



Tuesday September 13, 2022  
Housing Authority of the  
City of Winston-Salem  
Board of Commissioners  
12:00 Noon

**Housing Authority of Winston Salem**  
**Board of Commissioners**

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

**September 13, 2022**  
**12:00 noon**

**BOARD OF COMMISSIONERS MEETING AGENDA**  
**September 13, 2022**  
**12:00 P.M.**

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1. Call to Order – Pledge of Allegiance
2. Roll Call
3. Review and Approval of Agenda (September 13, 2022)
4. Review and Approval of Minutes (August 9, 2022)
5. Management Reports
  - Executive Director Report
  - Operations Report
    - Housing Choice Voucher
    - Public Housing
    - Nonfederal Housing
      - Drayton Pines, Inc.
      - Plaza
    - Resident Engagement
6. Resolutions
  - **Resolution No. 2184** – Resolution Accepting Fiscal Year End 2021 Audit Report
  - **Resolution No. 2185** – Resolution Authorizing Approval of Financial Statements (July 2022)
    - On recommendation by the Finance Committee
  - **Resolution No. 2186** – Resolution Authorizing Approval of the 2023 Operating Budget
    - On recommendation by the Finance Committee
  - **Resolution No. 2187** – Resolution Adopting the Housing Authority of the City of Winston-Salem Family Self-Sufficiency (FSS) Action Plan
7. Stakeholder Comments
8. Board Comments
9. Adjournment

**August 9, 2022 Minutes**

**Board Member Attendance:**

Chairman Andrew Perkins – Absent  
Vice Chair Betsy Annese- Present  
Commissioner Williams Rose- Present  
Commissioner Alfred Adams- Present  
Commissioner Art Gibel- Present (virtual)  
Commissioner Felicia Brinson- Absent  
Commissioner Arthur Dark – Present  
Commissioner Kathy Stitts – Absent  
Commissioner Vivian Perez Chandler – Present (virtual)

**Staff Presenting:**

Kevin Cheshire, Executive Director  
Kelly Church, VP of Operations  
Claire Bennett-Lookabill, Director of Finance  
Lisa Matthews, Assistant Director of Property Management

**1. CALL TO ORDER**

- Board meeting called to order by Vice Chair Annese at 12:00 a.m.

**2. ROLL CALL**

- Roll was taken and there was a quorum

**3. REVIEW AND APPROVAL OF THE AGENDA**

- Consideration to approve the Agenda (August 9, 2022)  
**Motion:** Commissioner Adams  
**Second:** Commissioner Dark  
**Roll was called. Unanimous.**

**4. REVIEW AND APPROVAL OF MINUTES**

- Consideration to approve the Minutes (July 12, 2022)  
**Motion:** Commissioner Perez Chandler  
**Second:** Commissioner Adams  
**Roll was called. Unanimous.**

**5. MANAGEMENT REPORTS**

- Executive Director Report  
**(Cheshire)** Thank you Madame Vice Chair. I'll run through that. The written report, I think, is included in your packet and I think Kimberly is going to bring that up for us on the screen. The first item is Crystal Towers. I did want to let you know that we did have

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the Resident Council vote. So we do have a valid Resident Council. We've got one position where there was a tie, so we're going to work through the logistics of that. But, for the first time in a long time, we've got a valid, active, Resident Council at Crystal Towers. So, I think that is wonderful news. To the elevator modernization, I reported that to you all, last month, we signed the contract. You all approved that contract. We anticipate that work should start around Thanksgiving. The KONE team has been on site and they're working with the Steele Group, which is our design team, to make sure that the elevator modernization is going to come, as part and parcel of, some updates to the ancillary systems such as the sanitary sewer drainage and lobby modifications, which also affected the ability of the elevator to operate. The third thing is sort of a fun item and I talked to Commissioner Gibel about this. But, we're going to have a pickle ball tournament at Crystal Towers. There's an underutilized pickle ball court. It's the only purpose built pickle ball court in the city, is what I was told by the Parks and Rec Department. So the City is going to work with us on that. It's an effort to try to engage Crystal Towers residents. So, we've got a supplier who's going to supply us some balls and some paddles. There will be a couple of teams. There are only two courts out there. We'll have some food trucks. We'll have some grills, So it's going to be a very engaging event with the residents. We're targeting early fall for that, as a collaboration with the City. I understand Gibel is really a ringer, so Lee and I have challenged him and his partner to a grudge match. So, we'll see if he's up for it. **(Annese)** Where exactly are those courts? **(Cheshire)** If you're looking at Crystal Towers from the road, just to the right and that's a City park. Previously it was green space and then, they went in and installed the pickle ball courts. I mean, I bet they're not 50 yards from the building. Item number two is Choice Neighborhoods. Before I get into the details, Sandra, would you mind standing up? So this is Sandra Seals, behind you all. And I don't know, virtual, can you all see Sandra? Commissioner Gibel or Dark? Can you give me a thumbs up if you can see her on camera? Okay. Commissioner Gibel is saying "thumbs up." Okay. So, Chairman Perkins is very familiar with Sandra Seals, but I don't think you all had an opportunity to meet Sandra in person. Sandra is the senior person for McCormack Baron on the Choice project. So she and her team are who Grant and I interface with regularly and Sandra leads that team for McCormack Baron. She was in town for the Finance Committee meeting last night. She and I had a meeting this morning. She's been out to Brown School site. She's got to shoot back down to Charlotte and catch a flight back out of town. But, she and I thought it was a good opportunity to just to put a face with the name and a voice and have her here for the Board meeting so that those of you who have not yet had a chance to meet Sandra, could meet her. I think she's going to be able to hang out a little bit after the Board meeting. With that, Sandra, thank you for being here. **(Sandra Seals)** Thank you Kevin. It is a pleasure to meet all of you and whenever Kevin will have me back, I'll be happy to provide an updated report on what's happening with Choice Neighborhoods. It's going very well and we're happy to say that we're moving dirt on the first phase. **(Cheshire)** We really tag teamed a great presentation last night. **(Seals)** Exactly. **(Cheshire)** They didn't want to hear from us. So

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the flight up from Miami was well worth it, right, to sit there and say “thanks.” As long as it passes, it doesn’t matter. So thanks Sandra. That gets us into item two of the substantive update with respect to Choice Neighborhoods. You all know that a Phase I gap arose. We had not previously had a Phase I gap until a few months ago. When closing was delayed, our general contractor was not able to hold numbers. Obviously, because his subs we're not able to hold numbers. Our solution to that, was to ask the City to allow a bit of dollars that have been earmarked for Phase II, into Phase I. So that's what the City Finance Committee was considering last night. Sandra and I were in attendance at the meeting. It passed, unanimously. So, we'll be there, or I'll be there, in person, for the full Council meeting next week. It will be on a Consent Agenda. Obviously, it can be pulled off the Consent Agenda, but I do not anticipate, at this time, any issues with that and we are still targeting a mid-September closing date for Phase I. I do want to, well, that’s on there I guess...relocation has been slow. That’s sub-item b. And that's not a huge problem, because we're not chomping at the bit to get the bulldozers out there to knock down the buildings. But I do want to be honest with you all, that finding housing is a problem. Even if you have a voucher and even if you have Urban Strategies assisting you in that process. We have not been able to relocate folks off of Choice Neighborhood Phase II as quickly as we anticipated. Again, not yet a problem, but I don't want you all to hear about this for the first time when it is a problem. Sub-item c there, is Abatement and Demolition. So, despite the fact that we have not closed, we have sufficient City funding available to complete the abatement and demolition. I've talked about that before. That process is ongoing. Grant sent me a couple aeriels, yesterday, that we weren't able to get in the packet, but it shows this crater, right, where those underground storage tanks have been removed. So, the abatement process is ongoing and we expect demolition to start any day now. So we don't anticipate that there will be a lot of time between the end of that abatement and demolition, until we can start vertical construction presuming, that we stay on this, sort of, end of September closing schedule. Which we do anticipate we will be able to do.

**(Rose)** This is the old Brown School? **(Cheshire)** Yes sir. That's exactly right. And, I'll show you all this later, but that sub item d is Creative Center of North Carolina. Commissioner Gibel sort of facilitated an introduction, through an intermediary, and Creative Center of North Carolina has put together somewhat of a mini documentary to capture the history of that Brown School site. It's sort of a vignette. It’s something that we want to do for every phase to make sure we're not just tearing down the old Brown Elementary and tearing down the old Cleveland Avenue, but we're acknowledging and we're capturing the history and the culture and the significance. So Creative Center of North Carolina has put together a nice, probably two or three minute video, that when our Agenda permits, I will show you all or we will send it out over email. But that’s something that we anticipate doing for subsequent phases as well. Item number three is Happy Hills. HUD has given us permission to put together a development proposal to fund those 10 units. You know, that begs the question, “How do we fund those ten units?” and I don't have an answer to that. I have met with Council Member Scippio. I don't want to

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commit her to anything, because she has not committed anything to me, but there are some funds that may be available to help us with our equity need there. Then we can put some debt on the remaining to cover the remaining need and then we can support that debt out of capital operating subsidy and rent, just like we did with the Brookside View project. So again, I feel like I've come to you all in the past and said, "I think there's some momentum," we've had to, sort of, had to backtrack. So I'll say it again, "I think there's some momentum, but do I have a concrete plan again anything moving at Happy Hill?" I do not. But, HUD has given us permission to put together a proposal. You will hear from Claire and, just so you all know, Nancy is out. She's traveling. She and her daughter are in Europe. You all have heard from Claire before, who is our Finance Director. So she'll be presenting our financials. I'm not trying to steal Claire's thunder, but I want you all to hear it from me. I think I said, maybe back when we reported the March financials, that I thought we had hit our bottom. And we had. And then financials trended back in a really positive direction and then they sort of stagnated for what you're looking at this month, which is to say, the June financials, okay? So I didn't want to put that on Claire, to have to explain that away. I've put some things on here and then there's things that I haven't put on here. We've got the capital fund in the bank now. That's what \$2 million? **(Bennett-Lookabill)** Just under \$2 million. **(Cheshire)** \$2 million of free money that we've got, but it's not yet showing up on the June financials. Okay? So this is a little bit of an oversimplification but, basically, add \$2 million to everything that you're seeing. And that's a significant change, right? So it takes us from negative to positive. So that's there. We've got the money and it'll show up on July's, right? So next month, you'll see that. And that'll be a significant move. We've got about \$300K in a draw. Again, money is sitting there for the Brookside View project, where you remember, we served as our own general contractor. So that is money that we just have to ask HUD for and it'll come in. Yet, we've incurred all of those expenses. We have reported all of those expenses and now we're just reimbursing ourselves from HUD money. So again, we've got \$2 million in capital and all we have to do is pull it in, we've got \$300,000. Again, we have a variety of different funding sources and all we have to do is pull it in. Then the third one not showing on this report, is a Plaza reimbursement. So you all remember the landings at the Plaza that were failing? The City committed up to a million dollars because that's a City property. We've only spent about \$200,000, but we, again, we fronted that. So there's another \$200,000 which is waiting to be drawn, by us. So again, but the picture that the June financials paint is all a product of timing and of actually getting those dollars that we know are available. The one that I didn't put on there, but I think are worth noting and Claire, I've asked her because she'll explain it a lot better than I'll be able to, but there is about \$750,000, am I right on that number, the HAP reserve draw down? **(Bennett-Lookabill)** Yes. **(Cheshire)** Okay, so almost a million dollars. What HUD does is, give us HAP. As y'all know, that's the majority of our \$50 million monthly budget, is money that just passes from us into the hands of the landlord. Well, what HUD does it say, "Part of it, you guys hold in your bank. Part of it, we hold." Okay, well when we need to draw it down, guess whose

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money is asked to draw first? Ours. So the money is there. It's not like we overspend. We can't just go to HUD and say, "Give us the rest of our money that you're refusing to give to us now, that you're holding in your bank account." They make us draw that down first. So, it looks like we're hemorrhaging cash and we're not, because almost a million dollars is just HUD reserves that we're holding. So we have to show it as a draw down of cash, if that makes sense. Again, I'm not worried about any of that. And Claire will say it a lot better than I did. Three other things worth noting. Like we just talked about, we're getting ready to close on that first phase, which is the Brown School site. The new owner entity is purchasing that from us. So again, you know, I don't remember what it is. \$150K or something like that. It will immediately come in at closing and then the delta, the residual that purchase price, will be paid out over time. But again, it's free money that's coming in, hopefully, before the end of fiscal year if we stick to that September closing schedule. The Fairview closing. The school system is buying Fairview. You know, it's a non-issue. They have just got to get the City deed restrictions released, okay? Then that's another \$300K, again, hopefully, before the end of the fiscal year. It has no effect. It's just land that's sitting there and we're trading it for cash. There are no units on it and we're not generating any income from it. And then the last one, is Lansing Ridge and Lansing Ridge is a FEV property, but it's worth noting because our financials are consolidated financials. Lansing Ridge are those roughly 20 lots that we've agreed to sell for, I can't remember, I think it's \$30K. I may be wrong on that. But again, it's just land sitting there that we're not doing anything with. We're going to sell that. They are going to do single family, detached, affordable home ownership and we're going to realize cash proceeds, as a result. Commissioner Adams always phrases it real well and that's how I try to think about it. There is nothing that scares me, that causes me to lose sleep at night. I wish the numbers looked better, but I'm confident and they're going to look pretty good. Not great, but pretty good, by the time we get to the end of our fiscal year. So that's a lot. Claire is in a better position to answer questions, than am I. Let me just stop there on the financials because I recognize they're very important. Not that the other stuff isn't. Okay. All right. Five is Landlord Attrition. Again, just a point from Commissioner Adams, again, don't let there be a bomb ticking on my table and not tell me about it, right? We're losing landlords and that's been part of the national narrative for some time. Really, before it manifested locally. Now, I'll mention that to you all that I'm probably going to keep it on my report. The sub-items are things that we have done to try to address this landlord attrition, okay? We've dedicated a staff liaison. So someone who works in the Section 8 department who was already on staff, is carving out a portion of her time to interface directly with landlords. To recruit new landlords, to retain landlords that have expressed dissatisfaction or a desire to move off of the Program. We have a dedicated email address. So if you're a landlord, instead of trying to figure out, "Well gosh, who's the specialist, who's the case manager who is responsible for the tenant who is living at my property?" You have a single point of contact and a single email. So they can shoot it over and say, "Hey, I didn't get paid this month." or "Hey, someone has destroyed my property." and that will go to the



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Landlord Liaison who we will respond to that. And then Tee-Tee is here. You all know Tee-Tee who leads our Engagement Team. Kudos to her. She got a commitment from Majestic Property Management to set aside 10 units, market rate units, exclusively for voucher holders. So we're using some of those to relocate some of the Choice Neighborhood Phase II residents, but they're not exclusive for that. But they are exclusive for our use. Those are the kind of things that we need and thank you Tee-Tee for doing that. We'll continue to try to think creatively but it's driven by the market and it's not unique to our market. Item number six is Engagement. I'll throw it back to Tee-Tee. She went and took Youth from our properties, took them to several events at the Theater Festival last week. I think you all saw some of the pictures. They also came to our building. You know I just thought it was a great group, you know, they were appreciative, they were excited, they were eager and they were respectful. So thank you and kudos, but I just think that a lot of those things are important and at the core, it's really why you all wanted to be a part of this organization. We sometimes focus so much on the bricks and on the mortar and the financials. Those things are happening and I think they're important for you to know that they're happening. We have also partnered with the City for summer and after school tutoring on site. So, well, I should say the City is funding it. We're not funding it, we are providing the facility and then Tee-Tee and her team have helped identify youth who may benefit. But it's tutoring with licensed teachers, some of them are retired and some of them are active. They are posted up in our Community rooms at Piedmont Park and at Cleveland, which are our two largest family sites, all summer, and they will be there throughout the school year as well offering tutoring services. Item number seven is just a reminder of sorts, that the September Board meeting is something I committed to you all. That's going to be on location at The Heights, which is our newest property. So will work through the logistics of that. We will give more information as we get closer to that meeting, but that will also be an opportunity for us to give you all, those who want it, a tour of some of our sites. We can't get all of them that day so we'll come back and we'll do the rest at a future date. But it'll give you an opportunity to see The Heights and then we'll sort of have a caravan going and looking at some of our other sites for those of you haven't had an opportunity to do that. The last thing on the written report is spam email. This sounds silly. We've dealt with it as a staff. What we have seen is that folks have a fake email, but it's tied to my name and they'll email a staff member and say, "Hey, I need you to go buy a 100 Walmart gift cards." I'm not bringing that to you all the calls that. That's just operational thing that we deal with. It went to Arthur King and it didn't say I need a gift card, it was something, you know, a policy issue and it was fake. He called me about it because it sounded weird and it was. It wasn't from me. But I just wanted you all to know about it because you guys may get that and I just want to make it's from me, and not somebody trying to pull a fast one. Two things that aren't on the written report; Commissioner Rose, you had asked me a couple months back about sort of comparing our affordable housing supply and demand as a city, to sister cities. That is something that actually came up last night at the Finance Committee meeting. The City



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staff, they've got a lot of those data points and we don't. I didn't want you to think I had forgotten about it. I'm trying to make sure that I get good data and that we're in a position to present it to you all and understand it before we do that. So that was really just to say, "Hey, I got you. We're going to bring that back." **(Rose)** Benchmarking like that is very important. **(Cheshire)** So we'll work on that. Then the last thing, to the no surprises moniker. There was a young person, who does not live on one of our sites, but has a relative who does and who he sometimes visits, okay? And that young person has an elevated blood lead level. And so, because one of our sites was identified as a place where this young person sometimes visits, our site was tested. And, of course, you all know this, many of our sites, given the time that they were built, have lead paint. Many years ago, we went back and abated that, or mitigated that, I don't know the proper term. But basically, you paint over it. You encapsulate it, right? So, of course, they tested it and obviously, there was lead paint discovered. You know we're licensed to do the abatement We've done it for that unit, but it triggers these other protocols which require us to take a sample of other units in the same property where young people are residing. Of course, as expected, those units also have lead paint, right? They scraped it and it was discovered and we're going to abate those. There is no pending or threatened litigation. It's not something that is appropriate for us to enter into closed session, but I want to make sure that I'm going on the record and letting you all know about it. I do not see it as a problem. I see it as a normal part of operations for any organization, public or private, that has the number of units we have that were built when they were built. It is certainly a part of normal operations for public housing authorities across our state, but I don't want something to come back up in six months, or three years for that matter, and me not have disclosed it to you all, on the record, that we're aware of this and we're dealing with it. I will personally shut up now. **(Rose)** Was there some article in the paper about that? **(Cheshire)** No. **(Rose)** I had a note, you had talked about getting a HUD grant for Piedmont Park last month's meeting? **(Cheshire)** Yes sir. **(Rose)** How did it go? Any news yet? **(Cheshire)** When we did mention this, Princeville is a little weird. You all know we manage Princeville, but Princeville has a separate board. So in the last 30 days, we've written two pretty significant grants, one for, what did we ask for, \$3 million? It was originally more. \$3 million for Piedmont Park to do a complete replacement of all the HVAC systems. That's pending with HUD. And we wrote a grant for, maybe that one was \$6 million, for Princeville to assist Princeville in rebuilding all of their public housing, which was destroyed. So both of those grants are pending. We were told that we will hear back on the Princeville grant within 30 days. We've got no timeline on when we might hear back on the Piedmont Park grant. **(Perez Chandler)** I have a quick question about the Choice Neighborhoods relocation. So I know you said that it's difficult to relocate folks. It's been really difficult to relocate them and the plan is mid-September to close and do all of that. What is the plan to ensure that we find housing for those individuals? **(Cheshire)** We'll find housing. I'm not concerned about that. The bigger, so finding them housing is a total non-issue, okay? The concern is that we will not have found them housing by the time Sandra is breathing down my neck to

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get her bulldozers moving. What that does, is it puts our financing in jeopardy, right? Everything is on a very tight schedule. So, if Sandra is ready to move bulldozers and I've got Mrs. Jones and Mr. Brown that are the last two folks in that phase and I can't get them housed, it delays when we can start abatement and demolition. And the consequences are what we're already seeing with the current phase. Prices go up. Lenders get cold feet. You put your tax credits in jeopardy. So that's what we're trying to make sure we're staying apprised of, is her construction schedule and marrying that with how quickly we're moving people out. Thank you.

- Operations Report

- Housing Choice Voucher

**(Church)** I'm going to give the report for Romonda. She's actually on vacation this week. The Section 8 Board report is on page 31 of your packet and also page 32. I'm going to review page 31 first. I wanted to highlight that we leased up 26 vouchers for the month of June and we had 19 EOP's, which is end of participation from the program. The reasons for the end of participation of the program, we have those broken down on page 32. The majority of the reason was tenant preference, just meaning that tenants gave up their voucher to choose another form of housing. So we had six people that choose to do that. We currently have 555 vouchers on the street, meaning these individuals have an RFTA and they are out looking for housing and attempting to lease up. So, on top of the 555 we have out looking for housing, we have another 200 files of people that have already come in for intake and we're getting ready to issue them a voucher to be out on the street looking for housing. So we're going to have 750 people out looking to obtain housing in the next two to three weeks. So I wanted to make a note of that, because that is a lot of people to be out looking for housing all in the same City. We have 934 more applicants remaining on our Section 8 waiting lists. Once we get through those 934, we'll be coming to the Board to inform you that we're ready to open our waiting list to accept additional housing choice voucher applications. We currently have, Kevin briefly mentioned, our landlord numbers have reduced, but we have 683 landlords that are currently on our Program. We are making every effort to increase that number. We've implemented goals in the Section 8 department. Like Kevin mentioned, Tasia is now focusing on the landlord engagement as part of her actual position and we also have offered incentives to the Specialist that brings new owners to the program. So, if they're talking to an owner or somebody that's interested in the program, they can tell that particular owner, that if they have friends or other people they know, that want to get on the program to refer them over and we give them an incentive if they get them in the program. We had 448 inspections that were completed in the month of June. About half of those were passed on the first inspection and about half of them passed the second time around. The only additional update I wanted to bring and I think I briefly mentioned them, but we are rewriting the FFS Program Action Plan, which is required by HUD. We have to submit it to HUD and have Board approval by September 30. So I'll be bringing that as a resolution to the Board meeting in September. If you

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don't have any questions on Section 8, I'll move to Public Housing. **(Perez Chandler)** I have a questions about the inspections. So, there is 97, then at this point, do we know, that didn't pass the second inspections? What happens when those units? You said that half of the 209, you said that half of the 209 failed and then 100 that failed. **(Church)** Yes. The 97 are pending re-inspection, which will be their third inspection. **(Perez Chandler)** When will that happen? **(Church)** It depends. I mean it varies for every single inspection. We have to wait for the owner to notify us that they have completed the repairs and at that time we reschedule those for inspection. **(Perez Chandler)** Do they have a timeframe to let us know that their repairs are done? **(Church)** We don't have a designated time frame. We ask that they notified as soon as possible, so their unit doesn't go into abatement, because we can't pay on that unit if they don't get the inspection to pass. So, usually they contact us within seven to ten days. **(Perez Chandler)** Thank you.

- Public Housing

**(Church)** Public Housing is on, Kimberly has it pulled up, on page 34 and page 35 of your Board packet. We wanted to highlight that we are still collecting more than we are billing out the month of June throughout the public housing portfolio. We billed out approximately \$284,000 and we collected \$288,000 for June. Our occupancy still remains high at 97%. We have a total of 30 vacant units, most of those are at Piedmont and Cleveland. We are doing a lot of transfers from Cleveland for USI, the CNI project into Piedmont. So the individuals that need to be relocated Cleveland, if they are willing to go to Piedmont, we are giving them a priority transfer. We are monitoring that weekly with Urban Strategies to get those transfers done and keep our tenants in public housing if that is the option they choose. We had 35 evictions there were filed for the month of June for non-payment and, overall, the work orders throughout the public housing portfolio, we had 907 work orders that were taken in for the month of June, and the public housing properties. And that includes the routine and the emergency work orders. Do you have any questions regarding public housing?

- Unsubsidized Housing

- Plaza Apartments and Drayton Pines

**(Matthews)** I'm going to be presenting the Unsubsidized Housing Report for June and it's located on page 37 of your packet. Going over Drayton Pines first, we are 95% occupied there. We had two move ins for the month and two are remaining vacancies. As far as payments and charges billed and collected, we were about \$500 more being collected for the month. We had one eviction that was not related to non-payment of rent and all the emergency and routine work orders were closed for the month. Over at the Plaza, we were 97% occupied with three move ins and two existing vacancies. We were about \$500 over the collections versus payments that were billed that month and we did have two lease terminations for non-payment of rent. And, at that property as

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well, we closed out all the routine and emergency work orders. Does anyone have any questions? **(Cheshire)** Lisa, let me add too, on Drayton. Again, through one of our board members who facilitated an introduction, Piedmont Federal has given us a really, really good rate, 20-year amortization, covering a lot of the closing costs, because that Drayton Pines debt is maturing later this year. So we were going to have to refi it. So we're going to refi it over at Piedmont Federal. Wells Fargo was the original lender. In addition, where it says "units offline," we've had those units offline for awhile, because we had some water intrusion issues that had caused some flooring and sub-flooring damage. So we are going to be able to pull out \$40,000 on a lower interest rate than we currently have, despite being in a rising rate environment and go ahead and bring those units back online. Now, I'll note, that we left them off line, partially, because we have residency obligations through Federal Home Bank of Atlanta. We have to have veteran, a certain number of veteran families and a certain number of transitioning homeless families. And we didn't have that. So we were able to double count offline units. So there was some, you know, rhyme to our reason or reason to our rhyme, you know, whatever. But now, we think we will be able to get those leased up and satisfy those obligations and we're doing it, you know, it has just worked out, really, really well. And it's also continuing. We've got numerous different lenders on a lot of our projects, First Citizens, Wells Fargo, Truist, Piedmont Federal. So I think that's worked out really well, as well. Sorry. I know that wasn't you. I just wanted you all to know that what going on as well. **(Matthews)** Thank you.

**6. Resident Engagement**

No report.

**7. RESOLUTIONS**

**Resolution No. 2183** – Resolution Authorizing Approval of Financial Statements (June 2022)

**Motion:** Commissioner Rose

**Second:** Commissioner Dark

**Roll was called. Unanimous.**

**(Bennett-Lookabill)** Okay, everyone. There was no Finance Committee meeting. So, I understand this is sort of an overview where we might have had some detail in previous months. You are probably going to have some questions because they are not the best looking statements. It's just a coincidence that I'm the one presenting them and would rather have had the first of the year, but I might have taken a glimpse of July and they were much better. So, this really, like Kevin said, this is going to be our bottom point and we expected this to happen if we didn't get the capital fund in in time. And as Kevin mentioned, that capital money did come in in July. It came in July 29, which was Friday. So just barely, but it will be there on the July statement and it makes a huge difference.

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So we're going to start with the unrestricted cash, that \$47,000 figure. Again that's relatively low. We did have the money come in in July, so about \$800,000 there. The next line where it says Restricted Cash – Public Housing Reserves, about \$1 million in July. So again, it looks really bad now, but again, that that was sort of the timing of the capital fund. I actually did pull some information on the capital fund. Sort of going off track here but, we know we're going to get capital money. We never know exactly when it's going to hit the bank account. So last year, we had that money come in in June. In 2020, it came in April. In 2019, in May and in 2018, we did not get that money in our bank account until August. So this July date, it's not great, but unfortunately it kind of averages out. We will move down, and I'm just going to highlight certain items, realizing you're probably going to have questions. But, I wanted to highlight that Accounts Receivable – tenants, net, that has gone down significantly. There's about a \$75,000 difference between June and the end of the fiscal year last year and that is because our tenants are paying more money. So that's good. We still are getting some of those ERAP payments, even though that program had a June 30<sup>th</sup> deadline. I think it was June 30 to get the paperwork in. We're still seeing payments come in the mail. I had two show last night. So we still have that going for a little while. I don't know how long that will last because, again, that program has officially ended as far as paper work, but you'll still see money come in for some of those large tenant account balances in July and also into August. **(Cheshire)** Excuse me. I'm sorry. I did ask Claire to pull numbers pre-COVID, just to sort of see what our baseline was. They were sub \$100K then, but they weren't, you know, it wasn't like we were carrying \$20,000 in 10 receivables pre-COVID. I mean we're pretty darn close to our pre-COVID baseline. Now, do I think that was too high pre-COVID, yeah. It needs to be lower, but we're not all that far away from where we were prior to March of 2021. Excuse me for interjecting. **(Bennett-Lookabill)** We'll move on down on the Balance Sheet. There is an uptick in Accounts Receivable – other of about \$120,000 and that's a loan Central Office made to Scattered Sites. So I'm. that's sort of a, I say, goes in a circle thing from one entity to another. That's what that uptick is. Our Prepaid Expenses are a little bit higher and that is, mostly, insurance. We pay it either the very end of December or the beginning of January and we don't (inaudible). So, by the time we get to September, that number is going to be more in line with September of last year. I wanted to highlight the Deferred Outflow of Resources, which is kind of in the middle of the page, sort of upper-middle. It's \$1,084,146. I just wanted to highlight that, because if you're looking at last month's statements, that number is significantly different. That is our pension payments and our retirement obligation. And that is based off of our audit. It only changes once a year. And the audit form was not completed until recently. So that number has been changed and that number should stay the same for, roughly, another year or so, until we get the next financial statements. Those numbers come in from the State. So part of the delay is getting the numbers in from the State so we can calculate the pension and employment benefits. But I did want to point that out, because if you're someone who pulled last month's statement and looked, that, it was \$830,000 last month. That's why that



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changes. And again, that happens once a year and is dependent on the financial statements and they are reported rather late, because we have to wait on that information. You want to move on down to the liabilities. I had highlighted the Security Deposits/FSS Escrows. And there's an uptick in that liability of about \$65,000. Normally we don't like liabilities to increase, but I want to point this out, because we had, in the last board meeting, we had Tammi come in and talk about the FSS Program. \$52,000 of that increase is due to our tenants in the program putting money in their escrow account. So that's actually a really good thing. Most of the time liabilities are looked as not great. But this is because those tenants have participated in the program, they're doing well, the \$52,000 difference in their account balances from September of last year, to June. I think that's great. I really like the program. So I wanted to highlight that and show you how it affects the financial statements. Of course, it's also in the top in our assets. There's some restricted cash that offsets that restricted liability, because we have to hold it there until they're ready to use it. But I just think, that Tammi came in last month and I like that program, so I just wanted to highlight that that increase. The majority of it is due to the FSS Program, which is great. I didn't have anything else on the Balance Sheet and I'll move on to the Income Statement, unless you want me to stop and pause if you have specific questions about the Balance Sheet. For the Income Statement, it's mostly the same information that you heard month to month. The HUD subsidy/grants is lower than budgeted, primarily because of HAP. And the HUD Admin Fee is also lower than budgeted, primarily because of HAP and that admin fee will increase as we get more vouchers out there and we're able to take a fee for every voucher that gets leased. Also, with that, the Management fees, it's below budget and a lot of that is due to utilization in the HAP program. Those are things that we've gone over and we are moving in the correct direction. I don't have my lawyer word.

**(Cheshire)** They wish I had fewer, trust me. **(Bennett-Lookabill)** But we've seen that throughout the year and it's continuing to affect the budget voting, but again, it's something that we know. We've had an issue with it and we are moving forward with that. In our operating expenditures, the Administrative Expenses are down and that's primarily legal, collection and court costs, training, sundry and some management and bookkeeping fees. And that's been the same throughout the year. Utilities, we're actually almost on budget with that. And we had some big swings, like earlier in the year we were way under, and now we're pretty much even. But that breaks down to, gas is actually over budget about \$70,000 and electricity is under about \$55,000 and water is under about \$17,000. So somehow, that all manages to work itself out. We are seeing, of course we had some big gas bills come in. We're through with that now and then we're going to kick up the electricity with all this heat. So, I don't know that that utility number is going to hold the line right there at \$845, but electricity has just kind of been off the wall. It's that time of year, so we might see an uptick. Our Protective Services, that is down about \$120,000 and again, that's from reduced hours, mostly at our high rise communities. **(Cheshire)** That's security, off-duty police and private security.

**(Bennett-Lookabill)** The Construction Expense is over. That's at Brookside. It's about



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\$53,000 over and again, that's sort of a timing issue with that. **(Cheshire)** Will you jump down to the uh, that number that I highlighted. That \$768 and just walk them through that. **(Bennett-Lookabill)** That's the change in assets and liabilities. It's down towards the bottom. **(Cheshire)** Do you see that Kimberly? Thank you. **(Bennett-Lookabill)** That's what Kevin was speaking to. HUD funds us on what it thinks we're going need. And it's always using information that is not up to date. They go back and update periodically, but they're always sort of projecting out what we're going to need and it's never going to be exactly right. Especially when you get to a larger agency. If we had, like 50 vouchers, they might be able to get that right. You know, pretty close. But, what they have done, is in a sense, they overfunded us in past years. The money goes into our bank account. It stays there and HUD says next time you need money, just use that first. So that was really great in the years that we are under-funded, over-funder. Excuse me. Now that we need that money, we're spending it and that's where Kevin says, "It looks like we're bleeding cash." But it's really money that stays there for the HAP program. We put that on the financial statements so you can sort of see the effects of that. Since we were over-funded in prior years, it's not all lining up as far as timing. And frankly, it looks better right now, but that's what it is. **(Cheshire)** So, if you look at the net loss, we're basically on budget with the net loss, but when we make those cash adjustments and compare reality with the budget, it looks significantly worse. And again, all of this is without the benefit of the other things that we've recited. But that's why the delta between the budget and actual, with respect to cash, is so much different than budgeted actual with respect to our bottom line net. That's probably all. **(Bennett-Lookabill)** Well, I just want to highlight. The maintenance is significantly over budget, about \$400,000 of that is vacancy prep. And of course, that happens when units are being turned and units are turned when people move in or move out. We have not had that kind of action in the past couple years because we couldn't move anyone out and people didn't really want to go anywhere. So it's kind of a lag when people don't leave and then they leave. **(Rose)** I'm sorry Claire. I couldn't hear you. Could you, could you repeat that? What you were saying about the \$400,000? **(Bennett-Lookabill)** \$400,000 of that maintenance expense that's over budget is vacancy prep. And that is when people move out of their units and we have to go in and basically, usually, you hope is just carpet and paint, but if someone's been in that unit a while, it's probably going to be more than carpet and paint. And we've had more turnover in this past fiscal year than we did during the height of COVID, where people were staying put because they weren't afraid of being evicted and they may not have had anywhere to go. So that's a significant chunk of it. **(Rose)** It's more than it's been in prior years? **(Bennett-Lookabill)** Well, in the last couple of years because we are having more movement. We do routine maintenance on units, but you really can't get in there and see what's going on until someone has completely moved out. Because it may look fine, but when you tear up the carpet and you look behind a cabinet and your like, this is not good. Most of what they are seeing is more significant than just paint and carpet. Also, we have about \$102,000 over budget in pest control. So, that's another issue that's causing it. **(Rose)** I thought it

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was going to be the Crystal Towers elevator? **(Bennett-Lookabill)** That's on there too. That was next. **(Cheshire)** There's been a lot of elevator expense. It hasn't just been Crystal. **(Bennett-Lookabill)** Yeah. \$74,000 in elevator. So those three things right there, you know, we have to take care of it. They are health and human service issues. We can't ignore those things. Unfortunately, it's kind of like, hitting all at once. I did want to explain that over budget in maintenance. Kimberly has got the Dashboard up and again, that's a good look at the cash and some of the expenses per property, which is helpful if you don't want to necessarily go through each individual sheet. That's a snapshot. That's a really good way to sort of start with. That being said, does anyone have any questions that I did not address? **(Annese)** I have a question about protective services. This might not be, it might be repetitive. **(Cheshire)** If it's hard, can we let Claire answer it? **(Annese)** Absolutely. I see that we're spending less on protective services, but I think crime is increasing. I'm wondering how we're managing incidents and things like that with lower expenditures. **(Cheshire)** So yeah. That's a great question and it's a balancing act. Coincidentally, I was looking at some sent emails to public safety officers, two years ago. And about every other week, I was emailing you guys, to let you know about a shooting at piedmont or Cleveland and you all have not gotten an email like that from me in a long time. Again, I'm not trying to talk up a problem and I'm not trying to say it can't happen. We really focused on saturation in conjunction with law enforcement and it cost us a lot of money. We had a lot of money, relatively speaking, because we could use our CARES dollars, which is the only extra money this agency has ever gotten. All of that federal spend, was early in the pandemic and we spent it because we were told we had to. But a lot of it went to hiring more public safety. People were at home, there were a lot of issues, okay? So it was, relative to our past year, it was really high because we had the money and there was an issue there. We have not seen, we have seen trend lines going down with respect to violent crime and gang and gun related violence, which is what allowed us to reduce that spend. I need to give Tee-Tee and her team credit and Lee and Kelly, I don't know if Beverly is in here, and the management team. Because a lot of the problems that we were seeing we're not being caused by people who live in our properties, but people who came to our properties and caused problems. A lot of that can be eliminated with committed management and with what Tee-Tee does, which is engaging folks and, I'm sorry, but I will say this, I saw her tell the young man, "I don't care what you are doing, but you don't need to do it here." And I hate to say it, because it sounds like you're moving a problem you're not solving a problem, but our problem and our responsibility are the residents who are living in our communities. And so part of it is just talking to people and establishing a relationship and saying, "I can't beat you up and I can't arrest you, but I'm going to annoy the mess out of you if you are bringing that onto our site." And it's not perfect. We can ride out there to several of our sites now and see things that we wish were different, but I got to give a lot of credit to our Engagement Team and our Property Management team, which has allowed us to reduce the protective services spend. And don't get me wrong. I don't mean this as a disparagement. We were paying for three officers to escort a third party who was

**August 9, 2022 Minutes**

handing out food on the weekends. Great service, great organization. Happy to be a beneficiary of that organizations generosity, but we should not be funding three armed, off-duty police officers to escort them from one site to another on a Saturday afternoon. You know, and again, it started for the right reasons that we were able to eliminate some of the unnecessary protective services. Thankfully, so far, we have not seen any uptick in violence, gun and gang related activity.

**8. STAKEHOLDER COMMENTS**

None

**9. BOARD COMMENTS**

None

**10. ADJOURNMENT**

Motion to adjourn

**Motion:** Commissioner Adams

**Second:** Commissioner Rose

The August 9, 2022 meeting of the Board of Commissioners for the Housing Authority of the City of Winston Salem adjourned at 12:55 P.M.

Acknowledgment and Adoption of the August 9, 2022 HAWS Board Minutes:

**Adopted:** \_\_\_\_\_ (date)

**Signed:** \_\_\_\_\_ Executive Director (ED)

# Executive Director Report

## **Executive Director Report (September 2022)**

- 1) Choice Neighborhoods
  - a) Demolition and Abatement at Brown School (Phase 1)
  - b) North Carolina Housing Finance Agency \$5.6 million supplemental award
  - c) New Ashley Elementary Status
- 2) Princeville Housing Authority
  - a) North Carolina Office of Recovery and Resiliency awarded \$6.9 million
- 3) Crystal
  - a) Introductory meeting with newly established Resident Council
  - b) Elevator Modernization anticipated to begin mid to late November
  - c) Upcoming Pickleball tournament (October 14<sup>th</sup>)
- 4) Happy Hill
  - a) Development Proposal
    - i) Funding for 10 Units
- 5) Landlord Retention and Recruitment
  - a) Higher Fair Market Rents
- 6) October Board Meeting
  - a) The Heights
  - b) Site Tours

# Development Report



# Crystal Towers

## Overview

- 625 West Sixth (Downtown Core)
- 201 Units (Elderly/Disabled)
- Livability Challenges
- ~\$10MM in Capital Need (Significant Elevator Downtime)
- ~\$4.5MM Short-Term (3 Year) Need

## Development Goals

- Address capital need backlog and improve appearance, functionality, and livability of community

## Status

- Contract with Kone executed. Anticipating late-November start date
- Preliminary design concept for laundry and lobby completed



# Happy Hill

## Overview

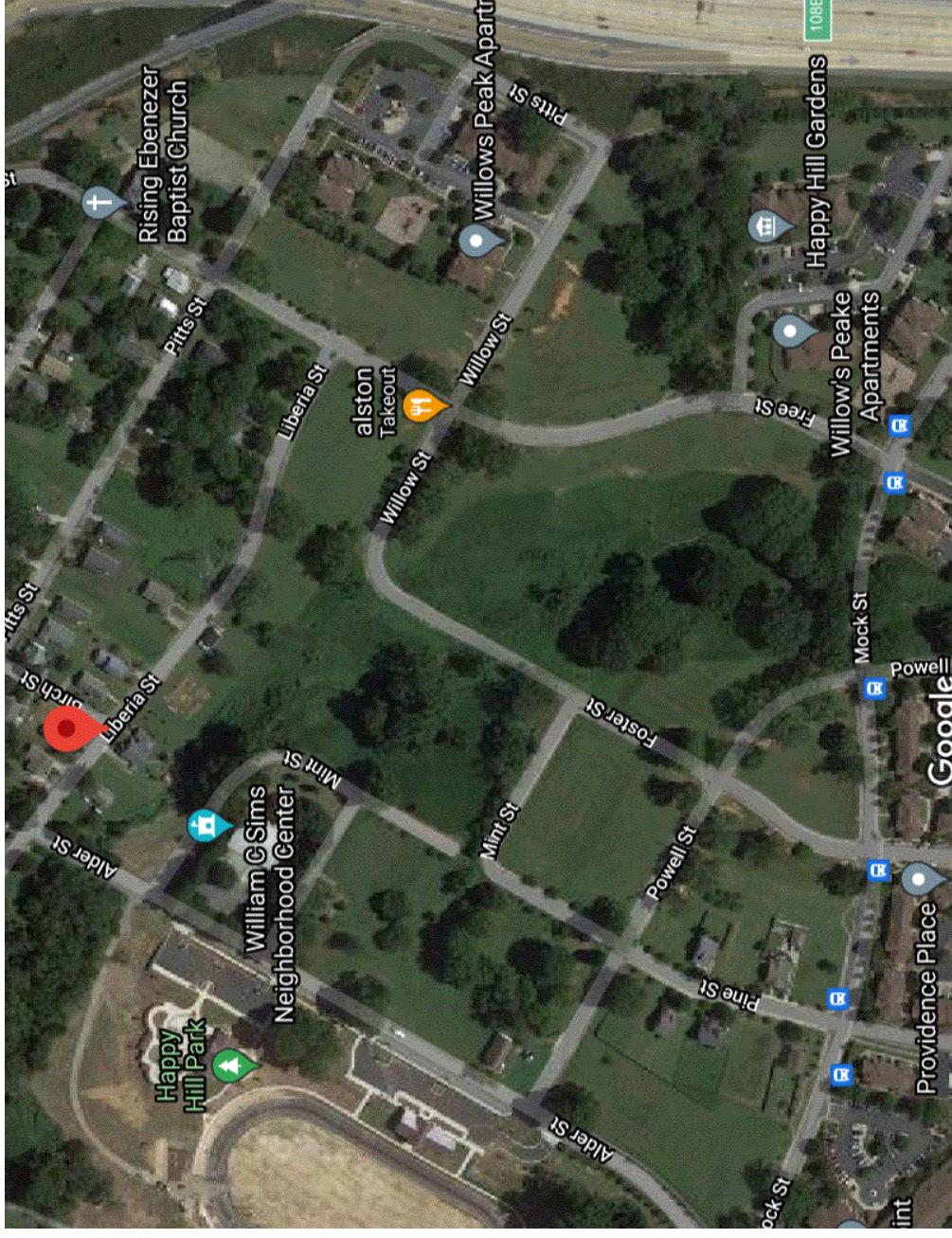
- Former public housing site razed and redeveloped with 2003 federal HOPE VI grant (\$18MM)
- Housing Authority retains ~50 undeveloped lots encumbered by HUD restrictions
- Lots were originally designated for homeownership but market would not support use

## Development Goals

- Create mixed-income housing opportunities
- Close HUD grant
- Retain culture and honor site's history

## Status

- Outside counsel assessing scope of restrictions on undeveloped parcels
- HUD supports submission of development proposal for 10 units
- Held preliminary meeting with City officials regarding source of funding to construct the 10 units



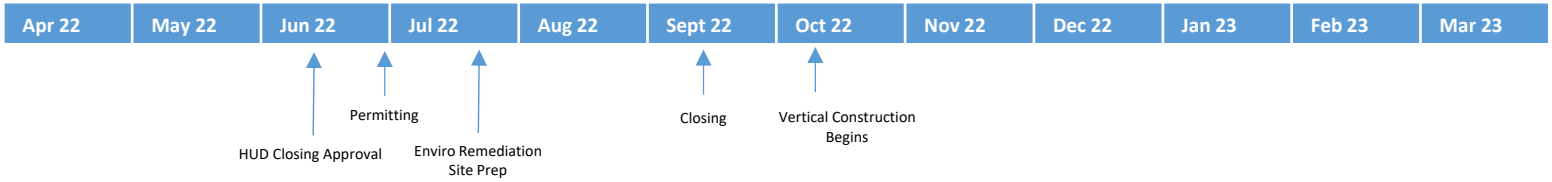
# CNI Report



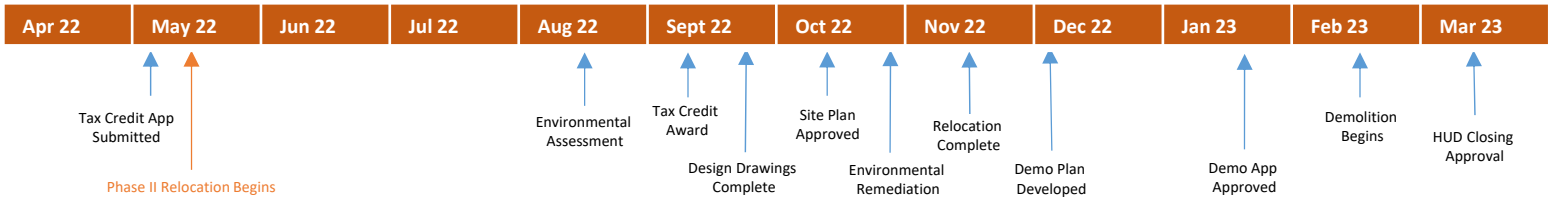
# HAWS Development Committee Choice Neighborhood Initiative Summary August 2022

## Project Schedules

### Phase I – Brown School Site



### Phase II – Cleveland Avenue Homes site



## Housing

- I. Asbestos and Structures removed at Brown School Site
- II. Site Work underway at Brown School Site
- III. Add't WHLP funding obtained for Phase I
- IV. Phase II Pre-Development underway (site planning; EA)
- V. Phase III Budget Development underway

### Relocation Information

Group I (May – October 2022)

Total Units: 82

Total Households: 73

Households Relocated: 28

Households Remaining: 45

Households Seeking Housing: 45

## Neighborhood

- I. "One Nation; One Project" place-making effort in planning.
- II. Critical Community Improvements Plan Under HUD review
  - a) Blight Elimination; Demolition; Façade Improvements
  - b) Community Place-making
  - c) Workforce Development
  - d) Healthcare and Healthy Foods

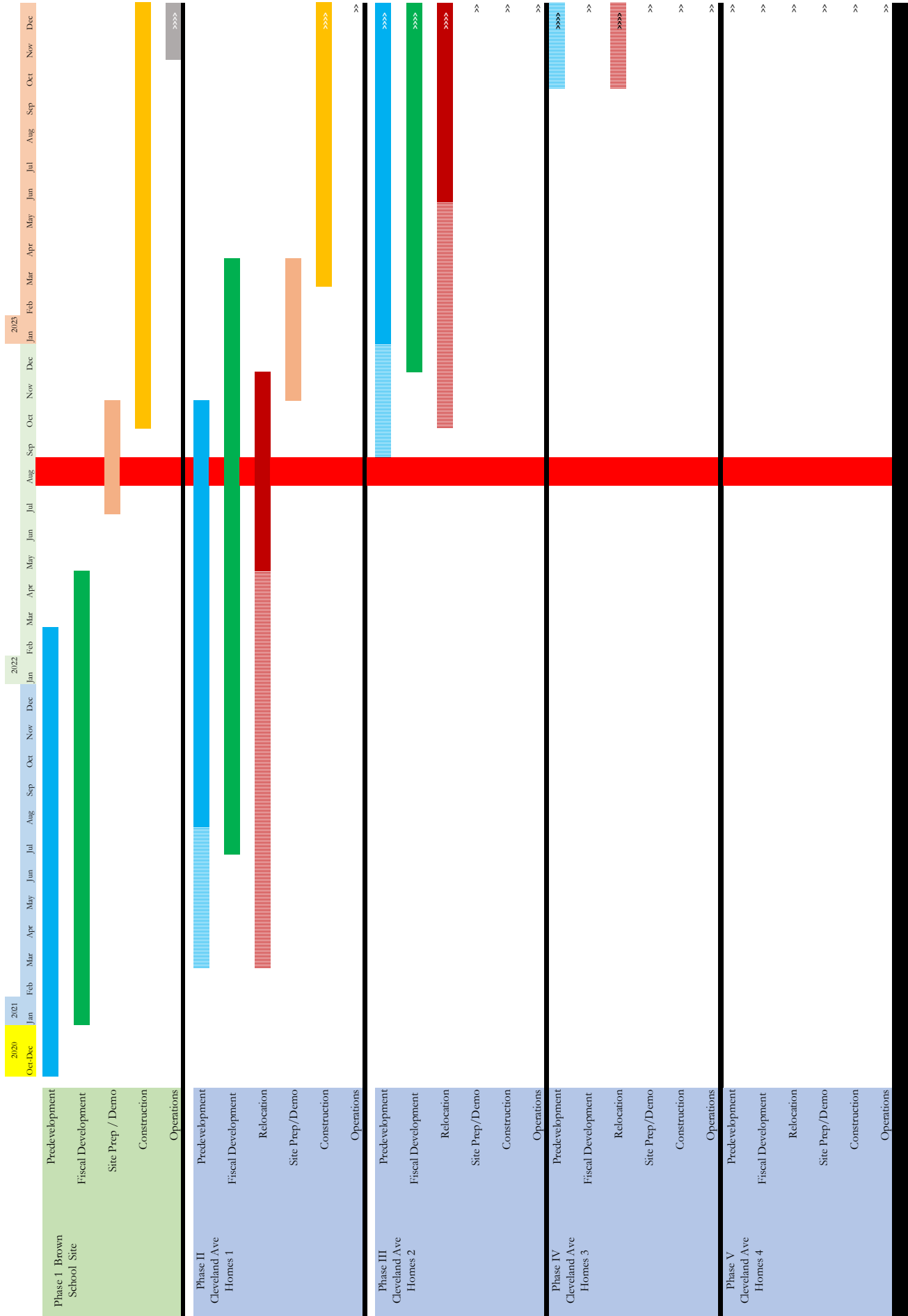
## People

- I. 217 CAH families Engaged by USI. 96% enrolled in Case Mgmt.
- II. All Group 1 Residents in Relocation process.
- III. 75% of Work-Eligible Adults w FTE status (30hrs+).



As of August 2022, we are **24** months into our 72 month CNI project effort





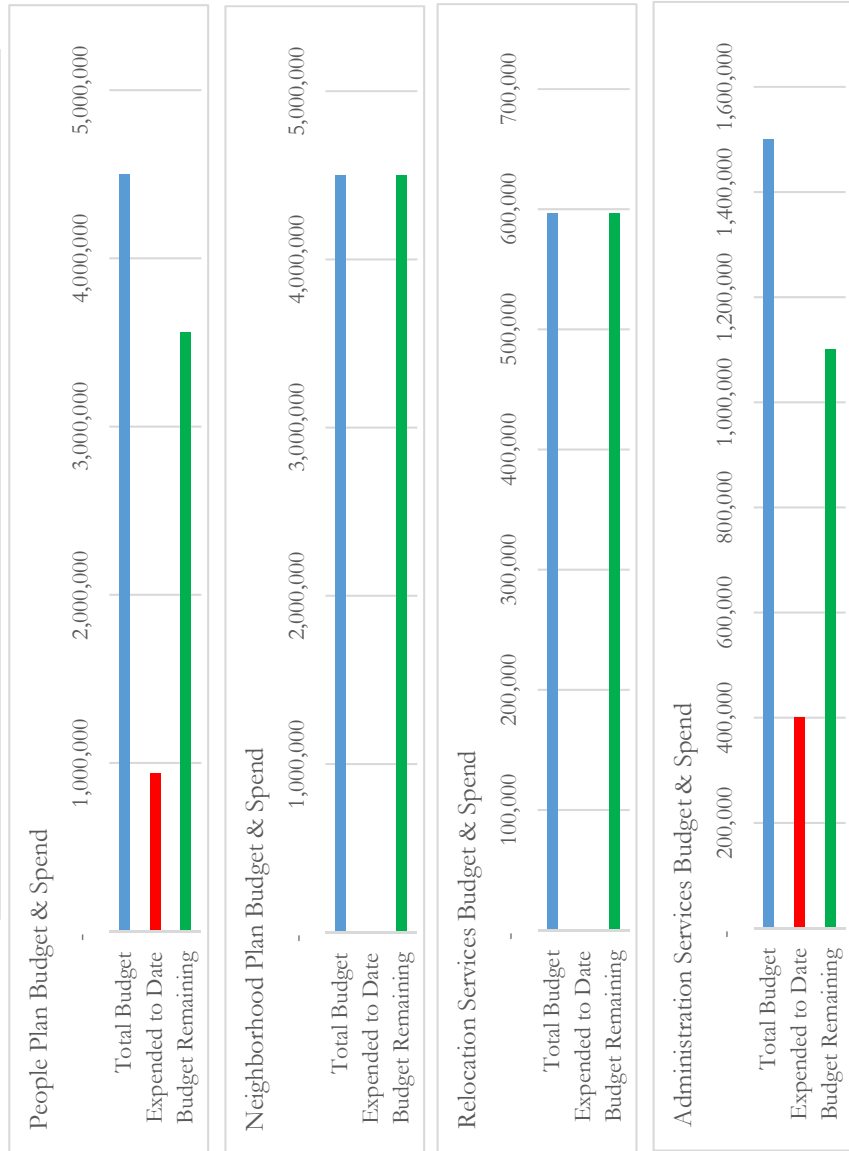
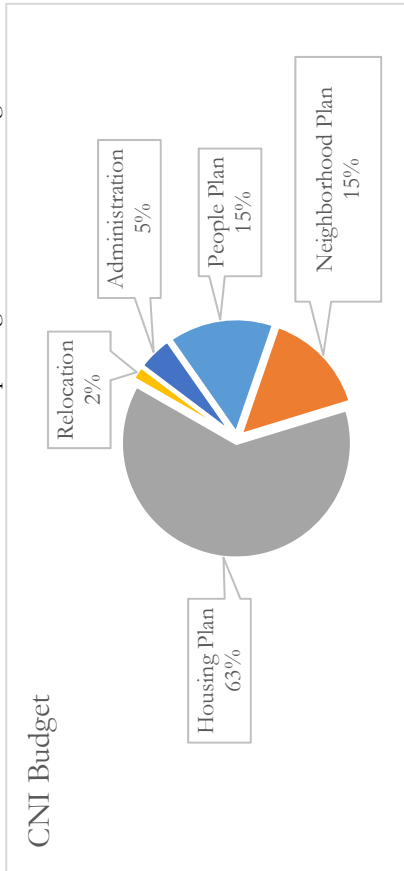
Choice Neighborhood Initiative Budget (HUD funds only)

People Plan	4,500,000
Neighborhood Plan	4,500,000
Housing Plan	18,903,000
Relocation	597,000
Administration	1,500,000
	\$ 30,000,000.00

CNI Budget & Expenses by Area

People Plan	
Total Budget	4,500,000
Expended to Date	936,374
Budget Remaining	3,563,626
% Expended	21%
Neighborhood Plan	
Total Budget	4,500,000
Expended to Date	-
Budget Remaining	4,500,000
% Expended	0%
Relocation	
Total Budget	597,000
Expended to Date	-
Budget Remaining	597,000
% Expended	0%
Administration	
Total Budget	1,500,000
Expended to Date	400,076
Budget Remaining	1,099,924
% Expended	27%

Reporting Period: August 2022

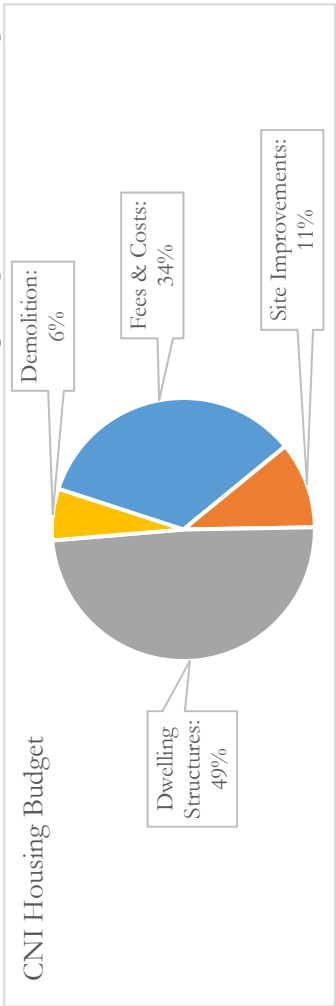




CNI Housing Budget

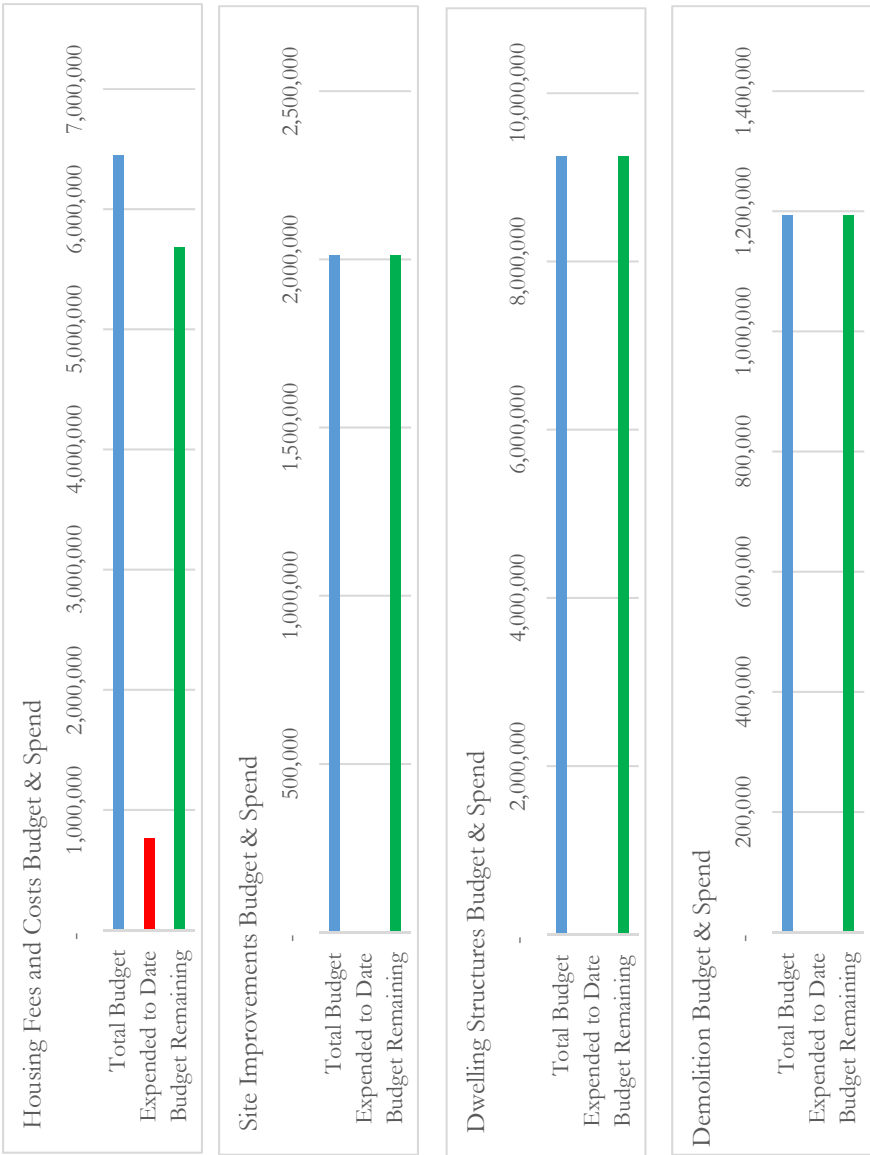
Reporting Period: August 2022

Fees & Costs:	6,444,862
Site Improvements:	2,012,000
Dwelling Structures:	9,252,138
Demolition:	1,194,000
	18,903,000
	\$



CNI Housing Budget & Expenses by Area

Fees and Costs	6,444,862	
Total Budget	761,921	
Expended to Date	5,682,941	
Budget Remaining		12%
% Expended		
Site Improvements	2,012,000	
Total Budget	-	
Expended to Date	2,012,000	
Budget Remaining		0%
% Expended		
Dwelling Structures	9,252,138	
Total Budget	-	
Expended to Date	9,252,138	
Budget Remaining		0%
% Expended		
Demolition	1,194,000	
Total Budget	-	
Expended to Date	1,194,000	
Budget Remaining		0%
% Expended		



# HCV Report

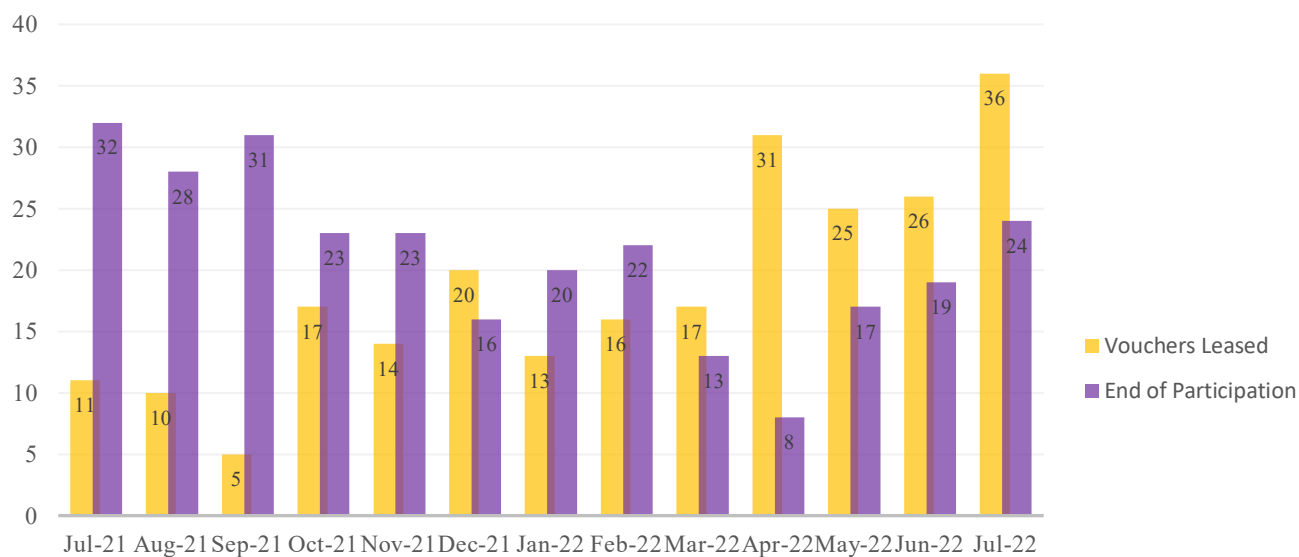
**Housing Choice Voucher Program Report**  
**7/31/2022**

<b>I. Voucher Unit Utilization</b>		<b>Current</b>	<b>Maximum</b>	<b>Percent Utilized</b>	<b>Target</b>	<b>NC Average as of 05/31/2022</b>
Total Vouchers Leased - SEMAP Indicator #13		3474	4454	78%	>90%	83.87%
Total Vouchers Issued for the month	57					
Total Voucher Leased for the month	36					
Total Vouchers Removed from the Program	24					
Vouchers issued but not leased on the street	582					
Project-Based Vouchers (Currently in Place)	350		371	94%		93.70%
Special Programs	73		239	31%		
Mainstream	61		278	22%		60.33%
VASH	99		144	69%		75.63%
EHV	10		31	32%		23.61%
<b>II. Voucher Budget Utilization</b>						
Monthly	\$1,937,932		\$2,183,111	89%		
Average Monthly HAP	\$558					
<b>III. Other SEMAP Indicators in PIC</b>						
PIC Reporting Rate	98.92%				>94%	
Timely Re-examinations	99%				>95%	
Correct Rent Calculations	100%				>97%	
Pre-Contract HQS Inspections	100%				>95%	
Annual HQS Inspections	95%					
Family Self-Sufficiency						
Enrollment:# of Participants	73					
Percent with Escrow Accounts	64%					
<b>IV. HCV Waiting List</b>						
Number of Applicants Awaiting Voucher Issuance	934					
<b>V. Inspections</b>						
Units Inspected	417					
Passed (1st inspections)	220					
Failed	197					
Passed after re-inspection	113					
Number of Landlords receiving HAP Abate	678					
Abate	49					



HUD Income Limits - by household size as of 04/18/2022								
1	2	3	4	5	6	7	8	
\$26,950	\$30,800	\$34,650	\$38,500	\$41,600	\$44,700	\$47,750	\$50,850	
HUD Fair Market Rents - by unit bedroom size as of 10/01/2021								
0	1	2	3	4				
\$623	\$664	\$808	\$1,075	\$1,249				

## HCV Voucher Utilization



	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	22-Feb	22-Mar	Apr-22	May-22	Jun-22	Jul-22
Vouchers Leased	11	10	5	17	14	20	13	16	17	31	25	26	36
End of Participation	32	28	31	23	23	16	20	22	13	8	17	19	24

## July 2022 End of Participation Reasons

**2 - Zero HAP Assistance**

**6 - Tenant Preference**

**8 - Moved without Notice/HAP Contract Violation**

**2 – Moved in with Family**

**4 – No Response to Letters from PHA/HAWS**

**1 – Eviction – Lease Violation**

**1 – Purchased Home**

# Public Housing

# Public Housing Report

	Piedmont Park	Cleveland Ave *	Sunrise Towers	Crystal Towers	Healy Towers	Townview	Stoney Glenn	The Oaks at Tenth	Camden Station	Brookside View	Totals
Reporting Month	Jul-22	Jul-22	Jul-22	Jul-22	Jul-22	Jul-22	Jul-22	Jul-22	Jul-22	Jul-22	
<b>Public Housing Management Operations</b>											
Occupancy Rate	96.67%	87.70%	96.92%	99.00%	99.05%	98.00%	96.00%	98.00%	100.00%	100.00%	95.68%
Number of Units	240	244	195	201	105	50	50	50	30	15	1180
Units Offline	3	3	0	0	1	1	2	1	0	0	11
Move Ins	6	3	2	2	0	1	0	1	0	0	15
Move Outs	2	3	6	0	0	0	1	0	0	0	12
Vacancies	8	30	6	2	1	1	2	1	0	0	51
# of Applicants Pulled	10	4	6	5	3	4	4	2	0	0	38
Charges Billed	\$46,586	\$61,073	\$40,052	\$45,791	\$32,311	\$12,556	\$10,879	\$15,879	\$9,887	\$8,663	\$283,677
Payments Collected	\$39,935	\$55,464	\$32,877	\$44,564	\$26,999	\$7,038	\$15,005	\$15,494	\$8,411	\$7,547	\$253,334
# Recertifications Due	18	7	11	21	7	1	2	0	4	1	72
# Recertifications Completed	18	7	11	21	7	1	2	0	4	1	72
Waiting List	6266	4902	2157	347		5586	5828	8112	8404	548	42,150
<b>Lease Violations</b>											
# of Late Payment Notices	116	113	84	42	15	16	8	11	12	5	422
# of Judicial evictions Filed in Court (Non-Payment)	10	5	5	3	0	0	0	1	0	0	24
# of Termination Notices (Other than Non-Payment)	0	1	1	0	0	0	0	0	0	0	2
# of Judicial Evictions Filed in Court (Other than Non-Payment)	0	1	1	0	0	0	0	0	1	0	3
<b>Security</b>											
# of Incidents Reported (WSPD)	45	66	23	47	2	5	4	1	2	0	195
# of Violent/Drug Reports	8	9	1	10	0	0	0	0	0	0	28
<b>Maintenance</b>											
# of Routine Work Orders Received	149	180	161	129	37	23	41	28	14	2	764
# of Emergency Work Orders Received	30	29	11	22	11	7	6	3	1	0	120
# of Routine Work Orders Completed	149	180	161	129	29	12	41	28	14	2	745
# of Emergency Work Orders Completed	30	29	11	22	11	7	6	3	1	0	120
* Cleveland Avenue Homes data reflect higher vacancy and lower rental revenues due to planned relocation of residents off site pursuant to the Choice Neighborhoods Grant Initiative ("CNI"). All units are being vacated in phases to allow for demolition and rebuild pursuant to the CNI grant.											



# Unsubsidized Housing

## Unsubsidized Housing Report July 2022

	Drayton Pines	Plaza
<b>Imperial Operations</b>		
Occupancy Rate	95%	97%
Number of Units	44	77
Move Ins	0	0
Move Outs	0	2
Vacancies	0	2
Units Offline	2	0
# of Applicants Pulled	0	2
Charges Billed in July	\$32,913	\$34,343
Payments Collected in July	\$26,448	\$37,225
Waiting List	4	10
<b>Lease Violations</b>		
# of Late Payment Notices	8	12
# of Termination Notices (Other than Non-Payment)	0	1
# of Judicial evictions Filed in Court (Non-Payment)	0	0
# of Judicial Evictions Filed in Court (Other)	0	0
<b>Security</b>		
# of Incidents Reports	4	21
# of Violent/Drug Reports	0	3
<b>Maintenance</b>		
# of Routine Work Orders Received	12	22
# of Emergency Work Orders Received	3	3
# of Routine Work Orders Completed	12	22
# of Emergency Work Orders Completed	3	3

# Resolutions

**RESOLUTION NO. 2184**

**ACCEPTING FISCAL YEAR END 2021 AUDIT REPORT**

**WHEREAS**, the Housing Authority of the City of Winston-Salem (the “Authority”) operates on a fiscal Year ending September 30; and

**WHEREAS**, the Authority is subject to an annual audit, as mandated by the United States Department of Housing and Urban Development; and

**WHEREAS**, the Authority’s Fiscal year ending September 30, 2021 was recently audited by the accounting firm of Cohn Reznick; and

**WHEREAS**, the resulting Audit Report, dated June 30, 2022, was submitted to the Board of Commissioners for review; and

**WHEREAS**, members of the Board of Commissioners received a verbal report from Cohn Reznick on September 13, 2022 and had an opportunity to make an inquiry of the auditors; and

**WHEREAS**, the Audit Report 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 Audit Report dated June 30, 2022.

Adopted On: \_\_\_\_\_ (Date)

Signed: \_\_\_\_\_  
Kevin Cheshire  
Board Secretary

June 30, 2022

Board of Commissioners  
Housing Authority of Winston-Salem  
500 West 4<sup>th</sup> Street  
Winston-Salem, NC 27101

We have audited the financial statements of the Housing Authority of Winston-Salem as of and for the year ended September 30, 2021, and have issued our report thereon dated June 30, 2022. Professional standards require that we advise you of the following matters relating to our audit.

### **Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated September 27, 2021, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Housing Authority of Winston-Salem solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We did not report any findings regarding significant control deficiencies over financial reporting and material noncompliance, and no other matters were noted during our audit.

### **Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

### **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

## Qualitative Aspects of the Entity's Significant Accounting Practices

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by Housing Authority of Winston-Salem is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during September 30, 2021. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are the allowance for doubtful accounts, depreciation, and net pension liability and related deferred outflows and inflows of resources.

Management's estimate of the allowance for doubtful accounts, depreciation, and net pension liability and related deferred outflows and inflows of resources is based on the key factors and assumption detailed below. We evaluated the key factors and assumptions used to develop the estimates and determined that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

1. Management's estimate of the allowance for doubtful accounts and notes receivables is based on the types of the receivables, the periodic aging, and prior experience. We evaluated the key factors and assumptions used to develop the allowance for doubtful accounts and notes receivable in determining that it is reasonable in relation to the financial statements taken as a whole.
2. Management's estimate of the useful lives of capital assets is based on the expected future benefit of the capitalized assets. We evaluated the key factors and assumptions used to develop the useful lives of capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.
3. Management's estimate of net pension liability and related deferred outflows and inflows of resources under the North Carolina Local Governmental Employees' Retirement System is based on an amount actuarially determined in accordance with the parameters of GASB Statements No. 68 and No. 71. We evaluated the key factors and assumptions used to develop the net pension liability in determining that it is reasonable in relation to the financial statements taken as a whole.

### *Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting Housing Authority of Winston-Salem's financial statements relate to: carrying value of capital assets and net pension liability and related deferred outflows and inflows of resources.

**Identified or Suspected Fraud**

We have not identified or obtained information that indicates that fraud may have occurred.

**Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

**Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. The attached schedule summarizes uncorrected financial statement misstatements whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole and each applicable opinion unit.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. There were no material misstatements that we identified as a result of our audit procedures.

**Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Housing Authority of Winston-Salem's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

**Representations Requested from Management**

We have requested certain written representations from management, which are included in the management representation letter dated June 30, 2022.

**Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

**Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with the Housing Authority of Winston-Salem, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Housing Authority of Winston-Salem's auditors.

## Other Matters

We applied certain limited procedures to the Management Discussion & Analysis, which is required supplementary information ("RSI") that supplements the basic financial statements. Our procedures consisted of inquiries of management with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the HUD Financial Data Schedule which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

## Other Information in Documents Containing Audited Financial Statements

Pursuant to professional standards, our responsibility as auditors for other information in documents containing the Housing Authority of Winston-Salem's audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

## Other Services

We assisted in preparing the financial statements and related notes to the financial, the financial data schedule, the schedule of expenditures of federal awards and related notes statements; and completed the auditor's portion of data collection form of the Housing Authority of Winston-Salem in conformity with U.S. generally accepted accounting principles and the Uniform Guidance based on information provided by management. Those nonattest services were performed under the supervision and approval of management and do not constitute audit services under governmental auditing standards.

This report is intended solely for the information and use of the Board of Commissioners and management of Housing Authority of Winston-Salem and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



CohnReznick, LLP  
Charlotte, North Carolina



**Housing Authority of the City of Winston-Salem**

**Financial Statements  
(With Supplementary Information)  
and Independent Auditor's Report**

**September 30, 2021**

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# Housing Authority of the City of Winston-Salem

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## Independent Auditor's Report

To the Board of Commissioners  
Housing Authority of the City of Winston-Salem

### Report on the Financial Statements

We have audited the accompanying financial statements of the Housing Authority of the City of Winston-Salem (the "Authority") as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Housing Authority of the City of Winston-Salem's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

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

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

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

### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Housing Authority of the City of Winston-Salem as of September 30, 2021, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## *Other Matters*

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 8 and the schedules of pension-related required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Housing Authority of the City of Winston-Salem's basic financial statements. The Financial Data Schedule Summary required by the U.S. Department of Housing and Urban Development ("HUD financial data schedule") is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations (CFR)* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The schedule of expenditures of federal awards and the HUD financial data schedule are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and the HUD financial data schedule are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### *Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2022, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Housing Authority of the City of Winston-Salem's internal control over financial reporting and compliance.



Charlotte, North Carolina  
June 30, 2022

**Housing Authority of the City of Winston-Salem**  
**Management's Discussion and Analysis (Unaudited)**  
**September 30, 2021**

The management of the Housing Authority of the City of Winston-Salem (the "Authority") offers this narrative overview and analysis of the Authority's financial activities for the year ended September 30, 2021.

This management's discussion and analysis is presented in accordance with the requirements of the Governmental Accounting Standards Board Statement No. 34 ("GASB 34"). We have made every effort to provide the reader with adequate understanding of the Authority's annual operating results and financial position as of September 30, 2021.

**Financial highlights**

- The assets of the Authority exceeded its liabilities at the close of the most recent fiscal year by \$36,659,000 (net position) as opposed to \$37,483,000 for the prior fiscal year.
- The Authority's unrestricted cash, restricted cash and investment balance as of September 30, 2021 was \$5,588,000 representing an increase of approximately \$14,000, or 0.3% from September 30, 2020.
- The Authority's total revenues and grants were approximately \$43,487,000 and total expenses were approximately \$44,311,000 for the year ended September 30, 2021.

**Current year and future highlights:**

During the 2021 fiscal year, the Housing Authority of the City of Winston-Salem completed numerous projects to meet the mission of improving the lives of the people in our City.

**Overview of the financial reports**

The following outline describes the integral parts of this financial presentation and is a guideline for understanding its components:

- I. MD&A: Serves as an introduction to the Authority's basic financial statements
- II. Basic financial statements
- III. Authority-wide financial statements
- IV. Notes to the financial statements
- V. Required supplementary information other than MD&A
- VI. Other supplementary information

The financial statements in this report are those of a special purpose government entity engaged in a business type activity. The following statements are included:

- Statement of Net Position - presents information about the Authority's assets and liabilities. The Statement of Net Position reports all financial and capital resources for the Authority. The statement is presented in the format where assets and deferred outflows of resources, minus liabilities and deferred inflows of resources, equal "Net Position," formerly known as equity or net assets. Assets and liabilities are presented in the order of liquidity and are classified as "current" (convertible to cash within one year), and "non-current." Increases and decreases in net position will serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

**Housing Authority of the City of Winston-Salem**  
**Management's Discussion and Analysis (Unaudited)**  
**September 30, 2021**

- Statement of Revenue, Expenses and Changes in Net Position - reports the Authority's revenues by source and type and expenses by category to substantiate the changes in net position for the fiscal year.
- Statement of Cash Flows - discloses net cash provided by, or used for operating activities, investing activities, non-capital financing activities, and capital and related financing activities.

**Statements of net position**

The following table represents the condensed Statements of Net Position as of September 30, 2021 and 2020:

	<i>(Rounded to nearest \$1,000)</i>	
	<b>2021</b>	<b>2020</b>
Current Assets	\$ 7,799,000	\$ 7,685,000
Restricted Assets	1,129,000	889,000
Capital Assets	30,656,000	31,819,000
Noncurrent Assets	12,062,000	12,074,000
Deferred Outflows of Resources	1,084,000	830,000
 Total Assets and Deferred Outflows of Resources	 <u>\$ 52,730,000</u>	 <u>\$ 53,297,000</u>
Current Liabilities	\$ 3,813,000	\$ 2,203,000
Long-Term Liabilities	10,689,000	13,595,000
 Total Liabilities	 <u>14,502,000</u>	 <u>15,798,000</u>
 Deferred Inflows of Resources	 <u>1,569,000</u>	 <u>16,000</u>
Net Position:		
Net Investment in Capital Assets	19,795,000	20,927,000
Restricted Net Position	688,000	438,000
Unrestricted Net Position	16,176,000	16,118,000
 Total Net Position	 <u>36,659,000</u>	 <u>37,483,000</u>
 Total Liabilities, Deferred Inflows of Resources, and Net Position	 <u>\$ 52,730,000</u>	 <u>\$ 53,297,000</u>

Cash and Investments increased by approximately \$14,000 (0.3%) from the previous year.

Current Liabilities have increased by approximately \$1,610,000 (73.1%) at September 30, 2021 from the previous year.

**Housing Authority of the City of Winston-Salem**  
**Management's Discussion and Analysis (Unaudited)**  
**September 30, 2021**

Long-Term Liabilities decreased by approximately \$2,906,000 (21.4%) at September 30, 2021 from the previous year. See the Debt Outstanding section for more detailed discussion.

The Authority's net position decreased by approximately \$824,000 (2.2%) at September 30, 2021 from the previous year.

**Analysis of statement of revenues and expenses**

The following table represents the condensed Statement of Revenue, Expenses, and Changes in Net Position for the years ended September 30, 2021 and 2020.

	<i>(Rounded to nearest \$1,000)</i>	
	<b>2021</b>	<b>2020</b>
Net Tenant Rental Revenue	\$ 3,477,000	\$ 3,709,000
HUD Operating Grants	34,766,000	35,738,000
HUD Capital Grants	2,062,000	1,715,000
Other revenue	<u>3,182,000</u>	<u>2,720,000</u>
Total Revenue	<u>43,487,000</u>	<u>43,882,000</u>
Operating Expenses	41,487,000	40,529,000
Depreciation	<u>2,824,000</u>	<u>2,910,000</u>
Total Expenses	<u>44,311,000</u>	<u>43,439,000</u>
Net Increase (Decrease) in Net Position	(824,000)	443,000
Net Position, beginning of year	<u>37,483,000</u>	<u>37,040,000</u>
Net Position, end of year	<u><u>\$ 36,659,000</u></u>	<u><u>\$ 37,483,000</u></u>

Total Revenue has decreased by approximately \$395,000 (0.9%) from the previous year. This decrease is due in part to the total tenant revenue and operating grant revenue decreasing in the current year.

Operating Grants decreased by approximately \$972,000 (2.7%) from the previous year. This is due to the Housing Authority receiving CARES Act funding in the prior year due to COVID.

Total Expenses increased by approximately \$872,000 (2.0%) from the previous year. This is due to Choice Neighborhoods Implementation Grant having more expenditures in the current year.



**Housing Authority of the City of Winston-Salem**  
**Management's Discussion and Analysis (Unaudited)**  
**September 30, 2021**

**Capital assets**

As of September 30, 2021 and 2020, the Authority's investment in capital assets was approximately \$30,656,000 and \$31,819,000 (net of accumulated depreciation), respectively, as reflected in the following schedule:

	<i>(Rounded to nearest \$1,000)</i>	
	<b>2021</b>	<b>2020</b>
Land	\$ 3,624,000	\$ 3,624,000
Buildings	100,369,000	98,902,000
Furniture, equipment and machinery	3,490,000	3,359,000
Leasehold improvements	153,000	153,000
Construction in progress	265,000	265,000
Infrastructure	404,000	360,000
Accumulated depreciation	<u>(77,649,000)</u>	<u>(74,844,000)</u>
Total	<u><u>\$ 30,656,000</u></u>	<u><u>\$ 31,819,000</u></u>

During the fiscal year ended September 30, 2021, net capital assets decreased by approximately \$1,163,000. This is due to an increase in accumulated depreciation in the current year.

**Debt outstanding**

As of September 30, 2021, the Authority had \$10,860,834 in outstanding debt and loans, compared to \$10,891,533 at the end of fiscal year 2020. Debt of \$823,239 relates to debt for additional improvements to the public housing units, and debt of \$7,951,186 is mortgages on non-federally funded communities owned and leased by the Authority. Forsyth Economic Ventures, Inc. ("FEV") had debt outstanding of \$1,599,100 related to the purchase of the Loewy Building. The Authority also has a line of credit with First Citizens Bank in the amount of \$487,309.

**Comparison budget vs. Actual - low rent public housing**

The Authority adopts an annual budget of its Low Rent Public Housing Program through approval by its Board of Commissioners. The budget is based upon a format prescribed by the U.S. Department of Housing and Urban Development ("HUD") that differs in some respects from Generally Accepted Accounting Principles(GAAP) with regard to capital expenditures, extraordinary maintenance, depreciation and debt service. The HUD format includes all expenses except for depreciation in the budget for operations during the fiscal period.

**Housing Authority of the City of Winston-Salem**  
**Management's Discussion and Analysis (Unaudited)**  
**September 30, 2021**

The following table is an actual to budget comparison for the Low Rent Public Housing Program for the fiscal year ended September 30, 2021:

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>% Change</u>
Total rental income	\$ 2,771,042	\$ 2,765,476	\$ 5,566	0.2%
Interest income	292	-	292	100.0%
Other operating receipts	<u>402,417</u>	<u>234,347</u>	<u>168,070</u>	71.7%
Total operating income	3,173,751	2,999,823	173,928	5.8%
HUD operating subsidy	<u>7,717,058</u>	<u>6,849,217</u>	<u>867,841</u>	12.7%
Total revenue	<u>10,890,809</u>	<u>9,849,040</u>	<u>1,041,769</u>	10.6%
Administration	3,378,458	3,322,022	(56,436)	-1.7%
Tenant services	47,250	53,985	6,735	12.5%
Utilities	1,518,676	1,764,850	246,174	13.9%
Ordinary maintenance	3,550,040	2,849,486	(700,554)	-24.6%
Protective services	791,656	378,400	(413,256)	-109.2%
General and other expenses	<u>1,822,047</u>	<u>1,627,923</u>	<u>(194,124)</u>	-11.9%
Total operating expenses	<u>11,108,127</u>	<u>9,996,666</u>	<u>(1,111,461)</u>	-11.1%
Excess operating revenue over operating expenses	<u>\$ (217,318)</u>	<u>\$ (147,626)</u>	<u>\$ (69,692)</u>	-47.2%

The Low Rent Public Housing Program's deficit of operating revenue over operating expenses was above its budget by \$70,366. This is a result of increased maintenance and protective services costs.

**Contacting the Authority's Financial Management**

This Authority's financial report is designed to provide a general overview of the Authority's finances for all those with an interest and to demonstrate the Authority's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Nancy Thomas, Chief Financial Officer and Vice President of Administration, Housing Authority of the City of Winston-Salem, 500 W. Fourth Street, Suite 300, Winston-Salem, North Carolina 27101 or call (336) 917-6066.

## **Basic Financial Statements**

**Housing Authority of the City of Winston-Salem**

**Statement of Net Position  
September 30, 2021**

Assets and Deferred Outflows of Resources

Current Assets

Cash and cash equivalents - unrestricted	\$ 4,458,594
Accounts receivable - HUD	188,746
Accounts receivable - tenants (net of allowance)	209,398
Accounts receivable - miscellaneous	80,551
Accrued interest receivable - current	2,429,354
Inventories	115,149
Prepaid expenses and other assets	317,395

Total Current Assets	<u>7,799,187</u>
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Restricted Assets

Cash and cash equivalents - restricted	<u>1,129,201</u>
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Total Restricted Assets	<u>1,129,201</u>
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Total Current Assets	<u>8,928,388</u>
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Capital Assets

Land	3,624,034
Buildings	100,369,340
Furniture, equipment and machinery	3,489,750
Leasehold improvements	152,920
Construction in progress	264,986
Infrastructure	<u>404,164</u>

Capital assets	108,305,194
Accumulated depreciation	<u>(77,648,940)</u>

Total Capital Assets	<u>30,656,254</u>
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Noncurrent Assets

Notes receivable	<u>12,061,253</u>
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Total Noncurrent Assets	<u>12,061,253</u>
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Total Assets	<u>51,645,895</u>
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Deferred Outflows of Resources - Pension	<u>1,084,146</u>
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Total Assets and Deferred Outflows of Resources	<u><u>\$ 52,730,041</u></u>
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**Housing Authority of the City of Winston-Salem**

**Statement of Net Position  
September 30, 2021**

Liabilities, Deferred Inflows of Resources, and Net Position

Current Liabilities	
Accounts payable	\$ 462,549
Accounts payable - HUD	12,742
Accounts payable - other government agencies	115,994
Accrued interest payable	14,214
Accrued wages and payroll taxes payable	396,898
Mortgages and other notes payable - current	1,748,152
Tenant security deposits	232,060
Accrued compensated absences - current portion	95,664
Unearned revenues	452,863
Other current liabilities	282,828
	<hr/>
Total Current Liabilities	3,813,964
	<hr/>
Long-Term Liabilities	
Mortgages and other notes payable - noncurrent	9,112,682
Accrued compensated absences - noncurrent portion	286,985
Other noncurrent liabilities	196,778
Pension liability - noncurrent	1,091,670
	<hr/>
Total Long-Term Liabilities	10,688,115
	<hr/>
Total Liabilities	14,502,079
	<hr/>
Deferred Inflows of Resources - Pension	1,568,599
	<hr/>
Net Position	
Net investment in capital assets	19,795,420
Restricted	
Program reserves	688,290
Unrestricted net position	16,175,653
	<hr/>
Total Net Position	36,659,363
	<hr/>
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 52,730,041

See Notes to Financial Statements.

**Housing Authority of the City of Winston-Salem**

**Statement of Revenue, Expenses and Changes in Net Position  
Year Ended September 30, 2021**

Operating Revenue	
Net tenant rental revenue	\$ 3,476,816
HUD operating grants	34,765,744
Other government grants	821,930
Other revenue	<u>1,964,055</u>
Total Operating Revenue	<u>41,028,545</u>
Operating Expenses	
Administrative	6,325,081
Tenant services	1,305,655
Utilities	1,705,338
Ordinary maintenance and operations	4,382,978
Protective services	808,988
General and other	2,177,078
Other	85,057
Housing assistance payments	24,492,180
Depreciation	<u>2,823,820</u>
Total Operating Expenses	<u>44,106,175</u>
Operating Income (Loss)	<u>(3,077,630)</u>
Non-Operating Revenue (Expenses)	
Interest expense	(204,503)
Interest income	388,445
Investment income	<u>8,414</u>
Total Non-Operating Income (Expenses)	<u>192,356</u>
Loss Before Capital Grants	(2,885,274)
HUD Capital Grants	<u>2,061,798</u>
Change in Net Position	(823,476)
Net Position - Beginning	<u>37,482,839</u>
Net Position - Ending	<u><u>\$ 36,659,363</u></u>

See Notes to Financial Statements.

**Housing Authority of the City of Winston-Salem**

**Statement of Cash Flows  
Year Ended September 30, 2021**

Cash flows from operating activities	
Dwelling rent receipts	\$ 3,415,174
Operating subsidy and grant receipts	34,704,484
Other government grant receipts	816,065
Other income receipts	<u>2,035,899</u>
Total receipts	<u>40,971,622</u>
Payments to vendors	(9,812,421)
Payments to employees	(7,059,328)
Housing assistance payments	<u>(24,492,180)</u>
Total disbursements	<u>(41,363,929)</u>
Net cash used by operating activities	<u>(392,307)</u>
Cash flows from investing activities	
Investment income	8,414
Interest income	224,383
Notes receivable from tax credit projects - payments received	<u>12,306</u>
Net cash provided by investing activities	<u>245,103</u>
Cash flows from capital and related financing activities	
Capital grants receipts	2,061,798
Capital asset purchases	(1,661,510)
Proceeds from notes payable	200,000
Payments on capital lease obligation and mortgages and notes payable	(230,699)
Interest paid on capital lease obligations and mortgages and notes payable	<u>(208,595)</u>
Net cash provided by capital and related financing activities	<u>160,994</u>
Net increase in cash and cash equivalents	13,790
Cash and cash equivalents, beginning	<u>5,574,005</u>
Cash and cash equivalents, ending	<u><u>\$ 5,587,795</u></u>
Reconciliation to Statement of Net Position	
Cash and cash equivalents - unrestricted	\$ 4,458,594
Restricted cash and cash equivalents	<u>1,129,201</u>
	<u><u>\$ 5,587,795</u></u>



# Housing Authority of the City of Winston-Salem

## Statement of Cash Flows Year Ended September 30, 2021

Reconciliation of operating loss to net cash used by operating activities	
Operating loss	<u>\$ (3,077,630)</u>
Adjustments to reconcile operating loss to net cash used by operating activities	
Depreciation	2,823,820
(Increase) decrease in assets	
Accounts receivable - HUD	(52,627)
Accounts receivable - tenants	(102,772)
Accounts receivable - miscellaneous	71,844
Inventories	(2,267)
Prepaid expenses and other assets	(90,761)
Deferred outflows of resources	(253,688)
Increase (decrease) in liabilities	
Accounts payable	40,608
Accounts payable - HUD	(8,633)
Accounts payable - other government agencies	(5,865)
Accrued wages and payroll taxes payable	17,271
Tenant security deposits	2,036
Accrued compensated absences	(38,341)
Unearned revenues	39,094
Other current liabilities	14,203
Other noncurrent liabilities	16,626
Accrued pension liability	(1,337,548)
Deferred inflows of resources	<u>1,552,323</u>
Total adjustments	<u>2,685,323</u>
Net cash used by operating activities	<u><u>\$ (392,307)</u></u>

See Notes to Financial Statements.

## **Housing Authority of the City of Winston-Salem**

### **Notes to Financial Statements September 30, 2021**

#### **Note 1 - Organization and summary of significant accounting policies**

##### **Organization**

The Housing Authority of the City of Winston-Salem (the "Authority", or "HAWS") is a public body and a body corporate and politic organized under the laws of the State of North Carolina by the City of Winston-Salem for the purpose of providing adequate housing for qualified low-income individuals. The Authority is a legally separate entity that is fiscally independent of other governments. To accomplish this purpose, the City appoints a Governing Board but the Board designates its own management. Additionally, the Authority has entered into annual contribution contracts with the U.S. Department of Housing and Urban Development ("HUD") to be the administrator of the housing and housing related programs described herein.

The Authority is governed by a Board of Commissioners appointed by the mayor of the City of Winston-Salem and has governance responsibilities over all activities related to all housing activities within the City of Winston-Salem. The Board of Commissioners has decision-making authority and the power to designate management. The members do not serve at the discretion of the City; i.e., they can be removed only for cause. The Authority's Board elects its own chairperson.

##### **Reporting entity**

In determining how to define the reporting entity, management has considered all potential component units. The decision to include a component unit in the reporting entity was made by applying the criteria set forth in the pronouncements of the Governmental Accounting Standards Board. These criteria include manifestation of oversight responsibility including financial accountability, appointment of voting majority, imposition of will, financial benefit to or burden on a primary organization, financial accountability as a result of fiscal dependency, potential for dual inclusion, and organizations included in the reporting entity although the primary organization is not financially accountable. Based upon the application of these criteria, the reporting entity does have one blended component unit.

Forsyth Economic Ventures, Inc. has been determined to be a component unit of the Authority and is included in this report as a blended component unit. Forsyth Economic Ventures, Inc.'s related entities, as described in Note 13, have been determined to not be component units and will not be included as such in the accompanying financial statements. Certain activities of these entities related to specific programs, such as Low Income Public Housing and HOPE VI, will be included as applicable within those programs.

##### **Basis of presentation and accounting**

In accordance with uniform financial reporting standards for HUD housing programs, the financial statements are prepared in accordance with generally accepted accounting principles in the United States ("GAAP"). The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Based upon compelling reasons offered by HUD, the Authority reports under the proprietary fund type (enterprise fund), which uses the accrual basis of accounting. The enterprise fund emphasizes the flow of economic resources as a measurement focus. In this fund, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred.

The enterprise method is used to account for those operations that are financed and operated in a manner similar to private business, or where the Board has decided that the determination of revenues earned, costs incurred, and/or net income necessary for management accountability is appropriate. The intent of the governing body is that the costs (expenses including depreciation) of

## **Housing Authority of the City of Winston-Salem**

### **Notes to Financial Statements September 30, 2021**

providing services to the general public on a continuing basis be financed or recovered primarily through funding from HUD and charges to residents for rent and other fees.

All of the Authority's programs are accounted for as one business-type activity reported in a single enterprise fund.

#### **Programs administered by the Authority**

The Authority operates the following programs in the Enterprise Fund:

*Low Income Public Housing* - The objective of the program is to provide decent, safe and sanitary housing and related facilities for eligible low-income families and the elderly.

*Housing Choice Voucher* - The objective of this program is to help low-income families obtain decent, safe, and sanitary housing through a system of rental assistance. HUD has entered into an Annual Contributions Contract ("ACC") with the Authority that reimburses the Authority for the rental supplements paid to private landlords and the administrative costs of managing these programs.

*Veterans Affairs Supportive Housing* - The objective of this program is to provide rental assistance for homeless veterans with case management and clinical services.

*HOPE VI* - The objective of this program is to revitalize older public housing units.

*Business Activities* - The objective of this program is to provide additional affordable housing for low income and elderly tenants.

*Moderate Rehabilitation* - The objective of this program is to provide housing using housing assistance payments.

*Capital Fund Program* - The objective of this program is to upgrade and modernize current housing stock and improve operations and management.

*ROSS Grant* - The objective of the program is to provide economic and educational services to low-income residents.

*State and Local* - The objective of this program is to provide other services to tenants using state and local funding.

*Mainstream Vouchers* - The objective of this program is to expand the supply of supportive housing for very low income persons with disabilities.

*Family Self-Sufficiency Program* - The objective of this program is to enable HUD-assisted families to increase their earned income and reduce dependency on welfare assistance and rental subsidies.

*Forsyth Economic Ventures* - A component unit of the Authority was formed to rebuild the housing units demolished under the HOPE VI program.

*Emergency Housing Vouchers* - The objective of this program is to provide rental assistance to families, the elderly and persons with special needs that have income up to 50 percent of the Area Median Income.

## **Housing Authority of the City of Winston-Salem**

### **Notes to Financial Statements**

**September 30, 2021**

*Choice Neighborhoods Implementation Grants* – The objective of this program is to support communities that have undergone a comprehensive local planning process and are ready to implement their “Transformation Plan” to redevelop the neighborhood.

HUD requires all Public Housing Agencies meeting certain criteria to account for the financial activity of its low income public housing program by project. Referred to as the Asset Management Program, HAWS is required to report financial activity by project as well as by program through HUD's online reporting system.

#### **Basis of accounting and measurement focus**

The basis of accounting for the enterprise fund used by the Authority is determined by measurement focus. The flow of economic resources measurement focus and the accrual basis of accounting are used to account for the Authority's enterprise fund. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. All assets and liabilities associated with the operation of the enterprise fund are included in the Statement of Net Position.

#### **Budgets**

The Authority adopts budgets on the basis of accounting consistent with the basis of accounting for the program to which the budget applies. The Authority prepares annual operating budgets, which are formally adopted by its governing Board of Commissioners. The budgets for programs funded by HUD form the basis of the Federal Financial Assistance received through HUD.

#### **Use of estimates in preparing financial statements**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. These estimates may change over time.

#### **Cash and cash equivalents**

Cash and cash equivalents include cash on hand, demand deposits, equity in highly liquid cash and investments, and certificates of deposit with initial maturities of three months or less.

#### **Due to/from other programs**

The Authority has numerous transactions between programs to finance operations and provide services. To the extent that the money to finance certain transactions among programs had not been paid or collected as of year-end, interprogram payables and receivables are recorded. Interprogram receivables and payables have been eliminated in preparation of the Authority's basic financial statements. Interprogram management, bookkeeping and asset management fees have also been eliminated in preparation of the Authority's basic financial statements.

#### **Accounts receivable**

Accounts receivable consists of payments due from HUD, rent payments due from tenants, and other miscellaneous receivables arising from the normal course of operations. A reserve for uncollectible accounts is established based on management's estimates.

#### **Inventories**

Inventories are recorded at cost, cost being determined on the first-in, first-out basis.

#### **Capital assets**

Capital assets includes property under development, operating properties, and capital assets used in operations that cost \$5,000 or more and have an estimated useful life of at least one year. Donated capital assets are recorded at the acquisition value on the date received.

## Housing Authority of the City of Winston-Salem

### Notes to Financial Statements

September 30, 2021

The Authority capitalizes costs associated with properties under development, including interest costs during the construction period. The carrying amount of such properties does not exceed the estimated net realizable value.

Capital assets are stated at cost, less accumulated depreciation. Depreciation is computed under the straight-line method over their estimated useful lives.

The estimated useful lives for each major class of depreciable capital assets are as follows:

Buildings	10-30 years
Furniture, equipment and machinery	3-10 years
Vehicles	3 years
Leasehold improvements	10 years
Infrastructure	10 years

Proceeds from the disposal of capital assets are recognized in the period received. Proceeds from the sale of property acquired or significantly improved with HUD or other government funds may be required to be refunded to HUD or the other government.

#### **Compensated absences**

Compensated absences are absences for which employees will be paid, i.e., sick leave, vacation, and other approved leaves. The Authority accrues the liability for those absences that the employee has earned the rights to the benefits. Accrued amounts are based on the current salary rates. Full-time, permanent employees are granted vacation and sick leave benefits in varying amounts to specified maximums depending on tenure with the Authority. Vacation pay is recorded as an expense and related liability in the year earned by employees. As of September 30, 2021, \$382,649 was accrued for compensated absences.

#### **Net investment in capital assets**

Net investment in capital assets is recorded in an amount equal to capital assets, net of accumulated depreciation and reduced by any debt attributable to the acquisition of those assets.

#### **Restricted net position**

Net position is reported as restricted when constraints placed on net assets' use are either: externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments, imposed by law through constitutional provisions or enabling legislation.

#### **Operating revenues and expenses**

Operating revenues and expenses consist of revenue earned and expenses incurred as a result of the principal operations of the Authority. Operating revenue results from exchange transactions associated with providing housing and related services, and federal operating subsidies and housing assistance payments that are directly related to the Authority's mission. Non-operating revenue includes capital federal grants, interest revenue, and other revenues not meeting the definition of operating revenues. Operating expenses consist of all expenses incurred to provide housing services.

## **Housing Authority of the City of Winston-Salem**

### **Notes to Financial Statements September 30, 2021**

#### **Capital grant revenues**

Capital grant revenues are grants awarded by HUD under various capital development and improvement programs including HOPE VI, Capital Funds, and Choice Neighborhood Program grants. Grants under these programs are based on budgeted capital project costs. Interest incurred, if any, during the construction phase is included as part of the capitalized amount of construction in process or capitalized costs.

#### **Elimination of fees**

The Authority earns management fees, bookkeeping fees and asset management fees for services rendered in connection with the management of various Authority programs. The revenue and related expenses are eliminated for financial reporting purposes; however, details regarding these fees are available in the supplemental financial data schedule. For the year ended September 30, 2021, total revenue and expenses eliminated were \$2,608,747.

#### **Impairment of long-lived assets**

In accordance with GASB pronouncements, prominent events or changes in circumstances affecting capital assets are required to be evaluated to determine whether impairment of a capital asset has occurred. Impaired capital assets that will no longer be used should be reported at the lower of carrying value or fair value. Impairment of capital assets with physical damage generally should be measured using the restoration cost approach, which uses the estimated cost to restore the capital asset to identify the portion of the historical cost of the capital asset that should be written off. No such impairment loss was incurred during the year.

#### **Prepaid items**

Prepaid items consist of payments made to vendors for services that will benefit future periods.

#### **Unearned revenues**

The Authority recognizes revenues as earned. Funds received before the Authority is eligible to apply them are recorded as a liability under Unearned Revenues.

#### **Taxes**

Under Federal, State and City laws, the Authority is exempt from income, property and excise taxes. Housing authorities are, however, required to make payments in lieu of taxes ("PILOT") in accordance with the provisions of their Cooperation Agreement with local taxing authorities. Under its Cooperation Agreement with the City, the Authority must pay the City the lesser of 10 percent of its net shelter rent or the approximate full real property taxes. Net shelter rent is defined as the excess of rental income over total utilities expense. During the year ended September 30, 2021, PILOT was charged to operations in the amount of \$124,048 and is included in general expenses on the Statement of Revenue, Expenses and Changes in Net Position.

#### **Insurance**

The primary technique used for risk financing is the purchase of insurance policies from commercial insurers that include a large deductible amount. The use of a large deductible clause reduces the cost of insurance, but should losses occur, the portion of the uninsured loss is not expected to be significant with respect to the financial position of the Authority. The Authority secures required insurance coverage through the competitive bid process. At September 30, 2021, the Authority had required coverage in force.

In accordance with G.S. 159-29, the Authority's employees that have access to \$100 or more at any given time of the Authority's funds are performance bonded through a commercial surety bond. The chief financial officer is individually bonded for \$50,000.

## **Housing Authority of the City of Winston-Salem**

### **Notes to Financial Statements September 30, 2021**

#### **Use of estimates**

The financial statements include some amounts that are based on management's best estimates and judgments. The most significant estimates relate to depreciation and useful lives, inventory valuations, account receivable valuations, note receivable valuations, and the net pension liability and related expense. These estimates may be adjusted as more current information becomes available, and any adjustment could be significant.

#### **Deferred Inflows and Outflows of Resources**

In addition to assets and liabilities, the statement of net position will report separate sections for deferred outflows and inflows of resources. These separate financial statement elements represent a consumption or increase of net position that applies to a future period(s) and so will not be recognized as an outflow or inflow of resources (expense or revenue) until then.

#### **Application of restricted resources**

The Authority will first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

#### **New accounting updates**

The GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. GASB Statement No. 94 establishes standards of accounting and financial reporting for Public-Private and Public-Public Partnerships (PPPs) and Availability Payment Arrangements (APAs). This statement is effective for financial statements with periods beginning after June 15, 2022. Management is currently evaluating the impact of adopting this standard.

The GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. GASB Statement No. 96 establishes standards of accounting and financial reporting for subscription-based information technology (SBITAs) for government end users. Under this Statement, a government generally should recognize a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability. This statement is effective for financial statements with periods beginning after June 15, 2022. Management is currently evaluating the impact of adopting this standard.

The GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. This statement is effective for financial statements with periods beginning after June 15, 2021. Management is currently evaluating the impact of adopting this standard.

The GASB issued Statement No. 98, *The Annual Comprehensive Financial Report* establishes the term *annual comprehensive financial report* and its acronym (ACFR). The new term and acronym replace instances of *comprehensive annual financial report* and its acronym in generally accepted



## Housing Authority of the City of Winston-Salem

### Notes to Financial Statements September 30, 2021

accounting principles for state and local governments. This statement is effective for financial statements with periods ending after December 15, 2021. Management is currently evaluating the impact of adopting this standard.

The GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. GASB Statement No. 95 was effective immediately and postponed the effective dates of certain GASB Statements and Implementation Guides for one year from their respective original effective dates to provide relief to governments and other stakeholders in light of the COVID-19 pandemic. The adoption of this Statement provided for early adoption of any of the postponed GASB Statements and Implementation Guides.

The effective dates of certain provisions in the following pronouncements are postponed by one year or 18 months:

The GASB issued Statement No. 87, *Leases* effective for financial statements beginning after December 15, 2019. Management is currently evaluating the impact of adopting this standard.

The GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* effective for financial statements beginning after December 15, 2019. Management is currently evaluating the impact of adopting this standard.

The GASB issued Statement No. 91, *Conduit Debt Obligations*. The standard provides a single method of reporting conduit debt obligations. This statement is effective for financial statements with periods beginning after December 15, 2020. Management is currently evaluating the impact of adopting this standard.

The GASB issued Statement No. 92, *Omnibus 2020*. GASB Statement No. 92 addresses a variety of topics including, among other things, Leases, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, Fiduciary Activities, Measurement of liabilities related to AROs. This statement is effective for financial statements with periods beginning after June 15, 2020. Management is currently evaluating the impact of adopting this standard.

The GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. GASB Statement No. 93 assists state and local governments in the transition away from existing interbank offered rates (IBOR) to other reference rates because of global reference rate reform, wherein the London Interbank Offered Rate (LIBOR) is expected to cease to exist in its current form at the end of 2021. The objective of this Statement is to address implications that result from the replacement of an IBOR in Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* and Statement No. 87, *Leases* and other accounting and financial reporting implications. The removal of LIBOR as an appropriate benchmark interest rate in this Statement are effective for financial statements with periods beginning after June 15, 2019. All other requirements of this statement are effective for financial statements with periods beginning after June 15, 2020. Management is currently evaluating the impact of adopting this standard.

#### Note 2 - Deposits and investments

##### Investments

At times, the Authority has investments in certificates of deposit, savings accounts, and money market accounts. As of September 30, 2021, the Authority had no such investments.

## Housing Authority of the City of Winston-Salem

### Notes to Financial Statements September 30, 2021

#### Interest rate risk

Fair value fluctuates with interest rates, and increasing interest rates could cause fair value to decline below original cost. To limit the Authority's exposure to fair value losses arising from increasing interest rates, the Authority's investment policy limits the term of investment maturities to remain sufficiently liquid to enable the Authority to meet all operating requirements which might be reasonably anticipated. The Authority's management believes the liquidity in the portfolio is adequate to meet cash flow requirements and to preclude the Authority from having to sell investments below original cost for that purpose. There were no investments as of September 30, 2021.

#### Credit risk

The investment policy of the Authority permits investments in the following types of investments: direct U.S. obligations, U.S. agency obligations, repurchase agreements, and money market mutual funds.

#### Custodial credit risk

This is the risk that in the event of a bank failure, the Authority's deposits and investments may not be returned to it. As of September 30, 2021, \$4,871,304 of the Authority's deposits were exposed to this risk because the amounts were in excess of FDIC insurance limits, but the amounts were collateralized with securities held by the pledging financial institution in the Authority's name. The following schedule summarizes the custodial risk:

	Balance Reported on the Authority's Financial Statements	Balance Deposited with the Financial Institution	FDIC Insurance	Uninsured Amount (Fully Collateralized)
Bank deposits	\$ 5,587,795	\$ 5,621,304	\$ 750,000	\$ 4,871,304
Total	<u>\$ 5,587,795</u>	<u>\$ 5,621,304</u>	<u>\$ 750,000</u>	<u>\$ 4,871,304</u>

Cash and investments are reported on the statement of net position as follows:

Cash and cash equivalents - unrestricted	\$ 4,458,594
Cash and cash equivalents - restricted	<u>1,129,201</u>
Total cash and cash equivalents	<u>\$ 5,587,795</u>

## Housing Authority of the City of Winston-Salem

### Notes to Financial Statements September 30, 2021

#### Note 3 - Restricted cash

The balances of the restricted asset accounts are shown below along with reconciliation to the restricted net position total.

Restricted cash	
Tenant security deposits	\$ 232,083
HCV reserve	145,357
FSS cash	196,778
Component units	57,750
Section 8 Moderate Rehabilitation	19,868
Mainstream reserve	152,905
Emergency Housing Vouchers	107,668
Public Housing reserve	<u>216,792</u>
	<u>\$ 1,129,201</u>
Total restricted assets	\$ 1,129,201
Tenant security deposit liability	(232,060)
Accounts payable - (related to restricted cash)	(12,073)
FSS liability	<u>(196,778)</u>
Total restricted net position	<u>\$ 688,290</u>

#### Note 4 - Accounts receivable

Accounts receivable as of September 30, 2021 consisted of the following:

Dwelling rents	\$ 768,358
Allowance for doubtful accounts	<u>(558,960)</u>
Net tenant receivables	<u>209,398</u>
HUD	<u>188,746</u>
Other	80,551
Accrued interest receivable	<u>2,429,354</u>
Net other receivables	<u>2,509,905</u>
	<u>\$ 2,908,049</u>

#### Note 5 - Notes and mortgages receivable

The Authority advances loans to third-party developers in conjunction with multi-lender mixed financing arrangements for new construction. These loans are evidenced by promissory notes. The source of the loans is from various programs including HOPE VI and Business Activities. The loans are established for a HUD approved amount and funds are drawn by the developers as approved by

## Housing Authority of the City of Winston-Salem

### Notes to Financial Statements September 30, 2021

the Authority. The terms of these promissory notes vary from 30 to 55 years. These loans do not have current payments due. The repayment terms state that payments are based on the cash flow of the borrower or, not meeting these requirements, the maturity date.

In addition, the Authority has additional mortgage/notes receivables related to equity in homes that were sold to families under the Home Ownership Program. The home ownership notes will become due and payable to the Authority upon a sale or other conveyance of the property. Home Ownership Program loans are forgiven upon the recipient meeting certain specified criteria.

Notes outstanding as of September 30, 2021 consisted of the following:

	Originated	Maturity	Interest Rate	Balance
Kimberly Park I (Azalea I)	9/20/2001	9/20/2053	5.57%	\$ 1,082,895
Kimberly Park I (Azalea II)	9/20/2001	11/20/2053	0.00%	2,351,000
Kimberly Park II (Aster I)	8/14/2002	10/8/2033	5.69%	2,538,000
Kimberly Park III (Arbor Oaks)	1/20/2004	1/1/2034	5.01%	120,000
HHG I, LLC (Alder I)	7/28/2005	7/28/2055	0.00%	1,500,000
HHG I, LLC (Alder II)	7/28/2005	7/28/2055	4.90%	432,133
HHG II, LLC (Providence Place I)	7/28/2005	7/28/2055	5.21%	889,799
HHG II, LLC (Providence Place II)	7/28/2005	7/28/2055	0.00%	840,000
HHG III, LLC (Willows Peake)	7/28/2005	7/28/2055	4.38%	2,070,862
Homeownership Loans*	Various	Various	0.00%	236,564
				<u>\$ 12,061,253</u>

\* During the term of the loan, principal shall be deferred and due and payable at the earlier to occur of (i) repayment of the first mortgage or (ii) when the Borrower sells the property described in the Deed of Trust that secures the note. The promissory note shall terminate and shall be considered paid and satisfied in full at the end of the 10 years of ownership and residency of the secured property by the homeowner.

Interest income for the year ended September 30, 2021 and accrued interest as of September 30, 2021 consisted of the following:

	Interest Income	Accrued Interest
Kimberly Park I (Azalea I)	\$ 60,317	\$ 65,139
Kimberly Park I (Azalea II)	-	-
Kimberly Park II (Aster I)	144,412	1,887,876
Kimberly Park III (Arbor Oaks)	6,012	106,713
HHG I, LLC (Alder I)	-	-
HHG I, LLC (Alder II)	21,175	15,214
HHG II, LLC (Providence Place I)	46,359	100,504
HHG II, LLC (Providence Place II)	-	-
HHG III, LLC (Willows Peake)	110,170	253,908
Homeownership Loans	-	-
	<u>\$ 388,445</u>	<u>\$ 2,429,354</u>

# Housing Authority of the City of Winston-Salem

## Notes to Financial Statements September 30, 2021

### Note 6 - Inter-program balances

Balances due to and from the various programs were as follows:

	Receivable	Payable
Public Housing Central Office Cost Center	\$ 524,428	\$ -
Business Activities Program	-	473,940
ROSS Grant Program	-	1,180
State and Local Program	-	43,645
Family Self Sufficiency	-	5,663
Total	<u>\$ 524,428</u>	<u>\$ 524,428</u>

All internal activity is eliminated in the Statement of Net Position, and the Statement of Revenue, Expenses and Changes in Net Position.

### Note 7 - Capital assets

A summary of changes in capital assets for the year ended September 30, 2021 is as follows:

	Balance September 30, 2020	Additions	Transfers, Reclassifications and Deletions	Balance September 30, 2021
Non-depreciable:				
Land	\$ 3,624,034	\$ -	\$ -	\$ 3,624,034
Construction in progress	264,986	-	-	264,986
Depreciable:				
Buildings	98,902,134	1,486,148	(18,942)	100,369,340
Furniture, equipment and machinery	3,359,141	130,609	-	3,489,750
Leasehold improvements	152,920	-	-	152,920
Infrastructure	359,411	44,753	-	404,164
	<u>106,662,626</u>	<u>1,661,510</u>	<u>(18,942)</u>	<u>108,305,194</u>
Accumulated depreciation:				
Buildings	(71,735,029)	(2,531,268)	-	(74,266,297)
Furniture, equipment and machinery	(2,839,574)	(213,903)	18,942	(3,034,535)
Leasehold improvements	(145,908)	(2,675)	-	(148,583)
Infrastructure	(123,551)	(75,974)	-	(199,525)
	<u>(74,844,062)</u>	<u>(2,823,820)</u>	<u>18,942</u>	<u>(77,648,940)</u>
Total Capital Assets	<u>\$ 31,818,564</u>	<u>\$ (1,162,310)</u>	<u>\$ -</u>	<u>\$ 30,656,254</u>

Construction-in-progress is the cost incurred on open development projects or on major capital improvement projects under the Capital Fund Program ("CFP"). These projects were at various stages of completion as of September 30, 2021. Projects are not reclassified to other capital asset categories until the project is closed out, however depreciation expense begins when the project is ready for its intended use.

**Housing Authority of the City of Winston-Salem**

**Notes to Financial Statements  
September 30, 2021**

**Note 8 - Accounts payable**

Accounts payable at September 30, 2021 consist of the following:

Vendors and contractors payable	\$ 462,549
HUD	12,742
Accounts payable - other government	<u>115,994</u>
	<u><u>\$ 591,285</u></u>

**Note 9 - Unearned revenues**

Unearned revenues at September 30, 2021 consist of the following:

Public Housing - tenant prepaid rents/capital fund	\$ 411,554
Business Activities - tenant prepaid rents	27,521
Component Units - tenant prepaid rents	<u>13,788</u>
	<u><u>\$ 452,863</u></u>

**Note 10 - Current and long-term debt**

**Debt summary**

<u>Beginning of Year</u>	<u>Additions</u>	<u>Retirements</u>	<u>End of Year</u>	<u>Current Portion</u>
<u>\$ 10,891,533</u>	<u>\$ 200,000</u>	<u>\$ (230,699)</u>	<u>\$ 10,860,834</u>	<u>\$ 1,748,152</u>

**Schedule of changes in other non-current liabilities**

	<u>September 30, 2020</u>				<u>September 30, 2021</u>	
	<u>Long-Term Portion</u>	<u>Current Portion</u>	<u>Additions</u>	<u>Payments</u>	<u>Long-Term Portion</u>	<u>Current Portion</u>
Accrued compensated absences	\$ 315,742	\$ 105,248	\$ 102,398	\$ (140,739)	\$ 286,985	\$ 95,664
Other noncurrent liabilities	180,152	268,625	98,440	(67,611)	196,778	282,828
Pension liability	<u>2,429,218</u>	<u>-</u>	<u>-</u>	<u>(1,337,548)</u>	<u>1,091,670</u>	<u>-</u>
	<u><u>\$ 2,925,112</u></u>	<u><u>\$ 373,873</u></u>	<u><u>\$ 200,838</u></u>	<u><u>\$ (1,545,898)</u></u>	<u><u>\$ 1,575,433</u></u>	<u><u>\$ 378,492</u></u>

## Housing Authority of the City of Winston-Salem

### Notes to Financial Statements September 30, 2021

#### Mortgages and notes payable

##### Conventional Public Housing

During 2014, the Authority executed a promissory note with Branch Banking and Trust Company in the amount of \$275,000 to assist in the purchase and rehabilitation of Camden Station Apartments in order to provide affordable housing for very low, low, and moderate income households. The loan carries an interest rate of 0% per annum. The loan is secured by a deed of trust and is repayable on the earlier of November 5, 2030 or sale, conveyance or refinancing of the property.

\$ 275,000

During 2015, the Authority executed a promissory note with the City of Winston-Salem in the amount of \$350,000 to assist in the purchase and rehabilitation of Camden Station Apartments in order to provide affordable housing for very low, low, and moderate income households. The loan carries an interest rate of 0% per annum. The loan is secured by a deed of trust and is repayable on the earlier of November 5, 2040 or sale, conveyance or refinancing of the property.

350,000

During 2021, the Authority executed a promissory note with First Citizens Bank in the amount of \$200,000 to assist in the purchase and rehabilitation of Brookside View in order to provide affordable housing for very low, low, and moderate income households. The loan carries an interest rate of 4.70%. The loan is secured by a deed of trust and is repayable on the earlier of June 26, 2028 or sale, conveyance or refinancing of the property. Accrued interest as of September 30, 2021 is \$776.

198,239

##### Business Activities

##### Rehabilitation Loans:

Plaza Apartments executed a promissory note with the City of Winston-Salem to renovate the property. The loan shall accrue interest at 1% per annum and shall be paid in equal installments over 25 years upon conversion. The loan does not have a maturity date. Currently, payments and interest accrual on the loan have been suspended until the satisfaction of the mortgage note payable.

2,737,472

## Housing Authority of the City of Winston-Salem

### Notes to Financial Statements September 30, 2021

During 2017, Drayton Pines executed a promissory note with Branch Banking and Trust Company in the amount of \$240,000. The loan carries an interest rate of 5.54%. The loan is secured by a Deed of Trust and matures on September 27, 2028. Monthly payments of \$1,667 are due beginning October 27, 2018. Accrued interest as of September 30, 2021 is \$1,057.

222,411

During 2017, Drayton Pines executed a promissory note with Wells Fargo Bank in the amount of \$1,348,000. The loan carries an interest rate of 4.62%. The loan is secured by a Deed of Trust and matures on October 10, 2022. Management plans to refinance the loan with Wells Fargo at maturity. Monthly payments of \$8,665 are due beginning November 10, 2017. Accrued interest as of September 30, 2021 is \$1,763.

1,248,819

During 2017, Drayton Pines executed a promissory note with the City of Winston-Salem in the amount of \$500,000. The loan is deferred at no interest through the first ten years after the construction completion and then carries an interest rate of 2%. The loan is due in full forty years after the construction completion date.

500,000

#### Central Office Cost Center

During 2017, the Authority executed a promissory note with the Branch Banking and Trust Company in the amount of \$312,000 to assist in the purchase, construction and rehabilitation of Drayton Pines. The loan carries an interest rate of 0% per annum. The loan is secured by a deed of trust and is repayable on the earlier of November 5, 2035 or sale, conveyance or refinancing of the property.

312,000

During 2018, the Authority obtained a line of credit from First Citizens Bank. The line of credit carries an interest at the prime rate, as defined. At September 30, 2021 the interest was 4%. The loan is repayable on the terms of monthly installments of \$1,058 and matures on March 25, 2023. Management plans to refinance the loan with First Citizens at maturity. The loan is secured by a deed of trust. Accrued interest as of September 30, 2021 is \$1,624.

487,309

During 2018, the Authority executed a promissory note with the City of Winston-Salem in the amount of \$200,000 to assist in the rehabilitation of a 120 multi-family affordable housing project for the elderly. The loan carries no interest. The loan is secured by a deed of trust and is repayable in yearly installments of \$10,000 with the balance of the loan due on July 1, 2022. Management plans to pay off the loan with CNI grant proceeds.

160,000



## Housing Authority of the City of Winston-Salem

### Notes to Financial Statements September 30, 2021

#### Component Unit

Forsyth Economic Ventures, Inc., a blended component unit of the Authority, obtained financing to repay the \$2,200,000 Wells Fargo Bank loan with a loan of \$2,000,000 from First Citizens Bank. The loan carries an interest rate of 3.5%. The loan is secured by the Loewy Building and matures on March 18, 2023. Management plans to refinance the loan with First Citizens at maturity. Monthly payments of principal and interest are due in the amount of \$16,027. Accrued interest as of September 30, 2021 is \$4,664.

1,599,100

Forsyth Economic Ventures, Inc., a blended component unit of the Authority, executed a loan agreement with the City of Winston-Salem in the amount of \$1,600,000. \$900,000 shall be disbursed at closing for the acquisition of the property and carries an interest rate of 0%. Repayment of the loan in full is due on the sale or transfer of the property. The remaining \$700,000, for the demolition and rehabilitation of the dwelling units, shall be deferred for the first 20 year period. During this period, a Payment in Lieu of Taxes will not exceed \$10,000. Half of the payment will go towards reducing the loan balance. Following the deferral period the loan shall become an amortizing loan with no interest for an additional 20 years. The loan is secured by a Deed of Trust and matures 40 years from the commencement date of May 1, 2017.

1,396,332

Forsyth Economic Ventures, Inc., a blended component unit of the Authority, executed a promissory note with First Bank in the amount of \$1,420,000. The loan carries an interest rate of 4%. The loan is secured by a deed of trust and matures on May 12, 2022. In April 2022, the loan was refinanced with an interest rate of 3.99% and a maturity date of 2032. Monthly payments of principal and interest are due in the amount of \$7,500. Accrued interest as of September 30, 2021 is \$4,330.

1,374,152

Total mortgages and notes payable

10,860,834

Less current portion

(1,748,152)

Long-term portion

\$ 9,112,682

# Housing Authority of the City of Winston-Salem

## Notes to Financial Statements September 30, 2021

Future annual payments and maturities of the above loans are as follows:

	Principal	Interest	Total
2022	\$ 1,748,152	\$ 178,068	\$ 1,926,220
2023	3,441,692	45,918	3,487,610
2024	53,184	3,913	57,097
2025	47,002	-	47,002
2026	-	-	-
2027-2031	275,000	30,000	305,000
2032-2036	312,000	50,000	362,000
2037-2041	350,000	50,000	400,000
2042-2046	-	50,000	-
2047-2051	-	50,000	-
2052-2056	-	50,000	-
2057	4,633,804	50,000	4,683,804
Total	<u>\$ 10,860,834</u>	<u>\$ 557,899</u>	<u>\$ 11,418,733</u>

### Note 11 - Pension plan and postemployment obligations

#### Local governmental employees' retirement system

*Plan Description.* The Authority is a participating employer in the statewide Local Governmental Employees' Retirement System ("LGERS"), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers ("LEOs"). Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members - nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report ("CAFR") for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the North Carolina Office of the State Auditor, 20610 Mail Service Center, Raleigh, North Carolina 27699-0600, or by calling (919) 907-7500 or at [www.auditor.nc.gov](http://www.auditor.nc.gov).

*Benefits Provided.* LGERS provides retirement benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service.

*Contributions.* Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Authority employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The Authority's contractually required contribution rate for October 2020 through December 2020 was 10.15% for general employees. The required contribution from January 2021 through June 2021 was 11.35% for general employees. The required contribution

## Housing Authority of the City of Winston-Salem

### Notes to Financial Statements September 30, 2021

from July through September 2021 was 12.10% for general employees. These rates were actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Authority were \$531,572 for the year ended September 30, 2021.

*Refunds of Contributions* - Authority employees, who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By State law, refunds to members include 4% interest regardless of the number of years of retirement service credit or of the reason for separation from service. State law requires a 60-day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to any other retirement or survivor benefit provided by LGERS.

#### **Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At September 30, 2021, the Authority reported a liability of \$1,091,670 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2021 utilizing update procedures incorporating the actuarial assumptions. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2021, the Authority's proportion was 0.07116%, which was an increase of 0.00319% from its proportion measured as of June 30, 2020.

For the year ended September 30, 2021, the Authority recognized pension expense of \$38,920. At September 30, 2021, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 347,184	\$ -
Changes of assumptions	685,619	-
Net difference between projected and actual earnings on pension plan investments	-	1,559,150
Changes in proportion and differences between employer contributions and proportionate share of contributions	51,343	9,449
Employer contributions subsequent to the measurement date*	-	-
Total	<u>\$ 1,084,146</u>	<u>\$ 1,568,599</u>

\* Amount reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the next fiscal year.

## Housing Authority of the City of Winston-Salem

### Notes to Financial Statements September 30, 2021

Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	
2022	\$ 112,338
2023	(18,617)
2024	(101,414)
2025	(476,760)
2026	-
Thereafter	-
	<u>\$ (484,453)</u>

*Actuarial Assumptions.* The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	3.25 to 8.25 percent, including inflation and productivity factor
Investment rate of return	6.50 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

## Housing Authority of the City of Winston-Salem

### Notes to Financial Statements September 30, 2021

The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
 Total	 <u>100.0%</u>	

The information above is based on 30-year expectations developed with the consulting actuary for the 2019 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.50%. All rates of return and inflation are annualized.

*Discount rate.* The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the Authority's proportionate share of the net pension liability to changes in the discount rate.* The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 6.50 percent, as well as what the Authority's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50 percent) or 1-percentage-point higher (7.50 percent) than the current rate:

Sensitivity of the net pension liability (asset) to changes in the discount rate	<u>1% Decrease (5.50%)</u>	<u>Current Discount Rate (6.50%)</u>	<u>1% Increase (7.50%)</u>
Total Plan	\$ 5,953,292,000	\$ 1,533,595,994	\$(2,103,557,000)
Unit's proportionate share	\$ 4,236,363	\$ 1,091,670	\$ (1,496,891)

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued Annual Comprehensive Financial Report ("ACFR") for the State of North Carolina.

# Housing Authority of the City of Winston-Salem

## Notes to Financial Statements September 30, 2021

### Note 12 - Restricted net position

Restricted net position as of September 30, 2021 consisted of the following:

Public Housing reserve	\$	216,792
HCV reserve		145,357
Component units		57,750
Mainstream reserve		152,905
COCC		23
Mod Rehab		7,795
Emergency Housing Vouchers		<u>107,668</u>
	\$	<u>688,290</u>

### Note 13 - Affiliated entities and related parties

#### Condensed Statement of Net Position September 30, 2021

	<u>Forsyth Economic Ventures, Inc.</u>
Assets	
Current assets	\$ 423,209
Capital assets	<u>5,781,598</u>
Total assets	<u>\$ 6,204,807</u>
Liabilities	
Current liabilities	\$ 1,676,679
Noncurrent liabilities	<u>2,895,298</u>
Total liabilities	4,571,977
Net position	<u>1,632,830</u>
Total liabilities and net position	<u>\$ 6,204,807</u>

**Housing Authority of the City of Winston-Salem**

**Notes to Financial Statements  
September 30, 2021**

**Condensed Statement of Revenue,  
Expenses and Changes in Net Position  
Year Ended September 30, 2021**

	<u>Forsyth Economic Ventures, Inc.</u>
Operating	
Operating revenues	\$ 1,616,758
Operating expenses	<u>(1,245,065)</u>
Operating income (loss)	<u>371,693</u>
Nonoperating revenues (expenses)	
Interest expense	(112,348)
Interest income	<u>1,452</u>
Total nonoperating revenues (expenses)	<u>(110,896)</u>
Change in net position	260,797
Beginning net position	<u>1,372,033</u>
Ending net position	<u><u>\$ 1,632,830</u></u>

**Condensed Statement of Cash Flows  
Year Ended September 30, 2021**

	<u>Forsyth Economic Ventures, Inc.</u>
Cash flows provided (used by) operating activities	<u>\$ 118,875</u>
Net increase (decrease) in cash and restricted cash	118,875
Beginning cash and restricted cash	<u>141,652</u>
Ending cash and restricted cash	<u><u>\$ 260,527</u></u>
Reconciliation of operating income (loss) to net cash provided (used by) operating activities	
Operating income (loss)	\$ 371,693
Depreciation	323,678
Change in operating assets and liabilities	<u>(576,496)</u>
Net cash provided (used by) operating activities	<u><u>\$ 118,875</u></u>

## Housing Authority of the City of Winston-Salem

### Notes to Financial Statements September 30, 2021

Forsyth Economic Ventures, Inc. ("FEV"), a non-profit component of the Authority, is a partner, owner, or interest holder of various housing projects, development and construction projects. These separate legal entities are established to advance the mission of HAWS related to development and management of various forms of public housing. FEV accounts for its interest in the below listed entities in accordance with the equity method of accounting.

The following table reflects these entities and FEV's interest.

Project	FEV Affiliate	FEV Interest	Percentage Ownership
Happy Hill Gardens I	Happy Hill Gardens I, LLC	Non-Managing General Partner	0.200%
Happy Hill Gardens II	Happy Hill Gardens II, LLC	Non-Managing General Partner	0.200%
Happy Hill Gardens III	Happy Hill Gardens III, LLC	Non-Managing General Partner	1.000%
Kimberly Park I	Kimberly Park I, LLC	Non-Managing General Partner	0.049%
Kimberly Park II	Kimberly Park II, LLC	Non-Managing General Partner	0.150%
Kimberly Park III	Kimberly Park III, LLC	Non-Managing General Partner	0.150%

#### Note 14 - Economic dependency

The Authority received approximately 85% of its revenues from the federal government in the fiscal year. The grant amounts are appropriated each year at the federal level. Future reductions would be likely to have an adverse impact on operations.

#### Note 15 - Commitments and contingencies

##### Litigation

At September 30, 2021, the Authority was involved in various litigations which are typical for public housing authorities. It is the opinion of management that the ultimate resolution of these lawsuits would not materially affect the financial statements.

##### Grant disallowances

The Authority participates in a number of state and federally assisted grant programs. The programs are subject to compliance audits. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. Authority management believes that the amount of disallowances, if any, which may arise from future audits will not be material.

##### COVID-19

In early 2020, an outbreak of a novel strain of coronavirus ("COVID-19") emerged globally. As a result, events have occurred including mandates from federal, state and local authorities leading to an overall decline in economic activity, which could result in a loss of lease revenue and other material adverse effects to the Authority's financial position, results of operations, and cash flows. The Authority is not able to estimate the length or severity of this outbreak and the related financial impact. Management plans to adjust its operations accordingly and will continue to assess and monitor the situation as it evolves. The Authority's management continued its commitment to reduce expenses and increase revenue from other sources. The federal government increased its under-funding of its operating subsidy. The Authority moved forward with its plans to offset these ill effects with new revenue streams and more efficient operations.



## **Housing Authority of the City of Winston-Salem**

### **Notes to Financial Statements September 30, 2021**

#### **Note 16 - Subsequent events**

Events that occur after the date of the statement of net position but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the date of the statement of net position are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the date of the statement of net position require disclosure in the accompanying notes. Management evaluated the activity of the Authority through June 30, 2022 (the date the financial statements were available to be issued) and concluded that other than noted below, no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

In April 2022, the Authority entered into a transaction to acquire a 15-unit apartment complex for \$1,450,000 financed with additional debt of \$1,500,000.

## **Required Supplementary Information**

## Housing Authority of the City of Winston-Salem

### Required Supplementary Information - Pension Plan September 30, 2021

#### Schedule of Proportionate Share of Net Pension Liability

	2015	2016	2017	2018	2019	2020	2021
Authority's proportion of the collective net pension liability (asset)	0.08604%	0.08013%	0.07707%	0.07197%	0.06956%	0.06797%	0.07116%
Authority's proportionate share of the collective net pension liability (asset)	\$ 386,142	\$ 1,700,627	\$ 1,177,416	\$ 1,707,375	\$ 1,899,629	\$ 2,429,218	\$ 1,091,670
Authority's covered payroll	\$ 5,352,522	\$ 5,730,946	\$ 5,854,016	\$ 6,430,884	\$ 5,653,856	\$ 5,721,264	\$ 5,957,104
Authority's proportionate share of the collective net pension liability (asset) as a percentage of its covered payroll	7.21%	29.67%	20.11%	26.55%	33.60%	42.46%	18.33%
Plan fiduciary net position as a percentage of the total pension liability	98.09%	91.42%	94.18%	94.18%	90.86%	88.61%	95.51%

Changes in assumptions: Changes in assumptions and other inputs reflect the effects of change in the discount rate each period. The following are assumptions used each period:

Discount rate:	2015	2016	2017	2018	2019	2020	2021
Inflation rate:	7.25%	7.20%	7.00%	7.00%	7.00%	7.00%	6.50%
Salary increases including inflation:	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	2.50%
	3.5% - 7.75%	3.5% - 7.75%	3.5% - 8.1%	3.5% - 8.1%	3.5% - 8.1%	3.5% - 8.1%	3.25% - 8.25%

Note: The schedules are presented to illustrate the requirements of GASB Statement No. 68 to present the data for 10 years. Currently, only the data for fiscal years ended September 30, 2021, 2020, 2019, 2018, 2017, 2016, and 2015 are available.

#### Schedule of Required Contributions

	2015	2016	2017	2018	2019	2020	2021
Contractually required contribution	\$ 344,104	\$ 454,553	\$ 384,422	\$ 473,544	\$ 413,720	\$ 459,689	\$ 531,572
Contributions in relation to the contractually required contribution	\$ 344,104	\$ 454,553	\$ 384,422	\$ 473,544	\$ 413,720	\$ 459,689	\$ 531,572
Authority's covered payroll used in calculation	\$ 5,352,522	\$ 5,730,946	\$ 5,854,016	\$ 6,430,884	\$ 5,653,856	\$ 5,721,264	\$ 5,957,104
Contributions as a percentage of covered payroll	6.43%	7.93%	6.57%	7.36%	7.32%	8.03%	8.92%

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

To the Board of Commissioners  
Housing Authority of the City of Winston-Salem

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Housing Authority of the City of Winston-Salem, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Housing Authority of the City of Winston-Salem's basic financial statements, and have issued our report thereon dated June 30, 2022.

#### Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Housing Authority of the City of Winston-Salem's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority of the City of Winston-Salem's internal control. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of the City of Winston-Salem's internal control.

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

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

#### Compliance and Other Matters

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

#### Purpose of this Report

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

*CohnReznick LLP*

Charlotte, North Carolina  
June 30, 2022

Independent Auditor's Report on Compliance for Each  
Major Federal Program and on Internal Control over  
Compliance Required by the Uniform Guidance

To the Board of Commissioners  
Housing Authority of the City of Winston-Salem

Report on Compliance for Each Major Federal Program

We have audited the Housing Authority of the City of Winston-Salem's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Housing Authority of the City of Winston-Salem's major federal programs for the year ended September 30, 2021. The Housing Authority of the City of Winston-Salem's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

*Management's Responsibility*

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

*Auditor's Responsibility*

Our responsibility is to express an opinion on compliance for the Housing Authority of the City of Winston-Salem's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Housing Authority of the City of Winston-Salem's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Housing Authority of the City of Winston-Salem's compliance.

*Opinion on Each Major Federal Program*

In our opinion, the Housing Authority of the City of Winston-Salem complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2021.

## Report on Internal Control over Compliance

Management of the Housing Authority of the City of Winston-Salem is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Housing Authority of the City of Winston-Salem's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of the City of Winston-Salem's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Charlotte, North Carolina  
June 30, 2022

Housing Authority of the City of Winston-Salem

Schedule of Findings and Questioned Costs  
Year Ended September 30, 2021

Summary of Auditor's Results

**Financial Statements:**

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with generally accepted accounting principles:

Unmodified opinion

Internal control over financial reporting:

Material weakness(es) identified? ☐ Yes ☒ No

Significant deficiency(ies) identified? ☐ Yes ☒ None reported

Noncompliance material to financial statements noted ☒ Yes ☐ No

**Federal Awards:**

Internal Control over major programs:

Material weakness(es) identified? ☐ Yes ☒ No

Significant deficiency(ies) identified? ☐ Yes ☒ None reported

Type of auditor's report issued on compliance for major federal programs:

Unmodified opinion

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ☐ Yes ☒ No

Identification of major programs:

Housing Voucher Cluster

ALN 14.871 Section 8 Housing Choice Vouchers

ALN 14.879 Mainstream Vouchers

HOPE VI Cluster

ALN 14.866 Demolition and Revitalization of Severely Distressed Public Housing

ALN 14.889 Choice Neighborhoods Implementation Grants

Dollar threshold used to distinguish between type A and B programs: \$1,127,626

Auditee qualified as low-risk auditee ☒ Yes ☐ No



**Housing Authority of the City of Winston-Salem**

**Schedule of Findings and Questioned Costs  
Year Ended September 30, 2021**

**Findings - Financial Statement Audit**

None reported

**Findings and Questioned Costs - Major Federal Award Program Audit**

None reported

## **Supplementary Information**

# Housing Authority of the City of Winston-Salem

## Schedule of Expenditures of Federal Awards Year Ended September 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal ALN	Pass-Through Entity	Expenditures	Passed Through to Subrecipients
<b>Direct Awards</b>				
U.S. Department of Housing and Urban Development				
Public and Indian Housing	14.850		\$ 6,187,058	\$ -
COVID-19 Public and Indian Housing	14.850		321,672	-
Total Public and Indian Housing			6,508,730	-
Family Self-Sufficiency Program	14.896		62,912	-
Hope VI Cluster				
Demolition and Revitalization of Severely Distressed Public Housing (HOPE VI)	14.866		422,115	
Choice Neighborhoods Implementation Grants	14.889		1,141,536	-
Total Hope VI Cluster			1,563,651	-
Resident Opportunity and Supportive Services - Service Coordinators	14.870		73,232	-
Public Housing Capital Fund	14.872		2,028,147	-
Housing Voucher Cluster				
Section 8				
Section 8 Housing Choice Vouchers	14.871		25,576,640	-
Emergency Housing Vouchers	14.871		126,791	
COVID-19 Section 8 Housing Choice Vouchers	14.871		15,835	-
Total Section 8			25,719,266	-
Mainstream Vouchers				
Mainstream Vouchers	14.879		438,234	-
COVID-19 Mainstream Vouchers	14.879		5,148	-
Total Mainstream Vouchers			443,382	-
Total Housing Voucher Cluster			26,162,648	-
Section 8 Project-Based Cluster				
Lower Income Housing Assistance Program				
Section 8 Moderate Rehabilitation	14.856		428,222	-
Total Section 8 Project-Based Cluster			428,222	-
Total U.S. Department of Housing and Urban Development			36,827,542	-
Total Direct Awards			36,827,542	-
<b>Pass Through Awards</b>				
U.S. Department of Housing and Urban Development				
Housing Opportunities for Persons with AIDS	14.241	AIDS Care Service	148,216	-
Home Investment Partnerships Program	14.239	City of Winston-Salem	197,167	-
Continuum of Care Program	14.267	City of Winston-Salem	414,596	-
Total Pass Through Awards			759,979	-
Total Federal Awards			\$ 37,587,521	\$ -

See Notes to Schedule of Expenditures of Federal Awards.

## **Housing Authority of Winston-Salem**

### **Notes to Schedule of Expenditures of Federal Awards September 30, 2021**

#### **Note 1 - Basis of presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Housing Authority of the City of Winston-Salem, under programs of the federal government for the year ended September 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Housing Authority of the City of Winston-Salem, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Housing Authority of the City of Winston-Salem.

#### **Note 2 - Summary of significant accounting policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized in accordance with the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Housing Authority of the City of Winston-Salem has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

# Housing Authority of the City of Winston-Salem

## Financial Data Schedule Summary

### Statement of Net Position Accounts PHA Financial Data September 30, 2021

Line Item No.	Account Description	Project Totals	Program Totals	Central Office Cost Center	Subtotal	Elimination	Total
111	Cash - Unrestricted	\$ 3,445,038	\$ 735,437	\$ 278,119	\$ 4,458,594	\$ -	\$ 4,458,594
113	Cash - Other Restricted	216,792	680,326	-	897,118	-	897,118
114	Cash - Tenant Security Deposits	174,083	57,977	23	232,083	-	232,083
100	Total Cash	3,835,913	1,473,740	278,142	5,587,795	-	5,587,795
122	Accounts Receivable - HUD Other Projects	112,140	76,606	-	188,746	-	188,746
125-050	Account Receivable - Miscellaneous - Other	1,406	57,234	236,649	295,289	(197,815)	97,474
125	Accounts Receivable - Miscellaneous	1,406	57,234	236,649	295,289	(197,815)	97,474
126	Accounts Receivable - Tenants - Dwelling Rents	590,390	177,968	-	768,358	-	768,358
126.1	Allowance for Doubtful Accounts - Tenants	(442,736)	(116,224)	-	(558,960)	-	(558,960)
126.2	Allowance for Doubtful Accounts - other	-	(16,923)	-	(16,923)	-	(16,923)
128.0	Fraud recovery	-	71,701	-	71,701	-	71,701
128.1	Allowance for Doubtful Accounts - Fraud	-	(71,701)	-	(71,701)	-	(71,701)
129	Accrued Interest Receivable	-	-	2,429,354	2,429,354	-	2,429,354
142	Prepaid Expenses and Other Assets	129,645	167,304	20,446	317,395	-	317,395
143	Inventories	82,923	5,356	26,870	115,149	-	115,149
144	Interprogram Due From	-	-	524,428	524,428	(524,428)	-
150	TOTAL CURRENT ASSETS	4,309,681	1,825,061	3,515,889	9,650,631	(722,243)	8,928,388
NONCURRENT ASSETS:							
Fixed Assets:							
161	Land	1,644,988	1,449,553	529,493	3,624,034	-	3,624,034
162	Buildings	80,616,063	17,792,745	1,960,532	100,369,340	-	100,369,340
163	Furniture, Equipment and Machinery - Dwelling	730,302	17,136	111,992	859,430	-	859,430
164	Furniture, Equipment and Machinery - Administration	1,951,390	290,016	388,914	2,630,320	-	2,630,320
165	Leasehold Improvements	-	143,465	9,455	152,920	-	152,920
166	Accumulated Depreciation	(64,321,172)	(10,799,972)	(2,527,796)	(77,648,940)	-	(77,648,940)
167	Construction in Progress	-	-	264,986	264,986	-	264,986
168	Infrastructure	404,164	-	-	404,164	-	404,164
160	Total Capital Assets, Net of Accumulated Depreciation	21,025,735	8,892,943	737,576	30,656,254	-	30,656,254
171	Notes, Loans, & mortgages receivable - Non-Current	-	-	12,061,253	12,061,253	-	12,061,253
180	TOTAL NONCURRENT ASSETS	21,025,735	8,892,943	12,798,829	42,717,507	-	42,717,507
200	Deferred Outflow of Resources	347,477	234,610	502,059	1,084,146	-	1,084,146
290	TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	\$ 25,682,893	\$ 10,952,614	\$ 16,816,777	\$ 53,452,284	\$ (722,243)	\$ 52,730,041

# Housing Authority of the City of Winston-Salem

## Financial Data Schedule Summary

### Statement of Net Position Accounts PHA Financial Data September 30, 2021

Line Item No.	Account Description	Project Totals	Program Totals	Central Office Cost Center	Subtotal	Elimination	Total
312	Accounts Payable <= 90 Days	\$ 282,387	\$ 138,513	\$ 41,649	\$ 462,549	\$ -	\$ 462,549
321	Accrued Wage/Payroll Taxes Payable	131,271	88,504	177,123	396,898	-	396,898
322	Accrued Compensated Absences - Current Portion	26,074	23,855	45,735	95,664	-	95,664
325	Accrued Interest Payable	104	12,508	1,602	14,214	-	14,214
331	Accounts Payable - HUD PHAP Programs	-	12,742	-	12,742	-	12,742
333	Accounts Payable - Other Government	115,994	-	-	115,994	-	115,994
341	Tenant Security Deposits	174,083	57,977	-	232,060	-	232,060
342	Deferred Revenues	45,516	41,309	366,038	452,863	-	452,863
343	Current Portion of Long-Term Debt - Capital Projects	52,302	1,535,850	160,000	1,748,152	-	1,748,152
345	Other Current Liabilities	29,375	168,440	-	197,815	(197,815)	-
346	Accrued Liabilities - Other	88,120	36,290	158,418	282,828	-	282,828
347	Interprogram Due To	-	524,428	-	524,428	(524,428)	-
310	TOTAL CURRENT LIABILITIES	945,226	2,640,416	950,565	4,536,207	(722,243)	3,813,964
NONCURRENT LIABILITIES:							
351	Long-Term Debt, Net of Current - Capital Projects	770,937	7,542,436	312,000	8,625,373	-	8,625,373
352	Long-Term Debt, Net of Current - Operating Borrowings	-	-	487,309	487,309	-	487,309
353	Noncurrent Liabilities - Other	-	196,778	-	196,778	-	196,778
354	Accrued Compensated Absences - Non Current	78,219	71,561	137,205	286,985	-	286,985
357	Accrued Pension and OPEB Liability	278,368	239,315	573,987	1,091,670	-	1,091,670
350	TOTAL NONCURRENT LIABILITIES	1,127,524	8,050,090	1,510,501	10,688,115	-	10,688,115
300	TOTAL LIABILITIES	2,072,750	10,690,506	2,461,066	15,224,322	(722,243)	14,502,079
400	Deferred Inflow of Resources	528,969	330,534	709,096	1,568,599	-	1,568,599
508.4	Net Invested in Capital Assets	20,202,496	(185,343)	(221,733)	19,795,420	-	19,795,420
511.4	Restricted Net Position	216,792	471,475	23	688,290	-	688,290
512.4	Unrestricted Net Position	2,661,886	(354,558)	13,868,325	16,175,653	-	16,175,653
513	TOTAL EQUITY/NET POSITION	23,081,174	(68,426)	13,646,615	36,659,363	-	36,659,363
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND EQUITY - NET							
600		\$ 25,682,893	\$ 10,952,614	\$ 16,816,777	\$ 53,452,284	\$ (722,243)	\$ 52,730,041

## Housing Authority of the City of Winston-Salem

### Financial Data Schedule Summary

#### Statement of Revenues, Expenses, and Changes in Net Position Accounts PHA Financial Data Year Ended September 30, 2021

Line Item No.	Account Description	Project Totals	Program Totals	Central Office Cost Center	Subtotal	Elimination	Total
<b>REVENUE:</b>							
70300	Net Tenant Rental Revenue	\$ 2,771,042	\$ 1,229,884	\$ -	\$ 4,000,926	\$ (762,522)	\$ 3,238,404
70400	Tenant Revenue - Other	213,110	25,302	-	238,412	-	238,412
70500	Total Tenant Revenue	2,984,152	1,255,186	-	4,239,338	(762,522)	3,476,816
70600-020	Ongoing administrative fees earned	-	2,468,694	-	2,468,694	-	2,468,694
70600	HUD PHA Operating Grants	7,717,058	24,579,992	-	32,297,050	-	32,297,050
70610	Capital Grants	498,147	1,563,651	-	2,061,798	-	2,061,798
70710	Management Fee	-	-	2,107,469	2,107,469	(2,037,339)	70,130
70720	Asset Management Fee	-	-	140,090	140,090	(140,090)	-
70730	Book-Keeping Fee	-	-	431,318	431,318	(431,318)	-
70700	Total Fee Revenue	-	-	2,678,877	2,678,877	(2,608,747)	70,130
70800	Other Governmental Grants	-	821,930	-	821,930	-	821,930
71100	Investment Income - Unrestricted	292	2,670	5,452	8,414	-	8,414
71200	Mortgage interest income	-	-	388,445	388,445	-	388,445
71400	Fraud Recovery	-	16,455	-	16,455	-	16,455
71500	Other Revenue	189,307	1,155,988	1,630,401	2,975,696	(1,098,226)	1,877,470
700	TOTAL REVENUE	11,388,956	31,864,566	4,703,175	47,956,697	(4,469,495)	43,487,202

# Housing Authority of the City of Winston-Salem

## Financial Data Schedule Summary

### Statement of Revenues, Expenses, and Changes in Net Position Accounts PHA Financial Data Year Ended September 30, 2021

Line Item No.	Account Description	Project Totals	Program Totals	Central Office Cost Center	Subtotal	Elimination	Total
<b>EXPENSES:</b>							
91100	Administrative Salaries	792,520	1,077,741	2,091,484	3,961,745	(78,725)	3,883,020
91200	Auditing Fees	45,637	28,437	6,350	80,424	-	80,424
91300	Management Fee	1,161,486	875,853	-	2,037,339	(2,037,339)	-
91310	Book-Keeping Fee	101,551	329,767	-	431,318	(431,318)	-
91500	Employee Benefit Contributions - administrative	311,037	420,225	671,100	1,402,362	-	1,402,362
91600	Office Expenses	757,799	545,871	345,102	1,648,772	(762,522)	886,250
91700	Legal Expense	39,313	30,928	-	70,241	(59,941)	10,300
91800	Travel	-	-	624	624	-	624
91900	Other	29,025	8,116	24,960	62,101	-	62,101
91000	Total Operating - Administrative	3,238,368	3,316,938	3,139,620	9,694,926	(3,369,845)	6,325,081
92000	Asset Management Fee	140,090	-	-	140,090	(140,090)	-
Tenant Services:							
92100	Tenant Services - Salaries	4,700	88,906	-	93,606	-	93,606
92200	Relocation Costs	1,460	-	-	1,460	-	1,460
92300	Employee Benefit Contributions - Tenant Services	700	44,266	-	44,966	-	44,966
92400	Tenant Services - Other	40,390	1,124,833	400	1,165,623	-	1,165,623
92500	Total Tenant Services	47,250	1,258,005	400	1,305,655	-	1,305,655
Utilities:							
93100	Water	418,188	16,752	1,663	436,603	-	436,603
93200	Electricity	676,477	166,620	-	843,097	-	843,097
93300	Gas	424,011	1,627	-	425,638	-	425,638
93000	Total Utilities	1,518,676	184,999	1,663	1,705,338	-	1,705,338
Ordinary Maintenance and Operation:							
94100	Ordinary Maintenance and Operation - Labor	1,148,670	138,799	257,143	1,544,612	(170,573)	1,374,039
94200	Ordinary Maintenance and Operation - Materials & Other	361,111	56,103	268,684	685,898	(252,416)	433,482
94300	Ordinary Maintenance and Operations Contracts	1,650,021	355,364	537,210	2,542,595	(442,703)	2,099,892
94500	Employee Benefit Contributions - Ordinary Maintenance	390,238	65,541	113,654	569,433	(93,868)	475,565
94000	Total Maintenance	3,550,040	615,807	1,176,691	5,342,538	(959,560)	4,382,978



# Housing Authority of the City of Winston-Salem

## Financial Data Schedule Summary

### Statement of Revenues, Expenses, and Changes in Net Position Accounts PHA Financial Data Year Ended September 30, 2021

Line Item No.	Account Description	Project Totals	Program Totals	Central Office Cost Center	Subtotal	Elimination	Total
95100	Protective Services - Labor	339,981	-	17,160	357,141	-	357,141
95200	Protective Services - other contract costs	451,675	-	-	451,675	-	451,675
95500	Employee Benefit Contributions - Protective Services	-	-	172	172	-	172
95000	Total Protective Services	791,656	-	17,332	808,988	-	808,988
96110	Property Insurance	240,546	68,850	16,300	325,696	-	325,696
96120	Liability Insurance	59,731	48,550	30,481	138,762	-	138,762
96130	Workmen's Compensation	65,799	37,503	16,784	120,086	-	120,086
96140	All Other Insurance	-	-	376	376	-	376
96100	Total Insurance Premiums	366,076	154,903	63,941	584,920	-	584,920
96200	Other General Expenses	978,983	27,946	-	1,006,929	-	1,006,929
96210	Compensated Absences	4,735	5,982	-	10,717	-	10,717
96300	Payments in Lieu of Taxes	115,035	9,013	-	124,048	-	124,048
96400	Bad Debt - Tenant Rents	354,307	96,157	-	450,464	-	450,464
96000	Total Other General Expenses	1,453,060	139,098	-	1,592,158	-	1,592,158
96710	Interest of Mortgage (or Bonds) Payable	2,911	182,939	18,653	204,503	-	204,503
96700	Total Interest Expense and Amortization Cost	2,911	182,939	18,653	204,503	-	204,503
96900	TOTAL OPERATING EXPENSES	11,108,127	5,852,689	4,418,300	21,379,116	(4,469,495)	16,909,621
97000	EXCESS REVENUE OVER OPERATING EXPENSES	280,829	26,011,877	284,875	26,577,581	-	26,577,581
97100	Extraordinary maintenance	85,057	-	-	85,057	-	85,057
97300	Housing Assistance Payments	-	24,492,180	-	24,492,180	-	24,492,180
97400	Depreciation Expense	2,313,405	495,498	14,917	2,823,820	-	2,823,820
900	TOTAL EXPENSES	13,506,589	30,840,367	4,433,217	48,780,173	(4,469,495)	44,310,678
1001	Operating Transfers in	815,514	-	-	815,514	(815,514)	-
1002	Operating Transfers out	(815,514)	-	-	(815,514)	815,514	-
1009.1	Inter-project excess cash transfer in	697,587	-	-	697,587	(697,587)	-
1009.2	Inter-project excess cash transfer out	(697,587)	-	-	(697,587)	697,587	-
1009.3	Transfers between Program and Project - in	422,115	-	-	422,115	(422,115)	-
1009.4	Transfers between Project and Program - out	-	(422,115)	-	(422,115)	422,115	-
1000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	(1,695,518)	602,084	269,958	(823,476)	-	(823,476)
Memo Account Information							
1103	Beginning Equity (per 2020 Audit)	24,615,198	(509,016)	13,376,657	37,482,839	-	37,482,839
1104	Equity Transfers / Prior Period Adjustments	161,494	(161,494)	-	-	-	-
	Total Net Position, Ending	\$ 23,081,174	\$ (68,426)	\$ 13,646,615	\$ 36,659,363	\$ -	\$ 36,659,363

# Housing Authority of the City of Winston-Salem

## Financial Data Schedule Summary

### Statement of Net Position Accounts Program Totals September 30, 2021

Line Item No.	Account Description	Business Activities	State / Local	Component Units	Housing Choice Vouchers	Public Housing Cares Act	Mainstream Vouchers	HCV Cares Act
111	Cash - Unrestricted	\$ 13,122	\$ 10,548	\$ 166,826	\$ 407,096	\$ -	\$ 6,777	\$ -
113	Cash - Other Restricted	-	-	57,750	342,135	-	152,905	-
114	Cash - Tenant Security Deposits	22,026	-	35,951	-	-	-	-
100	Total Cash	35,148	10,548	260,527	749,231	-	159,682	-
122	Accounts Receivable - HUD Other Projects	-	-	-	-	-	-	-
125	Account Receivable - Miscellaneous - Other	575	39,705	31	16,723	-	-	-
126	Accounts Receivable - Tenants - Dwelling Rents	76,989	-	100,979	-	-	-	-
126.1	Allowance for Doubtful Accounts - tenants	(40,948)	-	(75,276)	-	-	-	-
126.2	Allowance for Doubtful Accounts - other	-	-	-	(16,723)	-	-	-
128.0	Fraud Recovery	-	-	-	70,751	-	-	-
128.1	Allowance for Doubtful Accounts - Fraud	-	-	-	(70,751)	-	-	-
120	Total Receivables, Net of Allowances for Doubtful Accounts	36,616	39,705	25,734	-	-	-	-
142	Prepaid Expenses and Other Assets	17,102	-	131,592	18,610	-	-	-
143	Inventories	-	-	5,356	-	-	-	-
150	TOTAL CURRENT ASSETS	88,866	50,253	423,209	767,841	-	159,682	-
NONCURRENT ASSETS:								
Fixed Assets:								
161	Land	-	99,962	1,349,591	-	-	-	-
162	Buildings	8,812,631	212,453	8,767,661	-	-	-	-
163	Furniture, Equipment and Machinery - Dwelling	-	17,136	-	-	-	-	-
164	Furniture, Equipment and Machinery - Administration	-	-	48,829	241,187	-	-	-
165	Leasehold Improvements	-	-	-	143,465	-	-	-
166	Accumulated Depreciation	(5,968,981)	(115,136)	(4,384,483)	(331,372)	-	-	-
160	Total Capital Assets, Net of Accumulated Depreciation	2,843,650	214,415	5,781,598	53,280	-	-	-
180	TOTAL NONCURRENT ASSETS	2,843,650	214,415	5,781,598	53,280	-	-	-
200	Deferred Outflow of Resources	26,303	-	-	173,120	-	3,639	-
290	TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	\$ 2,958,819	\$ 264,668	\$ 6,204,807	\$ 994,241	\$ -	\$ 163,321	\$ -

# Housing Authority of the City of Winston-Salem

## Financial Data Schedule Summary

### Statement of Net Position Accounts Program Totals September 30, 2021

Line Item No.	Account Description	MS Cares Act Funding	HOPE VI	ROSS	Mod Rehab	FSS	Choice Neighborhood	EHV	TOTAL
111	Cash - Unrestricted	\$ -	\$ 82,612	\$ -	\$ 44,121	\$ -	\$ -	\$ 4,335	\$ 735,437
113	Cash - Other Restricted	-	-	-	19,868	-	-	107,668	680,326
114	Cash - Tenant Security Deposits	-	-	-	-	-	-	-	57,977
100	Total Cash	-	82,612	-	63,989	-	-	112,003	1,473,740
122	Accounts Receivable - HUD Other Projects	-	-	-	-	-	76,606	-	76,606
125	Account Receivable - Miscellaneous - Other	-	-	-	200	-	-	-	57,234
126	Accounts Receivable - Tenants - Dwelling Rents	-	-	-	-	-	-	-	177,968
126.1	Allowance for Doubtful Accounts - tenants	-	-	-	-	-	-	-	(116,224)
126.2	Allowance for Doubtful Accounts - other	-	-	-	(200)	-	-	-	(16,923)
128.0	Fraud Recovery	-	-	-	950	-	-	-	71,701
128.1	Allowance for Doubtful Accounts - Fraud	-	-	-	(950)	-	-	-	(71,701)
120	Total Receivables, Net of Allowances for Doubtful Accounts	-	-	-	-	-	76,606	-	178,661
142	Prepaid Expenses and Other Assets	-	-	-	-	-	-	-	167,304
143	Inventories	-	-	-	-	-	-	-	5,356
150	TOTAL CURRENT ASSETS	-	82,612	-	63,989	-	76,606	112,003	1,825,061
NONCURRENT ASSETS:									
Fixed Assets:									
161	Land	-	-	-	-	-	-	-	1,449,553
162	Buildings	-	-	-	-	-	-	-	17,792,745
163	Furniture, Equipment and Machinery - Dwelling	-	-	-	-	-	-	-	17,136
164	Furniture, Equipment and Machinery - Administration	-	-	-	-	-	-	-	290,016
165	Leasehold Improvements	-	-	-	-	-	-	-	143,465
166	Accumulated Depreciation	-	-	-	-	-	-	-	(10,799,972)
160	Total Capital Assets, Net of Accumulated Depreciation	-	-	-	-	-	-	-	8,892,943
180	TOTAL NONCURRENT ASSETS	-	-	-	-	-	-	-	8,892,943
200	Deferred Outflow of Resources	-	-	9,617	12,834	9,097	-	-	234,610
290	TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	\$ -	\$ 82,612	\$ 9,617	\$ 76,823	\$ 9,097	\$ 76,606	\$ 112,003	\$ 10,952,614

# Housing Authority of the City of Winston-Salem

## Financial Data Schedule Summary

### Statement of Net Position Accounts Program Totals September 30, 2021

Line Item No.	Account Description	Business Activities	State / Local	Component Units	Housing Choice Vouchers	Public Housing Cares Act	Mainstream Vouchers	HCV Cares Act
312	Accounts Payable < = 90 Days	\$ 22,607	\$ 13,247	\$ 19,781	\$ 5,549	\$ -	\$ -	\$ -
321	Accrued Wage/Payroll Taxes Payable	10,081	-	4,748	70,519	-	-	-
322	Accrued Compensated Absences - Current Portion	1,260	-	2,051	19,945	-	599	-
325	Accrued Interest Payable	4,392	-	8,116	-	-	-	-
331	Accounts Payable - HUD PHA Programs	-	-	-	369	-	300	-
341	Tenant Security Deposits	22,026	-	35,951	-	-	-	-
342	Deferred Revenues	27,521	-	13,788	-	-	-	-
343	Current Portion of Long-Term Debt - Capital Projects	55,413	-	1,480,437	-	-	-	-
345	Other Current Liabilities	-	-	85,828	-	-	-	-
346	Accrued Liabilities - Other	2,442	-	25,979	7,464	-	405	-
347	Interprogram Due To	473,940	43,645	-	-	-	-	-
310	TOTAL CURRENT LIABILITIES	619,682	56,892	1,676,679	103,846	-	1,304	-
NONCURRENT LIABILITIES:								
351	Long-Term Debt, Net of Current - Capital Projects	4,653,289	-	2,889,147	-	-	-	-
353	Noncurrent Liabilities - Other	-	-	-	196,778	-	-	-
354	Accrued Compensated Absences - Non Current	3,780	-	6,151	59,834	-	1,796	-
357	Accrued Pension and OPEB Liability	15,903	-	-	186,687	-	4,350	-
350	TOTAL NONCURRENT LIABILITIES	4,672,972	-	2,895,298	443,299	-	6,146	-
300	TOTAL LIABILITIES	5,292,654	56,892	4,571,977	547,145	-	7,450	-
400	Deferred Inflow of Resources	56,327	-	-	225,260	-	6,145	-
508.4	Net Invested in Capital Assets	(1,865,052)	214,415	1,412,014	53,280	-	-	-
511.4	Restricted Net Position	-	-	57,750	145,357	-	152,905	-
512.4	Unrestricted Net Position	(525,110)	(6,639)	163,066	23,199	-	(3,179)	-
513	TOTAL EQUITY/NET POSITION	(2,390,162)	207,776	1,632,830	221,836	-	149,726	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND EQUITY - NET								
600		\$ 2,958,819	\$ 264,668	\$ 6,204,807	\$ 994,241	\$ -	\$ 163,321	\$ -

# Housing Authority of the City of Winston-Salem

## Financial Data Schedule Summary

### Statement of Net Position Accounts Program Totals September 30, 2021

Line Item No.	Account Description	MS Cares Act Funding	HOPE VI	ROSS	Mod Rehab	FSS	Choice Neighborhood	EHV	TOTAL
312	Accounts Payable <= 90 Days	-	-	\$ 723	-	-	\$ 76,606	-	\$ 138,513
321	Accrued Wage/Payroll Taxes Payable	-	-	2,080	-	1,076	-	-	88,504
322	Accrued Compensated Absences - Current Portion	-	-	-	-	-	-	-	23,855
325	Accrued Interest Payable	-	-	-	-	-	-	-	12,508
331	Accounts Payable - HUD PHA Programs	-	-	-	12,073	-	-	-	12,742
341	Tenant Security Deposits	-	-	-	-	-	-	-	57,877
342	Deferred Revenues	-	-	-	-	-	-	-	41,309
343	Current Portion of Long-Term Debt - Capital Projects	-	-	-	-	-	-	-	1,535,850
345	Other Current Liabilities	-	82,612	-	-	-	-	-	168,440
346	Accrued Liabilities - Other	-	-	-	-	-	-	-	36,290
347	Interprogram Due To	-	-	1,180	-	5,663	-	-	524,428
310	TOTAL CURRENT LIABILITIES	-	82,612	3,983	12,073	6,739	76,606	-	2,640,416
NONCURRENT LIABILITIES:									
351	Long-Term Debt, Net of Current - Capital Projects	-	-	-	-	-	-	-	7,542,436
353	Noncurrent Liabilities - Other	-	-	-	-	-	-	-	196,778
354	Accrued Compensated Absences - Non Current	-	-	-	-	-	-	-	71,561
357	Accrued Pension and OPEB Liability	-	-	8,740	15,571	8,064	-	-	239,315
350	TOTAL NONCURRENT LIABILITIES	-	-	8,740	15,571	8,064	-	-	8,050,090
300	TOTAL LIABILITIES	-	82,612	12,723	27,644	14,803	76,606	-	10,690,506
400	Deferred Inflow of Resources	-	-	13,626	15,684	13,492	-	-	330,534
508.4	Net Invested in Capital Assets	-	-	-	-	-	-	-	(185,343)
511.4	Restricted Net Position	-	-	-	7,795	-	-	107,668	471,475
512.4	Unrestricted Net Position	-	-	(16,732)	25,700	(19,198)	-	4,335	(354,558)
513	TOTAL EQUITY/NET POSITION	-	-	(16,732)	33,495	(19,198)	-	112,003	(68,426)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND EQUITY - NET									
600		\$ -	\$ 82,612	\$ 9,617	\$ 76,823	\$ 9,097	\$ 76,606	\$ 112,003	\$ 10,952,614

# Housing Authority of the City of Winston-Salem

## Financial Data Schedule Summary

### Statement of Revenues, Expenses, and Changes in Net Position Accounts Program Totals Year Ended September 30, 2021

Line Item No.	Account Description	Business Activities	State / Local	Component Units	Housing Choice Vouchers	Public Housing Cares Act	Mainstream Vouchers	HCV Cares Act
<b>REVENUE:</b>								
70300	Net Tenant Rental Revenue	\$ 750,883	\$ -	\$ 479,001	\$ -	\$ -	\$ -	\$ -
70400	Tenant Revenue - Other	11,442	-	13,860	-	-	-	-
70500	Total Tenant Revenue	762,325	-	492,861	-	-	-	-
70600-020	Ongoing administrative fees earned	-	-	-	2,468,694	-	-	-
70600	HUD PHA Operating Grants	-	-	-	23,107,946	321,672	438,234	15,835
70610	Capital Grants	-	-	-	-	-	-	-
70800	Other Governmental Grants	-	821,930	-	-	-	-	-
71100	Investment Income - Unrestricted	13	-	1,452	1,060	-	22	-
71400	Fraud Recovery	-	-	-	16,455	-	-	-
71500	Other Revenue	3,227	-	1,123,897	26,019	-	-	-
700	TOTAL REVENUE	765,565	821,930	1,618,210	25,620,174	321,672	438,256	15,835
<b>EXPENSES:</b>								
91100	Administrative Salaries	82,263	-	58,838	737,332	-	20,472	15,835
91200	Auditing Fees	4,263	-	8,668	15,101	-	405	-
91300	Management Fee	96,591	70,638	180,996	507,984	-	9,216	-
91310	Book-Keeping Fee	-	-	-	317,490	-	5,760	-
91500	Employee Benefit Contributions - administrative	2,228	-	19,742	346,573	-	9,776	-
91600	Office Expenses	21,285	10,527	64,175	395,428	-	3,533	-
91700	Legal Expense	330	-	2,695	16,368	-	-	-
91800	Travel	-	-	-	-	-	-	-
91900	Other	45	-	3,953	4,118	-	-	-
91000	Total Operating - Administrative	207,005	81,165	339,067	2,340,394	-	49,162	15,835
<b>Tenant Services:</b>								
92100	Tenant Services - Salaries	-	-	-	-	-	-	-
92200	Relocation costs	-	-	-	-	-	-	-
92300	Employee Benefit Contributions - Tenant Services	-	-	-	-	-	-	-
92400	Tenant Services - Other	893	-	654	-	160,178	-	-
92500	Total Tenant Services	893	-	654	-	160,178	-	-
<b>Utilities:</b>								
93100	Water	6,911	-	9,841	-	-	-	-
93200	Electricity	9,254	-	157,366	-	-	-	-
93300	Gas	1,198	-	429	-	-	-	-
93000	Total Utilities	17,363	-	167,636	-	-	-	-
<b>Ordinary Maintenance and Operation:</b>								
94100	Ordinary Maintenance and Operation - Labor	105,582	-	33,217	-	-	-	-
94200	Ordinary Maintenance and Operation - Materials & Other	28,881	1,623	23,717	1,882	-	-	-
94300	Ordinary Maintenance and Operations Contracts	115,388	41,799	183,928	14,249	-	-	-
94500	Employee Benefit Contributions - Ordinary Maintenance	50,178	-	15,363	-	-	-	-
94000	Total Maintenance	300,029	43,422	256,225	16,131	-	-	-
		525,290	124,587	763,582	2,356,525	160,178	49,162	15,835

# Housing Authority of the City of Winston-Salem

## Financial Data Schedule Summary

### Statement of Revenues, Expenses, and Changes in Net Position Accounts Program Totals Year Ended September 30, 2021

Line Item No.	Account Description	MS Cares Act Funding	HOPE VI	ROSS	Mod Rehab	FSS	Choice Neighborhood	EHV	TOTAL
<b>REVENUE:</b>									
70300	Net Tenant Rental Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,229,884
70400	Tenant Revenue - Other	-	-	-	-	-	-	-	25,302
70500	Total Tenant Revenue	-	-	-	-	-	-	-	1,255,186
70600-020	Ongoing administrative fees earned	-	-	-	-	-	-	-	-
70600	HUD PHA Operating Grants	5,148	-	73,232	428,222	62,912	-	126,791	2,468,694
70610	Capital Grants	-	422,115	-	-	-	1,141,536	-	24,579,992
70800	Other Governmental Grants	-	-	-	-	-	-	-	1,563,651
71100	Investment Income - Unrestricted	-	-	-	123	-	-	-	821,930
71400	Fraud Recovery	-	-	-	-	-	-	-	2,670
71500	Other Revenue	-	-	-	2,845	-	-	-	16,455
71500	Other Revenue	-	-	-	-	-	-	-	1,155,988
700	<b>TOTAL REVENUE</b>	5,148	422,115	73,232	431,190	62,912	1,141,536	126,791	31,864,566
<b>EXPENSES:</b>									
91100	Administrative Salaries	4,249	-	-	52,281	-	99,023	7,448	1,077,741
91200	Auditing Fees	-	-	-	-	-	-	-	28,437
91300	Management Fee	-	-	-	10,428	-	-	-	875,853
91310	Book-Keeping Fee	-	-	-	6,517	-	-	-	329,767
91500	Employee Benefit Contributions - administrative	857	-	-	7,785	-	29,707	3,557	420,225
91600	Office Expenses	42	-	-	1,596	-	45,833	3,452	545,871
91700	Legal Expense	-	-	-	-	-	11,535	-	30,928
91800	Travel	-	-	-	-	-	-	-	-
91900	Other	-	-	-	-	-	-	-	-
91900	Other	-	-	-	-	-	-	-	8,116
91000	<b>Total Operating - Administrative</b>	5,148	-	-	78,607	-	186,098	14,457	3,316,938
<b>Tenant Services:</b>									
92100	Tenant Services - Salaries	-	-	43,950	-	44,956	-	-	88,906
92200	Relocation costs	-	-	-	-	-	-	-	-
92300	Employee Benefit Contributions - Tenant Services	-	-	23,499	-	20,767	-	-	44,266
92400	Tenant Services - Other	-	-	7,670	-	-	955,438	-	1,124,833
92500	Total Tenant Services	-	-	75,119	-	65,723	955,438	-	1,258,005
<b>Utilities:</b>									
93100	Water	-	-	-	-	-	-	-	16,752
93200	Electricity	-	-	-	-	-	-	-	166,620
93300	Gas	-	-	-	-	-	-	-	1,627
93000	Total Utilities	-	-	-	-	-	-	-	184,999
<b>Ordinary Maintenance and Operation:</b>									
94100	Ordinary Maintenance and Operation - Labor	-	-	-	-	-	-	-	138,799
94200	Ordinary Maintenance and Operation - Materials & Other	-	-	-	-	-	-	-	56,103
94300	Ordinary Maintenance and Operations Contracts	-	-	-	-	-	-	-	355,364
94500	Employee Benefit Contributions - Ordinary Maintenance	-	-	-	-	-	-	-	65,541
94000	Total Maintenance	-	-	-	-	-	-	-	615,807
94000	Total Maintenance	5,148	-	75,119	78,607	65,723	1,141,536	14,457	5,375,749

# Housing Authority of the City of Winston-Salem

## Financial Data Schedule Summary

### Statement of Revenues, Expenses, and Changes in Net Position Accounts Program Totals Year Ended September 30, 2021

Line Item No.	Account Description	Business Activities	State / Local	Component Units	Housing Choice Vouchers	Public Housing Cares Act	Mainstream Vouchers	HCV Cares Act
95100	Protective Services - Labor	-	-	-	-	-	-	-
95000	Total Protective Services	-	-	-	-	-	-	-
96110	Property Insurance	19,659	-	45,089	4,102	-	-	-
96120	Liability Insurance	10,781	-	10,464	27,305	-	-	-
96130	Workmen's Compensation	3,736	-	663	32,773	-	-	-
96140	All Other Insurance	-	-	-	-	-	-	-
96100	Total Insurance Premiums	34,176	-	56,216	64,180	-	-	-
96200	Other General Expenses	-	-	27,946	-	-	-	-
96210	Compensated Absences	-	-	-	4,851	-	1,131	-
96300	Payments in Lieu of Taxes	-	-	9,013	-	-	-	-
96400	Bad Debt - Tenant Rents	31,527	-	64,630	-	-	-	-
96000	Total Other General Expenses	31,527	-	101,589	4,851	-	1,131	-
96710	Interest of Mortgage (or Bonds) Payable	70,591	-	112,348	-	-	-	-
96700	Total Interest Expense and Amortization Cost	70,591	-	112,348	-	-	-	-
96900	TOTAL OPERATING EXPENSES	661,584	124,587	1,033,735	2,425,556	160,178	50,293	15,835
97000	EXCESS REVENUE OVER OPERATING EXPENSES	103,981	697,343	584,475	23,194,618	161,494	387,963	-
97300	Housing Assistance Payments	-	697,772	-	23,065,859	-	371,259	-
97400	Depreciation Expense	132,584	20,934	323,678	18,302	-	-	-
900	TOTAL EXPENSES	794,168	843,293	1,357,413	25,509,717	160,178	421,552	15,835
1009.4	Transfers between Project and Program - out	-	-	-	-	-	-	-
10100	Total other financing sources (uses)	-	-	-	-	-	-	-
1000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	(28,603)	(21,363)	260,797	110,457	161,494	16,704	-
Memo Account Information								
1103	Beginning Equity (per 2020 Audit)	(2,361,559)	229,139	1,372,033	111,379	-	133,022	-
1104	Equity Transfers	-	-	-	-	(161,494)	-	-
	Total Net Position, Ending	<u>\$(2,390,162)</u>	<u>\$ 207,776</u>	<u>\$ 1,632,830</u>	<u>\$ 221,836</u>	<u>\$ -</u>	<u>\$ 149,726</u>	<u>\$ -</u>



# Housing Authority of the City of Winston-Salem

## Financial Data Schedule Summary

### Statement of Revenues, Expenses, and Changes in Net Position Accounts Program Totals Year Ended September 30, 2021

Line Item No.	Account Description	MS Cares Act Funding	HOPE VI	ROSS	Mod Rehab	FSS	Choice Neighborhood	EHV	TOTAL
95100	Protective Services - Labor	-	-	-	-	-	-	-	-
95000	Total Protective Services	-	-	-	-	-	-	-	-
96110	Property Insurance	-	-	-	-	-	-	-	68,850
96120	Liability Insurance	-	-	-	-	-	-	-	48,550
96130	Workmen's Compensation	-	-	-	-	-	-	331	37,503
96140	All Other Insurance	-	-	-	-	-	-	-	-
96100	Total Insurance Premiums	-	-	-	-	-	-	331	154,903
96200	Other General Expenses	-	-	-	-	-	-	-	27,946
96210	Compensated Absences	-	-	-	-	-	-	-	5,982
96300	Payments in Lieu of Taxes	-	-	-	-	-	-	-	9,013
96400	Bad Debt - Tenant Rents	-	-	-	-	-	-	-	96,157
96000	Total Other General Expenses	-	-	-	-	-	-	-	139,098
96710	Interest of Mortgage (or Bonds) Payable	-	-	-	-	-	-	-	182,939
96700	Total Interest Expense and Amortization Cost	-	-	-	-	-	-	-	182,939
96900	TOTAL OPERATING EXPENSES	5,148	-	75,119	78,607	65,723	1,141,536	14,788	4,696,365
97000	EXCESS REVENUE OVER OPERATING EXPENSES	-	422,115	(1,887)	352,583	(2,811)	-	112,003	26,011,877
97300	Housing Assistance Payments	-	-	-	357,290	-	-	-	24,492,180
97400	Depreciation Expense	-	-	-	-	-	-	-	495,498
900	TOTAL EXPENSES	5,148	-	75,119	435,897	65,723	1,141,536	14,788	29,684,043
1009.4	Transfers between Project and Program - out	-	(422,115)	-	-	-	-	-	(422,115)
10100	Total other financing sources (uses)	-	(422,115)	-	-	-	-	-	(422,115)
1000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-	-	(1,887)	(4,707)	(2,811)	-	112,003	490,081
Memo Account Information									
1103	Beginning Equity (per 2020 Audit)	-	-	(14,845)	38,202	(16,387)	-	-	(509,016)
1104	Equity Transfers	-	-	-	-	-	-	-	(161,494)
	Total Net Position, Ending	\$ -	\$ -	\$ (16,732)	\$ 33,495	\$ (19,198)	\$ -	\$ 112,003	\$ (68,426)

# Housing Authority of the City of Winston-Salem

## Financial Data Schedule Summary

### Statement of Net Position Accounts Project Totals September 30, 2021

Item No.	Account Description	NC012000003	NC012000006	NC012000008	NC012000009	NC012000012	NC012000021	NC012000022	NC012000030
111	Cash - Unrestricted	\$ 759,574	\$ 741,261	\$ 489,779	\$ 529,665	\$ 363,623	\$ 139,368	\$ 145,220	\$ -
113	Cash - Other Restricted	-	-	-	-	-	-	-	216,792
114	Cash - Tenant Security Deposits	32,193	32,305	26,150	27,375	16,125	6,035	12,250	-
100	Total Cash	791,767	773,566	515,929	557,040	379,748	145,403	157,470	216,792
122	Accounts Receivable - HUD Other Projects	16,150	7,740	72,980	-	-	-	-	-
125-050	Account Receivable - Miscellaneous - Other	174	-	69	142	1,021	-	-	-
125	Accounts Receivable - Miscellaneous	174	-	69	142	1,021	-	-	-
126	Accounts Receivable - Tenants - Dwelling Rents	169,180	180,139	113,167	89,093	-	15,289	2,034	-
126.1	Allowance for Doubtful Accounts - tenants	(126,885)	(135,138)	(84,876)	(66,819)	-	(11,467)	(1,435)	-
120	Total Receivables, Net of Allowances for Doubtful Accounts	58,619	52,741	101,340	22,416	1,021	3,822	599	-
142	Prepaid Expenses and Other Assets	22,671	22,206	27,563	28,028	9,262	4,749	5,151	-
143	Inventories	24,352	37,770	3,927	4,973	5,833	1,229	801	-
150	TOTAL CURRENT ASSETS	897,409	886,283	648,759	612,457	395,864	155,203	164,021	216,792
NONCURRENT ASSETS:									
Fixed Assets:									
161	Land	263,065	367,099	56,189	196,761	171,628	193,625	157,009	-
162	Buildings	16,390,661	15,777,201	13,390,149	6,395,578	5,254,322	6,317,822	5,396,728	-
163	Furniture, Equipment and Machinery - Dwelling	25,413	241,736	205,946	74,057	15,066	-	168,084	-
164	Furniture, Equipment and Machinery - Administration	450,903	517,845	367,360	203,600	247,882	88,820	74,980	-
166	Accumulated Depreciation	(15,022,957)	(14,778,376)	(12,800,454)	(6,078,299)	(4,998,635)	(5,430,546)	(3,061,121)	-
168	Infrastructure	84,368	16,300	14,296	14,296	251,904	-	23,000	-
160	Total Capital Assets, Net of Accumulated Depreciation	2,191,453	2,141,805	1,233,486	805,993	942,167	1,169,721	2,758,680	-
180	TOTAL NONCURRENT ASSETS	2,191,453	2,141,805	1,233,486	805,993	942,167	1,169,721	2,758,680	-
200	Deferred Outflow of Resources	54,234	83,754	64,901	49,697	30,840	12,565	15,208	-
290	TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	\$ 3,143,096	\$ 3,111,842	\$ 1,947,146	\$ 1,468,147	\$ 1,368,871	\$ 1,337,489	\$ 2,937,909	\$ 216,792

# Housing Authority of the City of Winston-Salem

## Financial Data Schedule Summary

### Statement of Net Position Accounts Project Totals September 30, 2021

Item No.	Account Description	NC012000031	NC012000032	NC012000034	NC012000035	NC012000036	NC012000037	NC012000038	NC012000040	Total Projects
111	Cash - Unrestricted	\$	-	\$	-	\$	-	\$	84,018	\$ 60,143 \$ 3,445,038
113	Cash - Other Restricted	-	-	-	-	-	-	-	-	216,792
114	Cash - Tenant Security Deposits	-	-	-	-	-	11,300	7,350	3,000	174,083
100	Total Cash	-	-	-	-	-	143,687	91,368	63,143	3,835,913
122	Accounts Receivable - HUD Other Projects	-	-	-	-	-	-	-	15,270	112,140
125-050	Account Receivable - Miscellaneous - Other	-	-	-	-	-	-	-	-	1,406
125	Accounts Receivable - Miscellaneous	-	-	-	-	-	-	-	-	1,406
126	Accounts Receivable - Tenants - Dwelling Rents	-	-	-	-	-	8,065	6,559	6,864	590,390
126.1	Allowance for Doubtful Accounts - tenants	-	-	-	-	-	(6,049)	(4,919)	(5,148)	(442,736)
120	Total Receivables, Net of Allowances for Doubtful Accounts	-	-	-	-	-	2,016	1,640	16,986	261,200
142	Prepaid Expenses and Other Assets	-	-	-	-	-	5,872	3,082	1,261	129,645
143	Inventories	-	-	-	-	-	466	3,572	-	82,923
150	TOTAL CURRENT ASSETS	-	-	-	-	-	151,841	99,662	81,390	4,309,681
NONCURRENT ASSETS:										
Fixed Assets:										
161	Land	-	-	-	-	-	214,612	25,000	-	1,644,988
162	Buildings	-	-	-	-	-	5,272,225	3,892,700	2,528,677	80,616,063
163	Furniture, Equipment and Machinery - Dwelling	-	-	-	-	-	-	-	-	730,302
164	Furniture, Equipment and Machinery - Administration	-	-	-	-	-	-	-	-	1,951,390
166	Accumulated Depreciation	-	-	-	-	-	(1,318,056)	(727,411)	(105,317)	(64,321,172)
168	Infrastructure	-	-	-	-	-	-	-	-	404,164
160	Total Capital Assets, Net of Accumulated Depreciation	-	-	-	-	-	4,168,781	3,190,289	2,423,360	21,025,735
180	TOTAL NONCURRENT ASSETS	-	-	-	-	-	4,168,781	3,190,289	2,423,360	21,025,735
200	Deferred Outflow of Resources	-	-	-	-	-	24,259	6,732	5,287	347,477
290	TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	\$	-	\$	-	\$	-	\$	3,296,683	\$ 2,510,037 \$ 25,682,893

# Housing Authority of the City of Winston-Salem

## Financial Data Schedule Summary

### Statement of Net Position Accounts Project Totals September 30, 2021

Line Item No.	Account Description	NC012000003	NC012000006	NC012000008	NC012000009	NC012000012	NC012000021	NC012000022	NC012000030
312	Accounts Payable < = 90 Days	\$ 41,769	\$ 41,460	\$ 103,434	\$ 33,596	\$ 24,989	\$ 7,701	\$ 11,492	\$ -
321	Accrued Wage/Payroll Taxes Payable	24,669	32,486	18,630	18,880	13,131	6,708	6,243	-
322	Accrued Compensated Absences - Current Portion	4,275	7,282	4,657	3,046	2,402	1,108	1,108	-
325	Accrued Interest Payable	-	-	-	-	-	-	-	-
333	Accounts Payable - Other Government	972	12,307	11,055	27,635	23,018	9,251	9,113	-
341	Tenant Security Deposits	32,193	32,305	26,150	27,375	16,125	6,035	12,250	-
342	Deferred Revenues	12,162	2,415	12,120	8,142	1,628	1,068	2,851	-
343	Current Portion of Long-Term Debt - Capital Projects	-	-	-	-	-	-	-	-
345	Other Current Liabilities	-	-	-	-	-	-	-	-
346	Accrued Liabilities - Other	20,361	36,147	9,054	14,183	2,134	1,123	1,004	-
310	TOTAL CURRENT LIABILITIES	136,401	164,402	185,100	132,857	83,427	32,994	44,061	-
NONCURRENT LIABILITIES:									
351	Long-Term Debt, Net of Current - Capital Projects	-	-	-	-	-	-	-	-
354	Accrued Compensated Absences - Non Current	12,826	21,845	13,970	9,137	7,207	3,323	3,324	-
357	Accrued Pension and OPEB Liability	41,139	71,971	37,767	42,372	13,564	8,311	13,651	-
350	TOTAL NONCURRENT LIABILITIES	53,965	93,816	51,737	51,509	20,771	11,634	16,975	-
300	TOTAL LIABILITIES	190,366	258,218	236,837	184,366	104,198	44,628	61,036	-
400	Deferred Inflow of Resources	116,347	127,510	81,857	73,809	63,113	21,850	21,463	-
508.4	Net Invested in Capital Assets	2,191,453	2,141,805	1,233,486	805,993	942,167	1,169,721	2,758,680	-
511.4	Restricted Net Position	-	-	-	-	-	-	-	216,792
512.4	Unrestricted Net Position	644,930	584,309	394,967	403,978	259,393	101,290	96,730	-
513	TOTAL NET POSITION	2,836,383	2,726,114	1,628,453	1,209,971	1,201,560	1,271,011	2,855,410	216,792
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND									
600	EQUITY - NET	\$ 3,143,096	\$ 3,111,842	\$ 1,947,147	\$ 1,468,146	\$ 1,368,871	\$ 1,337,489	\$ 2,937,909	\$ 216,792

# Housing Authority of the City of Winston-Salem

## Financial Data Schedule Summary

### Statement of Net Position Accounts Project Totals September 30, 2021

Line Item No.	Account Description	NC012000031	NC012000032	NC012000034	NC012000035	NC012000036	NC012000037	NC012000038	NC012000040	Total Projects
312	Accounts Payable <= 90 Days	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,084	\$ 3,913	\$ 2,949	\$ 282,387
321	Accrued Wage/Payroll Taxes Payable	-	-	-	-	-	4,308	3,823	2,393	131,271
322	Accrued Compensated Absences - Current Portion	-	-	-	-	-	873	904	419	26,074
325	Accrued Interest Payable	-	-	-	-	-	-	-	104	104
333	Accounts Payable - Other Government	-	-	-	-	-	9,270	9,141	4,232	115,994
341	Tenant Security Deposits	-	-	-	-	-	11,300	7,350	3,000	174,083
342	Deferred Revenues	-	-	-	-	-	4,152	978	-	45,516
343	Current Portion of Long-Term Debt - Capital Projects	-	-	-	-	-	-	-	52,302	52,302
345	Other Current Liabilities	-	-	-	-	-	-	-	29,375	29,375
346	Accrued Liabilities - Other	-	-	-	-	-	2,010	1,182	922	88,120
310	TOTAL CURRENT LIABILITIES	-	-	-	-	-	42,997	27,291	95,696	945,226
351	NONCURRENT LIABILITIES:									
354	Long-Term Debt, Net of Current - Capital Projects	-	-	-	-	-	-	625,000	145,937	770,937
357	Accrued Compensated Absences - Non Current	-	-	-	-	-	2,620	2,712	1,255	78,219
	Accrued Pension and OPEB Liability	-	-	-	-	-	27,467	7,392	14,734	278,368
350	TOTAL NONCURRENT LIABILITIES	-	-	-	-	-	30,087	635,104	161,926	1,127,524
300	TOTAL LIABILITIES	-	-	-	-	-	73,084	662,395	257,622	2,072,750
400	Deferred Inflow of Resources	-	-	-	-	-	20,075	-	2,945	528,969
508.4	Net Invested in Capital Assets	-	-	-	-	-	4,168,781	2,565,289	2,225,121	20,202,496
511.4	Restricted Net Position	-	-	-	-	-	-	-	-	216,792
512.4	Unrestricted Net Position	-	-	-	-	-	82,941	68,999	24,349	2,661,886
513	TOTAL NET POSITION	-	-	-	-	-	4,251,722	2,634,288	2,249,470	23,081,174
	TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND EQUITY - NET	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,344,881	\$ 3,296,683	\$ 2,510,037	\$ 25,682,893

# Housing Authority of the City of Winston-Salem

## Financial Data Schedule Summary

### Statement of Revenues, Expenses, and Changes in Net Position Accounts Project Totals Year Ended September 30, 2021

Line Item No.	Account Description	NC012000003	Operating Fund Program	Capital Fund Program	NC012000006	Operating Fund Program	Capital Fund Program	NC012000008	Operating Fund Program	Capital Fund Program
<b>REVENUE:</b>										
70300	Net Tenant Rental Revenue	\$ 448,638	\$ 448,638	\$ -	\$ 610,946	\$ 610,946	\$ -	\$ 384,771	\$ 384,771	\$ -
70400	Tenant Revenue - Other	82,398	82,398	-	79,469	79,469	-	18,046	18,046	-
70500	Total Tenant Revenue	531,036	531,036	-	690,415	690,415	-	402,817	402,817	-
70600	HUD PHA Operating Grants	1,668,097	1,490,119	177,978	1,690,956	1,413,578	277,378	931,499	724,868	206,631
70610	Capital Grants	119,758	-	119,758	123,233	-	123,233	141,471	-	141,471
71100	Investment Income - Unrestricted	53	53	-	55	55	-	42	42	-
71500	Other Revenue	91,402	91,402	-	11,653	11,653	-	45,546	45,546	-
700	<b>TOTAL REVENUE</b>	<b>2,410,346</b>	<b>2,112,610</b>	<b>297,736</b>	<b>2,516,312</b>	<b>2,115,701</b>	<b>400,611</b>	<b>1,521,375</b>	<b>1,173,273</b>	<b>348,102</b>
<b>EXPENSES:</b>										
91100	Administrative Salaries	128,472	128,472	-	149,685	149,685	-	142,211	142,211	-
91200	Auditing Fees	9,242	9,242	-	9,395	9,395	-	7,509	7,509	-
91300	Management Fee	211,667	165,424	46,243	234,951	170,267	64,684	183,113	137,249	45,864
91310	Book-Keeping Fee	20,520	20,520	-	21,120	21,120	-	17,025	17,025	-
91500	Employee Benefit Contributions - Administrative	49,278	49,278	-	59,681	59,681	-	61,466	61,466	-
91600	Office Expenses	134,308	134,308	-	167,840	167,840	-	129,687	129,687	-
91700	Legal Expense	11,582	11,582	-	8,975	8,975	-	2,743	2,743	-
91800	Travel	-	-	-	-	-	-	-	-	-
91900	Other	2,666	2,666	-	3,574	3,574	-	10,099	10,099	-
91000	<b>Total Operating - Administrative</b>	<b>567,735</b>	<b>521,492</b>	<b>46,243</b>	<b>655,221</b>	<b>590,537</b>	<b>64,684</b>	<b>553,853</b>	<b>507,989</b>	<b>45,864</b>
92000	Asset Management Fee	28,800	28,800	-	29,160	29,160	-	23,400	23,400	-
<b>Tenant Services:</b>										
92100	Tenant Services - Salaries	940	940	-	940	940	-	799	799	-
92200	Relocation costs	-	-	-	1,460	1,460	-	-	-	-
92300	Employee Benefit Contributions - Tenant Services	139	139	-	140	140	-	119	119	-
92400	Tenant Services - Other	7,188	7,188	-	4,456	4,456	-	6,217	6,217	-
92500	<b>Total Tenant Services</b>	<b>8,267</b>	<b>8,267</b>	<b>-</b>	<b>6,996</b>	<b>6,996</b>	<b>-</b>	<b>7,135</b>	<b>7,135</b>	<b>-</b>
<b>Utilities:</b>										
93100	Water	128,040	128,040	-	96,690	96,690	-	92,912	92,912	-
93200	Electricity	139,681	139,681	-	157,289	157,289	-	130,513	130,513	-
93300	Gas	213,453	213,453	-	208,782	208,782	-	-	-	-
93000	<b>Total Utilities</b>	<b>481,174</b>	<b>481,174</b>	<b>-</b>	<b>462,761</b>	<b>462,761</b>	<b>-</b>	<b>223,425</b>	<b>223,425</b>	<b>-</b>
<b>Ordinary Maintenance and Operation:</b>										
94100	Ordinary Maintenance and Operation - Labor	278,807	258,634	20,173	283,245	263,369	19,876	133,514	121,726	11,788
94200	Ordinary Maintenance and Operation - Materials & Other	118,894	118,894	-	66,329	66,329	-	43,603	43,603	-
94300	Ordinary Maintenance and Operations Contracts	429,392	416,068	13,324	255,478	248,135	7,343	226,129	220,260	5,869
94500	Employee Benefit Contributions - Ordinary Maintenance	90,345	80,179	10,166	107,006	97,216	9,790	46,599	40,794	5,805
94000	<b>Total Maintenance</b>	<b>917,438</b>	<b>873,775</b>	<b>43,663</b>	<b>712,058</b>	<b>675,049</b>	<b>37,009</b>	<b>449,845</b>	<b>426,383</b>	<b>23,462</b>

# Housing Authority of the City of Winston-Salem

## Financial Data Schedule Summary

### Statement of Revenues, Expenses, and Changes in Net Position Accounts Project Totals Year Ended September 30, 2021

Line Item No.	Account Description	NC012000009		NC012000012		NC012000021		NC012000021	
		Operating Fund Program	Capital Fund Program	Operating Fund Program	Capital Fund Program	Operating Fund Program	Capital Fund Program	Operating Fund Program	Capital Fund Program
<b>REVENUE:</b>									
70300	Net Tenant Rental Revenue	\$ 502,966	\$ -	\$ 335,220	\$ -	\$ 106,888	\$ -	\$ 106,888	\$ -
70400	Tenant Revenue - Other	15,299	-	4,140	-	3,744	-	3,744	-
70500	Total Tenant Revenue	518,265	-	339,360	-	110,632	-	110,632	-
70600	HUD PHA Operating Grants	813,546	182,164	650,059	272,425	246,825	244,466	244,466	2,359
70610	Capital Grants	10,780	-	88,860	-	88,860	2,611	-	2,611
71100	Investment Income - Unrestricted	46	-	28	-	11	-	11	-
71500	Other Revenue	13,059	-	4,887	-	677	-	677	-
700	<b>TOTAL REVENUE</b>	1,355,696	182,944	1,083,194	616,700	360,756	2,611	355,786	4,970
<b>EXPENSES:</b>									
91100	Administrative Salaries	137,345	-	89,519	-	40,973	-	40,973	-
91200	Auditing Fees	7,465	-	4,042	-	1,924	-	1,924	-
91300	Management Fee	175,723	33,869	152,565	74,011	35,471	34,586	34,586	885
91310	Book-Keeping Fee	17,595	-	9,180	-	4,290	-	4,290	-
91500	Employee Benefit Contributions - Administrative	52,236	-	33,380	-	15,265	-	15,265	-
91600	Office Expenses	116,918	-	72,957	-	40,826	-	40,826	-
91700	Legal Expense	6,252	-	4,347	-	1,370	-	1,370	-
91800	Travel	-	-	-	-	-	-	-	-
91900	Other	6,229	-	2,601	-	433	-	433	-
91000	<b>Total Operating - Administrative</b>	519,763	33,869	366,591	78,554	140,552	-	139,667	885
92000	Asset Management Fee	24,120	-	12,600	-	5,880	-	5,880	-
<b>Tenant Services:</b>									
92100	Tenant Services - Salaries	799	-	423	-	188	-	188	-
92200	Relocation costs	-	-	-	-	-	-	-	-
92300	Employee Benefit Contributions - Tenant Services	119	-	63	-	28	-	28	-
92400	Tenant Services - Other	3,450	-	11,138	-	839	-	839	-
92500	Total Tenant Services	4,368	-	11,624	-	1,055	-	1,055	-
<b>Utilities:</b>									
93100	Water	37,056	-	34,260	-	668	-	668	-
93200	Electricity	142,524	-	69,588	-	4,039	-	4,039	-
93300	Gas	-	-	-	-	952	-	952	-
93000	<b>Total Utilities</b>	179,580	-	103,848	-	5,659	-	5,659	-
<b>Ordinary Maintenance and Operation:</b>									
94100	Ordinary Maintenance and Operation - Labor	105,165	1,855	135,726	17,023	30,963	-	30,963	-
94200	Ordinary Maintenance and Operation - Materials & Other	33,530	-	28,885	-	19,700	-	19,700	-
94300	Ordinary Maintenance and Operations Contracts	204,056	6,048	185,742	13,238	99,864	-	99,864	1,474
94500	Employee Benefit Contributions - Ordinary Maintenance	47,258	914	23,452	15,068	7,032	-	7,032	-
94000	<b>Total Maintenance</b>	390,009	8,817	373,805	38,645	157,559	-	156,085	1,474

# Housing Authority of the City of Winston-Salem

## Financial Data Schedule Summary

### Statement of Revenues, Expenses, and Changes in Net Position Accounts Project Totals Year Ended September 30, 2021

Line Item No.	Account Description	NC012000022	Operating Fund Program	Capital Fund Program	NC012000030	Operating Fund Program	Capital Fund Program	NC012000031	Operating Fund Program	Capital Fund Program
<b>REVENUE:</b>										
70300	Net Tenant Rental Revenue	\$ 101,793	\$ 101,793	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
70400	Tenant Revenue - Other	4,345	4,345	-	-	-	-	-	-	-
70500	Total Tenant Revenue	106,138	106,138	-	-	-	-	-	-	-
70600	HUD PHA Operating Grants	213,991	189,638	24,353	137,684	137,684	-	293,851	293,851	-
70610	Capital Grants	-	-	-	-	-	-	-	-	-
71100	Investment Income - Unrestricted	21	21	-	-	-	-	-	-	-
71500	Other Revenue	2,724	2,724	-	3,124	3,124	-	-	-	-
700	<b>TOTAL REVENUE</b>	<b>322,874</b>	<b>298,521</b>	<b>24,353</b>	<b>140,808</b>	<b>140,808</b>	<b>-</b>	<b>293,851</b>	<b>293,851</b>	<b>-</b>
<b>EXPENSES:</b>										
91100	Administrative Salaries	41,006	41,006	-	-	-	-	-	-	-
91200	Auditing Fees	1,925	1,925	-	-	-	-	-	-	-
91300	Management Fee	37,831	33,494	4,337	-	-	-	-	-	-
91310	Book-Keeping Fee	4,155	4,155	-	-	-	-	-	-	-
91500	Employee Benefit Contributions - Administrative	15,271	15,271	-	-	-	-	-	-	-
91600	Office Expenses	32,638	32,638	-	1,259	1,259	-	-	-	-
91700	Legal Expense	2,982	2,982	-	-	-	-	-	-	-
91800	Travel	-	-	-	-	-	-	-	-	-
91900	Other	2,416	2,416	-	-	-	-	-	-	-
91000	<b>Total Operating - Administrative</b>	<b>138,224</b>	<b>133,887</b>	<b>4,337</b>	<b>1,259</b>	<b>1,259</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
92000	Asset Management Fee	5,760	5,760	-	-	-	-	-	-	-
<b>Tenant Services:</b>										
92100	Tenant Services - Salaries	188	188	-	-	-	-	-	-	-
92200	Relocation costs	-	-	-	-	-	-	-	-	-
92300	Employee Benefit Contributions - Tenant Services	28	28	-	-	-	-	-	-	-
92400	Tenant Services - Other	6,891	6,891	-	-	-	-	-	-	-
92500	<b>Total Tenant Services</b>	<b>7,107</b>	<b>7,107</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Utilities:</b>										
93100	Water	3,609	3,609	-	-	-	-	-	-	-
93200	Electricity	12,896	12,896	-	-	-	-	-	-	-
93300	Gas	824	824	-	-	-	-	-	-	-
93000	<b>Total Utilities</b>	<b>17,329</b>	<b>17,329</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Ordinary Maintenance and Operation:</b>										
94100	Ordinary Maintenance and Operation - Labor	27,196	27,196	-	-	-	-	-	-	-
94200	Ordinary Maintenance and Operation - Materials & Other	30,661	30,661	-	-	-	-	-	-	-
94300	Ordinary Maintenance and Operations Contracts	90,627	89,227	1,400	-	-	-	-	-	-
94500	Employee Benefit Contributions - Ordinary Maintenance	6,964	6,964	-	-	-	-	-	-	-
94000	<b>Total Maintenance</b>	<b>155,448</b>	<b>154,048</b>	<b>1,400</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



# Housing Authority of the City of Winston-Salem

## Financial Data Schedule Summary

### Statement of Revenues, Expenses, and Changes in Net Position Accounts Project Totals Year Ended September 30, 2021

Line Item No.	Account Description	NC012000032 Fund Program	Operating Fund Program	Capital Fund Program	NC012000034 Fund Program	Operating Fund Program	Capital Fund Program	NC012000035 Fund Program	Operating Fund Program	Capital Fund Program
<b>REVENUE:</b>										
70300	Net Tenant Rental Revenue	-	-	-	-	-	-	-	-	-
70400	Tenant Revenue - Other	-	-	-	-	-	-	-	-	-
70500	Total Tenant Revenue	-	-	-	-	-	-	-	-	-
70600	HUD PHA Operating Grants	134,616	134,616	-	104,099	104,099	-	112,788	112,788	-
70610	Capital Grants	-	-	-	-	-	-	-	-	-
71100	Investment Income - Unrestricted	-	-	-	-	-	-	-	-	-
71500	Other Revenue	-	-	-	-	-	-	-	-	-
700	<b>TOTAL REVENUE</b>	134,616	134,616	-	104,099	104,099	-	112,788	112,788	-
<b>EXPENSES:</b>										
91100	Administrative Salaries	-	-	-	-	-	-	-	-	-
91200	Auditing Fees	-	-	-	-	-	-	-	-	-
91300	Management Fee	-	-	-	-	-	-	-	-	-
91310	Book-Keeping Fee	-	-	-	-	-	-	-	-	-
91500	Employee Benefit Contributions - Administrative	-	-	-	-	-	-	-	-	-
91600	Office Expenses	-	-	-	-	-	-	-	-	-
91700	Legal Expense	-	-	-	-	-	-	-	-	-
91800	Travel	-	-	-	-	-	-	-	-	-
91900	Other	-	-	-	-	-	-	-	-	-
91000	<b>Total Operating - Administrative</b>	-	-	-	-	-	-	-	-	-
92000	Asset Management Fee	-	-	-	-	-	-	-	-	-
<b>Tenant Services:</b>										
92100	Tenant Services - Salaries	-	-	-	-	-	-	-	-	-
92200	Relocation costs	-	-	-	-	-	-	-	-	-
92300	Employee Benefit Contributions - Tenant Services	-	-	-	-	-	-	-	-	-
92400	Tenant Services - Other	-	-	-	-	-	-	-	-	-
92500	<b>Total Tenant Services</b>	-	-	-	-	-	-	-	-	-
<b>Utilities:</b>										
93100	Water	-	-	-	-	-	-	-	-	-
93200	Electricity	-	-	-	-	-	-	-	-	-
93300	Gas	-	-	-	-	-	-	-	-	-
93000	<b>Total Utilities</b>	-	-	-	-	-	-	-	-	-
<b>Ordinary Maintenance and Operation:</b>										
94100	Ordinary Maintenance and Operation - Labor	-	-	-	-	-	-	-	-	-
94200	Ordinary Maintenance and Operation - Materials & Other	-	-	-	-	-	-	-	-	-
94300	Ordinary Maintenance and Operations Contracts	-	-	-	-	-	-	-	-	-
94500	Employee Benefit Contributions - Ordinary Maintenance	-	-	-	-	-	-	-	-	-
94000	<b>Total Maintenance</b>	-	-	-	-	-	-	-	-	-

# Housing Authority of the City of Winston-Salem

## Financial Data Schedule Summary

### Statement of Revenues, Expenses, and Changes in Net Position Accounts Project Totals Year Ended September 30, 2021

Line Item No.	Account Description	NC012000036 Fund Program	Operating Fund Program	Capital Fund Program	NC012000037 Fund Program	Operating Fund Program	Capital Fund Program	NC012000038 Fund Program	Operating Fund Program	Capital Fund Program
<b>REVENUE:</b>										
70300	Net Tenant Rental Revenue	\$ -	\$ -	\$ -	\$ 130,941	\$ 130,941	\$ -	\$ 101,732	\$ 101,732	\$ -
70400	Tenant Revenue - Other	-	-	-	2,658	2,658	-	1,650	1,650	-
70500	Total Tenant Revenue	-	-	-	133,599	133,599	-	103,382	103,382	-
70600	HUD PHA Operating Grants	213,532	213,532	-	164,448	162,745	1,703	87,089	53,567	33,522
70610	Capital Grants	-	-	-	-	-	-	-	-	-
71100	Investment Income - Unrestricted	-	-	-	19	19	-	14	14	-
71500	Other Revenue	-	-	-	15,173	15,173	-	1,062	1,062	-
700	<b>TOTAL REVENUE</b>	213,532	213,532	-	313,239	311,536	1,703	191,547	158,025	33,522
<b>EXPENSES:</b>										
91100	Administrative Salaries	-	-	-	25,872	25,872	-	21,246	21,246	-
91200	Auditing Fees	-	-	-	1,924	1,924	-	1,211	1,211	-
91300	Management Fee	16,595	16,595	-	35,858	35,555	303	27,409	21,585	5,824
91310	Book-Keeping Fee	-	-	-	4,410	4,410	-	2,678	2,678	-
91500	Employee Benefit Contributions - Administrative	-	-	-	10,013	10,013	-	8,353	8,353	-
91600	Office Expenses	-	-	-	40,410	40,410	-	18,873	18,873	-
91700	Legal Expense	-	-	-	518	518	-	259	259	-
91800	Travel	-	-	-	-	-	-	-	-	-
91900	Other	-	-	-	434	434	-	302	302	-
91000	<b>Total Operating - Administrative</b>	16,595	16,595	-	119,439	119,136	303	80,331	74,507	5,824
92000	Asset Management Fee	-	-	-	6,000	6,000	-	3,600	3,600	-
<b>Tenant Services:</b>										
92100	Tenant Services - Salaries	-	-	-	188	188	-	141	141	-
92200	Relocation costs	-	-	-	-	-	-	-	-	-
92300	Employee Benefit Contributions - Tenant Services	-	-	-	28	28	-	22	22	-
92400	Tenant Services - Other	-	-	-	132	132	-	79	79	-
92500	<b>Total Tenant Services</b>	-	-	-	348	348	-	242	242	-
<b>Utilities:</b>										
93100	Water	-	-	-	22,568	22,568	-	1,272	1,272	-
93200	Electricity	-	-	-	12,297	12,297	-	5,776	5,776	-
93300	Gas	-	-	-	-	-	-	-	-	-
93000	<b>Total Utilities</b>	-	-	-	34,865	34,865	-	7,048	7,048	-
<b>Ordinary Maintenance and Operation:</b>										
94100	Ordinary Maintenance and Operation - Labor	-	-	-	35,368	35,368	-	26,098	25,547	551
94200	Ordinary Maintenance and Operation - Materials & Other	-	-	-	9,440	9,440	-	9,640	9,640	-
94300	Ordinary Maintenance and Operations Contracts	-	-	-	52,364	50,964	1,400	34,609	33,909	700
94500	Employee Benefit Contributions - Ordinary Maintenance	-	-	-	14,952	14,952	-	12,240	11,969	271
94000	<b>Total Maintenance</b>	-	-	-	112,124	110,724	1,400	82,587	81,065	1,522

# Housing Authority of the City of Winston-Salem

## Financial Data Schedule Summary

### Statement of Revenues, Expenses, and Changes in Net Position Accounts Project Totals Year Ended September 30, 2021

Line Item No.	Account Description	NC012000040	Operating Fund Program	Capital Fund Program	Total
<b>REVENUE:</b>					
70300	Net Tenant Rental Revenue	\$ 47,147	\$ 47,147	\$ -	\$ 2,771,042
70400	Tenant Revenue - Other	1,361	1,361	-	213,110
70500	Total Tenant Revenue	48,508	48,508	-	2,984,152
70600	HUD PHA Operating Grants	253,978	7,700	246,278	7,717,058
70610	Capital Grants	11,434	-	11,434	498,147
71100	Investment Income - Unrestricted	3	3	-	292
71500	Other Revenue	-	-	-	189,307
700	<b>TOTAL REVENUE</b>	<b>313,923</b>	<b>56,211</b>	<b>257,712</b>	<b>11,388,956</b>
<b>EXPENSES:</b>					
91100	Administrative Salaries	16,191	16,191	-	792,520
91200	Auditing Fees	1,000	1,000	-	45,637
91300	Management Fee	50,303	4,660	45,643	1,161,486
91310	Book-Keeping Fee	578	578	-	101,551
91500	Employee Benefit Contributions - Administrative	6,094	6,094	-	311,037
91600	Office Expenses	2,083	2,083	-	757,799
91700	Legal Expense	285	285	-	39,313
91800	Travel	-	-	-	-
91900	Other	271	271	-	29,025
91000	<b>Total Operating - Administrative</b>	<b>76,805</b>	<b>31,162</b>	<b>45,643</b>	<b>3,238,368</b>
92000	Asset Management Fee	770	770	-	140,090
<b>Tenant Services:</b>					
92100	Tenant Services - Salaries	94	94	-	4,700
92200	Relocation costs	-	-	-	1,460
92300	Employee Benefit Contributions - Tenant Services	14	14	-	700
92400	Tenant Services - Other	-	-	-	40,390
92500	<b>Total Tenant Services</b>	<b>108</b>	<b>108</b>	<b>-</b>	<b>47,250</b>
<b>Utilities:</b>					
93100	Water	1,113	1,113	-	418,188
93200	Electricity	1,874	1,874	-	676,477
93300	Gas	-	-	-	424,011
93000	<b>Total Utilities</b>	<b>2,987</b>	<b>2,987</b>	<b>-</b>	<b>1,518,676</b>
<b>Ordinary Maintenance and Operation:</b>					
94100	Ordinary Maintenance and Operation - Labor	92,588	9,621	82,967	1,148,670
94200	Ordinary Maintenance and Operation - Materials & Other	429	429	-	361,111
94300	Ordinary Maintenance and Operations Contracts	71,760	14,062	57,698	1,650,021
94500	Employee Benefit Contributions - Ordinary Maintenance	34,390	2,486	31,904	390,238
94000	<b>Total Maintenance</b>	<b>199,167</b>	<b>26,598</b>	<b>172,569</b>	<b>3,550,040</b>

# Housing Authority of the City of Winston-Salem

## Financial Data Schedule Summary

### Statement of Revenues, Expenses, and Changes in Net Position Accounts Project Totals Year Ended September 30, 2021

Line Item No.	Account Description	NC012000003 Fund Program	Operating Fund Program	Capital Fund Program	NC012000006 Fund Program	Operating Fund Program	Capital Fund Program	NC012000008 Fund Program	Operating Fund Program	Capital Fund Program
95100	Protective Services - Labor	140,964	140,964	-	96,536	96,536	-	23,033	23,033	-
95200	Protective Services - Other contract costs	-	-	-	58,319	-	58,319	150,588	150,588	-
95000	Total Protective Services	140,964	140,964	-	154,855	96,536	58,319	173,621	173,621	-
96110	Property Insurance	31,180	31,180	-	29,732	29,732	-	67,217	67,217	-
96120	Liability Insurance	12,376	12,376	-	13,293	13,293	-	9,445	9,445	-
96130	Workmen's Compensation	16,613	16,613	-	15,576	15,576	-	8,249	8,249	-
96100	Total Insurance Premiums	60,169	60,169	-	58,601	58,601	-	84,911	84,911	-
96200	Other General Expenses	-	-	-	-	-	-	-	-	-
96210	Compensated Absences	1,986	1,986	-	-	-	-	1,076	1,076	-
96300	Payments in Lieu of Taxes	-	-	-	12,306	12,306	-	11,055	11,055	-
96400	Bad Debt - Tenant Rents	87,797	87,797	-	104,580	104,580	-	67,794	67,794	-
96000	Total Other General Expenses	89,783	89,783	-	116,886	116,886	-	79,925	79,925	-
96710	Interest of Mortgage (or Bonds) Payable	-	-	-	-	-	-	-	-	-
96700	Total Interest Expense and Amortization Cost	-	-	-	-	-	-	-	-	-
96900	TOTAL OPERATING EXPENSES	2,294,330	2,204,424	89,906	2,196,538	2,036,526	160,012	1,596,115	1,526,789	69,326
97000	EXCESS REVENUE OVER OPERATING EXPENSES	116,016	(91,814)	207,830	319,774	79,175	240,599	(74,740)	(353,516)	278,776
97100	Extraordinary Maintenance	60,717	60,717	-	-	-	-	24,340	24,340	-
97400	Depreciation Expense	620,890	620,890	-	572,070	572,070	-	186,146	186,146	-
900	TOTAL EXPENSES	2,975,937	2,886,031	89,906	2,768,608	2,608,596	160,012	1,806,601	1,737,275	69,326
1001	Operating Transfers in	88,072	88,072	-	117,366	117,366	-	137,305	137,305	-
1002	Operating Transfers out	(88,072)	-	(88,072)	(117,366)	-	(117,366)	(137,305)	-	(137,305)
1009.1	Inter-project excess cash transfer in	50,000	50,000	-	-	-	-	275,000	275,000	-
1009.2	Inter-project excess cash transfer out	-	-	-	(355,000)	(355,000)	-	-	-	-
1009.3	Transfers between Program and Project - in	-	-	-	-	-	-	-	-	-
1009.4	Transfers between Project and Program - out	-	-	-	-	-	-	-	-	-
10100	Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
1000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	50,000	138,072	(88,072)	(355,000)	(237,634)	(117,366)	275,000	412,305	(137,305)
1103	Memo Account Information	(515,591)	(635,349)	119,758	(607,296)	(730,529)	123,233	(10,226)	(151,697)	141,471
1104	Beginning Equity (per 2020 Audit)	3,256,844	3,256,844	-	3,333,410	3,333,410	-	1,572,315	1,572,315	-
	Equity Transfers	95,130	214,888	(119,758)	-	123,233	(123,233)	66,364	207,835	(141,471)
	Total Net Position, Ending	\$ 2,836,383	\$ 2,836,383	\$ -	\$ 2,726,114	\$ 2,726,114	\$ -	\$ 1,628,453	\$ 1,628,453	\$ -

# Housing Authority of the City of Winston-Salem

## Financial Data Schedule Summary

### Statement of Revenues, Expenses, and Changes in Net Position Accounts Project Totals Year Ended September 30, 2021

Line Item No.	Account Description	Operating Fund Program	Capital Fund Program	Operating Fund Program	Capital Fund Program	Operating Fund Program	Capital Fund Program
95100	Protective Services - Labor	21,099	-	9,836	-	9,836	-
95200	Protective Services - Other contract costs	145,196	-	97,572	-	97,572	-
95000	Total Protective Services	166,295	-	107,408	-	107,408	-
96110	Property Insurance	68,938	-	14,276	-	14,276	-
96120	Liability Insurance	8,655	-	5,564	-	5,564	-
96130	Workmen's Compensation	8,424	-	4,908	-	4,908	-
96100	Total Insurance Premiums	86,017	-	24,748	-	24,748	-
96200	Other General Expenses	-	-	-	-	-	-
96210	Compensated Absences	-	-	-	-	-	-
96300	Payments in Lieu of Taxes	27,634	-	23,019	-	23,019	-
96400	Bad Debt - Tenant Rents	62,331	-	5,327	-	5,327	-
96000	Total Other General Expenses	89,965	-	28,346	-	28,346	-
96710	Interest of Mortgage (or Bonds) Payable	-	-	-	-	-	-
96700	Total Interest Expense and Amortization Cost	-	-	-	-	-	-
96900	TOTAL OPERATING EXPENSES	1,460,117	42,686	1,030,970	117,199	913,771	352,983
97000	EXCESS REVENUE OVER OPERATING EXPENSES	(104,421)	150,258	52,224	349,295	(297,071)	7,773
97100	Extraordinary Maintenance	-	-	-	-	-	-
97400	Depreciation Expense	117,293	-	119,764	-	119,764	164,115
900	TOTAL EXPENSES	1,577,410	42,686	1,150,734	117,199	1,033,535	517,098
1001	Operating Transfers in	139,478	-	260,435	-	260,435	-
1002	Operating Transfers out	(139,478)	(139,478)	(260,435)	(260,435)	-	-
1009.1	Inter-project excess cash transfer in	230,000	-	75,330	-	75,330	379
1009.2	Inter-project excess cash transfer out	-	-	-	-	-	-
1009.3	Transfers between Program and Project - in	-	-	-	-	-	-
1009.4	Transfers between Project and Program - out	-	-	-	-	-	-
10100	Total other financing sources (uses)	230,000	(139,478)	75,330	(260,435)	379	379
1000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	8,286	10,780	7,790	88,860	(81,070)	(155,963)
1103	Memo Account Information	-	-	-	-	-	-
1104	Beginning Equity (per 2020 Audit)	1,201,685	-	1,193,770	-	1,193,770	1,426,974
	Equity Transfers	-	(10,780)	-	(88,860)	-	2,611
	Total Net Position, Ending	\$ 1,209,971	\$ -	\$ 1,201,560	\$ -	\$ 1,201,560	\$ 1,271,011
							\$ -

# Housing Authority of the City of Winston-Salem

## Financial Data Schedule Summary

### Statement of Revenues, Expenses, and Changes in Net Position Accounts Project Totals Year Ended September 30, 2021

Line Item No.	Account Description	NC012000022 Fund Program	Operating Fund Program	Capital Fund Program	NC012000030 Fund Program	Operating Fund Program	Capital Fund Program	NC012000031 Fund Program	Operating Fund Program	Capital Fund Program
95100	Protective Services - Labor	12,535	12,535	-	-	-	-	-	-	-
95200	Protective Services - Other contract costs	-	-	-	-	-	-	-	-	-
95000	Total Protective Services	12,535	12,535	-	-	-	-	-	-	-
96110	Property/Insurance	8,390	8,390	-	-	-	-	-	-	-
96120	Liability Insurance	2,605	2,605	-	-	-	-	-	-	-
96130	Workmen's Compensation	3,231	3,231	-	-	-	-	-	-	-
96100	Total Insurance Premiums	14,226	14,226	-	-	-	-	-	-	-
96200	Other General Expenses	-	-	-	137,684	137,684	-	276,264	276,264	-
96210	Compensated Absences	-	-	-	-	-	-	-	-	-
96300	Payments in Lieu of Taxes	9,114	9,114	-	-	-	-	-	-	-
96400	Bad Debt - Tenant Rents	-	-	-	-	-	-	-	-	-
96000	Total Other General Expenses	9,114	9,114	-	137,684	137,684	-	276,264	276,264	-
96710	Interest of Mortgage (or Bonds) Payable	-	-	-	-	-	-	-	-	-
96700	Total Interest Expense and Amortization Cost	-	-	-	-	-	-	-	-	-
96900	TOTAL OPERATING EXPENSES	359,743	354,006	5,737	138,943	138,943	-	276,264	276,264	-
97000	EXCESS REVENUE OVER OPERATING EXPENSES	(36,869)	(55,485)	18,616	1,865	1,865	-	17,587	17,587	-
97100	Extraordinary Maintenance	-	-	-	-	-	-	-	-	-
97400	Depreciation Expense	151,398	151,398	-	-	-	-	-	-	-
900	TOTAL EXPENSES	511,141	505,404	5,737	138,943	138,943	-	276,264	276,264	-
1001	Operating Transfers in	18,616	18,616	-	-	-	-	-	-	-
1002	Operating Transfers out	(18,616)	-	(18,616)	-	-	-	-	-	-
1009.1	Inter-project excess cash transfer in	25,219	25,219	-	-	-	-	-	-	-
1009.2	Inter-project excess cash transfer out	-	-	-	-	-	-	(17,587)	(17,587)	-
1009.3	Transfers between Program and Project - in	-	-	-	-	-	-	-	-	-
1009.4	Transfers between Project and Program - out	-	-	-	-	-	-	-	-	-
10100	Total other financing sources (uses)	25,219	43,835	(18,616)	-	-	-	(17,587)	(17,587)	-
1000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	(163,048)	(163,048)	-	1,865	1,865	-	-	-	-
1103	Memo Account Information									
1104	Beginning Equity (per 2020 Audit)	3,018,458	3,018,458	-	214,927	214,927	-	-	-	-
	Equity Transfers	-	-	-	-	-	-	-	-	-
	Total Net Position, Ending	\$ 2,855,410	\$ 2,855,410	\$ -	\$ 216,792	\$ 216,792	\$ -	\$ -	\$ -	\$ -

# Housing Authority of the City of Winston-Salem

## Financial Data Schedule Summary

### Statement of Revenues, Expenses, and Changes in Net Position Accounts Project Totals Year Ended September 30, 2021

Line Item No.	Account Description	NC012000032	Operating Fund Program	Capital Fund Program	NC012000034	Operating Fund Program	Capital Fund Program	NC012000035	Operating Fund Program	Capital Fund Program
95100	Protective Services - Labor	-	-	-	-	-	-	-	-	-
95200	Protective Services - Other contract costs	-	-	-	-	-	-	-	-	-
95000	Total Protective Services	-	-	-	-	-	-	-	-	-
96110	Property/Insurance	-	-	-	-	-	-	-	-	-
96120	Liability Insurance	-	-	-	-	-	-	-	-	-
96130	Workmen's Compensation	-	-	-	-	-	-	-	-	-
96100	Total Insurance Premiums	-	-	-	-	-	-	-	-	-
96200	Other General Expenses	134,616	134,616	-	104,099	104,099	-	112,788	112,788	-
96210	Compensated Absences	-	-	-	-	-	-	-	-	-
96300	Payments in Lieu of Taxes	-	-	-	-	-	-	-	-	-
96400	Bad Debt - Tenant Rents	-	-	-	-	-	-	-	-	-
96000	Total Other General Expenses	134,616	134,616	-	104,099	104,099	-	112,788	112,788	-
96710	Interest of Mortgage (or Bonds) Payable	-	-	-	-	-	-	-	-	-
96700	Total Interest Expense and Amortization Cost	-	-	-	-	-	-	-	-	-
96900	TOTAL OPERATING EXPENSES	134,616	134,616	-	104,099	104,099	-	112,788	112,788	-
97000	EXCESS REVENUE OVER OPERATING EXPENSES	-	-	-	-	-	-	-	-	-
97100	Extraordinary Maintenance	-	-	-	-	-	-	-	-	-
97400	Depreciation Expense	-	-	-	-	-	-	-	-	-
900	TOTAL EXPENSES	134,616	134,616	-	104,099	104,099	-	112,788	112,788	-
1001	Operating Transfers in	-	-	-	-	-	-	-	-	-
1002	Operating Transfers out	-	-	-	-	-	-	-	-	-
1009.1	Inter-project excess cash transfer in	-	-	-	-	-	-	-	-	-
1009.2	Inter-project excess cash transfer out	-	-	-	-	-	-	-	-	-
1009.3	Transfers between Program and Project - in	-	-	-	-	-	-	-	-	-
1009.4	Transfers between Project and Program - out	-	-	-	-	-	-	-	-	-
10100	Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
1000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-	-	-	-	-	-	-	-	-
1103	Memo Account Information	-	-	-	-	-	-	-	-	-
1104	Beginning Equity (per 2020 Audit)	-	-	-	-	-	-	-	-	-
	Equity Transfers	-	-	-	-	-	-	-	-	-
	Total Net Position, Ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

# Housing Authority of the City of Winston-Salem

## Financial Data Schedule Summary

### Statement of Revenues, Expenses, and Changes in Net Position Accounts Project Totals Year Ended September 30, 2021

Line Item No.	Account Description	NC012000036 Fund Program	Operating Fund Program	Capital Fund Program	NC012000037 Fund Program	Operating Fund Program	Capital Fund Program	NC012000038 Fund Program	Operating Fund Program	Capital Fund Program
95100	Protective Services - Labor	-	-	-	-	8,150	-	-	13,510	-
95200	Protective Services - Other contract costs	-	-	-	-	8,150	-	-	13,510	-
95000	Total Protective Services	-	-	-	-	8,150	-	-	13,510	-
96110	Property Insurance	-	-	-	-	6,727	-	-	5,646	-
96120	Liability Insurance	-	-	-	-	2,714	-	-	1,698	-
96130	Workmen's Compensation	-	-	-	-	3,302	-	-	1,444	-
96100	Total Insurance Premiums	-	-	-	-	12,743	-	-	8,788	-
96200	Other General Expenses	213,532	213,532	-	-	-	-	-	-	-
96210	Compensated Absences	-	-	-	-	-	-	-	-	-
96300	Payments in Lieu of Taxes	-	-	-	-	9,270	-	-	9,141	-
96400	Bad Debt - Tenant Rents	-	-	-	-	6,030	-	-	4,919	-
96000	Total Other General Expenses	213,532	213,532	-	-	15,300	-	-	14,060	-
96710	Interest of Mortgage (or Bonds) Payable	✓	-	✓	-	-	-	✓	-	-
96700	Total Interest Expense and Amortization Cost	-	-	-	-	-	-	-	-	-
96900	TOTAL OPERATING EXPENSES	230,127	230,127	-	-	308,969	307,266	1,703	210,166	202,820
97000	EXCESS REVENUE OVER OPERATING EXPENSES	(16,595)	(16,595)	-	-	4,270	4,270	-	(18,619)	(44,795)
97100	Extraordinary Maintenance	-	-	-	-	-	-	-	-	-
97400	Depreciation Expense	-	-	-	-	175,741	175,741	-	132,257	132,257
900	TOTAL EXPENSES	230,127	230,127	-	-	484,710	483,007	1,703	342,423	335,077
1001	Operating Transfers in	-	-	-	-	-	-	-	26,176	26,176
1002	Operating Transfers out	-	-	-	-	-	-	-	(26,176)	(26,176)
1009.1	Inter-project excess cash transfer in	16,595	16,595	-	-	-	-	-	25,064	25,064
1009.2	Inter-project excess cash transfer out	-	-	-	-	(40,000)	(40,000)	-	-	-
1009.3	Transfers between Program and Project - in	-	-	-	-	-	-	-	-	-
1009.4	Transfers between Project and Program - out	-	-	-	-	-	-	-	-	-
10100	Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
1000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	16,595	16,595	-	-	(40,000)	(40,000)	-	25,064	51,240
1103	Memo Account Information	-	-	-	-	(211,471)	(211,471)	-	(125,812)	(125,812)
1104	Beginning Equity (per 2020 Audit)	-	-	-	-	4,463,193	4,463,193	-	2,760,100	2,760,100
	Equity Transfers	-	-	-	-	-	-	-	-	-
	Total Net Position, Ending	\$ -	\$ -	\$ -	\$ -	\$ 4,251,722	\$ 4,251,722	\$ -	\$ 2,634,288	\$ 2,634,288



# Housing Authority of the City of Winston-Salem

## Financial Data Schedule Summary

### Statement of Revenues, Expenses, and Changes in Net Position Accounts Project Totals Year Ended September 30, 2021

Line Item No.	Account Description	NC012000040	Operating Fund Program	Capital Fund Program	Total
95100	Protective Services - Labor	6,265	6,265	-	339,981
95200	Protective Services - Other contract costs	-	-	-	451,675
95000	Total Protective Services	6,265	6,265	-	791,656
96110	Property Insurance	2,004	2,004	-	240,546
96120	Liability Insurance	716	716	-	59,731
96130	Workmen's Compensation	519	519	-	65,799
96100	Total Insurance Premiums	3,239	3,239	-	366,076
96200	Other General Expenses	-	-	-	978,983
96210	Compensated Absences	1,673	1,673	-	4,735
96300	Payments in Lieu of Taxes	4,232	4,232	-	115,035
96400	Bad Debt - Tenant Rents	3,202	3,202	-	354,307
96000	Total Other General Expenses	9,107	9,107	-	1,453,060
96710	Interest of Mortgage (or Bonds) Payable	2,911	2,911	-	2,911
96700	Total Interest Expense and Amortization Cost	2,911	2,911	-	-
96900	TOTAL OPERATING EXPENSES	301,359	83,147	218,212	11,108,127
97000	EXCESS REVENUE OVER OPERATING EXPENSES	12,564	(26,936)	39,500	280,829
97100	Extraordinary Maintenance	-	-	-	85,057
97400	Depreciation Expense	73,731	73,731	-	2,313,405
900	TOTAL EXPENSES	375,090	156,878	218,212	13,506,589
1001	Operating Transfers in	28,066	28,066	-	815,514
1002	Operating Transfers out	(28,066)	-	(28,066)	(815,514)
1009.1	Inter-project excess cash transfer in	-	-	-	697,587
1009.2	Inter-project excess cash transfer out	(285,000)	(285,000)	-	(697,587)
1009.3	Transfers between Program and Project - in	422,115	422,115	-	422,115
1009.4	Transfers between Project and Program - out	-	-	-	-
10100	Total other financing sources (uses)	137,115	165,181	(28,066)	422,115
1000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	75,948	64,514	11,434	(1,695,518)
1103	Memo Account Information				
1104	Beginning Equity (per 2020 Audit)	2,173,522	2,173,522	-	24,615,198
	Equity Transfers	-	11,434	(11,434)	161,494
	Total Net Position, Ending	\$ 2,249,470	\$ 2,249,470	\$ -	\$ 23,081,174



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**RESOLUTION NO. 2185**

**AUTHORIZING APPROVAL OF THE JULY 31, 2022 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 July 31, 2022, 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 July 31, 2022.

Adopted On: \_\_\_\_\_ (Date)

Signed: \_\_\_\_\_  
Kevin Cheshire  
Board Secretary

# **Housing Authority of Winston-Salem**

## **Financial Highlights**

### **July 31, 2022**

#### **Consolidated Statements**

As of July 31, 2022, the total assets of the Authority were \$44,583,833 while total liabilities were \$10,966,464. The current ratio (current assets of \$8,205,903 divided by current liabilities of \$1,642,152 was 5.00.

Net loss excluding Housing Assistance Payments (HAP) and receipts is (\$1,111,688). There was positive cash flow excluding HAP payments and receipts of \$404,444. The net gain prior to depreciation, extraordinary items and forgiveness of debt but inclusive of HAP income and expense was \$685,694. There was a consolidated net loss of (\$1,439,443.) This included depreciation of \$1,818,551. Cash flow increased by \$76,689 including HAP receipts and expense. The overall total income was (5.74%) under budget and total expenditures were (5.19%) below budget.

#### **Low Income Public Housing**

Total gross revenue for July 31, 2022 was \$9,368,231 which was over budget by \$618,896. Tenant Rental Income of \$2,561,124 was over budget by \$155,200. Other Tenant Income of \$172,316 was over budget by \$26,408.

Expense prior to depreciation and extraordinary items of \$8,926,396 was over budget by \$350,764 or 4.09 %.

The net income for operations prior to depreciation and extraordinary item expenses was \$441,835. The depreciation expense was \$1,663,145 and net loss including depreciation expense was (\$1,221,310.)

#### **Section 8 (Housing Choice Voucher Program)**

The gross revenue generated from Section 8 through July 31, 2022 was \$20,723,888 which was under budget by (\$2,432,050). The HAP Fees earned during this period were \$18,555,407 and the HAP expense was \$18,861,993.

Administrative income of \$2,168,481 and operating expense of \$2,116,120 produced a net gain of \$52,361 (excluding depreciation). Operating expense was under budget by (7.55%) or (\$172,917.)

The Section 8 financial statements for the period ended July 31, 2022 resulted in net loss before depreciation of (\$254,225.) The net gain including depreciation and the utilization of \$306,586 of HAP reserves was \$32,757.

#### **Scattered Sites**

The total revenue for scattered sites was \$652,053, which is under budget by (\$9,134.)

Total Operating expense of \$639,154 was 15.60% or \$86,231 over budget.

The net loss before depreciation expense was (\$276) and the depreciation expense was \$112,474 for a net decrease after depreciation of (\$112,750.)

### **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 \$3,053,544, which was under budget by (\$52,502) or (1.69%). The decrease was primarily due to the timing of revenue from construction activities and lower management fees than anticipated from the voucher program.

The total operating expense was \$2,909,581, which was over budget by \$23,860 or .83%. This was due to lower costs for construction activities due to less activity than budgeted as well as lower administrative expenses than budgeted, primarily in salaries and benefits.

The net income including depreciation was \$137,884.

### **Imperial Management**

Total revenue was \$310,416 and operating expense was \$276,118. Net income after depreciation expense was \$34,298.

**Housing Authority of Winston-Salem**  
**Consolidated Balance Sheet**  
**As of July 31, 2022**

	Jul-22	FYE 2021	Variance		Jul-21
			Amount	Percentage	
<b>Assets</b>					
Unrestricted cash	69,827	272,239	(202,412)	-74.35%	394,774
Restricted Cash - Public Housing Resrv/Oper	3,317,549	3,499,849	(182,300)	-5.21%	3,753,370
Restricted Cash - HCV Admin Resrv/Oper	440,075	462,407	(22,332)	-4.83%	403,113
Restricted Cash - HAP	(218,565)	425,799	(644,364)	-151.33%	174,272
Restricted Cash - Grants	0	0	0	0.00%	9,360
Restricted Cash - Other	678,061	588,747	89,314	15.17%	575,741
Accounts receivable-tenants, net	92,253	182,507	(90,254)	-49.45%	168,158
Accounts receivable-interest	2,543,407	2,429,354	114,053	4.69%	2,364,764
Accounts receivable-other	934,918	442,210	492,708	111.42%	347,397
Prepaid Expenses	238,586	185,806	52,780	28.41%	247,522
Inventories	109,792	109,792	0	0.00%	108,034
<b>Total Current Assets</b>	<b>8,205,903</b>	<b>8,598,710</b>	<b>(392,807)</b>	<b>-4.57%</b>	<b>8,546,505</b>
Fixed Assets	98,332,939	98,139,115	193,824	0.20%	97,149,101
Less Accumulated Depreciation	(75,057,591)	(73,264,458)	(1,793,133)	-2.45%	(72,825,654)
<b>Net Fixed Assets</b>	<b>23,275,348</b>	<b>24,874,657</b>	<b>(1,599,309)</b>	<b>-6.43%</b>	<b>24,323,447</b>
Mortgage Receivable	12,018,436	12,061,253	(42,817)	-0.35%	12,061,253
Note receivable- FEV	0	0	0	0.00%	0
<b>Total Other Assets</b>	<b>12,018,436</b>	<b>12,061,253</b>	<b>(42,817)</b>	<b>-0.35%</b>	<b>12,061,253</b>
Deferred Outflow of Resources	1,084,146	1,084,146	0	0.00%	681,104
<b>Total Assets</b>	<b>44,583,833</b>	<b>46,618,766</b>	<b>(2,034,933)</b>	<b>-4.37%</b>	<b>45,612,309</b>
<b>Liabilities</b>					
Accounts payable	54,004	367,907	(313,903)	-85.32%	180,489
Accrued Liabilities	528,345	930,912	(402,567)	-43.24%	408,239
Current Portion Long Term Debt	59,820	59,820	0	0.00%	52,771
Security Deposits/FSS Escrows	457,556	392,888	64,668	16.46%	382,749
Deferred Revenue	542,427	438,010	104,417	23.84%	434,806
<b>Total Current Liabilities</b>	<b>1,642,152</b>	<b>2,189,537</b>	<b>(547,385)</b>	<b>-25.00%</b>	<b>1,459,054</b>
Line of Credit	487,309	487,309	0	0.00%	487,309
Notes Payable-Noncurrent	5,895,901	5,944,121	(48,220)	-0.81%	5,960,272
Other	1,372,503	1,372,503	0	0.00%	2,208,730
<b>Total Noncurrent Liabilities</b>	<b>7,755,713</b>	<b>7,803,933</b>	<b>(48,220)</b>	<b>-0.62%</b>	<b>8,656,311</b>
Deferred Inflow of Resources	1,568,599	1,568,599	-	0.00%	13,571
<b>Total Liabilities</b>	<b>10,966,464</b>	<b>11,562,069</b>	<b>(595,605)</b>	<b>-5.15%</b>	<b>10,128,936</b>
<b>Equity</b>					
Investment in capital assets,net	17,419,807	18,383,407	(963,600)	-5.24%	18,417,633
Unrestricted net assets	17,637,005	17,727,400	(90,395)	-0.51%	18,075,760
Restricted net assets	0	0	0	0.00%	0
Net income	(1,439,443)	(1,054,110)	(385,333)	-36.56%	(1,010,020)
<b>Total Equity</b>	<b>33,617,369</b>	<b>35,056,697</b>	<b>(1,439,328)</b>	<b>-4.11%</b>	<b>35,483,373</b>
<b>Total Liabilities and Equity</b>	<b>44,583,833</b>	<b>46,618,766</b>	<b>(2,034,933)</b>	<b>-4.37%</b>	<b>45,612,309</b>

## TOTAL HA OF THE CITY OF WINSTON-SALEM

## BALANCE SHEET

As of July 31, 2022

of July 31, 2022	Jul-22							FYE 9/30/2021		
	LIPH	Section 8	S. Sites	Grants	COCC	Imperial	ELIMINATION	Total HAWS	Total HAWS	Variance
ASSETS										
CURRENT ASSETS										
CASH										
UNRESTRICTED CASH			2,469	187	47,814	19,357		69,827	272,239	(202,412)
RESTRICTED CASH - PUBLICHOUSING RESRV	3,317,549							3,317,549	3,499,849	(182,300)
RESTRICTED CASH - HCV ADMIN RESRV/OPER		440,075						440,075	462,407	(22,332)
RESTRICTED CASH - HAP		(218,565)						(218,565)	425,799	(644,364)
RESTRICTED CASH - GRANTS		0						0	0	-
RESTRICTED CASH - OTHER	223,939							223,939	195,837	28,102
FSS PROGRAM		260,159						260,159	196,778	63,381
SECURITY DEPOSITS	171,269		22,694					193,963	196,132	(2,169)
TOTAL CASH	3,712,757	481,669	25,163	187	47,814	19,357		4,286,947	5,249,041	(962,094)
ACCOUNTS RECEIVABLE-TENANTS	318,293		35,696					353,989	644,001	(290,012)
ACCOUNTS RECEIVABLE-HAP								0	22,191	(22,191)
ALLOWANCE FOR DOUBTFUL ACCOUNTS	(236,381)		(25,355)					(261,736)	(483,685)	221,949
NET ACCOUNTS RECEIVABLE-TENANTS	81,912	0	10,341	0	0	0		92,253	182,507	(90,254)
ACCOUNTS RECEIVABLE-MISC										
AR-HUD		337,028		5,423				342,451	76,284	266,167
AR- INTEREST					2,543,407			2,543,407	2,429,354	114,053
AR - OTHERS	483,000	93,609		37,858	587,982	285,000	(894,982)	592,467	365,926	226,541
TOTAL AR-MISC	483,000	430,637	0	43,281	3,131,389	285,000	(894,982)	3,478,325	2,871,564	606,761
PREPAID EXPENSES AND OTHER ASSETS										
PREPAID INSURANCE	102,917	22,612	3,412		12,509	2,911		144,361	137,044	7,317
PREPAID EXPENSES-OTHER	71,994	8,471	10,474		3,062	224		94,225	48,762	45,463
TOTAL PREPAID EXPENSES AND OTHER AS	174,911	31,083	13,886	0	15,571	3,135		238,586	185,806	52,780
INVENTORIES	82,922				0	26,870		109,792	109,792	-
ALLOWANCE OBSOLETE INVENTORY								0	0	-
NET INVENTORY	82,922	0	0	0	0	26,870		109,792	109,792	-
TOTAL CURRENT ASSETS	4,535,502	943,389	49,390	43,468	3,194,774	334,362	(894,982)	8,205,903	8,598,710	(392,807)
NON-CURRENT ASSETS										
FIXED ASSETS										
LAND	1,097,631			99,962	459,763			1,657,356	1,657,356	-
LAND IMPROVEMENTS	547,357				69,730			617,087	617,087	-
BUILDINGS	80,616,064		9,010,111	212,454	1,969,987			91,808,616	91,611,136	197,480
LEASEHOLD IMPROVEMENTS	412,065	143,465						555,530	547,630	7,900
CONSTRUCTION IN PROGRESS	10,016		3,846		264,986			278,848	264,986	13,862
FEM-DWELLINGS	662,019			17,136				679,155	679,155	-
FEM-ADMINISTRATION	2,019,672	241,187			462,018	13,470		2,736,347	2,761,765	(25,418)
TOTAL FIXED ASSETS	85,364,824	384,652	9,013,957	329,552	3,226,484	13,470		98,332,939	98,139,115	193,824
ACCUMULATED DEPRECIATION	(65,984,318)	(350,976)	(6,081,455)	(132,385)	(2,494,987)	(13,470)		(75,057,591)	(73,264,458)	(1,793,133)
FIXED ASSETS, NET OF DEPRECIATION	19,380,506	33,676	2,932,502	197,167	731,497	0		23,275,348	24,874,657	(1,599,309)
MORTGAGE RECEIVABLE					11,781,872			11,781,872	11,824,689	(42,817)
HOPE VI MORTGAGES REC					236,564			236,564	236,564	-
TOTAL MORTGAGE RECEIVABLE	0	0	0	0	12,018,436	0		12,018,436	12,061,253	(42,817)
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	347,477	198,690	26,303	9,617	502,059			1,084,146	1,084,146	-
TOTAL NON-CURRENT ASSETS	19,727,983	232,366	2,958,805	206,784	13,563,992	0	(312,000)	36,377,930	38,020,056	(1,642,126)
TOTAL ASSETS	24,263,485	1,175,755	3,008,195	250,252	16,758,766	334,362	(1,206,982)	44,583,833	46,618,766	(2,034,933)

## TOTAL HA OF THE CITY OF WINSTON-SALEM

## BALANCE SHEET

As of July 31, 2022

of July 31, 2022	Jul-22							FYE 9/30/2021		
	LIPH	Section 8	S. Sites	Grants	COCC	Imperial	ELIMINATION	Total HAWS	Total HAWS	Variance
LIABILITIES AND EQUITY										
CURRENT LIABILITIES										
ACCOUNTS PAYABLE										
ACCOUNTS PAYABLE - VENDORS	8,514	26,987	110	2,471				38,082	355,165	(317,083)
ACCOUNTS PAYABLE - HUD		12,715						12,715	12,742	(27)
ACCOUNTS PAYABLE - OTHERS	1,792		286,415	33,000	450,000		(768,000)	3,207	0	3,207
TOTAL ACCOUNTS PAYABLE	10,306	39,702	286,525	35,471	450,000	0	(768,000)	54,004	367,907	(313,903)
ACCRUED LIABILITIES										
ACCRUED SALARIES AND WAGES				4,318	15,934			20,252	389,941	(369,689)
ACCRUED UTILITIES	154,571							154,571	65,001	89,570
ACCRUED INTEREST PAYABLE	103		4,392		1,602			6,097	6,098	(1)
ACCRUED PILOT - PHA WIDE	134,133							134,133	115,995	18,138
ACCRUED COMPENSATED ABSENCES	26,073	20,544	1,260		42,264	3,471		93,612	93,611	1
OTHER ACCRUED LIABILITIES	12,470	95,440	1,955	789	8,384	642		119,680	260,266	(140,586)
TOTAL ACCRUED LIABILITIES	327,350	115,984	7,607	5,107	68,184	4,113	0	528,345	930,912	(402,567)
OTHER CURRENT LIABILITIES										
TENANT SECURITY DEPOSITS	175,513		22,890					198,403	196,110	2,293
FSS ESCROW ACCOUNT		259,153						259,153	196,778	62,375
DEFERRED REVENUE	161,421		14,968		366,038			542,427	438,010	104,417
CURRENT PORTION-LT DEBT	4,612		55,208					59,820	59,820	-
TOTAL OTHER CURRENT LIABILITIES	341,546	259,153	93,066	0	366,038	0		1,059,803	890,718	169,085
TOTAL CURRENT LIABILITIES	679,202	414,839	387,198	40,578	884,222	4,113	(768,000)	1,642,152	2,189,537	(547,385)
NON-CURRENT LIABILITIES										
LONG TERM DEBT										
LINE OF CREDIT					487,309			487,309	487,309	-
NOTE PAYABLE TO CORPORATE			126,982				(126,982)	0	0	-
NOTE PAYABLE	819,598		4,976,123		472,000		(312,000)	5,955,721	6,003,941	(48,220)
TOTAL	819,598	0	5,103,105	0	959,309	0	(438,982)	6,443,030	6,491,250	(48,220)
LESS CURRENT PORTION	(4,612)		(55,208)					(59,820)	(59,820)	-
TOTAL LONG TERM DEBT - NET	814,986	0	5,047,897	0	959,309	0	(438,982)	6,383,210	6,431,430	(48,220)
NONCURRENT LIABILITIES-OTHER										
ACCRUED COMP. ABSENCES	78,218	61,630	3,780		126,792	10,413		280,833	280,833	-
ACCRUED PENSION & OPEB LIABILITIES	278,368	214,672	15,903	8,740	573,987			1,091,670	1,091,670	-
UNAMORTIZED ORIG ISSU DISC								0		-
TOTAL NONCURRENT LIABILITIES-OTHER	356,586	276,302	19,683	8,740	700,779	10,413		1,372,503	1,372,503	-
TOTAL NON-CURRENT LIABILITIES	1,171,572	276,302	5,067,580	8,740	1,660,088	10,413	(438,982)	7,755,713	7,803,933	(48,220)
DEFERRED INFLOW OF RESOURCES	528,969	260,581	56,327	13,626	709,096			1,568,599	1,568,599	-
TOTAL LIABILITIES	2,379,743	951,722	5,511,105	62,944	3,253,406	14,526	(1,206,982)	10,966,464	11,562,069	(595,605)
EQUITY										
INVESTED IN CAPITAL ASSETS, NET	18,556,296	33,676	(2,098,829)	197,167	731,497	0		17,419,807	18,383,407	(963,600)
UNRESTRICTED NET ASSETS	4,548,756	464,186	(291,331)	(6,123)	12,635,979	285,538		17,637,005	17,727,400	(90,395)
RESTRICTED NET ASSETS								0	0	-
NET INCOME/(LOSS) - HAP		(306,586)						(306,586)	(480,827)	174,241
NET INCOME/(LOSS)	(1,221,310)	32,757	(112,750)	(3,736)	137,884	34,298		(1,132,857)	(573,283)	(559,574)
TOTAL EQUITY	21,883,742	224,033	(2,502,910)	187,308	13,505,360	319,836		33,617,369	35,056,697	(1,439,328)
TOTAL LIABILITIES AND EQUITY	24,263,485	1,175,755	3,008,195	250,252	16,758,766	334,362	(1,206,982)	44,583,833	46,618,766	(2,034,933)



**Housing Authority of the City of Winston- Salem**  
**Consolidated Revenue and Expense Statement**  
**October 1, 2021 - July 31, 2022**

	YTD Actual	YTD Budget	Variance		7/31/2021 Actual
			Amount	Percentage	
<b>Operating Income</b>					
HUD subsidy/grants	23,999,409	26,140,229	(2,140,820)	-8.19%	26,205,904
HUD Admin Fee	2,201,021	2,327,809	(126,788)	-5.45%	2,339,589
Dwelling rents	3,187,042	3,057,174	129,868	4.25%	2,930,777
Excess utilities & other	186,669	155,824	30,845	19.79%	180,088
Transfer in	999,884	871,350	128,534	14.75%	833,101
Other income	1,961,342	2,117,967	(156,625)	-7.40%	1,392,243
Construction Revenue	310,128	287,838	22,290	7.74%	936,885
Management fees	2,339,028	2,387,840	(48,812)	-2.04%	2,304,003
Interest on Hope VI Receivable	322,945	323,725	(780)	-0.24%	324,005
Interest on general fund	4,967	4,920	47	0.96%	5,388
<b>Total Income</b>	<b>35,512,435</b>	<b>37,674,676</b>	<b>(2,162,241)</b>	<b>-5.74%</b>	<b>37,451,983</b>
<b>Operating Expenditures</b>					
Administrative	7,433,357	7,693,847	(260,490)	-3.39%	7,478,599
Tenant Services	1,020,937	1,085,907	(64,970)	-5.98%	733,362
Utilities	1,396,700	1,376,708	19,992	1.45%	1,265,361
Maintenance	3,550,341	2,968,223	582,118	19.61%	2,910,228
Construction Expense	323,154	287,500	35,654	12.40%	975,677
Protective Services	491,181	632,196	(141,015)	-22.31%	633,152
General	1,606,787	1,583,130	23,657	1.49%	1,719,641
<b>Total Operating Expenses</b>	<b>15,822,457</b>	<b>15,627,511</b>	<b>194,946</b>	<b>1.25%</b>	<b>15,716,020</b>
<b>Other Expenditures</b>					
Operating Transfer Out	-	-	-	-	17,587
Casualty Loss	66,059	-	66,059	100.00%	63,290
Housing Assistance Payments	19,244,811	21,428,341	(2,183,530)	-10.19%	20,605,571
<b>Total Other Expenditures</b>	<b>19,310,870</b>	<b>21,428,341</b>	<b>(2,117,471)</b>	<b>-9.88%</b>	<b>20,686,448</b>
<b>Total Expenditures</b>	<b>35,133,327</b>	<b>37,055,852</b>	<b>(1,922,525)</b>	<b>-5.19%</b>	<b>36,402,468</b>
<b>Net Income (Loss) before depreciation and HAP Reserves</b>	<b>379,108</b>	<b>618,824</b>	<b>(239,716)</b>	<b>-38.74%</b>	<b>1,049,515</b>
Depreciation expense	1,818,551	2,076,905	(258,354)	-12.44%	2,059,535
<b>Net Income (Loss) before HAP Reserves</b>	<b>(1,439,443)</b>	<b>(1,458,081)</b>	<b>18,638</b>	<b>1.28%</b>	<b>(1,010,020)</b>
HAP Reserve Funds	306,586	-	306,586	100.00%	-
<b>Net Income (Loss) after HAP Reserves</b>	<b>(1,132,857)</b>	<b>(1,458,081)</b>	<b>325,224</b>	<b>22.30%</b>	<b>(1,010,020)</b>
<b>Other Changes In Cash</b>					
Principal payments on debt	83,178	73,191	9,987	13.65%	132,449
Capital Exp/Long Term Improvements	219,241	-	219,241	100.00%	421,135
Replacement Reserve Pymts	-	-	-	0.00%	-
Change in Assets/Liabilities	(782,458)	-	(782,458)	-100.00%	-
Depreciation expense add back	1,818,551	2,076,905	(258,354)	-12.44%	2,059,535
<b>Cash Increase (Decrease)</b>	<b>(705,769)</b>	<b>545,634</b>	<b>(1,251,403)</b>	<b>-229.35%</b>	<b>495,931</b>

CONSOLIDATED STATEMENT OF REVENUE & EXPENSE

BUDGETED PROGRAM ONLY  
October 1, 2021 - July 31, 2022

LIPH	Section 8 Programs	Scattered Sites	Grants	Corporate	Imperial	ELIMINATIONS	YTD ACTUAL	YTD BUDGET	VARIANCE AMOUNT	PERCENT	ANNUAL BUDGET	REMAINING AMOUNT	PERCENT
<b>Operating Income</b>													
HUD subsidy/gainis	5,428,331	18,534,238	36,840				23,999,409	26,140,229	(2,140,820)	-8%	38,823,148	14,823,739	38%
HUD Admin Fee		2,163,032	37,989				2,201,021	2,327,809	(126,788)	-5%	2,810,643	609,622	22%
Dwelling rents	2,561,124			900			3,187,042	3,057,174	129,868	4%	3,668,609	481,567	13%
Excess utilities & other	172,316						186,669	155,824	30,845	20%	186,989	320	0%
Transfer in	999,884						999,884	871,350	128,534	15%	871,350	(128,534)	-15%
Other income	206,301	25,668	12,682	320,374	66,843		1,961,342	2,117,967	(156,625)	-7%	593,499	(1,367,843)	-230%
Construction Revenue				310,128			310,128	287,838	22,290	8%	345,406	35,278	10%
Management fees				2,095,455	243,573		2,339,028	2,387,840	(48,812)	-2%	2,795,700	456,672	16%
Interest on Hope VI Receivable				322,945			322,945	323,725	(780)	0%	388,470	65,525	17%
Interest on general fund	275	950		3,742			4,967	4,920	47	1%	5,904	937	16%
<b>Total Income</b>	<b>9,368,231</b>	<b>20,723,888</b>	<b>652,053</b>	<b>1,404,303</b>	<b>3,053,544</b>	<b>0</b>	<b>35,512,435</b>	<b>37,674,676</b>	<b>(2,162,241)</b>	<b>-6%</b>	<b>50,489,718</b>	<b>14,977,283</b>	<b>30%</b>
<b>Operating Expenditures</b>													
<b>Administrative</b>													
Salaries	587,743	707,328	82,697	86,529	1,614,976	80,263	3,159,536	3,188,913	(29,377)	-1%	4,069,606	910,070	22%
Employee benefits	255,622	292,797	6,361	25,959	567,173	43,162	1,191,074	1,189,539	1,535	0%	1,427,447	236,373	17%
Legal and accounting	61,039	14,050		41,667	381		118,032	140,633	(22,601)	-16%	168,760	50,728	30%
Audit	38,725	13,497		3,593	1,905		61,411	59,535	1,876	3%	71,442	10,031	14%
Travel and training	1,113			19,680	897		21,690	58,725	(37,035)	-63%	70,470	48,780	69%
Office rent	217,953	141,761		77,250	7,093		444,057	439,338	4,719	1%	527,206	83,149	16%
Employee Parking	2,359	7,319	436	5,384	1,927		17,425	15,249	2,176	14%	18,299	874	5%
Management fees	910,827	687,200	79,300	37,989			1,715,316	1,872,296	(156,980)	-8%	2,246,755	531,439	24%
Other	358,100	129,651	16,840	2,651	163,189	34,385	704,816	729,618	(24,802)	-3%	875,542	170,726	19%
<b>Total admin</b>	<b>2,433,481</b>	<b>1,993,603</b>	<b>190,220</b>	<b>194,795</b>	<b>2,451,626</b>	<b>169,632</b>	<b>7,433,357</b>	<b>7,693,847</b>	<b>(260,490)</b>	<b>-3%</b>	<b>9,475,527</b>	<b>2,042,170</b>	<b>22%</b>
<b>Tenant Services</b>													
Salaries	110,478	38,854		7,805			157,137	181,021	(23,884)	-13%	231,918	74,781	32%
Contracts and other	41,244			758,449			799,693	832,481	(32,788)	-4%	6,474,239	5,674,546	88%
Employee benefits	27,717	15,987		20,403			64,107	72,405	(8,298)	-11%	86,886	22,779	26%
<b>Total tenant services</b>	<b>179,439</b>	<b>54,841</b>	<b>0</b>	<b>786,657</b>	<b>0</b>	<b>0</b>	<b>1,020,937</b>	<b>1,085,907</b>	<b>(64,970)</b>	<b>-6%</b>	<b>6,793,043</b>	<b>5,772,106</b>	<b>85%</b>
<b>Utilities</b>													
Water	350,978		7,278	1,252			359,508	368,500	(8,992)	-2%	442,200	82,692	19%
Electric	516,804		8,068				524,872	569,208	(44,336)	-8%	683,050	158,178	23%
Gas	510,817		1,503				512,320	439,000	73,320	17%	526,800	14,480	3%
Other							0	0	0	0%	0	0	0%
<b>Total utilities</b>	<b>1,378,599</b>	<b>0</b>	<b>16,849</b>	<b>0</b>	<b>1,252</b>	<b>0</b>	<b>1,396,700</b>	<b>1,376,708</b>	<b>19,992</b>	<b>1%</b>	<b>1,652,050</b>	<b>255,350</b>	<b>15%</b>
<b>Ordinary maintenance</b>													
Labor	699,877		105,422	6,037	42,398		853,734	865,036	(11,302)	-1%	1,106,530	252,796	23%
Overtime	36,376		2,986	369	1,497		41,228	69,583	(28,355)	-41%	83,500	42,272	51%
Employee benefits Maint	258,967		53,813	3,049	17,635		333,464	351,428	(17,964)	-5%	421,714	88,250	21%
Materials	347,938		30,989	3,818	9,604		392,349	531,255	(138,906)	-26%	637,507	245,158	38%
Contract Costs	1,666,237	10,357	138,358	26,520	84,363	3,731	1,929,566	1,150,920	778,646	68%	1,381,104	(548,462)	-40%
<b>Total maintenance</b>	<b>3,009,395</b>	<b>10,357</b>	<b>331,568</b>	<b>26,520</b>	<b>97,636</b>	<b>74,865</b>	<b>3,550,341</b>	<b>2,968,223</b>	<b>582,118</b>	<b>20%</b>	<b>3,630,355</b>	<b>80,014</b>	<b>2%</b>
<b>Construction Costs</b>													
Construction Costs				323,154			323,154	287,500	35,654	12%	345,000	21,846	6%
<b>Total Construction Costs</b>				<b>323,154</b>			<b>323,154</b>	<b>287,500</b>	<b>35,654</b>	<b>12%</b>	<b>345,000</b>	<b>21,846</b>	<b>6%</b>
<b>Protective Services</b>													
Protective Services	467,666				23,515		491,181	632,196	(141,015)	-22%	772,840	281,659	36%
<b>Total protective services</b>	<b>467,666</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>23,515</b>		<b>491,181</b>	<b>632,196</b>	<b>(141,015)</b>	<b>-22%</b>	<b>772,840</b>	<b>281,659</b>	<b>36%</b>

CONSOLIDATED STATEMENT OF REVENUE & EXPENSE

BUDGETED PROGRAM ONLY  
October 1, 2021 - July 31, 2022

LIPH	Section 8 Programs	Scattered Sites	Grants	Corporate	Imperial	ELIMINATIONS	YTD ACTUAL	YTD BUDGET	VARIANCE AMOUNT	PERCENT	ANNUAL BUDGET	REMAINING AMOUNT	PERCENT
<i>General</i>													
Insurance	363,059	57,319	29,114	34,311	8,106		491,909	455,032	36,877	8%	546,038	54,129	10%
Pilot	128,497						128,497	83,428	45,070	54%	100,113	(28,384)	-28%
Collection loss	29,681	13,265					42,946	178,917	(135,971)	-76%	214,700	171,754	80%
Interest Expense	7,778	58,138		1,602			67,518	77,658	(10,140)	-13%	93,190	25,672	28%
Other general expense	875,917						875,917	788,096	87,821	11%	945,715	69,798	7%
<b>Total general</b>	<b>1,404,932</b>	<b>57,319</b>	<b>100,517</b>	<b>0</b>	<b>35,913</b>	<b>8,106</b>	<b>1,606,787</b>	<b>1,583,130</b>	<b>23,657</b>	<b>1%</b>	<b>1,899,756</b>	<b>292,969</b>	<b>15%</b>
<b>Total Operating Expenditures</b>	<b>8,873,512</b>	<b>2,116,120</b>	<b>639,154</b>	<b>1,007,972</b>	<b>2,909,581</b>	<b>276,118</b>	<b>15,822,457</b>	<b>15,627,511</b>	<b>194,946</b>	<b>1%</b>	<b>24,568,571</b>	<b>8,746,114</b>	<b>36%</b>
<i>Other Expenditures</i>													
Operating Transfer Out							0	0	0	0%	0	0	0%
Casualty Losses	52,884		13,175				66,059	0	66,059	100%	0	(66,059)	0%
Housing assistance payments	18,861,993		382,818				19,244,811	21,428,341	(2,183,530)	-10%	25,714,009	6,469,198	25%
<b>Total Other Expenditures</b>	<b>52,884</b>	<b>18,861,993</b>	<b>13,175</b>	<b>382,818</b>	<b>0</b>	<b>0</b>	<b>19,310,870</b>	<b>21,428,341</b>	<b>(2,117,471)</b>	<b>-10%</b>	<b>25,714,009</b>	<b>6,403,139</b>	<b>25%</b>
<b>Total Expenditures</b>	<b>8,926,396</b>	<b>20,978,113</b>	<b>652,329</b>	<b>1,390,790</b>	<b>2,909,581</b>	<b>276,118</b>	<b>35,133,327</b>	<b>37,055,852</b>	<b>(1,922,525)</b>	<b>-5%</b>	<b>50,282,580</b>	<b>15,149,253</b>	<b>30%</b>
<i>Net Income (Loss) Before Depreciation</i>	<b>441,835</b>	<b>(254,225)</b>	<b>(276)</b>	<b>13,513</b>	<b>143,963</b>	<b>34,298</b>	<b>379,108</b>	<b>618,824</b>	<b>(239,716)</b>	<b>-39%</b>	<b>207,138</b>	<b>(171,970)</b>	<b>-83%</b>
Gain/Loss Sales of Real Property							0	0	0	0%	0	0	0%
Depreciation	1,663,145	19,604	112,474	17,249	6,079		1,818,551	2,076,905	(258,354)	-12%	2,492,286	673,735	27%
Extra Ordinary Item							0	0	0	0%	0	0	0%
<b>Net Income (Loss) before HAP Reserves</b>	<b>(1,221,310)</b>	<b>(273,829)</b>	<b>(112,750)</b>	<b>(3,736)</b>	<b>137,884</b>	<b>34,298</b>	<b>(1,439,443)</b>	<b>(1,458,081)</b>	<b>18,638</b>	<b>1%</b>	<b>(2,285,148)</b>	<b>(845,705)</b>	<b>-37%</b>
HAP Reserves		306,586					306,586	0	306,586	100%	0	(306,586)	100%
<b>Net Income (Loss) after HAP Reserves</b>	<b>(1,221,310)</b>	<b>32,757</b>	<b>(112,750)</b>	<b>(3,736)</b>	<b>137,884</b>	<b>34,298</b>	<b>(1,132,857)</b>	<b>(1,458,081)</b>	<b>325,224</b>	<b>22%</b>	<b>(2,285,148)</b>	<b>(1,152,291)</b>	<b>-50%</b>
Debt service	3,642		79,536				83,178	73,191	9,987	14%	87,829	4,651	5%
Capital Exp/Long Term Improvements	17,916		201,325				219,241	0	219,241	100%	2,422,088	2,202,847	-100%
Replacement Reserve Pymts							0	0	0	0%	13,200	13,200	100%
Change In Assets and Liabilities	(602,577)	(62,186)	270,144	(23,874)	(96,149)	(267,816)	(782,458)	0	(782,458)	-100%	0	782,458	0%
Depreciation Add Back	1,663,145	19,604	112,474	17,249	6,079	0	1,818,551	2,076,905	(258,354)	-12%	2,492,286	673,735	27%
<b>Net cash increase (used) in operations</b>	<b>(182,300)</b>	<b>(316,411)</b>	<b>(10,993)</b>	<b>(10,361)</b>	<b>47,814</b>	<b>(233,518)</b>	<b>(705,769)</b>	<b>545,634</b>	<b>(1,251,403)</b>	<b>229%</b>	<b>(2,315,979)</b>	<b>(3,175,126)</b>	<b>(1)</b>

**HOUSING AUTHORITY OF THE CITY OF WINSTON-SALEM**  
**BALANCE SHEET & RATIO DATA**  
As of 7/31/2022

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	973,701.64	1,135,118.96	662,003.79	592,263.66	452,823.79	187,024.61	178,302.99	184,849.18	128,926.02	59,740.46	-293,782.22	84,475.25
1499-00-000 TOTAL NONCURRENT ASSETS	1,763,586.36	1,757,792.05	1,082,106.71	721,157.17	846,721.16	1,099,761.11	2,643,842.06	4,032,346.28	3,080,074.62	2,353,119.69	261,264.06	2,671,237.25
1999-00-000 TOTAL ASSETS	2,737,711.21	2,903,477.04	1,751,067.12	1,313,836.54	1,300,596.54	1,287,160.92	2,822,092.55	4,217,203.43	3,208,954.02	2,413,079.39	-25,836.65	2,757,995.71

<b>2000-00-000 LIABILITIES &amp; EQUITY</b>												
<b>2001-00-000 LIABILITIES:</b>												
2299-00-000 TOTAL CURRENT LIABILITIES	313,123.41	328,947.19	203,236.50	206,753.27	140,856.67	51,998.70	67,245.06	92,641.30	32,523.55	47,667.55	190,498.25	110,911.59
2399-00-000 TOTAL NONCURRENT LIABILITIES	12,825.64	21,844.92	13,969.66	9,136.74	7,207.07	3,323.49	3,323.49	2,619.56	627,711.74	191,240.89	2,739,867.24	2,184,828.08
<b>2499-00-000 TOTAL LIABILITIES</b>	<b>325,949.05</b>	<b>350,792.11</b>	<b>217,206.16</b>	<b>215,890.01</b>	<b>148,063.74</b>	<b>55,322.19</b>	<b>70,568.55</b>	<b>95,260.86</b>	<b>660,235.29</b>	<b>238,908.44</b>	<b>2,930,365.49</b>	<b>2,295,739.67</b>
<b>2800-00-000 EQUITY</b>												
2899-00-000 TOTAL EQUITY	2,411,282.09	2,542,118.90	1,526,904.34	1,097,530.82	1,151,481.21	1,231,463.53	2,751,576.50	4,121,934.60	2,548,765.35	2,173,951.71	-2,962,883.65	459,972.83
<b>2999-00-000 TOTAL LIABILITIES AND EQUITY</b>	<b>2,737,231.14</b>	<b>2,892,911.01</b>	<b>1,744,110.50</b>	<b>1,313,420.83</b>	<b>1,299,544.95</b>	<b>1,286,785.72</b>	<b>2,822,145.05</b>	<b>4,217,195.46</b>	<b>3,209,000.64</b>	<b>2,412,860.15</b>	<b>-32,518.16</b>	<b>2,755,712.50</b>

<b>CURRENT RATIO</b>												
TOTAL CURRENT ASSETS	973,701.64	1,135,118.96	662,003.79	592,263.66	452,823.79	187,024.61	178,302.99	184,849.18	128,926.02	59,740.46	-293,782.22	84,475.25
TOTAL CURRENT LIABILITIES	313,123.41	328,947.19	203,236.50	206,753.27	140,856.67	51,998.70	67,245.06	92,641.30	32,523.55	47,667.55	190,498.25	110,911.59
<b>CURRENT RATIO</b>	<b>3.11</b>	<b>3.45</b>	<b>3.26</b>	<b>2.86</b>	<b>3.21</b>	<b>3.60</b>	<b>2.65</b>	<b>2.00</b>	<b>3.96</b>	<b>1.25</b>	<b>-1.54</b>	<b>0.76</b>

<b>QUICK RATIO</b> (Does not include Inventory)												
TOTAL CURRENT ASSETS (less inventory)	949,349.86	1,097,348.48	658,077.28	587,290.65	446,990.46	185,796.16	177,502.42	184,383.25	125,353.77	59,740.46	-293,782.22	84,475.25
TOTAL CURRENT LIABILITIES	313,123.41	328,947.19	203,236.50	206,753.27	140,856.67	51,998.70	67,245.06	92,641.30	32,523.55	47,667.55	190,498.25	110,911.59
<b>QUICK RATIO</b>	<b>3.03</b>	<b>3.34</b>	<b>3.24</b>	<b>2.84</b>	<b>3.17</b>	<b>3.57</b>	<b>2.64</b>	<b>1.99</b>	<b>3.85</b>	<b>1.25</b>	<b>-1.54</b>	<b>0.76</b>

**INCOME and EXPENSE DATA**  
**10/1/2021-7/31/2022**

		INCOME & EXPENSE DATA WITHOUT DEPRECIATION											
		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
<b>3000-00-000</b>	<b>INCOME</b>												
3199-00-000	NET TENANT INCOME	513,139.09	592,265.46	372,390.20	451,920.02	304,613.00	111,024.19	108,219.77	137,306.15	91,009.98	51,551.48	347,608.61	291,762.53
3499-00-000	TOTAL GRANT INCOME	1,330,325.33	1,265,860.66	633,940.00	543,339.33	218,923.67	198,543.33	138,465.66	112,867.00	51,510.00	1,870.00	0.00	0.00
3699-00-000	TOTAL OTHER INCOME	173,316.16	106,541.88	340,399.79	196,249.64	252,617.91	89.28	52,133.54	37,497.03	26,613.38	19,325.47	12,653.17	29.03
<b>3999-00-000</b>	<b>TOTAL INCOME</b>	<b>2,016,780.58</b>	<b>1,964,668.00</b>	<b>1,346,729.99</b>	<b>1,191,508.99</b>	<b>776,154.58</b>	<b>309,656.80</b>	<b>298,818.97</b>	<b>287,670.18</b>	<b>169,133.36</b>	<b>72,746.95</b>	<b>360,261.78</b>	<b>291,791.56</b>

<b>4000-00-000</b>	<b>EXPENSES</b>												
4199-00-000	TOTAL ADMINISTRATIVE EXPENSES	439,363.13	525,049.89	420,162.97	402,373.99	233,958.83	112,519.06	101,882.48	96,007.39	63,142.88	23,977.39	123,599.41	66,621.55
4299-00-000	TOTAL TENANT SERVICES EXPENSES	29,957.93	30,460.78	36,954.68	31,609.82	25,897.07	6,210.27	6,458.84	5,589.75	3,846.70	2,452.66	0.00	0.00
4399-00-000	TOTAL UTILITY EXPENSES	456,862.15	445,141.81	180,425.49	148,993.10	84,304.15	5,748.93	18,075.31	27,768.95	6,877.06	4,402.19	9,115.81	7,733.83
4499-00-000	TOTAL MAINTENANCE EXPENSES	825,203.39	613,876.95	448,538.43	408,959.79	234,885.02	138,765.90	132,322.66	113,870.26	54,299.73	38,136.79	263,090.29	68,476.51
4499-99-000	TOTAL PROTECTIVE SERVICES	82,943.31	60,939.04	106,505.28	104,288.14	96,674.61	3,009.89	4,056.26	3,368.37	3,329.62	2,551.31	0.00	0.00
4599-00-000	TOTAL GENERAL EXPENSES	60,745.21	89,181.64	128,192.08	122,887.88	55,067.57	12,990.27	25,019.18	24,401.54	12,945.71	-1,274.06	24,244.82	18,133.85
4699-00-000	TOTAL CASUALTY LOSS / EXTRAORDINARY MAINT	52,883.96	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	13,175.00	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	7,778.26	0.00	58,137.86
5999-00-000	TOTAL NONOPERATING ITEMS	435,766.32	384,013.24	151,379.73	84,836.11	95,446.02	69,960.35	114,837.44	146,450.75	110,213.90	70,241.10	22,133.89	90,339.95
<b>8000-00-000</b>	<b>TOTAL EXPENSES</b>	<b>2,383,725.40</b>	<b>2,148,663.35</b>	<b>1,472,158.66</b>	<b>1,303,948.83</b>	<b>826,233.27</b>	<b>349,204.67</b>	<b>402,652.17</b>	<b>417,457.01</b>	<b>254,655.60</b>	<b>148,265.64</b>	<b>455,359.22</b>	<b>309,443.55</b>
	<b>TOTAL EXPENSES (NO DEPRECIATION)</b>	<b>1,947,959.08</b>	<b>1,764,650.11</b>	<b>1,320,778.93</b>	<b>1,219,112.72</b>	<b>730,787.25</b>	<b>279,244.32</b>	<b>287,814.73</b>	<b>271,006.26</b>	<b>144,441.70</b>	<b>78,024.54</b>	<b>433,225.33</b>	<b>219,103.60</b>

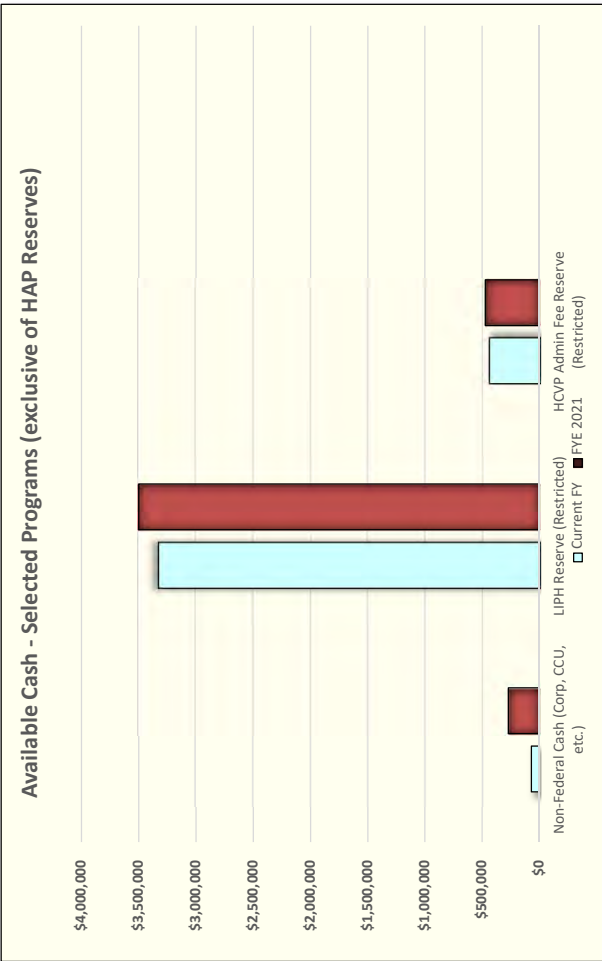
<b>9000-00-000</b>	<b>NET INCOME</b>	<b>-366,944.82</b>	<b>-183,995.35</b>	<b>-125,428.67</b>	<b>-112,439.84</b>	<b>-50,078.69</b>	<b>-39,547.87</b>	<b>-103,833.20</b>	<b>-129,786.83</b>	<b>-85,522.24</b>	<b>-75,518.69</b>	<b>-95,097.44</b>	<b>-17,651.99</b>
	<b>NET INCOME (LOSS) NO DEPRECIATION</b>	<b>68,821.50</b>	<b>200,017.89</b>	<b>25,951.06</b>	<b>-27,603.73</b>	<b>45,367.33</b>	<b>30,412.48</b>	<b>11,004.24</b>	<b>16,663.92</b>	<b>24,691.66</b>	<b>-5,277.59</b>	<b>-72,963.55</b>	<b>72,687.96</b>

		LIPH CASH FLOW DATA											
		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
NET INCOME (LOSS)		-366,944.82	-183,995.35	-125,428.67	-112,439.84	-50,078.69	-39,547.87	-103,833.20	-129,786.83	-85,522.24	-75,518.69	-95,097.44	-17,651.99
Capital Expense/Long Term Improvements		7,900.00							10,016.00			201,325.00	
Replacement Reserve Payments													
Extraordinary Items													
Depreciation Add Back		435,766.32	384,013.24	151,379.73	84,836.11	95,446.02	69,960.35	114,837.44	146,450.75	110,213.90	70,241.10	22,133.89	90,339.95
Net Cash Increase (Used) in Operations		76,721.50	200,017.89	25,951.06	-27,603.73	45,367.33	30,412.48	11,004.24	26,679.92	24,691.66	-5,277.59	128,361.45	72,687.96

		LIPH UNIT DATA											
		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
# of Housing Units		240	244	195	201	106	49	48	50	30	15	78	44
Rental Months Year To Date		10	10	10	10	10	10	10	10	10	20	10	10
# Unit Months Year to Date		2,400	2,440	1,950	2,010	1,060	490	480	500	300	127	780	440
Average Rent Per Unit Month		188.23	214.78	176.18	223.72	283.47	222.80	224.25	268.32	300.50	397.40	432.46	653.87
Average Subsidy Per Unit		554.30	518.80	325.10	270.32	206.53	405.19	288.47	225.73	171.70	14.72	-	-
		742.53	733.58	501.28	494.04	490.01	627.99	512.72	494.05	472.20	412.13	432.46	653.87

\* Brookside units came on-line during fiscal year

AVAILABLE CASH (exclusive of HAP Reserves)		Current FY	FYE 2021	Change Over Prior FY
7/31/2022				
Non-Federal Cash (Corp, CCU, etc.)		\$69,827	\$272,239	(\$202,412)
LIPH Reserve (Restricted)		\$3,317,549	\$3,499,849	(\$182,300)
HCVF Admin Fee Reserve (Restricted)		\$440,075	\$473,083	(\$33,008)
Total Available Cash (excludes HAP reserve)		\$3,827,451	\$4,245,171	(\$417,720)



NET INCOME (LOSS) - (Selected Programs)			
10/1/21-7/31/22			
	Current FY	Current Budget	Average Last 3 FYs
HCV Admin	\$52,361	\$64,625	\$813,447
Imperial	\$34,298	\$46,406	\$57,690
Corporate	\$143,963	\$220,325	(\$220,387)
003lr Piedmont	\$68,822	\$14,013	\$420,409
006lr Cleveland	\$200,018	\$10,255	\$243,829
008lr Sunrise	\$25,951	\$36,674	\$319,156
009lr Crystal	(\$27,604)	(\$5,500)	\$125,220
012lr Healy	\$45,367	\$44,898	\$260,037
021lr Townview	\$30,412	\$15,427	\$20,368
022lr Stoney Glen	\$11,004	\$14,401	\$19,913
037lr The Oaks	\$16,664	\$17,285	\$2,755
038lr Camden Station	\$24,692	\$8,933	\$2,372
040lr Brookside View	(\$5,278)	\$2,694	\$153,219
160mr Plaza	(\$72,964)	\$26,554	\$34,582
165mr Drayton Pines	\$72,688	\$81,709	\$47,545
Total Selected Programs	\$620,394	\$598,699	\$2,300,155
Depreciation	(\$1,801,302)	\$1,830,587	(\$2,561,514)
Total Selected Programs Net of Depreciation	(\$1,180,908)	\$2,429,286	(\$261,359)



**RESOLUTION NO. 2186**

**AUTHORIZING APPROVAL OF THE 2023 OPERATING BUDGET**

**WHEREAS**, the Management of the Housing Authority of the City of Winston-Salem has prepared the Operating Budget for the fiscal year ending September 30, 2023; and

**WHEREAS**, the Authority has met all requirements and guidelines as prescribed by HUD; and

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Commissioners hereby approves the Operating Budget for fiscal year ending September 30, 2023.

Adopted On: \_\_\_\_\_ (Date)

Signed: \_\_\_\_\_  
Kevin Cheshire  
Board Secretary

# **Housing Authority of Winston-Salem 2023 Operating Budget**



## **Housing Authority of Winston Salem**

### **2023 Budget assumptions:**

- **LRPH Operating subsidy budget funded at 95%**
- **LRPH Occupancy levels 98%**
- **HCV Funded Admin Fees are budgeted at current rate of \$71.71 and proration of 85%**
- **HCV Occupancy level at 85%**
- **Inflation was factored into maintenance costs for materials and contracts**
- **A two to seven percent salary expense increase allows for cost of living salary increases, merit salary increases as well as potential merit bonuses for staff**
- **Changes from FY22 budgeted positions include:**
  - **Reduction of three positions in HCV program**

HOUSING AUTHORITY OF WINSTON-SALEM  
OPERATING BUDGET  
FY 23

HAWS Total	LIPH	Housing Choice Voucher Programs	Scattered Sites	Grants	Corporate	Imperial	2023 PHA Budget	2022 PHA Budget	2023 Budget vs 2022 Budget	2021 PHA Actual	2023 Budget vs 2021 Actual
Operating Income											
HUD subsidy/grants & admin fees	6,445,182	26,125,816	0	7,718,107	0	0	40,289,105	40,740,377	(451,272)	34,055,608	6,233,497
Dwelling rents	2,952,696	0	795,378	0	0	0	3,748,074	3,668,609	79,465	3,520,875	227,199
Excess utilities & other	68,246	0	0	0	0	0	68,246	74,002	(5,756)	113,345	(45,099)
Capital/Operating/Reserves transfer in	1,084,750	0	0	0	450,000	0	1,534,750	1,219,890	314,860	1,159,308	375,442
Other income	158,017	33,075	14,750	461,050	311,035	0	977,927	1,521,263	(543,336)	1,692,688	(714,161)
Construction revenue	0	0	0	0	0	0	0	345,406	(345,406)	977,178	(977,178)
Management fees	0	0	0	43,200	2,097,166	305,056	2,445,422	2,527,345	(81,923)	2,423,307	22,115
Interest on HOPE VI Funds	0	0	0	0	392,770	0	392,770	392,825	(55)	395,114	(2,344)
Total Income	10,708,891	26,158,891	810,128	8,222,357	3,250,971	305,056	49,456,294	50,489,717	(1,033,423)	44,337,423	5,118,871
Operating Expenditures											
Administrative											
Salaries	873,260	804,992	103,385	103,835	2,020,349	24,247	3,930,068	3,999,228	(69,160)	3,793,549	136,519
Employee benefits	353,719	358,297	22,849	31,150	690,183	107,65	1,466,963	1,427,445	39,518	1,410,829	56,134
Legal and accounting	102,924	11,212	1,350	50,000	6,500	0	171,986	199,710	(27,724)	128,502	43,484
Audit	45,188	15,705	4,294	0	4,181	2,216	71,584	71,444	140	71,759	(175)
Travel and training	18,800	2,500	350	0	39,300	800	61,750	65,270	(3,520)	25,644	36,106
Office rent	263,426	172,971	0	0	94,473	8,597	539,467	527,206	12,261	762,551	(223,084)
Employee Parking	1,736	9,120	0	0	6,960	1,710	19,526	17,670	1,856	17,078	2,448
Management fees	1,032,851	1,001,945	95,135	43,200	0	0	2,173,131	2,246,756	(73,625)	2,101,545	71,586
Other	415,986	134,505	18,703	0	166,836	22,364	758,394	921,799	(163,405)	837,305	(78,911)
Total admin	3,107,890	2,511,247	246,066	228,185	3,028,782	70,699	9,192,869	9,476,528	(283,659)	9,148,762	44,107
Tenant Services											
Salaries	144,741	49,736	0	48,047	0	0	242,524	231,918	10,606	93,607	148,917
Contracts and other	116,087	0	0	7,464,722	0	0	7,580,809	6,474,239	1,106,570	1,005,852	6,574,957
Employee benefits	41,870	20,326	0	20,353	0	0	82,549	86,888	(4,339)	45,669	36,880
Total tenant services	302,698	70,062	0	7,533,122	0	0	7,905,882	6,793,045	1,112,837	1,145,128	6,760,754
Utilities											
Water	423,737	0	7,745	0	500	0	431,982	441,700	(9,718)	441,761	(9,779)
Electric	711,698	0	9,477	0	0	0	721,175	683,050	38,125	696,731	24,444
Gas	496,859	0	2,214	0	0	0	499,073	526,800	(27,727)	399,209	99,864
Total utilities	1,632,294	0	19,436	0	500	0	1,652,230	1,651,550	680	1,537,701	114,529
Ordinary maintenance											
Labor	944,818	0	137,827	0	8,013	69,183	1,159,841	1,106,530	53,311	952,845	206,996
Temporary help / Overtime	67,500	0	4,000	0	0	2,500	74,000	83,500	(9,500)	228,053	(154,053)
Employee benefits Maint	416,538	0	71,874	0	2,304	35,442	526,158	429,662	96,496	410,604	115,554
Materials	447,950	500	44,100	0	5,400	4,450	502,400	491,604	10,796	401,379	101,021
Contract costs	1,322,694	10,000	112,320	41,377	84,563	2,000	1,572,954	1,526,101	46,853	1,861,073	(288,119)
Total maintenance	3,199,500	10,500	370,121	41,377	100,280	113,575	3,835,353	3,637,397	197,956	3,853,954	(18,601)
Construction Expense					0		0	345,406	(345,406)	975,505	(975,505)

HOUSING AUTHORITY OF WINSTON-SALEM  
OPERATING BUDGET  
FY 23

HAWS Total	LIPH	Housing Choice Voucher Programs	Scattered Sites	Grants	Corporate	Imperial	2023 PHA Budget	2022 PHA Budget	2023 Budget vs 2022 Budget	2021 PHA Actual	2023 Budget vs 2021 Actual
Total construction expense					0		0	345,406	(345,406)	975,505	(975,505)
Protective Services											
Salaries	165,000	0	1,500	0	0	29,423	195,923	426,891	(230,968)	357,263	(161,340)
Contracts	570,322	0	0	0	0	0	570,322	338,000	232,322	393,357	176,965
Total protective services	735,322	0	1,500	0	0	29,423	766,245	764,891	1,354	750,620	15,625
General											
Insurance	460,998	66,866	39,423	0	30,570	10,471	608,328	546,037	62,291	528,706	79,622
Pilot	132,187	0	0	0	0	0	132,187	100,113	32,074	115,038	17,149
Collection loss	76,000	0	12,500	0	0	0	88,500	214,700	(126,200)	383,506	(295,006)
Interest Expense	8,881	0	65,916	0	20,000	0	94,797	93,190	1,607	92,154	2,643
Other general expense (HOPEVI Subsidy)	1,046,302	0	0	0	0	0	1,046,302	945,715	100,587	978,983	67,319
Total general	1,724,368	66,866	117,839	0	50,570	10,471	1,970,114	1,899,755	70,359	2,098,387	(128,273)
Total Operating Expenditures	10,702,072	2,658,675	754,962	7,802,684	3,180,132	224,168	25,322,693	24,568,572	754,121	19,510,057	5,812,636
Other Expenditures											
Housing assistance payments	0	23,499,239	0	401,050	0	0	23,900,289	25,714,009	(1,813,720)	24,483,954	(583,665)
Total Other Expenditures	0	23,499,239	0	401,050	0	0	23,900,289	25,714,009	(1,813,720)	24,483,954	(583,665)
Total Expenditures	10,702,072	26,157,914	754,962	8,203,734	3,180,132	224,168	49,222,982	50,282,581	(1,059,599)	43,994,011	5,228,971
Excess (deficiency) of total revenue over (under) expenses before depreciation and capital revenue	6,819	977	55,166	18,623	70,839	80,888	233,312	207,136	26,176	343,412	(110,100)
Capital Fund Revenue	1,700,000						1,700,000	2,422,088	(722,088)	1,205,684	494,316
Depreciation	1,583,362	20,206	134,273	18,623	2,346		1,758,810	2,492,286	(733,476)	2,498,337	(739,527)
Excess (deficiency) of total revenue over (under) expenses	123,457	(19,229)	(79,107)	0	68,493	80,888	174,502	136,938	37,564	(949,241)	1,123,743
Debt service	4,823	0	57,338	0	0	0	62,161	78,425	(16,264)	67,247	(5,086)
Depreciation	1,583,362	20,206	134,273	18,623	2,346	0	1,758,810	2,492,286	(733,476)	2,498,337	(739,527)
Capital expenditures/long term improvements	1,700,000	0	0	0	0	0	1,700,000	2,422,088	(722,088)	1,411,151	288,849
Replacement Reserve Payments	0	0	13,200	0	0	0	13,200	13,200	0	-	13,200
Net cash increase (used) in operations	1,996	977	(15,372)	18,623	70,839	80,888	157,951	115,511	42,440	70,698	87,253

**RESOLUTION NO. 2187**

**RESOLUTION ADOPTING THE HOUSING AUTHORITY OF THE CITY OF  
WINSTON-SALEM Family Self-Sufficiency (FSS) Action Plan**

**WHEREAS**, the Housing Authority has completed the HUD Public Housing Authority (PHA) FSS Action Plan detailing any revisions to the Authority's policies related to the Housing Choice Voucher FSS Program.

**WHEREAS**, a meeting of the Resident Advisory Board was held on September 12, 2022, for the purpose of presenting the proposed FSS Action Plan and seeking comments; and a copy of such comments are incorporated into the FSS Action Plan; and

**WHEREAS**, a public hearing notice was published in the Winston-Salem Journal on July 16, 2022 announcing the required public hearing; and

**WHEREAS**, a public hearing was held on September 12, 2022 at 12:00 p.m. for the purpose of presenting the FSS Action Plan to the general public and seeking comments.

**WHEREAS**, the submission of the FSS Action Plan requires submission to HUD on September 30, 2022

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Commissioners hereby approves and authorizes the PHA FSS Action Plan (attached hereto as Exhibit A).

Adopted On: \_\_\_\_\_ (Date)

Signed: \_\_\_\_\_  
Kevin Cheshire  
Board Secretary

## **Chapter 1**

### **THE FAMILY SELF-SUFFICIENCY PROGRAM AND THE FSS ACTION PLAN**

#### **INTRODUCTION**

This chapter provides an overview of the family self-sufficiency (FSS) program and FSS action plan, including the purpose, organization, and required contents of the FSS action plan.

Part I: The Family Self-Sufficiency (FSS) Program and FSS Action Plan: This part provides an overview of the family self-sufficiency program and the purpose of the FSS action plan.

Part II: Requirements of the FSS Action Plan: This part covers action plan requirements, including development, revision, and contents of the action plan. It also contains information on family demographics, which is part of the required contents of the action plan.

#### **PART I: THE FAMILY SELF-SUFFICIENCY (FSS) PROGRAM AND FSS ACTION PLAN**

##### **1-I.A. OVERVIEW OF THE FAMILY SELF-SUFFICIENCY PROGRAM**

The origins of the FSS program are in two pilot projects implemented in 1986 and 1990, Project Self-Sufficiency and Operation Bootstrap, respectively. These projects were set up to test self-sufficiency programs for families with housing subsidies, and both demonstrated that families needed essential services to move toward economic self-sufficiency. These services include child care, transportation, medical care, and long-term education and training.

In the wake of the successful demonstration of these projects, family self-sufficiency became one of the initiatives under the Homeownership and Housing Opportunities for People Everywhere (HOPE) program enacted in 1990, and the FSS program was subsequently created under the National Affordable Housing Act the same year.

FSS built upon and refined both Project Self-Sufficiency and the Bootstrap program. It remained a voluntary program in 1991 and 1992 but became mandatory in 1993 for any new increments of funding issued to PHAs. The 1993 regulations were further modified by the Quality Housing and Work Responsibility Act of 1998 (QHWRA). In 2018, expansive changes were made to the FSS program by the Economic Growth, Regulatory Relief, and Consumer Protection Act known as “the Economic Growth Act” or “the Act.”

The purpose of the FSS program is to coordinate housing assistance with public and private resources to enable assisted families to achieve economic self-sufficiency. The purpose and basic requirements of the FSS program are further elaborated upon in Chapter 2.

This family self-sufficiency program is administered by the - Housing Authority of Winston-Salem for the jurisdiction of the City of Winston-Salem/ County of Forsyth.

## **1-I.B. APPLICABLE REGULATIONS**

Applicable regulations for Section 8 and public housing FSS programs include:

- 24 CFR Part 5: General Program Requirements
- 24 CFR Part 8: Nondiscrimination
- 24 CFR Part 902: Public Housing Assessment System
- 24 CFR Part 903: Public Housing Agency Plans
- 24 CFR Part 945: Designated Housing
- 24 CFR Part 960: Public Housing Admission and Occupancy Policies
- 24 CFR Part 965: PHA-Owned or Leased Projects—General Provisions
- 24 CFR Part 966: Public Housing Lease and Grievance Procedures
- 24 CFR Part 982: Section 8 Tenant-Based Assistance: Housing Choice Voucher Program
- 24 CFR Part 984: Section 8 and Public Housing Family Self-Sufficiency Program

## **1-I.C. THE FAMILY SELF-SUFFICIENCY ACTION PLAN**

The family self-sufficiency (FSS) action plan is required by HUD. The purpose of the FSS action plan is to establish policies for conducting the family self-sufficiency program in a manner consistent with HUD requirements and local goals and objectives contained in the PHA's Agency Plan. This FSS action plan is a supporting document to the PHA Agency Plan and is available for public review as required by 24 CFR Part 903.

This family self-sufficiency action plan is set forth to define the PHA's local policies for operation of the program in the context of federal laws and regulations. All issues related to FSS not addressed in this document are governed by such federal regulations, HUD handbooks and guidebooks, notices, and other applicable laws. The policies in this FSS action plan have been designed to ensure compliance with the consolidated ACC and all HUD-approved applications for program funding.

The PHA is responsible for complying with all changes in HUD regulations pertaining to the FSS program. If such changes conflict with this plan, HUD regulations will take precedence.

Administration of the FSS program and the functions and responsibilities of PHA staff shall comply with the PHA's personnel policy and HUD's family self-sufficiency regulations, as well as all Section 8 and public housing regulations, in addition to federal, state, and local fair housing laws and regulations.

## **PART II: REQUIREMENTS OF THE FSS ACTION PLAN**

### **1-II.A. OVERVIEW**

A PHA must have a HUD-approved action plan before implementing an FSS program, regardless of whether the FSS program is a mandatory or voluntary program. Further, this action plan must comply with the requirements specified for the plan in the regulations [24 CFR 984.201(a)].

The regulatory requirements dealing specifically with the FSS action plan itself largely involve the development, revision, and required contents of the action plan. This part covers those requirements.

### **1-II.B. HUD APPROACH TO POLICY DEVELOPMENT**

In developing policy for the FSS action plan, PHAs need to be aware of the distinction HUD makes between mandatory and discretionary policies.

- *Mandatory policies* are those driven by legislation, regulations, current handbooks, notices, and legal opinions.
- *Discretionary policies* consist of those developed for areas in which the PHA has regulatory discretion, or regarding optional, nonbinding guidance including guidebooks, notices that have expired, and recommendations from individual HUD staff.

HUD expects PHAs to develop policies and procedures that are consistent with mandatory regulations and to make clear the optional policies the PHA has adopted. The PHA's FSS action plan is the foundation of those policies and procedures for the FSS program. HUD's directions require PHAs to make policy choices that provide guidance to staff and consistency to program applicants and participants.

Following HUD guidance, even though it is not mandatory, provides a PHA with a "safe harbor." HUD has already determined that the recommendations and suggestions it makes are consistent with mandatory policies. If a PHA adopts an alternative strategy, it must make its own determination that the alternative approach is consistent with legislation, regulations, and other mandatory requirements. There may be very good reasons for adopting a policy or procedure that is different than HUD's safe harbor, but PHAs should carefully consider those decisions.

## **1-II.C. FSS ACTION PLAN DEVELOPMENT AND REVISION**

### **Development of Action Plan [24 CFR 984.201(b) and (c)]**

When developing an FSS action plan, a PHA must do so in consultation with the chief executive officer of the applicable unit of general local government and the program coordinating committee (PCC).

For all voluntary or mandatory FSS programs, the PHA must submit its action plan and obtain HUD approval of the plan before it can implement the FSS program. This includes a voluntary program established because the PHA chose to implement an FSS program that exceeds the minimum size for a mandatory program (see Section 2-II.A. for a discussion of mandatory versus voluntary FSS programs).

### **Single Action Plan [24 CFR 984.201(f)]**

PHAs implementing both a Section 8 FSS program and a public or Indian housing FSS program may submit one action plan. In cases where the PHA decides to submit one plan for more than one program, the policies contained in the action plan would apply to both programs.

#### PHA Policy

The PHA is implementing a Section 8 FSS program, which may include tenant-based and project-based Section 8 vouchers, HCV Homeownership, Moderate Rehabilitation, Family Unification Program (FUP), and Foster Youth to Independence Initiative (FYI). -

### **Revision to the FSS Action Plan [24 CFR 984.201(c)(2)]**

Following HUD's initial approval of the action plan, no further approval of the action plan is required unless the PHA proposes to make policy changes to the action plan, increase the size of a voluntary program, or revise the FSS action plan as needed to comply with changes in HUD regulations. The PHA must submit any changes to the action plan to HUD for approval.

#### PHA Policy

The PHA will review and update the action plan as needed, to reflect changes in regulations, PHA operations, or when needed to ensure staff consistency in operation.



## **1-II.D. CONTENTS OF THE PLAN [24CFR 984.201(d)]**

HUD regulations state that there are several components that must be included in the FSS action plan. At a minimum, the action plan must cover the policies and procedures of the PHA for operation of a local FSS program as follows:

- Family demographics, including a description of the number, size, characteristics, and other demographics such as racial and ethnic data, in addition to the supportive service needs of the families expected to participate in the program. (Chapter 1)
- Estimate of participating families, which means the number of families which can reasonably be expected to receive supportive services under the FSS program. (Chapter 2)
- Eligible families from any other local self-sufficiency program who are expected to agree to executing an FSS contract of participation. (Chapter 2)
- A statement of the PHA's FSS family selection procedures, including a description of how the procedures ensure that families are selected without regard to race, color, religion, disability, sex, familial status, or national origin. (Chapter 4)
- A description of the incentives that the PHA intends to offer to families to encourage participation in the FSS program (an incentives plan), including the establishment of the escrow account. (Chapter 4)
- Outreach efforts, which include a description of the PHA's efforts to recruit eligible families, the actions the PHA will take to ensure that both minority and nonminority groups are informed about the FSS program, and how the PHA will make this information known. (Chapter 4)
- A description of the FSS activities and supportive services to be provided by both public and private resources to FSS families, and identification of these public and private resources. (Chapter 4)
- A description of the PHA's method for identifying family support needs, including how the PHA will identify the needs and deliver the services. (Chapter 4)
- A description of the PHA's policies regarding program termination or withholding of services based on a family's failure to comply with the FSS contract, and available grievance procedures. (Chapter 5)
- Assurances of noninterference with rights of non-participating families which state that a family's election to not participate in the FSS program will not affect the family's admission to the Section 8 or public housing program, nor will it affect their right to occupancy in accordance with its lease. (Chapter 4)
- A timetable for implementation of the FSS program, including the schedule for filling FSS slots with eligible FSS families. (Chapter 2)

- A certification that development of the services and activities under the FSS program has been coordinated with programs under Title I of the Workforce Innovation and Opportunity Act, other relevant employment, childcare, transportation, training, education, and financial empowerment programs in the area, and will continue to be coordinated to avoid duplication of services and activities.

**Optional Additional Information [24 CFR 984.201(d)(13)].**

- HUD encourages additional information in the action plan that would help to determine the soundness of the PHAs proposed FSS program.

PHA Policy

The PHA will submit additional optional information in this action plan that will help HUD determine the soundness of the proposed FSS program.

This information includes:

Policies related to the modification of goals in the ITSP. (Chapter 5)

Policies on the circumstances in which an extension of the contract of participation may be granted. (Chapter 5)

Policies on the interim disbursement of escrow, including any limitations on the use of the funds. (Chapter 6)

Policies regarding eligible uses of forfeited escrow funds by families in good standing. (Chapter 6)

Policies regarding the re-enrollment of previous FSS participants, including graduates and those who exited the program without graduating. (Chapter 4)

Policies on requirements for documentation for goal completion. (Chapter 4)

Policies on documentation of the household's designation of the "head of FSS family." (Chapter 4)

Policies for providing an FSS selection preference for porting families if the PHA elects to offer such a preference. (Chapter 7)

## 1-II.E. FAMILY DEMOGRAPHICS [24 CFR 984.201(d)(1)]

As part of the required contents of the FSS action plan, family demographics of the Section 8 and public housing program participants serve to provide a description of the number, size, characteristics, and other descriptive data (including racial and ethnic data of those participants). These data may later be used to help the housing authority and the program coordinating committee (PCC) to identify supportive service needs of the families expected to participate in the FSS program.

### PHA Policy

<b>Section 8 and Public Housing</b>	<b>Total Families</b>	<b>Percent of Total</b>
<b>All Families</b>		
Single	1246	35.52%
Female HOH	2967	84.58%
Male HOH	541	15.42%
<b>Race</b>		
White	317	9.04%
Black/African American	3176	90.54%
American Indian/Alaska Native	7	0.20%
Asian	2	0.06%
Native Hawaiian/Other Pacific Islander	6	0.17%
<b>Ethnicity</b>		
Hispanic or Latino	127	3.62%
Not Hispanic or Latino	3381	96.38%
<b>Income</b>		
Extremely Low-Income	2851	81.27%
Very Low-Income	458	13.06%
Low-Income	199	5.67%
HOH Income from Wages	1128	32.16%
Other Member Income from Wages	1034	29.48%
HOH Income from TANF	80	2.28%
Other Member Income from TANF	25	0.71%
HOH Income from SSI	1360	38.77%
Other Member Income from SSI	1111	31.67%
<b>Number of Children</b>		
0	1246	35.52%
1-2	1127	32.13%
3-4	932	26.57%
5 or more	203	5.78%

<b>Total Number of Family Members</b>		
1-2	1974	56.27%
3-4	1159	33.04%
5 or more	375	10.69%
<b>Persons with Disabilities</b>		
HOH Person w/ Disabilities (HUD)	1156	32.95%
Family Members w/ Disabilities	378	10.78%

## Chapter 2

### PURPOSE, SCOPE, AND APPLICABILITY OF THE FAMILY SELF-SUFFICIENCY PROGRAM

#### INTRODUCTION

This chapter contains information about the FSS program's purpose, size, and measurable objectives as well as information on program operation. This includes potential participant demographics, the program timetable, the number of families to be served, and the size of the PHA's voluntary FSS program. This chapter also contains definitions of the key terms in this FSS action plan.

Part I: The Purpose and Basic Requirements of the FSS program: This part includes a description of the purpose of the FSS program on a national level—its intent, goal, and major strategies.

Part II: The Scope of the FSS program: This part contains information about housing assistance programs eligible to participate in FSS, the size of the PHA's FSS program, an estimate of participating families, eligible families from other self-sufficiency programs, and eligibility for combined FSS programs.

Part III: Program Operation: This part specifies the requirements for FSS program operation, including voluntary FSS program implementation.

Part IV: The Definitions of Terms Used in the PHA's FSS program: This section contains both HUD and PHA definitions for terms used in this policy document.



## **PART I: PURPOSE AND BASIC REQUIREMENTS OF THE FSS PROGRAM**

### **2-I.A. PURPOSE**

The purpose of the family self-sufficiency (FSS) program is to promote the development of local strategies to coordinate the use of Section 8 and public housing assistance programs with public and private resources enabling families eligible to receive assistance under these programs to achieve economic independence and self-sufficiency [984.101(a)(1)].

In addition to this broader national goal of the FSS program, the PHA also establishes a local goal consistent with the PHA's mission statement to serve as a guide for establishing policy and implementing the FSS program.

#### PHA Policy

The PHA's local goal in operating this FSS program is to match housing-assisted families with a broad range of highly collaborative existing community services to assist FSS families in achieving economic self-sufficiency. *Economic self-sufficiency* is defined as having the sustainable skills necessary to maintain employment paying a "living wage." This wage would pay for the family's basic needs without the use of government subsidies.

### **2-I.B. PROGRAM OBJECTIVES [24 CFR 984.102]**

In order to reach the FSS national program goal, HUD has defined its FSS program objective as to reduce the dependency of low-income families on welfare assistance and on housing subsidies. Under the FSS program, low-income families are provided opportunities for education, job training, counseling, and other forms of social service assistance while living in assisted housing so that they may obtain the education, employment, business and social skills necessary to achieve self-sufficiency. As with the goals of the program, FSS program objectives are defined on the national level through FSS regulation, and on the local level by PHA policy.

#### PHA Policy

On the local level, the PHA will achieve the national program objective by offering low-income families a broad range of services through partnering with the program coordinating committee (PCC). These services will provide long-term education, job training, counseling, and other forms of social service assistance so that families may achieve economic self-sufficiency, as defined in Section 2-I.A. of this document.

### **2-I.C. BASIC REQUIREMENTS OF THE FSS PROGRAM [24 CFR 984.104]**

An FSS program established under 24 CFR Part 984 must operate in conformity with the regulations and this FSS action plan (as required in 24 CFR 984.201, provide comprehensive supportive services as defined in 24 CFR 984.103, and operate in compliance with nondiscrimination and equal opportunity requirements.





## **PART II: SCOPE OF THE FSS PROGRAM**

### **2-II.A. HOUSING-ASSISTED FAMILIES ELIGIBLE TO PARTICIPATE IN FSS**

The Section 8 and public housing programs through which families are eligible to participate in the FSS program was expanded by the 2018 Economic Growth Act to allow participants in HCV Homeownership, Moderate Rehabilitation, Moderate Rehabilitation Single Room Occupancy, and Family Unification Program (FUP), including the Foster Youth to Independence (FYI) Initiative.

### **2-II.B. PHAs REQUIRED TO OPERATE AN FSS PROGRAM**

Each PHA that received funding for public housing units under the FY 1991 and FY 1992 FSS incentive award competitions must operate a public housing FSS program. Each PHA that received funding for Section 8 rental certificates or vouchers under the combined FY 1991/1992 FSS incentive award competition also must operate a Section 8 FSS program.

In addition, unless the PHA receives an exemption under 24 CFR 984.105, each PHA for which HUD reserved funding (budget authority) for additional rental certificates or vouchers in FY 1993 through October 20, 1998, must operate a Section 8 FSS program. Each PHA for which HUD reserved funding (budget authority) to acquire or construct additional public housing units in FY 1993 through October 20, 1998, must operate a public housing FSS program as well.

Every PHA that was required to administer an FSS program on May 24, 2018 (the enactment date of the Economic Growth, Regulatory Relief, and Consumer Protection Act) must continue to operate that FSS program for the total number of families determined by HUD on that date unless the PHA receives an exception as described in 24 CFR 984.105(d).

#### **Mandatory Minimum Program Size (MMPS) [24 CFR 984.105]**

PHAs that are required to operate an FSS program under 24 CFR 984.101 are subject to a minimum program size requirement.

##### PHA Minimum Program Size

As determined by HUD as of May 24, 2018, the PHA's FSS MMPS is 221.

#### ***Maintaining Mandatory Minimum Program Size***

Although the discretion to do so ultimately rests with the PHA, mandatory minimum program size can decrease as FSS participants successfully complete the program. Per the regulation, for each family that completes the program by fulfilling its FSS contract of participation on or after May 24, 2018, the mandatory minimum program size for a PHA's FSS program is reduced by one slot. However, if an FSS slot is vacated by a family that has not completed its FSS contract of participation obligations, the slot must be filled by a replacement family which has been selected in accordance with the FSS family selection procedures [24 CFR 984.105(b)(2)].

##### PHA Policy

The PHA will reduce the FSS mandatory minimum program size by one for each family that completes the program by fulfilling its FSS contract of participation.

### ***Option to Operate Larger FSS Program***

A PHA may choose to operate an FSS program of a larger size than the minimum required by HUD [24 CFR 984.105(a)(3)].

#### **PHA Policy**

The PHA will not operate an FSS program of a larger size than its mandatory minimum program size.

### ***Exception to Program Operation [24 CFR 984.105(c)]***

The requirement to establish and carry out an FSS program may be waived with approval from HUD. In order to waive the requirement, the PHA must provide a certification to HUD that the establishment and operation of an FSS program is not feasible because of a lack of accessible supportive services funding, a lack of the availability of programs under the Workforce Innovation and Opportunity Act, a lack of funding for reasonable administrative costs, a lack of cooperation by other units of state or local government, or a lack of interest in participating in the FSS program on the part of eligible families.

An exception will not be granted if HUD determines that local circumstances do not preclude the PHA from effectively operating an FSS program that is smaller than the minimum program size.

### ***Reduction in Program Size***

Rather than a full exception to program operation, a PHA may also be permitted to operate an FSS program that is smaller than the minimum program size. As with the full exception, HUD may grant the PHA such a partial exception if the PHA provides to HUD a certification that the operation of an FSS program of the minimum program size is not feasible because of a decrease in or lack of accessible supportive services [24 CFR 984.105(d)].

### ***Expiration of Exception***

The approval for a full or partial exception to the FSS minimum program size requirement expires five years from the date of HUD approval of the exception. If a PHA seeks to continue an exception after its expiration, the PHA must submit a new request and a new certification to HUD for consideration [24 CFR 984.105(e)].

### **2-II.C. COOPERATIVE AGREEMENTS [24 CFR 984.106]**

A PHA may enter into a Cooperative Agreement with one or more multifamily-assisted housing owners to voluntarily make the PHA's FSS program available to the owner's housing tenants. The Cooperative Agreement must include all the requirements for such agreements found in 24 CFR 984.106 and 24 CFR 887.107.

#### PHA Policy

The PHA will not enter into a Cooperative Agreements as it relates to the FSS Program.

### **2-II.D. ESTIMATE OF PARTICIPATING FAMILIES [24 CFR 984.201(d)(2)]**

The PHA must state the number of eligible FSS families who can reasonably be expected to receive supportive services under the FSS program based on available and anticipated federal, tribal, state, local, and private resources.

#### PHA Policy

Based on current funding, 75 eligible FSS families can reasonably be expected to receive supportive services under the FSS program, based on available and anticipated federal, tribal, state, local, and private resources. However, additional funding is being requested to add an additional FSS Case Manager and if the funding is awarded, 150 eligible FSS families can reasonably be expected to receive supportive services under the FSS program.

### **2-II.E. ELIGIBLE FAMILIES FROM OTHER SELF-SUFFICIENCY PROGRAMS [24 CFR 984.201(d)(3)]**

If applicable, the PHA must enter the number of families, by program type, who are participating in any other local housing self-sufficiency program who are expected to agree to execute an FSS contract of participation.

#### PHA Policy

The PHA does not operate other self-sufficiency programs and therefore no additional families from other programs are expected to execute an FSS contract of participation.

## **2-II.F. ELIGIBILITY OF A COMBINED PROGRAM [24 CFR 984.201(e)]**

A PHA that wishes to operate a joint FSS program with other PHAs or owners of multifamily-assisted housing may combine its resources with one or more of these entities to deliver supportive services under a joint action plan that will provide for the establishment and operation of a combined FSS program that meets the requirements of this part.

### **PHA Policy**

The PHA will not combine its resources with any other PHA to deliver support services, have a joint action plan, or establish or operate a combined FSS Program.

## **PART III: PROGRAM OPERATION**

### **2-III.A. OVERVIEW**

Federal regulations specify requirements for FSS program operation regarding deadlines for program start-up and when the PHA is expected to have attained full enrollment. A timetable illustrating when the PHA intends to meet these deadlines is included as part of the required contents of the action plan.

### **2-III.B. PROGRAM IMPLEMENTATION DEADLINE**

The deadlines for program implementation differ depending on whether the FSS program is voluntary or mandatory.

#### **Voluntary Program [24 CFR 984.301(a)]**

There is no deadline for implementation of a voluntary program. However, a voluntary program may not be implemented before the requirements specified in 24 CFR 984.201 have been satisfied (see Sections 1-II.A.–1-II.D.).

### 2-III.C. TIMETABLE FOR PROGRAM IMPLEMENTATION [24 CFR 984.201(d)(13)]

A timetable for implementation of the FSS program is part of the required contents of the FSS action plan.

#### PHA Policy

For voluntary programs, the PHA will implement the FSS program within one year from the date of approval of either the FSS action plan by the HUD field office, or within the time identified in the applicable FSS funding contract with HUD.

For mandatory FSS programs, the PHA has the obligation to continue to fill their mandatory FSS slots effective May 24, 2018, as determined by the HUD field office.

The PHA will implement its FSS program according to the following timetable:

<b>Activity</b>	<b>Month and Date</b>
Establish PCC	July 1, 2022
Conduct Program Needs Assessment	November 1, 2022
Resource Identification	July 1, 2022
Establish Policies	July 1, 2022
Design Service Delivery	July 1, 2022
Develop Administrative Procedures	July 1, 2022
Begin Service Delivery	November 1, 2022
Conduct Outreach	November 1, 2022
Conduct Orientations	November 1, 2022
Conduct Individual Needs Assessment	November 1, 2022
Begin Contracting	November 1, 2022
Complete Contracting	November 14, 2022

## PART IV: DEFINITIONS

### 2-IV.A. DEFINITIONS [24 CFR 984.103]

The terms *1937 Act*, *fair market rent*, *HUD*, *low-income family*, *public housing*, *public housing agency (PHA)*, *secretary*, and *Section 8*, as used in this document are defined in the 24 CFR Part 5.

The term *very low-income family* is defined in 24 CFR 813.102 and 24 CFR 913.102.

The terms used in this document have the following definitions as defined by 24 CFR 984.103 and this family self-sufficiency action plan.

*Baseline annual earned income* means the FSS family's total annual earned income from wages and business income (if any) as of the effective date of the FSS contract. When calculating baseline annual earned income, all applicable exclusions of income must be applied, *except for* any disregarded earned income or other adjustments associated with self-sufficiency incentives that may apply to the determination of annual income.

*Baseline monthly rent* means 1) the FSS family's total tenant payment (TTP), as of the effective date of the FSS contract, for families paying an income-based rent as of the effective date of the FSS contract; or 2) the amount of the flat or ceiling rent (which includes the applicable utility allowance), and including any hardship discounts, as of the effective date of the FSS contract. For families paying a flat or ceiling rent this is as of the effective date of the FSS contract.

#### PHA Policy

*Benefits* means a government benefit of money or monetary value given to an individual by a federal, state, or local government agency for purposes of financial assistance, including but not limited to, Medicaid, supplemental nutritional assistance program benefits and Social Security, Temporary Assistance for Needy Families, and unemployment compensation benefits.

#### PHA Policy

*Benefits cliff* means the sudden and often unexpected decrease in public benefits that can occur with a small increase in earnings. When income increases, families sometimes lose some or all economic supports.

#### PHA Policy

*Certain interim goals* means the family has met all its obligations under the CoP to date, including completion of the ITSP interim goals and tasks to date.

*Certification* means a written assertion based on supporting evidence, provided by the FSS family or the PHA or owner, which must be maintained by the PHA or owner in the case of the family's certification, or by HUD in the case of the PHA's or owner's certification. These must be made available for inspection by HUD, the PHA or owner, and the public, when appropriate. In addition, these will be considered accurate unless the Secretary or the PHA or owner, as applicable, determines otherwise after inspecting the evidence and providing due notice and opportunity for comment.

*Chief executive officer (CEO)* means the CEO of a unit of general local government who is the elected official or the legally designated official having primary responsibility for the conduct of that entity's governmental affairs.

*Contract of participation (CoP)* means a contract in a form approved by HUD, entered into between a participating FSS family and a PHA operating an FSS program that sets forth the terms and conditions governing participation in the FSS program. The contract of participation includes all individual training and services plans entered in between the PHA and all members of the family who will participate in the FSS program, and which plans are attached to the contract of participation as exhibits. For additional detail, see 24 CFR 984.303.

*Current annual earned income* means the FSS family's total annual earned income from wages and business income (if any) as of the most recent reexamination of income, which occurs after the effective date of the FSS contract. When calculating current annual earned income, all applicable exclusions of income will apply, including any disregarded earned income and other adjustments associated with self-sufficiency incentives or other alternative rent structures that may be applicable to the determination of annual income.

*Current monthly rent* means either the FSS family's TTP as of the most recent reexamination of income, which occurs after the effective date of the FSS contract, for families paying an income-based rent as of the most recent reexamination of income; or the amount of the flat rent, including applicable utility allowance or ceiling rent. This amount must include any hardship discounts, as of the most recent reexamination of income, which occurs after the effective date of the FSS contract, for families paying a flat rent or ceiling rent as of the most recent reexamination of income.

*Earned income* means income or earnings included in annual income from wages, tips, salaries, other employee compensation, and self-employment. Earned income does not include any pension or annuity, transfer payments, any cash or in-kind benefits, or funds deposited in or accrued interest on the FSS escrow account established by a PHA on behalf of a participating family.

*Effective date of contract of participation* means the first day of the month following the month in which the FSS family and the PHA entered into the contract of participation.

*Eligible families* for the FSS program means current participants in Section 8, residents of public housing, or residents in multifamily-assisted housing if a Cooperative Agreement exists.

#### PHA Policy

*Enhance the effectiveness of the FSS program* means a demonstrable improvement in the quality of an FSS program in which the enrollment ratio, escrow balance average, and graduation rate is at or above the national average as measured in HUD's Composite Scores in FR Notice 11/15/18.

*Enrollment* means the date that the FSS family entered the contract of participation with the PHA.



*Family self-sufficiency program or FSS program* means the program established by a PHA within its jurisdiction to promote self-sufficiency among participating families, including the provision of supportive services to these families, as authorized by section 23 of the 1937 Act.

*FSS escrow account* means the FSS escrow account authorized by section 23 of the 1937 Act.

*FSS escrow credit* means the amount credited by the PHA to the participating family's FSS account.

*FSS family* means a family that receives Section 8 assistance or resides in public housing (section 9), that elects to participate in the FSS program, and whose designated adult member (head of FSS family) has signed the CoP.

*FSS family in good standing* means an FSS family that is in compliance with their FSS CoP, has either satisfied or are current on any debts owed the PHA or owner, and is in compliance with the regulations in 24 CFR Part 5 regarding participation in the relevant rental assistance program.

*FSS-related service program* means any program, publicly or privately sponsored, that offers the kinds of supportive services described in the definition of *supportive services*.

*FSS slots* refer to the total number of public housing units or the total number of rental vouchers that comprise the minimum size of a PHA's respective Section 8 and public housing FSS program.

*FSS Program Coordinator* means the person(s) who runs the FSS program. This may include (but is not limited to) performing outreach, recruitment, and retention of FSS participants; goal setting and case management/coaching of FSS participants; collaborating with the community and service partners; and tracking program performance.

*FY* means federal fiscal year (starting with October 1, and ending September 30, and designated by the calendar year in which it ends).

*Head of FSS family* means the designated adult family member of the FSS family who has signed the CoP. The head of FSS family may, but is not required to be, the head of the household for purposes of determining income eligibility and rent.

*Individual Training and Services Plan (ITSP)* means a written plan that is prepared by the PHA or owner in consultation with a participating FSS family member (the person with for and whom the ITSP is being developed), and which describes the final and interim goals for the participating FSS family member, the supportive services to be provided to the participating FSS family member, the activities to be completed by that family member, and the agreed upon completion dates for the goals, and activities. Each ITSP must be signed by the PHA or owner and the participating FSS family member and is attached to and incorporated as part of the CoP. An ITSP must be prepared for each adult family member who elects to participate in the FSS program, including the head of FSS family who has signed the CoP.

### PHA Policy

*Knowledgeable professional* means a person who is knowledgeable about the situation, has training, education, certification, or licensure provided by recognized professional associations and institutions that legitimizes their professional opinion, is competent to render a professional opinion, and is not able to gain, monetarily or otherwise, from the PHA FSS program decision in the area to which they are certifying.

*Multifamily-assisted housing, also known as project-based rental assistance (PBRA)*, means rental housing assisted by a Section 8 Housing Payments Program, pursuant to 24 CFR Parts 880, 881, 883, 884, and 886.

### PHA Policy

*Other costs related to achieving obligations in the contract of participation* means any costs necessary to complete an interim goal, a final goal, or tasks related to such in the ITSP.

*Owner* means the owner of multifamily-assisted housing.

*Participating family* is defined as *FSS family* in this section.

*Program coordinating committee (PCC)* means the committee described in 24 CFR 984.202.

*Public housing* means housing assisted under the 1937 Act, excluding housing assisted under Section 8 of the 1937 Act.

*Section 8* means assistance provided under Section 8 of the 1937 Act (42 U.S.C. 1437f). Specifically, multifamily-assisted housing, as defined in this section; tenant-based and project-based rental assistance under section 8(o) of the 1937 Act; the HCV homeownership option under section 8(y) of the 1937 Act; Family Unification Program (FUP) assistance under section 8(x) of the 1937 Act; and the Section 8 Moderate Rehabilitation (Mod Rehab) for low-income families and Moderate Rehabilitation Single Room Occupancy (Mod Rehab SRO) for homeless individuals under 24 CFR part 882.

*Self-sufficiency* means that an FSS family is no longer receiving Section 8, public housing assistance, or any federal, state, or local rent or homeownership subsidies or welfare assistance. Achievement of self-sufficiency, although an FSS program objective, is not a condition for receipt of the FSS account funds.

### PHA Policy

*Supports* means, but is not limited to, transportation, childcare, training, testing fees, employment preparation costs, other costs related to achieving obligations outlined in the CoP, and training for FSS Program Coordinator.

*Supportive services* mean those appropriate services that a PHA will coordinate on behalf of an FSS family under a CoP. These may include child care of a type that provides sufficient hours of operation and serves an appropriate range of ages; transportation necessary to enable a participating family to receive available services or to commute to their places of employment; remedial education; education for completion of secondary or post-secondary schooling; job training, preparation, and counseling; job development and placement; follow-up assistance after job placement and completion of the contract of participation; substance/alcohol abuse treatment and counseling; training in homemaking and parenting skills; and personal welfare services that include substance/alcohol abuse treatment and counseling, and health, dental, mental health and health insurance services; household management; money management; counseling regarding homeownership or opportunities available for affordable rental and homeownership in the private housing market (including information on an individual's rights under the Fair Housing Act) and financial empowerment that may include financial literacy, coaching, asset building, money management; and any other services and resources, including case management and reasonable accommodations for individuals with disabilities, that the PHA may determine to be appropriate in assisting FSS families to achieve economic independence and self-sufficiency.

*Unit size* or *size of unit* refers to the number of bedrooms in a dwelling unit.

*Very low-income family* is defined as set out in 24 CFR 813.102

*Welfare assistance* means (for purposes of the FSS program only) income assistance from federal or state welfare programs and includes only cash maintenance payments designed to meet a family's ongoing basic needs. Welfare assistance does not include nonrecurrent, short-term benefits that are designed to deal with a specific crisis situation or episode of need, or are not intended to meet recurrent or ongoing needs and will not extend beyond four months; work subsidies (i.e., payments to employers or third parties to help cover the costs of employee wages, benefits, supervision, and training); supportive services such as child care and transportation provided to families who are employed; refundable earned income tax credits; contributions to, and distributions from, individual development accounts under TANF; services such as counseling, case management, peer support, child care information and referral, transitional services, job retention, job advancement and other employment-related services that do not provide basic income support; transportation benefits provided under a Job Access or Reverse Commute project, pursuant to section 404(k) of the Social Security Act, to an individual who is not otherwise receiving assistance; amounts solely directed to meeting housing expenses; amounts for health care; food stamps and emergency rental and utilities assistance; and SSI, SSDI, or social security.

## Chapter 3

### PROGRAM ADMINISTRATION

#### INTRODUCTION

This chapter discusses administrative policies and practices as they are relevant to the activities covered in this plan. The policies and practices are discussed in two parts:

Part I: Staffing, Fees and Costs, and On-Site Facilities: This part describes identifying appropriate staff and contractors to operate the FSS program and provide the necessary direct services to FSS families. In addition, it describes how administrative fees, costs, and supportive services will be funded, and defines the use of on-site facilities.

Part II: The Program Coordinating Committee: This part covers the establishment of a program coordinating committee (PCC), which is a regulatory requirement in all FSS programs other than multifamily housing assistance. It describes required and recommended PCC membership, in addition to the option for an alternative committee.

#### PART I: STAFFING, FEES AND COSTS, AND ON-SITE FACILITIES

##### 3-I.A. OVERVIEW

Several functions of program administration are crucial to running an FSS program. A PHA may need to employ a program coordinator or decide to contract with another organization to administer the program. In addition to staffing issues, PHAs should understand how program funding and expenses work to keep the program running smoothly. Finally, PHAs need to sort out whether and how to make common areas or unoccupied units available to provide supportive services.

##### 3-I.B. PROGRAM ADMINISTRATION STAFF AND CONTRACTORS

###### [24 CFR 984.301(b)]

PHAs have the choice between hiring their own staff and contracting with an outside organization to administer their FSS program. If the PHA should choose to employ its own staff, the staffing levels should be appropriate, and may include one or more FSS coordinators. If the PHA chooses to contract with an outside organization, the organization's staffing levels must likewise be appropriate to establish and administer the FSS program, and whether the organization's responsibilities would include managing the FSS account in accordance with federal regulations.

###### PHA Policy

The PHA will employ appropriate staff, including one or more FSS coordinators or program coordinators to administer its FSS program.

### **3-I.C. FSS PROGRAM COORDINATOR RESPONSIBILITIES**

#### **Primary Role of the FSS Program Coordinator**

The FSS Program Coordinator is responsible for building partnerships with service providers in the community, working with the Program Coordinating Committee (PCC) and local service providers to ensure that FSS program participants are linked to the supportive services they need to achieve self-sufficiency, preparing an Individual Training and Services Plan (ITSP) for the head of the FSS family and each adult member of the FSS family who elects to participate in the FSS program, making certain that the services included in the participants' CoP are provided on a regular, ongoing, and satisfactory basis, ensuring FSS participants are fulfilling their responsibilities under the CoPs, monitoring progress of participants, and establishing and properly maintaining FSS escrow accounts for eligible families. FSS coordinators may also provide outreach, recruitment, goal setting, case management and coaching for FSS participants, and tracking of FSS program performance.

FSS Program Coordinators funded under the FSS Coordinator Notice of Funding Opportunity (NOFO) may not perform the routine public housing or Section 8 program functions of housing eligibility, leasing, rent calculation, and portability that are funded through Section 8 administrative fees or public housing operating funds unless doing so would enhance the effectiveness of the program. If conducting these functions would enhance the effectiveness of the FSS program, the PHA must seek prior approval from HUD of those enhancements to the FSS program and certify that doing so will neither interfere with the FSS Coordinator's ability to fulfill their primary role nor be used to balance or fill in for gaps in traditional staffing.

Performance of routine Section 8 or public housing functions for non-FSS families does not enhance the effectiveness of the FSS program and is therefore an ineligible use of FSS funds [2021 FSS NOFO, p. 36].

#### **PHA Policy**

The PHA will request HUD's permission to allow the FSS Program Coordinator to perform the routine Section 8 or public housing program functions of housing eligibility, leasing, rent calculation, and portability that are funded through Section 8 administrative fees or public housing operating funds. If permission is not granted by HUD, the PHA will not require the FSS Program Coordinator to perform the routine Section 8 or public housing program functions.

### 3-I.D. ADMINISTRATIVE FEES AND COSTS

The Consolidated Appropriations Act of 2014 combined funding streams for the Section 8 and public housing FSS programs. FSS funding is now awarded through one NOFO. Use of this funding is no longer restricted to the applicable program and funding now may be used to serve both Section 8 and public housing FSS participants. Funding for FSS Coordinators salary, benefits, and training as well as limited administrative costs is awarded through a Grant Agreement and disbursed through HUD's Line of Credit Control System (LOCCS), rather than as an amendment to the PHA's Annual Contributions Contract (ACC). These funds are separate from other available funds that may be used.

#### Section 8 FSS Program

In the Section 8 programs, administrative fees are paid to PHAs for HUD-approved costs associated with the operation of an FSS program. These administrative fees are established by Congress and subject to appropriations [24 CFR 984.302(b)].

In addition, administrative fees for HUD-approved costs not specifically related to the operation of the FSS program may be used to cover these costs associated with the administration of FSS [see Notice PIH 93-24 E-7 and E-8].

See 24 CFR 982.152 and PIH 2022-18 for details on the eligible use of administrative fees.

#### PHA Policy

The PHA will make ***HCV administrative fees*** available to provide administrative costs under the HCV FSS Program, if needed.

#### Public Housing FSS Program

For public housing FSS programs, the performance funding system (PFS), provided under section 9(a) of the 1937 Act, provides for the reasonable and eligible administrative costs that the PHA incurs in carrying out the program only when funds have been appropriated. However, a PHA may use other resources for this purpose [24 CFR 984.302(a)].

In other words, the PHA may fund reasonable and eligible administrative costs in the FSS program from the Operating Fund. However, these expenses will only be reimbursed in the operating subsidy when a current appropriations act allows it. In addition, the PHA may fund reasonable and eligible administrative costs from the Capital Fund. Administrative staffing costs may also be funded through HUD or other grant or foundation sources. This includes FSS Coordinator grants when available.

#### PHA Policy

The PHA does not have a Public Housing FSS Program.

### **3-I.E. SUPPORTIVE SERVICES FEES AND COSTS**

#### **Section 8 FSS Supportive Services**

In the Section 8 program, the PHA may fund reasonable and eligible FSS supportive service costs in the FSS program from unrestricted net position [see Notice PIH 93-24, E-3].

The PHA may seek additional funds from HUD through submitting grant applications or seek grants from other sources when available.

In addition to unrestricted net position and other grant sources, the FSS forfeited escrow account can fund FSS supportive services. See Section 6-I.E. for eligible supportive services costs.

##### PHA Policy

The PHA will make up to 50% of forfeited escrow available, depending on the family's needs to provide supportive service costs under the HCV FSS Program.

#### **Public Housing FSS Supportive Services**

In public housing, the PHA may fund reasonable and eligible FSS supportive service costs in the FSS program from the Operating Fund. However, the costs of FSS supportive services are only reimbursed through the operating subsidy when appropriations allow it.

FSS public housing supportive services can also be funded through other HUD grants or related government and foundation grants, when available.

##### PHA Policy

**The PHA does not have a Public Housing FSS Program.**

### 3-I.F. USE OF FORFEITED ESCROW ACCOUNTS FUNDS

In addition to Section 8 unrestricted net assets, public housing operating funds, and other grant sources, the FSS forfeited escrow account funds must be used for the benefit of FSS participants, which includes supports and other costs for FSS participants in good standing. HUD does not provide an exhaustive list of these supports. However, the supports include, but are not limited to, transportation, childcare, training, testing fees, employment preparation costs, and other costs related to achieving obligations outlined in the contract of participation as well as training for FSS Program Coordinators.

#### PHA Policy

The PHA will use forfeited escrow accounts for support and other costs for FSS participants in good standing when funds requested are needed to complete an interim goal or task in the ITSP.

The PHA will use forfeited escrow accounts for training provided to FSS Coordinators.

The PHA will define *supports* as defined in 24 CFR 984.305(f)(2)(i)(A) as transportation, childcare, training, testing fees, employment preparation costs, other costs related to achieving obligations outlined in the CoP, and training for FSS Program Coordinator(s)

The PHA will define *other costs related to achieving obligations in the CoP* as any costs necessary to complete an interim goal, a final goal, or tasks related to such in the ITSP as defined in 24 CFR 984.305(f)(2)(i)(A) as transportation, childcare, training, testing fees, employment preparation costs, other costs related to achieving obligations outlined in the CoP, and training for FSS Program Coordinator(s).

The PHA will define *necessary to complete* as meaning that no other resources are available in the community either because such a resource is non-existent or that resources are utilized above capacity and agencies cannot, for an undetermined period, provide such a resource.

The PHA will provide funds from the forfeited escrow account to FSS participants in good standing before requiring the participant to use an “interim” disbursement from their current escrow account so long as:

The funds requested are needed to complete an interim goal or task within the CoP and are not ongoing expenses.



The PHA will prioritize requests for funds from forfeited escrow accounts initially on a first come first served basis based on the date and time of the request. After that order is established, while still preserving the first come first served basis, the PHA will apply the following priorities:

Priority 1: Funds to meet a goal in the ITSP that is necessary to ensure the safety and wellbeing of victims of domestic violence, dating violence, sexual assault, and stalking as defined in the PHA's Section 8 Administrative Plan regarding VAWA.

Priority 2: Funds to meet a goal in the ITSP that is necessary to stabilize health, safety, and welfare of the FSS participant or family that if left unattended would jeopardize education, training, or employment.

Priority 3: Funds to meet a goal in the ITSP that is necessary to further education, training, and employment goals in the ITSP including childcare, transportation, and medical costs if the lack of any of these prevents completion of the education, training, and employment.

Priority 4: Funds to meet a goal in the ITSP that is necessary to further any other goal or tasks.

### **3-I.G. ON-SITE FACILITIES**

Each PHA may, subject to the approval of HUD, make available and utilize common areas or unoccupied dwelling units in public housing projects to provide supportive services under an FSS program. This includes using such areas for participants in a Section 8 FSS program.

#### **PHA Policy**

The PHA will not make common areas or unoccupied dwelling units in public housing projects available to provide supportive services under the HCV FSS Program.

## **PART II: PROGRAM COORDINATING COMMITTEE**

### **3-II.A. OVERVIEW**

As another integral part of FSS program administration, each participating PHA must establish a program coordinating committee (PCC) whose functions will be to assist the PHA in securing commitments of public and private resources for the operation of the FSS program within the PHA's jurisdiction, including assistance in developing the action plan and in implementing the program [24 CFR 984.202(a)].

The PCC must consist of specific members, which are dependent upon whether the PHA is operating Section 8, public housing, or multifamily assisted housing FSS programs. In addition to these required members, the PCC may also include additional members recommended by regulation.

### **3-II.B. PROGRAM COORDINATING COMMITTEE MEMBERSHIP**

#### **Required PCC Membership [24 CFR 984.202(b)(1)]**

The PCC required members consist of representatives of the PHA, including at least one FSS Program Coordinator, and one or more participants from each HUD rental assistance program (Section 8, public housing, or multifamily assisted housing) served by the PHA's FSS program.

#### PHA Policy

The PHA's representatives to the program coordinating committee will be the FSS Program Coordinator and at least one or more participants from each of the housing programs in which there is an FSS program: Section 8, public housing, and multifamily assisted housing, as applicable.

#### **Assistance in Identifying Potential PCC Members [24 CFR 984.202(b)(1)]**

The PHA may seek assistance from area-wide, city-wide, or development-based resident councils, the resident management corporation, or the Resident Advisory Board, in identifying potential PCC members.

#### PHA Policy

The PHA will not seek assistance in identifying potential members of the PCC from area-wide, city-wide, and development-based resident councils, the resident management corporation, or the Resident Advisory Board.

### **Recommended PCC Membership [24 CFR 984.202(b)(2)]**

Membership on the PCC also may include representatives of the unit of general local government served by the PHA, local agencies (if any) responsible for carrying out employment training programs or programs funded under the Workforce Innovation and Investment Act, and other organizations, such as other state, local, or tribal welfare and employment agencies, public and private education or training institutions, child care providers, nonprofit service providers, private business, and any other public and private service providers with resources to assist the FSS program.

#### PHA Policy

### **The PHA will utilize an alternative PCC Committee. 3-II.C. ALTERNATIVE PCC COMMITTEE [24 CFR 984.202(c)]**

It is also possible for the PHA, in consultation with the chief executive officer of the unit of general local government served by the PHA, to use an existing entity as the PCC, if the membership of the existing entity consists or will consist of the individuals required by regulation (See section 3-II.B. above).

#### PHA Policy

The PHA will utilize an existing entity as its program coordinating committee consisting of *ESR/IDA, Forsyth County Department of Housing, City of Winston-Salem, Habitat for Humanity, United Way, Truist, and Center for Home Ownership/Financial Pathways.*

### EXHIBIT 3-1: CHART FOR DETERMINING PCC MEMBERSHIP

Organization or Service Type	Organization Name	PCC Member Title	PCC Member Name
Housing	HAWS Center for Home Ownership Financial Pathways	FSS Coordinator Director Director	Tami Wright Sharon Thomas Phyllis Caldwell-George
Debt Resolution Services	Financial Pathways	Director	Sharon Thomas
Mentoring	HAWS Financial Pathways	FSS Coordinator Director	Tami Wright Sharon Thomas
Homeownership	HAWS Financial Pathways Center for Homeownership Forsyth County	FSS Coordinator Director Director Loan Officer	Tami Wright Sharon Thomas Phyllis George Bianca Green
Individual Development Accounts	Experiment in Self Reliance	Director	Hilda Moore

## Chapter 4

### SELECTING AND SERVING FSS FAMILIES

#### INTRODUCTION

FSS regulations require that the PHA include in its action plan a statement indicating how it will select families for participation in the FSS program. This includes outreach, waiting list management, and other selection procedures. When followed, the PHA's selection procedures ensure that families will be selected without regard to race, color, religion, sex, handicap, familial status, or national origin.

Once selected for participation in the FSS program, families are to be provided various activities and supportive services so that they may obtain the education, employment, business, and social skills necessary to achieve self-sufficiency. A description of such activities and supportive services is also a requirement of the FSS action plan.

This chapter contains three parts:

Part I: Incentives, Outreach, and Assurance of Noninterference: This part describes the incentives the PHA will offer and the outreach efforts the PHA will use to encourage participation and recruit eligible families for the FSS program and contains the required assurance of noninterference with the rights of nonparticipating families.

Part II: Family Selection: This part covers whether the PHA will use preferences for family selection and which preferences the PHA will employ if they choose to do so. In addition, this part describes the selection factors the PHA will use in screening families for participation in the FSS program.

Part III: Activities and Support Services: This part lists the activities and supportive services to be provided to families through both public and private resources, describes the method the PHA will use to identify family support needs, and covers the required certification of coordination.



## **PART I: INCENTIVES, OUTREACH, AND ASSURANCE OF NONINTERFERENCE**

### **4-I.A. OVERVIEW**

The FSS program offers incentives such as the FSS escrow account, case management, coaching, and other supportive services that not only encourage participation, but also help families achieve self-sufficiency. In addition to encouraging program participation through such incentives, PHAs also conduct outreach to recruit FSS participants from among eligible families. As part of this process, families need to know that their choice as to whether to participate in the FSS program will not affect their admission to the Section 8 or public housing programs, nor will it affect their right to occupancy. This part describes the PHA's policies regarding these issues, all of which are required aspects of the FSS action plan.

#### **4-I.B. INCENTIVES FOR PARTICIPATION [24 984.201(d)(5)]**

By regulation, the FSS action plan must include a PHA's incentives plan—a description of the incentives that the PHA intends to offer eligible families to encourage their participation in the FSS program. The incentives plan provides for the establishment of the FSS escrow account and any other incentives designed by the PHA.

##### PHA Policy

The PHA will offer the following services, as needed to complete obligations in the contract, to its FSS participants as incentives to participate in FSS.

<b>Incentive</b>	<b>Provided By</b>	<b>Description</b>
FSS escrow account	HAWS	Funds accumulated for use of purchasing a home, car repairs, tuition and books, employment preparation
Case management/Coaching	HAWS	One on one coaching to help families prepare for Self Sufficiency
Information and referrals to services	HAWS	Refer families to community partners based on family's needs
Educational workshops	First Citizens Bank North Carolina Cooperative Extension	Collaborate with community partners to offer workshops tailored to Self Sufficiency
Funds for education and training	HAWS	Financial support for education, training, books, uniforms, etc.
Funds for employment preparation	HAWS	Financial support for employment preparation



#### **4-I.C. OUTREACH EFFORTS [24 CFR 984.201(d)(6)(i)(ii)]**

In addition to offering incentives for FSS participation, PHAs also conduct outreach to recruit more FSS participants from eligible families. The FSS action plan must include a description of these efforts to recruit FSS participants, including notification and outreach, the actions the PHA will take to assure that both minority and nonminority groups are informed about the FSS program, and how the PHA will make this information known.

##### PHA Policy

The PHA will notify eligible families about the FSS program using the following outreach locations, activities, methods, and languages, where appropriate. These points of contact and methods have been selected to ensure that both minority and nonminority groups are informed about the FSS program.

<b>Location/Activity</b>	<b>Staff/Partner</b>	<b>Method</b>	<b>Language</b>
Briefings/Orientations	PHA Staff Specialist	Flyer	English/Spanish
Interims/Recertifications	PHA Staff Specialist	Flyer	English/Spanish
Transfers/Portability	PHA Staff Specialist	Flyer	English/Spanish
Lobby	PHA Staff Receptionist	Flyer, Video	English
Waiting Room	PHA Staff	Flyer	English/Spanish
PHA Website	PHA Staff	Flyer, Email, Social Media, HAWS Website	English/Spanish

#### **4-I.D. ASSURANCE OF NONINTERFERENCE WITH THE RIGHTS OF NONPARTICIPATING FAMILIES [24 CFR 984.201(d)(10)]**

A family's housing assistance or admission into assisted housing should never depend on whether they choose to participate in the FSS program, and PHAs need to make this known as part of the recruitment process. For this reason, the PHA's action plan must include an assurance that a family's decision to not participate in the FSS program will not affect the family's admission to the Section 8 or public housing programs, nor will it affect the family's right to occupancy in accordance with the lease.

##### PHA Policy

Participation in the FSS program is strictly voluntary. Section 8 participants will be notified in all literature related to the FSS program that should they decide not to participate in the FSS program, it will not affect their Section 8. This material will also specify that the family will retain the right to occupancy according to their lease and family obligations contract.

## **PART II: FAMILY SELECTION**

### **4-II.A. OVERVIEW**

The FSS action plan is required to contain a statement indicating the procedures for selecting families for FSS program participation, including a description of how the PHA will do so without regard to race, color, religion, sex (including actual or perceived gender identity), familial status, or national origin. This part describes these procedures, considering whether the PHA will use preferences for family selection and which preferences the PHA will employ if they choose to do so, in addition to defining the factors the PHA will use in screening families for program participation.

### **4-II.B. FSS SELECTION PREFERENCES**

As part of the process for selecting families for participation in the FSS program, the PHA may choose whether to employ the use of preferences. If the PHA so chooses, it has the option of giving a selection preference for up to 50 percent of its FSS program slots to eligible families who have one or more family members currently enrolled in an FSS-related service program or who are on the waiting list for such a program. Such a preference may be further limited to participants in and applicants for one or more specific eligible FSS-related service programs.

Should the PHA choose to adopt such a preference, it would need to include the following information in its action plan:

- The percentage of FSS slots, not to exceed 50 percent of the total number of FSS slots for each of its FSS programs, for which it will give a selection preference
- The FSS related service programs to which it will give a selection preference to the programs' participants and applicants
- The method of outreach to and selection of families with one or more members participating in the identified programs [24 CFR 984.203(a)]

A PHA may wish to adopt additional selection preferences as well [Notice PIH 93-24].

#### **PHA Policy**

The PHA will provide a selection preference for **50** percent of its FSS program slots to eligible families who have one or more family members currently enrolled in or on the waiting list for the FSS-related service programs of the PHA's partners on the FSS Program Coordinating Committee.

The PHA will give a selection preference on its FSS waiting list for Section 8 families porting in with an FSS contract of participation.

When services become available, the PHA will provide a non-targeted FSS selection preference to a family that wants to participate in the FSS program but was skipped or withdrew because supportive services were unavailable at the time.

The PHA may use either of the following to select among applicants on the FSS waiting list with the same preference status [24 CFR 984.203(b)]:

- Date and time of application to the FSS program; or
- A drawing or other random choice technique.

#### PHA Policy

The PHA will use - a preliminary interest application form for families expressing an interest in participating in the FSS program to fill the FSS slots based on date and time of the preliminary application submission.

### **4-II.C. SELECTION FACTORS**

Many factors contribute to whether a PHA may choose to select a family for participation in the FSS program. These selection factors can help the PHA screen families for admission, and ultimately contribute to the PHA's decision to either allow or deny a family's admission into the FSS program.

#### **Motivation Selection Factors [24 CFR 984.203(d)(1)]**

A PHA may screen families for interest and motivation to participate in the FSS program provided that the factors utilized by the PHA are those which solely measure the family's interest and motivation to participate in the FSS program. For this reason, PHAs must only apply motivational screening factors that are permissible under the regulations.

#### ***Permissible Motivation Selection Factors***

Permitted motivational factors include requiring attendance at FSS orientation sessions or pre-selection interviews or assigning certain tasks indicating the family's willingness to undertake the obligations that may be imposed by the FSS contract of participation. However, any tasks assigned should be readily accomplishable by the family based on the family members' educational level, abilities, or disabilities, if any. Reasonable accommodations must be made for individuals whose disability (mobility, manual, sensory, speech impairments, mental, or developmental disabilities) creates a barrier to accomplishing the tasks [24 CFR 984.203(d)(2)].

#### PHA Policy

The PHA will screen families for interest and motivation to participate in the FSS program by assigning a meeting or workshop which is the same type of meeting or workshop for each family. The PHA will only use the fact that the family attended as a screening factor, even if tasks or exercises are not completed in the meeting. In addition, if the family needs either childcare or transportation to be able to attend, or requests an accommodation for a disability, the PHA will either refer the family to available services or exempt the family from this screening factor.

## Chapter 5

### CONTRACT OF PARTICIPATION

#### INTRODUCTION

Each family that is selected to participate in an FSS program must enter into a contract of participation with the PHA. This contract, which is signed by the head of the FSS family, sets forth the principal terms and conditions governing participation in the FSS program, including the rights and responsibilities of the FSS family and of the PHA, the services to be provided to the head of the FSS family and each adult member of the family who elects to participate in the program, and the activities to be completed by them. The contract also incorporates the individual training and services plan [24 CFR 984.303].

This chapter contains two parts:

Part I: Overview and Family Obligations: This part provides an overview of the form and content of the contract of participation and describes what the contract requires of FSS families.

Part II: Contract Specifications: This part explains the specifications of the contract, including terms and conditions, contract modification, contract terminations, and grievance procedures.

#### PART I: OVERVIEW AND FAMILY OBLIGATIONS

##### 5-I.A. OVERVIEW

The purpose of the FSS contract of participation is to set forth the principal terms and conditions governing participation in the FSS program, including the incorporation of the individual training and services plan (ITSP) as part of the contract's required contents. The ITSP is meant to establish goals the FSS family will meet along the family's way to completing the contract and becoming self-sufficient. In addition to the goals specified in the ITSP, the contract also lists the responsibilities of the family and the PHA. This part covers the ITSP as part of the required contents of the contract of participation, and the family's obligations under the contract.

## **5-I.B. CONTENTS OF THE CONTRACT OF PARTICIPATION**

### **Individual Training and Services Plan**

There will only ever be one FSS contract of participation (CoP) at any time for each FSS family. As part of the required contents of the FSS contract of participation (CoP), the individual training and services plan (ITSP) establishes specific interim and final goals by which the PHA and the family measure the family's progress toward fulfilling its obligations under the contract of participation and becoming self-sufficient. Interim and final goals will differ depending on the family's individual needs. Regulations require the establishment of a final goal that includes both employment for the head of the FSS family and independence from welfare assistance for all family members regardless of age.

#### ***Interim Goals [24 CFR 984.303(b)(2)]***

PHAs must work with each participant to establish realistic and individualized goals and may not include additional mandatory goals or mandatory modifications of the two mandatory goals.

#### ***Individual Training and Service Plans for Other than FSS Head [24 CFR 984.103]***

An individual training and services plan is required for the head of the FSS family and all adults choosing to participate. ITSPs must be prepared for each adult family member participating. ITSPs are prepared by the PHA, in consultation with the participating family member [Notice PIH 93-24, G-16.

## 5-I.C. FAMILY OBLIGATIONS

### Compliance with Lease Terms [24 CFR 984.303(b)(3)]

One of the obligations of the FSS family according to the contract of participation is to comply with the terms and conditions of the Section 8 or public housing lease.

Inability to comply with the lease represents an inability to comply with the contract, therefore regulations regarding noncompliance with the FSS contract apply [see 24 CFR 984.303(b)(5)]. It is up to the PHA to determine the plan of action for FSS families found in noncompliance with the lease and how the PHA will precisely define the term *comply with the lease*. All considerations allowed for other assisted residents regarding violations of the lease, must also be allowed for FSS participants.

#### PHA Policy

The PHA will define *comply with the lease* to mean the FSS family has not been evicted for repeated or serious violations of the lease as defined in the Section 8 Administrative Plan; or if they have been evicted for repeated and serious violations of the lease, the family has pursued their right to grieve, and the family has prevailed in either the grievance hearing or the informal hearing process.

The PHA's FSS program will terminate the FSS contract of participation for failure to comply with the terms of the lease.

### **Employment Obligation [24 CFR 984.303 (b)(4)]**

Another obligation set forth by the contract of participation is for the head of the FSS family to *seek and maintain suitable employment* during the term of the contract and any extension. Although other members of the FSS family may seek and maintain suitable employment during the term of the contract, it is only a requirement for the head of the FSS family.

The obligation for the head of the FSS family to *seek employment* is defined in the regulatory language as meaning that the head of the FSS family has searched for jobs, applied for employment, attended job interviews, and has otherwise followed through on employment opportunities. However, this definition still leaves room for policy decisions on the part of the PHA because it does not define the level of activity involved in “seeking.”

There is no regulatory definition of *maintain suitable employment*. For this reason, it is up to the PHA to define the term. However, there can be no minimum period of time that the head of the FSS family must work.

With the agreement of the FSS family member, the PHA makes a determination of what it means to maintain suitable employment based on the skills, education, and job training of the FSS head of household, receipt of other benefits of the family member, and the available job opportunities within the jurisdiction served by the PHA. This means that the PHA must consult with the family member and agreement must be reached as to what *maintain suitable employment* is for that family member [24 CFR 984.303 (b)(4), Notice PIH 93-24, G-3].

#### PHA Policy

For purposes of the PHA’s FSS program, *seek employment* means the head of household has applied for employment, attended job interviews, and otherwise followed through on employment opportunities as outlined in the individual training and services plan of their contract of participation.

*Maintain suitable employment* is employment, on the last day of the contract, that is outlined in the individual training and service plan and is based on the skills, education, job training, and receipt of other benefits of the head of the FSS family. The PHA will require verification of this employment or enrollment.



## **5-I.D. CONSEQUENCES OF NONCOMPLIANCE WITH THE CONTRACT**

Consequences apply for families who do not meet the terms and conditions of the contract. The regulations require that the contract of participation specify that if the FSS family fails to comply, without good cause, with the terms and conditions of the contract (including compliance with the Section 8 or public housing lease), the PHA may:

- Withhold supportive services
- Terminate the family's participation in the FSS program

PHAs are not permitted to terminate a family's housing assistance due to the family's failure to meet its obligations under the contract of participation [24 CFR 984.101(d)].

### PHA Policy

The contract of participation (CoP) will be terminated before the expiration of the contract term if the participant fails to meet, without "good cause," their obligations as outlined in the CoP. If the participant fails to meet its obligations outlined in the CoP, the FSS coordinator, or their designee, will first meet with the family to reassess the need for supportive services or a change in the individual training and services plan (ITSP).

If a reassessment of supportive services and a change in the ITSP is not successful in bringing the family in to compliance, the FSS coordinator will reassess the need for, and availability of, supportive services and refer the participant to a knowledgeable professional for a formal assessment of the challenges leading to the noncompliance.

The FSS Coordinator will use this formal assessment to identify and refer to resources that remove the challenge so the participant is able to meet their obligations outlined in the CoP.

Finally, if neither of these alternatives is successful, the FSS coordinator will terminate the CoP for failure to complete the tasks, interim goals, or final goals of the ITSP in a timely manner, and thus failure to complete the obligations outlined in the CoP.

The FSS coordinator will make an exception to the actions in terminating the CoP if the participant can, with the assistance of the FSS Coordinator, demonstrate "good cause" for the failure to meet its obligations as outlined in the CoP.

For purposes of the PHA FSS program, *good cause* includes circumstances beyond the control of the FSS family:

Family circumstances

Death in the family

Serious illness

Medical emergency

Mandatory court appearances

Involuntary loss of employment

Loss of head of household through death or incarceration, Change in the ITSP improving progress toward economic self-sufficiency

Community circumstances

Significant reduction in workforce (over 20 percent reduction in employment field)

Provider noncompliance with regulation

Provider unable or unwilling to provide service

Provider offering inferior service

Active pursuit of a current or additional self-sufficiency goal

Resolution of a barrier to employment

Completion of a college degree or technical training

Completion of a work-related certification

Credit repair towards homeownership readiness

## **PART II: CONTRACT SPECIFICATIONS**

### **5-II.A. OVERVIEW**

In addition to making clear the family's obligations under the program, the contract of participation contains specific terms and conditions, including those governing contract modifications, terminations, and grievance procedures. This part describes those specifications and associated policy.

### **5-II.B. CONTRACT TERM [24 CFR 984.303(c)]**

The contract term is five years. This means that the family has no more than five years from the effective date of the contract of participation (CoP) to fulfill their obligations as specified in the contract. This five year term requirement will be specified in the CoP.

### **Contract Extension [24 CFR 984.303(d)]**

While the term set forth in the contract of participation is for five years, contract extensions are available. According to regulation, PHAs must for "good cause" extend the term of the contract for a period not to exceed two years for any FSS family that requests an extension of the contract in writing or verbally. The family's written or verbal (documented by the FSS Coordinator) request for an extension must include a description of the need for the extension. *Good cause* means circumstances beyond the control of the FSS family, as determined by the PHA, such as a serious illness or involuntary loss of employment (further defined by PHA policy in Section 5-I.D.). Extension of the contract of participation will entitle the FSS family to continue to have amounts credited to the family's FSS account.

## **5-II.C. MODIFICATION OF THE CONTRACT**

The contract of participation (CoP) may be modified, as long as the PHA and the FSS family mutually agree to modify it. This includes modifications in writing with respect to the individual training and services plans (ITSPs), the contract term (See Section 5-II.B. above), and designation of the head of the family [24 CFR 984.303(f)]. The conditions under which the PHA will modify the contract are set forth in the policy below.

### PHA Policy

In the PHA's FSS program, the CoP will be modified by mutual agreement between the PHA and the FSS head of household:

When modifications to the ITSP improve the participant's ability to complete their obligations in the CoP or progress toward economic self-sufficiency.

When the actual end date of the CoP is determined by the effective date of the FSS family's first reexamination changes the end date of the CoP.

When the designated head of the FSS family ceases to reside with other family members in the assisted unit, and the remaining family members, designate another family member to be the FSS head of household and receive escrow funds.

When an FSS family moves to the jurisdiction of a receiving PHA that does not have an FSS program and the family may not continue participation in the FSS program, and modification of the FSS contract will allow the family to complete the contract and receive an escrow disbursement or terminate the contract with escrow disbursement.

## **5-II.D. COMPLETION OF THE CONTRACT**

By regulation, the contract of participation is considered to be completed when the head of household is employed and the FSS family has fulfilled all of its obligations under the contract of participation, including all family members' ITSPs, on or before the expiration of the contract term, including any extension thereof.

Policies on verifying completion of the contract of participation can be found in Section 6-I.C. of this action plan.

## **5-II.E. TRANSITIONAL SUPPORTIVE SERVICE ASSISTANCE**

Even after a family has completed the contract of participation, a PHA may continue to offer appropriate FSS supportive services to a former completed FSS family. If the family still resides in Section 8 or public housing, these supportive services would be offered for becoming self-sufficient. If the family no longer resides in Section 8 or public housing, these supportive services would be offered for becoming self-sufficient or remaining self-sufficient. Transitional services for families who no longer reside in Section 8 or public housing, may only be offered using sources that are not HUD funds or HUD restricted funds [24 CFR 984.303(j)].

### PHA Policy

The PHA will continue refer supportive services to a former FSS family who has completed its contract of participation.

## **5-II.F. TERMINATION OF THE CONTRACT**

### **Termination of the Contract with Escrow Distribution [24 CFR 984.303(k)]**

The contract of participation will be terminated with escrow distribution before the expiration of the contract term, during any extension of the contract, or at end of the term of the contract if all obligations under such have not been met, when:

- Services that the PHA and the FSS family have agreed are integral to the FSS family's advancement towards self-sufficiency are unavailable, as described in Section 5-II.H. of this Action Plan. This type of termination is also referred to as "nullification" in the FSS regulations at 24 CFR 984.
- The head of the FSS family becomes permanently disabled and unable to work during the period of the contract, unless the PHA and the FSS family determine that it is possible to modify the contract to designate a new head of the FSS family; or
- An FSS family in good standing moves outside the jurisdiction of the PHA (in accordance with portability requirements at 24 CFR 982.353) for good cause and continuation of the CoP after the move or completion of the CoP prior to the move is not possible. PHAs must be consistent in their determinations of whether a family has good cause for a termination with FSS escrow disbursement.

### **Termination of the Contract without Escrow Distribution [24 CFR 984.303(h)]**

The contract of participation may be terminated before the expiration of the contract term and any extension of the contract by the following:

- Mutual consent of the parties
- Failure of the FSS family to meet its obligations under the contract of participation without good cause, including in a Section 8 FSS program the failure to comply with the contract requirements because the family has moved outside the jurisdiction of the PHA
- The family's withdrawal from the FSS program
- Such other act as is deemed inconsistent with the purpose of the FSS program
- Operation of law

### PHA Policy

The PHA will follow the relevant policy specified in Section 5-I.D. of this action plan.

**Note:** If the family is unable to meet the requirements of the contract of participation because essential services are not available, the contract is *nullified*, not terminated.

In addition, the contract of participation is automatically terminated if the family's Section 8 assistance is terminated in accordance with HUD requirements [24 CFR 984.303(h)].

#### **5-II.G. OPTION TO WITHHOLD SUPPORTIVE SERVICE [24 CFR 984.303(b)(5)(i)]**

As touched upon in Section 5-I.D. of this action plan, the PHA has the option to withhold supportive services or the FSS family's participation in the FSS program if the PHA determines that the FSS family has failed to comply without good cause with the requirements of the contract of participation.

PHAs are not permitted to terminate Section 8 assistance to a family due to the family's failure to meet its obligations under the contract of participation [24 CFR 984.101(d)].

#### **5-II.H. PHA OBLIGATION TO MAKE GOOD FAITH EFFORT TO REPLACE UNAVAILABLE SUPPORT SERVICES [24 CFR 984.303(e)]**

PHAs must make an extensive good faith effort to replace services that community agencies either cannot or will not provide. If all of the steps below are exhausted without the provision of an integral service, the contract of participation can be ended ahead of time as a result. This, however, should only occur as a last resort. The PHAs good faith effort must be demonstrated by taking the following steps:

- If a social service agency fails to deliver the supportive services pledged under an FSS family member's individual training and services plan (ITSP), the PHA must make a good faith effort to obtain these services from another agency.
- If the PHA is unable to obtain the services from another agency, the PHA must reassess the family member's needs and determine whether other available services would achieve the same purpose.
- If other available services would not achieve the same purpose, the PHA shall determine whether the unavailable services are integral to the FSS family's advancement or progress toward self-sufficiency.
- If the unavailable services are not integral to the FSS family's advancement toward self-sufficiency, the PHA must revise the ITSP, delete these services, and modify the contract of participation to remove any obligation on the part of the FSS family to accept the unavailable services.
- If the unavailable services *are* determined to be integral to the FSS family's advancement toward self-sufficiency (which may be the case if the affected family member is the head of the FSS family), the PHA shall terminate the contract of participation and follow the requirements in Section 5-II.F. of this Action Plan.

Termination of the contract of participation based on unavailability of supportive services shall never be grounds for termination of Section 8 or public housing assistance.



## 5-II.I. GRIEVANCE PROCEDURES

When adverse action is taken by the PHA against a family, the PHA is required to provide a grievance hearing in the public housing program, or an informal hearing in the Section 8 program [24 CFR 966 subpart B, 24 CFR 982.554].

According to regulatory requirements, the FSS action plan must contain the grievance and hearing procedures available for FSS families against whom the PHA has taken adverse action with regards to FSS [24 CFR 984.201(d)(9)].

### PHA Policy

The grievance and informal hearing procedures for the FSS program will be the same as the grievance and hearing procedures adopted for the Section 8 program in the PHA's administrative plan (See *Chapter 16 of the Administrative Plan*).

Adverse actions taken within the FSS program include:

- Denial of admission into the FSS program
- Denial of request for supportive services
- Denial of request to change the ITSP
- Denial of request to change the head of household
- Denial of request for interim disbursement of the escrow account
- Denial of request to complete the CoP
- Denial of a request for extension to the FSS CoP
- Denial of request for either interim or final distribution of escrow account
- Withholding of support services
- Termination of the FSS CoP
- Denial of request for termination with escrow
- Denial of transitional services

Prohibited motivational screening factors include the family's educational level, educational or standardized motivational test results, previous job history or job performance, credit rating, marital status, number of children, or other factors, such as sensory or manual skills, and any factors which may result in discriminatory practices or treatment toward individuals with disabilities or minority or nonminority groups [24 CFR 984.203(d)(3)].

### **Other Selection Factors**

In addition to motivational screening, the PHA may also wish to screen families for the following additional factors.

#### ***PHA Debt Selection Factor***

The PHA may deny FSS participation to a family if the family owes the PHA, or another PHA, money in connection with Section 8 or public housing assistance [Notice PIH 93-24, B-18].

##### PHA Policy

The PHA will deny FSS participation to a family if the family owes the PHA, or another PHA, money in connection with Section 8 or public housing assistance. Families that owe money to a PHA who have entered into a repayment agreement and are current on that repayment agreement will not be denied FSS participation.

#### ***Unavailable Support Services Selection Factor***

If the PHA determines, after consulting with the family, that a missing service is essential to the family's needs, the PHA may skip that family (and other similar families) and offer the FSS slot to the next family for which there are available services [Notice PIH 93-24, B-8].

##### PHA Policy

The PHA will not skip families, but will assess their needs while in the program and refer to available services.

#### ***Previous Participation Selection Factor***

A PHA may refuse to select a family for participation in the FSS program a second time if that family previously participated unsuccessfully (i.e., the family participated, did not meet its FSS obligations, and was terminated from the FSS program) [Notice PIH 93-24, B-14].

##### PHA Policy

The PHA will not refuse to select a family for participation in the FSS program a second time if that family previously participated and did not complete.

#### **4-II.D. SELECTION OF HEAD OF HOUSEHOLD**

Each eligible family that is selected to participate in an FSS program must enter a contract of participation with the PHA. There will be no more than one contract at any time for each family. There may be an ITSP for as many members of the family who wish to participate. The contract shall be signed by a representative of the PHA and the head of FSS family, as designated by the family. This head of FSS family does not have to be the same as the official head of household for rental assistance purposes [24 CFR 984.303(a)].

##### PHA Policy

The PHA will meet with the family and detail the obligations, rights, and privileges that pertain to the FSS head of household and require each adult family member to certify their agreement as to their designated head of the FSS family. These certifications will be a permanent part of the FSS family's record and will be updated with each change of head of household. All adult members will provide written documentation of the selection for the FSS head of household.

## **PART III: ACTIVITIES AND SUPPORT SERVICES**

### **4-III.A. OVERVIEW**

Once families are admitted to the FSS program, the PHA becomes responsible for making sure these families are adequately served. The purpose of the family self-sufficiency (FSS) program is to promote the development of local strategies to coordinate the use of Section 8 and public housing assistance programs with public and private resources, to enable families eligible to receive assistance under these programs to achieve economic independence and self-sufficiency. As such, upon selection, families are matched with the appropriate activities and supportive services so that they may obtain the education, employment, and business and social skills necessary to achieve self-sufficiency. This is a vital element of the FSS program. The PHA must make a good faith effort to replace the obtained services from another agency.

### **4-III.B. METHOD OF IDENTIFYING FAMILY SUPPORT NEEDS [24 CFR 984.201(d)(8)]**

Before a PHA can determine the services and activities it will provide to FSS families, it must identify the services and activities appropriate to each family. The action plan must contain a description of how the program will identify the needs of FSS families and deliver the services and activities according to these needs.

#### **PHA Policy**

Supportive services needs will be identified by completion of an informal needs assessment with the FSS coordinator or case manager or coach before completion of the initial individual training and services plan and signing of the contract of participation. After enrollment in the PHA's FSS program, a formal needs assessment, including vocational assessment and counseling, educational assessment and counseling, and employment planning, is conducted by the PHA and referrals will be made to partnering agencies according to needs of the family. These results are used to modify the ITSP, in mutual agreement with the family.

#### 4-III.C. FSS ACTIVITIES AND SUPPORT SERVICES DESCRIPTION [24 CFR 984.201(d)(7)]

As part of the required contents of the action plan, PHAs must both describe the activities and supportive services to be provided by public and private resources to FSS families and identify the public and private resources that are expected to provide the supportive services.

Of course, this task assumes that the PHA has first identified the needed activities and supportive services.

##### PHA Policy

The PHA's FSS program, will provide the following activities and support services to FSS families through referrals to the following:

Support Service General	Support Service Specific	Source
<b>Assessment</b>	Vocational Assessment and Planning Educational Assessment and Planning  Drug/Alcohol Assessment and Planning	Goodwill Forsyth County Health Department
<b>Education</b>	English as a Second Language GED Post-secondary College	Forsyth Technical Community College
<b>Training</b>	Skills Training Emerging Technologies Training On-the-Job Training	Forsyth Technical Community College Goodwill Industries
<b>Job Search Assistance</b>	Resume Preparation Interviewing Skills Dress for Success Workplace Skills Job Development Job Placement	Goodwill Workforce Development Program Urban League
<b>Transportation</b>	Bus	Winston-Salem Transit Authority

<b>Support Service General</b>	<b>Support Service Specific</b>	<b>Source</b>
<b>Health Care</b>	Alcohol and Drug Prevention Alcohol and Drug Treatment	Forsyth County Health Department
<b>Child Care</b>	Infant Care Toddler Care Preschool Care Afterschool Care Homework Assistance	Head Start Department of Social Services Smart Start WSFCS
<b>Financial Literacy</b>	Financial Education Financial Coaching Debt Resolution Credit Repair	Financial Pathways North Carolina Cooperative Extension
<b>Legal Services</b>	Representation Document Review Counsel or Advice	Legal Aid of North Carolina
<b>Child/Adult Protective Services</b>	Needs Assessment Case Planning Information Referral Crisis Management	Battered Women's Shelter Family Services Department of Social Services
<b>Crisis Services</b>	Crisis Assessment Crisis Intervention Crisis Management Crisis Resolution	Battered Women's Shelter Family Services Department of Social Services
<b>Mentoring</b>	Mentoring Match	Financial Pathways Center for Homeownership Experiment in Self Reliance HAWES
<b>Micro and Small Business Development</b>	Training Planning Technical Assistance Mentoring	Experiment in Self Reliance Forsyth County
<b>Homeownership</b>	Training Planning Debt Resolution	Center for Homeownership Financial Pathways Forsyth County Department of Housing

<b>Support Service General</b>	<b>Support Service Specific</b>	<b>Source</b>
<b>Individual Development Accounts</b>	Match Savings Accounts Distribution of IDA Funds	Experiment in Self Reliance

#### **4-III.D. CERTIFICATION OF COORDINATION [24 CFR 984.201(D)(12)]**

The FSS action plan is required to contain a certification that the development of the activities and services under the FSS program has been coordinated with the JOBS program (now Welfare to Work under TANF), the programs under title I of the Workforce Innovation and Opportunity Act,, and any other relevant employment, child care, transportation, training, and education programs in the applicable area. The implementation of the FSS program's activities and services must continue to be coordinated as such to avoid duplication of activities and services.

##### PHA Policy

The PHA certifies that its FSS program has developed its services and activities in coordination with programs under Department of Social Services' Work first Employment Service Program. The implementation of these activities and services will continue to be coordinated in this manner to avoid duplication of activities and services.





## Chapter 6

### ESCROW ACCOUNT

#### INTRODUCTION

The establishment of an escrow account is offered as a support and financial incentive to families for participation in the FSS program. Generally, under this incentive, the amount of an increase in family rent resulting from an increase in earned income is escrowed. That is, usually a family's rent or share of the rent goes up when the family experiences an increase in earned income. In the FSS program, this is still the case, and the part of the rent representing the increase is deposited into an account as an escrow credit. The funds from this escrow account then become available to FSS families upon successful completion of their contracts of participation and may become available earlier at the housing authority's option.

This chapter explains how the FSS escrow account works, including calculating the amount of the escrow credit, disbursing the funds, and the proper way for the PHA to manage and report on the account.

This chapter contains two parts:

Part I: The Escrow Account: This part provides an overview of how the escrow account works, including calculating the escrow credit and disbursing the funds upon completion of the contract of participation.

Part II: Escrow Fund Accounting and Reporting: This part describes the requirements for managing the escrow account, including both accounting and reporting requirements.

#### PART I: THE ESCROW ACCOUNT

##### 6-I.A. OVERVIEW

As an integral incentive to the FSS program, it is especially important to have clear-cut policy spelling out how the escrow account works. This includes policy regarding the calculation of the FSS credit amount, the disbursement of FSS account funds, the use of account funds for homeownership, and forfeiture of the FSS escrow account.

## **6-I.B. CALCULATING THE FSS CREDIT AMOUNT**

### **Determination of Baseline Annual Earned Income and Baseline Monthly Rent**

When determining the family's baseline annual earned income and the baseline monthly rent amounts for purposes of computing the FSS escrow credit, the PHA must use the amounts on the family's most recent income reexamination in effect.

For purposes of determining the FSS credit, baseline monthly rent for families paying an income-based rent is the family's Total Tenant Payment (TTP) as of the most recent reexamination of income, which occurs after the effective date of the FSS contract.

For families in public housing who are paying either flat or ceiling rent, family rent is the amount of the flat rent (including the applicable utility allowance) or ceiling rent (including any hardship discounts) as of the most recent reexamination of income, which occurs after the effective date of the FSS contract [24 CFR 984.103(b)].

### **Determination of the Escrow Credit**

To calculate the FSS credit, the PHA must accurately determine the family's baseline earned income and baseline monthly rent and compare those figures with the family's current earned income and current monthly rent. The FSS credit is the lesser of 30 percent of one-twelfth or 2.5 percent of the amount by which the family's current annual earned income exceeds the family's baseline annual earned income; or the increase in the family's monthly rent. The increase in the family's monthly rent is the lower of either the amount by which the family's current monthly rent exceeds the family's baseline monthly rent, or for Section 8 families, the difference between the baseline monthly rent and the current gross rent (*i.e.*, rent to owner plus any utility allowance) or the payment standard, whichever is lower [24 CFR 984.305(b)(2)].

### **Determination of Escrow Credit for Families Who Are Not Low Income**

FSS families who are not low-income families are not entitled to any FSS credit [24 CFR 984.305(b)(2)].

### **Increases in FSS Family Income [24 CFR 984.304]**

As described in the FSS credit calculations above, any increases in family earned income resulting in increases in family rent are deposited in the escrow account. For this reason, and because of the nature of the FSS account, any increase in the earned income of an FSS family during its participation in an FSS program may not be considered as income or an asset for purposes of eligibility of the FSS family for other benefits, or amount of benefits payable to the FSS family, under any other program administered by HUD.

### **Cessation of FSS Credit [24 CFR 984.305(b)(4)]**

The PHA will not make any additional credits to the FSS family's FSS account when the family has completed the contract of participation, when the contract of participation is terminated, when the family is not low-income, or during the time a Section 8 family is in the process of moving to a new unit.

## **6-I.C. DISBURSEMENT OF FSS ACCOUNT FUNDS**

### **Disbursement Before Completion of Contract**

The PHA may at its sole option disburse FSS account funds before completion of the contract if the family needs a portion of the funds for purposes consistent with the contract of participation and the PHA determines that the FSS family has fulfilled certain interim goals established in the contract of participation. These interim disbursements could include using the funds to assist the family in meeting expenses related to completion of higher education (e.g., college, graduate school) or job training, or to meet start-up expenses involved in creation of a small business [24 984.305(c)(2)(ii)].

#### PHA Policy

The PHA will disburse a portion of the FSS escrow account funds before completion of the CoP as stated in section 3-I.F.

For Interim disbursement, requested funds that are needed to complete an interim goal or task within the CoP and are not ongoing expenses will require quotes from knowledgeable professionals as a third-party verification of the expense before the disbursement will be approved.

### **Disbursement at Completion of Contract [24 CFR 984.305(c)(1) and 24 984.305(c)(2)(i)]**

When the contract has been completed, at or before the expiration date, according to regulation, the amount in the FSS account in excess of any amount the FSS family owes to the PHA will be paid to the head of the FSS family. To receive the disbursement, the head of the FSS family must submit a certification (as defined in 24 CFR 984.103) to the PHA at the time of contract completion that, to the best of his or her knowledge and belief, no member of the FSS family is a recipient of welfare assistance.

### **Disbursement at Contract Termination [24 CFR 984.305(c)(3)]**

The PHA must disburse to the family its FSS escrow account funds in excess of any amount owed to the PHA when the contract has been terminated in certain circumstances. These circumstances include services are not available to the family that the PHA and the FSS family have agreed are integral to the FSS family's advancement towards self-sufficiency, when the head of the FSS family becomes permanently disabled and unable to work during the period of the contract (unless the PHA and the FSS family determine that it is possible to modify the contract to designate a new head of the FSS family), or when an FSS family moves outside the jurisdiction of the PHA and continuation of the CoP after the move is not possible according to the regulations. In circumstances where a family is not able to continue in FSS after the move, it is also possible for the PHA and the family to determine if the contract can be modified to make completion and receipt of the escrow monies, possible. PHAs must be consistent in their determinations of whether a family has good cause for a termination with FSS escrow disbursement.

### **Verification of Family Certification at Disbursement**

The PHA must verify that the family has met the requirements of either interim, final, or termination of contract with escrow. Interim disbursement may only occur after the family has completed certain interim goals and funds are needed to complete other interim goals. Final disbursement can only occur after the family has completed the contract of participation and all members are welfare-free as defined by regulation. Disbursement at contract termination only occurs if the family circumstances involve an integral missing service, the disability of the FSS head of household, or an FSS family porting out of the jurisdiction of the PHA and HUD regulations do not allow continuation of the FSS contract. In each of these circumstances, it follows that the PHA may require verification for the completion of interim goals or the contract of participation.

At interim disbursement and before final disbursement of the FSS account funds to the family, the PHA must verify that the FSS family is no longer a recipient of welfare assistance by requesting copies of any documents which may indicate whether the family is receiving any welfare assistance, and by contacting welfare agencies [24 CFR 984.305(c)(4)].

HUD provides verification guidance in Notice PIH 2018-18. This guidance is mandatory for the Section 8 and public housing programs. The PHA's Administrative Plan or ACOP must contain verification policies following the hierarchy in this notice. The policies contained in the PHA's ACOP and Administrative Plan cover verification policies related to the FSS program in general. However, determining the need for interim disbursements may require more clarification as to what constitutes an acceptable third-party source.

### PHA Policy

The PHA will require verification that the FSS family has completed certain interim goals, has completed the contract of participation, has met the requirements for termination with disbursement of escrow and that the FSS family is no longer a recipient of welfare assistance, as relevant, before making interim and final disbursements.

The PHA will follow HUD's verification hierarchy set forth in Notice PIH 2018-18 to make these verifications, including the guidance therein regarding documentation. -

### **Succession to FSS Account [24 CFR 984.305(d)]**

FSS account funds should be disbursed to the head of the FSS family. However, if the head of the FSS family no longer resides with the other family members in Section 8 or public housing, the remaining members of the FSS family, after consultation with the PHA, have the right to designate another family member to receive the funds.

#### **6-I.D. USE OF FSS ACCOUNT FUNDS FOR HOMEOWNERSHIP**

According to regulation, a Section 8 or public housing FSS family may use their the final distribution of FSS account funds for the purchase of a home, including the purchase of a home under one of HUD's homeownership programs, or other federal, state, or local homeownership programs, unless the use is prohibited by the statute or regulations governing the particular homeownership program [24 CFR 984.305(e)].

Homeownership is just one option for use of the FSS account funds. PHAs may not restrict the use of escrow funds at contract completion [Notice PIH 93-24, C-13].

#### **6-I.E. USE OF FORFEITURE OF FSS ACCOUNT FUNDS**

Amounts in the FSS account will be forfeited when the contract of participation is terminated without escrow disbursement, or when the contract of participation is completed by the family (see Section 5-II.D. of this action plan) but the FSS family is receiving welfare assistance at the time of expiration of the term of the contract of participation, including any contract extension [24 CFR 984.305(f)(1)].

Use of forfeited escrow accounts is described in detail in Section 3-I.F. of this FSS Action Plan.

#### **Treatment of Forfeited FSS Account Funds**

FSS escrow account funds forfeited by the FSS family must be used by the PHA for the benefit of the FSS participants. These funds may only be used for support for FSS participants in good standing. These supports include transportation, childcare, training, testing fees, employment preparation costs, and other costs related to achieving obligations outlined in the CoP; or training for FSS Program Coordinator(s). Forfeited FSS escrow accounts may not be used for salary and fringe benefits of FSS Program Coordinators, general administrative costs of the FSS program, for housing assistance payments (HAP) expenses or public housing operating funds.

## **PART II: ESCROW FUND ACCOUNTING AND REPORTING**

### **6-II.A. OVERVIEW**

Regulations set forth specific requirements involving the accounting and reporting for the FSS escrow account. This part describes those requirements and the PHA policy necessary for managing the account from the PHA perspective.

### **6-II.B. ACCOUNTING FOR FSS ACCOUNT FUNDS**

When establishing FSS escrow accounts, the PHA must deposit the FSS account funds of all families participating in the PHA's FSS program into a single depository account for each (Section 8 or public housing) program. These funds are determined at each reexamination after the effective date of the contract and must be deposited each month to each family's subsidiary line item in the PHA's escrow account. In addition, the funds held in this account must be invested in one or more of the HUD-approved investments [24 CFR 984.305].

#### **Crediting the Escrow Account [24 CFR 984.305(a)(2)(i)]**

The total of the combined FSS account funds will be supported in the PHA accounting records by a subsidiary ledger showing the balance applicable to each FSS family. During the term of the contract of participation, the PHA must credit the amount of the FSS credit (see Section 6-I.B.) to each family's FSS account every month.

#### **Proration of Investment Income [24 CFR 984.305(a)(2)(ii)]**

Because the FSS account funds are to be invested, the investment income for those funds in the FSS account will also need to be credited to each family's account subsidiary line item. By regulation, these funds are to be prorated and credited to each family's FSS account based on the balance in each family's FSS account at the end of the period for which the investment income is credited.

#### PHA Policy

Each month the full amount of the investment income (interest) for funds in the *HCV* FSS account will be prorated and credited to each family's subsidiary line item after the deduction of unpaid rent and other amounts due under the *HCV* lease.

#### **Reduction of Amounts Due by FSS Family [24 CFR 984.305(a)(2)(iii)]**

If the FSS family has not paid the family contribution towards rent, or other amounts, if any, due under the public housing or Section 8 lease, the balance in the family's FSS account shall be reduced by that amount (as reported by the owner to the PHA in the Section 8 FSS program) at the time of final disbursement of FSS escrow funds. If the FSS family has underreported income after the baseline annual income is set, the amount credited to the FSS account will be based on the income amounts originally reported by the FSS family.

If the FSS family is found to have under-reported income in the reexamination used to set the baseline, the escrow for the entire period of the CoP will be recalculated using the correct income to set the baseline and then calculate subsequent escrow amounts.



## **6-II.C. REPORTING ON THE FSS ACCOUNT**

Each PHA must make a report, at least once annually, to each FSS family on the status of the family's FSS account.

At a minimum, the report must include [24 CFR 984.305(a)(3)]:

- The balance at the beginning of the reporting period
- The amount of the family's rent payment that was credited to the FSS account, during the reporting period
- Any deductions made from the account for amounts due the PHA before interest is distributed
- The amount of interest earned on the account during the year
- The total in the account at the end of the reporting period

### PHA Policy

The PHA will provide FSS participants an annual statement on the status of their FSS escrow account.

## Chapter 7

### PORTABILITY IN SECTION 8 FSS PROGRAMS

#### INTRODUCTION

PHAs operating Section 8 FSS programs must be familiar with the rules and regulations regarding portability under the Section 8 program. As with the case of portability in the Section 8 program in general, the FSS family may move outside the initial PHA jurisdiction under portability procedures after the first 12 months of the FSS contract of participation [24 CFR 984.306].

In the event that an FSS family chooses to exercise portability, certain special requirements regarding the FSS program would apply. This chapter describes the obligations of the initial PHA, the receiving PHA, and the FSS family under portability, in addition to any special stipulations regarding portability in the FSS context.

This chapter contains two parts:

Part I: Portability in the FSS Program: This part provides a general overview of portability in the FSS program, including the residency requirements for FSS portability and management of the contract of participation when a family moves into or from another PHA's jurisdiction.

Part II: The Effects of Portability on FSS Regulations and Policy: This part describes the specific ways in which portability affects different aspects of the FSS program, including the escrow account, program termination, loss of the FSS account, and termination of Section 8 program assistance.

#### PART I: PORTABILITY IN THE FSS PROGRAM

##### 7-I.A. OVERVIEW

Portability is a statutory feature of the Section 8 program—it is included in the law. As such, PHAs operating an Section 8 FSS program need to understand the effects that portability will have on Section 8 FSS families and program operation. This part provides a general overview of portability in the FSS program, including the residency requirements for FSS portability and management of the contract of participation when a family moves into or from another PHA's jurisdiction.

## 7-I.B. DEFINITIONS

For the purposes of portability with regards to the FSS program, the following definitions will be used [24 CFR 982.4, 24 CFR 984.306].

- *Initial PHA* means both:
  1. A PHA that originally selected a family that later decides to move out of the jurisdiction of the selecting PHA; and
  2. A PHA that absorbed a family that later decides to move out of the jurisdiction of the absorbing PHA.
- *Receiving PHA* means a PHA that receives a family selected for participation in the tenant-based program of another PHA. The receiving PHA either absorbs the family into its program, including issuing a voucher and providing rental assistance to the family, or bills the initial PHA for the family's housing assistance payments and the fees for administering the family's voucher.
- *Relocating FSS Family* refers to an FSS family that moves from the jurisdiction of a PHA at least 12 months after signing its contract of participation.

## 7-I.C. RESIDENCY REQUIREMENTS

Families participating in a Section 8 FSS program are required to lease an assisted unit within the jurisdiction of the PHA that selected the family for the FSS program for a minimum period of 12 months after the effective date of the contract of participation. However, the initial PHA may approve a family's request to move outside its jurisdiction under portability during this period if the move is in accordance with the regulations at 24 CFR 982.353 [24 CFR 984.306(a)(1)].

### PHA Policy

-The PHA will not allow ports outside its jurisdiction during the initial 12 months after the effective date of the contract of participation, unless the [family](#) or a member of the [family](#) is or has been the victim of domestic violence, dating violence, sexual assault, or stalking, as provided in [24 CFR part 5](#), subpart L (Protection for Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking), and the move is needed to protect the health or safety of the [family](#) or [family](#) member, or any [family](#) member who has been the victim of a sexual assault that occurred on the [premises](#) during the 90-calendar-day period preceding the [family](#)'s request to move.

After the first 12 months of the FSS contract of participation, the FSS family may move outside the initial PHA jurisdiction under portability procedures regardless of PHA approval [24 CFR 984.306(a)(2)].

## **7-I.D. PORTABILITY REQUIREMENTS FOR FSS PARTICIPANTS**

### **Receiving PHA Administers an FSS Program [24 CFR 984.306(b)]**

Whether the receiving PHA bills the initial PHA or absorbs the FSS family into its Section 8 program, the receiving PHA must enroll an FSS family in good standing in its FSS program. However, if the receiving PHA is already serving the number of FSS families identified in its FSS Action Plan and determines that it does not have the resources to manage the FSS contract or the receiving PHA, the initial PHA may agree to the FSS family's continued participation in the initial PHA's FSS program. Prior to the PHAs agreeing to the continued participation, the initial PHA must determine that the relocating FSS family has demonstrated that, notwithstanding the move, it will be able to fulfill its responsibilities under the initial or a modified contract at its new place of residence.

#### PHA Policy

The PHA, as the initial housing authority, will agree to the participant's continued participation in their FSS program so long as the relocating family has demonstrated, with the assistance of the FSS Coordinator, that it will be able to fulfill its responsibilities under the initial or a modified contract at its new place of residence.

Where continued FSS participation is not possible, the initial PHA **must** clearly discuss the options that may be available to the family. Depending on the family's specific circumstances, these options include modification of the FSS contract, locating a receiving housing authority that has the capacity to enroll the family in its FSS program, termination with FSS escrow disbursement in accordance with 24 CFR 984.303(k)(1)(iii), or termination of the FSS contract and forfeiture of escrow.

#### PHA Policy

The PHA will clearly discuss the options that are available to the family where continued FSS participation is not possible. Depending on the family's specific circumstances, these options include modification of the FSS contract, locating a receiving housing authority that has the capacity to enroll the family in its FSS program, termination with FSS escrow disbursement, or termination of the FSS contract and forfeiture of escrow.

### **Receiving PHA Does Not Administer an FSS Program [24 CFR 984.306(c)]**

If the receiving PHA does not administer an FSS program, the FSS family may not continue participation in the FSS program. The initial PHA must clearly discuss the options that may be available to the family. These may include, but are not limited to, modification of the FSS contract, locating a receiving PHA that administers an FSS program, termination of the FSS contract with FSS escrow disbursement, or termination of the FSS contract and forfeiture of escrow.

#### **PHA Policy**

The PHA, as the initial housing authority, will agree to the participant's continued participation in their FSS program so long as the relocating family has demonstrated, with the assistance of the FSS Coordinator, that it will be able to fulfill its responsibilities under the initial or a modified contract at its new place of residence.

## **PORT FSS IMPACT ON FSS FAMILY**

	<b><i>FSS Participation Status:</i></b>	<b><i>PHA's FSS Status:</i></b>	<b><i>Port Scenario:</i></b>	<b><i>FSS Impact:</i></b>
1.	FSS family ports	Receiving PHA administers FSS  Initial PHA administers FSS	Billed	Family may continue participation in initial PHA's FSS program, as determined by the initial PHA,  <b>or</b>  Family may enroll in receiving PHA's FSS program as determined by the receiving PHA.
2.	FSS family ports	Receiving PHA administers FSS  Initial PHA administers FSS	Absorbed	Family may enroll in receiving PHA's FSS program as determined by the receiving PHA,  <b>or</b>  Receiving PHA may agree to the family's continued participation at initial PHA's FSS program. Agreement from the receiving PHA is needed because they would be responsible for most of the FSS tasks under this scenario.
3.	FSS family ports	Receiving PHA does not administer FSS  Initial PHA administers FSS	Billed	Family may continue participation in initial PHA's FSS program, as determined by the initial PHA, if the receiving PHA agrees to continued participation. In this case, the receiving PHA would be responsible for submitting the FSS information for the family into IMS/PIC. The receiving PHA's determination must be based on an undue financial or administrative hardship to

	<b><i>FSS Participation Status:</i></b>	<b><i>PHA's FSS Status:</i></b>	<b><i>Port Scenario:</i></b>	<b><i>FSS Impact:</i></b>
4.	FSS family ports	Receiving PHA does not administer FSS  Initial PHA administers FSS	Absorbed	Family may not continue participation in initial PHA's FSS program because the receiving PHA would be responsible for managing escrow and the receiving PHA does not administer an FSS program.
<b>PORT FSS IMPACT ON NON-FSS FAMILY</b>				
5.	Non-FSS family ports	Initial PHA administers FSS  Receiving PHA administers FSS	Billed	Family may enroll in receiving PHA's FSS program if the initial PHA agrees. Initial PHA agreement is needed because they would be responsible for managing the FSS escrow account.
6.	Non-FSS family ports	Initial PHA administers FSS  Receiving PHA administers FSS	Absorbed	Family may enroll in receiving PHA's FSS program as determined by the receiving PHA.
7.	Non-FSS family ports	Initial PHA does not administer FSS  Receiving PHA administers FSS	Billed	Family may not enroll in receiving PHA's FSS program because the initial PHA would be responsible for managing the FSS escrow account and the initial PHA does not administer an FSS program.
8.	Non-FSS family ports	Initial PHA does not administer FSS  Receiving PHA administers FSS	Absorbed	Family may enroll in receiving PHA's FSS program as determined by the receiving PHA.

### **Single Contract of Participation**

If the FSS family enrolls in the receiving PHA's FSS program, the receiving PHA will enter a new contract with the FSS family for the term remaining on the contract with the initial PHA. The initial PHA will end its contract with the family.

If the FSS family remains in the FSS program of the initial PHA, pursuant to this section, the contract executed by the initial PHA will remain as the contract in place.

### **Termination of FSS contract and Forfeiture of Escrow Account [984.306(e)]**

If an FSS family relocates to another jurisdiction and is unable to fulfill its obligations under the contract, including any modifications, the PHA, which is a party to the contract, **must terminate the FSS family from the FSS program**. The family's FSS escrow account will be forfeited.

Termination of FSS program participation and forfeiture of FSS escrow must be used only as a last resort after the PHA determines, in consultation with the family, that the family would be unable to fulfill its obligations under the contract after the move, that locating another receiving housing authority with a FSS program is not possible, that the current contract cannot be modified to allow for completion prior to porting, and that the current contract cannot be terminated with FSS escrow disbursement. When termination is the only option, the PHA must clearly notify the family that the move will result in the loss of escrow funds. The PHA must follow its policy for clearly notifying the FSS family of the forfeiture.



## **7-I.E. NEW FSS ENROLLMENT INTO RECEIVING PHA’S FSS PROGRAM**

### **Administering and Billing of the Voucher**

If the receiving PHA bills the initial PHA, the receiving PHA may, consistent with the receiving PHA’s FSS enrollment policies, enroll a family that was not an FSS participant at the initial PHA into its FSS program, but only if the initial PHA manages an FSS program and agrees to such enrollment. If the receiving PHA bills the initial PHA, but the initial PHA does not manage an FSS program, the family may not enroll in the receiving PHA’s FSS program.

#### **PHA Policy**

The PHA will clearly discuss the options that are available to the family where continued FSS participation is not possible. Depending on the family’s specific circumstances, these options include modification of the FSS contract, locating a receiving housing authority that has the capacity to enroll the family in its FSS program, termination with FSS escrow disbursement.

### **Absorption of the Voucher**

If the receiving PHA absorbs the family into its Section 8 program, the receiving PHA may, consistent with the receiving PHA’s FSS enrollment policies, enroll a family that was not an FSS participant at the initial PHA into its FSS program.

## **PART II: REPORTING**

### **7-II.A. OVERVIEW**

Each PHA that carries out an FSS program shall submit to HUD, in the form prescribed by HUD, a report regarding its FSS program.

### **7-II.B. CONTENTS OF THE FSS REPORT [24 CFR 984.401]**

The report submitted to HUD must include a description of the activities carried out in the FSS program; a description of the effectiveness of the program in assisting families to achieve economic independence and self-sufficiency, including the number of families enrolled and graduated and the number of established escrow accounts and positive escrow balances; a description of the effectiveness of the program in coordinating resources of communities to assist families to achieve economic independence and self-sufficiency; and any recommendations by the PHA or the appropriate local Program Coordinating Committee for legislative or administrative action that would improve the FSS program and ensure the effectiveness of the program.

### **7-II.C. FAMILY SELF-SUFFICIENCY GRANT PROGRAM REVIEW PHA SELF-ASSESSMENT**

HUD provides a detailed checklist for PHAs to conduct their own self-assessment of their FSS program. The form is administered by the local field office and allows each PHA to gather concrete and comprehensive data covering aspects of the program from FSS Action Plans and Composite Scores through FSS program size, participants, and graduations to reductions in FSS grants and current Memoranda of Agreement with community partners. The detailed example of the FSS Self-Assessment is available at HUD's FSS Resource page, which can be located by searching "HUD FSS" on any browser.

