

Score a Perfect 10 on Your Reporting Deadlines



CAHEC

Strengthening Communities



TAM TEAM

Transitional Asset Management

Steven Yeary – Construction Manager, syeary@cahec.com

Martice Ferguson – Compliance Manager (leasing), mferguson@cahec.com

Julio Fajardo – Post-Closing Coordinator (Equity Requests, General Reporting),
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Tia Willis – TAM Analyst (Insurance, Other Reporting), twillis@cahec.com

Jennifer Ennis – Transitional Asset Manager, jennis@cahec.com

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Transitional Phase

- **Begins with closing of Equity/Construction Loan**
 - GP will receive email with instructions & checklists
- **Development/Construction**
- **Lease-up**
- **Permanent Loan Conversion**
- **Reaching Stabilization**
 - Short overlap from Perm Loan Conversion to full deployment of Equity



CAHEC

Strengthening Communities

Development & Construction Phase

- **Who?**

- CAHEC Construction Manager, Post-Closing Coordinator, Transitional Asset Manager, Director of Transitional Asset Management

- **What?**

- Construction Draws
- Contractor's Application for Payment
- Lien Waivers
- Change Orders
- Revised Construction Schedules
- Certificates of Occupancy & Certificates of Substantial Completion



Development & Construction Phase

- **When?**

- Begins immediately upon Equity/Construction Loan closing
- Each month as soon as available – required regardless of funding source

- **Where/How?**

- Upload to the CAHEC Sharefile Portal
 - **EQUITY REQUEST AND CONSTRUCTION UPLOAD** folder
 - Note: this is not the same folder used for due diligence prior to the deal closing!



Give Away!

**When does the TAM Team become your
primary point of contact?**



Leasing Phase

- **Who?**

- CAHEC Compliance Manager

- **What?**

- Weekly Pre-Leasing Activity Report
- Weekly Leasing Activity Report
- Tenant Files – start early!
- Monthly Financial Reports & Rent Rolls



Leasing Phase

- **When?**

- Rehab – reporting begins immediately after closing
- New Construction & Adaptive Reuse – begins the month Certificates of Occupancy/Permission to Occupy issued
- Due – no later than noon Monday for the preceding week

- **Where/How?**

- Leasing Activity Reports – Email directly to CAHEC Compliance Manager
- Tenant Files/Rent Rolls – Upload to provided link
- Monthly Financial Reporting – CAHEC@Integratec.biz



Equity Requests & Preparing for Perm Loan Conversion/Stabilization

- **Who?**

- Post-Closing Coordinator - \$\$
- Transitional Asset Manager & Director of Transitional Asset Management
- Compliance Manager
- Construction Manager



Equity Requests & Preparing for Perm Loan Conversion/Stabilization

- **What?**

- **Equity Installment Milestone Requirements** (may include but not limited to):
 - Construction Reporting & Insurance Requirements Current
 - Certificates of Occupancy/Certificates of Substantial Completion
 - Release of Retainage
 - Radon Testing
 - 10% Test
 - 50% Bond Test
 - Accountant's Cost Certification
 - Accountant's projected credit delivery schedule Years 1 & 2
 - State approved Cost Certification/Placed in Service Application



Equity Requests & Preparing for Perm Loan Conversion/Stabilization

- **What?** (continued)
 - Funding of Reserve Accounts
 - As-Built Survey: Must name the Investor Member
 - Recorded Extended Use Agreement
 - 100% Qualified Occupancy – **Files must be cleared by 3rd party review!**
 - 3 Months Consecutive Breakeven
 - Funding Term Loan – **ANY CHANGES TO FINANCING MUST BE APPROVED BY INVESTOR MEMBER PRIOR TO SIGNING COMMITMENT LETTERS!**
 - Include CAHEC in ongoing calls with lender
 - 8609s with Part II completed
 - IRS form 1065, Schedule K-1



Equity Requests & Preparing for Perm Loan Conversion/Stabilization

- **When?**

- As specified by Operating Agreement, Lender Requirements or other guidelines

- **Where/How?**

- **CAHEC Sharefile Portal**

- ***Equity Request and Construction Reporting Upload folder***
unless otherwise directed
 - Email
 - Lender Smartsheet or similar platform



Stabilized Asset Management

BELLE SUMMIT
APARTMENTS

PROFESSIONALLY MANAGED BY
LAWSON REALTY

804.231.7068

www.lawsoncompanies.com

Monthly Reports

The following reports are due monthly, not later than fifteen (15) days after the end of each calendar month after the Completion of Construction (*until the first full year of one hundred percent (100%) qualified occupancy*):

- Trial Balance
- Income Statement
- Occupancy report
- Balance Sheet
- Profit and Loss Statement w. variances
- Cash Flow Statement
- Reconciled Reserve Bank Statements
- Aged Tenant Accounts Receivable

The reports are to be submitted in excel format and sent to cahec@integratec.biz.



Give Away!

- Name the four documents CAHEC requires for Quarterly reports per the quarterly financial reporting email?



Quarterly Reports

The following reports are due quarterly, not later than fifteen (15) days after the end of each quarter. All quarterly report submissions should include individual monthly year to date reports for each quarter.

- Trial Balance
- Income Statement
- Occupancy report
- Balance Sheet
- Profit and Loss Statement w. variances
- Cash Flow Statement
- Reconciled Reserve Bank Statements
- Aged Tenant Accounts Receivable

The reports are to be submitted in excel format and sent to cahec@integratec.biz.



Mid-Year Compilation

- **Mid-Year Compilations:** They are a compilation of the financial statements for the first half of the year for CAHEC's fund level reporting. Not all properties fall under this requirement. Each year CAHEC will notify the reporting contact and General Partner on record, with instructions.
- The below documents are due to CAHEC by July 15th of the current year and can be uploaded by using our Partner Portal <https://www.cahec.com/document-upload/> and scrolling down to the "Mid-Year Compilation Documents" box.
 - 1. Trial Balance in excel format as of June 30th of the current year.
 - 2. General Ledger for the period from January 1st to June 30th of the current year.



Year-End Reporting

REQUIRED REPORTS	10/31 YEAR-END SUBMISSIONS	12/31 YEAR-END SUBMISSIONS
Engagement Letters	November 1	January 1
Draft Tax Return and Schedule K-1s	November 30	February 15
Draft Audited Financial Statements	December 15	February 15
Final Tax Return and Schedule K-1s	January 15	February 28
Final Audited Financial Statements	January 15	March 1
Back-up Requirements Checklist	December 15	February 15



Year-End Reporting

Tax Returns

- A tax return will ALWAYS be required
- A deal that has exited will require a final tax return.
- All tax returns are reviewed and approved by our CPA.
- Please have your CPA submit a final version to CAHEC once approval has been given.



Year-End Reporting

Audits

- An audit is required if there is any rental income.
- Projects without current rental income will be required to perform an audit procedure. (Ask TAM for more details)
- Any net cashflow calculations should be in accordance with the operating agreement.
- Some investors require their own review and approval before we can issue ours.
- Please have your CPA submit a final version to CAHEC once approval has been given.



Year-End Reporting

Back-Up Documents

- Back-Up and additional documents
 - Audited Trial Balance (in Excel format)
 - Completed minimum gain analysis
 - PDF or unbound copy of the financial statements
 - Independence letter
 - CPA Engagement Letter
 - Depreciation and Amortization schedules



Reportable Incidents

CAHEC has the responsibility to inform its investors of any incidents that occur within its portfolio involving significant property damage or personal injury. CAHEC's senior management and its Communications Department must also be apprised so that they are prepared in the event of inquiries from third parties.

Therefore, all such incidents must be reported immediately via email to your Asset Manager.



Reportable Incidents

Here are some of the most common things we are looking for.

- A description of the incident.
- Was there property damage?
 - How many units were affected?
 - How many units off-line?
 - How many households relocated?
 - Estimated repair date?
 - Insurance claim filed?
 - Estimated damage cost?
- Any injuries?
 - The number of staff/residents involved?
 - Their current condition
 - Follow-Up(arrests, evictions, under investigation)
- Pictures and documents recording the incident



Closing

Reminders:

- Our goal is to keep things consistent but be mindful requirements may change over time.
- Remember to submit financial documents in excel format whenever possible.
- Communication may come from CAHEC@integratec.biz or automation@app.smartsheet.com
- Feel free to reach out to anyone at CAHEC with any questions or concerns. We are your partners and want to help.



Final Give Away!

For our final give aways, you must find either Irish, Jenn or Will at the event this evening and provide us with the answer to this question.

What is the email address monthly and quarterly financials are to be sent to?



QR Codes

CAHEC Upload Portal



Asset Management Portal



CAHEC@integratec.biz



Conference Website

