6900	Total Service Expense	6900	0
6700 TAXES AND INSURANCE	Real Estate & Personal Property Taxes	6710	
	Payroll Taxes (Project's Share)	6711	772
	Property & Liability Insurance (Hazard)	6720	1,266
	Fidelity Bond Insurance	6721	
	Workmen's Compensation	6722	
	Health Insurance and Other Employee Benefits	6723	
	Miscellaneous Taxes, Licenses, Permits and Insurance	6790	
	Total Taxes and Insurance	6700	2,038
3220	Replacement Reserve Deposits as Required by WHEDA	3220	1,248
	Total Operating Expenses		25,320
	Net Operating Income (NOI)		9,291
6800 FINANCIAL EXPENSE	Interest on Mortgage Payable	6820	2,190
	Interest on Notes Payable (Long Term)	6830	
	Interest on Notes Payable (Short Term)	6840	
	Mortgage Insurance Premium/Service Charge	6850	
	Miscellaneous Financial Expense/Preservation Fee	6890	
	Total Financial Expense	6800	2,190
	Total Expenses of Operations Before Depreciation	6000	27,510
	Profit or (Loss) Before Depreciation	5060	7,101
6600	Depreciation Expense (Total)	6601	7,048
	Amortization Expense	6610	
	Operating Profit or Loss	5060	53
7100 CORPORATE OR MORTGAGOR EXPENSE	Officer's Salaries	7110	3,366
	Legal Expense	7120	
	Federal, State and Other Income Taxes	7130	
	Interest Income	7140	
	Interest on Notes Payable	7141	
	Interest on Mortgage Payable	7142	
	Other Expense	7190	
	Net Entity Expenses	7100	3,366
	NET PROFIT OR (LOSS)	3250	(3,313)
TOTAL PRINCIPAL PAYMENTS	WHEDA First Mortgage	9910	2,049
	Second Mortgage	9911	
	Other Mortgage(s)	9912	
	Reserve releases to reimburse items expensed on this schedule.	9920	
	Capital expenditures paid from project operations and expensed on this schedule.	9930	

ANNUAL SCHEDULE OF ASSETS for Multifamily Projects

Project Name: Fairmont

Period Beginning: 1/1/12

thru: 12/31/12

Project Number: 1724

Description of Account		ID	Account	Amount	Totals	
1100 CURRENT ASSETS	Cash - Operations		1120			
	Construction Cash Account		1121			
	Cash - Entity		1125			
	Tenant Accounts Receivable		1130			
	Allowance for Doubtful Accounts (deduct)		1131			
	Accounts Receivable - WHEDA _{SM}		1135			
	Accounts and Notes Receivable - Operations		1140			
	Accounts and Notes Receivable - Entity		1145			
	Accounts Receivable - Interest		1160			
	Interest Reduction Payment Receivable		1165			
	Short Term Investments - Operations		1170			
	Short Term Investments - Entity		1175			
	Miscellaneous Current Assets		1190			
	Insurance Escrow		1312			
	Real Estate Tax or PILOT Escrow		1311			
	TOTAL CURRENT ASSETS		1100			\$0
	1191	Tenant Security Deposits - RESTRICTED ASSET		1191		
1200 PREPAID EXPENSES	Miscellaneous Prepaid Expenses		1200			
1300 FUNDED RESERVES	Escrow Deposits		1310			
	Reserve for Replacements		1320	\$4,910		
	Other Reserve		1330			
	Residual Receipts Reserve		1340			
	Management Improvement and Operating Plan		1381			
	Development Cost Escrow (DCE)		1390			
	FHA Insurance Reserve		1392			
	Total Funded Reserves		1300			\$4,910
1400 FIXED ASSETS	Land		1410	\$40,766		
	Buildings		1420	210,699		
	Building Equipment (portable)		1440			
	Furniture for Project/Tenant Use		1450			
	Furnishings		1460			
	Office Furniture and Equipment		1465			
	Maintenance Equipment		1470			
	Motor Vehicles		1480			
	Miscellaneous Fixed Assets		1490			
	Gross Fixed Assets		1400		\$251,465	
1495 ALLOWANCE ACCOUNTS	Accumulated Depreciation		1495	\$114,372		
	Total Accumulated Depreciation			\$114,372		
	Net Fixed Assets		1400		\$137,093	
1500 INVESTMENTS	Investments - Operations		1510			
	Investments - Entity		1515			
	Intangible Assets		1520			
	Miscellaneous Other Assets		1590			
TOTAL OTHER ASSETS		1500		\$0		
TOTAL ASSETS		1000			\$142,003	

ANNUAL SCHEDULE OF LIABILITIES AND EQUITY for Multifamily Projects

Project Name: Fairmont

Period Beginning: 1/1/12 thru: 12/31/12

Project Number: 1724

Description of Account	Account	Amount	Totals
2100	Bank Overdraft - Operations	2105	
CURRENT LIABILITIES	Accounts Payable-30 Days	2109	
	Accounts Payable - Operations	2110	
	Accounts Payable - Construction/Development	2111	
	Accounts Payable-Project Improvements Items	2112	
	Accounts Payable - Entity	2113	
	Accounts Payable-236 Excess Income Due HUD	2115	
	Accounts Payable-WHEDA _{SM} /HUD	2116	
	Accrued Wages Payable	2120	
	Accrued Payroll Taxes Payable	2121	
	Accrued Management Fee Payable	2123	
	Accrued Interest Payable - Section 236	2130	
	Accrued Interest Payable - First Mortgage	2131	
	Accrued Interest Payable - Second Mortgage	2132	
	Accrued Interest Payable - Other Loans & Notes(Surplus Cash)	2133	
	Accrued Interest Payable - Other Loans and Notes	2134	
	Accrued Interest Payable - Flexible Subsidy Loan	2135	
	Accrued Interest Payable - Capital Improvement Loan	2136	
	Accrued Interest Payable - Operating Loss Loan	2137	
	Accrued Real Estate & Property Tax Payable	2150	
	Short Term Notes Payable	2160	
	Mortgage Payable - First Mortgage (Short Term)	2170	
	Mortgage Payable - Second Mortgage (Short Term)	2172	
	Other Loans and Notes Payable, Surplus Cash (Short Term)	2173	
	Other Loans and Notes (Short Term)	2174	
	Flexible Subsidy Loan Payable (Short Term)	2175	
	Capital Improvement Loan Payable (Short Term)	2176	
Operating Loss Loan Payable (Short Term)	2177		
Utility Allowances	2180		
Miscellaneous Current Liabilities/Preservation Fee	2190		
Current Liabilities			\$0
2191	Tenant Security Deposits - CONTRA ASSET	2191	
2200 PREPAID REVENUES	Prepaid Revenue	2210	
TOTAL CURRENT LIABILITIES		2122	\$0
LONG-TERM LIABILITIES	Notes Payable - Long Term	2310	
	Notes Payable - Surplus Cash	2311	
	Mortgage Payable - First Mortgage	2320	27,445
	Mortgage Payable - Second Mortgage	2322	
	Other Loans and Notes Payable - Surplus Cash	2323	
	Other Loans and Notes Payable	2324	163,870
	Flexible Subsidy Loan Payable	2325	
	Capital Improvement Loan Payable	2326	
	Operating Loss Loan Payable	2327	
	Miscellaneous Long Term Liabilities	2390	
Total Long Term Liabilities		2300	\$191,315
TOTAL LIABILITIES		2000	\$191,315
3033 TOTAL EQUITY	Total Equity/Retained Earnings	3033	(\$49,312)
TOTAL LIABILITIES and EQUITY/RETAINED EARNINGS		2033	\$142,003

SCHEDULE OF PROFIT AND LOSS for Multifamily Projects

Project Name: Fairmont

Project Number: 1724

Period Beginning: 1/1/12 thru: 12/31/12

Year: 2012

Description of Account		Acct. No.	Amount	Totals
5100 RENTAL REVENUE	Rent Revenue - Gross Potential	5120	17,333	
	Tenant Assistance Payments	5121		
	Rent Revenue - Commercial/Stores @ 100%	5140		
	Rent Revenue - Garage/Parking @ 100%	5170		
	Flexible Subsidy Revenue	5180		
	Miscellaneous Rent Revenue	5190		
	Excess Rent	5191		
	Rent Revenue/Insurance	5192		
	Special Claims Revenue	5193		
	Retained Excess Income	5194		
	Total Rent Revenue Potential	5100		17,333
5200 VACANCIES	Apartment Vacancies	5220		
	Stores/Commercial Vacancies or Concessions	5240		
	Rental Concessions	5250		
	Garage/Parking Vacancies or Concessions	5270		
	Miscellaneous	5290		
		Total Vacancies or Concessions	5200	
	Net Rental Revenue (Rent Revenue less Vacancies)	5152		17,333
5300	Total Service Income	5300		0
5400 FINANCIAL REVENUE	Financial Revenue - Project Operations	5410		
	Revenue from Investments-Residual Receipts	5430		
	Revenue from Investments-Replacement Reserve	5440	40	
	Revenue from Investments-Miscellaneous	5490		
		Total Financial Revenue	5400	
5900 MISC. REVENUE	Laundry/Vending Income (Net)	5910		
	Tenant Charges	5920		
	Miscellaneous Revenue	5990		
		Total Miscellaneous Revenue	5900	
	Total Revenue	5000		17,373
6200 RENT EXPENSE	Conventions and Meetings	6203		
	Management Consultants	6204		
	Advertising/Marketing Expense	6210		
	Other Rent Expense	6250		
		Total Rent Expense		0
6300 ADMIN. EXPENSES	Office Salaries	6310		
	Office Expenses	6311	644	
	Office or Model Apartment Rent	6312		
	Management Fee - Residential Rents	6320		
	Management Fee - Commercial Rents	6321		
	Management Fee - Miscellaneous Income	6322		
	Manager/Superintendent Salaries	6330		
	Administrative Rent-free Unit	6331		
	Legal Expense-project only	6340		
	Audit Expense-project only	6350		
	Bookkeeping Fees/Accounting Services	6351		
	Bad Debt Expense	6370		
	Miscellaneous Administrative Expense	6390	0	
	Total Administrative Expense		644	
6200 + 6300	Total Rent & Administrative Expense	6263		644
6400 UTILITIES EXPENSE	Fuel Oil	6420		
	Electricity	6450	3,091	
	Water	6451		
	Gas	6452		
	Sewer	6453		
		Total Utilities Expense	6400	

Description of Account	Acct. No.	Amount	Totals
6500 OPERATING & MAINTENANCE EXPENSE	Payroll	6510	3,360
	Supplies	6515	
	Contracts	6520	
	Operating and Maintenance Rent Free Unit	6521	
	Garbage & Trash Removal	6525	
	Security Payroll/Contract (incl. taxes and benefits)	6530	
	Security Rent Free Unit	6531	
	Heating/Cooling Repairs & Maintenance	6546	
	Snow Removal	6548	
	Vehicle/Maintenance Equipment Operation & Repairs	6570	
	Misc. Operating & Maintenance Expense	6590	1,694
	Total Operating & Maintenance Expense	6500	5,054
6900	Total Service Expense	6900	0
6700 TAXES AND INSURANCE	Real Estate & Personal Property Taxes	6710	
	Payroll Taxes (Project's Share)	6711	386
	Property & Liability Insurance (Hazard)	6720	983
	Fidelity Bond Insurance	6721	
	Workmen's Compensation	6722	
	Health Insurance and Other Employee Benefits	6723	
	Miscellaneous Taxes, Licenses, Permits and Insurance	6790	
	Total Taxes and Insurance	6700	1,369
3220	Replacement Reserve Deposits as Required by WHEDA	3220	840
	Total Operating Expenses		10,998
	Net Operating Income (NOI)		6,375
6800 FINANCIAL EXPENSE	Interest on Mortgage Payable	6820	1,183
	Interest on Notes Payable (Long Term)	6830	
	Interest on Notes Payable (Short Term)	6840	
	Mortgage Insurance Premium/Service Charge	6850	
	Miscellaneous Financial Expense/Preservation Fee	6890	
	Total Financial Expense	6800	1,183
	Total Expenses of Operations Before Depreciation	6000	12,181
	Profit or (Loss) Before Depreciation	5060	5,192
6600	Depreciation Expense (Total)	6601	3,524
	Amortization Expense	6610	
	Operating Profit or Loss	5060	1,668
7100 CORPORATE OR MORTGAGOR EXPENSE	Officer's Salaries	7110	1,683
	Legal Expense	7120	
	Federal, State and Other Income Taxes	7130	
	Interest Income	7140	
	Interest on Notes Payable	7141	
	Interest on Mortgage Payable	7142	
	Other Expense	7190	
	Net Entity Expenses	7100	1,683
	NET PROFIT OR (LOSS)	3250	(15)
TOTAL PRINCIPAL PAYMENTS	WHEDA First Mortgage	9910	3,907
	Second Mortgage	9911	
	Other Mortgage(s)	9912	
	Reserve releases to reimburse items expensed on this schedule.	9920	
	Capital expenditures paid from project operations and expensed on this schedule.	9930	

ANNUAL SCHEDULE OF ASSETS for Multifamily Projects

Project Name: Brandie

Period Beginning: 1/1/12

thru: 12/31/12

Project Number: 1732

Description of Account		ID	Account	Amount	Totals	
1100 CURRENT ASSETS	Cash - Operations		1120			
	Construction Cash Account		1121			
	Cash - Entity		1125			
	Tenant Accounts Receivable		1130			
	Allowance for Doubtful Accounts (deduct)		1131			
	Accounts Receivable - WHEDA _{SM}		1135			
	Accounts and Notes Receivable - Operations		1140			
	Accounts and Notes Receivable - Entity		1145			
	Accounts Receivable - Interest		1160			
	Interest Reduction Payment Receivable		1165			
	Short Term Investments - Operations		1170			
	Short Term Investments - Entity		1175			
	Miscellaneous Current Assets		1190			
	Insurance Escrow		1312			
	Real Estate Tax or PILOT Escrow		1311			
	TOTAL CURRENT ASSETS		1100			\$0
	1191	Tenant Security Deposits - RESTRICTED ASSET		1191		
1200 PREPAID EXPENSES	Miscellaneous Prepaid Expenses		1200			
1300 FUNDED RESERVES	Escrow Deposits		1310			
	Reserve for Replacements		1320	\$5,362		
	Other Reserve		1330			
	Residual Receipts Reserve		1340			
	Management Improvement and Operating Plan		1381			
	Development Cost Escrow (DCE)		1390			
	FHA Insurance Reserve		1392			
	Total Funded Reserves		1300			\$5,362
1400 FIXED ASSETS	Land		1410	\$23,346		
	Buildings		1420	108,512		
	Building Equipment (portable)		1440			
	Furniture for Project/Tenant Use		1450			
	Furnishings		1460			
	Office Furniture and Equipment		1465			
	Maintenance Equipment		1470			
	Motor Vehicles		1480			
	Miscellaneous Fixed Assets		1490			
	Gross Fixed Assets		1400		\$131,858	
1495 ALLOWANCE ACCOUNTS	Accumulated Depreciation		1495	\$58,847		
	Total Accumulated Depreciation			\$58,847		
	Net Fixed Assets		1400			\$73,011
1500 INVESTMENTS	Investments - Operations		1510			
	Investments - Entity		1515			
	Intangible Assets		1520			
	Miscellaneous Other Assets		1590			
TOTAL OTHER ASSETS		1500		\$0		
TOTAL ASSETS		1000			\$78,373	

ANNUAL SCHEDULE OF LIABILITIES AND EQUITY for Multifamily Projects

Project Name: Brandie

Period Beginning: 1/1/12 thru: 12/31/12

Project Number: 1732

Description of Account	Account	Amount	Totals
2100 CURRENT LIABILITIES	Bank Overdraft - Operations	2105	
	Accounts Payable-30 Days	2109	
	Accounts Payable - Operations	2110	
	Accounts Payable - Construction/Development	2111	
	Accounts Payable-Project Improvements Items	2112	
	Accounts Payable - Entity	2113	
	Accounts Payable-236 Excess Income Due HUD	2115	
	Accounts Payable-WHEDA _{SM} /HUD	2116	
	Accrued Wages Payable	2120	
	Accrued Payroll Taxes Payable	2121	
	Accrued Management Fee Payable	2123	
	Accrued Interest Payable - Section 236	2130	
	Accrued Interest Payable - First Mortgage	2131	
	Accrued Interest Payable - Second Mortgage	2132	
	Accrued Interest Payable - Other Loans & Notes(Surplus Cash)	2133	
	Accrued Interest Payable - Other Loans and Notes	2134	
	Accrued Interest Payable - Flexible Subsidy Loan	2135	
	Accrued Interest Payable - Capital Improvement Loan	2136	
	Accrued Interest Payable - Operating Loss Loan	2137	
	Accrued Real Estate & Property Tax Payable	2150	
	Short Term Notes Payable	2160	
	Mortgage Payable - First Mortgage (Short Term)	2170	
	Mortgage Payable - Second Mortgage (Short Term)	2172	
	Other Loans and Notes Payable, Surplus Cash (Short Term)	2173	
	Other Loans and Notes (Short Term)	2174	
	Flexible Subsidy Loan Payable (Short Term)	2175	
	Capital Improvement Loan Payable (Short Term)	2176	
	Operating Loss Loan Payable (Short Term)	2177	
	Utility Allowances	2180	
	Miscellaneous Current Liabilities/Preservation Fee	2190	
	Current Liabilities		\$0
2191	Tenant Security Deposits - CONTRA ASSET	2191	
2200 PREPAID REVENUES	Prepaid Revenue	2210	
	TOTAL CURRENT LIABILITIES	2122	\$0
2300 LONG-TERM LIABILITIES	Notes Payable - Long Term	2310	
	Notes Payable - Surplus Cash	2311	
	Mortgage Payable - First Mortgage	2320	19,602
	Mortgage Payable - Second Mortgage	2322	
	Other Loans and Notes Payable - Surplus Cash	2323	
	Other Loans and Notes Payable	2324	70,000
	Flexible Subsidy Loan Payable	2325	
	Capital Improvement Loan Payable	2326	
	Operating Loss Loan Payable	2327	
	Miscellaneous Long Term Liabilities	2390	
	Total Long Term Liabilities	2300	\$89,602
	TOTAL LIABILITIES	2000	\$89,602
3033 TOTAL EQUITY	Total Equity/Retained Earnings	3033	(\$11,229)
	TOTAL LIABILITIES and EQUITY/RETAINED EARNINGS	2033	\$78,373

SCHEDULE OF PROFIT AND LOSS for Multifamily Projects

Project Name: Brandie

Project Number: 1732

Period Beginning: 1/1/12 thru: 12/31/12

Year: 2012

Description of Account		Acct. No.	Amount	Totals
5100 RENTAL REVENUE	Rent Revenue - Gross Potential	5120	23,674	
	Tenant Assistance Payments	5121		
	Rent Revenue - Commercial/Stores @ 100%	5140		
	Rent Revenue - Garage/Parking @ 100%	5170		
	Flexible Subsidy Revenue	5180		
	Miscellaneous Rent Revenue	5190		
	Excess Rent	5191		
	Rent Revenue/Insurance	5192		
	Special Claims Revenue	5193		
	Retained Excess Income	5194		
	Total Rent Revenue Potential	5100		23,674
5200 VACANCIES	Apartment Vacancies	5220		
	Stores/Commercial Vacancies or Concessions	5240		
	Rental Concessions	5250		
	Garage/Parking Vacancies or Concessions	5270		
	Miscellaneous	5290		
	Total Vacancies or Concessions	5200		0
	Net Rental Revenue (Rent Revenue less Vacancies)	5152		23,674
5300	Total Service Income	5300		0
5400 FINANCIAL REVENUE	Financial Revenue - Project Operations	5410		
	Revenue from Investments-Residual Receipts	5430		
	Revenue from Investments-Replacement Reserve	5440	45	
	Revenue from Investments-Miscellaneous	5490		
	Total Financial Revenue	5400		45
5900 MISC. REVENUE	Laundry/Vending Income (Net)	5910		
	Tenant Charges	5920		
	Miscellaneous Revenue	5990		
	Total Miscellaneous Revenue	5900		0
	Total Revenue	5000		23,719
6200 RENT EXPENSE	Conventions and Meetings	6203		
	Management Consultants	6204		
	Advertising/Marketing Expense	6210		
	Other Rent Expense	6250		
	Total Rent Expense			0
6300 ADMIN. EXPENSES	Office Salaries	6310		
	Office Expenses	6311	709	
	Office or Model Apartment Rent	6312		
	Management Fee - Residential Rents	6320		
	Management Fee - Commercial Rents	6321		
	Management Fee - Miscellaneous Income	6322		
	Manager/Superintendent Salaries	6330		
	Administrative Rent-free Unit	6331		
	Legal Expense-project only	6340		
	Audit Expense-project only	6350		
	Bookkeeping Fees/Accounting Services	6351		
	Bad Debt Expense	6370		
	Miscellaneous Administrative Expense	6390		
Total Administrative Expense			709	
6200 + 6300	Total Rent & Administrative Expense	6263		709
6400 UTILITIES EXPENSE	Fuel Oil	6420		
	Electricity	6450	3,158	
	Water	6451		
	Gas	6452		
	Sewer	6453		
	Total Utilities Expense	6400		3,158

Description of Account	Acct. No.	Amount	Totals
6500 OPERATING & MAINTENANCE EXPENSE	Payroll	6510	3,360
	Supplies	6515	
	Contracts	6520	
	Operating and Maintenance Rent Free Unit	6521	
	Garbage & Trash Removal	6525	
	Security Payroll/Contract (incl. taxes and benefits)	6530	
	Security Rent Free Unit	6531	
	Heating/Cooling Repairs & Maintenance	6546	
	Snow Removal	6548	
	Vehicle/Maintenance Equipment Operation & Repairs	6570	
	Misc. Operating & Maintenance Expense	6590	253
	Total Operating & Maintenance Expense	6500	3,613
6900	Total Service Expense	6900	0
6700 TAXES AND INSURANCE	Real Estate & Personal Property Taxes	6710	
	Payroll Taxes (Project's Share)	6711	386
	Property & Liability Insurance (Hazard)	6720	930
	Fidelity Bond Insurance	6721	
	Workmen's Compensation	6722	
	Health Insurance and Other Employee Benefits	6723	
	Miscellaneous Taxes, Licenses, Permits and Insurance	6790	
	Total Taxes and Insurance	6700	1,316
3220	Replacement Reserve Deposits as Required by WHEDA	3220	844
	Total Operating Expenses		9,640
	Net Operating Income (NOI)		14,079
6800 FINANCIAL EXPENSE	Interest on Mortgage Payable	6820	845
	Interest on Notes Payable (Long Term)	6830	
	Interest on Notes Payable (Short Term)	6840	
	Mortgage Insurance Premium/Service Charge	6850	
	Miscellaneous Financial Expense/Preservation Fee	6890	
	Total Financial Expense	6800	845
	Total Expenses of Operations Before Depreciation	6000	10,485
	Profit or (Loss) Before Depreciation	5060	13,234
6600	Depreciation Expense (Total)	6601	3,933
	Amortization Expense	6610	
	Operating Profit or Loss	5060	9,301
7100 CORPORATE OR MORTGAGOR EXPENSE	Officer's Salaries	7110	1,683
	Legal Expense	7120	
	Federal, State and Other Income Taxes	7130	
	Interest Income	7140	
	Interest on Notes Payable	7141	
	Interest on Mortgage Payable	7142	
	Other Expense	7190	
	Net Entity Expenses	7100	1,683
	NET PROFIT OR (LOSS)	3250	7,618
TOTAL PRINCIPAL PAYMENTS	WHEDA First Mortgage	9910	2,791
	Second Mortgage	9911	
	Other Mortgage(s)	9912	
	Reserve releases to reimburse items expensed on this schedule.	9920	
	Capital expenditures paid from project operations and expensed on this schedule.	9930	

ANNUAL SCHEDULE OF ASSETS for Multifamily Projects

Project Name: Ruskin

Period Beginning: 1/1/12 thru: 12/31/12

Project Number: 2676

Description of Account	ID	Account	Amount	Totals
1100 CURRENT ASSETS				
Cash - Operations		1120		
Construction Cash Account		1121		
Cash - Entity		1125		
Tenant Accounts Receivable		1130		
Allowance for Doubtful Accounts (deduct)		1131		
Accounts Receivable - WHEDA _{SM}		1135		
Accounts and Notes Receivable - Operations		1140		
Accounts and Notes Receivable - Entity		1145		
Accounts Receivable - Interest		1160		
Interest Reduction Payment Receivable		1165		
Short Term Investments - Operations		1170		
Short Term Investments - Entity		1175		
Miscellaneous Current Assets		1190		
Insurance Escrow		1312		
Real Estate Tax or PILOT Escrow		1311		
TOTAL CURRENT ASSETS		1100		\$0
1191		1191		
Tenant Security Deposits - RESTRICTED ASSET				
1200 PREPAID EXPENSES		1200		
Miscellaneous Prepaid Expenses				
1300 FUNDED RESERVES				
Escrow Deposits		1310		
Reserve for Replacements		1320	\$3,095	
Other Reserve		1330		
Residual Receipts Reserve		1340		
Management Improvement and Operating Plan		1381		
Development Cost Escrow (DCE)		1390		
FHA Insurance Reserve		1392		
Total Funded Reserves		1300		\$3,095
1400 FIXED ASSETS				
Land		1410	\$59,900	
Buildings		1420	1,139,738	
Building Equipment (portable)		1440		
Furniture for Project/Tenant Use		1450		
Furnishings		1460		
Office Furniture and Equipment		1465		
Maintenance Equipment		1470		
Motor Vehicles		1480		
Miscellaneous Fixed Assets		1490		
Gross Fixed Assets		1400	\$1,199,638	
1495 ALLOWANCE ACCOUNTS				
Accumulated Depreciation		1495	\$295,199	
Total Accumulated Depreciation			\$295,199	
Net Fixed Assets		1400		\$904,439
1500 INVESTMENTS				
Investments - Operations		1510		
Investments - Entity		1515		
Intangible Assets		1520		
Miscellaneous Other Assets		1590		
TOTAL OTHER ASSETS		1500	\$0	
TOTAL ASSETS		1000		\$907,534

ANNUAL SCHEDULE OF LIABILITIES AND EQUITY for Multifamily Projects

Project Name: Ruskin

Period Beginning: 1/1/12 thru: 12/31/12

Project Number: 2676

Description of Account	Account	Amount	Totals
2100	Bank Overdraft - Operations	2105	
CURRENT LIABILITIES	Accounts Payable-30 Days	2109	
	Accounts Payable - Operations	2110	
	Accounts Payable - Construction/Development	2111	
	Accounts Payable-Project Improvements Items	2112	
	Accounts Payable - Entity	2113	
	Accounts Payable-236 Excess Income Due HUD	2115	
	Accounts Payable-WHEDA _{SM} /HUD	2116	
	Accrued Wages Payable	2120	
	Accrued Payroll Taxes Payable	2121	
	Accrued Management Fee Payable	2123	
	Accrued Interest Payable - Section 236	2130	
	Accrued Interest Payable - First Mortgage	2131	
	Accrued Interest Payable - Second Mortgage	2132	
	Accrued Interest Payable - Other Loans & Notes(Surplus Cash)	2133	
	Accrued Interest Payable - Other Loans and Notes	2134	
	Accrued Interest Payable - Flexible Subsidy Loan	2135	
	Accrued Interest Payable - Capital Improvement Loan	2136	
	Accrued Interest Payable - Operating Loss Loan	2137	
	Accrued Real Estate & Property Tax Payable	2150	
	Short Term Notes Payable	2160	
	Mortgage Payable - First Mortgage (Short Term)	2170	
	Mortgage Payable - Second Mortgage (Short Term)	2172	
	Other Loans and Notes Payable, Surplus Cash (Short Term)	2173	
	Other Loans and Notes (Short Term)	2174	
	Flexible Subsidy Loan Payable (Short Term)	2175	
	Capital Improvement Loan Payable (Short Term)	2176	
Operating Loss Loan Payable (Short Term)	2177		
Utility Allowances	2180		
Miscellaneous Current Liabilities/Preservation Fee	2190		
Current Liabilities			\$0
2191	Tenant Security Deposits - CONTRA ASSET	2191	
2200 PREPAID REVENUES	Prepaid Revenue	2210	
TOTAL CURRENT LIABILITIES		2122	\$0
LONG-TERM LIABILITIES	Notes Payable - Long Term	2310	
	Notes Payable - Surplus Cash	2311	
	Mortgage Payable - First Mortgage	2320	406,250
	Mortgage Payable - Second Mortgage	2322	
	Other Loans and Notes Payable - Surplus Cash	2323	
	Other Loans and Notes Payable	2324	687,437
	Flexible Subsidy Loan Payable	2325	
	Capital Improvement Loan Payable	2326	
	Operating Loss Loan Payable	2327	
	Miscellaneous Long Term Liabilities	2390	
Total Long Term Liabilities		2300	\$1,093,687
TOTAL LIABILITIES		2000	\$1,093,687
3033 TOTAL EQUITY	Total Equity/Retained Earnings	3033	(\$186,153)
TOTAL LIABILITIES and EQUITY/RETAINED EARNINGS		2033	\$907,534

SCHEDULE OF PROFIT AND LOSS for Multifamily Projects

Project Name: Ruskin

Project Number: 2676

Period Beginning: 1/1/12 thru: 12/31/12

Year: 2012

Description of Account		Acct. No.	Amount	Totals
5100 RENTAL REVENUE	Rent Revenue - Gross Potential	5120	81,022	
	Tenant Assistance Payments	5121		
	Rent Revenue - Commercial/Stores @ 100%	5140		
	Rent Revenue - Garage/Parking @ 100%	5170		
	Flexible Subsidy Revenue	5180		
	Miscellaneous Rent Revenue	5190		
	Excess Rent	5191		
	Rent Revenue/Insurance	5192		
	Special Claims Revenue	5193		
	Retained Excess Income	5194		
	Total Rent Revenue Potential	5100		81,022
5200 VACANCIES	Apartment Vacancies	5220		
	Stores/Commercial Vacancies or Concessions	5240		
	Rental Concessions	5250		
	Garage/Parking Vacancies or Concessions	5270		
	Miscellaneous	5290		
		Total Vacancies or Concessions	5200	
	Net Rental Revenue (Rent Revenue less Vacancies)	5152		81,022
5300	Total Service Income	5300		0
5400 FINANCIAL REVENUE	Financial Revenue - Project Operations	5410		
	Revenue from Investments-Residual Receipts	5430		
	Revenue from Investments-Replacement Reserve	5440	50	
	Revenue from Investments-Miscellaneous	5490		
		Total Financial Revenue	5400	
5900 MISC. REVENUE	Laundry/Vending Income (Net)	5910		
	Tenant Charges	5920		
	Miscellaneous Revenue	5990	3,160	
		Total Miscellaneous Revenue	5900	
	Total Revenue	5000		84,232
6200 RENT EXPENSE	Conventions and Meetings	6203		
	Management Consultants	6204		
	Advertising/Marketing Expense	6210		
	Other Rent Expense	6250		
		Total Rent Expense		0
6300 ADMIN. EXPENSES	Office Salaries	6310		
	Office Expenses	6311	4,368	
	Office or Model Apartment Rent	6312		
	Management Fee - Residential Rents	6320		
	Management Fee - Commercial Rents	6321		
	Management Fee - Miscellaneous Income	6322		
	Manager/Superintendent Salaries	6330		
	Administrative Rent-free Unit	6331		
	Legal Expense-project only	6340		
	Audit Expense-project only	6350		
	Bookkeeping Fees/Accounting Services	6351		
	Bad Debt Expense	6370		
	Miscellaneous Administrative Expense	6390	0	
	Total Administrative Expense		4,368	
6200 + 6300	Total Rent & Administrative Expense	6263		4,368
6400 UTILITIES EXPENSE	Fuel Oil	6420		
	Electricity	6450	8,046	
	Water	6451		
	Gas	6452		
	Sewer	6453		
		Total Utilities Expense	6400	

Description of Account	Acct. No.	Amount	Totals
6500 OPERATING & MAINTENANCE EXPENSE	Payroll	6510	15,120
	Supplies	6515	
	Contracts	6520	
	Operating and Maintenance Rent Free Unit	6521	
	Garbage & Trash Removal	6525	
	Security Payroll/Contract (incl. taxes and benefits)	6530	
	Security Rent Free Unit	6531	
	Heating/Cooling Repairs & Maintenance	6546	
	Snow Removal	6548	
	Vehicle/Maintenance Equipment Operation & Repairs	6570	
	Misc. Operating & Maintenance Expense	6590	13,597
	Total Operating & Maintenance Expense	6500	28,717
6900	Total Service Expense	6900	0
6700 TAXES AND INSURANCE	Real Estate & Personal Property Taxes	6710	
	Payroll Taxes (Project's Share)	6711	1,736
	Property & Liability Insurance (Hazard)	6720	1,156
	Fidelity Bond Insurance	6721	
	Workmen's Compensation	6722	
	Health Insurance and Other Employee Benefits	6723	
	Miscellaneous Taxes, Licenses, Permits and Insurance	6790	
	Total Taxes and Insurance	6700	2,892
3220	Replacement Reserve Deposits as Required by WHEDA	3220	2,114
	Total Operating Expenses		46,137
	Net Operating Income (NOI)		38,095
6800 FINANCIAL EXPENSE	Interest on Mortgage Payable	6820	8,276
	Interest on Notes Payable (Long Term)	6830	
	Interest on Notes Payable (Short Term)	6840	
	Mortgage Insurance Premium/Service Charge	6850	
	Miscellaneous Financial Expense/Preservation Fee	6890	
	Total Financial Expense	6800	8,276
	Total Expenses of Operations Before Depreciation	6000	54,413
	Profit or (Loss) Before Depreciation	5060	29,819
6600	Depreciation Expense (Total)	6601	38,604
	Amortization Expense	6610	
	Operating Profit or Loss	5060	(8,785)
7100 CORPORATE OR MORTGAGOR EXPENSE	Officer's Salaries	7110	7,573
	Legal Expense	7120	
	Federal, State and Other Income Taxes	7130	
	Interest Income	7140	
	Interest on Notes Payable	7141	
	Interest on Mortgage Payable	7142	
	Other Expense	7190	0
	Net Entity Expenses	7100	7,573
	NET PROFIT OR (LOSS)	3250	(16,358)
TOTAL PRINCIPAL PAYMENTS	WHEDA First Mortgage	9910	13,901
	Second Mortgage	9911	
	Other Mortgage(s)	9912	
	Reserve releases to reimburse items expensed on this schedule.	9920	
	Capital expenditures paid from project operations and expensed on this schedule.	9930	

ANNUAL SCHEDULE OF ASSETS for Multifamily Projects

Project Name: Brentwood Balsam Camden (BBC)

Period Beginning: 1/1/12

thru: 12/31/12

Project Number: 2783

Description of Account	ID	Account	Amount	Totals
1100 CURRENT ASSETS				
Cash - Operations		1120		
Construction Cash Account		1121		
Cash - Entity		1125		
Tenant Accounts Receivable		1130		
Allowance for Doubtful Accounts (deduct)		1131		
Accounts Receivable - WHEDA _{SM}		1135		
Accounts and Notes Receivable - Operations		1140		
Accounts and Notes Receivable - Entity		1145		
Accounts Receivable - Interest		1160		
Interest Reduction Payment Receivable		1165		
Short Term Investments - Operations		1170		
Short Term Investments - Entity		1175		
Miscellaneous Current Assets		1190		
Insurance Escrow		1312		
Real Estate Tax or PILOT Escrow		1311		
TOTAL CURRENT ASSETS		1100		\$0
1191				
Tenant Security Deposits - RESTRICTED ASSET		1191		
1200 PREPAID EXPENSES				
Miscellaneous Prepaid Expenses		1200		
1300 FUNDED RESERVES				
Escrow Deposits		1310		
Reserve for Replacements		1320	\$4,930	
Other Reserve		1330	\$10,986	
Residual Receipts Reserve		1340		
Management Improvement and Operating Plan		1381		
Development Cost Escrow (DCE)		1390		
FHA Insurance Reserve		1392		
Total Funded Reserves		1300		\$15,916
1400 FIXED ASSETS				
Land		1410	\$132,164	
Buildings		1420	616,909	
Building Equipment (portable)		1440		
Furniture for Project/Tenant Use		1450		
Furnishings		1460		
Office Furniture and Equipment		1465		
Maintenance Equipment		1470		
Motor Vehicles		1480		
Miscellaneous Fixed Assets		1490		
Gross Fixed Assets		1400	\$749,073	
1495 ALLOWANCE ACCOUNTS				
Accumulated Depreciation		1495	\$64,686	
Total Accumulated Depreciation			\$64,686	
Net Fixed Assets		1400		\$684,387
1500 INVESTMENTS				
Investments - Operations		1510		
Investments - Entity		1515		
Intangible Assets		1520		
Miscellaneous Other Assets		1590		
TOTAL OTHER ASSETS		1500	\$0	
TOTAL ASSETS		1000		\$700,303

ANNUAL SCHEDULE OF LIABILITIES AND EQUITY for Multifamily Projects

Project Name: Brentwood Balsam Camden (BBC)

Period Beginning: 1/1/12 thru: 12/31/12

Project Number: 2783

Description of Account	Account	Amount	Totals
2100	Bank Overdraft - Operations	2105	
CURRENT LIABILITIES	Accounts Payable-30 Days	2109	
	Accounts Payable - Operations	2110	
	Accounts Payable - Construction/Development	2111	
	Accounts Payable-Project Improvements Items	2112	
	Accounts Payable - Entity	2113	
	Accounts Payable-236 Excess Income Due HUD	2115	
	Accounts Payable-WHEDA _{SM} /HUD	2116	
	Accrued Wages Payable	2120	
	Accrued Payroll Taxes Payable	2121	
	Accrued Management Fee Payable	2123	
	Accrued Interest Payable - Section 236	2130	
	Accrued Interest Payable - First Mortgage	2131	
	Accrued Interest Payable - Second Mortgage	2132	
	Accrued Interest Payable - Other Loans & Notes(Surplus Cash)	2133	
	Accrued Interest Payable - Other Loans and Notes	2134	
	Accrued Interest Payable - Flexible Subsidy Loan	2135	
	Accrued Interest Payable - Capital Improvement Loan	2136	
	Accrued Interest Payable - Operating Loss Loan	2137	
	Accrued Real Estate & Property Tax Payable	2150	
	Short Term Notes Payable	2160	
	Mortgage Payable - First Mortgage (Short Term)	2170	
	Mortgage Payable - Second Mortgage (Short Term)	2172	
	Other Loans and Notes Payable, Surplus Cash (Short Term)	2173	
	Other Loans and Notes (Short Term)	2174	
	Flexible Subsidy Loan Payable (Short Term)	2175	
Capital Improvement Loan Payable (Short Term)	2176		
Operating Loss Loan Payable (Short Term)	2177		
Utility Allowances	2180		
Miscellaneous Current Liabilities/Preservation Fee	2190		
	Current Liabilities		\$0
2191	Tenant Security Deposits - CONTRA ASSET	2191	
2200 PREPAID REVENUES	Prepaid Revenue	2210	
	TOTAL CURRENT LIABILITIES	2122	\$0
LONG-TERM LIABILITIES	Notes Payable - Long Term	2310	
	Notes Payable - Surplus Cash	2311	
	Mortgage Payable - First Mortgage	2320	254,925
	Mortgage Payable - Second Mortgage	2322	
	Other Loans and Notes Payable - Surplus Cash	2323	
	Other Loans and Notes Payable	2324	575,673
	Flexible Subsidy Loan Payable	2325	
	Capital Improvement Loan Payable	2326	
	Operating Loss Loan Payable	2327	
	Miscellaneous Long Term Liabilities	2390	
	Total Long Term Liabilities	2300	\$830,598
	TOTAL LIABILITIES	2000	\$830,598
3033 TOTAL EQUITY	Total Equity/Retained Earnings	3033	(\$130,295)
	TOTAL LIABILITIES and EQUITY/RETAINED EARNINGS	2033	\$700,303

SCHEDULE OF PROFIT AND LOSS for Multifamily Projects

Project Name: Brentwood Balsam Camden (BBC)

Project Number: 2783

Period Beginning: 1/1/12 thru: 12/31/12

Year: 2012

Description of Account	Acct. No.	Amount	Totals
5100 RENTAL REVENUE	Rent Revenue - Gross Potential	5120 115,450	
	Tenant Assistance Payments	5121	
	Rent Revenue - Commercial/Stores @ 100%	5140	
	Rent Revenue - Garage/Parking @ 100%	5170	
	Flexible Subsidy Revenue	5180	
	Miscellaneous Rent Revenue	5190	
	Excess Rent	5191	
	Rent Revenue/Insurance	5192	
	Special Claims Revenue	5193	
	Retained Excess Income	5194	
	Total Rent Revenue Potential	5100	115,450
5200 VACANCIES	Apartment Vacancies	5220	
	Stores/Commercial Vacancies or Concessions	5240	
	Rental Concessions	5250	
	Garage/Parking Vacancies or Concessions	5270	
	Miscellaneous	5290	
	Total Vacancies or Concessions	5200	0
	Net Rental Revenue (Rent Revenue less Vacancies)	5152	115,450
5300	Total Service Income	5300	0
5400 FINANCIAL REVENUE	Financial Revenue - Project Operations	5410	
	Revenue from Investments-Residual Receipts	5430	
	Revenue from Investments-Replacement Reserve	5440 50	
	Revenue from Investments-Miscellaneous	5490	
	Total Financial Revenue	5400	50
5900 MISC. REVENUE	Laundry/Vending Income (Net)	5910	
	Tenant Charges	5920	
	Miscellaneous Revenue	5990 180	
	Total Miscellaneous Revenue	5900	180
	Total Revenue	5000	115,680
6200 RENT EXPENSE	Conventions and Meetings	6203	
	Management Consultants	6204	
	Advertising/Marketing Expense	6210	
	Other Rent Expense	6250	
	Total Rent Expense		0
6300 ADMIN. EXPENSES	Office Salaries	6310	
	Office Expenses	6311 150	
	Office or Model Apartment Rent	6312	
	Management Fee - Residential Rents	6320	
	Management Fee - Commercial Rents	6321	
	Management Fee - Miscellaneous Income	6322	
	Manager/Superintendent Salaries	6330	
	Administrative Rent-free Unit	6331	
	Legal Expense-project only	6340	
	Audit Expense-project only	6350	
	Bookkeeping Fees/Accounting Services	6351	
	Bad Debt Expense	6370	
	Miscellaneous Administrative Expense	6390 150	
	Total Administrative Expense		300
6200 + 6300	Total Rent & Administrative Expense	6263	300
6400 UTILITIES EXPENSE	Fuel Oil	6420	
	Electricity	6450 16,259	
	Water	6451	
	Gas	6452	
	Sewer	6453	
	Total Utilities Expense	6400	16,259

Description of Account	Acct. No.	Amount	Totals
6500 OPERATING & MAINTENANCE EXPENSE	Payroll	6510	20,160
	Supplies	6515	
	Contracts	6520	
	Operating and Maintenance Rent Free Unit	6521	
	Garbage & Trash Removal	6525	
	Security Payroll/Contract (incl. taxes and benefits)	6530	
	Security Rent Free Unit	6531	
	Heating/Cooling Repairs & Maintenance	6546	
	Snow Removal	6548	
	Vehicle/Maintenance Equipment Operation & Repairs	6570	
	Misc. Operating & Maintenance Expense	6590	11,266
	Total Operating & Maintenance Expense	6500	31,426
6900	Total Service Expense	6900	0
6700 TAXES AND INSURANCE	Real Estate & Personal Property Taxes	6710	
	Payroll Taxes (Project's Share)	6711	2,315
	Property & Liability Insurance (Hazard)	6720	964
	Fidelity Bond Insurance	6721	
	Workmen's Compensation	6722	
	Health Insurance and Other Employee Benefits	6723	
	Miscellaneous Taxes, Licenses, Permits and Insurance	6790	
	Total Taxes and Insurance	6700	3,279
3220	Replacement Reserve Deposits as Required by WHEDA	3220	3,050
	Total Operating Expenses		54,314
	Net Operating Income (NOI)		61,366
6800 FINANCIAL EXPENSE	Interest on Mortgage Payable	6820	7,745
	Interest on Notes Payable (Long Term)	6830	
	Interest on Notes Payable (Short Term)	6840	
	Mortgage Insurance Premium/Service Charge	6850	
	Miscellaneous Financial Expense/Preservation Fee	6890	
	Total Financial Expense	6800	7,745
	Total Expenses of Operations Before Depreciation	6000	62,059
	Profit or (Loss) Before Depreciation	5060	53,621
6600	Depreciation Expense (Total)	6601	21,558
	Amortization Expense	6610	589
	Operating Profit or Loss	5060	31,474
7100 CORPORATE OR MORTGAGOR EXPENSE	Officer's Salaries	7110	10,097
	Legal Expense	7120	
	Federal, State and Other Income Taxes	7130	
	Interest Income	7140	
	Interest on Notes Payable	7141	
	Interest on Mortgage Payable	7142	
	Other Expense	7190	
	Net Entity Expenses	7100	10,097
	NET PROFIT OR (LOSS)	3250	21,377
TOTAL PRINCIPAL PAYMENTS	WHEDA First Mortgage	9910	5,933
	Second Mortgage	9911	
	Other Mortgage(s)	9912	
	Reserve releases to reimburse items expensed on this schedule.	9920	
	Capital expenditures paid from project operations and expensed on this schedule.	9930	

ANNUAL SCHEDULE OF ASSETS for Multifamily Projects

Project Name: Pinecrest

Period Beginning: 1/1/12

thru: 12/31/12

Project Number: 2821

Description of Account	ID	Account	Amount	Totals
1100 CURRENT ASSETS				
Cash - Operations		1120		
Construction Cash Account		1121		
Cash - Entity		1125		
Tenant Accounts Receivable		1130		
Allowance for Doubtful Accounts (deduct)		1131		
Accounts Receivable - WHEDA _{SM}		1135		
Accounts and Notes Receivable - Operations		1140		
Accounts and Notes Receivable - Entity		1145		
Accounts Receivable - Interest		1160		
Interest Reduction Payment Receivable		1165		
Short Term Investments - Operations		1170		
Short Term Investments - Entity		1175		
Miscellaneous Current Assets		1190		
Insurance Escrow		1312		
Real Estate Tax or PILOT Escrow		1311		
TOTAL CURRENT ASSETS		1100		\$0
1191		1191		
1200 PREPAID EXPENSES		1200		
1300 FUNDED RESERVES				
Escrow Deposits		1310		
Reserve for Replacements		1320	\$2,289	
Other Reserve		1330		
Residual Receipts Reserve		1340		
Management Improvement and Operating Plan		1381		
Development Cost Escrow (DCE)		1390		
FHA Insurance Reserve		1392		
Total Funded Reserves		1300		\$2,289
1400 FIXED ASSETS				
Land		1410	\$50,700	
Buildings		1420	176,089	
Building Equipment (portable)		1440		
Furniture for Project/Tenant Use		1450		
Furnishings		1460		
Office Furniture and Equipment		1465		
Maintenance Equipment		1470		
Motor Vehicles		1480		
Miscellaneous Fixed Assets		1490		
Gross Fixed Assets		1400	\$226,789	
1495 ALLOWANCE ACCOUNTS				
Accumulated Depreciation		1495	\$2,379	
Total Accumulated Depreciation			\$2,379	
Net Fixed Assets		1400		\$224,410
1500 INVESTMENTS				
Investments - Operations		1510		
Investments - Entity		1515		
Intangible Assets		1520		
Miscellaneous Other Assets		1590		
TOTAL OTHER ASSETS		1500	\$0	
TOTAL ASSETS		1000		\$226,699

ANNUAL SCHEDULE OF LIABILITIES AND EQUITY for Multifamily Projects

Project Name: Pinecrest

Period Beginning: 1/1/12 thru: 12/31/12

Project Number: 2821

Description of Account	Account	Amount	Totals
2100 CURRENT LIABILITIES	Bank Overdraft - Operations	2105	
	Accounts Payable-30 Days	2109	
	Accounts Payable - Operations	2110	
	Accounts Payable - Construction/Development	2111	
	Accounts Payable-Project Improvements Items	2112	
	Accounts Payable - Entity	2113	
	Accounts Payable-236 Excess Income Due HUD	2115	
	Accounts Payable-WHEDA _{SM} /HUD	2116	
	Accrued Wages Payable	2120	
	Accrued Payroll Taxes Payable	2121	
	Accrued Management Fee Payable	2123	
	Accrued Interest Payable - Section 236	2130	
	Accrued Interest Payable - First Mortgage	2131	
	Accrued Interest Payable - Second Mortgage	2132	
	Accrued Interest Payable - Other Loans & Notes(Surplus Cash)	2133	
	Accrued Interest Payable - Other Loans and Notes	2134	
	Accrued Interest Payable - Flexible Subsidy Loan	2135	
	Accrued Interest Payable - Capital Improvement Loan	2136	
	Accrued Interest Payable - Operating Loss Loan	2137	
	Accrued Real Estate & Property Tax Payable	2150	
	Short Term Notes Payable	2160	
	Mortgage Payable - First Mortgage (Short Term)	2170	
	Mortgage Payable - Second Mortgage (Short Term)	2172	
	Other Loans and Notes Payable, Surplus Cash (Short Term)	2173	
	Other Loans and Notes (Short Term)	2174	
	Flexible Subsidy Loan Payable (Short Term)	2175	
	Capital Improvement Loan Payable (Short Term)	2176	
	Operating Loss Loan Payable (Short Term)	2177	
	Utility Allowances	2180	
	Miscellaneous Current Liabilities/Preservation Fee	2190	
	Current Liabilities		\$0
2191	Tenant Security Deposits - CONTRA ASSET	2191	
2200 PREPAID REVENUES	Prepaid Revenue	2210	
	TOTAL CURRENT LIABILITIES	2122	\$0
2300 LONG-TERM LIABILITIES	Notes Payable - Long Term	2310	
	Notes Payable - Surplus Cash	2311	
	Mortgage Payable - First Mortgage	2320	138,956
	Mortgage Payable - Second Mortgage	2322	
	Other Loans and Notes Payable - Surplus Cash	2323	
	Other Loans and Notes Payable	2324	134,550
	Flexible Subsidy Loan Payable	2325	
	Capital Improvement Loan Payable	2326	
	Operating Loss Loan Payable	2327	
	Miscellaneous Long Term Liabilities	2390	
	Total Long Term Liabilities	2300	\$273,506
	TOTAL LIABILITIES	2000	\$273,506
3033 TOTAL EQUITY	Total Equity/Retained Earnings	3033	(\$46,807)
	TOTAL LIABILITIES and EQUITY/RETAINED EARNINGS	2033	\$226,699

SCHEDULE OF PROFIT AND LOSS for Multifamily Projects

Project Name: Pinecrest

Project Number: 2783

Period Beginning: 1/1/12 thru: 12/31/12

Year: 2012

Description of Account		Acct. No.	Amount	Totals
5100 RENTAL REVENUE	Rent Revenue - Gross Potential	5120	14,343	
	Tenant Assistance Payments	5121		
	Rent Revenue - Commercial/Stores @ 100%	5140		
	Rent Revenue - Garage/Parking @ 100%	5170		
	Flexible Subsidy Revenue	5180		
	Miscellaneous Rent Revenue	5190		
	Excess Rent	5191		
	Rent Revenue/Insurance	5192		
	Special Claims Revenue	5193		
	Retained Excess Income	5194		
	Total Rent Revenue Potential	5100		14,343
5200 VACANCIES	Apartment Vacancies	5220		
	Stores/Commercial Vacancies or Concessions	5240		
	Rental Concessions	5250		
	Garage/Parking Vacancies or Concessions	5270		
	Miscellaneous	5290		
		Total Vacancies or Concessions	5200	
	Net Rental Revenue (Rent Revenue less Vacancies)	5152		14,343
5300	Total Service Income	5300		0
5400 FINANCIAL REVENUE	Financial Revenue - Project Operations	5410		
	Revenue from Investments-Residual Receipts	5430		
	Revenue from Investments-Replacement Reserve	5440	2	
	Revenue from Investments-Miscellaneous	5490		
	Total Financial Revenue	5400		2
5900 MISC. REVENUE	Laundry/Vending Income (Net)	5910		
	Tenant Charges	5920		
	Miscellaneous Revenue	5990	15,080	
	Total Miscellaneous Revenue	5900		15,080
	Total Revenue	5000		29,425
6200 RENT EXPENSE	Conventions and Meetings	6203		
	Management Consultants	6204		
	Advertising/Marketing Expense	6210		
	Other Rent Expense	6250		
	Total Rent Expense		0	
6300 ADMIN. EXPENSES	Office Salaries	6310		
	Office Expenses	6311	333	
	Office or Model Apartment Rent	6312		
	Management Fee - Residential Rents	6320		
	Management Fee - Commercial Rents	6321		
	Management Fee - Miscellaneous Income	6322		
	Manager/Superintendent Salaries	6330		
	Administrative Rent-free Unit	6331		
	Legal Expense-project only	6340		
	Audit Expense-project only	6350		
	Bookkeeping Fees/Accounting Services	6351		
	Bad Debt Expense	6370		
	Miscellaneous Administrative Expense	6390		
	Total Administrative Expense		333	
6200 + 6300	Total Rent & Administrative Expense	6263		333
6400 UTILITIES EXPENSE	Fuel Oil	6420		
	Electricity	6450	6,399	
	Water	6451		
	Gas	6452		
	Sewer	6453		
	Total Utilities Expense	6400		6,399

Description of Account	Acct. No.	Amount	Totals
6500 OPERATING & MAINTENANCE EXPENSE	Payroll	6510	6,720
	Supplies	6515	
	Contracts	6520	
	Operating and Maintenance Rent Free Unit	6521	
	Garbage & Trash Removal	6525	
	Security Payroll/Contract (incl. taxes and benefits)	6530	
	Security Rent Free Unit	6531	
	Heating/Cooling Repairs & Maintenance	6546	
	Snow Removal	6548	
	Vehicle/Maintenance Equipment Operation & Repairs	6570	
	Misc. Operating & Maintenance Expense	6590	3,090
	Total Operating & Maintenance Expense	6500	9,810
6900	Total Service Expense	6900	0
6700 TAXES AND INSURANCE	Real Estate & Personal Property Taxes	6710	2,795
	Payroll Taxes (Project's Share)	6711	772
	Property & Liability Insurance (Hazard)	6720	0
	Fidelity Bond Insurance	6721	
	Workmen's Compensation	6722	
	Health Insurance and Other Employee Benefits	6723	
	Miscellaneous Taxes, Licenses, Permits and Insurance	6790	
	Total Taxes and Insurance	6700	3,567
3220	Replacement Reserve Deposits as Required by WHEDA	3220	7,915
	Total Operating Expenses		28,023
	Net Operating Income (NOI)		1,402
6800 FINANCIAL EXPENSE	Interest on Mortgage Payable	6820	1,573
	Interest on Notes Payable (Long Term)	6830	
	Interest on Notes Payable (Short Term)	6840	
	Mortgage Insurance Premium/Service Charge	6850	
	Miscellaneous Financial Expense/Preservation Fee	6890	
	Total Financial Expense	6800	1,573
	Total Expenses of Operations Before Depreciation	6000	29,596
	Profit or (Loss) Before Depreciation	5060	(171)
6600	Depreciation Expense (Total)	6601	2,379
	Amortization Expense	6610	15
	Operating Profit or Loss	5060	(2,565)
7100 CORPORATE OR MORTGAGOR EXPENSE	Officer's Salaries	7110	3,366
	Legal Expense	7120	
	Federal, State and Other Income Taxes	7130	
	Interest Income	7140	
	Interest on Notes Payable	7141	
	Interest on Mortgage Payable	7142	
	Other Expense	7190	
	Net Entity Expenses	7100	3,366
	NET PROFIT OR (LOSS)	3250	(5,931)
TOTAL PRINCIPAL PAYMENTS	WHEDA First Mortgage	9910	283
	Second Mortgage	9911	
	Other Mortgage(s)	9912	
	Reserve releases to reimburse items expensed on this schedule.	9920	
	Capital expenditures paid from project operations and expensed on this schedule.	9930	

ANNUAL SCHEDULE OF ASSETS for Multifamily Projects

Project Name: Combined Balance Sheet

Period Beginning: 1/1/12 thru: 12/31/12 Project Number: 2783

Description of Account	ID	Account	Amount	Totals
1100 CURRENT ASSETS				
Cash - Operations		1120		
Construction Cash Account		1121		
Cash - Entity		1125		
Tenant Accounts Receivable		1130		
Allowance for Doubtful Accounts (deduct)		1131		
Accounts Receivable - WHEDA _{SM}		1135		
Accounts and Notes Receivable - Operations		1140		
Accounts and Notes Receivable - Entity		1145		
Accounts Receivable - Interest		1160		
Interest Reduction Payment Receivable		1165		
Short Term Investments - Operations		1170		
Short Term Investments - Entity		1175		
Miscellaneous Current Assets		1190		
Insurance Escrow		1312		
Real Estate Tax or PILOT Escrow		1311		
TOTAL CURRENT ASSETS		1100		\$0
1191		1191		
Tenant Security Deposits - RESTRICTED ASSET				
1200 PREPAID EXPENSES		1200		
Miscellaneous Prepaid Expenses				
1300 FUNDED RESERVES				
Escrow Deposits		1310		
Reserve for Replacements		1320	\$53,189	
Other Reserve		1330	\$10,986	
Residual Receipts Reserve		1340		
Management Improvement and Operating Plan		1381		
Development Cost Escrow (DCE)		1390		
FHA Insurance Reserve		1392		
Total Funded Reserves		1300		\$64,175
1400 FIXED ASSETS				
Land		1410	\$679,564	
Buildings		1420	\$4,451,026	
Building Equipment (portable)		1440		
Furniture for Project/Tenant Use		1450		
Furnishings		1460		
Office Furniture and Equipment		1465		
Maintenance Equipment		1470		
Motor Vehicles		1480		
Miscellaneous Fixed Assets		1490		
Gross Fixed Assets		1400	\$5,130,590	
1495 ALLOWANCE ACCOUNTS				
Accumulated Depreciation		1495	\$1,089,241	
Total Accumulated Depreciation			\$1,089,241	
Net Fixed Assets		1400		\$4,041,349
1500 INVESTMENTS				
Investments - Operations		1510		
Investments - Entity		1515		
Intangible Assets		1520		
Miscellaneous Other Assets		1590		
TOTAL OTHER ASSETS		1500	\$0	
TOTAL ASSETS		1000		\$4,105,524

ANNUAL SCHEDULE OF LIABILITIES AND EQUITY for Multifamily Projects

Project Name: Combined Balance Sheet

Period Beginning: 1/1/12 thru: 12/31/12

Project Number: 2783

Description of Account	Account	Amount	Totals
2100	Bank Overdraft - Operations	2105	
CURRENT LIABILITIES	Accounts Payable-30 Days	2109	
	Accounts Payable - Operations	2110	
	Accounts Payable - Construction/Development	2111	
	Accounts Payable-Project Improvements Items	2112	
	Accounts Payable - Entity	2113	
	Accounts Payable-236 Excess Income Due HUD	2115	
	Accounts Payable-WHEDA _{SM} /HUD	2116	
	Accrued Wages Payable	2120	
	Accrued Payroll Taxes Payable	2121	
	Accrued Management Fee Payable	2123	
	Accrued Interest Payable - Section 236	2130	
	Accrued Interest Payable - First Mortgage	2131	
	Accrued Interest Payable - Second Mortgage	2132	
	Accrued Interest Payable - Other Loans & Notes(Surplus Cash)	2133	
	Accrued Interest Payable - Other Loans and Notes	2134	
	Accrued Interest Payable - Flexible Subsidy Loan	2135	
	Accrued Interest Payable - Capital Improvement Loan	2136	
	Accrued Interest Payable - Operating Loss Loan	2137	
	Accrued Real Estate & Property Tax Payable	2150	
	Short Term Notes Payable	2160	
	Mortgage Payable - First Mortgage (Short Term)	2170	
	Mortgage Payable - Second Mortgage (Short Term)	2172	
	Other Loans and Notes Payable, Surplus Cash (Short Term)	2173	
	Other Loans and Notes (Short Term)	2174	
	Flexible Subsidy Loan Payable (Short Term)	2175	
	Capital Improvement Loan Payable (Short Term)	2176	
Operating Loss Loan Payable (Short Term)	2177		
Utility Allowances	2180		
Miscellaneous Current Liabilities/Preservation Fee	2190		
	Current Liabilities		\$0
2191	Tenant Security Deposits - CONTRA ASSET	2191	
2200 PREPAID REVENUES	Prepaid Revenue	2210	
	TOTAL CURRENT LIABILITIES	2122	\$0
LONG-TERM LIABILITIES	Notes Payable - Long Term	2310	
	Notes Payable - Surplus Cash	2311	
	Mortgage Payable - First Mortgage	2320	1,551,856
	Mortgage Payable - Second Mortgage	2322	
	Other Loans and Notes Payable - Surplus Cash	2323	
	Other Loans and Notes Payable	2324	3,396,657
	Flexible Subsidy Loan Payable	2325	
	Capital Improvement Loan Payable	2326	
	Operating Loss Loan Payable	2327	
	Miscellaneous Long Term Liabilities	2390	
	Total Long Term Liabilities	2300	\$4,948,513
	TOTAL LIABILITIES	2000	\$4,948,513
3033 TOTAL EQUITY	Total Equity/Retained Earnings	3033	(842,989)
	TOTAL LIABILITIES and EQUITY/RETAINED EARNINGS	2033	\$4,105,524

SCHEDULE OF PROFIT AND LOSS for Multifamily Projects**Project Name: Total****Project Number:****Period Beginning:** 1/1/12 thru: 12/31/12**Year:** 2012

Description of Account		Acct. No.	Amount	Totals
5100 RENTAL REVENUE	Rent Revenue - Gross Potential	5120	556,432	
	Tenant Assistance Payments	5121	-	
	Rent Revenue - Commercial/Stores @ 100%	5140	-	
	Rent Revenue - Garage/Parking @ 100%	5170	-	
	Flexible Subsidy Revenue	5180	-	
	Miscellaneous Rent Revenue	5190	-	
	Excess Rent	5191	-	
	Rent Revenue/Insurance	5192	-	
	Special Claims Revenue	5193	-	
	Retained Excess Income	5194	-	
	Total Rent Revenue Potential	5100		556,432
5200 VACANCIES	Apartment Vacancies	5220	-	
	Stores/Commercial Vacancies or Concessions	5240	-	
	Rental Concessions	5250	-	
	Garage/Parking Vacancies or Concessions	5270	-	
	Miscellaneous	5290	-	
		Total Vacancies or Concessions	5200	
	Net Rental Revenue (Rent Revenue less Vacancies)	5152		556,432
5300	Total Service Income	5300		0
5400 FINANCIAL REVENUE	Financial Revenue - Project Operations	5410	-	
	Revenue from Investments-Residual Receipts	5430	-	
	Revenue from Investments-Replacement Reserve	5440	501	
	Revenue from Investments-Miscellaneous	5490	-	
		Total Financial Revenue	5400	
5900 MISC. REVENUE	Laundry/Vending Income (Net)	5910	-	
	Tenant Charges	5920	-	
	Miscellaneous Revenue	5990	18,420	
		Total Miscellaneous Revenue	5900	
	Total Revenue	5000		575,353
6200 RENT EXPENSE	Conventions and Meetings	6203	-	
	Management Consultants	6204	-	
	Advertising/Marketing Expense	6210	-	
	Other Rent Expense	6250	-	
		Total Rent Expense		
6300 ADMIN. EXPENSES	Office Salaries	6310	-	
	Office Expenses	6311	10,761	
	Office or Model Apartment Rent	6312	-	
	Management Fee - Residential Rents	6320	-	
	Management Fee - Commercial Rents	6321	-	
	Management Fee - Miscellaneous Income	6322	-	
	Manager/Superintendent Salaries	6330	-	
	Administrative Rent-free Unit	6331	-	
	Legal Expense-project only	6340	-	
	Audit Expense-project only	6350	-	
	Bookkeeping Fees/Accounting Services	6351	-	
	Bad Debt Expense	6370	-	
	Miscellaneous Administrative Expense	6390	18,390	
	Total Administrative Expense		29,151	
6200 + 6300	Total Rent & Administrative Expense	6263		29,151
6400 UTILITIES EXPENSE	Fuel Oil	6420	-	
	Electricity	6450	72,243	
	Water	6451	-	
	Gas	6452	-	
	Sewer	6453	-	
		Total Utilities Expense	6400	

Description of Account	Acct. No.	Amount	Totals
6500 OPERATING & MAINTENANCE EXPENSE	Payroll	6510	107,520
	Supplies	6515	-
	Contracts	6520	-
	Operating and Maintenance Rent Free Unit	6521	-
	Garbage & Trash Removal	6525	-
	Security Payroll/Contract (incl. taxes and benefits)	6530	-
	Security Rent Free Unit	6531	-
	Heating/Cooling Repairs & Maintenance	6546	-
	Snow Removal	6548	-
	Vehicle/Maintenance Equipment Operation & Repairs	6570	-
	Misc. Operating & Maintenance Expense	6590	66,541
	Total Operating & Maintenance Expense	6500	174,061
6900	Total Service Expense	6900	
6700 TAXES AND INSURANCE	Real Estate & Personal Property Taxes	6710	2,795
	Payroll Taxes (Project's Share)	6711	12,345
	Property & Liability Insurance (Hazard)	6720	14,003
	Fidelity Bond Insurance	6721	-
	Workmen's Compensation	6722	-
	Health Insurance and Other Employee Benefits	6723	-
	Miscellaneous Taxes, Licenses, Permits and Insurance	6790	-
	Total Taxes and Insurance	6700	29,143
3220	Replacement Reserve Deposits as Required by WHEDA	3220	26,172
	Total Operating Expenses		330,770
	Net Operating Income (NOI)		244,583
6800 FINANCIAL EXPENSE	Interest on Mortgage Payable	6820	42,048
	Interest on Notes Payable (Long Term)	6830	-
	Interest on Notes Payable (Short Term)	6840	-
	Mortgage Insurance Premium/Service Charge	6850	-
	Miscellaneous Financial Expense/Preservation Fee	6890	-
	Total Financial Expense	6800	42,048
	Total Expenses of Operations Before Depreciation	6000	372,818
	Profit or (Loss) Before Depreciation	5060	202,535
6600	Depreciation Expense (Total)	6601	148,336
	Amortization Expense	6610	777
	Operating Profit or Loss	5060	53,423
7100 CORPORATE OR MORTGAGOR EXPENSE	Officer's Salaries	7110	53,851
	Legal Expense	7120	-
	Federal, State and Other Income Taxes	7130	-
	Interest Income	7140	-
	Interest on Notes Payable	7141	-
	Interest on Mortgage Payable	7142	-
	Other Expense	7190	-
	Net Entity Expenses	7100	53,851
	NET PROFIT OR (LOSS)	3250	(428)
TOTAL PRINCIPAL PAYMENTS	WHEDA First Mortgage	9910	48,248
	Second Mortgage	9911	-
	Other Mortgage(s)	9912	-
	Reserve releases to reimburse items expensed on this schedule.	9920	-
	Capital expenditures paid from project operations and expensed on this schedule.	9930	-

**Independent Auditors' Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

Board of Directors
Housing Initiatives, Inc.
Madison, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Housing Initiatives, Inc., which comprise the statement of financial position as of December 31, 2012, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated July 15, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Housing Initiatives, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Housing Initiatives, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Housing Initiatives, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Housing Initiatives, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Clifton Larson Allen LLP".

Milwaukee, Wisconsin
July 15, 2013

Independent Auditor's Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Federal Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133

Board of Directors
Housing Initiatives, Inc.
Madison, Wisconsin

Report on Compliance for Each Major Federal Program

We have audited Housing Initiatives, Inc.'s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Housing Initiatives, Inc.'s major federal programs for the year ended December 31, 2012. Housing Initiatives, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Housing Initiatives, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits 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 Housing Initiatives, Inc.'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 on compliance for each major federal program. However, our audit does not provide a legal determination of Housing Initiatives, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Housing Initiatives, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 2012-001. Our opinion on each major federal program is not modified with respect to these matters.

Housing Initiatives, Inc.'s response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Housing Initiatives, Inc.'s response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of Housing Initiatives, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Housing Initiatives, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Housing Initiatives, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2012-001 that we consider to be significant deficiencies.

Housing Initiatives, Inc.'s response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Housing Initiatives, Inc.'s response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the result of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

CliftonLarsonAllen LLP

Milwaukee, Wisconsin
July 15, 2013

HOUSING INITIATIVES, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2012

A. Summary of Auditor's Results

Financial Statements

- | | |
|--|---------------|
| 1. Type of auditor's report issued: | Unmodified |
| 2. Internal control over financial reporting: | |
| Material weakness identified? | No |
| Significant deficiencies identified that are not considered to be material weaknesses? | None reported |
| 3. Noncompliance material to financial statements noted? | No |

Federal Awards

- | | |
|--|--------------|
| 1. Internal control over major programs: | |
| Material weakness(es) identified? | No |
| Significant deficiency(ies) identified that are not considered to be material weaknesses? | Yes |
| 2. Type of auditor's report issued on compliance for major programs? | Unmodified |
| 3. Any audit findings disclosures that are required to be reported in accordance with Circular A-133, Section .510(a)? | Yes |
| 4. Identification of major programs: | |
| Supportive Housing Program – CFDA # 14.235 | \$ 214,348 |
| Home Investment Partnership – CFDA # 14.239 | \$ 3,098,156 |
| 5. Dollar threshold used to distinguish between Type A and Type B programs? | \$ 300,000 |
| 6. Auditee qualified as low-risk auditee? | Yes |

B. Financial Statement Findings

There were no current year findings.

HOUSING INITIATIVES, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
For the Year Ended December 31, 2012

Federal Awards Findings

SIGNIFICANT DEFICIENCIES:

2012-001 - Incompleteness of Tenant Files – Income Verification

CFDA Number and Title: 14.239 Home Investment Partnerships
Federal Grantor Name: U.S. Department of Housing and Urban Development
Pass-through Entity Name: City of Madison, Wisconsin

Criteria or Specific Requirement:

The Organization's system of internal control did not collect documentation needed to support management's assessment on tenant eligibility.

Condition:

We noted documentation supporting a tenant's income was not completed or maintained in one file for the year ended December 31, 2012. We applied other audit procedures to determine the organization was in compliance.

Context:

We tested nine files and found one file with missing documentation.

Effect:

Incomplete and or missing documentation could prevent management from verifying the eligibility of certain tenants or compliance with other grant requirements.

Cause:

The organization's staff did not consistently verify that all appropriate documentation was retained or completed in the tenants' files.

Recommendation:

We recommend management consider implementing tenant review policies for tenant files to ensure the proper forms and documentation are included, completed, and updated regularly.

Views of Responsible Officials and Planned Corrective Actions:

The Organization agrees and has improved its internal controls and has made the necessary adjustments to verify the proper forms and documents have been included and completed in the file.

HOUSING INITIATIVES, INC.
SCHEDULE OF STATUS OF PRIOR YEAR FINDINGS
For the Year Ended December 31, 2012

Finding – Item 2011-001 - Incompleteness of Tenant Files

Prior year's finding has been corrected.

HOUSING INITIATIVES, INC.
SCHEDULE OF CDBG FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2012

1. Single Audit required?	Yes
Dollar threshold used to distinguish between type A and type B programs	\$ 300,000
2. Type of auditor's report issued.	Unmodified
3. Internal control over financial reporting -	
Material weakness identified?	No
Significant deficiency identified and not considered a material weakness?	No
Noncompliance material to financial statements noted?	No
4. Internal control over major programs -	
Material weakness identified?	No
Significant deficiency identified not considered to be a material weakness?	Yes
5. Indirect cost allocation plan reasonable and acceptable per OMB A-122?	Not applicable
6. Actual costs reasonable and allocated appropriately per OMB A-122?	Yes
7. Costs allocated to the CDBG Office contracts based on costs incurred and are supported by records and documents?	Yes
8. Any audit findings disclosed that are required to be reported in accordance with Circular A-133, section 510(a)?	Yes
9. Identification of all Federal revenue sources and dollar amounts by program. <i>See Schedule of Expenditures of Federal Awards</i>	
10. Financial statement findings. <i>No matters were reported</i>	
11. Federal and State Award Findings and Questioned Costs. <i>No matters were reported</i>	
12. Does the auditor have substantial doubt as to the auditee's ability to continue as a going concern?	No
13. Does the audit report identify any additional audit issues related to the Agency's CDBG Office grants/contracts?	No
Does the audit include the -	
14. Schedule of revenue and expenses by program and funding source?	Yes
15. Schedule of CDBG Office funds expended by program?	Yes
16. Schedule of real property assets and the debt recorded against each property?	Yes
17. Was a management letter or other document conveying audit comments issued as a result of this audit?	No

Signature of Partner in Charge

Name of Partner in Charge
Date of report



Sean Walker, CPA
July 15, 2013