



“Ratios Ratios Ratios”

¡ Gracias !

Presentation – Professional Highlights

- 19 years – Owner of a Public Accounting practice in San Juan, Puerto Rico
- AICPA Peer Review Program Participation
 - Reviewed Firm
- 2008 Recognition Puerto Rico Society of CPA – Distinguished Services
- 2013 Recognition Caribbean Business 40 under 40
- Involvement in the Cooperative Movement, specially Housing Cooperative
 - NAHC since 2011
- Volunteer Work – Member of various Board of Directors of Non Profit Entities (NPO)
- Personal: Music / Sports / Podcasting

Housing Coops in Puerto Rico

- Thirteen (13)
- Total units – 3,344
- Assets (books) - \$42,509,774
- Cost of property & equipment, net \$24,821,779

Housing Coops in Puerto Rico (continued)

- Cash, Operating - \$2,245,342
- Accounts receivable, net - \$402,519
- Cash, Reserves - \$10,417,024
- Other assets - \$4,623,111

Housing Coops in Puerto Rico (continued)

- All Coops have paid-off their mortgage (HUD)
- Liabilities - \$1,281,252
 - Mostly current
- Net assets \$38,372,536

Housing Coops in Puerto Rico (continued)

- Total annual income - \$14,783,658
- Total annual carrying charges - \$12,783,053
 - About 86% of total annual income
- Vacancy - \$529,245
 - About 4.14% of total annual carrying charges
- Bad debt expense - \$28,821

Ratios

- **Definition:**
 - is a relative magnitude of two selected numerical values taken from an entity's financial statements.
 - Often used in accounting to try to evaluate the overall financial condition of an organization.

Ratios

- **Concepts**
 - Relationship
 - Comparison / Benchmarking
 - Trend
 - Results
 - Expectations
 - Performance Analysis

Information needed

- Annual financial statements (audited)
 - Balance Sheet
 - Income Statement
 - Cash Flows
 - Notes to financial statements
- Annual Operating Budget

Reference

- HUD 4370.1 Rev-2 Financial Operations and Accounting Procedures for Insured Multifamily Projects. (05/1992)

Ratios

- Financial Ratios
 - Liquidity
 - Profitability
 - Activity
- Operational Ratios (non-financial data)
 - Maintenance –
 - Orders per year
 - Time per service order

Exhibits

Exhibit A - Benchmarking

Exhibits

Exhibit B – Trends / Multi-Year

RATIO ANALYSIS SPREADSHEET - BENCHMARKING

	CEA	CEI	CTA
BALANCE SHEET RATIOS			
Current ratio			
$\frac{\text{Current Assets}}{\text{Current Liabilities}}$			
Current assets	\$ 1,759,548.00	\$ 1,656,451.00	\$ 99,340.00
Current Liabilities	\$ 105,229.00	\$ 88,791.00	\$ 104,758.00

RATIO ANALYSIS SPREADSHEET - BENCHMARKING

	CEA	CEI	CTA
BALANCE SHEET RATIOS			
Current ratio	16.72	18.66	0.95
Current Assets	\$ 1,759,548.00	\$ 1,656,451.00	\$ 99,340.00
Current Liabilities	\$ 105,229.00	\$ 88,791.00	\$ 104,758.00
Current assets	\$ 1,759,548.00	\$ 1,656,451.00	\$ 99,340.00
Current Liabilities	\$ 105,229.00	\$ 88,791.00	\$ 104,758.00

RATIO ANALYSIS SPREADSHEET - TREND

	2017	2016	2015
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BALANCE SHEET RATIOS

Current ratio

$$\frac{\text{Current Assets}}{\text{Current Liabilities}}$$

Current assets	\$ 1,759,548.00	\$ 1,357,858.00	\$ 1,237,644.00
Current Liabilities	\$ 105,229.00	\$ 94,797.00	\$ 131,671.00

RATIO ANALYSIS SPREADSHEET - TREND

	2017	2016	2015
BALANCE SHEET RATIOS			
Current ratio	16.72	14.32	9.40
Current Assets	\$ 1,759,548.00	\$ 1,357,858.00	\$ 1,237,644.00
Current Liabilities	\$ 105,229.00	\$ 94,797.00	\$ 131,671.00
Current assets	\$ 1,759,548.00	\$ 1,357,858.00	\$ 1,237,644.00
Current Liabilities	\$ 105,229.00	\$ 94,797.00	\$ 131,671.00