



## FINANCIAL STATEMENT REQUIREMENTS

WHEDA requires annual delivery of audited financial statements for **most** WHEDA-financed projects. The audit must be performed by an independent accountant, signed by the owner and management agent and submitted to [Wheda.audits@wheda.com](mailto:Wheda.audits@wheda.com) within 60 days of fiscal year end (FYE). For more details, refer to Addendum A below (Audited and Reviewed Statement Requirements)

**All** projects are required to submit WHEDA Forms 600AL and 800 electronically within 60 days of their FYE. The forms and electronic file submission specifications can be found at [www.wheda.com/Forms/Asset-Management](http://www.wheda.com/Forms/Asset-Management). Detailed instructions on how to complete these forms can be found below in Addendum C (Instructions for Completing Forms 600AL and 800).

Below is a list of projects that **may** be eligible for an ongoing audit waiver along with the type of financial report required in lieu of an audit. Examples of exceptions to the ongoing audit waiver include loans with a “Watch” status or those serviced by WHEDA on behalf of 3<sup>rd</sup> parties.

Type of Project	Requirement
Projects without Section 8 assistance, no HTC (Housing Tax Credits) or HTC past initial 15-year compliance period <b>and</b> aggregate WHEDA loan balance between \$500,000 - \$10,000,000.	Reviewed Financial Statement
Projects with American Recovery and Reinvestment Act awards (TCAP and Exchange) without WHEDA financing.	Reviewed Financial Statement
Projects without Section 8 assistance, no HTC or HTC past initial 15-year compliance period <b>and</b> aggregate WHEDA loan balance of less than \$500,000	Form 600AL/ Form 800 only

## **ADDENDUM A**

### **AUDITED AND REVIEWED STATEMENT REQUIREMENTS**

The audit and reviewed statement must be performed in accordance with Generally Accepted Accounting Principles (GAAP), issued by the Comptroller General of the United States. In addition, the audit must be prepared in accordance with generally accepted auditing standards (GAAS), issued by the American Institute of Certified Public Accountants (AICPA).

The audit or reviewed statement must:

- Be performed by an independent certified public accountant (CPA);
- Include the name and contact information of the lead CPA responsible for the preparation of the report;
- Be signed by both the owner and management agent;
- Provide a management letter of comments and recommendations, if any.

#### **The below entity types will need to adhere to additional specific audit requirements:**

- For-profit entities receiving Section 8 Assistance Payments: refer to HUD's CONSOLIDATED AUDIT GUIDE FOR AUDITS OF HUD PROGRAMS HANDBOOK 2000.4
- Non-profit organizations receiving Section 8 Assistance Payments, Public Housing Authorities and State or Local Governments are typically subject to Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards (2 CFR 200) for new awards and additional funding to existing awards made after December 26, 2014 (existing awards should follow OMB Circular A-133). They should provide an organizational audit with all supplementary data on a project-specific basis.

#### **Supporting Data to be Included in all Audited or Reviewed Statements:**

- I. Itemized Accounts and Notes Receivable other than from tenants. WHEDA requires any amount due from WHEDA or a similar entity to be identified separately. *(Please include Section 8 special claims and reserve releases reimbursed the following year for expenses incurred in the reporting year)*
- II. A Schedule of Delinquent Tenant Accounts Receivable.
- III. Any amounts distributed to partners.
- IV. A list of all non-WHEDA held deposit accounts.
- V. Related party transactions.
- VI. Calculation of Preservation Fee, if applicable.
- VII. Computation of Surplus Cash, if applicable. (See addendum B).

## **ADDENDUM B**

### **COMPUTATION OF SURPLUS CASH**

This calculation is required for projects with surplus cash notes payable to WHEDA or projects with a required remittance of surplus cash funds. WHEDA reserves the right to discuss distributions in the event of an operating deficit or a debt coverage ratio under 1.0.

**Please note:** Projects required by HUD to compute surplus cash may use HUD's form in lieu of the below calculation.

**+ CURRENT ASSETS (A)**

Line 1: Project Cash

Line 2: *MEMO ONLY*: Tenant Security Deposits

Line 3: Accounts Receivable due from WHEDA

Line 4: Other Accounts Receivable (due within 30 days)

Line 5: Real Estate Taxes

**TOTAL CURRENT ASSETS**

**- CURRENT LIABILITIES (B)**

Line 6: Accounts Payable (due within 30 days only)

Line 7: Accounts Payable due to WHEDA

Line 8: Mortgage Interest Payable (see explanation for exception)

Line 9: Prepaid Rent from Tenants

Line 10: Accrued Expenses

Line 11: Accrued Real Estate Taxes

Line 12: *MEMO ONLY* - Tenant Security Deposits

**TOTAL CURRENT LIABILITIES**

**= SURPLUS CASH**

**Instructions for computing Surplus Cash  
(the corresponding accounts can be found on WHEDA Form 600)**

Line 1	<i>Account 1120 and 1170. Do not include partnership cash or tenant security deposits</i>
Line 2 & Line 12	<i>Account 1191 and 2191 respectively. Include Tenant Security Deposits as a Memo Item only. The asset account must always equal or exceed the liability account, including accrued interest, if any. If this is not the case, an Account Payable due to the under-funding should be established and included in the computation of Surplus Cash.</i>
Line 3	<i>Account 1135. Include amounts related to replacement reserve draw requests for items paid from project funds and approved by WHEDA but not reimbursed prior to FYE.</i>
Line 4	<i>Account 1140. Other Accounts Receivable (due within 30 days, excluding tenant receivables).</i>
Line 5 & Line 11	<i>Account 1311 and 2150 respectively. Real Estate Escrow and Accrued Property Tax.</i>
Line 6	<i>Account 2109. Accounts Payable within 30 days.</i>
Line 7	<i>Account 2116 and 2190 respectively. Accounts Payable to WHEDA. Include a Preservation Fee, if any.</i>
Line 8	<i>Accounts 2131 and 2132. This line does not apply to uninsured Section 8 projects.</i>
Line 9	<i>Account 2210. Prepaid rent revenue from tenants.</i>
Line 10	<i>Accounts 2120 through 2123. All other accrued expenses.</i>

# ADDENDUM C

INSTRUCTIONS FOR COMPLETING FORM 600AL AND 800

## Form 600AL

<b>Balance Sheet</b>		
Acct Number	Account Title	Account Definition/Reporting Reference
<b>Assets</b>		
1120	Cash - Operations	This account reflects the consolidation of unrestricted cash and cash equivalent accounts available to fund project operating costs for reporting purposes. This account includes cash maintained on-site in a petty cash fund.
1121	Construction Cash Account	This account reflects cash remaining in construction accounts after cost certification. These funds are available to pay for any remaining construction-related payables.
1125	Cash - Entity	This account reflects cash and cash equivalents maintained by the ownership entity available to fund expenses of the ownership entity.
1130	Tenant Accounts Receivable	This account reflects the total rents receivable from tenants. In subsidized properties, this account should only reflect the portion of the rent for which the tenant is responsible.
1131	Allowance for Doubtful Accounts	This account reflects the amount of tenant accounts receivable that management estimates as being uncollectible. This account is also used to record amounts of Medicare/Medicaid billings that Nursing Homes estimate will not be paid.
1135	Accounts Receivable - WHEDA	This account reflects amounts approved by WHEDA but not reimbursed to property for replacement reserve draw requests.
1140	Accounts and Notes Receivable - Operations	This account reflects all short-term receivables due to the project other than rent and HUD receivables, including security deposits. Notes receivable to project (or accounts receivable not related to routine operations) could be an indication of an unauthorized distribution of project assets.
1145	Accounts and Notes Receivable - Entity	This account reflects all short-term receivables due to the owning entity.
1160	Accounts Receivable - Interest	This account reflects amounts due to the project, but not received from the investment of Replacement Reserves, Residual Receipts, and other operating accounts.
1165	Interest Reduction Payment Receivable	This account recognizes Interest Reduction Payments (IRP) that are in excess of interest due under the mortgage note. This account only applies to Section 236 projects.
1170	Short-Term Investments - Operations	This account reflects non-restricted investments that can be converted to cash within one year.
1175	Short-Term Investments - Entity	This account reflects short-term investments of the owning entity. These investments can be converted to cash within one year and can be used to pay expenses of the owning entity.
1190	Miscellaneous Current Assets	This account reflects current assets not otherwise described above, including utility deposits. This account reflects the cash and investment balances held for releases approved by HUD. Any releases from this account requires prior HUD approval.
1312	Insurance Escrow	This account reflects the cash balance on hand for future payments insurance premiums.
1311	Real Estate Tax or PILOT Escrow	This account reflects the cash balance on hand for future payments of real estate taxes.
1100T	Total Current Assets	This account must equal the sum of accounts 1120 through 1311.
1191	Tenant Security Deposits - Restricted Assets	This account reflects the cash balances of bank accounts and investments held on behalf of rental tenants in trust for security and other deposits. These deposits must be held in the name of the project in a separate bank account. Agents may use deposits to pay for tenant damages and delinquent rents when a tenant vacates.
1200	Prepaid Expenses	This account reflects the consolidation of all prepaid expenses for reporting purposes.
1310	Escrow Deposits	This account reflects the cash balance on hand for future payments of mortgage insurance premiums or other escrows.
1320	Reserve for Replacement	This account reflects cash and investments held by mortgagee or mortgagor (as required) for replacements as set forth in the Replacement Reserves Agreement. This account may include amounts reported in separately established accounts.
1330	Other Reserves	This account reflects cash and investments held by the mortgagee or mortgagor for which approval is required for withdrawals. This account may include debt service reserves.
1340	Residual Receipts Reserve	This account reflects any required deposits to the Residual Receipts Fund held by the mortgagee or, in the case of Section 202 projects, in a separate Residual Receipts account (refer to the Regulatory Agreement for specific requirements). Releases are subject to HUD approval.
1381	Management Improvement and Operating	This account reflects the cash and investment balances held for operating deficit reserves.
1390	Development Cost Escrow	This account reflects the cash and investment balance held for Development Cost - typically a deferred developer fee.
1392	FHA Insurance Reserve	This account reflects the cash and investment balance held for FHA insurance.
1300T	Total Funded Reserves	This account must equal the sum of accounts 1310 through 1392.
1410	Land	This account reflects the purchase price of the land plus the cost of improvements to the land.
1420	Buildings	This account reflects the total cost of the buildings, including fixed building equipment, furniture, and furnishings. Agents should also charge improvements to the buildings to this account. The balance represents the original cost of the buildings plus enhancements.
1440	Building Equipment (Portable)	The balance of this account represents the total cost of the portable equipment in use by the project. Costs include any transportation or installation charges. Assets in this account include items such as stoves, refrigerators and fire extinguishers.

Acct Number	Account Title	Account Definition/Reporting Reference
1450	Furniture for Project/Tenant Use	This account reflects the cost of all furniture and equipment, including computers and other electrical equipment, purchased for use by the tenants in the common areas of the project.
1460	Furnishings	This account reflects the cost of furnishings (window shades, venetian blinds shower curtains, hall carpets, etc.) not charged to the cost of the building. The balance of the account represents the cost of the furnishings in use.
1465	Office Furniture and Equipment	This account reflects the cost of furniture and equipment owned and used on-site by the project.
1470	Maintenance Equipment	This account reflects the cost of project maintenance equipment in use.
1480	Motor Vehicles	This account reflects the cost of buses, trucks, passenger cars, etc., used on-site for project operations.
1490	Miscellaneous Fixed Assets	Agents may record fixed assets for which no other provision is made in this account.
1400T	Gross Fixed Assets	This account must equal the sum of accounts 1410 through 1490.
1495	Accumulated Depreciation	This account reflects the accumulated depreciation for all fixed assets.
1400N	Net Fixed Assets	This account must equal account 1400T less account 1495.
1510	Investments - Operations	This account reflects long-term investments (those expected to be held for more than one year) other than those included in the Funded Reserves (1300) Series.
1515	Investments - Entity	This account reflects long-term investments of the ownership entity.
1520	Intangible Assets	This account reflects the net amount of assets being amortized. This account includes loan, syndication, organization, and financing costs.
1590	Miscellaneous Other Assets	This account reflects non-current assets that are not otherwise classified above, including utility deposits.
1500T	Total Other Assets	This account must equal the sum of accounts 1510 through 1590; if a value is submitted for any of the accounts that comprise this calculation, this account is required.
1000T	Total Assets	This account must equal the sum of accounts 1100T, 1191, 1200, 1300T, 1400N and 1500T.
<b>Liabilities</b>		
2105	Bank Overdraft - Operations	This account reflects a negative (credits exceed debits) accounting balance in the project's operating account.
2109	Account Payable - 30 days	This account reflects the total of unpaid bills from trade creditors within the next 30 days.
2110	Accounts Payable - Operations	This account reflects the total of unpaid bills from trade creditors. This account does not include bills to be paid from the project improvement fund (See accounts 1381 and 2112), or those amounts payable in connection with construction or development costs (See account 2111).
2111	Accounts Payable - Construction/	This account reflects construction or other development costs payable from construction, development, or syndicated/equity funds.
2112	Accounts Payable - Project Improvement Items	This account reflects the total of bills vouchered for work items under the Flexible Subsidy Program to be paid from funds transferred from the project improvement fund (See account 1381) to the project bank account (See account 1120).
2113	Accounts Payable - Entity	This account reflects the total of accounts payable from surplus cash or other mortgagor funds available.
2115	Accounts Payable - 236 Excess Income due HUD	Used only for Section 236 projects, this account reflects any amount due to HUD for rents collected in excess of the allowable basic rents.
2116	Accounts Payable - WHEDA/HUD	This account reflects any amount due to WHEDA or HUD or other federal or state agency, in connection with the Section 8 or other loan program.
2120	Accrued Wages Payable	This account reflects the gross amount of payroll that has been accrued, but not paid, at the end of the accounting period.
2121	Accrued Payroll Taxes Payable	This account reflects the gross amount of federal, state, and FICA payroll taxes that have been accrued, but not paid, at the end of the accounting period.
2123	Accrued Management Fee Payable	This account reflects management fees accrued but unpaid at the end of the accounting period.
2130	Accrued Interest Payable - Section 236	Used only for Section 236 projects, this account reflects interest accrued but unpaid on the mortgage obligation at the end of the accounting period. Agents should include only the mortgagor's portion of the interest liability on the mortgage. If Interest Reduction Payments (IRP) are in excess of interest due under the mortgage note, the excess should be reported in account 1165.
2131	Accrued Interest Payable - First Mortgage	This account reflects the accrued interest payable for first mortgage.
2132	Accrued Interest Payable - Other Mortgages	This account reflects the accrued interest payable for second, third, fourth, and fifth mortgages.
2133	Accrued Interest Payable - Other Loans and Notes (Surplus Cash)	This account reflects interest accrued and unpaid on other loans and notes payable from surplus cash or other entity funds.
2134	Accrued Interest Payable - Other Loans and Notes	This account reflects interest accrued and unpaid on other loans and notes payable from project operations.
2135	Accrued Interest Payable - Flexible Subsidy Loan	This account reflects interest accrued and unpaid on Flexible Subsidy Operation Assistance loans payable from project operations.

Acct Number	Account Title	Account Definition/Reporting Reference
2136	Accrued Interest Payable - Capital Improvements Loan	This account reflects interest accrued and unpaid on capital improvement loans payable from project operations.
2137	Accrued Interest Payable - Operating Loss Loan	This account reflects interest accrued and unpaid on operating loss loans payable from project operations.
2150	Accrued Property Taxes	This account reflects the accrual of property taxes payable as of the end of the accounting period.
2160	Notes Payable (Short-Term)	This account reflects the current portion on notes payable.
2170	Mortgage Payable - First Mortgage (Short-Term)	This account reflects the current portion on mortgage payable for a first mortgage.
2172	Other Mortgages Payable (Short-Term)	This account reflects the current portion on mortgage payable for a second mortgage.
2173	Other Loans and Notes Payable - Surplus Cash (Short-Term)	This account reflects the current portion on other loans and notes payable. Payments may be made from surplus cash or other entity funds.
2174	Other Loans and Notes (Short-Term)	This account reflects liabilities on other loans and notes due within one year that are payable from project operations.
2175	Flexible Subsidy Loan Payable (Short-Term)	This account reflects the current portion of the Flexible Subsidy Operation Assistance loans.
2176	Capital Improvement Loan Payable (Short-Term)	This account reflects the current portion of the capital improvement loans.
2177	Operating Loss Loan Payable (Short-Term)	This account reflects the current portion of an operating loss loan obtained to sustain operations due to a prior year operating loss.
2180	Utility Allowances	This account reflects utility allowances payable.
2190	Misc. Current Liabilities/Preservation Fee	This account reflects current liabilities not otherwise described above.
2191	Tenant Deposits(Contra)	This account represents the liabilities associated with security and other deposits that are held on behalf of rental tenants. These deposits personal funds must be held in the name of the project in a separate bank account. Agents may use deposits to pay for tenant damages and delinquent rents when a tenant vacates.
2210	Prepaid Revenue	This account reflects rents received from tenants (including commercial tenants) and certain contracts, that apply to future accounting periods.
2122T	Total Current Liabilities	This account must equal the sum of accounts 2105 through 2122.
2310	Notes Payable (Long Term)	This account reflects amounts of notes due in more than one year from the date of the balance sheet, net of the current portion. The amount due within one year is recorded in account 2160. This account may be shown as net of unamortized debt issuance costs.
2311	Notes Payable - Surplus Cash	This account reflects project obligations payable only from available surplus cash, and in accordance with the terms of the note. This account may be shown as net of unamortized debt issuance costs.
2320	Mortgage Payable - First Mortgage	This account reflects the unpaid principal balances of the mortgages, net of the current portion, that are payable from project operations. The amount due within one year is recorded in account 2170. This account may be shown as net of unamortized debt issuance costs.
2322	Second Mortgages Payable (Long Term)	This account reflects the unpaid principal balances of a second mortgage, net of the current portion, that is payable from project operations. The amount due within one year is recorded in account 2172. This account may be shown as net of unamortized debt issuance costs.
2323	Other Loans and Notes Payable - Surplus Cash	This account reflects the unpaid principal balances on other loans and notes, net of the current portion, that are payable from surplus cash or other entity funds. The amount due within one year is recorded in account 2173. This account may be shown as net of unamortized debt issuance costs.
2324	Other Loans and Notes Payable	This account reflects the unpaid principal balances on other loans and notes, net of the current portion, that are payable from project operations. The amount due within one year is recorded in account 2174. This account may be shown as net of unamortized debt issuance costs.
2325	Flexible Subsidy Loan Payable	This account represents the total amount of the unpaid balance of the Flexible Subsidy Operating Assistance loans that have been approved by HUD, net of the current portion. The amount due within one year is recorded in account 2175.
2326	Capital Improvement Loan Payable	This account reflects the total unpaid balance of capital improvement loans as of the end of the accounting period, net of the current portion. The amount due within one year is recorded in account 2176.
2327	Operating Loss Loan Payable	This account reflects the total amount of the unpaid balance of an operating loss loan obtained to sustain operations due to a prior year operating loss, net of the current portion. The amount due within one year is recorded in account 2177.
2390	Miscellaneous Long Term Liabilities	This account reflects long-term liabilities not otherwise described above.
2300T	Total Long Term Liabilities	This account must equal the sum of accounts 2305 through 2390 less account 2340.
2000T	Total Liabilities	This account must equal the sum of accounts 2122T and 2300T.
<b>Owners' Equity</b>		
3033	Total Equity/Retained Earnings	This account reflects the total amount of capital invested in the project by its owners and the portion of equity classified as Retained Earnings.
2033T	Total Liabilities and Equity/Retained Earnings	This account must equal the sum of 2000T and 3033.

**Form 800****Profit & Loss Data**

Acct Number	Account Title	Account Definition/Reporting Reference
<b>Rent Revenue</b>		
5120	Rent Revenue - Gross Potential	This account reflects the rent at 100% occupancy, less tenant assistance payments, for all residential units (including non- revenue producing units).
5121	Tenant Assistance Payments	This account reflects tenant assistance payments that are project- based. Tenant assistance payment programs include the Rent Supplement, Rental Assistance Payment (RAP), and Section 8 programs.
5140	Rent Revenue - Commercial/Stores	This account reflects gross rental revenue expectancy from stores, offices, or other commercial facilities.
5170	Rent Revenue - Garage/Parking	This account reflects the gross potential rental revenue from all garage and parking spaces.
5180	Flexible Subsidy Revenue	This account reflects the amount of funds transferred from the Management Improvement and Operating Plan account (See account 1381) to reduce mortgage or escrow deficiencies, to cover operating deficits or to meet working capital needs.
5190	Miscellaneous Rent Revenue	This account reflects gross rental revenue expectancy not otherwise described above.
5191	Excess Rent	This account reflects the rental collections due in excess of the basic rental charge for Section 202/811, 221 (d) (3) BMIR, and 236 projects. Excess income retained by Section 236 projects in accordance with HUD Notice H 98-10 should be reported in account 5194, Retained Excess Income.
5192	Rent Revenue/ Insurance	This account reflects the amount of insurance claims proceeds in connection with lost rental revenue.
5193	Special Claims Revenue	This account reflects the amount of revenue collected from special claims including vacancy, damages, and debt service.
5194	Retained Excess Income	This account reflects the amount of excess income owners are allowed to retain for the project operating account in Section 236 projects in accordance with HUD Notice H 98-10. Excess income retained by Section 236 projects that is not authorized in accordance with HUD Notice H 98-10 should be reported in account 5191, Excess Rent.
5100T	Total Rent Revenue	This account must equal the sum of accounts 5120 through 5194.
<b>Vacancies</b>		
5220	Apartment Vacancies	This account reflects the rental revenue lost through vacancy of an apartment unit.
5240	Stores/Commercial Vacancies or Concessions	This account reflects the rental revenue lost through vacancy of a store or other commercial units.
5250	Rental Concessions	This account reflects the amount provided as rental concessions (i.e., free rent) in connection with the execution of leases of revenue-producing units.
5270	Garage/Parking Vacancies or Concessions	
5290	Miscellaneous	This account reflects the rental revenue lost through vacancy of any revenue-producing space or equipment not otherwise described above.
5200T	Total Vacancies	This account must equal the sum of accounts 5220 through 5290.
5152N	Net Rental Revenue	This account must equal account 5100 less 5200.
5300	Total Service Income	This account must equal the sum of accounts 5301 through 5396 on Schedule A.
<b>Financial Revenue</b>		
5410	Financial Revenue - Project Operations	This account is used to record interest and other investment income earned in connection with project operations.
5430	Revenue from Investments - Residual Receipts	This account reflects interest and other investment income earned from residual receipts investments.
5440	Revenue from Investments - Replacement Reserve	This account reflects interest and other investment income earned from replacement reserve investments.
5490	Revenue from Investments - Miscellaneous	This account reflects interest and other investment income earned in connection with project operations.
5400T	Total Financial Revenue	This account must equal the sum of accounts 5410 through 5490.
<b>Other Revenue</b>		
5910	Laundry and Vending income (Net)	This account reflects project revenues received from laundry and vending machines owned or leased by the project.
5920	Tenant Charges	This account reflects charges assessed to tenants for rent checks returned for insufficient funds, late payment of rents, breaking the lease, and all other extraneous fees that have to do with lease/tenant.
5990	Miscellaneous Revenue	This account reflects project revenues not otherwise described in the above revenue accounts; it may also include revenue from non-commercial rental space.
5900T	Total Miscellaneous Revenue	This account must equal the sum of accounts 5910 through 5990.
5000T	Total Revenue	This account must equal the sum of accounts 5100, 5252, 5300, 5400 and 5990.

Acct Number	Account Title	Account Definition/Reporting Reference
<b>Rent Expense</b>		
6203	Conventions and Meetings	Expenses related to attendance/participation in professional conventions and meetings.
6204	Management Consultants	Expenses incurred as a result of utilizing management consultants for administrative related activities, i.e. programming.
6210	Advertising and Marketing Expense	This account reflects the cost of advertising and marketing the rental property, both during initial rent-up and after the project reaches normal occupancy levels.
6250	Other Rent Expenses	This account reflects miscellaneous expenses related to the rent-up of vacant units. Examples are commissions and similar fees charged by third parties for referring new tenants to the project and amounts paid to existing tenants to attract new tenants. Note: Allowances given to tenants in lieu of rent are concessions (refer to account 5250).
6200T	Total Rent Expense	This account must equal the sum of accounts 6203 through 6250.
<b>Admin. Expenses</b>		
6310	Office Salaries	This account reflects salaries for office employees (other than the resident manager) responsible for the front-line operation of the project regardless of whether the employee works on site or in the agent's office. Typical front-line responsibilities include taking applications; screening, certifying, and recertifying tenants; maintaining the project; and accounting for project income and expenses. The account should not include salaries paid to occupancy, maintenance and regional supervisors who carry out the agent's duties for supervising project operations and personnel (these salaries are to be paid from the approved management fee). This account also does not include the project's share of payroll taxes (account 6711) or other employee benefits (account 6723) incurred by the project.
6311	Office Expenses	This account reflects office and related expense items; examples include office supplies, postage, stationery, copying, Internet charges, telephone and answering services.
6312	Office or Model Apartment Rent	This account reflects the rental value of an apartment, otherwise considered potentially rent producing, but used as the project office or as a model apartment.
6320	Management Fee - Residential Rents	This account reflects the cost of management agent service related to the residential units. This account does not include charges for bookkeeping or accounting services performed by either the management agent or another party. The amount reported in this account is sometimes a pure percentage of allowable revenue collected.
6321	Management Fee - Commercial Rents	This account reflects the cost of management agent service contracted for by the project for the commercial units.
6322	Management Fee - Miscellaneous Income	This account reflects any other cost of management agent service not reflected in any of the above two categories.
6330	Manager or Superintendent Salaries	This account reflects salaries paid to a resident manager or superintendent. It does not include the project's share of payroll taxes or other employee benefits or compensation given a resident manager or superintendent in lieu of salary payments.
6331	Administrative Rent-Free Unit	This account reflects the contract rent of any rent-free unit provided to administrative personnel (including a resident manager or superintendent) which would otherwise be considered revenue producing. Partial rent reductions given should be reflected in this account as well. This account is not to be used for rent free units provided or rent reductions given to either maintenance or security personnel (see accounts 6521 and 6531).
6340	Legal Expense - Project	This account reflects legal fees or services incurred on behalf of the project. For example, fees incurred for eviction procedures should be reflected in this account. In contrast, legal fees or services related to the mortgagor entity should be reflected in account 7120.
6350	Audit Expense	This account reflects the auditing expense incurred by the project that is directly related to WHEDA's requirement for audited financial statements. This account also includes the auditor's charge for preparing Forms 600L and 800. Amounts incurred for the cost of routine maintenance or review of the project's books and records should not be included in this account (see account 6351).
6351	Bookkeeping Fees/Accounting Services	This account reflects the cost of bookkeeping fees or accounting or computing services not included in the management fee but paid to either the management agent or another party.
6370	Bad Debts	This account reflects the amount of tenant bad debts for the period under audit.
6390	Miscellaneous Administrative Expenses	This account reflects administrative expenses not otherwise classified in the 6200/6300 series. Examples include Neighborhood Networks, bank charges, investment fees, training, travel, membership dues and subscriptions.
6300T	Total Rent	This account should be the sum of accounts 6310 through 6390.
6263T	Total Rent and Administrative Expenses	This account should be the sum of account 6200 and 6300.

Acct Number	Account Title	Account Definition/Reporting Reference
<b>Utilities Expenses</b>		
6420	Fuel Oil/Coal	This account reflects the cost of fuel oil/coal charges billed to the project.
6450	Electricity	This account reflects the cost of electricity charges billed to the project.
6451	Water	This account reflects the cost of water charges billed to the project.
6452	Gas	This account reflects the cost of gas charges billed to the project.
6453	Sewer	This account reflects the cost of sewer charges billed to the project.
6400T	Total Utilities Expense	This account must equal the sum of accounts 6420 through 6453.
<b>Operating and Maintenance Expense</b>		
6510	Payroll	This account reflects the salaries of project employees who perform services including but not limited to janitorial/cleaning, exterminating, grounds, repairs, and decorating. This account does not include the project's share of payroll taxes (FICA and Unemployment) or other employee benefits paid by the project.
6515	Supplies	This account reflects all costs of supplies charged to the project for janitorial/cleaning, exterminating, grounds, repairs, and decorating.
6520	Contracts	This account reflects the cost of contracts the owner or agent executes with third parties on behalf of the project for janitorial/cleaning, exterminating, grounds, repairs, elevator maintenance, swimming pool maintenance, and decorating.
6521	Operating and Maintenance Rent Free Unit	This account reflects the contract rent of any rent-free unit provided to operating and maintenance personnel which would otherwise be considered revenue producing. Partial rent reductions given should be reflected in this account as well.
6525	Garbage and Trash Removal	This account reflects the cost of removing garbage and rubbish from the project. The account does not include salaries paid to janitors who collect the trash.
6530	Security Payroll/Contract	This account reflects the project's payroll cost attributable to the protection of the project or the cost of a protection contract that the owner or agent executes on behalf of the project.
6531	Security Rent Free Unit	This account reflects the contract rent of any rent-free unit provided to security personnel or a unit used for the purpose of security of the project (for example, police substations). Partial rent reductions given should be reflected in this account as well.
6546	Heating/Cooling Repairs and Maintenance	This account reflects the cost of repairing and maintaining heating or air conditioning equipment owned by the project.
6548	Snow Removal	This account reflects the cost of removing snow from project sidewalks and parking areas.
6570	Vehicle/Maintenance Equipment Operation and Repairs	This account reflects the cost of operating and repairing project motor vehicles and maintenance equipment. Motor vehicle insurance is not included in this account but is charged to account 6720, Property and Liability Insurance (Hazard).
6590	Misc. Operating & Maintenance Expenses	This account reflects the cost of maintenance and repairs not otherwise classified in the 6500 account Series.
6500T	Total Operating and Maintenance Expenses	This account must equal the sum of accounts 6510 through 6590.
6900	Total Service Expense	This account must equal the sum of accounts 6930 through 6990 on Schedule A.
<b>Taxes &amp; Insurance</b>		
6710	Real Estate & Personal Property Taxes (the Personal Property doesn't make sense)	This account reflects payments made for real estate taxes of the project. This may represent a payment in lieu of taxes (only in certain jurisdictions), which is generally charged as a percentage of income.
6711	Payroll Taxes (Project's Share)	This account reflects the project's share of FICA and State and Federal Unemployment taxes.
6720	Property & Liability Insurance (Hazard)	This account reflects the cost of project property and liability insurance.
6721	Fidelity Bond Insurance (is this applicable?)	This account reflects the cost of bonding project employees who handle funds.
6722	Workmen's Compensation	This account reflects the cost of worker's compensation insurance for project employees.
6723	Health Insurance and Other Employee Benefits	This account reflects the cost of any health insurance and other employee benefits charged to the project.
6790	Miscellaneous Taxes, Licenses, Permits and Insurance	This account reflects any taxes, licenses, permit fees, or cost of insurance assessed to the project and not otherwise categorized in the 6700 Series.
6700T	Total Taxes and Insurance	This account must equal the sum of accounts 6710 through 6790.
3220	Replacement Reserve Deposits with WHEDA	This account reflects the annual amount deposited into a WHEDA-held replacement reserves account.
T	Total Operating Expenses	This account must equal the sum of accounts 6263, 6400, 6500, 6900, 6700 and 3220.
N	Net Operating Income (NOI)	This account must equal account 5000 less accounts 6263, 6400, 6500, 6900, 6700 and 3220.

Acct Number	Account Title	Account Definition/Reporting Reference
<b>Financial Expenses</b>		
6820	Interest on First Mortgage Payable	This account reflects interest incurred on the first mortgage plus the amortization of debt issuance costs used to construct, permanently finance or refinance the project. This account should not include interest incurred on notes which are payable only from surplus cash (refer to account 7142).
6830	Interest on Notes Payable (Long-Term)	This account reflects interest and discounts incurred on long term project operating notes plus the amortization of debt issuance costs. This account should not include interest incurred on notes which are payable only from surplus cash (refer to account 7142).
6840	Interest on Notes Payable (Short-Term)	This account reflects interest and discounts incurred on short term project operating notes. This account should not include interest incurred on notes which are payable only from surplus cash (refer to account 7142).
6850	Mortgage Insurance Premium/ Service Charge	This account reflects payments to the mortgagee for insurance on the mortgage.
6890	Miscellaneous Financial Expenses	This account reflects financial expenses not otherwise classified in the 6800 series. This account also includes fees paid to a bond trustee.
6800T	Total Financial Expenses	This account must equal the sum of accounts 6820 through 6890.
6000T	Total Expenses of Operations Before Depreciation	This account must equal the sum of accounts N plus 6800T.
5060N	Profit (Loss) before Depreciation	Please ignore this line.
6601	Depreciation Expenses	The method of depreciation must conform to GAAP. This account represents depreciation charged during the accounting period.
6610	Amortization Expense	This account reflects amortization expense related to tax credit monitoring fees, organizational costs, organization expenses, and like expenses.
5060N	Operating Profit or (Loss)	This account must equal account 6000T less accounts 6601 and 6610.
<b>Corporate or Mortgagor Expense</b>		
7110	Officer's Salaries	This account reflects salaries paid to owners, officers, and/or partners. It should also include the value of any services given to an owner, officer, and/or partner in lieu of a salary.
7120	Legal Expenses	This account reflects legal expenses related solely to the corporation or mortgagor entity.
7130	Federal, State, and Other Income Taxes	This account reflects federal and state income tax and other corporate/entity taxes of the mortgagor entity for the tax year.
7140	Interest Income	Please ignore this line.
7141	Interest on Notes Payable	This account reflects interest incurred on notes which are payable only from surplus cash plus the amortization of debt issuance costs.
7142	Interest on Mortgage Payable	This account reflects interest incurred on mortgages which are payable only from surplus cash or other entity funds plus the amortization of debt issuance costs.
7190	Other Expenses	This account records mortgagor entity expense items not otherwise classified in the 7100 Series. The account includes fees for preparation of federal, state and local income tax returns for individuals or limited partners; supervisory, asset management, and other similar fees for services performed by partners or other identities of interest; office rent, and supplies used exclusively for mortgagor entity purposes.
7100T	Net Entity Expenses	This account must equal the sum of accounts 7110 through 7190.
3250	Net Profit or Loss	This account reflects the net income or loss for the accounting period.
<b>Total Principal Payments</b>		
9910	WHEDA First Mortgage	
9911	Second Mortgage	
9912	Other Mortgage(s)	
9920	Reserve releases to reimburse items expensed on this schedule.	
9930	Capital Expenditures Paid from Project Operations and Expensed on This Schedule.	