

**Memorandum**

Date: December 1, 2020

To: All Owners and Management Companies of GHFA and/or DCA Funded Multifamily Property

From: DCA Asset Management

Re: Upcoming and New Annual and Quarterly Financial Reporting requirements

DCA is undertaking an initiative to improve financial data collection and monitoring for all properties in DCA’s multifamily rental portfolio. DCA will begin collecting financial data for all properties in the DCA multifamily rental portfolio for review.

The reporting requirements will vary as indicated below, depending on funding source and applicable period, see the summary chart below for details:

Reporting Type	Applicable Funding Source(s)	Effective date of reporting	Duration of Reporting
Audited Annual Financial Statements	Properties with a GHFA or DCA loan such as: HOME, NSP, PSHP, TCAP, HTF	May 15, 2021	The latter of the Compliance Period, Affordability Period, or until the DCA/GHFA loan is paid in full
Quarterly and Annual financial data reporting	LIHTC properties as well as properties with a GHFA or DCA Loan, such as: HOME, NSP, PSHP, TCAP, HTF	May 15, 2021 for properties with a GHFA or DCA Loan November 15, 2021 for properties without a GHFA or DCA Loan	The latter of the Compliance Period, Extended Use Period, Affordability Period, or until the DCA/GHFA loan is paid in full

**I. PROPERTY FINANCIAL DATA TO BE COLLECTED VIA DATA ENTRY or SUBMISSION**

**Annual Financial Data**

1. Audited annual financial statements (PDF copy to be uploaded)
2. Data points from Income Statement and Balance Sheet
  - a. Property Taxes
  - b. Replacement Reserve Balance
  - c. Operating Deficit Reserve Balance
  - d. Net Operating Income
  - e. Per Unit Operating Expenses
  - f. Debt Service Coverage Ratio or Cash Flow
  - g. Occupancy
  - h. Mortgage(s) Balance

3. The due date for audited annual financial statements is May 15th of the subsequent calendar year.

**Quarterly Financial Data**

1. Unaudited financial data
  - a. Physical Occupancy
  - b. Gross Potential Income
  - c. Vacancy Loss
  - d. Concessions
  - e. Other Income
  - f. Effective Gross Income
  - g. Net Operating Income
  - h. Operating Expense
  - i. Debt Service Coverage Ratio or Cash Flow
  
2. Due dates for Quarterly financial data reporting are the same for all properties, in the chart below.

Quarter	Due Date
January – March (Q1)	May 15 <sup>th</sup>
April – June (Q2)	August 15 <sup>th</sup>
July – September (Q3)	November 15 <sup>th</sup>
October – December (Q4)	February 15 <sup>th</sup>

**II. DURATION OF QUARTERLY AND ANNUAL FINANCIAL REPORTING REQUIREMENTS**

**Multifamily LIHTC funded properties with no GHFA or DCA loan**

- Annual and Quarterly data submission reporting is required throughout both the Compliance period and Extended use period, years 1-30

**Multifamily Properties funded with a GHFA or DCA Loan**

- Annual and Quarterly data submissions are required throughout the Affordability period as stipulated in the Land Use Restrictive Agreement (LURA), if applicable through the Compliance Period and/or until the GHFA/DCA loan is paid in full, whichever is later
- Audited Annual Financial Statements are required throughout the Affordability period as stipulated in the Land Use Restrictive Agreement (LURA), throughout the Compliance Period (if also funded with Tax Credits) or until the GHFA/DCA Loan is paid in full, whichever is later

**III. IMPORTANT INFORMATION**

- DCA will provide reporting and uploading instructions in future communications or Memorandum notices with relevant links and reporting tools.
- This new requirement will be included in the revised Compliance Manual and/or Asset Management Manual applicable for all GHFA/DCA funded property as mentioned in this memorandum.
- DCA will provide separate instruction, as needed, should any additional supporting documentation be required for upload.
- DCA will not accept paper copies of financial statements, all statements must be uploaded, and/or data must be entered manually to DCA's reporting system.