

*y*OUR
INLIVIAN

FY2026 Proposed Annual Budget



INLIVIAN
HOUSING REDEFINED

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1.0 INTRODUCTION

TRANSMITTAL LETTER

November 2025

To the Chairperson and the Board of Commissioners:

I am pleased to present INLIVIAN's Fiscal Year (FY) 2026 Budget. This budget is the financial plan for the upcoming year and incorporates the initiatives and actions towards our five-year strategic plan, "The Blueprint". INLIVIAN is finalizing its next five-year strategic plan, The Blueprint² to continue aligning our investments with our strategies to increase the supply of diverse price-point housing, maintain and increase the value of our assets, stabilize our target market, and improve the quality of life for our customers.

INLIVIAN and its subsidiaries continue to provide property management and support services to residents using a private market platform, with a strong focus to help our families achieve economic self-sufficiency through the Moving Forward program across all properties. Included in these services are case management services, childcare, job support, senior programs and youth development which are designed to improve the lives of our residents. INLIVIAN continues to find ways to create opportunities for those we serve to live, work and thrive in our communities.

Management and staff prepared the attached operating and development budgets based on: 1) the Blueprint, 2) the Moving Forward Annual Plan, and 3) the sustainability of INLIVIAN and its family of companies. The purpose of this document is to provide the Board, staff and other stakeholders with a comprehensive budget for the coming period.

The Budget

The FY2026 Budget proposes to use \$238.4 million for operating expenses, property improvements and development projects. The fiscal year budgets are presented as eight funds:

- Business Activities
- Business Activities - Component Units
- Central Office Cost Center (COCC)
- Moving to Work (MTW)
- C.O.R.E. Programs Inc. (CORE)
- Blue Horizon Management Company (Blue Horizon)
- Horizon Acquisition Corp. (Horizon Acquisition)
- Horizon Development Properties, Inc. (Horizon Development).

The budgets are balanced in accordance with North Carolina General Statutes for Business Activities, COCC, and MTW. The CORE budget is also balanced.

Component Units, Blue Horizon, Horizon Acquisition and Horizon Development will show a budget with expected cash flow.

Budget Highlights

The FY2026 budget represents INLIVIAN's passion to serve our residents and enhance their well-being every day through innovative solutions and purposeful investments. The budget includes funding to advance INLIVIAN's mission to improve the quality of its programs and services while remaining fiscally responsible.

In light of economic constraints, INLIVIAN looked for opportunities across the agency to better utilize existing resources and positions. As such, several business units and positions were re-organized to better align processes as a strategic effort to increase efficiency and performance. First, the CORE business unit shifted to under Blue Horizon Management Company (BHMC) and the Housing Choice Voucher (HCV) Program. Life coaches serving BHMC-managed properties moved under BHMC and life coaches serving the Section 8 Program re-organized under HCV. Next, the Compliance Section moved from Finance and realigned under Administration/Operations to promote a more enhanced synergy among those complementary programs. To provide greater oversight of safety and security, the Resident Safety unit has been re-organized under BHMC. Finally, the Asset Management section transitioned from Horizon Development Properties (HDP) to Finance to leverage the collective strengths of those resources to improve financial performance and the agency's potential for growth and scalability.

The FY2026 Budget reflects several major changes including the conversion of the Little Rock housing program and the completion of major capital/development projects. The conversion of Little Rock's existing multi-family Section 8 contract with HUD to a new Project-Based Voucher will preserve and improve affordable housing while providing a stable, long-term stream of rental income. In 2025, several major capital projects were completed including Fairmarket Square and McAlpine Terrace, which will increase projected revenues as units previously down for renovation are brought back online. Additionally, the completion of Trella Uptown will reduce the capital funding needs for FY2026 as the development completed construction and began lease-up in the fall of 2025. Trella Uptown is a multi-million dollar mixed-income development featuring 353 units on the site of the former historic Barringer Hotel in uptown Charlotte.

INLIVIAN continues to invest in our employees and is dedicated to advancing our workforce and creating initiatives to give employees more comprehensive access to the tools and resources needed for them to thrive. The FY2026 Budget includes a merit increase of up to 4% for eligible full-time employees and a 3% bonus increase for non-executive positions (5% increase for executive positions), all of which are based on performance.

INLIVIAN maintains its mission to expand quality affordable housing opportunities through real estate development initiatives. Development and revitalization projects in the FY2026 Budget include funding for future developments involving public-private partnerships. The capital investments in the FY2026 Budget reaffirms INLIVIAN's commitment to maintain the supply of diverse price-point housing.

The attached budgets represent fiscal restraint and sustainability within our framework to meet the affordable housing demand. The budgets are based on INLIVIAN's mission and priorities mandated by the Board of Commissioners and the strategic plans articulated by the senior staff.

INLIVIAN and its subsidiaries wish to thank all its partners who contribute to the success of its mission. We look forward to discussions about the submitted budget for Fiscal Year 2026.

Respectfully submitted,

A. Fulton Meachem, Jr.
President/CEO

BOARD OF COMMISSIONERS

INLIVIAN is a public body and a body corporate and politic of the State of North Carolina created pursuant to the Housing Authorities Law (Article 1 of Chapter 157 of the General Statutes of North Carolina), as amended by a resolution of the City Council of the City of Charlotte, North Carolina adopted on December 7, 1938. The Housing Authority of the City of Charlotte, now INLIVIAN, was incorporated in June 1939 and has been in continuous operation since that date. INLIVIAN's powers are vested in seven commissioners; two (2) appointed directly by the Mayor, and five (5) appointed by Charlotte City Council. At least one (1) member must be a resident of assisted housing. The current commissioners are as follows:

Board Chair
Fatina Allen



Vice Chair
Angela Ambrose



Commissioner
Linda Ashendorf



Commissioner
Antoine Dennard



Commissioner
Maurice Robinson



Commissioner
Esezele Payne



Commissioner
Michael W. Kennerly

Commissioners serve staggered three-year terms and, as the governing body, set policies governing the operations of INLIVIAN and charting the direction of current and future programs. Commissioners ensure that INLIVIAN operates within the North Carolina General Statutes and according to HUD regulation. Board action is affected by adoption of resolutions approving or authorizing the Chief Executive Officer, their designee, or other senior managers to implement policy and/or conduct business.

SENIOR MANAGEMENT

The Senior Management team of INLIVIAN consists of key executives who ensure that each of the agency's strategic business areas continue to focus on initiatives that center around the organization's strategic goals and management priorities.



A. Fulton Meachem, Jr., President/CEO. Mr. Meachem joined the agency in October 2012. He has worked in public housing for more than 20 years and has extensive experience in developing and executing workforce housing, resident services, and housing operations. As President and CEO of INLIVIAN, Mr. Meachem is responsible for the oversight and effective operation of one of the most progressive housing authorities in the nation. Due to an entrepreneurial nature, Mr. Meachem started two 501(c)(3) organizations to garner private dollars for public causes. He successfully led development efforts which resulted in the creation of over 1,600 mixed-income apartments using a myriad of sources such as HOPE VI funding, Low-Income Housing Tax Credits and Tax-Exempt Bond Financing. Mr. Meachem serves on a number of boards and committees including the Charlotte Works Board of Directors, Charlotte 2040 Vision Steering Committee, Childress Klein Center Real Estate Advisory Board and All Income Counts Coalition. He is a member of the Council of Large Public Housing Authorities, National Association of Housing and Redevelopment Officials and the Public Housing Authorities Directors Association. Mr. Meachem is a graduate of North Carolina Central University, with a Bachelor's of Arts degree in Business Administration.



Heather R. Franklin, CPA, Chief Financial Officer. Ms. Franklin joined the agency in September 2001. She oversees all financial and audit functions of INLIVIAN, which includes accounting, budgeting, procurement, and asset management, as well as the Information Technology department. Ms. Franklin is a hands-on, results-driven, team focused professional, which is integral to her high success record of accomplishments at INLIVIAN. Prior to joining INLIVIAN, Ms. Franklin worked for Virginia Tech Foundation, a 501(c)(3) organization, in its Accounting Department. She is a member of the North Carolina Association of Certified Public Accountants, and the American Institute of Certified Public Accountants. She has both a Bachelor's and Master's degree in Accounting, each from Virginia Polytechnic Institute and State University (Virginia Tech). Ms. Franklin has been a licensed CPA in the state of North Carolina since 2004.



Kenya Lewis, Interim Chief Operations Officer. Ms. Lewis joined the agency in July 2011. Ms. Lewis earned a Bachelor's Degree in Sociology/Social Welfare from Winston Salem State University and a Master's in Strategic Leadership with a concentration in Human Resources from Pfeiffer University. Ms. Lewis has served in several positions at INLIVIAN. She joined the agency working as a case manager in CORE programs, providing supportive services to our families. She has also served as both the Special Assistant and Project Manager to INLIVIAN's Executive Office. Ms. Lewis has more than 18 years of experience working in the human services field. Prior to joining INLIVIAN, Ms. Lewis worked at two public housing agencies serving in the Resident Services departments. As the Interim COO, Ms. Lewis oversees the Blue Horizon Management Company, Housing Choice Voucher Program, Public Relations, Compliance, CORE and People & Culture teams.



Temeka Couch, EVP, Housing Choice Voucher Program. Ms. Couch joined the agency in 2023. Prior to joining INLIVIAN, Ms. Couch served in various capacities at multiple affordable housing agencies over the past 16 years. She has earned several professional housing certifications to enhance her knowledge in the area of affordable housing and further develop her leadership skills. Ms. Couch has a Bachelor's Degree in Politics and Government from Illinois State University & a Master of Public Administration & Policy Analysis Degree from Southern Illinois University. Ms. Couch is certified in Project Based Management, HCV Homeownership, HCV Specialist, Public Housing Manager and Public Housing Rent Calculations, Developing and Managing Project Based Vouchers, RAD Project Based Voucher, Procurement and Section 3, HCV Housing Quality Standards, Family Self Sufficiency, HCV Program Management, Fair Housing and Reasonable Accommodation and Housing Credit Certified Professional.



Allan Rivera, EVP, Information Technology. Mr. Rivera joined the agency in 2023. Prior to joining INLIVIAN, Mr. Rivera served as the Director of Information Technology for the National Blood Testing Cooperative in Atlanta, Georgia and the Housing Authority of New Orleans. Mr. Rivera brings 22 years of experience in knowledge base management information systems, data management, cyber security, disaster recovery, cloud computing and systems configuration. He holds an Associate Degree in Electronics Engineering Technology/Networking from Remington College, an Associate Degree in Computer Information Technology from Delgado Community College and is working towards his Bachelor of Science degree in Information Technology from Tulane University. Mr. Rivera is also certified in Microsoft Azure Cloud Administration, Azure Cloud Fundamentals, IT Project Management and Cyber Security. He has also earned a Public Housing Management certification from Nan McKay University.



Cheron Porter, EVP of Corporate Communications. Ms. Porter joined the agency in 2015. She is an award-winning communications and public relations executive with over 25 years of experience. Cheron's expertise and wisdom are grounded in connecting with people and translating complex information into digestible details that clarify purpose. Ms. Porter holds a Bachelor of Arts degree from James Madison University, a Master of Arts degree from American University, a Graduate certificate from the University of Maryland College Park, as well as the Accreditation in Public Relations (ARP) distinction. In addition to her work with INLIVIAN, Cheron has been a mentor for over 20 years and currently serves as the Diversity and Inclusion Chair for the Public Relations Society of America (PRSA) Charlotte and a coach for Girls on the Run.



BLUE HORIZON
MANAGEMENT COMPANY



Kimberlie Smith, EVP, Real Estate Management. Blue Horizon. Ms. Smith joined the agency in 2022. She is an experienced Executive skilled at maintaining the integrity of the asset while maximizing financial returns. Offering more than 20 years of industry and property management expertise, Ms.

Smith brings a wealth of information and resources to the BHMC table. She arrived at BHMC following a 15-year stint as a Senior Regional Manager of a successful property management and brokerage company. Ms. Smith honed her considerable skill-set through a variety of portfolio manager, property manager and controller roles she's held throughout the years, placing a special emphasis on budgeting, financial forecasting and creating and implementing business development plans. She also has substantial experience managing and supervising staff members and handling associated personnel matters and is well-versed in asset acquisition and disposition, tenant relations, tenant improvement projects and lease administration and negotiations, among related areas. Her oversight expertise is in LIHTC, HUD and market rate communities. She is a hands-on leader for her team as well as colleagues, investors, agencies and owners. Kim is a firm believer in being the example you want others to follow. In addition to Property Management, Kim brings a diverse background to the company with experience in accounting, marketing, software development and business management. Kim holds a dual degree in Business Management and Accounting as well as her South Carolina Property Manager License.

STRATEGIC BUSINESS AREAS

INLIVIAN has six strategic business areas: Executive, Corporate Services, Administrative Operations, Blue Horizon Management Company (Blue Horizon), C.O.R.E. Programs Inc. (CORE), and Horizon Development Properties, Inc. (Horizon Development).

The **Executive Division** provides leadership and oversight of the organization by working with the Board of Commissioners and senior management team to establish and implement long-term goals, strategic plans for program development and policies to support operations.

Blue Horizon operates as INLIVIAN's Real Estate Management Division. They are responsible for the daily management and maintenance of housing units owned by INLIVIAN and its subsidiaries.

Corporate Services include Finance, People and Culture, Information Technology, Call Center, and Public Relations. They enable employees and other divisions to achieve the mission of INLIVIAN.

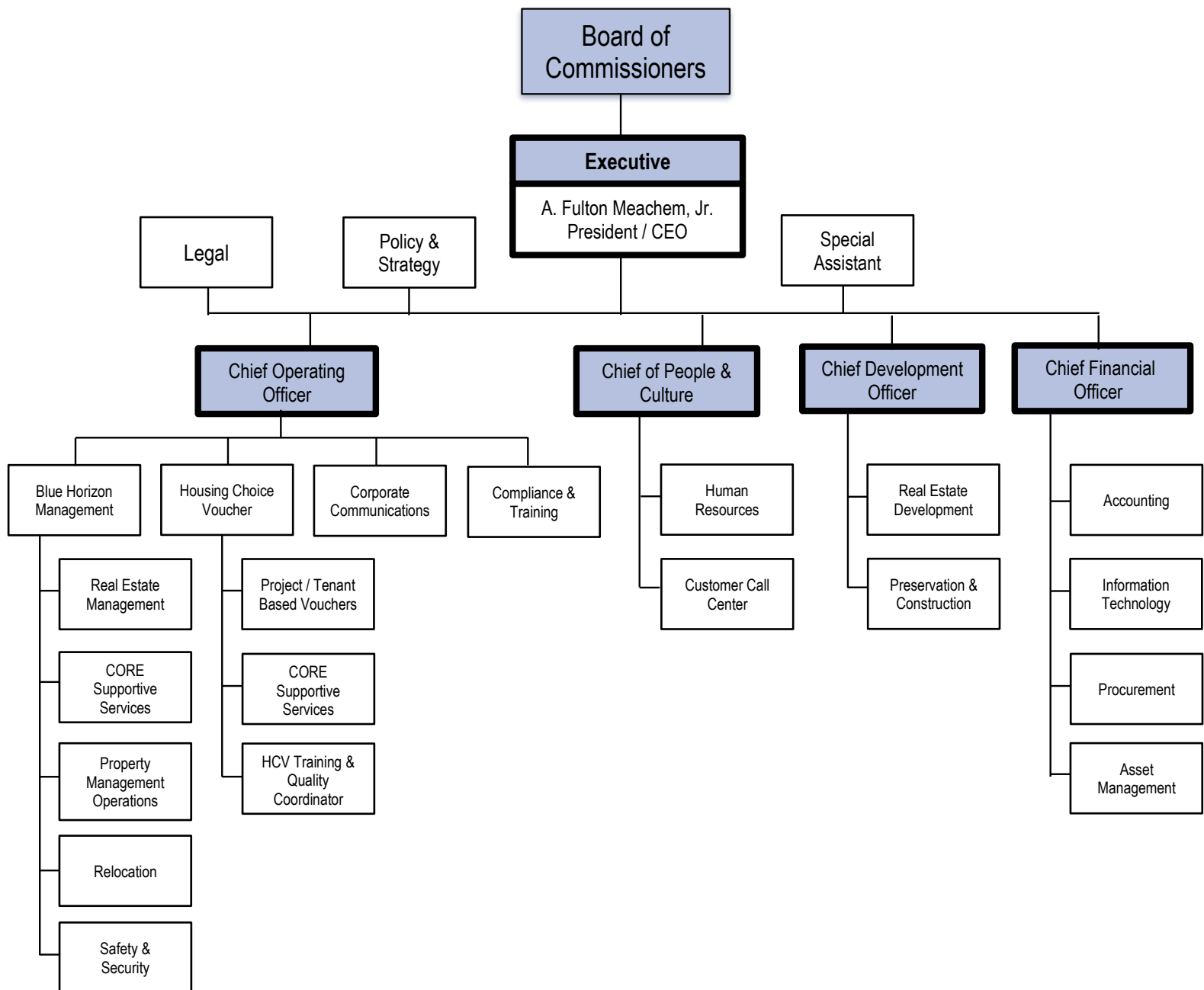
CORE provides client services to INLIVIAN residents, including youth development, Destination Home Ownership, case management and other services for our residents.

Housing Choice Voucher Program includes the administration of the Moving to Work and Section 8 program. Responsibilities include ensuring communication with stakeholders, and management of the Housing Choice Voucher program.

Horizon Development operates as the Real Estate Development Division of INLIVIAN and is responsible for providing construction management and development of new affordable housing units, partnering with the development community to leverage existing resources.



ORGANIZATION CHART



CERTIFICATE OF ACHIEVEMENT



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**INLIVIAN
North Carolina**

For the Fiscal Year Beginning

January 01, 2025

Christopher P. Morill

Executive Director

Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to INLIVIAN, for its Annual Budget for the fiscal year beginning January 1, 2025. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

2.0 STRATEGIC DIRECTION

2.1 VISION AND MISSION

OUR VISION

**Creating Community,
Empowering Families, and Building Partnerships.**

OUR MISSION

To create innovative housing solutions in desirable communities for residents of diverse incomes and facilitate access to services to help them succeed.

OUR GOALS

Goal I:
Elevate the customer experience by providing a culture of service excellence.

Goal II:
Acquire, develop, and preserve diverse price point housing.

Goal III:
Create and enhance diverse income streams to support INLIVIAN's Mission.

Goal IV:
Develop and maintain mutually beneficial external partnerships that further INLIVIAN's mission.

Goal V:
Implement a communication strategy that educates the public on INLIVIAN's transformation and engages stakeholders in advocacy efforts that further INLIVIAN's Mission.

Goal VI:
Acquire, Retain and Develop Top Talent to ensure the successful execution of our strategic plan.

OUR CORE PRINCIPLES

Best In Class
Our commitment is to the highest standards of excellence and we strive to always exceed customer expectations and be the best in the industry

We Are Our Word
Honesty and Integrity are the foundation upon which we build all relationships.

We Encourage Creative Thinking
Scarce resources, great needs and change-driven environment challenges the status quo and demands an entrepreneurial spirit. We encourage creative thinking and are consistently searching for better ways to accomplish our goals.

Children Are Our Future
It's better to build strong boys and girls than to repair broken men and women.

Accountability Ties Commitment to Results
We are accountable to INLIVIAN, and to our customers, investors, partners, community and each other for the work we produce and actions we take. We take ownership of our ideas, our creation and our impact.

2.2 THE BLUEPRINT (5-Year Plan)

INLIVIAN is guided by its five-year strategic plan named “The Blueprint”. Spurred on by the uncertainty of federal funding and increasing demand for affordable housing, INLIVIAN devised a plan that would monetize its 20+ years of experience in Real Estate Development, Property Management, and Supportive Services to take action on the immortal words of Abraham Lincoln, “the best way to predict the future is to create it yourself.”

INLIVIAN has a fully functional “Family of Companies” that together can increase the supply of diverse price-point housing, maintain and increase the value of our assets, stabilize our target market and produce cash flow that we can reinvest back into our mission.

Horizon Development, Blue Horizon, and CORE have created 1,626 new apartments across eight new residential properties, received 478 new voucher awards, and graduated 71% of our participants in the Family-Self-Sufficiency Program (national average is 39%).

Using this strategic plan as a guide, we believe INLIVIAN has increased the supply of diverse price-point housing and improved the quality of life for our customers. Key elements of this strategy is the continued expansion of our “Family of Companies” and analyzing our entrepreneurial efforts to ensure the generation of new revenue that will supplement the loss of federal funds. INLIVIAN knows it takes collaboration to meet this critical need for housing, so we have pursued partnerships that are alike in mission and bring a high return on investment to INLIVIAN and its residents.

Our strategic plan represents “The Blueprint”. The initial Blueprint is being expanded with The Blueprint², which is currently being finalized. We continue to refine as the needs of our community change, which will play a key role in the development of the next strategic plan.



2.3 ANNUAL OBJECTIVES

The agency’s fiscal year is from January 1 through December 31. Annual objectives are developed by strategic business areas, which are linked to goals established in The Blueprint. These annual objectives are identified in Section 4.0 Fund Financial Summary.

The annual budget process is designed to support INLIVIAN’s long-range vision and 5-year goals of The Blueprint. INLIVIAN’s senior management meets to review goals achieved and set objectives for the upcoming year. Decisions on initiatives or realignment of priorities are identified and are set forth as the foundation upon which INLIVIAN establishes its annual objectives. Staff planned the milestones and required resources as part of the budget development process to meet those objectives. Additional information about the budget process is provided in Section 7.0 Supplemental Information.

Six Goals of The Blueprint

1

Elevate the customer experience by providing a culture of service excellence.



2

Acquire, develop, and preserve diverse price point housing.



3

Create and enhance diverse income streams to support INLIVIAN's Mission.



4

Develop and maintain mutually beneficial external partnerships that further INLIVIAN's mission.



5

Implement a communication strategy that educates the public on INLIVIAN's transformation and engages stakeholders in advocacy efforts that further INLIVIAN's Mission.



6

Acquire, Retain and Develop Top Talent to ensure the successful execution of our strategic plan.



2.4 INLIVIAN IS MOVING FORWARD

INLIVIAN is one of the thirty-nine (39) original agencies participating in the federal Moving to Work (MTW) Demonstration program. MTW has transformed the way housing authorities provide housing and services to low-income families. Using MTW flexibilities, INLIVIAN has created alternative methods to:

- Reduce cost and achieve greater cost effectiveness in federal expenditures.
- Give incentives to families with children where the head of household is working, is seeking work, or is preparing for work by participating in job training, educational programs, or programs that assist people to obtain employment and become economically self-sufficient; and
- Increase housing choices for low-income families.

The authorization to waive certain statutes and HUD regulations and combine federal funds has enabled INLIVIAN to develop and implement activities that improve the communities we serve in Charlotte.

MTW has been recognized as a vital tool in INLIVIAN's toolbox for providing affordable housing and is locally branded as Moving Forward. It allows INLIVIAN to implement activities that positively impact the following:

- Employment rate for able-bodied heads of households and other family members.
- Number of family members in training and/or education programs.
- Average and median income of families (all sources and earned income) (excluding seniors and disabled families);
- Amount of funds leveraged in the community for production of affordable housing and the provision of supportive services.
- Number of children who enter post-secondary education.
- Percent increase in the number of INLIVIAN students that enter the INLIVIAN Scholarship Fund.
- Number of housing units in mixed-income environments; and
- Distribution of housing units and housing opportunities for Section 9 and project-based Section 8.

Key MTW activities implemented:

1. Rent Reform (modified rent calculation with escrow and biennial reexaminations);
2. Case Management and enhanced services.
3. Supportive Housing Partnerships (partnering with supportive housing providers to provide gap financing and housing subsidies): Supportive Housing Communities, YWCA Families Together, The Salvation Army, Urban Ministry Center, Charlotte Family Housing, HUD Veteran Affairs Supportive Housing (VASH) Vouchers, HUD Family Unification Program (FUP) Vouchers, Everett House, and A Child's Place.
4. Resident Security activities.
5. Construction of additional affordable units; and
6. Implementation of policies that simplify the administration of public housing and housing choice voucher programs.
7. Rehabilitation of existing affordable units.

3.0 BUDGET SUMMARY

3.1 BUDGET OVERVIEW

INLIVIAN arranges its functions into eight main funds, each with a specific function:

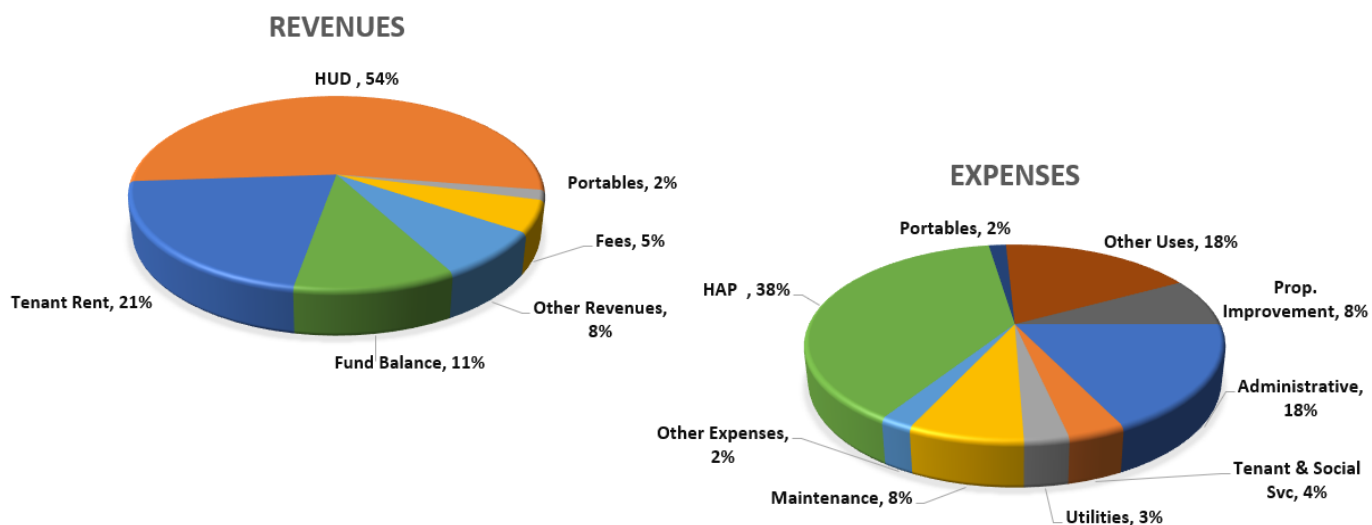
- Business Activities
- Business Activities - Component Units
- Central Office Cost Center (COCC)
- Moving to Work (MTW)
- C.O.R.E. Programs Inc. (CORE)
- Blue Horizon Management Company (Blue Horizon)
- Horizon Acquisition Corp. (Horizon Acquisition)
- Horizon Development Properties, Inc. (Horizon Development).

Further details for each fund budget are provided separately in Section 4.0 Fund Financial Summary.

All budgets are combined in this Budget Summary presentation to show a comprehensive view of INLIVIAN for the upcoming year. The annual operating budget reflects the day-to-day operations, while the capital budget represents capital investments.

Below is a summary of the combined INLIVIAN budget:

	FY2024 Budget	FY2025 Budget	FY2026 Budget	FY2026 vs FY2025	
				\$ Variance	% Variance
Revenues	\$ 259,639,721	\$ 296,822,305	\$ 239,637,346	\$ (57,184,959)	-19%
Expenses	258,155,535	295,007,322	238,412,669	(56,594,653)	-19%
Net Income	\$ 1,484,186	\$ 1,814,983	\$ 1,224,677	\$ (590,306)	-33%



Budget Highlights

Revenues:

The vast majority of INLIVIAN's operating revenues come from federal financial assistance, which will fund \$128.6 million of the FY2026 Budget. Portable and Portable Administrative Fees are estimated at \$4.0 million. Operating Revenues from Tenant Rental Revenue and Fee Revenues are projected at \$50.6 million and \$12.5 million respectively. Also included in the FY2026 Budget is \$25.6 million in fund balance appropriations to support development projects and various one-time expenses intended to increase efficiencies in INLIVIAN's services and operations. Fund Balance appropriations included in the FY2026 Budget are as follow:

	COCC	Horizon Development	MTW	TOTALS
Capital & Development Projects	-	-	23,645,178	23,645,178
Network Upgrades	108,000	-	0%	108,000
HDP Operating Reserves	-	1,805,029	0%	1,805,029
TOTALS	108,000	1,805,029	23,645,178	25,558,207

Public Housing Operating Subsidies decreased by 48% due to the demolition of Dillehay Courts, making the property eligible for an asset repositioning fee of \$213,719 in 2026. Dillehay is INLIVIAN's last public housing project and is undergoing redevelopment. The first phase of the redevelopment project completed in 2023. The Gaston at North End replaced the former Dillehay Courts with 144 units and serves as a mixed-income complex. The next phase of the Dillehay project are still ongoing with the efforts primarily focused in the planning stage for 2026.

HCV Operating Subsidies decreased by 3%, which primarily reflects reduced funding for the Emergency Housing Vouchers (EHV) created by HUD in 2021 to provide temporary additional rental assistance for specific urgent housing crises. HCV Operating Subsidies support other programs including Housing Assistance Payments (HAP) to housing providers, Section 8 program administration, supportive services and other MTW initiatives. Revenue estimates are based on anticipated funding from HUD in the form of Housing Assistance Payments and Administrative Fees. Funding eligibility is based up on the number of units leased within INLIVIAN's authorized voucher allocation, then prorated to align with the appropriations by Congress for the program. The FY2026 funding is based on the projected calendar year 2026 Housing Assistance Payment Subsidy Eligibility with a five percent (5%) inflation factor and applying a conservative national proration factor of 97%. The administrative fees earned are based on the MTW agreement and the baseline for MTW and the HUD published Administrative Fee rates by the national proration factor of 83 percent.

The following table shows a history of proration and inflation affecting the assumptions in this year's budget estimate. INLIVIAN continues to budget its revenues conservatively due to the volatility of appropriations at the federal level.

Year	HAP Proration	Inflation	Admin Fee Proration
2025	100.7%	16.7%	
2024	99.5%	11.3%	92.8%
2023	100.0%	12.9%	97.2%
2022	100.0%	2.7%	89.4%
2021	100.0%	8.9%	85.8%
2020	99.5%	2.8%	81.0%
2019	99.5%	3.9%	81.1%
2018	99.7%	3.7%	80.6%
2017	97.0%	3.3%	78.0%
2016	99.6%	0.0%	84.0%

Tenant Rental Revenue remains steady at \$50.6 million. Although a 5% rent increase was budgeted across the portfolio, several properties/units are scheduled to be out-of-service due to planned redevelopment. Specifically, redevelopment plans are underway for Grove Place, Oak Valley and Valley View. As tenants move out of these properties, the vacant units will not be re-leased, thereby resulting in revenue loss until the sites are redeveloped. Additionally, the conversion of Little Rock also provided for increases in contract rents. As part of the conversion, the new vouchers utilize higher rates than was previously allowed.

In regard to rent increases, housing contract rents are adjusted annually by HUD's Operating Cost Adjustment Factor (OCAF) at each anniversary of the Housing Assistance Payment (HAP) contract, subject to the availability of appropriations for each year of the HAP contract term and provided that the OCAF-adjusted rent potential does not exceed the maximum rent allowed. Maximum rent is equal to the greater of (i) 140% of the Fair Market Rent (FMR) potential based on the FMRs in effect at the time for the FMR area in which the property is located, less Utility Allowances; or (ii) the comparable market rent potential for the market area, as demonstrated by a rent comparison study prepared in accordance with HUD requirements. If the maximum rent exceeds the OCAF-adjusted rent potential, the contract rent is adjusted by the OCAF. If the OCAF-adjusted rent potential exceeds the maximum rent, the adjusted rent is limited by the maximum rent.

Portable HAP Revenue and Administrative Fees are based on the most recent number of portables in the agency. Portability in the HCV program refers to the process through which a family can transfer or "port" their rental subsidy when they move to a location outside the jurisdiction of the Public Housing Agency (PHA) that first gave them the voucher when they were selected for the program. The agency the family ports to can choose to either absorb the voucher into its portfolio (based on voucher availability), or to keep the voucher as a portable voucher. For INLIVIAN, most vouchers are processed as portables, and as a result, INLIVIAN bills the initial PHA for the portable family's housing assistance and also bills for ongoing administrative fees.

Fee Revenues consists of both external fees collected and inter-departmental fee transactions. External fees include developer fees collected as part of real estate development projects, asset management fees received from real estate projects/properties where INLIVIAN/HDP have an interest, and bond issuance/monitoring fees received from developers/partners for conduit bonds issued. These fees are dependent on existing projects/partnership agreements and may change year over year based on those terms. Inter-departmental fees include property management fees paid by HDP properties to Blue Horizon Management Company, administrative fees paid by subsidiaries to Central Office Cost Center, and social services fees paid by Horizon Development properties to CORE.

A major portion of the Other Revenues category and Fund Balance Appropriated includes funding from MTW to HDP for Capital and Development Projects, which decreased by 65% and 44% respectively. These reductions are due to the completion of major projects and the reclassification of ongoing projects from an annual appropriation basis to a multi-year project appropriation basis. Several major projects including the Trella Uptown development project, Fairmarket Square Renovation and McAlpine Renovation reduced the need for continuing funding in 2026. The Trella Uptown development project completed construction and began lease-up in the fall of 2025. Trella Uptown is a multi-million dollar mixed-income development featuring 353 units on the site of the former historic Barringer Hotel in uptown Charlotte. For other projects, to better facilitate the project administration, major capital improvements spanning several years were reclassified from the annual budget/appropriations and has been adopted as separate project budgets by the Board. As such, those project appropriations are now reflected separately in their respective project budgets. With the decreased funding in Other Revenues and Fund Balance Appropriated, the offsetting Other Uses and Property Improvement Expense categories have also been reduced accordingly.

Expenses:

The Administrative Category is level-funded for FY2026. In order to offset rising costs, business units prioritized spending plans towards essential activities that create the most value for the business. In Corporate Services, three (3) FTE's were eliminated by optimizing existing workforce and capitalizing on technology to increase efficiency. Specifically, the Budget division merged with Asset Management reducing the total FTE count from six (6) staff to four (4) full-time equivalents. This merger leverages each team's adjacent skills, balances workloads and provides a platform for innovative processes. Additionally, the FY2026 Budget includes a merit increase of up to 4% for eligible full-time employees and a 3% bonus increase for non-executive positions (5% increase for executive positions), all of which are based on performance.

The Tenant and Social Services Category decreased by 26% due to the elimination of ten (10) positions, of which two (2) were associated with expired grants. Also, funds held in reserve for the Renaissance West Community Initiative childcare scholarship was fully utilized in 2025, thereby reducing the 2026 budget moving forward.

The Utilities Category increased by 14% after an agency-wide evaluation of historical payments. The budget is adjusted in this FY2026 cycle to account for alignment with actual expenses and increasing utility costs.

Protective Services decreased due to the re-organization of this division under Blue Horizon Management. With the budget savings, Blue Horizon Management Company increased its contract cost to provide more visible security services including the rapid response teams.

General Expenses increased 17% as a result of increasing insurance cost. Each year, insurances have escalated 15-20% annually. Insurance control has been a major concern for INLIVIAN and we continue to seek ways to navigate the insurance market for more competitive rates.

The FY2026 Budget includes \$91.7 million in Housing Assistance Payments (HAP) to Section 8 Housing Choice Voucher (HCV) housing providers and \$3.8 million in Portables. The 9% increase in HAP includes a 6.8% inflation factor over historical actuals year-to-date and reflects increased rents due to the conversion of Little Rock. INLIVIAN is converting the Little Rock Apartments from a multi-family Section 8 housing contract with HUD to a Project-Based Voucher program. A part of this conversion includes INLIVIAN being issued Tenant Protection Vouchers (TPV's) for all current residents in good standing. This process will preserve and improve affordable housing while providing a stable, long-term stream of rental income. As such, HAP is expected to increase in 2026 to accommodate this conversion.

The FY2026 Budget includes a strategic plan for Capital Improvements at various sites (See Section 5.1). A Physical Needs Assessment was commissioned for all properties and property improvements in critical need are included in the FY2026 Budget. To limit Reserve Draw balances at some properties and to ensure spending of HUD funding, MTW funds will be used for properties in need of substantial renovations. To support Capital Improvements and Development Projects, \$41.8 million is appropriated from MTW Funds in the FY2026 Budget.

The Other Uses expense category primarily represents the transfer of funds from the MTW fund to the Horizon Development fund to support Capital and Development Projects. The 40% decrease in this category is the offsetting expense to Other Revenues, which decreased due to the completion of major projects in 2025.

The Property Improvements category decreased by 66% due to the completion of major renovations in 2025 including Fairmarket Square and McAlpine Renovation projects. Additionally, the reclassification of major projects from the annual appropriation process to a multi-year project appropriation also reduced the budget in this category. Project budgets for several major projects were presented and approved by the Board, separate from the annual budget, and therefore have been appropriated in a separate project-specific budget.

Fund Equity (or Net Position)

The INLIVIAN budget consists exclusively of enterprise funds and presents its activities as a single enterprise proprietary fund. The budgets are prepared on the modified accrual basis of accounting. Fund Equity (or Net Position) represents the difference between the assets and liabilities. Net Position for INLIVIAN's programs consists mainly of fixed assets.

The budgets are balanced in accordance with North Carolina General Statutes for MTW, COCC, and Business Activities. CORE also has a balanced budget. Therefore, Fund Equity is not expected to change for these funds. Horizon Development, Blue Horizon, and Horizon Acquisition will show a budget with cash flow, which will increase the Net Position.

The 33% percent decrease in fund equity represents increasing costs and efforts to better align budget plans with anticipated actual costs. Two of the main category drivers include the Utilities and General Expenses categories, both are which are un-controllable costs that continue to rise at 14% and 17% over prior year, respectively. INLIVIAN expects this conservative increase in FY2026 will provide more balanced planning efforts in future budget cycles.

FUND EQUITY CHANGES (dollars in millions)	
FY2024 Year-End Fund Equity Balance	\$ 527.2
FY2025 Budgeted Revenues	296.8
FY2025 Budgeted Expenses	295.0
FY2025 Budgeted Transfers In (Out)	-
FY2025 Budgeted Net Income	1.8
FY2025 Budgeted Year-End Fund Equity Balance	529.1
FY2026 Proposed Revenues	239.6
FY2026 Proposed Expenses	238.4
FY2026 Proposed Transfers In (Out)	-
FY2026 Proposed Net Income	1.2
FY2026 Proposed Year-End Fund Equity Balance	530.3
FY2026 Proposed Fund Equity Changes	\$ 1.2
Percent Change in Fund Equity FY2026 vs FY2025	-33%

3.2 CONSOLIDATED BUDGET

	FY2024 Budget	FY2025 Budget	FY2026 Budget	FY2026 vs FY2025	
				\$ Variance	% Variance
REVENUES					
Tenant Rental Revenues	\$ 48,120,199	\$ 48,125,015	\$ 50,568,587	\$ 2,443,572	5%
Public Housing Operating Subsidies	562,946	407,727	213,719	(194,008)	-48%
HCV Operating Subsidies	119,471,859	124,901,076	120,920,863	(3,980,213)	-3%
HCV Administrative Fees	5,174,534	5,653,856	5,682,738	28,882	1%
Capital Fund	2,434,373	1,607,820	1,800,544	192,724	12%
Portable HAP Revenue	3,078,612	3,685,332	3,795,888	110,556	3%
Portable HAP Administrative Fees	188,640	188,640	194,400	5,760	3%
Fee Revenue	13,136,985	13,640,940	12,484,078	(1,156,862)	-8%
Other Revenues	34,483,491	53,122,309	18,408,322	(34,713,987)	-65%
Fund Balance Appropriated	32,938,082	45,479,590	25,558,207	(19,921,383)	-44%
Other Sources	50,000	10,000	10,000	-	0%
REVENUE TOTAL	259,639,721	296,822,305	239,637,346	(57,184,959)	-19%
EXPENSES					
Administrative	40,237,750	42,154,874	42,347,980	193,106	0%
Tenant & Social Services	13,307,422	12,098,383	8,941,389	(3,156,994)	-26%
Utilities	5,942,368	6,090,920	6,928,343	837,423	14%
Ordinary Maintenance & Operations	16,095,390	17,751,018	17,974,279	223,261	1%
Protective Services	542,916	315,171	-	(315,171)	-100%
General Expenses	4,003,367	5,159,186	6,023,252	864,066	17%
Reserve Deposits	2,055,800	2,046,867	2,135,019	88,152	4%
Reserve Draws	(8,103,054)	(12,125,778)	(9,312,455)	2,813,323	-23%
Debt Service	5,681,508	5,849,136	5,665,089	(184,047)	-3%
Housing Assistance Payments (HAP)	77,658,965	84,015,376	91,707,973	7,692,597	9%
HAP Expense - Portables	3,577,992	3,685,332	3,795,888	110,556	3%
Other Uses	61,230,421	71,176,244	42,583,571	(28,592,673)	-40%
Future Year's Appropriations	3,320,939	562,284	664,890	102,606	18%
Property Improvements	32,603,751	56,228,309	18,957,451	(37,270,858)	-66%
EXPENSE TOTAL	258,155,535	295,007,322	238,412,669	(56,594,653)	-19%
OPERATING TRANSFERS					
Operating Transfers In	77,972,525	84,100,136	89,432,019	5,331,883	6%
Operating Transfers Out	77,972,525	84,100,136	89,432,019	5,331,883	6%
TRANSFERS IN (OUT) TOTAL	-	-	-	-	0%
NET INCOME	\$ 1,484,186	\$ 1,814,983	\$ 1,224,677	\$ (590,306)	-33%

3.3 BUDGET BY FUND

	Business Activities	Business Activities (CU)	Blue Horizon	COCC	CORE	Horizon Acquisition	Horizon Development	MTW	TOTAL
REVENUES									
Tenant Rental Revenues	\$ -	\$ 2,502,961	\$ -	\$ -	\$ -	\$ 6,988,632	\$ 41,076,994	\$ -	\$ 50,568,587
Public Housing Operating Subsidies	-	-	-	-	-	-	-	213,719	213,719
HCV Operating Subsidies	-	-	-	-	-	-	-	120,920,863	120,920,863
HCV Administrative Fees	-	-	-	-	-	-	-	5,682,738	5,682,738
Capital Fund	-	-	-	-	-	-	-	1,800,544	1,800,544
Portable HAP Revenue	-	-	-	-	-	-	-	3,795,888	3,795,888
Portable HAP Administrative Fees	-	-	-	-	-	-	-	194,400	194,400
Fee Revenue	-	-	2,724,972	6,286,978	1,107,361	55,560	2,309,207	-	12,484,078
Other Revenues	664,890	794,892	42,000	2,920,052	3,726,075	1,864,620	8,056,589	339,204	18,408,322
Fund Balance Appropriated	-	-	-	108,000	-	-	1,805,029	23,645,178	25,558,207
Other Sources	-	-	-	10,000	-	-	-	-	10,000
REVENUE TOTAL	664,890	3,297,853	2,766,972	9,325,030	4,833,436	8,908,812	53,247,819	156,592,534	239,637,346
EXPENSES									
Administrative	-	984,862	2,586,423	8,534,650	1,364,453	1,784,998	14,344,257	12,748,337	42,347,980
Tenant & Social Services	-	13,896	-	-	3,434,795	243,036	1,023,189	4,226,473	8,941,389
Utilities	-	347,180	-	91,692	-	711,559	5,777,912	-	6,928,343
Ordinary Maintenance & Operations	-	1,032,284	29,400	405,808	28,332	2,098,690	11,975,133	2,404,632	17,974,279
Protective Services	-	-	-	-	-	-	-	-	-
General Expenses	-	412,236	23,556	124,880	5,856	735,516	4,694,052	27,156	6,023,252
Reserve Deposits	-	103,752	-	-	-	230,364	1,800,903	-	2,135,019
Reserve Draws	-	(403,272)	-	-	-	(812,244)	(8,096,939)	-	(9,312,455)
Debt Service	-	286,027	-	-	-	593,004	4,786,058	-	5,665,089
Housing Assistance Payments (HAP)	-	-	-	-	-	101,496	-	91,606,477	91,707,973
HAP Expense - Portables	-	-	-	-	-	-	-	3,795,888	3,795,888
Other Uses	-	-	-	-	-	-	800,000	41,783,571	42,583,571
Future Year's Appropriations	664,890	-	-	-	-	-	-	-	664,890
Property Improvements	-	403,276	-	168,000	-	3,009,740	15,376,435	-	18,957,451
EXPENSE TOTAL	664,890	3,180,241	2,639,379	9,325,030	4,833,436	8,696,159	52,481,000	156,592,534	238,412,669
OPERATING TRANSFERS									
Operating Transfers In	-	-	-	-	-	-	-	89,432,019	89,432,019
Operating Transfers Out	-	-	-	-	-	-	-	89,432,019	89,432,019
TRANSFERS IN (OUT) TOTAL	-	-	-	-	-	-	-	-	-
NET INCOME	\$ -	\$ 117,612	\$ 127,593	\$ -	\$ -	\$ 212,653	\$ 766,819	\$ -	\$ 1,224,677

3.4 BUDGET CATEGORIES

The categories included in the budget align with the categories reported annually as a part of INLIVIAN's Annual Comprehensive Financial Report. In order to provide additional information regarding the types of expenses within each category, we have included definitions below.

Administrative

This category represents those costs that are administrative in nature. These include salaries/benefits for the central office, property managers and HCV staff, professional and administrative services, and other sundry expenses such as office supplies, telephones, travel/training and computer maintenance. Also included are property management, asset management, and bookkeeping fees.

Tenant and Social Services

This category represents those costs that are related to client services. These include salaries/benefits and other related expenses for in-house case management staff and contract managers, contracted case management services, resident participation funding, youth services, initiatives for tenant education, dependent care, client services fees and relocation costs.

Ordinary Maintenance and Operation

This category represents all maintenance costs for the properties. These include salaries/benefits for the maintenance personnel, all maintenance materials (e.g. appliances, electrical materials, paint materials, etc.) and all contract costs (e.g. pest control, landscaping contracts, vacancy preparation costs, etc.).

Protective Services

This category represents those costs related to protection of the residents. These include salaries/benefits and related costs for the resident safety staff.

Utilities

This category represents all utility costs related to the properties. These include electricity, gas, water, storm water and sewer.

General Expenses

This category represents other general expenses. These include costs for insurance – auto, property and workers compensation.

Reserve Deposits

This category represents deposit of funds to reserves.

Reserve Draws

This category represents withdrawal of funds from reserves set aside for a specific purpose. An example is funds set aside in replacement reserve accounts for capital projects at the sites or funds set aside in an escrow account for client service fees.

Debt Service

This category represents mandatory debt service expenses including principal payments and interest expense.

Housing Assistance Payments (HAP)

This category represents the HAP to landlords in the Housing Choice Voucher program. This includes HAP payments for all INLIVIAN tenant choice and Project-Based Voucher programs, as well as the HAP payments for the Portable vouchers administered by INLIVIAN.

Other Uses

This category represents other expenses not categorized above, including restricted donations.

Future Appropriations

This category represents costs that are not currently allocated to another line item. Revenues are anticipated to be higher than current anticipated expenses. Until the revenues are confirmed and the expenses are needed, the amounts in this category remains unallocated.

Property Improvements

This category represents the following two items: 1) costs for capitalized items (fixed assets) that have an individual value of \$5,000 or greater, and 2) cost for non-operating property improvements and rehabilitation of the properties.

Operating Transfer In/Out

This category includes the transfer in or out between funds.

4.0 FUND FINANCIAL SUMMARY

The fiscal year budgets are presented as eight funds: Business Activities, Business Activities - Component Units, Central Office Cost Center (COCC), MTW, CORE, Blue Horizon, Horizon Acquisition, and Horizon Development.

FLOW OF FUNDS

INLIVIAN receives HAP and Administrative funding from HUD for the HCV Program. INLIVIAN also receives Public Housing Operating Subsidy and Capital Funds for the former Dillehay Courts. These funds collectively are received into the MTW Fund.

Through INLIVIAN's MTW Agreement, HUD subsidies received are treated as a single fund and spent based on approved, eligible purposes through the annual MTW plan. Expenses include:

- Funds transferred to the HCV program for voucher payments and MTW program costs. Voucher payments include payments to individual landlords for both tenant-based vouchers and project based landlords (including Horizon Development).
- Fees paid to the COCC Fund for administration of the HCV Program.
- Expense reimbursement paid to CORE to support client service programs.
- Expense reimbursement through a restricted donation or loan to Horizon Development to support real estate development, capital projects and non-operating property improvements.

The COCC receives an administrative fee from each of the major funds to cover the cost for corporate services provided to the entire agency.

Horizon Development receives HAP contract payments from MTW, rental revenue from tenants, and fees earned from development and bond deals. A fee is paid to the COCC, and operating expenses are paid to maintain the apartment communities.

Horizon Acquisition receives HAP contract payments from MTW, rental revenue from tenants, and asset management fees earned from properties. A fee is paid to the COCC, and operating expenses are paid to maintain the apartment communities.

CORE receives expense reimbursements from MTW, grant funds, and fees from Horizon Development-owned properties for case management services provided.

Blue Horizon collects fees from Business Activities (Hoefener), Horizon Acquisition and Horizon Development for services rendered; then shares a portion of the fee with the COCC for its services.

Fund Matrix

CORPORATE SERVICES

Business Activities	Component Units	Central Office Cost Center (COCC)	Moving to Work (MTW)
Program Income	Hoefener Center	Executive	Housing Choice Voucher (HCV)
	First Ward Place	Legal	Policy / MTW Planning
	McAden Park	Finance, Procurement & Section 3	Public Housing
		Information Technology	Compliance
		People and Culture	
		Call Center	
		Asset Management	

SUBSIDIARIES

CORE	Blue Horizon	Horizon Acquisition	Horizon Development
Destination Home Ownership	Blue Horizon Executive	Strawn Tower	Horizon Development-owned Properties
Case Management	Property Management Services	Parktowne Terrace	Real Estate Development
Youth Development		Little Rock	Construction Management



4.1 BUSINESS ACTIVITIES

Fund Overview

Business Activities consists of program income from the HOPE VI program, which was a federal grant initiative to demolish and redevelop distressed public housing into mixed-income communities. With this program, INLIVIAN replaced aging public housing projects including Earle Village, Dalton Village and Fairview Homes with new developments like First Ward Place, Arbor Glen and The Park at Oaklawn.

The revenue in this fund is primarily from payments from HOPE VI loans and grant funding.

The decreased Fund Balance Appropriated and Other Uses categories are directly related to the completion of the Trella Uptown project. The Trella Uptown is a major development project that has completed construction and began leasing up in the fall of 2025. Trella Uptown is seven-story mixed-income development featuring 353 units on the site of the former historic Barringer Hotel in uptown Charlotte. Program Income from the Business Activities fund was utilized to fund the market component of the Trella project.

Future Year's Appropriation represents unallocated expenditures from the HOPE VI program income received.

Business Activities – Budget by Category

	FY2024 Budget	FY2025 Budget	FY2026 Budget	FY2026 vs FY2025	
				\$ Variance	% Variance
REVENUES					
Tenant Rental Revenues	\$ -	\$ -	\$ -	\$ -	0%
Public Housing Operating Subsidies	-	-	-	-	0%
HCV Operating Subsidies	-	-	-	-	0%
HCV Administrative Fees	-	-	-	-	0%
Capital Fund	-	-	-	-	0%
Portable HAP Revenue	-	-	-	-	0%
Portable HAP Administrative Fees	-	-	-	-	0%
Fee Revenue	-	-	-	-	0%
Other Revenues	890,835	893,184	664,890	(228,294)	-26%
Fund Balance Appropriated	4,767,527	4,017,124	-	(4,017,124)	-100%
Other Sources	-	-	-	-	0%
REVENUE TOTAL	5,658,362	4,910,308	664,890	(4,245,418)	-86%
EXPENSES					
Administrative	60,443	61,942	-	(61,942)	-100%
Tenant & Social Services	280,883	285,599	-	(285,599)	-100%
Utilities	-	-	-	-	0%
Ordinary Maintenance & Operations	3,866	-	-	-	0%
Protective Services	-	-	-	-	0%
General Expenses	-	-	-	-	0%
Reserve Deposits	-	-	-	-	0%
Reserve Draws	-	-	-	-	0%
Debt Service	-	-	-	-	0%
Housing Assistance Payments (HAP)	-	-	-	-	0%
HAP Expense - Portables	-	-	-	-	0%
Other Uses	4,767,527	4,017,124	-	(4,017,124)	-100%
Future Year's Appropriations	545,643	545,643	664,890	119,247	22%
Property Improvements	-	-	-	-	0%
EXPENSE TOTAL	5,658,362	4,910,308	664,890	(4,245,418)	-86%
OPERATING TRANSFERS					
Operating Transfers In	285,560	185,560	-	(185,560)	-100%
Operating Transfers Out	285,560	185,560	-	(185,560)	-100%
TRANSFERS IN (OUT) TOTAL	-	-	-	-	
NET INCOME	\$ -	\$ -	\$ -	\$ -	0%



4.2 BUSINESS ACTIVITIES - COMPONENT UNITS

Fund Overview

Component Units consists of the Carole Hoefener Center, First Ward Place, and McAden Park. These are each properties owned directly by INLIVIAN.

Revenue in this fund is primarily from rent collections at the Carole Hoefener Center, First Ward Place and McAden Park.

Expenses are composed mainly of the cost to run the Carole Hoefener Center and the operating cost for First Ward Place and McAden Park.

The increase in Tenant and Social Services Expenses reflects the anticipated need to relocate tenants related to the interior renovation work planned for the site.

The decrease in General Expenses provides for better alignment of the budget to actual cost. Prior year's insurance budget was estimated conservatively as First Ward Place was transitioning to INLIVIAN.

The increase in Reserve Deposits reflects First Ward's due diligence to begin setting aside reserves for future replacement reserves to protect the long-term financial stability of the property and preserve the asset's value. With the transition of First Ward to INLIVIAN, reserve deposits will continue to be an expected expense and any future draws from the replacement reserve account will be determined by a project capital needs assessment, which is conducted periodically to evaluate the condition and needs of the property. Exceptions include draws for emergency major replacements such as roofing, major appliance purchases or system replacements.

The reduction in Other Revenues and the offsetting Property Improvements Expense reflects the reclassification of major capital projects from the annual appropriation process to a multi-year project appropriation. Project budgets for several major projects were presented and approved by the Board, separate from the annual budget, and have therefore been appropriated in a separate project-specific budget.

Component Units – Budget by Category

	FY2024 Budget	FY2025 Budget	FY2026 Budget	FY2026 vs FY2025	
				\$ Variance	% Variance
REVENUES					
Tenant Rental Revenues	\$ 2,738,591	\$ 2,357,643	\$ 2,502,961	\$ 145,318	6%
Public Housing Operating Subsidies	-	-	-	-	0%
HCV Operating Subsidies	-	-	-	-	0%
HCV Administrative Fees	-	-	-	-	0%
Capital Fund	-	-	-	-	0%
Portable HAP Revenue	-	-	-	-	0%
Portable HAP Administrative Fees	-	-	-	-	0%
Fee Revenue	-	-	-	-	0%
Other Revenues	2,598,704	11,359,488	794,892	(10,564,596)	-93%
Fund Balance Appropriated	-	-	-	-	0%
Other Sources	-	-	-	-	0%
REVENUE TOTAL	5,337,295	13,717,131	3,297,853	(10,419,278)	-76%
EXPENSES					
Administrative	848,061	884,760	984,862	100,102	11%
Tenant & Social Services	9,942	800	13,896	13,096	1637%
Utilities	322,674	309,900	347,180	37,280	12%
Ordinary Maintenance & Operations	724,270	893,857	1,032,284	138,427	15%
Protective Services	4,029	-	-	-	0%
General Expenses	214,475	507,888	412,236	(95,652)	-19%
Reserve Deposits	46,476	28,380	103,752	75,372	266%
Reserve Draws	(88,050)	(358,004)	(403,272)	(45,268)	13%
Debt Service	344,700	304,704	286,027	(18,677)	-6%
Housing Assistance Payments (HAP)	-	-	-	-	0%
HAP Expense - Portables	-	-	-	-	0%
Other Uses	-	-	-	-	0%
Future Year's Appropriations	1,498,392	-	-	-	0%
Property Improvements	1,220,830	11,058,004	403,276	(10,654,728)	-96%
EXPENSE TOTAL	5,145,799	13,630,289	3,180,241	(10,450,048)	-77%
OPERATING TRANSFERS					
Operating Transfers In	-	-	-	-	0%
Operating Transfers Out	-	-	-	-	0%
TRANSFERS IN (OUT) TOTAL	-	-	-	-	0%
NET INCOME	\$ 191,496	\$ 86,842	\$ 117,612	\$ 30,770	35%



4.3 CENTRAL OFFICE COST CENTER

Fund Overview

The COCC is composed of the Corporate Services departments that have oversight of the organization. The following areas make up the COCC:

- Finance is responsible for transacting and recording all financial aspects of INLIVIAN, culminating in accurate and dependable timely information for INLIVIAN staff and the Board of Commissioners. Finance includes the oversight of the Accounting, Procurement, Section 3, Asset Management and Budget functions.
- Public Relations is responsible for providing information that keeps the community informed about INLIVIAN services and programs in order to increase awareness and encourage individuals to engage with the agency.
- People & Culture (Human Resources) is dedicated to working with all areas of the organization to maximize and develop the potential of our greatest asset—our human capital.
- Information Technology works to connect staff processes and data content through the effective use of reliable information, computing, telecommunications and technology consulting services.
- Legal provides all landlord/tenant legal services and risk management.
- Executive Office is responsible for the overall management and direction of INLIVIAN and its subsidiaries.
- The Call Center was created during the pandemic to provide a way for residents, participants and stakeholders to be able to connect easier with staff, and to schedule any necessary appointments to maintain business continuity.

The COCC generates revenue by charging internal fees for management services per HUD regulations. The major revenue sources in the COCC consist of the sharing of Property Management, Bookkeeping/IT and Asset Management fees. The COCC also collects 30% of the projected cost of Horizon Development and CORE as a fee.

The increase in Revenue and Expenses reflects the transition of the Asset Management Division from HDP to COCC. A total of four (4) FTEs were transferred in the process and are now managed under Finance.

Annual Objectives

Annual Objectives are linked to one of the six Agency Goals (see Section 2.3)

Agency

Goal #

Objective

1

Continue expansion of information technologies to provide for more effective and efficient process. Projects include implementing a Business Intelligence platform, a Asset Management System, and adding the Maintenance IQ module to Yardi's core system.

1

Attract and retain high performing talent

1

Expand internal communications that will engage and activate employees to optimize performance and drive positive business results

6

Continue agency-wide trainings on customer service, leadership, wellness, and business skills

Performance Measurements

Performance Measurements are linked to one of the six Agency Goals (see Section 2.3)

Output	FY24 Actual	FY25 Estimated
# of help desk tickets completed	5,979	6,840
# of payroll processed (bi-weekly)	26	26
# of call center completed calls	28,447	31,830

Agency Goal #	Effectiveness or Efficiency	FY24 Actual	FY25 Estimated	FY26 Goal
1	% of routine help desk tickets resolved within 2 business days	92%	93%	90%
1	% of routine purchase orders completed within 5 business days of receipt by Purchasing	100%	100%	100%
1	% of payroll processed on time	100%	100%	100%

Central Office Cost Center – Budget by Category

	FY2024 Budget	FY2025 Budget	FY2026 Budget	FY2026 vs FY2025	
				\$ Variance	% Variance
REVENUES					
Tenant Rental Revenues	\$ -	\$ -	\$ -	\$ -	0%
Public Housing Operating Subsidies	-	-	-	-	0%
HCV Operating Subsidies	-	-	-	-	0%
HCV Administrative Fees	-	-	-	-	0%
Capital Fund	-	-	-	-	0%
Portable HAP Revenue	-	-	-	-	0%
Portable HAP Administrative Fees	-	-	-	-	0%
Fee Revenue	5,230,405	5,508,615	6,286,978	778,363	14%
Other Revenues	2,563,935	2,591,167	2,920,052	328,885	13%
Fund Balance Appropriated	135,000	208,404	108,000	(100,404)	-48%
Other Sources	50,000	10,000	10,000	-	0%
REVENUE TOTAL	7,979,340	8,318,186	9,325,030	1,006,844	12%
EXPENSES					
Administrative	6,963,810	7,488,856	8,534,650	1,045,794	14%
Tenant & Social Services	2,400	1,200	-	(1,200)	-100%
Utilities	102,156	87,480	91,692	4,212	5%
Ordinary Maintenance & Operations	438,095	409,044	405,808	(3,236)	-1%
Protective Services	279,844	-	-	-	0%
General Expenses	58,035	116,821	124,880	8,059	7%
Reserve Deposits	-	-	-	-	0%
Reserve Draws	-	-	-	-	0%
Debt Service	-	-	-	-	0%
Housing Assistance Payments (HAP)	-	-	-	-	0%
HAP Expense - Portables	-	-	-	-	0%
Other Uses	-	-	-	-	0%
Future Year's Appropriations	-	6,381	-	(6,381)	-100%
Property Improvements	135,000	208,404	168,000	(40,404)	-19%
EXPENSE TOTAL	7,979,340	8,318,186	9,325,030	1,006,844	12%
OPERATING TRANSFERS					
Operating Transfers In	-	-	-	-	0%
Operating Transfers Out	-	-	-	-	0%
TRANSFERS IN (OUT) TOTAL	-	-	-	-	0%
NET INCOME	\$ -	\$ -	\$ -	\$ -	0%



4.4 MOVING TO WORK

Fund Overview

The MTW Fund Budget is comprised of the HCV program and the MTW program.

Major revenue sources for this fund are HCV Administrative and HAP subsidies, Public Housing Operating Subsidies, Capital Funds, and Portable Housing Assistance Payments (HAP) revenue. The Other Revenue Category represents the HUD Family Self Sufficiency grant to fund four (4) FTE's to support this program. Fund Balance Appropriated consists of funds for capital and development projects.

The Public Housing Operating Subsidies is based on an estimated amount of Asset Repositioning Fee for the holding costs of the property formerly known as Dillehay Courts. The projected amount for 2026 is \$213,719, and is the last year INLIVIAN will receive this money.

The \$120.9 million in HCV Operating Subsidies is based on an estimated 5% inflation factor and 97% proration. The decrease by 3% over prior year primarily reflects reduced funding for the Emergency Housing Vouchers (EHV) created by HUD in 2021 to provide temporary additional rental assistance for specific urgent housing crises.

The HCV Administrative Fee revenue is based on an estimated 83% proration factor to total \$5.7 million in FY2026.

The \$1.8 million in Capital Fund revenue is from prior year public housing capital fund grants not previously drawn from HUD, and is being used for development and capital projects. The offsetting expense is a restricted donation in the Other Uses expense category.

The FY2026 Budget includes \$91.6 million in Housing Assistance Payments (HAP) to HCV Housing Providers/landlords and \$3.8 million in Portable vouchers. The 9% increase in HAP includes a 6.8% inflation factor over historical actuals year-to-date and reflects increased rents due to the conversion of Little Rock.

Housing Choice Voucher (HCV) Program

The HCV program is the federal government's major program for assisting extremely low and very low-income families, the elderly, and the disabled to afford decent and safe housing in the private rental market. Since housing assistance is provided on behalf of the participant, families may choose their own housing, including single-family homes, townhouses or apartments. The participant is free to occupy any housing that meets the requirements of the program.

INLIVIAN manages various types of vouchers:

Tenant-Based Vouchers

Tenant-Based Vouchers provide voucher holders the opportunity to go into the private rental market and select their own housing. This increases affordable housing choices for low / extremely low-income families and helps INLIVIAN decrease the concentration of poverty in the county.

With these vouchers, INLIVIAN administers contracts with independent Housing Providers/landlords who own residential property for rent by program participants. INLIVIAN subsidizes the voucher holder's rent through a HAP contract with the Housing Provider/landlord on behalf of the participant. The program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides annual contributions funding to enable INLIVIAN to administer the program and provide rental assistance to eligible families. The rental assistance allows the family to identify and select their own affordable housing options. Under this program, a family's tenant rent is equal to 30% and may go up to 40% of the households' annual adjusted gross income.

Special Purpose Vouchers (Tenant-Based Vouchers)

INLIVIAN has five types of Special Purpose Vouchers, where the voucher can only be issued to a specific sub-set of those needing affordable housing.

1. The Family Unification Program (FUP) receives referrals from the Mecklenburg County Department of Social Services, Youth and Family Services Division. Eligible families are those for whom the lack of adequate housing is a primary factor in the imminent placement of the family's child or children in out-of-home care (e.g. foster care) or the delay in the discharge of the child or children to the family from out-of-home care. Additionally, the program assists youths, who have exceeded the age requirement to remain in foster care, receive adequate housing for up to 18 months.
2. The Veterans Administration Supportive Housing (VASH) Program is a program which receives referrals from the local Veterans Administration Medical Center for eligible homeless veterans and their families to provide rental assistance subsidy in conjunction with case management services in order to obtain and sustain permanent housing.
3. The Non-Elderly Disabled (NED) program provides assistance to non-elderly persons with disabilities.
4. The Mainstream Voucher Program provides vouchers for low-income families that include a person(s) with disabilities between the ages of 18 and 61 years old.
5. The Emergency Housing Voucher (EHV) program was created and issued in 2021 in response to the COVID-19 pandemic. These vouchers assist families and individuals who are experiencing homelessness, at risk of experiencing homelessness, fleeing or attempting to flee domestic violence. This program is being phased out, and the vouchers will terminate during 2026.

Portables (Tenant-Based Vouchers)

A participant can port (move) from one locality to another based on the rules and regulations established by HUD and the associated Public Housing Authority (PHA). Eligible participants use portability to relocate to other cities which may offer employment and educational opportunities to meet their specific needs. However, it is at the discretion of the receiving PHA to determine whether they will absorb or bill the initial PHA which they will determine based on their budget and/or voucher utilization.

Project-Based Vouchers (Traditional and RAD)

Project-Based Vouchers (PBV) are a component of INLIVIAN's HCV program where the voucher subsidy is designated for specific developments/units rather than with a person. A PHA can attach a portion of its voucher assistance to specific housing units if the owner agrees to either rehabilitate or construct the units.. INLIVIAN determines the percentage of tenant-based assistance that it sets aside for PBV's.

The Rental Assistance Demonstration Program (RAD) is a central part of HUD's preservation strategy, which works to preserve the nation's stock of affordable rental housing, promote efficiency with and among HUD programs, and build strong, stable communities. RAD allows public housing properties to convert to 15-year long term HCV rental assistance contracts through PBV. Under this Program, INLIVIAN has converted its public housing units to RAD PBV's.

Community Based Rental Assistance Program (CBRA)

INLIVIAN's CBRA program encompasses traditional PBV units, special needs units (elderly, disabled, supportive housing, supportive service and homeless), and pilot local rental subsidy programs. INLIVIAN determines the percentage of tenant-based assistance that it sets aside under the CBRA program based on organizational strategic goals and/or City/County revitalization efforts. The CBRA Policy is also applicable to units converted to PBVs under the RAD program.

INLIVIAN's overall plan for the HCV Program is designed to achieve three major objectives:

1. Provide affordable housing opportunities to eligible participants in diverse communities who would otherwise not have the opportunity to reside in a de-concentrated or minority impacted community.
2. Provide improved living conditions for low-income families while maintaining their rent payments at an affordable level.
3. Encourage families to participate in the INLIVIAN Family Self-Sufficiency Program.

The HCV program is a major part of the MTW fund. This budget also includes costs for the administration and other services of the program. Those services include Compliance, and Accounting.

MTW funds are utilized to pay for operating costs of the program since the administrative fees do not cover the full cost of the program. MTW Funds are also utilized for payments to landlords for Housing Providers/HAP contracts of all voucher types. MTW funds are identified as an Operating Transfer In.

Annual Objectives

Annual Objectives are linked to one of the six Agency Goals (see Section 2.3)

Agency

Goal # Objective

2

Continue efforts to increase contract rents for housing providers

2

Increase housing options in high and very high opportunity areas in order to encourage family mobility through Opportunity Housing program

4

Increase housing provider participation and retention of current providers:

- Housing Provider Awareness Campaign
- Increase use of program incentives
- Host annual housing provider symposium
- Conduct point of service surveys

4

Increase understanding of INLIVIAN mission/vision and influence with elected officials

Performance Measurements

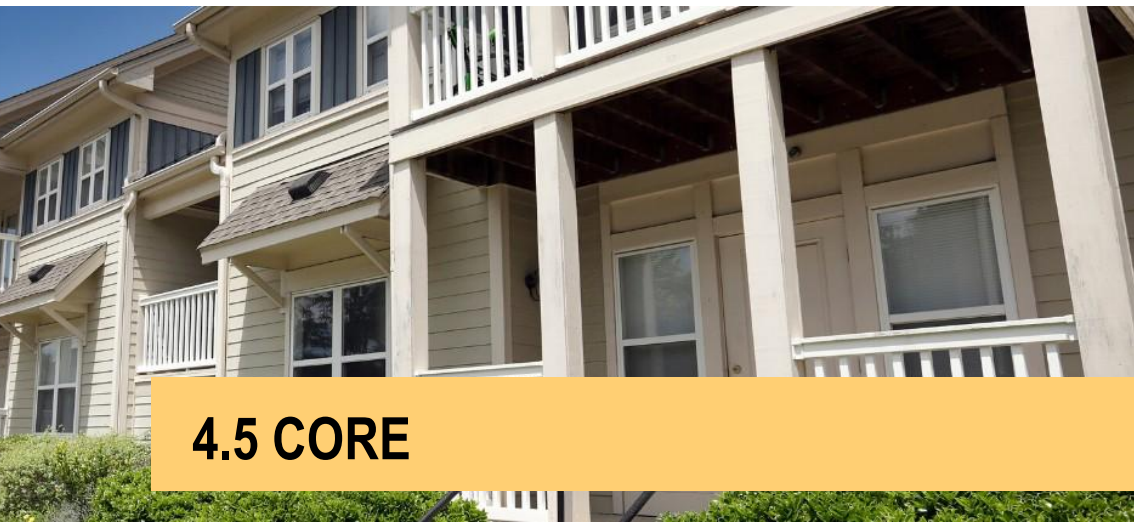
Performance Measurements are linked to one of the six Agency Goals (see Section 2.3)

Output	FY24 Actual	FY25 Estimated
# of MTW Base Vouchers Allocated	4,637	4,500
# of Special Program Vouchers Allocated	1,121	1,100
# of Recertifications Completed	2,543	2,500
# of Inspections Completed	4,709	5,500

Agency Goal #	Effectiveness or Efficiency	FY24 Actual	FY25 Estimated	FY26 Goal
1	% of MTW Base Vouchers Utilized	96.82%	97.36%	95%
1	% of Special Program Vouchers Utilized	82.60%	83.83%	80%
1	% of Recertifications Completed	95.67%	98.74%	95%

Moving to Work – Budget by Category

	FY2024 Budget	FY2025 Budget	FY2026 Budget	FY2026 vs FY2025	
				\$ Variance	% Variance
REVENUES					
Tenant Rental Revenues	\$ -	\$ -	\$ -	\$ -	0%
Public Housing Operating Subsidies	562,946	407,727	213,719	(194,008)	-48%
HCV Operating Subsidies	119,471,859	124,901,076	120,920,863	(3,980,213)	-3%
HCV Administrative Fees	5,174,534	5,653,858	5,682,738	28,880	1%
Capital Fund	2,434,373	1,607,820	1,800,544	192,724	12%
Portable HAP Revenue	3,078,612	3,685,332	3,795,888	110,556	3%
Portable HAP Administrative Fees	188,640	188,640	194,400	5,760	3%
Fee Revenue	-	-	-	-	0%
Other Revenues	219,663	230,646	339,204	108,558	47%
Fund Balance Appropriated	19,909,676	39,159,120	23,645,178	(15,513,942)	-40%
Other Sources	-	-	-	-	0%
REVENUE TOTAL	151,040,303	175,834,219	156,592,534	(19,241,685)	-11%
EXPENSES					
Administrative	12,093,532	12,329,371	12,748,337	418,966	3%
Tenant & Social Services	5,617,792	5,848,559	4,226,473	(1,622,086)	-28%
Utilities	-	-	-	-	0%
Ordinary Maintenance & Operations	1,711,793	2,791,844	2,404,632	(387,212)	-14%
Protective Services	-	84,633	-	(84,633)	-100%
General Expenses	8,180	20,784	27,156	6,372	31%
Reserve Deposits	-	-	-	-	0%
Reserve Draws	-	-	-	-	0%
Debt Service	-	-	-	-	0%
Housing Assistance Payments (HAP)	77,586,965	83,914,576	91,606,477	7,691,901	9%
HAP Expense - Portables	3,577,992	3,685,332	3,795,888	110,556	3%
Other Uses	50,444,049	67,159,120	41,783,571	(25,375,549)	-38%
Future Year's Appropriations	-	-	-	-	0%
Property Improvements	-	-	-	-	0%
EXPENSE TOTAL	151,040,303	175,834,219	156,592,534	(19,241,685)	-11%
OPERATING TRANSFERS					
Operating Transfers In	77,686,965	83,914,576	89,432,019	5,517,443	7%
Operating Transfers Out	77,686,965	83,914,576	89,432,019	5,517,443	7%
TRANSFERS IN (OUT) TOTAL	-	-	-	-	0%
NET INCOME	\$ -	\$ -	\$ -	\$ -	0%



4.5 CORE

Fund Overview

CORE is a non-profit, tax exempt 501(c)(3) subsidiary and stands for *Creating Opportunity for Resident Empowerment*. The entity was formerly named Gateway Supportive Services, Inc. and was organized in December 2001. CORE is a wholly owned entity of INLIVIAN. It has no employees. All functions are provided by employees of INLIVIAN and then recorded in the appropriate entity. INLIVIAN's Board of Commissioners also serves as the Board for CORE.

CORE is responsible for delivering supportive services to able-bodied residents, elderly residents and disabled residents that are intended to increase the resident's quality of life. Overall goals of CORE include addressing employment barriers for able-bodied residents, addressing academic achievement and providing educational opportunities to INLIVIAN youth and quality of life and aging in place for senior and disabled residents per the approved INLIVIAN strategic plan, and CORE business plan.

CORE's business strategy is ***to deliver supportive services to INLIVIAN residents that move along a continuum of steps to self-sufficiency and independence.***

The decrease in CORE's overall budget is due to the re-organization of the business unit leading to a total reduction of ten (10) full-time equivalents, of which one (1) was transferred to HCV. The re-organization will allow for greater efficiency, clarifying roles and aligning life coaches with program-specific goals.

CORE Strategic Goals

1. **RESIDENTS:** Strengthen infrastructure to include tailored, longer-term services to residents.
Increase number of residents enrolled in Life Coaching and involved in resident programs.
2. **PARTNERSHIPS:** Design a new Community Partnership Initiative to offer on-site opportunities and referrals.
Develop new partnerships that bring expertise, resources and value.
3. **CULTURE:** Encourage residents to build healthy safe communities where residents value each other.
Increase the rates of resident satisfaction, pride, and volunteerism.
4. **RESOURCES:** Align resources to strategic priorities, invest in staff expertise, and demonstrate social impact.
Secure gifts/grants from philanthropic and other sources.

Revenues for CORE are funded from the MTW fund and fees collected from the properties.

The expenses for CORE are primarily in the Tenant and Social Services category. CORE will continue providing tenant transportation resources, childcare subsidy, funding for the With Every Heartbeat is Life program, Getting Ahead program training, employment programming, and program funds for the services provided to the elderly and disabled.

CORE provides case management services for minimum renters at the properties and in the HCV program. The goal is to offer services to this population that will support work activities and increase the number of participants who work.

All proposed initiatives by CORE are consistent with assisting INLIVIAN in meeting its strategic goals.

Destination HomeOwnership

The Destination Homeownership program provides HCV holders the opportunity to purchase a home. The HAP is paid to the lender as a portion of the mortgage payment on behalf of an assisted buyer. If a participant is able-bodied and in good standing with their property provider and the HCV program, they may qualify for 15 years of monthly financial assistance out of a 30-year fixed term mortgage. If they are a senior or disabled, they may qualify for 30 years of monthly assistance out of a 30-year fixed term mortgage. HUD authorizes tenant-based assistance to eligible families.

CORE – Budget by Category

	FY2024 Budget	FY2025 Budget	FY2026 Budget	FY2026 vs FY2025	
				\$ Variance	% Variance
REVENUES					
Tenant Rental Revenues	\$ -	\$ -	\$ -	\$ -	0%
Public Housing Operating Subsidies	-	-	-	-	0%
HCV Operating Subsidies	-	-	-	-	0%
HCV Administrative Fees	-	-	-	-	0%
Capital Fund	-	-	-	-	0%
Portable HAP Revenue	-	-	-	-	0%
Portable HAP Administrative Fees	-	-	-	-	0%
Fee Revenue	1,465,397	1,489,470	1,107,361	(382,109)	-26%
Other Revenues	5,464,945	4,337,638	3,726,075	(611,563)	-14%
Fund Balance Appropriated	846,000	220,000	-	(220,000)	-100%
Other Sources	-	-	-	-	0%
REVENUE TOTAL	7,776,342	6,047,108	4,833,436	(1,213,672)	-20%
EXPENSES					
Administrative	1,865,187	1,521,591	1,364,453	(157,138)	-10%
Tenant & Social Services	5,837,124	4,468,524	3,434,795	(1,033,729)	-23%
Utilities	-	-	-	-	0%
Ordinary Maintenance & Operations	68,400	51,305	28,332	(22,973)	-45%
Protective Services	-	-	-	-	0%
General Expenses	5,631	5,688	5,856	168	3%
Reserve Deposits	-	-	-	-	0%
Reserve Draws	-	-	-	-	0%
Debt Service	-	-	-	-	0%
Housing Assistance Payments (HAP)	-	-	-	-	0%
HAP Expense - Portables	-	-	-	-	0%
Other Uses	-	-	-	-	0%
Future Year's Appropriations	-	-	-	-	0%
Property Improvements	-	-	-	-	0%
EXPENSE TOTAL	7,776,342	6,047,108	4,833,436	(1,213,672)	-20%
OPERATING TRANSFERS					
Operating Transfers In	-	-	-	-	0%
Operating Transfers Out	-	-	-	-	0%
TRANSFERS IN (OUT) TOTAL	-	-	-	-	0%
NET INCOME	\$ -	\$ -	\$ -	\$ -	0%



4.6 BLUE HORIZON

Fund Overview

Blue Horizon Management Company (BHMC or Blue Horizon) was created to carry out property management activities for all INLIVIAN and Horizon Development-owned properties, as well as establish third-party property management opportunities. Blue Horizon is the “Doing Business As” name for Horizon Development’s property management division. The mission of the organization is to manage sustainable and economically diverse communities and promoting high quality standards for our residents and owners. Keeping property management in-house reduces expenses and increases revenue streams.

Under this structure, Blue Horizon will have the ability to reach other jurisdictions to provide consulting and property management services not available to INLIVIAN. Furthermore, Blue Horizon is anticipated to receive grant funding and other funding opportunities in the future that INLIVIAN would otherwise not be able to obtain.

Revenue for Blue Horizon is comprised of fees paid by the properties for management services. Blue Horizon shares these fees with the COCC for services rendered, which is represented as a fee expense in the Administrative Expense category.

The increased revenue represents a re-negotiated agreement to standardize property management fee rates for most properties at a rate of 6.5% of rent revenue received. This property management fee is expensed at the site level and recorded as a revenue for Blue Horizon.

Expenses reflect the operating costs for executive and administrative oversight for Blue Horizon. The increase in expenses is due to the re-organization of safety and security operations, previously classified in the Protective Services category in COCC and now transferred to BHMC.

Costs for site-specific property management and maintenance, including site staffing, are expensed at the property level in the Horizon Acquisition and Horizon Development Funds.

Annual Objectives

Annual Objectives are linked to one of the six Agency Goals (see Section 2.3)

Agency

Goal #

Objective

5

Build the Blue Horizon Management Company brand through website updates, marketing and relationships with other organizations

2

Implement beautification and curb appeal at property sites

6

Provide ongoing education in property management and maintenance through partnerships with organizations and vendors

Performance Measurements

Performance Measurements are linked to one of the six Agency Goals (see Section 2.3)

Output	FY24 Actual	FY25 Estimated
# of units managed	4,323	4,323
# of routine work orders completed	37,895	40,000
# of emergency work orders completed	8,830	7,000

Agency Goal #	Effectiveness or Efficiency	FY24 Actual	FY25 Estimated	FY26 Goal
1	% of Occupancy Rate	94.16%	93.41%	94%
1	% of Rent Collections	95.34%	96.2%	97%
1	Average # of days for unit turn around	79.60	74.51	75
1	Average # of days to complete routine work orders	2.46	2.76	3
1	Average # of hours to complete emergency work orders	23.78	23.34	24

Blue Horizon – Budget by Category

	FY2024 Budget	FY2025 Budget	FY2026 Budget	FY2026 vs FY2025	
				\$ Variance	% Variance
REVENUES					
Tenant Rental Revenues	\$ -	\$ -	\$ -	\$ -	0%
Public Housing Operating Subsidies	-	-	-	-	0%
HCV Operating Subsidies	-	-	-	-	0%
HCV Administrative Fees	-	-	-	-	0%
Capital Fund	-	-	-	-	0%
Portable HAP Revenue	-	-	-	-	0%
Portable HAP Administrative Fees	-	-	-	-	0%
Fee Revenue	2,334,015	2,422,772	2,724,972	302,200	12%
Other Revenues	-	38,628	42,000	3,372	9%
Fund Balance Appropriated	-	-	-	-	0%
Other Sources	-	-	-	-	0%
REVENUE TOTAL	2,334,015	2,461,400	2,766,972	305,572	12%
EXPENSES					
Administrative	2,198,237	2,310,949	2,586,423	275,474	12%
Tenant & Social Services	219	-	-	-	0%
Utilities	-	-	-	-	0%
Ordinary Maintenance & Operations	85,544	85,228	29,400	(55,828)	-66%
Protective Services	-	-	-	-	0%
General Expenses	10,764	16,608	23,556	6,948	42%
Reserve Deposits	-	-	-	-	0%
Reserve Draws	-	-	-	-	0%
Debt Service	-	-	-	-	0%
Housing Assistance Payments (HAP)	-	-	-	-	0%
HAP Expense - Portables	-	-	-	-	0%
Other Uses	-	-	-	-	0%
Future Year's Appropriations	-	-	-	-	0%
Property Improvements	-	-	-	-	0%
EXPENSE TOTAL	2,294,764	2,412,785	2,639,379	226,594	9%
OPERATING TRANSFERS					
Operating Transfers In	-	-	-	-	0%
Operating Transfers Out	-	-	-	-	0%
TRANSFERS IN (OUT) TOTAL	-	-	-	-	0%
NET INCOME	\$ 39,251	\$ 48,615	\$ 127,593	\$ 78,978	162%



4.7 HORIZON ACQUISITION

Fund Overview

Horizon Acquisition is a for-profit corporation created to acquire, construct, develop, operate and/or hold title to affordable housing properties. Horizon Acquisition is a wholly owned entity of Horizon Development. It has no employees and all functions are provided by employees of INLIVIAN and then recorded in the appropriate entity. INLIVIAN's Board of Commissioners also serves as the Board for Horizon Acquisition.

Horizon Acquisition includes Strawn Parktowne, LLC and LR Charlotte, LP.

Strawn Parktowne, LLC was formed in 2011 to provide for the complete rehabilitation of two aging towers. These towers provide desperately needed affordable housing for our seniors. The tax credit/bond deal not only allowed INLIVIAN to preserve 333 apartment homes for seniors at Strawn Towers and Parktowne Terrace, but it allowed INLIVIAN to modernize and upgrade these units at that time.

Little Rock Apartments is a 242-unit located adjacent to The Renaissance. Horizon Acquisition purchased a general partner interest in Little Rock in June 2011. INLIVIAN is currently in the process of converting subsidies for the existing multi-family Section 8 contract into Project-Based Vouchers and Tenant Protection Vouchers. This conversion will preserve and improve affordable housing while providing a stable, long-term stream of rental income. As such, Tenant Rent Revenue is expected to increase in 2026 to accommodate this conversion.

The increase in Other Revenues and the offsetting increase in the Property Improvements expense category is due to a planned capital improvement project at Parktowne to be funded by MTW. The site will replace its HVAC system, estimated at \$1.8 million.

Horizon Acquisition – Budget by Category

	FY2024 Budget	FY2025 Budget	FY2026 Budget	FY2026 vs FY2025	
				\$ Variance	% Variance
REVENUES					
Tenant Rental Revenues	\$ 5,737,609	\$ 5,925,428	\$ 6,988,632	\$ 1,063,204	18%
Public Housing Operating Subsidies	-	-	-	-	0%
HCV Operating Subsidies	-	-	-	-	0%
HCV Administrative Fees	-	-	-	-	0%
Capital Fund	-	-	-	-	0%
Portable HAP Revenue	-	-	-	-	0%
Portable HAP Administrative Fees	-	-	-	-	0%
Fee Revenue	125,000	125,000	55,560	(69,440)	-56%
Other Revenues	127,380	124,020	1,864,620	1,740,600	1403%
Fund Balance Appropriated	-	-	-	-	0%
Other Sources	-	-	-	-	0%
REVENUE TOTAL	5,989,989	6,174,448	8,908,812	2,734,364	44%
EXPENSES					
Administrative	1,604,901	1,798,168	1,784,998	(13,170)	-1%
Tenant & Social Services	246,579	240,335	243,036	2,701	1%
Utilities	636,636	682,836	711,559	28,723	4%
Ordinary Maintenance & Operations	1,801,627	1,807,627	2,098,690	291,063	16%
Protective Services	13,891	24,696	-	(24,696)	-100%
General Expenses	548,162	498,064	735,516	237,452	48%
Reserve Deposits	238,992	234,996	230,364	(4,632)	-2%
Reserve Draws	(567,654)	(827,496)	(812,244)	15,252	-2%
Debt Service	615,300	663,576	593,004	(70,572)	-11%
Housing Assistance Payments (HAP)	72,000	100,800	101,496	696	1%
HAP Expense - Portables	-	-	-	-	0%
Other Uses	-	-	-	-	0%
Future Year's Appropriations	68,627	-	-	-	0%
Property Improvements	567,668	827,496	3,009,740	2,182,244	264%
EXPENSE TOTAL	5,846,729	6,051,098	8,696,159	2,645,061	44%
OPERATING TRANSFERS					
Operating Transfers In	-	-	-	-	0%
Operating Transfers Out	-	-	-	-	0%
TRANSFERS IN (OUT) TOTAL	-	-	-	-	0%
NET INCOME	\$ 143,260	\$ 123,350	\$ 212,653	\$ 89,303	72%



4.8 HORIZON DEVELOPMENT

Fund Overview

Horizon Development is a non-profit, tax exempt 501(c)(3) subsidiary organized in March 2001. Horizon Development was created to provide affordable housing to qualified individuals. Horizon Development is a wholly owned subsidiary of INLIVIAN. It has no employees and all functions are provided by employees of INLIVIAN and then recorded in the appropriate fund budget. INLIVIAN's Board of Commissioners also serves as the Board for Horizon Development.

With the conversion to RAD, public housing units were converted to Project-Based Vouchers. Ownership of these units was transferred from INLIVIAN to individual special purpose entities whose sole member is Horizon Development. This change of ownership also changed the regulations under which the properties are operated. Management moved from a public housing environment (HUD asset management regulations) to a private management platform.

The Horizon Development fund includes the operations of the Horizon Development-owned properties as well as the budget for the Real Estate Development and Construction Management departments.

Property management services are provided by Blue Horizon. Although services are rendered and managed by Blue Horizon, the cost of labor, materials, maintenance and other operational needs are expensed in the Horizon Development Fund for each property.

All properties have established replacement reserve accounts to meet the needs of the property and accomplish their long-term capital needs.

The Real Estate Development (RED) Division budget is included in the overall Horizon Development budget. The RED Division has two sections: Real Estate Development and Construction Management.

The decreased Fee Revenue and Administrative expenses are directly related to the transition of the Asset Management Division from HDP to Finance, which includes transferring four (4) FTEs.

The reduction in Other Revenues and the offsetting Property Improvements Expense reflects the reclassification of major projects from the annual appropriation process to a multi-year project appropriation. Project budgets for several major projects were presented and approved by the Board, separate from the annual budget, and have therefore been appropriated in a separate project-specific budget.

Annual Objectives

Annual Objectives are linked to one of the six Agency Goals (see Section 2.3)

Agency

Goal #

Objective

2

Continue implementing HDP Development Pipeline Projects

Performance Measurements

Performance Measurements are linked to one of the six Agency Goals (see Section 2.3)

Output		FY24 Actual	FY25 Estimated	
Total dollar amount of new bonds issued		\$138,344,000	\$92,400,000	
Total # of units created/preserved by new bond issuances		770	558	

Agency Goal #	Effectiveness or Efficiency	FY24 Actual	FY25 Estimated	FY26 Goal
2	% of capital projects expended/completed (budget vs actuals)	80%	75%	75%

Horizon Development Property Listing

As of December 31, 2024

Development	Address	Breakdown of Units						Totals
		Tax Credits	PBRA	PBV	RAD PBV	Affordable / Market	Off-Line	
940 BREVARD	BREVARD STREET	-	-	60	40	-	-	100
ARBOR GLEN 50	CLANTON ROAD	-	-	-	25	25	-	50
ARBOR GLEN I	SPRING FOREST DRIVE	84	-	-	60	-	-	144
ARBOR GLEN II	CLANTON DRIVE	51	-	-	40	-	-	91
ARBOR GLEN III	CARONIA STREET	11	-	-	12	-	-	23
AUTUMN PLACE	NORTH DAVIDSON STREET	-	-	-	68	-	-	68
CEDAR KNOLL	GREEN NEEDLES COURT	-	-	-	49	-	-	49
CHARLOTTETOWN TERRACE	BAXTER STREET	-	-	-	161	-	-	161
CLAREMONT	COLISEUM DRIVE	-	-	-	50	-	-	50
EDWIN TOWERS	WEST 10TH STREET	-	-	-	176	-	-	176
FAIRMARKET SQUARE	FAIRMARKET PLACE	-	-	-	16	44	-	60
FIRST WARD PLACE	EAST 7TH STREET	39	-	-	100	73	-	212
FIRST WARD RECAP PHASE I	EAST 7TH STREET	39	-	-	32	-	-	71
THE GASTON AT NORTH END	NORTH TRYON STREET	93	-	51	-	-	-	144
GLADEDALE	OLDE PROVIDENCE ROAD	-	-	-	49	-	-	49
GLEN COVE	PINEBURR ROAD	-	-	-	10	40	-	50
GROVE PLACE	WT HARRIS BOULEVARD	-	-	-	-	36	-	36
HAMPTON CRESTE	NORTH WENDOVER ROAD	-	-	-	60	153	-	213
THE LANDING AT PARK ROAD	MARSH AVENUE	-	-	92	-	-	-	92
LEAFCREST	LEAFCREST LANE	-	-	-	48	-	-	48
LITTLE ROCK APARTMENTS	LEAKE STREET	2	240	-	-	-	-	242
MALLARD RIDGE	AXMINSTER COURT	-	-	-	35	-	-	35
MCADEN PARK	EAST 16TH STREET	-	-	30	30	-	-	60
MCALPINE TERRACE	PINEBURR ROAD	-	-	-	26	87	-	113
MCMULLEN WOOD	WALSH BLVD	34	-	-	21	-	-	55
MEADOW OAKS	FLORENCE AVENUE	-	-	-	32	-	-	32
MILL POND	LAUREL MILL ROAD	-	-	51	-	117	-	168
MONTGOMERY GARDENS	MONTGOMERY GARDENS DRIVE	56	-	-	20	-	-	76
NIA POINT	MAYFIELD TERRACE DRIVE	52	-	-	29	-	-	81
OAK VALLEY	McRAE STREET	-	-	-	-	50	-	50
THE OAKS AT CHERRY	LUTHER STREET	-	-	-	81	-	-	81
PARK AT OAKLAWN	STROUD PARK COURT	89	-	-	89	-	-	178
PARKTOWNE TERRACE	FAIRVIEW ROAD	-	-	-	163	-	-	163
ROBINSDALE	MARGIE ANN DRIVE	-	-	-	30	-	-	30
SAVANNA WOODS	LEASIDE LANE	-	-	-	49	-	-	49
SENECA WOODS	SENECA PLACE	32	-	-	17	-	1	50
SOUTHSIDE HOMES	GRIFFITH STREET	-	-	-	392	-	-	392
SPRINGFIELD GARDENS	SPRINGFIELD GARDEN DRIVE	64	-	-	22	-	-	86
STRAWN TOWER	S.CALDWELL ST	-	-	-	170	-	-	170
SUNRIDGE	SUNRIDGE LANE	-	-	-	44	-	-	44
TARLTON HILLS	FRAZIER AVENUE	-	-	-	50	-	-	50
VALLEY VIEW	HICKORY VALLEY COURT	-	-	-	-	49	1	50
VICTORIA SQUARE	CLARKSON STREET	-	-	-	31	-	1	32
WALLACE WOODS	WALLACE WOOD	-	-	-	48	-	-	48
WOODLAWN HOUSE	E WOODLAWN ROAD	-	-	-	104	-	-	104
Totals		646	240	284	2,479	674	3	4,326

The above list only includes properties owned by HDP. Other properties owned by INLIVIAN (such as public housing or other entities) are not listed.

Horizon Development – Budget by Category

	FY2024 Budget	FY2025 Budget	FY2026 Budget	FY2026 vs FY2025	
				\$ Variance	% Variance
REVENUES					
Tenant Rental Revenues	\$ 39,643,999	\$ 39,841,944	\$ 41,076,994	\$ 1,235,050	3%
Public Housing Operating Subsidies	-	-	-	-	0%
HCV Operating Subsidies	-	-	-	-	0%
HCV Administrative Fees	-	-	-	-	0%
Capital Fund	-	-	-	-	0%
Portable HAP Revenue	-	-	-	-	0%
Portable HAP Administrative Fees	-	-	-	-	0%
Fee Revenue	3,982,168	4,095,083	2,309,207	(1,785,876)	-44%
Other Revenues	22,618,029	33,547,538	8,056,589	(25,490,949)	-76%
Fund Balance Appropriated	7,279,879	1,874,942	1,805,029	(69,913)	-4%
Other Sources	-	-	-	-	0%
REVENUE TOTAL	73,524,075	79,359,507	53,247,819	(26,111,688)	-33%
EXPENSES					
Administrative	14,603,580	15,759,236	14,344,257	(1,414,979)	-9%
Tenant & Social Services	1,312,483	1,253,363	1,023,189	(230,174)	-18%
Utilities	4,880,902	5,010,704	5,777,912	767,208	15%
Ordinary Maintenance & Operations	11,261,795	11,712,115	11,975,133	263,018	2%
Protective Services	245,152	205,841	-	(205,841)	-100%
General Expenses	3,158,120	3,993,333	4,694,052	700,719	18%
Reserve Deposits	1,770,332	1,783,491	1,800,903	17,412	1%
Reserve Draws	(7,447,350)	(10,940,278)	(8,096,939)	2,843,339	-26%
Debt Service	4,721,508	4,880,856	4,786,058	(94,798)	-2%
Housing Assistance Payments (HAP)	-	-	-	-	0%
HAP Expense - Portables	-	-	-	-	0%
Other Uses	6,018,845	-	800,000	800,000	0%
Future Year's Appropriations	1,208,277	10,260	-	(10,260)	-100%
Property Improvements	30,680,253	44,134,405	15,376,435	(28,757,970)	-65%
EXPENSE TOTAL	72,413,897	77,803,326	52,481,000	(25,322,326)	-33%
OPERATING TRANSFERS					
Operating Transfers In	-	-	-	-	0%
Operating Transfers Out	-	-	-	-	0%
TRANSFERS IN (OUT) TOTAL	-	-	-	-	0%
NET INCOME	\$ 1,110,178	\$ 1,556,181	\$ 766,819	\$ (789,362)	-51%

Real Estate Development – Budget by Category

	FY2024 Budget	FY2025 Budget	FY2026 Budget	FY2026 vs FY2025	
				\$ Variance	% Variance
REVENUES					
Fee Revenue					
Asset Management Fees	\$ 337,289	\$ 360,132	\$ -	\$ (360,132)	-100%
Bond Application Fees	20,000	-	20,004	20,004	0%
Bond Issuance Fees	1,201,250	999,996	748,260	(251,736)	-25%
Bond Monitoring Fees	767,393	631,932	-	(631,932)	-100%
Construction Management Fees	-	600,000	811,140	211,140	35%
Developer Fees	1,185,336	999,996	729,803	(270,193)	-27%
Fund Balance Appropriated	1,261,034	1,874,942	1,805,029	(69,913)	-4%
REVENUE TOTAL	4,772,302	5,466,998	4,114,236	(1,352,762)	-25%
EXPENSES					
Administrative	4,718,409	5,354,998	4,011,240	(1,343,758)	-25%
Ordinary Maintenance & Operations	52,293	112,000	99,996	(12,004)	-11%
General Expenses	1,600	-	3,000	3,000	0%
Future Year's Appropriations	-	-	-	-	0%
EXPENSE TOTAL	4,772,302	5,466,998	4,114,236	(1,352,762)	-25%
OPERATING TRANSFERS					
Operating Transfers In	-	-	-	-	0%
Operating Transfers Out	-	-	-	-	0%
TRANSFERS IN (OUT) TOTAL	-	-	-	-	0%
NET INCOME	\$ -	\$ -	\$ -	\$ -	0%

Real Estate Development – Expense Budget by Section

	FY2024 Budget	FY2025 Budget	FY2026 Budget	FY2026 vs FY2025	
				\$ Variance	% Variance
Asset Management	\$ 729,537	\$ 1,174,311	\$ -	\$ (1,174,311)	-100%
Construction Management	903,241	1,287,189	1,074,373	(212,816)	-17%
Real Estate Development	3,139,524	3,005,498	3,039,863	34,365	1%
EXPENSE TOTALS	\$ 4,772,302	\$ 5,466,998	\$ 4,114,236	\$ (1,352,762)	-25%

Horizon Development – Budget by Properties

	400 East Admin					
REVENUES	Bldg	940 Brevard	Grove Place	Oak Valley	Valley View	Arbor Glen 50
Tenant Rental Revenues	\$ -	\$ 688,016	\$ 167,554	\$ 80,059	\$ 267,060	\$ 460,692
Fee Revenue	-	-	-	-	-	-
Other Revenues	729,172	854,800	-	150	1,500	552
Other Sources	-	-	-	-	-	-
Fund Balance Appropriated	-	-	-	-	-	-
REVENUE TOTAL	729,172	1,542,816	167,554	80,209	268,560	461,244
EXPENSES						
Administrative	71,864	222,183	58,692	22,845	88,065	129,743
Tenant & Social Services	-	1	-	-	-	2,352
Utilities	91,692	53,544	18,728	11,812	38,287	74,496
Ordinary Maintenance & Operations	401,608	238,378	49,429	28,556	78,852	161,525
Protective Services	-	-	-	-	-	-
General Expenses	102,720	127,780	39,876	15,750	62,400	66,384
Reserve Deposits	-	45,984	-	-	-	24,060
Reserve Draws	-	(397,004)	(22,908)	-	(32,200)	(72,200)
Debt Service	-	-	-	-	-	-
Housing Assistance Payments (HAP)	-	-	-	-	-	-
Future Year's Appropriations	-	-	-	-	-	-
Property Improvements	60,000	1,247,004	22,908	1,200	32,200	72,200
EXPENSE TOTAL	727,884	1,537,870	166,725	80,163	267,604	458,560
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
TRANSFERS IN (OUT) TOTAL	-	-	-	-	-	-
NET INCOME	\$ 1,288	\$ 4,946	\$ 829	\$ 46	\$ 956	\$ 2,684

	Charlottetown					
REVENUES	Arbor Glen I	Arbor Glen II	Arbor Glen III	Autumn Place	Cedar Knoll	Terrace
Tenant Rental Revenues	\$ 1,245,292	\$ 811,740	\$ 205,584	\$ 915,024	\$ 647,278	\$ 1,906,656
Fee Revenue	-	-	-	-	-	-
Other Revenues	4,332	1,764	300	4,800	1,200	20,292
Other Sources	-	-	-	-	-	-
Fund Balance Appropriated	-	-	-	-	-	-
REVENUE TOTAL	1,249,624	813,504	205,884	919,824	648,478	1,926,948
EXPENSES						
Administrative	354,824	234,856	62,115	247,689	150,780	453,076
Tenant & Social Services	53,604	22,800	7,116	53,736	31,552	34,992
Utilities	128,976	131,904	26,544	92,946	148,896	211,932
Ordinary Maintenance & Operations	467,811	259,747	49,691	365,909	212,942	493,338
Protective Services	-	-	-	-	-	-
General Expenses	186,124	119,788	28,008	90,700	73,672	230,587
Reserve Deposits	46,972	42,288	10,099	42,000	30,204	80,500
Reserve Draws	(312,041)	(200,324)	(85,887)	(96,708)	(227,915)	(318,200)
Debt Service	-	-	21,708	-	-	416,978
Housing Assistance Payments (HAP)	-	-	-	-	-	-
Future Year's Appropriations	-	-	-	-	-	-
Property Improvements	312,041	200,324	85,887	96,704	227,915	318,200
EXPENSE TOTAL	1,238,311	811,383	205,281	892,976	648,046	1,921,403
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
TRANSFERS IN (OUT) TOTAL	-	-	-	-	-	-
NET INCOME	\$ 11,313	\$ 2,121	\$ 603	\$ 26,848	\$ 432	\$ 5,545

	Claremont	Edwin Towers	Fairmarket Square	First Ward 1	First Ward 2	First Ward Recap
REVENUES						
Tenant Rental Revenues	\$ 672,336	\$ 2,171,276	\$ 569,352	\$ 1,677,435	\$ 423,644	\$ 753,160
Fee Revenue	-	-	-	-	-	-
Other Revenues	3,600	16,200	1,128	-	-	-
Other Sources	-	-	-	-	-	-
Fund Balance Appropriated	-	-	-	-	-	-
REVENUE TOTAL	675,936	2,187,476	570,480	1,677,435	423,644	753,160
EXPENSES						
Administrative	162,214	501,971	159,694	437,908	93,360	175,916
Tenant & Social Services	29,005	39,520	22,692	12,000	996	-
Utilities	149,384	266,100	66,480	192,752	51,768	52,800
Ordinary Maintenance & Operations	224,786	574,630	189,572	578,532	138,846	236,096
Protective Services	-	-	-	-	-	-
General Expenses	73,192	249,988	88,852	222,100	56,308	58,084
Reserve Deposits	32,592	87,720	40,320	70,500	15,996	32,916
Reserve Draws	(254,492)	(291,516)	(30,000)	(196,572)	(102,000)	(25,404)
Debt Service	-	455,292	-	159,643	61,668	192,352
Housing Assistance Payments (HAP)	-	-	-	-	-	-
Future Year's Appropriations	-	-	-	-	-	-
Property Improvements	254,492	294,512	30,000	196,576	102,000	25,404
EXPENSE TOTAL	671,173	2,178,217	567,610	1,673,439	418,942	748,164
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
TRANSFERS IN (OUT) TOTAL	-	-	-	-	-	-
NET INCOME	\$ 4,763	\$ 9,259	\$ 2,870	\$ 3,996	\$ 4,702	\$ 4,996

	The Gaston	Gladedale	Glen Cove	Hampton Creste	Carole Hoefener Center	Leafcrest
REVENUES						
Tenant Rental Revenues	\$ 1,920,156	\$ 695,444	\$ 549,529	\$ 2,347,434	\$ (18,000)	\$ 630,480
Fee Revenue	-	-	-	-	-	-
Other Revenues	2,400	864	3,600	4,968	788,292	600,000
Other Sources	-	-	-	-	-	-
Fund Balance Appropriated	-	-	-	-	-	-
REVENUE TOTAL	1,922,556	696,308	553,129	2,352,402	770,292	1,230,480
EXPENSES						
Administrative	390,773	167,371	164,067	631,371	343,334	159,813
Tenant & Social Services	29,700	3,060	17,344	2,496	-	2,400
Utilities	126,760	182,484	35,234	275,628	47,652	149,162
Ordinary Maintenance & Operations	287,236	227,478	201,307	800,814	185,816	224,787
Protective Services	-	-	-	-	-	-
General Expenses	95,592	72,736	73,009	266,820	62,092	60,756
Reserve Deposits	36,000	32,928	34,224	275,052	17,256	32,256
Reserve Draws	(25,800)	(237,672)	(160,384)	(530,616)	(58,500)	(254,004)
Debt Service	767,604	-	13,348	65,556	9,996	-
Housing Assistance Payments (HAP)	-	-	-	-	-	-
Future Year's Appropriations	-	-	-	-	-	-
Property Improvements	25,800	237,672	160,387	530,616	58,500	854,004
EXPENSE TOTAL	1,733,665	686,057	538,536	2,317,737	666,146	1,229,174
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
TRANSFERS IN (OUT) TOTAL	-	-	-	-	-	-
NET INCOME	\$ 188,891	\$ 10,251	\$ 14,593	\$ 34,665	\$ 104,146	\$ 1,306

	Little Rock			McAden Park		McMullen
	Apartments	The Landings	Mallard Ridge	Apartments	McAlpine	Wood
REVENUES						
Tenant Rental Revenues	\$ 3,621,900	\$ 967,812	\$ 519,420	\$ 419,882	\$ 1,079,383	\$ 490,265
Fee Revenue	-	-	-	-	-	-
Other Revenues	-	13,740	350,564	6,600	914,900	1,104
Other Sources	-	-	-	-	-	-
Fund Balance Appropriated	-	-	-	-	-	-
REVENUE TOTAL	3,621,900	981,552	869,984	426,482	1,994,283	491,369
EXPENSES						
Administrative	813,900	264,871	139,138	110,260	329,791	153,645
Tenant & Social Services	3,996	32,616	-	900	89,762	1,704
Utilities	274,107	48,480	112,260	55,008	148,296	56,187
Ordinary Maintenance & Operations	994,756	369,750	184,131	129,090	310,314	164,233
Protective Services	-	-	-	-	-	-
General Expenses	306,988	114,340	54,628	71,736	148,264	68,940
Reserve Deposits	60,996	29,100	23,508	-	55,596	36,960
Reserve Draws	-	(170,244)	(233,488)	(46,200)	(140,600)	(237,492)
Debt Service	593,004	90,924	-	54,720	7,804	8,412
Housing Assistance Payments (HAP)	101,496	-	-	-	-	-
Future Year's Appropriations	-	-	-	-	-	-
Property Improvements	397,496	170,245	583,488	46,200	1,040,600	237,496
EXPENSE TOTAL	3,546,739	950,082	863,665	421,714	1,989,827	490,085
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
TRANSFERS IN (OUT) TOTAL	-	-	-	-	-	-
NET INCOME	\$ 75,161	\$ 31,470	\$ 6,319	\$ 4,768	\$ 4,456	\$ 1,284

	Montgomery					
	Meadow Oaks	Mill Pond	Gardens	Nia Point	Oaks at Cherry	Parktowne
REVENUES						
Tenant Rental Revenues	\$ 408,267	\$ 2,120,964	\$ 687,968	\$ 711,024	\$ 877,904	\$ 1,649,136
Fee Revenue	-	-	-	-	-	-
Other Revenues	1,800	4,800	13,200	364,400	18,000	1,810,404
Other Sources	-	-	-	-	-	-
Fund Balance Appropriated	-	-	-	-	-	-
REVENUE TOTAL	410,067	2,125,764	701,168	1,075,424	895,904	3,459,540
EXPENSES						
Administrative	110,213	600,318	205,114	222,365	233,773	463,110
Tenant & Social Services	19,212	-	-	1,200	22,101	115,044
Utilities	71,596	143,292	91,524	89,880	108,000	202,456
Ordinary Maintenance & Operations	130,846	629,884	183,118	174,295	307,391	558,879
Protective Services	-	-	-	-	-	-
General Expenses	51,568	216,700	92,640	96,840	105,172	209,980
Reserve Deposits	22,164	51,912	31,404	34,476	38,004	82,140
Reserve Draws	(53,704)	(337,500)	(129,200)	(97,896)	(122,096)	(426,744)
Debt Service	-	449,040	96,300	102,048	64,128	-
Housing Assistance Payments (HAP)	-	-	-	-	-	-
Future Year's Appropriations	-	-	-	-	-	-
Property Improvements	53,704	337,504	129,200	447,900	122,096	2,226,744
EXPENSE TOTAL	405,599	2,091,150	700,100	1,071,108	878,569	3,431,609
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
TRANSFERS IN (OUT) TOTAL	-	-	-	-	-	-
NET INCOME	\$ 4,468	\$ 34,614	\$ 1,068	\$ 4,316	\$ 17,335	\$ 27,931

	Park at Oaklawn	Robinsdale	Savanna Woods	Seneca Woods	Southside	Springfield Gardens
REVENUES						
Tenant Rental Revenues	\$ 1,593,513	\$ 429,148	\$ 722,652	\$ 510,036	\$ 5,376,422	\$ 840,168
Fee Revenue	-	-	-	-	-	-
Other Revenues	7,250	1,200	852	864	3,996	358,988
Other Sources	-	-	-	-	-	-
Fund Balance Appropriated	-	-	-	-	-	-
REVENUE TOTAL	1,600,763	430,348	723,504	510,900	5,380,418	1,199,156
EXPENSES						
Administrative	465,338	109,157	189,669	125,633	960,954	238,798
Tenant & Social Services	-	19,008	30,780	28,428	188,904	37,788
Utilities	270,060	100,152	169,102	45,336	1,141,456	85,199
Ordinary Maintenance & Operations	517,388	130,787	221,533	158,878	1,187,583	217,619
Protective Services	-	-	-	-	-	-
General Expenses	222,796	47,188	71,980	71,980	496,636	112,804
Reserve Deposits	56,064	19,572	32,928	32,928	195,996	40,272
Reserve Draws	(191,004)	(59,700)	(142,896)	(255,456)	(708,000)	(101,050)
Debt Service	66,084	-	-	7,500	1,191,540	110,304
Housing Assistance Payments (HAP)	-	-	-	-	-	-
Future Year's Appropriations	-	-	-	-	-	-
Property Improvements	191,004	59,700	142,896	255,456	708,000	451,050
EXPENSE TOTAL	1,597,730	425,864	715,992	470,683	5,363,069	1,192,784
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
TRANSFERS IN (OUT) TOTAL	-	-	-	-	-	-
NET INCOME	\$ 3,033	\$ 4,484	\$ 7,512	\$ 40,217	\$ 17,349	\$ 6,372

	Strawn	Sunridge	Tarleton Hills	Victoria Square	Vistas at 707	Wallace Woods
REVENUES						
Tenant Rental Revenues	\$ 1,717,596	\$ 492,300	\$ 669,776	\$ 496,164	\$ 2,429,634	\$ 638,488
Fee Revenue	-	-	-	-	-	-
Other Revenues	49,212	1,680	950,804	451,596	-	4,200
Other Sources	-	-	-	-	-	-
Fund Balance Appropriated	-	-	-	-	-	-
REVENUE TOTAL	1,766,808	493,980	1,620,580	947,760	2,429,634	642,688
EXPENSES						
Administrative	447,424	124,939	159,849	135,820	451,310	177,831
Tenant & Social Services	123,996	27,704	31,212	20,112	-	30,780
Utilities	234,996	97,476	179,244	99,600	135,944	138,683
Ordinary Maintenance & Operations	545,055	138,871	186,506	167,018	447,108	186,619
Protective Services	-	-	-	-	-	-
General Expenses	218,548	65,248	72,460	49,672	244,546	70,144
Reserve Deposits	87,228	23,652	32,172	20,868	-	31,344
Reserve Draws	(385,500)	(47,500)	(405,996)	(57,004)	-	(114,834)
Debt Service	-	-	-	-	644,136	-
Housing Assistance Payments (HAP)	-	-	-	-	-	-
Future Year's Appropriations	-	-	-	-	-	-
Property Improvements	385,500	47,499	1,355,996	507,004	305,900	114,834
EXPENSE TOTAL	1,657,247	477,889	1,611,443	943,090	2,228,944	635,401
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
TRANSFERS IN (OUT) TOTAL	-	-	-	-	-	-
NET INCOME	\$ 109,561	\$ 16,091	\$ 9,137	\$ 4,670	\$ 200,690	\$ 7,287

	Woodlawn House
REVENUES	
Tenant Rental Revenues	\$ 1,311,564
Fee Revenue	-
Other Revenues	8,304
Other Sources	-
Fund Balance Appropriated	-
REVENUE TOTAL	1,319,868
EXPENSES	
Administrative	297,433
Tenant & Social Services	89,508
Utilities	204,048
Ordinary Maintenance & Operations	488,381
Protective Services	-
General Expenses	136,408
Reserve Deposits	65,868
Reserve Draws	(116,004)
Debt Service	15,000
Housing Assistance Payments (HAP)	-
Future Year's Appropriations	-
Property Improvements	116,000
EXPENSE TOTAL	1,296,642
Operating Transfers In	-
Operating Transfers Out	-
TRANSFERS IN (OUT) TOTAL	-
NET INCOME	\$ 23,226

5.0 CAPITAL PROJECTS

5.1 PROPERTY IMPROVEMENTS

To keep assets in good operating condition and marketable, property improvements will be accomplished that contribute to the preservation of affordable housing units. Property Improvements include major repairs, renovations, replacements and general capital expenditures. The FY2026 Budget includes major work such as interior and exterior renovations, system replacements, and other major improvements to maintain the sustainability and viability of each asset.

Identifying Capital Needs

One of the requirements of the RAD program involved an independent third-party assessment of the physical needs required for the upkeep of each property over a twenty-year period. From this effort, a Physical Needs Assessment (PNA) was created and is used as a general planning tool for property improvements. In 2023, an updated PNA was commissioned to get a more current look at the properties and their respective needs. Any needs identified in the updated study are included in this budget to ensure the continued success of the property.

After careful site visits and reviews, it was recommended that certain properties needed major renovations. To achieve economies of scale, minimize disruption to residents, and minimize mobilization efforts, these projects will be completed in their entirety, versus stretching over multiple years. To accomplish this, both property replacement reserves and MTW funds are being utilized in the FY2026 Budget to fund the anticipated property improvements.

Impact on Operations

Nonrecurring capital expenditures in this budget are anticipated to impact future operating budgets to include lower long-term maintenance cost. With innovative designs and more recent approaches, renovations at the various sites are estimated to reduce routine maintenance expenses in future operating budgets. Most projects identified under "Work performed by site staff" includes replacement of appliances, which will reduce repair and maintenance in the initial year and will increase efficiencies in utilities (electricity, water, gas) in the long run.

Schedule of Property Improvements

Property	FY2026 Total Budget
400 East Admin Bldg	60,000
940 Brevard	1,247,004
Grove Place	22,908
Oak Valley	1,200
Valley View	32,200
Arbor Glen 50	72,200
Arbor Glen I	312,041
Arbor Glen II	200,324
Arbor Glen III	85,887
Autumn Place	96,704
Cedar Knoll	227,915
Charlottetown Terrace	318,200
Claremont	254,492
Edwin Towers	294,512

Continue from prior page

Property	FY2026 Total Budget
Fairmarket Square	30,000
First Ward 1	196,576
First Ward 2	102,000
First Ward Recap	25,404
The Gaston	25,800
Gladedale	237,672
Glen Cove	160,387
Hampton Creste	530,616
Carole Hoefener Center	58,500
Horizon General	2,519,393
Information Technology	108,000
Leafcrest	854,004
Little Rock Apartments	397,496
The Landings	170,245
Mallard Ridge	583,488
McAden Park Apartments	46,200
McAlpine	1,040,600
McMullen Wood	237,496
Meadow Oaks	53,704
Mill Pond	337,504
Montgomery Gardens	129,200
Nia Point	447,900
Oaks at Cherry	122,096
Parktowne	2,226,744
Park at Oaklawn	191,004
Robinsdale	59,700
Savanna Woods	142,896
Seneca Woods	255,456
Southside	708,000
Springfield Gardens	451,050
Strawn	385,500
Sunridge	47,499
Tarlton Hills	1,355,996
Victoria Square	507,004
Vistas at 707	305,900
Wallace Woods	114,834
Woodlawn House	116,000
Ashley Square	450,000
Grand Total	18,957,451

Description of Property Improvements

Below are descriptions of some of the major property improvements included in the FY2026 Budget.

Savanna Woods Apartments: HDP will continue building and site renovations. Building renovations include new HVAC systems, water heaters, plumbing fixtures, light fixtures, new wall and flooring finishes, new casework and appliances. Exterior painting, sidewalks and select clubhouse work will also occur. Phase 1 (site work & renovation of 20 units) will be followed by phase 2 (renovation of remaining 30 units).

Tarleton Hills Apartments: The project includes adding A/C units, reroofing and re-siding all 49 units. The exterior scope of work is scheduled to finish in first quarter of 2026. Interior building renovation work consisting of flooring, painting, kitchen refinishing/replacement, tub refinishing/replacement, vanity replacement, light fixtures, select floor replacements, duct cleaning, venting and 220V power for laundry will start in 2026.

Hampton Creste Apartments: Renovation work at 13 townhome units is scheduled to start in early 2026. Work will include demolition and replacement of laundry/shed, new electrical power service/meters, reroofing, exterior painting, new HVAC units, water heaters, plumbing fixtures, lighting fixtures, flooring, new kitchen casework, vanities, tubs/showers, new appliances.

First Ward Place Apartments: Renovation work on 4 buildings (21 units) and clubhouse will continue in 2026. Work includes new windows, doors, exterior painting, new HVAC units, water heaters, light fixtures, casework, plumbing fixtures, new flooring & wall finishes, appliances, etc.

McAlpine Terrace: Project scheduled to complete February 2026. Interior renovations of all units to include new wall and floor finishes, replace/refinish kitchen and bathroom cabinets, new plumbing fixtures, appliances, and lighting. Exterior work includes patching and repainting of existing EIFS system. The project will also replace existing HVAC units with new PTAC units in all residential units, replace exterior windows throughout the building (resident units only) and renovate the multi-purpose/meeting rooms.

Parktowne Terrace: This project will upgrade/replace the existing HVAC systems. Architect & engineering services, plan review & contractor solicitation will be required.

940 Brevard: This project involves extensive building exterior repairs, waterproofing & painting along with roof replacement.

Victoria Square Apartments: This project involves exterior stair repairs/replacement, re-roofing, exterior painting and select interior unit renovations.

Leafcrest Apartments – This project includes interior renovations primarily for floor repairs and replacements.

5.2 REAL ESTATE DEVELOPMENTS

Horizon Development is a real estate development firm aggressively seeking innovative ways to expand and preserve the supply of affordable housing in the City of Charlotte. Development projects are primarily composed of the following initiatives:

	USES				SOURCES		
	Total Project Budget	Carryover Budget Balance	FY2026 New Appropriations	Revised Total Project Budget	Moving to Work	Horizon Development	FY2026 Sources of Funding
Strawn Master Plan	4,013,887	635,281	-	4,013,887	635,281	-	635,281
Tall Oaks	2,900,000	456,476	-	2,900,000	456,476	-	456,476
Renaissance	200,000	200,000	-	200,000	200,000	-	200,000
JT Crawford Community Center	1,377,165	1,377,165	-	1,377,165	1,377,165	-	1,377,165
Dillehay Phase II	4,250,000	2,552,318	-	4,250,000	2,552,318	-	2,552,318
Trella (8th and Tryon)	49,622,860	-	800,000	50,422,860	-	800,000	800,000
Grove Place	2,564,200	2,542,065	-	2,564,200	2,542,065	-	2,542,065
Oak Valley	10,161,772	9,629,697	-	10,161,772	9,629,697	-	9,629,697
Valleyview	2,362,300	2,330,623	-	2,362,300	2,330,623	-	2,330,623
Baxter/Morehead Land Swap	500,000	458,785	-	500,000	458,785	-	458,785
Prosperity Creek Seniors	500,000	462,768	-	500,000	462,768	-	462,768
Future Projects	-	-	3,000,000	3,000,000	3,000,000	-	3,000,000
	78,452,184	20,645,178	3,800,000	82,252,184	23,645,178	800,000	24,445,178

Carryover Budget Balances are estimated unspent amounts re-appropriated for use in FY2026 and do not change the Total Project Budget.

New appropriations are also included in the FY2026 Budget as shown in the table above and increases/decreases the Total Project Budget.

Development Projects

Document Legend

AMI	Area Median Income
CHOIF	Charlotte Housing Opportunity Investment Funds
HDP	Horizon Development Properties, Inc. a development affiliate wholly-owned by INLIVIAN
HTF	Housing Trust Funds awarded competitively by the City of Charlotte
LIHTC	Low Income Housing Tax Credits
NCHFA	North Carolina Housing Finance Agency
P3	Public Private Partnership
TOA	Transfer of Assistance
TPV	Tenant Protection Voucher
RAD	Rental Assistance Demonstration
ROFR	Right of First Refusal

1. Strawn Master Plan: P3 with The Fallon Company



Artist's Rendering of the New Office Building at Centre South

Strawn Cottages, now known as Centre South, will be a massive mixed income, mixed use community in the heart of the Dilworth Community. Horizon Development is partnering with Boston-based developer The Fallon Co. on the project, and upon completion, the \$500 million overall development is expected to feature apartments, office space, retail space, a hotel, townhomes, and a public park.

Horizon Development is excited that the long-awaited Phase I is expected to close by the end of 2025 and scheduled to break ground in early 2026. This phase will include a \$100 million, 329-unit apartment complex to be known as Twelve03 that will include 66 affordable housing units serving residents earning between 65% and 80% of area median income (AMI). The building will include studio, one- and two- bedroom apartments, with amenities including a co-working lounge, resort style rooftop pool, fitness center, pet spa, and a sky lounge with uptown views. Completion is scheduled for 2028. By 2028 will expand further.

2. Trella (formerly known as Hall House): P3 with Urban Atlantic



Artist's Rendering of the College Street Façade

The Trella Uptown (identified as 8th and Tryon) includes the construction of a new multi-family rental project with approximately 353 total units. The unit mix will follow a concept of 70/30/30. Meaning, of the total units, 70% (247) will be market rate and 30% (106) will be affordable to households earning up to 80% AMI. Of the 30% affordable units, 30% will be available to households earning 30% of the AMI. The property closed in December 2022 and has completed construction with lease-up starting in the fall of 2025. HDP received commitments for \$6 million from the County and \$3.2 million from the City. The state housing finance agency approved bond volume cap and 4% Low Income Housing Tax Credits (LIHTC).

3. Evoke Living at Ballantyne: P3 with Crosland Southeast

Horizon Development is partnering with Crosland Southeast and is serving as the majority managing member in the owner entities. A LIHTC/bond Preliminary Application was submitted in February 2023; the financing closed July 29, 2024 and construction commenced thereafter.

The property is located at 15024 Ballancroft Parkway, Charlotte, NC 28277. Evoke Living at Ballantyne will provide 60 high-quality family rental housing units in Ballantyne's Very High Opportunity Area and include 105 parking spots. The City of Charlotte owns the Development site, and the Borrower has a lease option agreement with the City to lease the site for 60 years at \$1 per year. The site is excess land from building a new police station. The Development will consist of two (2) residential buildings with elevators. Amenities will include a community room, exercise room, computer center, covered picnic area and a laundry room. All units will be equipped with energy efficient appliances, washer and dryer connections, ceiling fans, and mini blinds. The Development will benefit from being close to Publix, Walgreens, Sprouts Grocery, Walmart Supercenter, Fifth Third Bank, Atrium Health, places of worship, schools and

employment opportunities. The residents' children will attend some of the best schools in Charlotte, such as Ballantyne Elementary School and Ardrey Kell High School.

The Development is being financed with 4% LIHTC and approximately \$11.5 million of tax-exempt bonds. Other funding sources includes a 1st Mortgage, CHOIF Loan in the amount of \$3 million, and \$3.9 million in Housing Trust Funds. Truist Bank is the investor.

4. Alleghany Crossing: P3 with Elmington Capital Group

Horizon Development is partnering with Elmington Capital Group (ECG) and is serving as the majority managing member in the owner entities. A LIHTC/bond Preliminary Application was submitted in January 2023; the financing closed October 7, 2020 and with construction completed in 2023.

The property is located at 1587 Alleghany Street, Charlotte, NC 28208. Alleghany Crossing will provide 220 units, with 1-, 2-, 3- and 4-bedroom apartments, and has an excellent location that is centrally located in Charlotte, NC. The development is less than two miles from uptown Charlotte and less than a mile from both the Freedom Drive corridor and the Wilkinson Boulevard corridor. As a result, it enjoys close proximity to retail, services, education, healthcare, places of worship, parks, schools, and employment. Additionally, the development will benefit from being located in close proximity to two bus transit stops. These provide walkability and transportation options to the residents. The Development will consist of five garden-style residential buildings, one of which will include a leasing office, along with a community space and common area amenities including a fitness center an computer/business center. The entire development will be targeted toward families.

The Development is being financed by 4% LIHTC and approximately \$40 million of tax-exempt bonds. The investor is Truist Bank.

6.0 STAFFING SUMMARY

Staffing is measured using Full-Time Equivalents (FTE). An FTE is the number of hours worked by an employee on a full-time basis, assuming 40-hours per week is full-time. This concept is used to convert the hours worked by part-time employees into the hours worked by full-time employees.

In FY2026, there is a net decrease of 13.00 FTE over the prior year, for a new total of 263.00 FTEs.

Strategic Business Area	FY2024			FY2025			FY2026			Change FY25 vs FY26
	Full Time	Part Time	Total FTE	Full Time	Part Time	Total FTE	Full Time	Part Time	Total FTE	
CORE / Client Services										
Client Services	42.00	1.00	43.00	38.00		38.00	28.00		28.00	(10.00)
Subtotal - CORE	42.00	1.00	43.00	38.00	-	38.00	28.00	-	28.00	(10.00)
HDP / Real Estate Development										
Asset Management	3.00		3.00	4.00		4.00	-		-	(4.00)
Administration / Development	5.00		5.00	7.00		7.00	6.00		6.00	(1.00)
Construction Management	6.00		6.00	4.00		4.00	4.00		4.00	-
Subtotal - HDP	14.00	-	14.00	15.00	-	15.00	10.00	-	10.00	(5.00)
Blue Horizon / Real Estate Mgmt										
Executive	2.00		2.00	2.00		2.00	2.00		2.00	-
Asset Management			-			-			-	-
Property Management - Admin	11.00		11.00	14.00		14.00	14.00	(1.00)	13.00	(1.00)
Property Management - Sites	98.00		98.00	105.00		105.00	105.00		105.00	-
Subtotal - Blue Horizon	111.00	-	111.00	121.00	-	121.00	121.00	(1.00)	120.00	(1.00)
Housing Choice Voucher Program										
Administration	1.00		1.00	1.00		1.00	1.00		1.00	-
Housing Choice Voucher Program	48.00		48.00	48.00		48.00	48.00		48.00	-
Subtotal - Administrative Op	49.00	-	49.00	49.00	-	49.00	49.00	-	49.00	-
Corporate Services										
Executive	3.00		3.00	3.00		3.00	3.00		3.00	-
Administration	2.00		2.00	2.00		2.00	8.00		8.00	6.00
Finance	22.00		22.00	23.00		23.00	20.00		20.00	(3.00)
Information Technology	6.00		6.00	6.00		6.00	5.00		5.00	(1.00)
Legal	3.00		3.00	4.00		4.00	5.00		5.00	1.00
People & Culture	13.50	(0.50)	13.00	13.00		13.00	13.00		13.00	-
Public Relations	2.00		2.00	2.00		2.00	2.00		2.00	-
Subtotal - Corporate Services	51.50	(0.50)	51.00	53.00	-	53.00	56.00	-	56.00	3.00
GRAND TOTAL	267.50	0.50	268.00	276.00	-	276.00	264.00	(1.00)	263.00	(13.00)

Staffing Change Highlights

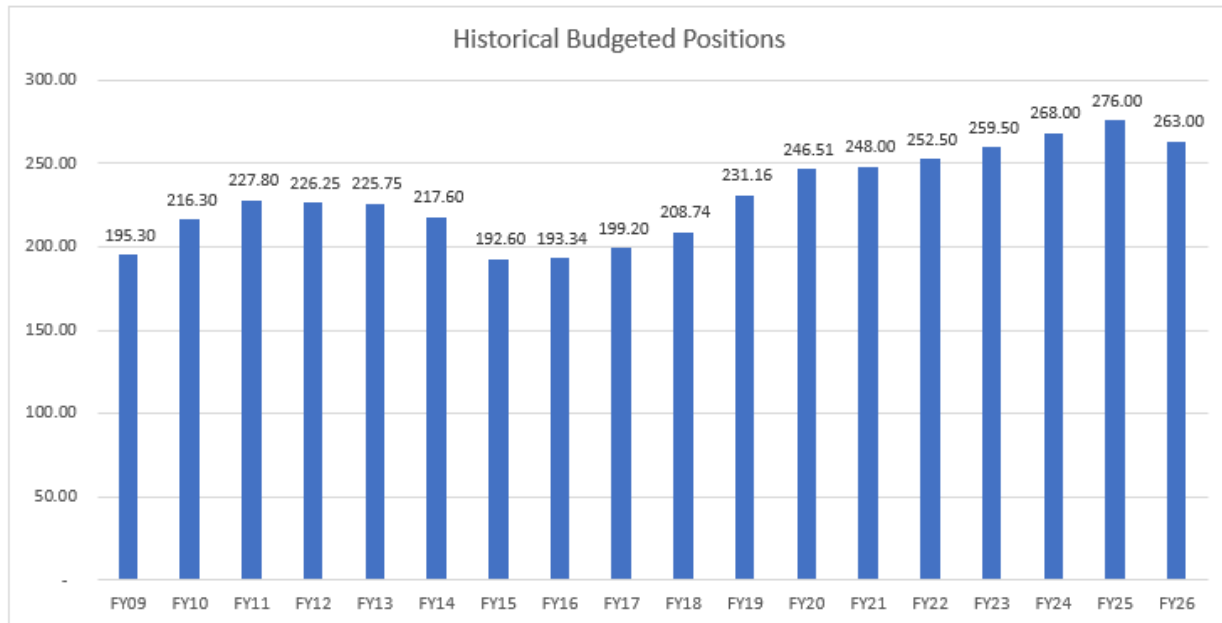
CORE decreased its staffing by eliminating nine (9) Life Coach positions and transferring one (1) Trainer to the Compliance Department. CORE's staffing for FY2026 is now 28.00 FTEs.

Horizon Development eliminated one (1) Financial Analyst position, and Asset Management transferred four (4) positions, of which one was eliminated, from HDP to under the Finance Department. HDP's new net total staffing for FY2026 is now 10.00 FTEs.

Blue Horizon Management restructured the Little Rock staffing plan to reclassify existing positions dedicated to the site. As such, one (1) vacant FTE was eliminated to allow for the new position structure. BHMC's new total staffing is now 120.00 FTEs for FY2026.

In Corporate Services, an Executive Assistant was transferred from Administration to Legal. Administration added one (1) Special Projects Coordinator and also increased by the five (5) Compliance staff that transferred from the Finance Department and the one (1) Trainer that transferred from CORE. The Finance Department increased by the three (3) Asset Management staff previously under HDP (the fourth FTE, an Asset Manager, was eliminated during the transfer) and eliminated one (1) Budget position. Information Technology also eliminated one (1) vacant position (intern). Overall, Corporate Services' new net total staffing for FY2026 is now 56.00 FTEs.

Below is a chart illustrating historical budgeted positions.





7.0 SUPPLEMENTAL INFORMATION

7.1 OVERVIEW OF THE CHARLOTTE COMMUNITY

Located in the Piedmont region of North Carolina, Charlotte is two hours east of the Appalachian Mountains and three hours west of the Atlantic Ocean. Charlotte's strategic location makes the area only a two-hour plane ride from more than 50 percent of the U.S. population. The connectivity of the City through its international airport, interstate roadways, and railroads makes it appealing to both companies and residents.

During 2024 Charlotte was headquarters to eight Fortune 500 publicly traded companies. Charlotte is a strong financial hub, with the fastest growing employment rate of any sector. The Life Science and Health Care industry, spurred by two large hospital system, also enjoys as strong a presence as the banking sector, which ranks as the nation's second largest. These industries, as well as others, continue helping to propel the City's employment opportunities.

The 2024 United States Census Bureau figures indicated that Charlotte was easily the most populous city in North Carolina, with population of exceeding 900,000 people as of July 2024. This is an increase of more than 15,000 residents for the third year in a row, moving Charlotte's ranking up to #14 from #15 a year ago on the list of largest U.S. cities. The Charlotte-Mecklenburg area is consistently ranked among the top 10 moving destinations in the United States, and the population increase is a direct result of this.

Charlotte ranked #8 in the U.S. News & World Report "Best Big Cities to Live" ranking. While Charlotte was #5 in the May 2024 "Best Places to Live" list, the new list expanded the number of cities considered from 150 to 850, making the competition more difficult, thus dropping Charlotte from that list. One of the categories of the ranking is housing affordability. When compared to similar cities, Charlotte's rent prices are within the national average. This has aided with the population growth, and the influx of jobs. However, housing prices has outpaced wages, making it extremely difficult for some to find affordable places to live. This is supported by a 2024 Charlotte-Mecklenburg State of Housing Instability and Homelessness Report. The report found that the lack of affordable housing is continuing to be an issue in the County. In fact, those in the moderate-income level range are now seeing the biggest divide, with 61% of these households paying more than 30% of their income on housing costs. This, then tightens an already low market, and places a greater burden on the low-income households. As a result, the report showed a year over year increase of 3% on those experiencing homelessness, and an increase of 10,000 eviction cases.

Though the City is making strides, it still isn't enough to meet the needs of its most vulnerable population. A big part of this effort is the City's Housing Charlotte framework. Knowing that no one entity can address the affordable housing need, the framework was established to focus on community efforts. In addition to this, Charlotte voters continue to be supportive in approving affordable housing bonds. To leverage the funds added to the Housing Trust Fund ("HTF"), the City has partnered with Local Initiatives Support Corporation ("LISC") who launched a campaign to increase the funds through philanthropic efforts, with over \$53 million raised to what has been termed the Charlotte Housing Opportunity Investment Fund ("CHOIF"). LISC is managing this private-sector fund. It is a federally certified community development financial institution that helps not only with housing, but also funds programs to support neighborhoods and businesses. While the programs are administered separately, LISC and city staff release annually an RFP for the HTF and CHOIF funds. INLIVIAN has contributed Project-Based Vouchers to this competitive process and the entire effort of leveraging funds to their maximum potential in the development of more affordable units to abate the affordable housing crisis. INLIVIAN relies on its innovative roots to create new programs and initiatives which will assist in the efforts to improve this outcome.

7.2 INLIVIAN – OUR HISTORY

Established in December 1938 and incorporated in June 1939, INLIVIAN, formerly the Housing Authority of the City of Charlotte, is a non-profit real estate holding company with a public purpose. That public purpose is to provide decent, safe and affordable housing to low and moderate-income families while supporting their efforts to achieve self-sufficiency. INLIVIAN's mission is to create innovative housing solutions in desirable communities for residents of diverse incomes and facilitate access to services to help them succeed.

INLIVIAN provides housing subsidies to families in the City and Mecklenburg County. INLIVIAN's portfolio is comprised of public housing, HCV, PBV, tax credit, affordable and market rate units.

As one of North Carolina's leaders in affordable housing, INLIVIAN has a noble legacy of providing affordable housing for 85 years to those most vulnerable in our community. The families we serve are at the heart of everything we do and as a result, INLIVIAN has propelled the development and services of our region's poor and working families. Guided by our mission, INLIVIAN seeks to help families become self-sufficient, ensure that seniors can age in place with dignity and enable the homeless in our community to find a safe harbor. While keeping this mission at the forefront, we are also a proud member of the Charlotte business community and play a significant role as an economic driver.

INLIVIAN continues to be an innovative industry leader in the national affordable housing arena. In an effort to sustain and preserve affordable housing in Charlotte, INLIVIAN entered the RAD Program. This program allowed INLIVIAN to convert public housing units into PBV units. The RAD conversion allows for a more stable stream of income, thus enabling us to preserve the long-term affordability of its units without increasing the rental cost to the residents.

As INLIVIAN continues to evolve, the need to be efficient is essential. INLIVIAN has adapted an entrepreneurial approach and created its own development and property management companies. The creation of these entities enables INLIVIAN to perform akin to the private market, thus creating cash flow for the preservation of affordable housing.

To carry out the mission, INLIVIAN created separate, locally incorporated entities, creating a fully functional "Family of Companies":

Horizon Development is a non-profit, tax exempt 501 (c)(3) subsidiary that was organized in March 2001, guided by a mission to develop, operate, and provide housing in sustainable communities of choice for residents of diverse incomes. Horizon Development's most recently developed communities include The Landing at Park Road and the redevelopment of Tall Oaks into The Oaks at Cherry.

Horizon Acquisition is a for-profit subsidiary that was organized in March 2001. Horizon Development has 100% stock ownership. The mission of this organization is to acquire, construct, develop, operation and/or hold title to affordable housing property, interests in property, and interests in entities that own and operate affordable housing property.

Blue Horizon was organized in August 2016 and is the "Doing Business As" name for Horizon Development's property management division. The mission of the organization is to manage sustainable and economically diverse communities, promoting high quality standards for our residents and owners. Keeping property management in-house reduces expenses and increases revenue streams.

C.O.R.E. Programs, Inc. (CORE) is a non-profit, tax exempt 501 (c)(3) subsidiary. The entity was formerly named Gateway Supportive Services, Inc. and was organized in December 2001. The mission of the organization is to assist affordable (low income) housing residents in achieving economic independence through educational and other support services.

7.3 BUDGET ADOPTION PROCESS

Creating the Budget

The budget process begins with the preparation of the budget calendar then followed by the issuance of the Budget Manual, which gives general instructions for the operating budget to be developed for the next budget year. The calendar lists due dates to ensure that the budget is approved by the end of the fiscal year. If the budget is not approved by the first business day of the new fiscal year, all INLIVIAN spending would be suspended on that day.

Each property manager/department is charged with the responsibility of preparing a budget for the upcoming budget year. Staff is invited to attend training and budget work sessions with the Budget staff. Based on the calendar, a date is set when all budget information must be entered into the Budget System. The Budget staff analyzes and prepares data for submission to the INLIVIAN senior leadership team for review and comments. The budget is also reviewed with the Chief Executive Officer (CEO) and prepared for adoption by the Board of Commissioners. The budget is ready for staff on the first day of the new fiscal year after approval by the Board.

Budgetary Control

The Budget Office is responsible for monitoring budgeted resources for INLIVIAN during the fiscal year, approving transfers between budget lines within a department or division, and monitoring budgets on an on-going basis to ensure that the departments are operating within budgeted levels. Budget changes can be done after the budget has been adopted by the Board of Commissioners, beginning the first day of the new fiscal year.

Board Amendments

The Budget Office is responsible for preparing budget amendments that affect all budgets in INLIVIAN. Generally, any movement of funds between budget categories over \$100,000 for grant and operating budgets (e.g. Administration to Property Improvements or an increase/decrease in one of the budgets mentioned above) constitutes the necessity of a budget amendment.

Preparing Reports

The Budget Office is responsible for preparing quarterly Budget-to-Actual reports (BAR) to the Board of Commissioners as well as monthly internal financial reports.

Budget Adoption Process

INLIVIAN maintains budgetary control over all funds, as required by the North Carolina General Statutes. An annual operating budget is produced by staff and then adopted by the Board of Commissioners. A public notice is issued by notice via newspaper, in which interested parties can review the budget document and speak at the public hearing before the budget is adopted. A certification of the adoption of the budget is forwarded to the Greensboro, North Carolina HUD field office and the adopted budgets are included in the MTW Annual Plan. Expenses may not exceed appropriations at the category level for the annual budget. The management of INLIVIAN may not increase the amount of any annual budgets without the approval of the Board of Commissioners.

FY2026 Budget Calendar

01/06/2025	Issue Budget Info sheet for development of the FY2025 Budget
02/14/2025	Internal Fees due to Budget Office
02/14/2025	Complete Upload of Salaries/Benefits into Budget System
03/03/2025	Budget System Open to Users
March 2025	MANDATORY Budget Boot Camps for Blue Horizon
04/01/2025	New Position Requests due to Budget Office
06/27/2025	Budgets Due in Budget System; both Operating and Capital Budgets
07/01/2025- 09/15/2025	Budget Reviews
09/15/2025- 10/01/2025	INLIVIAN Management review of Draft Budget
11/06/2025	Finance & Audit Committee Meeting
11/07/2025- 11/18/2025	Public Review Period
11/18/2025	Public Hearing on Budget
12/16/2025	Board Adoption of Budget

7.4 FINANCIAL MANAGEMENT

The INLIVIAN accounts are organized based on funds, each of which are considered a separate accounting entity and has a separate set of self-balancing accounts comprised of its assets, liabilities, net assets, revenues and expenses. The financial statements of INLIVIAN are reported using the economic resources measurement focus and the accrual basis of accounting in conformity with Generally Accepted Accounting Principles (GAAP) as applied to government units. INLIVIAN's budgets are adopted on a modified accrual basis. Annual appropriated budgets are adopted and all annual appropriations lapse at INLIVIAN's year-end.

INLIVIAN has developed an internal control structure to ensure that INLIVIAN's assets are managed honestly and efficiently. Internal controls are subject to periodic evaluation by management and independent auditors. In addition to management, budgetary, debt, cash management and risk management controls are in place. INLIVIAN's automated systems provide allowances for purchase orders based on budgets and accounts. INLIVIAN has received the Government Finance Officers Association of the United States and Canada's Certificate of Achievement for Excellence in Financial Reporting for the Comprehensive Annual Financial Report for the last fourteen consecutive years. INLIVIAN has a debt policy in place which specifies that debt will not be used to finance current operations. INLIVIAN also manages cash through strict policies and risk through control standards.

INLIVIAN receives funding from the Housing Choice Voucher Program (housing assistance payments made to landlords on behalf of eligible low-income residents), the Public Housing Operating Program and the Capital Fund Program. Each of these programs are administered by HUD.

In 1996, Congress passed legislation establishing the MTW program, under which HUD was authorized to select a small number of PHAs to participate in a demonstration that permits PHAs to combine certain HUD funds and to use those funds more flexibly by authorizing waivers of most provisions of the 1937 Act. INLIVIAN's participation in MTW was authorized in 1999, and INLIVIAN executed an interim agreement with HUD in December 2006, an original MTW Agreement in December 2007, and a Standard MTW Agreement with HUD in 2008, which extended INLIVIAN's participation in MTW until the end of its 2018 fiscal year (the "MTW Agreement"), which describes the terms under which INLIVIAN may exercise MTW authority. In 2016 the MTW agreement was extended to 2028. Among these is the authority to use certain HUD funds more flexibly and to operate annually under a MTW Plan. INLIVIAN is one of the original 39 housing authorities nationwide selected for participation in the MTW Demonstration Program. During INLIVIAN's MTW term, INLIVIAN is required to develop and submit to HUD an annual MTW Plan that articulates INLIVIAN's key policies, objectives and strategies for the administration of its federal housing programs to most effectively address local needs, in accordance with the terms of INLIVIAN's MTW Agreement.

INVESTMENT POLICY OVERVIEW

PURPOSE:

This procedure outlines the portfolio management program and is intended for use by staff, investment institutions that inquire about it and external auditors, as applicable.

The Chief Financial Officer, or their designee, shall maintain a daily analysis of INLIVIAN's cash balance to determine whether there are available funds on hand for investment. They shall also determine any cash need requiring any investment liquidation. It is the responsibility of the Finance Department to ensure INLIVIAN funds are invested at the highest rate of return possible within the guidelines established.

PHILOSOPHY:

The investment of idle INLIVIAN funds shall be made, keeping in mind that the investment security purchased by the Chief Financial Officer or their designee shall be made under the following guidelines:

1. The investment must be “safe”.
2. The preservation of principal is paramount.
3. The investment shall be liquid.
4. The rate of return shall be the highest possible, keeping in mind the preceding restrictions.
5. The amounts deposited or invested are restricted as follows:
 - a. Maximums in any one investment or any one institution plus current accrued interest shall be as follows:
 - i. Commercial bank account – unlimited if adequately collateralized.
 - ii. Commercial paper – no more than 25% of portfolio and no more than \$5 million in one issuer.
 - iii. Bankers Acceptances – no more than 25% of portfolio and no more than \$5 million in one issuer.
 - iv. North Carolina Capital Management Trust – no more than 50% of portfolio.
 - v. Agencies – unlimited on fixed security with no more than 20% of portfolio in a single agency (\$5 million if portfolio under \$25 million) – no more than 20% in non-fixed securities.
 - vi. Treasuries – unlimited with no more than 20% of portfolio in a single maturity issue (\$5 million if portfolio under \$25 million).
 - vii. No more than 50% of the portfolio may be in ii, iii, and iv at any one time combined.
 - b. Deposits must be collateralized as required by North Carolina General Statutes 159-31 and investments held at the highest level of custody attainable
 - c. No deposit or investment may have a maturity date of greater than seven (7) years.

SCOPE:

This policy shall apply to all funds invested by INLIVIAN.

REFERENCES:

North Carolina General Statutes 159-30 and 159-31.

CAPITALIZATION POLICY

INLIVIAN will record fixed assets at cost or, if cost is not practicably determined, at established cost. Donated fixed assets shall be recorded at their estimated fair value at the time received. In general, any expenditure which provides service potential with an estimated useful life of more than one (1) year shall be capitalized. Costs related to maintenance, cleaning, or minor repairs will be expensed in the current period and not capitalized.

Building costs to be capitalized will include cost of the structure plus the cost of all permanent equipment and fixtures necessary for the intended use of the structure. All cost necessary to obtain the building and get it into condition for its intended use shall be included in the total cost to be capitalized.

On the basis of materiality, INLIVIAN will capitalize assets, including improvements, based on the preceding criteria in excess of \$5,000. This amount will apply to asset acquisitions in the following classifications:

- Land
- Buildings
- Building Improvements
- Dwelling furniture and fixtures
- Administrative furniture and fixtures
- Dwelling equipment
- Administrative and Maintenance equipment

Acquisitions of assets in excess of \$5,000 will be recorded on INLIVIAN's financial statements as capital fixed assets and will be depreciated based on GAAP.

DEPRECIATION POLICY

INLIVIAN will depreciate capital fixed assets over their estimated useful lives. Factors considered in estimated useful life will include normal wear and tear and potential usefulness to INLIVIAN, as well as economic factors such as obsolescence, inadequacy, and economic changes.

Depreciation will not apply to land or permanent land improvements as its usefulness does not diminish with time. Proposed useful lives to be applied are as follows:

- Buildings: 30 years
- Building Improvements: 10 years
- Building Furniture and Equipment: 5 years
- Maintenance/Administrative Equipment: 5 years
- Vehicles: 5 years

These periods may be adjusted in the future based on INLIVIAN's experience and realistic assessment of the expected life of the item.

PURCHASING CARD

Purchasing Cards (P-Card) are assigned to individual employees and cannot be transferred to, assigned to, or used by anyone other than the designated employee. The P-Card is not a personal expense account and the use for personal purchases is strictly prohibited. The P-Card cannot be used as payment for certain restricted items. Fraudulent use and/or misuse of the P-Card is grounds for revoking the card privileges and may lead to disciplinary action, up to and including termination of employment. Temporary employees are not eligible for P-Cards.

Purchases made on the P-Card will be managed via the Fifth Third Bank P-card system. All purchases made with the Fifth Third Bank P-Card must be documented and approved in the Fifth Third Bank P-Card system. Cardholders, department heads and / or managers will be able to review all purchases online. The Fifth Third Bank card site will typically list all charges made on the P-Card within two to three days of the actual purchase.

ACCOUNTS RECEIVABLE

All payments received and processed during the day are deposited into the bank account the following morning per state regulations. Tenant payments are paid mainly online. Checks and money orders are scanned and processed through remote deposit, with minimal checks needing to be hand processed by the bank.

ACCOUNTS PAYABLE

Payments to vendors are processed on a weekly basis, with majority paid through Electronic Funds Transfer (EFT). INLIVIAN payment terms are net 30 days.

EXPENDITURE/EXPENSE

The outflow of funds paid for an asset obtained or goods and services obtained.

FISCAL YEAR

The fiscal year for INLIVIAN begins on January 1 of each year and ends on December 31 of that year.

BALANCED BUDGET POLICY

The INLIVIAN operating budget will be balanced with current revenues and fund balances available for the program. The Board of Commissioners, INLIVIAN's governing body, adopts the annual budget by Resolution. Horizon Development, Blue Horizon and Horizon Acquisition fund budgets will have cash flows.

AUDIT POLICY

INLIVIAN participates in an audit of its financial statements each fiscal year. This audit is conducted by an auditor independent of INLIVIAN. The independent auditor is chosen by the Board of Commissioners and reports to the Finance and Audit Committee, a committee of the Board of Commissioners.

WRITE OFF POLICY

According to GAAP, organizations must periodically review outstanding receivables. Any receivables found uncollectible must be written off. Quarterly, the tenant accounts receivable for residents who have vacated during the previous quarter are assessed and written off. Writing-off uncollectible tenant accounts receivable from INLIVIAN's accounting records does not affect the tenant's liability to INLIVIAN or INLIVIAN's efforts to collect the liability.

OPERATING RESERVE AND SPENDING POLICY

PURPOSE

To provide the foundation for fiscal management of INLIVIAN resources, guiding the Board of Commissioners and staff in making sound financial decisions and in maintaining the fiscal stability of INLIVIAN.

OBJECTIVE

1. To maintain good internal controls in the financial management of INLIVIAN.
2. To ensure that adopted policies are implemented in an efficient and cost-conscious manner, while continuing to ensure compliance with contractual, regulatory and statutory requirements.
3. To ensure that the budget complies with the relevant financial policies.
4. To align INLIVIAN's long-term financial planning with short-term daily operations.
5. To maintain INLIVIAN's stable financial position.
6. To encourage an organizational culture that creates safe, healthy and risk-free work and operational environments.
7. To protect INLIVIAN from emergency fiscal crisis by ensuring the continuance of service even in the event of an unforeseen occurrence.

OPERATING RESERVE

INLIVIAN will maintain an uncommitted reserve (fund) balance in operating funds. These funds will be used to avoid cash-flow interruptions, generate interest income, eliminate the need for short-term borrowing, provide funding flexibility for unanticipated needs and opportunities and sustain operations during unanticipated emergencies and disasters. Properties maintain separate operating reserve accounts where allowed.

1. Any utilization of reserves must be approved by the Board.
2. Funds not appropriated for expenses in a fiscal year are part of the fund balance (reserves). Such funds will be invested in accordance with INLIVIAN's 'Investment Policy' adopted by the Board.
3. INLIVIAN will strive to maintain a minimum reserve level of four months of prior year expenditures in each operating fund.

SPENDING

INLIVIAN shall ensure that all funds are properly budgeted and accounted for. These funds shall be spent in accordance with the MTW Plan and/or the Strategic Plan.

INLIVIAN will establish and maintain its accounting systems to, at a minimum, satisfy such requirements as may be prescribed by federal and/or state laws, regulations, or guidelines.

1. INLIVIAN will maintain annual operating budgets, which will be prepared in accordance with federal regulations and guidelines, and North Carolina General Statutes.
2. INLIVIAN shall maximize the use of all monies in the best interest of INLIVIAN.
3. INLIVIAN will retain monies for investment for the longest appropriate period of time.

BASIS OF ACCOUNTING AND BASIS OF BUDGETING

INLIVIAN accounts are organized and operated on a fund basis. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts recording its assets deferred outflows of resources, liabilities, deferred inflows on resources, net position, revenues and expenses.

INLIVIAN reports as a special purpose government engaged only in business-type activities (enterprise funds). Enterprise funds are accounted for on the flow on economic resources measurement focus and the accrual basis of accounting. In this type of fund, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred, regardless of when the related cash flow takes place.

All funds of INLIVIAN are maintained on the modified accrual basis during the year. The basis of budgeting is modified accrual. The financial statements for INLIVIAN are reported on the accrual basis. Under this basis, revenue is recorded when earned and expenses are recorded when incurred. In converting from the modified accrual basis to the full accrual basis, the changes required may include adjustments for unpaid interest, depreciation, prepaid tenant rents, payment of principal on outstanding debt and capital outlay.

BUDGETARY COMPLIANCE

INLIVIAN maintains budgetary controls over all funds, as required by North Carolina General Statutes and the terms of INLIVIAN's Annual Contributions Contract ("ACC") with HUD. An annual budget is adopted for all enterprise funds, except for capital projects and development projects, which are multi-year projects. Expenditures may not exceed appropriations at the functional level for the annual budget or at the category level for the capital projects, development projects and other grant funds. The management of INLIVIAN may transfer appropriations within a fund up to \$100,000 without Board approval.

7.5 FEDERAL FINANCIAL ASSISTANCE

Fiscal Year	Low Rent Housing Program	Housing Choice Vouchers	Housing Choice Voucher Cluster	Capital Fund Program	HOPE VI Program	ROSS Grants	Misc Federal Grants	Total
3/31/2015	\$ 10,828,668	\$ 45,979,266	\$ 2,955,244	\$ 3,121,076	\$ 1,791,654	\$ 373,391	\$ -	\$ 65,049,299
12/31/2016 (1)	19,002,491	79,175,447	5,265,467	13,002,644	8,446,947	444,326	1,774,617	127,111,939
12/31/2017	6,501,084	69,354,920	3,198,911	267,110	-	1,658	2,652,512	81,976,195
12/31/2018	1,280,914	67,028,858	3,237,533	66,375	-	-	2,379,890	73,993,570
12/31/2019	1,264,615	66,303,306	3,750,949	2,183,461	-	-	2,362,032	75,864,363
12/31/2020	1,084,869	70,196,170	3,717,257	1,613,609	-	-	2,201,935	78,813,840
12/31/2021	898,086	76,923,086	5,782,679	889,708	-	116,170	2,240,684	86,850,413
12/31/2022	642,527	80,418,410	5,225,245	816,146	-	219,663	1,954,501	89,276,492
12/31/2023	180,286	87,768,323	6,746,701	874,993	-	219,663	1,974,401	97,764,367
12/31/2024	601,152	106,488,163	8,281,207	711,040	-	230,646	2,130,077	118,442,285

Source: INLIVIAN records.

(1) 12/31/2016 is a 21-month transition fiscal year

7.6 OPERATING REVENUES BY SOURCE

Fiscal Year	Tenant Revenue		Other Revenue		HUD Operating Grants and Subsidies		Total Operating Revenue	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
3/31/2015	\$ 12,562,858	14%	\$ 14,719,825	16%	\$ 62,375,245	70%	\$ 89,657,928	100%
12/31/2016 (1)	20,860,529	13%	24,945,092	16%	113,973,292	71%	159,778,913	100%
12/31/2017	18,838,608	18%	13,574,960	13%	72,370,326	69%	104,783,894	100%
12/31/2018	15,397,915	17%	11,092,894	12%	66,486,060	71%	92,976,869	100%
12/31/2019	15,565,960	16%	12,066,726	13%	67,816,637	71%	95,449,323	100%
12/31/2020	19,900,612	19%	13,801,794	13%	69,780,025	68%	103,482,431	100%
12/31/2021	20,001,199	18%	11,773,445	11%	79,007,797	71%	110,782,441	100%
12/31/2022	23,551,259	20%	11,827,992	10%	82,298,832	70%	117,678,083	100%
12/31/2023	30,446,818	23%	11,659,770	9%	92,118,977	68%	134,225,565	100%
12/31/2024	34,944,163	22%	8,979,820	6%	114,605,964	72%	158,529,947	100%

Source: INLIVIAN records.

(1) 12/31/2016 is a 21-month transition fiscal year

7.7 DEBT SERVICES

Bond Issuance

INLIVIAN does not have any bond issuance for its housing programs, therefore this budget document does not include information typically related to bond issuance such as bond ratings.

Mortgages

All mortgages are considered to be direct borrowings. Principal and interest payments due on all mortgages payable in each of the following years are as follows:

Year ending December 31,	Principal	Interest	Total
2025	\$ 3,821,237	\$ 9,977,262	\$ 13,798,499
2026	28,160,759	9,157,536	37,318,295
2027	4,211,121	8,387,213	12,598,334
2028	8,386,704	8,234,808	16,621,512
2029	4,284,959	8,029,410	12,314,369
2030-2034	28,904,404	37,455,514	66,359,918
2035-2039	114,758,485	28,707,786	143,466,271
2040-2044	53,836,700	9,426,301	63,263,001
2045-2049	17,807,599	5,210,093	23,017,692
2050-2054	12,778,626	2,112,705	14,891,331
2055-2059	2,156,567	1,032,574	3,189,141
2060-2064	3,616,789	149,803	3,766,592
Mortgages Payable	\$ 282,723,950	\$ 127,881,005	\$ 410,604,955

A \$16,287,972 construction loan payable to JP Morgan Chase on 8th & Tryon AUOE, collateralized by a security agreement and a facility document. The loan bears interest at the Term SOFR rate plus 2.25%. The interest rate at December 31, 2024 is 6.74%. Interest only payments are due monthly until maturity. The maturity date is May 18, 2026. The outstanding principal balance at December 31, 2024, is \$4,470,378. Interest expense for the year ended December 31, 2024, is \$65,480.

A \$50,653,223 construction loan payable to JP Morgan Chase on 8th & Tryon MROE, collateralized by a deed of trust, security agreement, and assignment of leases and rent and fixture filing. The loan bears interest at 6.32%. Interest only payments are due until permanent conversion. The maturity date is seventeen years after conversion, which is required to be on or before May 18, 2026. The outstanding principal balance at December 31, 2024, is \$14,297,034. Interest expense for the year ended December 31, 2024, is \$272,292.

A \$959,124 mortgage note payable to the North Carolina Housing Finance Agency ("NCHFA") on 940 Brevard, collateralized by a deed of trust and security agreement. The note is interest free. The maturity date is February 1, 2038. No principal or interest payments are required. The outstanding principal balance at December 31, 2024, is \$959,124.

A \$15,000,000 Multifamily Housing Revenue Bonds, Series 2021 on Abbingdon on Mount Holly, collateralized by the property. The bonds bear interest at 4.15% until the stabilization date, and 4.35% thereafter. The maturity date is December 1, 2060. Monthly principal and interest payments are required in the amount of \$51,806 beginning August 2026, with monthly interest only payments required until that time. The outstanding principal balance at December 31, 2024, is \$11,775,000. Interest expense for the year ended December 31, 2024, was \$515,704.

A construction loan up to \$2,000,000 to the City of Charlotte (“City”) on Abbingdon on Mount Holly, collateralized by the property, with an interest rate of 2%. The note requires interest only payments made from available cash flow beginning August 1, 2023. The note matures July 1, 2043. Outstanding principal balance at December 31, 2024 is \$2,000,000. Interest expense for the year ended December 31, 2024, was \$40,000.

A \$1,775,000 note payable to the Charlotte Housing Opportunity Investment Fund, LLC (“CHOIF”) on Abbingdon on Mount Holly, collateralized by the property. The note bears interest at 3.25%. Quarterly interest only payments made from available cash flow. The note matures June 24, 2039. Outstanding principal balance at December 31, 2024 is \$1,775,000. Interest expense for the year ended December 31, 2024, was \$57,687.

A \$188,021 mortgage note payable to the NCHFA on Arbor Glen III, collateralized by the property. The note is interest free. The maturity date is January 1, 2035. No principal or interest payments are required. The outstanding principal balance at December 31, 2024 is \$188,021.

A \$230,000 mortgage note payable to the City on Arbor Glen III, collateralized by the property, with an interest rate of 2%. The note requires monthly principal and interest payments of \$1,163. The note matures 20 years after payments begin. The outstanding principal balance at December 31, 2024 is \$21,697, with accrued interest of \$48.

A \$121,380 mortgage note payable to KeyBank National Association (“KeyBank”) on Arbor Glen III, collateralized by a deed of trust and security agreement, pursuant to the Federal Home Loan Bank (“FHLB”) Affordable Housing Program (“AHP”). The note bears interest at 2% per annum and requires monthly payments of principal and interest. The loan matures 20 years from the loan opening date, as defined in the loan agreement. The outstanding principal balance at December 31, 2024 is \$6,962, with accrued interest of \$273

A \$21,068,546 Permanent loan - series A agreement with Berkadia on Archdale Flats-Family, collateralized by all units of the project. The loan bears interest at 3.8%. Payments of principal and interest in the amount of \$85,835 are due monthly through the maturity date of January 1, 2038. The outstanding principal balance at December 31, 2024 is \$20,735,423

A \$6,454,635 Permanent loan - series B agreement with Berkadia on Archdale Flats-Family, collateralized by all units of the project. The loan bears interest at 4.22%. Payments of principal and interest in the amount of \$27,979 are due monthly through the maturity date of January 1, 2038. The outstanding principal balance at December 31, 2024 is \$6,363,672.

A \$10,625,373 Permanent loan - series A agreement with Berkadia on Archdale Flats-Seniors, collateralized by all units of the project. The loan bears interest at 3.8%. Payments of principal and interest in the amount of \$43,289 are due monthly through the maturity date of January 1, 2038. The outstanding principal balance at December 31, 2024 is \$10,457,371.

A \$1,987,191 Permanent loan - series B agreement with Berkadia on Archdale Flats-Seniors, collateralized by all units of the project. The loan bears interest at 4.22%. Payments of principal and interest in the amount of \$8,614 are due monthly through the maturity date of January 1, 2038. The outstanding principal balance at December 31, 2024 is \$1,959,186.

A \$20,500,000 construction loan payable to Truist Bank on Ashley Flats. The loan converted to permanent financing on April 29, 2024. The loan bears interest 4.54%. Payments of interest only are due monthly through the maturity date of May 1, 2041. The total outstanding balance of the loan as of December 31, 2024 is \$20,390,421 and accrued interest \$0. Interest expense for the year ended December 31, 2024 was \$631,926.

A \$4,313,931 taxable loan payable to Truist Bank on Ashley Flats. The loan bears interest at an adjustable SOFR rate, which was 5.38% as of December 31, 2023, collateralized by a Construction Deed of Trust, Security Agreement and Assignment of Leases and Rents. Payments of interest only were due monthly through the maturity date of April 30, 2024. The loan converted to permanent financing on April 29, 2024 in the amount of \$864,000 supplemental. The loan bears interest 7.12 %. Payments of interest only are due monthly through the maturity date of May 1, 2041. The total outstanding balance of the loan as of December 31, 2024, is \$862,430 and accrued interest \$0. Interest expense for the year ended December 31, 2024, was \$36,542.

An \$18,000,000 mortgage note payable to Bellwether Enterprise Real Estate Capital, LLC, on Charlottetown Terrace and Edwin Towers, collateralized by a deed of trust and security agreement, with an interest rate of 3.34%, pursuant to the HUD 223(f) program. The maturity date is October 1, 2052. Monthly installments of principal and interest are due in the amount of \$72,733. The outstanding principal balance at December 31, 2024, is \$15,804,253 with accrued interest of \$43,989.

A \$14,600,000 permanent financing loan with Grandbridge Real Estate Capital on Evoke Living at Arrowood, collateralized by a deed of trust and security agreement. The loan bears interest at 4.34% per annum. Payments of principal and interest in the amount of \$69,186 are due monthly through the maturity date of May 1, 2039. The outstanding principal balance at December 31, 2024 is \$14,493,210.

A \$2,000,000 mortgage note payable to the City, on Evoke Living at Arrowood, collateralized by the property, with an interest rate of 1%. The note requires annual interest payments from available cash flow, as defined, following the issuance of a certificate of occupancy or no later than December 1, 2023. The note matures 20 years from the date of issuance of a certificate of occupancy, but not later than November 1, 2043. The outstanding principal balance at December 31, 2024 is \$2,000,000 and accrued interest was \$4,433.

A \$2,850,000 construction loan payable to Truist Bank on Evoke Living at Arrowood. The loan bears interest at 0% prior to stabilization and 1% after stabilization and is collateralized by the property. Payments of interest only are due monthly. The total outstanding balance of the loan as of December 31, 2024 is \$2,850,000. Interest expense for the year ended December 31, 2024 was \$20,000.

A \$2,000,000 mortgage note payable to the City, on Evoke Living at Westerly Hills, collateralized by the property, with an interest rate of 1%. The note requires annual interest payments from available cash flow, as defined, following the issuance of a certificate of occupancy or no later than May 31, 2022. The note matures on April 30, 2042. The outstanding principal balance at December 31, 2024 is \$1,338,527. Interest expense for the year ended December 31, 2024 was \$13,565.

A \$14,200,000 mortgage note payable to Bearings Affordable Housing Mortgage Fund III LLC on Evoke Living at Westerly Hills, collateralized by the property, with an interest rate of 2.25%. Payments of principal and interest of \$48,882 are due monthly. The note matures May 1, 2039. The outstanding principal balance at December 31, 2024 is \$13,537,327. Interest expense for the year ended December 31, 2024, was \$316,434 including accrued interest of \$25,382.

A \$2,923,371 note payable to the CHOIF on Evoke Living at Westerly Hills. The note bears interest at 2.00%. Monthly payments of principal and interest of \$16,916, are due until May 1, 2039, when all outstanding principal and accrued but unpaid interest are due. The outstanding principal balance of the loan at December 31, 2024 is \$2,565,830. Interest expense for the year ended December 31, 2024, was \$52,697.

A \$1,275,000 mortgage note payable to the City on Fairmarket Square, collateralized a deed of trust and security agreement. The note is interest free. No principal payments are required until maturity unless the project is sold or

refinanced. The maturity date is August 18, 2028. The outstanding principal balance of the loan as of December 31, 2024, is \$1,275,000.

A \$900,000 third mortgage payable to DreamKey Partners formerly known as Charlotte Mecklenburg Housing Partnership on First Ward Phase I, collateralized by the property. The note bears interest at 2% and matures on December 31, 2028. Interest payments of 2% shall be made monthly from cash flow, as available. The outstanding principal balance at December 31, 2024 was \$900,000.

A \$1,844,379 refinanced mortgage note payable to TowneBank on First Ward Place Phase I, collateralized by the property. The note bears interest at 2.05% and matures on May 26, 2026. Interest only payments are due monthly. The outstanding principal balance at December 31, 2024 was \$1,840,991.

A \$798,756 refinanced mortgage note payable to TowneBank, on First Ward Place Phase II, collateralized by the property. The note bears interest at 2.05% and matures on May 26, 2026. Interest only payments are due monthly. The outstanding principal balance at December 31, 2024 was \$278,465.

A \$27,831,000 construction loan payable to Citibank on Freedom Flats. The loan bears interest at an adjustable rate determined by the Lender, not to exceed 12% and is collateralized by a deed of trust, assignment of rents, security agreement and fixture filing. The loan converted to a permanent loan in July 2024. Payments of principal and interest are due until maturity on November 1, 2053, with a mandatory pre-payment in October 2038. The total outstanding balance of the loan as of December 31, 2024, is \$27,430,168. Interest expense for the year ended December 31, 2024 was \$1,730,194.

A \$6,150,000 construction loan payable to Citibank on Freedom Flats. The loan bears interest at an adjustable rate determined by the Lender, not to exceed 12% and is collateralized by a deed of trust, assignment of rents, security agreement and fixture filing. Payments of interest only are due until conversion. The loan was converted to permanent financing on July 17, 2024. Payments of principal and interest are due until maturity on November 1, 2053, with a mandatory pre-payment in October 2038. The interest rate on the permanent loan is 6.63%. The total outstanding balance of the loan as of December 31, 2024, is \$5,068,243. Interest expense for the year ended December 31, 2024, was \$432,891.

A \$2,000,000 construction loan to the City for FWP Recap Phase I. The loan bears interest at 1.00% annually and is non-compounding. Payments of accrued interest shall be made from available cash flow. Annual payments shall begin 12 months following the issuance of the certificate of occupancy, but no later than November 1, 2025. The outstanding principal balance at December 31, 2024 is \$1,800,000. Interest expense for the year ended December 31, 2024 was \$34,926.

A \$7,131,868 construction loan to Truist Bank on FWP Recap Phase I, collateralized by the security instrument. The loan bears interest at a rate equal to the Daily Simple SOFR plus 2.6%. The interest rate at December 31, 2024 was 7.20%. The loan matures on the earlier of (1) July 20, 2041, (2) the seventeenth anniversary of the stabilization date, or (3) the date on which the principal amount of the loan has been declared or automatically has become due and payable. The loan was converted to permanent financing in 2024. The outstanding principal balance at December 31, 2024 is \$1,400,000. Interest incurred during the year ended December 31, 2024 was \$432,454.

A \$1,400,000 construction loan to Truist Bank on FWP Recap Phase I, collateralized by the property. Prior to stabilization, the loan does not bear interest. After stabilization, interest is 1.00%. The loan matures on the earlier of (1) July 20, 2042, (2) the market rate construction loan, or (3) the date on which the principal amount of the loan has been declared or automatically has become due and payable. The outstanding principal balance at December 31, 2024 is \$1,058,384. Interest expense for the year ended December 31, 2024, was \$4,969.

A \$17,500,000 loan payable to Fifth Third Bank on The Gaston at North End. The loan bears interest equal to the Term SOFR rate. During the year, the interest rate ranged from 4.3% per annum to 5.4% per annum. The loan was collateralized by the land, property, buildings and improvements, and tenant rents. No payments were due until conversion, which occurred in December 2024. The balance at conversion was \$15,068,471. The total outstanding balance of the loan as of December 31, 2024, is \$0. Interest expense for the year ended December 31, 2024, was \$938,421.

A \$2,000,000 loan payable to the City of Charlotte on The Gaston at North End. The loan bears interest at 2% per annum. The loan is collateralized by a deed of trust and security agreement. Payments commence annually beginning 30 days following the issuance of the first certificate of occupancy for the Property, based on available cash flow. The total outstanding balance of the loan as of December 31, 2024, is \$2,000,000.

A \$15,036,000 loan payable to Bellwether Enterprise Real Estate Capital, LLC on The Gaston at North End. The loan bears interest at 4.41% plus a 0.11% servicing fee. The loan is secured by a deed of trust and security agreement. Principal and interest payments of \$71,345 are due monthly. The loan matures on December 1, 2040. The total outstanding balance of the loan as of December 31, 2024, is \$15,036,000. Interest expense for the year ended December 31, 2024, was \$0.

A \$1,335,375 mortgage note payable to the City on Glen Cove, collateralized by a deed of trust and security agreement with an interest rate of 1%, pursuant to the City's Housing Trust Fund ("HTF") program. An interest only payment of \$13,354 is due annually. The maturity date is February 28, 2028. Total outstanding balance of the loan and interest as of December 31, 2024 is \$1,309,831.

A \$3,232,909 mortgage note payable to TowneBank on Hampton Creste, collateralized by a deed of trust and security agreement with an interest rate of 2%. Payments of interest only are due monthly. The maturity date is July 15, 2026. The outstanding principal balance of the loan as of December 31, 2024 is \$3,232,909. Interest expense for the year ended December 31, 2024 was \$65,736 with \$5,568 accrued.

A \$1,300,000 mortgage note payable to the City on Hampton Creste, collateralized by a deed of trust and security agreement, pursuant to the City's Neighborhood Stabilization Program ("NSP") grant. The note is interest free. The maturity date is July 16, 2030. The outstanding principal balance of the loan as of December 31, 2024 is \$1,300,000.

A \$893,381 promissory note payable to the Community Investment Corporation of the Carolinas ("CICCAR") on The Landing at Park Road, collateralized by a deed of trust and security agreement. The loan bears interest at an interest rate of 5.86% and matures on June 1, 2036. Payments of principal and interest are due monthly. The total outstanding principal balance of the loan as of December 31, 2024 is \$806,833, with accrued interest of \$3,940. Interest expense for the year ended December 31, 2024 was \$47,778.

A \$1,380,000 mortgage note payable to the City on The Landing at Park Road, collateralized by a deed of trust and security agreement, with an interest rate of 1%, pursuant to the City's HTF program. The maturity date is December 31, 2036. Payments are made from cash flow, as available. The total outstanding principal balance of the loan as of December 31, 2024 is \$1,380,000, with accrued interest of \$13,800.

A \$380,593 mortgage note payable to the NCHFA on The Landing at Park Road, collateralized by a deed of trust and security agreement. The loan is interest free and matures on August 1, 2047. No payments of principal are made until the maturity date. The total outstanding principal balance of the loan as of December 31, 2024 is \$380,593.

A \$9,390,000 Horizon Acquisition mortgage loan agreement with the County of Mecklenburg, North Carolina (the Issuer) and First Citizens Bank & Trust (the Trustee) on Little Rock Apartments, which was funded through Multifamily Housing Revenue Bonds (Little Rock Apartments), Series 2003. The bonds consist of two ratably secured component

portions: (1) a \$390,000 portion (the IRP Portion) and a \$9,000,000 portion (the NOI portion). With respect to the IRP Portion the interest rate was 3.700% per annum for the period from May 1, 2003 (the Accrual Date) to December 1, 2005 (the Conversion date), and increased to 4.40% per annum for the period from the Conversion Date to November 1, 2011 (the IRP End Date). With respect to the NOI Portion, the interest rate was 5.53% per annum for the period beginning on the Accrual Date to the Conversion Date and increased to 6.23% per annum for the period from the Conversion Date to the date on which the Mortgage is paid in full. With respect to the NOI portion, principal and interest is payable in consecutive monthly installments in the amount of \$41,475 through the Conversion Date and increased to \$55,297 until the Mortgage Note is paid in full, but no later than December 1, 2035. The outstanding principal balance of the loan as of December 31, 2024 is \$5,246,210, with accrued interest of \$22,948. The unamortized premium on these bonds at December 31, 2024 is \$130,891.

A \$3,181,101 component unit mortgage note payable to the City on McAden Park, collateralized by the property, with an interest rate of 1.5%. The maturity date is February 1, 2037. All outstanding principal and accrued interest is due at maturity. The total outstanding principal balance of the loan as of December 31, 2024 is \$ 3,181,101. As of December 31, 2024, accrued interest related to this loan was \$53,813.

A \$720,081 second mortgage note payable to the City on McAlpine Terrace, collateralized by a deed of trust and security agreement with an interest rate of 1%, pursuant to the City's HTF program. An interest only payment of \$7,201 is due annually. The maturity date is February 28, 2028. Total outstanding balance of the loan and interest as of December 31, 2024 is \$712,468.

A \$1,836,000 mortgage note payable to the City on McMullen Wood, collateralized by a deed of trust and security agreement, with a .5% interest rate. Interest only payments are required monthly. The maturity date is December 31, 2030. The outstanding balance of the loan as of December 31, 2024 is \$1,836,000 with accrued interest of \$765.

A \$250,000 mortgage note payable to the NCHFA on McMullen Wood, collateralized a deed of trust and security agreement. The note is interest free. No principal payments are required until maturity unless the project is sold or refinanced. The maturity date is February 1, 2030. The outstanding balance of the loan as of December 31, 2024 is \$239,342.

A \$9,127,500 mortgage note payable to Berkadia Commercial Mortgage on Mill Pond, collateralized by a deed of trust and security agreement with an interest rate of 3.45%. The maturity date is April 30, 2053. The mortgage is subject to a prepayment penalty of 10 percent of the outstanding principal balance if prepaid before April 30, 2020 and is phased out if paid after May 1, 2028. Monthly payments of principal and interest in the amount of \$37,459 are required. The outstanding balance of the loan as of December 31, 2024 is \$8,120,122, with accrued interest of \$23,345.

A \$642,183 mortgage note payable to the NCHFA on Montgomery Gardens, collateralized by a deed of trust, by the assignment of rents and leases, and security agreement. The note is interest free. No principal payments are required until maturity. The maturity date is August 1, 2036. The outstanding balance of the loan as of December 31, 2024 is \$642,183.

A \$1,140,000 mortgage note payable to the City on Montgomery Gardens, collateralized by a deed of trust and security agreement, with an interest rate of 2%, pursuant to the HUD HOME program. The maturity date is December 31, 2026. Monthly payments of principal and interest in the amount of \$5,767 are required. The outstanding principal balance of the loan as of December 31, 2024 is \$135,507, with accrued interest of \$226.

A \$342,000 mortgage note payable to Bank of America on Montgomery Gardens, collateralized by a deed of trust and security agreement, with an interest rate of 5%, through the AHP. The maturity date is August 1, 2028. Payments of principal and interest of \$2,257 are required. The outstanding principal balance at December 31, 2024 is \$95,048, with accrued interest of \$409.

A \$1,215,000 mortgage note to the City on Nia Point, collateralized by a deed of trust and security agreement, with an interest rate of 2%, pursuant to the U.S. Department of Housing and Urban Development HOME program. The maturity date is December 1, 2026. Monthly payments of principal and interest in the amount of \$6,146 are required. The total outstanding principal balance of the loan as of December 31, 2024 is \$144,483, with accrued interest of \$241.

A \$728,855 mortgage note payable to the NCHFA on Nia Point, collateralized by a deed of trust and security agreement. The note is interest free. The maturity date is July 1, 2036. The note is secured by a third lien deed of trust, assignment of leases, and security agreement. Pursuant to the loan agreement, the Project must comply with the affordability requirement of the North Carolina statutes, as defined. The total outstanding principal balance of the loan as of December 31, 2024 is \$728,855.

A \$204,252 mortgage note payable to the NCHFA on Nia Point, collateralized by a deed of trust and security agreement. The loan is interest free. The maturity date is February 1, 2027. Monthly principal payments are required as outlined in the note agreement. The total outstanding principal balance of the loan as of December 31, 2024 is \$25,722.

A \$405,000 mortgage note payable to KeyBank National Association on Nia Point, collateralized by a deed of trust and security agreement with an interest rate of 2%, through the AHP. The loan requires monthly principal and interest payments to fully amortize the principal balance over 240 months. The note matures on May 1, 2027. The outstanding principal balance at December 31, 2024 is \$86,005 with accrued interest of \$148.

A \$1,215,000 mortgage note payable to the City on The Oaks at Cherry, collateralized by a deed of trust and security agreement with an interest rate of 1%, pursuant to the City's HTF program. The maturity date is December 31, 2037. Payments are made from cash flow, as available. The total outstanding principal balance of the loan as of December 31, 2024 is \$1,215,000.

A \$640,000 second mortgage note payable to the City on Seneca Woods, collateralized by a deed of trust and security agreement, with an interest rate of 2%, pursuant to the City's HTF program. No principal payments are required until maturity unless the project is sold or refinanced. The maturity date is February 24, 2049. The total outstanding balance of the loan as of December 31, 2024 is \$640,000. Total deferred interest as of December 31, 2024 is \$468,005.

A \$300,000 third mortgage note payable to the NCHFA on Seneca Woods, collateralized by a deed of trust and security agreement. The note is interest free if compliance with loan and regulatory agreements is maintained. The maturity date is December 31, 2048. The total outstanding balance of the loan as of December 31, 2024 is \$300,000.

A \$750,000 fourth mortgage note payable to the City on Seneca Woods, collateralized by a deed of trust and security agreement with an interest rate of 1%. An interest only payment of \$7,500 is due annually beginning January 2011. The maturity date is February 24, 2049. The total outstanding balance of the loan as of December 31, 2024 is \$750,000.

A \$24,126,600 mortgage note payable to Bellwether Enterprise Real Estate Capital, LLC, on Southside Homes, collateralized by a deed of trust and security agreement with an interest rate of 3.47%, pursuant to the HUD 223(f) program, which closed on May 16, 2017. The maturity date is June 1, 2052. The mortgage note payable is due in monthly installments of principal and interest in the amount \$99,294. The loan is secured by a deed of trust. The total outstanding principal balance of the loan as of December 31, 2024 is \$21,096,189, with accrued interest of \$61,003.

A \$1,290,000 mortgage note payable to Bank of America on Springfield Gardens, collateralized by a deed of trust and security agreement, with an interest rate of 2%. The maturity date is July 1, 2028. Payments of principal and interest in the amount of \$6,526 are required. The total outstanding principal balance of the loan as of December 31, 2024 is \$274,489 with accrued interest of \$473.

A \$135,000 mortgage note payable to the City on Springfield Gardens, collateralized by a deed of trust and security agreement, with an interest rate of 5.5%. The maturity date is April 30, 2027. Simple interest only payments on the principal outstanding in an amount equal to the lesser of 1% interest on the outstanding principal balance or all surplus cash from the Project, shall be due and payable on April 30th of each year beginning in the year following the year 90% of the project units are leased. The total outstanding principal balance of the loan as of December 31, 2024, is \$74,449 with accrued interest of \$22,689.

A \$746,962 mortgage payable to the NCHFA on Springfield Gardens, collateralized by a deed of trust and security agreement. The note is interest free. The maturity date is September 1, 2037. No principal or interest payments are required. The total outstanding principal balance of the loan as of December 31, 2024 is \$746,962.

A \$22,809,700 mortgage note payable to Berkadia Commercial Mortgage on The Vistas at 707, collateralized by a deed of trust and security agreement, with a 2.88% interest rate. Principal and interest payments of \$80,626 are due monthly. The maturity date is January 1, 2055. The total outstanding balance of the loan as of December 31, 2024 is \$19,454,641.

A \$1,500,000 mortgage note payable to the City on Woodlawn House Apartments, collateralized by a deed of trust and security agreement with a 1% interest rate, pursuant to the City's NSP grant. Interest only payments are required annually. The maturity date is May 12, 2030. The total outstanding balance of the loan as of December 31, 2024 is \$1,500,000.

CONDUIT DEBT ISSUANCE

INLIVIAN issues tax-exempted multifamily housing revenue bonds on behalf of various third-party properties for the assistance in acquisition, construction, and equipping of all units. These bonds are secured by a deed of trust, security agreement and assignment of revenues from the project. Neither INLIVIAN, the State nor any political subdivision thereof, is obligated in any manner for the repayment of these bonds. Accordingly, the outstanding bonds are not reported as liabilities in INLIVIAN's financial statements.

7.8 LONG-RANGE FINANCIAL PLAN

Long-range financial planning (LRFP) provides a road map for where INLIVIAN wants to go financially and how it plans to get there by combining financial forecasting with financial strategizing. The LRFP includes the current proposed fiscal year budget along with forecast projections for the next five fiscal years. The LRFP shows total revenues summarized by major revenue sources; total expenditures summarized by major categories; the projected surplus or deficit for a given year as the net change in fund balances; and ending fund balance projections.

Revenue Assumptions:

The fiscal health of INLIVIAN is important because the agency relies on HUD to provide a significant portion of its operating budget, primarily to provide housing payments to landlords. The following revenue assumptions for the major categories are reflected in the LRFP:

- Tenant Rental Revenues are based on an annual 2.5% increase.
- HUD Revenues: HCV Operating Subsidies is based on an estimated inflation factor and proration while HCV Administrative Fee revenue is based on an estimated proration factor. Based on historical data, INLIVIAN estimates an annual inflation factor of 2.5% and proration of 98% for HCV Operating Subsidies. Administrative Fee revenue is based on 80%. With these, the estimated HUD revenues is projected to increase 2.5% overall.
- Fee Revenues are based on historical annual 3% increase.

Expense Assumptions:

Staffing costs are the main driver of INLIVIAN's operations. Staffing levels will be maintained to continue with the current level of service. The following expenditure assumptions for major categories are reflected in the LRFP:

- An annual increase of 5.0% for salary and benefits combined. INLIVIAN continues to be committed in provide competitive plans for its employees despite the rising costs for health benefits. Additionally, INLIVIAN intends to continue annual merit increases for its employees.
- An annual increase of 5.0% for services and supplies based on historical costs.
- An annual increase of 5.0% for utilities, based on historical cost.
- An annual increase of 5.0% for general expenses to reflect the increasing rate for general liability and property insurance.
- An annual increase of 5.0% for Housing Assistance Payments to reflect the estimated HUD Revenues expected to receive.

Some of those categories may be one-time revenues with an offsetting expense and not expected to impact the overall annual net income of the agency.

Long Term Financial Plan (Five-Years)

	FY2026 Budget	FY2027 Budget	FY2028 Budget	FY2029 Budget	FY2030 Budget
REVENUES					
Tenant Rental Revenues	\$ 50,568,587	\$ 51,832,802	\$ 53,128,622	\$ 54,456,837	\$ 55,818,258
Public Housing Operating Subsidies	213,719	-	-	-	-
HCV Operating Subsidies	120,920,863	123,943,885	127,042,482	130,218,544	133,474,007
HCV Administrative Fees	5,682,738	5,824,806	5,970,427	6,119,687	6,272,679
Capital Fund	1,800,544	1,845,558	1,891,697	1,938,989	1,987,464
Portable HAP Revenue	3,795,888	3,795,888	3,795,888	3,795,888	3,795,888
Portable HAP Administrative Fees	194,400	194,400	194,400	194,400	194,400
Fee Revenue	12,484,078	12,858,600	13,244,358	13,641,689	14,050,940
Other Revenues	18,408,322	18,960,572	19,529,389	20,115,270	20,718,729
Fund Balance Appropriated	25,558,207				
Other Sources	10,000				
REVENUE TOTAL	239,637,346	219,256,510	224,797,262	230,481,305	236,312,365
EXPENSES					
Administrative	42,347,980	44,465,379	46,688,648	49,023,080	51,474,234
Tenant & Social Services	8,941,389	9,388,458	9,857,881	10,350,775	10,868,314
Utilities	6,928,343	7,274,760	7,638,498	8,020,423	8,421,444
Ordinary Maintenance & Operations	17,974,279	18,872,993	19,816,643	20,807,475	21,847,848
Protective Services	-	-	-	-	-
General Expenses	6,023,252	6,324,415	6,640,635	6,972,667	7,321,300
Reserve Deposits	2,135,019	2,199,070	2,265,042	2,332,993	2,402,983
Reserve Draws	(9,312,455)	(9,778,078)	(10,266,982)	(10,780,331)	(11,319,347)
Debt Service	5,665,089	5,665,089	5,665,089	5,665,089	5,665,089
Housing Assistance Payments (HAP)	91,707,973	96,293,372	101,108,040	106,163,442	111,471,614
HAP Expense - Portables	3,795,888	3,795,888	3,795,888	3,795,888	3,795,888
Other Uses	42,583,571	13,161,408	6,580,704	3,290,352	1,645,176
Future Year's Appropriations	664,890	-	-	-	-
Property Improvements	18,957,451	18,957,451	18,957,451	18,957,451	18,957,451
EXPENSE TOTAL	238,412,669	216,620,205	218,747,538	224,599,305	232,551,996
OPERATING TRANSFERS					
Operating Transfers In	89,432,019				
Operating Transfers Out	89,432,019				
TRANSFERS IN (OUT) TOTAL	-	-	-	-	-
NET INCOME	\$ 1,224,677	\$ 2,636,305	\$ 6,049,724	\$ 5,882,000	\$ 3,760,369

7.9 DEMOGRAPHIC AND ECONOMIC TABLES

Year	Population	Total Personal Income	Per Capita Income	Median Age	School Enrollment	Unemployment Rate
2015	1,034,442	\$ 55,925,668	\$ 54,064	34.5	145,363	570.0%
2016	1,057,237	58,469,183	55,304	34.7	146,140	4.9
2017	1,076,837	61,775,890	57,368	34.9	147,157	4.3
2018	1,093,901	66,805,797	61,080	35.0	147,359	4.0
2019	1,115,571	69,830,164	62,890	35.1	147,352	4.1
2020	1,131,342	73,657,194	65,244	35.2	146,688	8.5
2021	1,138,138	80,619,972	71,836	35.4	140,073	4.9
2022	1,154,783	87,554,823	76,441	35.4	140,406	4.1
2023	1,179,832	N/A	N/A	N/A	141,000	3.4
2024	1,190,614	N/A	N/A	N/A	140,836	3.9

Source: Mecklenburg County Annual Comprehensive Financial Report, FY 06/30/24

Note: N/A= Data not available per Annual Report

Employer	2024			2015		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Atrium (formerly Carolinas HealthCare)	37,000	1	5.70 %	35,000	1	7.36 %
Wells Fargo	30,291	2	4.67	22,000	2	4.63
Charlotte-Mecklenburg Schools	19,102	3	2.94	18,143	3	3.82
Bank of America Corporation	15,000	4	2.31	15,000	5	3.15
American Airlines	13,000	5	2.00	10,600	8	2.23
Novant Health	12,000	6	1.85	11,000	7	2.31
Harris Teeter	8,300	7	1.28	6,000	13	1.26
City of Charlotte	8,239	8	1.27	8,239	9	1.73
Duke Energy	7,900	9	1.22	7,800	10	1.64
Mecklenburg County	6,700	10	1.03	-	-	-
Wal-Mart Stores, Inc.	-	-	-	16,100	4	3.39
Lowe's Companies, Inc.	-	-	-	12,960	6	2.73

Source: Mecklenburg County Annual Comprehensive Financial Report, FY 06/30/24

8.0 GLOSSARY OF TERMS AND ACRONYMS

8.1 GLOSSARY

Accrual Basis - The basis whereby transactions and events are recognized when they occur, regardless of when cash is received or paid.

Allocation - Distribution of expenses or revenues according to an approved formula.

Annual Contributions Contract - Agreement between a local housing authority and HUD, under the provisions of which the federal government guarantees permanent financing of public housing or certain Section 8 projects, as well as to make up the difference between project revenues and debt service on bonded indebtedness through an annual contribution of subsidy paid to the housing authority. The authority guarantees that it will maintain the low-rent character of the project.

Appropriation - An authorization made by INLIVIAN Board of Commissioners, which permits the INLIVIAN to incur obligations and to make expenditures of resources. An appropriation is a specified sum of money from a specified fund for a specific purpose.

Asset - Resources owned or held by an entity that has monetary value.

Balanced Budget – A budget in which revenues are equal to expenditures. Thus, neither a budget deficit nor a budget surplus exists.

Bond - A long-term IOU or promise to pay. It is a promise to repay a specific amount of money (the face value of the bond) on a particular future date (the maturity date). Bonds are generally used to finance capital projects.

Budget - A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of funding/financing them.

Budget Calendar - The schedule of key dates or milestones, which INLIVIAN follows in the preparation, adoption, and administration of the budget. The calendar begins with the issuance of the Budget Manual and ends with adoption by Resolution of the Budget by the INLIVIAN Board of Commissioners.

Budget Document - The instrument used by INLIVIAN to present a comprehensive financial program.

Budgetary Control - The control or management of a governmental unit or enterprise in accordance with an approved budget for the purpose of keeping expenditures within the limitations of authorized appropriations and available revenues.

Capital Budget - A plan of proposed expenditures that result in the acquisition of or addition to fixed assets, and the means for financing these expenditures.

Capital Fund Program - The Federal program provided by HUD to provide funds for Capital Improvement, to the Low Rent Housing Program.

Capital Improvements Program - A plan for capital expenditures to provide long-lasting physical improvements to be incurred over a fixed period of several future years.

Capital Outlays (or “Capitalized Items” or “Capital Expenditures”) - Expenditures which result in the acquisition of or addition to fixed assets.

Capitalized - Term used to describe the process of accounting for an outflow of funds as a fixed asset rather than an expense. The item is expensed over a period of time as depreciation is recorded.

Charges for Services (or “Fees for Services”) - A term used by an internal service fund for the income they receive for providing services to other funds.

Debt Service - The cost of paying principal and interest on debt according to a predetermined payment schedule.

Department (or “Division” or “Strategic Business Area” or “Section”) - An administrative area of INLIVIAN which indicates overall management responsibility for a group of related operations within a functional area.

Depreciation - The process of allocating the total cost of fixed assets over each period of their usefulness to the entity.

Encumbrance - The legal commitment of appropriated funds to purchase an item or service. To encumber funds means to set aside or commit funds for a future expenditure.

Estimated Revenue - The amount of projected revenue to be collected during the fiscal year.

Expenditure/Expense - This term refers to the outflow of funds paid for an asset obtained or goods and services obtained.

Family Self Sufficiency - A HUD program that utilizes rental assistance and public housing funds with public and private resources to provide supportive services, allowing INLIVIAN residents to achieve economic independence and self-sufficiency.

Federal Financial Assistance - Money received from the federal government, primarily the Department of Housing and Urban Development, to fund program costs.

Fiduciary Responsibility - The legal duty of an agent to act in the best interests of the beneficiary.

Fiscal Year - The time period designated by INLIVIAN signifying the beginning and ending period for recording financial transactions. INLIVIAN have specified January 1 to December 31 as their fiscal year.

Fixed Assets - Assets of long-term character which are intended to continue to be held or used, such as land, buildings, machinery, furniture and other equipment.

Fund - A fiscal and accounting entity consisting of a balanced set of accounts in which cash and other assets, related liabilities, residual business, and changes therein are recorded and segregated.

Grant - A contribution by a government or other organization to support a particular function. Grants may be classified as either categorical or block depending upon the amount of discretion allowed the grantee.

Housing Choice Voucher (HCV)- Combines and replaces the Section 8 Certificate Program and the Section 8 Voucher Program.

INLIVIAN – Formerly known as the Housing Authority of the City of Charlotte, North Carolina.

INLIVIAN Board - Refers to the Board of Commissioners of INLIVIAN.

Internal Controls - A system of accounting procedures that establishes a method for initiating, recording and summarizing business transactions and provides for separation of duties and accountability for assets.

Investment Policy - A policy approved by the Board of Commissioners that states the investment goals and objectives of INLIVIAN and provides for maximizing interest income while maintaining the liquidity and safety of assets.

Line Item Budget - A budget that lists each category (Administrative, Utilities, etc.) separately, along with the dollar amount budgeted for each specified category.

Long Term Debt - Debt with a maturity of more than one year after the date of issuance.

Low Rent Housing Program - This program is the conventional public housing program whereby the Federal Government provides the funds to acquire or build housing for low-income people.

Management Fees - A fee paid to for managing their properties.

Mixed Income Development - Housing developments that are comprised of market rate and low-income units.

Modernization - For capital purposes it means to update the appearance or function of a building.

Net Income (or "Net Revenues/(Expenditures)") - The excess/ (deficiency) of revenues over the total of expenses.

Non-Dwelling Rent Income - Income generated from renting units or property for commercial use.

Non-Routine Expense (or "Non-recurring" Expense) - expense for repairs and services, which are not performed on a regular basis such as roof repair, tree removal and other unusual items. This category has the same character as 'extra-ordinary' maintenance.

Operating Budget - The portion of the budget that pertains to daily operations that provide basic governmental services. The operating budget contains appropriations for such expenditures as personnel, supplies, utilities, materials, travel and other routine and non-routine expenditures.

Operating Expenses - Fund expenses which are directly related to the fund's primary service activities.

Operating Revenue - Fund revenues which are directly related to the fund's primary service activities.

Operating Subsidy - Subsidy paid by the federal government to a local housing authority to compensate for the limitation on rent of 30 percent of a tenant's adjusted monthly income, as a result of funds the amount of the deficit between rents and expenses up to the difference between the annual contributions paid to the authority by the federal government.

Portables - A Housing Choice Voucher Program participant can port (move) to an area from another area based on the rules and regulations established by HUD and the associated Public Housing Authorities. Eligible participants use portability to relocate to other cities which may offer employment and educational opportunities to meet their specific needs. However, it is at the discretion of the receiving Public Housing Authority to determine whether they will absorb or bill the initial Public Housing Authority which they will determine based on their budget and/or voucher utilization

Protective Services (or "Resident Safety") - Security services to ensure the safety and welfare of staff and residents.

Revenue - Funds that the government receives as income. It includes such items as fees from specific services, tenant rent, receipts from other governments, fines, forfeitures, grants, shared revenues and interest income.

Reserve - An account used to indicate that a portion of a fund's assets are restricted for a specific purpose and is, therefore, not available for general appropriation.

Risk Management - An organized attempt to protect a government's assets against accidental loss in the most economical method.

Section 3 - A section of the HUD Act of 1968 whereby Housing Authorities are required to provide training and employment opportunities to public housing residents and to make efforts to ensure that individuals or firms located in or owned in substantial part by persons residing in the area of a Housing Authority project are awarded contracts when possible.

Section 8 Housing Assistance Payment (HAP) Program -Originally known as Section 23 leased housing when it was established by the 1965 housing act. Section 8 was established by Section 201 of the Housing and Community Development Act of 1974, under Title II Assisted Housing. The program is essentially the same as Section 23; however, the 1974 act enables HUD to enter into contracts directly with owners of eligible housing and to perform certain functions otherwise assigned to a local housing authority in areas where a public housing agency is unable to implement the program. Eligible sponsors (or owners) of Section 8 housing include private builder-developers, cooperatives, and public agencies. Owners of Section 8 housing assume all ownership, management, tenant selection, and maintenance responsibilities which functions may be contracted to any entity (including a local housing authority) approved by HUD. Section 8 Housing Assistance Payment Contracts, also known as a "HAP payment". This is a written contract between a public housing authority and an owner of Section 8 housing, to provide housing assistance payments on behalf of a family eligible to receive the HAP subsidy.

Section 8 Housing Vouchers - One of the types of assistance to low-income individuals provided in the Section 8 Program.

Section 8 Program - A housing program which INLIVIAN administers. The qualified low-income person/family rents a unit from a private landlord. INLIVIAN subsidizes the rent based on a Fair Market Rent (FMR) established by HUD. The client is obligated to pay rent to the landlord based on the client's income.

Source of Revenue - Revenues are classified according to their source or point of origin.

8.2 ACRONYMS

AMI	Area Median Income
BHMC	Blue Horizon Management Company
CHA	Charlotte Housing Authority (former name of INLIVIAN)
CHOIF	Charlotte Housing Opportunity Investment Funds
COCC	Central Office Cost Center
CORE	C.O.R.E. Inc
CBRA	Community Based Rental Assistance Program
EHV	Emergency Housing Vouchers
FUP	Family Unification Program
HAP	Housing Assistance Payment
HCV	Housing Choice Voucher
HDP	Horizon Development Properties, Inc.
HTF	Housing Trust Funds
HUD	The United States Department of Housing and Urban Development
LIHTC	Low Income Housing Tax Credits
M/WBE	Minority / Women-owned Business Enterprises
MTW	Moving To Work
NCHFA	North Carolina Housing Finance Agency
OCAF	Operating Cost Adjustment Factor
P3	Public Private Partnership
PBV	Project-Based Voucher
PHA	Public Housing Authority
RAD	Rental Assistance Demonstration Program
RED	Real Estate Department
TOA	Transfer of Assistance
TPV	Tenant Protection Voucher
VASH	Veterans Administration Supportive Housing