



Cathy Sheehan, Executive Director

Main Office and Public Housing Department
27 Charter Street, Salem, MA 01970

Section 8 Department & Procurement/Modernization
136 Canal Street, Suite 2, Salem, MA 01970

Telephone: 978-744-4431 Fax: 978-744-9614
Website: www.salemha.org

August 20, 2026

Ilene Simons, City Clerk
Office of the Clerk
City Hall, 93 Washington Street
Salem, MA 01970

Dear Ms. Simons:

In accordance with Chapter 30A, Section 20 of the General Laws, as amended, Notice of **SPECIAL MEETING** of the **SALEM HOUSING AUTHORITY** to be held on **WEDNESDAY, AUGUST 26, 2026 at 6:00 p.m. via Zoom Webinar only** is hereby posted.

Zoom Webinar Invite:

When: Aug 26, 2026 06:00 PM Eastern Time (US and Canada)
Topic: Salem Housing Authority Special Meeting of the Board of Directors - Wednesday, August 26, 2026 at 6:00 p.m.

Join from PC, Mac, iPad, or Android:
<https://us02web.zoom.us/j/86352365637?pwd=XAZpL1iYa499GKmbSZw7amSGpTWSa.1>
Passcode: 580503

Phone one-tap:
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Join via audio:
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+1 305 224 1968 US
+1 309 205 3325 US
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+1 360 209 5623 US
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This notice posted on "Official Bulletin Board"
City Hall, Salem, Mass. on **Aug 20, 2026 at 2:18 PM**
in accordance with MGL Chap. 30A Sections 18-25.



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International numbers available: <https://us02web.zoom.us/j/ktMBgdJr0>

It is anticipated by the Chair that the matters outlined in the attached agenda below will be discussed as well as any other unforeseen business that may lawfully come before it.

**AGENDA FOR THE
SPECIAL BOARD OF DIRECTORS' MEETING
WEDNESDAY, AUGUST 26, 2026
6:00 p.m.**

This meeting will be held virtual only.

I. Call Meeting to Order

II. Roll Call

III. Acceptance of the Minutes of Previous Meeting(s)

- Minutes of the Special Meeting of June 17, 2026
- Minutes of the Regular Board of Directors Meeting with Public Hearing on Draft State Annual Plan/Capital Improvement Plan of July 8, 2026

IV. Tenant/Public Engagement

V. Report of the Executive Director

- Executive Director Report – August 2026

VI. Report of the Tenant Representative

VII. Communications

- Mass NAHRO Newsletters July/August 2026
 - Updated Waitlist
 - SHA Department Reports (Vacancy Report, State and Federal, CHAMP
-

Report, Modernization Report, Voucher Report, Family Self-Sufficiency Program Report (Federal) (Quarterly), Future Forward Report State Self-Sufficiency Program, Resident Service Coordinator Reports, Maintenance Report for Month of July 2026) , Elevator Operations Report July 2026, Kitchen Remodeling Progress Report, Inspections Report and Security & Door Entry Systems Report and Pre-2004 Section 8 Monies (Quarterly Report)

- Mandatory Board Member Training Reminder (Veronica Miranda, expires 8/8/28, Romell Kidds expires 7-24-26 deadline to complete 9/1/2026), Aaron Paternoster, expires 4-26-27, Emily Ullman expires 10-8-27 and Patricia Morsillo expires 2-21-28)
- Salem Housing Authority Audited Financial Statements As of and For the Year Ended September 30, 2025

VIII. Reports of the Committees

IX. Recommendations of the Chair

X. Report of the Treasurer

- Bills for the period July 1, 2026 through July 31, 2026
- Balance Sheet and Statements of Revenues and Expenses for month ending June 30, 2026

XI. Unfinished Business

XII. New Business

- Memorandum of Understanding Between the Salem Housing Authority and Beacon Community Services, LLC relative to the Development of a 120—142 Unit Affordable Housing Development referred to as the “Highlands” located at 17-27 First Street, Salem, Massachusetts
 - Amendment #23 to Contract for Financial Assistance Program 5001 in the amount of \$2,700,000.00 for the Comprehensive Modernization Program award for 667-5 Charter St. Exterior Envelope Upgrade Due to Water Infiltration
 - Quote Proposal for Snow Removal Services at 7 locations from November 1, 2026 through April 30, 2027
 - Bid for EOHLC project 258182 Door Replacement at several locations.
-

XIII. Other Business /Late Communications

XIV. Adjournment

Very truly yours,



Cathy Sheehan
Executive Director

Copy: SHA Board Members
Charter Street Tenants Association
Pioneer/Bertram Terrace Tenants Organization
Dalton House Tenants Organization
Rainbow Terrace Tenants Organization

20 de agosto de 2026

Ilene Simons, Secretaria Municipal
Oficina de la Secretaria
Ayuntamiento, 93 Washington Street
Salem, MA 01970

2023 AUG 20 PM 2:15

SALEM, MASS.
30 AUG 2023

Estimada Sra. Simons:

De conformidad con el Capítulo 30A, Sección 20 de las Leyes Generales, según enmendadas, se publica el Aviso de la REUNIÓN EXTRAORDINARIA de la Autoridad de Vivienda de Salem, que se llevará a cabo el MIÉRCOLES 26 de agosto de 2026 a las 6:00 p. m. únicamente a través de Zoom Webinar.

Invitación al seminario web de Zoom:

Fecha: 26 de agosto de 2026, 6:00 p. m. (Hora del Este de EE. UU. y Canadá)
Tema: Reunión Extraordinaria de la Junta Directiva de la Autoridad de Vivienda de Salem -
Miércoles 26 de agosto de 2026 a las 6:00 p. m.

Únete desde PC, Mac, iPad o Android:

<https://us02web.zoom.us/j/86352365637?pwd=XAZpL1iYa499GKmbSZw7amSGqpTWSa.1>

Código de acceso: 580503

Acceso telefónico con un toque:

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+1 564 217 2000 EE. UU.

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+1 669 900 9128 EE. UU. (San José)

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+1 253 205 0468 EE. UU.

ID del seminario web: 863 5236 5637

Código de acceso: 580503

Números internacionales disponibles: <https://us02web.zoom.us/j/86352365637>

This notice posted on "official Bulletin Board"

City Hall, Salem, Mass. on *Aug 20, 2026 at 2:15 PM*
in accordance with MGL Chap. 30A Sections 18-25.

El Presidente prevé que se tratarán los asuntos descritos en el orden del día adjunto, así como cualquier otro asunto imprevisto que pueda presentarse legalmente.

ORDEN DEL DÍA DE LA
REUNIÓN EXTRAORDINARIA DE LA JUNTA DIRECTIVA
MIÉRCOLES, 26 DE AGOSTO DE 2026
18:00 h

Esta reunión se celebrará únicamente de forma virtual.

I. Apertura de la sesión

II. Lista de asistencia

III. Aprobación de las actas de las reuniones anteriores

- Actas de la reunión extraordinaria del 17 de junio de 2026
- Actas de la reunión ordinaria de la Junta Directiva con audiencia pública sobre el borrador del Plan Anual Estatal/Plan de Mejoras de Capital del 8 de julio de 2026

IV. Participación de los inquilinos/público

V. Informe del Director Ejecutivo

- Informe del Director Ejecutivo – agosto de 2026

VI. Informe del representante de los inquilinos

VII. Comunicaciones - Boletines informativos masivos de NAHRO, julio/agosto de 2026

- Lista de espera actualizada
- Informes del Departamento de SHA (Informe de vacantes, estatal y federal, Informe CHAMP, Informe de modernización, Informe de vales, Informe del Programa de Autosuficiencia Familiar (federal) (trimestral), Informe Future Forward del Programa Estatal de Autosuficiencia, Informes del coordinador de servicios para residentes, Informe de mantenimiento de julio de 2026), Informe de operaciones de ascensores, Informe de remodelación de cocinas, Informe de sistemas de seguridad y acceso, y Fondos anteriores a 2004 y de la Sección 8 (Informe trimestral)
- Recordatorio de capacitación obligatoria para miembros de la junta (Veronica Miranda, vence el 8/8/28; Romell Kidds, vence el 24/7/26; fecha límite para completarla: 1/9/2026); Aaron Paternoster, vence el 26/4/27; Emily Ullman, vence el 1/9/2026 (10-8-27 y Patricia Morsillo, expira el 21-2-28)
- Estados Financieros Auditados de la Autoridad de Vivienda de Salem al 30 de septiembre de 2025

VIII. Informes de los Comités

IX. Recomendaciones del Presidente

X. Informe del Tesorero

- Facturas del período del 1 al 31 de Julio de 2026
 - Balance General y Estado de Ingresos y Gastos del mes que finaliza el 30 de junio de 2026
-

XI. Asuntos Pendientes

XII. Nuevos Asuntos

- Memorando de Entendimiento entre la Autoridad de Vivienda de Salem y Beacon Community Services, LLC relativo al desarrollo de un complejo de viviendas asequibles de 120 a 142 unidades, denominado "Highlands", ubicado en 17-27 First Street, Salem, Massachusetts.
- Enmienda n.º 23 al Contrato del Programa de Asistencia Financiera 5001 por un monto de \$2,700,000.00 para la subvención del Programa Integral de Modernización para la mejora de la envolvente exterior del edificio ubicado en 667-5 Charter St. debido a filtraciones de agua.
- Propuesta de cotización para servicios de remoción de nieve en 7 ubicaciones desde el 1 de noviembre de 2026 hasta el 30 de abril de 2027.
- Licitación para el proyecto EOHLC 258182 de reemplazo de puertas en varias ubicaciones.

XIII. Otros Asuntos / Comunicaciones Tardías

XIV. Clausura

Atentamente,



Cathy Sheehan
Directora Ejecutiva

Copia: Miembros de la Junta Directiva de SHA

Asociación de Inquilinos de Charter Street

Organización de Inquilinos de Pioneer/Bertram Terrace

Organización de Inquilinos de Dalton House

Organización de Inquilinos de Rainbow Terrace



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Cathy Sheehan, Executive Director

**DISCUSSIONS FOR THE
SPECIAL BOARD OF DIRECTORS MEETING
WEDNESDAY, AUGUST 26, 2026
6:00 p.m.**

I. Call Meeting to Order

This meeting will be held virtual only.

II. Roll Call

Present

Absent

Also Present:

III. Tenant/Public Engagement

IV. Minutes of Previous Meeting(s)

() moves to approve the minutes of the Special Board Meeting of June 17, 2026. () seconds the motion and the roll call vote is as follows:

Ayes

Nays

() moves to approve the minutes of the Regular Board of Directors Meeting with Public Hearing on Draft State Annual Plan/Capital Improvement Plan of July 8, 2026. () seconds the motion and the roll call vote is as follows:

Ayes

Nays



V. Executive Director Report

- Executive Director Report – August 2026

VI. Tenant Representative Report

- August 2026

VII. Communications

- Mass NAHRO Newsletters July/August 2026
- Updated Waitlist
- SHA Department Reports (Vacancy Report, State and Federal, CHAMP Report, Modernization Report, Voucher Report, Family Self-Sufficiency Program Report (Federal) (Quarterly), Future Forward Report State Self-Sufficiency Program, Resident Service Coordinator Reports, Maintenance Report for Month of July 2026), Elevator Operations Report July 2026, Kitchen Remodeling Progress, Inspection Operations Report, Security and Door Entry Systems Report, Pre-2004 Section 8 Monies (Quarterly Report)
- Mandatory Board Member Training Reminder (Veronica Miranda, expires 8/8/28, Romell Kidds expires 7-24-26 deadline to complete 9/1/2026), Aaron Paternoster, expires 4-26-27, Emily Ullman expires 10-8-27 and Patricia Morsillo expires 2-21-28)
- Salem Housing Authority Audited Financial Statements As of and For the Year Ended September 30, 2025

VIII. Reports of the Committees

IX. Recommendations of the Chair

X. Report of the Treasurer

Bills

Cathy Sheehan will present the Bills for the period July 1, 2026 through July 31, 2026 to the Board of Directors.

() moves to acknowledge receipt of the bills for the period July 1, 2026 through July 31, 2026 as presented. () seconds the motion and the **roll call** vote is as follows:

Ayes

Nays

Balance Sheet and Statements of Revenues and Expenses

The Balance Sheet and Statements of Revenue and Expenses includes any variances in the budget at this point in time

() moves to accept the Balance Sheet and Statements of Revenues and Expenses prepared by Paul Pavia of Fenton, Ewald & Associates, P.C. for nine (9) months ending June 30, 2026 () seconds the motion and the **roll call** vote is as follows:

Ayes

Nays

XI. Unfinished Business

XII. New Business

Memorandum of Understanding Between the Salem Housing Authority and Beacon Community Services, LLC relative to the Development of a 120—142 Unit Affordable Housing Development referred to as the “Highlands” located at 17-27 First Street, Salem, Massachusetts.

Cathy Sheehan will present and discuss with the Board of Directors the Memorandum of Understanding Between the Salem Housing Authority and Beacon Community Services, LLC relative to the Development of a 120—142 Unit Affordable Housing Development referred to as the “Highlands” located at 17-27 First Street, Salem, Massachusetts.

() moves to approve the Memorandum of Understanding Between the Salem Housing Authority and Beacon Community Services, LLC relative to the Development of a 120—

142 Unit Affordable Housing Development referred to as the "Highlands" located at 17-27 First Street, Salem, Massachusetts as presented. () seconds the motion and the roll call vote is as follows:

Ayes

Nays

Amendment #23 to Contract for Financial Assistance Program 5001 in the amount of \$2,700,000.00 for the Comprehensive Modernization Program award for 667-5 Charter St. Exterior Envelope Upgrade Due to Water Infiltration

Cathy Sheehan will present and discuss with the Board of Directors Amendment #23 to Contract for Financial Assistance program 5001 in the amount of \$2,700,000.00 for the comprehensive modernization program award for 667-5 Charter St. exterior envelope upgrade due to water infiltration.

() moves to approve Amendment #23 to Contract for Financial Assistance program 5001 in the amount of \$2,700,000.00 for the comprehensive modernization program award for 667-5 Charter St. exterior envelope upgrade due to water infiltration. This amendment increases the CFA to \$31,730,612.82 with an expiration date of 6/30/2035.

Ayes

Nays

Price Quote Proposal for Snow Removal Services at 7 locations from November 1, 2026 through April 30, 2027.

() moved to accept the price quote proposal for snow removal services at 7 locations from November 1, 2026 through April 30, 2027 as presented by DeStefano Landscape & Snow Company in the amount of \$149,940.00. ()

Ayes

Nays

Bid for EOHLC project 258182 Door Replacement at several locations.

() moves to accept the lowest responsive and responsible bid by EC Interiors LLC in the amount of \$110,151.00 for EOHLC project 258182 Door Replacement at several locations. EOHLC has reviewed and approved the bid. () seconds the motion and the roll call vote is as follows:

Ayes

Nays

XIII. Other Business/Late Communications

XIV. Adjournment

() moves that the Board adjourn the Special Meeting of Wednesday, August 26, 2026
at () p.m. () seconds the motion and the vote is as follows:

Ayes

Nays



Cathy Sheehan, Executive Director

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Website: www.salemha.org

**MINUTES OF THE
SPECIAL BOARD OF DIRECTORS MEETING
WEDNESDAY, JUNE 17, 2026
6:00 p.m.**

I. Called Meeting to Order at 6:04 p.m.

This meeting was a hybrid meeting.

II. Roll Call

Present

Romell Kidd (Virtual)
Veronica Miranda
Patricia Morsillo
Aaron Paternoster
Emily Ullman

Absent

Also Present: Also Present: Cathy Sheehan, Executive Director, Anne Cameron, Executive Assistant, Gary Dean, Director of Operations, Maureen Thomas, Director of Public Housing, Jacqueline Guzman, Director of Leased Housing and Massiel Garcia, Finance Director, Luis Lopez, Director of Maintenance and Patric Bishop, Facilities Manager

III. Tenant/Public Engagement

IV. Minutes of Previous Meeting(s)

Emily Ullman moves to approve the minutes of the Special Board Meeting of April 29, 2026..
Patricia Morsillo seconded the motion and the roll call vote was as follows:

Ayes

Romell Kidd
Veronica Miranda
Patricia Morsillo
Aaron Paternoster
Emily Ullman

Nays



Veronica Mimoves to approve the minutes of the Regular Board Meeting of May 13, 2026.
Patricia Morsillo seconded the motion and the roll call vote was as follows:

Ayes

Nays

Romell Kidd
Veronica Miranda
Patricia Morsillo
Aaron Paternoster
Emily Ullman

V. Executive Director Report

- Executive Director Report – June 2026

VI. Communications

- Mass NAHRO Newsletter – May/June
- Updated Waitlist
- SHA Department Reports (Vacancy Report, CHAMP Report, Modernization Report, Voucher Report, Family Self-Sufficiency Program Report (Quarterly), Future Forward Report, Resident Service Coordinator Reports and Maintenance Report for the Month of May 2026)
- Mandatory Board Member Training Reminder (Veronica Miranda, expires 9-16-2026, Romell Kidds expires 7-24-26, Aaron Paternoster, expires 4-26-27, Emily Ullman expires 10-8-27 and Patricia Morsillo expires 2-21-28)

New Hire – Part-Time Receptionist

There were three (3) candidates chosen to be interviewed for the open position of Part-time Receptionist. Cathy presented the candidate of choice.

Veronica Miranda moved to make a conditional offer of employment to Chanell Familia with a six (6) month probationary period for a part-time position as receptionist at an annual salary of \$44,000.00 with a start date TBD. Employment is also conditioned upon receipt of a passed SHA paid physical examination including drug test (there is no testing for marijuana) and a favorable Criminal Offense Record Information (CORI) check.

Patricia Morsillo seconded the motion and the **roll call** vote was as follows:

Ayes

Nays

Romell Kidd
Veronica Miranda
Patricia Morsillo
Aaron Paternoster

Emily Ullman

New Hire – Repair Person Tier 1

There were two (2) candidates chosen to be interviewed for the open position of Repair Person Tier 1. Gary Dean, Director of Operations and Luis Lopez, Director of Maintenance interviewed the two (2) candidates. Cathy Sheehan presented the candidate of choice.

Veronica Miranda moved to make a conditional offer of employment to Kevin Antonio Vazquez Saez for a full-time position as Repair Person Tier 1 at an hourly wage of \$35.18 with a start date TBD. Patricia Morsillo seconded the motion and the **roll call** vote was as follows:

Ayes

Nays

Romell Kidd
Veronica Miranda
Patricia Morsillo
Aaron Paternoster
Emily Ullman

VII. Reports of the Committees

There were no reports of the committees.

VIII. Recommendations of the Chair

Mr. Paternoster recommended that the SHA develop an elevator protocol. He said that it seemed that the SHA has done that and stated that the SHA should keep doing what they are doing.

IX. Report of the Treasurer

Bills

Cathy Sheehan presented the Bills for the period May 1, 2026 through May 31, 2026 to the Board of Directors.

Emily Ullman moved to acknowledge receipt of the bills for the period May 1, 2026 through May 31, 2026 as presented. Romell Kidd seconded the motion and the **roll call** vote was as follows:

Ayes

Romell Kidd
Veronica Miranda
Patricia Morsillo
Aaron Paternoster
Emily Ullman

Nays

Balance Sheet and Statements of Revenues and Expenses

The Balance Sheet and Statements of Revenue and Expenses includes any variances in the budget at this point in time

Veronica Miranda moved to accept the Balance Sheet and Statements of Revenues and Expenses prepared by Paul Pavia of Fenton, Ewald & Associates, P.C. for seven (7) months ending April 30, 2026. Patricia Morsillo seconded the motion and the **roll call** vote was as follows:

Ayes

Romell Kidd
Veronica Miranda
Patricia Morsillo
Aaron Paternoster
Emily Ullman

Nays

X. Unfinished Business

Salem Housing Authority Bylaws – Amendment

Cathy Sheehan will present the amended Salem Housing Authority By-Laws as per the vote at the May 13, 2026 Regular Board of Directors Meeting.

Patricia Morsillo moved to approve the Salem Housing Authority By-Laws as presented. The SHA By-Laws have been amended to wit: Article III, Section 1: the Annual Meeting will held on the second Wednesday in October of each year and the addition of the Report of the Tenant Representative (Article III, Section 5 of the SHA By-Laws).

Veronica Miranda seconded the motion and the roll call vote is as follows:

Ayes

Romell Kidd
Veronica Miranda
Patricia Morsillo
Aaron Paternoster
Emily Ullman

Nays

Vote-Termination of Contract between Conditioning Leaders and the Salem Housing Authority

As a follow-up to the Open Meeting Law Complain, by Veronica Miranda against the Salem Housing Authority Board of Directors. The Board Agreed at the Special Meeting of the Salem Housing Authority held on April 29, 2026 that the following vote should be taken:

Veronica Miranda moved to formally terminate the Contract between Conditioning Leaders and the Salem Housing Authority dated May 15, 2025. Patricia Morsillo seconded the motion and the roll call vote was as follows:

Ayes

Romell Kidd
Veronica Miranda
Patricia Morsillo
Aaron Paternoster
Emily Ullman

Nays

Salem Housing Authority's Draft Internal Control Policy

Cathy Sheehan presented and discussed the Salem Housing Authority's Draft Internal Control Policy with the Board. of Directors.

Emily Ullman moved to approve the Salem Housing Authority's Internal Control Policy as presented. Patricia Morsillo seconded the motion and the roll call vote was as follows:

Ayes

Romell Kidd
Patricia Morsillo
Aaron Paternoster
Emily Ullman

Nays

Veronica Miranda

XI. New Business

Paper Check Signature Stamp Use and Security Agreement

Cathy Sheehan presented the Paper Check Signature Stamp Use and Security Agreement to the Board of Directors. The Policy was amended to remove staff who no longer are employed by the SHA and to add new staff members in their place.

Patricia Morsillo moved to approve the Paper Check Signature Stamp Use and Security Agreement as presented. Emily Ullman seconded the motion and the roll call vote was as follows:

Ayes

Romell Kidd
Veronica Miranda
Patricia Morsillo
Aaron Paternoster
Emily Ullman

Nays

XII. Other Business/Late Communications

There was no other business or late communications.

XIII. Adjournment

Emily Ullman moved that the Board adjourn the Special Board of Directors Meeting of Wednesday, June 17, 2026 at 8:30 p.m. Romell Kidd seconded the motion and the vote was follows:

Ayes

Romell Kidd
Veronica Miranda
Patricia Morsillo
Aaron Paternoster
Emily Ullman

Nays

SUMMARY OF ARTICLES IV THROUGH XII OF THE MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS OF JUNE 17, 2026

The board approved minutes from both the April 29th special meeting and May 13th regular meeting, with minor corrections needed for the April meeting regarding the timing of contracting with condition leaders.

Cathy Sheehan presented the Executive Director's report for June, highlighting updates on new hires, the 2026 audit, and draft policies. She announced that the federal public housing conversion is expected to close in July 2026 and shared details on new reporting formats to increase transparency, including maintenance operations, public housing performance, and modernization updates. Cathy also discussed the Housing Now program expansion, funding awards, and development updates at Leefort Terrace and 17/27 First Street, and addressed questions about compliance inspections versus regular inspections.

The meeting focused on discussing maintenance programs and data reporting improvements. Gary Dean, Maintenance Operations explained that the resident satisfaction calls are conducted weekly with 2 calls per week, and the team discussed implementing monthly elevator downtime reports including response times from contractors. The group explored ideas for tenant engagement campaigns around elevator safety and maintenance, with plans to develop better signage and educational materials. The Board and Cathy also discussed quarterly reporting of resident satisfaction survey results and the possibility of including eviction data in future reports, while noting that state-wide housing authority comparative data is available biennially through resident satisfaction surveys.

The board discussed changing project completion percentage on the modernization report to estimated completion dates, with Cathy and Gary agreeing to use projected timelines from the original notice to proceed. Romell Kidd raised concerns about timing of board member training alerts, which Cathy Sheehan explained come from EOHLC and cannot be easily changed, though the monthly report now includes mandatory training dates.

The Board discussed and approved with a motion to hire Chanel Familia as a part-time bilingual receptionist with a \$42,000 annual salary and 6-month probationary period, contingent on passing a physical examination including drug tests.

The board also discussed and approved a conditional offer for Antonio to become a full-time Tier 1 repair person at \$35.18 per hour.

Gary Dean explained the details of recent elevator-related expenses, including generator wiring work and lighting updates that were required before inspections could be completed.

The board also reviewed and approved various bills, including payments to contractors, IT services, and employee parking reimbursements.

The board voted to accept amendments to the Salem Housing Authority bylaws as presented. During the discussion, Veronica Miranda noted that the bylaws should specify a vote to accept the agenda as presented, which hadn't been done previously, and clarified that the annual meeting would be held in October without specifying a particular Wednesday. The board discussed whether to vote on the amendments immediately or wait for a cleaner copy, ultimately deciding to proceed with the vote on the amended version.

The board discussed terminating the contract with Conditioning Leaders due to scope and timeline issues, as well as an open meeting law violation. Veronica Miranda explained that the investigation began in August 2024, mediation started in November 2024, and the contract was voted on in May-June 2025. The board agreed to move forward with formally terminating the contract, but Veronica Miranda requested to continue the mediation process with a third-party mediator to address relationship and trust issues. Aaron Paternoster asked Veronica to prepare a memo for the next meeting regarding how to proceed with mediation. Veronica suggested they could work with the Resolution Center in Beverly, MA who the Housing Authority is familiar with.

The board discussed and approved the Salem Housing Authority's internal controls policy after addressing concerns about its detailed procedures.

Patti Morsillo and other Board Members expressed comfort with the document's content and structure, noting it outlines standard operating procedures without requiring frequent updates.

The board also reviewed the paper check signature stamp use and security agreement, discussing whether to approve specific individuals or positions, with Veronica Miranda suggesting a yearly notice approach to maintain transparency while allowing for staff changes without requiring new board approvals each time.

The board approved the paper check signature stamp use and security agreement.

Veronica Miranda provided a tenant representative report addressing concerns about maintenance staff training and certifications, congratulated the new Rainbow Terrace LTO officers, and discussed elevator issues. (See attached report of Tenant Representative)

The board clarified that board members can communicate with auditors and oversight agencies as individuals, but any official board business requires full board awareness and vote.

The conversation ended with discussions about including language in the Board Code of Conduct regarding any member of the board initiating investigations and additional costs associated with audits would require a board vote.

June 17th 2026
Minutes

Anne Cameron

From: Aaron Paternoster
Sent: Wednesday, June 17, 2026 3:39 PM
To: Anne Cameron
Cc: Cathy Sheehan; Judith Reilly
Subject: Fwd: Public Comment for Tonight
Attachments: image.png; Salem HA Proposal May 2025 V3 (1).pdf

Hi Anne,

Can you include Ms. Reilly's email below into the minutes for this evening's meeting under public comment?

Thank you

Aaron Paternoster
917-513-2964
Chair/Commissioner - Labor Appointee
Salem Housing Authority

Begin forwarded message:

From: Judith Reilly <judith.reilly.77@gmail.com>
Date: June 17, 2026 at 12:28:14 PM EDT
To: Aaron Paternoster <APaternoster@salemha.org>, Emily Ullman <EUllman@salemha.org>, Romell Kidd <RKidd@salemha.org>, Veronica Miranda <VMiranda@salemha.org>, Patricia Morsillo <pmorsillo@salemha.org>
Subject: Public Comment for Tonight

Public Comment:

I am not asking that this statement be read aloud at tonight's meeting, but I would ask that you include it with the meeting minutes.

I am writing as an individual. My views are my own and not those of any organization to which I am or have been affiliated.

If the Board votes tonight in relation to its contract with Conditioning Leaders for mediation services and board relationship- and trust-building services, and in relation to Commissioner Miranda's Open Meetings Law complaint, I hope you will do so only after public discussion establishing what the facts are.

I am attaching and including as an image the proposal that the board voted to accept in May 2025. The contract in your board packet was prepared by Ms. Sheehan after that vote,

to implement the vote. Neither the board nor Conditioning Leaders set the August 29, 2025 expiration date in that contract. The board voted to undertake the scope of work in the proposal, with no set expiration date, although the implication was that the work would be completed by the end of 2025.

The services in the proposal (mediation and board relationship- and trust-building) were supposed to help heal the turmoil at SHA, between and amongst Ms. Miranda, the ED, the staff, and the board.

Apparently, in September 2025, Conditioning Leaders cautioned Ms. Sheehan against skipping the full mediation process and moving on to the board sessions. It seems their caution was valid, as you are once again in turmoil.

Apparently, based on public records (emails), Ms. Sheehan canceled the remaining mediation sessions on behalf of the board in October 2025, following the October 8, 2025 board meeting. (4-minute video:

<https://drive.google.com/file/d/1uNrl764wdFoQNXVRZLK4sHW4k-g7hgxn/view?usp=sharing>)

Apparently, Ms. Ullman did not cancel the mediation sessions in February 2026, but rather agreed with Conditioning Leaders that the firm had performed \$9,999 worth of work at that point ("planning meetings, holding times in our calendar, emailing, creating and sending agendas and prework"). Ms. Ullman, on behalf of the board, agreed the board would require no more work from Conditioning Leaders under that contract.

Here are questions to establish very important facts:

1. Were Commissioners Paternoster, Ullman, and Kidd aware in October 2025 that Ms. Sheehan was going to cancel the remaining mediation sessions on behalf of the board? If yes, how and when did they become aware? (How and when they became aware is important for Open Meetings Law purposes.) Clearly Commissioner Miranda was not aware of the cancellation until months later.
2. Why was the topic of the contracted mediation sessions not on the October 2025 agenda? Why was no formal vote taken to amend the contract by canceling the mediation sessions? Why was Mr. Paternoster absent from such an important meeting, if he was aware of what would be "discussed"? Why were the words "cancel" and "mediation sessions" not uttered at the October 8, 2025 board meeting?
3. Was the staff informed of the cancellation of the mediation sessions in advance of the cancellation?
4. Did the staff, especially the 5 complainants, agree to the cancellation of the mediation sessions? If so, why? Do they feel their workplace conditions have improved?

At this point, I think the board has to ratify Ms. Ullman's February 2026 decision. I don't see how the SHA board could in good conscience ask Conditioning Leaders to do more work under the original contract, considering how they were treated by SHA. First you asked for a large proposal including strategic planning. Then you asked them to submit a new

proposal just for mediation services and board development sessions, to come in under the \$10,000 mark. Then you canceled the mediation sessions after the first one. Then you had them reserve time to conduct the board session at the "January 13 meeting" - a Tuesday, not your actual meeting date. Then you canceled that after realizing the error. Then you wanted to wait until a new board member came on board. Then you "parted ways" and publicly insulted the quality of their work.

However, although the past can't be undone, the entire Salem community needs an explanation of why SHA spent somewhere in the vicinity of \$17,000* on investigating "hostile workplace" complaints and then another \$10,000 on mediation and board trust- and relationship-building services, only to end up in more turmoil.

What went wrong?

Judith Reilly
Salem, MA
(Ms./she)

*\$9,450 for the investigation. Approximately \$2,000 for transcripts. An unknown, but substantial, amount for legal advice, from 2024-2026 on various topics, from how to hold an executive session DIY investigation to the ongoing public records dispute.

Proposal V3 for Salem Housing Authority Phase I: Mediation and Relationship Building

May 9, 2025

Submitted by Rebecca Jackson and Madeline McNeely

The initial proposal was for 3 streams of work proposed in Winter 2024-25: Strategic Planning, Board Code of Conduct and Relationship Building & Mediation. Rebecca and Madeline met with Cathy, Veronica, Doneeca and Anne to discuss the initial proposal and potential partnership between the Salem Housing Authority (SHA) and Conditioning Leaders on April 1. During this meeting it was shared that a proposal for \$10,000 or less was necessary to initiate work based upon housing authority guidelines. Below describes how we would approach this work with future phases to follow to complete the Board Development and Strategic Planning activities. This proposal is for the initial piece of work known as Phase I: Mediation and Relationship Building.

Based on the initial April 1 and second April 22 meetings, it became clear there is significant work to do to repair relationships and trust so that a solid foundation is laid for Strategic Planning with board and staff as well as Board Development. Trusting relationships are a prerequisite to successful strategic planning and implementation and effective board leadership overall, therefore we propose the following process:

Planning and Design

Purpose: to determine best implementation plan for this phase of work

1. 1 one hour mtg each with Cathy and Veronica.

Implementation Phase

Purpose: to rebuild trust and create the foundation for honest open collaboration between different constituents for next phases of work: Board of Conduct and Strategic Planning

1. Consultants Facilitate Relationship Repair Sessions based on Planning and Design Conversations. This phase will include
 - a. Cathy and Veronica mediation sessions (1-2 virtual meetings)
 - b. Veronica and complainants (1-2 virtual meetings)
2. Board Relationship and Trust Building Session (1-2 virtual 1.5 hours sessions)

Completion/Evaluation/Wrap Up

1. 1 hr meeting with the group to complete this phase

TOTAL: \$10,000 includes support from a team of multi-racial and multicultural consultants, Madeline McNeely, Rebecca Jackson and Lucy Ponciano for administrative support (scheduling and other duties as they arise).

30 Days and Counting: 2026 Annual Conference is Almost Here!

Just 30 days remain until MassNAHRO's 2026 Annual Conference and Exhibition, September 13–16! Registration is open, so don't wait to secure your spot. The Professional Development/Member Services Committee has put together an excellent [agenda](#) featuring more than twenty informative sessions focused on the latest and most relevant topics for housing authority board members, Executive Directors, and staff.

Monday, September 14

- Welcome & MassNAHRO Update
- EOHLIC Town Hall
- Mock Eviction Trial
- Leading with Purpose: Staying Motivated in Leadership
- Building Stronger Boards through Communication and Accountability
- Avoiding Common PMR and AUP Findings
- Behind the Gavel: A Housing Authority Mock Board Meeting
- New Executive Director Success Strategies: What I Wish I Knew Then
- New World Redevelopment: Navigating The Changing Landscape of Public Housing Redevelopment
- Leading Indicators and Your Safety Culture
- The Property Management Playbook: Handling Everyday Challenges
- Ask The Attorneys
- Artificial Intelligence (AI) for PHAs: The Ultimate Workshop to Master Your Workday

Tuesday, September 15

- Succession Planning: Building the Pipeline at Every Level
- Creating Safe Work Environments: Responding to Resident Aggression and Bullying
- Media Engagement Essentials for Housing Leaders
- Running the Room: Robert's Rules of Order & Open Meeting Law Essentials
- Capitol Watch: Housing Policy, Funding, and What's Next
- Avoiding Hidden Legal Risks in Frontline Interactions
- Cybersecurity in the Public Sector: Threats, Hygiene, and State Resources
- Housing Huddles - Informal Roundtables

In addition to sessions, peer roundtables will be held Sunday and Tuesday afternoons. We're thrilled to confirm EOHLIC Secretary Juana Matias will join us for Monday's lunch. State Representative Tom Moakley is confirmed to open the conference at Monday's opening plenary.

The Exhibit Hall, featuring more than 50 vendors of quality products and services, will be open Sunday afternoon and all day Monday, including a raffle during the Monday coffee break, and

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\$35,000 in Past Presidents Memorial Scholarships Awarded

The MassNAHRO Past Presidents Memorial Scholarship Fund was established in 1988 to provide college tuition assistance to deserving students affiliated with MassNAHRO member agencies. From 1988 to today, the Fund has awarded \$738,000 to 329 public housing residents and housing authority employees and their families. The MassNAHRO Scholarship Committee reviewed 32 applications this spring and selected 13 students to receive a total of \$35,000 in college tuition assistance for the 2026 fall semester.

These scholarships are possible because of the many generous donors, sponsors, and participants in annual fundraising events. This year, the MassNAHRO Insurance Group, Chaired by Matt Mainville of the Holyoke Housing Authority, donated \$10,000. Tom Connelly, MassNAHRO Executive Director from 1979–2017, made a generous donation of \$5,000 in the name of the late Congressman Barney Frank. The annual golf tournament is the biggest fundraiser of the year, and on August 10, thanks to the 80 golfers and 35 sponsors, the tournament raised more than \$16,000 for the Scholarship Fund.

Following the golf tournament, a special celebration was held where several Past Presidents and previous scholarship recipients were introduced. Nine of the thirteen 2026 recipients, listed below, were presented with their awards and gave brief remarks.

Jayden Castriotta is the **2026 Congressman Barney Frank Public Housing Resident Scholarship** recipient. He will be a sophomore this Fall at the University of New England, where he is majoring in Applied Exercise Science and holds a GPA of 3.94, having earned Dean's List and Academic Good Standing honors in his first semester. A resident of the the Winchester Housing Authority, Jayden is also a member of the university's football team, balancing collegiate athletics with his academics. In his essay, he shared how growing up with a single mother instilled in him the belief that "success isn't characterized by how much money you make, but instead is measured by how you help others," a philosophy that shaped his leadership roles as Treasurer of WMHS's Club of Social Concern and Vice President of Students Against Destructive Decisions, where he helped organize community initiatives like Black Balloon Day to raise awareness about drug overdoses. His own recovery from a herniated disc and the care he received from his physical therapist inspired his goal of pursuing a Doctor of Physical Therapy degree so he can help others regain their strength and mobility, "from the athlete who tore their ACL" to "the grandmother who broke her hip." His high school history teacher and football coach Jack Buckley,

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Massachusetts NAHRO 2026-2027 Board of Directors

PRESIDENT

Peter Proulx
Chief Operating Officer
Worcester Housing Authority

VICE-PRESIDENT - Large HAS

Colleen Doherty
Executive Director
Taunton Housing Authority

VICE-PRESIDENT - Medium HAS

Pamela Rogers
Executive Director
Amherst Housing Authority

VICE-PRESIDENT - Small HAS

Mark Roy
Executive Director
Canton Housing Authority

VICE-PRESIDENT - Commissioners

Caileen Foley
Executive Director
Lexington Housing Authority

VICE-PRESIDENT - Aff. Hsg. Dev.

Gina Govoni
Executive Director
Franklin County Regional HRA

TREASURER

Jennifer Polito
Executive Director
Concord Housing Authority

IMMEDIATE PAST PRESIDENT

Michael Lara
Executive Director
Newton Housing Authority

DIRECTOR EMERITUS

Thomas J. Connelly, Jr.

DIRECTORS - Terms expiring 2027

Candace Avery, Executive Director, Millis Housing Authority
Sean Barnicle, Executive Director, Norwood Housing Authority
Benjamin Gold, Executive Director, Leominster Housing Authority
Ron Bonney, Executive Director, Northborough Housing Authority
Matthew Mainville, Executive Director, Holyoke Housing Authority
William Schrade, Executive Director, Adams Housing Authority

DIRECTORS - Terms expiring 2026

Alex Corrales, Chief Executive Officer, Worcester Housing Authority
Kathryn Gallant, Executive Director, Reading Housing Authority
Skye Kessler, Board Member, Dedham Housing Authority
Krishonna Murray, Executive Director, Gardner Housing Authority
Kirk Fulton, Executive Director, Chelmsford Housing Authority
Tom Thibeault, Executive Director, Brockton Housing Authority

Professional Staff

EXECUTIVE DIRECTOR

Donna Brown-Rego, Esq.

DIRECTOR OF PROFESSIONAL DEVELOPMENT & MEMBER SERVICES

Jessica Coughlin

DIRECTOR OF POLICY & PROGRAM DEVELOPMENT

Cylas Martell-Crawford, Esq.

President's Corner



It is hard to believe that another year has passed and our MassNAHRO Annual Conference & Exhibition in Falmouth is right around the corner. I hope you will take the opportunity to join us. Our conference continues to be one of the best opportunities we have to learn, network, exchange ideas, and, just as importantly, spend some time with friends and colleagues who understand the work we do every day. I look forward to seeing many of you there.

Last year at this time, I wrote about the highs and lows facing our industry. A year later, that description still seems appropriate. Here in Massachusetts, we have begun to see the historic Affordable Homes Act move from legislation to implementation, bringing significant new investment and opportunities to preserve and modernize our public housing portfolio. At the same time, housing authorities continue to face increasing operating costs, aging infrastructure, workforce challenges, and an ever-growing demand for affordable housing.

On the federal side, the past year has reminded us just how important advocacy remains. Proposed changes to public housing funding and programs have created real uncertainty for housing authorities and the families we serve. Regardless of what happens in Washington, we must continue to make our voices heard and remind our elected officials that public housing is not simply a line item in a budget. It is home to millions of seniors, families, veterans, and people with disabilities across this country.

Here in Massachusetts, we have shown what can happen when housing authorities speak with a unified voice. MassNAHRO's Executive Board, Standing Committees, and Working Groups continue to work tirelessly on behalf of our members and residents. They advocate at the State House and in Washington, work closely with EOHLC, share solutions to the challenges facing our agencies, and make sure that housing authorities have a seat at the table when decisions affecting our industry are made.

As we move forward, our challenge is to turn opportunities into results. New funding is important, but getting those resources into our developments, modernizing aging properties, bringing vacant units back online and providing safe, quality homes for our residents is where the real work happens.

I want to thank our members for continuing to step

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praised Jayden as “his own most prominent critic” who “always looks for ways to make a positive impact,” highlighting his role as football team captain and his initiative on a junior-year Civics project that secured a stadium snack shack to fund equitable support across all of the school’s athletic programs.

The 2026 MassNAHRO Insurance Group Scholarship recipient is **Matthew Carbonneau**, the son of a Chelmsford Housing Authority employee. Matthew will be a sophomore at Worcester Polytechnic Institute (WPI) this Fall, majoring in Mechanical Engineering. In his freshman year he maintained a 4.0 GPA with Fall Dean’s List recognition, having transferred in with credit from AP coursework and earlier academic honors including AP Scholar with Honor and induction into the National Honor Society. In his essay, Matthew wrote that his fascination with “the design and workings of everything around me” drives his interest in mechanical engineering. He describes hands-on projects like researching the waveline magnet, a sustainable ocean energy technology, and building a 3D-printed, pedal-driven capo for guitar, while emphasizing his goal of developing leadership and critical thinking skills so he can “work in conjunction with AI, and not be replaced” and later mentor younger students through WPI’s Engineering Ambassadors STEM outreach program. Professor Samuel Tripp of WPI’s Department of Mathematical Sciences, described teaching Matthew in Calculus III, widely considered the hardest calculus course at WPI, and noted that despite already submitting A-level work, Matthew resubmitted assignments simply to ensure his understanding, adding that he “cared not just about his grade but about his understanding” and was “a respectful, thoughtful, pleasant person to be around.” Outside the classroom, Matthew has been active in Science Olympiad, Student Council, and extensive community volunteering through programs like BAE FOCUS and Team Titans Mentor. He was also a 2025 MassNAHRO scholarship recipient.

Adriana Nunez Tang is this year’s **Thomas J. Connelly Scholarship** re-

cipient, and one of only three winners in the country of the prestigious **National NAHRO LDG Scholarship**. A resident of the Worcester Housing Authority, she is currently attending Quinsigamond Community College, pursuing a Business Administration transfer degree alongside an Accounting Certificate. In her first year, she maintained a perfect 4.0 GPA while earning recognition on the Merit List, Dean’s List, and induction into both Phi Theta Kappa and Alpha Beta Gamma honor societies.



Adriana is a single mother of twin boys who came to the United States facing domestic violence and homelessness, and who describes her children as “my biggest motivation” behind her drive toward stability and self-sufficiency. After earning her GED through the Family Self-Sufficiency program and being referred to the Future Focus program, she began her college studies while working two jobs, and she hopes to transfer and complete her bachelor’s degree in accounting so she can “provide a better life” for her family while using her business knowledge to help other families “access resources, and build more secure futures.” Shelly Cullen of the First Concern Pregnancy Resource Center met Adriana when she was 24 weeks pregnant and had just been abandoned by her children’s father, and described her as “one of the most dedicated and resilient individuals I have ever met,” noting that despite financial hardship, immigration, and employment authorization challenges, Adriana has “not allowed her circumstances to define her future,” earning a STEM award nomination from one of her professors along the way.

Ava Hood graduated this spring from Concord-Carlisle High School with a weighted GPA of 3.65 (unweighted 3.58) alongside High Honors and awards in digital photography and artistic expression. This fall she will be attending Simmons University with plans to pursue a

Bachelor of Science in Nursing (BSN). A resident of the Concord Housing Authority, Ava wrote in her essay about her goal of building a career in labor and delivery nursing to help close the healthcare gap for marginalized communities, particularly Black women, a mission shaped by being raised by a single mother and by the loss of her father in 2024, which “strengthened my desire to pursue a career where I can support others during vulnerable and critical times.” Outside the classroom, she founded a Christian Bible club, created a Black History photography display to highlight students of color, studied abroad in South Korea for a month, and helps raise her three-year-old brother. Her counselor, Rachele H. Brown, described Ava as possessing “a rare maturity that allows her to approach challenges with thoughtfulness and calm perspective,” highlighting her resilience in finishing her junior year with all A’s and high honors despite her father’s sudden death, her 60-pound weight loss through discipline and self-care, and her selection for Harvard University’s Medical Science Summer Program based on a compelling essay about her passion for healthcare.

Abdullah Al Janabi is a resident of the Marblehead Housing Authority, who in high school held a cumulative GPA of 3.23 while balancing school with work as a Membership Concierge at the YMCA, a Personal Care Assistant, and a Software Sales & Marketing Intern at Prophesy.io. Abdullah wrote in his essay about growing up as the son of a legally blind father, the family’s sole income earner, and a mother who cares full-time for his sister, who has Down syndrome, explaining that his family fled Iraq in 2007 and built a life “from nothing,” which shaped him into “someone who is comfortable being uncomfortable and willing to take risks that others walk away from.” He described landing a competitive sales internship despite repeated rejections for being “too young,” and his long-term goal of being “in a position where I am opening doors for others the way doors were opened for me.” His counselor, Sarah Vuona, described him as having “the social ease of someone far beyond

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2026 Economic Development Bills Head to Conference Committee as Formal Session Ends

The Massachusetts State Legislature passed the important economic development bill in the last days of formal session. There are a number of important housing-related pieces included in both the House version and Senate version.

First and foremost, the Senate included an amendment proposed by Senator Michael Rush to include an additional \$1,500,000 to be given to EOHLC for grants to housing authorities for vacant unit turnovers. The House included language that would apply prevailing wage requirements to off-site modular work, which was not included by the Senate. The Senate had included language requiring that a certain percentage of work done on public works projects be performed by apprentices. This amendment was changed to raise the threshold from \$1,000,000 to \$10,000,000, in line with the House's version of the bill, but ultimately was not included in the final version of the Senate's bill. There were also a number of earmarks that legislators were able to secure for their housing authorities.

There were some other important housing-related policies. Both chambers included language that allows an opt-in

and streamlined process of local approvals to convert commercial buildings into housing. Additionally, both chambers included language creating the Tenant Opportunity to Purchase Act. The Senate's version is limited to a five-community pilot program, while the House's version is fairly expansive. Both versions explicitly carve out public housing. Additionally, the Senate included a proposal that would end single-family zoning and allow most residential properties to be zoned for duplexes. There are a few guardrails put on this new zoning proposal, such as allowing for local height and design restrictions and exempting those properties that may need septic systems or have wetlands.

A Conference Committee was appointed before the end of the formal session on July 31, meaning discussions to reconcile the two bills will take place over the next several months. Conferees are: Sen. Michael Rodrigues, Sen. Peter Durant, Sen. Barry Finegold, Rep. Aaron Michlewitz, Rep. Carole Fiola, and Rep. Michael Soter. If you have any questions on the economic development bills, please reach out to Cylas Martell-Crawford at cmartellcrawford@massnahro.org.

Federal Housing News

The United States Senate recently passed a continuing resolution (CR) to keep the federal government funded at current levels through December 11. The CR includes language delaying the implementation of the Office of Management and Budget's ("OMB") proposed rule to make significant changes to the federal grant process. It also includes several funding anomalies. Notably, the resolution includes language allowing public housing authorities to repurpose unobligated Tenant-Based Rental Assistance ("TBRA") funding to cover the cost of households with expiring vouchers, including those households with an Emergency Housing Voucher ("EHV") through the end of the calendar year.

The House passed its version of a continuing resolution in late July to fund the federal government through December 4. The House's version is a "clean" resolution with no anomalies and no changes to language around the OMB rule. Both chambers will need to reconcile their differences before the September 30 deadline.

Meanwhile, the House Appropriations Committee approved its FY27 THUD bill in early June. This bill carries \$80.1 billion in gross discretionary budget authority, representing a decrease of \$4.1 billion below FY26 funding levels. However, this number is \$6.6 billion above the President's FY27 budget request. The House's THUD bill would see a \$1.3 billion reduction to public housing. The Senate has not taken up any appropriations bills, nor released its legislative texts, as there are disagreements on topline spending levels.

In other news, HUD recently issued PIH Notice 2026-17 requiring housing authorities to notify them within 36 hours of becoming aware of a cyber incident, in addition to contacting law enforcement. Additionally, a federal court ordered that HUD's FY26 Notice of Funding Opportunity ("NOFO") for the Continuum of Care ("CoC") program must be set aside as it violated the Administrative Procedures Act. HUD will need to reissue the NOFO and start the process from the beginning, causing more delays.

CONFERENCE continued from page 1
receptions Sunday and Monday.

Not to be missed - Sunday evening will feature a Sunset Cruise-Themed Dinner featuring nautical décor, great food, and the beautiful ocean view sunset - all in the Sea Crest dining room! The Glow Party returns Monday evening with DJ Cubey! New this year - we have designed a scavenger hunt of engaging games and tasks over the course of the conference, integrated into the sessions, Yapp app, exhibit hall, and networking events!

As always, the conference will include several fundraising events for the scholarship fund, including the 50/50 raffle and silent auction.

Full and one-day registrations are available. A waiver of registration fees is also available by request for small agencies with budget constraints. Visit the [MassNAHRO website](https://massnahro.org) for more details and to register today!

PRESIDENT continued from page 2

up, speak out, and support one another. The strength of MassNAHRO has always been its membership, and I continue to be impressed by what we can accomplish when we work together.

As Benjamin Franklin said, "Energy and persistence conquer all things."

And speaking of persistence...

Why did the scarecrow win an award?

Because he was outstanding in his field.

Keep smiling, keep advocating, and I hope to see you in Falmouth.



Peter Proulx
MassNAHRO President

Chief Operating Officer
Worcester Housing Authority

SCHOLARS continued from page 3

his years,” highlighting his growth from an initial research project he found unchallenging to a five-page paper on AI integration in education that he was genuinely proud of. She also noted that he balances caring for his father and sister with an active social and academic life, concluding that “if I were on a sinking boat, I’d want Abdullah aboard—he’d be bailing until the boat was dry.” Abdullah will be a freshman at UMass Amherst in the Fall, where he plans to study Economics and/or Finance.

Stephanie Cadet, a resident of the Dedham Housing Authority, is entering her final year at the Massachusetts College of Pharmacy and Health Sciences (MCPHS), pursuing a BS in Health Sciences, with a cumulative GPA of 3.24, after earlier studying at both Brandeis University and UMass Lowell. Stephanie shared in her essay that she has faced significant financial challenges balancing part-time work with full-time school, and described struggling with imposter syndrome, anxiety, and depression after transferring schools and feeling dismissed when she sought academic support, until “determined not to give up,” she confided in her high school counselor and found “an immediate sense of clarity and belonging” at MCPHS. Her experience developing stress-related skin issues and searching for dermatology providers “who looked like me” inspired her goal of becoming a nurse practitioner specializing in dermatology, so she can “create a space where women of color feel safe, understood, and represented” and address the shortage of Black female dermatology providers. Her recommender, Dr. Laramy Peugh, praised her “high level of intellectual curiosity, discipline, and intrinsic motivation,” noting her ability to critically analyze complex topics like health equity and patient-centered care, and wrote that supporting her through this scholarship “is not only an investment in her future, but in the advancement of a more equitable and responsive healthcare system.” Alongside her coursework, Stephanie works at Briarwood Rehabilitation and Healthcare Center supporting patient diet plans and is active in MCPHS’s African Students

Union and Black Student Union.

Karly Matosky will be a senior at Providence College this Fall, majoring in Health Sciences through the Honors Program on a Pre-Med track. She has maintained a cumulative GPA of 3.84, Dean’s List honors every semester, and membership in Alpha Epsilon Delta, the pre-health honor society, while ranking 161 out of 1,159 in her class. Her father is an employee of MassNAHRO affiliate member, CMS Associates, and her mom is a former employee of the Worcester Housing Authority with whom Karly would sell scholarship raffle tickets at MassNAHRO conferences when she was in grammar school. In her essay, Karly described balancing a demanding pre-medical course load with being a student-athlete on the Providence College Dance Team, along with outreach through PC Medlife and SNHS, experiences that “strengthened my work ethic” and deepened her understanding of “compassion and resilience.” She wrote that her goal is to become a primary care physician serving underserved and rural communities, explaining that “access to quality healthcare should not depend on geography or socioeconomic status,” a mission shaped by her experiences lifeguarding and shadowing in the ER, which “displayed the demanding nature of healthcare while highlighting the disparities many patients have to face.” Dr. Robert Hackey, Professor of Health Sciences and her academic advisor, called her “a star student” and “one of our most accomplished undergrads,” noting she took on 18–19 credits per semester (well above the standard 15), earned the highest overall average of 34 students in his Introduction to Health Professions course, and was applying for the Harvard Medical School Orthopedic Trauma Summer Internship, concluding he recommended her “without reservation” as “an outstanding candidate.” Karly was also a top MassNAHRO scholarship recipient in 2023.

Aldrwyn Figueroa, Jr. will be entering his second year at Springfield College in the Fall, majoring in Health Science / Pre-PA (Physician Assistant Studies), part of a program that connects to an accelerated Physician Assistant master’s degree, and has earned Dean’s

List honors with a GPA of 3.69. He is the son of an employee of the Springfield Housing Authority. In his essay, titled “My Journey in Serving Others Through Faith and Purpose,” Aldrwyn described his ambition to become a PA in cardiology or orthopedics. His faith and past experiences motivate him, and he wants to use his “blessings to give back to others and do what I can to prevent others from going through the hardships I had to go through,” including a goal of using healthcare to “empower hispanics and their education.” He currently works as a Personal Care Assistant, communicating with patients in Spanish, and as a Junior Staff member at Multicultural Community Services of Pioneer Valley helping clients navigate social services. Professor Loni Kearney of Springfield College’s PA Studies Department praised his “excellent academic performance” and “strong work ethic, intellectual curiosity, and a commitment to excellence,” noting that as fellow Springfield natives, she has seen that his aspirations are “deeply rooted in a desire to serve and uplift our local community.” He was also recognized by State Representative Angelo Puppola, Jr. for making the Fall 2025 Dean’s List, and remains active with the Physician Assistant Student Organization, as a Resident Assistant, and in extensive volunteer work including Toys for Tots and the Springfield College Miracle League. Aldrwyn was also a 2025 MassNAHRO scholarship recipient.

Piper Hunt is the daughter of a Barnstable Housing Authority employee and will be a junior at Roger Williams University this Fall, double-majoring in Legal Studies and Criminal Justice with a minor in Public and Professional Writing, and holds a cumulative GPA of 3.813 (including a 4.0 this past semester) with consecutive Dean’s List honors. In her essay, Piper opened with the quote “A goal without a plan is just a wish,” describing how her involvement in public service, including interning with the Cape and Islands District Attorney, serving on Governor Maura Healey’s Inaugural Youth Advisory Council, and working with the Hyannis Harbor Hawks, shaped her goal of pursuing a future in law. It is

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a passion she traces back to watching a single episode of *Criminal Minds* at her grandmother's house, adding that she wants to "impact my community by working within the legal system to support individuals who feel unheard or overlooked." Kathleen Bent, Chair of Cape Cod Community College's Business Department who has known Piper for over a decade, described her as demonstrating "integrity, empathy, and inclusive leadership" from a young age, highlighting her extensive volunteer history with organizations like St. David's Episcopal Church, Toys for Tots, and the Falmouth Road Race, as well as her immediate leadership at Roger Williams as Treasurer and prosecution team Captain of the Mock Trial Club, concluding that she recommends Piper "without reservation and with the highest level of confidence." Piper was also selected by the New England Regional Council of NAHRO (NERC-NAHRO) Scholarship Committee as one of its 2026 recipients, and she was the 2025 Thomas J. Connelly Scholarship recipient.

Abigail Christo, the daughter of a Worcester Housing Authority employee, will be a freshman at the University of New Hampshire, planning to major in Criminology. She held a weighted GPA of 4.27, ranking 18th out of 62 in her class at West Boylston High School. In her essay, Abigail described her drive to explore the human brain, "the most complex organ, dictating both our moral function and abnormal behavior." She has worked since age 15, which taught her time management and discipline, adding that she plans to fund her education through scholarships, personal savings, and a federal loan, with an ultimate goal of securing "a position that enables me to impact public safety and advance justice while using specialized skills in behavior analysis and research." Her high school counselor, Marissa Carlson, described watching Abby "grow into a confident, resilient, and compassionate young woman," highlighting her leadership as cheerleading captain her senior year, her role as DECA historian, and her involvement in Yearbook Club, Student Council, National Art Honor Society, Interact Club, and Wellness Club, as well as her promotion from waitress to supervisor at a retirement home, an experience that Carlson noted helped her "develop emotional intelligence beyond her years."

Adiana Clough will enter her second year at the Isenberg School of Management at the University of Massachusetts Amherst, majoring in Accounting, and holds a perfect 4.00 GPA as a member of the Commonwealth Honors College with Dean's List honors. She is the daughter of a Greenfield Housing Authority employee. In her essay, Adiana shared how commuting daily from Greenfield to Amherst introduced her to her mom's old CD collection and how she found community in the Minuteman Marching Band's alto sax section after feeling nervous about making friends as a commuter student, writing that "their friendships offer me a perfect balance between school work and a social life." She described her growing interest in working locally rather than for a large Boston firm, inspired by watching her mother's accounting work at the Greenfield Housing Authority support "the many families and disabled people who rely on subsidies," and by her own experience helping lower-

income clients file taxes through the VITA program, which she called "fulfilling" work she hopes to continue. Sara Sirgo Aroca, her Spanish instructor at UMass Amherst, described Adiana as "a proactive and dedicated student" with "genuine curiosity in everything she learns," noting her natural ability to build team spirit in group settings, "not usual at all in students her age," and recommending her "without reservation and total enthusiasm." Outside academics, Adiana is active in the UMass Marching Band, Greenfield Community Band, and Shelburne Falls Military Band, and previously volunteered at BayState Franklin Medical Center and the Greenfield Public Library's Teen Advisory Board. She is also a recipient of a New England Regional Council of NAHRO (NERC-NAHRO) 2026 scholarship.

Grace Vitkosky, the daughter of an employee of the Wrentham Housing Authority, will be a sophomore at the University of Massachusetts Amherst this Fall, majoring in Biology (BS) as a member of the Commonwealth Honors College, and holds a GPA of 3.75 with Dean's List honors, having entered college with credit from four AP exams. In her reflective essay, Grace described being a quiet, composed child until her mother's stage-three colon cancer diagnosis on her mom's birthday in April 2020 forced her to reevaluate that image, writing that she has since redefined grace not as "accomplishing work with composure and elegance" but as "passion, intensity, and fierceness throughout every stage of life." The experience inspired her interest in healthcare and her goal of becoming a physician assistant so she can support patients and families "through difficult diagnoses." Brian Strauss, her first-year academic advisor in the College of Natural Sciences, praised her "motivation, independence, and strong internal drive," noting that her interest in STEM is "grounded in deeply personal reasons," especially her desire to help others through future cancer research, and highlighted her enthusiasm for the SEA-PHAGES research component of her introductory biology coursework. Grace previously interned in Rehabilitation Services at Brigham and Women's Faulkner Hospital, where she shadowed clinicians and led a research project on lymphedema clinic accessibility, and was recognized in high school with the \$40,000 Thomas L. Phillips Scholarship and the United Nations Association Impact Award for over 150 hours of community service.

Ariana Di'Dio is the daughter of Springfield Housing Authority employee and will be a sophomore at Suffolk University studying International Relations. Maintaining an impressive 3.835 GPA and a spot on the Dean's List, Ariana has distinguished herself academically while pursuing her passion for immigration advocacy—a calling inspired by her mother's immigrant family and a dream she hopes to turn into a career helping others navigate the immigration process. Professor Nicholas Frangipane of Suffolk's English Department praised Ariana as "an intelligent and hard working student" with strong writing skills and a confident, friendly presence in the classroom. Beyond academics, Ariana stays active through Suffolk's Volleyball Club, her lifelong love of music, and volunteer work with Project Citizenship, a nonprofit providing free legal services to immigrants throughout Massachusetts and New England.

Annual Awards Nominations Open Board Member of the Year Award

Each year, MassNAHRO awards a Board Member of the Year to honor a current board member, or one who has served within the past 12 months, who has demonstrated excellence in advocating for and developing the financial, political, and community support necessary to ensure the continuation of housing and development programs.

Judging criteria include:

Community Leadership: describe what the candidate has done to persuade the community at-large that it must provide the support and assistance necessary for housing and/or community development programs to continue.

Advocacy: describe what the candidate has done to support the importance of housing and community development with local, state, and national officials.

Public Relations: describe how the candidate has communicated to various media about the authority's accomplishments, programs, policies, and future plans.

To nominate your board member visit www.massnahro.org.
Deadline to apply: August 21. The award will be presented at the Annual Conference on September 14.

Longevity Awards

MassNAHRO Longevity Awards recognize Board Members and Executive Directors who have served for more than twenty years. To nominate yourself or a colleague, visit www.massnahro.org.

Deadline for nominations: September 1. The award will be presented at the Annual Conference on September 14.

Reasonable Accommodations 2.0

webinar

**September 29
9:00 AM - 12:30 PM**

presented by
Atty. Manette Donovan

Ready to take your knowledge of reasonable accommodations to the next level?

This advanced training moves beyond the basics and explores some of the more difficult accommodation issues housing professionals face. Through real-world case studies and actual legal decisions, participants will examine challenging requests, competing considerations, and situations where the appropriate response may not be immediately clear.

Registration Fee: \$169

[\$469 for Non-Members]

For more details and to register visit www.massnahro.org.

HOTMA: An In-Depth Review of Programmatic Changes

**Thursday, October 22 &
Friday, October 23
8:30 AM - 4:30 PM**

presented by:
NAHRO Instructor Bobby Collins

This training is designed for frontline staff, supervisors, and program managers who need to operationalize HOTMA rules in everyday work with applicants and residents.

After completing this training, participants will be able to:

- Identify major HOTMA changes to eligibility, income, assets, and deductions
- Apply asset limits and real property rules at initial admission and reexaminations
- Use updated verification methods, including safe harbor and EIV requirements
- Calculate income and deductions using new definitions, exclusions, and thresholds
- Implement phased-in relief and hardship exemptions to minimize family rent burden
- Conduct compliant annual, interim, and non-interim reexaminations

Registration Fee: \$628

[\$928 for Non-Members]

For more details and to register visit
www.massnahro.org.

YOUR VOTE Shapes Housing in Massachusetts - GET OUT AND VOTE in the 2026 Primaries!

State and federal housing funding and policy are on the ballot. The Governor, Lt. Governor, Attorney General, State Treasurer, state legislators and U.S. Congressmen on the September 1 primary ballot all **have a direct hand in the future of housing** in the Commonwealth!



Registration deadline: August 22
Early voting: August 22-28
Primary Election Day: September 1

**Housing decisions are affected by who shows up.
[Make your plan to vote.](#)**

c a l e n d a r

trainings, conferences, & events...

SEPTEMBER 13-16

Annual Conference & Exhibition

Sea Crest Hotel, N. Falmouth

See details on page 1. For complete agenda and to register, visit www.massnahro.org.

SEPTEMBER 23

State Rent Calculation

Medford Housing Authority

Presented by Cylas Martell-Crawford.
To register, visit www.massnahro.org.

SEPTEMBER 29

Reasonable Accommodations 2.0
webinarPresented by Atty. Manette Donovan.
To register, visit www.massnahro.org.

OCTOBER 22 & 23

HOTMA

Norwood Housing Authority

Presented by NAHRO Trainer Bobby Collins.
See details on page 7. To register, visit www.massnahro.org.

OCTOBER 28

Common Property Management Issues

Worcester Housing Authority

Presented by Kevin Braga, Cambridge H.A.
To register, visit www.massnahro.org.

OCTOBER 29

Annual Awards Gala

Four Points Sheraton, Norwood

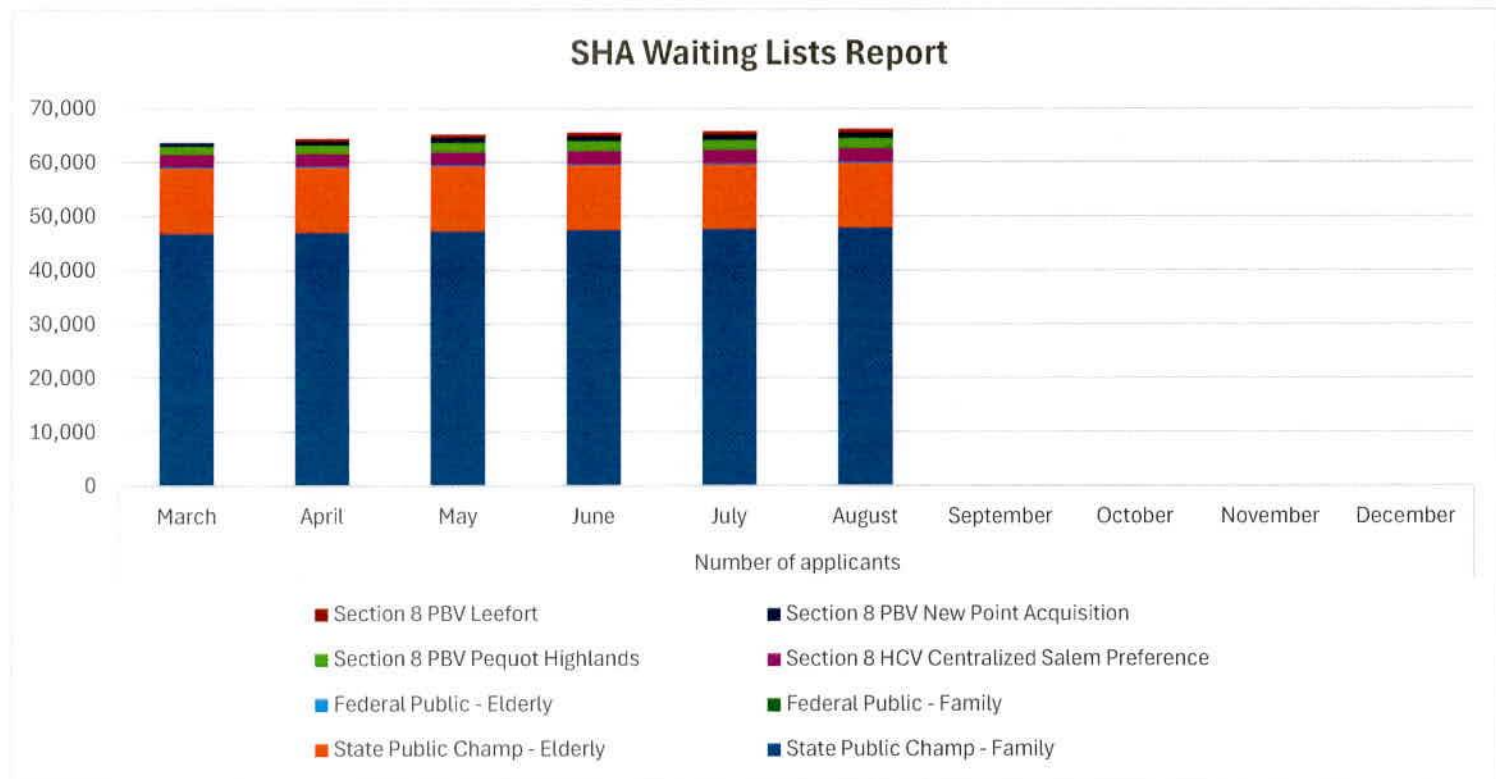
Mark your calendars! Registration will open in late August.

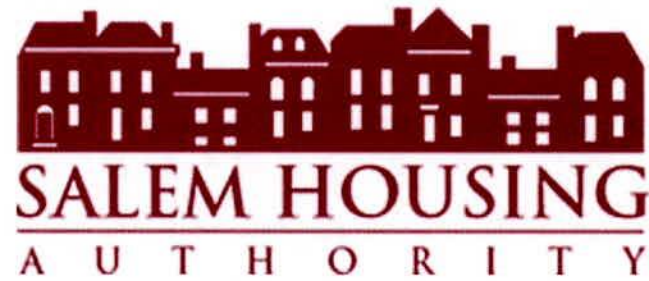
Massachusetts Chapter
National Association of
Housing & Redevelopment Officials
990 Washington Street, Suite 209
Dedham, MA 02026
617-367-0008
www.massnahro.org

Follow us on Facebook & LinkedIn



Salem Housing Authority Waiting Lists										
Program	Number of applicants									
	March	April	May	June	July	August	September	October	November	December
State Public Champ - Family	46,800	46,962	47,214	47,421	47,589	47,849				
State Public Champ - Elderly	12,013	11,988	11,976	11,971	11,958	11,934				
Federal Public - Family	9	7	7	6	6	6				
Federal Public - Elderly	251	256	243	243	243	243				
Section 8 HCV Centralized Salem Preference	2,384	2,384	2,429	2,450	2,463	2,551				
Section 8 PBV Pequot Highlands	1,554	1,554	1,800	1,860	1,890	1,926				
Section 8 PBV New Point Acquisition	724	724	856	884	900	920				
Section 8 PBV Leefort	0	530	658	725	726	759				





Public Housing Department Performance



The Public Housing team continues to provide subsidized housing and social services to the Salem community.

We are also continuing to offer available units through applications submitted via CHAMP, Application for Congregate, and the Housing Now program.



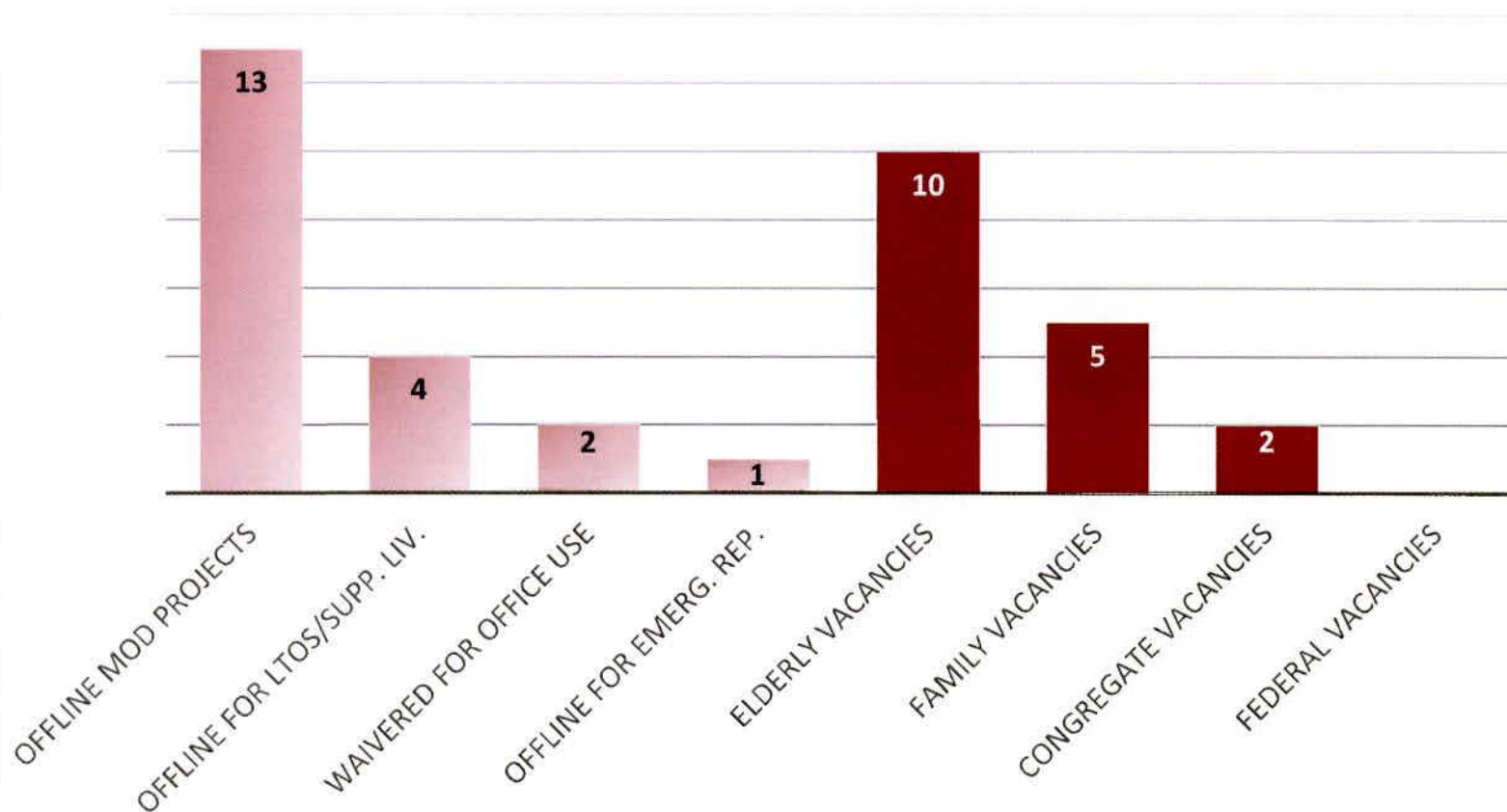
Key Highlights

- 626 Households are presently leased on the program.
- Vacancies available to lease are low at 17 units, or ~3%.
- Compliance inspections for 23 residents are continuing as we address lease violations in-house to assist those falling behind with lease obligations while avoiding legal involvement.



Vacancy Report

Vacancies by Type





Vacancy Report Cont.

- Offline modernization projects references Pioneer, Morency, and Phillips locations.
- Though vacancies appear on the data, the data does not show that we have offered:
 - 4 Units for Elderly
 - 4 Units for Family
 - 2 Congregate vacancies are in the verification process
- We are pleased to report there were no evictions for the month of July 2026.
- We had an unusually large amount of move outs in July, but our team is getting offers out just as fast!



Lease Up Report

In July 2026, we leased up 7 households across our state programs and 2 in our Federal program (both were Federal Family). Federal and State are combined on the graph below.





DMH Voucher Program

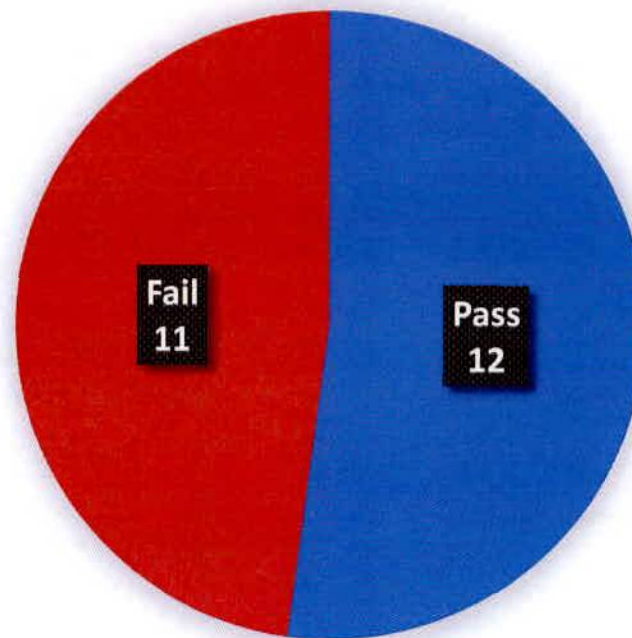
- Along with the Department of Mental Health, we have a great opportunity to issue vouchers.
- We have 44 DMH vouchers currently in use out in the community.
- DMH continues to stay strong with ongoing support for these voucher holders from service providers.



Compliance Inspection Report

In July 2026, the Public Housing Department completed 23 compliance inspections:

July 2026 Compliance Inspections



■ Pass

■ Fail



Compliance Inspection Report Cont.

- Each month the Public Housing team completes compliance inspections to ensure resident compliance with the lease with residents that have had prior issues adhering to their lease terms.
- July numbers were down due to staff shortages. More will occur for August as we continue assisting residents in their homes.



Private Conference Report

- In July 2026, the Public Housing Department conducted 15 Private Conferences.
- These meetings are held in our office to address various types lease violations without the involvement of legal representation.
- Private Conferences are a great opportunity to understand context and offer help through our RSCs there is an unmet need.
- The goal is always lease compliance in the end. The way we get there varies depending on circumstance, but the residents are always given the opportunity to be heard and to work with us.



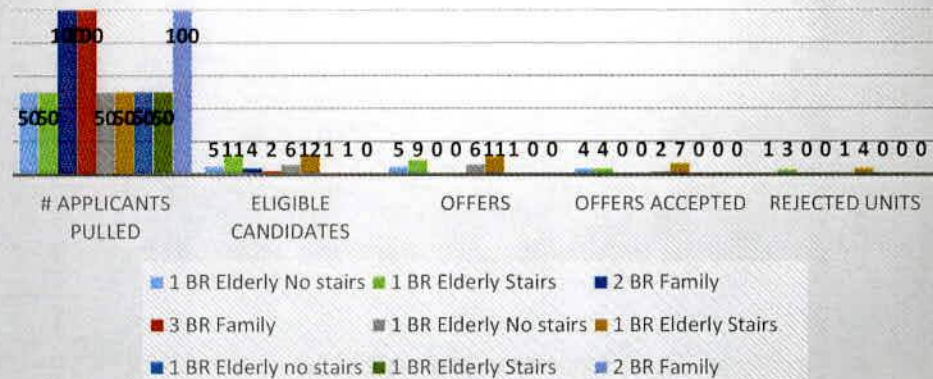
Community Impact

- Our efforts have led to our Public Housing portfolio being just below capacity, ensuring a safe and affordable place for people in our community to live.
- We are working hard to fill the remaining vacancies and get as close to capacity as possible. With 4 lease ups already scheduled for early August, we are inching closer to that goal.
- Through the team's efforts, we have continued working with households to maintain housing stability. Resident Service Coordinators continue to offer assistance to many of these households, along with other households, with grant funding, community resources, and various program opportunities.

Salem CHAMP List Report

Date Pulled	List ID	Criteria	# Applicants Pulled	Eligible candidates	Offers	Offers Accepted	Rejected Units	List Status
1/5/2026	29985803	1 BR Elderly No stairs	50	5	5	4	1	Pending Applicant Response
1/14/2026	30087905	1 BR Elderly Stairs	50	11	9	4	3	Pending Applicant Response
3/19/2026	30483304	2 BR Family	100	4	0	0	0	List Closed
4/15/2026	30685506	3 BR Family	100	2	0	0	0	No Units Available
5/19/2026	30897718	1 BR Elderly No stairs	50	6	6	2	1	Pending Applicant Response
5/19/2026	30901722	1 BR Elderly Stairs	50	12	11	7	4	Pending Applicant Response
7/16/2026	31250074	1 BR Elderly no stairs	50	1	1	0	0	Pending Applicant Response
7/16/2026	31251075	1 BR Elderly Stairs	50	1	0	0	0	Pending Screening
8/3/2026	31360184	2 BR Family	100	0	0	0	0	Pending Screening

Salem CHAMP List Report



SALEM HOUSING AUTHORITY

Modernization Operations Report

August 2026

Modernization Snapshot — August 2026

<u>Portfolio Metric</u>	<u>Value</u>
Annual Capital Formula Funding	Approximately \$800,000
Comp Mod Grant Award (Charter Street)	\$2.7 Million
Developments Supported	23
Buildings Supported	82
Units Supported	715
Active Capital Projects	18
Future Pipeline Projects	5

Modernization Focus Areas

Electrical & Life Safety 27%	Building Envelope 22%	Heating & Sustainability 18%
Accessibility 15%	Roofing 10%	Site Improvements 8%

Investment Information

EOHLC Formula Funding	60%	Primary modernization source
Competitive Grants	20%	Includes Charter Street award
Federal ARPA Funding	12%	Panel and gas stove replacement
Energy Grants	5%	Heating and efficiency support
Future Funding Sources	3%	Pipeline opportunities

Project Progress Dashboard - Current Projects

Project Name: Project Alpha

Project ID	Project Name	Status	Progress (%)	Start Date	End Date
001	Project Alpha	On Track	75%	2023-01-15	2023-06-30
002	Project Beta	Delayed	40%	2023-02-01	2023-07-15
003	Project Gamma	On Track	90%	2023-03-10	2023-08-31
004	Project Delta	On Track	60%	2023-04-01	2023-09-30
005	Project Epsilon	On Track	30%	2023-05-01	2023-10-31
006	Project Zeta	On Track	10%	2023-06-01	2023-11-30
007	Project Eta	On Track	5%	2023-07-01	2023-12-31
008	Project Theta	On Track	0%	2023-08-01	2024-01-31

Project Progress Dashboard — Current Projects

Active Project Tracker

Project No.	Project / Scope	Property Names	Start Date	Completion Date	Current Status
258150	Electrical Upgrade	Pioneer Terrace	01/07/26	01/07/27	Laracy Electrical awarded contract; service upgrades, panel relocation, outlets, and fixtures are moving along with first-floor panel configuration revisions.
258171	Oil-to-Heat Pump Conversion	705-2A and 705-2B	06/30/26	10/27/26	Contract executed with Riverdale Plumbing & Heating, Inc. for \$980,000; preconstruction held 06/30/26; materials are being ordered.
258173	Exterior Upgrades / Water Infiltration	Charter Street	TBD	TBD	Schematic design approved; east elevation scope under review; \$2.7 million Comp Mod grant awarded to fully remediate water infiltration issues.
258182	Exterior Door Replacement	Bates, Norton, Dalton, Park/Prince	07/27/26	11/23/26	Contract executed with EC Interiors LLC for \$110,151; preconstruction held and Notice to Proceed issued 07/27/26.
258188	ARPA Federal Pacific Panel and Gas Stove Replacement	Rainbow, Leefort, Bertram, Colonial, Norton, Pioneer, Morency, Ruane, Dalton, Phillips	05/20/26	05/20/27	LeVangie Electric Co., Inc. awarded \$2,345,000 contract; preconstruction held; submittals under review and schedule pending.
258189	Walk-In Tub / Shower Program	Charter Street, Morency Manor, Phillips House	03/13/25	10/28/25 extended by change order	Work continues with Environmental Restoration Inc.; Charter and Phillips plumbing issues require scope review; work has moved to Morency Manor.
258197	Site Work and Concrete Repair	Colonial Terrace	04/23/26	10/19/26	Oakridge Construction work underway; quality concerns are being addressed with mason support and SHA oversight.

August Accomplishments and Current Activity

Pioneer Terrace Electrical upgrade continues through January 2027 with panel relocation and unit fixture work moving along.	Heat Pump Conversion Riverdale contract executed; preconstruction completed and materials being ordered.
Exterior Doors EC Interiors contract issued for 17 doors; Notice to Proceed effective 07/27/26.	Colonial Terrace Concrete and site work continues with additional quality oversight and mason support.
Accessibility Walk-in tub/shower work continues; Charter Street feasibility to be reevaluated due to expanded plumbing scope and cost.	Charter Street Water infiltration scope and new building envelope/window project continue to advance with assigned architect.

Federally Funded Projects

None at this time.

Looking Ahead — 2026 Modernization Pipeline

Project	Property	Status
Kitchen and Bath Modernization	Bertram	Planned as funding allows
Roof Replacement	Garden Terrace	To be assigned to a designer, designed, and bid
Exterior Painting	84 & 88 Essex Street	To be assigned to a designer, designed, and bid
Paving Improvements	Rainbow Terrace	To be assigned to a designer, designed, and bid
Windows, Balcony Repair, and Building Envelope	Charter Street	Assigned to Raymond T. Guertin for design



Housing Choice Voucher & PBV Program Performance



The Housing Choice Voucher (HCV) and Project-Based Voucher (PBV) programs continued to provide stable housing assistance to Salem residents throughout the reporting period. Voucher utilization remained strong at 88%, while PBV vacancies remained low. Vacancies for Leefort Terrace continue to decrease as applicants are being approved and moving into the new development.

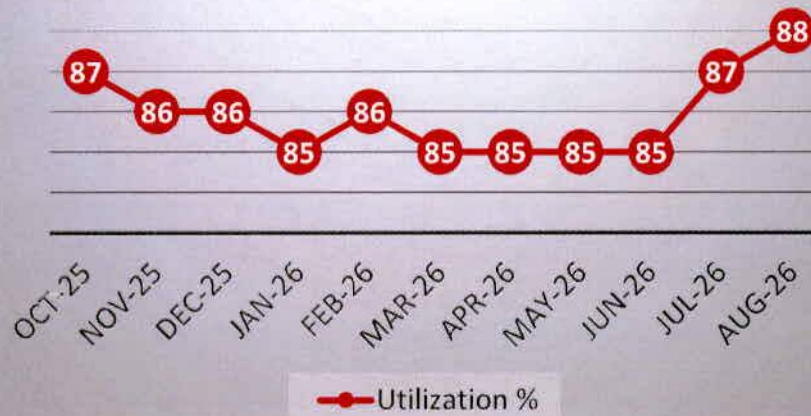


Key Highlights

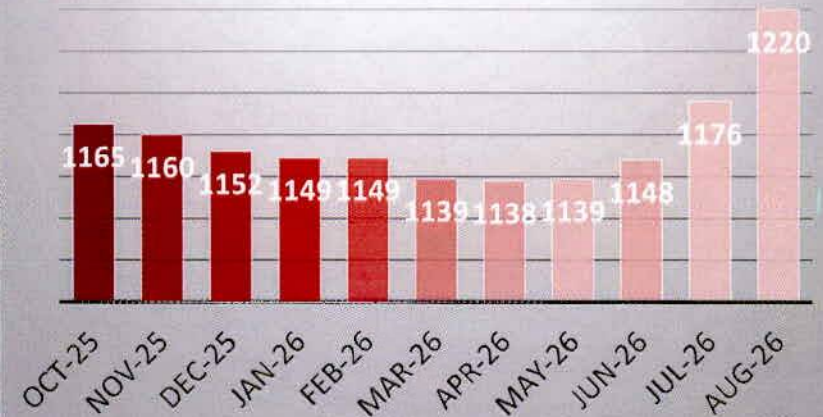
- 1,385 available vouchers (39 vouchers added for the Federal Public Housing to Project Based conversion)
- Voucher Utilization August 2026: 88% which utilizes over 100% of our Authorized Budgeted Allocation (ABA)
- Total units under lease: 1,220

Voucher Utilization & Units Under Lease

Utilization %



Units Under Lease





HAP Expense July & August 2026

JULY 2026

HAP	\$	1,968,555
URP	\$	8,222
FSS	\$	8,193
HAP Adj	\$	48,219
URP Adj	\$	-
Port-Out HAP (Est.)	\$	220,246
Port-Out URP (Est.)	\$	1,337
Port-Out HAP Adj	\$	-
Port-Out URP Adj	\$	-
Total		\$ 2,254,772

AUGUST 2026

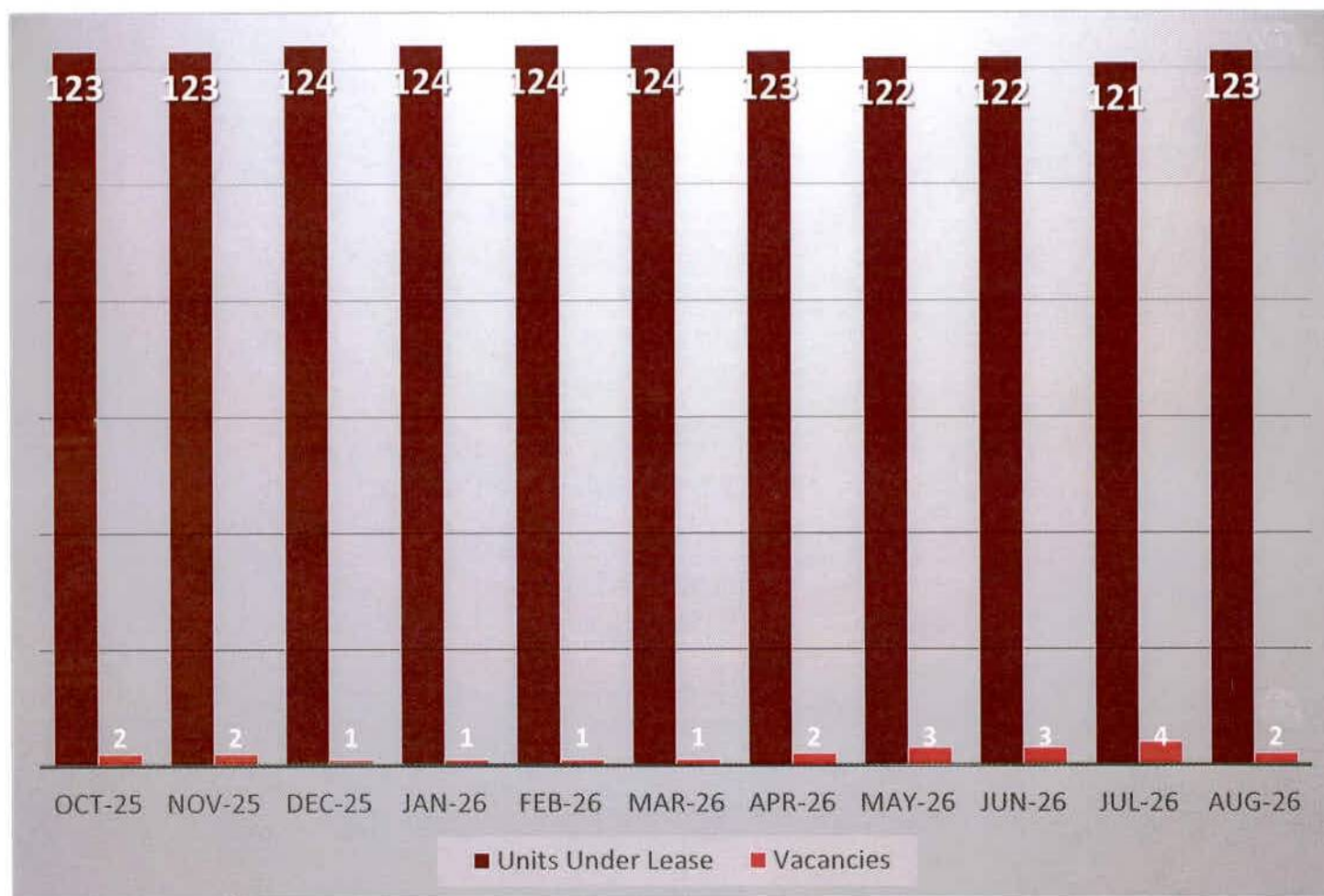
HAP	\$	2,094,456
URP	\$	9,516
FSS	\$	9,171
HAP Adj	\$	25,409
FSS Adj	\$	34
Port-Out HAP (Est.)	\$	216,841
Port-Out URP (Est.)	\$	1,666
Port-Out HAP Adj	\$	(1,706)
Port-Out URP Adj	\$	409
Total	\$	2,355,796



Project Based Voucher(PBV) Program Vacancies

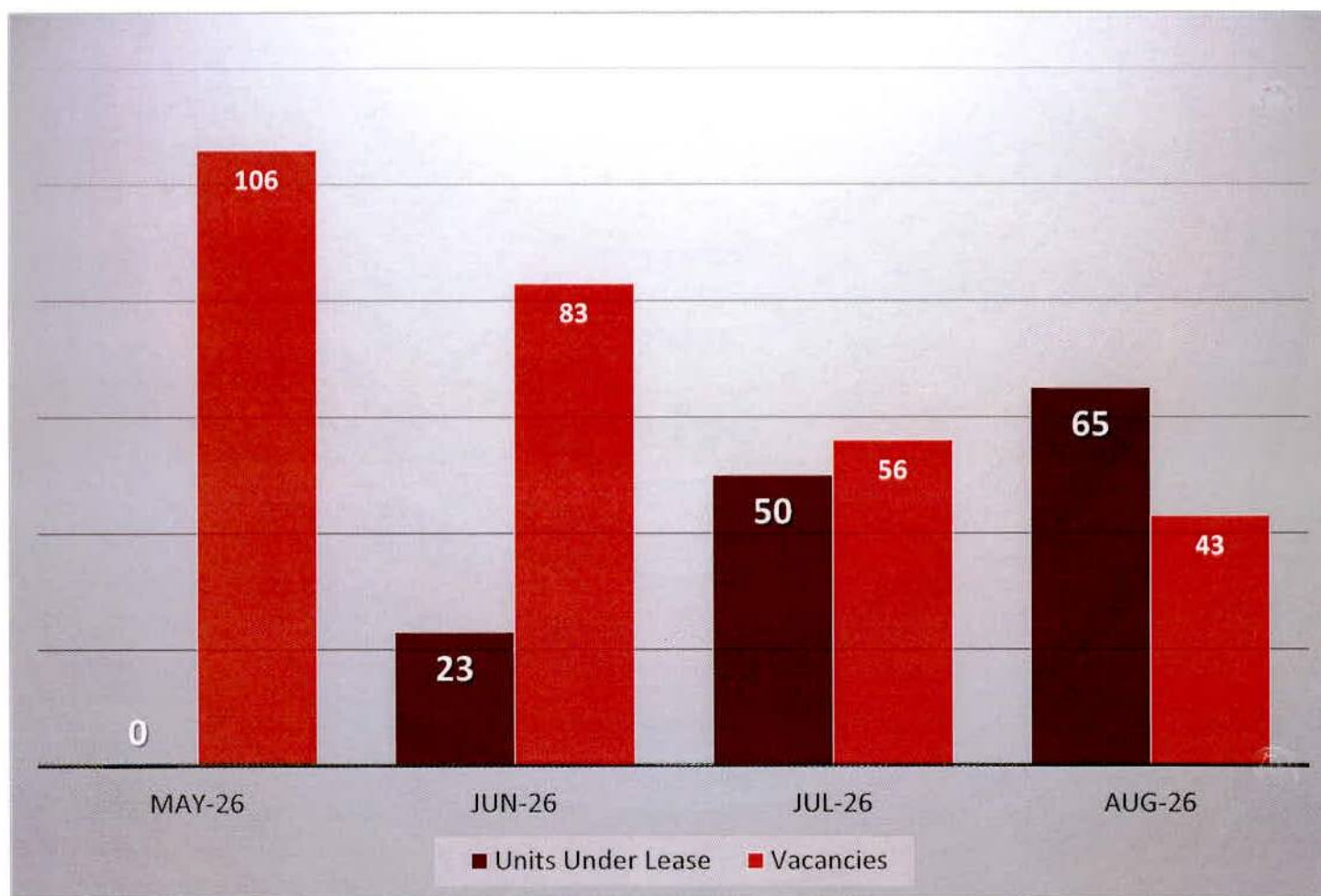


Pequot Highlands – 125 PBV Units



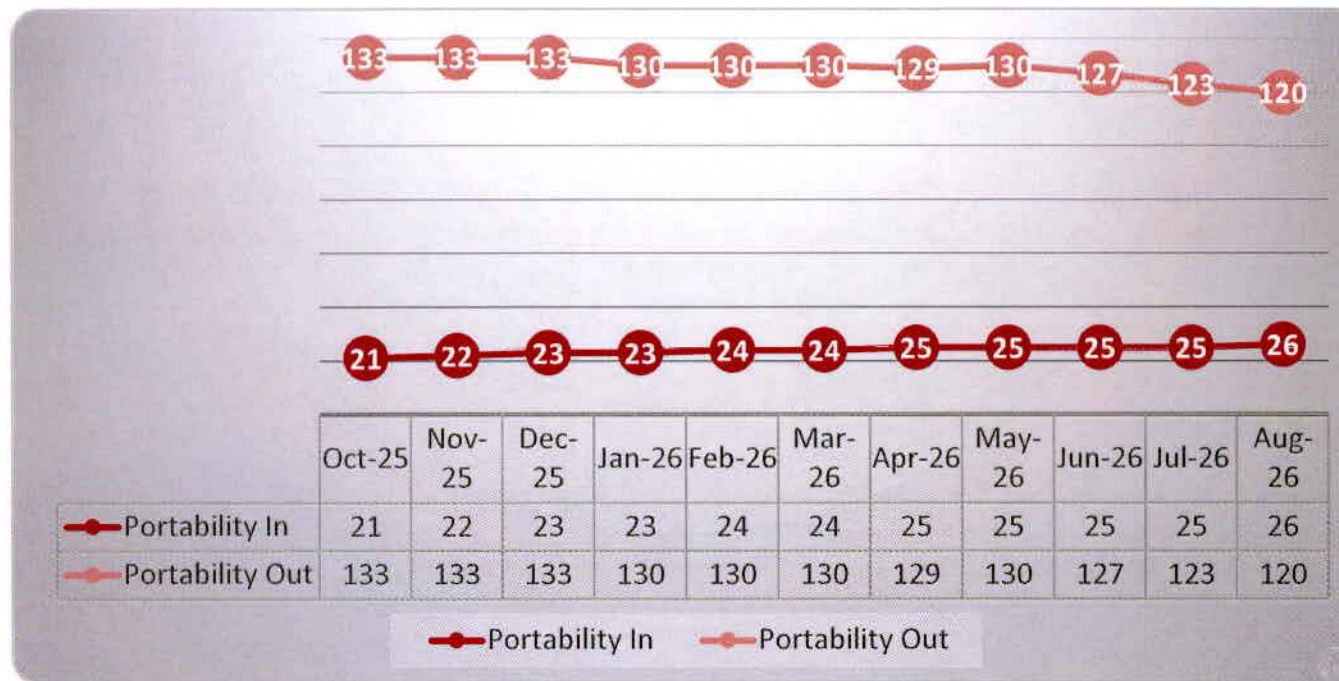


Leefort Terrace – 106 PBV Units





Portability In & Out





Quarter

Apr 01 - Jun 30, 2026
(Q2)

Site

Housing Authority of Salem,
Massachusetts

Client Status

Currently
enrolled and
all graduated
clients

Gender

All
Genders

Race and Ethnicity

All Races and
Ethnicities

Baseline Earnings

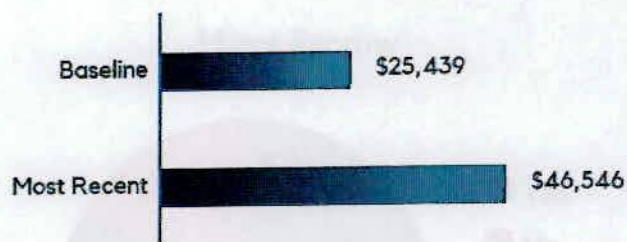
All
Earnings

Client Ages

All Ages

Core Outcomes

Total Average Annual Earnings



77% increased earnings
\$35,526 average increase

Average Monthly HAP



57% reduced HAP
\$630 average decrease

Average Credit Score

Estimated Graduation Rate

0% increased credit score
0 average increase
0% improved credit score



Quarter

Apr 01 - Jun 30, 2026
(Q2)

Site

Housing Authority of Salem,
Massachusetts

Client Status

Currently
enrolled and
all graduated
clients

Gender

All
Genders

Race and Ethnicity

All Races and
Ethnicities

Baseline Earnings

All
Earnings

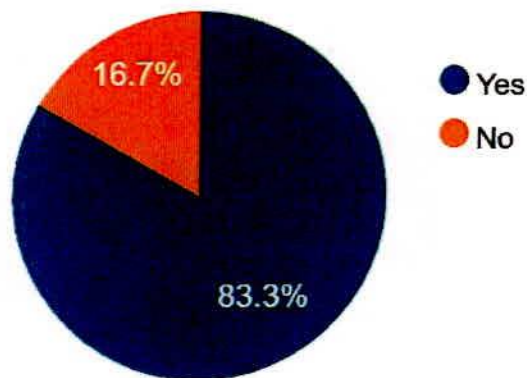
Client Ages

All Ages

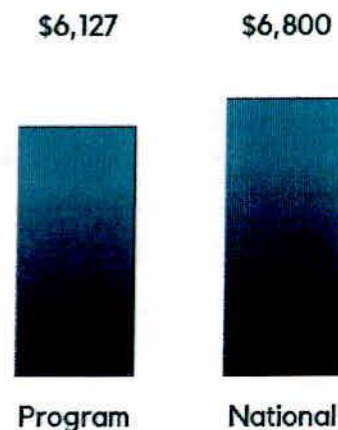
Core Outcomes

Total accumulated escrow for 30 clients is \$153,185

Have Escrow



Average Escrow



Estimated Graduation Rate



Quarter

Apr 01 - Jun 30, 2026
(Q2)

Site

Housing Authority of Salem,
Massachusetts

Client Status
Currently enrolled and all graduated clients

Gender
All Genders

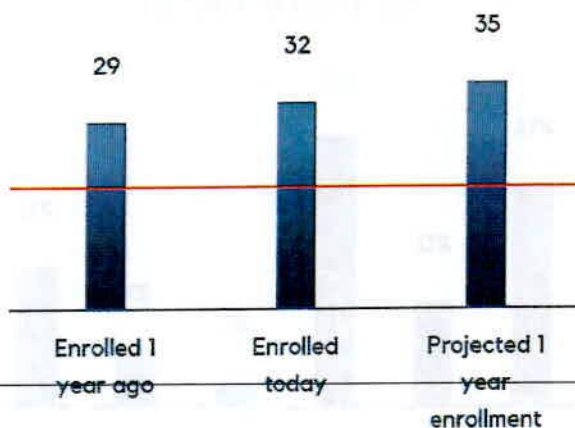
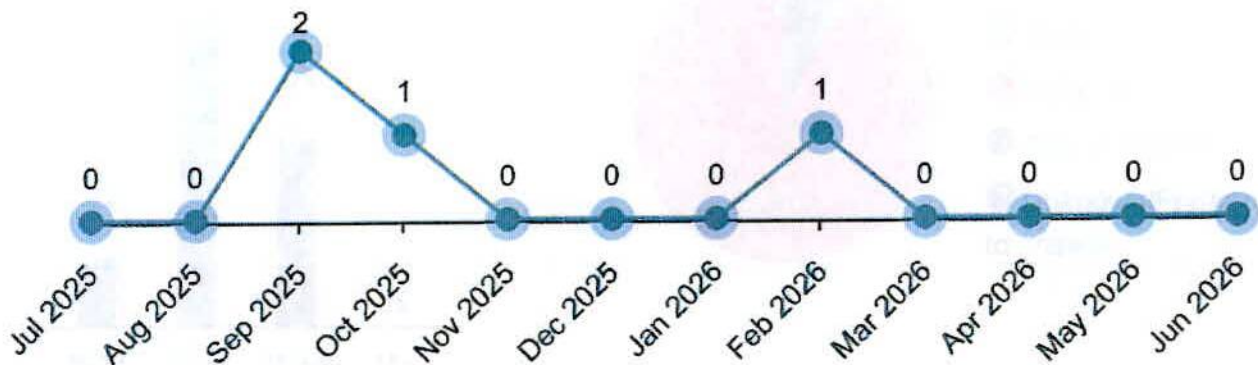
Baseline Earnings
All Earnings

Race and Ethnicity
All Races and Ethnicities

Client Ages
All Ages

Enrollment Trends

New Enrollment by Month



In the last 12 months, there were 4 newly enrolled clients, 1 graduates, and 0 contract terminations. This resulted in an overall increase in enrollment of 3

If these trends continue, you will maintain your target enrollment.



Quarter

Apr 01 - Jun 30, 2026
(Q2)

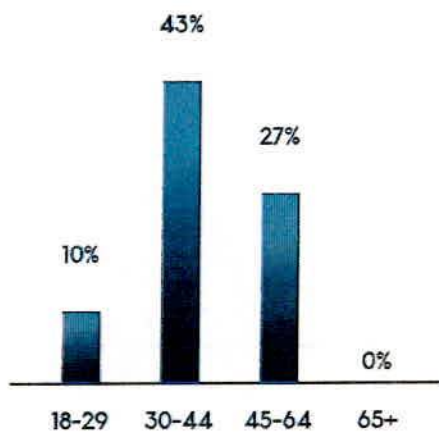
Site

Housing Authority of Salem,
Massachusetts

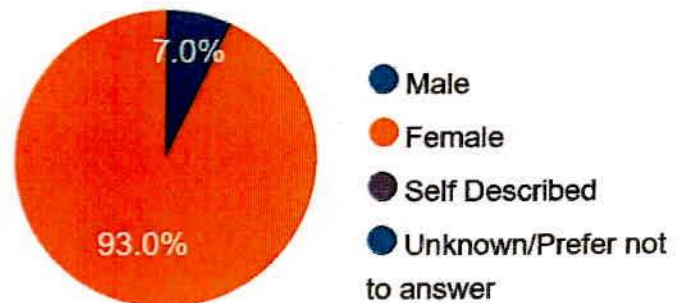
Client Status
Currently
enrolled and
all graduated
clients

Client Demographics

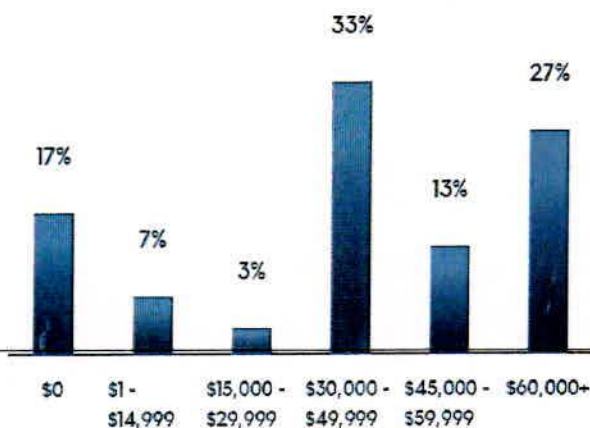
Client Ages



Gender



Baseline Earnings





Quarter

Apr 01 - Jun 30, 2026
(Q2)

Site

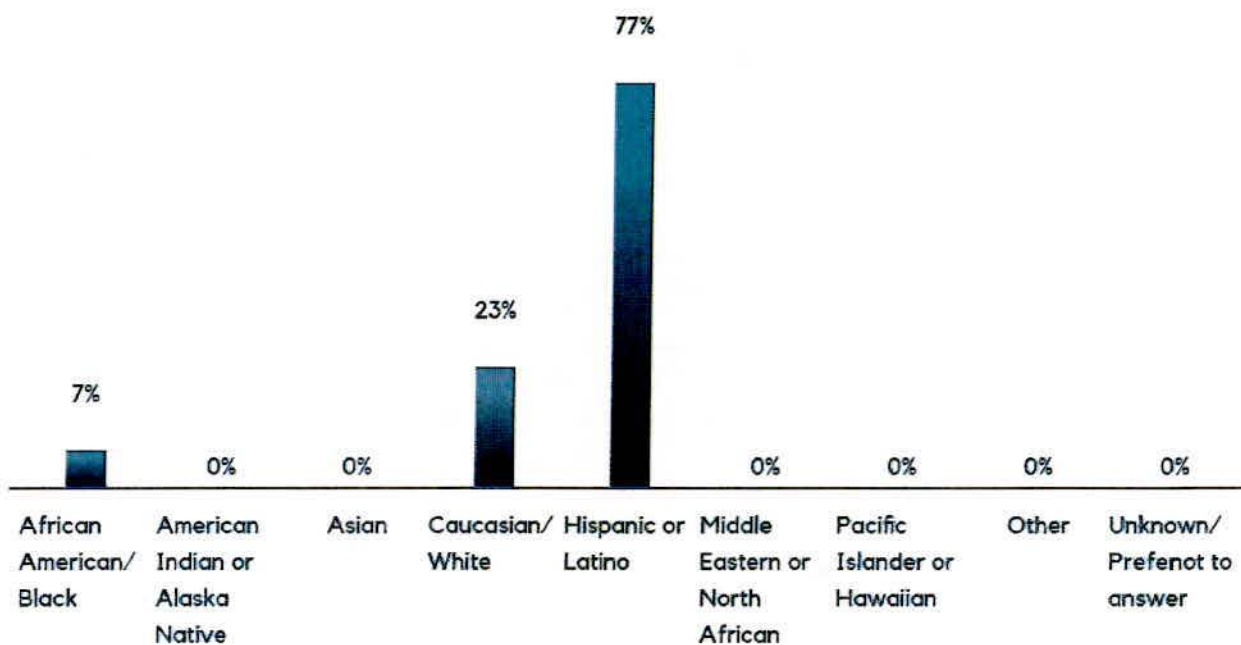
Housing Authority of Salem,
Massachusetts

Client Status

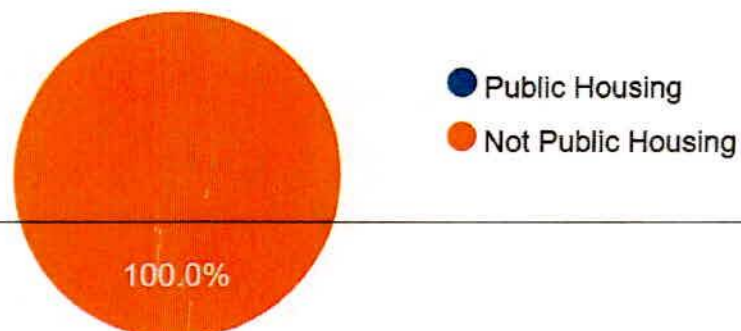
Currently
enrolled and
all graduated
clients

Client Demographics

Race and Ethnicity



Public Housing Tenants





FUTURE FORWARD

Self-Sufficiency Program (SSP)

MONTHLY REPORT: July 1 – July 30, 2026

PREPARED BY: Sandra Reiniger/Future Forward Coordinator

PROGRAM OVERVIEW

The Future Forward Self-Sufficiency Program (SSP) supports Public Housing residents working toward greater economic stability through goal planning, connection to community resources, and individualized support and coaching

PROGRAM SNAPSHOT

Marblehead Housing Authority

• Total Participants Enrolled: 9 • In Process of Enrollment: 4 • With Escrow: 2

Salem Housing Authority

• Total Participants Enrolled: 9 • In Process of Enrollment: 2 • With Escrow: 5

TOTAL ESCROW SAVED- Through July 30, 2026 - \$12,501.00

Marblehead –\$9,590.

Salem - \$2,922.

MONTHLY HIGHLIGHTS

- Women's Money Matters –8 participants (2 participants joined group on different night)
Excellent attendance! Start date: May 12, 6:30-8:00 End date: June 30
Each participant provided positive feedback and received a \$50giftcard to Market Basket
- Uncommon Threads – New partnership established with non-profit organization with a mission to “help low-income women see and feel their true potential by using clothing and image as tools for building self-esteem and self-worth.” One participant received a “styling session” this month and went home feeling “joyful” with 5 outfits including jackets, shoes and jewelry.
- Laptop Lending Library Kickoff Celebration with Housing Authority Resident Service Team – Tues. July 27 in Marblehead 4-5:30pm
Wed. July 28 in Salem 5-6:30pm

UPCOMING ACTIVITIES & FOCUS AREAS

- Continue intake and enrollment in Future Forward Program
- Assistance with development and outreach for the Range Program providing computer literacy classes for Salem residents.

Salem Housing Authority

27 Charter Street
Salem, MA 01970

(978)744-4431



Cathy Hoog
Executive Director

JULY 1-31 2026

Kathlyn Valianti

JULY RSC MONTHLY REPORT

NEW Referrals to RSC: 5

Ongoing case management/referrals: 30

Category:

<u>Mental / behavioral health</u>	<u>3</u>
<u>Housing stabilization support / One time deep cleaning</u>	<u>1</u>
<u>Re-certification assistance</u>	<u>0</u>
<u>Housekeeping/ Agency referrals</u>	<u>1</u>
<u>Wellness & fitness</u>	<u>22</u>
<u>Nutrition/Snap applications, food pantry resources</u>	<u>6</u>
<u>Healthy food options, food pantry and emergency shopping</u>	<u>6</u>
<u>Community Engagement / Socialization</u>	<u>63</u>
<u>Health insurance / Health supportive services</u>	<u>8</u>
<u>Distribution of flyers and community events</u>	<u>586</u>
<u>Robo calls</u>	<u>692</u>

Referrals made out to other places:

- Salem COA, Salem Pantry, Life Bridge, Gather Health HOU, MassHealth, Healthy Living, Element Care/PACE, AgeSpan, Disability Resource Center, North Shore Community Action Program, Salem Commission on Disability, Mission of Deeds, REACT, Salem Fire Department, Salem PD, The Brookhouse for Woman, The Bertram House, Big Brother/Big Sister, Salvation Army, Gardener Mattress Company, Care Dimensions, Mass Rehabilitation Commission, Salem Community Gardens

Other important info to include:

Weekly Community Garden Time, Palmer Cove

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7/1/26 React High Risk team meeting, Salem Council on Aging.

7/2/26 No Manager's meeting this month

7/6/26 Pioneer Community hours

7/8/26 Kelley Flower arranging, Morency/Dalton

7/15/26 Kelley Flower arranging Charter St.

7/21/26 Ceffee conversations with James at Charter St.

7/22/26 RSC meeting at Charter St

7/22/26 Kelley Flower arranging, Pioneer/Bertram

7/22/26 Gather Health Bingo and Ice cream at Pioneer Terrance

7/27/27 Pioneer Community hours.

Key Tech computer classes have started at Charter St. and Morency/Dalton

6/3/26 Charter St Class

6/8/26 Morency/Dalton Class

6/10/26 Charter St. Class

6/15/26 Morency/Dalton Class

6/17/26 Charter St. Class (Last Class)

6/16/26 Art and Culture TAP training

- Distributed flyers for Kelley Annese; Memory Café and Reiki at the Council on Aging Planning for computer loan program
- Planning social monthly community engagement / workshops at Morency, Dalton, and Pioneer community rooms (Coffee hour, snacks, movies, games, etc.)
- RSC's planning to schedule monthly game events
- Weekly office hours at Pioneer Terrace Community Room.
- Meet with other community organizations- EPNG, NorthShore REACT
- Posted informative pamphlets to upcoming workshops and Events and food resource information.

Post up local events-Social Programs, Transportation schedule, and outing events hosted by COA.

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Cathy Hoog
Executive Director

July 1- 31 2026
Mary Ann Kairouz

RSC MONTHLY REPORT

NEW Referrals to RSC: 9
Ongoing case management/referrals: 30

Category:

<u>Mental / behavioral health</u>	<u>4</u>
<u>Housing stabilization support / One time deep cleaning</u>	<u>1</u>
<u>Re-certification assistance</u>	<u>5</u>
<u>Housekeeping/ Agency referrals</u>	<u>0</u>
<u>Wellness & fitness</u>	<u>22</u>
<u>Nutrition/Snap applications, food pantry resources</u>	<u>77</u>
<u>Healthy food options, food pantry and emergency shopping</u>	<u>3</u>
<u>Community Engagement / Socialization</u>	<u>63</u>
<u>Health insurance / Health supportive services</u>	<u>8</u>
<u>Other- Distribution of flyers and community events</u>	<u>586</u>
<u>Other-Robo calls-----</u>	<u>692</u>

Referrals made out to other places:

- Salem COA, Salem Pantry, Life Bridge, Gather Health HOU, MassHealth, Healthy Living, Element Care, AgeSpan, Disability Resource Center, Element Care, North Shore Community Action Program, Salem Commission on Disability, Mission of Deeds, REACT, Salem Fire Department, Salem PD, The Brookhouse for Woman, The Bertram House, Big Brother/Big Sister, Salvation Army, Gardener Mattress Company, Care Dimensions

Other important info to include:

- 7/1/26 React High Risk team meeting, Salem Council on Aging.
- 7/21/26 Charter St Rev James Coffee Hour
- 7/8/26 Morency/Dalton Kelley Flowers Power workshop

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Cathy Hoog
Executive Director

- 7/6/26, 7/20/26, 7/27/26 Morency and Charter St. food pantry
- 7/28/26 RSC coffee hour fire safety presentation at Charter St
- 7/15/26 Charter st Kelley Flowers Power workshop
- 7/22/26 Kelley Flowers Power workshop
- 7/22/26 Ice Cream Bingo Social with Gather Health Morency
- 7/22/26 Ice Cream Bingo Social with Gather Health Pioneer Terrace
- 7/6/26, 7/20/26, 7/27/26 Pioneer Community Hours
- 7/7/26, 7/8/26, 7/21, 7/28 Morency Community Hours
- Planning social monthly community engagement / workshops at Morency, Dalton, and Pioneer community rooms (Coffee hour, snacks, movies, games, etc.)
- RSC's planning to schedule monthly game events
- Meet with other community organizations- EPNG, NorthShore REACT
- Posted informative pamphlets to upcoming workshops and Events and food resource information.
- Post up local events-Social Programs, Transportation schedule, and outing events hosted by COA.

Salem Housing Authority

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Cathy Sheehan
Executive Director

July 1 – July 31, 2026
Alexandra Dominguez

RSC MONTHLY REPORT

Total Referrals to RSC:

New Referrals: 0

New Housing Now Participants this month: 4

Categories of services and the number of tenants provided services:

<u>Mental-behavioral health</u>	<u>0</u>
<u>Housing stabilization support, case management</u>	<u>10</u>
<u>Re-certification, change in income assistance</u>	<u>2</u>
<u>Childcare voucher assistance</u>	<u>2</u>
<u>Nutrition-SNAP application and list food pantry resources</u>	<u>2</u>
<u>healthy food access-assisting at food panty & emergency food shopping</u>	<u>35</u>
<u>Community Engagement, Socialization</u>	<u>35</u>
<u>Health insurance, Health supportive services</u>	<u>1</u>
<u>Other- resources posted in buildings</u>	<u>0</u>
<u>Other-passed out/mailed to tenants (Mass Mailing)</u>	<u>538</u>
<u>Other- robo calls of events or services</u>	<u>1</u>
<u>Families Robo call</u>	<u>1</u>

Referrals made out to other places:

- MassHire, DTA, Future Forward, Women's Money Matters, HomeBASE, RAFT, Mission of Deeds, Household Goods, Child Care Circuit, Angela's Daycare, Salvation Army, St. Peter's Pathways Family Resource Center, Catholic Charities Salem, St. Vincent De Paul, Summer EATS program, Sun BUCKS program, Healthy Incentives Program (HIP), Xfinity Essentials, National Grid, Salem Farmers Market, Northeast ARC (Early Intervention),

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Cathy Sheehan
Executive Director

Other important info to include:

- Attended EOHLC's Specialized Family & Supportive Services (SFSS) Open Office Hours (OOH) virtually: DTA presentation on updates on EBT cards equipped with EMV microchips and tap-to-pay technology presented by Rachel Goldstein (DTA Deputy Commissioner for Administration and Finance).
- Attended a virtual training on topic "Leveraging Executive Function Awareness for Effective Service Delivery" presented by Tom Ellis. The training was held on July 9th from 10am-11:30am and was paid for by the Housing Now Program Flex funds.
- Socialized and interacted with Rainbow residents at the Mobile Pantry on Mondays 3-4pm. Passed out flyers for the Laptop Lending Library and Laptop Library Kick Off Event.
- No Open Office Hours were held in the month of July.
- RSC's MaryAnn Kairouz and Alex Dominguez coordinated an Ice Cream Truck Event for all Family Housing Residents. The event will take place at each family housing development with the truck traveling to each site on Saturday, August 29th 1-5pm. One free ice cream per person in each household. This event is funded through the Housing Now Program Flex funds.
- RSC's Alex Dominguez, Sandra Reiniger, and MaryAnn Kairouz, sent out a mass mailing to all State Housing residents. The mailing included a flyer about the new Laptop Lending Library, Laptop Kick-off event, and a flyer for the Ice Cream Truck event.
- RSC's held event at SHA Section 8 Office on Canal St. for the Laptop Lending Library. Eight laptops were loaned to residents at this event.
- As of July 1, 2026, funding began for an additional four (4) units to be used towards the Housing Now Program, bringing the total number of units set aside for the program to twelve (12).
- As of July 31, 2026, there are a total of ten (10) families on the Housing Now Program, resulting in an 83% occupancy rate. Four of those ten families came onto the program in July.
- Alex Dominguez and Lilly Rojas are awaiting screening documents from two more Housing Now applicants/families for the two- and three-bedroom vacancies available at Rainbow Terrace. They are hopeful of having these two units leased by the end of August.

Salem Housing Authority

Maintenance Operations

August 2026 Board Report

1. Work Order Completion Rate

Completed

498

84% of total work orders

Open

97

16% of total work orders

Key Takeaway

- 595 total work orders
- 498 completed
- 84% completion rate
- 97 open as of August 12, 2026 (most of these are completed but need to be closed out in the system)

2. Work Orders by Priority

Priority	Complete	Incomplete	Avg. Days	Visual Scale
Routine	256	59	3.94	
Emergency	197	2	0.63	
Inspection Other	27	17	15.12	
Preventive	13	14	11.81	
Vacant	4	3	6.50	
Inspection UPCS	1	2	0.33	

Key Takeaway

Routine and emergency requests represented the majority of maintenance activity for this reporting period, with 256 routine and 197 emergency work orders completed. Emergency work orders were completed especially quickly, averaging 0.63 days.

3. Average Completion Time

Target	Actual
< 5.00 Days	3.46 Days

4. Resident Satisfaction Follow-Up

Resident Satisfaction

100%

4 of 4 tenants contacted reported favorable results in all categories.

Quality Assurance Results

Measure	Result
Residents Contacted	4
Work Completed	4 of 4 favorable
Timely Completion	4 of 4 favorable
Professional Service	4 of 4 favorable
Resident Satisfaction	100%
Callbacks Needed	None

Key Takeaway

Four tenants were contacted for resident satisfaction follow-up, and all four reported favorable results in every category. No callbacks were necessary.

Summary

For the August 2026 reporting period, the Salem Housing Authority maintenance department processed **595 work orders** across Federal Public Housing, State 689, State 705, State 667, State 200, and related developments. Staff completed **498 work orders**, producing an overall completion rate of approximately **84%**, with **97 open work orders** remaining as of August 12, 2026. The department continued to respond quickly to resident needs, completing **197 emergency work orders** with an average completion time of **0.63 days**. Overall average completion time was **3.46 days**, remaining below the five-day target while staff continued routine repairs, preventive maintenance, vacant unit work, inspections, trash removal, extermination support, plumbing repairs, electrical checks, and safety-related follow-up across SHA properties.

5. Maintenance Performance Dashboard

Indicator	August 2026
Total Work Orders	595
Completed	498
Open / Incomplete	97
Emergency Work Orders Resolved	197
Routine Work Orders Resolved	256
Inspection Other Corrections	27 completed / 17 open
Inspection UPCS Corrections	1 completed / 2 open
Average Completion Time	3.46 Days
Reporting Period	July 1-August 12, 2026

Development Workload Summary

Development / Portfolio	Completed	Open
Federal Elderly	32	3
Federal Family	3	0
Rainbow Terrace	81	17
Garden Terrace	12	6
Bertram Terrace	4	0
27 Charter Street	56	6
Pioneer Terrace	60	10
Morency Manor	22	5
Norton / Bates	48	3
Colonial Terrace	17	11
Phillips / Essex (State 705)	4	0
117 Congress Street	2	7
Farrell Court	5	0
Phillips / Essex (State 689)	2	0

Salem Housing Authority

Elevator Operations Report | August 2026 Board Report

Summary: This August board report summarizes July 2026 elevator activity. Six elevator-area calls were reviewed: three routine items at 5 Barton Square, two emergency calls at 27 Charter Street, and one emergency call at 45 St. Peter Street. Staff found the elevators operating properly when checked, including the 45 St. Peter Street report, and one 27 Charter Street alarm was related to a Comcast phone-line communication failure rather than an elevator equipment outage. This resulted in **zero confirmed outages and zero downtime days**. Delta Beckwith completed monthly preventive maintenance on July 14 and July 15. Four scheduled elevator inspections were cancelled because the state inspector called in sick and will be rescheduled.

9	7	6	0	2	4	0
Listed Elevator IDs	Addresses Tracked	July Calls Reviewed	Confirmed Outages	PM Site Days	Inspections to Reschedule	Downtime Days

Portfolio Status Snapshot

Location	July Activity	Board Note
5 Barton Square	Three routine elevator-area calls: one light out and two cleaning/common-area concerns.	No equipment outage was indicated.
27 Charter Street	Two emergency calls reported elevator concerns: one elevator-not-working report and one communication-failure alarm.	Crews found the elevators operating properly; the communication alarm was tied to a Comcast phone-line issue and no confirmed elevator outage occurred.
45 St. Peter Street	One emergency call reported elevator noise and shaking in the elevator around the corner from the lobby.	Elevator was found operating; Delta Beckwith was called to check the elevator the next business day. No confirmed outage or downtime was reported.
Inspection Follow-Up	Four inspections were scheduled but cancelled.	Cancelled due to the state inspector calling in sick; inspections will be rescheduled.

July Call Detail

July elevator calls included three routine items at 5 Barton Square, two emergency calls at 27 Charter Street, and one emergency call at 45 St. Peter Street. Staff found the elevators operating when checked. One 27 Charter Street alarm condition was linked to a Comcast phone-line communication issue, and the 45 St. Peter Street concern was referred to Delta Beckwith for next-business-day review.

Date / WO	Location / Priority	Issue and Outcome
07/04/2026 WO 80091	5 Barton Square Routine	Common-area cleaning concern involving feces in the elevator. Staff found and addressed the condition; no equipment outage was indicated.
07/05/2026 WO 80094	27 Charter Street Emergency	Elevator reported not working. Crews found the elevator operating properly upon arrival; no confirmed outage or repair downtime.
08/04/2026 WO 80467	27 Charter Street, Apt. 1004 Emergency	Alarm reported communication failure for several hours. Elevator was found operating; issue was related to a Comcast phone line and cleared once Comcast service was resolved. No confirmed elevator outage.
08/01/2026 WO 80489	45 St. Peter Street, Apt. 502 Emergency	Tenant reported elevator noise and shaking around the corner from the lobby. Staff found the elevator operating and called Delta Beckwith to check it the next business day. No confirmed outage or downtime.
07/07/2026 WO not listed	5 Barton Square Routine	Elevator cleaning request after a spill/residue was found in the elevator. No equipment outage was indicated.
07/14/2026 WO 80241	5 Barton Square Routine	One light reported out in the elevator. Assigned to maintenance for routine follow-up.

Preventive Maintenance and Inspection Follow-Up

Area	July Status
Preventive maintenance	Delta Beckwith was on site July 14 and July 15 for monthly preventive maintenance.
Inspections	Four scheduled inspections were cancelled because the state inspector called in sick. They will be rescheduled and tracked through completion.

Monthly Takeaways: July elevator activity remained manageable, with no confirmed elevator downtime. Routine service attention was concentrated at 5 Barton Square. Emergency calls at 27 Charter Street and 45 St. Peter Street were checked and found not to be confirmed elevator outages. One 27 Charter alarm was related to a Comcast phone-line communication failure, and the 45 St. Peter Street concern was referred to Delta Beckwith for next-business-day review. Delta Beckwith completed preventive maintenance on two site days, and the primary follow-up item is rescheduling the four cancelled inspections.

Elevator IDs and Inspection Register

Elevator ID	Address	Inspection Status
258-P-18 Left / 258-P-19 Right	27 Charter Street	Current; no July confirmed outage
258-P-1	5 Barton Square	Current; July calls were routine service/cleaning items
258-P-68 / 258-P-235 / 258-P-45	292 Essex, 3 Broad, 86 Essex	Inspection follow-up / reschedule needed
258-P-192 South / 258-P-395 North / 258-P-236	45 St. Peter Street / 205 Bridge Street	Current based on inspection register

Kitchen Remodeling Progress

Estimated kitchen remodel activity by vendor, property, and unit/property group, with turnover data

Focus: Kitchen remodeling progress, cabinet and countertop purchasing, a practical tracker for estimated kitchen remodels and updates.

Kitchen Remodel Summary

The data shows a broad kitchen improvement effort across the portfolio.

Kitchen Remodel and Update Data - 1/1/2019 – 7/1/2026

Kitchens	Estimated Result	Board Takeaway
Rainbow Terrace / RT Estimated Kitchens	50+ kitchens	RT cabinet lines are the strongest remodel counts
Other Identified Kitchen Improvement Lines	146+ kitchens 667, 200, 705, federal	Kitchen remodels and updates appear across family, elderly, state, and federal properties.
Supporting Turnover Context	523 completed turnovers	Turnovers create the opportunity to complete kitchen modernization while units are vacant.

Turnover Context	Completed	Kitchen Remodel Relevance
State 667	326	Supports elderly-site kitchen refresh opportunities.
State 200	142	Includes Rainbow Terrace and Garden Terrace,
State 705 / 689	33	Includes Phillips/Essex and Farrell Court unit opportunities.
Federal Public Housing	22	Includes Barton, Zisson, Boston Street, Bridge Street, and Hathorne

Estimated Kitchen Remodel Coverage by Property

The properties below are the priority kitchen-remodel reporting universe for this handout. Counts are estimated from cabinet/countertop purchase signals, and unit turnover context. Where cabinet entries do not identify a specific unit, the tracker uses a property-level estimate and flags the record for confirmation.

Property / Development	Estimated Kitchen Remodel
Rainbow Terrace	50+ estimated kitchens
Garden Terrace	14 estimated kitchens
Colonial Terrace	7 estimated kitchens
Phillips: 84, 86, 88 Essex Street	7 estimated kitchens
27 Charter Street	41+ estimated kitchen
205 Bridge Street / Dalton	5 estimated kitchens
292 Essex Street / Zisson	8 estimated kitchens
Morency Manor	3 estimated kitchens
5 Barton Square / Power	7 estimated kitchens
Boston / Bridge / Hathorne Federal Family	5 estimated kitchens
Pioneer Terrace	17+ estimated kitchens
Leefort, Farrell, Bates, Norton, Bertram	30+ estimated kitchens

Detailed Kitchen Remodel Tracker

Property	Unit / Property Group	Estimated Kitchen Count
Rainbow Terrace	RT cabinet entries	50+
Colonial Terrace	Unit-specific cabinet/countertop purchases to be matched	7
Garden Terrace	Units appearing in turnover data: 1, 5, 7, 9, 10, 12, 13, 15, 16, 17, 21, 23, 27, 29	14
205 Bridge Street / Dalton	Units 101-109, 201-210, 301-312 appearing in turnover data	5
Phillips / Essex	705-4 Units 201 and 203	2
Phillips: 84, 86, 88 Essex Street	Units 1, 2, 202, 302, 303, 304, 305	7
292 Essex Street / Zisson	Units 1201, 1203, 1206, 1302, 1304, 1306, 1307, 1308	8
5 Barton Square / Power	Units 2301, 2305, 2307, 2401, 2402, 2403, 2407	7

Boston / Bridge / Hathorne Federal Family	121.5 Bridge; 122.5 Boston Units 5001, 5002; 73 Boston Units 6002, 6003; 2 Hathorne Crescent Unit 3001	5
Morency Manor / 45 Saint Peter Street	Unit-specific cabinet/countertop purchases to be matched	3
27 Charter Street	Unit-specific cabinet/countertop purchases to be matched	41+
Bates Terrace	Unit-specific cabinet/countertop purchases to be matched	5
Norton Terrace	Unit-specific cabinet/countertop purchases to be matched	5
Leefort Terrace	Units 8, 13, 17, 23, 31, 33, 38 and interior unit reference	7
Bertram Terrace	Units 2, 3, 4, 6, 10, 11, 12, 15, 17	9
Farrell Court	17 - 21 Farrell Court Units 1, 2, 3, 4	4
Pioneer Terrace	Unit-specific cabinet/countertop purchases to be matched	17+

Salem Housing Authority

Inspection Operations Report – August 2026

As of August 12, 2026, the Salem Housing Authority completed **127 inspections** across Federal Public Housing, State 200, State 667, State 705, and related programs. The completed inspection report covers activity **through August 12, 2026** and includes annual inspections across all listed projects and inspectors.

Overall, **44 inspections passed, 82 inspections failed, and 1 inspection was inconclusive**, resulting in an approximate **35% pass rate** for the completed inspection activity listed in this August update.

The largest inspection volume was concentrated in the State 667 Elderly portfolio, with **81 completed inspections**, followed by State 200 with **28**, State 705 with **14**, and Federal Public Housing with **4**. Follow-up needs are most urgent in developments with high failure counts, including Rainbow Terrace, 117 Congress Street, Pioneer Terrace, Norton/Bates, 27 Charter Street, and Colonial Terrace.

Dashboard

Completed inspection results through August 12, 2026

Total Completed		Passed	Failed	Pass Rate
127		44	82	35%
Metric	August Result	Operational Meaning		
Total Inspections Completed	127	Completed inspections across Federal Public Housing, State 200, State 667, and State 705 from June 1 through August 12, 2026.		
Passed	44	Passed results were strongest in portions of the State 667 Elderly portfolio and selected Federal Public Housing units.		
Failed	82	Failed results require active work-order closeout, resident follow-up, and reinspection scheduling.		
Pass Rate	35%	Overall pass rate indicates a need for focused corrective action and consistent reinspection tracking.		

Inspection Activity by Development

Development / Project	Program	Total	Passed	Failed	Other	Follow-Up Priority
Federal Family: 122.5 Boston, 73 Boston, 121.5 Bridge	Federal Public Housing	4	2	2	0	Medium
Rainbow Terrace	State 200 Family	23	3	20	0	High
Total	All Programs	127	44	82	1 inconclusive	Portfolio follow-up

This report reflects completed inspection activity listed through August 12, 2026. Inspection work was completed by Luis Lopez, and Patric Bishop, with the state portfolio representing the majority of the reported activity.

Insights

- **Overall workload:** 127 completed inspections were recorded through August 12, 2026.
- **Largest program area:** State 667 Elderly accounted for 81 completed inspections, or nearly two-thirds of the total activity.
- **Highest follow-up need:** Rainbow Terrace, 117 Congress Street, Norton/Bates, Pioneer Terrace, 27 Charter Street, Garden Terrace, and Colonial Terrace require active closeout tracking due to high failed-inspection counts.
- **Operational priority:** work orders, resident notifications, and scheduled reinspections.

Program-Level Inspection Activity

Program	Inspections	Passed	Failed	Other	Pass Rate
Federal Public Housing	4	2	2	0	50%
State 200	28	4	24	0	14%
State 667	81	36	44	1 inconclusive	44%
State 705	14	2	12	0	14%
Total	127	44	82	1 inconclusive	35%

Salem Housing Authority

Security & Door Entry Systems

Building	System	Installed	Functionality / Planning Status
27 Charter St.	Tek-Tone	1974	Fully operational; oldest system and future funding candidate.
45 St. Peter St. (Morency)	Tek-Tone	1983	Fully operational; maintain and plan for future replacement funding.
205 Bridge St. (Dalton)	Tek-Tone	1989	Fully operational; evaluate replacement when funding is available.
292 Essex St. (Zisson)	Comelit	2011/2012	Fully operational; continue routine monitoring.
5 Barton Sq.	Tek-Tone	1983	Fully operational; maintain and plan for future replacement funding.
Phillips House	Tek-Tone	1985	Fully operational; evaluate through capital planning.
J. Michael Ruane	Tek-Tone	1990	Fully operational; evaluate through capital planning.
33 Park St. / 26 Prince St.	Apple Core Electronics	1990	Fully operational; include in future funding review.
117 Congress St.	Apple Core Electronics	1990	Fully operational; include in future funding review.

Functionality & Funding Summary

All listed door-entry systems are currently functioning as intended, remain serviceable, and replacement parts are available. SHA's approach will focus on maintaining reliable daily operation while planning for future upgrades based on resident experience, functionality, long-term capital needs, and funding availability. Because full system replacement is expensive, the oldest systems should be treated as future funding candidates rather than urgent failures.

Recommended next steps: continue routine maintenance; confirm parts availability during annual review; prepare phased cost estimates; identify grant or capital funding opportunities; and prioritize any future replacement work around functionality, resident convenience, and available funding.



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June 29, 2026

CONFIDENTIAL

To the Board of Commissioners
Salem Housing Authority
27 Charter Street,
Salem, MA 01970

Re: Communication to Those Charged with Governance

We have audited the financial statements of the Salem Housing Authority (the "Authority") for the year ended September 30, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and OMB Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated October 31, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Authority are described in Note 2 to the financial statements.

During 2025, the Authority adopted GASB Statement No. 101, *Compensated Absences*, the impact of which was immaterial to the Authority's financial statements. The Authority also adopted GASB Statement No. 102, *Certain Risk Disclosures*, which did not impact the financial statements.

We noted no transactions entered into by Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of the pension and OPEB liabilities are based on actuarial valuations prepared to calculate the Authority's liability. We evaluated the key factors and assumptions used to develop the pension and OPEB liabilities in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Independence

During the year ended September 30, 2025, we were engaged to provide financial statements preparation, assist with the preparation of the data collection form for the federal audit clearinghouse, and assist with the REAC Agreed-Upon Procedures. We reviewed the nature of the requested work, our role and management's role and determined that our independence would not be impaired, in fact or appearance.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 29, 2026.

Significant Unusual Transactions

For purposes of this letter, professional standards define *significant unusual transactions* as transactions that are outside the normal course of business for the Company or that otherwise appear to be unusual due to their timing, size or nature. We did not identify any significant unusual transactions during our audit.

Related Party Relationships and Transactions

As part of our audit, we evaluated the Company's identification of, accounting for, and disclosures of the Company's relationships and transactions with related parties as required by professional standards. We did not identify any related parties or related party relationships or transactions that were previously undisclosed to us; significant related party transactions that have not been approved in accordance with the Company's policies or procedures or for which exceptions to the Company's policies or procedures were granted; or significant related party transactions that appeared to lack a business purpose.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Authority's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

During our audit, we observed that the current capitalization threshold of \$1,000 is lower than industry best practices, resulting in unnecessary administrative burden from tracking and depreciating low-value assets. We recommend increasing the capitalization threshold to at least \$5,000 to streamline asset management, align with regulatory guidance, and improve financial reporting clarity. Per Governmental Accounting Standards Board (GASBS) No. 34, *Basic Financial Statements — and Management's Discussion and Analysis — for State and Local Governments*, the Authority may consider increasing the threshold to as much as \$10,000.

Other Matters

We applied certain limited procedures to Management's Discussion and Analysis, Schedule of Changes in the Total OPEB Liability and Related Ratios, Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios, and Schedule of Pension Contributions, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

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

Salem Housing Authority
June 29, 2026
Page 4

Restriction on Use

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

Very truly yours,

CBIZ CPAs P.C.

Boston, Massachusetts

SALEM HOUSING AUTHORITY

FINANCIAL STATEMENTS

**AS OF AND FOR THE YEAR ENDED
SEPTEMBER 30, 2025**

SALEM HOUSING AUTHORITY

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SALEM HOUSING AUTHORITY

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Independent Auditors' Report

To The Board of Commissioners
Salem Housing Authority
Salem, Massachusetts

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Salem Housing Authority (the "Authority"), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Authority, as of September 30, 2025, and the changes in financial position, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control—related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the required supplementary information on pages 44 through 47 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The supplementary information on pages 48 through 52, as listed in the table of contents, and the and the Schedule of Expenditures of Federal Awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information on pages 48 through 52, as listed in the table of contents, and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2026, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

CBIZ CPAs P.C.

Boston, Massachusetts
June 29, 2026

SALEM HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION & ANALYSIS

SEPTEMBER 30, 2025

OVERVIEW OF THE FINANCIAL STATEMENTS

The Salem Housing Authority (the Authority) is pleased to present its basic financial statements as of and for the year ended September 30, 2025, which have been prepared in accordance with U.S. generally accepted accounting principles (GAAP). GAAP requires the inclusion of three basic financial statements: the statement of net position; the statement of revenues, expenses, and changes in net position; and the statement of cash flows. In addition, GAAP requires the inclusion of this management's discussion and analysis (MD&A) section as required supplementary information.

The basic financial statements provide both long-term and short-term information about the Authority's overall financial condition. The basic financial statements also include notes that provide additional information.

As provided for under GAAP, the Authority uses the accrual basis of accounting to prepare its basic financial statements. Under this basis of accounting, revenues are recognized in the period in which they are earned and expenses, including depreciation and amortization, are recognized in the period in which they are incurred. All assets and liabilities associated with the operation of the Authority are included in the statement of net position.

This section of the Authority's annual financial report presents our discussion and analysis of the Authority's financial performance during the year ended September 30, 2025, with comparative data for the year ended September 30, 2024. Please read this section in conjunction with the Authority's basic financial statements, which immediately follow this section.

HIGHLIGHTS

- Assets and deferred outflows of resources of the Authority exceeded liabilities and deferred inflows of resources at September 30, 2025 by \$15,332,986 (net position), representing a decrease of \$98,939 from the prior year.
- Total revenues decreased by \$7,040,759 from the prior year, while total expenses increased by \$2,685,465.
- The Authority's current ratio that measures liquidity increased during the year from 2.92 to 3.21.
- The Authority's total debt decreased from \$367,189 to \$327,781.

SALEM HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION & ANALYSIS

SEPTEMBER 30, 2025

OVERVIEW OF THE AUTHORITY'S OPERATIONS

The Authority was established to provide decent and safe rental housing for eligible low-income families, the elderly, and persons with disabilities. These services are provided through the administration of the following programs:

Federal Programs

Low Rent Public Housing Program
Public Housing Capital Fund Program
Section 8 Housing Choice Voucher Program
Family Self Sufficiency Program

State/Local and Other Programs

State Consolidated Housing
Massachusetts Rental Voucher Program
State Modernization Program
Management Activities

State/Local and Other Programs

Housing Opportunities of Salem, Inc.

For additional information on the Authority's programs, see the notes to financial statements.

SALEM HOUSING AUTHORITY

MANAGEMENT'S DISCUSSION & ANALYSIS

SEPTEMBER 30, 2025

FINANCIAL ANALYSIS

Summary of Net Position

Presented below is the Authority's condensed summary of net position at September 30, 2025 compared to September 30, 2024. The statement of net position presents the assets and deferred outflows of resources, liabilities and deferred inflows of resources, and net position of the Authority at the end of the fiscal year. The purpose of the statement of net position is to give the financial statement readers a snapshot of the fiscal condition of the Authority as of a certain point in time. It presents end of year data for assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position (assets and deferred outflows of resources, minus liabilities and deferred inflows of resources).

SUMMARY OF NET POSITION September 30, 2025 and 2024

	2025	2024	Change	% Change
Current Assets	\$ 7,766,808	\$ 8,219,954	\$ (453,146)	-5.51%
Capital Assets	9,728,740	9,556,706	172,034	1.80%
Other Noncurrent Assets	7,839,808	7,768,452	71,356	0.92%
Total Assets	25,335,356	25,545,112	(209,756)	-0.82%
Deferred Outflows of Resources	1,540,221	2,265,096	(724,875)	-32.00%
Current Liabilities	2,417,962	2,815,910	(397,948)	-14.13%
Noncurrent Liabilities	7,489,508	7,618,577	(129,069)	-1.69%
Total Liabilities	9,907,470	10,434,487	(527,017)	-5.05%
Deferred Inflows of Resources	1,635,121	2,141,674	(506,553)	-23.65%
Net investment in capital assets	9,400,959	9,189,518	211,441	2.30%
Restricted	147,738	147,579	159	0.11%
Unrestricted	5,784,289	5,896,950	(112,661)	-1.91%
Total Net Position	\$ 15,332,986	\$ 15,234,047	\$ 98,939	0.65%

SALEM HOUSING AUTHORITY

MANAGEMENT'S DISCUSSION & ANALYSIS

SEPTEMBER 30, 2025

Total assets of the Authority at September 30, 2025 and 2024 were \$25,335,356 and \$25,545,112, respectively, a change of 0.82%. The significant components of current assets are cash and receivables. The significant components of noncurrent assets are capital assets and notes receivable. Capital assets include land, buildings and building improvements, construction in progress, and equipment. All capital assets except for land and construction in progress are shown net of accumulated depreciation.

Total liabilities of the Authority at September 30, 2025 and 2024 were \$9,907,470 and \$10,434,487, respectively, a change of 5.05%. Current liabilities include accounts payable, accrued liabilities and unearned revenue. Noncurrent liabilities are primarily made up of the long-term portion of debt, pension and OPEB liabilities.

Deferred inflows and outflows of resources relate to the Authority pension and OPEB liabilities. In 2025, the Authority's deferred outflows decreased by \$724,875 and deferred inflows decreased by \$506,553. These changes are the result of fluctuations in the actuarial valuations of the liabilities and the change in the value of pension assets.

Net position represents the Authority's equity, which is accounted for in three major categories. The first category, net investment in capital assets, represents the Authority's equity in land, buildings and building improvements, construction in progress, and equipment, net of related capital debt outstanding. The next net position category is restricted net position; this shows the amounts subject to external restriction. The last category is unrestricted net position; these funds are available to use for any lawful and prudent purpose of the Authority. Unrestricted net position decreased by \$112,661, or 1.91%, for the fiscal year.

SALEM HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION & ANALYSIS

SEPTEMBER 30, 2025

Summary of Revenues, Expenses and Changes in Net Position

Presented below is the condensed summary of revenues, expenses and changes in net position information for fiscal year ended September 30, 2025 compared to the year ended September 30, 2024. The information reflects the results of operations for the Authority and displays the sources of revenue, the nature of expenses for the year and the resulting change in net position. All revenues and expenses are accounted for on an accrual basis. See notes to financial statements.

SUMMARY OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the years ended September 30, 2025 and 2024

	2025	2024	Change	% Change
Revenue				
Operating Revenues	\$ 34,534,367	\$ 32,668,319	\$ 1,866,048	5.71%
Non-operating Revenues	1,208,826	10,115,633	(8,906,807)	-88.05%
Total Revenues	35,743,193	42,783,952	(7,040,759)	-16.46%
Expenses				
Housing assistance payments	25,690,432	23,588,631	2,101,801	8.91%
Administration	4,273,378	3,837,931	435,447	11.35%
Repair and maintenance	2,543,769	2,383,200	160,569	6.74%
Utilities	1,429,086	1,440,869	(11,783)	-0.82%
Depreciation expense	936,204	1,073,086	(136,882)	-12.76%
Insurance expense	424,463	370,734	53,729	14.49%
Other general expenses	303,603	216,280	87,323	40.37%
Tenant services	15,381	17,033	(1,652)	-9.70%
Interest expense	27,938	31,025	(3,087)	-9.95%
Total Expenses	35,644,254	32,958,789	2,685,465	8.15%
Change in Net Position	98,939	9,825,163	(9,726,224)	-98.99%
Net Position - Beginning of Year	15,234,047	5,408,884	9,825,163	181.65%
Net Position - End of Year	\$ 15,332,986	\$ 15,234,047	\$ 98,939	0.65%

SALEM HOUSING AUTHORITY

MANAGEMENT'S DISCUSSION & ANALYSIS

SEPTEMBER 30, 2025

Generally, operating revenues are amounts received for providing housing to the Authority's tenants as well as subsidies and grants received from the U.S. Department of Housing and Urban Development (HUD) that provide significant funding for the operations of the Authority's housing programs. Operating expenses are those incurred to operate, maintain, and repair the housing units and to provide supportive services to the tenants of the Authority. Nonoperating revenues are revenues earned for which goods and services are not provided, for example, interest income. Capital grants represent revenues earned for public housing capital repairs.

Significant changes in revenues and expenses from the fiscal year ended September 30, 2024 to September 30, 2025 include the following:

- Operating revenues increased by \$1,866,048, or 5.71%, due to increases in funding for the Section 8 Housing Choice Voucher and State Consolidated Housing Programs. In addition, there was an increase in tenant rent revenues.
- Nonoperating revenues decreased by \$8,906,807, or 88.05%, due to a decrease in capital improvement activity funded by the State Modernization Program during the year. The Authority received one-time funding from HLC for redevelopment of the Leefort Terrace property and recognized one-time gain on sale of assets related to sale of the Leefort Terrace property to BC Leefort Terrace, LLC.
- Housing assistance payments increased by \$2,101,801, or 8.91%, due to an increase in average contract rents.
- Repair and maintenance expenses increased by \$160,569, or 6.74%, due to an increase in unit turnovers during the year.
- Administrative expenses increased by \$435,447, or 11.35%, due to an increase in administrative salaries and an increase in employee benefits expense caused by fluctuations in the pension and OPEB liabilities.

SALEM HOUSING AUTHORITY

MANAGEMENT'S DISCUSSION & ANALYSIS

SEPTEMBER 30, 2025

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At September 30, 2025, capital assets, net of accumulated depreciation was \$9,728,740 which includes land, buildings and building improvements, construction in progress, and equipment. The schedule below reflects the changes in capital assets, net of depreciation, from September 30, 2024 to September 30, 2025:

CAPITAL ASSET ANALYSIS September 30, 2025 and 2024

	2025	2024	Change	% Change
Land	\$ 2,333,100	\$ 2,333,100	\$ --	0.00%
Buildings	45,001,644	45,001,644	--	0.00%
Furniture and equipment	1,043,953	1,043,953	--	0.00%
Leasehold improvements	434,038	434,038	--	0.00%
Construction in progress	4,148,314	3,040,076	1,108,238	36.45%
Total capital assets	52,961,049	51,852,811	1,108,238	2.14%
Accumulated depreciation	(43,232,309)	(42,296,105)	(936,204)	2.21%
Capital assets, net of accumulated depreciation	\$ 9,728,740	\$ 9,556,706	\$ 172,034	1.80%

The majority of the additions were attributable to construction in progress. Additional information on the Authority's capital assets can be found at Note 10 in the notes to financial statements.

SALEM HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION & ANALYSIS

SEPTEMBER 30, 2025

Long-Term Debt

At September 30, 2025, the Authority had total long-term debt of \$327,781, a decrease of \$39,408 compared to the prior year. Additional information on the Authority's long-term debt can be found in the notes to financial statements.

LONG TERM DEBT ANALYSIS
September 30, 2025 and 2024

	2025	2024	Change	% Change
Long term debt	\$ 327,781	\$ 367,189	\$ (39,408)	-10.73%

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Significant economic factors affecting the Authority's budget in the next year are as follows:

- The Authority is primarily dependent upon HUD and the Massachusetts Executive Office of Housing and Livable Communities (HLC) for the funding of its federal and state programs, respectively; therefore, the Authority is affected more by the federal and state budget than by local economic conditions.
- Local labor supply and demand, which can affect salary and wage rates.
- Local inflationary, recessionary and employment trends, which can affect resident incomes and, therefore, the amount of rental income.
- Inflationary pressure on utility rates, housing costs, supplies and other costs
- Current trends in the housing market.
- Local and national property rental markets that determine Housing Assistance Payments.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Authority's finances for all those interested. Questions concerning any of the information presented in this report or requests for additional information should be addressed to Cathy Sheehan, Executive Director, Salem Housing Authority, 27 Charter Street, Salem, MA 01970.

SALEM HOUSING AUTHORITY

STATEMENT OF NET POSITION

SEPTEMBER 30, 2025

ASSETS

Current Assets

Cash and cash equivalents	\$ 7,330,438
Restricted cash	156,417
Accounts receivable, net	118,491
Prepaid expenses and other current assets	161,462
Total Current Assets	7,766,808

Noncurrent Assets

Restricted cash	84,657
Notes receivable, net of current portion	7,755,151
Capital assets, non-depreciable	6,481,414
Capital assets, net of accumulated depreciation	3,247,326
Total Noncurrent Assets	17,568,548

TOTAL ASSETS 25,335,356

DEFERRED OUTFLOWS OF RESOURCES 1,540,221

The accompanying notes are an integral part of these financial statements.

SALEM HOUSING AUTHORITY
STATEMENT OF NET POSITION (CONTINUED)

SEPTEMBER 30, 2025

LIABILITIES

Current Liabilities

Accounts payable, HUD	\$ 273,460
Accounts payable, other government	1,044,633
Current portion of long term debt	40,870
Accrued wages and current portion of compensated absences	262,638
Other accrued expenses	486,211
Unearned revenue	301,471
Tenant security deposits	8,679
Total Current Liabilities	<u>2,417,962</u>

Noncurrent Liabilities

Long term debt, net of current portion	286,911
Accrued compensated absences, net of current portion	211,501
Other noncurrent liabilities	84,657
Net pension liability	2,923,774
OPEB liability	3,982,665
Total Noncurrent Liabilities	<u>7,489,508</u>

TOTAL LIABILITIES 9,907,470

DEFERRED INFLOWS OF RESOURCES 1,635,121

NET POSITION

Net investment in capital assets	9,400,959
Restricted:	
Housing assistance payments	147,738
Unrestricted	<u>5,784,289</u>

TOTAL NET POSITION \$ 15,332,986

The accompanying notes are an integral part of these financial statements.

SALEM HOUSING AUTHORITY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

FOR THE YEAR ENDED SEPTEMBER 30, 2025

OPERATING REVENUES	
HUD grants	\$ 27,048,421
Tenant rental income	3,875,946
Other government grants	2,756,243
Other revenue	853,757
Total Operating Revenues	<u>34,534,367</u>
OPERATING EXPENSES	
Housing assistance payments	25,690,432
Administration	4,273,378
Repair and maintenance	2,543,769
Utilities	1,429,086
Depreciation expense	936,204
Insurance expense	424,463
Other general expenses	303,603
Tenant services	15,381
Total Operating Expenses	<u>35,616,316</u>
Operating Loss	<u>(1,081,949)</u>
NONOPERATING REVENUES (EXPENSES)	
Interest and investment revenue	95,966
Interest expense	(27,938)
Total Nonoperating Revenues (Expenses)	<u>68,028</u>
Loss before Capital Grants	<u>(1,013,921)</u>
CAPITAL GRANTS	
Other government capital grants	1,081,938
HUD capital grants	30,922
Total Capital Grants	<u>1,112,860</u>
Change in Net Position	98,939
Net Position, Beginning of Year	<u>15,234,047</u>
Net Position, End of Year	<u>\$ 15,332,986</u>

The accompanying notes are an integral part of these financial statements.

SALEM HOUSING AUTHORITY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED SEPTEMBER 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES

HUD grants	\$ 27,209,276
Other government grants	1,879,203
Receipts from tenants	3,930,403
Other operating receipts	703,095
Payments to employees	(4,390,218)
Payments to suppliers	(4,182,198)
Payments to landlords	<u>(25,690,432)</u>
Net cash used in operating activities	<u>(540,871)</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Other government capital grants	1,079,331
HUD capital grants	30,922
Interest paid	(27,938)
Payments on long term debt	(39,408)
Acquisitions of capital assets	<u>(1,108,238)</u>
Net cash used in capital and related financing activities	<u>(65,331)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest and dividends received	<u>95,966</u>
Net cash provided by investing activities	<u>95,966</u>

Net decrease in cash, cash equivalents and restricted cash (510,236)

Cash, cash equivalents and restricted cash, beginning of year 8,081,748

Cash, cash equivalents and restricted cash, end of year \$ 7,571,512

The accompanying notes are an integral part of these financial statements.

SALEM HOUSING AUTHORITY

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED SEPTEMBER 30, 2025

Reconciliation of operating loss to net cash used in operating activities:

Operating Loss	\$ (1,081,949)
Adjustments:	
Depreciation	936,204
Change in assets and liabilities:	
(Increase) decrease in accounts receivable, tenants	(46,353)
(Increase) decrease in accounts receivable, other government	(9,327)
(Increase) decrease in prepaid expenses and other current assets	(72,766)
(Decrease) increase in accounts payable, HUD	160,855
(Decrease) increase in accounts payable, other government	(890,385)
(Decrease) increase in compensated absences and accrued wages	91,046
(Decrease) increase in pension, OPEB liabilities, and deferred inflow/outflows of resources	21,964
(Decrease) increase in accrued expenses and other current liabilities	320,414
(Decrease) increase in tenant security deposits	(109)
(Decrease) increase in unearned operating revenue	29,535
Net cash used in operating activities	<u>\$ (540,871)</u>

Cash, cash equivalents and restricted cash per Statement of Net Position:

Cash and cash equivalents	\$ 7,330,438
Restricted cash - current	156,417
Restricted cash - noncurrent	84,657
Total cash, cash equivalents and restricted cash per Statement of Net Position	<u>\$ 7,571,512</u>

The accompanying notes are an integral part of these financial statements.

SALEM HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2025

NOTE 1 – ORGANIZATION

The Salem Housing Authority (the Authority) was incorporated under the laws of the Commonwealth of Massachusetts. The Authority operates under a board of commissioner form of government to provide safe and decent housing to low and moderate-income families and elderly individuals.

The Authority maintains its accounting records by program and operates the following programs:

Federal Programs

Low Rent Public Housing – This program accounts for all activities relating to the leasing and operation of apartments in buildings that were constructed and are owned by the Authority. These units are rented to low income families and low-income elderly, disabled, and special needs individuals. The properties were constructed with grants and or loans provided by the U.S. Department of Housing and Urban Development (HUD). The Authority receives grants from HUD to subsidize operating deficits. Tenants are charged rents based on a percentage of their income.

Public Housing Capital Fund – HUD provides grant funds to authorities with Low Rent Public Housing units on a formula basis. The funds are predominantly used to make physical improvements to buildings and dwelling units owned by the Authority under the Low Rent Public Housing Program. A portion of these funds may also be used to support operations and to make improvements in the management and operation of the Authority.

Section 8 Housing Choice Voucher and the Family Self Sufficiency Program (FSS) – HUD provides grants to the Authority to subsidize rents paid by low income families and individuals who rent dwelling units from private landlords. Under this program, qualified applicants are issued vouchers which may be used by the applicant to obtain housing in the private rental market. The Authority will subsidize the landlord for the difference between the rent requested and the tenant's share of the rent not to exceed a predetermined payment standard.

FSS helps eligible individuals acquire the skills and experience needed to obtain work that pays a living wage, and also offers them an opportunity to save towards home-ownership. The Authority works with welfare agencies, schools, businesses, and other local partners to help FSS participants access services including but not limited to; child care, transportation, education and training, and home-ownership counseling.

SALEM HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2025

NOTE 1 – ORGANIZATION (CONTINUED)

State/Local and Other Programs

State Consolidated Housing – Under these programs, the Authority owns, operates and maintains rental housing acquired with grants from Massachusetts Executive Office of Housing and Livable Communities (HLC). Dwelling units are leased to low income tenants at rates based on their ability to pay. Operations are supported by HLC via operating grants.

Massachusetts Rental Voucher Program (MRVP) – HLC provides grants to subsidize rents paid by low income families and individuals who rent dwelling units from private landlords. Qualified applicants are issued vouchers which may be used by the applicant to obtain housing in the private rental market. The Authority subsidizes the landlord for the difference between the rent requested and the tenant's share of the rent not to exceed a contract amount.

State Modernization Program – HLC provides grant funds to authorities with State Consolidated units based on the Authority's application and determination of need. The funds are predominantly used to make physical improvements to buildings and dwelling units owned by the Authority under the State Consolidated Housing Program.

Management Activities – The Authority accounts for its management of other public housing authorities, for which it earns a monthly management fee.

Component Unit

The Authority's financial statements include the accounts of all of the Authority's operations. The criteria for including organizations as component units within the Authority's reporting entity, as set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the Authority holds the corporate powers of the organization
- the Authority appoints a voting majority of the organization's board
- the Authority is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the Authority
- there is fiscal dependency by the organization on the Authority

SALEM HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2025

NOTE 1 – ORGANIZATION (CONTINUED)

Based on the aforementioned criteria, the Authority's has one blended component unit:

Housing Opportunities of Salem, Inc. (HOSI or the Corporation) – The Corporation is a 501(c)(3) not-for-profit corporation established under the general laws of the Commonwealth of Massachusetts. The Corporation was created to develop and sustain affordable and low-income housing and to provide related resident services within such housing facilities consistent with community needs and desires; and develop, initiate, and operate projects that are in support of the Authority's activities. The Corporation is a blended component unit of the Authority as it shares common board members and the Authority is able to impose its will on the Corporation. Separate financial information for the Corporation is presented in Note 18.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION AND ACCOUNTING

The Authority is a special-purpose government entity engaged only in business-type activities and, as such, the financial statements are presented as a single enterprise fund utilizing the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned and expenses when the related liability for goods and services is incurred, regardless of the timing of the related cash flows.

The Authority's financial statements are prepared in accordance with Governmental Accounting Standards Board (GASB). The Authority follows GASB as applied to governmental entities.

The Authority's primary source of nonexchange revenue relates to grants and subsidies. Grants and subsidies revenue is recognized at the time eligible program expenses occur and/or the Authority has complied with the grant and subsidy requirements, in accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. Grants received in advance of expenses are recorded as a liability until earned.

NEW ACCOUNTING STANDARDS ADOPTED

During 2025, the Authority also adopted GASB Statement No. 101, *Compensated Absences*, the impact of which was immaterial to the Authority's financial statements.

The Authority also adopted GASB Statement No. 102, *Certain Risk Disclosures*. This pronouncement did not impact the basic financial statements.

SALEM HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

USE OF ESTIMATES

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires the use of estimates that affect reported amounts of assets, liabilities, revenues and expenses and related disclosures. Actual amounts could differ from those estimates.

CASH AND CASH EQUIVALENTS

The Authority considers cash equivalents to be all highly liquid investments with a maturity of three months or less when purchased.

ACCOUNTS RECEIVABLE

Accounts receivable from tenants are carried at the original amount billed less an estimate made for doubtful accounts based on a review of all outstanding amounts on a monthly basis. Management determines the allowance for doubtful accounts by using historical experience applied to an aging of accounts receivable. Accounts receivable from tenants are written off with board approval when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded when received. Allowances for other non-tenant receivables are reviewed annually. See Note 6 for details of accounts receivable and allowances at year end.

CAPITAL ASSETS

Capital assets include property, furniture, equipment and machinery with initial, individual costs that equal or exceed \$1,000 and estimated useful lives of more than one year. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the time of acquisition. Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings	40 years
Land and Building Improvements	20 years
Furniture, Equipment and Machinery	3-7 years
Right-of-Use of Assets	10 years

SALEM HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

IMPAIRMENT OF CAPITAL ASSETS

Governmental Accounting Standards Board's, Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries* requires certain note disclosures or recognition regarding impairments of capital assets. The Authority did not recognize any impairments of capital assets in fiscal year 2025.

NOTES RECEIVABLES

Notes receivables represent long-term subsidized loan to an affordable housing entity formed to revitalize and preserve affordable housing properties. These notes are supported by promissory notes and collateralized by the properties. Notes receivables are recorded at their principal amounts outstanding. No currently known facts lead management of the Authority to believe that there is a probability of default on the loan and accordingly no allowance on this loan has been recorded See Note 9 for details of notes receivables at year end.

COMPENSATED ABSENCES

The Authority's policy allows employees to accumulate a maximum of 25 days of vacation time. Vacation leave accrues from two to five weeks per year based on years of service, all unused vacation time earned will be disbursed to the employee upon the voluntary or involuntary separation of employment. The policy also allows employees to earn sick leave which can be accumulated at a maximum of 180 days of sick leave. Upon retirement or death, a lump sum payment for unused sick leave of no more than 90 days will be paid, employees hired on or after August 22, 2006 are not eligible for this buyback benefit. Total accrued compensated absences at September 30, 2025 aggregated \$390,577.

SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)

The Authority engages in subscription-based information technology arrangements (SBITA) to meet its operating needs. A SBITA is defined as a contractual agreement that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a minimum contractual period of greater than one year, in an exchange or exchange-like transaction. The Authority assessed that there were no material SBITAs requiring recognition or disclosure in the financial statements for the year ended September 30, 2025.

SALEM HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

OPERATING REVENUES AND EXPENSES

Operating revenue includes operating grants and subsidies, rental income, management services provided and all other revenue relating to the provision of safe, decent and affordable housing services that do not result from transactions defined as capital and related financing, non-capital and related financing or investing activities. Operating expenses include wages, housing assistance payments, utilities, maintenance, depreciation of capital assets, administrative expenses and all other expenses relating to the provision of safe, decent and affordable housing services that do not result from transactions defined as capital and related financing, non-capital and related financing or investing activities.

NON-OPERATING REVENUES AND EXPENSE

The Authority's nonoperating revenues relate primarily to capital grants provided by HUD and the Commonwealth of Massachusetts and interest income. For reporting purposes, capital grant revenue is recognized when expenditures are incurred, and advance receipts are initially recorded as unearned revenue. Nonoperating expenses are expenditures derived from transactions other than those associated with the Authority's primary housing operations and are reported as incurred.

ECONOMIC DEPENDENCY

The Authority's state and federal programs are economically dependent on grants and annual contributions from HLC and HUD, respectively. These programs operate at a loss prior to receiving these grants and contributions.

PENSIONS

For purposes of measuring the net pension liability, deferred outflows or resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the retirement system and additions/deductions from the system's fiduciary net position have been determined on the same basis as they are reported by the retirement system.

OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, have been determined by an actuarial valuation conducted by the Authority and are accounted for in accordance with the requirements of GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)*.

SALEM HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

LEASES (AS LESSEE)

The Authority recognizes a lease obligation and an intangible right-to-use lease asset (lease asset) for a noncancellable lease in the financial statements. The Authority recognizes lease obligations with an initial, individual value of \$1,000 or more.

Key estimates and judgments include how the Authority determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments. The Authority uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments due to the lessor. The Authority monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease liability and right of use asset if certain changes occur that are expected to significantly affect the amount of the right of use asset.

DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

Deferred outflows of resources represent a consumption of net assets that applies to future periods. Deferred inflows of resources represent an acquisition of net assets that applies to future periods. These consist of the deferral of the recognition of revenues and expenses until the future period to which the outflows and inflows are related. The Authority's deferred outflows and inflows of resources are related to pension, OPEB or leases. The following is a summary of deferred outflows and inflows of resources at September 30, 2025:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Related to Pensions	\$ 949,329	\$ 108,941
Related to OPEB	590,892	1,526,180
Total	<u>\$ 1,540,221</u>	<u>\$ 1,635,121</u>

APPLICATION OF RESOURCES

The Authority would first apply restricted resources when an expense is incurred for which both restricted and unrestricted resources are available.

SALEM HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 29, 2026, which is the date these financial statements were available to be issued. There were no subsequent events requiring recognition or disclosure in these financial statements.

NOTE 3 – NET POSITION

Net position is reported in three categories:

Net Investment in Capital Assets consists of all capital assets, reduced by accumulated depreciation, the outstanding balances of any bonds, mortgages, notes or other borrowing that are attributable to the acquisition, construction, or improvement of those assets. At September 30, 2025, the net investment in capital assets was \$9,400,959.

Restricted Net Position consists of restricted assets, when constraints are placed on the assets by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc. At September 30, 2025, restrictions of \$147,738 represent the net position restricted by HUD related to the Housing Choice Voucher Program to be used for future HAP payments.

Unrestricted Net Position is designed to represent the net available assets, for the entire Authority. At September 30, 2025, the unrestricted net position was \$5,784,289.

NOTE 4 – CASH AND CASH EQUIVALENTS

The Authority has adopted HUD's Investment Regulation PIH 1996-33 as its investment policy. HUD regulations require that all HUD deposits in financial institutions and investments be fully insured or collateralized, by U.S. Government obligations that have a fair value of not less than the principal amount of the deposits. The policy also requires that investments not have a maturity period longer than three years.

Custodial Credit Risk – Cash Deposits

At times, the Authority's balances may exceed the Federal insurance limits; however, the Authority has not experienced any losses with respect to its bank balance in excess of government provided insurance. Management believes that no significant risk exists with respect to cash balances as of September 30, 2025.

SALEM HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2025

NOTE 5 – RESTRICTED CASH

The Authority's restricted cash balance consists of funds restricted for future HAP payments, FSS participant balances held in escrow for participants in good standing, tenant escrow account, as well as funds designated for tenant security deposits. These amounts support either a corresponding liability or restricted net position. At September 30, 2025, restricted cash was categorized as follows:

Category of Restriction	Amount
Housing assistance payments	\$ 147,738
Tenant escrow	617
FSS escrow - good standing	84,040
Tenant security deposits	<u>8,679</u>
Total	<u>\$ 241,074</u>

NOTE 6 – ACCOUNTS RECEIVABLE

The following is a listing of receivables for the Authority including the applicable allowances for uncollectible accounts at September 30, 2025.

Category of Receivable	Amount
Other Government	\$ 9,327
Tenants	<u>395,887</u>
Gross Receivables	405,214
Allowance - Tenants	<u>(286,723)</u>
Net Receivables	<u>\$ 118,491</u>

SALEM HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2025

NOTE 7 – NOTE RECEIVABLE

Housing Opportunities of Salem, Inc. (HOSI) has a mortgage note receivable with BC Leefort Terrace LLC in the original aggregate amount of \$7,755,151 to fund development costs. The note bears interest at 1% per annum. Payments on the loan will be made annually from and to the extent of available net cash flows in accordance with the Amended and Restated Operating Agreement. The entire unpaid principal and interest balance is due upon maturity on June 13, 2077. The note is secured by a third mortgage on the property. There was no interest earned during the period ended September 30, 2025. As of September 30, 2025, the outstanding receivable balance was \$7,755,151.

NOTE 8 – GROUND LEASE

The Authority (Landlord) has entered into a 99-year Ground Lease Agreement with BC Leefort Terrace LLC in, that terminates on June 13, 2123. BC Leefort Terrace LLC is responsible for all real estate taxes, insurance, and operating expenses. BC Leefort Terrace LLC is to pay the base rent of \$1 upon entering into the agreement.

NOTE 9 – DEVELOPMENT FEE RECEIVABLE

BC Leefort Terrace LLC entered into a Development-Related Services Agreement with the HOSI. Under the terms of the Development-Related Services Agreement, HOSI is entitled to 25% of the developer fee in the amount of \$2,133,099. As of September 30, 2025, \$333,506 of developer fees were earned and received by HOSI.

SALEM HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2025

NOTE 10 – CAPITAL ASSETS

The following is a summary of changes in capital assets and related accumulated depreciation.

	October 1, 2024	Increases	Decreases	September 30, 2025
Capital assets not being depreciated				
Land	\$ 2,333,100	\$ --	\$ --	\$ 2,333,100
Construction in progress	3,040,076	1,108,238	--	4,148,314
Total capital assets not being depreciated	<u>5,373,176</u>	<u>1,108,238</u>	<u>--</u>	<u>6,481,414</u>
Capital assets being depreciated				
Buildings	45,001,644	--	--	45,001,644
Leasehold improvements	434,038	--	--	434,038
Furniture, equipment & machinery	1,043,953	--	--	1,043,953
Total capital assets being depreciated	<u>46,479,635</u>	<u>--</u>	<u>--</u>	<u>46,479,635</u>
Less accumulated depreciation				
Buildings	41,427,079	810,349	--	42,237,428
Right-of-use assets	79,573	43,404	--	122,977
Furniture, equipment & machinery	789,453	82,451	--	871,904
Total accumulated depreciation	<u>42,296,105</u>	<u>936,204</u>	<u>--</u>	<u>43,232,309</u>
Capital Assets Net	<u>\$ 9,556,706</u>	<u>\$ 172,034</u>	<u>\$ --</u>	<u>\$ 9,728,740</u>
Depreciation expense was charged to:				
Federal Public Housing		<u>\$ 29,127</u>		
Housing Choice Voucher		<u>\$ 152,792</u>		
State/Local Programs		<u>\$ 754,285</u>		

SALEM HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2025

NOTE 11 – NONCURRENT LIABILITIES

Noncurrent liability activity for the year ended September 30, 2025 is as follows:

	October 1, 2024	Additions	Reductions	September 30, 2025	Amount due within one year
Compensated Absences	\$ 331,360	\$ 127,165	\$ (67,948)	\$ 390,577	\$ 179,076
FSS Escrow	12,684	72,097	(741)	84,040	--
Tenant Escrow	617	--	--	617	--
Net Pension Liability	3,302,387	--	(378,613)	2,923,774	--
OPEB Liability	3,800,410	182,255	--	3,982,665	--
Total	<u>\$ 7,447,458</u>	<u>\$ 381,517</u>	<u>\$ (447,302)</u>	<u>\$ 7,381,673</u>	<u>\$ 179,076</u>

NOTE 12 – LEASE LIABILITY

In 2022, the Authority entered into a lease agreement for office space with Canal Realty Development LLC for an initial term of 5 years expiring on November 30, 2027. The Authority has the option to renew the lease for 5 additional years, provided that the Authority was not in default and the Authority provided unconditional written notice of exercise to the landlord no later than nine months before expiration date of original term. In October 2022, the lease agreement was amended which resulted in a change in the lease term. The amended lease required monthly payments of \$4,800 for the first year increasing by \$122 per year through November 30, 2027. The amended lease includes one five-year extension term which has been included in the measurement of the lease liability. The option to extend would require market rent increase at the date the option was exercised. The lease liability associated with this lease was measured using a discount rate of 8.00%. During the year ended September 30, 2025, amortization of right-of-use assets was \$43,404 and lease interest expense was \$27,938.

Assets	
Office Space Leases	\$ 434,038
Less Accumulated Amortization	(122,977)
Total	<u>\$ 311,061</u>

SALEM HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2025

NOTE 12 – LEASE LIABILITY (CONTINUED)

The future lease payments will be amortized as follows:

Year	Amount
2026	\$ 65,602
2027	63,741
2028	61,863
2029	59,911
2030	57,869
2031-2033	<u>117,810</u>
Total minimum lease payments	426,796
Less: Amount representing interest	<u>(99,015)</u>
Present value of net minimum lease payments	327,781
Less: Current maturities of financed purchase	<u>(40,870)</u>
Long-term capital lease obligations	<u>\$ 286,911</u>

NOTE 13 – REAL ESTATE TAXES

Property owned by the Authority is exempt from local real estate taxes. The Authority makes a payment in lieu of taxes equal to 10% of rental income charged less utility expenses annually for all of its properties constructed with and funded by HUD. State funded scattered site units make payments in lieu of real estate taxes equal to ½ of the Municipality's tax rate plus \$100 multiplied by the number of available bedrooms. The payment in lieu of taxes for the year ended September 30, 2025 aggregated \$24,788.

SALEM HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2025

NOTE 14 – COST-SHARING DEFINED BENEFIT PENSION PLAN

PLAN DESCRIPTION

The Authority provides pension benefits to certain employees through the Salem Contributory Retirement System (SCRS), a cost-sharing, multiple-employer public employee retirement system regulated by Public Employee Retirement Administration Commission (PERAC). The plan is a defined benefit plan. Participation is mandatory for all full time employees of the Authority. The retirement plan is a pooled risk type of plan. Under this type of plan, funding is determined based on all employees covered for all employing units. The funding liabilities are shared by each employing unit pro-rata based on the number of employees in the employing unit. Since the Authority's share of the net pension liability is not based on their employees, pension expense is determined by the total required payment to be made to the retirement plan for the year. The SCRS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by writing to SCRS, 20 Central Street, Suite 110, Salem, MA 01970 or by calling (978) 745-8983.

PLAN MEMBERSHIP

The Authority has 32 employees participating in the plan.

SIGNIFICANT PLAN PROVISIONS AND REQUIREMENTS

State law establishes benefit provisions and contribution requirements of the SCRS. Employees who have at least 10 years of longevity and have attained 55 years of age are eligible to receive retirement benefits. Retired employees receive an allowance based upon the average of their three highest consecutive salary years of service multiplied by (1) the number of years and full months of creditable service at the time of retirement and (2) a percentage based on age at retirement in accordance with a schedule provided by state law. Assuming normal retirement at age 65, this percentage is 2.5%, which is reduced for individuals who retire prior to age 65 to reflect the longer payout period. Employees may elect early retirement after 20 years of service or at any time after attaining age 55 with 10 years of eligible service. Plan members who become permanently and totally disabled may be eligible to receive a disability retirement allowance. The amount of benefits to be received depends on several factors, including the member's age, compensation, veteran status, years of creditable service, and whether or not the disability is work-related. In addition, certain death benefits exist for beneficiaries of employees who die in active service.

SALEM HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2025

NOTE 14 – COST-SHARING DEFINED BENEFIT PENSION PLAN (CONTINUED)

FUNDING POLICY

Depending on their employment date, active Plan members must contribute either 5%, 7%, 8%, or 9% of their gross regular compensation. Members hired after December 31, 1978 must contribute an additional 2% of regular compensation in excess of \$30,000. These deductions earn interest at a rate determined by PERAC that vests based upon years of service. Member employers are required to contribute the remaining amounts necessary to finance benefits, except for certain cost-of-living adjustments (COLAs) granted before July 1, 1998, which are reimbursed by the Commonwealth. The current and two preceding years' apportionment of the annual pension cost between the employers required the Authority to contribute approximately 2.94% of the total. The Authority's required and actual contributions to SCRS for the year ended September 30, 2025 were \$581,128. Employee contributions for the same period were \$263,076.

PENSION LIABILITIES

At September 30, 2025, the Authority reported a liability of \$2,923,774 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

SALEM HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2025

NOTE 14 – COST-SHARING DEFINED BENEFIT PENSION PLAN (CONTINUED)

PENSION EXPENSE AND DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES

For the year ended September 30, 2025, the Authority recognized pension expense of \$377,726. The deferred outflows of resources resulting from contributions after the measurement date will be recognized as a reduction of the net pension liability in the subsequent year. At September 30, 2025, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ --	\$ 108,941
Changes of assumptions	37,254	--
Net difference between projected and actual earnings on pension plan investments	142,204	--
Changes in proportion and differences between contributions and proportionate share of contributions	188,743	--
Contributions subsequent to the measurement date	581,128	--
Total	<u>\$ 949,329</u>	<u>\$ 108,941</u>

The \$581,128 reported as deferred outflows of resources related to pensions resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year	Deferred Outflows (Inflows) of Resources
2026	\$ 102,452
2027	242,111
2028	(55,786)
2029	(29,517)
Total	<u>\$ 259,260</u>

SALEM HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2025

NOTE 14 – COST-SHARING DEFINED BENEFIT PENSION PLAN (CONTINUED)

ACTUARIAL METHODS & ASSUMPTIONS

The total pension liability in the January 1, 2024, actuarial valuation was determined using the following actuarial methods and assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry Age Normal Cost Method
Investment rate of return	6.90%
Discount rate	6.90%
Inflation	3.00%
Salary increases	3.75% - 4.25%
Cost of living adjustments	3% of the first \$15,000 of the annual retirement allowance
Mortality rates	RP-2014 Blue Collar Employee Mortality Table set forward one year for females and projected generationally using Scale MP-2021.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Expected Rate of Return
Domestic equity	23.50%	5.82%
International developed markets equity	9.00%	5.91%
International emerging markets equity	3.50%	7.06%
Core fixed income	15.00%	1.81%
High-yield fixed income	9.00%	3.34%
Real estate	10.00%	3.34%
Timber	4.00%	3.82%
Hedge fund, GTAA, risk parity	10.00%	2.77%
Private equity	16.00%	9.20%

SALEM HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2025

NOTE 14 – COST-SHARING DEFINED BENEFIT PENSION PLAN (CONTINUED)

DISCOUNT RATE

The discount rate used to measure the total pension liability was 6.90 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from the Authority will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

SENSITIVITY OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE

The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease 5.90%	Current Discount 6.90%	1% Increase 7.90%
Net pension liability (asset)	\$ 4,222,826	\$ 2,923,774	\$ 1,831,042

PENSION PLAN FIDUCIARY NET POSITION

Detailed information about the pension plan's fiduciary net position is available in the separately issued SCRS financial report.

PAYABLES TO THE PENSION PLAN

As of September 30, 2025, the Authority had no outstanding payables to SCRS.

SALEM HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2025

NOTE 15 – OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

PLAN DESCRIPTION AND BENEFITS PROVIDED

The Authority's defined benefit OPEB plan provides OPEB for all permanent full-time employees of the Authority. The OPEB plan is a single employer defined benefit OPEB plan administered by the Authority. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB statement 75.

The Authority provides comprehensive medical insurance, both with and without Medicare coordination, and life insurance to its employees who meet certain eligibility requirements. Employees are eligible for postretirement benefits if he/she has reached the age of 55 as an active employee and completed 10 years of service.

All active employees who retire from the Authority and meet the eligibility criteria will receive these benefits. The duration of these benefits is for the employee's lifetime. Under this cost sharing plan, these benefits cover 20% of premiums for Medical for those who retire on or after 10/1/2009 (15% for those who retired after 7/1/1994 but before 10/1/2009, and 10% for all others) for both individuals and family members (percentages represent the employees' portion).

The face value of each life insurance policy is \$5,000. Life insurance benefits do not apply to family members, this benefit covers 20% of premiums for Medical for those who retire on or after 10/1/2009 (15% for those who retired after 7/1/1994 but before 10/1/2009, and 10% for all others) for individuals.

PLAN MEMBERSHIP

At September 30, 2025, there are 29 active employees and 17 retired employees enrolled in the plan.

TOTAL OPEB LIABILITY

The Authority's total OPEB liability of \$3,982,665 was measured as of October 1, 2024 and was determined by an actuarial valuation as of October 1, 2023.

SALEM HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2025

NOTE 15 – OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)
(CONTINUED)

ACTUARIAL METHODS AND ASSUMPTIONS

The total OPEB liability was determined by an actuarial valuation using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Actuarial Cost Method	Individual Entry Age Normal
Municipal Bond Rate	4.87% as of October 1, 2023 (source: S&P Municipal Bond 20-Year High Grade Index – SAPIHG)
Discount Rate	4.87%
Inflation	2.50%
Salary Increase	3.00%
Pre-Retirement Mortality	RP-2014 Mortality Table for Blue Collar Employees projected generationally with scale MP-2021 , set forward 1 year for females.
Post-Retirement Mortality	RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2021, set forward 1 year for females.
Mortality Experience Study	The actuarial assumptions used to calculate the actuarial accrued liability and the service cost primarily reflect the latest experience studies of PERAC issued in 2014 and their most recent analysis of retiree mortality during 2015 and 2016.
Healthcare Trend	4.96%
Withdrawal Rates	Plan participants are expected to withdraw from the plan at a decreasing rate, based on years of service and age, from 27.0% at age 20 and 0-4 years of service to 3.50% at age 60 and 10+ years of service.
Retirement Rates	Plan participants are expected to retire at an increasing rate based on age and gender. Males are expected to retire at a rate of 3% for those aged 50 years, to 100% for those aged 70 years. Females are expected to retire at a rate of 3% for those aged 50 years, to 100% for those aged 70 years.

SALEM HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2025

NOTE 15 – OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

CHANGES IN THE TOTAL OPEB LIABILITY

Balance at beginning of year	\$ 3,800,410
Changes for the year:	
Service cost	105,941
Interest	187,563
Benefit payments	(111,249)
Net changes	182,255
Balance at end of year	<u>\$ 3,982,665</u>

SENSITIVITY OF THE TOTAL OPEB LIABILITY TO CHANGES IN THE DISCOUNT RATE

The following table presents the Plan's total OPEB liability, calculated using the discount rate of 4.87% as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower, or 1 percentage-point higher, than the current rate.

	1% Decrease 3.87%	Current Discount 4.87%	1% Increase 5.87%
Total OPEB liability	<u>\$ 4,597,970</u>	<u>\$ 3,982,665</u>	<u>\$ 3,485,542</u>

SENSITIVITY OF THE TOTAL OPEB LIABILITY TO CHANGES IN THE HEALTHCARE TREND RATE

The following table presents the net other postemployment benefit liability, calculated the healthcare trend rate if it was 1 percentage-point lower or 1 percentage-point higher than the current rate.

	1% Decrease 3.96%	Current Trend 4.96%	1% Increase 5.96%
Total OPEB liability	<u>\$ 3,439,124</u>	<u>\$ 3,982,665</u>	<u>\$ 4,659,017</u>

SALEM HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2025

NOTE 15 – OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)
(CONTINUED)

OPEB EXPENSE AND DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES RELATED TO OPEB

For the year ended September 30, 2025, the Authority recognized OPEB expenses of \$328,196. At September 30, 2025, the Authority reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 72,209	\$ 430,330
Changes of assumptions	407,434	1,095,850
Contributions subsequent to the measurement date	111,249	--
Total	<u>\$ 590,892</u>	<u>\$ 1,526,180</u>

The deferred outflows of resources resulting from contributions after the measurement date will be recognized as a reduction of the net pension liability in the subsequent year. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Measurement Period Ending September 30,	Deferred Outflows (Inflows) of Resources
2026	\$ 34,694
2027	(444,949)
2028	(444,949)
2029	(191,333)
Total	<u>\$ (1,046,537)</u>

SALEM HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2025

NOTE 16 – OTHER RETIREMENT PLANS

The Authority provides to employees a separate deferred compensation plan in accordance with IRC §457. The plan is open to all employees. Employee contributions for 2025 were \$78,410. There were no employer contributions.

NOTE 17 – RISK MANAGEMENT

LITIGATION

The Authority is contingently liable with respect to lawsuits and other claims incidental to the ordinary course of its operations. Claims covered by the risk management program are reviewed and losses are accrued as required. In the opinion of management, based on the advice of legal counsel, the ultimate disposition of lawsuits and claims will not have a material adverse effect on the financial position of the Authority.

GRANTS

Amounts received or receivable from the grantor agencies are subject to audit and adjustment by grantor agencies. If expenditures are disallowed as a result of these audits, the claims for reimbursement to the grantor agency would become a liability of the Authority. In the opinion of management, any such adjustments would not be significant.

SALEM HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2025

NOTE 18 – BLENDED COMPONENT UNIT

As disclosed in Note 1, the Authority has a blended component unit; Housing Opportunities of Salem, Inc. Condensed financial statements of the Corporation, for the period ended September 30, 2025, are presented below:

Condensed Summary of Net Position

Assets	
Current	\$ 270,969
Other noncurrent	7,755,151
Total Assets	<u>8,026,120</u>
Net Position	
Unrestricted	<u>8,026,120</u>
Total Net Position	<u>\$ 8,026,120</u>

Condensed Summary of Revenues, Expenses and Changes in Net Position

Operating Expenses	
Administration	\$ 48,542
Insurance expense	1,394
Total Operating Expenses	<u>49,936</u>
Operating Loss	<u>(49,936)</u>
Non-operating Revenues	
Interest income	<u>12,570</u>
Total Non-operating Revenues	<u>12,570</u>
Change in Net Position	<u>(37,366)</u>
Beginning Net Position	<u>8,063,486</u>
Ending Net Position	<u>\$ 8,026,120</u>
Condensed Summary of Cash Flows	
Net Cash Provided by (Used In):	
Operating Activities	\$ (49,936)
Investing	<u>12,570</u>
Net Change in Cash	<u>(37,366)</u>
Cash and cash equivalents at beginning of year	<u>308,335</u>
Cash and cash equivalents at end of year	<u>\$ 270,969</u>

SALEM HOUSING AUTHORITY

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS

LAST EIGHT FISCAL YEARS

Year	Total OPEB Liability - Beginning	Service cost	Interest	Changes of benefit terms	Difference between expected and actual experience	Changes of Assumptions	Benefit payments	Net Change in Total OPEB Liability	Total OPEB Liability - Ending
2025	\$ 3,800,410	\$ 105,941	\$ 187,563	\$ --	\$ --	\$ --	\$ (111,249)	\$ 182,255	\$ 3,982,665
2024	\$ 6,006,629	\$ 182,417	\$ 147,110	\$ --	\$ (681,250)	\$ (1,734,828)	\$ (119,668)	\$ (2,206,219)	\$ 3,800,410
2023	\$ 5,812,683	\$ 171,131	\$ 142,188	\$ --	\$ --	\$ --	\$ (119,373)	\$ 193,946	\$ 6,006,629
2022	\$ 3,277,750	\$ 116,794	\$ 125,337	\$ --	\$ 361,045	\$ 2,037,162	\$ (105,405)	\$ 2,534,933	\$ 5,812,683
2021	\$ 3,144,898	\$ 115,731	\$ 120,356	\$ --	\$ --	\$ --	\$ (103,235)	\$ 132,852	\$ 3,277,750
2020	\$ 3,256,477	\$ 111,548	\$ 117,835	\$ --	\$ --	\$ (242,173)	\$ (98,789)	\$ (111,579)	\$ 3,144,898
2019	\$ 3,136,438	\$ 120,609	\$ 112,856	\$ --	\$ (47,659)	\$ --	\$ (65,767)	\$ 120,039	\$ 3,256,477
2018	\$ 3,243,845	\$ 107,482	\$ 115,696	\$ --	\$ (238,296)	\$ --	\$ (92,289)	\$ (107,407)	\$ 3,136,438

Year	Covered Payroll	OPEB Liability as a Percentage of Covered Payroll
2025	\$ 2,659,451	149.76%
2024	\$ 2,581,991	147.19%
2023	\$ 2,246,900	267.33%
2022	\$ 2,181,456	266.46%
2021	\$ 1,830,990	179.02%
2020	\$ 1,777,660	176.91%
2019	\$ 1,857,636	175.30%
2018	\$ 1,803,530	173.91%

The Schedule is intended to present information for 10 years, additional years will be displayed as they become available.

See Notes to Required Supplementary Information.

SALEM HOUSING AUTHORITY

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY SALEM CONTRIBUTORY RETIREMENT SYSTEM

LAST TEN FISCAL YEARS

Measurement Period Ending December 31,	Proportion of the net pension liability	Proportionate share of the net pension liability	Covered payroll	Proportionate share of the net pension liability as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2024	2.945%	\$ 2,923,774	\$ 2,134,426	136.98%	75.180%
2023	2.939%	\$ 3,302,387	\$ 2,048,658	161.20%	70.940%
2022	2.712%	\$ 3,529,525	\$ 1,853,798	190.39%	65.500%
2021	2.703%	\$ 2,381,053	\$ 1,777,535	133.95%	75.880%
2020	2.589%	\$ 3,023,288	\$ 1,447,238	208.90%	66.450%
2019	2.586%	\$ 3,366,254	\$ 1,389,359	242.29%	61.160%
2018	2.715%	\$ 3,679,046	\$ 1,564,138	235.21%	56.330%
2017	2.712%	\$ 3,264,534	\$ 1,498,095	217.91%	59.590%
2016	2.652%	\$ 3,470,363	\$ 1,437,356	241.44%	53.480%
2015	2.650%	\$ 3,287,536	\$ 1,486,164	221.21%	52.770%

See Notes to Required Supplementary Information.

SALEM HOUSING AUTHORITY
SCHEDULE OF PENSION CONTRIBUTIONS
SALEM CONTRIBUTORY RETIREMENT SYSTEM

LAST TEN FISCAL YEARS

Measurement Period Ending December 31,	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
2024	\$ 563,989	\$ 563,989	\$ --	\$ 2,134,426	26.42%
2023	\$ 533,337	\$ 533,337	\$ --	\$ 2,048,658	26.03%
2022	\$ 466,215	\$ 466,215	\$ --	\$ 1,853,798	25.15%
2021	\$ 440,260	\$ 440,260	\$ --	\$ 1,777,535	24.77%
2020	\$ 399,480	\$ 399,480	\$ --	\$ 1,447,238	27.60%
2019	\$ 378,006	\$ 378,006	\$ --	\$ 1,389,359	27.21%
2018	\$ 376,116	\$ 376,116	\$ --	\$ 1,564,138	24.05%
2017	\$ 357,229	\$ 357,229	\$ --	\$ 1,498,095	23.85%
2016	\$ 329,114	\$ 329,114	\$ --	\$ 1,437,356	22.90%
2015	\$ 315,214	\$ 315,214	\$ --	\$ 1,486,164	21.21%

See Notes to Required Supplementary Information.

SALEM HOUSING AUTHORITY

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

SEPTEMBER 30, 2025

NOTE 1 – OTHER POSTEMPLOYMENT BENEFIT PLANS OTHER THAN PENSIONS

DESCRIPTION OF REQUIRED SUPPLEMENTARY INFORMATION

The Schedule of Changes in the Total OPEB Liability and Related Ratios details the Plan's other postemployment benefit liability and the covered employee payroll. It demonstrates the Plan's total liability and the Plan's liability as a percentage of covered payroll.

10-YEAR TREND INFORMATION

The Schedule of Changes in the Total OPEB Liability and Related Ratios is intended to present information for 10 years. Until a 10-year trend is compiled, information is presented for those years in which information is available.

CHANGES IN BENEFIT TERMS

There were no changes in benefit terms from the prior measurement date.

CHANGES IN ASSUMPTIONS

There were no changes in assumptions from the prior measurement date.

NOTE 2 – PENSION PLAN SCHEDULES

DESCRIPTION OF REQUIRED SUPPLEMENTARY INFORMATION

The Schedule of the Proportionate Share of the Net Pension Liability presents multi-year trend information on the Authority's share of the Net Pension Liability and related ratios.

The Schedule of Contributions presents multiyear trend information for the Authority's required and actual contributions relating to the pension plan.

CHANGES IN BENEFIT TERMS

There were no changes in benefit terms from the prior measurement date.

CHANGES IN ASSUMPTIONS

There were no changes in assumptions from the prior measurement date.

SALEM HOUSING AUTHORITY
SUPPLEMENTARY FINANCIAL DATA SCHEDULE
(presented in U.S. dollars)

SEPTEMBER 30, 2025

FDS Line Item	Description	AMP 03	PIH Family Self-Sufficiency Program	Housing Choice Vouchers	State/Local	Component Unit - Blended	Total
111	Cash - Unrestricted	83,861	--	2,223,980	4,751,628	270,969	7,330,438
113	Cash - Other Restricted	--	--	232,395	--	--	232,395
114	Cash - Tenant Security Deposits	522	--	--	8,157	--	8,679
100	Total Cash	84,383	--	2,456,375	4,759,785	270,969	7,571,512
124	Accounts Receivable - Other Government	--	--	9,327	--	--	9,327
126	Accounts Receivable - Tenants	12,098	--	--	148,241	--	160,339
126.1	Allowance for Doubtful Accounts - Tenants	(4,120)	--	--	(47,055)	--	(51,175)
128	Fraud Recovery	--	--	235,548	--	--	235,548
128.1	Allowance for Doubtful Accounts - Fraud	--	--	(235,548)	--	--	(235,548)
120	Total Receivables, Net of Allowances for Doubtful Accounts	7,978	--	9,327	101,186	--	118,491
142	Prepaid Expenses and Other Assets	79,378	--	24,428	57,656	--	161,462
150	Total Current Assets	171,739	--	2,490,130	4,918,627	270,969	7,851,465
161	Land	258,293	--	--	2,074,807	--	2,333,100
162	Buildings	3,419,498	--	576,264	41,005,882	--	45,001,644
164	Furniture, Equipment & Machinery - Administration	23,218	--	263,476	757,259	--	1,043,953
165	Leasehold Improvements	--	--	434,038	--	--	434,038
166	Accumulated Depreciation	(3,301,339)	--	(808,073)	(39,122,897)	--	(43,232,309)
167	Construction in Progress	561,517	--	--	3,586,797	--	4,148,314
160	Total Capital Assets, Net of Accumulated Depreciation	961,187	--	465,705	8,301,848	--	9,728,740
171	Notes, Loans and Mortgages Receivable - Non-Current	--	--	--	--	7,755,151	7,755,151
180	Total Non-Current Assets	961,187	--	465,705	8,301,848	7,755,151	17,483,891
200	Deferred Outflow of Resources	55,063	--	582,639	902,519	--	1,540,221
290	Total Assets and Deferred Outflow of Resources	1,187,989	--	3,538,474	14,122,994	8,026,120	26,875,577
321	Accrued Wage/Payroll Taxes Payable	2,227	--	31,824	49,511	--	83,562
322	Accrued Compensated Absences - Current Portion	3,272	--	73,789	102,015	--	179,076
331	Accounts Payable - HUD PHA Programs	--	--	273,460	--	--	273,460
333	Accounts Payable - Other Government	11,554	--	--	1,033,079	--	1,044,633
341	Tenant Security Deposits	522	--	--	8,157	--	8,679

See Independent Auditors' Report on Supplementary Information

SALEM HOUSING AUTHORITY

SUPPLEMENTARY FINANCIAL DATA SCHEDULE (presented in U.S. dollars)

SEPTEMBER 30, 2025

FDS Line Item	Description	AMP 03	PIH Family Self-Sufficiency Program	Housing Choice Vouchers	State/Local	Component Unit - Blended	Total
342	Unearned Revenue	2,958	--	--	298,513	--	301,471
343	Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	--	--	40,870	--	--	40,870
346	Accrued Liabilities - Other	33,522	--	72,651	380,038	--	486,211
310	Total Current Liabilities	54,055	--	492,594	1,871,313	--	2,417,962
351	Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	--	--	286,911	--	--	286,911
353	Non-current Liabilities - Other	--	--	84,657	--	--	84,657
354	Accrued Compensated Absences - Non Current	3,865	--	87,150	120,486	--	211,501
357	Accrued Pension and OPEB Liabilities	241,122	--	2,639,296	4,026,021	--	6,906,439
350	Total Non-Current Liabilities	244,987	--	3,098,014	4,146,507	--	7,489,508
300	Total Liabilities	299,042	--	3,590,608	6,017,820	--	9,907,470
400	Deferred Inflow of Resources	54,522	--	630,454	950,145	--	1,635,121
508.4	Net Investment in Capital Assets	961,187	--	137,924	8,301,848	--	9,400,959
511.4	Restricted Net Position	--	--	147,738	--	--	147,738
512.4	Unrestricted Net Position	(126,762)	--	(968,250)	(1,146,819)	8,026,120	5,784,289
513	Total Equity - Net Assets / Position	834,425	--	(682,588)	7,155,029	8,026,120	15,332,986
600	Total Liab., Def. Inflow of Res., and Equity - Net Assets / Position	1,187,989	--	3,538,474	14,122,994	8,026,120	26,875,577
70300	Net Tenant Rental Revenue	190,170	--	--	3,685,776	--	3,875,946
70500	Total Tenant Revenue	190,170	--	--	3,685,776	--	3,875,946
70600	HUD PHA Operating Grants	235,157	186,690	26,626,574	--	--	27,048,421
70610	Capital Grants	30,922	--	--	--	--	30,922
70700	Total Fee Revenue	--	--	--	--	--	--
70800	Other Government Grants	130,000	--	--	3,708,181	--	3,838,181
71100	Investment Income - Unrestricted	25,931	--	22,692	34,773	12,570	95,966
71400	Fraud Recovery	--	--	150,662	--	--	150,662
71500	Other Revenue	18,440	--	396,046	662,905	--	1,077,391
70000	Total Revenue	630,620	186,690	27,195,974	8,091,635	12,570	36,117,489
91100	Administrative Salaries	38,541	115,748	1,136,438	1,015,199	48,542	2,354,468

See Independent Auditors' Report on Supplementary Information

SALEM HOUSING AUTHORITY

SUPPLEMENTARY FINANCIAL DATA SCHEDULE (presented in U.S. dollars)

SEPTEMBER 30, 2025

FDS Line Item	Description	AMP 03	PIH Family Self-Sufficiency Program	Housing Choice Vouchers	State/Local	Component Unit - Blended	Total
91200	Auditing Fees	444	--	15,472	27,294	--	43,210
91500	Employee Benefit contributions - Administrative	10,135	70,942	509,093	274,629	--	864,799
91600	Office Expenses	30,370	--	328,321	277,601	--	636,292
91700	Legal Expense	1,995	--	82,339	279,848	--	364,182
91800	Travel	164	--	6,521	3,742	--	10,427
91000	Total Operating - Administrative	81,649	186,690	2,078,184	1,878,313	48,542	4,273,378
92400	Tenant Services - Other	--	--	--	15,381	--	15,381
92500	Total Tenant Services	--	--	--	15,381	--	15,381
93100	Water	24,703	--	--	486,799	--	511,502
93200	Electricity	31,557	--	--	788,213	--	819,770
93300	Gas	18,368	--	--	79,446	--	97,814
93000	Total Utilities	74,628	--	--	1,354,458	--	1,429,086
94100	Ordinary Maintenance and Operations - Labor	46,402	--	--	807,305	--	853,707
94200	Ordinary Maintenance and Operations - Materials and Other	21,460	--	--	296,552	--	318,012
94300	Ordinary Maintenance and Operations Contracts	58,650	--	--	544,436	--	603,086
94500	Employee Benefit Contributions - Ordinary Maintenance	21,929	--	--	345,308	--	367,237
94000	Total Maintenance	148,441	--	--	1,993,601	--	2,142,042
95000	Total Protective Services	--	--	--	--	--	--
96140	All Other Insurance	104,969	--	47,410	270,690	1,394	424,463
96100	Total insurance Premiums	104,969	--	47,410	270,690	1,394	424,463
96200	Other General Expenses	--	--	160,106	--	--	160,106
96210	Compensated Absences	--	--	21,278	41,739	--	63,017
96300	Payments in Lieu of Taxes	11,554	--	--	13,234	--	24,788
96400	Bad debt - Tenant Rents	1,619	--	--	54,073	--	55,692
96000	Total Other General Expenses	13,173	--	181,384	109,046	--	303,603
96710	Interest of Mortgage (or Bonds) Payable	--	--	27,938	--	--	27,938
96700	Total Interest Expense and Amortization Cost	--	--	27,938	--	--	27,938
96900	Total Operating Expenses	422,860	186,690	2,334,916	5,621,489	49,936	8,615,891

See Independent Auditors' Report on Supplementary Information

SALEM HOUSING AUTHORITY

SUPPLEMENTARY FINANCIAL DATA SCHEDULE (presented in U.S. dollars)

SEPTEMBER 30, 2025

FDS Line Item	Description	AMP 03	PIH Family Self-Sufficiency Program	Housing Choice Vouchers	State/Local	Component Unit - Blended	Total
97000	Excess of Operating Revenue over Operating Expenses	207,760	--	24,861,058	2,470,146	(37,366)	27,501,598
97100	Extraordinary Maintenance	99,887	--	--	301,840	--	401,727
97300	Housing Assistance Payments	--	--	24,787,393	903,039	--	25,690,432
97350	HAP Portability-In	--	--	374,296	--	--	374,296
97400	Depreciation Expense	29,127	--	152,792	754,285	--	936,204
90000	Total Expenses	551,874	186,690	27,649,397	7,580,653	49,936	36,018,550
10100	Total Other financing Sources (Uses)	--	--	--	--	--	--
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	78,746	--	(453,423)	510,982	(37,366)	98,939
11030	Beginning Equity	755,679	--	(229,165)	6,644,047	8,063,486	15,234,047
11040	Prior Period Adjustments, Equity Transfers and Correction of Errors	--	--	--	--	--	--
11170	Administrative Fee Equity	--	--	(830,326)	--	--	(830,326)
11180	Housing Assistance Payments Equity	--	--	147,738	--	--	147,738
11190	Unit Months Available	468	--	16,128	8,712	--	25,308
11210	Number of Unit Months Leased	435	--	14,211	7,821	--	22,467
11620	Building Purchases	30,922	--	--	--	--	30,922

See Independent Auditors' Report on Supplementary Information

SALEM HOUSING AUTHORITY

SUPPLEMENTARY SCHEDULE OF ACTUAL MODERNIZATION COSTS

FOR THE YEAR ENDED SEPTEMBER 30, 2025

Project:	MA01P055501-21	MA01P055501-22
Modernization Funds Approved	\$ 82,489	\$ 100,418
Modernization Funds Expended	<u>82,489</u>	<u>99,028</u>
Excess of Modernization Funds Approved	<u>\$ --</u>	<u>\$ 1,390</u>
Modernization Funds Advanced	\$ 82,489	\$ 99,028
Modernization Funds Expended	<u>82,489</u>	<u>99,028</u>
Excess of Modernization Funds Advanced	<u>\$ --</u>	<u>\$ --</u>

Based on our review of the completed projects:

- 1) All work in connection with the projects is complete.
- 2) All liabilities have been incurred and discharged through payment.

See Independent Auditors' Report on Supplementary Information

SALEM HOUSING AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Assistance	Pass-Through	Provided to Sub-recipients	Total Federal Expenditures
	Listing Number	Entity Identifying Number		
Department of Housing & Urban Development (HUD)				
Housing Voucher Cluster				
Housing Choice Vouchers	14.871	--	\$ --	\$ 26,626,574
Total Housing Voucher Cluster			--	26,626,574
Public and Indian Housing	14.850	--	--	235,157
Public Housing Capital Fund (CFP)	14.872	--	--	30,922
PIH Family Self-Sufficiency Program	14.896	--	--	186,690
Total Department of Housing & Urban Development			--	27,079,343
Department of the Treasury				
Passed through Commonwealth of Massachusetts:				
Coronavirus State and Local Fiscal Recovery Funds	21.027	--	--	445,196
Total Department of the Treasury			--	445,196
Total Expenditures of Federal Awards			\$ --	\$ 27,524,539

See Notes to the Schedule of Expenditures of Federal Awards

SALEM HOUSING AUTHORITY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal grant activity of Salem Housing Authority, under programs of the federal government for the year ended September 30, 2025. The information in the schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Salem Housing Authority, it is not intended to and does not present the financial position, changes in net position or cash flows of Salem Housing Authority.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the accrual basis of accounting. For cost-reimbursement awards, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. For performance-based awards, expenditures reported represent amounts earned.

NOTE 3 – INDIRECT COST RATE

The Salem Housing Authority has elected not to use the 15% de minimis indirect cost rate allowed under the Uniform Guidance.

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

To the Board of Commissioners of
Salem Housing Authority
Salem, Massachusetts

We have audited, in accordance with the auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"), the financial statements of the Salem Housing Authority (the "Authority"), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated June 29, 2026.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2025-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

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

Salem Housing Authority's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

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

CBIZ CPAs P.C.

Boston, Massachusetts
June 29, 2026

Independent Auditors' Report on Compliance for The Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance

To The Board of Commissioners
Salem Housing Authority
Salem, Massachusetts

Report on Compliance for The Major Federal Program

Opinion on The Major Federal Program

We have audited the Salem Housing Authority's (the "Authority") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the Authority's major federal program for the year ended September 30, 2025. The Authority's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2025.

Basis for Opinion on The Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for its major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Authority's federal program.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

CBIZ CPAs P.C.

Boston, Massachusetts
June 29, 2026

SALEM HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

SECTION I - SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP: *Unmodified Opinion*

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☒ Yes ☐ None Reported

Noncompliance material to financial statements noted? ☐ Yes ☒ No

FEDERAL AWARDS

Internal control over major federal program:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☐ Yes ☒ None Reported

Type of auditors' report issued on compliance for major federal program: *Unmodified Opinion*

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

Identification of major federal program:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
---	--

14.871	Housing Voucher Cluster
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Dollar threshold used to distinguish between Type A and Type B programs: \$1,000,000

Auditee qualified as low-risk auditee? ☒ Yes ☐ No

SALEM HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

SECTION II - FINANCIAL STATEMENTS FINDINGS

2025-001 – INTERNAL CONTROLS OVER FINANCIAL REPORTING
Significant Deficiency

CRITERIA

The Committee on Sponsoring Organizations of the Treadway Commission (COSO) has established a nationally recognized framework for internal control in its Internal Control – Integrated Framework and its related Guidance for Smaller Public Companies: Reporting on Internal Controls Over Financial Reporting. The COSO framework establishes five elements of internal control: (1) Control Environment; (2) Risk Assessment; (3) Control Activities; (4) Information and Communication; and (5) Monitoring. Management is responsible for understanding these five components of internal control and designing formal or informal systems that address each component sufficiently in such a way that reduces the risk that the financial statements will be materially misstated to a relatively low level.

In addition, Organizations should establish cybersecurity awareness by educating and training employees about the potential threats that exist in cyberspace, how to prevent such threats and what they must do in the event of a security incident.

CONDITION & CONTEXT

During the fiscal year, the Authority made an ACH payment of \$246,338 to a fraudulent vendor which was subsequently recovered back from the receiving bank and through a cybersecurity insurance claim. The fraudulent payment occurred due to a sophisticated phishing attack in which the perpetrator masqueraded as a legitimate vendor. The perpetrator utilized social engineering techniques to convincingly impersonate the vendor, ultimately deceiving the Authority's personnel into authorizing and processing a fraudulent payment.

CAUSE

While the Authority was victimized by a third-party perpetrator of fraud, there were deficiencies in the Authority's system of internal control that could have prevented the fraud from occurring. We noted that the Authority's employee failed to follow the Authority's ACH Direct Deposit Policy by initiating and updating vendor's banking information without obtaining approval from Authority's Director of Finance and, obtaining a signed SHA Direct Deposit form from the vendor. We noted the payment was approved, however, updating the vendor's banking information was not.

SALEM HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

SECTION II - FINANCIAL STATEMENTS FINDINGS (CONTINUED)

2025-001 – INTERNAL CONTROLS OVER FINANCIAL REPORTING (CONTINUED)

EFFECT

In addition to fraudulent payment of \$246,338, this incident has exposed vulnerabilities in the Authority's information systems, potentially compromising the integrity of financial data. Due to these deficiencies, there was a reasonable possibility that unauthorized transactions could occur and not be detected in a timely manner.

RECOMMENDATION

We recommend the Authority reinforce and ensure adherence to its existing ACH policies and procedures by all Finance staff. This should include periodic training to promote awareness of and compliance with the Authority's internal control policies. In addition, we recommend the Authority continue to provide enhanced cybersecurity training to all employees to further reduce and mitigate potential future cybersecurity risks.

AUDITEE'S RESPONSE AND PLANNED CORRECTIVE ACTION

See Corrective Action Plan.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

SALEM HOUSING AUTHORITY
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

FOR THE YEAR ENDED SEPTEMBER 30, 2025

SECTION I - FINANCIAL STATEMENTS FINDINGS

None.

SECTION II - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

SALEM HOUSING AUTHORITY

27 CHARTER STREET
SALEM, MA 01970

CORRECTIVE ACTION PLAN

2025-001 - INTERNAL CONTROLS OVER FINANCIAL REPORTING

Auditee's Response and Planned Corrective Action

Following the immediate action of the Finance team in response to the cyber fraud event which resulted in a full payment recovery, a full and thorough assessment of the steps leading to the fraudulent payment were examined internally.

It was determined that the cause of the fraudulent payment resulted from an Accounting Coordinator staff person that had bypassed the internal controls in place for Vendors.

The Accounting Coordinator bypassed the direct deposit sign up form requirement and this same Accounting Coordinator staff person did not submit the Direct Deposit sign up form to the Direct Supervisor, the Director of Finance for verification after inputting the updated account information into the software system. The Accounting Coordinator then filed the updated account information. It has been determined that the creative social engineering actions of the scammer led the Accounting Coordinator to believe the update request which led to her initiating a change without following protocol.

The corrective action taken internally in the Finance Department included:

A thorough review with all Finance Staff to outline the existing procedures in place for ACH/Direct Deposits. The review for Finance staff included the requirement that only the Directed Deposit sign-up form for all vendors initially and for any vendors making a change to the account information is the acceptable method for initiating or updating banking information.

A review of the requirements included that a voided check and/or document directly from bank verifying Acct # and Routing # as procedure states is required for the form to be processed. The review also included that the final step is for the Director of Finance to sign off and verify the Direct Deposit Form before payment is processed to the Vendor.

SALEM HOUSING AUTHORITY

27 CHARTER STREET
SALEM, MA 01970

CORRECTIVE ACTION PLAN (CONTINUED)

2025-001 – INTERNAL CONTROLS OVER FINANCIAL REPORTING (CONTINUED)

The following additional measures were immediately implemented following the cyber fraud event to further protect the agency and will continue indefinitely:

SHA Team will continue Fraud Awareness trainings annually.

When the Finance team receives new Vendor packets or updated Vendor banking information, the team will verify the information by calling a phone number for the Vendor not directly listed on the submission of change of bank information or new submission of bank information.

SHA Team will continue use of a two- factor authentication measure for all sign ins to secure sites.

SHA team will continue participation in the cyber awareness software program that routinely sends test fraud emails to all staff as a method for reminding/teaching staff to question emails that look unusual.

Planned Implementation Date of Corrective Action: Immediately

Person Responsible for Corrective Action: Cathy Sheehan, Executive Director

Independent Accountants' Report on Applying Agreed-Upon Procedures

To the Board of Commissioners
Salem Housing Authority
Salem, Massachusetts

We have performed the procedures described in the third paragraph of this report on the electronic submission of certain information that was included with the related hard copy documents within the audit reporting package. Salem Housing Authority (the "Authority") is responsible for the accuracy and completeness of the electronic submission.

The Authority and the U.S. Department of Housing and Urban Development (HUD), Real Estate Assessment Center (REAC) have agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of determining whether the electronic submission of certain information agrees with the related hard copy documents within the audit reporting package. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows:

We compared the electronic submission of the items listed in the "*UFRS Rule Information*" column with the corresponding printed documents listed in the "*Hard Copy Documents*" column. The results of the performance of our agreed-upon procedures indicate agreement or non-agreement of the electronically submitted information and hard copy documents as shown in the attached chart.

We were engaged by the Authority to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the attestation standards established by the AICPA and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on whether the electronic submission of certain information agrees with the related hard copy documents within the audit reporting package. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

We were engaged to perform an audit in accordance with the audit requirements of Title 2 U.S. Code of the Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) for the Authority as of and for the year ended September 30, 2025 and have issued our reports thereon dated June 29, 2026. The information in the "Hard Copy Documents" column was included within the scope or was a by-product of that audit. Further, our opinion on the fair presentation of the supplementary information dated June 29, 2026, was expressed in relation to the basic financial statements of the Authority taken as a whole.

A copy of the reporting package, required by the Uniform Guidance, which includes the auditors' reports, is available in its entirety from the Authority. We have not performed any additional auditing procedures since the date of the aforementioned audit reports. Further, we take no responsibility for the security of the information transmitted electronically to the U.S. Department of Housing and Urban Development, PIH-REAC Online Systems.

This report is intended solely for the information and use of the Authority and U.S. Department of Housing and Urban Development, PIH-REAC, and is not intended to be and should not be used by anyone other than these specified parties.

CBIZ CPAs P.C.

Boston, Massachusetts
June 29, 2026

Attachment to Independent Accountants' Report on Applying Agreed-Upon Procedures

PROCEDURE	UFRS RULE INFORMATION	HARD COPY DOCUMENTS	FINDING
1	Balance Sheet and Revenue and Expense (data line items 111 to 13901)	Financial Data Schedule, all ALNs, If applicable	Agrees
2	Footnotes (data element G5000-010)	Footnotes to audited basic financial statements	Agrees
3	Type of opinion on FDS (data element G3100-040)	Auditors' supplemental report on FDS	Agrees
4	Audit findings narrative (data element G5200-010)	Schedule of Findings and Questioned costs	Agrees
5	General information (data element series G2000, G2100, G2200, G9000, G9100)	OMB Data Collection Form	Agrees
6	Financial statement report information (data element G3000-010 to G3000-050)	Schedule of Findings and Questioned costs, Part 1 and OMB Data Collection Form	Agrees
7	Federal program report information (data element G4000-020 to G4000-040)	Schedule of Findings and Questioned costs, Part 1 and OMB Data Collection Form	Agrees
8	Type of Compliance Requirement (G4200-020 & G4000-030)	OMB Data Collection Form	Agrees
9	Basic financial statements and auditor reports required to be submitted electronically	Basic financial statements (inclusive of auditor reports)	Agrees

**Salem Housing Authority
July 2026 Bills**

Check Name	Discription	Total
Revolving Fund		
Aaron Patemoster		
	06-26: Board Comp.	<u>\$1,475.20</u>
Aflac		
	07-26: AFLAC	<u>\$397.16</u>
AFSCME Council 93		
	06-28-26: Union Dues 07-05-26: Union Dues 07-12-26: Union Dues 07-19-26: Union Dues 07-26-26: Union Dues	<u>\$476.80</u>
Amesbury Chevrolet		
	#242: Oil Change & Tire Rotation	<u>\$128.94</u>
Resident		
1	CHK 07-26: Power: Utility Allowance	<u>\$2.00</u>
Andrew M. Brockway		
	#258187/#7: Final	<u>\$1,000.00</u>
Baystate Interpreters, Inc.		
2	CHK 6/11: 667-5: LTO Interpreter 06-30: FSS: Interpreter	<u>\$220.00</u>
Beals and Thomas, Inc.		
	258197 #3	<u>\$2,993.98</u>
Blue Triton Brands, Inc.		
	667-5: 4/5 Gal. Water & Cups 667-5: 5/5 Gal. Water & Cups Sec.8: 3/5 Gal. Water 16A RT: 7/5 Gal. Water & 1/Sm. Water 16A RT: 5/Water & Cups Sec.8: 3/5 Gal. Water	<u>\$201.29</u>
Boston Mutual Life Ins. Co.		
	06-26: Add'l Life	<u>\$367.68</u>
Brake & Clutch, Inc.		
	#233: Ladder Racks	<u>\$375.00</u>
Canal Realty Development, LLC		
	Sec. 8: July Rent 06-26/07-26 Water & Sewer August 2026: Rent	<u>\$10,355.73</u>
Carahsoft Technology Corporation		
3	CHK 09-01-24/09-30-24: 37 SS Verification	<u>\$2,668.79</u>
Casey, Burns & Jean-Felix, PLLC		
	All Legal Services	<u>\$105,343.04</u>
Employee		
	6-21/6-26: Reimburse. Mileage	<u>\$130.20</u>
CDA Connor & Desmarais Agency		

**Salem Housing Authority
July 2026 Bills**

Check Name	Discription	Total
	Sec. 8: Term	<u>\$1,826.00</u>
Employee		
4	CHK 06-29-26/07-05-26: Replacement Payroll	\$640.83
5	CHK 07-06-26/07-12-26: Replacement Payroll	\$640.83
		<u>\$1,281.66</u>
City Of Salem		
	200: 145,157 Cu. Ft. 667: 125,735 Cu. Ft. 705: 16,903 Cu. Ft. 705-4: 9,382 Cu. Ft. 30: 16,002 Cu. Ft.	<u>\$39,567.08</u>
City Of Salem		
	02-26: 874.894 Gals. 02-26: Sec.8: 48.733 Gals. 03-26: 667.13 Gals. 03-26: Sec.8: 32.478 Gals. 04-26: 674.31 Gals. 04-26: Sec.8: 48.279 Gals.	<u>\$5,931.63</u>
Comcast		
6	CHK 06-29/07-28: 26 GT 07-01/07-30: 667-6 07-04/08-03: 14 PT 06-29/07-28: 16A RT	\$1,473.90
7	CHK 07-11/08-10: 16A RT 07-04/08-03: 83 RT 07-11/08-10: Elevators 07-11/08-10: Power: Elevator 07-10/08-09: 667-5 07-12/08-11: Power 07-12/08-11: 667-6: Elevators 07-12/08-11: 667-7A Office & Elevator 07-12/08-11: 667-7B: Elevator 07-12/08-11: 705-4: Elevator 07-12/08-11: Zisson 07-12/08-11: Sec. 8 07-11/08-10: Zisson: Elevator	\$1,878.35
8	CHK 07-18/08-17: 705-4 07-21/08-20: 667-5	\$846.81
		<u>\$4,199.06</u>
Commonwealth of Massachusetts		
9	CHK 07-20-26: Sec.8 Toll	<u>\$4.55</u>
Commonwealth Of Massachusetts		
10	CHK 07-26: Health, Opins. & LTD	<u>\$15,487.01</u>
Dearborn Life Insurance Company		
11	CHK 07-26: STD	<u>\$447.45</u>
Delta Beckwith Elevator Company		
	667-5: 4/28/26: Stand By Assistance for Camera Ins 667-5: 4/4/25: Install New Break Monitoring Switch May 2026 Maintenance 667-6: 11/13/24: True Up Jack 667-6: 10/14/24: Correct The Emergency Indicator L 667-7B: 11/2/24: Overtime Call To Install A New Tr 667-7B: 11/5/24: Adjustor Team Troubleshoot	<u>\$44,540.00</u>
	June 26 Maintenance 12-01/12-31-24: Maintenance Service 667-8: 10-23-24: Power Unit & Oil Replacement 667-7A: 4-10-24: Replace Entire Car Top 667-7B: 11-13-24: Relocate Motor Bearing	

**Salem Housing Authority
July 2026 Bills**

Check Name	Discription	Total
	667-5: 11-3-24: Entrapment Elevator #1	
	667-7B: 11-11-24: Drain Tank To Obtain Pump Motor	
	667-5: 10-16-25: Upgrade The Traveling Communicati	\$90,175.71
	705-4: 8-7-24: Complete e FS90 and Retest With The	
	667-7B: 11/21/24: Intermittent Elevator: Troublesh	
	667-5: 5/12/26: Elevator 1&2 Stuck: Trouble Shoot	
	667-7B: 3/11/25: Replace Broken Gibs	
	1/1/26-1/31-26: Monthly Maintenance	
	04/01/26-04/30-26: Monthly Maintenance	
	08/01/25-08/31/25: Monthly Maintenance	\$18,301.70
Emily Ullman		<u>\$153,017.41</u>
	06-26: Board Comp.	
Environmental Restorations, Inc.		<u>\$1,475.20</u>
	PT: Kitchen Floor: Asbestos Abatement	
	PT: Kitchen Floor: Asbestos Abatement	
F. W. Webb Company		<u>\$10,650.00</u>
	FC: Boiler Parts	
	RT: Toilet, Faucets, Accessories	
	705-4/: Bathrm. Sink & Faucets	
	RT: Toilet & Accessories	
	Ziisson Office Bathrm. Toilet & Accessories	
	Kitchen Faucets & Fittings	
	667-5/Shower Parts & Accessories	
	705-4/ Kitchen Sink & Accessories	
Fenton, Ewald & Associates, P.C.		<u>\$3,805.35</u>
	06-26: Accounting Services	
Fuss & O'Neill, inc.		<u>\$5,424.00</u>
	#258150/#03: Asbestos	
Employee		<u>\$16,260.00</u>
	Meeting supplies Reimbursement	
Greater Salem Employees Federal		<u>\$328.36</u>
	06-28-26: Credit Union	
	07-05-26: Credit Union	
	07-12-26: Credit Union	
	07-19-26: Credit Union	
	07-26-26: Credit Union	
H. T. Berry Company, LLC a Brady		<u>\$4,000.00</u>
	1 CS. Odor Eliminator	
	2 Cs. Sealer/Finisher	
	Maintenance Supplies	
	Maintenance Supplies	
Haier US Appliance Solutions, Inc.		<u>\$3,618.21</u>
	667: 10/20" Electric Stoves	
Hayden's Safe & Lock Co., Inc.		<u>\$5,660.00</u>
	Repair Fob System	
	122.5: Re-Key & Master Cylinder & Keys	
	Recalibrate Key Machine	
	GT: 2/1 Locks & Mastered	
Hayden's Systems, Inc.		<u>\$491.92</u>
	117 Congress: Annual Fire Alarm Test	
	26 Prince: Annual Fire Alarm Test	

**Salem Housing Authority
July 2026 Bills**

Check Name	Discription	Total
	Bertram: Annual Fire Alarm Test PT: Annual Fire Alarm Test CT: Annual Fire Alarm Test 667-6: Troubleshoot fire Alarm Signal	\$4,517.00
HD Supply Facilities Maintenance		
	Credit: Residual Item 1 Gal: Hard Floor Cleaner 3/24 Oz: Simple Green Cleaner Maintenance Supplies	\$2,852.46
Home Depot Commercial Credit		
	Credit: 667-6: Air Conditioner 56 RT: Storm Door Hardware Electric Engraver Tool Cordless Precision Engraver Dremel Engraving Cutter PT: Extension Cord 667-6: A/C Weather Seal 667-6: Air Conditioner 667-5: Ceiling Tiles Misc. Hardware 667-6: Air Cond	\$1,221.51
Housing and Development Law Institute		
12	CHK 26-27: HDLI Membership Dues	\$995.00
Intellibeam LLC		
	Flex SSP: Deep Freeze Install on 40 Computers 08-26: VoIP: 3 Lines, 911, Caller Id 05-26: VoIP: 3 Lines, 911, Caller Id 05-26: Computer Maintenance 06-26: Computer Maintenance	\$11,763.68
Interflex Payment LLC DBA/Ameriflex 27-2256926		
	AMFMASGI1 AMFMASGI1 AMFMASGI1 AMFMASGI1 AMFMASGI1 AMFMSSGI1 AMFMASGI1 AMFMASGI1 AMFMASGI1 AMFMASGI1	\$1,654.00
Jilcraft Inc.		
	Business Cards Business Cards Business Cards 20 P. O. Books	\$537.50 \$537.50
John Skouras & Co., Inc.		
	667-5/: One Bedroom CT: One Bedroom 667-5: One Bedroom 667-5: One Bedroom 667-5: One Bedroom Bertram: One Bedroom PT/: One Bedroom 667-5: One Bedroom	
	NT: One Bedroom PT: One Bedroom 705-4: Two Bedroom 11: One Bedroom 9G: One Bedroom	

**Salem Housing Authority
July 2026 Bills**

Check Name	Discription	Total
	667-5: One Bedroom 667-5: One Bedroom RT: Two Bedroom RT: Two Bedroom	<u>\$11,200.00</u>
Kelley Annese		
	07-07/07-21: Wellness Wednesday Flowers Pre2004: July 26: Wellness Wednesdays	<u>\$582.97</u>
Kevin Figueroa dba KevTech Services,		
	Grant: Intro to Computer Literacy Classes Grant: June 26 Classes & Flex RSC June 26 Classes	<u>\$3,250.00</u>
Kitchen and Floor Decor		
	705-4: Kitchen Cabinets & Countertop Install 705-4: Kitchen Cabinet & Countertop Install	<u>\$10,794.00</u>
Labor Logic LLC d/b/a Harpers Time & ...		
	6-30: 40 Profiles	<u>\$140.00</u>
Laracy Electrical Contractors, Inc.		
13	CHK #258150/#03:	<u>\$95,950.00</u>
Employee		
	250th Party Expense: Ice Flex RSC: Morency Cooking Class Supplies Flex RSC: PT: Spiritual Healing Class Supplies Flex RSC: Coffee Hour Snacks Flex RSC: Coffee Hour: Fire & Safety: Refreshments	<u>\$209.09</u>
Employee		
	Tuition Reimbursement	<u>\$1,797.00</u>
MassNAHRO		
14	CHK 07-13-26: MPHA Legal	\$499.00
15	CHK 09-26: 9/Conference Registrations	\$5,592.00
		<u>\$6,091.00</u>
McCarthy & Son Landscaping, Inc.		
	2026 Landscape: May 26 2026 Landscape: June 26	<u>\$15,978.50</u>
Mini Warehousing, Inc.		
	06-12/07-11: RT Storage	<u>\$115.00</u>
Morgan,Brown & Joy, LLP		
	8-2026 Negotiations: Collective Bargaining	<u>\$1,030.48</u>
N.S.H.E.D.A		
16	CHK 2026-2027 Annual Dues	<u>\$85.00</u>
National Grid		
17	CHK 200: 159+ KWH	\$49.33
18	CHK 667: 122 KWH 200: 22 KWH 705-4: 21 KWH 30: 196 KWH Sec.8: 1,583 KWH	\$903.44
19	CHK 667: 99 KWH 200: 406 KWH 705-4: 16 KWH	<u>\$389.86</u>

**Salem Housing Authority
July 2026 Bills**

Check Name		Discription	Total
		705: 1 KWH	
		30: 244 KWH	
20	CHK	30: 18 KWH	\$10.52
			<u>\$1,353.15</u>
National Grid			
21	CHK	667: 1,498.5 Therms.	\$2,078.39
		200: 0 Therms.	
22	CHK	667: 192 Therms.	\$855.86
		200: 61 Therms.	
		30: 216 Therms.	\$71.84
23	CHK	200: .3 Therms.	
		705-4: 0 Therms.	
		30: .4 Therms.	
24	CHK	667-7B 96 Therms.	\$138.87
			<u>\$3,144.96</u>
National Grid			
25	CHK	667: 170,568 KWH	\$887.30
		705: 1,079 KWH	
		30: 6,445 KWH	
			<u>\$887.30</u>
New England Mobile Systems, Inc.			
		07-26: GPS Monitoring	
			<u>\$303.84</u>
NRG Business Marketing			
26	CHK	667: 947 Therms.	\$533.17
27	CHK	667: 199.8 Therms.	\$112.49
			<u>\$645.66</u>
O'D Answering Services, LLC			
		05-20/06-21: Answering Service	
			<u>\$2,084.00</u>
OnLine Information Serivices, Inc.			
		Sec. 8: 36 Criminal Reports	
		Sec. 8: 41 SS Verification Reports	
		Sec. 8: 28 Criminal Reports	
		Sec. 8: 36 SS Verification Reports	
		31 Criminal Reports	
		1 Eviction Report	
		2 SS Varication Reports	
			<u>\$5,661.50</u>
Patricia Morsillo			
		06-26: Board Comp.	
			<u>\$1,475.20</u>
Patriot Constable Service, LLC			
		RT: 14 Day NTQ	
		667-6: 14 Day NTQ	
		RT: 14 Day NTQ	
		RT: 14 Day NTQ	
		667-5/: 14 Day NTQ	
		RT: 14 Day NTQ	
			<u>\$180.00</u>
Powderhouse Plumbing, Inc.			
28	CHK	705-4: Install Filter With Boiler	\$1,160.00
			<u>\$1,160.00</u>
Power Options			
		2026 Membership	
			<u>\$300.00</u>
Principal Bank as Custodian FBO			
29	CHK	07-05-26: Deferred Comp. "OBRA"	\$317.58
30	CHK	07-12-26: Deferred Comp. "OBRA"	\$362.76
31	CHK	07-19-26: Deferred Comp. "OBRA"	\$317.58
32	CHK	07-26-26: Deferred Comp. "OBRA"	\$365.49
			<u>\$1,363.43</u>

**Salem Housing Authority
July 2026 Bills**

Check Name	Discription	Total
Principal Bank as Custodian FBO		
33	CHK 07-05-26: Deferred Comp.	\$1,090.00
34	CHK 07-12-26: Deferred Comp.	\$1,090.00
35	CHK 07-19-26: Deferred Comp.	\$1,090.00
36	CHK 07-26-26: Deferred Comp.	\$1,090.00
		<u>\$4,360.00</u>
PureSky Payment Services Inc.		
	04-01/04-30: Solar	
		<u>\$76,764.27</u>
Quadrant Health Strategies, Inc.		
	Physical: New Employee	
		<u>\$188.00</u>
Rafael Batista		
	07-26: Monthly Clean	
		<u>\$3,500.00</u>
Rene C. Lamarre Co., Inc.		
	122.5 Boston: Upper Porch Removal & Misc. Work	
	122.5 Boston: Permit	
	73 Boston St. Concrete Stair Installation	
	117 Congress: Repair Stair Noses	
		<u>\$32,700.06</u>
Reworld Sustainable Solution, LLC		
	06-17/06-24: Trash Disposal	
		<u>\$96.74</u>
Rogue Engineering and Design, Inc.		
	#258188/#06: A/e Basic	
		<u>\$7,700.00</u>
Romell Kidd		
	06-26: Board comp.	
		<u>\$1,475.20</u>
Safeway Safety Step LLC CleanCut		
	667-5: Install Walk In ADA Tub Cut	
	667-6: Install Walk In ADA Tub Cut	
		<u>\$2,665.00</u>
Salem Contributory Retirement		
	06-26-26: Retirement	
	07-05-26: Retirement	
	07-12-26: Retirement	
	07-19-26: Retirement	
	07-26-26: Retirement	
		<u>\$28,704.17</u>
Section 8 Administrator's Association		
37	CHK 09-26/08-27: Membership	
		<u>\$425.00</u>
Sperling Interactive		
	07-26: Website Maintenance	
		<u>\$520.00</u>
Staples Advantage		
	Office Supplies	
		<u>\$75.98</u>
Stephen G. Ahmed		
	01-01-26/06-30-26: Insurance Policy Review	
		<u>\$1,800.00</u>
Tenant		
38	CHK 07-26: Zisson: Utility Allowance	
		<u>\$124.00</u>
Swampscott Refrigeration		

**Salem Housing Authority
July 2026 Bills**

Check Name		Discription	Total
39	CHK	16A RT: Annual Ac Inspection	<u>\$160.00</u>
The Norfolk Companies, Inc.			
		73 RT: Upper Cabinet	<u>\$389.22</u>
Toshiba America Business Solutions			
		07-15/08-14: Sec. 8: Copier	
		07-15/08-14: Sec. 8 & 667: Scanners	
		07-15/08-14: Sec. 8 & 667-5: Copiers	
		07-15/08-14: Zisson: Copier	
		07-15/08-14: 667-5 & 16A RT: Copiers	
		05-15/06-14: 667-5 & 16A RT: Copiers	<u>\$2,947.76</u>
Tough Stuff Recycling, LLC			
		06-19: 38 Mattresses	<u>\$1,254.00</u>
Uline, Inc.			
		Maintenance Supplies	
		RT: 2/6' Ft. Picnic Tables	
		Maintenance Supplies	<u>\$5,290.40</u>
Universal Environmental Consultants			
		705-4 & 667-6: Asbestos Clearance Services	<u>\$450.00</u>
Verizon			
40	CHK	05-11/06-10: Cell Phones	\$1,560.07
41	CHK	06-11/07-10: Cell Phones	\$1,226.22
Veronica Joy Miranda			<u>\$2,786.29</u>
		06-26: Board Comp.	<u>\$1,475.20</u>
Vocational Careers Corp. d/b/a The			
		09-19-26/04-19-27: Tier 11 Plumber	<u>\$1,950.00</u>
W. B. Mason Co., Inc.			
		Office Supplies	<u>\$3,704.32</u>
Weaver Glass, LLC			
		667-5: Community Room Window	<u>\$998.97</u>
Xcel Fire Protection, Inc.			
		667-7B: Annual Fire Sprinkler Inspection	
		667-5: Annual Fire Sprinkler Inspection	
		667-7A: Annual Fire Sprinkler Inspection	
		667-6: Annual Fire Sprinkler Inspection	
		Power: Annual Sprinkler Inspection	
		705-4: Annual Sprinkler Inspection	
		Zisson: Annual Sprinkler Inspection	<u>\$4,455.00</u>
Elan Financial Services	INV	Credit Card Payment	<u>\$5,458.58</u>
Harpers Payroll			
		07/02/2026 Payroll	\$47,102.03
		State & Federal Withholding	\$11,520.89
		Harpers Invoice	\$114.13
		07/09/2026 Payroll	<u>\$43,724.27</u>
		State & Federal Withholding	\$11,003.50
		Harpers Invoice	\$115.63
		07/16/26 Payroll	\$47,953.20
		State & Federal Withholding	\$11,928.28
		Harpers Invoice	\$159.43

Salem Housing Authority
July 2026 Bills

Check Name	Discription	Total
	07/23/26 Payroll	\$47,661.98
	State & Federal Withholding	\$11,940.44
	Harpers Invoice	\$128.73
	07/30/26 Payroll	\$46,161.26
	State & Federal Withholding	\$11,302.95
	Harpers Invoice	\$113.53
		<u>\$290,930.25</u>
	Total Payments	\$775,893.51
	Totals for Revolving Fund	<u>\$ 1,072,282.34</u>

End of Report

FENTON, EWALD & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
280 HILLSIDE AVENUE
NEEDHAM, MA 02494-1365

OFFICE: (781) 444-6630
FAX (781) 444-6836
E-MAIL: office@feacpa.com

To the Board of Commissioners
Salem Housing Authority
27 Charter Street
Salem, MA 01970

We have compiled the accompanying balance sheets of the Salem Housing Authority as of **June 30, 2026**, and the related statements of Revenues and Expenses for the **9** months then ended. We have not audited or reviewed the accompanying financial statements and accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America. The information included in the accompanying Agency Wide Revenue and Expenses and Analysis of Nonroutine Expenditures and Credits is presented only for supplementary analysis purposes. Such information has been compiled from information that is the representation of management, without audit or review, and accordingly, we do not express an opinion or provide any assurance on such data.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all disclosures and the statement of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusion about the Authority's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Fenton, Ewald & Associates, P.C.

Fenton, Ewald & Associates P.C.

Needham, Massachusetts
Dated: July 16, 2026

Salem Housing Authority
9 months ending
June 30, 2026

AGENCY WIDE OPERATING STATEMENT

Fenton, Ewald & Associates, P.C.

7/16/2026

June 30, 2026		Year To Date Actual								
Account Number	Classification	Federal Conventional	Section 8 HCVP	State Consolidated 455-1	Admin. Management Program	MRVP	Total	Pro-Rated Budget	\$ Favorable (Unfavorable)	% Favorable (Unfavorable)
OPERATING RECEIPTS										
3110 Shelter Rent - Tenant		141,047		2,972,976			3,114,023	3,233,504	(119,481)	-4%
3115 Shelter Rent - Federal Sect. 8		0		0			0	390,069	(390,069)	-100%
3190 Non Dwelling Rentals		0		0			0	0	0	0%
3400 Administrative Fees (S8, MOB, MRVP)			1,422,255	0	111,696	23,595	1,557,546	1,523,643	33,903	2%
3610 Interest on Investments - Unrestricted		17,558	15,596	19,503	0	305	52,961	52,200	761	1%
3611 Interest on Investments - Restricted				0		0	0	0	0	0%
3690 Other Revenue		14,825	169,088	39,829	16,613	0	240,355	232,886	7,469	3%
3950 Operating Grants				0			0	0	0	0%
3691 Other Revenue Retained				290,084		0	290,084	307,426	(17,341)	-6%
3801 Operating Subsidy		109,885		1,546,761		691,933	2,348,579	2,797,473	(448,895)	-16%
TOTAL OPERATING RECEIPTS		283,314	1,606,939	4,869,153	128,309	715,833	7,603,547	8,537,200	(933,653)	-11%
OPERATING EXPENDITURES										
ADMINISTRATIVE										
4110 Administration Salaries		33,941	918,261	794,561	61,112	12,213	1,820,088	1,611,074	(209,014)	-13%
4120 Compensated Absences		0	0	0	0	0	0	18,687	18,687	100%
4130 Legal		13,003	123,776	229,341	1,568	116	367,804	294,750	(73,054)	-25%
4140 Compensation-Board Members				21,097		0	21,097	22,097	999	5%
4150 Travel And Related Expenses		97	7,635	3,644	0	0	11,376	15,000	3,624	24%
4170 Accounting Services		7,663	20,870	14,655	4,033	1,279	48,500	49,904	1,404	3%
4171 Audit Services		444	15,339	7,704	0	513	24,000	33,750	9,750	29%
4180 Office Rent		0	57,424	0		0	57,424	49,494	(7,930)	-16%
4190 Administrative Other		19,897	228,868	188,623	14,511	3,090	454,990	409,580	(45,410)	-11%
4190.1 Mixed Population Salary			0	0		0	0	162,915	162,915	100%
TOTAL ADMINISTRATIVE EXPENSE		75,044	1,372,174	1,259,626	81,223	17,212	2,805,279	2,667,250	(138,029)	-5%
4230 Resident Services		0		10,433		0	10,433	13,406	2,973	22%
UTILITIES										
4310 Water & Sewer		28,489		344,059			372,548	401,265	28,717	7%
4320 Electricity		29,431		213,296			242,727	632,194	389,467	62%
4330 Gas		19,587		95,307			114,895	93,707	(21,187)	-23%
4340 Fuel		0		0			0	0	0	0%
4360 Energy Conservation		0		0			0	0	0	0%
4390 Other		0		495,802			495,802	0	(495,802)	#DIV/0!
TOTAL UTILITIES EXPENSE		77,508	0	1,148,464	0	0	1,225,971	1,127,166	(98,805)	-9%
ORDINARY MAINTENANCE										
4410 Maintenance Labor		38,603		681,008			719,611	764,303	44,691	6%
4420 Materials And Supplies		14,512		194,697			209,210	262,500	53,290	20%
4430 Contract Costs		54,854		423,009			477,863	474,000	(3,863)	-1%
TOTAL ORDINARY MAINTENANCE		107,969	0	1,298,714	0	0	1,406,683	1,500,803	94,119	6%
GENERAL EXPENSE										
4510 Insurance		97,054	34,910	200,675	1,567	283	334,489	900,290	565,800	63%
4520 Pilot		6,354		9,216			15,570	18,392	2,822	15%
4540 Employee Benefits		38,225	384,190	628,721	33,179	5,405	1,089,719	931,377	(158,342)	-17%
4570 Collection Losses		0		38,019		0	38,019	39,000	981	3%
4590 COVID related Costs			0	0		0	0	0	0	0%
4580/90 Other General Expenses - Port Out Fees		0	125,391				125,391	127,500	2,109	2%
TOTAL GENERAL EXPENSES		141,633	544,491	876,630	34,746	5,688	1,603,188	2,016,558	413,370	20%
TOTAL OPERATING EXPENSES		402,154	1,916,665	4,593,867	115,969	22,900	7,051,554	7,325,183	273,628	4%
NET INCOME (DEFICIT) BEFORE SUBSIDY and NON-ROUTINE EXPENSES		(228,725)	(309,726)	(1,271,474)	12,340	1,000	(1,796,586)	(1,585,456)	(211,130)	13%
NET INCOME (DEFICIT) BEFORE NON-ROUTINE, and INCLUDING SUBSIDY		(118,840)	(309,726)	275,287	12,340	692,933	551,993	1,212,018	(660,024)	-54%
NONROUTINE EXPENSES AND (CREDITS)										
4610 Extraordinary Maintenance / Direct Use of Reserves		124,454	0	231,534		0	355,987	262,500	(93,487)	-36%
4611 Equip. Purchased - Non Capitalized				29,627		0	29,627	60,000	30,373	51%
4612 Restricted Reserve Expenditures				0		0	0	0	0	0%
4715 Housing Assistance Payments				0		691,933	691,933	691,933	0	0%
7520 Replacement of Equipment		0	0	16,513			16,513	97,500	80,967	83%
7540 Betterments & Additions		0		0			0	0	0	0%
4801 Depreciation Expense				0			0	0	0	0%
TOTAL NONROUTINE EXPENSES		124,454	0	277,674	0	691,933	1,094,060	1,111,933	17,873	2%
2700 NET INCOME (DEFICIT)		(243,294)	(309,726)	(2,387)	12,340	1,000	(542,067)	100,085	(642,152)	-642%

See Accountants' Compilation Report

Salem Housing Authority
PROJECT MA06-P055-003.7
BALANCE SHEET - June 30, 2026

ASSETS

CASH - GENERAL FUND - DEV AND/OR OPS	\$ 336,950.81	
PETTY CASH	0.00	\$ 336,950.81
ACCOUNTS RECEIVABLE TENANTS - Net	6,099.84	
ALLOWANCE FOR DOUBTFUL ACCOUNTS - TENANTS	(4,120.24)	
ACCOUNTS RECEIVABLE - HUD	0.00	
ACCOUNTS RECEIVABLE - Other	0.00	1,979.60
ADVANCE - LIMITED REV FUND		25,000.00
PREPAID INSURANCE	76,580.00	
INVENTORY - MATERIALS	0.00	
DEFERRED CHARGES - OTHER	0.00	
DEFERRED CHARGES - RETIREMENT	18,746.00	
INTERPROGRAM DUE TO / DUE FROM	0.00	95,326.00
ACCUMULATED DEPRECIATION - STRUCTURES & EQUIP	(3,301,338.66)	
LAND	258,293.38	
BUILDINGS	3,419,497.90	
FURNITURE, EQUIP AND MACH - DWELLINGS	0.00	
FURNITURE, EQUIP AND MACH - ADMIN	23,218.00	
WORK IN PROGRESS	1,002,758.05	
BUILDINGS - EQ. TRANSFERRED IN	0.00	
DEFERRED OUTFLOW OF RESOURCES	45,482.00	1,447,910.67
<u>TOTAL ASSETS</u>		<u>\$ 1,907,167.08</u>

LIABILITIES AND SURPLUS

ACCOUNTS PAYABLE	\$ -	
BID DEPOSIT	0.00	
TENANT PET DEPOSITS	522.72	
ACCOUNTS PAYABLE - HUD	0.00	
PREPAID RENTS	0.00	
ACCOUNTS PAYABLE REV FUND	402,583.81	\$ 403,106.53
ACCRUED PAYROLL	2,227.02	
ACCRUED OTHER	33,522.37	
ACCRUED COMPENSATED ABSCENCES	5,920.61	
ACCRUED PILOT	6,353.92	48,023.92
DEFERRED INFLOWS	54,717.00	54,717.00
ACCRUED OPEB LIABILITY	130,631.00	
NET PENSION LIABILITY	124,799.00	255,430.00
INVESTMENT IN CAPITAL ASSETS, NET OF RELATED DEBT	961,187.18	
UNRESTRICTED NET ASSETS 177% of Max	128,111.88	
UNRESTRICTED NET ASSETS - OPEB	(164,958.00)	
UNRESTRICTED NET ASSETS - Pension Liab	(99,707.00)	
OPERATING TRANSFERS IN		824,634.06
CURRENT YEAR NET INCOME (DEFICIT)		321,255.57
OPEB and PENSION RELATED EXPENSES		0.00
PYA NOT AFFECTING RESIDUAL RECEIPTS		0.00
GAIN OR LOSS ON SALE OF EQUIP.		0.00
EXPENDITURES FOR PROPERTY - CONTRA		0.00
<u>TOTAL LIABILITIES AND SURPLUS</u>		<u>\$ 1,907,167.08</u>

See Accountants' Compilation Report

Salem Housing Authority
9 months ending

MA06-P055-003,7
6/30/2026

39 units
351 unit months

FENTON, EWALD & ASSOCIATES, P.C.
16-Jul-26

PSP

ACCOUNT NUMBER CLASSIFICATION	APPROVED BUDGET AMOUNT	PRO RATA BUDGET 9 Months	BUDGET P.U.M.	ACTUAL TO DATE P.U.M.	ACTUAL TO DATE AMOUNT	Favorable (Unfavorable)	ACTUAL ASA FACTOR OF PRO RATA	AVAILABLE REMAINDER OF YEAR
OPERATING RECEIPTS								
3110 Dwelling Receipts	187,090	140,318	399.76	401.84	141,046.75	729	1.005	46,043
3120 Excess Utilities	0	0	0.00	0.00	0.00	0		0
3190 Non-dwelling Rent	0	0	0.00	0.00	0.00	0		0
3610 Interest Income	24,000	18,000	51.28	50.02	17,557.59	(442)	0.975	6,442
3690 Other Income	21,200	15,900	45.30	42.24	14,825.00	(1,075)	0.932	6,375
3802 Section 8 Contract Rent	520,092	390,069	1,111.31	0.00	0.00	(390,069)	0.000	(351)
TOTAL OPERATING RECEIPTS	752,382	564,287	1,607.65	494.10	173,429.34	(390,857)	0.307	578,953
OPERATING EXPENDITURES								
ADMINISTRATIVE								
4110 Salaries	42,704	32,028	91.25	96.70	33,940.54	(1,913)	1.060	8,763
4120 Compensated Absences	0	0	0.00	0.00	0.00	0		0
4130 Legal	10,000	7,500	21.37	37.05	13,003.11	(5,503)	1.734	(3,003)
4150 Travel	370	278	0.79	0.28	96.85	181	0.349	273
4170 Accounting Services	10,284	7,713	21.97	21.83	7,663.00	50	0.994	2,621
4171 Audit Fees	722	542	1.54	1.26	444.00	98	0.820	278
4180 Office Rent	0	0	0.00	0.00	0.00	0		0
4190 Sundry Admin	16,811	12,608	35.92	56.69	19,896.81	(7,289)	1.578	(3,086)
TOTAL ADMINISTRATIVE EXPENSE	80,891	60,668	172.84	213.80	75,044.31	(14,376)	1.237	5,847
4230 RESIDENT SERVICES UTILITIES	975	731	2.08	0.00	0.00	731	0.000	975
4310 Water	25,444	19,083	54.37	81.17	28,489.20	(9,406)	1.493	(3,045)
4320 Electricity	32,504	24,378	69.45	83.85	29,431.21	(5,053)	1.207	3,073
4330 Gas	18,919	14,189	40.43	55.80	19,587.17	(5,398)	1.380	(668)
4340 Fuel	0	0	0.00	0.00	0.00	0		0
4350 Utility Labor	0	0	0.00	0.00	0.00	0		0
4390 Other Utility Expenses	0	0	0.00	0.00	0.00	0		0
TOTAL UTILITIES EXPENSE	76,867	57,650	164.25	220.82	77,507.58	(19,857)	1.344	(641)
ORDINARY MAINTENANCE								
4410 Labor	53,955	40,466	115.29	109.98	38,603.47	1,863	0.954	15,352
4420 Materials And Supplies	20,000	15,000	42.74	41.35	14,512.27	488	0.967	5,488
4430 Contract Costs	52,000	39,000	111.11	156.28	54,853.69	(15,854)	1.407	(2,854)
TOTAL ORDINARY MAINTENANCE	125,955	94,466	269.13	307.61	107,969.43	(13,503)	1.143	17,986
4480 PROTECTIVE SERVICES GENERAL EXPENSES	0	0	0.00	0.00	0.00	0		0
4510 Insurance	123,190	92,393	263.23	276.51	97,054.18	(4,662)	1.050	26,136
4520 Pilot	11,022	8,267	23.55	18.10	6,353.92	1,913	0.769	4,668
4530 Terminal Leave Payments	0	0	0.00	0.00	0.00	0		0
4540 Employee Benefits	37,876	28,407	80.93	108.90	38,224.55	(9,818)	1.346	(349)
4541 Employee Benefits - OPEB	0	0	0.00	0.00	0.00	0		0
4542 Employee Benefits - Pension	0	0	0.00	0.00	0.00	0		0
4570 Collection Losses	2,000	1,500	4.27	0.00	0.00	1,500	0.000	2,000
4590 Sundry	0	0	0.00	0.00	0.00	0		0
TOTAL GENERAL EXPENSES	174,088	130,566	371.98	403.51	141,632.65	(11,067)	1.085	32,455
TOTAL ROUTINE EXPENSES	458,776	344,082	980.29	1,145.74	402,153.97	(58,072)	1.169	56,622
NONROUTINE EXPENSES								
4610 Nonroutine Maintenance	50,000	37,500	106.84	354.57	124,453.79	(86,954)	3.319	(74,454)
7520 Replacement of Equip	0	0	0.00	0.00	0.00	0		0
7540 Betterments & Additions	0	0	0.00	0.00	0.00	0		0
TOTAL NONROUTINE EXPENDITURES	50,000	37,500	106.84	354.57	124,453.79	(86,954)	3.319	(74,454)
Prior Yr. Adj. Affect Res. Rec.	0	0	0.00	0.00	0.00	0		0
TOTAL OPERATING EXPENSES	508,776	381,582	1,087.13	1,500.31	526,607.76	(145,026)	1.380	(17,832)
NET INCOME(DEFICIT) BEFORE SUBSIDY	243,606	182,705	520.53	(1,006.21)	(353,178.42)	(535,883)	-1.933	
8020 Operating Subsidy	200,164	150,123	427.70	313.06	109,884.67	(40,238)	0.732	90,279
8020 Capital Fund	0	0	0.00	1,608.40	564,549.32	564,549		(564,549)
RESIDUAL RECEIPTS (DEFICIT)	443,770	332,828	948.23	915.26	321,255.57	(11,572)	0.965	

See Accountants' Compilation Report

HUD-52598

ANALYSIS OF NONROUTINE EXPENDITURES

Name of Local Authority Salem Housing Authority	Fiscal Year Ending Date 9/30/26
Locality 27 Charter Street	Report for Period Ended 6/30/2026
Development Nos. MA06-P055-003,7	Contract Nos. B-1632

Part II - Analysis Of Expenditures For Extraordinary Maintenance, Replacement Of Equipment, And Property Betterments And Additions

WORK PROJECT NUMBER	Salem Housing Authority JOB DESCRIPTION	PROJECT NUMBER	TOTAL BUDGETED COST	ACTUAL COST	
				Current Year	% Complete
	EXTRAORDINARY MAINTENANCE - ACCOUNT 4610				
	Section 18 Conversion Consulting			38,316.50	
	HVAC			12,743.00	
	Turnover		50,000	31,568.29	
	Elevator			17,640.00	
	Porch			24,186.00	
	Total - Account 4610		50,000	124,453.79	
	PRIOR YEAR ADJUSTMENTS - ACCOUNT 6010				
	Total - Account 6010			0.00	
	REPLACEMENT OF NONEXPENDABLE EQUIP. - ACCT. 7520				
	Total - Account 7520		0	0.00	
	PROPERTY BETTERMENTS AND ADDITIONS - ACCT. 7540				
	Total - Account 7540		0	0.00	

Prepared by:

Signature: Fenton, Ewald & Associates, PC

Title: Fee Accountants Date 07/16/26

SALEM HOUSING AUTHORITY
SECTION 8 VOUCHER
BALANCE SHEET - JUNE 30, 2026

ASSETS

Cash - Voucher	\$1,635,852.54	
Petty Cash	0.00	\$1,635,852.54
Accounts Receivable - Hud	0.00	
Accounts Receivable (Payable) - Mobilities	18,427.15	
Accounts Receivable -Fraud	190,060.00	
Accounts Receivable -Interprogram	0.00	208,487.15
Advances To Revolving Fund		391,483.53
Investments	0.00	
FSS Escrow Balances	140,906.02	140,906.02
Prepaid Insurance	25,464.00	
Deferred Outflows - Retirement	241,790.00	
Deferred Charges -Other	10,087.80	
Deferred Expenses - COVID-19 Related	0.00	277,341.80
Land, Structures And Equipment - Net		465,704.46
Deferred Outflow of Resources		453,735.00
<u>TOTAL ASSETS</u>		<u>\$3,573,510.50</u>

LIABILITIES AND SURPLUS

Accounts Payable - Revolving Fund	\$0.00	
Accounts Payable - HUD	236,219.00	
Current Portion Capital Project/Mortgage	40,870.00	\$277,089.00
Accrued Compensated Absences - Current	73,789.18	
Accrued Payroll	31,824.49	
Accrued Liabilities	72,650.54	
Fss Escrow	140,906.02	319,170.23
Deferred Fraud Income Charges	190,060.00	
Accrued Compensated Absences - Non-Current	45,262.79	
Long Term Portion Capital Project/Mortgage	286,911.00	
Accrued OPEB Liability	1,538,902.00	
Accrued Pension Liability	1,242,889.00	
Deferred Inflows of resources	629,933.00	3,933,957.79
Invested in Capital Assets - net	137,923.46	
Unrestricted Net Assets - Admin	1,887,267.94	
Unrestricted Net Assets - OPEB	(1,943,284.00)	
Unrestricted Net Assets - Pension	(1,014,705.00)	
Restricted Net Assets - HAPs	147,738.00	(785,059.60)
HUD PHA Grants - HAPs	19,023,698.00	
Less HAP Expenses	(18,936,735.00)	
Plus: Interest on HAP Reserves		
Plus: Fraud Receipts - HAP portion	51,116.50	138,079.50
Expenditures for Equipment - Contra		0.00
Depreciation Expense		0.00
Net Surplus (Deficit) from Operations		(309,726.42)
<u>TOTAL LIABILITIES AND SURPLUS</u>		<u>\$3,573,510.50</u>

See Accountants' Compilation Report

PSP
16-Jul-26

SALEM HOUSING AUTHORITY
SECTION 8 VOUCHER
MONTHLY OPERATING STATEMENT
9 Months Ending June 30, 2026

7/16/26

PSP
Fenton, Ewald & Associates, P.C.

COMPUTATION OF ADMINISTRATIVE FEE EARNED:

	1st 600	rate	HUD % funding	> 600	rate	HUD % funding	
Oct	600	157.17	88.513%	565	146.68	88.513%	156,824.00
Nov	600	157.17	88.513%	560	146.68	88.513%	156,175.00
Dec	600	157.17	88.513%	550	146.68	88.513%	154,877.00
Jan	600	162.28	88.513%	549	151.45	88.513%	159,778.00
Feb	600	162.28	88.513%	549	151.45	88.513%	159,778.00
Mar	600	162.28	88.513%	539	151.45	88.513%	158,438.00
Apr	600	162.28	88.513%	538	151.45	88.513%	158,303.00
May	600	162.28	88.513%	539	151.45	88.513%	158,438.00
Jun	600	162.28	88.513%	548	151.45	88.513%	159,644.00
Jul	-	162.28	88.513%	-	151.45	88.513%	0.00
Aug	-	162.28	88.513%	-	151.45	88.513%	0.00
Sep	-	162.28	88.513%	-	151.45	88.513%	0.00
HUD Retro admin Fee - prior year							0.00
							1,422,255.00
5,400							10,337
							4,937
Special Administrative Fees							0.00
TOTAL ADMINISTRATIVE FEE EARNED							1,422,255.00

STATEMENT OF OPERATING RECEIPTS AND EXPENDITURES

	BUDGET	PRO RATA BUDGET 9 months	ACTUAL 9 months	Favorable (Unfavorable)	% favorable (unfavorable)
ADMINISTRATIVE FEE EARNED	1,863,236	1,397,427	1,422,255.00	24,828.00	1.8%
INTEREST ON RESERVE FUNDS INVESTED	25,000	18,750	15,595.83	(3,154.17)	-16.8%
MOBILITY FEE INCOME	21,788	16,341	20,988.23	4,647.23	28.4%
FRAUD RECOVERY RECEIPTS	80,000	60,000	51,116.50	(8,883.50)	-14.8%
FSS COORDINATOR	117,526	88,145	96,982.99	8,838.49	10.0%
OTHER INCOME	0	0	0.00	0.00	
TOTAL OPERATING RECEIPTS	2,107,550	1,580,663	1,606,938.55	26,276.05	1.7%
ADMINISTRATIVE SALARIES	1,245,807	934,355	918,261.45	16,093.80	1.8%
COMPENSATED ABSENCES	24,916	18,687	0.00	18,687.00	
LEGAL	100,000	75,000	123,775.99	(48,775.99)	-39.4%
TRAVEL	12,746	9,560	7,635.15	1,924.35	25.2%
ACCOUNTING	29,008	21,756	20,870.00	886.00	4.2%
AUDIT FEE	24,855	18,641	15,339.00	3,302.25	21.5%
OFFICE RENT	65,992	49,494	57,424.17	(7,930.17)	-13.8%
SUNDRY ADMINISTRATIVE	278,772	209,079	228,868.37	(19,789.37)	-8.6%
DIRECT CHARGES TO PRE 2004 RESERVES	0	0	0.00	0.00	
INSURANCE	54,373	40,780	34,910.00	5,869.75	16.8%
EMPLOYEE BENEFITS	488,538	366,404	384,190.01	(17,786.51)	-4.6%
UTILITIES	0	0	0.00	0.00	
OTHER GENERAL EXPENSES Ports Out Admin Fee	170,000	127,500	125,390.83	2,109.17	1.7%
TOTAL ROUTINE NON-HAP EXPENSES	2,495,007	1,871,255	1,916,664.97	(45,409.72)	-2.4%
NET INCOME BEFORE NONROUTINE	(387,457)	(290,593)	(309,726.42)	(19,133.67)	6.6%
DIRECT CHARGES TO PRE 2004 RESERVES	0	0	0.00	0.00	
EMPLOYEE BENEFITS OPEB	0	0	0.00	0.00	
EMPLOYEE BENEFITS Pension	0	0	0.00	0.00	
EXPENDITURES FOR EQUIPMENT	0	0	0.00	0.00	
TOTAL NONROUTINE EXPENSES	0	0	0.00	0.00	
NET OPERATING INCOME (LOSS)	(387,457)	(290,593)	(309,726.42)	(19,133.67)	

(309,726.42)

COMPUTATION OF EXCESS OR DEFICIENCY OF FUNDS RECEIVED

		Voucher
4715	HOUSING ASSISTANCE PAYMENTS (HAPs)	18,936,735.00
	less: Fraud Receipts - HAP portion Max ACC	(51,116.50)
	less: Interest Earned on Excess Funds - HAP portion	
	TOTAL ANNUAL CONTRIBUTION USED TO DATE	18,885,618.50
	percent used	99.3%
3801	AMOUNT OF ACC GRANT RECEIVED FROM HUD	19,023,698.00
	Amount (OVER) / UNDER Utilized	138,079.50

See Accountants' Compilation Report

SALEM HOUSING AUTHORITY
Analysis and Summary of Housing Choice Voucher Program Expenditures
ABA Fund Limits, Amounts Available, Amounts Used and Balances Remaining

number of units used as basis		1,344							Restricted Net Assets - HAPs 9/30/2025		147,738			
			2022	2023	2024	2025	2026	Less: Amount used Oct-Dec. 2025						
Annual ABA			\$18,597,433	\$21,779,939	\$22,720,644	\$23,617,467	\$25,809,967	= Net HAP Reserve Surplus						
average monthly ABA			\$1,549,786	\$1,814,995	\$1,893,387	\$1,968,122	\$2,150,831	Available for current year use			147,738			
ABA per unit calculation			\$1,153	\$1,350	\$1,409	\$1,464	\$1,600	Projected amount (used) or accumulated in Fiscal Year			138,080			
								Amount (used) or accumulated in Current Year						
								Estimated Current HAP Reserve balance			285,818	NRA		
		Actual Units Leased	% Unit Utilization	Actual Monthly Payments	Actual Average HAP	adjustments	Actual Adjusted Net	ABA available	HUD - Program Reserves	% Dollar Utilization	compare to ABA rec'd	Amount used (above) or below ABA	Cumulative Amount used (above) or below ABA	Program Reserves Balance
													(221,800)	
October	24	1,217	90.6%	2,000,838	1,644	(6,793)	1,994,046	1,893,387	(638,007)	105.3%	1,995,393	1,348	(220,452)	(757,899)
November	24	1,196	89.0%	2,007,803	1,679	(5,788)	2,002,015	1,893,387	(579,804)	105.7%	1,835,184	(166,831)	(387,283)	(699,696)
December	24	1,186	88.2%	2,018,092	1,702	(5,310)	2,012,782	1,893,387	(751,262)	106.3%	2,064,845	52,063	(335,220)	(871,154)
January	25	1,184	88.1%	1,995,912	1,686	(7,708)	1,988,204	1,968,122	(883,468)	101.0%	2,100,328	112,124	(223,096)	(1,003,360)
February	25	1,179	87.7%	2,081,822	1,766	(6,141)	2,075,682	1,968,122	(986,969)	105.5%	2,071,623	(4,059)	(227,155)	(1,106,861)
March	25	1,193	88.8%	2,080,813	1,744	(4,040)	2,076,773	1,968,122	(1,066,806)	105.5%	2,047,959	(28,814)	(255,969)	(1,186,698)
April	25	1,184	88.1%	2,073,824	1,752	(6,948)	2,066,876	1,968,122	(1,146,643)	105.0%	2,047,959	(18,917)	(274,886)	(1,266,535)
May	25	1,184	88.1%	2,087,600	1,763	(2,740)	2,084,860	1,968,122	(1,201,698)	105.9%	2,023,177	(61,683)	(336,569)	(1,321,590)
June	25	1,184	88.1%	2,121,930	1,792	(4,911)	2,117,019	1,968,122	(1,343,277)	107.6%	2,109,701	(7,318)	(343,887)	(1,463,169)
July	25	1,176	87.5%	2,096,182	1,782	(7,517)	2,088,665	1,968,122	(1,498,643)	106.1%	2,123,488	34,823	(309,064)	(1,618,535)
August	25	1,161	86.4%	2,067,323	1,781	(6,513)	2,060,811	1,968,122	(1,687,085)	104.7%	2,156,564	95,754	(213,310)	(1,806,977)
September	25	1,167	86.8%	2,155,254	1,847	(10,924)	2,144,331	1,968,122	(1,854,963)	109.0%	2,136,000	(8,331)	(221,641)	(1,974,855)
October	25	1,165	86.7%	2,099,494	1,802	(5,933)	2,093,562	1,968,122	(2,020,205)	106.4%	2,133,364	39,803	(181,838)	(2,140,097)
November	25	1,160	86.3%	2,105,953	1,815	(3,592)	2,102,362	1,968,122	(2,180,497)	106.8%	2,128,414	26,053	(155,786)	(2,300,389)
December	25	1,150	85.6%	2,093,107	1,820	(3,620)	2,089,487	1,968,122	(2,336,595)	106.2%	2,124,220	34,733	(121,053)	(2,456,487)
January	26	1,149	85.5%	2,059,566	1,792	(3,342)	2,056,225	2,150,831	(2,301,516)	95.6%	2,115,752	59,528	(61,525)	(2,421,408)
February	26	1,149	85.5%	2,115,036	1,841	(11,052)	2,103,984	2,150,831	(2,283,507)	97.8%	2,132,822	28,838	(32,687)	(2,403,399)
March	26	1,139	84.7%	2,097,884	1,842	(6,063)	2,091,822	2,150,831	(2,248,065)	97.3%	2,115,389	23,568	(9,120)	(2,367,957)
April	26	1,138	84.7%	2,095,391	1,841	(5,006)	2,090,386	2,150,831	(2,231,708)	97.2%	2,134,474	44,089	34,969	(2,351,600)
May	26	1,139	84.7%	2,126,656	1,867	(8,168)	2,118,489	2,150,831	(2,216,626)	98.5%	2,135,749	17,261	52,229	(2,336,518)
June	26	1,148	85.4%	2,143,648	1,867	(4,344)	2,139,305	2,150,831	(2,069,309)	99.5%	2,003,514	(135,791)	(83,561)	(2,189,201)
July	26	-	-	-	-	-	-	-	-	-	-	-	-	-
August	26	-	-	-	-	-	-	-	-	-	-	-	-	-
September	26	-	-	-	-	-	-	-	-	-	-	-	-	-
October	26	-	-	-	-	-	-	-	-	-	-	-	-	-
November	26	-	-	-	-	-	-	-	-	-	-	-	-	-
December	26	-	-	-	-	-	-	-	-	-	-	-	-	-
		24,548	152.2%	43,724,128	1,781	(126,448)	43,597,681	42,202,611		99.7%	43,735,919	138,080		
									Prior Fiscal Year		24,712,221			
									Current Fiscal Year		19,023,698			

DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT
BALANCE SHEET

Salem Housing Authority
6/30/2026 Period Ended
4001 Program Number

ACCOUNT NUMBER	ASSETS		X Administration Modernization Development
CASH			
1111	Cash Development or Modernization fund - Unrestricted	0.00	
1111.1	Cash Development or Modernization fund - Restricted	0.00	
1112	Cash Administration Fund - Unrestricted	213,926.19	
1112.1	Cash Administration Fund - Restricted	0.00	
1113	Cash - Escrow	2,911.25	
1114	Pet Deposit Fund Cash	8,092.54	
1117	Petty Cash	100.00	
1118	Change Fund	0.00	225,029.98
ACCOUNTS RECEIVABLE			
1121	Federal and DHCD--Section 8 Subsidy-Shelter Rent	0.00	
1122	Tenants Accounts Receivable	214,569.84	
1122.1	Tenants Accounts Receivable - Repayment (Contra)	0.00	
1123	Allowance for Doubtful Accounts - Dwelling Rents	(47,054.73)	
1124	Accounts Receivable - Fraud/Retroactive	281,611.08	
1124.1	Fraud/Retroactive- Contra	(281,611.08)	
1125	Accounts Receivable Subsidy	0.00	
1129	Accounts Receivable - Other Federal	0.00	
1130	Interprogram Due From	350,000.00	
1131	Allowance for Doubtful Accounts - Other	0.00	
1145	Accrued Interest Receivable	0.00	517,515.11
INVESTMENTS			
1162	Investments - Unrestricted		3,457,176.81
DEFERRED CHARGES			
1211	Prepaid Expenses	94,782.00	
1212	Inventory/Net - Supplies	0.00	
1290	Deferred Charges - Other	1,033,450.00	1,128,232.00
FIXED ASSETS			
1400.2	Cost Control Account - Development/Modernization	0.00	
1401	Land	2,074,807.00	
1402	Building and Building Improvements	41,005,881.54	
1403	Furniture, Equipment and Machinery - Dwellings	0.00	
1404	Other Equipment - Administration/Maintenance	702,932.37	
1405	Leasehold Improvements	0.00	
1406	Accumulated Depreciation	(39,052,056.91)	
1407	Infrastructure	0.00	
1408	Capital Leases		4,731,564.00
TOTAL ASSETS			10,059,517.90
LIABILITIES AND EQUITY			
ACCOUNTS PAYABLE			
2106	Bank Overdraft	0.00	
2111	Accounts Payable <=90 Days	0.00	
2111.1	Accounts Payable >90 Days Past Due	0.00	
2112	Contract Retentions	0.00	
2114	Pet Deposits	8,092.54	
2115	Bid Deposits	0.00	
2117	Employee's Payroll Deductions	0.00	
2118	Accounts Payable - Subsidy Overpayment	1,076,390.00	
2119	Accounts Payable - Interfund	486,195.11	
2120	Accounts Payable - Other	0.00	1,570,677.65
ACCRUED LIABILITIES			
2130.2	Accrued Contingent Liability	0.00	
2135	Accrued Compensated Absences - Current Portion	76,055.07	
2137	Payment in Lieu of Taxes (PILOT)	9,216.00	
2138	Accrued Payroll	47,624.85	
2139	Accrued Liabilities - Other	371,199.41	504,095.33
DEFERRED CREDITS			
2240	Tenants Prepaid Rents	89,838.23	
2290	Undistributed Credits	2,911.25	
2291	Deferred Revenue - Subsidy	0.00	
2292	Deferred Revenue - Other	902,240.00	994,989.48
NOTES PAYABLE			
2299	Notes Payable Capital Borrowings - Current Portion	0.00	
2299.1	Notes Payable Operating Borrowings - Current Portion	0.00	0.00
NON-CURRENT LIABILITIES			
2301	Notes Payable Capital Borrowings - Non-Current Portion	0.00	
2301.1	Notes Payable Operating Borrowings - Non-Current Portion	0.00	
2335.01	Accrued Compensated Absences - Non-Current Portion	114,706.45	
2339	Other Non-Current Liabilities	0.00	
2339.1	Accrued OPEB Liability	4,119,864.00	4,234,570.45
EQUITY (NET ASSETS)			
2700	Net Income (Deficit)	14,126.40	
2802	Invested in Capital Assets, net of Related Debt	4,715,050.75	
2805	Net Assets - Restricted	0.00	
2806	Net Assets - Unrestricted	Max % 67.39%	2,348,644.84
2806.1	Net Assets - OPEB	(4,322,637.00)	2,755,184.99
TOTAL LIABILITIES AND EQUITY			10,059,517.90

See Accountants' Compilation Report

Salem Housing Authority
9 months ending
June 30, 2026

4001

676 units
6084 unit months

Fenton, Ewald & Associates, P.C.
PSP

07/16/26

Number	Account Classification	Approved Budget Amount	Pro Rata Budget 9 Months	Budget P.U.M.	Actual To Date P.U.M.	Actual To Date Amount	Amount Favorable (Unfavorable)	Actual As a Factor of Pro Rata	Available Remainder of the Year
OPERATING RECEIPTS									
3110	Shelter Rent - Tenant	4,124,248	3,093,186	508.41	488.65	2,972,975.97	(120,210)	0.961	1,151,272
3115	Shelter Rent - Federal Sect. 8	0	0	0.00	0.00	0.00	0		0
3190	Non Dwelling Rentals	0	0	0.00	0.00	0.00	0		0
3400	Administrative Fees - MRVP	0	0	0.00	0.00	0.00	0		0
3610	Interest on Investments - Unrestricted	20,000	15,000	2.47	3.21	19,502.78	4,503	1.300	497
3611	Interest on Investments - Restricted	0	0	0.00	0.00	0.00	0		0
3690	Other Revenue	50,000	37,500	6.16	6.55	39,829.08	2,329	1.062	10,171
3950	Operating Grants	0	0	0.00	0.00	0.00	0		0
3691	Other Revenue Retained	409,901	307,426	50.53	47.68	290,084.47	(17,341)	0.944	119,817
3692	Restricted Reserve Transfer	0	0	0.00	0.00	0.00	0		0
3693	Other Revenue - Net Metering	0	0	0.00	0.00	0.00	0		0
3801	Operating Subsidy	2,607,223	1,955,417	321.40	254.23	1,546,761.00	(408,656)	0.791	1,060,462
TOTAL OPERATING RECEIPTS		7,211,372	5,408,529	888.98	800.32	4,869,153.30	(539,376)	0.900	2,342,219
OPERATING EXPENDITURES									
ADMINISTRATIVE									
4110	Administration Salaries	756,078	567,059	93.20	130.60	794,561.39	(227,503)	1.401	(38,483)
4120	Compensated Absences	0	0	0.00	0.00	0.00	0		0
4130	Legal	280,000	210,000	34.52	37.70	229,341.37	(19,341)	1.092	50,659
4140	Compensation-Board Members	29,462	22,097	3.63	3.47	21,097.14	999	0.955	8,365
4150	Travel And Related Expenses	6,884	5,163	0.85	0.80	3,643.80	1,519	0.706	3,240
4170	Accounting Services	20,118	15,089	2.48	2.41	14,655.00	434	0.971	5,463
4171	Audit Services	18,499	13,874	2.28	1.27	7,704.00	6,170	0.555	10,795
4180	Penalties & Interest	0	0	0.00	0.00	0.00	0		0
4190	Administrative Other	227,524	170,643	28.05	31.00	188,622.92	(17,980)	1.105	38,901
4190.1	Mixed Population	217,220	162,915	26.78	0.00	0.00	162,915	0.000	217,220
4191	Resident Services	16,900	12,675	2.08	1.71	10,432.88	2,242	0.823	6,467
TOTAL ADMINISTRATIVE EXPENSE		1,572,685	1,179,514	193.87	208.75	1,270,058.50	(90,545)	1.077	302,627
UTILITIES									
4310	Water & Sewer	509,576	382,182	62.82	56.55	344,058.53	38,123	0.900	165,517
4320	Electricity	810,421	607,816	99.90	35.06	213,295.86	394,520	0.351	597,125
4330	Gas	106,024	79,518	13.07	15.67	95,307.38	(15,789)	1.199	10,717
4340	Fuel	0	0	0.00	0.00	0.00	0		0
4360	Energy Conservation	0	0	0.00	0.00	0.00	0		0
4390	Other	0	0	0.00	0.00	0.00	0		0
4391	Solar Operator Costs	0	0	0.00	81.49	495,801.92	(495,802)		0
4392	Net Meter Utility Credit (Negative Number)	0	0	0.00	0.00	0.00	0		0
TOTAL UTILITIES EXPENSE		1,426,021	1,069,516	175.79	188.77	1,148,463.69	(78,948)	1.074	773,359
ORDINARY MAINTENANCE									
4410	Maintenance Labor	965,115	723,836	118.97	111.93	681,007.63	42,829	0.941	284,107
4420	Materials And Supplies	330,000	247,500	40.68	32.00	194,697.47	52,803	0.787	135,303
4430	Contract Costs	580,000	435,000	71.50	69.53	423,008.86	11,991	0.972	156,991
TOTAL ORDINARY MAINTENANCE		1,875,115	1,406,336	231.15	213.46	1,298,713.96	107,622	0.923	576,401
GENERAL EXPENSE									
4510	Insurance	1,019,688	764,766	125.70	32.98	200,675.00	564,091	0.262	819,013
4520	Pilot	13,500	10,125	1.66	1.51	9,216.00	909	0.910	4,284
4540	Employee Benefit Contr.	674,814	506,111	83.19	103.34	628,720.74	(122,610)	1.242	46,093
4541	Employee Benefit Contr. OPEB	0	0	0.00	0.00	0.00	0		0
4570	Collection Losses	50,000	37,500	6.16	6.25	38,018.71	(519)	1.014	11,981
4580/90	Interest & Other General Exp COVID-19	0	0	0.00	0.00	0.00	0		0
TOTAL GENERAL EXPENSES		1,758,002	1,318,502	216.72	144.09	876,630.45	441,871	0.665	881,372
TOTAL OPERATING EXPENSES		6,631,823	4,973,867	817.53	755.07	4,593,866.60	380,001	0.924	2,533,758
NET INCOME (DEFICIT) BEFORE SUBSIDY and NON-ROUTINE Expenses		(2,027,674)	(1,520,756)	-249.96	-208.99	(1,271,474.30)	249,281	0.836	(1,252,002)
NET INCOME (DEFICIT) before NON-ROUTINE, and INCLUDING SUBSIDY		579,549	434,662	71.44	45.25	275,286.70	(159,375)	0.633	(191,540)
NONROUTINE EXPENSES AND (CREDITS)									
4610	Extraordinary Maintenance	300,000	225,000	36.98	38.06	231,533.58	(6,534)	1.029	68,466
4611	Equip. Purchased - Non Capitalized	80,000	60,000	9.86	4.87	29,626.72	30,373	0.494	50,373
4612	Restricted Reserve (Grant) Expenditures	0	0	0.00	0.00	0.00	0		0
4715	Housing Assistance Payments	0	0	0.00	0.00	0.00	0		0
TOTAL NONROUTINE EXPENSES		380,000	285,000	46.84	42.93	261,160.30	23,840		
CAPITAL EXPENDITURES									
7520	Replacement of Equipment-Capitalized	130,000	97,500	16.03	2.71	16,513.25	80,987		
7540	Betterments & Additions - Capitalized	0	0	0.00	0.00	0.00	0		
TOTAL CAPITAL EXPENDITURES		130,000	97,500	16.03	2.71	16,513.25	80,987		
2700 NET INCOME (DEFICIT) FROM OPERATIONS		69,549	52,162	8.57	-0.39	(2,386.85)	(54,549)	Operating Subsidy Earned year-to-date \$1,546,761 Operating Subsidy Rec'd year-to-date \$2,623,151 Amount (Over) or Under Subsidized (\$1,076,390)	
4801	Depreciation Expense	0	0	0.00	0.00	0.00			
4541	Employee Benefits - GASB 75	0	0	0.00	0.00	0.00			
4542	Pension Expense - GASB 68	0	0	0.00	0.00	0.00			
NET CHANGE IN NET ASSETS		69,549	52,162	8.57	-0.39	(2,386.85)	(54,549)		

See Accountants' Compilation Report

ANALYSIS OF NONROUTINE EXPENDITURES AND CREDITS

Name of Local Authority

Salem Housing Authority

Fiscal Year Ending Date

9/30/2026

Development Nos.

4001

Report for Period Ended

June 30, 2026

[illegible]

Fenton, Ewald & Associates, PC
PSP 07/16/2

See Accountants' Compilation Report

**Salem Housing Authority
Management Fund
Balance Sheet - June 30, 2026**

Assets

Cash - Management Services		\$0.00
A/R - Marblehead Housing Authority	0.00	
A/R - Revolving Fund	<u>760,676.41</u>	760,676.41
Deferred Charges - Prepaid Expenses		17,484.00
Fixed Assets - Net		0.00
Deferred Outflows of Resources		9,400.00
Total Assets		<u><u>\$787,560.41</u></u>

Liabilities and Surplus

Accounts Payable - Vendors		0.00
Accounts Payable - Revolving Fund		0.00
Accrued Compensated Absences	8,521.91	
Accrued Payroll	1,480.23	
Other Accrued Liabilities	<u>8,128.52</u>	18,130.66
Accrued OPEB Liability		107,532.00
Accrued Pension Liability		(7,909.00)
Deferred Inflows of Resources		40,188.00
Unrestricted Net Assets	747,689.92	
Invested in Capital Assets	0.00	
OPEB Reserves - GASB 75	(135,789.00)	
Pension Reserves - GASB 68	<u>5,378.00</u>	617,278.92
Net Income (Deficit) - Current Year		12,339.83
Total Liabilities and Surplus		<u><u>\$787,560.41</u></u>

See Accountants' Compilation Report

Salem Housing Authority
Management Fund
Monthly Operating Statement
9 months ending June 30, 2026

Fenton, Ewald & Associates, P.C.

Account Number	Classification	Approved Budget Amount	Pro Rata Budget	Actual To Date Amount	Variance Favorable (Unfavorable)
Operating Receipts					
3110.1	Management Fees	135,288.00	101,466.00	111,696.00	10,230.00
3110.2	Developer Fees	-	-	-	-
3690	Other Operating Receipts	20,000.00	15,000.00	16,612.78	1,612.78
Total Operating Receipts		<u>155,288.00</u>	<u>116,466.00</u>	<u>128,308.78</u>	<u>11,842.78</u>
Operating Expenditures					
4110	Administration Salaries	83,737.00	62,803.00	61,111.50	1,691.50
4120	Compensated Absences	-	-	-	-
4130	Legal	2,500.00	1,875.00	1,567.50	307.50
4150	Travel and Related Expenses	-	-	-	-
4170	Accounting Services	5,412.00	4,059.00	4,033.00	26.00
4171	Audit Services	-	-	-	-
4190	Administrative Other	20,000.00	15,000.00	14,511.41	488.59
4510	Insurance	2,541.00	1,906.00	1,567.00	339.00
4540	Employee Benefits	32,909.00	24,682.00	33,178.54	(8,496.54)
Total Administrative Expenses		<u>147,099.00</u>	<u>110,325.00</u>	<u>115,968.95</u>	<u>(5,643.95)</u>
Net Income (Deficit) before Non Cash Expenses		8,189.00	6,141.00	12,339.83	6,198.83
4541	Post Employment Benefits - OPEB	-	-	-	-
4542	Pension Expense - GASB 68	-	-	-	-
4801	Depreciation Expense	-	-	-	-
Net Income (Deficit) after Non Cash Expenses		<u>8,189.00</u>	<u>6,141.00</u>	<u>12,339.83</u>	<u>6,198.83</u>

See Accountants' Compilation Report

DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT
BALANCE SHEET

Salem Housing Authority
6/30/2026 Period Ended
MRVP/DMH Program Number

ACCOUNT NUMBER	ASSETS		X Administration Modernization Development
CASH			
1111	Cash Development or Modernization fund - Unrestricted	0.00	
1111.1	Cash Development or Modernization fund - Restricted	0.00	
1112	Cash Administration Fund - Unrestricted	260,324.58	
1112.1	Cash Administration Fund - Restricted	0.00	
1113	Cash - Escrow	0.00	
1114	Security Deposit and Pet Deposit Fund Cash	0.00	
1117	Petty Cash	0.00	
1118	Change Fund	0.00	260,324.58
ACCOUNTS RECEIVABLE			
1121	Federal and DHCD--Section 8 Subsidy-Shelter Rent	0.00	
1122	Tenants Accounts Receivable	0.00	
1122.1	Tenants Accounts Receivable - Repayment (Contra)	0.00	
1123	Allowance for Doubtful Accounts - Dwelling Rents	0.00	
1125	Accounts Receivable Subsidy	0.00	
1129	Accounts Receivable - Other	0.00	
1130	Interprogram Due From	13,616.60	
1131	Allowance for Doubtful Accounts - Other	0.00	
1145	Accrued Interest Receivable	0.00	13,616.60
INVESTMENTS			
1162	Investments - Unrestricted		0.00
DEFERRED CHARGES			
1211	Prepaid Expenses	210.00	
1212	Inventory/Net - Supplies and Fuel	0.00	
1290	Deferred Charges - Other	8,400.00	8,610.00
FIXED ASSETS			
1400.2	Cost Control Account - Development/Modernization	0.00	
1401	Land	0.00	
1402	Building and Building Improvements	0.00	
1403	Furniture, Equipment and Machinery - Dwellings	0.00	
1404	Other Equipment - Administration/Maintenance	70,839.58	
1405	Leasehold Improvements	0.00	
1406	Accumulated Depreciation	(70,839.58)	
1407	Infrastructure	0.00	
1408	Capital Leases	0.00	0.00
TOTAL ASSETS			282,551.18
LIABILITIES AND EQUITY			
ACCOUNTS PAYABLE			
2106	Bank Overdraft	0.00	
2111	Accounts Payable <=90 Days	0.00	
2111.1	Accounts Payable >90 Days Past Due	0.00	
2112	Contract Costs	0.00	
2114	Tenants Security Deposits & Pet Deposits	0.00	
2115	Bid Deposits	0.00	
2117	Employee's Payroll Deductions	0.00	
2118	Accounts Payable - Subsidy Overpayment	35,275.00	
2119	Accounts Payable - Interfund	0.00	
2120	Accounts Payable - Other	0.00	35,275.00
ACCRUED LIABILITIES			
2130.2	Accrued Contingent Liability	0.00	
2135	Accrued Compensated Absences - Current Portion	(570.99)	
2137	Payment in Lieu of Taxes (PILOT)	0.00	
2138	Accrued Payroll	406.00	
2139	Accrued Liabilities - Other	710.03	545.04
DEFERRED CREDITS			
2240	Tenants Prepaid Rents	0.00	
2290	Undistributed Credits	0.00	
2291	Deferred Revenue - Subsidy	75,511.00	
2292	Deferred Revenue - Other	7,754.00	83,265.00
NOTES PAYABLE			
2299	Notes Payable Capital Borrowings - Current Portion	0.00	
2299.1	Notes Payable Operating Borrowings - Current Portion	0.00	0.00
NON-CURRENT LIABILITIES			
2301	Notes Payable Capital Borrowings - Non-Current Portion	0.00	
2301.1	Notes Payable Operating Borrowings - Non-Current Portion	0.00	
2335.01	Accrued Compensated Absences - Non-Current Portion	1,165.40	
2339	Other Non-Current Liabilities	28,344.00	29,509.40
EQUITY (NET ASSETS)			
2700	Net Income (Deficit)	999.91	
2802	Invested in Capital Assets, net of Related Debt	0.00	
2805	Net Assets - Restricted	0.00	
2806	Net Assets - Unrestricted	Max % 34.59% 164,465.83	
2806.1/2	Net Assets - Unrestricted for OPEB & Pension Liability	(31,509.00)	133,956.74
TOTAL LIABILITIES AND EQUITY			282,551.18

See Accountants' Compilation Report

Salem Housing Authority
9 months ending
June 30, 2026

MRVP/DMH

16
429 units
unit months

Fenton, Ewald & Associates, P.C.
PSP 07/16/26

Account Number	Classification	Approved Budget Amount	Pro Rata Budget 9 Months	Budget P.U.M.	Actual To Date P.U.M.	Actual To Date Amount	Amount Favorable (Unfavorable)	Actual As a Factor of Pro Rata	Available Remainder of the Year
OPERATING RECEIPTS									
3400	Administrative Fees - MRVP	33,000	24,750	57.69	55.00	23,595.00	(1,155)	0.953	9,405
3610	Interest on Investments - Unrestricted	600	450	1.05	0.71	304.69	(145)	0.677	295
3611	Interest on Investments - Restricted	-	-	-	-	-	0		0
3690	Other Revenue	-	-	-	-	-	0		0
3691	Other Revenue Retained	-	-	-	-	-	0		0
3802	Operating Subsidy - MRVP Landlords	922,577	691,933	1,612.90	1,612.90	691,933.00	0	1.000	230,644
TOTAL OPERATING RECEIPTS		<u>956,177</u>	<u>717,133</u>	<u>1,671.64</u>	<u>1,668.61</u>	<u>715,832.69</u>	<u>(1,300)</u>	<u>0.998</u>	<u>240,345</u>
OPERATING EXPENDITURES									
ADMINISTRATIVE									
4110	Administration Salaries	19,772	14,829	34.57	28.47	12,213.07	2,616	0.824	7,559
4120	Compensated Absences	-	-	-	-	-	0		0
4130	Legal	500	375	0.87	0.27	116.32	259	0.310	384
4140	Compensation-Board Members	-	-	-	-	-	0		0
4150	Travel And Related Expenses	-	-	-	-	-	0		0
4170	Accounting Services	1,716	1,287	3.00	2.98	1,279.00	8	0.994	437
4171	Audit Services	924	693	1.62	1.20	513.00	180	0.740	411
4180	Penalties & Interest	-	-	-	-	-	0		0
4190	Administrative Other	3,000	2,250	5.24	7.20	3,090.30	(840)	1.373	(90)
4190.1	Mixed Population Salary	-	-	-	-	-	0		0
4191	Resident Services	-	-	-	-	-	0		0
TOTAL ADMINISTRATIVE EXPENSE		<u>25,912</u>	<u>19,434</u>	<u>45.30</u>	<u>40.12</u>	<u>17,211.69</u>	<u>2,222</u>	<u>0.886</u>	<u>8,700</u>
GENERAL EXPENSE									
4510	Insurance	594	446	1.04	0.66	283.00	163	0.635	311
4540	Employee Benefit Contr.	7,699	5,774	13.46	12.60	5,405.09	369	0.936	2,294
4570	Collection Losses	-	-	-	-	-	0		0
4580/90	Interest & Other General Expenses	-	-	-	-	-	0		0
TOTAL GENERAL EXPENSES		<u>8,293</u>	<u>6,220</u>	<u>14.50</u>	<u>13.26</u>	<u>5,688.09</u>	<u>532</u>	<u>0.915</u>	<u>2,605</u>
TOTAL OPERATING EXPENSES		<u>34,205</u>	<u>25,654</u>	<u>59.80</u>	<u>53.38</u>	<u>22,899.78</u>	<u>2,754</u>	<u>0.893</u>	<u>11,305</u>
NET INCOME (DEFICIT) BEFORE SUBSIDY and NON-ROUTINE EXPENSES		<u>(605)</u>	<u>(454)</u>	<u>(1.06)</u>	<u>2.33</u>	<u>999.91</u>	<u>1,454</u>	<u>-2.204</u>	<u>(1,605)</u>
NET INCOME (DEFICIT) before NON-ROUTINE, and INCLUDING SUBSIDY		<u>921,972</u>	<u>691,479</u>	<u>1,611.84</u>	<u>1,615.23</u>	<u>692,932.91</u>	<u>1,454</u>	<u>1.002</u>	<u>229,039</u>
NONROUTINE EXPENSES AND (CREDITS)									
4610	Extraordinary Maintenance	-	-	-	-	-	0		0
4611	Equip. Purchased - Non Capitalized	-	-	-	-	-	0		0
4612	Restricted Reserve Expenditures	-	-	-	-	-	0		0
4715	Housing Assistance Payments	922,577	691,933	1,612.90	1,612.90	691,933.00	0	1.000	230,644
TOTAL NONROUTINE EXPENSES		<u>922,577</u>	<u>691,933</u>	<u>1,612.90</u>	<u>1,612.90</u>	<u>691,933.00</u>	<u>0</u>	<u>1.000</u>	<u>230,644</u>
NET INCOME (DEFICIT) FROM									
2700	OPERATIONS	<u>(605)</u>	<u>(454)</u>	<u>(1.06)</u>	<u>2.33</u>	<u>999.91</u>	<u>1,454</u>	<u>-2.204</u>	<u>(1,605)</u>
4801	Depreciation Expense	-	-	-	-	-			
4541	Employee Benefits - GASB 45	-	-	-	-	-			
4542	Pension Expense - GASB 68	-	-	-	-	-			
NET CHANGE IN UNRESTRICTED NET ASSET:		<u>(605)</u>	<u>(454)</u>	<u>(1.06)</u>	<u>2.33</u>	<u>999.91</u>	<u>1,454</u>	<u>(2.204)</u>	<u>(1,605)</u>

See Accountants' Compilation Report

MEMORANDUM OF UNDERSTANDING

Effective _____, 2026, the Salem Housing Authority (“SHA”) and Beacon Communities Services LLC (together with its affiliates, “Beacon”) hereby agree to the following terms and conditions, with respect to the designation of Beacon as developer for the development of a 120-142 unit affordable housing development referred to as the Highlands (the “Project”) located on a portion of the property located at 17-27 First Street in Salem, Massachusetts (the “Property”). These terms will be reflected in a Land Disposition and Developer Designation Agreement (“LDDDA”) to be executed by the Parties within 90 days of the date herein, or as otherwise agreed to by the Parties.

1. Property; Ground Lease and Purchase Price.

a. Determination of Property. The Property is a portion of the parcel at 17-27 First Street in Salem, Massachusetts (designated as Tax Map Parcel 13-0007) upon which is located an existing state public housing development with an address of 17, 19, and 21 Farrell Court (the “Existing Development”). The Parties will endeavor to establish the location of the Property on which the Project will be developed at the time of execution of the LDDDA, together with and subject to all appurtenant rights and easements, including the right to access the Project over the Existing Development. Beacon and SHA will explore the feasibility of dividing the property by ANR or subdivision. Beacon and SHA agree to negotiate access to common facilities or other means for the Project to support residents of the Existing Development and the surrounding neighborhood as part of the LDDDA and Ground Lease. For clarity, the daycare facility will constitute a community service facility, and, subject to investor, lender and insurance approval, Beacon will work with SHA to extend access to certain common areas within the Project to residents of the Existing Development.

b. Ground Lease and Upfront Rent Payment. SHA will convey a 99-year leasehold interest in the Property to the Project Entity (defined in Section 2 below). Subject to review and approval by the tax credit investor for the Project, the Ground Rent Payment (“Upfront Rent Payment”) shall be \$10,000 per unit (currently projected to be \$1,420,000 for 142 units). Per IRS regulations guiding Low Income Housing Tax Credits, the Upfront Rent Payment must be supported by an Appraisal. It is anticipated that the Upfront Rent Payment will be paid at construction financing closing. In addition to any additional rent paid to SHA pursuant to this MOU, the lease shall be a triple net lease with all costs and expenses, including taxes and insurance, paid by the Project Entity.

2. Project Ownership.

The Project and leasehold interest in the Property will be owned by a to be formed single purpose entity (the “Project Entity”). The managing member of the Project Entity will be a to be formed single purpose entity (the “MM”) which will be owned as follows: (i) .01% by Beacon Communities Corp., (ii) 69.99% by Beacon Communities REI LLC, and (iii) 30% by a to be formed single purpose limited liability company (“Holding LLC”) whose sole member will be Housing Opportunities of Salem Inc., a tax-

exempt Massachusetts nonprofit ("HOS"). HOS is a fully controlled instrumentality of the SHA. It is anticipated that Holding LLC will make the 168(h) election to be taxed as a corporation. An organizational structure chart for the Project Entity is attached as Exhibit

3. Unit Size and Affordability; Vouchers.

a. Unit Affordability. The Project will consist of a 120-142 family units with the following approximate unit size breakdown 35% 1-bedroom units, 55% 2-bedroom units, and 10% 3-bedroom units. All units will be eligible for Low Income Housing Tax Credits, with the following approximate LIHTC income restrictions: 16% of units at or below 30% area median income ("AMI"), 60% of units at or below 60% AMI, and 14% of units at or below 80% AMI. The affordability levels of all units shall be maintained for the term of the Ground Lease.

b. Vouchers. Beacon anticipates applying for Section 8 and/or MRVP Project Based Vouchers from the Executive Office of Housing and Livable Communities ("EOHLC"). SHA is not obligated to contribute its Section 8 Project Based Vouchers to the Project.

c. Changes in the unit size breakdown, affordability mix, or proposed number of vouchers will require the prior consent of SHA.

4. Roles and Responsibilities

a. Development. Beacon shall have overall responsibility for planning and implementing the development project, working collaboratively with SHA and HOS and subject to SHA and HOS approval of critical decisions, documents, and team members (see Exhibit 2). These roles will be further documented in the LDDDA.

b. Operations. Beacon shall have principal responsibility for day-to-day operations of the Project Entity and management of the property, working collaboratively with HOS. HOS shall have the right to consent to major decisions; provided that Beacon shall retain final decision-making authority on any matter that would cause a call on its guarantee or require an operating loan to the project (see Exhibit 3). These roles will be further documented in the MM operating Agreement between the Parties.

5. Predevelopment and Development Costs

Beacon agrees to pay 100% of Project predevelopment expenses incurred from the date of developer selection by the SHA Board of Directors through construction financing closing. Any and all Project expenses, legal fees, and development consultant costs of SHA, HOS, or affiliates (including expenses incurred prior to the selection of Beacon for the Project) will be included in the Project budget. During the predevelopment period, Beacon shall advance funds to reimburse SHA and HOS for any Project expenses, legal fees and development consultant costs incurred by SHA or HOS, and such funds shall be reimbursed to Beacon at construction financing closing. All

predevelopment expenditures will be reimbursed at construction closing to the party which has incurred such expenses.

6. Guarantees; Environmental Indemnity

Beacon shall assume 100% of the risks associated with development and ownership of the Project, and will provide all Project construction and operating guarantees, operating deficit loans, and insurance deductibles. Any guarantees required of the MM shall provide a carveout for HOS, SHA and affiliates. Beacon shall cause the Project Entity and the Beacon entity providing environmental indemnities benefiting Project lenders and investors, either as part of the Ground Lease or by separate indemnity agreement, to indemnify SHA and HOS from any and all environmental clean up or liability arising during the period of the Project Entity's ownership.

7. Beacon, SHA and HOS Fees and Profit-Sharing; Other Income, Fees, and Allocations

a. Development Fee. SHA and Beacon will split any allowable development and overhead fees, 70% to Beacon and 30% to HOS. HOS's share of the development fee shall be payable on a pari passu basis with Beacon's share.

b. Asset Management Fee. Beacon shall be entitled to an annual accruing asset management fee payable from Project cash flow, at the initial rate of \$15,000 per year (subject to Project investor approval) and increasing at 3% annually, unless a greater percentage is permitted by the Project investor, which shall be split 50% to SHA or HOS and 50% to Beacon.

c. Cash Flow. Beacon and HOS will split Project cash flow payable to the MM 70% to Beacon and 30% to HOS. To the greatest extent possible, and subject to the requirements of the Project's investor and lenders, Beacon agrees that distributions of cash flow to HOS will be structured as priority payment directly to SHA or HOS as loan repayment in the cash flow waterfall (as further described in subsection d. below), as an incentive management fee or as ground lease payments so as to minimize the taxable income of Holding LLC.

d. Project Soft Loans. To the greatest extent permitted by the Project investor and EOHLIC, and subject to the aggregate split of Project cash flow 70% to Beacon and 30% to SHA, any loans from SHA or HOS of grant funds or funds from the sale of the State Credits (as noted in Section 7f. below) into the Project will be repaid from Project cash flow on a pari passu basis with any MassDocs loans. Any such loan payments received by SHA or HOS shall be treated as a portion of the cash flow payment due to HOS pursuant to subsection c. above. Notwithstanding the foregoing but subject to the approval of the EOHLIC, any loan of SHA or HOS funds that are provided directly from SHA or HOS from sources other than grants or the sale of State Credits shall be paid before or pari passu with MassDocs loans and not be included in the calculation of the aggregate split of project cash flow due to HOS pursuant to subsection c. above.

e. Capital Proceeds. Beacon and SHA will split any Project capital proceeds from sale or refinancing payable to the MM 70% to Beacon and 30% to HOS, after customary priority payments, including any repayment in full of any soft loans or state tax credit loans made by SHA or HOS to the Project Entity, which repayments shall be treated as a portion of the cash flow payment due to HOS pursuant to subsection c. above. The Project Entity will pay a Capital Transaction administrative fee to Beacon Communities Development LLC (the "Developer") equal to 3% of the gross proceeds of any sale or refinancing. This is a fee to compensate the Developer for the work necessary on its part to achieve a sale or refinancing and is separate from any brokerage or mortgage origination fee incurred. For avoidance of doubt, this Capital Transaction administrative fee would not be applicable to a sale pursuant to the ROFR, the Options or Managing Member Interest Option.

f. State Low Income Housing Tax Credits. The Parties agree that the Project Entity will allocate the State Low Income Housing Tax Credits ("State Credits") to the MM and the MM will donate the State Credits to HOS which will then sell the State Credits to a purchaser of State Credits on terms agreed to by Beacon and HOS, and HOS will then provide a loan to the Project Entity from such sale proceeds, which will be paid from Project cash flow.

g. Ground Lease Rent. To the extent that SHA is able to contribute, and Beacon accepts, one or more Section 8 Project-Based Vouchers from any source, SHA shall receive an additional payment, pursuant to the Ground Lease or otherwise, on a per unit basis with the amount of such payment being determined at a later date based on the value of said vouchers to the Project (including the monetary value of rents, and the value vouchers provide with regards to tenant stability, marketability and reduced turn over). The structure of such payment, whether as an upfront payment at construction financing closing or as a payment from cash flow, will be finalized upon confirmation of the voucher details, and shall be in addition to all other fees and allocations to HOS or SHA described elsewhere herein.

8. Beacon Property Management and Construction Management

a. Property Management. Beacon's affiliated property management company, Beacon Residential Management Limited Partnership ("BRM") will provide property management services for the Project. BRM will be compensated from the Project's operating budget on commercially reasonable terms equivalent to those that would exist between unaffiliated parties, at 5% of Effective Gross Revenue, and [data-processing fees], as approved by lenders and the investor.

b. Interior Design. Beacon Concepts Limited Partnership will provide construction management and interior design services to the Project on commercially reasonable terms equivalent to those that would exist between unaffiliated parties.

9. Right of First Refusal; Purchase Option

a. Right of First Refusal. HOS expects that the Project Entity and the Project's investor will grant HOS a Right of First Refusal to purchase the Property and Project and related assets, at the minimum purchase price permitted by Section 42(i)(7)(B) of the Code, subject to investor requirements (the "ROFR"), exercisable upon the receipt by the Project Entity for a period of 24 months following the end of the Compliance Period (the "ROFR Period") of any offer (not limited to "bona fide" offers) to purchase the Project and Property.

b. HOS Purchase Option. HOS expects that the Project Entity and Project investor will grant HOS (i) an option to purchase the property (the "Property Option") and (ii) an option to purchase all of the investor's non-managing member interests in the Project Entity (the "Interest Option" and, together with the Property Option, the "Options"). Each of the Options shall have a term of thirty-six months, beginning one year prior to the end of the Compliance Period (the "HOS Option Period")

c. Managing Member Option Period. Following the end of the Compliance Period, Managing Member, shall have an option (the "Managing Member Interest Option") for a period of 24 months following the expiration of the HOS Option Period (the "Managing Member Option Period") to purchase (i) the property; or (ii) all of the investor's non-managing member interests in the Project Entity, at the price set forth below.

d. Property Option Purchase Price. The purchase price for the Property Option shall be the greater of (a) the fair market value of the property, appraised as low-income housing by an experienced appraiser mutually agreed upon by HOS and Beacon, taking into account any factors, including zoning and regulatory restrictions, that it deems relevant in determining the fair market value in its professional discretion and (b) the total outstanding debt at the time of exercise.

e. Interest Option and Managing Member Interest Option Purchase Price. The sale price for each of the Interest Option and the Managing Member Interest Option shall be the greater of: (a) the fair market value of the investor's interest, as determined by an experienced appraiser taking into account any factors that it deems relevant in its professional discretion in determining the fair market value of the investor interest, including regulatory agreements in force and discounts for lack of control and liquidity; and (b) the amount of all federal, state and local income and transfer taxes which the investor would be obligated to pay arising out of such a sale.

f. In soliciting responses from investors and syndicators, Beacon agrees to include the foregoing preferred terms for the ROFR and Option in the request for proposals and to use best efforts to negotiate an letter of intent with the investor with said terms.

10. Additional Provisions.

a. SHA reserves the right to revoke Beacon's designation in the event that the required EOHLC funding approvals have not been obtained by July 31, 2029.

b. This Memorandum of Understanding may be executed in counterparts, including by electronic transmission, each of which is deemed an original.

[signatures on the next page]

IN WITNESS WHEREOF, the parties have duly executed this Memorandum of Understanding effective as of the first date written above.

SALEM HOUSING AUTHORITY

By: _____
Cathy Sheehan, Executive Director

BEACON COMMUNITIES SERVICES LLC

By: Beacon Communities Corp., its manager

By: _____

Printed Name: _____

Title: _____

Exhibit 1

Exhibit 2

Development Roles & Responsibilities

In General

Beacon shall have overall responsibility for planning and implementing the development project, subject to SHA participation and approval of critical decisions and documents, as outlined herein.

1. Beacon shall work collaboratively with SHA to further elaborate the development program for the project, based on Beacon's initial proposal. The key aspects of the development program- affordability and subsidy mix, design, ownership structure, management plan and management agreement, financing plan, community engagement plan, and tenant selection plan- shall be subject to SHA approval on the terms provided herein.
2. Beacon shall submit to SHA for its prior review and approval all material project documents including, without limitation, applications, architectural plans, proformas, and contracts submitted to funding and regulatory agencies. SHA shall review on a timely basis all matters submitted to it for approval.
3. Beacon shall coordinate, direct, and manage the development team members identified in its proposal, whose selection has been approved by SHA, as well as any additional or substitute team members subsequently identified by Beacon, whose selection shall be subject to SHA review and/or approval, as outlined herein.
4. SHA shall cooperate with Beacon in providing information within its possession relating to the property, and in facilitating community engagement in the development planning process.
5. SHA shall work with Beacon to secure necessary funding and regulatory approvals from EOHLC, the City of Salem, and other public agencies, and shall make available to Beacon any public funding it receives on behalf for the development project, in accordance with approved project budgets.
6. Beacon shall keep SHA informed on a regular and timely basis of all significant development activities and proposed changes in the development plan and shall provide Excel proformas (with traceable formulas) when key changes in project costs or financing assumptions occur.

Role of SHA:

1. Provider of Capital Funding. SHA will make available to the project any capital funds that are granted to it from EOHLC, the City of Salem, and/or other public agencies, in amounts consistent with the project budget. Such funds will be provided in the form of soft loans, subject to grantee approval and any grantee terms and conditions.
2. Provider of Rental Subsidies. SHA will make available to the project any rental subsidies it receives from EOHLC. Additionally, SHA will explore opportunities to provide Section 8 Project Based Vouchers to the development, to the extent feasible.
3. Other Local Contributions. SHA will work collaboratively with Beacon to explore the potential for property tax relief, building permit fee waivers, and/or other local non-capital contributions.
4. Ground Lessor. SHA will convey the land to the owner entity of the new development via a 99-year ground lease and will retain its rights as ground lessor.
5. Asset Management/ Steward of Affordability. SHA will collaborate with Beacon in the long-term asset management of the development, and in ensuring continued affordability of the units pursuant to applicable covenants.

Role of Beacon:

1. Funding and Regulatory Applications. Beacon will be responsible for preparing applications to EOHLC, the City of Salem, and other relevant agencies for funding and regulatory approvals, with SHA's collaboration.
2. Planning and Implementation. Beacon will provide the necessary staffing, expertise, supervision and guarantees to plan and implement all aspects of the development project fully and expeditiously, in accordance with the project schedule.
3. Manage Development Team. Beacon has assembled a team with the necessary skills and expertise to implement all aspects of the development project, as outlined in its proposal which has been approved by SHA. SHA shall have reasonable approval rights over any change in the proposed architect or property management agent, and in the selection of the general contractor and equity investor. With respect to any other substitution or addition of development team members, Beacon will consult with SHA and take SHA's views into account.
4. Maintain Communication. Beacon and SHA will establish a regular schedule of team meetings. Beacon will submit progress reports to SHA

on the project status and schedule, including but not limited to design, permitting, financing, and community engagement. A schedule of meetings and progress reports will be agreed upon between Beacon and SHA.

5. Quality Control Measures. Beacon will ensure that the Redevelopment Project is constructed and managed with the highest quality materials and workmanship. Beacon will implement quality assurance and control measures to ensure performance by all parties in all aspects of the program.
6. Development Schedule. Beacon will provide SHA with a project schedule, including milestones for the predevelopment period through permanent financing. All dates will be subject to change based on receipt of local approvals and funding for the Project.
7. Financing. Beacon will develop a feasible financing plan that provides sufficient resources for development and operation of the property, subject to SHA approval.
8. Community Engagement. Beacon will create a plan for neighborhood and community engagement that is acceptable to SHA. Beacon, in cooperation with SHA, will facilitate and foster the involvement of local residents in development planning, and will keep neighbors and community members informed of the project status.
9. Local Community and Government Relationships. Beacon, with the cooperation of SHA, will promote and maintain good relations with community and neighborhood groups, the City of Salem, EOHLC, and other public partners in the development project
10. Resident Services. Beacon will develop a plan for resident services that is acceptable to SHA.
11. Hiring. Beacon will create a plan, acceptable to SHA, to maximize contracting and employment opportunities in accordance with all application local, state and federal requirements.
12. Compliance with Laws. Beacon will comply with all applicable federal, state and local laws and rules and regulations applicable to the development project.

Exhibit 3**Operating & Decision-Making Roles
Project Managing Member****1. In General**

- a. The Beacon-affiliated Member ("Beacon") shall have principal responsibility for the day-to-day activities and operations of the MM, and shall act as its Managing Member. Beacon shall have the exclusive right to carry out the business of owning and operating the Property without approval of the SHA-affiliated Member ("HOS"), except for Major Decisions (as defined below).
- b. Notwithstanding the above, the Members will endeavor to work collaboratively, to communicate regularly, and to cooperate in all activities affecting ownership and operation of the Property. In addition to Major Decisions, Beacon shall seek regular input from, and shall consult regularly with, HOS on a range of issues, to be mutually determined by the Parties. Beacon shall use best efforts to ensure that HOS has access in a timely manner to all information pertinent to ownership and operating decisions in which HOS is involved, including but not limited to reports, budgets, contracts, schedules, and accounts.
- c. The Members acknowledge that timely decision-making is essential to meeting the obligations of the Managing Member entity. The Members shall establish a process for securing HOS approval of Major Decisions, which shall provide for deemed consent if no response is received in a reasonable period.
- d. Beacon shall retain final decision-making authority on any matter that would cause a call on its guarantee, or would require a loan to be made by Beacon or its affiliate to the project. This includes delays in decision making that could lead to penalties or additional interest.

2. Major Decisions

Major Decisions requiring HOS's prior written approval shall include the following, without limitation:

- a. any change in the Property's affordability or subsidy mix
- b. any sale of the Property or membership interests, except for membership interest transfers made for estate planning purposes
- c. any change in management agent, or in the economic terms of the Management Agreement

- d. any change in financing of the Property after closing on the acquisition (other than a conversion from construction to permanent financing)
- e. any material change in the management plan, tenant selection plan, resident services plan, or MBE/WBE/ local hiring plan.
- f. any amendment to the Operating Agreement
- g. any capital expenditure or purchase or service contract exceeding \$200,000 in a single transaction (unless identified in the approved budget)
- h. approval of annual operating and capital budgets.

3. Deadlock Resolution

The Parties will develop a process for resolving disagreements over Major Decisions, taking into account Beacon's guarantee obligations for so long as they remain outstanding, as well as Beacon's ongoing financial obligations to the project. Beacon shall retain final decision-making authority on any matter that would cause a call on the guarantee, or would require a loan to be made by Beacon or its affiliate to the project. This includes delays in decision-making that could lead to penalties or additional interest.

Salem Highlands Conceptual Schedule	
Development Activity	Timeframe
Design and Pricing	June 2026 – December 2027
Entitlements and Permitting	August 2026 – April 2027
Community Process	September 2026 – February 2029
EOHLC Funding Application Submission	March 2028
Closing	March 2029
Construction	March 2029 – September 2030



Commonwealth of Massachusetts Executive Office of Housing & Livable Communities

Maura T. Healey, Governor ♦ Kimberly Driscoll, Lt. Governor ♦ Ed Augustus, Secretary

July 17, 2026

Cathy Hoog
Salem Housing Authority
27 CHARTER STREET
SALEM, MA 01970

Dear Director Hoog:

Attached please find Amendment #23 to the Contract for Financial Assistance (CFA) **5001** in the amount of **\$2,700,000.00**. Included for signature is the Commonwealth of Massachusetts – Standard Contract Form and Attachment A – Additional Terms and Conditions and CFA Amendment (“Amendment”). This amendment funds the following:

Scope	Award Amount
Comprehensive Modernization Program Award 667-5 development - Exterior Envelope Upgrade due to Water Infiltration	\$2,700,000.00

CFA	Current CFA	Revised CFA	Change
5001	\$29,030,612.82	\$31,730,612.82	+\$2,700,000.00

Please be sure to place this CFA on your next Agenda and **execute in Docusign within 8 weeks as outlined in Public Housing Notice 2023 – 09, “Updates to Performance Management Review (PMR) for 2023 Cycle”** [download \(mass.gov\)](https://www.mass.gov/download/mass.gov). Executed CFAs will only be accepted in DocuSign.

Please have your Chairperson or designated Signatory execute Page 1 of the Standard Contract Form on or after the Board meeting. A certified copy of the Extracts of the Minutes of the Meeting should be emailed after execution to EOHLCCapitalFinance@mass.gov. All future Capital Improvement Reports must be adjusted to reflect this change. A fully executed CFA will be available in DocuSign after encumbrance for your file. Please feel free to contact me at colleen.votour@mass.gov or Steven.Garuti@mass.gov if you have any questions.

Sincerely,

Colleen Votour

Colleen Votour, Senior Accountant
Bureau of Housing Development and Construction

COMMONWEALTH OF MASSACHUSETTS | STANDARD CONTRACT FORM

This form is jointly issued and published by the Office of the Comptroller, the Executive Office for Administration and Finance, and the Operational Services Division as the default contract for all Commonwealth Departments when another form is not prescribed by regulation or policy. The Commonwealth deems void any changes made on or by attachment (in the form of addendum, engagement letters, contract forms or invoice terms) to the terms in this published form or to the [Standard Contract Form Instructions and Contractor Certifications](#), the [Commonwealth Terms and Conditions](#), the [Commonwealth Terms and Conditions for Human and Social Services](#), or the [Commonwealth IT Terms and Conditions](#) which are incorporated by reference herein. Additional non-conflicting terms may be added by Attachment. Contractors are required to access forms at macomptroller.org/forms or mass.gov/lists/osd-forms.



CONTRACTOR INFORMATION		COMMONWEALTH INFORMATION	
Contractor Legal Name Salem Housing Authority		Department Executive Office of Housing & Livable Communities	
d/b/a		Mosaic Department Code OCD	
Legal Address As entered on Form W-9 or Form W-4 27 CHARTER STREET, SALEM, MA 01970		Contract Manager Name Fatima Razzaq	
Contract Manager Name Cathy Hoog		Business Mailing Address 100 Cambridge Street, Suite 300, Boston MA 02114	
Phone 978-744-4432		Billing Address If Different	
Fax 978-744-9614		Phone 617-573-1100	
Email choog@salemha.org		Fax 617-573-1345	
Vendor Code VC6000192206		Email Fatima.Razzaq@mass.gov	
Vendor Code Address ID e.g. "AD001", AD001		Mosaic Transaction ID(s) CCOCD252011302510000	
Note: The Address ID must be set up for Electronic Funds Transfer (EFT) payments.		RFR/Procurement or Other ID Number MGL121B-23BSec3	
NEW CONTRACT		CONTRACT AMENDMENT	
Procurement or Exception Type (Check one option only)		Current Contract End Date PRIOR to Amendment June 30, 2035	
☐ Statewide Contract (OSD or an OSD-designated department.)		Amendment Amount Or Enter "No Change" +\$2,700,000.00	
☐ Collective Purchase (Attach OSD approval, scope, and budget.)		Amendment Type Check one option only. Attach details of amendment changes.	
☐ Department Procurement - Includes all Grants 815 CMR 2.00 . (Attach Solicitation Notice or RFR, and Response or other procurement supporting documentation.)		☒ Amendment to Date, Scope, or Budget (Attach updated scope and budget.)	
☐ Emergency Contract (Attach justification for emergency, scope, and budget.)		☐ Interim Contract with Current Contractor (Attach justification for Interim Contract and updated scope/budget.)	
☐ Contract Employee (Attach Employee Status Form, scope, and budget.)		☐ Contract Employee (Attach any updates to scope or budget.)	
☐ Interim Contract with new Contractor (Attach justification for Interim Contract and updated scope/budget.)		☐ Other Procurement Exception (Attach authorizing language/justification and updated scope/budget.)	
☐ Other Procurement Exception (Attach authorizing language, legislation with specific exemption or earmark, and exception justification, scope, and budget.)			
TERMS AND CONDITIONS			
The Standard Contract Form Instructions and Contractor Certifications and the following document are incorporated by reference into this Contract and are legally binding. Check ONE option:			
☒ Commonwealth Terms and Conditions			
☐ Commonwealth Terms and Conditions for Human and Social Services			
☐ Commonwealth IT Terms and Conditions			
COMPENSATION			
Check ONE option.			
The Department certifies that payments for authorized performance accepted in accordance with the terms of this Contract will be supported in the state accounting system by sufficient appropriations or other non-appropriated funds, subject to intercept for Commonwealth owed debts under 815 CMR 9.00 .			
☐ Rate Contract (No Maximum Obligation). (Attach details of all rates, units, calculations, conditions or terms and any changes if rates or terms are being amended.)			
☒ Maximum Obligation Contract. Total maximum obligation for total duration of this contract (or new total if contract is being amended): \$31,730,612.82			

PROMPT PAYMENT DISCOUNTS (PPD)Commonwealth payments are issued through Electronic Funds Transfer (EFT) 45 days from invoice receipt. See [Prompt Pay Discounts Policy](#).

Contractors requesting accelerated payments must identify a PPD as follows:

Payment issued within: 10 days	% PPD.
15 days	% PPD.
20 days	% PPD.
30 days	% PPD.

If PPD percentages are left blank, identify reason:

☐

Statutory/legal

☐Ready Payments ([M.G.L.c. 29, § 23A](#))☐

Agree to standard 45-day cycle

☒

Only initial payment

BRIEF DESCRIPTION OF CONTRACT PERFORMANCE or REASON FOR AMENDMENT

Enter the Contract title, purpose, fiscal year(s) and a detailed description of the scope of performance or what is being amended for a Contract Amendment.

Attach all supporting documentation and justifications.

Amendment #23, Contract for Financial Assistance 258025001: Comprehensive Modernization Program Award 667-5 development - Exterior Envelope Upgrades due to Water Infiltration as specified in the Contract for Capital Improvement Work Plan/Approved Budget (Exhibit 1) and Timetable for Completion of the Work (Exhibit 2). All such work shall be subject to the requirements set out in the Commonwealth Terms and Conditions in Attachment A.

SUPPLIER DIVERSITY PROGRAM (SDP) PLAN

Does the Supplier Diversity Program apply?

☐

YES If YES, the Contractor's annual SDP commitment for this Contract is

☒NO If NO, and the department is an Executive Department, enter the appropriate exemption: **GRANT****ANTICIPATED START DATE (Complete ONE option only.)**

The Department and Contractor certify for this Contract, or Contract Amendment, that Contract obligations:

☒

1. may be incurred as of the Effective Date (latest signature date below) and no obligations have been incurred prior to the Effective Date.

☐2. may be incurred as of , 20 , a date **LATER** than the Effective Date below and **no** obligations have been incurred **prior** to the Effective Date.☐3. were incurred as of , 20 , a date **PRIOR** to the Effective Date below, and the parties agree that payments for any obligations incurred prior to the Effective Date are authorized to be made either as settlement payments or as authorized reimbursement payments, and that the details and circumstances of all obligations under this Contract are attached and incorporated into this Contract. Acceptance of payments forever releases the Commonwealth from further claims related to these obligations.**CONTRACT END DATE**Contract performance shall terminate as of **June 30, 2035**, with no new obligations being incurred after this date unless the Contract is properly amended, provided that the terms of this Contract and performance expectations and obligations shall survive its termination for the purpose of resolving any claim or dispute, for completing any negotiated terms and warranties, to allow any close out or transition performance, reporting, invoicing or final payments, or during any lapse between amendments.**CERTIFICATIONS**Notwithstanding verbal or other representations by the parties, the "Effective Date" of this Contract or Amendment shall be the latest date that this Contract or Amendment has been executed by an authorized signatory of the Contractor, the Department, or a later Contract or Amendment Start Date specified above, subject to any required approvals. The Contractor certifies that they have accessed and reviewed all documents incorporated by reference as electronically published and the Contractor makes all certifications required under the Standard Contract Form Instructions and Contractor Certifications under the pains and penalties of perjury, and further agrees to provide any required documentation upon request to support compliance, and agrees that all terms governing performance of this Contract and doing business in Massachusetts are attached or incorporated by reference herein according to the following hierarchy of document precedence, the applicable Commonwealth Terms and Conditions, this Standard Contract Form, the Standard Contract Form Instructions and Contractor Certifications, the Request for Response (RFR) or other solicitation, the Contractor's Response (excluding any language stricken by a Department as unacceptable, and additional negotiated terms, provided that additional negotiated terms will take precedence over the relevant terms in the RFR and the Contractor's Response only if made using the process outlined in [801 CMR 21.07](#), incorporated herein, provided that any amended RFR or Response terms result in best value, lower costs, or a more cost effective Contract.**AUTHORIZING SIGNATURE FOR THE CONTRACTOR**

Signature and date must be captured at time of signature.

Signature

Date

Print Name

Print Title

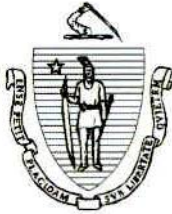
AUTHORIZING SIGNATURE FOR THE DEPARTMENT

Signature and date must be captured at time of signature.

Signature

Date

Print Name
Fatima RazzaqPrint Title
BHD&C Director



Commonwealth of Massachusetts Executive Office of Housing & Livable Communities

Maura T. Healey, Governor ♦ Kimberly Driscoll, Lt. Governor ♦ Ed Augustus, Secretary

Certification of Grant Plan

Executive Office of Housing and Livable Communities Public Housing Capital Improvement/Development Grant

MMARS Doc ID: **CCOCD252011302510000**

Grant- MGL 23B and 121B allow the Executive Office of Housing and Livable Communities (EOHLC) to fund Local Housing Authorities (LHAs). **The funds are considered non-discretionary** (designated) and are made to recipients identified in the department's Legislative authorization in accordance with 815 CMR 2.04(6). EOHLC grants awards to LHAs through a formula funding process and/or through emergency submissions and special projects, such as sustainability, mixed finance, and others. The funding was authorized in Chapter 129 of the Acts of 2013, Chapter 99 of the Acts of 2018, Section 16 of Chapter 76 of the Acts of 2021 (ARPA) and in previous acts. The acts directed EOHLC to "establish a program to provide predictable funds to be used flexibly by housing authorities for capital improvements to extend the useful life of state-assisted public housing". Chapter 119 also provides that our "projects may include, but shall not be limited to, projects providing for renovation, remodeling, reconstruction, redevelopment and hazardous material abatement." As a result of these acts, EOHLC created a system called the Capital Planning System (CPS) with the aid of a consultant, Diversified Intelligence, to assist the LHAs in their capital planning needs assessment. EOHLC awards were made to LHAs based upon this state-wide database of building component conditions. The LHAs must develop, and regularly update, a three-year capital improvement plan (CIP) outlining the projects. EOHLC reviews and approves the plans on an annual basis. The CIP and all relevant back-up documentation are on file at the Executive Office of Housing and Livable Communities (EOHLC).

Attached:

- Vendor's Project Budget and Project Schedule
- Commonwealth of Massachusetts – Standard Contract Form (SCF)

CERTIFICATION:

"OCD certifies that the Capital Improvement Plan is on file at the Executive Office of Housing and Livable Communities along with all relevant back-up documentation."

Authorized Department Signatory: _____ Date: _____

Print Name: **Fatima Razzaq**

Print Title: **Director, Bureau of Housing Development and Construction**

ATTACHMENT A/Scope of Services

ADDITIONAL TERMS AND CONDITIONS and CFA AMENDMENT

This Attachment A is part of the contract by and between the Commonwealth of Massachusetts (hereinafter called the "Commonwealth") acting by and through the Executive Office of Housing and Livable Communities (the "Department"), and the **Salem Housing Authority** (the "Authority"), a public body, politic and corporate, duly organized and existing pursuant to Section 3 of Chapter 121B of the General Laws. This Attachment A also amends and modifies the Contract(s) for Financial Assistance ("CFA") for all of the developments listed below by extending the term of each CFA for forty (40) years as herein provided. Such an amendment and modification is a part of the CFA as well as a part of the above-described contract. It may be enforced as part of the CFA or as part of the above-described contract.

Background.

The Authority proposes to modernize and improve the following existing State-Aided housing development(s) as more fully described in an application for capital improvement grant, submitted by the Authority. The Department has approved the application, or portion of the application, and shall provide state financial assistance in the form of a grant of capital improvement funds as provided herein.

Name of Developments: **Contract for Financial Assistance 5001, All developments, included but not limited to 200-01,200-02,667-01,667-1A,667-02,667-3B,667-04,667-05,667-06,667-7A, 667-7B,705-05,705-2A,705-2B,705-03,667-3A**

Date of Application: **6/25/2026**

1. The Work Plan/Approved Budget. Subject to the terms and conditions hereinafter set forth, the Commonwealth shall provide state financial assistance in the form of a grant(s) to make capital improvements. The scope of work and budget is defined in the Capital Improvement Work Plan/Approved Budget attached to this contract as "Exhibit 1" and incorporated herein. The Work Plan/Approved Budget may be amended by the Department. A timetable for completion of the work is attached as "Exhibit 2" and is incorporated herein.

The provision of such financial assistance is expressly contingent upon the authorization of the sale of the bonds necessary to raise the funds required herein by the General Court and the release of such funds by the Executive Office for Administration and Finance and the Office of the Comptroller.

2. Approved Work Items. The Authority agrees to undertake only work items authorized in the Work Plan/Approved Budget, and to complete said items at the lowest practicable cost not to exceed the budget. This grant of capital improvement funds is limited by either the grant amount, or by the cost of completing approved work items, whichever is lower. The Department reserves the right to amend the grant amount, the budget and/or the work items in the Work Plan/Approved Budget at its sole discretion.

3. Modernization, Continued Use, and Amendment of CFA. The Authority agrees to undertake and maintain the development(s) modernized or reconstructed as a housing project providing low rent housing, and to comply with Chapter 121B of the General Laws, the Departments Regulations, and the written directives of the Department as they may be in effect from time to time.

In consideration of the funds granted pursuant to this contract and for other good and valuable consideration, the Department, and the Authority agree that the (CFA) for the development(s) described herein as it may have been heretofore amended, shall be extended for an additional period of forty (40) years provided that the extended period, when combined with the unexpired term(s) of the existing CFA(s) and amendment(s) thereto, shall not exceed forty (40) years from the completion of the Capital Improvement Work funded under this contract. During such extension period the Authority agrees to use the development(s) as a housing project providing low rent housing as provided by the terms of the CFA(s) and of any amendment(s) thereto, Chapter 121B, the Departments regulations and the written directives of the Department as they may be in effect from time to time. This paragraph amends the said CFA(s) and shall continue in full force and effect for the term(s) of the extensions(s) specified herein. This paragraph has legal effect as part of the CFA with respect to such extensions(s) and shall not be subject to further amendment except as part of the CFA as therein provided.

4. Approval of Contracts, Expenditures and Settlements. The Authority agrees, that with respect to implementation of the Work Plan/Approved Budget, it shall submit all bid documents, including plans and specifications, to the Department for its approval. The Authority further agrees that it shall not without prior written approval of the Department:

- (a) enter into any contract for services or for the purchase of material or equipment pursuant to the Work Plan/Approved Budget.
- (b) issue any change order in connection with any contract;
- (c) make any expenditure for capital improvement not specifically authorized in the Work Plan/Approved Budget approved by the Department;
- (d) release any sums retained pending final inspection and certification of satisfactory completion pursuant to any contract under (a) above; or
- (e) approve any settlement of any matter in litigation.

5. Compliance With Bidding Requirements. The Authority shall comply with the requirements of all applicable statutes and regulations, governing competitive bidding procedures, prior to the award of any contract pursuant to the Work Plan/Approved Budget.

6. Bonding and Insurance Requirements. The Authority shall require its contractors to provide such security for the full and faithful performance of any contract or subcontract by way of a surety company licensed to do business in the Commonwealth, as the Department may prescribe. The Authority shall require from its contractor(s) and shall itself maintain insurance of such kinds and in such amounts as the Department may prescribe.

7. Supervision, Inspection and Review. The Authority agrees that it shall diligently enforce the terms of its contract(s) with contractor(s) performing work hereunder, and shall carry out the supervision and inspection of each contractor's work to ensure that it is completed in accordance with applicable specifications. The Authority shall conduct such supervision in a professional manner and to the satisfaction of the Department. The Authority shall permit the Department and authorized representatives to review all work and supervision of work by the Authority, materials, payrolls, records of personnel, conditions of employment, invoices of materials, books of account and other data and records in connection with the execution of the Work Plan/Approved Budget which the Department shall require, and shall require each contractor to allow such access to the contractor's relevant records by the Department.

8. Reports. The Authority shall provide reports in such form and with such frequency as the Department shall require from time to time regarding all aspects of the modernization of the development. These reports shall include: (a) the progress of the work; (b) the actual capital improvement cost incurred by the Work Plan/Approved Budget, breaking out all costs in such manner as the Department may prescribe; (c) certification by appropriate authorities as specified by the Department that the Work Plan/Approved Budget has been completed free from defects or inadequacies; and (d) that the Authority has been discharged from all liability in connection with the modernization of the development(s) through the payment or setting aside of monies and that the development(s) is/are free from any claims or obligations under sections 28 and 29 of Chapter 149 of the General Laws.

9. Separate Accounts; Rights of Commonwealth with Respect to Bank Accounts of Authority. The Authority shall at all times conduct its business and affairs in such manner that any bank accounts relative to modernization of the development under this contract will be separate and distinct from any account of the Authority relative to any other enterprise developed, administered, or engaged in by the Authority. The Authority shall, at the time of opening any account with any bank, obtain an agreement with such bank that (1) upon the receipt of any direction from the Department, no further withdrawal by the Authority shall take place; (2) that such bank shall agree with the Department that the bank shall forthwith comply with such direction unless and until revoked by the Department; and (3) that a withdrawal of the funds duly authorized and signed by the Department will be honored by such bank.

The Authority agrees that if either one or both of the following events occur and is not corrected or remedied to the satisfaction of the Department, the Department shall have the right to direct any bank with which the Authority maintains an account in which funds for the modernization of the development(s) are deposited or held, to refuse to permit any withdrawals from such account until further notice from the Department: (a) the Authority shall have defaulted in the observance or performance of any one or more of the terms, covenants or conditions of this contract; (b) the Authority shall have made any misrepresentation of material fact in any of the certificates, reports, statements or other documents or dates required to be submitted pursuant to this contract. Additionally, upon the occurrence of one or more such events, the Department may withdraw funds from such account when necessary to make any expenditure properly chargeable to the Work Plan. Such funds shall be applied by the Department in accordance with the applicable provisions and requirements of this contract.

10. Accounts, Records, Books and Audits. The Authority agrees that it shall (a) maintain such accounts, records, and books in accordance with any specifications which the Department may prescribe as to the manner and form of record-keeping and as to the contents of the records; (b) grant to the employees or representatives of the Department at all times during normal business hours and as often as the Department may require, full and free access to its accounts, records and books; (c) permit the Department or any accountants or auditors approved by the Department and the authorized representatives of the State Auditor's Office to make periodic audits, excerpts or transcripts of the accounts, financial records and books of the Authority; (d) furnish to the Department such financial, operating, statistical and other reports, records, statements, and documents in such manner and form as may be required by the Department; and (e) furnish copies of contracts of the Authority and other documents in the possession of the Authority as the Department may require from time to time.

11. Notices and Demands. Any notice or demand permitted or required under this contract to be given or served by either of the parties hereto upon the other party hereto shall be in writing and shall be signed in the name of the party giving or serving the same. Such notice or demand shall be mailed by certified mail, postage and certified charges prepaid, or personally served on the Department or the Executive Director of the Authority. For purposes of this section, the Department shall be notified at the Bureau of Housing Development and Construction, Executive Office of Housing and Livable Communities, 100 Cambridge Street, Boston, Massachusetts 02114, or such other place as the Department may designate by written notice to the Authority.

12. Termination or Suspension of Contract. The Department may suspend or terminate all or part of this contract at any time if it, in its sole discretion, determines that suspension or termination is warranted because of the violation by the Authority of any provisions of this contract or of the regulations of the Department or applicable law. The Department may terminate or suspend all or part of this contract in order to correct misuse or misapplication of funds by the Authority. Failure to implement the Work Plan/Approved Budget in accordance with the dates set forth in Exhibit 1 shall constitute grounds for the immediate termination or suspension of this contract. In any case of termination or suspension, notice in writing of the action shall be given to the Authority. The Department may also terminate or suspend this contract at any time due to the unavailability of the required funds as described in Section 1 of this Attachment.

13. Severability of Provisions. If any provision of this contract is held invalid, the remainder thereof shall not be affected thereby; and all other parts thereof shall remain in full force and effect.

14. Enforcement of Contract. The Department may enforce any of its orders, rules or regulations or the provisions of this contract, or remedy any breach of this contract, by filing an action in the Superior Court or other court of competent jurisdiction.

15. Interest of Member or Employee of Authority. No member or employee of the Authority shall participate in any decision relating to the Work Plan/Approved Budget affecting his or her personal interests or the interest of any corporation, partnership, proprietorship in which he or she is directly or indirectly interested. No member, officer, agent, servant or employee of the Authority or of the city or town in which the development is located, shall have any interest, direct or indirect, in any contract for property, materials, or services to be acquired by the Authority or furnished for use in connection with the Work Plan/Approved Budget.

No member of the Authority shall be paid for his or her services or receive compensation as such member out of the proceeds of funds received in connection with the Work Plan/Approved Budget.

16. Member of Authority not Individually Liable. No member or officer of the Authority shall be individually liable on any obligation assumed by the Authority hereunder, except that this provision shall not be deemed to relieve such officer or member from any liability incurred for his or her fraud or other intentional misconduct.

17. Equal Employment Opportunity. In its implementation of the Work Plan/Approved Budget, as set out in Section 10 of the Commonwealth Terms and Conditions, the Authority shall not discriminate against any employee or applicant for employment because of race, creed, color, national origin, sex, sexual orientation, age, or disability. The Authority shall take affirmative action to encourage applications from minorities, individuals with disabilities, and women and to ensure that applicants are employed and that employees are treated during employment, without regard to their race, creed, color, national origin, sex, sexual orientation, age or disability.

The Authority shall in all solicitations or advertisements for employees placed by, or on behalf of the Authority, state that all qualified applicants shall receive consideration for employment without regard to race, creed, color, national origin, sex, sexual orientation, age, or disability. Except as required in the following paragraph, the Authority shall incorporate the foregoing requirements in all of its contracts for work items under the Work Plan/Approved Budget and shall require its contractors to place such terms in all subcontracts.

The Authority shall incorporate into bid specifications and contracts for state-aided modernization and reconstruction work, as directed by the Department, provisions for the award of contracts to Minority and Women Business Enterprises as certified by the State Office of Minority, Women Business Assistance, (SOMWBA).

18. Non-Exclusivity of Remedies. Termination for cause in the event of breach of this contract by Contractor is a non-exclusive remedy available to the Department.

19. Disbursement of Grants. Grants by the Commonwealth hereunder shall be disbursed periodically upon request by the Authority and approval by the Department. Approval by the Department shall be in accordance with the budget in the Work Plan/Approved Budget (Exhibit hereto).

Prior to the disbursement of any portion of the maximum obligation, the Department may review compliance by the Authority with the approved Work Plan/Approved Budget. If the Department finds, in its sole discretion, that the actual cost will exceed the budget, or that the Work Plan/Approved Budget is not being adhered to, it may withhold disbursement of payment until it is satisfied that the Work Plan/Approved Budget will be followed. The Department may in its discretion adjust the scope of the work item(s) and the budget as a condition of any subsequent approval of a request for a grant.

Interest earned on funds granted shall be used by the Authority to pay the cost of the approved work items or at the option of the Department shall be returned to the Department.

Executed as an instrument under seal.

EXECUTIVE OFFICE OF HOUSING AND LIVABLE COMMUNITIES
Salem Housing Authority, CFA Number 117025001, Amendment 23
Summary of LHA Capital Project Budget/Changes

Line Number	Description	Prior Budget	Change +/-	Revised Budget
Construction				
1450.01	Original Construction Contract	29,030,612.82	2,700,000.00	31,730,612.82
1450.02	Change Order Contingency	0.00	0.00	0.00
1450.03	Permit Fees	0.00	0.00	0.00
SubTotal Construction		29,030,612.82	2,700,000.00	31,730,612.82
CFA TOTAL:		29,030,612.82	2,700,000.00	31,730,612.82

Executive Office of Housing and Livable Communities

Project: **Salem 5001**

Description: Formula Funding

LINE ID	OUTLINE	PROJECT PHASE /TASK	DURATION DAYS	SCH START	SCH FIN
1	1		9635	6/10/2010	6/30/2035
2	1.1	STUDY	30	8/6/2010	12/15/2016
3	1.1.1	EOH&LC approves funding/award	200	1/14/2017	8/2/2017
4	1.2	PLANNING	200	8/2/2017	2/18/2018
5	1.2.1	Assign in-house A/E	5	2/18/2018	2/23/2018
6	1.2.2	EOH&LC approves RFS/WO	20	2/18/2018	3/10/2018
7	1.3	DESIGNER SELECTION	20	2/28/2018	3/20/2018
8	1.3.1	EOH&LC approves A/E contract	20	2/28/2018	3/20/2018
9	1.4	CONCEPTS	20	2/28/2018	3/20/2018
10	1.4.1	EOH&LC approves concepts	20	2/28/2018	3/20/2018
11	1.5	SCHEMATICS	60	3/20/2018	5/19/2018
12	1.5.1	EOH&LC approves schematics	60	3/20/2018	5/19/2018
13	1.6	DESIGN DEVELOPMENT	20	5/19/2018	5/19/2018
14	1.6.1	EOH&LC approves DD	20	5/19/2018	6/8/2018
15	1.7	CONSTRUCTION DOCS.	20	6/8/2018	6/28/2018
16	1.7.1	EOH&LC approval to bid	10	6/28/2018	7/8/2018
17	1.8	BIDDING	30	7/8/2018	8/7/2018
18	1.8.1	General bids opened	30	7/8/2018	8/7/2018
19	1.8.2	EOH&LC approves GC contract	10	8/7/2018	8/17/2018
20	1.9	CONSTRUCTION	2095	10/6/2018	7/1/2024
21	1.9.1	NTP Issued	50	8/17/2018	10/6/2018
22	1.9.2	Contract time for completion	1095	10/6/2018	10/5/2021
23	1.9.3	Amended time for completion	1000	10/5/2021	7/1/2024
24	1.9.4	Forecasted construction period	2095	1/3/2017	9/29/2022
25	1.9.5	EOH&LC approves CSC	10	9/19/2022	9/29/2022
26	1.10	CLOSE-OUT	5	9/29/2022	10/4/2022
27	1.10.1	EOH&LC approves CFC	5	9/29/2022	10/4/2022
28	1.11	WARRANTY	1425	10/4/2022	6/30/2024
29	1.11.1	9 month warranty inspection	635	10/4/2022	6/30/2024
30	1.11.2	End of warranty period	425	5/1/2024	6/30/2035

Exhibit 2 - Projected Timetable for Completion of Work



DeSTEEANO

LANDSCAPE & SNOW
— COMPANY —

July 7, 2026

A. The undersigned proposes to furnish all labor and materials required for Snow Removal Services for seven (7) locations, Colonial Terrace, Norton Terrace, Bates Terrace, Pioneer Terrace, 27 Charter St., Phillips House, and Garden Terrace, elderly and family public housing developments in Salem, Massachusetts for contract period of 6 months, November 1, 2026 through April 30, 2027 in accordance with the Contract Documents prepared by the Salem Housing Authority for the contract price specified below, subject to additions and deductions according to the terms of the specifications.

The proposed contract price is \$149,940.00 all-inclusive rate.

Inclusive up to and including 50 inches of snowfall and 40 salting/sanding of roadways, parking lots, driveways, walkways, and sidewalks.

Post 40 salting increments will be charged:

Salting/sanding of walkways and sidewalks	Price per application	\$ 2,300.00
Salting/sanding of parking lots and driveways	Price per application	\$ 1,775.00

Post 50" snow total:

Snowfall	Pricing
0.1-3"	\$ 5,795.00
3.1-6"	\$ 9,450.00
6.1-9"	\$ 11,898.00
9.1-12"	\$ 17,379.00
12.+ per inch post 12 "	\$ 1,800.00

Section 1: General Information

1. The purpose of this report is to provide a detailed overview of the project's progress and status. It is intended for the project manager and the steering committee.
2. The project is currently on track and is expected to be completed by the end of the year. The project manager is responsible for ensuring that the project is completed on time and within budget.
3. The project is currently on track and is expected to be completed by the end of the year. The project manager is responsible for ensuring that the project is completed on time and within budget.

Project Name	Project Alpha
Project Manager	John Doe
Project Sponsor	John Doe
Project Start Date	1/1/2020
Project End Date	12/31/2020
Project Budget	\$1,000,000
Project Status	On Track
Project Risk	Low
Project Complexity	High

4. The project is currently on track and is expected to be completed by the end of the year. The project manager is responsible for ensuring that the project is completed on time and within budget.
5. The project is currently on track and is expected to be completed by the end of the year. The project manager is responsible for ensuring that the project is completed on time and within budget.
6. The project is currently on track and is expected to be completed by the end of the year. The project manager is responsible for ensuring that the project is completed on time and within budget.

Project Alpha - Final Report

Project Alpha - Final Report

**** Snow Relocation (upon request)**

- Curb-to-curb and corner-to-corner is a special service we provide at the end of every snow event where we go along all curbs and corners and relocate all snow piles, so no parking spaces are lost and curbs are all visible.
- Pile push backs are sometime necessary after excessive snowfalls in order to have placement for future snowfalls.
- Dumping fee may apply for off-sit snow dumping. This service will be performed per discretion of DeStefano unless other arrangements were discussed and agreed upon with management in writing.
- Relocation and removal are all priced per man hour. (4 Hr. min)

2 Yard Bobcat (skid steer)	\$ 225.00 p/m/h
3 Yard Loader	\$ 275.00 p/m/h
Dual-Axle	\$ 250.00 p/m/h
Tri-Axle	\$ 250.00 p/m/h
Dump trailer	\$ 300.00 p/m/h
Skid Blower	\$ 425.00 p/m/h
Load Blower	\$ 550.00 p/m/h

- B. The undersigned hereby certifies that they are able to furnish labor that can work in harmony with all the other elements of labor employed or to be employed on the Work and that they will comply fully with all laws and regulations applicable to awards made subject to M.G.L. c.30B.
- C. The undersigned further certifies that he is able to furnish labor that can work in harmony with all other elements of labor employed or to be employed on the work; that all employees to be employed at the worksite will have successfully completed a course in construction safety and health approved by the United States Occupational Safety and Health Administration that is at least 10 hours in duration at the time the employee begins work and who shall furnish documentation of successful completion of said course with the first certified payroll report for each employee; and that he will comply fully with all laws and regulations applicable to awards made subject to section 44A.
- F. The undersigned further certifies under the penalties of perjury that this bid is in all respects bona fide, fair and made without collusion or fraud with any other person. The undersigned further certifies under the penalty of perjury that the undersigned is not debarred from doing public construction work in the Commonwealth under the provisions of section twenty-nine F of chapter twenty-nine, or any other applicable debarment provisions of any other chapter of the General Laws or any other rule or regulation promulgated thereunder. As used in this certification the word "person" shall mean natural person, joint venture, partnership, corporation or other business or legal entity.

DESTEFANO LANDSCAPING LLC

(Name of General Bidder)

Signature 

BY _____

(Signature & Title of person signing bid)

Date: _____

804 Haverhill Street, Rowley MA 0169 (Business Address)



DESTEFANO

LANDSCAPE & SNOW

COMPANY

804 Haverhill St, Rowley, MA 01969 - (978)-833-7438

July 7, 2026

Owner/Owner Agent:

General Contract for Services

This Contract for Services (this "Contract") is made effective as of November 1, 2026 through April 15, 2027 of the current snow season, by and between DeStefano Landscaping LLC of 804 Haverhill St, Rowley, MA 01969 & the Owner/Owner Agent listed above in this Contract, the party who is contracting to receive services will be referred to as Salem Housing Authority, Owner/Owner Agent, and the party who will be providing the services will be referred to as "DeStefano Landscaping LLC."

1. **DESCRIPTION OF SERVICES.** Beginning on November 1, 2026 of the current snow season, DeStefano Landscaping LLC will provide to the Owner/Owner Agent, the services in the attached proposal (collectively, the "Services"). No contractor of the same trade will be allowed to perform services on this site without prior approval from DeStefano Landscaping.
2. **PAYMENT FOR SERVICES.** In exchange for the Services, the Owner/Owner Agent, will pay DeStefano Landscaping LLC within 15 days of invoice date. Per Seasonal agreement, 6 equal payments \$24,990.00 on November 1, 2026 following monthly through April 1, 2027, per contracted term years. *Additional services to be paid 15 days from invoice date. If any or the entire amount due according to this contract has to be collected by or through an attorney the Owner/Owner Agent agrees to pay all attorney and collection fees related to the collection of the amount owed. All invoices over 30 days from invoice date will be subject to a late fee and/or a 1.5% interest charge per month.
3. **TERM.** This contract will terminate automatically on APRIL 15, 2027 of the current snow season.
4. **WARRANTY.** DeStefano Landscaping LLC shall provide its services and meet its obligations under this Contract in a timely and workmanlike manner, using knowledge and recommendations for performing the services, and provide a standard of care equal to, or superior to, care used by service providers similar to DeStefano Landscaping LLC on similar projects. DeStefano will keep roadways and walkways passable at all times for emergency providers and pedestrians. Snow & ice management services will require cooperation from all individuals on site at the time of our equipment in operation in order for effective operations to be complete. We can only be held liable for negligent performance & not for the result of Mother Nature's acts of God, poor drainage, or human error beyond the control of DeStefano Landscape LLC. Anything beyond the scope of work should be reported immediately to DeStefano and a response team will perform additional service in a timely manner. DeStefano Landscaping LLC will provide all necessary tools, equipment, and labor needed to perform the Services.
5. **DEFAULT & CANCELLATION.** In addition to any and all other rights both parties have according to law, if a party defaults by failing to substantially perform any provision, term, or condition of this Contract, including without limitation the failure to make a monetary payment when due, the other party may terminate the Contract by providing written notice to the defaulting party. This notice must describe in detail the nature of the default(s). The party receiving such notice shall have 30 days from the effective date of such notice to cure the default(s). Unless waived by a party providing notice, the failure to cure the default(s) within such time period shall result in the automatic termination of this Contract. If this Contract is terminated, the account balance must be paid in full at the end of the effective date for termination of this Contract.
6. **ENTIRE AGREEMENT.** This Contract contains the entire agreement of the parties. Verbal agreements expressed or implied will not be honored. All agreements must be in written form. This contract supersedes any prior written or verbal agreements between the parties.
7. **SEVERABILITY.** If any provision of this Contract will be held to be invalid or unenforceable for any reason, including by a court of law, the remaining provisions will continue to be valid and enforceable.
8. **AMENDMENT.** This Contract may be modified or amended, but only in written form, and only if the writing is signed by both parties obligated under this amendment.
9. **GOVERNING LAW.** This Contract shall be construed in accordance with the Laws of the State of Massachusetts.
10. **NOTICE.** Any notice or communication required or permitted under this Contract shall be sufficiently given if delivered in person or by certified U.S. Mail, return receipt requested, to the address set forth in the opening paragraph or to such other address as one party may have furnished to the other in writing.

11. **ASSIGNMENT.** Neither party may assign or transfer this Contract without prior written consent of the non-assigning party, which approval shall not be unreasonably withheld.
12. Fuel Surcharge fee, if applicable beyond current market rate a fuel surcharge may be applied.

There are no other agreements or warranties made by DeStefano Landscaping LLC, whether expressed or implied, other than specifically stated in this Contract.

The specifications and conditions in this Contract are satisfactory and hereby accepted by both parties providing signatures below.

Service Recipient:

,

Date: _____

By: _____

Service Provider:
DeStefano Landscaping LLC

X

DeStefano Landscaping LLC

BDO Project B25-T46F
 Salem Housing Authority
 Door Replacement, 705-2A
 Client Project #258182

General Bid Log

Date: 04/01/2026 at 12:17PM EDT

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Bidder	Base Bid	Due Date	Alternates	Final Bid	Status
EC INTERIORS LLC 818 REED RD North Dartmouth, MA 02747	\$110,151.00	04/01/2026 at 12:00PM EDT		\$110,151.00	—
Makeover and Finishes Group Inc. 170 Worcester St. Suite 201 Wellesley Hills, MA 02481	\$118,680.00	04/01/2026 at 12:00PM EDT		\$118,680.00	—
A & R Construction, Inc. 29 Hathaway Avenue Beverly, MA 01915	\$145,850.00	04/01/2026 at 12:00PM EDT		\$145,850.00	—
North Lawrence Contracting, LLC. 15 Union Street Suite G2B Lawrence, MA 01840	\$149,250.00	04/01/2026 at 12:00PM EDT		\$149,250.00	—
Alpha Contracting Associates Inc 140B Centre Street Roslindale, MA 02131	\$256,000.00	04/01/2026 at 12:00PM EDT		\$256,000.00	—

BDO Project B25-T46F
Salem Housing Authority
Door Replacement, 705-2A
Client Project #258182

General Bid Log

Date: 04/01/2026 at 12:17PM EDT

Page 2 of 2

Bidder	Base Bid	Due Date	Alternates	Final Bid	Status
Delulis Brothers Construction Co Inc 31 Collins Street Terrace Lynn, MA 01902	\$462,000.00	04/01/2026 at 12:00PM EDT		\$462,000.00	—