

Wakeland Housing and Development Corporation is a nonprofit that develops affordable housing communities for low income working families, seniors and people who have experienced homelessness.

- **Industry:** Nonprofit
- **Location:** San Diego, CA
- **Employees:** Under 50
- **GL System:** Microsoft Great Plains

## Forecasting Cash Flows

### Wakeland Leverages Planning Maestro to Manage its Finances and Plan for the Future



#### ABOUT

Wakeland Housing and Development Corporation is a nonprofit that develops affordable housing communities for low income working families, seniors and people who have experienced homelessness. Since its inception in 1998, the organization has created more than 7,500 units of affordable multifamily rental housing at 53 properties throughout the state of California, working alone and in a variety of partnerships with cities, municipal agencies and other nonprofits.

Wakeland works with a variety of municipalities, developers and redevelopment agencies throughout California. To build its communities, Wakeland partners with investors, and also taps into federal, state and local funding resources, including tax exempt bonds and tax credits.

Wakeland has a unique finance structure. In order to build affordable housing, the company must find investors to help fund the development, and offer them Low Income Housing Tax Credits in return (LIHTC is a federal program that offers approximately \$8 billion in tax credits for the acquisition, rehabilitation, or new construction of rental housing targeted to lower-income households). Additionally, their funding structure requires Wakeland to build a community room in every facility, and provide ongoing community support and resident services.

To date, Wakeland has developed over 7,500 units of housing at 53 separate properties throughout California. Each property is its own entity, and Wakeland serves as the nonprofit general partner of that entity.

#### THE CHALLENGE

Wakeland's major revenue stream is the developer fees it collects, which are built into the financial structure of each development. Fees are earned based on triggered mechanisms e.g., when the development team completes construction, closes permanent financing, and receives form 8609 from the IRS.

"It's imperative that we are able to project when the developer fees are going to come in," explains Joan Edelman, Wakeland's Chief Financial Officer. "Our biggest asset is our cash, which means I need to ensure we have adequate cash to fund our operations as well as fund the costs associated with the affordable developments that we have in our pipeline."

*"I can update our cash flow, income statement, and forecast out five years really easily. I can do a five year model and see how much cash we'll have, which is pretty critical to our existence."*

Joan Edelman  
Chief Financial Officer  
Wakeland Housing and Development

Prior to discovering Centage, Ms. Edelman had a pro forma budget she built in an Excel spreadsheet, which she found very difficult to update and manage on an ongoing basis. “It was archaic; we weren’t having any fun with it, and it wasn’t giving us the analytic information we needed,” she said.

Projecting how much cash Wakeland would have on hand in future years, was a difficult process. To forecast its cash, Ms. Edelman needed to forecast the expenses that go into the company’s housing developments and operations, along with the tranches of cash they anticipated receiving. It was a challenge to change financial information quickly into a single spreadsheet with multiple worksheets.

The accounting team is also responsible for managing the effects of Wakeland’s pipeline — when projects will close, when milestones will be met — so that the company can project its cash flow, balance sheet and P&L. If a milestone was late for whatever reason, the team had to recreate the forecasts in their spreadsheets, which was time consuming.

#### THE SOLUTION

Wakeland’s Controller discovered Centage, a cloud-based modern FP&A platform that offers a better way to plan, budget, forecast and report financial performance, and suggested that Ms. Edelman give it a try. Right away, she was impressed that Planning Maestro fully integrates with their accounting software, Microsoft Great Plains, enabling her to import expenses automatically, rather than key those numbers into her budget manually, as she had to with Excel.

What’s more, Planning Maestro incorporates all of the company’s expenses, which means overall, the budgets and forecasts are more accurate and trustworthy.

Planning Maestro also streamlines Wakeland’s forecasting. “I can update our cash flow, income statement, and forecast out five years really easily. I can do a five year model and see how much cash we’ll have, which is pretty critical to our existence. And because of the flexibility of Planning Maestro, I can change forecasts

and get new information, faster and without extra headaches,” Ms. Edelman said. “It used to take a week to do that.” Now that forecasting is so streamlined, she reforecasts on a monthly basis.

#### BENEFITS

The easy forecasts also led Wakeland to create a new process within its accounting to better track outflows for project development, which are separate from the requirements for Wakeland’s operations. This has been instrumental in assessing the company’s cash reserves, and what it means for future development. “Centage lets us be smart about what we will do in the future,” said Ms. Edelman.

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Chief Financial Officer  
Wakeland Housing and Development

## CENTAGE CORPORATION

Centage Corporation’s Planning Maestro is a cloud platform for modern planning and analytics that transforms how companies budget, forecast and report performance. Centage delivers sophisticated financial intelligence that can be implemented quickly and scale with the needs of today’s dynamic businesses. With a direct line-of-sight into the organization’s financial health, Centage clients can react quickly to market changes, take intelligent risks, and capitalize on new opportunities. Centage serves over 10,000 users worldwide.