G. FINANCIAL STATEMENT ENTRY

PHFA has recently added a function to the Multifamily Housing Website, https://multifamily.phfa.org/, that will allow users to enter financial statements online. Below is a breakdown of what the new requirements mean for both Tax Credit Only and PHFA Portfolio properties.

PHFA Portfolio Loans – Required Statements

1. Profit and Loss
2. Balance Sheet

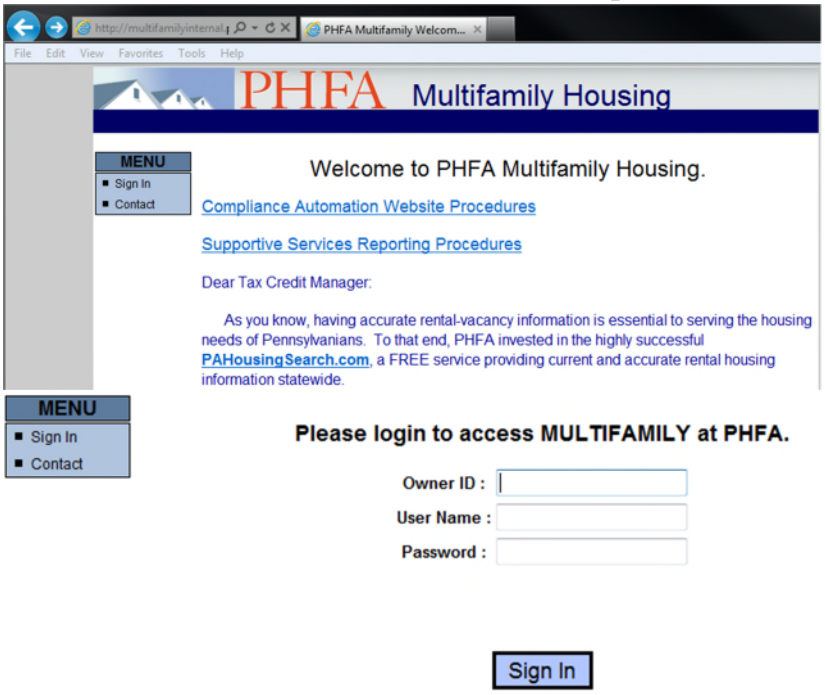
Tax Credit Only – Required Statements

1. Profit and Loss

Important Items:

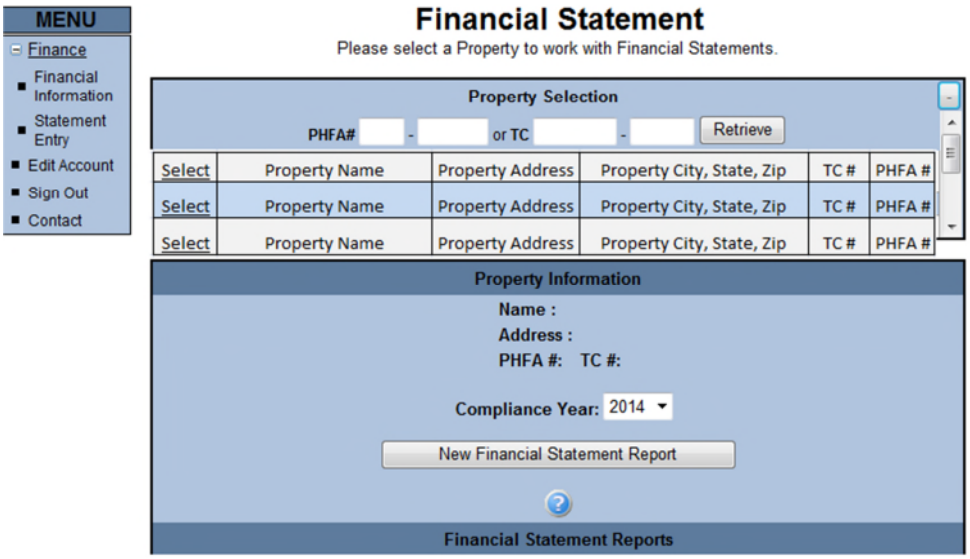
- All statements may be viewed in the website at any time. After submission, no edits can be made. The website will save all the statement entries from previous years.
- If a hardcopy is needed, the statement can be printed or the PDF can be saved.
- The person entering this information will be required to enter their name which will certify the information they have entered is correct. An email address will also be required to be entered. This address will receive a confirmation that the submission was successful.
- Guidelines for the entry of Profit and Loss Accounts and Balance Sheet Accounts are located at the end of this document.
- After the Balance Sheet and/or Profit and Loss are completed, you will be required to attach a PDF copy of the current year audit. This is required to include signed Owner and Agent Certifications.
- The property's Financial Analyst will be notified immediately, via email, after the statements are submitted.
- All website log-in questions should be directed to Frank Bobak at 717-780-3879 or FBobak@phfa.org
- All questions regarding statement entry should be directed to the Financial Analyst assigned to the specific property. If you are not certain which Financial Analyst is assigned to the property, please contact the Housing Management Division at 717-780-3819

Profit and Loss Website -- https://multifamily.phfa.org/

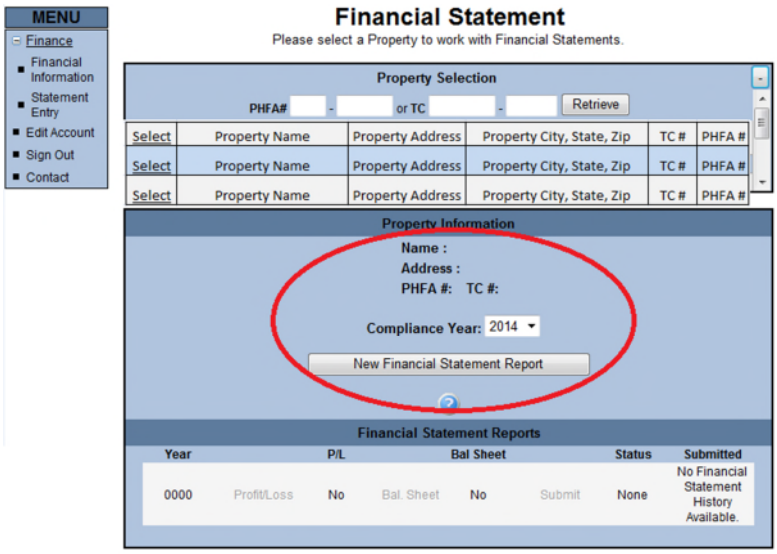


- The log in information is the same that is used to access the property's General Ledger balances.

- Click the "Statement Entry" link to access the entry system



- A listing of the available projects will be shown. Click "select" on the particular project that is needed.
    - If a property is not listed, and it should be, contact the PHFA Housing Management Division at 717-780-3819.
- You will also be able to search by PHFA # or TC # with the **Retrieve** button at the top of the screen.



- After selecting the property, the property information will appear (circled area).
- The "compliance year" is prefilled to show the current year – 1 year. This year should be the same year of the financial statement you are working from.
- **After a year is selected, click on "New Financial Statement Report".**

Year	P/L	Bal Sheet	Status	Submitted
2014	Profit/Loss	Bal. Sheet	Submit	Saved Only

- Tax Credit only projects will be required to complete the Profit and Loss only. Projects with PHFA funding will be required to complete both the Profit and Loss and the Balance Sheet.
- **Click on the "Profit/Loss " link to begin entering the statement.**

Profit and Loss Statement:

- The Profit and Loss statement mirror's PHFA's Profit and Loss statement.

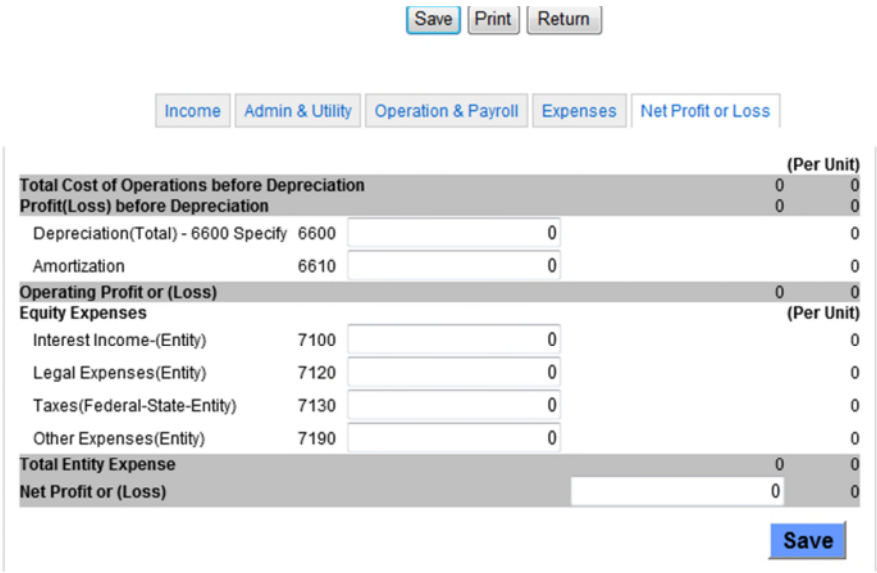
Save Print Return

Income | Admin & Utility | Operation & Payroll | Expenses | Net Profit or Loss

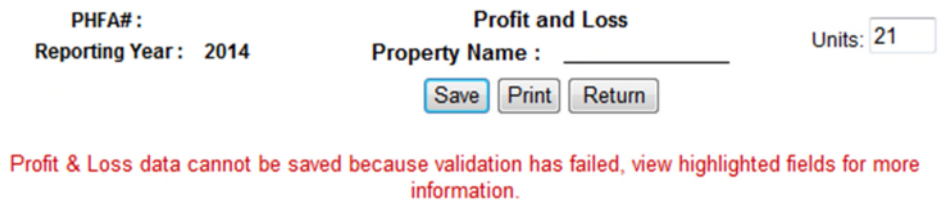
Rental Income			**(Per Unit)**
Rent Revenue-Gross Potential	5120	0	0
Tenant Assistance Payments	5121	0	0
Stores and Commercial Rent	5140	0	0
Other Rental Income	5190	0	0
Rent Concessions	5250	0	0
Total Rental Income		0	0
Vacancies			**(Per Unit)**
Vacancies-Apartments	5220	0	0
Vacancies-Commercial	5240	0	0
Total Vacancy Loss		0	0
Net Rental Income		0	0
Interest Income			**(Per Unit)**
Interest Income-Operations	5410	0	0
Interest Income-Residual Receipts	5430	0	0
Interest Income-Reserve for Replacement	5440	0	0
Interest Income-Painting & Decorating	5450	0	0
Total Interest Income		0	0
Other Income			**(Per Unit)**
Supportive Services Income	5300	0	0
Grant Income	5510	0	0
Service Income	5910	0	0
NSF and Late Fees	5920	0	0
Miscellaneous Income	5990	0	0
Total Other Income		0	0
Total Property Income		0	0

Next Tab

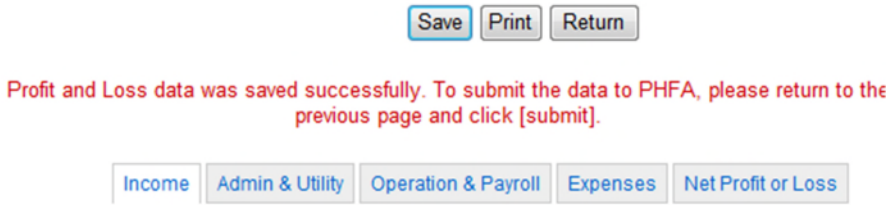
- Use the "tab" button on the keyboard to move from one entry field to the other.
- In additional to the tabs above the Profit and Loss statement, the blue "next tab" to tab through each different page.

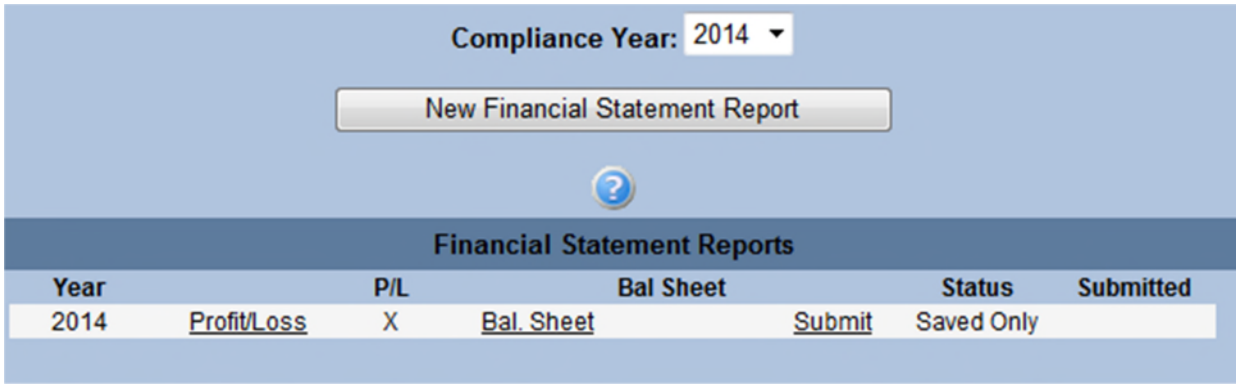


- After completing the statement, the Net Profit or (Loss) amount will be required to match the amount calculated by the website. Until the amounts match, the statement will not be able to be saved. If there is an issue, you will receive the following error message.



- After clicking save, if the statement is correct, you will receive the following message. At this point, the Profit and Loss is saved. Hit “return” to return to the property’s main page.



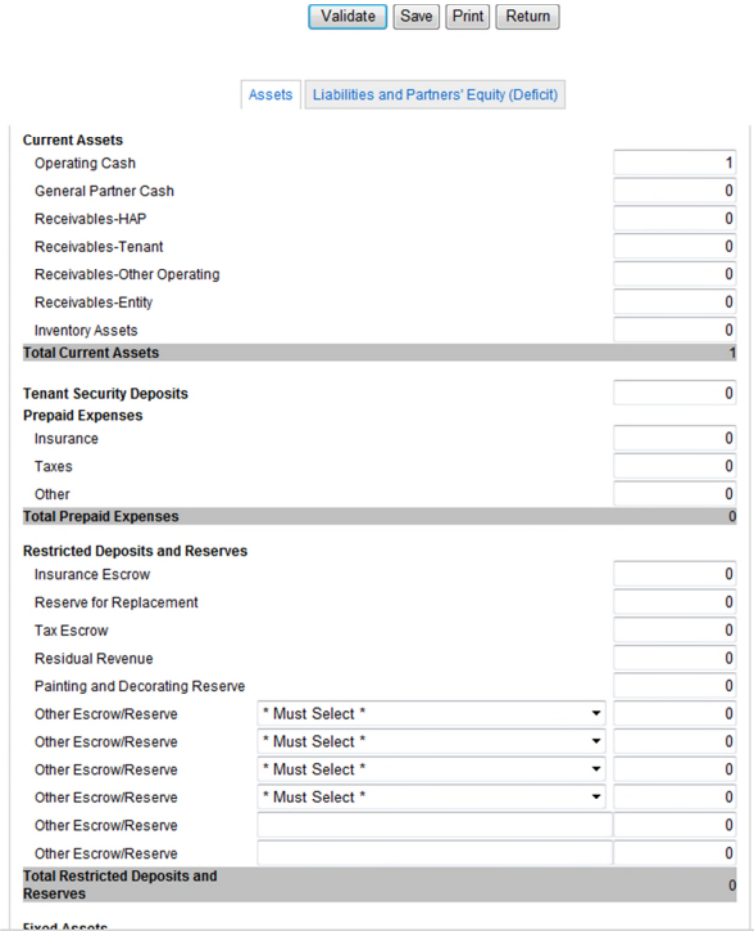


- If the Profit and Loss was saved, an "X" will appear under the P/L.

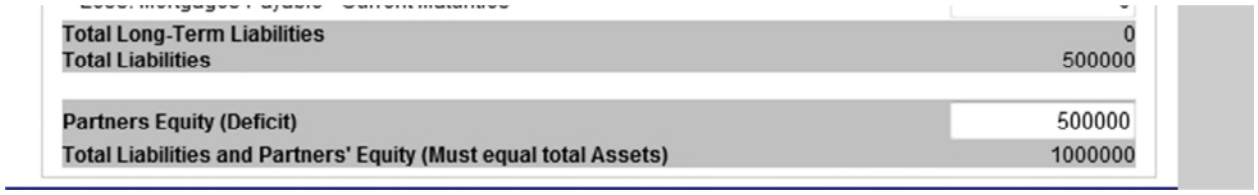
TAX CREDIT ONLY PROPERTIES – Click "Submit". Please see the section title Submission Screen on Page 8.

PHFA PORTFOLIO PROPERTIES

- The balance sheet is required to be completed before submission. Any attempt to submit will result in an error message until both statements are completed and have "X" under each column.
- Click on the Balance Sheet to begin entering the statement.



- The balance sheet functions the same as the Profit and Loss statement.
- Some items to note:
    - All escrow accounts should be labeled. There are several choices provided in the drop down boxes. If a particular escrow account is not listed, please describe the escrow in the last 2 free form boxes. If a number is entered on those lines, a description is required.
    - All Loans should be entered on the liabilities tab. A description is needed for any loan amount that is entered in the "Other Loan" section.

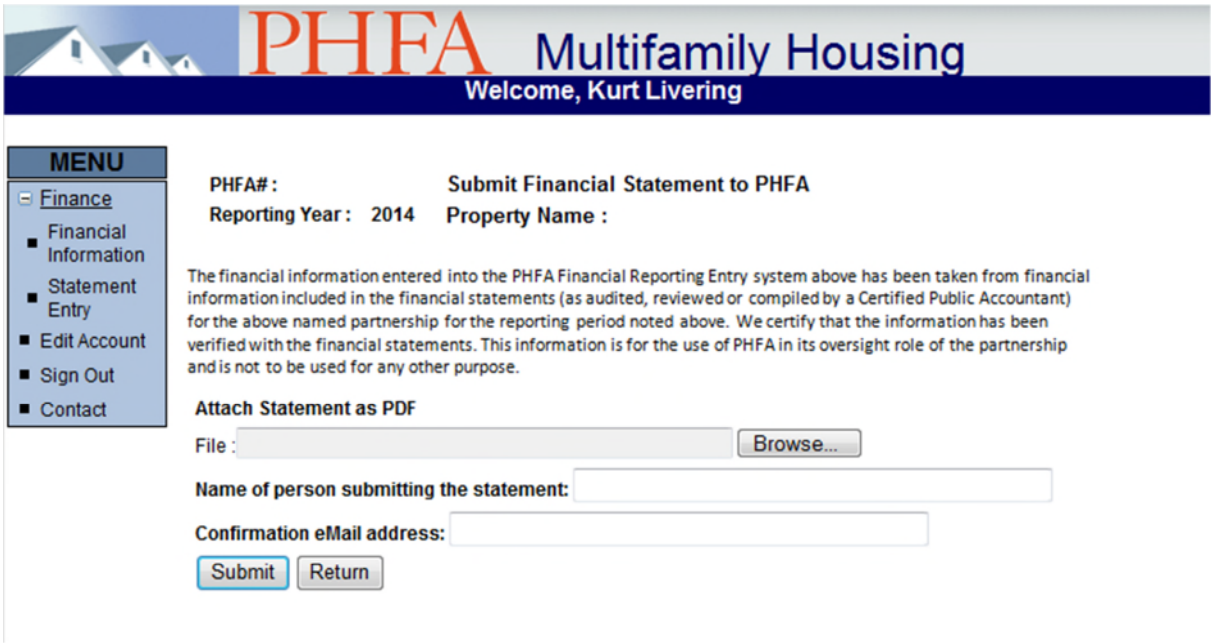


Total Long-Term Liabilities	0
Total Liabilities	500000
Partners Equity (Deficit)	500000
Total Liabilities and Partners' Equity (Must equal total Assets)	1000000

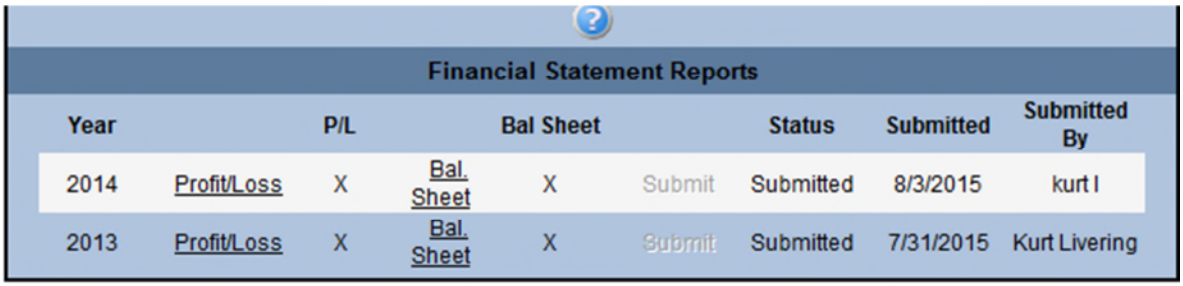
- Partners Equity is a required entry field. When completed, click on "save". The system will verify if the balance sheet reconciles (Entered equity amount + Total Liabilities = Total Assets).
- If there is something incorrect an error message will appear. The system will highlight, in red, any issues.
- Click the return button, after successfully saving, to submit both statements to PHFA.
- After returning to the main screen, click "submit" to submit the financial statements.

Submission Page

- After clicking "Submit" you will be directed to a new page. This page has several different required fields:
    - **Certification Statement** - certifies the information entered is correct.
    - **File Upload** – The current year audit (PDF) should be attached and should include signed Owner and Agent certifications. **This file must be a PDF file (.pdf)**
    - **Name** - Name of the individual who entered the statements.
    - **Email address** – Enter the address to which the confirmation email should be sent. This email will confirm a successful submission.
    - **Please Note**: The file submission process takes an estimated 15-30 seconds. **Do not hit submit multiple times.**



- After clicking "Submit", the status will change to "submitted". The user name and the date of submission will show under the "submitted" column. This information will be viewable in future years.



Financial Statement Reports

Year		P/L		Bal Sheet		Status	Submitted	Submitted By
2014	Profit/Loss	X	Bal. Sheet	X	Submit	Submitted	8/3/2015	kurt l
2013	Profit/Loss	X	Bal. Sheet	X	Submit	Submitted	7/31/2015	Kurt Livering

Guidelines for Profit and Loss and Balance Sheet Accounts

For any questions pertaining to Profit and Loss accounts please reference the "Chart of Accounts" document which can be found in the Agency's Financial Reporting Manual.
For any questions pertaining to the Balance Sheet entry, please see below:

ASSETS:

Receivables – Entity – This account should be used to record receivables for non-operating items related to construction of the property or owner-related funds. **Examples**: Syndication Proceeds Receivable, Capital Contributions Receivable, General Partner or Limited Partner Expense Reimbursements.

Other Escrow/Reserves – These two accounts should be utilized when any Escrow and/or reserve account does not fit into the nine prefilled reserve/escrow account options available. **Examples:** Improvement Reserve, Working Capital Reserve Account, Construction Escrow.

Other Assets – This section should be utilized for any account that did not fit into any other asset category. If a property has more "other assets" than space provided, the accounts should be combined into one account line. Please ensure a proper description is given. **Examples:** Financing Fees, Compliance Monitoring Fee, Amortizable Assets.

LIABILITIES:

Accrued Interest on Mortgage Loan – This account should be used to record only the interest accrued on the primary amortizing mortgage loan, if applicable. Please Note: amortizing mortgage loans financed by PHFA do not have an amount for accrued interest due at the year-end, unless the loan is delinquent, because the interest for the current month is billed and payable as of the first day on the month.

Primary Mortgage Loan (amortizing) – This account should be utilized if the project has a primary amortizing mortgage. This account is NOT to be used for PHFA support mortgage loans (see below).

PHFA Support Note – This line is for PHFA support notes. These loans do not amortize and are paid from Surplus Cash. PHFA loans are the only loans that should be placed here.

Other – These six lines should be utilized when the project has liability accounts that do not fit into the other categories provided. All liabilities in this section should represent items that are payable from **surplus cash**. A detailed description should be given anytime these lines are used. These lines could include additional loans. **Examples:** support loans (other than PHFA), developer loans for construction of the property, general partner administrative fees, incentive management fees.

Owner Advances – Surplus Cash – Advances to the property by the owner which are due from surplus cash.

Accrued Interest on Other Loans – This account should be used to record interest accrued on loans which are payable from surplus cash, such as support mortgage loans and developer fee loans.

Please note – Any free form description that is entered will carry over to the following year. The description can be updated when needed.