

APPENDIX E -- FINANCIAL STATEMENT

FINANCIAL STATEMENT

(20 points)

All of the following items must be addressed in the “Financial Statement” section of the proposal.

1. Briefly describe how the HDO will maintain accounting, financial and other records related to the use of the funds awarded through the Community Placement Planning funding provided by the State of California through VMRC.
2. Provide an acknowledgement that a minimum down payment of 20% is required for housing acquisition in accordance with the “Guidelines for Purchasing and Developing Permanent Housing through the Regional Center Community Placement Plan.”
3. Provide a detailed estimate of sources and uses of funds for the project. Indicate at what point in the project the sources and uses of funds will need to be updated, at the times as follows:
 - Upon the acquisition of the property (during the escrow period).
 - Upon the approval of the renovation bid/budget.
 - Upon submission of a request to modify the approved housing proposal.
 - Upon completion of the project a reconciliation of the Community Placement Planning Funds.
 - Upon the request of the State of California Department of Developmental Services and/or Valley Mountain Regional Center.
4. Provide an outline of the terms of the loan and/or mortgage. If a long-term loan in the form of a mortgage loan is proposed, include proposed loan terms and the going mortgage rate that the applicant is able to secure. Acknowledge that the applicant using Community Placement Planning Funding is approved for mortgage loans that shall not exceed a 15-year term unless prior approval is given by VMRC and the State of California Department of Developmental Services.
5. Provide a 15-year estimated operations budget that demonstrates the project's financial feasibility along with estimated lease payment as follows:
 - Anticipate income from all sources to be used to fund and operate the project to completion.
 - Accounts for required replacement or maintenance reserve funds.
 - Estimate of the total amount of debt service including, mortgage payment, property tax, property insurance, and property management expenses.

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- Provide the process and management of the application for property tax exemption and payment of property taxes as required by the city, county, or local governments.
 - Provide estimate of costs and lease terms that ensure financial sustainability.
6. Provide a estimated itemized project budget including budget details of the amount of funds targeted for acquisition, renovation, administrative costs of the HDO (to include developers fees), pre-development costs , renovations and transition estimates. Considering the following:
- Use of the established operating reserve account to defray unanticipated monthly operating expense budget shortfalls (e.g., repair and maintenance, etc.).
 - The operating reserve account detail is to include the account balance, expenditures, receipts, and purpose for using the operating reserve funds.
7. Provide a project *pro forma* budget that demonstrates the project's financial feasibility. The budget:
- Accounts for required replacement and any operating reserve deposits, if applicable.
 - Estimates the total amount of loan or mortgage payments property (hazard) and liability insurance, home warranty contract, operating expenses, property management expenses, and property taxes (if applicable)
8. Provide a copy of the HDO's written policy on the disposal of any existing fixtures and major appliances that are projected to be replaced during renovation.