

"Revitalization is our Business"

FORSYTH ECONOMIC VENTURES, INC.

Forsyth Economic Ventures, Inc. (FEV)

Board of Directors

July 12, 2022

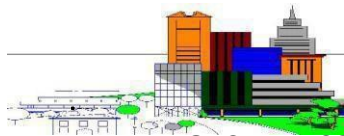
12:00 Noon

Forsyth Economic Ventures Quarterly Board Meeting

**LOCATION: 500 W. Fourth Street, Suite 300, Winston-Salem,
North Carolina 27101**

July 12, 2022

12:00 noon



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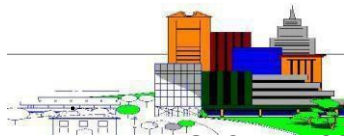
Board of Directors

July 12, 2022

12:00 Noon

AGENDA

1. Call to Order
2. Review and Approval of Agenda (July 12, 2022)
3. Review and Approval of Minutes (April 12, 2022)
4. Management Reports
 - Executive Director Report
 - Housing Operations
 - Non-Housing Operations
5. Resolutions
 - **Resolution No. 271:** Resolution Authorizing Approval of the Financial Statements (May 2022)
6. Board Comments
7. Adjournment



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Board of Directors

July 12, 2022

12:00 Noon

04/12/2022 Minutes

Board Committee Attendance:

Chairman Andrew Perkins- Absent
Vice Chairperson Betsy Annese- Present
Director Alfred Adams- Present
Director William Rose- Present
Director Art Gibel- Present
Director Felicia Brinson- Absent
Director Arthur Dark- Present
Director Kathy Stitts – Present
Director Vivian Perez Chandler - Present

Staff Presenting:

Kevin Cheshire, Executive Director
Nancy Thomas, VP of Finance
Lisa Matthews, Assistant Director of Property Management

1. CALL TO ORDER

- Called to order by Vice Chair Annese on April 12, 2022 at 12:53 P.M.

2. REVIEW AND APPROVAL OF AGENDA

- Consideration to approve the Agenda (April 12, 2022)

Motion: Director Gibel

Second: Director Dark

Roll was called. Unanimous approval

3. REVIEW AND APPROVAL OF MINUTES

- Consideration to approve the Minutes (January 11, 2022)

Motion: Director Rose

Second: Director Dark

Roll was called. Unanimous approval

- Consideration to approve the Minutes (Special Board Meeting, March 8, 2022)

Motion: Director Stitts

Second: Director Rose

Roll was called. Unanimous approval

4. MANAGEMENT REPORTS

- Executive Director Report
No report.



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○ Housing Operations

(Matthews) This is Lisa, again. The Housing Report is located on page 8 of your packet. Starting with Fairview Landing, we had three vacancies under operations that have since been filled. You'll notice that this month we collected less than what we had outstanding in tenant receivables and that's because we've - we haven't received as much funds in ERAP as we have in previous months. We had, under lease violations, we had two for non-payment of rent and under security, we had one report for violence, but that was located in the vicinity of the property not related to the property itself. Under Bethlehem Pointe, we are 100% occupied and again, collecting less payments than outstanding in receivables and we had one non-payment lease termination under lease violations. Under FEV Houses, we had one vacancy. That has since been filled. And, again, collecting less than what we had outstanding in receivables and we did not have any judicial filings for non-payment of rent. If anyone has any questions, I'll be happy to answer those. **(Rose)** Lisa, just to make sure I'm not assuming something wrong, those properties that you're just showing, they're basically all Housing Choice Voucher occupants right? **(Matthews)** Most of them are, yes sir. **(Rose)** There are some that are regular tenants? **(Matthews)** Yes, sir. **(Rose)** Okay there's no low income public housing projects here? **(Matthews)** No sir. **(Rose)** So it's all regular tenants or housing choice vouchers? Okay, thank you. **(Matthews)** Thank you.

○ Non-Housing Operations

(Cheshire) Lisa, are you reporting on Loewy as well? **(Matthews)** Yes, I'm sorry. At the Loewy Building, we currently have one vacancy, Suite 101, that I'm actively marketing. That's all I have for Loewy.

5. NEW BUSINESS

- **Resolution No. 267** – Authorizing Approval of the Financial Statements (February 2022)
Motion: Director Rose
Second: Director Gibel
Roll was called. Unanimous.

(Thomas) Okay, on the Balance Sheet you have in front of you, you can see that our cash in FEV has increased substantially since the end of the year and since the prior year. And the main reason for this is because we did the assessment for the Loewy Building for the insurance, maintenance costs and property taxes for the prior year and that has been paid. And that's a HAWS/FEV transaction. If you go on to the Income Statement, you see our operations are doing well. We've had, before depreciation, a gain at \$232,000.



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That's \$47,000 better than we had budgeted and \$95,000 gain, after depreciation, which is \$55,000 better than we budgeted. All properties are ahead of budget, the biggest increases is in Fairview Landing and a lot of that is the result of the maintenance expense. Less has been allocated there than was budgeted. So that's where I mentioned it over in the HAWS section that maintenance was over in HAWS because we had allocated more labor there. So that's a result of that. But all properties are cash flowing and above budget. And again here, these are just the cash balances compared to the end of the year and then the individual properties compared there, you can see them compared to the budget and compared to the average for the last three years. If you have any questions, I'll try to answer those. **(Adams)** Congratulations. I like seeing that. **(Annese)** All right, are there any questions for Nancy? **(Rose)** I don't have any question, but I just want to comment with the other Commissioners for them to recognize that the Commons properties that we're acquiring will become part of FEV. They will be showing up as a separate column there.

- **Resolution No. 268:** Resolution Authorizing Refinancing of Fairview Landing

Motion: Director Rose

Second: Director Adams

Roll was called. Unanimous.

(Cheshire) Thank you Madame Vice Chair. I'll try to run through this pretty quickly. You know as interest rates were rising or we anticipated interest rates rising, I guess what fourth quarter of last year, I asked Nancy and her team to start kind of looking at debt we had maturing to see if we could go ahead and try to refinance some of that debt. This particular debt is actually maturing next month, so we weren't any too early getting to it. I think the pertinent terms are recited in the resolution, I won't read through all of it, I will simply note we've paid down about \$100,000 in the five year period since we first made this acquisition. And that the current rate is 4% so we're actually getting a better rate at 3.75%. And again, we had a balloon payment coming due next month, anyway, that was the way that the debt was structured. So, we need to do something else, and I think our timing on this was good. We're keeping it with the legacy bank, the legacy lender First Bank. You all may remember that there was a lot that went into this when we first acquired the property. The City was involved, First Bank was involved, one of its big depositors was involved. So this was sort of baked into the deal initially, that we were going to refi it with them when the time came. So we're getting good terms. Happy with the lender. The lender is happy. And I just need authorization from you all, so that Nancy and I can do what we need to do to get this closed and roll us into a new loan next month.



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- **Resolution No. 269:** Resolution Authorizing Sale of Undeveloped Portion of Fairview Landing

Motion: Director Gibel

Second: Director Rose

Roll was called. Unanimous.

(Cheshire) Thank you Madame Vice Chair. I'll take that one as well. So this is, I think another bit of good news. We've talked for a while about the School Board's intent to put, what we call a new Ashley, right? The new Ashley Elementary, right in the middle of our Choice Neighborhood grant area. So a portion of the property that's going to be used for that new school is currently Fairview Landing, right? Our housing community known as Fairview Landing. And so Kimberly, if you can do me a favor before I get into the kind of the terms here. Okay. That's good. That actually shows up a lot better on the computer than it did in the printed packet. So the red is the portion that we are selling to the school system. That's the resolution that we're getting ready to get back to in just a minute. None of that has anything on it, meaning there aren't any buildings on it. So we're not losing any residential structures. We're still going to continue to house the same number of families at Fairview Landing that we have always housed. When we acquired this property roughly five years ago, some of the money that we borrowed was used to demolish certain buildings that were in this footprint and we did that in an attempt to incentivize the school system to put the new school on this site. So this is land that has essentially been prepared for them to be able to develop and it matched the footprint that they gave us. The additional funds were used to rehab the buildings that are still out there and being operated and are cash flowing. So you can kind of see those, Kimberly, would you mind just to the right of that eastern most border, yeah, all of those rooftops are Fairview Landing buildings. And just to put it in context Kimberly, if you just kind of take your cursor down a couple of rows and just that area right at the bottom of the screen just kind of go east to west, that's not Cleveland Avenue Homes, but it borders Cleveland Avenue Homes. So just so you all know how this kind of plays into the larger Choice Neighborhood grant area, we're, you know, one street north of Cleveland Avenue Homes. So all of this is right in that target area and this school will be walkable for families who are residing in the new Cleveland Avenue Homes, as well as in Phase I, the Brown Elementary School site. It's, the school site is going to be very visible. You see there Liberty and 52 there, to the western most right, there you go. And then that space, there you go, perfect. That's actually a park. That's a gathering place. And so that's been renovated gosh, I guess, in the last three or four years and that's going to be shared space. So, you know, none of this is really new. I'm just trying to provide that context, to say that we're now to a point where the school system is ready to go ahead and close on its acquisition of our property. The school system has been assembling



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some of these other parcels that are owned by third parties and it's far enough along in that process where it's reached critical mass and it's now ready to close the sale with us. We had, long ago, agreed to terms with the school system. Kimberly you can go back to the resolution, just so I can show the Board where that's laid out. Thank you that's great. I guess, about that fifth "whereas" clause, it says Winston-Salem Forsyth County Schools will tender an offer to purchase, in the amount of \$350,000. Again it's \$350,000 for nothing that is producing any income. So the bank has already agreed to release this. The City, which is in a second position, meaning the City lent us some money to acquire and rehab this property and the City's security in this land is second behind the bank. The City and we are discussing now, how to release this interest in the land. I don't envision that being a problem at all. Again, because we're not losing any affordable housing units and because this does not affect the site's ability to service its debt and cover its operating expenses. So I think this is a win all the way around. It's a win for the Choice project. It's a win for the families who reside there. It's a win for the school system because they're getting a good deal on this land. It's a win for us because we're going to be able to bank the proceeds of the sale. So the resolution authorizes me to execute a contract with the school system to sell the land that I've identified in that exhibit for \$350,000 and do everything else that I need to, to bring that transaction to close. So I'm happy to stop there Madame Vice Chair and take any questions that the Board may have about this resolution or the underlying structure. **(Annese)** Any questions for Kevin? **(Adams)** Kevin, just so it doesn't present an issue for anybody going forward, I mean I presume there's no broker commission? **(Cheshire)** Right. **(Adams)** Nothing going out of the, coming out of the proceeds other than well, I suppose, because we're paying taxes on it, this parcel, or not. But in any event, I just want to make sure it's not a...if it's \$350,000 that's not necessarily a net number but there's not going to be a lot coming out of it. **(Cheshire)** Thank you for pointing that out. That's a great point and so I'll forgive you for your mean comment when I muddled the waters during the HAWS Board meeting. We're even now. No honestly, really good point. There are no broker commissions coming out of this. What we will probably do is take the attorney's fees out of it, the closing attorney so you know call it \$10,000 bucks. I don't know something like that. But to Commissioner Adams's point, yeah we're not going to see a check for \$350 on the nose, but it shouldn't be a lot diluting that. He made a comment about the taxes, this property is tax exempt because it's held by a nonprofit and it's being used for charitable purposes, which is to say, the provision of affordable housing. So it is currently not taxable. So there won't be any tax proration there at closing. So it'll be pretty close to that \$350. **(Pérez Chandler)** I have a question about the land. Is this fair market rate what we're essentially giving, selling it for? **(Cheshire)** That's a fair and a good question. I don't know what vacant land, this amount of vacant land in



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this neighborhood, would sell for. I think, we've not had an appraisal done, for sure. It's hard to use tax value, right, because the way this thing is parceled. These things are not, excuse me, this land that we're selling is not, they're not separate parcels. They have buildings on them now, so the tax value that's attached reflects the fact that there're income producing buildings on them rather than vacant land. I think that it's a fair price, and I think it approximates market value in this neighborhood. It certainly is not what the school system has paid for other sites recently, but I think that, if you look at the other parcels that they've acquired, Commissioner Perez Chandler. And I'm trying, that's what, I'm trying to think now, what those numbers are. If you basically take the parcels that they've acquired to assemble what they need to build their school and you sort of extrapolate that out. So my point being, let's say they've bought a half acre parcel from some third party and given \$10,000 for that half acre parcel. If you take that \$10,000 for a half acre and sort of apply that to what we're selling them, you know it roughly approximates that value. Now in fairness, some of those have significant tax liens on them. So they've gotten a pretty good deal for some of those. But I'm, for what it's worth, I'm comfortable with sort of the, I'm going to use "comps" in a very loose term, because it's not any sophisticated comps, but sort of holding my finger out and looking at what they've paid for other land in the neighborhood and then comparing that to the amount of land we're giving them, excuse me, we're selling them, I think it's a fair price. Do I think we could have listed it for more and got more? Yeah, probably so. But I don't know that there's another user other than the school system that would be interested in buying it from us. I hope that didn't sound like I was evading your question, because I think it's a fair question, I just don't have a great answer for you. **(Pérez Chandler)** Thank you. **(Adams)** Kevin, there's some significant value here that is an intangible. Because, the City needs a school where the children that would be served, you know as you said, they can walk to it, wherever. But education we all recognize is significant and it's very important to what we're about, and so the intangible is we're putting a school in an area that needs a school. You can't put a price tag on that. But, hopefully, it creates a community and it gives us some students that move up the education ladder and will be able to take themselves out of worse situation. **(Gibel)** Good point Alfred. **(Annese)** Yes.

- **Resolution No. 270:** Resolution by the Board of Directors of Forsyth Economic Ventures, Inc. ("FEV") authorizing FEV to execute any and all documents, or take any other action, that is necessary or desirable to: Facilitate the development of Winston-Salem CNI Phase 1 (the "Project"), which consists of affordable housing units and associated amenities built upon land to be ground-leased from the Housing Authority of the City of Winston-Salem ("HAWS"); Cause FEV to execute an operating agreement (the "SLP Operating Agreement") for Choice WS 1, LLC, a North Carolina limited liability company (the "SLP") and other related documents; Cause FEV to enter into



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development financing for the Project; and Cause FEV to execute any such further documentation as necessary or desirable to allow the consummation of the transactions described herein.

Motion: Director Gibel

Second: Director Rose

Roll was called. Unanimous.

(Cheshire) Perkins is really going to owe you after this meeting. That's all I have to say.

(Annese) I think you're right. **(Cheshire)** Yeah and I apologize for that. Not our resolution and so that's how it was kind of titled and we carry that over. This is the companion resolution to the one that we discussed in the Housing Authority Board Meeting. The differences here that you will note, because FEV controls a new entity, which is Choice Winston Salem 1, LLC, we are simply, or you all are authorizing FEV to enter into this, what amounts to a conglomeration of folks, right? Who are going to own this new development. So the apartments are going to be owned by several different parties and FEV is going to have a very fractional ownership interest in that, through Choice Winston Salem 1, LLC. So what you will see us, meaning FEV, referred to as the special limited partner. So we're in there as a special limited partner. We don't control it, but we're in there to ensure compliance and so we're going to have to sign onto all of the financing agreements that the project owner signs. So, for example, when the bank goes and lends money to the project owner, we're going to have to be a party to those agreements. And so, this resolution is authorizing me, on behalf of FEV, to sign onto all of those agreements. Again, we're not guaranteeing anything, we're just a fractional owner in this development deal. So I'm happy to sort of stop there and take questions or receive comments about this resolution in its scope. **(Stitts)** I guess the only question I would have is the, I guess the organizations that you're partners with, I guess it's Choice WS Choice Winston Salem. Is there any kind of like possibility of reputational risk? **(Cheshire)** Yeah. That's a fair question Commissioner Stitts, for sure, and I think the answer is yes. But I will say I don't think it's any different than the reputational risks of the Housing Authority for being involved in the Choice neighborhood project, right? In other words, if this thing goes sideways, then we're kind of all going sideways because this is our first phase of the larger Choice Neighborhood grant effort. So if, we'll just call it the Phase I project, I mean we've called it CNI Phase I. Obviously, it's going to have a better name than that when it comes out of the ground. But if CNI Phase I gets a reputation for being a substandard housing development with a lot of crime activity, drug activity, etc., then that's going to reflect not just on FEV as a member of that ownership entity, but also on the Housing Authority at large. So, while there is a reputational interest, I think it's probably less of a concern, because we're part of the ownership group and more of a concern because it's such a visible piece of the Choice



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Neighborhood project. I'll also add this, for what it's worth, this is how all six of the Hope VI sites are structured. Some of you may remember those Hope VI's as we talk about it every now and then. But it was the same situation. We tore down an old public housing community known as Kimberly Park Terrace and built several new multifamily apartment communities and we did the same thing over at Happy Hill, where we tore down Happy Hill Gardens and built three new ones. Those are not owned by the Housing Authority. They're owned by these new ownership entities and the tax credit, I mean, excuse me, the Housing Authority in each of those six instances has a fractional ownership interest and it's structured almost the exact same way here for the Choice Phase I.

6. BOARD COMMENTS

(Pérez Chandler) I've got a quick question. And this is just related to, should we expect to have FEV meetings every month or is that something that just happens whenever it's needed? **(Cheshire)** So the FEV meetings, the regularly scheduled meetings are quarterly now. So this was our quarterly meeting. I hope we won't have any more special meetings. Every now and then, whether it be FEV for the Housing Authority, something will come up that we couldn't address at the regular meeting and it's time sensitive so we'll have to jump on a special meeting. So that's why we've had two FEV meetings relatively close together here. The last one was a special meeting, but the regular meetings, Commissioner Perez Chandler, are quarterly. **(Pérez Chandler)** Thank you.

(Annese) All right, so our next HAWS Board meeting is on the 10th of the month and that is the one that may be held in person. **(Stitts)** Where are the Board meetings held? **(Cheshire)** So, we will send all this out because I know some of you, which is hard to believe, but have never attended a Board meeting in person. So we'll send all that out and we'll make sure we have staff to point everybody to the right parking spots and get you in the building and all that sort of stuff, but it's 500 West Fourth Street, which is our central office downtown. **(Stitts)** Thank you. **(Annese)** And you park in the back of the building and Kimberly can give you instructions about which spaces belong to us and so forth and where to park, but it makes it convenient and lunch is served, correct? **(Spragins)** Yes, ma'am. **(Annese)** Okay, good. **(Spragins)** I'll send out a menu for that prior to it, so everybody can place their orders. **(Stitts)** Wow. Thank you. **(Annese)** You are welcome. All right, any other Board comments? That was a good one.



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7. ADJOURNMENT

Motion to Adjourn at 1:23 p.m.

Motion: Director Annese

Second: none needed

Roll was called. Unanimous.

Adopted Date

Kevin Cheshire- Secretary

Executive Director Report (July 2022)

- 1) Overview of FEV Holdings
- 2) Lansing Ridge Transfer
- 3) Fairview Landing
 - a) New Ashley

FEV Housing Report May 2022				
	Fairview Landing	Bethlehem Pointe	Fev Houses (17th)	The Heights
Imperial Operations				
Occupancy Rate	97%	92%	100%	60%
Number of Units	67	12	3	15
Move Ins	3	0	0	9
Move Outs	0	1	0	0
Vacancies	2	1	0	6
# of Applicants Pulled	3	0	0	7
Tenant Receivables	-\$13,285	\$1,912	-\$206	\$119
Charges Billed in May	\$33,342	\$6,158	\$1,335	\$5,306
Payments Collected in May	\$30,213	\$5,320	\$1,375	\$5,530
Waiting List	5	6	0	9
Lease Violations				
# of Late Payment Notices	3	4	0	0
# of Termination Notices (Other than Non-Payment)	3	2	1	0
# of Judicial evictions Filed in Court (Non-Payment)	0	4	0	0
# of Judicial Evictions Filed in Court (Other)	3	0	0	0
Security				
# of Incidents Reports	0	0	0	0
# of Violent/Drug Reports	2	0	0	0
Maintenance				
# of Routine Work Orders Received	32	10	4	8
# of Emergency Work Orders Received	10	0	0	2
# of Routine Work Orders Completed	29	10	4	6
# of Emergency Work Orders Completed	9	0	0	2

RESOLUTION NO. 271

**RESOLUTION AUTHORIZING THE APPROVAL OF THE
May 31, 2022 FINANCIAL STATEMENTS**

WHEREAS, Forsyth Economic Ventures (“FEV”) operates on a Fiscal Year ending September 30; and

WHEREAS, unaudited Financial Statements are prepared monthly, and

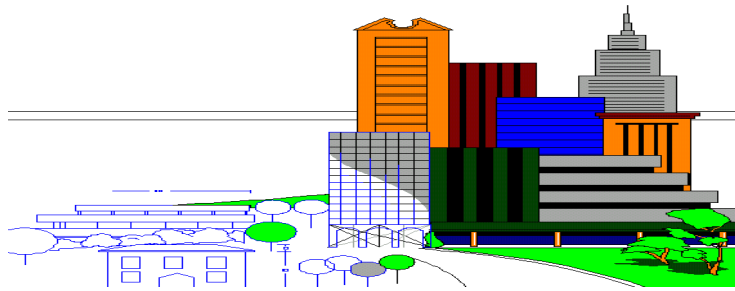
WHEREAS, the unaudited Financial Statements dated May 31, 2022, were submitted to the Board of Directors for review; and

WHEREAS, the unaudited Financial Statements attached and referenced herein is a permanent record and will continue to be maintained in FEV’s permanent files.

NOW, THEREFORE, BE IT RESOLVED that the Forsyth Economic Ventures Board of Directors hereby accepts the unaudited Financial Statements dated May 31, 2022.

ADOPTED: _____ **(Date)**

SIGNED: _____
(Secretary/Chief Executive officer)



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500 West Fourth Street, Suite 300
Winston-Salem, NC 27101

VARIANCE REPORT FOR May 31, 2022

Total year-to-date Forsyth Economic Ventures:

	<u>Total FEV</u>
• Total Revenue -	\$ 1,009,163
• Total Operating Expenses -	\$ 653,278
• Income Before Depreciation & Other Expenses -	\$ 355,885
• Payment of Principal on Debt -	\$ (1,345,248)
• Net Cash Flow	\$ 223,195

FEV produced a total income of \$1,009,163. Total operating expense is under budget by (\$13,464) or (2.02%) The net gain (including depreciation and taxes) reported for the period is \$132,690.

Loewy Building produced a net income of \$224,982 (excluding the depreciation expense). The depreciation expense recorded year to date is \$87,067. At the end of the fiscal period, the Loewy Building has a positive cash flow of \$130,065.

FORSYTH ECONOMIC VENTURES
BALANCE SHEET

As of May 31, 2022

	May 2022	FYE 2021	Variance		May 2021
			Amount	Percentage	
ASSETS					
CURRENT ASSETS					
CASH					
UNRESTRICTED CASH	428,607	166,486	262,121	157.44%	212,246
SECURITY DEPOSIT/RESERVE	112,696	94,042	18,654	19.84%	89,855
TOTAL CASH	541,303	260,528	280,775	107.77%	302,101
OTHER ACCOUNTS RECEIVABLE	20,847	25,734	(4,887)	-18.99%	43,042
PREPAID EXPENSES AND OTHER ASSETS	117,018	131,592	(14,574)	-11.08%	103,847
TOTAL CURRENT ASSETS	679,168	417,854	261,314	62.54%	448,990
NON-CURRENT ASSETS					
TOTAL FIXED ASSETS	11,643,643	10,166,081	1,477,562	14.53%	10,117,129
ACCUMULATED DEPRECIATION	(4,607,679)	(4,384,484)	(223,195)	-5.09%	(4,274,069)
FIXED ASSETS, NET OF DEPRECIATION	7,035,964	5,781,597	1,254,367	21.70%	5,843,060
TOTAL OTHER ASSETS (INVENTORY)	5,355	5,355	0	0.00%	4,848
TOTAL NON-CURRENT ASSETS	7,041,319	5,786,952	1,254,367	21.68%	5,847,908
TOTAL ASSETS	7,720,487	6,204,806	1,515,681	24.43%	6,296,898
LIABILITIES AND EQUITY					
CURRENT LIABILITIES					
ACCOUNTS PAYABLE	290	19,781	(19,491)	-98.53%	13,759
ACCRUED LIABILITIES	139,459	126,721	12,738	10.05%	122,308
NOTE PAYABLE TO FCB - SHORT TERM	205,979	175,608	30,371	17.29%	169,452
NOTE PAYABLE TO CORPORATE	0	0	0	0.00%	0
OTHER CURRENT LIABILITIES	63,863	49,740	14,123	28.39%	50,525
TOTAL CURRENT LIABILITIES	409,591	371,850	37,741	10.15%	356,044
NON-CURRENT LIABILITIES					
LONG TERM DEBT	5,545,375	4,200,128	1,345,247	32.03%	4,264,286
TOTAL NON-CURRENT LIABILITIES	5,545,375	4,200,128	1,345,247	32.03%	4,264,286
TOTAL LIABILITIES	5,954,966	4,571,978	1,382,988	30.25%	4,620,330
EQUITY					
INVESTED IN CAPITAL ASSETS, NET	1,290,762	1,412,013	(121,251)	-8.59%	1,416,323
UNRESTRICTED NET ASSETS	342,069	(39,982)	382,051	955.56%	(50,079)
RESTRICTED NET ASSETS	0	0	0	0.00%	0
NET INCOME/(LOSS)	132,690	260,797	(128,107)	-49.12%	310,324
TOTAL EQUITY	1,765,521	1,632,828	132,693	8.13%	1,676,568
TOTAL LIABILITIES AND EQUITY	7,720,487	6,204,806	1,515,681	24.43%	6,296,898

TOTAL FORSYTH ECONOMIC VENTURES
BALANCE SHEET
As of May 31, 2022

Loewy	Forsyth RE Dev	Northwest Properties	Bethlehem Pointe	Fairview Landing	The Heights	FEV Corporate	Eliminations	5/31/2022 Total FEV	FYE 2021 Total FEV	Variance
ASSETS										
CURRENT ASSETS										
CASH										
UNRESTRICTED CASH	168,940	10,794	23,303	56,812	20,910	4,279		428,607	166,486	262,121
SECURITY DEPOSIT/RESERVE	20,292	250	2,666	88,509	979			112,696	94,042	18,654
TOTAL CASH	168,940	11,044	25,969	145,321	21,889	4,279	0	541,303	260,528	280,775
ACCOUNTS RECEIVABLE-MISC										
AR - CORPORATE	30,000	972	3,450	14,446	119		(30,000)	0	0	0
AR - OTHERS	30,000	972	3,450	14,446	119	0	(30,000)	20,847	25,734	(4,887)
TOTAL AR-MISC								20,847	25,734	(4,887)
INVESTMENTS										
UNRESTRICTED										
RESTRICTED										
TOTAL INVESTMENTS	0	0	0	0	0	0	0	0	0	0
PREPAID EXPENSES AND OTHER ASSETS										
PREPAID EXPENSES-INSURANCE		194		7,691	2,897	3,099		13,881	11,177	2,704
PREPAID EXPENSES-OTHER	18,794	185	1,315	5,137		77,706		103,137	120,415	(17,278)
TOTAL PREPAID EXPENSES AND OTHER ASSETS	18,794	379	1,315	12,828	2,897	80,805	0	117,018	131,592	(14,574)
CURRENT INTERFUNDS										
DUE FROM MISC										
TOTAL DUE FROM AMOUNTS - CURRENT	0	0	0	0	0	0	0	0	0	0
TOTAL CURRENT ASSETS	198,940	12,395	30,734	172,595	24,905	85,084	(30,000)	679,168	417,854	261,314
NON-CURRENT ASSETS										
FIXED ASSETS										
LAND	553,737	6,631	8,159	239,200	113,500	541,864		1,463,091	1,349,591	113,500
BUILDINGS	5,141,185	26,961	185,116	2,893,778	1,360,705	523,978		10,131,723	8,767,661	1,364,062
LEASEHOLD IMPROVEMENTS								0	0	0
CONSTRUCTION IN PROGRESS								0	0	0
FEM-VEHICLES								0	0	0
FEM-DWELLINGS								0	0	0
FEM-COMPUTERS	40,443							40,443	40,443	0
FEM-ADMINISTRATION	8,386							8,386	8,386	0
TOTAL FIXED ASSETS	5,743,751	33,592	193,275	3,132,978	1,474,205	1,065,842	0	11,643,643	10,166,081	1,477,562
ACCUMULATED DEPRECIATION	(3,462,713)	(21,258)	(132,806)	(477,283)	(5,670)	(507,949)		(4,607,679)	(4,384,484)	(223,195)
FIXED ASSETS, NET OF DEPRECIATION	2,281,038	12,334	60,469	2,655,695	1,468,535	557,893	0	7,035,964	5,781,597	1,254,367
OTHER ASSETS										
INVENTORY				5,355				5,355	5,355	0
TOTAL OTHER ASSETS	0	0	0	5,355	0	0	0	5,355	5,355	0
TOTAL NON-CURRENT ASSETS	2,281,038	12,334	60,469	2,661,050	1,468,535	557,893	0	7,041,319	5,786,952	1,254,367
TOTAL ASSETS	2,465,553	24,729	91,203	2,833,645	1,493,440	642,977	(30,000)	7,750,487	6,204,806	1,545,681

TOTAL FORSYTH ECONOMIC VENTURES
BALANCE SHEET
As of May 31, 2022

LIABILITIES AND EQUITY									
CURRENT LIABILITIES									
ACCOUNTS PAYABLE									
ACCOUNTS PAYABLE - VENDORS									
ACCOUNTS PAYABLE - OTHERS									
TOTAL ACCOUNTS PAYABLE	0	0	0	0	0	0	0	0	0
ACCURED LIABILITIES									
ACCURED SALARIES AND WAGES									
PAYROLL WITHHOLDINGS									
ACCURED UTILITIES	12,083								
ACCURED INTEREST PAYABLE	5,285								
ACCURED PILOT - PHA WIDE									
ACCURED COMPENSATED ABSENCES	1,637	106							
OTHER ACCURED LIABILITIES	952	8,305							
TOTAL ACCURED LIABILITIES	19,957	8,411	24	24	123	123	4,748	7,377	12,738
OTHER CURRENT LIABILITIES									
TENANT SECURITY DEPOSITS	20,617		250		2,250		1,000		2,597
TENANT PREPAID RENTS	5,858		191		1,437		668		4,414
DEFERRED REVENUE									7,112
NOTE PAYABLE TO FCB - SHORT TERM	138,561								138,561
NOTE PAYABLE TO CORPORATE									0
CURRENT PORTION-LT DEBT									0
TOTAL OTHER CURRENT LIABILITIES	165,036	0	441		3,687		32,039	37,047	30,371
TOTAL CURRENT LIABILITIES	184,993	8,411	465		3,810		36,787	371,850	37,741
NON-CURRENT LIABILITIES									
LONG TERM DEBT									0
MORTGAGE PAYABLE	1,507,540								1,375,618
NOTE PAYABLE									0
ACCURED COMPENSATED ABSENCES	2,201	3,028	72		368				0
Less Current Portion	1,509,741	3,028	72		368		1,497,515	4,375,736	1,375,618
	(138,561)		0		0		(30,371)	(175,608)	(30,371)
TOTAL LONG TERM DEBT - NET	1,371,180	3,028	72		368		1,467,144	4,200,128	1,345,247
TOTAL NON-CURRENT LIABILITIES	1,371,180	3,028	72		368		1,467,144	4,200,128	1,345,247
TOTAL LIABILITIES	1,556,173	11,439	537		4,178		1,503,931	4,571,978	1,412,988
EQUITY									
INVESTED IN CAPITAL ASSETS, NET	773,498	0	12,334		60,469		(28,980)	557,893	(121,251)
UNRESTRICTED NET ASSETS	48,815	126,508	9,639		16,047		28,980	74,638	382,051
RESTRICTED NET ASSETS									0
NET INCOME/(LOSS)	87,067	60,993	2,219		10,509		(10,491)	(26,931)	(128,107)
TOTAL EQUITY	909,380	187,501	24,192		87,025		(10,491)	605,600	132,693
TOTAL LIABILITIES AND EQUITY	2,465,553	198,940	24,729		91,203		1,493,440	642,977	1,545,681

Forsyth Economic Ventures
Consolidated Revenue and Expense Statement
October 1, 2021 - May 31, 2022

	YTD Actual	YTD Budget	Variance Amount	Percentage	5/31/2021 Actual
Operating Income					
Non Residential Rental Income	581,409	583,333	(1,924)	-0.33%	801,654
Residential Rental Income	317,399	310,120	7,279	2.35%	320,761
Other Non-Residential Revenue	2,490	1,920	570	29.69%	2,560
Tenant Revenue Other	19,717	14,944	4,773	31.94%	11,005
Other Income	87,508	55,533	31,975	57.58%	61,646
Investment Income	640	1,160	(520)	-44.83%	0
Total Income	1,009,163	967,010	42,153	4.36%	1,197,626
Operating Expenditures					
Administrative	243,847	220,957	22,890	10.36%	217,201
Utilities	104,850	114,513	(9,663)	-8.44%	109,350
Maintenance	169,231	164,668	4,563	2.77%	166,450
Protective Services	-	-	-	0.00%	-
General	135,350	166,604	(31,254)	-18.76%	181,220
Total Operating Expenses	653,278	666,742	(13,464)	-2.02%	674,221
Net Income (Loss) before depreciation	355,885	300,268	55,617	18.52%	523,405
Depreciation expense	223,195	230,348	(7,153)	-3.11%	213,262
Net Income (Loss)	132,690	69,920	62,770	89.77%	310,143
Other Changes In Cash					
Principal payments on debt	(1,345,248)	116,167	(1,461,415)	-1258.03%	192,912
Capital Asset Purchases	1,477,562	-	1,477,562	100.00%	182,465
Replacement Reserve	-	-	-	0.00%	-
Depreciation expense add back	223,195	230,348	(7,153)	-3.11%	213,262
Cash Increase (Decrease)	223,571	184,101	39,470	21.44%	148,028

CONSOLIDATED STATEMENT OF REVENUE & EXPENSE
BUDGETED PROGRAM ONLY

October 1, 2021 - May 31, 2022

Loewy Building	Forsyth RE Dev	Northwest Properties	Bethlehem Poinsie	Fairview Landing	The Heights	FEV Corporate	YTD ACTUAL	YTD BUDGET	VARIANCE		ANNUAL BUDGET	REMAINING	
									AMOUNT	PERCENT		AMOUNT	PERCENT
Operating Income													
Tenant Rental Income		9,502	46,988	256,945	3,964		317,399	310,120	7,279	2.35%	465,180	147,781	31.77%
Tenant Revenue Other		75	1,277	7,398	375		19,717	14,944	4,773	31.94%	22,416	2,699	12.04%
Other Income	132	77,870				9,506	87,508	55,533	31,975	57.58%	55,800	(31,708)	-56.82%
Other Income Loewy Bldg	400						400	400	0	0.00%	600	200	33.33%
NonDwelling Rental Income	581,409						581,409	583,333	(1,924)	-0.33%	833,000	251,591	30.20%
Parking Rental Income	2,090						2,090	1,520	570	37.50%	2,280	190	8.33%
Interest Income	590			50			640	1,160	(520)	-44.83%	1,740	1,100	100.00%
Operating Transfer In							0	0	0	0.00%	0	0	0.00%
Total Income	595,213	77,870	48,265	264,393	4,339	9,506	1,009,163	967,010	42,153	4.36%	1,381,016	371,853	26.93%
Operating Expenditures													
Administrative													
Salaries	9,128		4,333	10,491		9,129	33,081	35,396	(2,315)	-6.54%	58,646	25,565	43.59%
Employee Benefits	2,548		17	7,256		2,548	12,369	13,913	(1,544)	-11.10%	20,870	8,501	40.73%
Audit	3,195	3,500				1,500	8,195	6,133	2,062	33.61%	9,200	1,005	10.92%
Management Fees	96,000		7,188	22,357	644		127,738	123,500	4,238	3.43%	185,250	57,512	31.05%
Other	35,006	1,701	1,439	16,765	3,233	4,025	62,464	42,014	20,450	48.67%	63,021	557	0.88%
Total Admin	134,201	16,877	12,977	56,869	3,877	17,202	243,847	220,957	22,890	10.36%	336,987	93,140	27.64%
Utilities													
Water	3,192			3,611			6,893	7,200	(307)	-4.26%	10,800	3,907	36.18%
Electric	89,644		853	7,113			97,714	106,657	(8,943)	-8.38%	159,985	62,271	38.92%
Gas	230		13	0			243	657	(414)	-62.99%	985	742	75.33%
Total Utilities	93,066	0	866	10,724	0	0	104,850	114,513	(9,663)	-8.44%	171,770	66,920	38.96%
Ordinary maintenance													
Labor		799	1,006	6,851			8,656	33,043	(24,387)	-73.80%	55,175	46,519	84.31%
Employee Benefits Maint		545	1,413	2,730			4,688	15,435	(10,747)	-69.63%	23,153	18,465	79.75%
Materials	6,502		2,755	24,033	510		34,297	22,967	11,330	49.33%	34,450	153	0.44%
Contract Costs	57,725	1,839	8,369	48,107		5,550	121,590	93,223	28,367	30.43%	139,835	18,245	13.05%
Total maintenance	64,227	0	13,543	81,721	510	5,550	169,231	164,668	4,563	2.77%	252,613	83,382	33.01%
Protective Services													
Protective Services			0	0			0	0	0	0.00%	0	0	0.00%
Total Protective Services	0	0	0	0	0	0	0	0	0	0.00%	0	0	0.00%
General													
Insurance	16,725		1,268	14,829	1,424	4,652	39,359	44,404	(5,045)	-11.36%	66,606	27,247	40.91%
PILOT Tax		461		10,494			10,494	12,667	(2,173)	-17.15%	19,000	8,506	44.77%
Property Tax	20,820						20,820	22,867	(2,047)	-8.95%	34,300	13,480	39.30%
Interest Expense	36,654			33,870	2,992		73,516	72,667	849	1.17%	109,000	35,484	32.55%
Other General Expense	4,538	(619)	(3,617)	(18,094)	358	8,595	(8,839)	14,000	(22,839)	-163.14%	21,000	29,839	142.09%
Total General	78,737	0	(2,349)	41,099	4,774	13,247	135,350	166,604	(31,254)	-18.76%	249,906	114,556	45.84%

CONSOLIDATED STATEMENT OF REVENUE & EXPENSE
BUDGETED PROGRAM ONLY

October 1, 2021 - May 31, 2022

	Loewy Building	Forsyth RE Dev	Northwest Properties	Bethlehem Pointe	Fairview Landing	The Heights	FEV Corporate	YTD ACTUAL	YTD BUDGET	VARIANCE		ANNUAL BUDGET	REMAINING	
										AMOUNT	PERCENT		AMOUNT	PERCENT
Total Operating Expenditures	370,231	16,877	5,560	25,037	190,413	9,161	35,999	653,278	666,742	(13,464)	-2.02%	1,011,276	357,998	35.40%
Net Income (Loss) Before Depreciation	224,982	60,993	4,017	23,228	73,980	(4,822)	(26,493)	355,885	300,268	55,617	18.52%	369,740	13,855	3.75%
Depreciation	137,915		1,798	12,719	64,656	5,669	438	223,195	230,348	(7,153)	-3.11%	345,522	122,327	35.40%
Net Income (Loss)	87,067	60,993	2,219	10,509	9,324	(10,491)	(26,931)	132,690	69,920	62,770	89.77%	24,218	(108,472)	-447.90%
Debt Service	91,560				30,336	(1,467,144)		(1,345,248)	116,167	(1,461,415)	-1258.03%	174,250	1,519,498	872.02%
Capital Asset Purchases	3,357					1,474,205		1,477,562	0	1,477,562	100.00%		(1,477,562)	0.00%
Replacement Reserve Payment								0	0	0	0.00%	19,750	19,750	100.00%
Depreciation Add Back	137,915	0	1,798	12,719	64,656	5,669	438	223,195	230,348	(7,153)	-3.11%	345,522	122,327	35.40%
Net Cash Increase (Used) In Operations	130,065	60,993	4,017	23,228	43,644	(11,883)	(26,493)	223,571	184,101	39,470	21.44%	215,240	(8,331)	-3.87%

FORSYTH ECONOMIC VENTURES

BALANCE SHEET & RATIO DATA

As of 5/31/2022

		786mr	787mr	788mr	789mr
		Northwest	Bethlehem Pointe	Fairview Manor	The Heights
1000-00-000	ASSETS				
1300-00-000	TOTAL CURRENT ASSETS	12,394.82	30,734.12	177,950.47	24,905.46
1499-00-000	TOTAL NONCURRENT ASSETS	12,333.65	60,469.70	2,655,694.65	1,468,535.39
1999-00-000	TOTAL ASSETS	24,728.47	91,203.82	2,833,645.12	1,493,440.85
2000-00-000	LIABILITIES & EQUITY				
2001-00-000	LIABILITIES:				
2299-00-000	TOTAL CURRENT LIABILITIES	465.91	3,809.50	167,749.18	36,787.79
2399-00-000	TOTAL NONCURRENT LIABILITIES	72.34	367.87	2,703,582.39	1,467,144.17
2499-00-000	TOTAL LIABILITIES	538.25	4,177.37	2,871,331.57	1,503,931.96
2800-00-000	EQUITY				
2809-01-000	Invested in Capital Assets Net of Debt	16,827.14	92,267.38	3,948.38	0.00
2809-02-000	Retained Earnings Unrestricted Net Assets	7,363.08	-5,240.93	-41,634.83	-10,491.11
2809-99-000	TOTAL RETAINED EARNINGS:	24,190.22	87,026.45	-37,686.45	-10,491.11
2899-00-000	TOTAL EQUITY	24,190.22	87,026.45	-37,686.45	-10,491.11
2999-00-000	TOTAL LIABILITIES AND EQUITY	24,728.47	91,203.82	2,833,645.12	1,493,440.85

CURRENT RATIO		786mr	787mr	788mr	789mr
		Northwest	Bethlehem Pointe	Fairview Manor	The Heights
	TOTAL CURRENT ASSETS	12,394.82	30,734.12	177,950.47	24,905.46
	TOTAL CURRENT LIABILITIES	465.91	3,809.50	167,749.18	36,787.79
	CURRENT RATIO	26.60	8.07	1.06	0.68

QUICK RATIO		786mr	787mr	788mr	789mr
(Does not include inventory)		Northwest	Bethlehem Pointe	Fairview Manor	The Heights
	TOTAL CURRENT ASSETS (less inventory)	12,394.82	30,734.12	172,595.01	24,905.46
	TOTAL CURRENT LIABILITIES	465.91	3,809.50	167,749.18	36,787.79
	QUICK RATIO	26.60	8.07	1.03	0.68

INCOME and EXPENSE DATA

10/1/2021-5/31/22

INCOME & EXPENSE DATA WITHOUT DEPRECIATION		786mr Northwest	787mr Bethlehem Pointe	788mr Fairview Manor	789mr The Heights
3000-00-000	INCOME				
3199-00-000	NET TENANT INCOME	9,577.16	48,264.88	264,342.69	4,339.33
3699-00-000	TOTAL OTHER INCOME	0.00	0.00	49.99	0.00
3999-00-000	TOTAL INCOME	9,577.16	48,264.88	264,392.68	4,339.33
4000-00-000	EXPENSES				
4199-00-000	TOTAL ADMINISTRATIVE EXPENSES	1,843.60	12,976.99	56,827.35	3,876.78
4299-00-000	TOTAL TENANT SERVICES EXPENSES	0.00	0.00	40.93	0.00
4399-00-000	TOTAL UTILITY EXPENSES	193.80	865.97	10,724.12	0.00
4499-00-000	TOTAL MAINTENANCE EXPENSES	3,679.27	13,543.15	81,720.26	510.10
4599-00-000	TOTAL GENERAL EXPENSES	-156.97	-2,349.42	7,229.45	1,781.45
4899-00-000	TOTAL FINANCING EXPENSES	0.00	0.00	33,870.06	2,992.50
5999-00-000	TOTAL NONOPERATING ITEMS	1,797.39	12,719.06	64,656.36	5,669.61
8000-00-000	TOTAL EXPENSES	7,357.09	37,755.75	255,068.53	14,830.44
	TOTAL EXPENSES (NO DEPRECIATION)	5,559.70	25,036.69	190,412.17	9,160.83
9000-00-000	NET INCOME	2,220.07	10,509.13	9,324.15	-10,491.11
	NET INCOME (NO DEPRECIATION)	4,017.46	23,228.19	73,980.51	-4,821.50

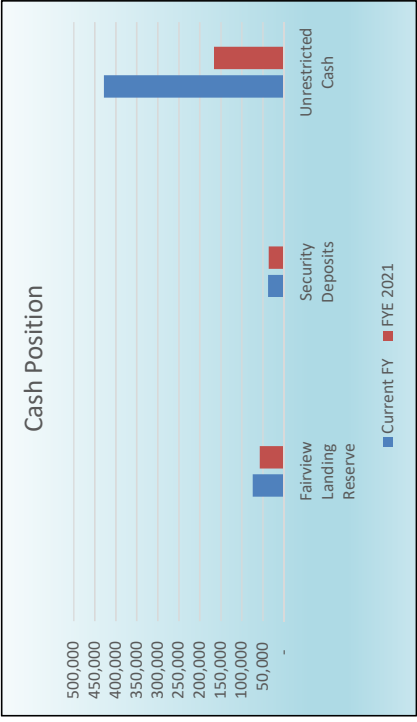
FEV CASH FLOW DATA		786mr Northwest	787mr Bethlehem Pointe	788mr Fairview Manor	789mr The Heights
	NET INCOME (LOSS)	2,220.07	10,509.13	9,324.15	(10,491.11)
	Capital Expense/Long Term Improvements				(1,474,205.00)
	Replacement Reserve Payments				
	Extraordinary Items				
	Depreciation Add Back	1,797.39	12,719.06	64,656.36	5,669.61
	Net Cash Increase (Used) in Operations	4,017.46	23,228.19	73,980.51	(1,479,026.50)

FEV UNIT DATA		786mr Northwest	787mr Bethlehem Pointe	788mr Fairview Manor	789mr The Heights
	# of Housing Units	3	12	67	15
	Rental Months Year To Date	8	8	8	2
	# Unit Months Year to Date	21	84	469	13 *
	Average Rent Per Unit Month	227.72	257.99	383.77	279.56
	Average Subsidy Per Unit	224.76	301.39	164.09	25.38
		452.48	559.38	547.86	304.95
	Average Operating Expense Per Unit	264.75	298.06	406.00	704.68

* The Heights is a new community in FY22. Leasing began April, 2022.

FORSYTH ECONOMIC VENTURES
FINANCIAL DASHBOARD - Selected Operations

CASH POSITION	Current FY	FYE 2021	Change Over Prior FYE
5/31/2022			
Fairview Landing Reserve	\$ 74,500	\$ 57,750	\$ 16,750
Security Deposits	\$ 38,196	\$ 36,292	\$ 1,904
Unrestricted Cash	\$ 428,607	\$ 166,486	\$ 262,121
Total Cash on Hand	\$ 541,303	\$ 260,528	\$ 280,775



NET INCOME (LOSS) - (Selected Operations)	Current FY	Current Budget	Average Last 3 FYs
10/01/2021-5/31/2022			
Loewy Building	\$ 224,982	\$ 233,053	\$ 231,891
786mr Northwest Properties	\$ 4,017	\$ 2,278	\$ (280)
787mr Bethlehem Pointe	\$ 23,228	\$ 16,385	\$ 11,966
788mr Fairview Landing	\$ 73,980	\$ 33,782	\$ 43,639
789mr The Heights (March 2022)	\$ (4,822)	\$ -	\$ -
Total FEV Selected Operations	\$ 321,385	\$ 285,498	\$ 287,216
Depreciation	\$ (222,757)	\$ (229,908)	\$ (210,153)
Total FEV Net Depreciation	\$ 98,628	\$ 55,590	\$ 77,063

