

**Housing Authority
Finance Committee Meeting**

April 2, 2024

11:15 a.m.

LOCATION: ELECTRONIC

Committee Members:

**Committee Chair William C. Rose
Commissioner Kathy Stitts
Commissioner Arthur Dark
Commissioner Vivian Perez Chandler
Commissioner Andrew Perkins
Commissioner Betsy Annese**

So Much More

FINANCE COMMITTEE AGENDA

April 2, 2024
11:15 A.M.

1. Call to Order
2. Roll Call
3. Review and Approval of Agenda (April 2, 2024)
4. Review and Approval of Summary Minutes (March 5, 2024)
5. Management Reports
 - Executive Director Report
 - Financial Report
6. Resolutions
 - **Resolution No. 2241** - Resolution Authorizing Approval of Financial Statements (February 2024)
 - **Resolution No. 2242** – Resolution Ratifying the Award of the Contract to Dynamic Quest for Managed IT Services
 - **Resolution No. 2243** – Resolution Authorizing Additional Services Agreement (Choice Neighborhoods Phase II/III)
7. Committee Comments
8. Adjournment
Upon motion and second; no vote required in absence of objection.

So Much More

3/5/2024 Summary Minutes

Finance Committee Present via Zoom:

Present:

Committee Chair William Rose
Commissioner Andrew Perkins
Commissioner Arthur Dark
Commissioner Betsy Annese
Commissioner Vivian Perez Chandler
Commissioner Kathy Stitts (joined at 11:19 am)

Absent:

Staff Presenting:

Kevin Cheshire, Executive Director
Nancy Thomas, VP of Administration/CFO

1. CALL TO ORDER

Committee Chair Rose called the Finance Committee Meeting to order at 11:15 a.m.

2. ROLL CALL

Roll was called and there was a quorum.

3. REVIEW AND APPROVAL OF THE AGENDA

Consideration to approve the Agenda (March 5, 2024)

Motion: Commissioner Dark

Second: Commissioner Perez Chandler

No discussion; Unanimous approval.

4. REVIEW AND APPROVAL OF SUMMARY MINUTES

Consideration to approve the Summary Minutes (February 6, 2024)

Motion: Commissioner Dark

Second: Commissioner Annese

No discussion; Unanimous approval.

5. MANAGEMENT REPORTS

Executive Director Report (Kevin Cheshire)

Kevin Cheshire reported the following:

- Winston-Salem Journal featured a very positive article on Full Circle out at Piedmont Park which is an after-school program for kids.
- Demolition at the King Building is underway and the entire first floor has been completed.
- Habitat for Humanity broke ground on their 13 lots over at Happy Hill. Had a really good kickoff meeting for Phase 2 which will include approximately 72 units. That number is significantly higher than anticipated which is extremely positive for the Community.

So Much More

3/5/2024 Summary Minutes

- The first group of former Cleveland Avenue Home’s residents have signed leases and received keys for their new units at the Brown School Lofts. The ribbon cutting ceremony will be held April 25, 2024 @ 3:00 pm. Please save the date! Notices will be forwarded soon.
- Crystal Towers’ elevator modernization has been delayed, due to the lead person on the Kone crew leaving unexpectedly and without notice. A new lead tech is on the job and Car 1 should be operable within 2.5 to 2 weeks. A resident meeting is scheduled for this evening to update everyone.

Financial Report (Nancy Thomas)

Nancy Thomas presented the January 2024 Financial Reports.

- Revenue is 7% higher than budgeted
- Expenses are 2.57% higher than budget
- Net Gain before depreciation of \$504,621
- Net Gain/Loss after depreciation is \$737,407 better than budget.

6. RESOLUTIONS

Resolution 2239 Resolution Authorizing Approval of Financial Statements (January 2024)

Motion: Commissioner Stitts

Second: Commissioner Perkins

Unanimous approval.

Commissioner Perez Chandler questioned the 10% variance under Administrative Expense category and Ms. Thomas explained that the variance is in salaries and benefits due to several vacant positions in the administrative area; management fees under revenue of \$60,832 are a wash between the HCV program and what it pays corporate; four months into the year, a lot of areas are under budget, but will catch up as the year progresses. The portion that relates to the salaries and benefits will continue to be a savings.

7. COMMITTEE COMMENTS

Commissioner Perkins inquired as to our vacancy rate, agency-wide, as far as staffing and Mr. Cheshire provided it is approximately five openings. Ms. Thomas provided that we have four open positions in maintenance and there are other open positions that have been budgeted, but are not actively being filled. Commissioner Perkins asked if we are diligently searching to fill the maintenance positions and if an entry level budget modification has been considered. Mr. Cheshire provided that there has been a substantial increase over the last 18 months and believes that we are paying people enough, but the nature of the work and the working environment are not ideal. Commissioner Perkins asked when the pay study was completed and Ms. Thomas provided that it was the end of 2022. Commissioner

So Much More

3/5/2024 Summary Minutes

Perkins also inquired as to whether the staff morale is still good and Ms. Thomas provided that it is, with the caveat that there are always challenges, but no changes in the overall morale.

8. ADJOURNMENT

The March 5, 2024 meeting of the Finance Committee adjourned at 11:47 PM.

Acknowledgement and Adoption of the March 5, 2024 Finance Committee Minutes:

Date Adopted

Kevin Cheshire, Board Secretary

So Much More

RESOLUTION NO. 2241

AUTHORIZING APPROVAL OF THE FEBRUARY 29, 2024 FINANCIAL STATEMENTS

WHEREAS, the Housing Authority of the City of Winston-Salem (the " Authority") operates on a Fiscal Year ending September 30; and

WHEREAS, the Authority prepares unaudited Financial Statements monthly, as mandated by the United States Department of Housing and Urban Development; and

WHEREAS, the unaudited Financial Statements dated February 29, 2024 were submitted to the Board of Commissioners for review; and

WHEREAS, the unaudited Financial Statements attached and referenced herein is a permanent record and will continue to be maintained in the Authority's permanent files;

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners hereby accepts the unaudited Financial Statements dated February 29, 2024.

Adopted On: _____ (Date)

Signed: _____
Kevin Cheshire
Board Secretary

Housing Authority of Winston-Salem
Financial Highlights
February 29, 2024

Consolidated Statements

As of February 29, 2024, the total assets of the Authority were \$49,069,216 while total liabilities were \$11,898,373. The current ratio (current assets of \$9,263,210 divided by current liabilities of \$1,436,620) was 6.45.

The net loss excluding Housing Assistance Payments (HAP) and receipts is (\$61,025). There was negative cash flow excluding HAP payments and receipts of (\$936,160). The net gain prior to depreciation, extraordinary items and forgiveness of debt but inclusive of HAP income and expense was \$655,231. There was a consolidated net loss of (\$70,143). This included depreciation of \$725,374. Cash flow decreased by (\$945,278) including HAP receipts and expense. The overall total income was 8.32% over budget and total operating expenditures were (8.45%) under budget.

Low Income Public Housing

Total gross revenue through February 29, 2024 was \$4,413,232 and was under budget by (\$56,140). Tenant Rental Income of \$1,330,843 was over budget by \$48,591. Other Tenant Income of \$97,618 was under budget by (\$30,932).

Expense prior to depreciation and extraordinary items of \$4,366,946 was under budget by (\$487,143) or (10.04%).

The net income for operations prior to depreciation and extraordinary item expenses was \$11,574. The depreciation expense was \$649,654 and net loss including depreciation expense was (\$638,080).

Section 8 (Housing Choice Voucher Program)

The gross revenue generated from Section 8 through February 29, 2024 was \$14,145,053 and was over budget by \$1,578,957. The HAP Fees earned during this period were \$12,827,418 and the HAP expense was \$12,836,536. During the fiscal year to date, HUD has released \$1,485,048 of HUD-held reserves which helps offset increased HAP expenses.

Administrative income of \$1,317,635 and operating expense of \$973,221 produced a net gain of \$344,414 (excluding depreciation). Operating expense was under budget by (14.40%) or (\$163,703.)

The Section 8 financial statements for the period ended February 29, 2024 resulted in net gain before depreciation of \$335,296. The net gain including depreciation was \$326,877.

Scattered Sites

The total revenue for scattered sites was \$350,096 and is under budget by (\$24,452.) Vacancies are the main cause of this variance.

Total Operating expense of \$366,617 was 9.8% or \$32,715 over budget.

The net loss before depreciation expense was (\$16,521) and the depreciation expense was \$58,496 for a net decrease after depreciation of (\$75,017).

Grants

The federal grants are cost reimbursement and therefore do not produce net income. The expenditures and salaries related to this grant are specified by HUD as resident service in nature.

State and local grants consist of Shelter Plus Care for the Homeless, AIDS and Chronic Mental Disorders. This is a cost reimbursement program for which HAWS collects management fees. The profit earned in this program will be transferred to Corporate at year end.

Other grant information included in this report is for activities associated with the PILOT grant for which we are utilizing the dollars that were paid up front and in our reserves. CHOICE Neighborhood funds and expenditures are included here as well.

Corporate Management

The total gross revenue was \$1,287,954, which was over budget by \$111,417 or 9.47%. Unbudgeted bond fee proceeds from Winston Summit are the main reason for this positive variance.

The total operating expense was \$1,090,493, which was under budget by (\$122,840) or (10.12%).

The net income including depreciation was \$196,483.

Imperial Management

Total revenue was \$129,850 and operating expense was \$91,428. Net income after depreciation expense was \$38,422.

Housing Authority of Winston-Salem
Consolidated Balance Sheet
As of February 29, 2024

	Feb-24	FYE 2023	Variance		Feb-23
			Amount	Percentage	
Assets					
Unrestricted cash	94,717	199,033	(104,316)	-52.41%	108,190
Restricted Cash - Public Housing Resrv/Oper	2,980,718	3,580,405	(599,687)	-16.75%	3,272,945
Restricted Cash - HCV Admin Resrv/Oper	1,495,580	1,257,608	237,972	18.92%	712,363
Restricted Cash - HAP	(668,311)	(383,092)	(285,219)	-74.45%	(21,492)
Restricted Cash - Grants	(218,004)	0	(218,004)	-100.00%	0
Restricted Cash - Other	733,370	709,394	23,976	3.38%	692,954
Accounts receivable-tenants, net	80,573	70,444	10,129	14.38%	52,266
Accounts receivable-interest	2,976,452	2,817,096	159,356	5.66%	2,768,672
Accounts receivable-other	1,245,709	793,488	452,221	56.99%	232,759
Prepaid Expenses	435,695	117,183	318,512	271.81%	235,920
Inventories	106,711	106,711	0	0.00%	110,180
Total Current Assets	9,263,210	9,268,270	(5,060)	-0.05%	8,164,757
Fixed Assets	100,336,262	100,315,254	21,008	0.02%	99,081,261
Less Accumulated Depreciation	(77,901,486)	(77,176,111)	(725,375)	-0.94%	(76,152,291)
Net Fixed Assets	22,434,776	23,139,143	(704,367)	-3.04%	22,928,970
Mortgage Receivable	15,491,269	15,491,269	0	0.00%	12,462,919
Other	0	0	0	0.00%	0
Total Other Assets	15,491,269	15,491,269	0	0.00%	12,462,919
Deferred Outflow of Resources	1,879,961	1,879,961	0	0.00%	1,084,146
Total Assets	49,069,216	49,778,643	(709,427)	-1.43%	44,640,792
Liabilities					
Accounts payable	90,591	289,077	(198,486)	-68.66%	146,485
Accrued Liabilities	345,482	805,129	(459,647)	-57.09%	466,441
Current Portion Long Term Debt	61,371	61,371	0	0.00%	50,971
Security Deposits/FSS Escrows	512,724	492,338	20,386	4.14%	475,295
Deferred Revenue	426,452	432,340	(5,888)	-1.36%	408,630
Total Current Liabilities	1,436,620	2,080,255	(643,635)	-30.94%	1,547,822
Line of Credit	477,411	486,801	(9,390)	-1.93%	487,309
Notes Payable-Noncurrent	5,757,939	5,780,932	(22,993)	-0.40%	5,931,034
Other	4,181,447	4,181,447	0	0.00%	1,361,278
Total Noncurrent Liabilities	10,416,797	10,449,180	(32,383)	-0.31%	7,779,621
Deferred Inflow of Resources	44,956	44,956	-	0.00%	1,568,599
Total Liabilities	11,898,373	12,574,391	(676,018)	-5.38%	10,896,042
Equity					
Investment in capital assets, net	16,726,359	16,810,039	(83,680)	-0.50%	17,055,994
Unrestricted net assets	20,514,627	17,031,294	3,483,333	20.45%	17,273,625
Restricted net assets	0	0	0		0
Net income	(70,143)	3,362,919	(3,433,062)	-102.09%	(584,869)
Total Equity	37,170,843	37,204,252	(33,409)	-0.09%	33,744,750
Total Liabilities and Equity	49,069,216	49,778,643	(709,427)	-1.43%	44,640,792

TOTAL HA OF THE CITY OF WINSTON-SALEM

BALANCE SHEET

As of February 29, 2024

							Feb-24	FYE 9/30/2023		
	LIPH	Section 8	S. Sites	Grants	COCC	Imperial	ELIMINATION	Total HAWS	Total HAWS	Variance
ASSETS										
CURRENT ASSETS										
CASH										
UNRESTRICTED CASH			0		0	94,717		94,717	199,033	(104,316)
RESTRICTED CASH - PUBLICHOUSING RESRV	2,980,718							2,980,718	3,580,405	(599,687)
RESTRICTED CASH - HCV ADMIN RESRV/OPER		1,495,580						1,495,580	1,257,608	237,972
RESTRICTED CASH - HAP		(668,311)						(668,311)	(383,092)	(285,219)
RESTRICTED CASH - GRANTS				(218,004)				(218,004)	0	(218,004)
RESTRICTED CASH - OTHER	223,868							223,868	223,437	431
FSS PROGRAM		326,652						326,652	299,718	26,934
SECURITY DEPOSITS	159,212		23,638					182,850	186,239	(3,389)
TOTAL CASH	3,363,798	1,153,921	23,638	(218,004)	0	94,717		4,418,070	5,363,348	(945,278)
ACCOUNTS RECEIVABLE-TENANTS	253,276		35,855					289,131	269,852	19,279
ACCOUNTS RECEIVABLE-HAP								0	0	-
ALLOWANCE FOR DOUBTFUL ACCOUNTS	(183,995)		(24,563)					(208,558)	(199,408)	(9,150)
NET ACCOUNTS RECEIVABLE-TENANTS	69,281	0	11,292	0	0	0		80,573	70,444	10,129
ACCOUNTS RECEIVABLE-MISC										
AR-HUD		740,519						740,519	552,771	187,748
AR- INTEREST					2,976,452			2,976,452	2,817,096	159,356
AR - OTHERS		90,102	84,409	330,679	126,982	363,239	(490,221)	505,190	240,717	264,473
TOTAL AR-MISC	0	830,621	84,409	330,679	3,103,434	363,239	(490,221)	4,222,161	3,610,584	611,577
PREPAID EXPENSES AND OTHER ASSETS										
PREPAID INSURANCE	157,537	50,902	23,666		20,798	5,704		258,607	64,345	194,262
PREPAID EXPENSES-OTHER	83,038	25,550	6,989		61,511			177,088	52,838	124,250
TOTAL PREPAID EXPENSES AND OTHER AS	240,575	76,452	30,655	0	82,309	5,704		435,695	117,183	318,512
INVENTORIES	83,841				0	22,870		106,711	106,711	-
ALLOWANCE OBSOLETE INVENTORY					0			0	0	-
NET INVENTORY	83,841	0	0	0	0	22,870		106,711	106,711	-
TOTAL CURRENT ASSETS	3,757,495	2,060,994	149,994	112,675	3,185,743	486,530	(490,221)	9,263,210	9,268,270	(5,060)
NON-CURRENT ASSETS										
FIXED ASSETS										
LAND	1,097,631			99,962	459,763			1,657,356	1,657,356	-
LAND IMPROVEMENTS	567,273				69,730			637,003	637,003	-
BUILDINGS	82,467,472		9,080,777	258,969	1,969,987			93,777,205	93,756,197	21,008
LEASEHOLD IMPROVEMENTS	423,065	143,465						566,530	566,530	-
CONSTRUCTION IN PROGRESS	0				264,986			264,986	264,986	-
FEM-DWELLINGS	662,019			17,136				679,155	679,155	-
FEM-ADMINISTRATION	2,037,352	241,187			462,018	13,470		2,754,027	2,754,027	-
TOTAL FIXED ASSETS	87,254,812	384,652	9,080,777	376,067	3,226,484	13,470		100,336,262	100,315,254	-
ACCUMULATED DEPRECIATION	(68,517,811)	(382,968)	(6,325,751)	(162,783)	(2,498,703)	(13,470)		(77,901,486)	(77,176,111)	(725,375)
FIXED ASSETS, NET OF DEPRECIATION	18,737,001	1,684	2,755,026	213,284	727,781	0		22,434,776	23,139,143	(704,367)
MORTGAGE RECEIVABLE					11,710,073			11,710,073	11,710,073	-
NOTE RECEIVABLE - CHOICE PHASE I					3,781,196			3,781,196	3,781,196	-
TOTAL MORTGAGE RECEIVABLE	0	0	0	0	15,491,269	0		15,491,269	15,491,269	-
OTHER ASSETS										-
NOTE RECEIVABLE - FEV								0	0	-
NOTES RECEIVABLE - SEC 8								0	0	-
OTHERS					312,000		(312,000)	0	0	-
TOTAL OTHER ASSETS	0	0	0	0	312,000	0	(312,000)	0	0	-
DEFERRED OUTFLOW OF RESOURCES	660,911	314,711	87,637		816,702			1,879,961	1,879,961	-
TOTAL NON-CURRENT ASSETS	19,397,912	316,395	2,842,663	213,284	17,347,752	0	(312,000)	39,806,006	40,510,373	(704,367)
TOTAL ASSETS	23,155,407	2,377,389	2,992,657	325,959	20,533,495	486,530	(802,221)	49,069,216	49,778,643	(709,427)

TOTAL HA OF THE CITY OF WINSTON-SALEM

BALANCE SHEET

As of February 29, 2024

							Feb-24	FYE 9/30/2023		
	LIPH	Section 8	S. Sites	Grants	COCC	Imperial	ELIMINATION	Total HAWS	Total HAWS	Variance
LIABILITIES AND EQUITY										
CURRENT LIABILITIES										
ACCOUNTS PAYABLE										
ACCOUNTS PAYABLE - VENDORS	1,769	80,868	3,590	1,511				87,738	279,084	(191,346)
ACCOUNTS PAYABLE - HUD		69						69	19	50
ACCOUNTS PAYABLE - OTHERS			110	2,674				2,784	9,974	(7,190)
TOTAL ACCOUNTS PAYABLE	1,769	80,937	3,700	4,185	0	0	0	90,591	289,077	(198,486)
ACCRUED LIABILITIES										
ACCRUED SALARIES AND WAGES					44,552			44,552	450,860	(406,308)
ACCRUED UTILITIES	102,722							102,722	89,098	13,624
ACCRUED INTEREST PAYABLE	152		5,122		439			5,713	5,713	-
ACCRUED PILOT - PHA WIDE	44,673							44,673	147,476	(102,803)
ACCRUED COMPENSATED ABSENCES	30,980	12,766	4,866		43,815	1,594		94,021	94,021	-
OTHER ACCRUED LIABILITIES	36,374	11,176	309,913		58,099	1,478	(363,239)	53,801	17,961	35,840
TOTAL ACCRUED LIABILITIES	214,901	23,942	319,901	0	146,905	3,072	(363,239)	345,482	805,129	(459,647)
OTHER CURRENT LIABILITIES										
TENANT SECURITY DEPOSITS	162,138		23,934					186,072	192,620	(6,548)
FSS ESCROW ACCOUNT		326,652						326,652	299,718	26,934
DEFERRED REVENUE	20,482	37,247	2,685		366,038			426,452	432,340	(5,888)
CURRENT PORTION-LT DEBT	3,444		35,663		22,264			61,371	61,371	-
TOTAL OTHER CURRENT LIABILITIES	186,064	363,899	62,282	0	388,302	0		1,000,547	986,049	14,498
TOTAL CURRENT LIABILITIES	402,734	468,778	385,883	4,185	535,207	3,072	(363,239)	1,436,620	2,080,255	(643,635)
NON-CURRENT LIABILITIES										
LONG TERM DEBT										
LINE OF CREDIT					477,411			477,411	486,801	(9,390)
NOTE PAYABLE TO CORPORATE			126,982				(126,982)	0	0	-
NOTE PAYABLE	714,382		4,954,928		462,000		(312,000)	5,819,310	5,842,303	(22,993)
TOTAL	714,382	0	5,081,910	0	939,411	0	(438,982)	6,296,721	6,329,104	(32,383)
LESS CURRENT PORTION	(3,444)		(35,663)		(22,264)			(61,371)	(61,371)	-
TOTAL LONG TERM DEBT - NET	710,938	0	5,046,247	0	917,147	0	(438,982)	6,235,350	6,267,733	(32,383)
NONCURRENT LIABILITIES-OTHER										
ACCRUED COMP. ABSENCES	92,939	38,327	14,598		131,446	4,782		282,092	282,092	-
ACCRUED PENSION & OPEB LIABILITE	1,370,840	652,764	181,774		1,693,977			3,899,355	3,899,355	-
UNAMORTIZED ORIG ISSU DISC								0		-
TOTAL NONCURRENT LIABILITIES-OTHER	1,463,779	691,091	196,372	0	1,825,423	4,782		4,181,447	4,181,447	-
TOTAL NON-CURRENT LIABILITIES	2,174,717	691,091	5,242,619	0	2,742,570	4,782	(438,982)	10,416,797	10,449,180	(32,383)
DEFERRED INFLOW OF RESOURCES	15,805	7,525	2,096		19,530			44,956	44,956	-
TOTAL LIABILITIES	2,593,256	1,167,394	5,630,598	4,185	3,297,307	7,854	(802,221)	11,898,373	12,574,391	(676,018)
EQUITY										
INVESTED IN CAPITAL ASSETS, NET	18,019,175	1,684	(2,235,565)	213,284	727,781	0		16,726,359	16,810,039	(83,680)
UNRESTRICTED NET ASSETS	3,181,056	881,434	(327,359)	27,318	16,311,924	440,254		20,514,627	17,031,294	3,483,333
RESTRICTED NET ASSETS								0	0	-
NET INCOME/(LOSS) - HAP		(9,118)						(9,118)	(62,216)	53,098
NET INCOME/(LOSS)	(638,080)	335,995	(75,017)	81,172	196,483	38,422		(61,025)	3,425,135	(3,486,160)
TOTAL EQUITY	20,562,151	1,209,995	(2,637,941)	321,774	17,236,188	478,676		37,170,843	37,204,252	(33,409)
TOTAL LIABILITIES AND EQUITY	23,155,407	2,377,389	2,992,657	325,959	20,533,495	486,530	(802,221)	49,069,216	49,778,643	(709,427)

Housing Authority of the City of Winston- Salem
Consolidated Revenue and Expense Statement
October 1, 2023 - February 29, 2024

	YTD	YTD	Variance		2/28/2023
	Actual	Budget	Amount	Percentage	Actual
Operating Income					
HUD subsidy/grants	17,155,528	15,742,158	1,413,370	8.98%	16,610,375
HUD Admin Fee	1,316,780	1,267,155	49,625	3.92%	1,270,256
Dwelling rents	1,671,350	1,651,426	19,924	1.21%	1,575,005
Excess utilities & other	107,000	134,636	(27,636)	-20.53%	129,555
Transfer in	-	-	-	-	-
Other income	733,199	421,788	311,411	73.83%	347,977
Management fees	951,663	1,029,896	(78,233)	-7.60%	961,957
Interest on Hope VI Receivable	159,355	161,779	(2,424)	-1.50%	160,903
Interest on general fund	18,490	5,438	13,052	240.01%	10,386
Total Income	22,113,365	20,414,276	1,699,089	8.32%	21,066,414
Operating Expenditures					
Administrative	3,295,281	3,672,379	(377,098)	-10.27%	3,483,180
Tenant Services	1,441,939	1,495,212	(53,273)	-3.56%	3,243,859
Utilities	794,130	757,385	36,745	4.85%	779,459
Maintenance	1,590,923	1,953,727	(362,804)	-18.57%	1,707,718
Protective Services	224,273	305,249	(80,976)	-26.53%	233,136
General	993,011	925,119	67,892	7.34%	913,536
Total Operating Expenses	8,339,557	9,109,071	(769,514)	-8.45%	10,360,888
Other Expenditures					
Operating Transfer Out	-	-	-	-	-
Casualty Loss	34,712	-	34,712	100.00%	62,652
Housing Assistance Payments	13,083,865	11,519,928	1,563,937	13.58%	10,460,885
Total Other Expenditures	13,118,577	11,519,928	1,598,649	13.88%	10,523,537
Total Expenditures	21,458,134	20,628,999	829,135	4.02%	20,884,425
Net Income (Loss) before depreciation	655,231	(214,723)	869,954	405.15%	181,989
Depreciation expense	725,374	720,947	4,427	0.61%	766,858
Net Income (Loss) after depreciation	(70,143)	(935,670)	865,527	92.50%	(584,869)
Other Changes In Cash					
Principal payments on debt	32,384	32,384	-	-	60,275
Capital Exp/Long Term Improvements	21,008	21,008	-	-	20,170
Replacement Reserve Pymts	-	-	-	-	-
Change in Assets/Liabilities	(1,547,117)	(1,547,117)	-	-	(693,678)
Depreciation expense add back	725,374	720,947	4,427	0.61%	766,858
Cash Increase (Decrease)	(945,278)	(1,815,232)	869,954	47.93%	(592,134)

CONSOLIDATED STATEMENT OF REVENUE & EXPENSE

BUDGETED PROGRAM ONLY

October 1, 2023 - February 29, 2024

LIPH	Section 8 Programs	Scattered Sites	Grants	Corporate	Imperial	ELIMINATIONS	YTD ACTUAL	YTD BUDGET	VARIANCE AMOUNT	PERCENT	ANNUAL BUDGET	REMAINING AMOUNT	PERCENT
Operating Income													
HDD subsidy/grants	2,907,254	12,827,418	1,420,856				17,155,528	15,742,158	1,413,370	9%	42,868,433	25,712,905	60%
HDD Admin Fee	1,297,848		18,932				1,316,780	1,267,155	49,625	4%	2,895,299	1,578,519	55%
Dwelling rents	1,330,843	340,507					1,671,350	1,651,426	19,924	1%	3,963,423	2,292,073	58%
Excess utilities & other	97,618	9,382					107,000	134,636	(27,636)	-21%	131,526	24,526	19%
Transfer in	0						0	0	0	0%	1,475,832	1,475,832	100%
Other income	76,790	16,373	347,392	292,399	38		733,199	421,788	311,411	74%	1,110,380	377,181	34%
Management fees				821,851	129,812		951,663	1,029,896	(78,233)	-8%	2,530,951	1,579,288	62%
Interest on Hope VI Receivable				159,355			159,355	161,779	(2,424)	-1%	398,270	238,915	60%
Interest on general fund	727	3,414		14,349			18,490	5,438	13,052	240%	13,051	(5,439)	-42%
Total Income	4,413,232	14,145,053	1,787,180	1,287,954	129,850	0	22,113,365	20,414,276	1,699,089	8%	55,387,165	33,273,800	60%
Operating Expenditures													
Administrative													
Salaries	278,335	290,508	37,244	651,115	16,190		1,316,656	1,482,776	(166,120)	-11%	3,930,612	2,613,956	67%
Employee benefits	111,820	121,154	14,166	227,987	5,625		493,731	582,151	(88,420)	-15%	1,402,855	909,124	65%
Legal and accounting	21,569	26,704	5,162	847			75,115	67,292	7,823	12%	161,500	86,385	53%
Audit	41,011	14,185	3,872	5,741	2,470		67,279	32,288	34,992	108%	77,490	10,211	13%
Travel and training	856	1,522		2,909	211		5,498	28,881	(23,383)	-81%	69,315	63,817	92%
Office rent	91,512	58,587		32,831	2,987		185,917	224,000	(38,083)	-17%	537,601	351,684	65%
Employee Parking	0	0					0	3,542	(3,542)	-100%	8,500	8,500	100%
Management fees	437,980	334,172	39,789	86,574			830,873	920,848	(89,975)	-10%	2,210,036	1,379,163	62%
Other	162,177	58,341	7,827	86,574	5,293		320,212	330,601	(10,389)	-3%	780,549	460,337	59%
Total admin	1,145,260	905,173	108,060	1,008,004	32,776	0	3,295,281	3,672,379	(377,098)	-10%	9,178,458	5,883,177	64%
Tenant Services													
Salaries	30,949	20,845					82,743	106,798	(24,055)	-23%	287,378	204,635	71%
Contracts and other	25,500						1,327,542	1,348,844	(21,302)	-2%	8,225,308	6,897,766	84%
Employee benefits	9,560	11,306					31,654	39,570	(7,916)	-20%	94,968	63,314	67%
Total tenant services	66,009	32,151	0	1,343,779	0	0	1,441,939	1,495,212	(53,273)	-4%	8,607,654	7,165,715	83%
Utilities													
Water	201,155	2,418		782			204,355	202,315	2,040	1%	485,557	281,202	58%
Electric	336,721	3,527		4,327			344,575	318,034	26,541	8%	763,281	418,706	55%
Gas	244,508	692					245,200	237,035	8,165	3%	568,885	323,685	57%
Other							0	0	0	0%	0	0	0%
Total utilities	782,384	0	6,637	5,109	0	0	794,130	757,385	36,745	5%	1,817,723	1,023,593	56%
Ordinary maintenance													
Labor	311,548	49,374		5,175	23,564		389,661	473,226	(83,565)	-18%	1,273,118	883,437	69%
Overtime	24,353	5,726		726	73		30,878	33,750	(2,872)	-9%	81,000	50,122	62%
Employee benefits Maint	137,952	20,045		1,208	18,517		177,222	213,574	(35,852)	-17%	512,578	334,856	65%
Materials	161,354	678		1,353	346		199,299	275,112	(75,813)	-28%	599,887	400,588	67%
Contract Costs	658,000	3,053		42,117	1,599		793,363	958,065	(164,702)	-17%	2,117,134	1,323,771	63%
Total maintenance	1,293,207	3,731	188,242	50,579	44,099	0	1,590,923	1,953,727	(362,804)	-19%	4,583,717	2,992,794	65%
Protective Services													
Protective Services	206,692		5,240		12,341		224,273	305,249	(80,976)	-27%	751,817	527,544	70%
Total protective services	206,692	0	5,240	0	12,341	0	224,273	305,249	(80,976)	-27%	751,817	527,544	70%
General													
Insurance	206,986	32,166		16,061	2,212		277,098	271,295	5,803	2%	651,107	374,009	57%
Pilot	44,673						44,673	54,232	(9,559)	-18%	130,157	85,484	66%
Collection Loss	98,238		12,847				111,085	51,292	59,793	117%	123,100	12,015	10%

CONSOLIDATED STATEMENT OF REVENUE & EXPENSE

BUDGETED PROGRAM ONLY

October 1, 2023 - February 29, 2024

LIPH	Section 8 Programs	Scattered Sites	Grants	Corporate	Imperial	ELIMINATIONS	YTD ACTUAL	YTD BUDGET	VARIANCE AMOUNT	PERCENT	ANNUAL BUDGET	REMAINING AMOUNT	PERCENT
3,767		25,918		10,740			40,425	35,230	5,195	15%	84,553	44,128	52%
519,730							519,730	513,070	6,660	1%	1,231,369	711,639	58%
873,394	32,166	58,438	0	26,801	2,212		993,011	925,119	67,892	7%	2,220,286	1,227,275	55%
4,366,946	973,221	366,617	1,450,852	1,090,493	91,428		8,339,557	9,109,071	(769,514)	-8%	27,159,655	18,820,098	69%
Other Expenditures													
Operating Transfer-Out							0	0	0	0%	0	0	0%
Casualty Losses							34,712	0	34,712	0%	0	(34,712)	0%
Housing assistance payments	12,836,536		247,329				13,083,865	11,519,928	1,563,937	14%	27,647,828	14,563,963	53%
Total Other Expenditures	12,836,536	0	247,329	0	0	0	13,118,377	11,519,928	1,598,649	14%	27,647,828	14,529,251	53%
Total Expenditures	4,401,658	366,617	1,698,181	1,090,493	91,428	0	21,458,134	20,628,999	829,135	4%	54,807,483	33,349,349	61%
Net Income (Loss) Before Depreciation	11,574	335,296	88,999	197,461	38,422	0	655,231	(214,723)	869,954	405%	579,682	(75,549)	-13%
Gain/Loss Sales of Real Property							0	0	0	0%	0	0	0%
Depreciation	649,654	58,496	7,827	978			725,374	720,947	4,427	1%	1,730,273	1,004,899	58%
Extra Ordinary Item							0	0	0	0%	0	0	0%
Net Income (Loss)	(638,080)	326,877	81,172	196,483	38,422	0	(70,143)	(935,670)	865,527	93%	(1,150,591)	(1,080,448)	-94%
Debt service	1,943			9,390			32,384	32,384	0	0%	100,187	67,803	68%
Capital Exp/Long Term Improvements	13,693		7,315				21,008	21,008	0	0%	1,700,000	1,678,992	-100%
Replacement Reserve Pymts							0	0	0	0%	13,200	13,200	100%
Change in Assets and Liabilities	(598,490)	(355,609)	(299,688)	(298,006)	(32,803)		(1,547,117)	(1,547,117)	0	0%	0	1,547,117	0%
Depreciation Add Back	649,654	8,419	7,827	978	0		725,374	720,947	4,427	1%	1,730,273	1,004,899	58%
Net cash increase (used) in operations	(602,552)	(20,313)	(218,004)	(109,935)	5,619	0	(945,278)	(1,815,232)	869,954	48%	(1,233,705)	(3,362,661)	(1)

Housing Authority of Winston-Salem
Balance Sheet
Low Income Public Housing
As of February 29, 2024

	Feb-24	FYE 2023	Variance	
			Amount	Percentage
Assets				
Unrestricted cash	-		-	
Restricted Cash - Public Housing Resrv/Oper	2,980,718	3,580,405	(599,687)	-16.75%
Restricted Cash - Other	383,080	385,945	(2,865)	-0.74%
Accounts receivable-tenants, net	69,281	67,012	2,269	3.39%
Accounts receivable-interest	-	-	-	-
Accounts receivable-other	-	-	-	-
Prepaid Expenses	240,575	71,433	169,142	236.78%
Inventories	83,841	83,841	-	0.00%
Total Current Assets	3,757,495	4,188,636	(431,141)	-10.29%
Fixed Assets	87,254,812	87,241,119	13,693	0.02%
Less Accumulated Depreciation	(68,517,811)	(67,868,156)	(649,655)	-0.96%
Net Fixed Assets	18,737,001	19,372,963	(635,962)	-3.28%
Deferred Outflow of Resources	660,911	660,911	-	0.00%
Total Assets	23,155,407	24,222,510	(1,067,103)	-4.41%
Liabilities				
Accounts payable	1,769	171,215	(169,446)	-98.97%
Accrued Liabilities	214,901	457,860	(242,959)	-53.06%
Current Portion Long Term Debt	3,444	3,444	-	0.00%
Security Deposits/FSS Escrows	162,138	168,965	(6,827)	-4.04%
Deferred Revenue	20,482	28,330	(7,848)	-27.70%
Total Current Liabilities	402,734	829,814	(427,080)	-51.47%
Notes Payable-Noncurrent	710,938	712,882	(1,944)	-0.27%
Other	1,463,779	1,463,779	-	0.00%
Total Noncurrent Liabilities	2,174,717	2,176,661	(1,944)	-0.09%
Deferred Inflow of Resources	15,805	15,805	-	-
Total Liabilities	2,593,256	3,022,280	(429,024)	-14.20%
Equity				
Investment in capital assets,net	18,019,175	18,656,637	(637,462)	-3.42%
Unrestricted net assets	3,181,056	2,941,888	239,168	8.13%
Restricted net assets	-	-	-	-
Net income	(638,080)	(398,295)	(239,785)	-60.20%
Total Equity	20,562,151	21,200,230	(638,079)	-3.01%
Total Liabilities and Equity	23,155,407	24,222,510	(1,067,103)	-4.41%

Housing Authority of the City of Winston- Salem
Revenue and Expense Statement
Low Income Public Housing
October 1, 2023 - February 29, 2024

	YTD	YTD	Variance	
	Actual	Budget	Amount	Percentage
Operating Income				
HUD subsidy/grants	2,907,254	3,011,766	(104,512)	-3.47%
Dwelling rents	1,330,843	1,282,252	48,591	3.79%
Excess utilities & other	97,618	128,550	(30,932)	-24.06%
Transfer in	-	-	-	-
Other income	76,790	46,389	30,401	65.53%
Interest on general fund	727	415	312	75.18%
Total Income	4,413,232	4,469,372	(56,140)	-1.26%
Operating Expenditures				
Administrative	1,145,260	1,217,745	(72,485)	-5.95%
Tenant Services	66,009	126,267	(60,258)	-47.72%
Utilities	782,384	744,572	37,812	5.08%
Maintenance	1,293,207	1,652,547	(359,340)	-21.74%
Protective Services	206,692	286,618	(79,926)	-27.89%
General	873,394	826,340	47,054	5.69%
Total Operating Expenses	4,366,946	4,854,089	(487,143)	-10.04%
Other Expenditures				
Casualty Loss	34,712	-	34,712	-
Total Other Expenditures	34,712	-	34,712	-
Total Expenditures	4,401,658	4,854,089	(452,431)	-9.32%
Net Income (Loss) before depreciation	11,574	(384,717)	396,291	103.01%
Depreciation expense	649,654	643,227	6,427	1.00%
Net Income (Loss)	(638,080)	(1,027,944)	389,864	37.93%
Other Changes In Cash				
Principal payments on debt	1,943	1,943	-	-
Capital Exp/Long Term Improvements	13,693	13,693	-	-
Replacement Reserve Pymts	-	-	-	-
Changes in Assets/Liabilities	(598,490)	(598,490)	-	-
Depreciation expense add back	649,654	643,227	6,427	1.00%
Cash Increase (Decrease)	(602,552)	(998,843)	396,291	39.68%

Housing Authority of Winston-Salem
Balance Sheet
Voucher Programs (Section 8)
As of February 29, 2024

	<u>Feb-24</u>	<u>FYE 2023</u>	<u>Variance</u>	
			<u>Amount</u>	<u>Percentage</u>
Assets				
Unrestricted cash	-		-	
Restricted Cash - HCV Admin Resrv/Oper	1,495,580	1,257,608	237,972	18.92%
Restricted Cash - HAP	(668,311)	(383,092)	(285,219)	-74.45%
Restricted Cash - Other	326,652	299,718	26,934	8.99%
Accounts receivable-other	830,621	489,534	341,087	69.68%
Prepaid Expenses	76,452	13,793	62,659	454.28%
Total Current Assets	<u>2,060,994</u>	<u>1,677,561</u>	<u>383,433</u>	<u>22.86%</u>
Fixed Assets	384,652	384,652	-	0.00%
Less Accumulated Depreciation	(382,968)	(374,549)	(8,419)	-2.25%
Net Fixed Assets	<u>1,684</u>	<u>10,103</u>	<u>(8,419)</u>	<u>-83.33%</u>
Deferred Outflow of Resources	314,711	314,711	-	0.00%
Total Assets	<u>2,377,389</u>	<u>2,002,375</u>	<u>375,014</u>	<u>18.73%</u>
Liabilities				
Accounts payable	80,937	29,400	51,537	175.30%
Accrued Liabilities	23,942	112,081	(88,139)	-78.64%
Security Deposits/FSS Escrows	326,652	299,718	26,934	8.99%
Deferred Revenue	37,247	37,247	-	-
Total Current Liabilities	<u>468,778</u>	<u>478,446</u>	<u>(9,668)</u>	<u>-2.02%</u>
Notes Payable-Corporate	-	-	-	-
Other	691,091	691,091	-	0.00%
Total Noncurrent Liabilities	<u>691,091</u>	<u>691,091</u>	<u>-</u>	<u>0.00%</u>
Deferred Inflow of Resources	7,525	7,525	-	0.00%
Total Liabilities	<u>1,167,394</u>	<u>1,177,062</u>	<u>(9,668)</u>	<u>-0.82%</u>
Equity				
Investment in capital assets,net	1,684	10,103	(8,419)	-83.33%
Unrestricted net assets	881,434	137,107	744,327	542.88%
Restricted net assets	-	-	-	-
Net income-HAP	(9,118)	(62,216)	53,098	85.34%
Net income	335,995	740,319	(404,324)	-54.61%
Total Equity	<u>1,209,995</u>	<u>825,313</u>	<u>384,682</u>	<u>46.61%</u>
Total Liabilities and Equity	<u>2,377,389</u>	<u>2,002,375</u>	<u>375,014</u>	<u>18.73%</u>

Housing Authority of the City of Winston- Salem
Revenue and Expense Statement
Voucher Programs (Section 8)
October 1, 2023 - February 29, 2024

	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Variance</u>	
			<u>Amount</u>	<u>Percentage</u>
Unrestricted - Administrative				
HUD Admin Fee	1,297,848	1,242,488	55,360	4.46%
Other income	16,373	2,083	14,290	686.03%
Interest interest Income	3,414	833	2,581	309.84%
Total Income	<u>1,317,635</u>	<u>1,245,404</u>	<u>72,231</u>	<u>5.80%</u>
Administrative	908,904	1,064,874	(155,970)	-14.65%
Tenant Services	32,151	36,113	(3,962)	-10.97%
Utilities	-	-	-	-
Maintenance	-	3,854	(3,854)	-100.00%
Protective Services	-	-	-	-
General	32,166	32,083	83	0.26%
Total Operating Expenses	<u>973,221</u>	<u>1,136,924</u>	<u>(163,703)</u>	<u>-14.40%</u>
Net Income (Loss) before depreciation	344,414	108,480	235,934	217.49%
Depreciation expense	8,419	4,210	4,209	99.98%
Net Income (Loss)	<u>335,995</u>	<u>104,270</u>	<u>231,725</u>	<u>222.24%</u>
Other Changes In Cash				
Principal payments on debt	-	-	-	-
Capital Exp/Long Term Improvements	-	-	-	-
Changes in Assets/Liabilities	(355,609)	(355,609)	-	-
Difference in HAP Revenue/Expense	(9,118)	-	(9,118)	-100.00%
Depreciation expense add back	8,419	4,210	4,209	99.98%
Cash Increase (Decrease)	<u>(20,313)</u>	<u>(247,129)</u>	<u>226,816</u>	<u>91.78%</u>

	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Variance</u>	
			<u>Amount</u>	<u>Percentage</u>
Restricted - HAP				
HUD subsidy/grants	12,827,418	11,320,692	1,506,726	13.31%
Other income	0	0	0	0.00%
Total Income	<u>12,827,418</u>	<u>11,320,692</u>	<u>1,506,726</u>	<u>13.31%</u>
Housing Assistance Payments	<u>12,836,536</u>	<u>11,320,692</u>	<u>1,515,844</u>	<u>13.39%</u>
Total Expenditures	12,836,536	11,320,692	1,515,844	13.39%
Net Income (Loss)	(9,118)	-	(9,118)	-100.00%

Housing Authority of Winston-Salem
Balance Sheet
Scattered Sites (Plaza and Drayton Pines)
As of February 29, 2024

	Feb-24	FYE 2023	Variance	
			Amount	Percentage
Assets				
Unrestricted cash	-	-	-	-
Restricted Cash	23,638	23,731	(93)	-0.39%
Accounts receivable-tenants, net	11,292	5,407	5,885	108.84%
Accounts receivable-other	84,409	84,409	-	0.00%
Prepaid Expenses	30,655	15,141	15,514	102.46%
Inventories	-	-	-	-
Total Current Assets	149,994	128,688	21,306	16.56%
Fixed Assets	9,080,777	9,080,777	-	0.00%
Less Accumulated Depreciation	(6,325,751)	(6,267,255)	(58,496)	-0.93%
Net Fixed Assets	2,755,026	2,813,522	(58,496)	-2.08%
Deferred Outflow of Resources	87,637	87,637	-	0.00%
Total Assets	2,992,657	3,029,847	(37,190)	-1.23%
Liabilities				
Accounts payable	3,700	20,681	(16,981)	-82.11%
Accrued Liabilities	319,901	244,108	75,793	31.05%
Current Portion Long Term Debt	35,663	35,663	-	0.00%
Security Deposits/FSS Escrows	23,934	23,906	28	0.12%
Deferred Revenue	2,685	2,648	37	1.40%
Total Current Liabilities	385,883	327,006	58,877	18.00%
Notes Payable-Corporate	126,982	126,982	-	0.00%
LT Debt/Other Liabilities	5,115,637	5,136,690	(21,053)	-0.41%
Total Noncurrent Liabilities	5,242,619	5,263,672	(21,053)	-0.40%
Deferred Inflow of Resources	2,096	2,096	-	0.00%
Total Liabilities	5,630,598	5,592,774	37,824	0.68%
Equity				
Investment in capital assets, net	(2,235,565)	(2,198,122)	(37,443)	-1.70%
Unrestricted net assets	(327,359)	(144,225)	(183,134)	-126.98%
Restricted net assets	-	-	-	-
Net income	(75,017)	(220,580)	145,563	65.99%
Total Equity	(2,637,941)	(2,562,927)	(75,014)	-2.93%
Total Liabilities and Equity	2,992,657	3,029,847	(37,190)	-1.23%

Housing Authority of the City of Winston- Salem
Revenue and Expense Statement
Scattered Sites (Plaza and Drayton Pines)
October 1, 2023 - February 29, 2024

	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Variance</u>	
			<u>Amount</u>	<u>Percentage</u>
Operating Income				
Dwelling rents	340,507	368,424	(27,917)	-7.58%
Excess utilities & other	9,382	6,086	3,296	54.16%
Transfer in	-	-	-	-
Other income	207	-	207	100.00%
Interest on general fund	-	38	(38)	-100.00%
Total Income	<u>350,096</u>	<u>374,548</u>	<u>(24,452)</u>	<u>-6.53%</u>
Operating Expenditures				
Administrative	108,060	112,874	(4,814)	-4.26%
Tenant Services	-	208	(208)	-100.00%
Utilities	6,637	7,318	(681)	-9.31%
Maintenance	188,242	166,522	21,720	13.04%
Protective Services	5,240	4,915	325	6.61%
General	58,438	42,065	16,373	38.92%
Total Operating Expenses	<u>366,617</u>	<u>333,902</u>	<u>32,715</u>	<u>9.80%</u>
Casualty Loss	-	-	-	-
Total Expenditures	366,617	333,902	32,715	9.80%
Net Income (Loss) before depreciation	(16,521)	40,646	(57,167)	-140.65%
Depreciation expense	<u>58,496</u>	<u>65,843</u>	<u>(7,347)</u>	<u>-11.16%</u>
Net Income (Loss)	<u>(75,017)</u>	<u>(25,197)</u>	<u>(49,820)</u>	<u>-197.72%</u>
Other Changes In Cash				
Principal payments on debt	21,051	21,051	-	-
Capital Exp/Long Term Improvements	-	-	-	-
Replacement Reserve Pymts	-	-	-	-
Changes in Assets/Liabilities	37,479	37,479	-	-
Depreciation expense add back	58,496	65,843	(7,347)	-11.16%
Cash Increase (Decrease)	<u>(93)</u>	<u>57,074</u>	<u>(57,167)</u>	<u>-100.16%</u>

Housing Authority of Winston-Salem
Balance Sheet
Central Office Cost Center
As of February 29, 2024

	Feb-24	FYE 2023	Variance	
			Amount	Percentage
Assets				
Unrestricted cash	-	109,935	(109,935)	-100.00%
Accounts receivable-interest	2,976,452	2,817,096	159,356	5.66%
Accounts receivable-other	126,982	153,571	(26,589)	-17.31%
Prepaid Expenses	82,309	15,170	67,139	442.58%
Inventories	-	-	-	-
Total Current Assets	3,185,743	3,095,772	89,971	2.91%
Fixed Assets	3,226,484	3,226,484	-	0.00%
Less Accumulated Depreciation	(2,498,703)	(2,497,725)	(978)	-0.04%
Net Fixed Assets	727,781	728,759	(978)	-0.13%
Mortgage Receivable	15,491,269	15,491,269	-	0.00%
Notes receivable- Others	312,000	312,000	-	0.00%
Total Other Assets	15,803,269	15,803,269	-	0.00%
Deferred Outflow of Resources	816,702	816,702	-	0.00%
Total Assets	20,533,495	20,444,502	88,993	0.44%
Liabilities				
Accounts payable	-	9,842	(9,842)	-100.00%
Accrued Liabilities	146,905	214,783	(67,878)	-31.60%
Deferred Revenue	366,038	366,038	-	0.00%
Total Current Liabilities	535,207	590,663	(55,456)	-9.39%
Line of Credit	477,411	486,801	(9,390)	-1.93%
Other	2,265,159	2,287,423	(22,264)	-0.97%
Total Noncurrent Liabilities	2,742,570	2,774,224	(31,654)	-1.14%
Deferred Inflow of Resources	19,530	19,530	-	0.00%
Total Liabilities	3,297,307	3,384,417	(87,110)	-2.57%
Equity				
Investment in capital assets,net	727,781	728,759	(978)	-0.13%
Unrestricted net assets	16,311,924	13,117,028	3,194,896	24.36%
Restricted net assets	-	-	-	-
Net income	196,483	3,214,298	(3,017,815)	-93.89%
Total Equity	17,236,188	17,060,085	176,103	1.03%
Total Liabilities and Equity	20,533,495	20,444,502	88,993	0.44%

Housing Authority of the City of Winston- Salem
Revenue and Expense Statement
Central Office Cost Center
October 1, 2023 - February 29, 2024

	YTD	YTD	Variance	
	Actual	Budget	Amount	Percentage
Operating Income				
Other income	292,399	114,813	177,586	154.67%
Management fees	821,851	895,778	(73,927)	-8.25%
Interest on Hope VI Receivable	159,355	161,779	(2,424)	-1.50%
Interest on general fund	14,349	4,167	10,182	244.35%
Total Income	1,287,954	1,176,537	111,417	9.47%
Operating Expenditures				
Administrative	1,008,004	1,125,126	(117,122)	-10.41%
Tenant Services	-	-	-	-
Utilities	5,109	5,494	(385)	-7.01%
Maintenance	50,579	60,399	(9,820)	-16.26%
Protective Services	-	-	-	-
General	26,801	22,314	4,487	20.11%
Total Operating Expenses	1,090,493	1,213,333	(122,840)	-10.12%
Net Income (Loss) before depreciation	197,461	(36,796)	234,257	636.64%
Depreciation expense	978	686	292	42.57%
Net Income (Loss)	196,483	(37,482)	233,965	624.21%
Other Changes In Cash				
Principal payments on debt	9,390	9,390	-	-
Capital Exp/Long Term Improvements	-	-	-	-
Replacement Reserve Pymts	-	-	-	-
Changes in Assets/Liabilities	(298,006)	(298,006)	-	-
Depreciation expense add back	978	686	292	42.57%
Cash Increase (Decrease)	(109,935)	(344,192)	234,257	68.06%

Housing Authority of Winston-Salem
Balance Sheet
Imperial Property Management
As of February 29, 2024

	Feb-24	FYE 2023	Variance	
			Amount	Percentage
Assets				
Unrestricted cash	94,717	89,098	5,619	6%
Accounts receivable-other	363,239	344,989	18,250	5%
Prepaid Expenses	5,704	1,646	4,058	247%
Inventories	22,870	22,870	-	0%
Total Current Assets	486,530	458,603	27,927	6%
Fixed Assets	13,470	13,470	-	0%
Less Accumulated Depreciation	(13,470)	(13,470)	-	0%
Net Fixed Assets	-	-	-	-
Notes receivable- Others	-	-	-	-
Total Other Assets	-	-	-	-
Deferred Outflow of Resources	-	-	-	-
Total Assets	486,530	458,603	27,927	6%
Liabilities				
Accounts Payable	-	283	(283)	-100%
Accrued Liabilities	3,072	13,282	(10,210)	-77%
Deferred Revenue	-	-	-	-
Total Current Liabilities	3,072	13,565	(10,493)	-77%
Notes Payable-Corporate	-	-	-	-
Other	4,782	4,782	-	0%
Total Noncurrent Liabilities	4,782	4,782	-	0%
Deferred Inflow of Resources	-	-	-	-
Total Liabilities	7,854	18,347	(10,493)	-57%
Equity				
Investment in capital assets,net	-	-	-	-
Unrestricted net assets	440,254	373,953	66,301	18%
Restricted net assets	-	-	-	-
Net income	38,422	66,303	(27,881)	-42%
Total Equity	478,676	440,256	38,420	9%
Total Liabilities and Equity	486,530	458,603	27,927	6%

Housing Authority of the City of Winston- Salem
Revenue and Expense Statement
Imperial Property Management
October 1, 2023 - February 29, 2024

	YTD	YTD	Variance	
	Actual	Budget	Amount	Percentage
Operating Income				
Other income	38	0	38	100.00%
Management fees	129,812	134,119	(4,307)	-3.21%
Interest on general fund	0	-	-	-
Total Income	<u>129,850</u>	<u>134,119</u>	<u>(4,269)</u>	<u>-3.18%</u>
Operating Expenditures				
Administrative	32,776	50,010	(17,234)	-34.46%
Tenant Services	-	-	-	-
Utilities	-	-	-	-
Maintenance	44,099	52,386	(8,287)	-15.82%
Protective Services	12,341	13,716	(1,375)	-10.02%
General	2,212	2,318	(106)	-4.57%
Total Operating Expenses	<u>91,428</u>	<u>118,430</u>	<u>(27,002)</u>	<u>-22.80%</u>
Net Income (Loss) before depreciation	38,422	15,689	22,733	144.90%
Depreciation expense	-	-	-	-
Net Income (Loss)	<u>38,422</u>	<u>15,689</u>	<u>22,733</u>	<u>144.90%</u>
Other Changes In Cash				
Principal payments on debt	-	-	-	-
Capital Exp/Long Term Improvements	-	-	-	-
Replacement Reserve Pymts	-	-	-	-
Changes in Assets/Liabilities	(32,803)	(32,803)	-	-
Depreciation expense add back	-	-	-	-
Cash Increase (Decrease)	<u>5,619</u>	<u>(17,114)</u>	<u>22,733</u>	<u>132.83%</u>

HOUSING AUTHORITY OF THE CITY OF WINSTON-SALEM
BALANCE SHEET & RATIO DATA
As of 2/29/2024

BALANCE SHEET SUMMARY												
	003lr	006lr	008lr	009lr	012lr	021lr	022lr	037lr	038lr	040lr 041lr	160mr	165mr
	Piedmont	Cleveland	Sunrise	Crystal	Healy	Townview	Stoney	The Oaks	Camden Station	Brookside View	Plaza	Drayton Pines
1000-00-000 ASSETS												
1300-00-000 TOTAL CURRENT ASSETS	1,014,106.71	793,552.31	674,460.87	343,082.52	389,688.72	211,197.29	178,648.23	208,115.28	126,007.30	107,927.50	-246,816.72	176,521.03
1499-00-000 TOTAL NONCURRENT ASSETS	1,354,898.51	1,402,102.38	1,239,502.24	1,202,058.55	968,770.06	967,965.40	2,453,875.69	3,753,544.57	2,888,759.03	2,505,524.92	244,273.61	2,510,752.08
1999-00-000 TOTAL ASSETS	2,369,005.22	2,195,654.69	1,913,963.11	1,545,141.07	1,358,458.78	1,179,162.69	2,632,523.92	3,961,699.85	3,014,766.33	2,613,452.42	-2,543.11	2,687,273.11
2000-00-000 LIABILITIES & EQUITY												
2001-00-000 LIABILITIES:												
2299-00-000 TOTAL CURRENT LIABILITIES	378,903.20	379,777.81	287,339.24	267,698.67	172,260.80	70,100.87	73,905.45	73,020.45	48,961.99	35,864.65	299,264.54	89,544.25
2399-00-000 TOTAL NONCURRENT LIABILITIES	14,542.02	25,475.58	15,787.49	15,241.85	7,718.27	3,714.32	3,530.18	2,878.83	529,979.66	185,008.86	2,748,369.06	2,185,493.39
2499-00-000 TOTAL LIABILITIES	393,445.22	405,253.39	303,126.73	282,940.52	179,979.07	73,815.19	77,435.63	75,899.28	578,941.65	220,873.51	3,047,633.60	2,275,037.64
2800-00-000 EQUITY												
2899-00-000 TOTAL EQUITY	1,975,503.14	1,790,401.30	1,611,176.38	1,262,444.55	1,178,479.71	1,105,347.50	2,555,088.29	3,886,030.57	2,435,824.68	2,392,578.91	-3,050,176.71	412,235.47
2999-00-000 TOTAL LIABILITIES AND EQUITY	2,368,948.36	2,195,654.69	1,914,303.11	1,545,385.07	1,358,458.78	1,179,162.69	2,632,523.92	3,961,929.85	3,014,766.33	2,613,452.42	-2,543.11	2,687,273.11
CURRENT RATIO	003lr	006lr	008lr	009lr	012lr	021lr	022lr	037lr	038lr	040lr 041lr	160mr	165mr
	Piedmont	Cleveland	Sunrise	Crystal	Healy	Townview	Stoney	The Oaks	Camden Station	Brookside View	Plaza	Drayton Pines
TOTAL CURRENT ASSETS	1,014,106.71	793,552.31	674,460.87	343,082.52	389,688.72	211,197.29	178,648.23	208,115.28	126,007.30	107,927.50	-246,816.72	176,521.03
TOTAL CURRENT LIABILITIES	378,903.20	379,777.81	287,339.24	267,698.67	172,260.80	70,100.87	73,905.45	73,020.45	48,961.99	35,864.65	299,264.54	89,544.25
CURRENT RATIO	2.68	2.09	2.35	1.28	2.26	3.01	2.42	2.85	2.57	18.43	-0.82	1.97
QUICK RATIO	003lr	006lr	008lr	009lr	012lr	021lr	022lr	037lr	038lr	040lr 041lr	160mr	165mr
	Piedmont	Cleveland	Sunrise	Crystal	Healy	Townview	Stoney	The Oaks	Camden Station	Brookside View	Plaza	Drayton Pines
TOTAL CURRENT ASSETS (less inventory)	983,088.58	756,064.51	671,055.74	337,421.03	388,157.03	210,516.53	177,967.47	207,513.40	123,234.38	107,927.50	-246,816.72	176,521.03
TOTAL CURRENT LIABILITIES	378,903.20	379,777.81	287,339.24	267,698.67	172,260.80	70,100.87	73,905.45	73,020.45	48,961.99	35,864.65	299,264.54	89,544.25
QUICK RATIO	2.59	1.99	2.34	1.26	2.25	3.00	2.41	2.84	2.52	18.43	-0.82	1.97

HOUSING AUTHORITY OF THE CITY OF WINSTON-SALEM

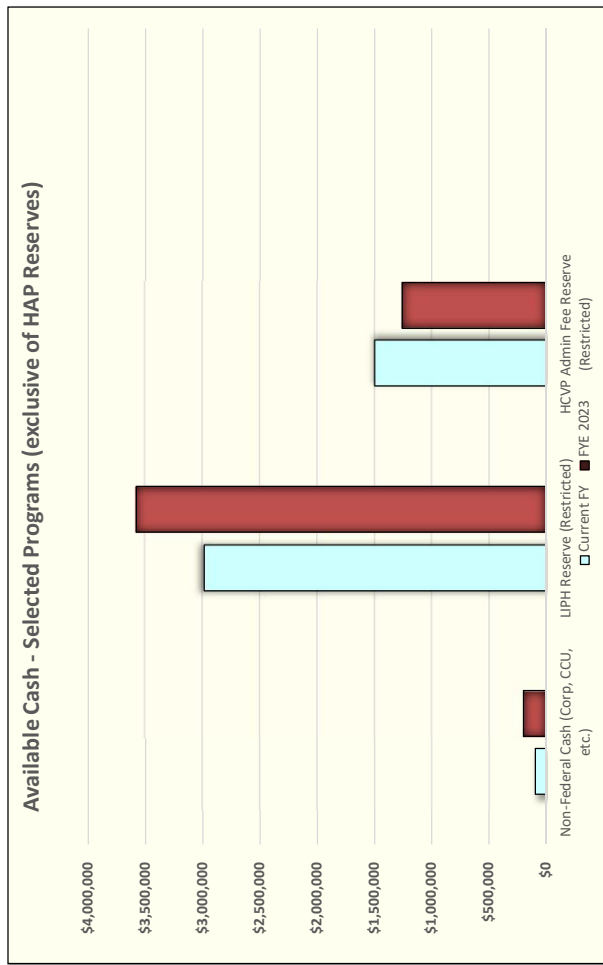
INCOME and EXPENSE DATA

10/1/2023-2/29/2024

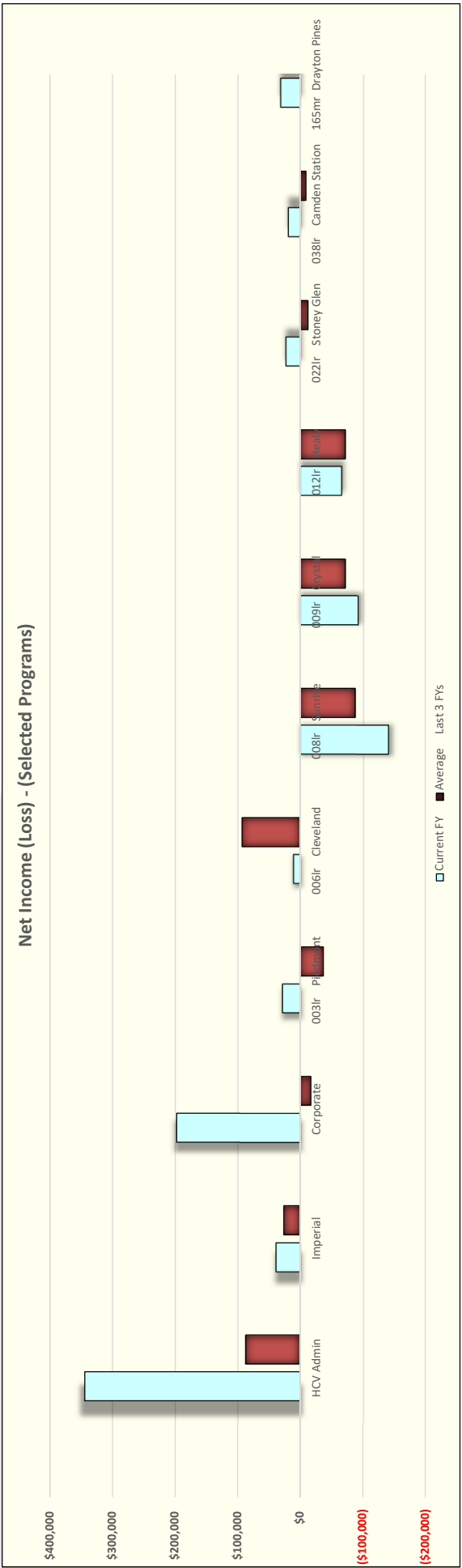
	003lr Piedmont	006lr Cleveland	008lr Sunrise	009lr Crystal	012lr Healy	021lr Townview	022lr Stoney	037lr The Oaks	038lr Camden Station	040lr 041lr Brookside View	160mr Plaza	165mr Drayton Pines
3000-00-000												
INCOME & EXPENSE DATA WITHOUT DEPRECIATION												
3199-00-000 NET TENANT INCOME	255,197.27	172,711.86	212,342.00	262,440.00	193,327.00	74,745.53	77,714.79	84,630.00	52,128.00	43,225.00	187,384.80	162,714.92
3499-00-000 TOTAL GRANT INCOME	706,882.75	641,928.25	348,006.50	304,056.50	115,073.75	91,014.25	77,875.25	63,636.25	35,033.00	4,017.25	0.00	0.00
3699-00-000 TOTAL OTHER INCOME	31,096.06	24,979.36	11,228.43	852.77	630.63	35.42	54.10	120.24	31.30	16.15	10.08	196.61
3999-00-000 TOTAL INCOME	993,176.08	839,619.47	571,576.93	567,349.27	309,031.38	165,795.20	155,644.14	148,386.49	87,192.30	47,258.40	187,394.88	162,911.53
4000-00-000 EXPENSES												
4199-00-000 TOTAL ADMINISTRATIVE EXPENSES	262,689.89	163,323.26	197,857.42	196,220.65	113,726.16	54,268.19	54,981.80	55,222.22	31,860.28	14,567.31	69,024.57	39,035.20
4299-00-000 TOTAL TENANT SERVICES EXPENSES	14,016.10	10,491.11	12,492.70	13,169.97	8,960.49	1,897.26	1,597.26	1,778.24	1,200.61	405.11	0.00	0.00
4399-00-000 TOTAL UTILITY EXPENSES	249,198.79	201,757.70	144,891.60	89,728.46	57,858.21	3,805.15	11,924.11	14,467.76	5,394.82	3,357.10	4,073.54	2,563.41
4499-00-000 TOTAL MAINTENANCE EXPENSES	334,889.74	254,737.98	225,588.65	212,411.75	107,823.33	46,443.29	45,153.05	27,278.97	19,969.94	18,909.91	139,965.30	48,277.98
4499-99-000 TOTAL PROTECTIVE SERVICES	18,798.37	16,548.46	57,669.68	57,938.20	55,737.04	0.00	0.00	0.00	0.00	0.00	4,499.77	740.10
4599-00-000 TOTAL GENERAL EXPENSES	65,551.41	41,817.25	74,150.68	76,027.74	30,115.05	12,785.04	19,139.97	14,540.14	9,603.93	6,165.97	17,286.07	15,234.39
4699-00-000 TOTAL CASUALTY LOSS / EXTRAORDINARY MAINT	20,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4899-00-000 TOTAL FINANCING EXPENSES	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	25,918.37
5999-00-000 TOTAL NONOPERATING ITEMS	157,537.89	72,998.48	71,511.92	53,268.33	40,709.49	34,683.10	49,991.15	73,659.82	55,936.81	39,357.21	12,990.30	45,506.01
8000-00-000 TOTAL EXPENSES	80,259.88	761,674.24	784,162.65	713,476.99	414,929.77	153,882.03	182,787.34	186,947.15	123,966.39	86,529.37	247,839.55	177,275.46
TOTAL EXPENSES (NO DEPRECIATION)	-77,278.01	688,675.76	712,650.73	660,208.66	374,220.28	119,198.93	132,796.19	113,287.33	68,029.58	47,172.16	234,849.25	131,769.45
9000-00-000 NET INCOME	-129,506.11	77,945.23	-212,585.72	-145,883.72	-105,898.39	11,913.17	-27,143.20	-38,290.66	-36,774.09	-39,270.97	-60,444.67	-14,363.93
NET INCOME (LOSS) NO DEPRECIATION	28,031.78	150,943.71	-141,073.80	-92,615.39	-65,188.90	46,596.27	22,847.95	35,369.16	19,162.72	86.24	-47,454.37	31,142.08
LIPH CASH FLOW DATA												
NET INCOME (LOSS)	-129,506.11	77,945.23	-212,585.72	-145,883.72	-105,898.39	11,913.17	-27,143.20	-38,290.66	-36,774.09	-39,270.97	-60,444.67	-14,363.93
Capital Expense/Long Term Improvements	13,693.00											
Replacement Reserve Payments												
Extraordinary Items	20,000.00		34,712.00									
Depreciation Add Back	157,537.89	72,998.48	71,511.92	53,268.33	40,709.49	34,683.10	49,991.15	73,659.82	55,936.81	39,357.21	12,990.30	45,506.01
Net Cash Increase (Used) in Operations	61,724.78	150,943.71	-106,361.80	-92,615.39	-65,188.90	46,596.27	22,847.95	35,369.16	19,162.72	86.24	-47,454.37	31,142.08
LIPH UNIT DATA												
# of Housing Units	240	244	195	201	106	49	48	50	30	15	78	44
Rental Months Year To Date	5	5	5	5	5	5	5	5	5	5	5	5
# Unit Months Year to Date	1,200	1,220	975	1,005	530	245	240	250	150	75	390	220
Average Rent Per Unit Month	175.17	120.47	207.81	255.24	358.43	299.12	310.86	331.56	341.30	567.85	463.56	726.95
Average Subsidy Per Unit	589.07	526.17	356.93	302.54	217.12	371.49	324.48	254.55	233.55	53.56	-	-
Average Operating Expense Per Unit	764.24	646.64	564.74	557.78	575.55	670.61	635.34	586.11	574.85	621.42	463.56	726.95
	(64.40)	564.49	730.92	656.92	706.08	486.53	553.32	453.15	453.53	628.96	602.18	598.95

HOUSING AUTHORITY OF THE CITY OF WINSTON-SALEM
FINANCIAL DASHBOARD - Selected Programs

2/29/2024	Current FY	FYE 2023	Change Over Prior FY
Non-Federal Cash (Corp, CCU, etc.)	\$94,717	\$199,033	(\$104,316)
LIPH Reserve (Restricted)	\$2,980,718	\$3,580,405	(\$599,687)
HCVF Admin Fee Reserve (Restricted)	\$1,495,580	\$1,257,608	\$237,972
Total Available Cash (excludes HAP reserve)	\$4,571,015	\$5,037,046	(\$466,031)



NET INCOME (LOSS) - (Selected Programs)	Current FY	Current Budget	Average Last 3 FYs
HCV Admin	\$344,414	\$108,480	86,901
Imperial	\$38,422	\$15,689	26,090
Corporate	\$197,461	(\$36,796)	(17,119)
003lr Piedmont	\$28,032	(\$33,997)	(36,843)
006lr Cleveland	\$10,944	\$36,483	92,799
008lr Sunrise	(\$141,074)	(\$173,476)	(87,732)
009lr Crystal	(\$92,615)	(\$127,243)	(72,235)
012lr Healy	(\$65,189)	(\$87,730)	(71,879)
021lr Townview	\$46,596	\$10,776	27,050
022lr Stoney Glen	\$22,848	(\$9,319)	(12,294)
037lr The Oaks	\$35,369	\$3,831	1,406
038lr Camden Station	\$19,163	(\$6,949)	(9,281)
040lr/41lr Brookside View	\$86	(\$4,592)	(7,621)
160mr Plaza	(\$47,665)	(\$19,961)	(529)
165mr Drayton Pines	\$31,142	\$60,608	38,383
Total Selected Programs	\$427,934	(\$264,196)	(\$42,903)
Depreciation	(\$717,547)	(\$713,966)	(\$944,529)
Total Selected Programs Net of Depreciation	(\$289,613)	(\$978,162)	(\$987,432)



RESOLUTION NO. 2242

**RESOLUTION RATIFYING THE AWARD OF A CONTRACT TO DYNAMIC QUEST FOR
MANAGED IT SERVICES**

WHEREAS, the Housing Authority of the City of Winston-Salem (the “Authority”) has determined there is an immediate, time-sensitive, and exigent need for third-party managed information technology services; and

WHEREAS, the Authority has historically performed these services with in-house staff; and

WHEREAS, Authority management recently became aware of impending staff departures and scheduling adjustments within the in-house IT team; and

WHEREAS, HAWS management has analyzed a portion of its IT services needs to ensure services are consistently maintained and will yield effective, efficient and financially prudent results; and

WHEREAS, the contractor provides comprehensive IT services and agrees to provide said services under a three year contract for \$444,000 (\$148,000 annual average) and in light of the severity and exigency of the need, it is in the interest of the Authority’s cyber security, information technology and financial needs to award the managed services provider contract to Dynamic Quest.

1. NOW, THEREFORE, BE IT RESOLVED that the Authority’s Contracting Officer is hereby authorized to enter into a contract with Dynamic Quest in the amount of up to (\$444,000.00) over a three-year term.

Adopted On: _____ (Date)

Signed: _____
Kevin Cheshire
Board Secretary

RESOLUTION #2243

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR OF THE HOUSING AUTHORITY OF THE CITY OF WINSTON-SALEM TO EXECUTE THE CLEVELAND AVENUE HOMES AMENDED AND RESTATED ADDITIONAL SERVICES AGREEMENT, TO EXECUTE AN AMENDMENT TO THE SUBRECIPIENT AGREEMENT AND TAKE SUCH OTHER ACTIONS AS MAY BE NECESSARY OR ADVISABLE

WHEREAS, on August 12, 2020, the U.S. Department of Housing & Urban Authority (“**HUD**”) awarded a Choice Neighborhoods Initiative (CNI) Implementation Grant to The Housing Authority of the City of Winston-Salem (the “**Authority**”) for the purpose of redeveloping the area in and around Cleveland Avenue Homes (the “**CAH Site**”); and

WHEREAS, the Authority anticipates that the CAH Site will be developed in phases through a combination of demolition, new construction and rehabilitation, with the assistance of the Authority procured developer partner; and

WHEREAS, the Authority and McCormack Baron Salazar, Inc., a Missouri corporation (“**MBS**”) entered into that certain Additional Services Agreement dated March 9, 2023 (the “**Original ASA**”) for the second phase of the redevelopment (“**Phase 2**”); and

WHEREAS, the Authority desires to negotiate and enter into that certain Cleveland Avenue Homes Amended and Restated Additional Services Agreement for (the “**Amended and Restated ASA**”) Phase 2 and the third phase of the redevelopment (“**Phase 3**”) (attached hereto as **Exhibit A**); and

WHEREAS, the Authority and the City of Winston-Salem (the “**City**”) entered into that certain Subrecipient Agreement dated as of February 16, 2023 (the “**Subrecipient Agreement**”) which provided for certain funds from the City for the development of the CAH Site; and

WHEREAS, the Authority desires to amend the Subrecipient Agreement to include a revised budget (the “**Subrecipient Agreement Amendment**”); and

NOW, THEREFORE, in connection with the development of the CAH Site, the Board of Commissioners hereby adopt the following resolutions:

BE IT RESOLVED, that the Executive Director of the Authority and/or his designee is hereby authorized to review, approve and execute the Amended and Restated ASA, Subrecipient Agreement Amendment, all certificates, affidavits, agreements, documents and other writings (collectively, the “**Agreements**”) the Executive Director shall deem to be necessary or desirable in the consummation of the transactions herein contemplated;

BE IT FURTHER RESOLVED, that all acts, transactions, or agreements undertaken prior hereto by the Executive Director or his designee, in connection with the foregoing matters

are hereby ratified and confirmed as the valid actions of the Authority, effective as of the date such actions were taken; and

BE IT FURTHER RESOLVED, that the Executive Director is hereby authorized and directed for and on behalf of, and as the act and deed of the Authority, to take such further action in the consummation of the transactions herein contemplated and to do any and all other acts and things necessary or proper in furtherance thereof, as the Executive Director shall deem to be necessary or desirable, and all acts heretofore taken by the designee of the Executive Director to such end are hereby expressly ratified and confirmed as the acts and deeds of the Authority.

This resolution shall be in full force and effect from and upon its adoption.

PASSED this ____ day of April, 2024.

Andrew M. Perkins, Jr., Board Chair

ATTEST:

Kevin Cheshire, Board Secretary

**CLEVELAND AVENUE HOMES
AMENDED AND RESTATED ADDITIONAL SERVICES AGREEMENT**

(Winston-Salem Phases II and III)

THIS AGREEMENT (this “**Agreement**”) is made as of March __, 2024, between the HOUSING AUTHORITY OF THE CITY OF WINSTON-SALEM, a body corporate, organized and existing under the laws of North Carolina (the “**Authority**”) and MCCORMACK BARON SALAZAR DEVELOPMENT, INC., a Missouri corporation (the “**Developer**”). Collectively, the Authority and the Developer are sometimes referred to herein as the “**Parties**.”

A. The Authority, in partnership with the City of Winston-Salem, has been awarded a \$30,000,000 Choice Neighborhoods Implementation (“**CNI**”) Grant from the U.S. Department of Housing and Urban Development (“**HUD**”) to redevelop the Cleveland Avenue Corridor, which is comprised of approximately 244 public housing units. The second phase of the redevelopment will have approximately seventy-two (72) units of multifamily rental housing upon completion (“**Phase 2**”). Similarly, a third phase of the redevelopment will have approximately forty-eight (48) units of multifamily housing (“**Phase 3**”).

B. The Authority and McCormack Baron Salazar, Inc., a Missouri corporation and an affiliate of the Developer (“**MBS**”), are parties to that certain Master Development Agreement, dated as of October 30, 2020 (the “**Master Development Agreement**”). Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Master Development Agreement.

C. Section 2.3 of the Master Development Agreement provides that:

(a) the Authority may request that MBS undertake additional services in connection with one or more Phases of the Development with respect to activities which are the obligation of the Authority (the “**Additional Services**”), subject to agreement between the Authority and MBS regarding the scope of services and compensation therefor, which may be set forth in a separate agreement; and

(b) MBS shall provide any such Additional Services as an independent contractor and not as an agent of the Authority, unless the agreement providing for such Additional Services shall otherwise specifically provide. MBS may cause an Affiliate of MBS, including the Developer, to enter into Additional Services Agreements, to perform some or all of the Additional Services, to enter into associated agreements and/or to receive associated compensation.

D. As contemplated by the Master Development Agreement, the Authority desires to engage the Developer to perform the Work (as defined below) for Phase 2 and Phase 3, and the Developer desires to accept such engagement and to perform the Work.

E. The Parties previously entered into that certain Additional Services Agreement dated March 9, 2023 for Phase 2 (the “**Original ASA**”). The Parties now desire to amend and restate the Original ASA as set forth below.

NOW, THEREFORE, the Parties agree as follows:

1. Work.

1.1 Scope of Work. As stated in Recital C above, the Authority is contracting with the Developer to perform, pursuant to Section 2.3 of the Master Development Agreement, the Additional Services. The Additional Services are comprised of the work relating to Phase 2 and Phase 3 (in addition to site-wide work related to the Development generally, such as environmental remediation, if any) performed by the Developer, or third-party providers at the direction of and in support of the Developer, in furtherance of the Additional Services (collectively the “**Work**”), which is separated into the following components (each, a “**Component**”):

- (i) Demolition Abatement Component;
- (ii) Demolition Component;
- (iii) Site Preparation Component;
- (iv) Public Improvement Component; and
- (v) Environmental Testing Component.

The Budget and the Schedule are presented with separate line items and benchmarks corresponding to estimated costs of each Component. For the avoidance of doubt, the Additional Services and the Additional Services Budget and Schedule specifically exclude services provided by MBS to the Authority for services related to planning, coordination and implementation of the Choice Grant Agreement.

1.2 Approval of Components. Prior to commencement of a Component of the Work, the Developer will comply with Sections 1.3 and 1.6 herein. The Authority will review and approve any submissions required thereunder under the criteria set forth in this Agreement and the Master Development Agreement. The Authority will provide its approval or denial of such submissions in writing within ten (10) business days of receipt. All submissions from the Developer will include any required contracts or proposals for the Work, and a Component-specific Budget. Once such submissions are agreed to in writing, the foregoing shall constitute an amendment to this Agreement.

1.3 Budget. The Parties agree that the total amount set forth in the Scope of Work attached hereto as Exhibit “A” (the “**Budget**”) is not final and reflects the Parties’ best estimate as to the costs related to the Work for Phase 2 and Phase 3. As such, the Parties acknowledge and agree that the Budget has not been finalized and that the Budget may be modified by a change order/change directive, or otherwise modified upon the written agreement of the Authority and the Developer. Once the scope of work is established for each Component, the Developer will submit modifications to the Budget to reflect such Component, and the Authority will not unreasonably withhold, condition or delay its approval of such Budget once submitted. The total cost for any line item of the Work performed by the Developer will not exceed that which is reflected in the Budget until approvals are obtained from the Authority for such increases.

1.4 Invoicing and Payment. The Developer shall invoice the Authority not more frequently than one time every thirty (30) days for:

(a) the actual cost of the Work incurred and reflected in the Budget performed through the date of such invoice by the Developer and its third-party contractors and vendors, less amounts previously paid and less amounts for which request for payment is deferred by the Developer based on contractor or subcontractor retainage provisions. Such work shall only be for services rendered during the scope of Phase 2 and Phase 3 and as otherwise described in Section 1.1 herein; and

(b) the Additional Services Program Management Fee (as defined in Paragraph 1.8 below) billed as a percentage of completion of the Work through the date of such invoice, less Fee payments previously made.

The Authority shall provide payment to the Developer within thirty (30) days of receipt of an invoice, unless the Authority provides written notice to the Developer of reasonable objection to all or any part of such invoice within ten (10) days after the date of its submission to the Authority. If the Developer fails to respond in writing to the Authority's objection or to make any necessary corrections to the invoice, the Authority shall have the right to suspend payment of the questioned portion of such invoice. Following the Developer's response or correction of the invoice to the reasonable satisfaction of the Authority, the Authority shall pay the Developer for such invoice within the later of fifteen (15) days after the date of the Developer's response or correction or thirty (30) days from receipt of initial invoice (as described above). If, following the response or correction by the Developer to the Authority's reasonable satisfaction, the Authority fails to make payment within the periods and according to the procedures provided herein, the Developer may, upon seven (7) days' written notice to the Authority, suspend performance of Work under this Agreement. Unless payment in full is received by the Developer within seven days of the date of the notice, the suspension shall take effect without further notice. In the event of a suspension of the Work, the Developer shall have no liability to the Authority for delay or damage caused to the Authority because of such suspension of the Work. Before resuming the Work, the Developer shall be paid all sums due prior to suspension and any expenses incurred in the interruption and resumption of the Work, including remobilization costs of the Developer's contractors. By making final payment, the Authority does not waive any claim that it may have against the Developer. By accepting final payment, the Developer does not waive any claim that it may have against the Authority.

The Authority shall initiate requests via the federal LOCCS system for CNI funds in a timely manner sufficient to permit transfer of funds to the Developer within the thirty (30) day period described above. The Parties acknowledge and agree that the Authority's ability to remit funds to the Developer is subject to approval and release of funds by HUD. The Authority agrees to act in good faith to timely and zealously seek HUD's approval and release of funds, and the Parties will work together to resolve any timing issues caused by HUD's failure to release funds in a timely manner provided that the Authority has otherwise complied with the terms of this Agreement.

1.5. Delegation. The Authority acknowledges that the Developer may delegate direct responsibility for any portion of the Work to third parties. Notwithstanding any such delegation,

the Developer shall remain primarily and directly responsible, and liable, to the Authority for the timely and satisfactory performance of the Work.

1.6 Contracting. Contract solicitation, negotiation, and award for any products or services that make up any Component of the Work will be conducted by the Developer in accordance with the Master Development Agreement. Except as otherwise set forth in Section 1.3 herein, no contract or subcontract for the Work shall be awarded by the Developer in an amount which causes the total contract cost for the Work to exceed the Budget without prior written approval by the Authority. Furthermore, all contracts and subcontracts will be submitted to the Authority prior to execution and will be subject to the Authority's review and approval. The source of funding for third-party contract work will be set forth in the Budget. The Authority will request approval or modification of any previously HUD-approved budget as required to permit drawdown of any funds for timely payment of amounts expected to become due to the Developer or third-party contractors for the Work. Authorization to the Developer by the Authority to cause or permit commencement of third-party work contracted for by the Developer for the Work shall constitute a representation by the Authority that funds for payment of the costs of such work (in the amount set forth in the Budget) are available and authorized for such purpose.

1.7 Change Order Monitoring and Change Order Directive Process. A change order log listing all pending change orders for each Component of the Work shall be maintained by the Developer. The change order log shall list all pending change order requests as well as all approved change orders; shall be updated weekly; and shall be reviewed with the Authority's designee during progress meetings. Developer shall include within the written progress meeting agenda an explicit topic heading entitled "Change Order Status" beneath which an ongoing itemization of Additional Services change orders is listed with emphasis/highlight provided for each new or modified change order. Prior to the Developer's approval of any change order/change directive, the Developer shall submit on a timely basis all change order/change directive requests that it intends to approve, with a detailed scope of work and itemized budget, to the Authority no later than 48 hours following the Developer's decision to approve such request.

The Authority agrees to respond, with approval or disapproval based on its reasonable determination, to any change order/change directive request (that otherwise complies with the terms of this Agreement) within ten (10) business days. If the Authority fails to respond to a change order within such ten (10) business day period, the Developer shall send a second notice regarding the change order. If the Authority fails to respond to such second notice within five (5) business days (stating that failure to reply will constitute an approval in accordance with this Agreement), then the change order shall be deemed approved. The second notice must specifically state that failure to respond within five (5) business days will constitute an approval in accordance with this Agreement.

1.8 Compensation. The Developer will be compensated for the Work on a cost plus fixed fee basis. The amount of the fixed fee shall be six percent (6%) of the total of such costs set forth in the Budget for each specific Component (Total fee for each component shall aggregate to comprise the "Additional Services Program Management Fee"). The fixed fee shall be determined by applying the applicable rate (i.e., six percent (6%) to the total costs for a particular Component at the time the Budget is established for a specific Component and approved by the Authority, all in accordance with Section 1.3. After that point, the Additional Services Program Management Fee

for a particular Component shall not be increased; provided, however, that the Additional Services Program Management Fee shall be adjusted as necessary with any amendment to the Budget. The Additional Services Program Management Fee shall be paid in accordance with Paragraphs 1.3 and 1.4 above.

2. Disclaimer of Relationships.

(a) Nothing contained in this Agreement shall be deemed or construed to create any relationship of third party beneficiary, principal and agent, limited or general partnership, joint venture, or any association or relationship involving HUD, except between HUD and the Authority.

(b) The Authority and the Developer acknowledge that any transfer of Choice Neighborhood Initiative funds or public housing grant funds by the Authority to the Developer shall not be or be deemed to be an assignment of such funds, and the Developer will not succeed to any rights or benefits of the Authority under any agreement between the Authority and HUD or attain any privileges, authorities, interests, or rights in or under any such agreement.

3. Indemnification. To the fullest extent permitted by law, the Developer shall indemnify, defend, and release the Authority, its subsidiaries and their affiliates and their respective officers, directors, agents and employees from and against all claims, damages, losses and expenses, including, but not limited to, attorneys' fees, arising out of or resulting from the performance of the Developer's services hereunder, and only to the extent caused directly by any acts or negligent omissions of the Developer or acts or negligent omissions of any third parties with whom the Developer contracts in regard to the work to be performed hereunder, and excluding any claims, damages, losses and expenses cause by the negligence of the Authority. The indemnification obligation of the Developer hereunder shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by the Developer or any consultant of the Developer or any other person or entity under workers' or workmen's compensation acts, disability benefit acts or other employee benefit acts.

4. Termination for Convenience. The Authority reserves the right to terminate this Agreement for the convenience of the Authority if the Authority shall determine in good faith that it is infeasible or contrary to the interests of the Authority to proceed with the Development. In the event of a termination for convenience under this Section 4, the Authority shall be liable to the Developer for reasonable and proper costs resulting from such termination which costs shall be paid to Developer within thirty (30) days of receipt by the Authority of a properly presented claim setting out in detail: (i) the total cost of all third-party costs actually incurred to date of termination, including costs paid previously by the Developer; (ii) the cost (including reasonable profit) of settling and paying claims under subcontracts and material orders for work performed and materials and supplies delivered to the site, or for settling other liabilities of Developer actually incurred in performance of its obligations hereunder; (iii) the cost of preserving and protecting the work already performed until the Authority or its assignee takes possession thereof or assumes responsibility therefor; and (iv) fair compensation to Developer for all tasks performed to date, including reasonable profit. To the extent the Authority terminates this Agreement in accordance with this Section 4, the Authority shall be obligated to perform or cause to be performed all work

that would otherwise be performed hereunder pursuant to contracts and contractors that are subject to Developer's reasonable approval.

5. Miscellaneous. This Agreement:

(i) may be amended, only by a writing signed by each of the Parties;

(ii) may not be assigned, pledged or otherwise transferred, whether by operation of law or otherwise, without the prior written consent of the other party;

(iii) may be executed in one or more counterparts, each of which shall be deemed an original and all of which, when taken together, shall constitute the same instrument;

(iv) contains the entire agreement of the Parties with respect to the transactions contemplated hereby and supersedes all prior written and oral agreements, with the exception of any written agreements that have expressly been incorporated herein by reference, relating to such transactions;

(v) shall be governed by, and construed and enforced in accordance with, the laws of the State of North Carolina without giving effect to any conflict of laws rules and with respect to any dispute hereunder, jurisdiction and venue shall be exclusively with the courts located in Forsyth County, North Carolina; and

(vi) shall be binding upon, and inure to the benefit of, the Parties and their respective successors and permitted assigns. Notwithstanding the above, all activities shall be carried out in accordance with all applicable requirements contained in the Master Development Agreement, which is expressly incorporated herein by reference.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date and year first above written.

HOUSING AUTHORITY OF THE CITY OF WINSTON-SALEM, a body corporate, organized and existing under the laws of North Carolina

By: _____
Name: Kevin Cheshire
Title: Executive Director

MCCORMACK BARON SALAZAR DEVELOPMENT, INC., a Missouri corporation

By: _____
Name: Brock Armstrong
Title: Vice President

EXHIBIT "A"

Budget for Phase 2 and Phase 3

Winston-Salem Phases 2 & 3 - ASA Budget					3/27/2024
SOURCES:	DESCRIPTION:	City Funds	HAWS Funds	Total Budget	
HAWs - Choice Neighborhoods Funds	BLI 1430 - A&E/Legal/Professional Fees	\$ -	\$ -	\$ -	
HAWs - Choice Neighborhoods Funds	Phase 2 - BLI 1485 - Demolition/Remediation	\$ -	\$ -	\$ -	
HAWs - Choice Neighborhoods Funds	Phase 3 - BLI 1485 - Demolition/Remediation	\$ -	\$ 2,792,766	\$ 2,792,766	
HAWs - Choice Neighborhoods Funds	Phase 2 - BLI 1450 - Site Preparation and Infrastructure	\$ -	\$ 825,019	\$ 825,019	
HAWs - Choice Neighborhoods Funds	Phase 3 - BLI 1450 - Site Preparation and Infrastructure	\$ -	\$ 1,452,265	\$ 1,452,265	
City - GO Bonds	Phase 2	\$ 288,890	\$ -	\$ 288,890	
City - GO Bonds	Phase 3	\$ 368,938	\$ -	\$ 368,938	
City - CDBG	Phase 2	\$ 375,000	\$ -	\$ 375,000	
City - CDBG	Phase 3	\$ 281,250	\$ -	\$ 281,250	
City - Affordable Housing Funds	Phase 2	\$ 3,167,078	\$ -	\$ 3,167,078	
City - Economic Development	Phase 2	\$ 2,899,798	\$ -	\$ 2,899,798	
	SUBTOTAL:	\$ 7,380,954	\$ 5,070,050	\$ 12,451,004	
USES / SCOPE OF WORK:		City Uses	HAWs Funds	Total Budget	
Site Work					
	Demolition / Site Preparation (CDBG Eligible)	\$ 3,330,248	\$ 2,792,766	\$ 6,123,014	
	Public Improvements (CDBG Eligible)	\$ 1,306,228	\$ 2,277,284	\$ 3,583,512	
	Contingency (CDBG Eligible)	\$ 970,653	\$ -	\$ 970,653	
	SUBTOTAL:	\$ 5,607,129	\$ 5,070,050	\$ 10,677,179	
Soft Costs					
	Master Planning - Design, Survey & Title - Siterwide	\$ 238,400	\$ -	\$ 238,400	
	A & E - Demo/Site Prep/PI	\$ 212,800	\$ -	\$ 212,800	
	Section III/DBE/MBE Consultant	\$ 165,000	\$ -	\$ 165,000	
	Environmental	\$ 650,000	\$ -	\$ 650,000	
	Environmental - Siterwide	\$ 226,368	\$ -	\$ 226,368	
	Permits and Project Fees	\$ 20,000	\$ -	\$ 20,000	
	Legal	\$ 100,000	\$ -	\$ 100,000	
	Soft Contingency	\$ 161,257	\$ -	\$ 161,257	
	SUBTOTAL:	\$ 1,773,825	\$ -	\$ 1,773,825	
TOTAL		\$ 7,380,954	\$ 5,070,050	\$ 12,451,004	

Notes:

- 1 This is a portion of the ASA budget; for complete ASA budget please see All Phase. This budget does not currently include Construction Costs, HAWs Legal, Relocation, etc.
- 2 The GO Bonds and Economic Development sources listed on this budget page can be used to fund all of the Soft Cost use budget line items with a current budgeted amount.
- 3 Estimates are based on our general knowledge of development. MBS has not yet conducted full due diligence on the Cleveland Avenue Homes – either in terms of building conditions, site conditions, regulatory, legal and title issues.