



Audited Financial Statement (AFS)

Frequently Asked Questions

If replacement reserves are not currently being paid to CHFA, should they be included in the Net Operating Income (NOI) worksheet (HM 6-52)?

All replacement reserves required by the Regulatory Agreement or other documentation, whether or not paid to CHFA, should be included in the NOI worksheet.

How should one-time revenue or expenses be recorded in Part III of the NOI worksheet (HM 6-52)?

In the case of revenue, they should be recorded as a reduction in NOI and in the case of onetime expense as plus or increase to NOI.

Do we complete HM 6-51A or HM 6-51B?

There are questions on the Financial Input Sheet form that are designed to guide you on which form to use. Typically, if the Regulatory Agreement defines Surplus Cash as "Adjusted Cash Flow" then Form HM 6-51B will be applicable.

Are all operating Accounts Payable liabilities allowable reductions to the Surplus Cash calculation?

Yes, there are locations on the Financial Input sheet for all 30, 60 and 90+ days Accounts Payable. If you indicate "Yes" in column H these amounts carry over to the Surplus Cash worksheet (HM6-51A). Note: no distribution should be allowed until all accruals and payables are paid or the cash is set aside to pay them.

Do we complete part B of the Surplus Cash worksheet (HM 6-51A)?

Yes, this section should be completed and if a distribution is earned and unpaid, it is imperative to provide the total accrued and unpaid distribution. The Financial Input sheet contains a section to input these amounts.