

Boot Camp on Financial Reporting for Rental Housing Not-for-Profit Enterprises

MODULE

1

Introduction to Affordable Housing Financial Reporting



Wednesday,
May 13, 2026

1:00 – 2:00 PM
Eastern



Join Strength Matters Today

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Access to all publications, including the tax paper this presentation covers and more, such as:

- Best practice guidance on financial statements, notes, etc.
- Templates for consolidation, five-year cash flow projection, etc.

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The screenshot shows the StrengthMatters website homepage. At the top, there is a navigation bar with the logo 'STRENGTHMATTERS®' on the left, and 'LOGIN' and 'SUBSCRIBE' buttons on the right. Below the navigation bar is a dark green header with a search bar and a welcome message: 'Welcome to Strength Matters!'. The main content area features a large image of a modern brick apartment building. Overlaid on this image is a text box that reads: 'Welcome to Strength Matters. We are dedicated to providing nonprofit affordable housing developers with new and unique resources that spotlight financial reporting, access to enterprise capital and professional development.' Below the image is a row of four green circular icons representing different services: a document for 'PUBLICATIONS', a wrench for 'TOOLS', a laptop for 'WEBINARS', and a person with a plus sign for 'GET EMAIL UPDATES'. Each icon is accompanied by a brief description of the service. At the bottom of the page, there are four buttons: 'VIEW PUBLICATIONS', 'FIND TOOLS', 'WATCH WEBINARS', and a form for 'GET EMAIL UPDATES' with fields for 'First name', 'Last name', 'Email address', and 'Company'.

Meet the Presenters



Gayle Lacroix,
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Chief Financial Officer

Volunteers of America
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CPA, CGMA

Partner

Lindquist, von Husen & Joyce LLP

CPE Credit Requirements

- Poll submissions and the Zoom attendance record are used to verify participation throughout the session.
- **Participants seeking CPE credits must:**
 - ✓ Participate fully in the learning activities and submit ALL polls throughout the course.
 - ✓ Log in to each session with first name, last name and email before the scheduled start time.
 - ✓ Request a certificate via the final evaluation or email.
- **If you plan to petition your state board of accountancy for CPE credits, please submit ALL polls, including the final evaluation.**



For more information on CPE credits, **contact Sheila Squier at sheila.squier@gmail.com.**

Certificates will be issued after completion of the full course. For an interim certificate showing modules completed to date, please contact Sheila.

Getting Started

- If you have a technical issue, including issues with Polls, please contact the Host via **Chat**.
- Please use the **Chat** feature to submit all content questions.
- We will pause for questions during the presentation.
- During the break, you may unmute to ask questions.
- Participants will be muted during the course presentation.
- We encourage you to turn on your camera as you are able.

MODULE

1

Introduction to Affordable Housing Financial Reporting

60 min*

—
Up to 1.0 CPEs

*Actual session length and CPE credits vary depending on participant questions.

Please have your Handouts PDF available for reference in future sessions.

Course Materials

- Visit the materials page (link shared in email from Strength Matters).
- Download the Handouts zip file and review which materials are need for each module.
- Presentation slide PDFs and the participant list are available now.
- Recordings will be posted by the Friday after each session.
- Contact Sheila Squier (sheila.squier@gmail.com) with questions.

See CPE Summary
handout for **Core
Competencies and
Learning Objectives.**

Class Participant Introductions

Please share the following in your Breakout Room

In 60 seconds or less...

1. Share your name, where you work and your organizational role.
2. What top question would you like to see answered in this course?

Share your top question via Chat after the breakout.

The Affordable Housing Boot Camp

What is in it for you?

How is the Boot Camp helpful and who is the target audience?

- Affordable housing development and ownership using Low-Income Housing Tax Credits (LIHTC) is a niche industry with its own unique set of rules and players
- CFOs practicing in the industry identified the need for training about the lifecycle of an affordable housing development project and how Low-Income Housing Tax Credits (LIHTC) work.
- The Boot Camp attracts not only accounting department staff but auditors, tax preparers, development staff, asset managers as well as CFOs or CEOs new to the industry. These professionals are all involved in the project but typically in only one portion of the lifecycle.

How is the Boot Camp Structured?

- The Boot Camp uses a live case study to illustrate the lifecycle of an affordable housing development project.
- The course starts with an understanding of how a development deal is identified. It then moves chronologically through pre-development, construction, operations and finishes with a few matters to be considered if the project moves through another lifecycle with new tax credits.

Course Outline

12 modules that are either 90 or 120 minutes

1. Introduction to Affordable Housing Financial Reporting
2. Identify the Deal, Grants, Contributions & Exchange Transactions, Predevelopment Best Practices
3. Entity Formation and Deal Structure
4. Deal Cycle & Participants, Qualified Allocation Plans (QAP), LIHTC calculations and State Award Letters
5. Financial Projections, Choosing an Investor
6. New Construction, Rehab & Funders Requisition (Monthly Invoice to Funders)
7. Cost Certifications & IRS Forms 8609's
8. Transition to Operations, Key Operating Documents
9. Operations Issues
10. Financial Statement Presentation & Intro to Surplus Cash
11. Surplus Cash Case Studies
12. Consolidation and What Does the Organizational Structure Look Like When We Do It All Again?

POLL #1

What do you hope to gain from this course?

A) A better understanding of LIHTC on my deals.

B) More information about managing the financial reporting required in a deal.

C) I don't know.

D) Something else. (Please share in Chat!)

What are Low-Income Housing Tax Credits (LIHTC)?

- Bi-partisan program that was created by Congress under the Tax Reform Act of 1986. In 2024, the estimated amount of forgone tax revenue that would have been collected if the credits did not exist is \$10 billion.
- LIHTCs are awarded to each state based upon the population of each state.
- Each state has a credit agency that oversees the credits awarded to that state. That agency reviews all applications from developers seeking the credits. Generally, the credits are awarded to the developers that present the projects that meet the state's needs.
- While there may be some nominal administrative cost, the credits are provided to the winning developers for free.
- The tax credits are a dollar-for-dollar offset against tax liability.

What are Low-Income Housing Tax Credits (LIHTC)?

- The tax credits are then sold by the developer to an investor at the market rate for each credit at the time that the credits are sold.
- Typical investors are banks and insurance companies. The investors use the tax credits to offset tax liabilities generated by other holdings. In addition, they are allocated depreciation and interest expense that can offset their taxable income elsewhere.
- Generally, this “free money” comes in from the investor during the development cycle to pay for construction costs.
- These funds reduce a project’s reliance on mortgage debt allowing for lower rents needed to sustain operations. In some parts of the country, tax credits provide the only means for successful affordable development.

BREAK | 5 Minutes

- **Remain logged in during the break.**
- **Please return promptly.**
 - This is especially important for participants seeking CPEs so that you may receive full credit.

What role does each department play in an affordable housing deal within your organization?

Real Estate Development Department

Feasibility Phase

- Identify new development opportunities
- Maintain external relationships with state, city and private funding sources
- Once an opportunity is identified as a viable project, they will begin to involve the rest of the organization

Predevelopment Phase

- Work with an architect, various engineers, environmental consultants and other consultants (traffic, market study etc.)
- Begin discussions with legal council about acquisition, construction and other matters
- Begin discussions with lenders and LIHTC investors
- Prepare predevelopment budget
- Shape the deal to make it ready for rehab/construction & prepare the construction and operating budgets to get the project ready for a funding application to be submitted to your tax credit authority and lenders.

What role does each department play in an affordable housing deal within your organization?

Real Estate Development Department *...continued...*

Construction Phase

- Upon successful receipt of a tax credit award and other construction funding, begin to work with legal council to prepare/review purchase and sales agreements, partnership/operating agreements, construction contracts, loan and other agreements, and the formation of a new entity that will own the asset.
- Oversee all construction and works with the accounting department to obtain construction funds each month for payment of construction invoices
- Transition the deal to Asset Management for their oversight.

Operations Phase

- Work with Asset Management and Accounting to ensure a smooth transition

What role does each department play in an affordable housing deal within your organization?

Accounting Department

Feasibility Phase

- Paying feasibility costs that will be expensed until a potential project is determined to be a viable development project

Predevelopment Phase

- Understand sources and uses in the predevelopment budget
- Pay for predevelopment costs from identified sources generally at the corporate/sponsor level
- Track predevelopment costs in discrete general ledger accounts that mirror those used in the predevelopment budget
- Consider opening a separate checking account to be used for this project

POLL #2

What's your favorite Fall beverage?

Your fave not listed? Share it in Chat!

A) Apple cider

B) Pumpkin spice latte

C) Coffee – always coffee!

D) None of the above.

What role does each department play in an affordable housing deal within your organization?

Accounting Department ...continued...

Construction Phase

- Upon successful receipt of a tax credit award, begin to work with legal council to prepare/review purchase and sales agreements, construction contracts, loan, regulatory and other agreements, and the formation of a new entity that will own the asset.
- Works with the RE development department to obtain construction funds each month
- Work with asset management to transition the deal to Property Management who may have their own accounting systems.

Operations Phase

- Work with asset management and property management to obtain/produce monthly, quarterly and annual results that will be used internally and provided to external third parties (lenders/investors, etc.)
- Oversee the issuance of the audited financial statements, tax returns and cash flow analysis following year end.

What role does each department play in an affordable housing deal within your organization?

Asset Management Department

Feasibility Phase

- There is no role for Asset Management during this phase as a project has not yet been identified.

Predevelopment Phase

- Begin to understand the scope of the project and to think about the operating proformas that will include the next 15 – 20 years of operations. These will be included with the construction budget and will be sent to the tax credit agency and other lenders.

What role does each department play in an affordable housing deal within your organization?

Asset Management Department *...continued...*

Construction Phase

- Identify the property manager (internal or 3rd party).
- Identify key performance matters for property management to focus on, like the lease up of the new facility if not already occupied.

Operations Phase

- Work with the property manager and the accounting staff to produce reports needed by multiple third parties
- Perform/obtain a 20-year capital needs assessment that will provide a road map for future capital needs and the funding required.

POLL #3

Please use the Chat to share any details

Do you have colleagues you can talk with about financial reporting questions?

A) Yes

B) No

C) I'm not sure

What role does each department play in an affordable housing deal within your organization?

Other Key Players – Property Management, Resident Services, CEO, Board, Human Resources

Feasibility Phase

- The CEO would be apprised of all potential projects being considered

Predevelopment Phase

- The CEO would also be apprised of the scope of the predevelopment work and the predevelopment funding needed.
- If predevelopment funds are to be borrowed, it may require a Board Vote. The Board may also be involved in deciding which projects will move into predevelopment based upon a real estate risk analysis.

What role does each department play in an affordable housing deal within your organization?

**Other Key Players – Property Management, Resident Services,
CEO, Board, Human Resources
...continued...**

Construction Phase

- The CEO and Board would continue to be apprised of the status of the project and any positive or negative outcomes expected.
- At this point, both property management and resident services could be brought in to anticipate the lease up and begin to plan for the operating cycles ahead.
- If you have a property management company, HR may be involved if a new property manager needs to be hired.

Operations Phase

- Property Management will work with Real Estate and Accounting to ensure a smooth transition into operations

Boot Camp Feedback

Over the years, the Boot Camp has been provided to hundreds of professionals already practicing in the affordable housing field.

“So nice to be able to see how all of the pieces fit together!”

“I have a better understanding now of those involved which helps me understand who should own each aspect of the process internally.”

“There were so many practical take aways.”

“Instructors are effective as they practice in the field and have war stories to share.”

Questions?

- Please use the **Zoom Chat** to submit questions.
- Instructors will remain on the line to answer remaining questions.



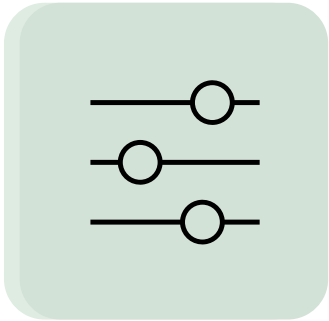
Next Session:
**Identify the Deal, Grants & Contributions,
Predevelopment Best Practices**

Date:
May 20, 2026

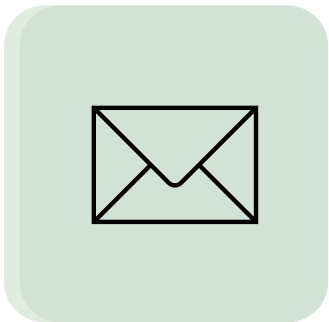
Time:
1:00– 3:00 PM Eastern

Evaluation Poll

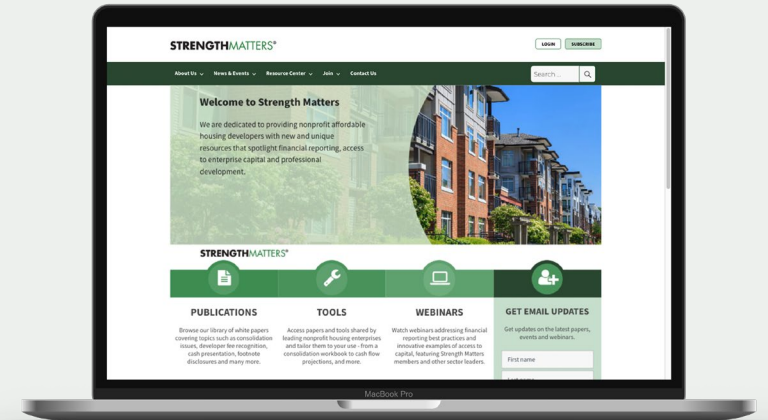
Your feedback is important to us!



Please complete the **evaluation poll** for this session.



Email info@strengthmatters.net with any **questions or concerns**.



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Contact Information

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