

BudRepV16

**OPERATING REPORT
INSTRUCTIONS**

December 2022 Update

General Notes

1. Minnesota Housing requires full accrual basis reporting.

2. The management agent needs to upload the monthly operating report no later than the 15th of the month following the reporting month using the Agency Box.com account. Following are the instructions for using this method.
First, request from Minnesota Housing a Property Management Company Box.com Access Request and Account Change Form by emailing to mhfa.am@state.mn.us. Complete the form with all necessary information and submit to Minnesota Housing via that same email address. The Agency will then create a profile for your management company with a folder for each property and subfolders for each property's audits, budgets and operating reports. Place annual audits in the 'Audits' subfolder, monthly operating reports in the 'Operating Reports' subfolder, and so on. The Agency will send a flyer titled Box.com Operating Reports, Audits and Budgets Submission Instructions to each user that details all steps for uploading documents to Box.com.

3. If there are entries on Line 98, Adjustments to Cash, or any line labeled "Other", an explanation needs to be provided on the "Actual Notes" tab. Always include the month, line #, and amount that is being explained.

4. Although copies of bank statements are not required, Minnesota Housing reserves the right to request them at any time.

5. Prior year's loans to the operating account (from the partners or a Minnesota Housing approved source) are to be reported on Line 110, "Prior Years Affiliate Loans & Notes (Short Term)".

6. Review the Validation Test section found at the bottom of the "Actual" tab to see if there are any errors that need to be corrected or if an explanation is needed on the "Actual Notes" tab.

MINNESOTA HOUSING FINANCE AGENCY

ACTUAL Sheet

Heading

No entry needs to be made for the Year, Rent, Square Ft., Rooms and Units. These cells are linked to other cells; therefore, they are formula generated.

“Use Non-Calendar Accounting Year” box: Check this box if you are not using a calendar year accounting cycle.

First Month of Accounting Cycle: If you are using a calendar year accounting enter “1” (for January). In instances where your accounting cycle does not begin in January, use the number corresponding to the first month of your accounting cycle. For example, for an accounting cycle that begins in July and ends in June, you would enter “7”.

Year of First Month of Accounting Cycle: Enter in numbers the year of the first month of the accounting cycle you are reporting.

Accounting Method: Do not use this. This cell is blocked. If you have been authorized by the Agency to report on cash basis accounting your report will not be affected by this.

Select report period: Do not use this.

Actual - Explanation of Lines

Line 1 - Apartment Rent Potential

Enter the total amount of the contract rents effective during the reporting period as if all units of the development were rented. This includes units that are occupied by tenants and employees and vacant. If the development has Hollman units, the Apartment Rent Potential for those units will not be reflected in this total. (See Line 4)

Line 2 - Parking/Garage Rent Potential

Enter the maximum amount of rent available from garage and parking spaces at the rates effective during the reporting period as if all garage and parking spaces were rented. If plugs for head bolt heaters are rented on a monthly basis, include the rent for the outlets. Note that there may be special compliance requirements regarding garage income for tax credit properties.

Line 3 - Commercial Rent Potential

Enter the maximum amount of rent from commercial spaces, if applicable, at the rates effective during the reporting period as if all commercial spaces were rented.

Line 4 - Miscellaneous Rent Potential

Enter the maximum amount of rent available from miscellaneous sources at the rates effective during the reporting period as if all miscellaneous spaces or furniture were rented. Most developments do not use this line. Developments with Hollman units will use this line to reflect the amount of monthly rent being charged for these specific units. **NOTE:** When Section 8 tenants are no longer eligible for the Section 8 program and the rents have to be reduced to the Tax Credit rent limit, enter the difference on this line.

Line 5 - Gross Potential Rent

This line is the sum of Lines 1 through 4.

Line 6 - Apartment Vacancy

Enter rent not collected for unoccupied units. If the unit was occupied during a portion of the month, the pro-rated rent not collected due to vacancy should be reported here. Also enter here vacancy claim reimbursements with a negative sign.

Line 7- Parking/Garage Vacancy

Enter the rent not collected for unoccupied garage or parking spaces. If the parking/garage space was occupied during a portion of the month, the pro-rated rent not collected due to vacancy should be reported here.

Line 8 - Commercial Vacancy

Enter rent not collected for unoccupied commercial space. If the commercial space was occupied during a portion of the month, the pro-rated rent not collected due to vacancy should be reported here.

Line 9 - Miscellaneous Unrealized Income

Enter rent not collected for unoccupied miscellaneous sources or unrealized income. If the space was occupied or furniture/equipment used during a portion of the month, the pro-rated rent not collected due to vacancy should be reported here.

Line 10 - Employee Rent Credits

Enter full or partial credit given to an employee for living on the property. For example, if an employee gets to live for free in a two-bedroom apartment that would rent for \$600/month (rent potential); the employee's rent credit would be \$600.

Line 11- Out of Service Units

Enter the rent for apartments, garages and commercial spaces that are not available to rent because the unit or garage is being used for storage or because it is not habitable and will require an extended period of time to repair. Example: A unit or units that experience extensive fire or water damage and will be unavailable to rent for more than a month, should be included until rehabilitation is complete. Include rent for a model apartment or office under this line.

Line 12 - Rental Concession Adjustments

Enter adjustments to rent that do not fit into the other rent loss categories. Examples would be first month free rent, move-in specials, a one-month rental concession of \$25 made to a tenant, a gift of free cable TV (all used as an inducement to the renter at the time of move-in, at lease renewal, etc.). **NOTE:** If an owner elects to grant rent concessions for Section 8 tenants, they cannot bill HUD for either the rental assistance or the tenant's portion of the rent for the month or months the concession is given.

Line 13 - Total Rental Loss

This line is the sum of Lines 6 through 12.

Line 14 - Net Rental Income

This line is Line 5 minus Line 13.

Line 15 - Bad Debt

Enter the amount of tenant accounts receivable not expected to be collected. Once a tenant has physically moved out of the apartment, any prior outstanding rents should be moved down to this line. Even though management will be actively pursuing collection, these activities/efforts should not be reflected in this report. If "bad debt" is collected at a later time, this income will be reported on this line as a negative (reversed) dollar amount. At the beginning of each calendar year, bad debt should start with "0". Bad debt needs to be written off in the year it occurs.

Line 16 – Net Rental Collections

Net Rental Collections is calculated in the following way: Net Rental Income (Line 14) minus Bad Debt (Line 15).

Line 17 – Tenant Fees

Enter the total fees charged to tenants such as late fees or damage charges.

Line 18 – Other Income

Enter all other revenues earned which are not reported on Lines 5, 17, 19, or 20. Examples are laundry income, vending machines income, cable TV revenues, TIF (tax increment financing), MPHA payment received due to Hollman units, Income received from the "MARIF Operating Subsidy Reserve" account for MARIF units. A breakdown of what is included on this line must be provided in the "Actual Notes" tab.

Line 19 – Forfeited Security Deposits

Enter the amount of forfeited security deposits actually transferred to the operating account.

Line 20 – Interest Income

Enter the interest earned on operating cash in savings accounts or any other financial instruments or funds. *Report on this line all interest earned on escrow and reserve accounts and either offset it on line 94 (with a "-" sign) or on individual reserves lines ("Deposit To").*

Line 21 – Total Other Income

This is the sum of Lines 17 through 20.

Line 22 – Total Revenue

This is the sum of Lines 16 and 21. This is your total accrual revenue at month end.

Line 23 – Advertising and Marketing

Enter the amount incurred for advertising via newspaper, radio, television, exhibits, leaflets, brochures, signs, apartment locator fees, marketing agent fees, etc.

NOTE:

Do not include the cost of preparing the unit for occupancy. Also, marketing expenses incurred during the initial rent-up period which are to be paid from mortgage proceeds are not to be included on this line.

Line 24 – Property Management Fees

Enter only the property management fee incurred as permitted by the management agreement. The Management Agreement limits compensation of the Agent to a stated fee per occupied unit or a percentage of collections, a stated percentage of receipts from non-housing income, reimbursement for payroll expenses, and reimbursement for management-related long-distance calls.

Line 25 – Professional Fees

Enter all costs incurred for professional services such as year-end audit fee, attorney fees, notice service, eviction proceedings, etc.

NOTE:

Fees for partnership legal expenses must be paid by the partnership and cannot be paid from the operating account.

* Do not include the monthly cost for accounting services as these are to be paid by the management agent. Cost incurred for IRS audits must be paid by the partnership and cannot be paid from operating funds. In any of the above cases, refer to the Management Agreement as these restrictions may vary.

Line 26 – Applicant Screening\Collection Expenses

Enter the total cost incurred for applicants' screening such as credit checks and collection efforts such as payments to collection agencies.

Line 27 – Site Office Expense

Enter the total cost incurred for local on-site telephone charges and long-distance calls directly related to the management of the development, computer hardware and software cost, site office rent and site office supplies.

Line 28 – On-Site Management Payroll

Enter all amounts incurred for on-site management and office staff payroll and other costs of labor including, but not limited to, employer's FICA, unemployment taxes, worker's compensation insurance, medical insurance, and life insurance for all on-site management personnel.

Line 29- Other Administration

Enter the total amount incurred for bank charges, security deposit interest expense, Minnesota Housing annual tax credit compliance fee, LIRC application fee, permits and fees, community services such as newsletters, special notices to tenants, letter of credit charges, and miscellaneous financial charges. *Do not report accrued partnership fees on this line. If management chooses to report them, they should be reported on lines 83 and 76, and must provide an explanation on "Actual Notes" tab. Preparation of the partnership tax is on allowable expense; however, the annual partnership tax is not. Section 8 Utility Allowance reimbursements should be reported on this line or line 43.*

Line 30 – Total Administration

This is the sum of Lines 23 through 29.

Line 31 – Elevator Maintenance/Contract

Enter the total cost incurred for servicing and maintaining elevators.

Line 32 – Security

Enter the total cost incurred for on-site security services and security devices.

Line 33 – Rubbish Removal

Enter the total cost incurred for rubbish and garbage removal.

Line 34 – Other Contract Services

Enter the total cost incurred for goods and services supplied to the development on a contract basis and which do not fit into another expense category. Examples are contracts for cleaning, cable, internet and exterminating (if applicable).

Line 35 – Unique Operating Expenses

If applicable, enter the total cost incurred for unique operating expenses and explain in the “Actual Notes” tab. Examples are front desk operations, eligible tenant coordinator expense, interpretive services, and costs of operating service-related space. Do not include the costs incurred for supportive services as they are not allowable operating expenses.

Line 36 – Maintenance/Janitor Supplies

Enter the total cost incurred for maintenance supplies installed or to be installed by on-site maintenance personnel. Examples are valve stems, zone control motors, faucet washers and seats, commode seals, ball cock assemblies, timers, seals, elements, tiles, light bulbs and fixtures, exit signs, circulation pumps, switches, lock cylinders, furnace and air conditioner filters, water softener salt, small equipment such as shovels, rakes and brooms for outdoor use.

Also, include in the above the cost incurred for supplies related to regular janitorial services performed by on-site personnel. Supplies may include strippers, sealers, waxes, window cleaners, carpet shampoo and spot remover, oven cleaner, rags, brooms, mops, buckets, etc.

Line 37 – Grounds Maintenance

Enter the total cost incurred for grounds maintenance. Examples are grounds maintenance contracts (if applicable), minor finishing and re-landscaping of the grounds, fertilizers, weed control chemicals, tree trimming, shrub pruning, ground equipment maintenance and parking lot maintenance.

Line 38 – Snow Removal

Enter the total cost incurred for snow plowing and/or removal.

Line 39 – Heat & A/C Repair Services

Enter the total cost incurred for repairs and servicing of the heating system and air conditioners performed by outside contractors.

Line 40 – General Repair Services

Enter the total cost incurred for materials and labor for repairs not done by on-site personnel. Examples are glass replacement, antenna service, minor carpentry, locksmith work, appliance repair, etc.

Line 41 – Paint/Decorating Materials

Enter the total cost incurred for all materials and supplies used in decorating and painting a unit or commercial space at turnover or when painting is done at the tenant's request. The cost of carpet cleaning should be reported on this line. Also report cost incurred for minor exterior painting.

NOTE:

Do not report cost incurred for major interior or exterior painting on this line. These major expenses are reported on Line 91, Capital Improvement Expenditures.

Line 42 – Maintenance and Janitor Payroll

Enter the total cost incurred for maintenance (including caretaker cost) and janitor payroll and other costs of labor including, but not limited to, employer's FICA, unemployment taxes, worker's compensation insurance, medical insurance, and life insurance for all maintenance and janitorial personnel.

Line 43 – Other Maintenance and Operating

Enter the total cost incurred for any maintenance and/or operating expenses which are not applicable to any other category. Examples are gasoline, fitness center, etc.

Line 44 – Total Maintenance

This is the sum of Lines 31 through 43.

Line 45 – Electricity

Enter the total cost incurred for electricity.

Line 46 – Water and Sewer

Enter the total cost incurred for water and sewer.

Line 47 – Gas and Oil

Enter the total cost incurred for gas, oil or propane.

Line 48- Total Utilities

This is the sum of Lines 45 through 47.

Line 49 – Property & Liability Insurance Expense

Enter the prorated monthly premium amount of property and liability insurance.

NOTE:

Do not enter the amount deposited to the Minnesota Housing held escrow as shown on the monthly invoice, this is reported on Line 85.

Premiums for property/liability, boiler, and umbrella liability insurance are paid by Minnesota Housing from the development's insurance escrow once a year. Payment plans are not an option.

Do not include payments for worker's compensation on this line. Worker's compensation is a payroll expense and is reported on Line 28 or 42.

Do not include payments for fidelity bond or a crime policy. These premiums are an expense of the management agent and cannot be paid from operating cash.

Line 50 – M & O (Maintenance and Operating) plus Insurance

This is the sum of Lines 30, 44, 48 and 49.

Line 51 – Real Estate Tax Expense

Enter the prorated monthly premium amount of real estate tax.

NOTE:

Do not enter amounts paid into the Minnesota Housing held real estate tax escrow as shown on the monthly invoice or any additional amounts paid to a unit of government for real estate taxes. These are reported on Line 85.

Line 52 - Total Operating Expenses

This is the sum of Line 50 and Line 51. This is your total accrual expenses from operations at month end.

Line 53 – Net Operating Income

This is Line 22 minus Line 52. This is your accrual income from operations before financial expenses and amortization and depreciation expenses.

Line 54 – Interest on Amortizing Debt (s)

Interest incurred on Minnesota Housing’s amortizing mortgages (as reflected on the monthly invoice) as well as other amortizing debts should be reported on this line. Developments that receive the Interest Reduction Savings credits, the amounts should be deducted first from this line and any leftover would be deducted from principal payment on line 78. Do not report accrued interest expense on deferred loans on this line. This expense should be reported on line 83 and 76.

In the event that interest on Minnesota Housing financing is paid from a reserve account, report the amount of the payment taken from the reserve account as a Withdrawal from Capital Reserves (Line 90) or as a Withdrawal from Residual Receipts (Line 88) as appropriate and report the same amount on this line.

Line 55 – Minnesota Housing Annual Fee

Enter the monthly cost incurred for Minnesota Housing Annual Fee if shown on the monthly invoice.

NOTE:

Do not include Minnesota Housing annual tax credit compliance fee under this line. This fee should be reported on Line 29, Other Administration.

Line 56 – MIP

Report the monthly MIP (Mortgage Insurance Premium) accrued expense (if applicable) on this line and offset it on line 74 - Accrued MIP. *Do not report accrued interest expense on deferred loans or accrued partnership fees on this line. These expenses should be reported on line 83 and 76.*

Line 57 – Total Financing

This is the sum of Lines 54 through 56.

Line 58 – Income from Operations

This is Line 53 minus Line 57. This is your accrual income from operations before amortization and depreciation expenses.

Line 59 – Amortization/Depreciation Expenses

This is the monthly accumulated depreciation of property and equipment and amortization of financing costs. These expenses are added back on Line 82. Developments that do not book these expenses monthly will not use this line until the end of the year.

Line 60 – Net Income or (Loss)

This is Line 58 minus Line 59. This is your net income or net loss at month end.

Line 61 - Adjustments to Operating Cash

This section covers lines 62 to 94. These adjustments are necessary because some incomes earned are not yet received and some expenses incurred are not yet paid. These adjustments are mostly changes between reporting periods; therefore, the amounts may change significantly from one month to another.

NOTE:

Line items 63 through 76 with no "sign" (+ or -) can either be positive or negative depending on whether they are "cash in" or "cash out". Line items 78 through 82 and 85 through 93 with "signs" (+ or -) must contain amounts with the reflected sign as directed. The signs for lines 83 and 94 may vary depending on the nature of the entry.

Line 62 - Adjustments to Operating Assets

For each item from Line 63 to Line 67 refer to the corresponding item on the balance sheet (current assets and security deposit savings). The calculation is done in the following way:

Previous month
Minus
Current month

If the difference is a positive number enter the number as it is (cash in), if the difference is a negative number (cash out) enter the number with a (-) minus sign.

FOR EXAMPLE,

If the tenant receivable balances (on the balance sheet) at the end of January and February were \$100 and \$40 respectively, on the February 258 report, the change between the two periods will be (+) \$60 ($\$100 - \40), to be reflected on line 63 - Tenant Receivables. This amount represents the net amount recovered from tenants in February and a decrease in the amount due from tenants.

If the tenant receivable balances at the end of January and February were \$100 and \$300 respectively, on the February report, the change between the two periods will be (-) \$200 ($\$100 - \300), to be reflected on line 63 -Tenant Receivables as a negative amount. This amount represents an increase in the amount due from tenants at the end of February and therefore, has a negative effect on cash flow.

NOTE:

Use Line 67 - Other, to adjust all other current assets items not listed which are part of operations. Changes in PHA receivables will be reflected on line 64, Subsidy Receivables.

Line 68- Adjustments to Operating Liabilities

For each item from Line 69 to Line 76 refer to the corresponding items on the balance sheet (current liabilities and security deposit liability). The calculation is done in the following way:

Current month minus Previous month

Current month
Minus
Previous month

If the difference is a positive number enter the number as it is (cash in), if the difference is a negative number (cash out) enter the number with a minus sign.

FOR EXAMPLE,

If the accounts payable balances at the end of January and February were \$100 and \$40 respectively, on the February 258 report, the change between the two periods will be (-) \$60 ($\$40 - \100), to be reflected on line 69 - Accounts Payable as a negative amount. This amount represents the net amount to suppliers in February and therefore, has a negative effect on cash flow.

If the balances of accounts payable at the end of January and February were \$100 and \$300 respectively, on the February 258 report, the change between the two periods will be (+) \$200 ($\$300 - \100), to be reflected on line 69 -Accounts Payable. This amount represents an increase in the amount due to suppliers at the end of February and therefore, has a positive effect on cash flow.

NOTE:

Use Line 76 - Other, to adjust all other current liability items not listed which are part of operations and offset of accrued interest on deferred loans and accrued partnership fees reflected on line 83. As an option you can use line 81 to reflect the payment of the accrued partnership expenses, whether or not these expenses are being paid as part of an authorized partnership distribution.

*For developments that are subject to the payment of a yearly asset management fee to Minnesota Housing under the **ARRA** Regulatory Agreement, or the ARRA Asset Management Agreement with a sub-allocator, the fee should be accrued at each year-end in the development's financials. The accrued amount should be reflected on line 76-Other with a (+) and offset on line 83-Other with (-). Once the fee is paid (from cash flow as requested on the audit letter from MH), the amount paid needs to be reflected on line 76-Other, with a (-) to zero out the payable.*

Line 77 - Adjustments for Financing Activities

Line 78 - Principal Payments on Amortizing Debt (s)

Enter the total amount of principal payments to Minnesota Housing (as shown on the monthly invoice) as well as other amortizing debts. Use a negative sign.

If Minnesota Housing's mortgage payment is paid from a reserve account, report the amount of the payment taken from the reserve account as a Withdrawal from Capital Reserves (Line 90) or as a Withdrawal from Residual Receipts (Line 88). Report the principal portion on this line and the interest portion on Line 54.

Line 79- Affiliate Contributions/Advances

Enter any amount received from the owner(s) or partner(s) that was deposited into the operating account for the operation of the property. Use a plus sign for this entry. Owner (s) should provide documentation of the loan or have it clearly spelled out in the audit.

Line 80 –Repayments to Affiliate

Enter any other amount disbursed from the operating account for reimbursement to the owner(s) or partner(s). Use a minus sign for this entry.

Line 81 – Annual Partnership Distribution

Enter any amounts paid to the partners for the annual partnership distribution authorized by Minnesota Housing. Use a minus sign. Per the mortgage Regulatory Agreement, written authorization must be received from Minnesota Housing prior to any partnership distribution payment.

NOTE:

Expenses such as partnership management fee, incentive management fee, etc. are partnership expenses; therefore, they cannot be paid from operating funds. If paid from operating funds, the amounts should either be reflected on line 76 and offset on line 83 (if previously accrued), or on line 81.

Line 82 – Amortization/Depreciation Expenses

Add back the amount deducted on Line 59.

Line 83 – Other (specify in notes)

Enter any other financing amounts deposited to or paid from operations with the appropriate sign and explain them in the “Actual Notes” tab. Also, use this line to reflect the accrued interest expense on deferred loans and the accrued partnership fees with a (-) sign. These fees will be offset on line 76-Other with a (+) sign.

Line – 84 Adjustments for Investing Activities

All deposits and withdrawals under the following line items include interfund transfers and operating fund transfers as reflected on the monthly escrow analysis sheet (or Development Analysis Report). All draws from reserves must be deposited into the operating account and reported under the appropriate withdrawal line to provide an audit trail. All taxable interests earned on all escrow and reserve accounts are entered on Line 20, Interest Income. All deposits are entered using a minus sign since they decrease the operating cash and all withdrawals are entered using a positive sign since they increase the operating cash.

Line 85 – Deposit to Property Tax and Insurance Escrow

Enter the monthly payment to the Minnesota Housing held real estate tax and insurance escrow as shown on the monthly invoice and any additional amounts paid to a unit of government for real estate taxes.

Line 86 – Withdrawal from Property Tax and Insurance Escrow

Enter the amounts paid by Minnesota Housing from taxes and insurance escrow on behalf of the development. These amounts are reflected as deductions on the escrow analysis sheet.

Line 87 – Deposits to Residual Receipts

Enter any operating cash deposited into Residual Receipts following the audit review or at the request of Minnesota Housing. The total amount deposited into residual receipts, as shown on the monthly invoice, should also be reported on this line.

Line 88 – Withdrawal from Residual Receipts

Enter all amounts withdrawn from Residual Receipts and deposited to the operating cash following the audit review or at the request of Minnesota Housing.

Line 89 – Deposits to Capital Reserves

Enter all deposits made (as shown on the monthly invoice) to all other reserve accounts held at Minnesota Housing such as Replacement Cost Reserve, Development Cost Escrow or Miscellaneous Reserve, on this line. Deposits to any other reserve accounts that are not assigned to the partnership or not kept by Minnesota Housing such as Working Capital Escrow and Operating Reserve (refer to Other Assets on the balance sheet) should be on line 94.

Line 90 – Withdrawal from Capital Reserves

Enter all payments to the operating account from Minnesota Housing held reserve accounts such as Replacement Cost Reserve, Development Cost Escrow or Miscellaneous Reserves and any other reserve accounts that are not assigned to the partnership.

Line 91 – Capital Improvement Expenditures

Enter all amounts paid for all capital improvements and major expenses which do not occur annually under normal conditions. Examples are major exterior painting, major interior painting, major landscaping, drain tile, storm doors, gutters, furnace and appliance replacement, insulation, seal coating, tuck pointing, furniture, security system, lawn tractor purchase and structural alterations.

NOTE:

Items reported on this line may or may not be capital expenditures according to generally accepted accounting principles or the Internal Revenue Service. Items are reported on this line so that annual operating data is not distorted.

Line 92 – Deposit to MIP

If payments for mortgage insurance (MIP) are shown on the monthly invoice, they should be reported on this line.

Line 93 – Withdrawal from MIP Escrow

Enter all withdrawals from MIP escrow as reflected on the escrow analysis sheet.

Line 94- Other (specify in notes)

Enter the net amounts of non-operating transactions (using appropriate signs) such as refunds received for real estate taxes, unused insurance premiums, or insurance premium refunds only if they are deposited into the operating account. *Also reverse (use minus sign) any amount booked under line 20 for interest earned on escrow and reserve accounts. Interest earned on residual receipt and DCE accounts are sent to operations upon year end audit review depending on the outcome of the audit. Interest earned on all other Minnesota Housing held accounts remain in the corresponding accounts. Deposits to any other reserve accounts that are not assigned to the partnership such as Working Capital Escrow and Operating Reserve should be reported here as well.*

NOTE:

Payments to any other reserve accounts that are not kept by Minnesota Housing should be reported on line 94 along with the offset of interest earned on the corresponding reserve accounts. An explanation with details of the transactions must be provided in the “Actual Notes” tab of the report. For those who choose not to reflect the offset of interest earned on escrow and reserve accounts on line 94, the offset must be reflected on each appropriate “Deposit to” line.

Line 95 - Total Adjustments

This is the sum of Lines 63 to 67, 69 to 76, 78 to 83, and 85 to 94. This can be either a positive number or a negative number.

Line 96 - Cash Flow from Operations

This is the sum of Line 60 and Line 95.

Line 97 - Beginning Cash Balance (Operating Account)

This is the total of all operating cash as of the beginning of the month. This amount is the same as the ending operating cash balance reported on Line 99 at the end of the prior month.

Line 98 - Adjustments to Cash (specify in notes)

Enter any other adjustments made to cash during the current reporting month and provide a detailed explanation in the “Actual Notes” tab. These adjustments could be deposit errors, NSF checks, etc. The Year-To-Date column would reflect the cumulus of all adjustments from the beginning of the year to the end of the current reporting month.

Line 99 - Ending Cash Balance (Operating Account)

This is the sum of Lines 96, 97 and 98. This is the ending cash balance as of the end of the current month’s reporting period. This amount should be the same as the Total Operating Cash on Line 108 which is the same as the total operating cash on the current month’s balance sheet.

Line 100 - Components of Operating Cash

For each item under this line, Lines 101 to 107, enter the reconciled amounts as of the end of the month. Petty cash held on-site by managers must be included.

Line 108 - Total Operating Cash

This is the sum of Lines 101 through 107. This amount must equal the amount on Line 99.

Line 109 - Rent Receivable Balance (tenant & subsidy)

As reflected on the balance sheet, enter the sum of tenant rent receivable and subsidy (including PHA) receivable outstanding at month end. Do not include items such as prepaid rent, insurance claim receivable etc. Repair receivable from tenants can be included here as long as the change is reflected on line 63, Tenant Receivables.

Line 110 - Prior Years Affiliate Loans & Notes (Short Term)

This line is used only for January reporting each year to reflect the total of all short-term loans and/or notes received from affiliates throughout all prior years.

Line 111 - Security Deposit Liability

Enter the total amount of security deposits (including interest) due to tenants as of the end of the month.

Line 112 - Security Deposit Account Balance

Enter the actual amount in the tenant security deposit account(s) as shown on the current bank statement(s) at the end of the month. All operating cash and security deposit cash must be accounts that are insured by the FDIC or other accounts approved by Minnesota Housing.

NOTE: Security deposit balance must be equal to or more than the monthly liability at all times, per the Regulatory Agreement.

Schedule of Accounts Payable - Form 258C

Payable To:

Under this line, list the names of all parties owed for over 30 days. The amounts owed must be entered in the column corresponding to the age of the account. Columns A through D are provided for those entries.

Total

Total all columns. The total of Column D is the same as Line 145 of the 258B.

Occupancy Report - Form 258D

General Instructions

A unit is reported as occupied only for the number of days for which rent has been paid or is receivable. Assume that all months have 30 days.

If there is a caretaker and/or maintenance staff living on site, report the units they occupy in the appropriate category (i.e. subsidized or market rate)

If a unit is occupied for only part of the month, show the occupancy for that unit in tenths of the month as follows:

If a unit is occupied for only part of the month, show the occupancy for that unit in tenths of the month as follows:

Example: Tenant occupied and paid rent for 20 days during reporting month; unit vacant for 10 days. This would be reported as .7 (seven-tenths) of an occupied unit and .3 (three tenths) of a vacant unit.

Occupied: $20/30 = .67$ rounded to .7

Vacant: $10/30 = .33$ rounded to .3

Occupancy

Occupied Units

Lines 1 through 5, Column A – Sections 8, 236/RAP, Hollman

Enter the number of units which were occupied for all or part of the month by tenants who receive the benefit of the Section 8 Program; Section 236 Program; Rental Assistance Program, Hollman Program; or Project-Based Section 8 (provided by Housing Choice Voucher through a PHA or HRA).

NOTE: Even if some of the Section 8 tenants are currently paying market rate rent, they are still considered "Section 8/subsidized" for this report.

Line 1 through 5, Column B – All other units

Enter the number of units which were occupied for all or part of the month by tenants who were not receiving the benefit of either one of the above programs. "Tenant Based" Housing Choice Vouchers and tax credit units are included in this section.

Line 6, Column A, B and C – Total Occupied Units

This is the sum of occupied units for each category.

Vacant

Line 7 through 11, Column A - Sections 8, 236/RAP, Hollman

Enter the total number of vacant units which were selected to receive benefits of the Section 8 Program; Section 236 Program; Rental Assistance Program, Hollman Program; or Project-Based Section 8 Housing Choice Voucher (through a PHA or HRA), which were vacant for all or part of the month ONLY.

Line 7 through 11, Column B – All other units

Enter the total number of units that did not receive benefits of one of the above programs and which were vacant for all or part of the month.

Line 12, Column A, B and C –Total Vacant Units

This is the total number of vacant units for each category.

Line 14, Column A, B and C – Grand Total

This is the sum of Lines 6 and 12. The grand total equals the number of units in the development.

Turnover Units

Line 15, Column A and B – Move-Ins

This Month – Enter the actual number of units in which move-ins occurred during the month.

Next Month – Enter the number of units for which occupancy is expected in the following month. This figure should be based on the number of signed leases and deposits received for occupancy next month.

Line 16, Column A and B – Move-Outs

This Month – Enter the actual number of units in which move-outs occurred during the month.

Next Month – Enter the number of move-outs expected during the next month. This figure should be based on the number of move-out notices received and the number of eviction notices served.

Line 17, Column A and B – Net Turnover

This is Line 15 minus Line 16. It is possible for the difference (net) to be a negative number.

Elderly, Handicapped, Disabled

Line 18, Column A and B – Number of Units Occupied by Elderly, Handicapped, or Disabled tenants

On Line 18, column A, enter the number of units occupied by the above tenants. Line 18, column B, is the percent of total units occupied by the same tenants.

Definitions:

Elderly means a household consisting of either a single person or family where the head is at least 62 years old, handicapped, or disabled. The household may be two or more elderly, handicapped, or disabled persons who are living together, or one or more such persons living with someone essential to their care or well-being.

Handicapped means a person who is handicapped by having a physical or mental impairment which

- a) Is expected to be of a long, continued, and indefinite duration;
- b) Substantially impedes his/her ability to live independently, and
- c) Is of such a nature that such ability could be improved by more suitable housing conditions.

Disabled household means a person who is under a disability as defined in Section 223 or the Social Security Act, or in the Section 102 (7) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001 (7)).

(a) Section 223 of the Social Security Act (42 U.S.C. 423) defines disability as:

- (1) inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death, or which has lasted or can be expected to last for a continuous period of not less than 12 months; or
- (2) in the case of an individual who has attained the age of 55 and is blind (within the meaning of “blindness” as defined in Section 416 (i)(I) of the Social Security Act) and is unable by reason of such blindness to engaged with some regularity and over a substantial period of time.

(b) Section 102 (7) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001 (7)) defines disability as severe, chronic disability of a person which:

- (1) is attributable to a mental or physical impairment or combination of mental and physical impairments
- (2) is manifested before the person attains age twenty-two
- (3) is likely to continue indefinitely
- (4) results in substantial functional limitations in three or more of the following areas of major life activity:
 - a. self-care
 - b. receptive and expressive language

- c. learning
- d. mobility
- e. self-direction
- f. capacity for independent living, and
- g. economic self- sufficiency; and

(5) reflects the person's need for a combination and sequence of special, interdisciplinary, or generic care, treatment, or other services, which are of lifelong or extended duration and are individually planned and coordinated.