

assaly investment program corporation

TS# 073973

thomas g. assaly, president

Suite 1 – 1003 Whitney Road, KEMPTVILLE, ON K0G 1J0 Canada
phone: 613-258-9090 ♦ fax: 613-258-9499 ♦ e-mail: tassaly@ripnet.com

AID PROGRAM

The AID Program provides a timely exit strategy for investors to repay their equity in full, prior to 5 years.

- a) The investors would register a Deed of Gift on Title, concurrently with the sale of the Property by the Diocese to them. The Deed of Gift is directed as per the Income Tax Interpretation Bulletin IT-226R to the Thomas C. Assaly Charitable Foundation (Foundation), which issues the donation receipt.
- b) The irrevocable Deed of Gift must then be valued by the Foundation, based on its residual interest, which is properly described in point #5 of IT-226R. The value of the residual interest is usually far greater than the original appraised value, due to the fact that the Deed of Gift, although irrevocable, has not actually vested until the death of the investor, which could be several years in the future.
- c) Each investor may be of a different age, and consequently, his interest may vest at a different time than the other investors. Therefore, an actuary must be retained by AID to determine how many years until the Deed of Gift is vested, based on the investors' estimated mortality.
- d) For the investors, the donation receipt is usually much greater than the current value of the property, thereby allowing more than enough tax credits from the donation receipt to repay any liability incurred through purchasing the asset.
- e) The investors will own the property for their entire lifetime, even after using the tax credits to repay all liabilities.
- f) The Property cannot be further encumbered, sold, or revert back to any party once the AID Program is put in place.

EXAMPLE:

- **The appraised value of the property: \$250,000.**
- **Residual Interest valued by an actuary: \$800,000.**
- **Estimated donation receipt: \$400,000.**
- **Estimated tax credits: \$188,000.**

To learn more about the AID Program in general terms, please visit our website at www.assaly.org. In the meantime, if you have any questions or require further explanation or any clarification, please don't hesitate to call.