ELDERLY HOUSING CORPORATION AGENDA

COUNCIL CHAMBERS THURSDAY, JANUARY 6, 2022 1:00 PM

Join Zoom Meeting
https://us02web.zoom.us/j/89489165619?pwd=c1ZuWHd0UDlQSWc2Q04vcURxRklVZz09

Meeting ID: 894 8916 5619
Passcode: 746900
One tap mobile
+13126266799, US (Chicago)

1. Call to Order
2. Approval of the Minutes -- December 10, 2020
3. Election of Officers
4. Audited Financial Statement
5. Operations and Capital Improvement Plan
6. Adjournment

Elderly Housing Corporation of Faribault
Meeting Minutes

December 10, 2020

The Elderly Housing Corporation of Faribault met on December 10, 2020 in the 1st Floor Public Meeting Room, Faribault City Hall, 208 1st Avenue NW, Faribault, MN.

Member Present: Gary Lazarz, Patricia Gustafson and Elizabeth Meder

Members Absent: Brendan Kennedy

Staff Present: Kim Clausen, Community Development Coordinator

1. Call to Order

President Gustafson called the meeting to order at 3:40 p.m.

2. Minutes

The minutes of the December 17, 2019 meeting were presented for consideration. A motion was made by Lazarz and seconded by Meder to approve the minutes as presented. The motion passed unanimously.

3. Election of Officers

As officers must be elected, Gustafson asked for nominations. A motion was made by Lazarz to nominate Gustafson as President; Brendan Kennedy, Vice President; and Elizabeth Meder, Secretary. The motion was seconded by Meder and passed unanimously.

4. Audited Financial Statement

The Robinwood Manor Financial Statement and Auditor's Report for the Year Ending December 31, 2019 was presented. The report, for the Elderly Housing Corporation, shows cash at the end of the year in the amount of $451,392. There were no audit findings. The audit reflected $452,510 in assets for the Elderly Housing Corporation General Fund and $942,756 in assets for Robinwood Manor.

A motion was made by Lazarz to receive and file the 2019 Financial Statements and Tax Returns as presented. The motion was seconded by Meder and passed unanimously.

5. Operations and Capital Improvement Plan

The Board discussed the 2021-2025 Capital Improvement Plan.

A motion was made by Meder to approve the proposed Capital Improvement Plan for 2021-2025. The motion was seconded by Lazarz and passed unanimously.

Commissioners also directed staff to provide Broaster gift cards to the tenants in lieu of the Annual Dinner, due to continued COVID gathering restrictions.

6. Adjournment

A motion was made by Lazarz and seconded by Meder to adjourn the meeting at 4:12 p.m.

Respectfully Submitted,	Approved:	Attest:
Kim Clausen Community Development Coordinator	Patricia Gustafson President	Elizabeth Meder Secretary

Agenda Item: 3

MEMORANDUM

TO: Elderly Housing Corporation
FROM: Deanna Kuennen, Community & Econ Dev Director
MEETING DATE: January 6, 2022
SUBJECT: Election of Officers

BACKGROUND:
The purpose of this item is to elect officers for the Elderly Housing Corporation (EHC). Per the Articles of Incorporation of the Elderly Housing Corporation – there shall be five (5) directors. Currently members are as follows:

Patricia Gustafson
Gary Lazarz
Elizabeth Meder
Brendan Kennedy
Vacant

The 2021 officers of the EHC are:

President:	Gary Lazarz
Vice President:	Brendan Kennedy
Secretary:	Elizabeth Meder

There is no term limit for officer positions.

REQUESTED ACTION:
The EHC is requested to elect officers for the upcoming year.

Agenda Item: 4

MEMORANDUM

TO: Elderly Housing Corporation
FROM: Deanna Kuennen, Community & Econ Dev Director
MEETING DATE: January 6, 2022
SUBJECT: 2020 Audited Financial Statement and Tax Returns

SUMMARY

Included in the packet of information is the Annual Financial Report from the 2020 audit that was completed and submitted on March 19, 2021. There were no audit findings from last year's audit that needed correcting. The auditors found no significant deficiencies related to the audit of the financial statements and no instances of noncompliance.

Cash and cash equivalents for the Elderly Housing Corporation increased from $451,392 to $465,224 as of December 31, 2020. For Robinwood Manor, it went from $449,932 to $483,730. The total assets of the Elderly Housing Corporation are $466,833 and the total assets of Robinwood Manor are $932,715. Prior to expenses for depreciation, the Project's income was $34,568. Including depreciation, the Project had operating income loss of $945 while the EHC had income of $14,323.

In addition, the 2020 Tax Return is attached for review by the EHC.

REQUESTED ACTION

Receive and file the FY2020 audited financial statements and the 2020 Tax Return.

Robinwood Manor Elderly Housing Project
Faribault, Minnesota

HUD Project No. 092-11023

Annual Financial Report

December 31, 2020

Lead Auditor: Matthew L Mayer, CPA
BerganKDV Ltd.
3800 American Blvd W
Suite 1000
Bloomington, Minnesota 55431
952.563.6800
Federal EIN: 41-1431613
Licensing: Licensed by State of Minnesota

Robinwood Manor Elderly Housing Project
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Independent Auditor's Report

Board of Directors
Robinwood Manor Elderly Housing Project
Faribault, Minnesota

Report on the Financial Statements
We have audited the accompanying financial statements of Robinwood Manor Elderly Housing Project (the Project), a Minnesota non-profit corporation, which comprise the statements of financial position as of December 31, 2020, and the related statements of activities, changes in net assets and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Project's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Project's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Robinwood Manor Elderly Housing Project, Minnesota, as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information is presented for purposes of additional analysis as required by the *Consolidated Audit Guide for Audits of HUD Programs* issued by the U.S. Department of Housing and Urban Development, Office of the Inspector General, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards
In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2021, on our consideration of the Project's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Project's internal control over financial reporting and compliance.

Bergankdv Ltd.

Minneapolis, Minnesota
March 10, 2021

FINANCIAL STATEMENTS

Robinwood Manor Elderly Housing Project
HUD Project No. 092-11023
Statements of Financial Position
December 31, 2020

		General Fund	Project
Assets			
Current Assets			
1120	Cash and cash equivalents	$ 465,224	$ 475,117
1130	Tenant accounts receivable, net	-	3,311
1140	Accounts receivable - operations	-	3,687
1160	Interest receivable	1,609	1,615
	Total current assets	466,833	483,730
Deposits Held in Trust - funded			
1191	Tenant deposits held in trust	-	16,061
Fixed Assets			
1410	Land	-	62,426
1420	Buildings	-	1,888,852
1440	Building equipment	-	17,419
1470	Maintenance equipment	-	79,754
	Total fixed assets, cost	-	2,048,451
1495	Less accumulated depreciation	-	(1,615,527)
	Total fixed assets, net	-	432,924
	Total assets	$ 466,833	$ 932,715
Liabilities and Net Assets			
Current Liabilities			
2110	Accounts payable	$ -	$ 5,913
2150	Accrued property taxes	-	13,052
2210	Unearned revenue	-	3,801
	Total current liabilities	-	22,766
Deposit Liabilities			
2191	Total deposits held in trust	-	13,556
	Total liabilities	-	36,322
Net Assets			
3163	Unrestricted net assets	466,833	896,393
	Total liabilities and net assets	$ 466,833	$ 932,715

See notes to financial statements.

Robinwood Manor Elderly Housing Project
HUD Project No. 092-11023
Statements of Activities
Year Ended December 31, 2020

	General Fund	Project
Income		
Rental, net	$ -	$ 423,653
Financial	14,323	13,151
Other	-	9,321
Total income	14,323	446,125
Project Expense		
Administrative	-	69,437
Utilities	-	43,165
Operating and maintenance	-	275,243
Taxes and insurance	-	23,712
Total project expense	-	411,557
Income before depreciation	14,323	34,568
Depreciation	-	35,513
Net income	$ 14,323	$ (945)

See notes to financial statements.

Robinwood Manor Elderly Housing Project
HUD Project No. 092-11023
Statements of Changes in Net Assets
Year Ended December 31, 2020

	General Fund	Project
Beginning balance, January 1	$ 452,510	$ 897,338
Net income	14,323	(945)
Ending balance, December 31	$ 466,833	$ 896,393

See notes to financial statements.

Robinwood Manor Elderly Housing Project
HUD Project No. 092-11023
Statements of Cash Flows
Year Ended December 31, 2020

	General	Project
Cash Flows - Operating Activities		
Receipts		
Tenants rents, net	$ -	$ 424,493
Interest received	13,832	12,658
Other income	-	9,321
Total receipts	13,832	446,472
Project Disbursements		
Administrative	-	27,183
Management fee	-	42,254
Utilities	-	43,165
Operating and maintenance	-	285,144
Tenant security deposits	-	(109)
Real estate taxes	-	14,220
Miscellaneous taxes and insurance	-	9,430
Total project disbursements	-	421,287
Net cash flows - operating activities	13,832	25,185
Cash and Cash Equivalents, January 1	451,392	449,932
Cash and Cash Equivalents, December 31	$ 465,224	$ 475,117
Reconciliation of Net Income to Net Cash Flows - Operating Activities		
Net income	$ 14,323	$ (945)
Adjustments to reconcile operating Income (loss) to net cash flows - Operating activities		
Depreciation expense	-	35,513
Change in operating assets and liabilities		
Accrued interest receivable	(491)	(493)
Tenant accounts receivable	-	352
Accounts receivable - other	-	(126)
Tenant security deposits held in trust	-	(20)
Accounts payable	-	(9,901)
Property taxes	-	62
Unearned revenue	-	614
Tenant security deposits	-	129
Total adjustments	(491)	26,130
Net cash flows - operating activities	$ 13,832	$ 25,185

See notes to financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Robinwood Manor Elderly Housing Project (the Project), wholly owned by the Elderly Housing Corporation (EHC) of Faribault, Minnesota, is a 51-unit housing Project located in Faribault, Minnesota. The Project is operated under section 223(a)(7) of the Housing Act of 1959. Substantially all of the Project's income is derived from the rental of its apartment units and Section 8 Housing Assistance Payments from HUD.

The General Fund on these financial statements represents remaining funds from a 1991 refinancing.

B. Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues are recognized when earned and expenses are recorded when a liability is incurred.

C. Financial Statement Presentation

The Project has adopted Financial Accounting Standards Board Accounting Standards Codification Subtopic (FASB ASC) 958-205, *Financial Statements of Not-for-Profit Organizations*. Under FASB ASC 958-205, the Project is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Unrestricted net assets are free of donor-imposed restrictions and include all revenues, expenses, gains, and losses that are not subject to donor-imposed restrictions. Temporarily restricted net assets are those stipulated by donors for specific operating purposes or those not currently available for use until commitments regarding their use have been fulfilled. Permanently restricted net assets are those contributed with donor stipulations that they be held in perpetuity with the use of income for unrestricted or temporarily restricted purposes. In addition, the Project is required to present a statement of cash flows.

D. Assets, Liabilities, and Net Assets

1. Cash and Investments

For purposes of the statements of cash flows, all highly liquid investments with a maturity of three months or less are considered to be cash equivalents.

2. Receivables and Credit Policies

Trade receivables are uncollateralized tenant obligations due under normal trade terms requiring payment within five days from the 1st of the month. Unpaid trade receivables do not bear interest.

Trade receivables are stated at the signed contract price. Tenant account balances over five days old are considered delinquent.

Payments of trade receivables are applied to the earliest unpaid monthly rent.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Net Assets (Continued)

2. Receivables and Credit Policies (Continued)

The carrying amount of trade receivables is reduced by a valuation allowance that reflects management's best estimate of the amounts that will not be collected. After 30 days, management begins legal proceedings against the tenant. An unlawful detainer is retained and the eviction process begins. Once a tenant vacates with an amount outstanding, the security deposit is applied to the balance due and the balance is written off per the adopted write-off policy. An allowance for uncollectible trade receivables has been setup in the amount of $2,285 at December 31, 2020.

3. Fixed Assets

Fixed assets are defined by the Project as assets with an initial, individual cost of more than $5,000 (amount not rounded) and an estimated useful life in excess of one year. Fixed assets are stated at cost and are being depreciated using straight line methods based on estimated useful lives as follows:

Assets	Years
Buildings and improvements	5-40
Building equipment	5-15
Maintenance equipment	7-10

Upon retirement or other disposition, the cost and related accumulated depreciation of disposed assets are removed from the accounts and any resulting gain or loss is recognized in operations.

Repairs and maintenance are charged to expense as incurred. Renewals and improvements that extend the useful life of assets are capitalized and depreciated over future periods.

4. Tenant Deposits Held in Trust

Tenant deposits are funds that are paid at the inception of a lease agreement by the lessee, in order to provide the Project protection in the case the property is damaged. These funds are released at the commencement of the lease, plus accrued interest, to the lessee, provided certain requirements have been met.

5. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles of the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

6. Subsequent Events

In preparing these financial statements, the Project has evaluated events and transactions for potential recognition or disclosure through March 10, 2021, the date the financial statements were available to be issued.

NOTE 2 – INCOME TAXES

The Project reviews and assesses its tax positions taken or expected to be taken in tax returns. Based on this assessment the Project determines whether it is more likely than not that the position would be sustained upon examination by tax authorities. The Project's assessment has not identified any significant positions that it believes would not be sustained under examination.

The Project is a nonprofit corporation that is exempt from income tax under section 501(c)(3) of the Internal Revenue Code and has determined that such tax position does not result in an uncertainty requiring recognition. The Organization is not currently under examination by any taxing jurisdiction. Its federal income tax returns are generally open for examination for three years after the date of filing, including extensions.

NOTE 3 – RISK MANAGEMENT

The Project is exposed to various risks of loss to torts; theft, damage, and destruction of assets; errors on omissions; and natural disasters for which the Project carries commercial insurance. There has been no significant reduction in insurance coverage from the previous year. In addition, there have been no material settlements in excess of coverage in any of the prior three fiscal years.

NOTE 4 – VULNERABILITY DUE TO CONCENTRATION IN A MULTIFAMILY PROJECT

The Project's sole asset is its apartment project. The Project's operations are concentrated in the multifamily real estate market. In addition, the Project operates in a heavily regulated environment. The operations of the Project are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies, including, but not limited to, HUD. Such administrative directives, rules and regulations are subject to change by an act of Congress or an administrative change mandated by HUD. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change. The Project's most vulnerable concentration is Housing Assistance Payments, which have to be appropriated by Congress annually.

SUPPLEMENTARY INFORMATION
Robinwood Manor Elderly Housing Project
Faribault, Minnesota
Project Number: 092-11023

Robinwood Manor Elderly Housing Project
HUD Project No. 092-11023
Supplementary Information
Statements of Changes in Fixed Assets
Year Ended December 31, 2020

		Fixed Assets			
		Balance 12/31/2019	Additions	Retirements	Balance 12/31/2020
1410	Land	$ 62,426	$ -	$ -	$ 62,426
1420	Buildings	1,888,852	-	-	1,888,852
1440	Building equipment	17,419	-	-	17,419
1470	Maintenance equipment	79,754	-	-	79,754
	Total	2,048,451	-	-	2,048,451
1495	Less accumulated depreciation	(1,580,014)	(35,513)	-	(1,615,527)
		$ 468,437	$ (35,513)	$ -	$ 432,924

Robinwood Manor Elderly Housing Project
HUD Project No. 092-11023
Supplementary Information
Statements of Activities
Year Ended December 31, 2020

		General Fund	Project
Income			
Rent Revenue			
5120	Gross potential	$ -	$ 176,961
5121	Tenant assistance payments	-	246,692
5100T	Total rent revenue	-	423,653
Financial Revenue			
5410	Financial revenue - operations	14,323	-
5490	Revenue from investments	-	13,151
5400T	Total financial revenue	14,323	13,151
Other Revenue			
5910	Laundry and vending	-	9,321
5000T	Total income	14,323	446,125
Project Expense			
Administrative			
6311	Office expense	-	14,688
6320	Management fee	-	42,254
6350	Audit expense	-	9,225
6370	Bad debts	-	3,158
6390	Miscellaneous administrative expenses	-	112
6263T	Total administrative	-	69,437
Utilities			
6450	Electricity	-	30,391
6451	Water	-	2,175
6452	Gas	-	5,723
6453	Sewer	-	4,876
6400T	Total utilities	-	43,165
Operating and Maintenance			
6515	Supplies	-	2,145
6520	Contracts	-	269,362
6525	Garbage and trash removal	-	3,273
6590	Miscellaneous operating and maintenance	-	463
6500T	Total operating and maintenance	-	275,243
Taxes and insurance			
6710	Real estate taxes	-	14,282
6720	Property and liability insurance	-	9,430
6700T	Total taxes and insurance	-	23,712

Robinwood Manor Elderly Housing Project
HUD Project No. 092-11023
Supplementary Information
Statements of Activities
Year Ended December 31, 2020

		General Fund	Project
Financial			
6000T	Total costs of operations before depreciation	$ -	$ 411,557
5060T	Income before depreciation	14,323	34,568
6600	Depreciation	-	35,513
5060N	Operating income	$ 14,323	$ (945)

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

Board of Directors
Robinwood Manor Elderly Housing Project
Faribault, Minnesota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Robinwood Manor Elderly Housing Project (the Project), a Minnesota non-profit corporation, which comprise the statements of financial position as of December 31, 2020, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 10, 2021.

Internal Control over Financial Reporting
In planning and performing our audit of the financial statements, we considered the Project's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Project's internal control. Accordingly, we do not express an opinion on the effectiveness of the Project's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Project's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters
As part of obtaining reasonable assurance about whether the Project's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Project's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Project's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Minneapolis, Minnesota
March 10, 2021

Robinwood Manor Elderly Housing Project
HUD Project No. 092-11023
Schedule of Findings and Questioned Costs
Year Ended December 31, 2020

SECTION I - SUMMARY OF AUDIT RESULTS

Financial Statements

1. The auditor's report expresses an unmodified opinion on the financial statements of Robinwood Manor Elderly Housing Project.

2. No significant deficiencies related to the audit of the financial statements were disclosed in the audit of the financial statements.

3. No instances of noncompliance were disclosed in the audit of the financial statements.

SECTION II - FINDINGS RELATED TO THE FINANCIAL STATEMENTS

NONE

ROBINWOOD MANOR ELDERLY HOUSING PROJECT HUD PROJECT NO. 092-11023
CERTIFICATION OF PROJECT OWNERS AND MANAGEMENT AGENT

FOR THE YEAR DECEMBER 31, 2020

We hereby certify that we have examined the accompanying financial statements and supplemental information of Robinwood Manor Elderly Housing Project and, to the best of our knowledge and belief, the same is complete and accurate.

ROBINWOOD MANOR ELDERLY HOUSING PROJECT

By: The Elderly Housing Corporation of Faribault, Minnesota

Deanna Kuennen (Executive Director)

3/10/21

Date

Employer Identification Number : 41-1720252

Form **8879-EO**

Department of the Treasury
Internal Revenue Service

IRS e-file Signature Authorization for an Exempt Organization

For calendar year 2020, or fiscal year beginning _____ , 2020, and ending _____ , 20 ____

▶ **Do not send to the IRS. Keep for your records.**

▶ **Go to www.irs.gov/Form8879EO for the latest information.**

OMB No. 1545-0047

2020

Name of exempt organization or person subject to tax

ELDERLY HOUSING CORPORATION

Taxpayer identification number

41-1720252

Name and title of officer or person subject to tax

PATRICIA GUSTAFSON
PRESIDENT

Part I Type of Return and Return Information (Whole Dollars Only)

Check the box for the return for which you are using this Form 8879-EO and enter the applicable amount, if any, from the return. If you check the box on line **1a, 2a, 3a, 4a, 5a, 6a,** or **7a** below, and the amount on that line for the return being filed with this form was blank, then leave line **1b, 2b, 3b, 4b, 5b, 6b,** or **7b,** whichever is applicable, blank (do not enter -0-). But, if you entered -0- on the return, then enter -0- on the applicable line below. **Do not** complete more than one line in Part I.

1a **Form 990** check here ▶ [X]	**b** **Total revenue,** if any (Form 990, Part VIII, column (A), line 12)	**1b**	446,940.
2a **Form 990-EZ** check here ▶ [ ]	**b** **Total revenue,** if any (Form 990-EZ, line 9)	**2b**	
3a **Form 1120-POL** check here ▶ [ ]	**b** **Total tax** (Form 1120-POL, line 22)	**3b**	
4a **Form 990-PF** check here ▶ [ ]	**b** **Tax based on investment income** (Form 990-PF, Part VI, line 5)	**4b**	
5a **Form 8868** check here ▶ [ ]	**b** **Balance due** (Form 8868, line 3c)	**5b**	
6a **Form 990-T** check here ▶ [ ]	**b** **Total tax** (Form 990-T, Part III, line 4)	**6b**	
7a **Form 4720** check here ▶ [ ]	**b** **Total tax** (Form 4720, Part III, line 1)	**7b**	

Part II Declaration and Signature Authorization of Officer or Person Subject to Tax

Under penalties of perjury, I declare that [X] I am an officer of the above organization or [ ] I am a person subject to tax with respect to (name of organization) _____, (EIN) _____ and that I have examined a copy of the 2020 electronic return and accompanying schedules and statements, and, to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the return to the IRS and to receive from the IRS **(a)** an acknowledgement of receipt or reason for rejection of the transmission, **(b)** the reason for any delay in processing the return or refund, and **(c)** the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the electronic return and, if applicable, the consent to electronic funds withdrawal.

PIN: check one box only

[X] I authorize BERGANKDV, LTD. to enter my PIN 56301

ERO firm name

Enter five numbers, but do not enter all zeros

as my signature on the tax year 2020 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I also authorize the aforementioned ERO to enter my PIN on the return's disclosure consent screen.

[ ] As an officer or person subject to tax with respect to the organization, I will enter my PIN as my signature on the tax year 2020 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I will enter my PIN on the return's disclosure consent screen.

Signature of officer or person subject to tax ▶ Date ▶

SIGN HERE

Part III Certification and Authentication

ERO's EFIN/PIN. Enter your six-digit electronic filing identification number (EFIN) followed by your five-digit self-selected PIN. 41359386301

Do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2020 electronically filed return indicated above. I confirm that I am submitting this return in accordance with the requirements of **Pub. 4163,** Modernized e-File (MeF) Information for Authorized IRS *e-file* Providers for Business Returns.

ERO's signature ▶ BERGANKDV, LTD. Date ▶ 08/31/21

ERO Must Retain This Form - See Instructions
Do Not Submit This Form to the IRS Unless Requested To Do So

LHA **For Paperwork Reduction Act Notice, see instructions.** Form **8879-EO** (2020)

023051 11-03-20

Agenda Item: 5

MEMORANDUM

TO: Elderly Housing Corporation
FROM: Deanna Kuennen, Community & Econ Dev Director
MEETING DATE: January 6, 2021
SUBJECT: Operations and Capital Improvement Plan

The purpose of this memo is to review the Capital Improvement Plan and determine what building improvements should be scheduled over the next five years. In 2020 the interior remodeling project was completed, including new common area paint, tile, carpet, handrails and millwork. In 2021 the parking lot was redone. This project is completed for the most part, with a small punch list that will be finalized in Spring 2022 when the weather allows. Also, furniture was acquired for the common area, built by MNCORR.

CAPITAL IMPROVEMENT PLAN:

The Capital Improvement Plan for 2021-2025 identifies the following improvements for the next five years:

PROPOSED

	2021	2022	2023	2024	2025	Total
Apt unit flooring	$8,000	$8,000	$8,000	$8,000	$8,000	$40,000
Appliances	$2,000	$2,000	$2,000	$2,000	$2,000	$10,000
Water heater rep		$14,000				$14,000
Cigarette smoke detectors	$37,000					$37,000
Expand parking lot	$100,000					$100,000
Bathroom upgrades			$75,000	$75,000		$150,000
Common area furniture	$5,000					$5,000
New security cameras		$50,000				$50,000
Total:	**$152,000**	**$74,000**	**$85,000**	**$85,000**	**$10,000**	**$406,000**

Staff also conducted a roof inspection with Kato Roofing, to determine the useful life left in the roof. Based on the inspections, the roofs are in good condition with only minor repairs needed to maintain the useful life of the roof. Based on the inspection and proposal – an addition $5,000 is proposed for 2022 for roof repair, as well as participation in a yearly inspection program ($500 per inspection) to maintain the integrity of the flat roofs that are on this property, and to prevent any future roof issues that may develop. Based on this information – the proposed Capital Improvement Plan for 2022-2025 is:

PROPOSED CIP 2022-2025

	2022	2023	2024	2025	Total
Apt unit flooring	$8,000	$8,000	$8,000	$8,000	$40,000
Appliances	$2,000	$2,000	$2,000	$2,000	$10,000
Water heater rep	$14,000				$14,000
Cigarette smoke detectors					$37,000
Expand parking lot					$100,000
Bathroom upgrades		$75,000	$75,000		$150,000
Common area furniture					$5,000
New security cameras	$50,000				$50,000
Roof Repair	$5,500				$5,500
Total:	**$79,500**	**$85,000**	**$85,000**	**$10,000**	**$411,500**

REQUESTED ACTION

Staff requests the EHC adopts the proposed 2022-2025 CIP.