

**HOUSING INITIATIVES, INC.**  
Madison, Wisconsin

**FINANCIAL STATEMENTS WITH  
SUPPLEMENTARY INFORMATION**  
December 31, 2013 and 2012

## TABLE OF CONTENTS

	Page
<b>INDEPENDENT AUDITORS' REPORT</b> .....	1
<b>FINANCIAL STATEMENTS</b>	
Statements of Financial Position.....	3
Statements of Activities .....	4
Statements of Functional Expenses.....	5
Statements of Cash Flows .....	7
Notes to Financial Statements .....	8
<b>SUPPLEMENTARY INFORMATION</b> .....	15
Schedule of Expenditures of Federal Awards .....	16
Notes to the Schedule of Expenditures of Federal Awards .....	17
Schedule of Revenue and Expenses by Grant.....	18
Schedule of Real Property .....	20
Schedule of CDBG Office Funds Expended by Program .....	22
Provider Agency Expense Reports.....	23
Supplementary Data Required by WHEDA.....	25
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 <i>Government Auditing Standards</i> .....	73
Independent Auditors' 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 <i>OMB Circular A-133</i> .....	75
Schedule of Findings and Questioned Costs.....	77
Schedule of Status of Prior Year Findings.....	79
Schedule of CDBG Findings and Questioned Costs.....	80

## 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, 2013 and 2012, 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, 2013 and 2012, and the changes in its net assets and its cash flows for the years 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 28, 2014, 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.



Middleton, Wisconsin  
July 28, 2014

**HOUSING INITIATIVES, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**December 31, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 70,188	\$ 28,986
Accounts receivable	80,679	73,872
Prepaid expenses	<u>26,954</u>	<u>23,233</u>
Total current assets	<u>177,821</u>	<u>126,091</u>
<b>PROPERTY AND EQUIPMENT - net</b>	<u>4,979,909</u>	<u>4,678,691</u>
<b>OTHER ASSETS</b>		
Replacement reserves	51,319	52,815
Tax escrow	-	374
Loan costs - net	<u>35,919</u>	<u>34,930</u>
Total other assets	<u>87,238</u>	<u>88,119</u>
<b>TOTAL ASSETS</b>	<u>\$ 5,244,968</u>	<u>\$ 4,892,901</u>
<b>LIABILITIES AND NET DEFICIT</b>		
<b>CURRENT LIABILITIES</b>		
Current portion of notes payable	\$ 175,948	\$ 55,280
Accounts payable	79,992	27,302
Accrued expenses	48,405	22,622
Deferred revenue	<u>12,660</u>	<u>14,699</u>
Total current liabilities	<u>317,005</u>	<u>119,903</u>
<b>LONG-TERM LIABILITIES</b>		
Notes payable less current portion	1,444,329	1,496,576
Deferred loans	<u>4,537,293</u>	<u>4,199,293</u>
Total long-term liabilities	<u>5,981,622</u>	<u>5,695,869</u>
Total liabilities	6,298,627	5,815,772
<b>NET DEFICIT</b>		
Unrestricted	<u>(1,053,659)</u>	<u>(922,871)</u>
<b>TOTAL LIABILITIES AND NET DEFICIT</b>	<u>\$ 5,244,968</u>	<u>\$ 4,892,901</u>

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

**HOUSING INITIATIVES, INC.**  
**STATEMENTS OF ACTIVITIES**  
**Years Ended December 31, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
<b>SUPPORT AND REVENUE</b>		
Government grants	\$ 970,209	\$ 931,491
Client rent payments	324,075	309,046
Other	<u>54,518</u>	<u>45,556</u>
 Total unrestricted support and revenue	 <u>1,348,802</u>	 <u>1,286,093</u>
 <b>EXPENSES</b>		
Program services		
Shelter Plus Care	490,397	456,543
Property development and management	<u>760,325</u>	<u>745,642</u>
 Total program services	 1,250,722	 1,202,185
Supporting activities		
Management and general	<u>228,868</u>	<u>221,824</u>
 Total expenses	 <u>1,479,590</u>	 <u>1,424,009</u>
 <b>Change in net deficit</b>	 (130,788)	 (137,916)
Net deficit - beginning of year	<u>(922,871)</u>	<u>(784,955)</u>
 <b>Net deficit - end of year</b>	 <u>\$ (1,053,659)</u>	 <u>\$ (922,871)</u>

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

**HOUSING INITIATIVES, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**Year Ended December 31, 2013**

	<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	\$ -	\$ 206,900	\$ 206,900	\$ 169,256	\$ 376,156
Operating	-	82,888	82,888	9,210	92,098
Property management	-	470,537	470,537	-	470,537
Professional services	-	-	-	50,402	50,402
Rental assistance	<u>490,397</u>	<u>-</u>	<u>490,397</u>	<u>-</u>	<u>490,397</u>
<b>Total expenses</b>	<u>\$ 490,397</u>	<u>\$ 760,325</u>	<u>\$ 1,250,722</u>	<u>\$ 228,868</u>	<u>\$ 1,479,590</u>

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

**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>
<b>Total expenses</b>	<u>\$ 456,543</u>	<u>\$ 745,642</u>	<u>\$ 1,202,185</u>	<u>\$ 221,824</u>	<u>\$ 1,424,009</u>

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



**HOUSING INITIATIVES, INC.**  
**STATEMENTS OF CASH FLOWS**  
**Years Ended December 31, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net deficit	\$ (130,788)	\$ (137,916)
Adjustments to reconcile change in net deficit to net cash used in operating activities:		
Depreciation and amortization	185,434	176,760
(Increase) decrease in assets:		
Accounts receivable	(6,807)	(25,780)
Prepaid expenses	(3,721)	(2,760)
Increase (decrease) in liabilities:		
Accounts payable	52,690	6,621
Accrued expenses	25,783	(7,808)
Deferred revenue	<u>(2,039)</u>	<u>5,530</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>120,552</u>	<u>14,647</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Deposits to replacement reserves	(21,081)	(21,474)
Withdrawals from replacement reserves	22,577	19,386
Deposits to tax and insurance escrows	-	(6,000)
Withdrawals from tax and insurance escrows	374	16,612
Purchases of property and equipment	<u>(487,641)</u>	<u>(75,527)</u>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<u>(485,771)</u>	<u>(67,003)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal payments on notes payable	(54,579)	(129,292)
Proceeds from notes payable	123,000	220,000
Proceeds from deferred loans	<u>338,000</u>	<u>(60,450)</u>
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<u>406,421</u>	<u>30,258</u>
Net change in cash	41,202	(22,098)
Cash - beginning of year	<u>28,986</u>	<u>51,084</u>
<b>Cash - end of year</b>	<u>\$ 70,188</u>	<u>\$ 28,986</u>
<b>SUPPLEMENTAL INFORMATION</b>		
Cash paid for interest	\$ 44,698	\$ 43,691
Noncash investing and financing transactions:		
Acquisition of properties	338,000	-
Deferred loans on properties	(338,000)	-

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

**HOUSING INITIATIVES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2013 and 2012**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Operations**

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. Housing Initiatives, Inc. exists to provide permanent housing for persons with severe and persistent mental illnesses who are experiencing homelessness because of it. The primary sources of support and revenue are grants from the Dane County Department of Human Services and client rental payments.

**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, 2013 and 2012, 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 (including 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 2010.

**HOUSING INITIATIVES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2013 and 2012**

**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 statements of activities and the statements 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 28, 2014, the date which the financial statements were available to be issued.

**NOTE 2 - PROPERTY AND EQUIPMENT**

Property and equipment at December 31, 2013 and 2012 consisted of the following:

	<b><u>2013</u></b>	<b><u>2012</u></b>
Land	\$ 928,543	\$ 802,850
Buildings	5,349,988	4,990,530
Equipment	<u>38,016</u>	<u>36,515</u>
Property and equipment	6,316,547	5,829,895
Less accumulated depreciation	<u>(1,336,638)</u>	<u>(1,151,204)</u>
Property and equipment, net	<b><u>\$ 4,979,909</u></b>	<b><u>\$ 4,678,691</u></b>

Depreciation expense for 2013 and 2012 was \$186,981 and \$175,556, respectively.

**HOUSING INITIATIVES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2013 and 2012**

**NOTE 3 - LONG-TERM DEBT**

Notes payable at December 31, 2013 and 2012 consisted of the following:

	<u>2013</u>	<u>2012</u>
Loan payable in monthly installments of \$330 including interest at 5%, maturing January 10, 2014. Secured by 425 Troy property. \$	31,514	\$ -
Loan payable in monthly installments interest-only payments at 5.5%, maturing August 10, 2014. Secured by Karstens property.	90,000	-
Mortgage payable in monthly installments of \$424 including interest at 4%, maturing January 1, 2019. Secured by 824-826 Fairmont property.	23,378	27,445
Mortgage payable in monthly installments of \$303 including interest at 4%, maturing January 1, 2019. Secured by 810-812 Brandie property.	16,697	19,602
Mortgage payable in monthly installments of \$382 including interest at 4%, maturing January 1, 2031. Secured by 34 Powers property.	57,615	59,845
Mortgage payable in monthly installments of \$406 including interest at 4%, maturing January 1, 2029. Secured by 2005 East Washington property.	56,835	59,376
Mortgage payable in monthly installments of \$353 including interest at 4%, maturing August 1, 2030. Secured by 1822 Helene property.	51,510	53,643
Mortgage payable in monthly installments of \$497 including interest at 2%, maturing August 1, 2035. Secured by Stonebridge property.	104,500	108,334
Mortgage payable in monthly installments of \$1,848 including interest at 2%, maturing October 1, 2035. Secured by Ruskin	392,068	406,250
Mortgage payable in monthly installments of \$1,027 including interest at 2.3%, maturing January 1, 2038. Secured by Mifflin property.	225,663	232,956

**HOUSING INITIATIVES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2013 and 2012**

**NOTE 3 - LONG-TERM DEBT** (continued)

	<u>2013</u>	<u>2012</u>
Mortgage payable in monthly installments of \$992 including interest at 4%, maturing July 1, 2038. Secured by Dayton property.	\$ 186,158	\$ 190,524
Mortgage payable in monthly installments of \$1,140 including interest at 3%, maturing March 1, 2040. Secured by Brentwood, Balsam, and Camden property.	248,811	254,925
Mortgage payable in monthly installments of \$515 including interest at 2%, maturing November 1, 2042. Secured by Pinecrest property.	135,528	138,956
	1,620,277	1,551,856
	(175,948)	(55,280)
	\$ 1,444,329	\$ 1,496,576

Future principal payment are as follow:

2014	\$	175,948
2015		56,010
2016		57,639
2017		59,315
2018		61,757
Thereafter		1,209,608
Future principal payments	\$	1,620,277

Interest expense was \$44,698 and \$43,691 for 2013 and 2012, respectively.

Loan fees are being amortized using the straight line method over 30 years. Accumulated amortization at December 31, 2013 and 2012 was \$4,800 and \$3,505, respectively. Amortization expense totaled \$1,295 and \$1,204 for 2013 and 2012, respectively.

**HOUSING INITIATIVES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2013 and 2012**

**NOTE 3 - LONG-TERM DEBT** (continued)

**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, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
824-826 Fairmont	\$ 5,760	\$ 4,910
810-812 Brandie	5,113	5,362
2005 East Washington	2,974	2,150
1822 Helene	3,378	2,650
1110 Ruskin	4,385	3,095
Stonebridge	4,170	2,638
Mifflin	9,115	10,501
Dayton and Johnson	3,341	9,480
34 Powers	4,883	5,183
Brentwood	4,888	4,930
Pinecrest	<u>3,312</u>	<u>1,916</u>
<b>Replacement reserves</b>	<u>\$ 51,319</u>	<u>\$ 52,815</u>
Pinecrest	<u>\$ -</u>	<u>\$ 374</u>
Tax escrow	<u>\$ -</u>	<u>\$ 374</u>

**HOUSING INITIATIVES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2013 and 2012**

**NOTE 3 - LONG-TERM DEBT** (continued)

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. Deferred loans were received from the U.S. Department of Housing and Urban Development (HUD) that are payable upon the sale or change in use of the properties before December 2016. The deferred loans at December 31 are summarized as follows:

<u>Property Description</u>	<u>Funding Source</u>	<u>2013</u>	<u>2012</u>
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	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
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	City of Madison, CDBG-NSP	123,640	123,640
1601 Troy	City of Madison, CDBG	195,000	195,000
Pinecrest	City of Madison, CDBG	134,550	134,550
425 Troy	City of Madison, CDBG	185,000	-
Karstens	City of Madison, CDBG	153,000	-
		<u>\$ 4,537,293</u>	<u>\$ 4,199,293</u>

**HOUSING INITIATIVES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2013 and 2012**

**NOTE 4 - ECONOMIC DEPENDENCY**

Housing Initiatives receives approximately 58% and 61% for 2013 and 2012, respectively, 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 2013 and 2012 was \$27,702 and \$25,146, respectively.

**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.

Property and equipment held for leasing purposes consist of the following:

	<u>2013</u>	<u>2012</u>
Land	\$ 868,643	\$ 742,950
Buildings and improvements	<u>4,193,317</u>	<u>3,850,793</u>
	5,061,960	4,593,743
Less accumulated depreciation	<u>(974,278)</u>	<u>(831,178)</u>
<b>Property and equipment held for leasing, net</b>	<u>\$ 4,087,682</u>	<u>\$ 3,762,565</u>

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, 2013 and 2012 the value of the land totaled \$59,900. As of December 31, 2013 and 2012 the value of buildings and improvements totaled \$1,156,671 and \$1,139,738, respectively. As of December 31, 2013 and 2012 accumulated depreciation totaled \$334,845 and \$295,199, respectively.

This information is an integral part of the accompanying financial statements.



## **SUPPLEMENTARY INFORMATION**

**HOUSING INITIATIVES, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended December 31, 2013**

<u>Federal Grantor/ Pass Through Grantor/ Program Title</u>	<u>CFDA Number</u>	<u>Pass Through ID Number</u>	<u>Total Federal Expenditures</u>
<b>U.S. Department of Housing and Urban Development</b>			
Supportive Housing Program	14.235		\$ <u>214,348</u>
Pass through			
Dane County Department of Human Services Shelter Plus Care	14.238	81676	787,887
City of Madison Community Development Block Grant Office Shelter Plus Care	14.238		<u>215,700</u>
Total Shelter Plus Care			<u>1,003,587</u>
City of Madison - Community Development Authority Section 8 Housing Assistance Payments Program	14.195		170,411
City of Madison Community Development Block Grant Office Home Investment Partnerships (HOME)	14.239		3,436,156
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		11,910
City of Madison Community Development Block Grant Office Community Development Block Grants Entitlement Grants	14.218		<u>84,748</u>
<b>Total expenditures of federal awards</b>			<b>\$ <u>5,361,269</u></b>

See accompanying notes to schedule of expenditures of federal awards.

**HOUSING INITIATIVES, INC.**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**December 31, 2013**

**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, 2013. 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 the previous year for which the Department of Housing and Urban Development imposes continuing compliance requirements. At December 31, 2013, the balance of loans outstanding totals \$4,537,293.

This information is an integral part of the schedule of expenditures of federal awards.

**HOUSING INITIATIVES, INC.**  
**SCHEDULE OF REVENUE AND EXPENSES BY GRANT**  
**Year Ended December 31, 2013**

	<u>Shelter Plus Care</u>			<u>Total</u>	<u>Other</u>	<u>Total</u>
	<u>Dane County</u>	<u>Other</u>	<u>Eliminations</u>			
<b>SUPPORT AND REVENUE</b>						
Government grants	\$ 791,250	\$ -	\$ -	\$ 791,250	\$ 178,959	\$ 970,209
Client rent payments	-	251,720	-	251,720	72,355	324,075
Rent income	-	474,581	(474,581)	-	-	-
Other	-	-	-	-	54,518	54,518
Total revenue	<u>791,250</u>	<u>726,301</u>	<u>(474,581)</u>	<u>1,042,970</u>	<u>305,832</u>	<u>1,348,802</u>
<b>EXPENSES</b>						
Program expenses						
Personnel	-	-	-	-	206,900	206,900
Operations	-	-	-	-	553,425	553,425
Special costs	<u>713,258</u>	<u>251,720</u>	<u>(474,581)</u>	<u>490,397</u>	<u>-</u>	<u>490,397</u>
Total program expenses	<u>713,258</u>	<u>251,720</u>	<u>(474,581)</u>	<u>490,397</u>	<u>760,325</u>	<u>1,250,722</u>
Administrative expenses						
Personnel	77,992	-	-	77,992	91,264	169,256
Operations	-	-	-	-	59,612	59,612
Special costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total administrative expenses	<u>77,992</u>	<u>-</u>	<u>-</u>	<u>77,992</u>	<u>150,876</u>	<u>228,868</u>
Total expenses	<u>791,250</u>	<u>251,720</u>	<u>(474,581)</u>	<u>568,389</u>	<u>911,201</u>	<u>1,479,590</u>
<b>Excess revenue (expenses)</b>	<u>\$ -</u>	<u>\$ 474,581</u>	<u>\$ -</u>	<u>\$ 474,581</u>	<u>\$ (605,369)</u>	<u>\$ (130,788)</u>

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

	<u>Shelter Plus Care</u>				<u>Other</u>	<u>Total</u>
	<u>Dane County</u>	<u>Other</u>	<u>Eliminations</u>		<u>Total</u>	
<b>SUPPORT AND REVENUE</b>						
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	<u>789,664</u>	<u>776,741</u>	<u>(525,684)</u>	<u>1,040,721</u>	<u>245,372</u>	<u>1,286,093</u>
<b>EXPENSES</b>						
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	<u>731,170</u>	<u>251,057</u>	<u>(525,684)</u>	<u>456,543</u>	<u>745,642</u>	<u>1,202,185</u>
Administrative expenses						
Personnel	58,494	-	-	58,494	104,498	162,992
Operations	-	-	-	-	58,832	58,832
Special costs	-	-	-	-	-	-
Total administrative expenses	<u>58,494</u>	<u>-</u>	<u>-</u>	<u>58,494</u>	<u>163,330</u>	<u>221,824</u>
Total expenses	<u>789,664</u>	<u>251,057</u>	<u>(525,684)</u>	<u>515,037</u>	<u>908,972</u>	<u>1,424,009</u>
<b>Excess revenue (expenses)</b>	<u>\$ -</u>	<u>\$ 525,684</u>	<u>\$ -</u>	<u>\$ 525,684</u>	<u>\$ (663,600)</u>	<u>\$ (137,916)</u>

**HOUSING INITIATIVES, INC.**  
**SCHEDULE OF REAL PROPERTY**  
**December 31, 2013**

<u>Property Description</u>	<u>Land</u>	<u>Buildings</u>	<u>Total Property</u>	<u>Notes Payable</u>	<u>Deferred Loans</u>	<u>Total Debt</u>
824-826 Fairmont	\$ 24,960	\$ 100,538	\$ 125,498	\$ 23,378	\$ 60,000	\$ 83,378
810-812 Brandie	23,346	108,955	132,301	16,697	70,000	86,697
734-736 Fairmont	15,806	110,161	125,967	-	103,870	103,870
2005 E. Washington	32,958	104,382	137,340	56,835	70,000	126,835
1822 Helene	57,812	210,940	268,752	51,510	140,000	191,510
34 Powers	44,189	153,178	197,367	57,615	124,000	181,615
Stonebridge	-	475,245	475,245	104,500	343,200	447,700
1110 Ruskin	59,900	1,156,671	1,216,571	392,068	687,437	1,079,505
1336 E Mifflin / 1313 Crowley	119,104	428,626	547,730	225,663	238,679	464,342
Dayton / Johnson	118,625	526,848	645,473	186,158	552,414	738,572
Stonebridge	-	318,071	318,071	-	296,834	296,834
2505 Brentwood	33,426	202,751	236,177	82,937	216,000	298,937
5838 Balsam	60,212	199,222	259,434	82,937	203,200	286,137
5028 Camden	38,526	221,381	259,907	82,937	156,473	239,410
Las Casitas	62,794	401,950	464,744	-	607,636	607,636
1601 Troy	60,492	139,414	199,906	-	195,000	195,000
Pinecrest	50,700	176,664	227,364	135,528	134,550	270,078
425 Troy	64,905	145,389	210,294	31,514	185,000	216,514
Karstens	<u>60,788</u>	<u>169,602</u>	<u>230,390</u>	<u>90,000</u>	<u>153,000</u>	<u>243,000</u>
	<u>\$ 928,543</u>	<u>\$ 5,349,988</u>	<u>\$ 6,278,531</u>	<u>\$ 1,620,277</u>	<u>\$ 4,537,293</u>	<u>\$ 6,157,570</u>

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

<u>Property Description</u>	<u>Land</u>	<u>Buildings</u>	<u>Total Property</u>	<u>Notes Payable</u>	<u>Deferred Loans</u>	<u>Total Debt</u>
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
Dayton / Johnson	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
1601 Troy	60,492	139,264	199,756	-	195,000	195,000
Pinecrest	<u>50,700</u>	<u>176,089</u>	<u>226,789</u>	<u>138,956</u>	<u>134,550</u>	<u>273,506</u>
	<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 CDBG OFFICE FUNDS EXPENDED BY PROGRAM**  
**Years Ended December 31, 2013 and 2012**

**2013**

---

**Property / Description**

**425 TROY**

CDBG Office funds	
CDBG - Entitlement grants - deferred loans	\$ 185,000
CDBG Office funds expended	
Building	<u>185,000</u>
Excess (deficit)	<u>\$ -</u>

**3434 KARSTENS DRIVE**

CDBG Office funds	
CDBG - Entitlement grants - deferred loans	\$ 153,000
CDBG Office funds expended	
Building	<u>153,000</u>
Excess (deficit)	<u>\$ -</u>

**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>



<b>Provider Name:</b>	Housing Initiatives, Inc.	<b>Contract #:</b>		<b>*Provider Certified By:</b>	
<b>Program Name:</b>	Rental Assist HUD Grant	<b>Program Group #:</b>	10027	<b>Gretchen Kaseman, CPA</b>	<b>Date</b>

	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
<b>A. PERSONNEL</b>						
Salaries				0		
Taxes				0		
Benefits				0		
<b>Subtotal A</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>#DIV/0!</b>
<b>B. OPERATING</b>						
Insurance				0		
Professional Fees	53,248	53,248		53,248	53,248	
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		
<b>Subtotal B</b>	<b>53,248</b>	<b>53,248</b>	<b>0</b>	<b>53,248</b>	<b>53,248</b>	<b>0.00%</b>
<b>C. SPACE</b>						
Rent				0		
Utilities				0		
Maintenance				0		
Mortgage Interest, Depreciation, Property Taxes				0		
<b>Subtotal C</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>#DIV/0!</b>
<b>D. SPECIAL COSTS</b>						
Assistance to Individuals	986,359		986,359	986,359	986,359	
<b>Subtotal D</b>	<b>986,359</b>	<b>0</b>	<b>986,359</b>	<b>986,359</b>	<b>986,359</b>	<b>0.00%</b>
<b>E. OTHER</b>						
Other3:				0		
Other4:				0		
<b>Subtotal E</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>#DIV/0!</b>
<b>F. OFF-SETTING REVENUE</b> Show as negative numbers:						
Government Benefits (SSI, SSDI, etc.)				0		
Private Pay (Trust Funds, etc.)				0		
Cost Share				0		
Other	(251,720)		(251,720)	(251,720)	(251,720)	
<b>Subtotal F</b>	<b>(251,720)</b>	<b>0</b>	<b>(251,720)</b>	<b>(251,720)</b>	<b>(251,720)</b>	<b>0.00%</b>
<b>TOTAL A THROUGH F</b>	<b>787,887</b>	<b>53,248</b>	<b>734,639</b>	<b>787,887</b>	<b>787,887</b>	<b>0.00%</b>

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

Provider Name: Housing Initiatives, Inc.	Contract #	Program Group #	County:	
Program Name: Rental Assistance HUD Grant		10027	Provider:	

	PRIOR YEAR –2012 FINAL COUNTY APPROVED				CURRENT YEAR – 2013				
	1	2	3	4	5	6	7	8	9
	TOTAL BUDGET	COUNTY FUNDED (= Col 3 + 4)	COUNTY FUNDED ADMIN	COUNTY FUNDED PROGRAM	TOTAL BUDGET	COUNTY FUNDED (= Col 7 + 8)	COUNTY FUNDED ADMIN	COUNTY FUNDED PROGRAM	PERCENT TO TOT CO FUNDED (=Col 6/Col 6 Tot)
<b>A. PERSONNEL</b>									
Salaries		0				0			0.00%
Taxes		0				0			0.00%
Benefits		0				0			0.00%
<b>Subtotal A</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>
<b>B. OPERATING</b>									
Insurance		0				0			0.00%
Professional Fees	58,494	58,494	58,494		53,248	53,248	53,248		6.76%
Audit		0				0			0.00%
Data Processing		0				0			0.00%
Postage, Office, and Program Supplies		0				0			0.00%
Equipment/Furnishings		0				0			0.00%
Depreciation		0				0			0.00%
Telephone		0				0			0.00%
Training/Conference		0				0			0.00%
Food/Household Supplies		0				0			0.00%
Auto Allowance		0				0			0.00%
Vehicle Costs		0				0			0.00%
Other1:		0				0			#DIV/0!
Other2:		0				0			0.00%
<b>Subtotal B</b>	<b>58,494</b>	<b>58,494</b>	<b>58,494</b>	<b>0</b>	<b>53,248</b>	<b>53,248</b>	<b>53,248</b>	<b>0</b>	<b>6.76%</b>
<b>C. SPACE</b>									
Rent		0				0			0.00%
Utilities		0				0			0.00%
Maintenance		0				0			0.00%
Mortgage Interest, Depreciation		0				0			0.00%
Property Taxes		0				0			0.00%
<b>Subtotal C</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>
<b>D. SPECIAL COSTS</b>									
Assistance to Individuals	982,227	982,227		982,227	986,359	986,359		986,359	125.19%
<b>Subtotal D</b>	<b>982,227</b>	<b>982,227</b>	<b>0</b>	<b>982,227</b>	<b>986,359</b>	<b>986,359</b>	<b>0</b>	<b>986,359</b>	<b>125.19%</b>
<b>E. OTHER (Specify)</b>									
Other3:		0				0			0.00%
Other4:		0				0			0.00%
<b>Subtotal E</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>
This section for Adult - DD only.									
<b>F. OFF-SETTING REVENUE</b>									
Show as negative numbers:									
Government Benefits (SSI, SSDI, etc.)		0				0			0.00%
Private Pay (Trust Funds, etc.)		0				0			0.00%
Cost Share		0				0			0.00%
Other	(251,057)	(251,057)		(251,057)	(251,720)	(251,720)		(251,720)	-31.95%
<b>Subtotal F</b>	<b>(251,057)</b>	<b>(251,057)</b>	<b>0</b>	<b>(251,057)</b>	<b>(251,720)</b>	<b>(251,720)</b>	<b>0</b>	<b>(251,720)</b>	<b>-31.95%</b>
<b>TOTAL A THROUGH F</b>	<b>789,664</b>	<b>789,664</b>	<b>58,494</b>	<b>731,170</b>	<b>787,887</b>	<b>787,887</b>	<b>53,248</b>	<b>734,639</b>	<b>100.00%</b>

7.41%

Agency Administrative Cost Percent: 6.76%

**ANNUAL SCHEDULE OF ASSETS for Multifamily Projects**

**Project Name: Dayton/Johnson**

**Period Beginning: 1/1/13 thru: 12/31/13**

**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 <sub>SM</sub>		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		
		<b>TOTAL CURRENT ASSETS</b>		<b>1100</b>	
1191	Tenant Security Deposits - RESTRICTED ASSET		1191		
1200 PREPAID EXPENSES	Miscellaneous Prepaid Expenses		1200		
1300 FUNDED RESERVES	Escrow Deposits		1310		
	Reserve for Replacements		1320	\$3,341	
	Other Reserve		1330		
	Residual Receipts Reserve		1340		
	Management Improvement and Operating Plan		1381		
	Development Cost Escrow (DCE)		1390		
	FHA Insurance Reserve		1392		
	<b>Total Funded Reserves</b>		<b>1300</b>		\$3,341
1400 FIXED ASSETS	Land		1410	\$118,625	
	Buildings		1420	526,848	
	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		
		<b>Gross Fixed Assets</b>		<b>1400</b>	<b>\$645,473</b>
1495 ALLOWANCE ACCOUNTS	Accumulated Depreciation		1495	\$105,364	
	Total Accumulated Depreciation			\$105,364	
	<b>Net Fixed Assets</b>		<b>1400</b>		\$540,109
1500 INVESTMENTS	Investments - Operations		1510		
	Investments - Entity		1515		
	Intangible Assets		1520		
	Miscellaneous Other Assets		1590		
	<b>TOTAL OTHER ASSETS</b>		<b>1500</b>	\$0	
	<b>TOTAL ASSETS</b>		<b>1000</b>		\$543,450

**ANNUAL SCHEDULE OF LIABILITIES AND EQUITY for Multifamily Projects**

**Project Name: Dayton/Johnson**

**Period Beginning: 1/1/13 thru: 12/31/13**

**Project Number: 2768**

	Description of Account	Account	Amount	Totals
2100	Bank Overdraft - Operations	2105		
CURRENT	Accounts Payable-30 Days	2109		
LIABILITIES	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 <sub>SM</sub> /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		
	<b>Current Liabilities</b>			\$0
2191	Tenant Security Deposits - CONTRA ASSET	2191		
2200 PREPAID	Prepaid Revenue	2210		
REVENUES				
	<b>TOTAL CURRENT LIABILITIES</b>	<b>2122</b>		\$0
2300	Notes Payable - Long Term	2310		
LONG-TERM	Notes Payable - Surplus Cash	2311		
LIABILITIES	Mortgage Payable - First Mortgage	2320	186,158	
	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		
	<b>Total Long Term Liabilities</b>	<b>2300</b>		\$738,572
	<b>TOTAL LIABILITIES</b>	<b>2000</b>		\$738,572
3033 TOTAL	Total Equity/Retained Earnings	3033	(\$195,122)	
EQUITY				
	<b>TOTAL LIABILITIES and EQUITY/RETAINED EARNINGS</b>	<b>2033</b>		\$543,450

**SCHEDULE OF PROFIT AND LOSS for Multifamily Projects**

Project Name: Dayton/Johnson

Project Number: 2768

Period Beginning: 1/1/13 thru: 12/31/13

Year: 2013

	Description of Account	Acct. No.	Amount	Totals
5100	Rent Revenue - Gross Potential	5120	65,050	
RENTAL	Tenant Assistance Payments	5121		
REVENUE	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		
	<b>Total Rent Revenue Potential</b>	<b>5100</b>		65,050
5200	Apartment Vacancies	5220		
VACANCIES	Stores/Commercial Vacancies or Concessions	5240		
	Rental Concessions	5250		
	Garage/Parking Vacancies or Concessions	5270		
	Miscellaneous	5290		
	<b>Total Vacancies or Concessions</b>	<b>5200</b>		0
	<b>Net Rental Revenue (Rent Revenue less Vacancies)</b>	<b>5152</b>		65,050
5300	<b>Total Service Income</b>	<b>5300</b>		0
5400	Financial Revenue - Project Operations	5410		
FINANCIAL	Revenue from Investments-Residual Receipts	5430		
REVENUE	Revenue from Investments-Replacement Reserve	5440	61	
	Revenue from Investments-Miscellaneous	5490		
	<b>Total Financial Revenue</b>	<b>5400</b>		61
5900	Laundry/Vending Income (Net)	5910		
MISC.	Tenant Charges	5920		
REVENUE	Miscellaneous Revenue	5990		
	<b>Total Miscellaneous Revenue</b>	<b>5900</b>		0
	<b>Total Revenue</b>	<b>5000</b>		65,111
6200	Conventions and Meetings	6203		
RENT	Management Consultants	6204		
EXPENSE	Advertising/Marketing Expense	6210		
	Other Rent Expense	6250		
	<b>Total Rent Expense</b>			0
6300	Office Salaries	6310		
ADMIN.	Office Expenses	6311	338	
EXPENSES	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		
	<b>Total Administrative Expense</b>		338	
6200 + 6300	<b>Total Rent &amp; Administrative Expense</b>	<b>6263</b>		338
6400	Fuel Oil	6420		
UTILITIES	Electricity	6450	8,411	
EXPENSE	Water	6451		
	Gas	6452		
	Sewer	6453		
	<b>Total Utilities Expense</b>	<b>6400</b>		8,411

	Description of Account	Acct. No.	Amount	Totals
6500 OPERATING & MAINTENANCE EXPENSE	Payroll	6510	14,332	
	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	6,294	
	<b>Total Operating &amp; Maintenance Expense</b>	<b>6500</b>		20,626
	6900	<b>Total Service Expense</b>	<b>6900</b>	
6700 TAXES AND INSURANCE	Real Estate & Personal Property Taxes	6710		
	Payroll Taxes (Project's Share)	6711		
	Property & Liability Insurance (Hazard)	6720	3,117	
	Fidelity Bond Insurance	6721		
	Workmen's Compensation	6722		
	Health Insurance and Other Employee Benefits	6723		
	Miscellaneous Taxes, Licenses, Permits and Insurance	6790		
	<b>Total Taxes and Insurance</b>	<b>6700</b>		3,117
3220	Replacement Reserve Deposits as Required by WHEDA	3220		2,461
	<b>Total Operating Expenses</b>			34,952
	<b>Net Operating Income (NOI)</b>			30,159
6800 FINANCIAL EXPENSE	Interest on Mortgage Payable	6820	7,542	
	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		
	<b>Total Financial Expense</b>	<b>6800</b>		7,542
	<b>Total Expenses of Operations Before Depreciation</b>	<b>6000</b>		42,494
	<b>Profit or (Loss) Before Depreciation</b>	<b>5060</b>		22,617
6600	Depreciation Expense (Total)	6601		19,191
	Amortization Expense	6610		104
	<b>Operating Profit or Loss</b>	<b>5060</b>		3,322
7100 CORPORATE OR MORTGAGOR EXPENSE	Officer's Salaries	7110	6,808	
	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		
	<b>Net Entity Expenses</b>	<b>7100</b>		6,808
	<b>NET PROFIT OR (LOSS)</b>	<b>3250</b>		(3,486)
TOTAL PRINCIPAL PAYMENTS	WHEDA First Mortgage	9910		4,366
	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: 1/1/13 thru: 12/31/13**

**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 <sub>SM</sub>		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		
		<b>TOTAL CURRENT ASSETS</b>		<b>1100</b>	
1191	Tenant Security Deposits - RESTRICTED ASSET		1191		
1200 PREPAID EXPENSES	Miscellaneous Prepaid Expenses		1200		
1300 FUNDED RESERVES	Escrow Deposits		1310		
	Reserve for Replacements		1320	\$9,115	
	Other Reserve		1330		
	Residual Receipts Reserve		1340		
	Management Improvement and Operating Plan		1381		
	Development Cost Escrow (DCE)		1390		
	FHA Insurance Reserve		1392		
	<b>Total Funded Reserves</b>		<b>1300</b>		\$9,115
1400 FIXED ASSETS	Land		1410	\$119,104	
	Buildings		1420	746,697	
	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		
		<b>Gross Fixed Assets</b>		<b>1400</b>	<b>\$865,801</b>
1495 ALLOWANCE ACCOUNTS	Accumulated Depreciation		1495	\$175,782	
	Total Accumulated Depreciation			\$175,782	
	<b>Net Fixed Assets</b>		<b>1400</b>		\$690,018
1500 INVESTMENTS	Investments - Operations		1510		
	Investments - Entity		1515		
	Intangible Assets		1520		
	Miscellaneous Other Assets		1590		
	<b>TOTAL OTHER ASSETS</b>		<b>1500</b>	\$0	
	<b>TOTAL ASSETS</b>		<b>1000</b>		\$699,133

**ANNUAL SCHEDULE OF LIABILITIES AND EQUITY for Multifamily Projects**Project Name: **Mifflin 3 Sites**Period Beginning: **1/1/13** thru: **12/31/13**Project Number: **2740**

	Description of Account	Account	Amount	Totals
2100	Bank Overdraft - Operations	2105		
CURRENT	Accounts Payable-30 Days	2109		
LIABILITIES	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 <sub>SM</sub> /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		
	<b>Current Liabilities</b>			<b>\$0</b>
2191	Tenant Security Deposits - CONTRA ASSET	2191		
2200 PREPAID	Prepaid Revenue	2210		
REVENUES				
	<b>TOTAL CURRENT LIABILITIES</b>	<b>2122</b>		<b>\$0</b>
2300	Notes Payable - Long Term	2310		
LONG-TERM	Notes Payable - Surplus Cash	2311		
LIABILITIES	Mortgage Payable - First Mortgage	2320	225,663	
	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		
	<b>Total Long Term Liabilities</b>	<b>2300</b>		<b>\$761,176</b>
	<b>TOTAL LIABILITIES</b>	<b>2000</b>		<b>\$761,176</b>
3033 TOTAL	Total Equity/Retained Earnings	3033	(\$62,043)	
EQUITY				
	<b>TOTAL LIABILITIES and EQUITY/RETAINED EARNINGS</b>	<b>2033</b>		<b>\$699,133</b>



**SCHEDULE OF PROFIT AND LOSS for Multifamily Projects**

Project Name: Mifflin 3 Site

Project Number: 2740

Period Beginning: 1/1/13 thru: 12/31/13

Year: 2013

	Description of Account	Acct. No.	Amount	Totals
5100	Rent Revenue - Gross Potential	5120	166,693	
RENTAL	Tenant Assistance Payments	5121		
REVENUE	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		
	<b>Total Rent Revenue Potential</b>	<b>5100</b>		166,693
5200	Apartment Vacancies	5220		
VACANCIES	Stores/Commercial Vacancies or Concessions	5240		
	Rental Concessions	5250		
	Garage/Parking Vacancies or Concessions	5270		
	Miscellaneous	5290		
	<b>Total Vacancies or Concessions</b>	<b>5200</b>		0
	<b>Net Rental Revenue (Rent Revenue less Vacancies)</b>	<b>5152</b>		166,693
5300	<b>Total Service Income</b>	<b>5300</b>		0
5400	Financial Revenue - Project Operations	5410		
FINANCIAL	Revenue from Investments-Residual Receipts	5430		
REVENUE	Revenue from Investments-Replacement Reserve	5440	160	
	Revenue from Investments-Miscellaneous	5490		
	<b>Total Financial Revenue</b>	<b>5400</b>		160
5900	Laundry/Vending Income (Net)	5910		
MISC.	Tenant Charges	5920		
REVENUE	Miscellaneous Revenue	5990	0	
	<b>Total Miscellaneous Revenue</b>	<b>5900</b>		0
	<b>Total Revenue</b>	<b>5000</b>		166,853
6200	Conventions and Meetings	6203		
RENT	Management Consultants	6204		
EXPENSE	Advertising/Marketing Expense	6210		
	Other Rent Expense	6250		
	<b>Total Rent Expense</b>			0
6300	Office Salaries	6310		
ADMIN.	Office Expenses	6311	488	
EXPENSES	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	7,296	
	<b>Total Administrative Expense</b>		7,784	
6200 + 6300	<b>Total Rent &amp; Administrative Expense</b>	<b>6263</b>		7,784
6400	Fuel Oil	6420		
UTILITIES	Electricity	6450	20,155	
EXPENSE	Water	6451		
	Gas	6452		
	Sewer	6453		
	<b>Total Utilities Expense</b>	<b>6400</b>		20,155

	Description of Account	Acct. No.	Amount	Totals
6500 OPERATING & MAINTENANCE EXPENSE	Payroll	6510	21,498	
	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	15,109	
	<b>Total Operating &amp; Maintenance Expense</b>	<b>6500</b>		36,607
	6900	<b>Total Service Expense</b>	<b>6900</b>	
6700 TAXES AND INSURANCE	Real Estate & Personal Property Taxes	6710		
	Payroll Taxes (Project's Share)	6711		
	Property & Liability Insurance (Hazard)	6720	7,463	
	Fidelity Bond Insurance	6721		
	Workmen's Compensation	6722		
	Health Insurance and Other Employee Benefits	6723		
	Miscellaneous Taxes, Licenses, Permits and Insurance	6790		
	<b>Total Taxes and Insurance</b>	<b>6700</b>		7,463
3220	Replacement Reserve Deposits as Required by WHEDA	3220		4,564
	<b>Total Operating Expenses</b>			76,573
	<b>Net Operating Income (NOI)</b>			90,280
6800 FINANCIAL EXPENSE	Interest on Mortgage Payable	6820	12,823	
	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		
	<b>Total Financial Expense</b>	<b>6800</b>		12,823
	<b>Total Expenses of Operations Before Depreciation</b>	<b>6000</b>		89,395
	<b>Profit or (Loss) Before Depreciation</b>	<b>5060</b>		77,458
6600	Depreciation Expense (Total)	6601		45,223
	Amortization Expense	6610		172
	<b>Operating Profit or Loss</b>	<b>5060</b>		32,063
7100 CORPORATE OR MORTGAGOR EXPENSE	Officer's Salaries	7110	10,212	
	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		
	<b>Net Entity Expenses</b>	<b>7100</b>		10,212
	<b>NET PROFIT OR (LOSS)</b>	<b>3250</b>		21,851
TOTAL PRINCIPAL PAYMENTS	WHEDA First Mortgage	9910		7,293
	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: 1/1/13 thru: 12/31/13**

**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 <sub>SM</sub>		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			
		<b>TOTAL CURRENT ASSETS</b>		<b>1100</b>		\$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	\$2,974		
	Other Reserve		1330			
	Residual Receipts Reserve		1340			
	Management Improvement and Operating Plan		1381			
	Development Cost Escrow (DCE)		1390			
	FHA Insurance Reserve		1392			
	<b>Total Funded Reserves</b>		<b>1300</b>		\$2,974	
1400 FIXED ASSETS	Land		1410	\$32,958		
	Buildings		1420	104,382		
	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			
		<b>Gross Fixed Assets</b>		<b>1400</b>	<b>\$137,340</b>	
1495 ALLOWANCE ACCOUNTS	Accumulated Depreciation		1495	\$56,759		
	Total Accumulated Depreciation			\$56,759		
	<b>Net Fixed Assets</b>		<b>1400</b>		\$80,581	
1500 INVESTMENTS	Investments - Operations		1510			
	Investments - Entity		1515			
	Intangible Assets		1520			
	Miscellaneous Other Assets		1590			
	<b>TOTAL OTHER ASSETS</b>		<b>1500</b>	\$0		
	<b>TOTAL ASSETS</b>		<b>1000</b>		\$83,555	

**ANNUAL SCHEDULE OF LIABILITIES AND EQUITY for Multifamily Projects**

Project Name: Washington

Period Beginning: 1/1/13 thru: 12/31/13

Project Number: 1759

	Description of Account	Account	Amount	Totals
2100	Bank Overdraft - Operations	2105		
CURRENT	Accounts Payable-30 Days	2109		
LIABILITIES	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 <sub>SM</sub> /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		
	<b>Current Liabilities</b>			\$0
2191	Tenant Security Deposits - CONTRA ASSET	2191		
2200 PREPAID	Prepaid Revenue	2210		
REVENUES				
	<b>TOTAL CURRENT LIABILITIES</b>	<b>2122</b>		\$0
2300	Notes Payable - Long Term	2310		
LONG-TERM	Notes Payable - Surplus Cash	2311		
LIABILITIES	Mortgage Payable - First Mortgage	2320	56,835	
	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		
	<b>Total Long Term Liabilities</b>	<b>2300</b>		\$126,835
	<b>TOTAL LIABILITIES</b>	<b>2000</b>		\$126,835
3033 TOTAL	Total Equity/Retained Earnings	3033	(\$43,280)	
EQUITY				
	<b>TOTAL LIABILITIES and EQUITY/RETAINED EARNINGS</b>	<b>2033</b>		\$83,555

**SCHEDULE OF PROFIT AND LOSS for Multifamily Projects**

Project Name: <b>Washington</b>		1759		
Period Beginning: <b>1/1/13</b> thru: <b>12/31/13</b>		Year: <b>2013</b>		
	Description of Account	Acct. No.	Amount	Totals
5100 RENTAL REVENUE	Rent Revenue - Gross Potential	5120	18,103	
	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		
	<b>Total Rent Revenue Potential</b>	<b>5100</b>		18,103
5200 VACANCIES	Apartment Vacancies	5220		
	Stores/Commercial Vacancies or Concessions	5240		
	Rental Concessions	5250		
	Garage/Parking Vacancies or Concessions	5270		
	Miscellaneous	5290		
		<b>Total Vacancies or Concessions</b>	<b>5200</b>	
	<b>Net Rental Revenue (Rent Revenue less Vacancies)</b>	<b>5152</b>		18,103
5300	<b>Total Service Income</b>	<b>5300</b>		0
5400 FINANCIAL REVENUE	Financial Revenue - Project Operations	5410		
	Revenue from Investments-Residual Receipts	5430		
	Revenue from Investments-Replacement Reserve	5440	24	
	Revenue from Investments-Miscellaneous	5490		
	<b>Total Financial Revenue</b>	<b>5400</b>		24
5900 MISC. REVENUE	Laundry/Vending Income (Net)	5910		
	Tenant Charges	5920		
	Miscellaneous Revenue	5990		
	<b>Total Miscellaneous Revenue</b>	<b>5900</b>		0
	<b>Total Revenue</b>	<b>5000</b>		18,127
6200 RENT EXPENSE	Conventions and Meetings	6203		
	Management Consultants	6204		
	Advertising/Marketing Expense	6210		
	Other Rent Expense	6250		
	<b>Total Rent Expense</b>			0
6300 ADMIN. EXPENSES	Office Salaries	6310		
	Office Expenses	6311	75	
	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		
	<b>Total Administrative Expense</b>		75	
6200 + 6300	<b>Total Rent &amp; Administrative Expense</b>	<b>6263</b>		75
6400 UTILITIES EXPENSE	Fuel Oil	6420		
	Electricity	6450	3,834	
	Water	6451		
	Gas	6452		
	Sewer	6453		
	<b>Total Utilities Expense</b>	<b>6400</b>		3,834

	Description of Account	Acct. No.	Amount	Totals
6500 OPERATING & MAINTENANCE EXPENSE	Payroll	6510	5,374	
	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	686	
	<b>Total Operating &amp; Maintenance Expense</b>	<b>6500</b>		6,060
	6900	<b>Total Service Expense</b>	<b>6900</b>	
6700 TAXES AND INSURANCE	Real Estate & Personal Property Taxes	6710		
	Payroll Taxes (Project's Share)	6711		
	Property & Liability Insurance (Hazard)	6720	916	
	Fidelity Bond Insurance	6721		
	Workmen's Compensation	6722		
	Health Insurance and Other Employee Benefits	6723		
	Miscellaneous Taxes, Licenses, Permits and Insurance	6790		
	<b>Total Taxes and Insurance</b>	<b>6700</b>		916
3220	Replacement Reserve Deposits as Required by WHEDA	3220		824
	<b>Total Operating Expenses</b>			11,708
	<b>Net Operating Income (NOI)</b>			6,419
6800 FINANCIAL EXPENSE	Interest on Mortgage Payable	6820	2,329	
	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		
	<b>Total Financial Expense</b>	<b>6800</b>		2,329
	<b>Total Expenses of Operations Before Depreciation</b>	<b>6000</b>		14,037
	<b>Profit or (Loss) Before Depreciation</b>	<b>5060</b>		4,090
6600	Depreciation Expense (Total)	6601		3,520
	Amortization Expense	6610		
	<b>Operating Profit or Loss</b>	<b>5060</b>		571
7100 CORPORATE OR MORTGAGOR EXPENSE	Officer's Salaries	7110	2,553	
	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		
	<b>Net Entity Expenses</b>	<b>7100</b>		2,553
	<b>NET PROFIT OR (LOSS)</b>	<b>3250</b>		(1,982)
TOTAL PRINCIPAL PAYMENTS	WHEDA First Mortgage	9910		2,541
	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: 1/1/13 thru: 12/31/13**

**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 <sub>SM</sub>		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			
		<b>TOTAL CURRENT ASSETS</b>		<b>1100</b>		\$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	\$4,170		
	Other Reserve		1330			
	Residual Receipts Reserve		1340			
	Management Improvement and Operating Plan		1381			
	Development Cost Escrow (DCE)		1390			
	FHA Insurance Reserve		1392			
	<b>Total Funded Reserves</b>		<b>1300</b>		\$4,170	
1400 FIXED ASSETS	Land		1410			
	Buildings		1420	475,245		
	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			
		<b>Gross Fixed Assets</b>		<b>1400</b>	<b>\$475,245</b>	
1495 ALLOWANCE ACCOUNTS	Accumulated Depreciation		1495	\$139,902		
	Total Accumulated Depreciation			\$139,902		
	<b>Net Fixed Assets</b>		<b>1400</b>		<b>\$335,343</b>	
1500 INVESTMENTS	Investments - Operations		1510			
	Investments - Entity		1515			
	Intangible Assets		1520			
	Miscellaneous Other Assets		1590			
	<b>TOTAL OTHER ASSETS</b>		<b>1500</b>	<b>\$0</b>		
	<b>TOTAL ASSETS</b>		<b>1000</b>		<b>\$339,513</b>	



**ANNUAL SCHEDULE OF LIABILITIES AND EQUITY for Multifamily Projects**

Project Name: Stonebridge

Period Beginning: 1/1/13 thru: 12/31/13

Project Number: 2681

	Description of Account	Account	Amount	Totals
2100	Bank Overdraft - Operations	2105		
CURRENT	Accounts Payable-30 Days	2109		
LIABILITIES	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 <sub>SM</sub> /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		
	<b>Current Liabilities</b>			\$0
2191	Tenant Security Deposits - CONTRA ASSET	2191		
2200 PREPAID	Prepaid Revenue	2210		
REVENUES				
	<b>TOTAL CURRENT LIABILITIES</b>	<b>2122</b>		\$0
2300	Notes Payable - Long Term	2310		
LONG-TERM	Notes Payable - Surplus Cash	2311		
LIABILITIES	Mortgage Payable - First Mortgage	2320	104,500	
	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		
	<b>Total Long Term Liabilities</b>	<b>2300</b>		\$447,700
	<b>TOTAL LIABILITIES</b>	<b>2000</b>		\$447,700
3033 TOTAL	Total Equity/Retained Earnings	3033	(\$108,188)	
EQUITY				
	<b>TOTAL LIABILITIES and EQUITY/RETAINED EARNINGS</b>	<b>2033</b>		\$339,513



**SCHEDULE OF PROFIT AND LOSS for Multifamily Projects**

Project Name: Stonebridge		Project Number: 2681		
Period Beginning: 1/1/13 thru: 12/31/13		Year: 2013		
	Description of Account	Acct. No.	Amount	Totals
5100	Rent Revenue - Gross Potential	5120	45,134	
RENTAL	Tenant Assistance Payments	5121		
REVENUE	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		
	<b>Total Rent Revenue Potential</b>	<b>5100</b>		45,134
5200	Apartment Vacancies	5220		
VACANCIES	Stores/Commercial Vacancies or Concessions	5240		
	Rental Concessions	5250		
	Garage/Parking Vacancies or Concessions	5270		
	Miscellaneous	5290		
	<b>Total Vacancies or Concessions</b>	<b>5200</b>		0
	<b>Net Rental Revenue (Rent Revenue less Vacancies)</b>	<b>5152</b>		45,134
5300	<b>Total Service Income</b>	<b>5300</b>		0
5400	Financial Revenue - Project Operations	5410		
FINANCIAL	Revenue from Investments-Residual Receipts	5430		
REVENUE	Revenue from Investments-Replacement Reserve	5440	31	
	Revenue from Investments-Miscellaneous	5490		
	<b>Total Financial Revenue</b>	<b>5400</b>		31
5900	Laundry/Vending Income (Net)	5910		
MISC.	Tenant Charges	5920		
REVENUE	Miscellaneous Revenue	5990		
	<b>Total Miscellaneous Revenue</b>	<b>5900</b>		0
	<b>Total Revenue</b>	<b>5000</b>		45,165
6200	Conventions and Meetings	6203		
RENT	Management Consultants	6204		
EXPENSE	Advertising/Marketing Expense	6210		
	Other Rent Expense	6250		
	<b>Total Rent Expense</b>			0
6300	Office Salaries	6310		
ADMIN.	Office Expenses	6311		
EXPENSES	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	10,944	
	<b>Total Administrative Expense</b>		10,944	
6200 + 6300	<b>Total Rent &amp; Administrative Expense</b>	<b>6263</b>		10,944
6400	Fuel Oil	6420		
UTILITIES	Electricity	6450	3,350	
EXPENSE	Water	6451		
	Gas	6452		
	Sewer	6453		
	<b>Total Utilities Expense</b>	<b>6400</b>		3,350

	Description of Account	Acct. No.	Amount	Totals
6500 OPERATING & MAINTENANCE EXPENSE	Payroll	6510	8,957	
	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	2,148	
	<b>Total Operating &amp; Maintenance Expense</b>	<b>6500</b>		11,105
	6900	<b>Total Service Expense</b>	<b>6900</b>	
6700 TAXES AND INSURANCE	Real Estate & Personal Property Taxes	6710		
	Payroll Taxes (Project's Share)	6711		
	Property & Liability Insurance (Hazard)	6720	2,673	
	Fidelity Bond Insurance	6721		
	Workmen's Compensation	6722		
	Health Insurance and Other Employee Benefits	6723		
	Miscellaneous Taxes, Licenses, Permits and Insurance	6790		
	<b>Total Taxes and Insurance</b>	<b>6700</b>		2,673
3220	Replacement Reserve Deposits as Required by WHEDA	3220		1,531
	<b>Total Operating Expenses</b>			29,603
	<b>Net Operating Income (NOI)</b>			15,562
6800 FINANCIAL EXPENSE	Interest on Mortgage Payable	6820	2,132	
	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		
	<b>Total Financial Expense</b>	<b>6800</b>		2,132
	<b>Total Expenses of Operations Before Depreciation</b>	<b>6000</b>		31,735
	<b>Profit or (Loss) Before Depreciation</b>	<b>5060</b>		13,430
6600	Depreciation Expense (Total)	6601		17,345
	Amortization Expense	6610		
	<b>Operating Profit or Loss</b>	<b>5060</b>		(3,914)
7100 CORPORATE OR MORTGAGOR EXPENSE	Officer's Salaries	7110	4,255	
	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		
	<b>Net Entity Expenses</b>	<b>7100</b>		4,255
	<b>NET PROFIT OR (LOSS)</b>	<b>3250</b>		(8,169)
TOTAL PRINCIPAL PAYMENTS	WHEDA First Mortgage	9910		3,834
	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: 1/1/13 thru: 12/31/13**

**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 <sub>SM</sub>		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		
		<b>TOTAL CURRENT ASSETS</b>		<b>1100</b>	
1191	Tenant Security Deposits - RESTRICTED ASSET		1191		
1200 PREPAID EXPENSES	Miscellaneous Prepaid Expenses		1200		
1300 FUNDED RESERVES	Escrow Deposits		1310		
	Reserve for Replacements		1320	\$4,883	
	Other Reserve		1330		
	Residual Receipts Reserve		1340		
	Management Improvement and Operating Plan		1381		
	Development Cost Escrow (DCE)		1390		
	FHA Insurance Reserve		1392		
	<b>Total Funded Reserves</b>		<b>1300</b>		\$4,883
1400 FIXED ASSETS	Land		1410	\$44,189	
	Buildings		1420	153,178	
	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		
		<b>Gross Fixed Assets</b>		<b>1400</b>	<b>\$197,367</b>
1495 ALLOWANCE ACCOUNTS	Accumulated Depreciation		1495	\$66,779	
	Total Accumulated Depreciation			\$66,779	
	<b>Net Fixed Assets</b>		<b>1400</b>		\$130,588
1500 INVESTMENTS	Investments - Operations		1510		
	Investments - Entity		1515		
	Intangible Assets		1520		
	Miscellaneous Other Assets		1590		
	<b>TOTAL OTHER ASSETS</b>		<b>1500</b>	\$0	
	<b>TOTAL ASSETS</b>		<b>1000</b>		\$135,471

**ANNUAL SCHEDULE OF LIABILITIES AND EQUITY for Multifamily Projects**

Project Name: Powers

Period Beginning: 1/1/13 thru: 12/31/13

Project Number: 2606

	Description of Account	Account	Amount	Totals
2100	Bank Overdraft - Operations	2105		
CURRENT	Accounts Payable-30 Days	2109		
LIABILITIES	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 <sub>SM</sub> /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		
	<b>Current Liabilities</b>			\$0
2191	Tenant Security Deposits - CONTRA ASSET	2191		
2200 PREPAID	Prepaid Revenue	2210		
REVENUES				
	<b>TOTAL CURRENT LIABILITIES</b>	<b>2122</b>		\$0
2300	Notes Payable - Long Term	2310		
LONG-TERM	Notes Payable - Surplus Cash	2311		
LIABILITIES	Mortgage Payable - First Mortgage	2320	57,615	
	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		
	<b>Total Long Term Liabilities</b>	<b>2300</b>		\$181,615
	<b>TOTAL LIABILITIES</b>	<b>2000</b>		\$181,615
3033 TOTAL	Total Equity/Retained Earnings	3033	(\$46,144)	
EQUITY				
	<b>TOTAL LIABILITIES and EQUITY/RETAINED EARNINGS</b>	<b>2033</b>		\$135,471

**SCHEDULE OF PROFIT AND LOSS for Multifamily Projects**

Project Name: Powers		Project Number: 2606		
Period Beginning: 1/1/13 thru: 12/31/13		Year: 2013		
	Description of Account	Acct. No.	Amount	Totals
5100 RENTAL REVENUE	Rent Revenue - Gross Potential	5120	27,934	
	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		
	<b>Total Rent Revenue Potential</b>	<b>5100</b>		27,934
5200 VACANCIES	Apartment Vacancies	5220		
	Stores/Commercial Vacancies or Concessions	5240		
	Rental Concessions	5250		
	Garage/Parking Vacancies or Concessions	5270		
	Miscellaneous	5290		
		<b>Total Vacancies or Concessions</b>	<b>5200</b>	
	<b>Net Rental Revenue (Rent Revenue less Vacancies)</b>	<b>5152</b>		27,934
5300	<b>Total Service Income</b>	<b>5300</b>		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		
	<b>Total Financial Revenue</b>	<b>5400</b>		50
5900 MISC. REVENUE	Laundry/Vending Income (Net)	5910		
	Tenant Charges	5920		
	Miscellaneous Revenue	5990		
	<b>Total Miscellaneous Revenue</b>	<b>5900</b>		0
	<b>Total Revenue</b>	<b>5000</b>		27,984
6200 RENT EXPENSE	Conventions and Meetings	6203		
	Management Consultants	6204		
	Advertising/Marketing Expense	6210		
	Other Rent Expense	6250		
	<b>Total Rent Expense</b>			0
6300 ADMIN. EXPENSES	Office Salaries	6310		
	Office Expenses	6311	40	
	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		
	<b>Total Administrative Expense</b>		40	
6200 + 6300	<b>Total Rent &amp; Administrative Expense</b>	<b>6263</b>		40
6400 UTILITIES EXPENSE	Fuel Oil	6420		
	Electricity	6450	5,379	
	Water	6451		
	Gas	6452		
	Sewer	6453		
	<b>Total Utilities Expense</b>	<b>6400</b>		5,379

	Description of Account	Acct. No.	Amount	Totals
6500 OPERATING & MAINTENANCE EXPENSE	Payroll	6510	5,374	
	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	1,721	
	<b>Total Operating &amp; Maintenance Expense</b>	<b>6500</b>		7,095
	6900	<b>Total Service Expense</b>	<b>6900</b>	
6700 TAXES AND INSURANCE	Real Estate & Personal Property Taxes	6710		
	Payroll Taxes (Project's Share)	6711		
	Property & Liability Insurance (Hazard)	6720	1,096	
	Fidelity Bond Insurance	6721		
	Workmen's Compensation	6722		
	Health Insurance and Other Employee Benefits	6723		
	Miscellaneous Taxes, Licenses, Permits and Insurance	6790		
	<b>Total Taxes and Insurance</b>	<b>6700</b>		1,096
3220	Replacement Reserve Deposits as Required by WHEDA	3220		850
	<b>Total Operating Expenses</b>			14,461
	<b>Net Operating Income (NOI)</b>			13,523
6800 FINANCIAL EXPENSE	Interest on Mortgage Payable	6820	2,353	
	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		
	<b>Total Financial Expense</b>	<b>6800</b>		2,353
	<b>Total Expenses of Operations Before Depreciation</b>	<b>6000</b>		16,814
	<b>Profit or (Loss) Before Depreciation</b>	<b>5060</b>		11,170
6600	Depreciation Expense (Total)	6601		5,230
	Amortization Expense	6610		
	<b>Operating Profit or Loss</b>	<b>5060</b>		5,940
7100 CORPORATE OR MORTGAGOR EXPENSE	Officer's Salaries	7110	2,553	
	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		
	<b>Net Entity Expenses</b>	<b>7100</b>		2,553
	<b>NET PROFIT OR (LOSS)</b>	<b>3250</b>		3,387
TOTAL PRINCIPAL PAYMENTS	WHEDA First Mortgage	9910		2,230
	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: 1/1/13 thru: 12/31/13**

**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 <sub>SM</sub>		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		
		<b>TOTAL CURRENT ASSETS</b>		<b>1100</b>	
1191	Tenant Security Deposits - RESTRICTED ASSET		1191		
1200 PREPAID EXPENSES	Miscellaneous Prepaid Expenses		1200		
1300 FUNDED RESERVES	Escrow Deposits		1310		
	Reserve for Replacements		1320	\$3,378	
	Other Reserve		1330		
	Residual Receipts Reserve		1340		
	Management Improvement and Operating Plan		1381		
	Development Cost Escrow (DCE)		1390		
	FHA Insurance Reserve		1392		
	<b>Total Funded Reserves</b>		<b>1300</b>		\$3,378
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		
		<b>Gross Fixed Assets</b>		<b>1400</b>	<b>\$268,752</b>
1495 ALLOWANCE ACCOUNTS	Accumulated Depreciation		1495	\$87,964	
	Total Accumulated Depreciation			\$87,964	
	<b>Net Fixed Assets</b>		<b>1400</b>		\$180,788
1500 INVESTMENTS	Investments - Operations		1510		
	Investments - Entity		1515		
	Intangible Assets		1520		
	Miscellaneous Other Assets		1590		
	<b>TOTAL OTHER ASSETS</b>		<b>1500</b>	\$0	
	<b>TOTAL ASSETS</b>		<b>1000</b>		\$184,165



**ANNUAL SCHEDULE OF LIABILITIES AND EQUITY for Multifamily Projects**

Project Name: Helene

Period Beginning: 1/1/13 thru: 12/31/13

Project Number: 1780

	Description of Account	Account	Amount	Totals
2100	Bank Overdraft - Operations	2105		
CURRENT	Accounts Payable-30 Days	2109		
LIABILITIES	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 <sub>SM</sub> /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		
	<b>Current Liabilities</b>			\$0
2191	Tenant Security Deposits - CONTRA ASSET	2191		
2200 PREPAID	Prepaid Revenue	2210		
REVENUES				
	<b>TOTAL CURRENT LIABILITIES</b>	<b>2122</b>		\$0
2300	Notes Payable - Long Term	2310		
LONG-TERM	Notes Payable - Surplus Cash	2311		
LIABILITIES	Mortgage Payable - First Mortgage	2320	51,510	
	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		
	<b>Total Long Term Liabilities</b>	<b>2300</b>		\$191,510
	<b>TOTAL LIABILITIES</b>	<b>2000</b>		\$191,510
3033 TOTAL	Total Equity/Retained Earnings	3033	(\$7,345)	
EQUITY				
	<b>TOTAL LIABILITIES and EQUITY/RETAINED EARNINGS</b>	<b>2033</b>		\$184,165



**SCHEDULE OF PROFIT AND LOSS for Multifamily Projects**

Project Name: Helene		Project Number: 1780		
Period Beginning: 1/1/13 thru: 12/31/13		Year: 2013		
	Description of Account	Acct. No.	Amount	Totals
5100 RENTAL REVENUE	Rent Revenue - Gross Potential	5120	36,832	
	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		
	<b>Total Rent Revenue Potential</b>	<b>5100</b>		36,832
5200 VACANCIES	Apartment Vacancies	5220		
	Stores/Commercial Vacancies or Concessions	5240		
	Rental Concessions	5250		
	Garage/Parking Vacancies or Concessions	5270		
	Miscellaneous	5290		
		<b>Total Vacancies or Concessions</b>	<b>5200</b>	
	<b>Net Rental Revenue (Rent Revenue less Vacancies)</b>	<b>5152</b>		36,832
5300	<b>Total Service Income</b>	<b>5300</b>		0
5400 FINANCIAL REVENUE	Financial Revenue - Project Operations	5410		
	Revenue from Investments-Residual Receipts	5430		
	Revenue from Investments-Replacement Reserve	5440	28	
	Revenue from Investments-Miscellaneous	5490		
	<b>Total Financial Revenue</b>	<b>5400</b>		28
5900 MISC. REVENUE	Laundry/Vending Income (Net)	5910		
	Tenant Charges	5920		
	Miscellaneous Revenue	5990		
	<b>Total Miscellaneous Revenue</b>	<b>5900</b>		0
	<b>Total Revenue</b>	<b>5000</b>		36,860
6200 RENT EXPENSE	Conventions and Meetings	6203		
	Management Consultants	6204		
	Advertising/Marketing Expense	6210		
	Other Rent Expense	6250		
	<b>Total Rent Expense</b>		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	6390		
	<b>Total Administrative Expense</b>		0	
6200 + 6300	<b>Total Rent &amp; Administrative Expense</b>	<b>6263</b>		0
6400 UTILITIES EXPENSE	Fuel Oil	6420		
	Electricity	6450	7,402	
	Water	6451		
	Gas	6452		
	Sewer	6453		
	<b>Total Utilities Expense</b>	<b>6400</b>		7,402

	Description of Account	Acct. No.	Amount	Totals
6500 OPERATING & MAINTENANCE EXPENSE	Payroll	6510	7,166	
	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	5,003	
	<b>Total Operating &amp; Maintenance Expense</b>	<b>6500</b>		12,169
	6900	<b>Total Service Expense</b>	<b>6900</b>	
6700 TAXES AND INSURANCE	Real Estate & Personal Property Taxes	6710		
	Payroll Taxes (Project's Share)	6711		
	Property & Liability Insurance (Hazard)	6720	1,645	
	Fidelity Bond Insurance	6721		
	Workmen's Compensation	6722		
	Health Insurance and Other Employee Benefits	6723		
	Miscellaneous Taxes, Licenses, Permits and Insurance	6790		
	<b>Total Taxes and Insurance</b>	<b>6700</b>		1,645
3220	Replacement Reserve Deposits as Required by WHEDA	3220		1,228
	<b>Total Operating Expenses</b>			22,443
	<b>Net Operating Income (NOI)</b>			14,417
6800 FINANCIAL EXPENSE	Interest on Mortgage Payable	6820	2,107	
	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		
	<b>Total Financial Expense</b>	<b>6800</b>		2,107
	<b>Total Expenses of Operations Before Depreciation</b>	<b>6000</b>		24,550
	<b>Profit or (Loss) Before Depreciation</b>	<b>5060</b>		12,310
6600	Depreciation Expense (Total)	6601		7,462
	Amortization Expense	6610		
	<b>Operating Profit or Loss</b>	<b>5060</b>		4,848
7100 CORPORATE OR MORTGAGOR EXPENSE	Officer's Salaries	7110	3,404	
	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		
	<b>Net Entity Expenses</b>	<b>7100</b>		3,404
	<b>NET PROFIT OR (LOSS)</b>	<b>3250</b>		1,444
TOTAL PRINCIPAL PAYMENTS	WHEDA First Mortgage	9910		2,133
	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: 1/1/13 thru: 12/31/13**

**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 <sub>SM</sub>		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		
		<b>TOTAL CURRENT ASSETS</b>		<b>1100</b>	
1191	Tenant Security Deposits - RESTRICTED ASSET		1191		
1200 PREPAID EXPENSES	Miscellaneous Prepaid Expenses		1200		
1300 FUNDED RESERVES	Escrow Deposits		1310		
	Reserve for Replacements		1320	\$5,760	
	Other Reserve		1330		
	Residual Receipts Reserve		1340		
	Management Improvement and Operating Plan		1381		
	Development Cost Escrow (DCE)		1390		
	FHA Insurance Reserve		1392		
	<b>Total Funded Reserves</b>		<b>1300</b>		\$5,760
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		
		<b>Gross Fixed Assets</b>		<b>1400</b>	<b>\$251,465</b>
1495 ALLOWANCE ACCOUNTS	Accumulated Depreciation		1495	\$122,082	
	Total Accumulated Depreciation			\$122,082	
	<b>Net Fixed Assets</b>		<b>1400</b>		\$129,383
1500 INVESTMENTS	Investments - Operations		1510		
	Investments - Entity		1515		
	Intangible Assets		1520		
	Miscellaneous Other Assets		1590		
	<b>TOTAL OTHER ASSETS</b>		<b>1500</b>	\$0	
	<b>TOTAL ASSETS</b>		<b>1000</b>		\$135,143

**ANNUAL SCHEDULE OF LIABILITIES AND EQUITY for Multifamily Projects**

**Project Name: Fairmont**

**Period Beginning: 1/1/13 thru: 12/31/13**

**Project Number: 1724**

	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 <sub>SM</sub> /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			
	<b>Current Liabilities</b>			\$0
2191	Tenant Security Deposits - CONTRA ASSET	2191		
2200 PREPAID REVENUES	Prepaid Revenue	2210		
	<b>TOTAL CURRENT LIABILITIES</b>	<b>2122</b>		\$0
2300 LONG-TERM LIABILITIES	Notes Payable - Long Term	2310		
	Notes Payable - Surplus Cash	2311		
	Mortgage Payable - First Mortgage	2320	23,378	
	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		
	<b>Total Long Term Liabilities</b>	<b>2300</b>		\$187,248
	<b>TOTAL LIABILITIES</b>	<b>2000</b>		\$187,248
3033 TOTAL EQUITY	Total Equity/Retained Earnings	3033	(\$52,106)	
	<b>TOTAL LIABILITIES and EQUITY/RETAINED EARNINGS</b>	<b>2033</b>		\$135,143

**SCHEDULE OF PROFIT AND LOSS for Multifamily Projects**

Project Name: Fairmont		Project Number: 1724		
Period Beginning: 1/1/13 thru: 12/31/13		Year: 2013		
	Description of Account	Acct. No.	Amount	Totals
5100 RENTAL REVENUE	Rent Revenue - Gross Potential	5120	14,009	
	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		
	<b>Total Rent Revenue Potential</b>	<b>5100</b>		14,009
5200 VACANCIES	Apartment Vacancies	5220		
	Stores/Commercial Vacancies or Concessions	5240		
	Rental Concessions	5250		
	Garage/Parking Vacancies or Concessions	5270		
	Miscellaneous	5290		
		<b>Total Vacancies or Concessions</b>	<b>5200</b>	
	<b>Net Rental Revenue (Rent Revenue less Vacancies)</b>	<b>5152</b>		14,009
5300	<b>Total Service Income</b>	<b>5300</b>		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		
	<b>Total Financial Revenue</b>	<b>5400</b>		50
5900 MISC. REVENUE	Laundry/Vending Income (Net)	5910		
	Tenant Charges	5920		
	Miscellaneous Revenue	5990		
	<b>Total Miscellaneous Revenue</b>	<b>5900</b>		0
	<b>Total Revenue</b>	<b>5000</b>		14,059
6200 RENT EXPENSE	Conventions and Meetings	6203		
	Management Consultants	6204		
	Advertising/Marketing Expense	6210		
	Other Rent Expense	6250		
	<b>Total Rent Expense</b>		0	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	6390		
	<b>Total Administrative Expense</b>		0	0
6200 + 6300	<b>Total Rent &amp; Administrative Expense</b>	<b>6263</b>		0
6400 UTILITIES EXPENSE	Fuel Oil	6420		
	Electricity	6450	2,770	
	Water	6451		
	Gas	6452		
	Sewer	6453		
	<b>Total Utilities Expense</b>	<b>6400</b>		2,770

	Description of Account	Acct. No.	Amount	Totals
6500 OPERATING & MAINTENANCE EXPENSE	Payroll	6510	3,583	
	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	1,185	
	<b>Total Operating &amp; Maintenance Expense</b>	<b>6500</b>		4,768
	6900	<b>Total Service Expense</b>	<b>6900</b>	
6700 TAXES AND INSURANCE	Real Estate & Personal Property Taxes	6710		
	Payroll Taxes (Project's Share)	6711		
	Property & Liability Insurance (Hazard)	6720	818	
	Fidelity Bond Insurance	6721		
	Workmen's Compensation	6722		
	Health Insurance and Other Employee Benefits	6723		
	Miscellaneous Taxes, Licenses, Permits and Insurance	6790		
	<b>Total Taxes and Insurance</b>	<b>6700</b>		818
3220	Replacement Reserve Deposits as Required by WHEDA	3220		850
	<b>Total Operating Expenses</b>			9,206
	<b>Net Operating Income (NOI)</b>			4,853
6800 FINANCIAL EXPENSE	Interest on Mortgage Payable	6820	1,024	
	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		
	<b>Total Financial Expense</b>	<b>6800</b>		1,024
	<b>Total Expenses of Operations Before Depreciation</b>	<b>6000</b>		10,230
	<b>Profit or (Loss) Before Depreciation</b>	<b>5060</b>		3,830
6600	Depreciation Expense (Total)	6601		3,477
	Amortization Expense	6610		
	<b>Operating Profit or Loss</b>	<b>5060</b>		353
7100 CORPORATE OR MORTGAGOR EXPENSE	Officer's Salaries	7110	1,702	
	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		
	<b>Net Entity Expenses</b>	<b>7100</b>		1,702
	<b>NET PROFIT OR (LOSS)</b>	<b>3250</b>		(1,349)
TOTAL PRINCIPAL PAYMENTS	WHEDA First Mortgage	9910		4,067
	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: 1/1/13 thru: 12/31/13**

**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 <sub>SM</sub>		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		
		<b>TOTAL CURRENT ASSETS</b>		<b>1100</b>	
1191	Tenant Security Deposits - RESTRICTED ASSET		1191		
1200 PREPAID EXPENSES	Miscellaneous Prepaid Expenses		1200		
1300 FUNDED RESERVES	Escrow Deposits		1310		
	Reserve for Replacements		1320	\$5,113	
	Other Reserve		1330		
	Residual Receipts Reserve		1340		
	Management Improvement and Operating Plan		1381		
	Development Cost Escrow (DCE)		1390		
	FHA Insurance Reserve		1392		
	<b>Total Funded Reserves</b>		<b>1300</b>		\$5,113
1400 FIXED ASSETS	Land		1410	\$23,346	
	Buildings		1420	108,955	
	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		
		<b>Gross Fixed Assets</b>		<b>1400</b>	<b>\$132,301</b>
1495 ALLOWANCE ACCOUNTS	Accumulated Depreciation		1495	\$62,627	
	Total Accumulated Depreciation			\$62,627	
	<b>Net Fixed Assets</b>		<b>1400</b>		\$69,674
1500 INVESTMENTS	Investments - Operations		1510		
	Investments - Entity		1515		
	Intangible Assets		1520		
	Miscellaneous Other Assets		1590		
	<b>TOTAL OTHER ASSETS</b>		<b>1500</b>	\$0	
	<b>TOTAL ASSETS</b>		<b>1000</b>		\$74,787



**ANNUAL SCHEDULE OF LIABILITIES AND EQUITY for Multifamily Projects**Project Name: **Brandie**Period Beginning: **1/1/13** thru: **12/31/13**Project Number: **1732**

	Description of Account	Account	Amount	Totals
2100	Bank Overdraft - Operations	2105		
CURRENT	Accounts Payable-30 Days	2109		
LIABILITIES	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 <sub>SM</sub> /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		
	<b>Current Liabilities</b>			<b>\$0</b>
2191	Tenant Security Deposits - CONTRA ASSET	2191		
2200 PREPAID	Prepaid Revenue	2210		
REVENUES				
	<b>TOTAL CURRENT LIABILITIES</b>	<b>2122</b>		<b>\$0</b>
2300	Notes Payable - Long Term	2310		
LONG-TERM	Notes Payable - Surplus Cash	2311		
LIABILITIES	Mortgage Payable - First Mortgage	2320	16,697	
	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		
	<b>Total Long Term Liabilities</b>	<b>2300</b>		<b>\$86,697</b>
	<b>TOTAL LIABILITIES</b>	<b>2000</b>		<b>\$86,697</b>
3033 TOTAL	Total Equity/Retained Earnings	3033	(\$11,910)	
EQUITY				
	<b>TOTAL LIABILITIES and EQUITY/RETAINED EARNINGS</b>	<b>2033</b>		<b>\$74,787</b>



**SCHEDULE OF PROFIT AND LOSS for Multifamily Projects**

Project Name: <b>Brandie</b>		Project Number: <b>1732</b>		
Period Beginning: <b>1/1/13</b> thru: <b>12/31/13</b>		Year: <b>2013</b>		
	Description of Account	Acct. No.	Amount	Totals
5100	Rent Revenue - Gross Potential	5120	21,043	
RENTAL	Tenant Assistance Payments	5121		
REVENUE	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		
	<b>Total Rent Revenue Potential</b>	<b>5100</b>		21,043
5200	Apartment Vacancies	5220		
VACANCIES	Stores/Commercial Vacancies or Concessions	5240		
	Rental Concessions	5250		
	Garage/Parking Vacancies or Concessions	5270		
	Miscellaneous	5290		
	<b>Total Vacancies or Concessions</b>	<b>5200</b>		0
	<b>Net Rental Revenue (Rent Revenue less Vacancies)</b>	<b>5152</b>		21,043
5300	<b>Total Service Income</b>	<b>5300</b>		0
5400	Financial Revenue - Project Operations	5410		
FINANCIAL	Revenue from Investments-Residual Receipts	5430		
REVENUE	Revenue from Investments-Replacement Reserve	5440	51	
	Revenue from Investments-Miscellaneous	5490		
	<b>Total Financial Revenue</b>	<b>5400</b>		51
5900	Laundry/Vending Income (Net)	5910		
MISC.	Tenant Charges	5920		
REVENUE	Miscellaneous Revenue	5990		
	<b>Total Miscellaneous Revenue</b>	<b>5900</b>		0
	<b>Total Revenue</b>	<b>5000</b>		21,094
6200	Conventions and Meetings	6203		
RENT	Management Consultants	6204		
EXPENSE	Advertising/Marketing Expense	6210		
	Other Rent Expense	6250		
	<b>Total Rent Expense</b>			0
6300	Office Salaries	6310		
ADMIN.	Office Expenses	6311		
EXPENSES	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		
	<b>Total Administrative Expense</b>			0
6200 + 6300	<b>Total Rent &amp; Administrative Expense</b>	<b>6263</b>		0
6400	Fuel Oil	6420		
UTILITIES	Electricity	6450	2,930	
EXPENSE	Water	6451		
	Gas	6452		
	Sewer	6453		
	<b>Total Utilities Expense</b>	<b>6400</b>		2,930

	Description of Account	Acct. No.	Amount	Totals
6500 OPERATING & MAINTENANCE EXPENSE	Payroll	6510	3,583	
	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	949	
	<b>Total Operating &amp; Maintenance Expense</b>	<b>6500</b>		4,532
	6900	<b>Total Service Expense</b>	<b>6900</b>	
6700 TAXES AND INSURANCE	Real Estate & Personal Property Taxes	6710		
	Payroll Taxes (Project's Share)	6711		
	Property & Liability Insurance (Hazard)	6720	803	
	Fidelity Bond Insurance	6721		
	Workmen's Compensation	6722		
	Health Insurance and Other Employee Benefits	6723		
	Miscellaneous Taxes, Licenses, Permits and Insurance	6790		
	<b>Total Taxes and Insurance</b>	<b>6700</b>		803
3220	Replacement Reserve Deposits as Required by WHEDA	3220		851
	<b>Total Operating Expenses</b>			9,116
	<b>Net Operating Income (NOI)</b>			11,978
6800 FINANCIAL EXPENSE	Interest on Mortgage Payable	6820	731	
	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		
	<b>Total Financial Expense</b>	<b>6800</b>		731
	<b>Total Expenses of Operations Before Depreciation</b>	<b>6000</b>		9,847
	<b>Profit or (Loss) Before Depreciation</b>	<b>5060</b>		11,247
6600	Depreciation Expense (Total)	6601		3,780
	Amortization Expense	6610		
	<b>Operating Profit or Loss</b>	<b>5060</b>		7,467
7100 CORPORATE OR MORTGAGOR EXPENSE	Officer's Salaries	7110	1,702	
	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		
	<b>Net Entity Expenses</b>	<b>7100</b>		1,702
	<b>NET PROFIT OR (LOSS)</b>	<b>3250</b>		5,765
TOTAL PRINCIPAL PAYMENTS	WHEDA First Mortgage	9910		2,905
	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: 1/1/13 thru: 12/31/13**

**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 <sub>SM</sub>		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		
		<b>TOTAL CURRENT ASSETS</b>		<b>1100</b>	
1191	Tenant Security Deposits - RESTRICTED ASSET		1191		
1200 PREPAID EXPENSES	Miscellaneous Prepaid Expenses		1200		
1300 FUNDED RESERVES	Escrow Deposits		1310		
	Reserve for Replacements		1320	\$4,385	
	Other Reserve		1330		
	Residual Receipts Reserve		1340		
	Management Improvement and Operating Plan		1381		
	Development Cost Escrow (DCE)		1390		
	FHA Insurance Reserve		1392		
	<b>Total Funded Reserves</b>		<b>1300</b>		\$4,385
1400 FIXED ASSETS	Land		1410	\$59,900	
	Buildings		1420	1,156,671	
	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		
		<b>Gross Fixed Assets</b>		<b>1400</b>	<b>\$1,216,571</b>
1495 ALLOWANCE ACCOUNTS	Accumulated Depreciation		1495	\$334,354	
	Total Accumulated Depreciation			\$334,354	
	<b>Net Fixed Assets</b>		<b>1400</b>		\$882,218
1500 INVESTMENTS	Investments - Operations		1510		
	Investments - Entity		1515		
	Intangible Assets		1520		
	Miscellaneous Other Assets		1590		
	<b>TOTAL OTHER ASSETS</b>		<b>1500</b>	\$0	
	<b>TOTAL ASSETS</b>		<b>1000</b>		\$886,603

**ANNUAL SCHEDULE OF LIABILITIES AND EQUITY for Multifamily Projects**

Project Name: Ruskin

Period Beginning: 1/1/13 thru: 12/31/13

Project Number: 2676

	Description of Account	Account	Amount	Totals
2100	Bank Overdraft - Operations	2105		
CURRENT	Accounts Payable-30 Days	2109		
LIABILITIES	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 <sub>SM</sub> /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		
	<b>Current Liabilities</b>			\$0
2191	Tenant Security Deposits - CONTRA ASSET	2191		
2200 PREPAID	Prepaid Revenue	2210		
REVENUES				
	<b>TOTAL CURRENT LIABILITIES</b>	<b>2122</b>		\$0
2300	Notes Payable - Long Term	2310		
LONG-TERM	Notes Payable - Surplus Cash	2311		
LIABILITIES	Mortgage Payable - First Mortgage	2320	392,068	
	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		
	<b>Total Long Term Liabilities</b>	<b>2300</b>		\$1,079,505
	<b>TOTAL LIABILITIES</b>	<b>2000</b>		\$1,079,505
3033 TOTAL	Total Equity/Retained Earnings	3033	(\$192,902)	
EQUITY				
	<b>TOTAL LIABILITIES and EQUITY/RETAINED EARNINGS</b>	<b>2033</b>		\$886,603

**SCHEDULE OF PROFIT AND LOSS for Multifamily Projects**

Project Name: <b>Ruskin</b>		Project Number: <b>2676</b>		
Period Beginning: <b>1/1/13</b> thru: <b>12/31/13</b>		Year: <b>2013</b>		
	Description of Account	Acct. No.	Amount	Totals
5100 RENTAL REVENUE	Rent Revenue - Gross Potential	5120	79,486	
	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		
	<b>Total Rent Revenue Potential</b>	<b>5100</b>		79,486
5200 VACANCIES	Apartment Vacancies	5220		
	Stores/Commercial Vacancies or Concessions	5240		
	Rental Concessions	5250		
	Garage/Parking Vacancies or Concessions	5270		
	Miscellaneous	5290		
		<b>Total Vacancies or Concessions</b>	<b>5200</b>	
	<b>Net Rental Revenue (Rent Revenue less Vacancies)</b>	<b>5152</b>		79,486
5300	<b>Total Service Income</b>	<b>5300</b>		0
5400 FINANCIAL REVENUE	Financial Revenue - Project Operations	5410		
	Revenue from Investments-Residual Receipts	5430		
	Revenue from Investments-Replacement Reserve	5440	34	
	Revenue from Investments-Miscellaneous	5490		
	<b>Total Financial Revenue</b>	<b>5400</b>		34
5900 MISC. REVENUE	Laundry/Vending Income (Net)	5910		
	Tenant Charges	5920		
	Miscellaneous Revenue	5990	540	
	<b>Total Miscellaneous Revenue</b>	<b>5900</b>		540
	<b>Total Revenue</b>	<b>5000</b>		80,060
6200 RENT EXPENSE	Conventions and Meetings	6203		
	Management Consultants	6204		
	Advertising/Marketing Expense	6210		
	Other Rent Expense	6250		
	<b>Total Rent Expense</b>			0
6300 ADMIN. EXPENSES	Office Salaries	6310		
	Office Expenses	6311	4,245	
	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	
	<b>Total Administrative Expense</b>		4,245	
6200 + 6300	<b>Total Rent &amp; Administrative Expense</b>	<b>6263</b>		4,245
6400 UTILITIES EXPENSE	Fuel Oil	6420		
	Electricity	6450	16,489	
	Water	6451		
	Gas	6452		
	Sewer	6453		
	<b>Total Utilities Expense</b>	<b>6400</b>		16,489

	Description of Account	Acct. No.	Amount	Totals
6500 OPERATING & MAINTENANCE EXPENSE	Payroll	6510	16,123	
	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	13,601	
	<b>Total Operating &amp; Maintenance Expense</b>	<b>6500</b>		29,724
	6900	<b>Total Service Expense</b>	<b>6900</b>	
6700 TAXES AND INSURANCE	Real Estate & Personal Property Taxes	6710		
	Payroll Taxes (Project's Share)	6711		
	Property & Liability Insurance (Hazard)	6720	4,395	
	Fidelity Bond Insurance	6721		
	Workmen's Compensation	6722		
	Health Insurance and Other Employee Benefits	6723		
	Miscellaneous Taxes, Licenses, Permits and Insurance	6790		
	<b>Total Taxes and Insurance</b>	<b>6700</b>		4,395
3220	Replacement Reserve Deposits as Required by WHEDA	3220		2,290
	<b>Total Operating Expenses</b>			57,142
	<b>Net Operating Income (NOI)</b>			22,918
6800 FINANCIAL EXPENSE	Interest on Mortgage Payable	6820	7,995	
	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		
	<b>Total Financial Expense</b>	<b>6800</b>		7,995
	<b>Total Expenses of Operations Before Depreciation</b>	<b>6000</b>		65,137
	<b>Profit or (Loss) Before Depreciation</b>	<b>5060</b>		14,922
6600	Depreciation Expense (Total)	6601		39,155
	Amortization Expense	6610		
	<b>Operating Profit or Loss</b>	<b>5060</b>		(24,232)
7100 CORPORATE OR MORTGAGOR EXPENSE	Officer's Salaries	7110	7,659	
	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	
	<b>Net Entity Expenses</b>	<b>7100</b>		7,659
	<b>NET PROFIT OR (LOSS)</b>	<b>3250</b>		(31,891)
TOTAL PRINCIPAL PAYMENTS	WHEDA First Mortgage	9910		14,182
	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: 1/1/13 thru: 12/31/13**

**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 <sub>SM</sub>		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		
		<b>TOTAL CURRENT ASSETS</b>		<b>1100</b>	
1191	Tenant Security Deposits - RESTRICTED ASSET		1191		
1200 PREPAID EXPENSES	Miscellaneous Prepaid Expenses		1200		
1300 FUNDED RESERVES	Escrow Deposits		1310		
	Reserve for Replacements		1320	\$4,888	
	Other Reserve		1330		
	Residual Receipts Reserve		1340		
	Management Improvement and Operating Plan		1381		
	Development Cost Escrow (DCE)		1390		
	FHA Insurance Reserve		1392		
	<b>Total Funded Reserves</b>		<b>1300</b>		\$4,888
1400 FIXED ASSETS	Land		1410	\$132,164	
	Buildings		1420	623,354	
	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		
		<b>Gross Fixed Assets</b>		<b>1400</b>	<b>\$755,518</b>
1495 ALLOWANCE ACCOUNTS	Accumulated Depreciation		1495	\$86,759	
	Total Accumulated Depreciation			\$86,759	
	<b>Net Fixed Assets</b>		<b>1400</b>		\$668,760
1500 INVESTMENTS	Investments - Operations		1510		
	Investments - Entity		1515		
	Intangible Assets		1520		
	Miscellaneous Other Assets		1590		
	<b>TOTAL OTHER ASSETS</b>		<b>1500</b>	\$0	
	<b>TOTAL ASSETS</b>		<b>1000</b>		\$673,648



**ANNUAL SCHEDULE OF LIABILITIES AND EQUITY for Multifamily Projects****Project Name: Brentwood Balsam Camden (BBC)****Period Beginning: 1/1/13 thru: 12/31/13****Project Number: 2783**

	Description of Account	Account	Amount	Totals
2100	Bank Overdraft - Operations	2105		
CURRENT	Accounts Payable-30 Days	2109		
LIABILITIES	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 <sub>SM</sub> /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		
	<b>Current Liabilities</b>			\$0
2191	Tenant Security Deposits - CONTRA ASSET	2191		
2200 PREPAID	Prepaid Revenue	2210		
REVENUES				
	<b>TOTAL CURRENT LIABILITIES</b>	<b>2122</b>		\$0
2300	Notes Payable - Long Term	2310		
LONG-TERM	Notes Payable - Surplus Cash	2311		
LIABILITIES	Mortgage Payable - First Mortgage	2320	248,811	
	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		
	<b>Total Long Term Liabilities</b>	<b>2300</b>		\$824,484
	<b>TOTAL LIABILITIES</b>	<b>2000</b>		\$824,484
3033 TOTAL	Total Equity/Retained Earnings	3033	(\$150,836)	
EQUITY				
	<b>TOTAL LIABILITIES and EQUITY/RETAINED EARNINGS</b>	<b>2033</b>		\$673,648



**SCHEDULE OF PROFIT AND LOSS for Multifamily Projects**

**Project Name: Brentwood Balsam Camden (BBC)**

**Project Number: 2783**

**Period Beginning: 1/1/13 thru: 12/31/13**

**Year: 2013**

	Description of Account	Acct. No.	Amount	Totals
5100 RENTAL REVENUE	Rent Revenue - Gross Potential	5120	95,053	
	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		
	<b>Total Rent Revenue Potential</b>	<b>5100</b>		95,053
5200 VACANCIES	Apartment Vacancies	5220		
	Stores/Commercial Vacancies or Concessions	5240		
	Rental Concessions	5250		
	Garage/Parking Vacancies or Concessions	5270		
	Miscellaneous	5290		
		<b>Total Vacancies or Concessions</b>	<b>5200</b>	
	<b>Net Rental Revenue (Rent Revenue less Vacancies)</b>	<b>5152</b>		95,053
5300	<b>Total Service Income</b>	<b>5300</b>		0
5400 FINANCIAL REVENUE	Financial Revenue - Project Operations	5410		
	Revenue from Investments-Residual Receipts	5430		
	Revenue from Investments-Replacement Reserve	5440	57	
	Revenue from Investments-Miscellaneous	5490		
	<b>Total Financial Revenue</b>	<b>5400</b>		57
5900 MISC. REVENUE	Laundry/Vending Income (Net)	5910		
	Tenant Charges	5920		
	Miscellaneous Revenue	5990	100	
	<b>Total Miscellaneous Revenue</b>	<b>5900</b>		100
	<b>Total Revenue</b>	<b>5000</b>		95,210
6200 RENT EXPENSE	Conventions and Meetings	6203		
	Management Consultants	6204		
	Advertising/Marketing Expense	6210		
	Other Rent Expense	6250		
	<b>Total Rent Expense</b>			0
6300 ADMIN. EXPENSES	Office Salaries	6310		
	Office Expenses	6311	376	
	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		
	<b>Total Administrative Expense</b>		376	
6200 + 6300	<b>Total Rent &amp; Administrative Expense</b>	<b>6263</b>		376
6400 UTILITIES EXPENSE	Fuel Oil	6420		
	Electricity	6450	17,016	
	Water	6451		
	Gas	6452		
	Sewer	6453		
	<b>Total Utilities Expense</b>	<b>6400</b>		17,016

	Description of Account	Acct. No.	Amount	Totals
6500 OPERATING & MAINTENANCE EXPENSE	Payroll	6510	21,498	
	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	13,383	
	<b>Total Operating &amp; Maintenance Expense</b>	<b>6500</b>		34,881
	6900	<b>Total Service Expense</b>	<b>6900</b>	
6700 TAXES AND INSURANCE	Real Estate & Personal Property Taxes	6710		
	Payroll Taxes (Project's Share)	6711		
	Property & Liability Insurance (Hazard)	6720	5,173	
	Fidelity Bond Insurance	6721		
	Workmen's Compensation	6722		
	Health Insurance and Other Employee Benefits	6723		
	Miscellaneous Taxes, Licenses, Permits and Insurance	6790		
	<b>Total Taxes and Insurance</b>	<b>6700</b>		5,173
3220	Replacement Reserve Deposits as Required by WHEDA	3220		3,057
	<b>Total Operating Expenses</b>			60,504
	<b>Net Operating Income (NOI)</b>			34,706
6800 FINANCIAL EXPENSE	Interest on Mortgage Payable	6820	7,564	
	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		
	<b>Total Financial Expense</b>	<b>6800</b>		7,564
	<b>Total Expenses of Operations Before Depreciation</b>	<b>6000</b>		68,068
	<b>Profit or (Loss) Before Depreciation</b>	<b>5060</b>		27,142
6600	Depreciation Expense (Total)	6601		22,073
	Amortization Expense	6610		589
	<b>Operating Profit or Loss</b>	<b>5060</b>		4,480
7100 CORPORATE OR MORTGAGOR EXPENSE	Officer's Salaries	7110	10,212	
	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		
	<b>Net Entity Expenses</b>	<b>7100</b>		10,212
	<b>NET PROFIT OR (LOSS)</b>	<b>3250</b>		(5,732)
TOTAL PRINCIPAL PAYMENTS	WHEDA First Mortgage	9910		6,114
	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: 1/1/13 thru: 12/31/13**

**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 <sub>SM</sub>		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		
		<b>TOTAL CURRENT ASSETS</b>		<b>1100</b>	
1191	Tenant Security Deposits - RESTRICTED ASSET		1191		
1200 PREPAID EXPENSES	Miscellaneous Prepaid Expenses		1200		
1300 FUNDED RESERVES	Escrow Deposits		1310		
	Reserve for Replacements		1320	\$3,312	
	Other Reserve		1330		
	Residual Receipts Reserve		1340		
	Management Improvement and Operating Plan		1381		
	Development Cost Escrow (DCE)		1390		
	FHA Insurance Reserve		1392		
	<b>Total Funded Reserves</b>		<b>1300</b>		\$3,312
1400 FIXED ASSETS	Land		1410	\$50,700	
	Buildings		1420	176,664	
	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		
		<b>Gross Fixed Assets</b>		<b>1400</b>	<b>\$227,364</b>
1495 ALLOWANCE ACCOUNTS	Accumulated Depreciation		1495	\$8,261	
	Total Accumulated Depreciation			\$8,261	
	<b>Net Fixed Assets</b>		<b>1400</b>		\$219,103
1500 INVESTMENTS	Investments - Operations		1510		
	Investments - Entity		1515		
	Intangible Assets		1520		
	Miscellaneous Other Assets		1590		
	<b>TOTAL OTHER ASSETS</b>		<b>1500</b>	\$0	
	<b>TOTAL ASSETS</b>		<b>1000</b>		\$222,414

**ANNUAL SCHEDULE OF LIABILITIES AND EQUITY for Multifamily Projects**

Project Name: Pinecrest

Period Beginning: 1/1/13 thru: 12/31/13

Project Number: 2821

	Description of Account	Account	Amount	Totals
2100	Bank Overdraft - Operations	2105		
CURRENT	Accounts Payable-30 Days	2109		
LIABILITIES	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 <sub>SM</sub> /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		
	<b>Current Liabilities</b>			\$0
2191	Tenant Security Deposits - CONTRA ASSET	2191		
2200 PREPAID	Prepaid Revenue	2210		
REVENUES				
	<b>TOTAL CURRENT LIABILITIES</b>	<b>2122</b>		\$0
2300	Notes Payable - Long Term	2310		
LONG-TERM	Notes Payable - Surplus Cash	2311		
LIABILITIES	Mortgage Payable - First Mortgage	2320	135,528	
	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		
	<b>Total Long Term Liabilities</b>	<b>2300</b>		\$270,078
	<b>TOTAL LIABILITIES</b>	<b>2000</b>		\$270,078
3033 TOTAL	Total Equity/Retained Earnings	3033	(\$47,664)	
EQUITY				
	<b>TOTAL LIABILITIES and EQUITY/RETAINED EARNINGS</b>	<b>2033</b>		\$222,414

**SCHEDULE OF PROFIT AND LOSS for Multifamily Projects**

Project Name: <b>Pinecrest</b>		Project Number: <b>2821</b>		
Period Beginning: <b>1/1/13</b> thru: <b>12/31/13</b>		Year: <b>2013</b>		
	Description of Account	Acct. No.	Amount	Totals
5100	Rent Revenue - Gross Potential	5120	38,269	
RENTAL	Tenant Assistance Payments	5121		
REVENUE	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		
	<b>Total Rent Revenue Potential</b>	<b>5100</b>		<b>38,269</b>
5200	Apartment Vacancies	5220		
VACANCIES	Stores/Commercial Vacancies or Concessions	5240		
	Rental Concessions	5250		
	Garage/Parking Vacancies or Concessions	5270		
	Miscellaneous	5290		
	<b>Total Vacancies or Concessions</b>	<b>5200</b>		<b>0</b>
	<b>Net Rental Revenue (Rent Revenue less Vacancies)</b>	<b>5152</b>		<b>38,269</b>
5300	<b>Total Service Income</b>	<b>5300</b>		<b>0</b>
5400	Financial Revenue - Project Operations	5410		
FINANCIAL	Revenue from Investments-Residual Receipts	5430		
REVENUE	Revenue from Investments-Replacement Reserve	5440	23	
	Revenue from Investments-Miscellaneous	5490		
	<b>Total Financial Revenue</b>	<b>5400</b>		<b>23</b>
5900	Laundry/Vending Income (Net)	5910		
MISC.	Tenant Charges	5920		
REVENUE	Miscellaneous Revenue	5990		
	<b>Total Miscellaneous Revenue</b>	<b>5900</b>		<b>0</b>
	<b>Total Revenue</b>	<b>5000</b>		<b>38,292</b>
6200	Conventions and Meetings	6203		
RENT	Management Consultants	6204		
EXPENSE	Advertising/Marketing Expense	6210		
	Other Rent Expense	6250		
	<b>Total Rent Expense</b>			<b>0</b>
6300	Office Salaries	6310		
ADMIN.	Office Expenses	6311	150	
EXPENSES	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		
	<b>Total Administrative Expense</b>		<b>150</b>	
6200 + 6300	<b>Total Rent &amp; Administrative Expense</b>	<b>6263</b>		<b>150</b>
6400	Fuel Oil	6420		
UTILITIES	Electricity	6450	8,910	
EXPENSE	Water	6451		
	Gas	6452		
	Sewer	6453		
	<b>Total Utilities Expense</b>	<b>6400</b>		<b>8,910</b>

	Description of Account	Acct. No.	Amount	Totals
6500 OPERATING & MAINTENANCE EXPENSE	Payroll	6510	7,166	
	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	1,967	
	<b>Total Operating &amp; Maintenance Expense</b>	<b>6500</b>		9,133
	6900	<b>Total Service Expense</b>	<b>6900</b>	
6700 TAXES AND INSURANCE	Real Estate & Personal Property Taxes	6710		
	Payroll Taxes (Project's Share)	6711		
	Property & Liability Insurance (Hazard)	6720	1,607	
	Fidelity Bond Insurance	6721		
	Workmen's Compensation	6722		
	Health Insurance and Other Employee Benefits	6723		
	Miscellaneous Taxes, Licenses, Permits and Insurance	6790		
	<b>Total Taxes and Insurance</b>	<b>6700</b>		1,607
3220	Replacement Reserve Deposits as Required by WHEDA	3220		1,985
	<b>Total Operating Expenses</b>			21,786
	<b>Net Operating Income (NOI)</b>			16,506
6800 FINANCIAL EXPENSE	Interest on Mortgage Payable	6820	2,748	
	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		
	<b>Total Financial Expense</b>	<b>6800</b>		2,748
	<b>Total Expenses of Operations Before Depreciation</b>	<b>6000</b>		24,534
	<b>Profit or (Loss) Before Depreciation</b>	<b>5060</b>		13,759
6600	Depreciation Expense (Total)	6601		5,882
	Amortization Expense	6610		92
	<b>Operating Profit or Loss</b>	<b>5060</b>		7,785
7100 CORPORATE OR MORTGAGOR EXPENSE	Officer's Salaries	7110	3,404	
	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		
	<b>Net Entity Expenses</b>	<b>7100</b>		3,404
	<b>NET PROFIT OR (LOSS)</b>	<b>3250</b>		4,381
TOTAL PRINCIPAL PAYMENTS	WHEDA First Mortgage	9910		3,428
	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: 1/1/13 thru: 12/31/13 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 <sub>SM</sub>		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		
		<b>TOTAL CURRENT ASSETS</b>		<b>1100</b>	
1191	Tenant Security Deposits - RESTRICTED ASSET		1191		
1200 PREPAID EXPENSES	Miscellaneous Prepaid Expenses		1200		
1300 FUNDED RESERVES	Escrow Deposits		1310		
	Reserve for Replacements		1320	\$51,319	
	Other Reserve		1330	\$0	
	Residual Receipts Reserve		1340		
	Management Improvement and Operating Plan		1381		
	Development Cost Escrow (DCE)		1390		
	FHA Insurance Reserve		1392		
		<b>Total Funded Reserves</b>		<b>1300</b>	
1400 FIXED ASSETS	Land		1410	\$679,564	
	Buildings		1420	\$4,493,633	
	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		
		<b>Gross Fixed Assets</b>		<b>1400</b>	<b>\$5,173,197</b>
1495 ALLOWANCE ACCOUNTS	Accumulated Depreciation		1495	\$1,246,634	
	Total Accumulated Depreciation			\$1,246,634	
		<b>Net Fixed Assets</b>		<b>1400</b>	
1500 INVESTMENTS	Investments - Operations		1510		
	Investments - Entity		1515		
	Intangible Assets		1520		
	Miscellaneous Other Assets		1590		
		<b>TOTAL OTHER ASSETS</b>		<b>1500</b>	<b>\$0</b>
	<b>TOTAL ASSETS</b>		<b>1000</b>		<b>\$3,977,882</b>



**ANNUAL SCHEDULE OF LIABILITIES AND EQUITY for Multifamily Projects****Project Name: Combined Balance Sheet****Period Beginning: 1/1/13 thru: 12/31/13****Project Number: 2783**

	Description of Account	Account	Amount	Totals
2100	Bank Overdraft - Operations	2105		
CURRENT	Accounts Payable-30 Days	2109		
LIABILITIES	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 <sub>SM</sub> /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		
	<b>Current Liabilities</b>			\$0
2191	Tenant Security Deposits - CONTRA ASSET	2191		
2200 PREPAID	Prepaid Revenue	2210		
REVENUES				
	<b>TOTAL CURRENT LIABILITIES</b>	<b>2122</b>		\$0
2300	Notes Payable - Long Term	2310		
LONG-TERM	Notes Payable - Surplus Cash	2311		
LIABILITIES	Mortgage Payable - First Mortgage	2320	1,498,765	
	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		
	<b>Total Long Term Liabilities</b>	<b>2300</b>		\$4,895,422
	<b>TOTAL LIABILITIES</b>	<b>2000</b>		\$4,895,422
3033 TOTAL	Total Equity/Retained Earnings	3033	(917,540)	
EQUITY				
	<b>TOTAL LIABILITIES and EQUITY/RETAINED EARNINGS</b>	<b>2033</b>		\$3,977,881



**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	607,606	
	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	-	
	<b>Total Rent Revenue Potential</b>	<b>5100</b>		607,606
5200 VACANCIES	Apartment Vacancies	5220	-	
	Stores/Commercial Vacancies or Concessions	5240	-	
	Rental Concessions	5250	-	
	Garage/Parking Vacancies or Concessions	5270	-	
	Miscellaneous	5290	-	
		<b>Total Vacancies or Concessions</b>	<b>5200</b>	
	<b>Net Rental Revenue (Rent Revenue less Vacancies)</b>	<b>5152</b>		607,606
5300	<b>Total Service Income</b>	<b>5300</b>		0
5400 FINANCIAL REVENUE	Financial Revenue - Project Operations	5410	-	
	Revenue from Investments-Residual Receipts	5430	-	
	Revenue from Investments-Replacement Reserve	5440	569	
	Revenue from Investments-Miscellaneous	5490	-	
	<b>Total Financial Revenue</b>	<b>5400</b>		569
5900 MISC. REVENUE	Laundry/Vending Income (Net)	5910	-	
	Tenant Charges	5920	-	
	Miscellaneous Revenue	5990	640	
	<b>Total Miscellaneous Revenue</b>	<b>5900</b>		640
	<b>Total Revenue</b>	<b>5000</b>		608,815
6200 RENT EXPENSE	Conventions and Meetings	6203	-	
	Management Consultants	6204	-	
	Advertising/Marketing Expense	6210	-	
	Other Rent Expense	6250	-	
	<b>Total Rent Expense</b>		-	
6300 ADMIN. EXPENSES	Office Salaries	6310	-	
	Office Expenses	6311	5,712	
	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	18,240	
	<b>Total Administrative Expense</b>		23,952	
6200 + 6300	<b>Total Rent &amp; Administrative Expense</b>	<b>6263</b>		23,952
6400 UTILITIES EXPENSE	Fuel Oil	6420	-	
	Electricity	6450	96,646	
	Water	6451	-	
	Gas	6452	-	
	Sewer	6453	-	
	<b>Total Utilities Expense</b>	<b>6400</b>		96,646

	Description of Account	Acct. No.	Amount	Totals
6500 OPERATING & MAINTENANCE EXPENSE	Payroll	6510	114,654	
	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	62,044	
	<b>Total Operating &amp; Maintenance Expense</b>	<b>6500</b>		176,698
	6900	<b>Total Service Expense</b>	<b>6900</b>	
6700 TAXES AND INSURANCE	Real Estate & Personal Property Taxes	6710	-	
	Payroll Taxes (Project's Share)	6711	-	
	Property & Liability Insurance (Hazard)	6720	29,705	
	Fidelity Bond Insurance	6721	-	
	Workmen's Compensation	6722	-	
	Health Insurance and Other Employee Benefits	6723	-	
	Miscellaneous Taxes, Licenses, Permits and Insurance	6790	-	
	<b>Total Taxes and Insurance</b>	<b>6700</b>		29,705
3220	Replacement Reserve Deposits as Required by WHEDA	3220		20,491
	<b>Total Operating Expenses</b>			347,492
	<b>Net Operating Income (NOI)</b>			261,322
6800 FINANCIAL EXPENSE	Interest on Mortgage Payable	6820	49,347	
	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	-	
	<b>Total Financial Expense</b>	<b>6800</b>		49,347
	<b>Total Expenses of Operations Before Depreciation</b>	<b>6000</b>		396,840
	<b>Profit or (Loss) Before Depreciation</b>	<b>5060</b>		211,975
6600	Depreciation Expense (Total)	6601		172,337
	Amortization Expense	6610		957
	<b>Operating Profit or Loss</b>	<b>5060</b>		38,682
7100 CORPORATE OR MORTGAGOR EXPENSE	Officer's Salaries	7110	54,464	
	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	-	
	<b>Net Entity Expenses</b>	<b>7100</b>		54,464
	<b>NET PROFIT OR (LOSS)</b>	<b>3250</b>		(15,782)
TOTAL PRINCIPAL PAYMENTS	WHEDA First Mortgage	9910		49,664
	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, 2013, 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 23, 2014.

**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".

Middleton, Wisconsin  
July 28, 2014

**INDEPENDENT AUDITORS' 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, 2013. 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, 2013.

## **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.

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.



Middleton, Wisconsin  
July 28, 2014

**HOUSING INITIATIVES, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended December 31, 2013**

**A. Summary of Auditors' Results**

**Financial Statements**

- |  |               |
|--|---------------|
| 1. Type of auditors' 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?                                      | No           |
| 2. Type of auditors' report issued on compliance for major programs?   | Unmodified   |
| 3. Any audit findings disclosures that are required to be reported in accordance with <i>Circular A-133</i> , Section .510(a)? | No           |
| 4. Identification of major programs:   |              |
| Home Investment Partnership – CFDA # 14.239  | \$ 3,436,156 |
| 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, 2013**

**Federal Awards Findings**

There were no current year findings.



**HOUSING INITIATIVES, INC.**  
**SCHEDULE OF STATUS OF PRIOR YEAR FINDINGS**  
**For the Year Ended December 31, 2013**

***Finding – Item 2012-001 - 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, 2013**

1. Single Audit required? Dollar threshold used to distinguish between type A and type B programs	Yes \$ 300,000
2. Type of auditors' report issued.	Unmodified
3. Internal control over financial reporting - Material weakness identified? Significant deficiency identified and not considered a material weakness? Noncompliance material to financial statements noted?	No No No
4. Internal control over major programs - Material weakness identified? Significant deficiency identified not considered to be a material weakness?	No No
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)?	No
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
<b>Does the audit include the -</b>	
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 28, 2014