

AGENDA
ANN ARBOR HOUSING DEVELOPMENT CORPORATION
REGULAR MEETING
June 15, 2022

Meeting Time and Location: **6:30pm**
Virtual Zoom Meeting Ann Arbor, MI

- I. APPROVAL OF AGENDA
- II. APPROVAL OF MINUTES
 - A. Regular Board Meeting Minutes of May 19, 2021
- III. NEW BUSINESS
 - A. Resolution 22-1 To Approve the Annual Officer Elections of Board
 - B. Resolution 22-2 To Approve the FY23 Annual Budget
 - C. Resolution 22-3 To Approve the Maple Tower, River Run, West Arbor & Swift Lane FY21 Audits
 - D. Resolution 22-4 To Approve a Donation Policy
 - E. Discuss Financials May 2022
- IV. ADJOURNMENT

MINUTES
ANN ARBOR HOUSING DEVELOPMENT CORPORATION
December 20, 2021

Meeting Time and Location: 7:00 p.m.
Zoom Meeting On-Line

President Meadows convened the meeting at 7:12 p.m.

Board Members present: Thierry Batalonga, Jennifer Hall, Patricia Jenkins, Deanna Boer, Lee Meadows

Board Members absent: Steven Daniels,

I. Approval of Agenda

Batalonga moved and *Jenkins* seconded.

Motion approved 5 – 0 (Batalonga, Boer, Meadows, Jenkins, Hall - yes, 0 – no)

II. Approval of Minutes Regular Board Meeting Minutes of May 19, 2021

Batalonga moved and *Jenkins* seconded.

Motion approved 5 – 0 (Batalonga, Boer, Meadows, Jenkins, Hall - yes, 0 – no)

III. NEW Business

A. Resolution 21-10 To Approve the FY21 990 Tax Return

Jenkins moved and *Boer* seconded.

Motion approved 5 – 0 (Batalonga, Boer, Meadows, Jenkins, Hall - yes, 0 – no)

B. Presentation of October and November 2021 Financial Statements

C. Resolution 21-11 To Approve the FY22 Budget Amendment

Jenkins moved and *Boer* seconded.

Motion approved 5 – 0 (Batalonga, Boer, Jenkins, Hall, Meadows - yes, 0 – no)

IV. Adjournment

Jenkins moved and *Batalonga* seconded.

Motion approved 5 – 0 (Meadows, Batalonga, Boer, Jenkins, Hall - yes, 0 – no)

Meeting adjourned 7:18 PM

RESOLUTION 22-1 AAHDC

Resolution to Elect the Board Officers of President, Vice President and Secretary-Treasurer for FY23

The Ann Arbor Housing Development Corporation will hold a regular annual meeting of the Board in May or as soon as feasible thereafter, for the purpose of electing officers, passing upon reports of the previous fiscal year, and transacting such other business as may be properly brought before the meeting. The Board must elect 3 officers: President, Vice President, and Secretary-Treasurer. The President and Vice President must be members of the Board but the Secretary-Treasurer does not.

Section 6. President. The President:

- (a) Shall be the principal executive officer of the Corporation, shall supervise and control all of the business and affairs of the Corporation, and unless otherwise determined by the Board, shall preside at all meetings of the Board;
- (b) May sign any deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized by the Board to be executed on behalf of the Corporation, except in cases in which the signing and execution thereof shall be expressly delegated by the Board, or by these Bylaws, to some other officer or agent of the Corporation, or shall be required by law to be otherwise signed or executed; and
- (c) Shall in general perform all duties incident to the office of the president and such other duties as may be prescribed by the Board from time to time.

Section 7. Vice President. In the absence of the President or in the event of his inability or refusal to act, the Vice President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice President shall also perform such other duties as from time to time may be assigned to him or her by the Board.

Section 8. Secretary-Treasurer. The Secretary-Treasurer shall:

- (a) Keep the minutes of the meetings of the Member and the Board in one or more books provided for that purpose;
- (b) See that all notices are duly given in accordance with these Bylaws or as required by law;
- (c) Be custodian of the corporate records and have general charge of the books of the Corporation;
- (d) Keep a register of the names and mailing addresses of all directors and officers;
- (e) Keep on file at all times a complete copy of the Articles of Incorporation and Bylaws of the Corporation containing all amendments thereto (which copies shall always be open to the inspection of the Member and any director), and at the expense of the Corporation, forward a copy of the Bylaws and of all amendments thereto to each director;
- (f) Have charge and custody of and be responsible for all funds of the Corporation;
- (g) Be responsible for the receipt of and the issuance of receipts for all monies due and payable to the Corporation and for the deposit of all such monies in the name of the Corporation in such bank or banks, trust companies or other depositories, as shall be selected in accordance with the provisions of these Bylaws; and
- (h) In general, perform all the duties incident to the office of Secretary and the office of Treasurer, and such other duties as from time to time may be assigned to him or her by the Board.

WHEREAS, The Ann Arbor Housing Development Corporation at its annual meeting must elect the positions of President, Vice President and Secretary-Treasurer; and

NOW THEREFORE BE IT RESOLVED THAT, the Ann Arbor Housing Development Corporation Board appoints the following Board member positions to take effect July 1, 2022.

Motion by _____ seconded by _____

to appoint _____ for Board President

to appoint _____ for Board Vice President

to appoint _____ for Board Secretary/Treasurer

RESOLUTION 22-2 AAHDC

Resolution to Adopt the FY23 Budget

The Ann Arbor Housing Development Corporation has a July 1 to June 30 fiscal year.

The budget increased significantly from FY22 to FY23. The primary sources of revenue in FY23 are from City Millage funds. The budget includes \$5,035,315 from the Affordable Housing Millage and \$956,000 from the County Mental Health Millage rebate. In addition, the budget includes a \$3,000,000 grant from Rep. Dingell. Finally, we are budgeting \$121,000 in net cash flow payments from Maple Tower, River Run, West Arbor and Swift Lane developments.

The \$121,000 net cash flow payment is buried in several line items. In the budget, you will see revenue of \$540,000 as loan interest payments, and you will also see expenses of \$419,000 bad debt recovery. The loan interest payments are due to the AAHC from our LIHTC entities as cash-flow loans. On paper, we have to record \$540,000 in loan interest payments based on the amortization schedule, but the AAHC is only paid the amount available each year from cash-flow. Since we are estimating that the cash-flow payment will be \$121,000 and not \$540,000, that leaves \$419,000 in bad debt. This is ok and was purposely underwritten this way.

Projected expenditures include administrative costs such as audit fees, and miscellaneous board and staffing expenses. The budget also includes tenant services for unexpected urgent issues that are not covered by other community resources. The largest expenses are capital expenditures and tenant service expenditures related to the millages and the grant from Dingell's office. These are primarily pass-through expenditures to contractors.

The City has agreed to paying the AAHC directly for staff time and operating costs that are directly related to administering the millage funds. Staff are now tracking their time to charge millage-related work to the millage.

WHEREAS, The Ann Arbor Housing Development Corporation at its annual meeting must adopt a budget for FY23; and

NOW THEREFORE BE IT RESOLVED THAT, that the Ann Arbor Housing Development Corporation Board adopts the proposed FY23 budget.

Statement (12 months)

Period = Dec 2020-Nov 2021

Book = Accrual ; Tree = ysl_is

		FY22 Total	Subtotals	FY23 Proposed Budget	FY23 Calc Basis	Comments/Explanations
3400-00-000	GRANT INCOME					
3415-11-000	City General Fund Revenue	227,000		9,391,315	Formula	create new GL accounts to break out funding sources
3499-00-000	TOTAL GRANT INCOME	227,000	9,391,315			
3610-00-000	Investment Income - Unrestricted	1,084		1,100		
3612-00-000	Loan Interest Revenue	393,277		540,000		
3650-00-000	Miscellaneous Other Income	12,597		-		what is this? Why are there FHFB interest rev & allowances FY20 AMOUNT WAS DUE DILLIGENCE GRANT FROM AAACF FOR LT. DO you mean SCHAA???
3670-01-000	Donations	415		-		
3680-00-000	Developer Fees	130,413		-		SL DEVELOPER FEE \$210,650 --- estimated low bc of downward adjusters - incl. \$15,000 from SL social services reserve account (SL Developer fee). Is in the FY22 budget but may arrive in FY23. Jen removed from FY23 budget.
3699-00-000	TOTAL OTHER INCOME	130,828	541,100			
3999-00-000	TOTAL INCOME	764,786	9,932,415	9,932,415		
4000-00-000	EXPENSES					
4100-00-000	ADMINISTRATIVE					
4110-00-000	Administrative Salaries					
4110-11-000	Temporary Help	22,734		20,000		Jax only.
4110-99-000	Total Administrative Salaries	22,734	20,000			
4139-00-000	Other Admin Expenses					
4171-00-000	Auditing Fees	2,510		2,500	BASED ON CURRENT CONTRACT	
4182-00-000	Consultants			436,163	Formula	Lead4America Fellow \$36163 final payment will be April 2022 -
4189-00-000	Total Other Admin Expenses	2,510	438,663			
4190-00-000	Miscellaneous Admin Expenses					
4190-02-000	Publications					
4190-04-000	Office Supplies	138		150		
4190-20-000	Bank Fees	161		160		
4190-22-000	Other Misc Admin Expenses	8,753		200		\$8600 was 1x Juide payment
4191-00-000	Total Miscellaneous Admin Expenses	9,052	510			
4199-00-000	TOTAL ADMINISTRATIVE EXPENSES	34,296	459,173			
4200-00-000	TENANT SERVICES					
4220-00-000	Resident Council	1,500		1,500		miller elections
4220-01-000	Other Tenant Svcs.	34,526		5,000		\$27K Avalon & Pryor 1x payments. Avalon move to millage funded, keep security deposits.
4220-02-000	Tenant Services Support	170,553		850,610	FORMULA	See AAHDC Revenue Detail Tab
4230-01-000	Tenant Relocation	4,950		-		1x contractor services
4299-00-000	TOTAL TENANT SERVICES EXPENSES	211,529	857,110			
4500-00-000	GENERAL EXPENSES					
4510-20-000	Liability Insurance	1,430		1,515		6% INCREASE FROM FY21 AMOUNT
4521-00-000	Misc. Taxes/Liscenses/Insurance	20		20		
4540-00-000	Affiliated Entities Support	248,880		8,140,705	FORMULA - DO NOT ENTER DATA	See AAHDC Revenue Detail Tab
4570-01-000	Bad Debt Recovery	237,022		419,000	FORMULA - DO NOT ENTER DATA	conservative estimate of net cash flow pmts for MT.RR.WA.SL= net cash flow pmts = \$121,000
4599-00-000	TOTAL GENERAL EXPENSES	487,352	8,561,240			
4540-00-000	Affiliated Entities Support					transferred to AAHC - cocc & Sec8 to cover operating exp --- out of cash flow payment revenue above
8000-00-000	TOTAL EXPENSES	733,177	9,877,523	9,877,523		
9000-00-000	NET INCOME	31,609	54,892	54,892		

RESOLUTION 22-3 AAHDC

Resolution to Accept the FY21 Audit for Maple Tower Ann Arbor LDHA, LP; River Run Ann Arbor LDHA, LP; West Arbor LDHA, LP; and Swift Lane LDHA, LP; from January 1, 2021 to December 31, 2021

WHEREAS, The Ann Arbor Housing Development Corporation (AAHDC) is the sole owner of the Maple Tower, LLC, which is the .01% General Partner of the Maple Tower Ann Arbor Limited Dividend Housing Association, Limited Partnership; and

WHEREAS, The Ann Arbor Housing Development Corporation (AAHDC) is the sole owner of the River Run, LLC, which is the .01% General Partner of the River Run Ann Arbor Limited Dividend Housing Association, Limited Partnership; and

WHEREAS, The Ann Arbor Housing Development Corporation (AAHDC) is the sole owner of the West Arbor, LLC, which is the .01% General Partner of the West Arbor Limited Dividend Housing Association, Limited Partnership; and

WHEREAS, The Ann Arbor Housing Development Corporation (AAHDC) is the sole owner of the Swift Lane, LLC, which is the .01% General Partner of the Swift Lane Limited Dividend Housing Association, Limited Partnership; and

WHEREAS, Yeo and Yeo completed the FY21 audit for Maple Tower LDHA, LP; River Run LDHA, LP; and West Arbor LDHA, LP from January 1, 2021 to December 31, 2021; and

WHEREAS, Tidwell Group completed the FY21 audit for Swift Lane LDHA, LP from January 1, 2021 to December 31, 2021; and

WHEREAS, the Maple Tower, LLC and the Maple Tower Ann Arbor LDHA, LP 2021 tax returns were filed;

WHEREAS, the River Run, LLC and the River Run Ann Arbor LDHA, LP 2021 tax returns were filed;

WHEREAS, the West Arbor, LLC and the West Arbor LDHA, LP 2021 tax returns were filed;

WHEREAS, the Swift Lane, LLC and the Swift Lane LDHA, LP 2021 tax returns were filed;

NOW THEREFORE BE IT RESOLVED THAT, the Ann Arbor Housing Development Corporation Board has reviewed the FY21 audits for the Maple Tower Ann Arbor Limited Dividend Housing Association, Limited Partnership; River Run Ann Arbor Limited Dividend Housing Association, Limited Partnership; West Arbor Limited Dividend Housing Association, Limited Partnership; and Swift Lane Limited Dividend Housing Association, Limited Partnership; and acknowledges the document is complete and accurate and grant staff the authority to certify and issue them.

RESOLUTION 22-4 AAHDC

Resolution to Adopt a Donation Policy

The Ann Arbor Housing Development Corporation has accepted cash donations in the past but does not have a policy related to other types of gifts. Please see the attached policy.

NOW THEREFORE BE IT RESOLVED THAT, that the Ann Arbor Housing Development Corporation Board adopts the proposed Donation Policy.

GIFT ACCEPTANCE POLICY

OF

ANN ARBOR HOUSING DEVELOPMENT CORPORATION

The Board of Directors (the “Board”) of Ann Arbor Housing Development Corporation, a Michigan nonprofit corporation (the “Organization”), adopted this Gift Acceptance Policy (this “Policy”) on April ___, 2022.

1. PURPOSE

The Organization and its staff and the Board solicit current and deferred gifts from individuals, corporations and organizations to secure the future growth and missions of the Organization. This Policy governs the acceptance of gifts by the Organization and provides guidance to prospective donors and their advisors when making gifts to the Organization. The provisions of these policies shall apply to all gifts received by the Organization for any of its programs or services.

2. CONFLICT OF INTEREST

The Organization will urge all prospective donors to seek the assistance of personal legal and financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences.

3. TYPES OF GIFTS ACCEPTED

A. The following gifts are acceptable:

1. Cash;
2. Gifts-In-Kind
3. Tangible Personal Property;
4. Securities;
5. Real Estate;
6. Remainder Interests in Property;
7. Oil, Gas, and Mineral Interests;
8. Bargain Sales;
9. Life Insurance;
10. Charitable Gift Annuities;
11. Charitable Remainder Trusts;
12. Charitable Lead Trusts;
13. Retirement Plan Beneficiary Designations;
14. Bequests; and
15. Life Insurance Beneficiary Designations.

B. The following criteria govern the acceptance of each gift form:

1. Cash: Cash is acceptable in any form. Checks shall be made payable to the Organization and shall be delivered to the Organization's administrative offices.
2. Gifts-In-Kind: Gifts-In-Kind are defined as any gift that is not cash, including securities. They can include free services needed to further the goals of the Organization. Examples of such services including, but are not limited to, consulting, legal and advertising. These services cannot be receipted as they do not represent a transfer of property.

The Organization may decline acceptance of any Gift-In-Kind based on the following:

- The gift results in unplanned higher operational costs or a financial burden in order to store/liquidate.
 - The gift is an item that cannot be used within a reasonable period of time by the Organization.
 - The donor's business and/or personal activities are not perceived as socially responsible and are contradictory to the mission of the Organization.
 - The Organization does not have the freedom to make decisions regarding upgrading, maintenance and ultimate disposal of the gift.
 - Gifts of a company's inventory or product may be accepted, but those gifts may not be eligible for a tax receipt if they are classified non-qualifying because the donor is able to deduct the cost of the contribution as a business expense.
3. Tangible Personal Property: All other gifts of tangible personal property shall be examined in light of the following criteria:
 - Does the property fulfill the mission of the Organization?
 - Is the property marketable?
 - Are there any undue restrictions on the use, display, or sale of the property?
 - Are there any carrying costs for the property?
 - Is the title of the property clear?

The final determination on the acceptance of other tangible personal property gifts shall be made by the Board or a designated committee.

4. Securities: The Organization can accept both publicly traded securities and closely held securities.

Publicly Traded Securities: Marketable securities may be transferred to an account maintained at one or more brokerage firms or delivered physically with the transferor's signature or stock power attached. As a general rule, all marketable securities shall be sold upon receipt unless otherwise directed by the Board or a designated committee. In some cases marketable securities may be restricted by applicable securities laws; in such instance the final determination on the acceptance of the restricted securities shall be made by the Board or a designated committee.

Closely Held Securities: Closely held securities, which include not only debt and equity positions in non-publicly traded companies but also interests in limited liability partnerships and limited liability companies or other ownership forms, can be accepted subject to the approval of the Board or a designated committee. However, gifts must be reviewed prior to acceptance to determine that:

- There are no restrictions on the security that would prevent the Organization from ultimately converting those assets to cash;
- The security is marketable; and
- The security will not generate any undesirable tax consequences for the Organization.

If potential problems arise on initial review of the security, further review and recommendation by an outside professional may be sought before making a final decision on acceptance of the gift. The final determination on the acceptance of closely held securities shall be made by the Board or a designated committee of the Organization and legal counsel when necessary. Every effort will be made to sell non-marketable securities as quickly as possible.

5. Real Estate: Gifts of real estate may include developed property, undeveloped property, or gifts subject to a prior life interest. Prior to acceptance of real estate, the Organization shall require an initial environmental review of the property to ensure that the property has no environmental damage. In the event that the initial inspection reveals a potential problem, the Organization shall retain a qualified inspection firm to conduct an environmental audit. The cost of the environmental audit shall generally be an expense of the donor.

When appropriate, a title policy or a title binder, as applicable, shall be obtained by the Organization prior to the acceptance of the real property gift. The cost of this title policy or title binder and review of same, as applicable, shall generally be an expense of the donor.

Prior to acceptance of the real property, the gift shall be approved by the Board or a designated committee and by the Organization's legal counsel. Criteria for acceptance of the property shall include:

- Is the property useful for the purposes of the Organization?
- Is the property marketable?
- What ownership interest does the donor have in the property?
- Are there any restrictions, reservations, easements, or other limitations associated with the property?
- Are there carrying costs, which may include insurance, property taxes, mortgages, or notes, etc. associated with the property?
- Does the environmental audit reflect that the property is not damaged?

6. Remainder Interests in Property: The Organization will accept a remainder interest in a personal residence, farm, or vacation property subject to the provisions of paragraph 4 above. The donor or other occupants may continue to occupy the real property for the duration of the stated life. At the death of the donor, the Organization may use the property or reduce it to cash. Where the Organization receives a gift of a remainder interest, expenses for maintenance, real estate taxes, and any property indebtedness are to be paid by the donor or primary beneficiary.

7. Oil, Gas, and Mineral Interests: The Organization may accept oil and gas property interests, when appropriate. Prior to acceptance of an oil and gas interest, the gift shall be approved by the Board or a designated committee, and if necessary, by the Organization's legal counsel. Criteria for acceptance of the property shall include:

- The property should not have extended liabilities or other considerations that make receipt of the gift inappropriate;
- A working interest is rarely accepted. A working interest may only be accepted when there is a plan to minimize potential liability and tax consequences;
- The property should undergo an environmental review to ensure that the Organization has no current or potential exposure to environmental liability.

8. Bargain Sales: The Organization will enter into a bargain sale arrangement in instances in which the bargain sale furthers the mission and charitable purposes of the Organization. All bargain sales must be reviewed and recommended by the Board or a designated committee and approved by the Board. Factors used in determining the appropriateness of the transaction include:

- The Organization must obtain an independent appraisal substantiating the value of the property;
 - If the Organization assumes debt with the property, the debt ratio must be less than 50% of the lesser of the appraised market value of the property;
 - The Organization must determine that it will use the property, or that there is a market for sale of the property allowing sale within 12 months of receipt;
 - The Organization must calculate the costs to safeguard, insure, and expense the property (including property tax, if applicable, accounting fees, appraisals, etc.) during the holding period.
9. Life Insurance: The Organization must be named as both beneficiary and irrevocable owner of an insurance policy before a life insurance policy can be recorded as a gift. The gift is valued at its interpolated terminal reserve value, or cash surrender value, upon receipt. If the donor contributes future premium payments, the Organization will include the entire amount of the additional premium payment as a gift in the year that it is made.

If the donor does not elect to continue to make gifts to cover premium payments on the life insurance policy, the Organization may:

- Continue to pay the premiums;
 - Convert the policy to paid up insurance; or
 - Surrender the policy for its current cash value.
10. Charitable Gift Annuities: The Organization may offer charitable gift annuities. The minimum gift for funding is \$50,000. The Organization's Board may make exceptions to this minimum. The minimum age for life income beneficiaries of a gift annuity shall be 55. Where a deferred gift annuity is offered, the minimum age for life income beneficiaries shall be 45. No more than two life income beneficiaries will be permitted for any gift annuity.

Annuity payments may be made on a quarterly, semi-annual, or annual schedule. The Board may approve exceptions to this payment schedule.

The Organization will not accept real estate, tangible personal property, or any other illiquid asset in exchange for current charitable gift annuities. The Organization may accept real estate, tangible personal property, or other illiquid assets in exchange for deferred gift annuities so long as there is at least a five-year period before the commencement of the annuity payment date, the value of the property is reasonably certain, and the Board or a designated committee of the Organization approves the arrangement.

Funds contributed in exchange for a gift annuity shall be set aside and invested during the term of the annuity payments. Once those payments have terminated, the funds representing the remaining principal contributed in exchange for the gift annuity shall be transferred to the Organization's general endowment funds, or to such specific fund as designated by the donor.

11. Charitable Remainder Trusts: The Organization may accept designation as remainder beneficiary of a charitable remainder trust with the approval of the Board or a designated committee. The Organization will not accept appointment as trustee of a charitable remainder trust.
12. Charitable Lead Trusts: The Organization may accept a designation as income beneficiary of a charitable lead trust with the approval of the Board or a designated committee. The Organization will not accept an appointment as trustee of a charitable lead trust.
13. Retirement Plan Beneficiary Designations: Donors and supporters of the Organization will be encouraged to name the Organization as beneficiary of their retirement plans. Such designations will not be recorded as gifts to the Organization until such time as the gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.
14. Bequests: Donors and supporters of the Organization will be encouraged to make bequests to the Organization under their wills and trusts. Such bequests will not be recorded as gifts to the Organization until such time as the gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.
15. Life Insurance Beneficiary Designations: Donors and supporters of the Organization will be encouraged to name the Organization as beneficiary or contingent beneficiary of their life insurance policies. Such designations shall not be recorded as gifts to the Organization until such time as the gift is irrevocable. Where the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time the gift becomes irrevocable.

4. RESTRICTIONS ON GIFTS

The Organization will accept unrestricted gifts, and gifts for specific programs and purposes, provided that such gifts are not inconsistent with its stated mission, purposes, and priorities. The Organization will not accept gifts that are too restrictive in purpose. Gifts that are too restrictive are those that (a) violate the terms of the corporate

charter, (b) are too difficult or expensive to administer, (c) are for purposes outside the mission of the Organization, (d) would result in the Organization losing its status as an Internal Revenue Code § 501(c)(3) organization, or (e) would result in any unacceptable consequences for the Organization. The Organization prefers to receive unrestricted donations in order to allocate the gift to the greatest need, but may accept restricted donations after a careful process of due diligence to ensure that such specific purposes are complementary to the overall long-term goals of the Organization and are easily administered. All final decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the Board or a designated committee. Documentation and financial accounting will be maintained by the Organization to ensure the accuracy of the intended use of restricted funds.

5. LEGAL COUNSEL

The Organization shall seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate. Review by counsel is recommended for:

- a. Closely held stock transfers that are subject to restrictions or buy-sell agreements;
- b. Documents naming the Organization as trustee or requiring the Organization to act in any fiduciary capacity;
- c. Gifts involving contracts, such as bargain sales or other gifts requiring the Organization to assume an obligation;
- d. Transactions with potential conflicts of interest;
- e. Gifts of property which may be subject to environmental or other regulatory restrictions; and
- f. Other instances in which use of counsel is deemed appropriate by a designated committee.

6. MISCELLANEOUS

- A. Securing appraisals and legal fees for gifts to the Organization: It will be the responsibility of the donor to secure an appraisal (where required) and independent legal counsel for all gifts made to the Organization.
- B. Valuation of gifts for development purposes: The Organization will record a gift received by the Organization at its valuation for gift purposes on the date of gift.
- C. Responsibility for IRS Filings upon sale of gift items: The Organization is responsible for filing IRS Form 8282 upon the sale or disposition of any asset sold within three years of receipt by the Organization when the charitable deduction value of the item is more than \$500. The Organization must file this form within 125 days after the date of sale or disposition of the asset. The Organization does not have to file IRS Form 8282 if, at the time the original donee signed Section B of IRS Form 8283, the donor signed a

statement on Form 8283 that the appraised value of the specific asset was not more than \$500.

- D. Acknowledgment of all gifts made to the Organization and compliance with the current IRS requirements in acknowledgment of such gifts shall be the responsibility of the Board. IRS Publication 561 *Determining the Value of Donated Property* and IRS Publication 526 *Charitable Contributions* are applicable to this Policy as guidance.

7. AMENDMENT OF POLICY

This Policy and the guidelines in this Policy have been reviewed and accepted by the Board. The Board of the Organization must approve any changes to or deviations from this Policy and the guidelines in this Policy.

APPROVED on the ____ day of April, 2022.

ANN ARBOR HOUSING DEVELOPMENT CORP (aahdc)

Budget Comparison

Period = May 2022

Book = Accrual ; Tree = ysi_is

		PTD Actual	PTD Budget	Variance	% Var	YTD Actual	YTD Budget	Variance	% Var	Annual
3400-00-000	GRANT INCOME									
3415-11-000	City General Fund Revenue	45,500	45,500	-	-	499,500	500,500	(1,000)	(0)	546,000
3418-00-000	Grant Revenue	40,000	-	40,000	N/A	40,000	-	40,000	N/A	-
3499-00-000	TOTAL GRANT INCOME	85,500	45,500	40,000	88	539,500	500,500	39,000	8	546,000
3610-00-000	Investment Income - Unrestricted	92	92	0	0	996	1,012	(16)	(2)	1,100
3612-00-000	Loan Interest Revenue	-	-	-	N/A	-	-	-	N/A	500,000
3650-00-000	Miscellaneous Other Income	35,708	-	35,708	N/A	283,184	-	283,184	N/A	-
3650-10-000	Other Income-Earned Discounts	-	-	-	N/A	0	-	0	N/A	-
3680-00-000	Developer Fees	-	-	-	N/A	253,005	-	253,005	N/A	415,000
3699-00-000	TOTAL OTHER INCOME	-	-	-	N/A	253,005	-	253,005	N/A	415,000
3999-00-000	TOTAL INCOME	121,300	45,592	75,708	166	1,076,685	501,512	575,173	115	1,462,100
4000-00-000	EXPENSES									
4100-00-000	ADMINISTRATIVE									
4100-99-000	Administrative Salaries									
4110-00-000	Administrative Salaries	-	-	-	N/A	41,118	-	(41,118)	N/A	-
4110-11-000	Temporary Help	1,330	-	(1,330)	N/A	33,687	-	(33,687)	N/A	-
4110-99-000	Total Administrative Salaries	1,330	-	(1,330)	N/A	74,805	-	(74,805)	N/A	-
4139-00-000	Other Admin Expenses									
4140-00-000	Staff Training	(1,507)	-	1,507	N/A	291	-	(291)	N/A	-
4150-00-000	Travel	-	-	-	N/A	35	-	(35)	N/A	-
4171-00-000	Auditing Fees	-	-	-	N/A	1,280	1,280	-	-	1,280
4182-00-000	Consultants	23,178	2,917	(20,261)	(695)	131,115	32,087	(99,028)	(309)	35,000
4189-00-000	Total Other Admin Expenses	21,671	2,917	(18,754)	(643)	132,721	33,367	(99,354)	(298)	36,280
4190-00-000	Miscellaneous Admin Expenses									
4190-01-000	Membership and Fees	(250)	-	250	N/A	-	-	-	N/A	-
4190-04-000	Office Supplies	-	-	-	N/A	230	-	(230)	N/A	-

4190-19-000	Late Fees/Lost Discounts	-	-	-	N/A	39	-	(39)	N/A	-
4190-20-000	Bank Fees	10	-	(10)	N/A	169	120	(49)	(41)	120
4190-22-000	Other Misc Admin Expenses	76	-	(76)	N/A	9,597	500	(9,097)	(1,819)	500
4191-00-000	Total Miscellaneous Admin Expenses	(164)	-	164	N/A	10,036	620	(9,416)	(1,519)	620
4199-00-000	TOTAL ADMINISTRATIVE EXPENSES	22,837	2,917	(19,920)	(683)	217,562	33,987	(183,575)	(540)	36,900
4200-00-000	TENANT SERVICES									
4220-00-000	Resident Council	-	-	-	N/A	5,187	-	(5,187)	N/A	-
4220-01-000	Other Tenant Svcs.	6,387	4,167	(2,220)	(53)	63,357	45,837	(17,520)	(38)	50,000
4220-02-000	Tenant Services Support	100,977	46,750	(54,227)	(116)	565,903	514,250	(51,653)	(10)	561,000
4230-15-000	Sr Nutrition Program Expenses	-	-	-	N/A	10,104	-	(10,104)	N/A	-
4299-00-000	TOTAL TENANT SERVICES EXPENSES	107,364	50,917	(56,447)	(111)	644,551	560,087	(84,464)	(15)	611,000
4500-00-000	GENERAL EXPENSES									
4510-20-000	Liability Insurance	122	136	14	10	1,382	1,496	114	8	1,628
4521-00-000	Misc. Taxes/Liscenses/Insurance	-	-	-	N/A	20	-	(20)	N/A	-
4540-00-000	Affiliated Entities Support	-	8,224	8,224	100	245,380	335,844	90,464	27	344,064
4570-01-000	Bad Debt Recovery	-	-	-	N/A	-	-	-	N/A	400,000
4599-00-000	TOTAL GENERAL EXPENSES	122	8,360	8,238	99	246,782	337,340	90,558	27	745,692
4800-00-000	FINANCING EXPENSE									
4852-00-500	Interest Expense	-	-	-	N/A	29	-	(29)	N/A	-
4899-00-000	TOTAL FINANCING EXPENSES	-	-	-	N/A	29	-	(29)	N/A	-
8000-00-000	TOTAL EXPENSES	130,322	62,194	(68,128)	(110)	1,108,924	931,414	(177,510)	(19)	1,393,592
9000-00-000	NET INCOME	(9,022)	(16,602)	7,580	46	(32,240)	(429,902)	397,662	93	68,508