



Minutes from 9/11/23 meeting

- **Agenda 9/11/23**

- New Business- Committee charter read to members of the committee
- Audit findings- Significant audit matters
 1. 2022-001 Financial close process
 2. 2022-002 Allocation of costs; cost of properties sold
 3. 2022-003 Cash Disbursement Documentation and approval
- Budget discussion
 - FY 24 budget numbers were raised with the committee.
- No further action on both audit and budget numbers

- **Takeaways from 9/11/23 meeting**

- We need to see the Rental income numbers- Emory's cut- Management fee of 10% per property
- A visual representation of the Dip- before and After
 - Legal services RFP- TBD
 - Insurance services RFP- started will provide updates once a decision is made 2-3rd quarter
- 501c3 Setup- and foundational information
 - Initial discussion- pending further conversations
- To be discussed at a future date -Investment Policy statements and setup- Mike Gracy.

Management responses to Audit findings

- Finding 2022 – 001
 - Management agrees with the finding and appreciates the importance of providing closing journal entries to present accurate financial statements. The Corporation has recently hired a Deputy Director with overall responsibility for ensuring proper accounting of the Corporation's finances. Management expects closing journal entries for Fiscal Year 2023 to be completed no later than July 30, 2023.
- Finding 2022-002
 - Management agrees with the finding. Utilizing financial best practices, the Corporation will develop property development cost capitalization policy and procedures that will allocate costs for preconstruction, construction and overhead for property development and preservation projects. The policy will be presented to the Board for review and approval no later than the fall of 2023.
- Finding 2022 – 003
 - Management agrees with this finding. We believe the term "cash disbursement" as used in the finding refers to any payment by the Corporation in exchange for the provision of goods or services. Practically, this would mean payments made by the Corporation via check or through payroll, as the Corporation does not use cash as a means of payment. Current policies pertaining to the approval and coding of expenditures will be reviewed and, where necessary, revised consistent with the recommendation. Procedures for the administration of credit card use have already been implemented, and the formal policy will be revised to reflect such. Finally, the Corporation has already begun to redesign procedures and systems for the storage of financial documents.



Dip before pictures

- Project number FY24-001
- Project name Dip And Old Elm Ave
- Estimated cost- 300,000
- Work to commence on 10/9/23



Applied bank loan

Proposed Refinancing of Current Notes for Officer's Row and Old Battery Lane buildings

Loan	Start Date	Original Note Amount	Note Rate	Use of Funds	Due On	Current				Proposed				
						Current Balance	Rate	Monthly Payment	Annual Cash Flow*	Current Balance	Rate	Monthly Payment	Annual Cash Flow*	Due On
Old Battery Lane #810	February 5, 2021	\$885,000	Prime+1.5%	Historic renovation 4 single-family rental properties (2 duplexes).	September 1, 2023	\$870,334	10.00%	\$7,071	-\$3,658	\$612,000	6.75%	\$4,265	\$17,944	August 31, 2028
Officers Row #380	July 27, 2017	\$1,550,000	Prime+2%	Historic renovation 7 single-family rental properties. (3 duplexes + 1303)	August 1, 2024	\$869,337	10.50%	\$6,932	\$22,416	\$869,337	6.75%	\$6,058	\$32,905	August 31, 2028

*Annual Cash Flow after debt payments and estimated operating expenses.



August Financials

