METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

NASHVILLE, TENNESSEE

ANNUAL FINANCIAL REPORT AND OTHER FINANCIAL INFORMATION

SEPTEMBER 30, 2021

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

Table of Contents

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

INTRODUCTION

The Metropolitan Housing and Development Agency ("MDHA" or the "Agency") is pleased to present its Annual Financial Report and Other Financial Information for the year ended September 30, 2021.

Responsibility and Controls

MDHA has prepared and is responsible for the financial statements and related information included in this report. A system of internal accounting control is maintained to provide reasonable assurance that assets are safeguarded and that the books and records reflect only authorized transactions. Limitations exist in any system of internal control. However, based on recognition that the cost of the system should not exceed its benefits, management believes its system of internal accounting control maintains an appropriate cost/benefit relationship.

MDHA's system of internal accounting control is evaluated on an ongoing basis by internal financial staff. MCM CPAs & Advisors LLP, external auditors, also consider certain elements of the internal control system in order to determine auditing procedures for the purpose of expressing an opinion on the financial statements.

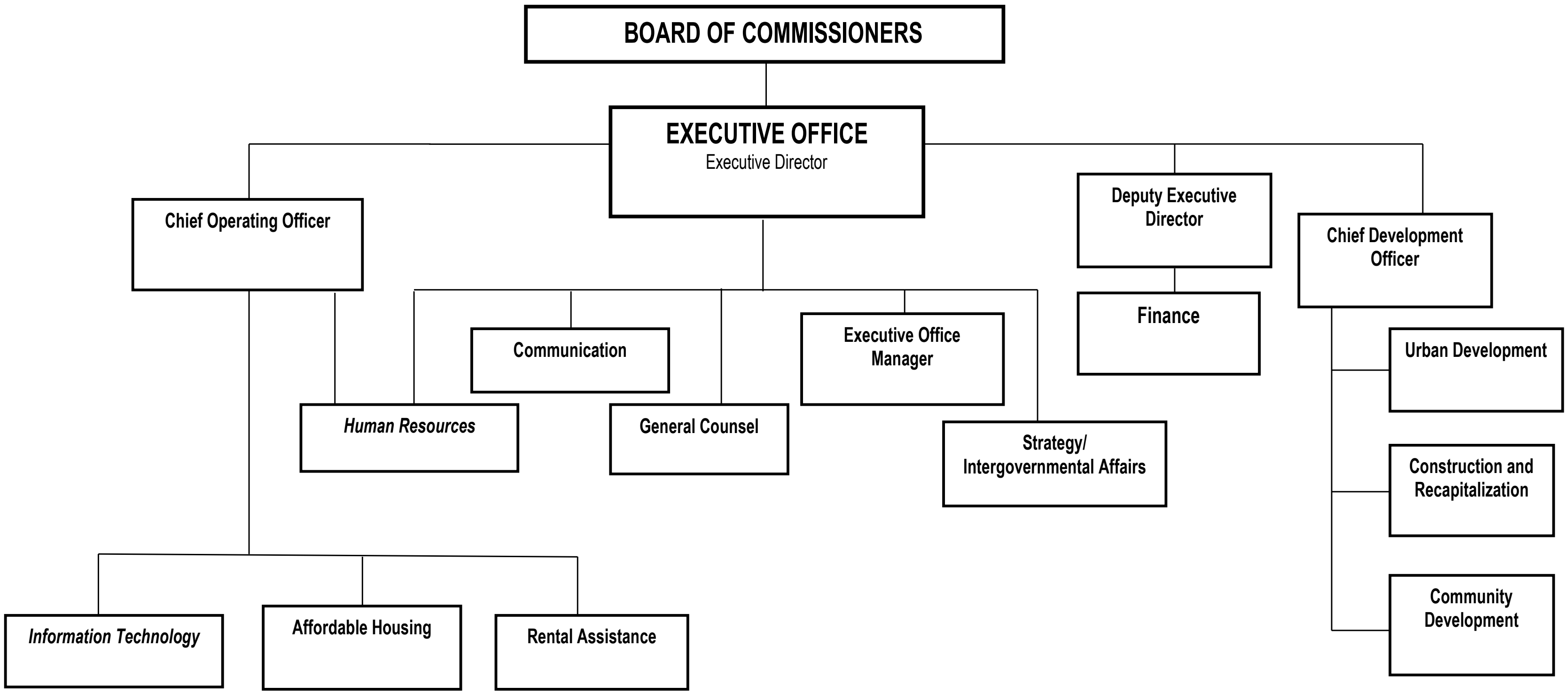
Management believes that its policies and procedures provide guidance and reasonable assurance that MDHA's operations are conducted according to management's intentions and to a high standard of business ethics. In management's opinion, the financial statements present fairly, in all material respects, the financial position of MDHA as of September 30, 2021, and the changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Audit Assurance

The unmodified opinion of the independent external auditors, MCM CPAs & Advisors LLP, on the September 30, 2021, financial statements is included in this report.

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

ORGANIZATIONAL CHART



METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

BOARD OF COMMISSIONERS

September 30, 2021

Bill Purcell, Chair
Aole Ansari, Vice Chair for Development
Emily Thaden, Vice Chair for Housing
Marcus Campbell, Commissioner
Antoinette Batts, Commissioner
Kay Bowers, Commissioner
Paulette Coleman, Commissioner

CPAs & ADVISORS

Independent Auditor's Report

Board of Commissioners
Metropolitan Development and Housing Agency

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities, and the aggregate discretely presented component units of Metropolitan Development and Housing Agency (the "Agency"), a component unit of Metropolitan Government of Nashville and Davidson County, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the following discretely presented component units:

- Levy Place LP
- Ryman Lofts at Rolling Mill Hill, LP
- Boscobel I, LP
- CP II, LP
- Victory Hall, LP

Collectively, these entities represent 64% of the assets, 94% of the net position, and 88% of the operating revenue of the discretely presented component units. Those statements, which were prepared in accordance with the Accounting Standards Codification as issued by the Financial Accounting Standards Board, were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component units, is based solely on the reports of the other auditors. No adjustments were necessary to convert the financial statements of the discretely presented component units to the financial reporting framework used by the Agency. The financial statements of Levy Place LP, Ryman Lofts at Rolling Mill Hill, LP, Boscobel I, LP, CP II, LP and Victory Hall, LP were not audited in accordance with Government Auditing Standards.

Independent Auditor's Report (Continued)

Auditor's Responsibility (Continued)

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, and the aggregate discretely presented component units of the Agency, as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in Note 21 to the financial statements beginning net position was restated. There was no impact on current year revenues or expenses as a result of this change. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 7 through 11 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Independent Auditor's Report (Continued)

Other Matters (Continued)

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations ("CFR") Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"), is presented for purposes of additional analysis and is not a required part of the basic financial statements. In addition, the introductory material on pages 1 through 3 and the accompanying schedule of long-term debt by individual issue on page 56 and the financial data schedules on pages 64 through 67 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The introductory material, Financial Data Schedules, Schedule of Expenditures of Federal Awards and the schedule of changes in long-term debt by individual issue are the responsibility of management and were derived from and relate directly to underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects, in relation to the 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 March 10, 2022, on our consideration of the Agency'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 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 Agency's internal control over financial reporting and compliance.

MCM CPAs & Advisors LLP

Lexington, Kentucky
March 10, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Metropolitan Development and Housing Agency's ("MDHA" or the "Agency") annual financial report presents management's discussion and analysis of the Agency's financial performance during the fiscal years ended September 30, 2021 and 2020. Please read this analysis in conjunction with the Agency's financial statements and accompanying notes.

OVERVIEW OF THE FINANCIAL STATEMENTS

The annual financial report consists of two parts: management's discussion and analysis and the basic financial statements. The Agency follows enterprise fund reporting; accordingly, the financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Enterprise fund statements offer short-term and long-term financial information about the activities and operations of the Agency. While detailed sub-fund information is not presented, separate accounts are maintained for each program of the Agency.

The financial statements include a statement of net position, statement of revenues, expenses and changes in net position, statement of cash flows and notes to the financial statements. The statement of net position provides a record or snapshot of the assets and liabilities at the close of the fiscal year. It presents the financial position of the Agency on a full accrual historical cost basis. The statement of revenues, expenses and changes in net position presents the results of the business activities over the course of the fiscal year. The statement of cash flows is related to the other financial statements by the way it links changes in assets and liabilities to the effects on cash and cash equivalents over the course of the fiscal year. The notes to the financial statements provide useful information regarding the Agency's significant accounting policies, significant account balances and activities, certain material risks, obligations, commitments, contingencies and subsequent events.

FINANCIAL ANALYSIS OF THE AGENCY

Net Position

Fiscal year 2021 as compared to fiscal year 2020:

	2021	2020 (Restated)	% Increase (Decrease)
Current assets	$ 115,758,818	$ 125,550,286	(7.8) %
Noncurrent assets			
Capital assets	343,259,172	329,227,300	4.3 %
Other assets	117,366,786	121,271,844	(3.2) %
Total assets	576,384,776	576,049,430	0.1 %
Current liabilities	35,420,322	30,791,255	15.2 %
Long-term liabilities	149,431,890	155,548,962	(4.0) %
Total liabilities	184,852,212	186,340,217	(0.8) %
Net investment in capital assets	229,791,417	227,343,456	1.1 %
Restricted net position	55,565,904	56,974,215	(2.5) %
Unrestricted net position	106,175,243	105,391,542	0.7 %
Total net position	$ 391,532,564	$ 389,709,213	0.5 %

The Agency's total net position increased $1.8 million or 0.5%, in part as a result of the following:

- Total assets increased $.3 million during the fiscal year. Current and other assets decreased $13.7 million. Other assets decrease was due to Boscobel I note payoff of $10.4 million and $.9 million due to reclassification of debt issuance cost, other receivable decrease of $2.4 million for funds received from construction related expenses covered by MDHA and insurance proceeds. Capital assets increased $14 million due to continued construction projects and improvements during the year.
- Total liabilities decreased $1.5 million during the fiscal year. This change is primarily due to the normal fluctuations in the accounts payable and accrued liabilities balances resulting in a $2.1 million decrease. The agency’s funds held for other balance grew $.9 million due to increased operational cash balances from the Discretely Presented Component Units. Deferred revenue decreased $.6 million due to the revenue recognition of Section 8 CAREs funding during the year.

FINANCIAL ANALYSIS OF THE AGENCY (CONTINUED)

Revenues, Expenses and Changes in Net Position

Fiscal year 2021 as compared to fiscal year 2020:

	2021	2020	% Increase (Decrease)
Operating revenues			
Rentals	$ 18,696,839	$ 19,252,953	(2.9) %
Other tenant revenue	713,711	686,836	3.9 %
Governmental operating revenue	109,512,122	108,403,701	1.0 %
Local government development activities	10,361,598	12,456,288	(16.8) %
Other	15,336,410	14,256,345	7.6 %
Total operating revenues	154,620,680	155,056,123	(0.3) %
Operating expenses			
Administrative expenses	22,715,198	22,253,591	2.1 %
Other	124,794,292	117,510,374	6.2 %
Total operating expenses	147,509,490	139,763,965	5.5 %
Operating gain	7,111,190	15,292,158	(53.5) %
Nonoperating revenues (expenses)	(4,826,201)	(3,985,570)	21.1 %
Other changes	(461,638)	(503,877)	(8.4) %
Change in net position	$ 1,823,351	$ 10,802,711	(83.1) %

Operating revenue decreased slightly $435,000 and operating expense increased $7.7 million.

Governmental operating revenue increased $1.1 million due to CAREs Act funding.

Local government development activities revenue decreased $2.1 million due to the substantial completion of the Randee Rogers and Red Oak Townhomes mixed income developments utilizing funding from the Capital Improvements Budget of the Metropolitan Government of Nashville and Davidson County.

Administrative expense increased $462,000 due to increased salaries and employee benefit cost.

Other operating expense increased $7.3 million during the fiscal year. This increase is a result of an additional $3.4 in housing assistance payments to landlords due to increased unit payment standards and recertifications for COVID related income adjustments. An additional $2.2 million was expended for deferred maintenance from 2020 due to COVID-19 precautions, $800,000 increase in water rates and consumption, and security upgrades and replacements costs across the agency totaling $400,000. Direct program costs increased due to the utilization of CAREs Act grant funding by $300,000 the Agency administered during 2021.

Other changes reported during the year is primarily due to HUD-approved bifurcation of MDHA replacement reserves.

CAPITAL ASSETS

Fiscal year 2021 as compared to fiscal year 2020:

	2021	2020
Land	$ 101,716,995	$ 100,954,131
Infrastructure	26,768,925	26,504,548
Buildings	415,284,831	412,877,485
Equipment	7,597,005	7,482,362
Construction in progress	35,081,923	11,386,809
Total	586,449,679	559,205,335
Less accumulated depreciation	(243,190,507)	(229,978,035)
Net capital assets	$ 343,259,172	$ 329,227,300

Net capital assets increased $14.0 million, or 4.3% during fiscal year 2021. During fiscal year 2021, the Agency expended $26.8 million on construction in progress activities and expended another $500,000 for electronic locks and security upgrades, new roofs for Neighborhood Housing duplexes and agency vehicles. Current year construction expenses attributed to new mixed income units for the Red Oak Townhomes, which was substantially completed during the fiscal year, totaling $12.3 million. Additional projects in progress during the year increased capital assets $8 million for the construction of the Trolley Barn Parking Garage, $2.4 million for the Boscobel IV demolition and site work, $1.8 million for Phase I water and sewer line replacements for the Envision Cayce plan, $1.4 million expended to complete the MDHA Central Maintenance building and the Section 8 building retrofit, and $860,000 to complete the repairs at 10th & Jefferson from the 2020 tornado. Current year depreciation expense on capital assets totaled $13.4 million.

DEBT ADMINISTRATION

Fiscal year 2021 as compared to fiscal year 2020:

	2021	2020	% Increase (Decrease)
Total notes payable - other	$ 169,134,160	$ 168,787,517	0.21%

As of September 30, 2021, the Agency's note principal and interest outstanding totaled $169.1 million - an increase of 0.2% from the prior year. The Agency incurred $16.8 million in new debt for the construction and completion of the Red Oak Townhomes and Trolley Barn Parking Garage in 2021 offset by principal payments of $16.5 million for existing debt. $10.2 million of the principal payments utilized Boscobel I, LP investor equity to payoff equity bridge loans due during 2021.

AFFILIATE AGREEMENTS

The Agency has included, as discretely presented component units, the activity for Levy Place, LP, Ryman Lofts at Rolling Mill Hill, L.P, Boscobel I, L.P., CP II, L.P., Boscobel III, L.P., Victory Hall, L.P., and Randee Rogers, L.P. Randee Rogers, L.P. entered into an Amended and Restated Agreement of Limited Partnership with Boston Capital Corporate Tax Credit Fund XLIX, the Investor Limited Partner and BCCC, Inc., the Special Limited Partner to facilitate their equity investment for the project in March 2020. These entities are shown as discretely presented component units because the Agency is financially accountable for them; however, it does not have full ownership over the entities. The MDHA Housing Trust Corporation, which is included in the Primary Government has a 0.01% general partner interest in each of these entities.

Requests for the full financial information of the Levy Place, LP, the Ryman Lofts at Rolling Mill Hill, LP, the Boscobel I, LP, the CP II, LP, and the Victory Hall, LP (the Discretely Presented Component Units) should be addressed to The Metropolitan Development and Housing Agency, 701 South Sixth Street, Nashville, Tennessee, 37206.

CONTACTING THE AGENCY'S FINANCIAL MANAGEMENT

This financial report is designed to provide residents, customers, investors and creditors with a general overview of the Agency's finances and to demonstrate the Agency's accountability for the monies it receives. If you have questions about this report or need additional financial information, contact the Director of Finance at MDHA, P.O. Box 846, Nashville, TN 37202.

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

STATEMENT OF NET POSITION

SEPTEMBER 30, 2021

ASSETS

	Primary Government	Discretely Presented Component Units
CURRENT ASSETS		
Cash and cash equivalents	$ 40,864,197	$ 1,515,782
Restricted cash and cash equivalents	60,887,825	4,527,774
Investments, at fair value	2,501,275	-
Receivables:		
Tenant, net of allowances	527,944	59,556
Amounts due from other governmental agencies	3,893,879	-
Current portion of notes receivable, net of allowances	2,968,274	-
Notes receivable between the primary government and its discretely presented component units, net of allowances	223,400	-
Other	848,907	1,367
Inventory	1,525,310	-
Prepaid expenses	1,517,807	822,719
TOTAL CURRENT ASSETS	115,758,818	6,927,198
CAPITAL ASSETS, NET	343,259,172	142,606,810
NONCURRENT ASSETS		
Other assets	34,107,244	428,187
Notes receivable, net of allowances	24,166,762	-
Notes receivable between the primary government and its discretely presented component units, net of allowances	59,092,780	-
TOTAL NONCURRENT ASSETS	117,366,786	428,187
DEFERRED OUTFLOWS OF RESOURCES	-	-
TOTAL ASSETS	$ 576,384,776	$ 149,962,195

See accompanying notes.

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

STATEMENT OF NET POSITION (CONTINUED)

SEPTEMBER 30, 2021

LIABILITIES

	Primary Government	Discretely Presented Component Units
CURRENT LIABILITIES		
Funds held for others	$ 1,792,774	$ -
Accounts payable	4,953,541	3,087,335
Contract retention payable	10,505	-
Compensated absences payable	634,409	14,373
Accrued liabilities	2,128,493	82,060
Due to tenants	1,798,418	198,394
Unearned revenue	1,043,703	499,898
Due to other governments	104,459	8,953
Current portion of long-term debt	22,954,020	9,972,504
Current debt between the primary government and its discretely presented component units	-	10,444,026
TOTAL CURRENT LIABILITIES	35,420,322	24,307,543
NONCURRENT LIABILITIES		
Deposits	1,348,562	1,839,625
Long-term debt, less current maturities	146,180,140	46,640,815
Long-term debt between the primary government and its discretely presented component units	-	48,852,301
Long-term compensated absences payable	1,903,188	29,354
TOTAL NONCURRENT LIABILITIES	149,431,890	97,362,095
TOTAL LIABILITIES	184,852,212	121,669,638
DEFERRED INFLOWS OF RESOURCES	-	-
NET POSITION		
Net investment in capital assets	229,791,417	26,697,164
Restricted for:		
Replacement reserves	49,876,737	2,169,216
HAP reserves	862,583	-
Other escrows	4,826,584	-
Partnership operating reserves	-	1,082,186
Construction	-	1,010,323
Unrestricted net position	106,175,243	(2,666,332)
TOTAL NET POSITION	391,532,564	28,292,557
TOTAL LIABILITIES AND NET POSITION	$ 576,384,776	$ 149,962,195

See accompanying notes.

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEAR ENDED SEPTEMBER 30, 2021

	Primary Government	Discretely Presented Component Units
OPERATING REVENUES		
Rentals	$ 18,696,839	$ 2,813,587
Other tenant revenue	713,711	107,475
Governmental operating revenue	109,512,122	1,460,149
Program income	596,723	-
Local government development activities	10,361,598	-
Other income	14,739,687	183,437
TOTAL OPERATING REVENUES	154,620,680	4,564,648
OPERATING EXPENSES		
Cost of Services:		
Tenant services	825,215	219,146
Utilities	10,255,858	356,026
Ordinary maintenance and operations	20,651,808	633,194
Protective services	2,404,058	79,577
Other direct program costs	19,101,637	580,724
Housing assistance payments	58,170,181	-
Administration	22,715,198	1,309,760
Depreciation and amortization	13,385,535	2,671,887
TOTAL OPERATING EXPENSES	147,509,490	5,850,314
OPERATING INCOME (LOSS)	7,111,190	(1,285,666)
NONOPERATING REVENUES (EXPENSES)		
Interest income	381,569	6,584
Loss on disposition of assets	(18,374)	-
Interest expense	(5,189,396)	(1,404,505)
TOTAL NONOPERATING EXPENSES - NET	(4,826,201)	(1,397,921)
INCREASE (DECREASE) IN NET POSITION BEFORE CONTRIBUTIONS AND OTHER LOSSES	2,284,989	(2,683,587)
Members capital contributions	-	-
Other special items	(461,638)	1,441,319
CHANGES IN NET POSITION	1,823,351	(1,242,268)
NET POSITION - BEGINNING OF YEAR AS PREVIOUSLY REPORTED	387,519,531	29,534,825
PRIOR PERIOD ADJUSTMENT	2,189,682	-
NET POSITION - BEGINNING OF YEAR AS RESTATED	389,709,213	29,534,825
NET POSITION - END OF YEAR	$ 391,532,564	$ 28,292,557

See accompanying notes.

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from rental operations	$	20,086,779
Receipts from program income		308,951
Receipts from government subsidy for operations		108,029,544
Receipts from local governmental development activities		13,164,960
Receipts from other sources		16,172,720
Payments to and on behalf of employees		(27,146,003)
Payments for other administrative expenses		(4,081,851)
Payments for other direct program costs, including housing assistance payments		(104,239,604)
Program loan activities:		
Cash expended for program loans		(2,162,016)
Principal collections on notes receivable		12,734,087
Interest income collections		91,018
NET CASH PROVIDED BY OPERATING ACTIVITIES		32,958,585
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets		(27,266,287)
Proceeds from capital debt		15,414,454
Principal paid on capital debt		(13,583,025)
Interest paid on capital debt		(5,191,182)
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES		(30,626,040)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments, including reinvested interest		(234,562)
Interest received		381,571
NET CASH PROVIDED BY INVESTING ACTIVITIES		147,009
CASH FLOW FROM SPECIAL ITEMS		
Payments for special items		(461,638)
NET CASH USED BY SPECIAL ITEMS		(461,638)
NET INCREASE IN CASH AND CASH EQUIVALENTS		2,017,916
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR		99,734,106
CASH AND CASH EQUIVALENTS - END OF YEAR	$	101,752,022
Supplemental disclosure of noncash investing and financing activities:		
Additions to debt composed of accrued interest	$	1,391,055
Retirements of debt composed of accrued interest	$	2,875,841
Prior period adjustment to recognize note receivable	$	2,189,682
Change in capital asset additions in accounts payable	$	(4,099)
Other noncash additions to capital assets	$	85,360
Net additions to notes receivable composed of interest	$	1,744,308

See accompanying notes.

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED SEPTEMBER 30, 2021

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	$	7,111,190
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization expense		13,385,535
Bad debt expense		895,778
Changes in assets and liabilities		
Accounts receivable		2,855,361
Prepaid expenses and other assets		(133,327)
Due to tenants		108,487
Accounts payable, funds held for others, contract retention and amounts due to other governments		(1,730,928)
Deferred revenue and other deposits		(695,024)
Accrued liabilities and compensated absences		589,442
Program loan activities:		
Cash expended for program loans		(2,162,016)
Principal collections on notes receivable		12,734,087
TOTAL ADJUSTMENTS		25,847,395
NET CASH PROVIDED BY OPERATING ACTIVITIES	$	32,958,585
RECONCILIATION OF CASH TO THE STATEMENT OF NET POSITION:		
Cash and cash equivalents	$	40,864,197
Restricted cash and cash equivalents		60,887,825
CASH AND CASH EQUIVALENTS - END OF YEAR	$	101,752,022
Changes in assets and liabilities included in cash flows from capital and other financing activities:		
Accounts receivable - insurance proceeds	$	823,682
Accounts receivable - interest	$	98,949
Prepaid expenses and other assets - unamortized costs	$	12,400

See accompanying notes.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - NATURE OF THE AGENCY

The Metropolitan Development and Housing Agency of Nashville, Tennessee ("MDHA" or the "Agency"), a public corporate body, was organized in 1938 under the laws of the State of Tennessee and is a discretely presented component unit of the Metropolitan Government of Nashville and Davidson County (the "Metropolitan Government"). The Agency was created for the purpose of providing affordable housing opportunities in a safe environment. MDHA has administrative responsibility for various other community development programs whose primary purpose is the development of viable urban communities.

The governing body of the Agency is its Board of Commissioners, composed of seven members appointed by the Mayor and confirmed by the Metropolitan Council of Nashville and Davidson County, Tennessee.

See additional information in NOTE 2 for reporting entity regarding both the primary government and discretely presented component units.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Measurement Focus, Basis of Accounting and Basis of Presentation

The financial statements are presented using the accrual basis of accounting with an economic resources measurement focus. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. As permitted by accounting principles generally accepted in the United States of America ("GAAP"), the Agency has elected to apply all relevant Government Accounting Standards Board ("GASB") pronouncements.

The Agency distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from grant agreements, providing services, and producing and delivering goods in connection with the ongoing principal operations. The principal operating revenues of the Agency include program specific grants, rental income from tenants of the various single and multi-family housing projects and development fees for the administration of various community development programs and capital projects of the Metropolitan Government. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets. Revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Reporting Entity

As described in GASB Statement No. 34, paragraph 134, the Agency is considered a primary government and meets the definition of a special purpose government ("SPG"). MDHA is a legally separate entity that is engaged in only business-type activities. Business-type activities are defined as activities that are financed in whole or in part by fees charged to external parties for goods or services. SPGs engaged only in business-type activities are required to present only the financial statements required for proprietary funds, which includes Management's Discussion and Analysis ("MD&A"), basic financial statements, and Required Supplemental Information ("RSI"). All inter-program activities have been eliminated in these financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

The Agency has included, as discretely presented component units, the activity for Levy Place, L.P., Ryman Lofts at Rolling Mill Hill, L.P., Boscobel I, L.P., CP II, L.P., and Victory Hall, L.P. as of and for the year ended December 31, 2020. These entities are shown as discretely presented component units because the Agency is financially accountable for them; however, it does not have full ownership over the entities. The Agency has included the activity for Boscobel III, L.P. and Randee Rogers, L.P. as of September 30, 2021. These entities also meet the criteria to be included as discretely presented component units; however, construction on the properties is not complete and the properties are not yet subject to a separate audit requirement. The MDHA Housing Trust Corporation, which is included in the Primary Government, has a 0.01% general partner interest in Ryman Lofts, Levy Place, Boscobel I, CP II, and Victory Hall, and is considered a blended component unit. Total assets and net position of MDHA Housing Trust Corporation were $119,409 and $114,767, respectively, as of September 30, 2021. Net operating income for the year ended September 30, 2021 totaled $80,006. The accounting for these component units are such that they have elected to apply all relevant Accounting Standard Codification ("ASC") pronouncements as issued by the Financial Accounting Standards Board.

Requests for the full financial information of Levy Place, L.P., Ryman Lofts at Rolling Mill Hill, L.P., Boscobel I, L.P., CP II, L.P., and Victory Hall, L.P. (the Discretely Presented Component Units) as of December 31, 2020 should be addressed to The Metropolitan Development and Housing Agency, 701 South Sixth Street, Nashville, Tennessee, 37206.

The financial activity of MDHA J. Henry Hale, LLC, MDHA 10th & Jefferson, LLC, MDHA Madison Towers, LLC and MDHA Kirkpatrick Park LLC has been included in the Primary Government column of Statement of Net Position and the Statement of Activities as blended component units in accordance with the requirements of GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*. The accounting for these component units are such that they have elected to apply all relevant Accounting Standard Codification ("ASC") pronouncements as issued by the Financial Accounting Standards Board; however, no adjustments were necessary to conform to the standards promulgated by the Government Accounting Standards Board.

Proprietary Fund Types - The Funds are Consolidated into a Single Fund for Reporting Purposes

PROJECT BASED RENTAL ASSISTANCE PROGRAM
This fund is used to account for all Agency owned RAD converted properties and any mixed finance public housing properties (which are not owned by the Agency.) It is the largest and most active of the funds and is controlled through annual HAP contracts renewed by HUD.

CENTRAL OFFICE COST CENTER
This program contains all the income and expenses associated with the Agency's centralized functions (e.g. executive, finance, human resources, information technology, purchasing, central maintenance, etc.). The establishment of the program was required by HUD regulations relating to asset management.

SECTION 8 VOUCHER PROGRAM
This fund is used to account for the administration of the Agency's Section 8 voucher program. It is funded by HUD and seeks to provide prospective residents with greater choice in selection of assisted housing.

CONSOLIDATED ANNUAL ACTION PLAN PROGRAMS
This fund has been created to account for the administration of programs funded by HUD. The goals of these programs are to address the problems of affordable housing, homelessness, community development needs, and economic opportunities for all citizens, particularly for very low-income and low-income persons.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Proprietary Fund Types - The Funds are Consolidated into a Single Fund for Reporting Purposes (Continued)

LOCAL PROGRAMS
This fund accounts for the state funded programs and grants and programs administered on behalf of the local government by the Agency

BUSINESS ACTIVITIES
This fund accounts for all programs that are neither federal, state nor local that are administered by the Agency.

Cash and Cash Equivalents

The Agency's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Cash equivalents are stated at fair value.

Allowance for Doubtful Accounts

The Agency uses the allowance for bad debts method of valuing doubtful receivables which is based on historical experience, coupled with a review of the status of existing receivables. As of September 30, 2021, an allowance for doubtful tenant receivables in the amount of $7,343,388 has been provided by management.

Investments

Investments consist primarily of certificates of deposit and are stated at cost, which approximates fair value given the nature of the investments.

Capital Assets

Capital assets include property, plant, equipment, and infrastructure assets with an initial, individual cost of more than $5,000 and an estimated useful life of one year or more. Capital assets are stated at cost. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. The costs of U. S. Department of Housing and Urban Development ("HUD") "Capital Fund" projects are reported as construction-in-progress until audited cost certification reports are approved by HUD, at which time such costs are transferred to appropriate fixed assets categories. Depreciation is provided by the straight-line method over the following estimated useful lives of the assets:

Building and improvements	10 to 40 years
Infrastructure	10 to 40 years
Furniture and Equipment	3 to 15 years

Additionally, the Agency holds certain capital assets under agreements with the Metropolitan Government. Under the agreements, the proceeds from the sale of such assets revert to the Metropolitan Government. As of September 30, 2021, the value of these assets totaled $21,500,000. The assets are recorded in capital assets at fair value at the date of transfer.

Inventory

MDHA's inventory consists of vacant properties that have been purchased or received as contributions from the Metropolitan Government. Inventory also includes single-family homes that were constructed with federal or state funds and are available for sale to qualified agencies or individuals. Properties purchased or constructed are reported at historical cost. Properties contributed by the Metropolitan Government are recorded at fair value at the date of gift. These costs are reported as inventory until such time as the property is sold or used.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Provision for Uncollectible Notes

A note receivable is considered impaired when, based on current information, it is probable that all amounts of principal and interest due will not be collected according to the terms of the note agreement. Uncollectible notes are charged to the allowance account in the period such determination is made. The provision for uncollectible notes receivable was $15,335,302 at September 30, 2021.

Compensated Absences

Most employees earn annual leave at a rate ranging from 12 days per year for the first five years of service, up to a maximum of 25½ days per year after 20 years. There is no requirement that annual leave be taken; however, the maximum permissible accumulation is 76½ days. Sick leave is accumulated at the rate of one work day per month. Unused sick leave may accumulate to an unlimited amount. At termination, employees are paid for any accumulated annual leave, and employees who have completed 15 years or more of service will be paid 20% of unused sick leave. All annual leave and vested sick leave are accrued in the period incurred.

Use of Estimates in Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Restricted Assets

Restricted assets consist of cash and certificate of deposits, which are legally restricted. The restricted assets primarily are to be used for purposes specified under the Housing Choice Voucher, Family Self Sufficiency or Project Based Rental Assistance programs. When restricted and unrestricted resources are available for use, it is the Agency's policy to use restricted resources first, then unrestricted resources as they are needed.

Tenant Accounts Receivable Net of Bad Debt Expense

The State of Tennessee Comptroller's Office review of the 2004 audited financial statements cited that in accordance with Governmental Accounting Standards Board Statement No. 34, revenues in proprietary funds should be reported as net of all related allowances, which include amounts pertaining to uncollectible accounts. Therefore, the increase and decrease in the estimate of uncollectible accounts should be reported net of revenue instead of bad debt expense. The Agency's bad debt expense charged against revenue was $895,778 for the year ended September 30, 2021.

NOTE 3 - CASH, CASH EQUIVALENTS, AND INVESTMENTS

In accordance with GASB Statement No. 40 "Deposits and Investment Risk Disclosures," information related to cash, cash equivalents and investments is as follows:

A. Custodial Credit Risk

Custodial credit risk for deposits and investments is the risk that, in the event of failure by a financial institution, the Agency may not be able to recover the value of its deposits and investments or collateral securities that are in the possession of the financial institution. The policy of the Agency is to invest, on a daily basis, all idle funds in financial institutions that are secured by collateral of identifiable United States government securities. All cash and investments are insured up to $250,000 by the Federal Deposit Insurance Corporation ("FDIC") or other equivalent insurance company of depository financial institutions. The deposits exceeding the insured or registered limits are collateralized with securities held by the Agency's financial institution. (See Deposit and Investment Policy on page 24.)

B. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of investments will adversely affect the fair value of an investment. The Agency's investment policy limits investments to provide the optimum return on the investment consistent with the cash management program of the Agency.

Investments are made based upon prevailing market conditions at the time of the transaction. The Agency reviews its cash and investment needs in order to maintain adequate liquidity to meet its cash flow needs. Investments will typically be limited to securities maturing in periods of up to one year, or such lesser period that coincides with expected disbursements by the Agency.

C. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Investments are made under the 'prudent investor' standard to ensure that (a) due diligence is exercised in accordance with State law, (b) any negative deviations are reported timely and (c) reasonable action is taken to control any adverse developments. The Agency's investment policy requires investments to be made in accordance with the laws of the State of Tennessee and HUD guidelines.

D. Concentration of Credit Risk

The Agency's investment policy does not limit the amount it may invest with one financial institution as long as all funds are secured by the FDIC or identifiable United States government securities.

E. Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect fair value of an investment or a deposit. All of the Agency's deposits and investments are denominated in United States currency.

NOTE 3 - CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

Schedule of restricted cash with offsetting liability as of September 30, 2021:

Funds held for others	$ 1,792,774
Deposits	1,142,552
MDHA 10th & Jefferson LLC Escrow	481,508
MDHA Kirkpatrick Park LLC Escrow	92,973
MDHA J Henry Hale LLC Escrow	451,517
MDHA Madison Towers LLC Escrow	770,485
MDHA Housing Trust Fund Deferred Grants	29,102
Jobs Plus Restricted for Liabilities	6,560
Due to resident councils	655,871
HAP reserves	1,209,083
FSS Escrow accounts	1,348,562
Post RAD Rehab escrows	1,947,638
Replacement reserve accounts	49,876,737
Property management company accounts	1,082,463
	$ 60,887,825

Funds held for others $1,792,774 are cash and cash equivalents held in MDHA's name and managed by the Agency under a 'Memorandum of Understanding' ("MOU") for the benefit of certain affiliate entities and escrow funds held for certain tax increment financing loans.

Tenant security deposits of $1,142,552 for rental properties managed by MDHA.

Deposits of $481,508 held by HUD for the MDHA 10th & Jefferson LLC replacement reserve and construction hold out escrow.

MDHA deposits of $92,973 required by HUD for MDHA Kirkpatrick Park replacement reserve.

Deposits of $451,517 held by HUD for the MDHA J Henry Hale LLC replacement reserve.

Deposits of $770,485 held by HUD for the MDHA Madison Towers LLC replacement reserve.

Amounts due to resident councils of $655,871 are tenant participation funds from HUD which are held for use by the duly elected resident councils.

Housing Assistance Payment ("HAP") restricted equity totaling $1,209,083 are excess Section 8 housing assistance funds under the Housing Choice Voucher program.

Deposits of $1,348,562 are held for participants in the HUD Family Self-Sufficiency program.

Escrow deposits of $1,947,638 required by HUD to cover non-critical repairs identified in Capital Needs Assessment for the RAD converted project based rental assistance properties.

NOTE 3 - CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

Replacement reserves of $49,876,737 required by HUD for the RAD converted project based rental assistance properties.

Tenant deposits and replacement reserves of $1,082,463 for market rate units managed by a separate management company.

Discretely Presented Component Unit Deposits

The carrying amount of cash and cash equivalents was $6,043,556. The bank balances held with financial institutions are entirely insured and are classified as cash and cash equivalents on the statement of net position.

Restricted Deposits - Regulations of HUD require that security deposits be segregated from cash. Accordingly, the discretely presented component units hold all security deposits in a separate account. At December 31, 2020, amounts held for tenant security deposits totaled $187,798. Pursuant to various agreements, the discretely presented component units must hold amounts in reserves and escrow in separate cash accounts. The following is a summary of the restricted cash of the Discretely Presented Component Units:

Replacement reserves	$ 2,169,216
Operating reserves	1,082,186
Construction escrow reserves	1,002,657
Tenant security deposits	187,798
FSS escrow accounts	85,917
	$ 4,527,774

Deposit and Investment Policy

MDHA's deposit and investment policy is governed by the laws of the State of Tennessee and HUD guidelines. Permissible investments include direct obligations of the U.S. Government and Agency securities, certificates of deposit, savings accounts, repurchase agreements and the State of Tennessee Local Government Investment Pool.

Deposits in financial institutions are required by State statute to be secured and collateralized by the institutions. The collateral must meet certain requirements and must have a total minimum market value of 105% of the value of the deposits placed in the institutions, less the amount protected by federal depository insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its subdivisions. Collateral requirements are not applicable for financial institutions that participate in the State of Tennessee's bank collateral pool.

The amount of collateral required to secure these public deposits must be at least 105% of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect public fund accounts are pledged to the State Treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each individual account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure in accordance with GASB Statement No. 40, Deposit and Investment Risk Disclosures.

NOTE 3 - CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

Investments

Certificates of deposit were covered by the Certificate of Deposit Account Registry Service ("CDARS") to stay below the Federal Deposit Insurance ("FDIC") limits at any given bank.

The Agency has not established a limit on the amount it may invest in any one issuer. Citizens Bank has 100% of the Agency's investments through the CDARS program as of September 30, 2021 consisting solely of certificates of deposit.

At September 30, 2021, the future maturities of MDHA's investments are as follows:

Type of investment	Carrying amount	Maturity fiscal 2022	Not subject to maturity
Certificates of deposit	$ 2,501,275	$ 2,501,275	$ -
Total	$ 2,501,275	$ 2,501,275	$ -

NOTE 4 - CAPITAL ASSETS

	September 30, 2020	Additions	Retirements	Transfers & Adjustments	September 30, 2021
Capital assets, not being depreciated:					
Land	$ 100,954,131	$ 14,911	$ -	$ 747,953	$ 101,716,995
Construction in progress	11,386,809	26,811,636	-	(3,116,522)	35,081,923
Total capital assets, not being depreciated	112,340,940	26,826,547	-	(2,368,569)	136,798,918
Capital assets, being depreciated:					
Buildings	412,877,485	327,233	(52,872)	2,132,985	415,284,831
Infrastructure	26,504,548	-	-	264,377	26,768,925
Furniture, equipment, & machinery - dwellings	6,494,317	201,966	(37,917)	6,594	6,664,960
Furniture, equipment, & machinery - administrative	988,045	-	(56,000)	-	932,045
Total capital assets, being depreciated	446,864,395	529,199	(146,789)	2,403,956	449,650,761
Less accumulated depreciation for:					
Buildings	(204,668,142)	(12,080,076)	38,463	-	(216,709,755)
Infrastructure	(19,332,664)	(758,841)	-	-	(20,091,505)
Furniture, equipment, & machinery - dwellings	(5,123,593)	(450,682)	33,951	-	(5,540,324)
Furniture, equipment, & machinery - administrative	(853,636)	(51,287)	56,000	-	(848,923)
Total accumulated depreciation	(229,978,035)	(13,340,886)	128,414	-	(243,190,507)
Total capital assets, being depreciated, net	216,886,360	(12,811,687)	(18,375)	2,403,956	206,460,254
Total capital assets, net	$ 329,227,300	$ 14,014,860	$ (18,375)	$ 35,387	$ 343,259,172

Total depreciation expense for the year ended September 30, 2021 was $13,340,886

NOTE 4 - CAPITAL ASSETS (CONTINUED)

Discretely Presented Component Units

	Prior Year Balance	Additions	Retirements	Transfers & Adjustments	Current Year Balance
Capital assets, not being depreciated:					
Land	$ 7,216,053	$ -	$ -	$ 10,642,922	$ 17,858,975
Construction in progress	96,324,685	20,468,071	-	(63,914,128)	52,878,628
Total capital assets, not being depreciated	103,540,738	20,468,071	-	(53,271,206)	70,737,603
Capital assets, being depreciated:					
Buildings	22,606,274	-	-	52,941,829	75,548,103
Infrastructure	-	-	-	-	-
Furniture, equipment, & machinery	2,245,838	36,186	-	979,436	3,261,460
Total capital assets, being depreciated	24,852,112	36,186	-	53,921,265	78,809,563
Less accumulated depreciation for:					
Buildings	(3,372,610)	(1,939,789)	-	2,051,650	(3,260,749)
Infrastructure	(362,211)	(518,784)	-	(369,168)	(1,250,163)
Furniture, equipment, & machinery	(583,698)	(163,264)	-	(1,682,482)	(2,429,444)
Total accumulated depreciation	(4,318,519)	(2,621,837)	-	-	(6,940,356)
Total capital assets, being depreciated, net	20,533,593	(2,585,651)	-	53,921,265	71,869,207
Total capital assets, net	$ 124,074,331	$ 17,882,420	$ -	$ 650,059	$ 142,606,810

Total Depreciation expense for the discretely presented component units was $2,671,837.

NOTE 5 - NOTES RECEIVABLE

Notes receivable, including related accrued interest, consisted of the following as of September 30, 2021:

Notes receivable from discretely presented component units	
Boscobel I LP	$ 14,062,994
Ryman Lofts LP	165,619
Levy Place LP	7,012,896
Victory Hall LP	1,054,166
CP II LP	9,597,090
Boscobel III LP	16,345,098
Randee Rogers LP	11,078,317
Total notes receivable from discretely presented component units	59,316,180
Notes receivable from third parties	
Boscobel Heights Development Co	19,725,800
Martha O'Bryan Explore School	3,853,602
Rehabilitation loans	4,195,668
Business district loans	53,704
Façade loans	116,704
Neighborhood Stabilization promissory notes	14,514,864
Other	9,996
Allowance for doubtful accounts	(15,335,302)
Total notes receivable from third parties	27,135,036
Total notes receivable	86,451,216
Less current portion	(3,191,674)
Net notes receivable and accrued interest receivable, less current portion	$ 83,259,542

Boscobel Heights Development Co Loans were made to MOB Nashville Investment Fund, LLC for the construction of the K-8 charter school facility. Financing was provided by Community Development Entities ("CDE"). The loans are secured by the CDE interest and security interest in the charter school. Interest accrues at an annual rate of 4.604% commencing September 24, 2018. Interest only shall be due and payable quarterly on Leverage Loan A for $14,880,000 with outstanding principal due on the maturity date of September 24, 2025. Interest only shall be due and payable quarterly on Leverage Loan B for $4,845,800 through September 2025, with quarterly principal and interest payable through maturity date of October 10, 2048.

NOTE 5 - NOTES RECEIVABLE (CONTINUED)

Rehabilitation Loans are made from the Community Development Block Grant and Home Investment Trust programs to aid homeowners in rehabilitating substandard housing or historic homes. The loans are secured by the property deeds of trust. Loan repayments on rental properties are made monthly, for a maximum of 10 years, together with interest at 3% per annum, with a maximum loan amount set at $35,000 for projects rehabbing one to two units, $50,000 for three to four units, and $75,000 for five or more units. Effective March 2003, the Board of Commissioners approved 3% loans for new construction of rental properties; forgivable loans for rehabilitation of rental projects with five or more units; and forgivable loans for rehabilitation of rental projects with one-half or more of the total number of units containing four or more bedrooms. The four-bedroom units must be rented for a low rental rate over the 10-year loan period. The loans are forgiven at the rate of 10% on each anniversary date. Management has provided an allowance for doubtful accounts totaling $725,030 related to these loans.

Business District Loans are made from the Community Development Block Grant program to promote small business and provide incentive for reinvestment in areas of general commercial deterioration. The loans are for a maximum of $20,000 at the prime interest rate for a term of five to ten years. Management has provided an allowance for doubtful accounts totaling $23,704 related to these loans.

Facade Loans are made from the Community Development Block Grant program to aid businesses in repairing and renovating the exterior of buildings in the commercial neighborhood strategy areas. The non-interest bearing loans are for a maximum of $35,000 per building with a five-year repayment term. Management has provided an allowance for doubtful accounts totaling $71,704 related to these loans.

Neighborhood Stabilization Promissory Notes were executed between MDHA and non-profit entities that received NSP funds for the acquisition, rehabilitation and redevelopment of foreclosed or vacant properties. The properties have an affordability period per the grant agreements of 25 years. If the borrower complies with all of the terms and requirements of the restrictions, the entire balance of the Note will be forgiven at the end of the affordability period. No interest shall be due or payable on this Note. The provision for uncollectible notes includes 100% of the NSP notes which total $14,514,864 as of September 30, 2021.

Other notes receivable consists of business loans to local development agencies for affordable housing development and loans made from the Technical Assistance Program Fund to promote privately owned small businesses in low-income areas and loans related to the sale of properties with a $9,996 balance. The $165,619 is due from Ryman Lofts at Rolling Mill Hill, L.P. The loan bears interest at 5% and matures on September 1, 2041. Principal and interest are payable from the cash flow of Ryman Lofts at Rolling Mill Hill, L.P on an annual basis, on or before the 90th day following the end of each calendar year.

Explore School Loans were made to the Martha O'Bryan Center, Inc., September 24, 2018, for the construction and operations of the K-8 charter school facility. The Agency loaned $5 million with interest accruing at an annual rate of 3%. The Fundraising Note shall be repaid and remitted to MDHA over a three-year period, with $1.2 million paid November 2019, an additional $1.3 million paid November 2020 and the final $2.5 million, plus any unpaid accrued interest, due November 1, 2021, the maturity date. The balance with accrued interest as of September 30, 2021 was $2,857,750. The Martha O'Bryan Center, Inc. entered into an Accrued Rent Note with MDHA, not to exceed $3.5 million with interest accruing at an annual rate of 3%. Sublease payments calculated using the number of pupils at the beginning of the school year by Martha O'Bryan, Rental Gross Revenues, are paid monthly to MDHA to be applied to the Base Rent payments owed by MDHA. MDHA monthly note proceeds are equal to the excess of the Base Rent over the Rental Gross Revenues. The outstanding principal and accrued interest shall be due and payable on the maturity date of March 22, 2026. The balance with accrued interest as of September 30, 2021 was $995,852.

NOTE 5 - NOTES RECEIVABLE (CONTINUED)

The Agency has made various loans to the discretely presented component units, Levy Place, L.P., Boscobel I, L.P., CP II, L.P., Boscobel III, L.P., Victory Hall, L.P and Randee Rogers L.P. See Note 7 for the detailed information regarding the terms and conditions of each loan made by the Agency to the discretely presented component units.

NOTE 6 - OTHER ASSETS

The following is a summary of other assets of the Primary Government for the year ended September 30, 2021:

Tax increment revenues due for The Sports Authority Debt repayment (See Note 7)	$ 28,272,884
Downtown Parking Garage unamortized bond issuance costs and capitalized interest	5,704,000
Boscobel IV other assets	73,279
Nance Place Apartments unamortized costs	57,081
	$ 34,107,244

NOTE 7 - LONG-TERM DEBT

A summary of changes in MDHA's long-term debt for the year ended September 30, 2021 is presented below:

	Balance 9/30/2020	Additions	Retirements	Balance 9/30/2021	Due within one year
Notes Payable	$ 168,787,517	$ 16,805,509	$ (16,458,866)	$ 169,134,160	$ 22,954,020

Primary Government

$1,400,000 promissory note with Bank of Tennessee, dated May 24, 2012, payable in monthly installments of principal of $7,780 plus accrued interest through the maturity date of June 25, 2024. Interest accrues at the variable rate of the Prime Rate minus two percentage points, but not less than zero. The note is collateralized by a 76-unit apartment complex and assignment of rents and leases.	$ 260,318
$7,875,600 HUD 221(d)4 Construction Note with Walker & Dunlop, LLC, for the construction of a 54 unit apartment building. Interest only payments shall be due monthly beginning November 1, 2015 up to April 1, 2017, thereafter monthly principal and interest payments totaling $34,150 are due. The loan bears an interest rate of 4.25%. The loan is collateralized by the 10th & Jefferson apartment complex and assignment of rents and will mature in April of 2057.	7,427,002

NOTE 7 - LONG-TERM DEBT (CONTINUED)

$28,000,000 promissory loan with The Sports Authority of the Metropolitan Government of Nashville and Davidson County for TIF eligible expenses related to the property acquisition and construction of the new ballpark facility on the "Sulphur Dell" site. The loan bears an interest rate of 4.55% per annum and interest payments will begin on July 1, 2014 and principal payments on July 1, 2017 or after previously accrued interest has been fully paid. The loan is securitized by revenues from tax increment revenue generated by certain properties in the Phillips Jackson Redevelopment District. The loan will mature on July 1, 2043. As of September 30, 2021 interest accrued on the loan totaled $537,911. (Included in other noncurrent assets is a corresponding amount totaling $28,972,819 - see Note 6)	$ 28,272,884
$2,300,000 promissory note with the Bank of Tennessee, for the construction of a 109 unit apartment building. This loan was previously a construction loan that converted to permanent financing on December 1, 2011. Monthly principal payments total $6,390 and interest accrues at a variable rate of the Prime Rate each month minus 4%, however the interest rate shall not fall below 0% (Prime Rate at September 30, 2021 was 3.25%). The note is collateralized by the Nance Place apartment complex and assignment of rents and will mature in December of 2026.	1,545,988
$9,076,327 loan commitment with the Tennessee Housing & Development Agency ("THDA") through the TCR Program, pursuant to Section 1602 of the American Recovery and Reinvestment Act of 2009, for the construction of a 109 unit apartment building. The note is noninterest bearing and forgivable over the term of the loan provided all covenants and agreements set forth in the loan agreement are met. The note is collateralized by the Nance Place apartment complex and assignment of rents and will mature in November of 2024.	4,877,491
$3,508,629 Flexible Subsidy Operating Assistance loan with the Secretary of Housing and Urban Development assumed by MDHA at the purchase of CWA apartments December 19, 2014. The note has an interest rate of 1% with monthly principal and interest payments totaling $19,029 for a twenty-year term maturing September 30, 2034. The loan is collateralized by CWA I Apartments, a 178 unit apartment complex and assignment of rents.	2,854,696
$1,659,585 Flexible Subsidy Operating Assistance loan with the Secretary of Housing and Urban Development assumed by MDHA at the purchase of CWA apartments December 19, 2014. The note has an interest rate of 1% with monthly principal and interest payments totaling $9,059 for a twenty-year term, maturing September 30, 2034. The loan is collateralized by CWA II Apartments, a 76 unit apartment complex and assignment of rents.	1,360,301

NOTE 7 - LONG-TERM DEBT (CONTINUED)

\$42,900,000 Lease Financing Contract with Gates/Parking Real Estate II dated November 14, 2014, for the purchase of 505 Church Street and construction of a parking garage. Monthly payments are required beginning December 2016 through November 2044 and interest accrues at a rate equal to 4.839%. The financing contract is collateralized by the 5th Avenue of the Arts Garage and assignment of revenues.	\$ 39,702,862
\$20,478,300 HUD with Walker & Dunlop, LLC, to establish a Board controlled Strategic Reserve to be utilized for MDHA Recapitalization. Monthly principal and interest payments totaling \$83,571 are due. The loan bears an interest rate of 3.41%. The loan is collateralized by the MDHA J Henry Hale apartment complex and assignment of rents and will mature in August of 2052.	18,844,043
\$2,945,072 promissory note with the Bank of Tennessee dated April 19, 2014, for the construction of a 72 unit apartment building. This loan was previously an interest only loan that converted to permanent financing on April 19, 2014. Monthly principal and interest payments total \$24,202 and interest accrues at a rate equal to 5.51%. The note is collateralized by the Uptown Flats apartment complex and assignment of rents and will mature in January of 2024.	1,431,512
\$13,776,500 HUD 221(d)4 Construction Note with Walker & Dunlop, LLC, for the construction of a 94 unit apartment building. Interest only payments shall be due monthly beginning December 1, 2017 up to June 1, 2019, thereafter monthly principal and interest payments total \$56,723 are due. The loan bears an interest rate of 3.90%. The loan is collateralized by the Kirkpatrick Park apartment complex and assignment of rents and will mature in June of 2059.	13,116,604
\$5,400,000 construction loan with Reliant Bank dated May 30, 2018, advances under this loan shall be used for the construction of 40 townhomes in Bordeaux. Monthly interest payments were due until May 30, 2020, thereafter monthly principal and interest payments total \$25,327 and interest accrues at a fixed rate equal to the US Treasury note rate, plus 2.5%, not to exceed 3.75%. The loan is collateralized by the Harper Cove Flats complex and assignment of rents and will mature May 2030.	5,209,492
\$4,960,000 note with the Low Income Investment Fund dated September 24, 2018. Quarterly interest payments are accrued at a 6% fixed rate through August 30, 2021, thereafter quarterly principal and interest payments total \$106,880. The note is collateralized by a K-8 charter school facility and assignment of rents and will mature September 24, 2025.	4,960,000

NOTE 7 - LONG-TERM DEBT (CONTINUED)

$4,960,000 note with the Nonprofit Finance Fund dated September 24, 2018. Quarterly interest payments are accrued at a 6% fixed rate through August 30, 2021, thereafter quarterly principal and interest payments total $106,880. The note is collateralized by a K-8 charter school facility and assignment of rents and will mature September 24, 2025.	$	4,960,000
$4,960,000 note with the Reinvestment Fund, Inc. dated September 24, 2018. Quarterly interest payments are accrued at a 6% fixed rate through August 30, 2021, thereafter quarterly principal and interest payments total $106,880. The note is collateralized by a K-8 charter school facility and assignment of rents and will mature September 24, 2025.		4,960,000
$6,986,400 HUD with Walker & Dunlop, LLC, to establish a Board controlled Strategic Reserve to be utilized for MDHA Recapitalization. Monthly principal and interest payments totaling $28,632 are due. The loan bears an interest rate of 3.44%. The loan is collateralized by the MDHA Madison Towers apartment complex and assignment of rents and will mature in September of 2054.		6,583,462
$7,000,000 note with Pinnacle Bank dated August 15, 2018. Monthly interest payments are payable at a variable rate of the Prime Rate minus 4%, however the interest rate shall not fall below 0% (Prime Rate at September 30, 2021 was 3.25%).Beginning, February 15, 2021, monthly principal payments will be due with the monthly interest payments. The note is collateralized by Boscobel I, a 96 unit mixed income property and assignment of rents and will mature August 15, 2033.		6,853,200
$6,000,000 construction note with Synergy Bank dated July 31, 2020. Beginning September 1, 2020, monthly interest payments are payable at a variable rate equal to the Prime Rate less 4% (September 30, 2020 was 0%). Unpaid principal and accrued interest is due and payable in full at maturity, October 31, 2022. The note is collateralized by Red Oak Townhomes, a 44 unit mixed income property and assignment of rents. The amount drawn as of September 30, 2021 was $4,644,288.		4,644,288
$500,000 note with Tennessee Housing Development dated August 2, 2019. The note bears a 0% interest rate and shall be forgiven annually over five years beginning in November 2021. The note is collaterized by Victory Hall and assignment of rents.		500,000

NOTE 7 - LONG-TERM DEBT (CONTINUED)

$11,895,816 construction note with Pinnacle Bank dated July 27, 2020. Beginning August 1, 2020, monthly interest payments are payable at a variable rate equal to LIBOR plus 2.5% but never less than 3.75%. Unpaid principal and accrued interest is due and payable in full at the earlier of the consummation of the Sale of Parcel K or maturity, February 28, 2022. The note is collateralized by the Trolley Barns Garage, a 322 space garage with public use spaceserty and assignment of profits and rents. The amount drawn as of September 30, 2021 was $10,770.017.	$ 10,770,017
	$ 169,134,160

A schedule of principal maturities of the Agency's long-term debt at September 30, 2021 is as follows:

Year ending September 30	Principal	Interest	Total
2022	$ 22,954,020	$ 6,117,910	$ 29,071,930
2023	4,884,184	5,874,121	10,758,305
2024	4,999,132	5,714,735	10,713,867
2025	18,195,170	5,545,178	23,740,348
2026	4,759,875	4,590,934	9,350,809
2027 - 2031	25,371,135	20,571,307	45,942,442
2032 - 2036	25,494,235	16,041,704	41,535,939
2037 - 2041	27,646,007	10,961,560	38,607,567
2042 - 2046	17,253,056	5,096,051	22,349,107
2047 - 2051	9,622,073	2,562,486	12,184,559
2052 - 2056	6,453,832	948,606	7,402,438
2057 - 2059	2,007,945	273,134	2,281,079
Total	$ 169,640,664	$ 84,297,726	$ 253,938,390

NOTE 7 - LONG-TERM DEBT (CONTINUED)

A summary of changes in long-term debt, after loan cost adjustment of ($557,578) of the Discretely Presented Component Units for the year ended December 31, 2020 is presented below:

	Prior year balance	Additions	Retirements	Current year balance	Due within one year
Notes Payable	$ 101,414,067	$ 16,477,547	$ (1,424,390)	$ 116,467,224	$ 20,416,530

Ryman Lofts at Rolling Mill Hill, L.P.

Construction and permanent financing is being provided by Bank of Tennessee under loan commitments of $3,900,000 (the construction loan) and $1,000,000 (the permanent loan), respectively. The loans bear interest at a variable interest rate of the prime rate minus 2% and may not fall below 0%. The prime rate at December 31, 2020 was 3.25%. The loans are secured by a leasehold deed of trust and an assignment of rents and leases. Interest only payments are due monthly through March 1, 2014, the maturity date of the construction loan. Beginning August 1, 2014, monthly principal and interest payments of $3,332 began on the permanent loan, and increased to $5,561 in September 2014. In February 2015, monthly payments of $4,304 began on the permanent loan and are due until maturity in June 2029.	$ 775,413
Construction and permanent financing is being provided by Metropolitan Development Housing Agency ("MDHA") under a loan commitment of $400,000. The nonrecourse loan is secured by a second leasehold deed of trust and bears interest at a rate of 5% of the outstanding principal balance per annum. No principal payments are due until the maturity date in September 2041. As of December 31, 2020, interest of $20,380, remained payable. During 2020, interest expense of $20,380 was incurred.	420,380
Levy Place, L.P.	
Construction and permanent financing is being provided by Pinnacle Bank under a loan commitment of $5,850,000. The nonrecourse loan is secured by a leasehold deed of trust and an assignment of rents and leases. Interest shall accrue at an annual rate of the Wall Street Journal prime rate (3.25% as of December 31, 2020) minus 4% with a floor of 0% and a cap of 5%. Commencing on August 28, 2016, monthly payments of interest only shall be due and payable until, and including, June 8, 2017, the Conversion Date. After conversion, monthly payments of principal and interest shall be due and payable. There was no accrued interest at December 31, 2020. The entire principal balance, as well as all accrued and unpaid interest, is due and payable on July 28, 2035.	5,325,597

NOTE 7 - LONG-TERM DEBT (CONTINUED)

Levy Place, L.P. (Continued)

Permanent financing is being provided by MDHA under a loan commitment of $7,898,296. The nonrecourse loan is secured by an agency leasehold deed of trust and an assignment of rents and leases. Interest shall accrue at an annual rate of 2.24% commencing July 28, 2016. Principal and accrued interest shall be due and payable within 90 days after the end of each calendar year to the extent of Available Cash Flow, as defined in the Amended and Restated Partnership Agreement. During 2020, interest expense of $160,782 was incurred and remains payable as of December 31, 2020. The entire principal balance, as well as accrued and unpaid interest, is due and payable in July 2056.	$	7,324,825
Boscobel I, L.P.		
Permanent financing is being provided by MDHA under a loan commitment of $6,581,900. The nonrecourse loan is secured by an agency leasehold deed of trust and an assignment of rents and leases. Interest shall accrue at an annual rate of 3.05% commencing August 15, 2018. Principal and accrued interest shall be due and payable within 90 days after the end of each calendar year to the extent of Available Cash Flow, as defined in the Partnership Agreement. During 2020, interest expense of $50,187 was incurred and $477,333 remains payable as of December 31, 2020. The entire principal balance, as well as accrued and unpaid interest, is due and payable in August 2048.		7,059,233
$1,684,554 note with MDHA dated August 15, 2018. Monthly interest payments are payable at a variable rate of the Prime Rate minus 4%, however the interest rate shall not fall below 0% (Prime Rate at December 31, 2020 was 3.25%). Unpaid principal and accrued interest is due and payable in full at maturity, January 4, 2021. The note is collateralized by Boscobel I, a 96 unit mixed income property and assignment of rents.		1,684,554
$7,000,000 note with MDHA dated August 15, 2018. Monthly interest payments are payable at a variable rate of the Prime Rate minus 4%, however the interest rate shall not fall below 0% (Prime Rate at December 31, 2020 was 3.25%). Beginning, February 15, 2021, monthly principal payments will be due with the monthly interest payments. The note is collateralized by Boscobel I, a 96 unit mixed income property and assignment of rents and will mature August 15, 2033.		7,000,000
$8,557,622 note with MDHA dated August 15, 2018. Monthly interest payments are payable at a variable rate equal to the Prime Rate (December 31, 2020 was 3.25%). Unpaid principal and accrued interest are due and payable in full at maturity, January 4, 2021. During 2020, interest expense of $15,451 remains payable as of December 31, 2020. The note is collateralized by Boscobel I, a 96 unit mixed income property and assignment of rents.		8,573,073

NOTE 7 - LONG-TERM DEBT (CONTINUED)

CP II, L.P.

$7,400,000 note with Pinnacle Bank dated December 12, 2018. Monthly interest payments are payable at a variable rate of the Prime Rate minus 4%, however the interest rate shall not fall below 0% (Prime Rate at December 31, 2020 was 3.25%). Beginning, June 15, 2021, monthly principal payments will be due with the monthly interest payments. The note is collateralized by CP II, a 102 unit mixed income property and assignment of rents and will mature November 15, 2033.	$	7,400,000
$459,589 note with Pinnacle Bank dated December 12, 2018. Monthly interest payments are payable at a variable rate of the Prime Rate minus 4%, however the interest rate shall not fall below 0% (Prime Rate at December 31, 2020 was 3.25%). Unpaid principal and accrued interest are due and payable in full at maturity, January 4, 2021. The note is collateralized by CP II, a 102 unit mixed income property and assignment of rents.		459,589
$9,000,000 note with MDHA dated December 11, 2018. Note shall bear interest at a fixed rate equal to 1%. Principal and interest shall be based upon a 40-year amortization and paid annually from the Cash Flow as described in the Partnership Agreement. During 2020, interest expense of $22,500 was incurred and $183,750 remains payable as of December 31, 2020. The note is collateralized by CP II, a 102 unit mixed income property and assignment of rents and will mature December 11, 2048.		9,183,750
$500,000 note with MDHA dated December 11, 2018. Proceeds from the note shall be used in accordance with the rules and regulations of the HOME Investment Partnership Programs. No interest is payable, provided the principal is paid by the due date set forth in the note, twenty years from the Project Completion date. The note is collateralized by CP II, a 101 unit mixed income property and assignment of rents.		500,000
$9,782,587 note with Pinnacle Bank dated December 12, 2018. Monthly interest payments are payable at a variable rate equal to the Prime Rate (December 31, 2020 was 3.25%). Unpaid principal and accrued interest are due and payable in full at maturity, January 4, 2021. The note is collateralized by CP II, a 101 unit mixed income property and assignment of rents. The amount drawn as of December 31, 2020 was $8,371,741, and interest expense of $14,960 remains payable as of December 31, 2020 .		8,386,701

NOTE 7 - LONG-TERM DEBT (CONTINUED)

Boscobel III, L.P.

$15,594,609 note with MDHA dated August 9, 2019. Note shall bear interest at a fixed rate equal to 0.75%. Principal and interest shall be based upon a 30-year amortization and paid annually from the Cash Flow as described in the Partnership Agreement. During 2021, interest expense of $116,960 was incurred and $250,489 remains payable as of September 30, 2021. The note is collateralized by Boscobel III, a 102 unit mixed income property and assignment of rents and will mature August 9, 2048.	$ 15,845,098
$7,400,000 note with Pinnacle Bank dated August 9, 2019. Monthly interest payments are payable at a variable rate of the Prime Rate minus 4%, however the interest rate shall not fall below 0% (Prime Rate at September 30, 2021 was 3.25%). Beginning, March 15, 2022, monthly principal payments will be due with the monthly interest payments. The note is collateralized by Boscobel III, a 102 unit mixed income property and assignment of rents and will mature August 8, 2034.	7,400,000
$669,822 note with Pinnacle Bank dated August 9, 2019. Monthly interest payments are payable at a variable rate of the Prime Rate minus 4%, however the interest rate shall not fall below 0% (Prime Rate at September 30, 2021 was 3.25%). Unpaid principal and accrued interest are due and payable in full at maturity, January 5, 2022. The note is collateralized by Boscobel III, a 102 unit mixed income property and assignment of rents.	669,822
$10,270,684 note with MDHA dated August 9, 2019. Monthly interest payments are payable at a variable rate equal to the Prime Rate (September 30, 2021 was 3.25%). Unpaid principal and accrued interest are due and payable in full at maturity, January 5, 2022. The note is collateralized by Boscobel III, a 102 unit mixed income property and assignment of rents. The amount drawn as of September 30, 2021 was $3,557,736.	3,557,736
$500,000 note with MDHA dated August 9, 2019. Proceeds from the note shall be used in accordance with the rules and regulations of the HOME Investment Partnership Programs. No interest is payable, provided the principal is paid by the due date set forth in the note, twenty years from the Project Completion date. The note is collateralized by Boscobel III, a 102 unit mixed income property and assignment of rents.	500,000

Victory Hall L.P.

$500,000 note with MDHA dated August 2, 2019 funded by a private donation. Note shall bear interest at a fixed rate equal to 2.5%. No payment of principal or interest shall be due during the construction period, following the construction period, principal and interest shall be based upon a 30-year amortization and paid annually from the Cash Flow as described in the Partnership Agreement. During 2020, interest expense of $3,125 was incurred and $17,708 remains payable as of December 31, 2020. The note is collateralized by Curb Victory Hall, 39 units set aside for homeless veterans and assignment of rents and will mature August 2, 2049.	517,708

NOTE 7 - LONG-TERM DEBT (CONTINUED)

Victory Hall L.P. (Continued)

$500,000 note with MDHA dated August 2, 2019 funded by the Tennessee Housing Trust Fund grant program. Note shall bear interest at a fixed rate equal to 2.5%. No payment of principal or interest shall be due during the construction period, following the construction period, principal and interest shall be based upon a 30-year amortization and paid annually from the Cash Flow as described in the Partnership Agreement. During 2020, interest expense of $3,125 was incurred and $17,708 remains payable as of December 31, 2020. The note is collateralized by Curb Victory Hall , 39 units set aside for homeless veterans and assignment of rents and will mature August 2, 2049.	$	517,708
$1,231,400 note with Pinnacle Bank dated August 2, 2019. Monthly interest payments are payable at a Prime Rate minus 4%, however the interest rate shall not fall below 0% (Prime Rate at December 31, 2020 was 3.25%). Beginning, August 15, 2021, monthly principal payments will be due with the monthly interest payments. The note is collateralized by Curb Victory Hall , a 39 units set aside for homeless veterans and assignment of rents and will mature August 1, 2034.		1,231,400
$78,600 note with Pinnacle Bank dated August 2, 2019. Monthly interest payments are payable at a variable rate equal to the Prime Rate (December 31, 2020 was 3.25%). The entire unpaid principal and accrued interest shall be due and payable August 1, 2021. The note is collateralized by Curb Victory Hall, 39 units set aside for homeless veterans and assignment of rents.		78,600
Randee Rogers L.P.		
$16,000,000 bond with JP Morgan Chase Bank dated December 1, 2019. During the construction term, monthly interest payments are payable at a rate equal to Prime Rate (September 30, 2021 was 3.25%) minus 1.33% on outstanding principal shall be due and payable monthly. The bond note is collaterized by Randee Rogers, a 100 unit mixed income property and assignments of rents. The amount drawn as of September 30, 2021 was $10,977,720.		10,977,720
$16,087,813 note with MDHA dated March 19, 2020. The nonrecourse loan is secured by an agency leasehold deed of trust and an assignment of rents and leases. The interest rate is 0% with annual principal due and payable to the extent of Available Cash Flow, as defined in the Limited Partnership Agreement. The entire principal balance is due and payable December 2049. The amount drawn as of September 30, 2021 was $11,078,317.		11,078,317
	$	116,467,224

NOTE 7 - LONG-TERM DEBT (CONTINUED)

A schedule of principal maturities of the Discretely Presented Component Unit's long-term debt after the loan cost adjustment of ($557,578) is as follows:

Year ending December 31,	Principal
2021	$ 20,416,530
2022	699,933
2023	712,770
2024	723,814
2025	736,165
Thereafter	92,620,434
Total	$ 115,909,646

NOTE 8 - CONDUIT DEBT OBLIGATIONS

Tax increment financing ("TIF") is a method of funding certain public investments for redevelopment by recapturing, for a time, all or a portion of the increased tax revenue that may result if private investment can be stimulated to occur. Tax increment can only be generated by the increased taxes resulting from private development on land in a redevelopment district that has been acquired and re-sold or leased by MDHA. The tax increment due to the difference in the tax basis is then diverted to the redevelopment agency which may use those funds to finance public purpose expenditures or to repay bonds or notes that were issued to finance those expenditures. These loans are special limited obligations of MDHA, payable solely from and secured by a pledge of the tax increment revenues designated for the payment of the loan. The loans do not constitute debt or a pledge of credit of MDHA or the Metropolitan Government and, accordingly, are not reported in the accompanying financial statements.

The Tax Increment Financing Loans, including related accrued interest payable, aggregated approximately $120.3 million at September 30, 2021.

NOTE 8 - CONDUIT DEBT OBLIGATIONS (CONTINUED)

A summary of changes in MDHA's conduit debt for the year ended September 30, 2021 is presented below:

Company	Project Description	Balance 9/30/2020	Additions	Retirements	Balance 9/30/2021	Accrued Interest
3501	Castner Knott	$ 1,850,000	$ -	$ -	$ 1,850,000	$ 887,773
3501	Cohen Bldg	300,000	-	-	300,000	248,592
3501	Cumberland apts	5,795,625	-	(5,795,625)	-	-
3501	ACME Feed Building	105,225	-	(83,550)	21,675	458
3501	Regions Capital Mall Refinance	47,040,951	-	(4,306,835)	42,734,116	341,686
3501	21C Hotel Project	4,800,000	-	(33,320)	4,766,680	97,508
3501	4Pant Dream Hotel	6,158,545	-	(417,005)	5,741,540	276,129
3501	5th & Broad	7,662,694	-	-	7,662,694	143,597
3501	5th & Broad	17,190,000	-	(808,207)	16,381,793	349,628
3504	Regions Rutledge Hill Refinance	1,545,315	-	(141,481)	1,403,834	11,224
3504	Eakin The Peabody Plaza	7,900,000	-	(262,610)	7,637,390	166,976
3507	Regions Phillips Jackson Refinance	5,088,510	-	(465,879)	4,622,631	36,961
3510	1821 Jefferson Street	579,542	-	(18,004)	561,538	11,692
3510	1712 Jefferson Street	240,532	-	(240,532)	-	-
3511	1101 Dickerson Pike	111,315	-	(14,059)	97,256	2,228
3515	5th & MAIN	5,807,570	-	-	5,807,570	985,296
3518	Regions Arts District Refinance	22,826,784	-	(2,089,906)	20,736,878	165,804
3518	Ash-McNiel	21,562	-	(21,562)	-	-
3518	Gulch Crossing	537,753	-	(537,753)	-	-
	Total	$ 135,561,923	$ -	$ (15,236,328)	$ 120,325,595	$ 3,725,552

NOTE 9 - OTHER LONG-TERM LIABILITIES OTHER THAN DEBT

The activities of compensated absences and other noncurrent liabilities for MDHA consisted of the following at September 30, 2021:

	Balance at October 1, 2020	Additions	Adjustment/ Payments	Balance at September 30, 2021	Current portion
Compensated absences	$ 2,650,430	$ 1,079,849	$ (1,192,682)	$ 2,537,597	$ 634,409
FSS escrow deposit	$ 1,400,439	$ 399,330	$ (451,207)	$ 1,348,562	$ -

NOTE 10 - RISK MANAGEMENT

MDHA is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. MDHA maintains commercial insurance covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to MDHA. During the year ended September 30, 2021, settled claims have not exceeded this commercial insurance coverage.

NOTE 11 - EMPLOYEE BENEFIT PLANS

The MDHA retirement plan is a 401A Plan administered by the Vanguard Group. The Plan, which is a defined contribution plan for employees who were participants in the MDHA Retirement Plan as of September 30, 2000. Employees are eligible to participate beginning the first day of the month following the date of hire. There are no required contributions by the participants; however, participants may make voluntary contributions from 0.5% to 10% of basic compensation and MDHA contributes 13% of participants' basic compensation. Contributions are invested in any of twenty-two funds as elected by the participant. Investment options and voluntary contributions may be changed daily.

Participants' voluntary contributions plus actual earnings are immediately vested. Participants are also immediately vested in 5.5% of the 13% of MDHA's contributions. Each year of participation in the Plan, participants vest at the rate of 20% of the remaining balance and become fully vested after 5 years.

Benefits are paid in the form of a cash distribution or various other annuity options at normal retirement date, age 65, death or disability. Participants may also elect to roll the vested portion of retirement savings into another qualifying plan or an IRA or leave the amount in the Plan. Early retirement may be elected by employees at age 55 who have at least ten years of service.

MDHA contributions to the Plan for the year ended September 30, 2021 amounted to $2,487,602, which equaled the amount of required employer contributions. Employee voluntary contributions were $290,050 in 2021. MDHA's payroll for employees covered by the Plan for the fiscal year ended September 30, 2021 was $19,135,404. Total payroll for MDHA during the fiscal year ended September 30, 2021 amounted to $20,247,545.

MDHA sponsors a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan permits all employees to defer a portion of salary until future years. Such amounts are not available to them until termination, retirement, death or unforeseeable emergency. No contributions are made to this Plan by MDHA.

NOTE 12 - LEASES

MDHA leases certain office space and equipment under leases accounted for as operating leases. The minimum future rental commitments under these leases are not significant. Total lease expenditures made for the year ended September 30, 2021 were $68,953.

In addition, rental income, other than rent directly related to low-income housing units, is received under various other short-term land and building leases accounted for as operating leases. These leases are either cancelable leases or the future minimum rentals under these leases are insignificant. Rental income from these sources totaled $799,917 for the year ended September 30, 2021.

NOTE 13 - COMMITMENTS AND CONTINGENCIES

MDHA receives significant financial assistance from numerous federal, state and local governmental agencies in the form of grants and operating subsidies. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of MDHA. In the opinion of management, any such disallowed claims would not have a material effect on the financial position of MDHA at September 30, 2021.

At September 30, 2021, the Agency had outstanding construction commitments of approximately $13.8 million. These outstanding commitments will be paid by equity generated by low-income housing tax credits, bank loans and other Agency reserve.

MDHA is a defendant in various lawsuits arising in the ordinary course of operations. Although the outcome of these lawsuits is not presently determinable, in the opinion of management and MDHA's attorney, the resolution of these matters will not have a material adverse effect on the financial condition of MDHA. Accordingly, no provision for loss, if any, related to these matters has been made in the financial statements.

In March 2020, the World Health Organization declared the global novel coronavirus disease 2019 ("COVID-19") outbreak a pandemic. Further, the United States Centers for Disease Control and Prevention confirmed the spread of the disease throughout the United States. As of the date the financial statements were available to be issued, the Agency's operations have not been significantly impacted by the COVID-19 outbreak. The Agency's operations could be adversely affected as a result of COVID-19, but the impact is not known at this point as the scale and severity of the outbreak, and resulting economic impact, is still largely unknown.

NOTE 14 - AFFILIATE AGREEMENTS

The Levy Place partnership has entered into a regulatory agreement with MDHA, which regulates, among other things, the rents which may be charged for apartment units in the Project, prohibits the sale of the Project without HUD and MDHA consent, and otherwise regulates the relationship between the Partnership, HUD and MDHA. The Partnership has executed a ground lease agreement (the "Agreement") with MDHA. The lease is subject to various use restrictions and operating requirements, as defined in the Agreement. The term of the Agreement is for 75 years.

Boscobel I, LP has entered into a Developer Agreement with MDHA to acquire, construct, and develop mixed income affordable and market rate residential housing. This agreement entitled MDHA, as the developer to a total development fee of $1,200,000. As of December 31, 2020, the entire development fee had been earned and $1,000,000 was payable and included in miscellaneous long-term liabilities. Boscobel I, LP (Mosley on 6th) consists of new construction of 96 of rental housing. Of the 96 units, 50 are public housing units eligible to receive the benefits of PBRA HAP subsidies provided to the partnership by HUD. The remaining 46 units are workforce and market units.

CP II I, LP has entered into a Developer Agreement with MDHA to acquire, construct, and develop mixed income affordable and market rate residential housing. This agreement entitled MDHA, as the developer to a total development fee of $1,000,035. As of December 31, 2020, the entire development fee has been earned and $750,026 was payable and included in miscellaneous long-term liabilities. CP II, LP (Manning Place) consists of new construction of 101 of rental housing. Of the 101 units, 45 are public housing units eligible to receive the benefits of PBRA HAP subsidies provided to the partnership by HUD. The remaining 56 units are workforce and market units.

NOTE 14 - AFFILIATE AGREEMENTS (CONTINUED)

Boscobel III, LP has entered into a Developer Agreement with MDHA to acquire, construct, and develop mixed income affordable and market rate residential housing. After completion, Boscobel III, LP will consist of new construction of 102 units of rental housing. Of the 102 units, 45 shall be public housing units eligible to receive the benefits of PBRA HAP subsidies provided to the partnership by HUD. The remaining 57 units shall be workforce and market units. Estimated completion date is November 2021.

Victory Hall, LP has entered into a Developer Agreement with MDHA to acquire, construct, and develop affordable for homeless veterans. This agreement entitled MDHA, as the developer, to a total development fee of $498,000. As of December 31, 2020, $441,000 of the fee is outstanding and is payable upon certain benchmarks. Victory Hall, LP consists of new construction of 38 units of rental housing. The units are 37 public housing units eligible to receive the benefits of Rental Assistance VASH HAP subsidies provided to the partnership by HUD. The remaining unit is a market unit.

Randee Rogers, L.P. has entered into a Developer Agreement with MDHA to acquire, construct, and develop mixed income affordable and market rate residential housing. After completion, Randee Rogers, LP will consist of new construction of 100 units of rental housing. Of the 100 units, 50 shall be public housing units eligible to receive the benefits of PBRA HAP subsidies provided to the partnership by HUD. The remaining 50 units shall be workforce and market units. Estimated completion date is February 2022

MDHA guarantees certain financial obligations of all affiliate entities that include advances of funds, capital contributions, loans, and any and all other payments and options per the Operating Agreements. Tax credit availability and compliance guarantees are also provided by MDHA.

NOTE 15 - NET POSITION

The Agency's net position is categorized as follows:

- Net investment in capital assets - This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, capital lease obligations or other borrowings and related interest that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted net position - This component of net position consists of restricted assets, whereby constraints are placed on assets by creditors (such as debt covenants), grantors, laws and regulations.
- Unrestricted net position - This component of net position consists of net position that does not meet the definition of "restricted" or "net investment in capital assets".

NOTE 15 - NET POSITION (CONTINUED)

The changes in the Agency's net position for the year ended September 30, 2021 are as follows:

	Net investment in capital assets	Restricted	Unrestricted	Totals
Net position as previously reported - September 30, 2020	$ 227,343,456	$ 56,974,215	$ 103,201,860	$ 387,519,531
Prior Period Adjustment	-	-	2,189,682	2,189,682
Net position as restated - September 30, 2021	227,343,456	56,974,215	105,391,542	389,709,213
Changes in net position - 2021	2,447,961	(1,408,311)	783,701	1,823,351
Net position - September 30, 2021	$ 229,791,417	$ 55,565,904	$ 106,175,243	$ 391,532,564

A breakdown of the Agency's restricted net position as of September 30, 2021 is as follows:

Replacement reserve accounts	$ 49,876,737
Section 8 HAP reserves	862,583
Post RAD Rehab escrows	1,947,638
MDHA Kirkpatrick Park LLC Escrow	92,973
MDHA J Henry Hale LLC escrow accounts	451,517
MDHA 10th & Jefferson escrow accounts	481,508
MDHA Madison Towers LLC escrow accounts	770,485
Other reserves & property mgmt deposits	1,082,463
	$ 55,565,904

The changes in net position for the Discretely Presented Component Units for the year ended December 30, 2020 are as follows:

	Net investment in capital assets	Restricted	Unrestricted	Totals
Net position (deficit) - January 1, 2020	$ 22,735,854	$ 6,178,753	$ 620,218	$ 29,534,825
Changes in net position - 2020	3,961,310	(1,917,028)	(3,286,550)	(1,242,268)
Net position (deficit) - December 31, 2020	$ 26,697,164	$ 4,261,725	$ (2,666,332)	$ 28,292,557

NOTE 16 - MEMBERS CAPITAL CONTRIBUTIONS

Contingent upon various requirements as outlined in the Amended and Restated Partnership Agreement for Victory Hall, L.P., the Limited Partner has agreed to contribute $6,510,037 for a 99.99% interest in the Partnership. During the period ended September 30, 2021, capital contributions of $1,223,410 were received.

The General Partner of Victory Hall, L.P. has agreed to contribute $100 in return for 0.01% interest in the partnership. This capital contribution was funded during the year ended September 30, 2021.

Contingent upon various requirements as outlined in the First Amended and Restated Partnership Agreement for Randee Rogers, L.P., the Limited Partner has agreed to contribute $4,799,688 for a 99.99% interest in the Partnership. During the period ended September 30, 2021, no capital contributions were received.

The General Partner of Randee Rogers L.P., has agreed to contribute $100 in return for 0.01% interest in the partnership. As of September 30, 2021 this capital contribution had not been funded.

NOTE 17 - INCOME TAXES

The Agency is exempt from income taxes as it is a governmental entity and therefore is not subject to taxation. The Agency's blended component units, due to their nature, are not subject to federal and state income taxes at the company level. All income, gains and losses are based through to the members and taxed at their respective level. As such, no provision for current or deferred income taxes has been provided in the accompanying financial statements.

No provision for federal or state income taxes has been made in the Discretely Presented Component Unit's financial statements as the federal and state income tax effect on the Discretely Presented Component Unit's activities accrues to its partners.

NOTE 18 - CONCENTRATIONS

MDHA has entered into a Memorandum of Understanding with the Service Employees International Union, Local 205 for the term September 30, 2018 through September 30, 2023. Approximately 40% of MDHA's non-exempt, non-supervisory employees are members of the union.

NOTE 19 - SPECIAL ITEMS

Special items reported as of September 30, 2021 consisted of:

Bifurcation of Cayce Place Replacement Reserves to Boscobel III	$ (481,598)
Forest Bend LP 2020 net assets transferred to LP not included in MDHA Entity	19,960
	$ (461,638)

NOTE 20 - FUTURE ACCOUNTING PRONOUNCEMENTS

In June 2017, the GASB issued statement No. 87, *Leases*. The provisions of this statement are effective for fiscal years beginning after June 15, 2021.

This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.

Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

In June 2018, the GASB issued statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period.* The provisions of this statement are effective for fiscal years beginning after December 15, 2020.

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements,* which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations.* The provisions of this statement are effective for fiscal years beginning after December 15, 2020.

This statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with 1. Commitments extended by issuers; 2. Arrangements associated with conduit debt obligations and related note disclosures. The Statement clarifies the existing definition of conduit debt obligation, establishes that a conduit debt obligation is not a liability of the issuer and establishes standards for accounting and financial reporting of additional commitments extended by issuers.

These statements were implemented at September 1, 2021 with no impact to financial position.

NOTE 21 - PRIOR PERIOD ADJUSTMENT

In 2017, the Agency provided $2,000,000 in HOME grant funding to the Forest Bend Townhomes, L.P. and accounted for the transaction as program grant expense. However, during the current fiscal year, additional information was provided that indicated that the funding should have been recorded as a note receivable with the principal accruing interest, compounded annually, at a fixed rate of 2.75%. Beginning net position and notes receivable has been restated by $2,189,682 to reflect the $2,000,000 notes receivable and related accrued interest in the amount of $189,682 as of September 30, 2020 to reflect this treatment.

NOTE 22 - SUBSEQUENT EVENT

Subsequent to year end the Agency refinanced the existing mortgage with Walker & Dunlop related to MDHA 10th & Jefferson, LLC. The existing mortgage loan, along with a prepayment penalty amounting to $449,782, was repaid with proceeds from the refinancing on November 16, 2021. The new mortgage note, in the amount of $7,872,100, is for a term of 40 years, maturing on December 1, 2061. The note has an interest rate of 2.6% and requires monthly payments of principal and interest in the amount of $26,397.

NOTE 23 - CONDENSED FINANCIAL STATEMENTS

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

STATEMENT OF NET POSITION

	Discretely Presented Component Units								
	Boscobel I LP	CP II I LP	Boscobel III LP	Victory Hall LP	Preston Taylor Homes, LLC	Randee Rogers, L.P.	Levy Place LP	Ryman Lofts at Rolling Mill Hill, L.P.	Total
ASSETS									
Current Assets	$ 1,545,382	$ 671,283	$ 964,480	$ 798,621	$ -	$ 417,645	$ 1,918,020	$ 611,767	$ 6,927,198
Capital Assets, Net	25,404,678	32,520,584	27,953,124	6,607,161	-	24,925,504	19,745,650	5,450,109	142,606,810
Noncurrent Assets	105,988	96,900	-	70,568	-	-	140,997	13,734	428,187
TOTAL ASSETS	27,056,048	33,288,767	28,917,604	7,476,350	-	25,343,149	21,804,667	6,075,610	149,962,195
DEFERRED OUTFLOWS OF RESOURCES	-	-	-	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	27,056,048	33,288,767	28,917,604	7,476,350	-	25,343,149	21,804,667	6,075,610	149,962,195
LIABILITIES									
Current Liabilities	10,508,293	9,068,953	69,174	1,637,118	-	2,567,159	370,515	86,331	24,307,543
Noncurrent Liabilities	14,672,212	17,526,997	27,973,194	1,486,854	-	22,056,037	12,528,497	1,118,304	97,362,095
TOTAL LIABILITIES	25,180,505	26,595,950	28,042,368	3,123,972	-	24,623,196	12,899,012	1,204,635	121,669,638
DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	25,180,505	26,595,950	28,042,368	3,123,972	-	24,623,196	12,899,012	1,204,635	121,669,638
NET POSITION									
Net investment (deficit) in capital assets	1,288,440	6,795,039	(19,532)	4,342,612	-	2,869,467	7,131,812	4,289,326	26,697,164
Unrestricted net position (deficit)	(515,709)	(583,821)	102,551	9,766	-	(2,567,159)	601,436	286,604	(2,666,332)
Restricted net position	1,102,812	481,599	792,217	-	-	417,645	1,172,407	295,045	4,261,725
TOTAL NET POSITION (DEFICIT)	$ 1,875,543	$ 6,692,817	$ 875,236	$ 4,352,378	$ -	$ 719,953	$ 8,905,655	$ 4,870,975	$ 28,292,557

NOTE 23 - CONDENSED FINANCIAL STATEMENTS (CONTINUED)

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	Discretely Presented Component Units								
	Boscobel I LP	CP II LP	Boscobel III LP	Victory Hall LP	Preston Taylor Homes, LLC	Randee Rogers, L.P.	Levy Place LP	Ryman Lofts at Rolling Mill Hill, L.P.	Total
OPERATING REVENUES									
Rentals	$ 495,678	$ 267,905	$ 255,748	$ 12,053	$ -	$ -	$ 1,174,212	$ 607,991	$ 2,813,587
Other tenant revenue	51,991	2,905	6,129	886	-	-	31,892	13,672	107,475
Governmental operating revenue	329,322	169,020	193,127	17,716	-	-	750,964	-	1,460,149
Other income	2,573	-	111,585	8,054	-	-	60,450	775	183,437
TOTAL OPERATING REVENUES	879,564	439,830	566,589	38,709	-	-	2,017,518	622,438	4,564,648
OPERATING EXPENSES									
Cost of Services:									
Tenant services	81,601	51,260	19,231	-	-	-	67,054	-	219,146
Utilities	100,647	73,059	54,455	9,574	-	-	79,066	39,225	356,026
Ordinary maintenance and operations	103,297	36,656	20,294	450	-	-	409,941	62,556	633,194
Protective services	899	332	10,729	-	-	-	58,070	9,547	79,577
Other direct program costs	246,924	162,044	44	22,326	-	-	120,168	29,218	580,724
Administration	199,122	144,269	156,212	4,935	-	-	631,329	173,893	1,309,760
Depreciation	880,014	587,988	-	74,729	-	-	906,249	222,907	2,671,887
TOTAL OPERATING EXPENSES	1,612,504	1,055,608	260,965	112,014	-	-	2,271,877	537,346	5,850,314
OPERATING INCOME (LOSS)	(732,940)	(615,778)	305,624	(73,305)	-	-	(254,359)	85,092	(1,285,666)
NONOPERATING REVENUES (EXPENSES)									
Interest income	589	77	437	6	-	-	5,022	453	6,584
Interest expense	(769,774)	(275,063)	(116,960)	(36,062)	-	-	(171,578)	(35,068)	(1,404,505)
TOTAL NONOPERATING EXPENSES - NET	(769,185)	(274,986)	(116,523)	(36,056)	-	-	(166,556)	(34,615)	(1,397,921)
Other special items	240,595	132,973	481,598	586,153	-	-	-	-	1,441,319
Members capital contributions	-	-	-	-	-	-	-	-	-
CHANGES IN NET POSITION	(1,261,530)	(757,791)	670,699	476,792	-	-	(420,915)	50,477	(1,242,268)
NET POSITION (DEFICIT) - BEGINNING OF YEAR	3,137,073	7,450,608	204,537	3,875,586	-	719,953	9,326,570	4,820,498	29,534,825
NET POSITION (DEFICIT) - END OF YEAR	$ 1,875,543	$ 6,692,817	$ 875,236	$ 4,352,378	$ -	$ 719,953	$ 8,905,655	$ 4,870,975	$ 28,292,557

NOTE 23 - CONDENSED FINANCIAL STATEMENTS (CONTINUED)

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

STATEMENT OF NET POSITION AT SEPTEMBER 30, 2021

	MDHA	MDHA Housing Trust Corp	J Henry Hale LLC	10th & Jefferson LLC	Madison Towers LLC	Kirkpatrick Park LLC	Total
ASSETS							
Current Assets	$ 112,759,851	$ 119,409	$ 1,354,795	$ 155,058	$ 1,083,926	$ 285,779	$ 115,758,818
Capital Assets, Net	275,182,264	-	26,771,962	8,895,158	10,409,586	22,000,202	343,259,172
Noncurrent Assets	117,366,786	-	-	-	-	-	117,366,786
TOTAL ASSETS	505,308,901	119,409	28,126,757	9,050,216	11,493,512	22,285,981	576,384,776
DEFERRED OUTFLOWS OF RESOURCES	-	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	505,308,901	119,409	28,126,757	9,050,216	11,493,512	22,285,981	576,384,776
LIABILITIES							
Current Liabilities	33,935,640	4,333	640,188	135,681	316,853	387,627	35,420,322
Noncurrent Liabilities	104,247,347	309	18,485,007	7,308,050	6,472,794	12,918,383	149,431,890
TOTAL LIABILITIES	138,182,987	4,642	19,125,195	7,443,731	6,789,647	13,306,010	184,852,212
DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-	-	-
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	138,182,987	4,642	19,125,195	7,443,731	6,789,647	13,306,010	184,852,212
NET POSITION							
Net investment (deficit) in capital assets	207,729,300	-	7,927,919	1,468,156	3,826,124	8,839,918	229,791,417
Unrestricted net position (deficit)	106,035,809	114,767	247,929	(343,179)	72,837	47,080	106,175,243
Restricted net position	53,360,805	-	825,714	481,508	804,904	92,973	55,565,904
TOTAL NET POSITION (DEFICIT)	$ 367,125,914	$ 114,767	$ 9,001,562	$ 1,606,485	$ 4,703,865	$ 8,979,971	$ 391,532,564

NOTE 23 - CONDENSED FINANCIAL STATEMENTS (CONTINUED)

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE YEAR ENDED SEPTEMBER 30, 2021

	MDHA	MDHA Housing Trust Corp	J Henry Hale LLC	10th & Jefferson LLC	Madison Towers LLC	Kirkpatrick Park LLC	Total
OPERATING REVENUES							
Rentals	$ 15,530,333	$ -	$ 1,175,836	$ 554,695	$ 638,281	$ 797,694	$ 18,696,839
Other tenant revenue	574,168	-	38,103	3,685	10,187	87,568	713,711
Governmental operating revenue	107,091,942	-	1,123,494	-	1,057,861	238,825	109,512,122
Other income	25,432,220	177,208	31,581	-	27,739	29,260	25,698,008
TOTAL OPERATING REVENUES	148,628,663	177,208	2,369,014	558,380	1,734,068	1,153,347	154,620,680
OPERATING EXPENSES							
Cost of Services:							
Tenant services	772,847	1,218	4,462	142	39,425	7,121	825,215
Utilities	9,730,765	-	60,488	46,832	318,148	99,625	10,255,858
Ordinary maintenance and operations	19,171,290	4,121	672,742	145,117	502,543	155,995	20,651,808
Protective services	2,223,190	-	66,220	12,202	81,400	21,046	2,404,058
Other direct program costs and special item	18,680,918	16,818	117,555	91,298	114,512	80,536	19,101,637
Housing assistance payments	58,170,181	-	-	-	-	-	58,170,181
Administration	21,567,620	75,045	439,360	113,929	314,645	204,599	22,715,198
Depreciation	10,284,064	-	1,263,512	295,248	823,416	719,295	13,385,535
TOTAL OPERATING EXPENSES	140,600,875	97,202	2,624,339	704,768	2,194,089	1,288,217	147,509,490
OPERATING INCOME (LOSS)	8,027,788	80,006	(255,325)	(146,388)	(460,021)	(134,870)	7,111,190
NONOPERATING REVENUES (EXPENSES)							
Interest income	375,591	40	3,069	23	1,660	1,186	381,569
Gain (loss) on disposition of assets	(18,374)	-	-	-	-	-	(18,374)
Interest expense	(3,448,511)	-	(658,284)	(320,976)	(234,712)	(526,913)	(5,189,396)
TOTAL NONOPERATING EXPENSES - NET	(3,091,294)	40	(655,215)	(320,953)	(233,052)	(525,727)	(4,826,201)
Other Special Items	(461,638)	-	-	-	-	-	(461,638)
Operating/Equity Transfers	661,321	-	(80,819)	(54,678)	(224,275)	(301,549)	-
CHANGES IN NET POSITION	5,136,177	80,046	(991,359)	(522,019)	(917,348)	(962,146)	1,823,351
NET POSITION (DEFICIT) - BEGINNING OF YEAR AS PREVIOUSLY REPORTED	359,800,055	34,721	9,992,921	2,128,504	5,621,213	9,942,117	387,519,531
PRIOR PERIOD ADJUSTMENT	2,189,682	-	-	-	-	-	2,189,682
NET POSITION - BEGINNING OF YEAR AS RESTATED	361,989,737	34,721	9,992,921	2,128,504	5,621,213	9,942,117	389,709,213
NET POSITION (DEFICIT) - END OF YEAR	$ 367,125,914	$ 114,767	$ 9,001,562	$ 1,606,485	$ 4,703,865	$ 8,979,971	$ 391,532,564

SUPPLEMENTARY INFORMATION

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

GRANT	FEDERAL CFDA NUMBER	GRANTOR'S NUMBER	GRANT PERIOD		EXPENDITURES	SUB-RECIPIENTS
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES						
Passed through State Department of Human Services:						
Low Income Home Energy Assistance Program	93.568	LWx20-09	06-01-20 to 9-21-22	$ 247,268		
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					$ 247,268	
U.S. DEPARTMENT OF ENERGY						
Weatherization Assistance for Low-Income Persons	81.042	Z-10-09	06-01-20 to 7-31-22	365,473		
Weatherization Assistance for Low-Income Persons	81.042	WAP 19-09	06-30-19 to 06-30-20	-		
TOTAL U.S. DEPARTMENT OF ENERGY					365,473	
U.S. DEPARTMENT OF JUSTICE						
BAJ Innovations in Community-Based Crime Reduction Program	16.817	2020-BJ-BX	10/01/20 to 09/30/23	72,679		
TOTAL U.S. DEPARTMENT OF JUSTICE					72,679	
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT						
Direct Programs:						
Housing Voucher Cluster:						
Section 8 Housing Choice Vouchers	14.871	A-3152V	10-1-20 to 9-30-21	55,301,596		
Section 8 Emergency Housing Vouchers	14.871	TN005EH0001	07-1-21 to 12-31-22	564,225		
Section 8 5yr Mainstream Vouchers	14.879	TN005DV0001	10-1-20 to 9-30-21	1,331,432		
					57,197,253	
Section 8 Project Based Cluster:						
Lower-Income Housing Assistance Program:						
Section 8 Moderate Rehabilitation - Single Room Occupancy	14.249	TN005SR0007	10-1-20 to 9-30-21	537,446		
Section 8 Moderate Rehabilitation - Single Room Occupancy	14.249	TN005SC0001	10-1-20 to 9-30-21	133,740		
					671,186	
Housing Assistance Payments Program:						
CWA Apartments I	14.195	TN43L000015	10-1-20 to 9-30-21	2,180,868		
CWA Apartments II	14.195	TN43L000016	10-1-20 to 9-30-21	748,538		
MDHA J Henry Hale LLC	14.195	TN43RD00004	10-1-20 to 9-30-21	1,123,494		
Cumberland View	14.195	TN43RD00003	10-1-20 to 9-30-21	2,182,287		
Andrew Jackson	14.195	TN43RD00002	10-1-20 to 9-30-21	2,207,201		
MDHA Madison Towers LLC	14.195	TN43RD00007	10-1-20 to 9-30-21	1,057,861		
Edgefield Manor	14.195	TN43RD00006	10-1-20 to 9-30-21	1,172,127		
Parkway Terrace	14.195	TN43RD00008	10-1-20 to 9-30-21	680,990		
Napier Place	14.195	TN43RD00011	10-1-20 to 9-30-21	2,874,594		
Sudekum Apartments	14.195	TN43RD00012	10-1-20 to 9-30-21	3,876,081		
Edgehill Apartments	14.195	TN43RD00013	10-1-20 to 9-30-21	3,050,345		
Gernert Studio Apartments	14.195	TN43RD00010	10-1-20 to 9-30-21	656,426		
Hadley Towers	14.195	TN43RD00015	10-1-20 to 9-30-21	654,784		
Parthenon Towers	14.195	TN43RD00014	10-1-20 to 9-30-21	1,173,005		
Carleen Batson Waller Manor	14.195	TN43RD00016	10-1-20 to 9-30-21	209,989		
Vine Hill Towers	14.195	TN43RD00005	10-1-20 to 9-30-21	926,610		
Vine Hill Apartments	14.195	TN43RD00017	10-1-20 to 9-30-21	469,166		
Preston Taylor Neighborhood Housing	14.195	TN43RD00019	10-1-20 to 9-30-21	192,795		
Boscobel Heights	14.195	TN43RD00021	10-1-20 to 9-30-21	3,174,720		
Cheatham Place	14.195	TN43RD00018	10-1-20 to 9-30-21	2,115,180		
Neighborhood Housing	14.195	TN43RD00024	10-1-20 to 9-30-21	1,853,770		
Historic Preston Taylor	14.195	TN43RD00020	10-1-20 to 9-30-21	1,045,022		
MDHA Kirkpatrick Park LLC	14.195	TN43RD00025	10-1-20 to 9-30-21	238,825		
					33,864,678	
Section 8 Project Based Cluster Total					34,535,864	

See accompanying independent auditor's report.

GRANT	FEDERAL CFDA NUMBER	GRANTOR'S NUMBER	GRANT PERIOD		EXPENDITURES	SUB-RECIPIENTS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (CONTINUED)						
Direct Programs (Continued):						
Continuum of Care Program						
Continuum of Care - CoC Rental Assistance	14.267	TN0068L4J041912	07-01-20 TO 06-30-21	1,448,395		
Continuum of Care - CoC Rental Assistance	14.267	TN0068L4J042013	07-01-21 TO 06-30-22	549,370		
Continuum of Care - CoC Planning Grant	14.267	TN0349L4J042000	09-01-21 TO 08-31-22	106,151		
					2,103,916	
Supportive Housing Program:						
Resident Opportunity and Supportive Services Program:						
Resident Opportunity and Supportive Services	14.870	TN005RPS070A015	03-24-16 to 6/30/21		66,141	
Family Self-Sufficiency Program	14.896	FSS20TN3326	01-01-20 to 03-31-20	14,049		
Family Self-Sufficiency Program	14.896	FSS21TN4101	01-01-21 to 12-31-21	238,630		
					252,679	
Jobs Plus	14.895	TN005FJP000515	01/01/16 to 09/30/2020		213,597	
Passed Through Metropolitan Government of Nashville and Davidson County, Tennessee:						
Cluster:						
Community Development Block Grants Program:						
Community Development Block Grants/Entitlement Grants	14.218	B-XX-MC-47-0007	N/A	3,806,812		
Community Development Block Grants/Entitlement Grants CAREs	14.218	B-20-MW-47-0007	07-21-20 to 07-21-2026	3,662,316		$ 3,493,100
Community Development Block Grants/Entitlement Grants DDRF	14.218	B-20-MC-47-2007	9/22/20 to 9/30/25	12,552		
Community Development Block Grants/Entitlement Grants-Disaster	14.218	B-10-MF-47-0002	04-30-2010 to	(1,344)		
					7,480,336	
HOME Investment Partnerships Program	14.239	M-XX-MC-47-0203	N/A		942,357	
Emergency Shelter Grants Program	14.231	E-XX-MC-47-0004	N/A	390,863		
Emergency Shelter Grants Program CAREs	14.231	E-20-MW-47-0007	07-24-20 to 07-24-22	4,203,568		3,651,529
					4,594,431	
Housing Opportunities for Persons with AIDS (HOPWA)	14.241	TN-HXX-F002	N/A	1,340,388		
Housing Opportunities for Persons with AIDS (HOPWA) CAREs	14.241	TN-HXX-F002	07-24-20 to 07-24-23	99,740		99,740
					1,440,128	
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					108,826,702	
TOTAL FEDERAL FINANCIAL ASSISTANCE					$ 109,512,122	$ 7,244,369

See accompanying independent auditor's report.

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2021

CFDA NUMBER		DESCRIPTION	EXPENDITURES
14.871		Section 8 Housing Choice Vouchers (HCV cluster)	$ 55,865,821
14.879		Section 8 Five Year Mainstream Vouchers (HCV cluster)	1,331,432
14.195	*	Housing Assistance Payments Program	33,864,678
14.267	*	Continuum of Care	2,103,916
14.218	*	Community Development Block Grants/Entitlement Grants (CDBG cluster)	7,480,336
14.239		HOME Investment Partnerships Program	942,357
14.241		Housing Opportunities for Persons With AIDS	1,440,128
81.042		Weatherization Assistance for Low-Income Persons	365,473
14.249	*	Section 8 Moderate Rehabilitation - Single Room Occupancy	671,186
14.870		Resident Opportunity and Supportive Services	66,141
14.896		Family Self-Sufficiency Program	252,679
16.817		Community-Based Crime Reduction	72,679
14.895		Jobs Plus	213,597
14.231	*	Emergency Shelter Grants Program	4,594,431
93.568		Low Income Home Energy Assistance Program	247,268
		TOTAL FEDERAL FINANCIAL ASSISTANCE	$ 109,512,122

See accompanying independent auditor's report.

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE A - BASIS OF PRESENTATION

This schedule of expenditures of federal awards includes the federal grant activity of the Metropolitan Development and Housing Agency and is presented in accordance with accounting principles generally accepted in the United States of America, which is the same basis of accounting as the basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations ("CFR") Part 200, Uniform Administrative Requirements, Cost Principles, Audit Requirements, for Federal Awards ("Uniform Guidance").

NOTE B - INDIRECT COSTS

Pursuant to a cost allocation plan, the indirect expenses are allocated based on salary and fringe benefits. The Agency has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE
SEPTEMBER 30, 2021

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Final Maturity Date	Outstanding 10/1/2020	Issued During Period	Paid and/or Matured During Period	Outstanding 9/30/2021
Affordable Housing Activities								
Lenore Garden Apartments	$ 1,400,000	Variable	5/24/2012	6/25/2024	$ 353,678	$ -	$ (93,360)	$ 260,318
Uptown Flats	2,945,072	5.51 %	4/19/2014	1/1/2024	1,635,769	-	(204,257)	1,431,512
Nance Place Apartments	2,300,000	Variable	12/1/2011	12/1/2026	1,622,668	-	(76,680)	1,545,988
Nance Place Apartments	9,076,327	0.0 %	12/1/2009	11/1/2024	5,690,405	-	(812,914)	4,877,491
CWA Apartments	3,508,629	1.0 %	12/19/2014	9/30/2034	3,053,255	-	(198,559)	2,854,696
CWA II Apartments	1,659,585	1.0 %	12/19/2014	9/30/2034	1,454,576	-	(94,275)	1,360,301
10th & Jefferson Apartments	7,875,600	4.25 %	4/1/2017	4/1/2057	7,485,929	26,603	(85,530)	7,427,002
J Henry Hale Apartments	20,478,300	3.41 %	7/1/2017	8/1/2052	19,489,653	54,407	(700,017)	18,844,043
Kirkpatrick Park Apartments	13,776,500	3.9 %	11/1/2017	6/1/2059	13,593,116	-	(476,512)	13,116,604
Madison Towers	6,986,400	3.44 %	8/1/2019	9/1/2054	6,881,507	19,416	(317,461)	6,583,462
Harper Cove Townhomes	5,400,000	Variable	5/30/2018	5/30/2030	5,353,747	-	(144,255)	5,209,492
Red Oak Townhomes	6,000,000	Variable	7/31/2020	10/31/2022	124,850	4,519,438	-	4,644,288
Victory Hall Apartments	500,000	0.0 %	8/2/2019	8/2/2025	375,000	125,000	-	500,000
Mosley on 6th	1,684,554	Variable	8/15/2018	1/4/2021	1,684,554	-	(1,684,554)	-
Mosley on 6th	7,000,000	Variable	8/15/2018	8/15/2033	7,000,000	-	(146,800)	6,853,200
Mosley on 6th	8,557,622	Variable	8/15/2018	1/4/2021	8,557,622	-	(8,557,622)	-
Total Affordable Housing Activity Loans					$ 84,356,329	$ 4,744,864	$ (13,592,796)	$ 75,508,397
Development Activities								
Metro Government of Nashville Sports Authority	$ 28,000,000	4.55 %	7/1/2014	7/1/2043	$ 28,972,819	$ 1,290,628	$ (1,990,563)	$ 28,272,884
5th Ave of the Arts Garage	42,900,000	4.839 %	11/14/2014	11/14/2044	40,578,369	-	(875,507)	39,702,862
K-8 Charter School	4,960,000	6.0 %	9/24/2018	9/24/2025	4,960,000	-	-	4,960,000
K-8 Charter School	4,960,000	6.0 %	9/24/2018	9/24/2025	4,960,000	-	-	4,960,000
K-8 Charter School	4,960,000	6.0 %	9/24/2018	9/24/2025	4,960,000	-	-	4,960,000
Trolley Barns Garage	11,895,816	Variable	7/27/2020	2/28/2022	-	10,770,017	-	10,770,017
Total Development Activity Loans					84,431,188	12,060,645	(2,866,070)	93,625,763
Total Primary Government Debt					$ 168,787,517	$ 16,805,509	$ (16,458,866)	$ 169,134,160

See accompanying independent auditor's report.

OTHER REPORTS

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

To the Board of Commissioners
Metropolitan Development and Housing Agency

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and aggregate discretely presented component units of Metropolitan Development and Housing Agency (the "Agency") as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated March 10, 2022. Our report includes a reference to other auditors who audited the financial statements of Levy Place LP, Ryman Lofts at Rolling Mill Hill, LP, Boscobel I, LP, CP II, LP, and Victory Hall, LP ("Discretely Presented Component Units"), as described in our report on the Agency's financial statements. The financial statements of the Discretely Presented Component Unites were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matter associated with the Discretely Presented Component Units or that are reported on separately by those auditors who audited the financial statements of the Discretely Presented Component Units.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

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

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency'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 Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

MCM CPAs & Advisors LLP

Lexington, Kentucky
March 10, 2022

Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance

To the Board of Commissioners
Metropolitan Development and Housing Agency

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance (Continued)

Opinion on Each Major Federal Program

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

Report on Internal Control over Compliance

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

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

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

Other Matters

This independent auditor’s report on compliance for each major federal program and report on internal control over compliance in accordance with Uniform Guidance replaces the report previously issued on March 10, 2022. Subsequent to the issuance of that previously-issued report it was determined that Agency had an additional major program, Emergency Solutions Grant Program (14.231), that was required to be tested. The Schedule of Findings and Questioned Costs has been amended to reflect that the Emergency Solutions Grant Program was audited as a major program.

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.

MCM CPAs & Advisors LLP

Lexington, Kentucky
March 10, 2022, except for the inclusion of the Emergency Shelter Grants Program (14.231) as a major federal program which is as of May 10, 2022

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

SECTION I - SUMMARY OF INDEPENDENT AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	_yes x no
Significant deficiency(ies) identified not considered to be material weaknesses?	_yes x none reported
Noncompliance material to financial statements noted?	_yes x no

Federal Awards

Internal Control over major programs:	
Material weakness(es) identified?	_yes x no
Significant deficiency(ies) identified not considered to be material weaknesses?	_yes x none reported
Type of auditors' report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	_yes x no

Identification of major programs:

Section 8 Project Based Cluster		
14.195	Section 8 Housing Assistance Payments Program	$ 33,864,678
14.249	Section 8 Moderate Rehabilitation Single Room Occupancy	671,186
Total Section 8 Project Based Cluster		$ 34,535,864
14.267	Continuum of Care Program	$ 2,103,916
14.218	Community Development Block Grants/Entitlement Grants	$ 7,480,336
14.231	Emergency Shelter Grants Program	$ 4,594,431

Dollar threshold used to distinguish between Type A and Type B programs: $ 3,000,000

Auditee qualified as low-risk auditee? _yes X no

SECTION II - FINANCIAL STATEMENT FINDINGS

None.

SECTION III - FEDERAL AWARDS

None.

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED SEPTEMBER 30, 2021

None.

Metropolitan Development & Housing Agency (TN005)
NASHVILLE, TN
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit Fiscal Year End: 09/30/2021

	Project Total	14.218 Community Development Block Grants/Entitlement Grants	81.042 Weatherization Assistance for Low-Income Persons	14.256 Neighborhood Stabilization Program (Recovery Act Funded)	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14.896 PIH Family Self-Sufficiency Program	14.895 Jobs-Plus Pilot Initiative	1 Business Activities	2 State/Local	14.267 Continuum of Care Program	14.195 Section 8 Housing Assistance Payments Program_Special Allocations	93.568 Low-Income Home Energy Assistance	14.879 Mainstream Vouchers	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	14.231 Emergency Shelter Grants Program	14.HCC HCV CARES Act Funding	14.241 Housing Opportunities for Persons with AIDS	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	14.EHV Emergency Housing Voucher	16.817 Byrne Criminal Justice Innovation Program	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted		$303,110		$577,090	$1,515,782	$258,014			$22,124,739	$5,571,221		$8,436,543		$376,281	$160,809	$2,557,091					$373,695	$125,604			$42,379,979		$42,379,979
112 Cash - Restricted - Modernization and Development					$1,002,657																				$1,002,657		$1,002,657
113 Cash - Other Restricted					$3,337,319	$2,242,383		$6,560	$1,307,991			$51,190,236				$1,518,351						$785,121			$60,387,961		$60,387,961
114 Cash - Tenant Security Deposits					$187,798	$235,609			$204,678			$1,358,131													$1,986,216		$1,986,216
115 Cash - Restricted for Payment of Current Liabilities												$245,991												$1,792,774	$2,038,765		$2,038,765
100 Total Cash	$0	$303,110	$0	$577,090	$6,043,556	$2,736,006	$0	$6,560	$23,637,408	$5,571,221	$0	$61,230,901	$0	$376,281	$160,809	$4,075,442	$0	$0	$0	$0	$373,695	$910,725	$0	$1,792,774	$107,795,578	$0	$107,795,578
121 Accounts Receivable - PHA Projects																											
122 Accounts Receivable - HUD Other Projects		$1,008,172				$37,816	$17,614	$11,061	$5,564		$399,960	$129,948			$151,336			$691,418		$102,645			$0		$2,555,534		$2,555,534
124 Accounts Receivable - Other Government			$275,787		$1,367					$791,107			$245,739										$25,712		$1,339,712		$1,339,712
125 Accounts Receivable - Miscellaneous						$0		$1,319	$808,550		$12	$596				$6,386								$32,044	$848,907		$848,907
126 Accounts Receivable - Tenants					$276,946	$189,663			$224,388			$1,512,767												$132,450	$2,336,214		$2,336,214
126.1 Allowance for Doubtful Accounts -Tenants					($217,390)	($135,709)			($21,196)			($1,241,969)												($132,450)	($1,748,714)		($1,748,714)
126.2 Allowance for Doubtful Accounts - Other		($35,309)	$0		$0	$0	$0	$0	$0	($12,275)	$0	$0	$0		($38,115)	$0		$0		$0			$0	$0	($85,699)		($85,699)
127 Notes, Loans, & Mortgages Receivable - Current		$44,139							$3,081,150	$12,275					$139,809										$3,277,373		$3,277,373
128 Fraud Recovery														$7,383		$5,764,292					$40,389				$5,812,064		$5,812,064
128.1 Allowance for Doubtful Accounts - Fraud														($7,383)		($5,764,292)					($40,389)				($5,812,064)		($5,812,064)
129 Accrued Interest Receivable																											
120 Total Receivables, Net of Allowances for Doubtful Accounts	$0	$1,017,002	$275,787	$0	$60,923	$91,770	$17,614	$12,380	$4,098,456	$791,107	$399,972	$401,342	$245,739	$0	$253,030	$6,386	$0	$691,418	$0	$102,645	$0	$0	$25,712	$32,044	$8,523,327	$0	$8,523,327
131 Investments - Unrestricted																								$2,501,275	$2,501,275		$2,501,275
132 Investments - Restricted																											
135 Investments - Restricted for Payment of Current Liability																											
142 Prepaid Expenses and Other Assets		$8,615	$326		$822,719	$171,191	$1,577	$609	$727,480	$4,718	$569	$211,967	$625		$968	$23,015		$1,368		$261				$364,518	$2,340,526		$2,340,526
143 Inventories																								$180,000	$180,000		$180,000
143.1 Allowance for Obsolete Inventories		$0													$0									$0	$0		$0
144 Inter Program Due From																								$1,209,160	$1,209,160	($1,209,160)	$0
145 Assets Held for Sale		$1,144,993								$53,123					$147,194										$1,345,310		$1,345,310
150 Total Current Assets	$0	$2,473,720	$276,113	$577,090	$6,927,198	$2,998,967	$19,191	$19,549	$28,463,344	$6,420,169	$400,541	$61,844,210	$246,364	$376,281	$562,001	$4,104,843	$0	$692,786	$0	$102,906	$373,695	$910,725	$25,712	$6,079,771	$123,895,176	($1,209,160)	$122,686,016
161 Land		$845,711		$1,256,636	$17,858,975	$9,307,506			$5,720,226	$60,701,394		$22,797,339			$90,000	$51,500								$946,688	$119,575,975		$119,575,975
162 Buildings		$1,402,415		$6,969,637	$75,548,103	$73,135,980			$20,286,524	$31,037,223		$275,366,759			$625,649	$1,034,559								$5,426,085	$490,832,934		$490,832,934
163 Furniture, Equipment & Machinery - Dwellings		$61,823			$3,261,460	$1,476,590			$88,000			$4,077,783												$960,764	$9,926,420		$9,926,420
164 Furniture, Equipment & Machinery - Administration		$20,789	$6,338			$124,684						$5,916				$15,446								$758,872	$932,045		$932,045
165 Leasehold Improvements																											
166 Accumulated Depreciation		($841,859)	($6,338)	($1,511,810)	($6,940,356)	($26,090,250)			($5,192,595)	($6,369,853)		($198,019,034)			($179,224)	($585,833)								($4,393,716)	($250,130,868)		($250,130,868)
167 Construction in Progress					$52,878,628	$871,548			$6,863,298	$27,037,062		$250,382												$59,633	$87,960,551		$87,960,551
168 Infrastructure						$9,250,850			$907,572			$16,346,126												$264,377	$26,768,925		$26,768,925
160 Total Capital Assets, Net of Accumulated Depreciation	$0	$1,488,879	$0	$6,714,463	$142,606,810	$68,076,908	$0	$0	$28,673,025	$112,405,826	$0	$120,825,271	$0	$0	$536,425	$515,672	$0	$0	$0	$0	$0	$0	$0	$4,022,703	$485,865,982	$0	$485,865,982
171 Notes, Loans and Mortgages Receivable - Non-Current		$80,174							$67,516,330	$12,308,101					$3,354,937										$83,259,542		$83,259,542
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due																											
173 Grants Receivable - Non Current																											
174 Other Assets					$428,187				$130,360	$33,976,884															$34,535,431		$34,535,431
176 Investments in Joint Ventures																											
180 Total Non-Current Assets	$0	$1,569,053	$0	$6,714,463	$143,034,997	$68,076,908	$0	$0	$96,319,715	$158,690,811	$0	$120,825,271	$0	$0	$3,891,362	$515,672	$0	$0	$0	$0	$0	$0	$0	$4,022,703	$603,660,955	$0	$603,660,955
200 Deferred Outflow of Resources																											
290 Total Assets and Deferred Outflow of Resources	$0	$4,042,773	$276,113	$7,291,553	$149,962,195	$71,075,875	$19,191	$19,549	$124,783,059	$165,110,980	$400,541	$182,669,481	$246,364	$376,281	$4,453,363	$4,620,515	$0	$692,786	$0	$102,906	$373,695	$910,725	$25,712	$10,102,474	$727,556,131	($1,209,160)	$726,346,971
311 Bank Overdraft																								$0	$0		$0
312 Accounts Payable <= 90 Days		$561,180			$3,087,335	$104,665		$4,804	$814,241	$1,141,568	$383	$1,156,553			$117,285	$7,683		$611,370		$93,943	$16			$2,143,130	$9,844,156		$9,844,156
313 Accounts Payable >90 Days Past Due																											
321 Accrued Wage/Payroll Taxes Payable		$41,425	$3,160		$12,527	$31,272	$8,260	$5,362	$2,742	$20,780	$2,878	$348,955	$1,652		$6,016	$102,307		$6,277		$1,127			$3,776	$293,101	$891,617		$891,617
322 Accrued Compensated Absences - Current Portion		$24,008	$1,570		$14,373	$22,967	$2,339	$2,346	$1,961	$13,573	$4,785	$209,827	$813		$3,490	$92,981		$2,068		$265			$436	$250,980	$648,782		$648,782
324 Accrued Contingency Liability																											
325 Accrued Interest Payable					$1,158,561																				$1,158,561		$1,158,561
331 Accounts Payable - HUD PHA Programs					$8,953																$104,459				$113,412		$113,412
332 Account Payable - PHA Projects																											
333 Accounts Payable - Other Government																											
341 Tenant Security Deposits					$198,394	$235,609			$204,678			$1,358,131													$1,996,812		$1,996,812
342 Unearned Revenue					$53,366	$121,889			$79,674	$35,955		$283,111			$173,902							$346,500		$2,672	$1,097,069		$1,097,069
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue				$217,790	$20,416,530	$863,649			$1,767,895	$19,810,072		$294,614													$43,370,550		$43,370,550
344 Current Portion of Long-term Debt - Operating Borrowings																											
345 Other Current Liabilities																											
346 Accrued Liabilities - Other					$516,065	$104,630			$10,096	$31,987		$1,073,323				$29,366									$1,765,467		$1,765,467
347 Inter Program - Due To		$227,468	$266,675				$1,577				$378,142		$241,459					$66,868		$6,778			$20,193		$1,209,160	($1,209,160)	$0
348 Loan Liability - Current																											
310 Total Current Liabilities	$0	$854,081	$271,405	$217,790	$25,466,104	$1,484,681	$12,176	$12,512	$2,881,287	$21,053,935	$386,188	$4,724,514	$243,924	$0	$300,693	$232,337	$0	$686,583	$0	$102,113	$104,475	$346,500	$24,405	$2,689,883	$62,095,586	($1,209,160)	$60,886,426
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue				$1,213,722	$94,334,555	$45,107,463			$31,858,593	$64,079,979		$3,920,383													$240,514,695		$240,514,695
352 Long-term Debt, Net of Current - Operating Borrowings																											
353 Non-current Liabilities - Other					$1,839,625	$8,182						$245,991				$1,094,389									$3,188,187		$3,188,187
354 Accrued Compensated Absences - Non Current		$72,021	$4,708		$29,354	$68,899	$7,015	$7,037	$5,880	$40,719	$14,353	$629,470	$2,440		$10,469	$278,942		$6,203		$793			$1,307	$752,932	$1,932,542		$1,932,542
355 Loan Liability - Non Current																											
356 FASB 5 Liabilities																											
357 Accrued Pension and OPEB Liabilities																											

Metropolitan Development & Housing Agency (TN005)

NASHVILLE, TN

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit Fiscal Year End: 09/30/2021

350 Total Non-Current Liabilities	$0	$72,021	$4,708	$1,213,722	$96,203,534	$45,184,544	$7,015	$7,037	$31,864,473	$64,120,698	$14,353	$4,795,844	$2,440	$0	$10,469	$1,373,331	$0	$6,203	$0	$793	$0	$0	$1,307	$752,932	$245,635,424	$0	$245,635,424
300 Total Liabilities	$0	$926,102	$276,113	$1,431,512	$121,669,638	$46,669,225	$19,191	$19,549	$34,745,760	$85,174,633	$400,541	$9,520,358	$246,364	$0	$311,162	$1,605,668	$0	$692,786	$0	$102,906	$104,475	$346,500	$25,712	$3,442,815	$307,731,010	($1,209,160)	$306,521,850
400 Deferred Inflow of Resources																											
508.3 Nonspendable Fund Balance																											
508.4 Net Investment in Capital Assets		$1,488,879		$5,282,951	$26,697,164	$22,062,117			$16,779,737	$62,492,659		$116,610,274			$536,425	$515,672								$4,022,703	$256,488,581		$256,488,581
509.3 Restricted Fund Balance																											
510.3 Committed Fund Balance																											
511.3 Assigned Fund Balance																											
511.4 Restricted Net Position					$4,261,725	$2,205,099			$1,307,991			$51,190,231				$423,962						$438,621			$59,827,629		$59,827,629
512.3 Unassigned Fund Balance																											
512.4 Unrestricted Net Position	$0	$1,627,792	$0	$577,090	($2,666,332)	$139,434	$0	$0	$71,949,571	$17,443,688	$0	$5,348,618	$0	$376,281	$3,605,776	$2,075,213	$0	$0	$0	$0	$269,220	$125,604	$0	$2,636,956	$103,508,911		$103,508,911
513 Total Equity - Net Assets / Position	$0	$3,116,671	$0	$5,860,041	$28,292,557	$24,406,650	$0	$0	$90,037,299	$79,936,347	$0	$173,149,123	$0	$376,281	$4,142,201	$3,014,847	$0	$0	$0	$0	$269,220	$564,225	$0	$6,659,659	$419,825,121	$0	$419,825,121
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	$0	$4,042,773	$276,113	$7,291,553	$149,962,195	$71,075,875	$19,191	$19,549	$124,783,059	$165,110,980	$400,541	$182,669,481	$246,364	$376,281	$4,453,363	$4,620,515	$0	$692,786	$0	$102,906	$373,695	$910,725	$25,712	$10,102,474	$727,556,131	($1,209,160)	$726,346,971

Metropolitan Development & Housing Agency (TN005)

NASHVILLE, TN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit   Fiscal Year End: 09/30/2021

	Project Total	14.218 Community Development Block Grants/Entitlement Grants	81.042 Weatherization Assistance for Low-Income Persons	14.256 Neighborhood Stabilization Program (Recovery Act Funded)	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14.896 PIH Family Self-Sufficiency Program	14.895 Jobs-Plus Pilot Initiative	1 Business Activities	2 State/Local	14.267 Continuum of Care Program	14.195 Section 8 Housing Assistance Payments Program_Special Allocations	93.568 Low-Income Home Energy Assistance	14.879 Mainstream Vouchers	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	14.231 Emergency Shelter Grants Program	14.HCC HCV CARES Act Funding	14.241 Housing Opportunities for Persons with AIDS	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	14.EHV Emergency Housing Voucher	16.817 Byrne Criminal Justice Innovation Program	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue					$2,813,587	$3,252,410			$4,060,878			$12,279,329													$22,406,204		$22,406,204
70400 Tenant Revenue - Other					$107,475	$139,543			$147,164			$427,004													$821,186		$821,186
70500 Total Tenant Revenue	$0	$0	$0	$0	$2,921,062	$3,391,953	$0	$0	$4,208,042	$0	$0	$12,706,333	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$23,227,390	$0	$23,227,390
70600 HUD PHA Operating Grants		$7,480,336			$1,460,149	$2,420,180	$252,679	$213,597			$2,103,916	$31,444,498		$1,331,432	$942,357	$54,348,161	$66,141	$4,594,431	$953,435	$1,440,128	$671,186	$564,225	$0		$110,286,851		$110,286,851
70610 Capital Grants																											
70710 Management Fee																								$5,713,085	$5,713,085	($5,713,085)	$0
70720 Asset Management Fee																											
70730 Book Keeping Fee																								$914,194	$914,194	($914,194)	$0
70740 Front Line Service Fee																								$1,315,403	$1,315,403	($1,315,403)	$0
70750 Other Fees																								$0	$0		$0
70700 Total Fee Revenue																								$7,942,682	$7,942,682	($7,942,682)	$0
70800 Other Government Grants			$365,473										$247,268										$72,679		$685,420		$685,420
71100 Investment Income - Unrestricted					$6,584	$4,005			$5,710			$49,800				$16,714								$110,224	$193,037		$193,037
71200 Mortgage Interest Income																											
71300 Proceeds from Disposition of Assets Held for Sale																											
71310 Cost of Sale of Assets																											
71400 Fraud Recovery														$919		$220,836					$811				$222,566		$222,566
71500 Other Revenue		$279,558			$183,437	$265,788			$4,000,512	$17,149,267		$1,474,947			$319,491	$61,022								$1,533,850	$25,267,872	$119,531	$25,387,403
71600 Gain or Loss on Sale of Capital Assets												($18,374)													($18,374)		($18,374)
72000 Investment Income - Restricted						$1,973			$1,624			$191,519													$195,116		$195,116
70000 Total Revenue	$0	$7,759,894	$365,473	$0	$4,571,232	$6,083,899	$252,679	$213,597	$8,215,888	$17,149,267	$2,103,916	$45,848,723	$247,268	$1,332,351	$1,261,848	$54,646,733	$66,141	$4,594,431	$953,435	$1,440,128	$671,997	$564,225	$72,679	$9,586,756	$168,002,560	($7,823,151)	$160,179,409
91100 Administrative Salaries		$901,958	$52,970	$3,109	$605,758	$369,802		$84,661	$211,471	$444,026	$106,988	$2,665,862	$48,176		$111,382	$1,987,358		$116,596	$183,533	$19,864			$37,143	$6,663,292	$14,613,949		$14,613,949
91200 Auditing Fees						$42,820				$5,925						$16,700								$75,000	$140,445		$140,445
91300 Management Fee		$381,313	$7,000		$271,476	$409,953			$26,797	$191,744	$9,536	$3,353,064			$48,098	$904,512		$33,739		$2,999					$5,640,231	($5,640,231)	$0
91310 Book-keeping Fee						$31,445			$4,205			$284,360				$565,319									$885,329	($885,329)	$0
91400 Advertising and Marketing		$10,270			$2,263	$796			$27,557			$12,219				$1,925		$1,048		$1,735					$57,813		$57,813
91500 Employee Benefit contributions - Administrative		$267,826	$18,558	$1,040		$129,115		$29,096	$71,358	$148,542	$24,291	$954,880	$16,854		$34,281	$802,002		$35,770		$6,587			$13,682	$2,071,275	$4,625,157		$4,625,157
91600 Office Expenses					$333,493	$78,561			$90,220	$503	$43	$708,443	$2,183			$443,707		$1,498		$1,501					$1,660,152		$1,660,152
91700 Legal Expense					$90,112	$13,815			$13,147	$2,300		$132,386				$64,409								$201,996	$518,165	($12,318)	$505,847
91800 Travel			$124			$16			$713	$86		$708				$11,203									$12,850		$12,850
91810 Allocated Overhead																											
91900 Other		$106,402	$78,846		$208,442	$63,573	$10,367	$18,342	$286,619	$42,363				$230	$8,397	$83,535	$2,081				$218		$110	$1,540,369	$2,449,894		$2,449,894
91000 Total Operating - Administrative	$0	$1,667,769	$157,498	$4,149	$1,511,544	$1,139,896	$10,367	$132,099	$732,087	$835,489	$140,858	$8,111,922	$67,213	$230	$202,158	$4,880,670	$2,081	$188,651	$183,533	$32,686	$218	$0	$50,935	$10,551,932	$30,603,985	($6,537,878)	$24,066,107
92000 Asset Management Fee																											
92100 Tenant Services - Salaries						$27,043	$172,462	$10,177				$134,918					$43,333							$63,734	$451,667		$451,667
92200 Relocation Costs						$1,000						$2,916													$3,916		$3,916
92300 Employee Benefit Contributions - Tenant Services						$9,217	$67,310	$2,565				$47,633					$14,486							$21,178	$162,389		$162,389
92400 Tenant Services - Other					$19,231	$15,108			$16,074			$154,798					$3,891						$1,706	$15,666	$226,474		$226,474
92500 Total Tenant Services	$0	$0	$0	$0	$19,231	$52,368	$239,772	$12,742	$16,074	$0	$0	$340,265	$0	$0	$0	$0	$61,710	$0	$0	$0	$0	$0	$1,706	$100,578	$844,446	$0	$844,446
93100 Water		$4,152				$200,721			$247,527	$8,678		$4,026,944				$1,950								$15,489	$4,505,461		$4,505,461
93200 Electricity					$356,026	$320,255			$92,179	$47,677		$4,674,872				$9,174								$13,748	$5,513,931		$5,513,931
93300 Gas						$4,117			$409			$577,533				$2,089								$8,344	$592,492		$592,492
93400 Fuel																											
93500 Labor																											
93600 Sewer																											
93700 Employee Benefit Contributions - Utilities																											
93800 Other Utilities Expense																											
93000 Total Utilities	$0	$4,152	$0	$0	$356,026	$525,093	$0	$0	$340,115	$56,355	$0	$9,279,349	$0	$0	$0	$13,213	$0	$0	$0	$0	$0	$0	$0	$37,581	$10,611,884	$0	$10,611,884
94100 Ordinary Maintenance and Operations - Labor						$310,675			$192,510			$4,334,826												$861,926	$5,699,937		$5,699,937
94200 Ordinary Maintenance and Operations - Materials and Other		$2,660				$216,726			$104,197			$3,125,466												$363,642	$3,812,691		$3,812,691
94300 Ordinary Maintenance and Operations Contracts		$519,901	$206,346		$633,194	$837,404			$721,019	$121,524		$7,392,532	$179,331		$588	$15,777								$164,491	$10,792,107	($1,265,334)	$9,526,773
94500 Employee Benefit Contributions - Ordinary Maintenance						$115,713			$11,222			$1,765,012												$353,654	$2,245,601		$2,245,601
94000 Total Maintenance	$0	$522,561	$206,346	$0	$633,194	$1,480,518	$0	$0	$1,028,948	$121,524	$0	$16,617,836	$179,331	$0	$588	$15,777	$0	$0	$0	$0	$0	$0	$0	$1,743,713	$22,550,336	($1,265,334)	$21,285,002
95100 Protective Services - Labor																											
95200 Protective Services - Other Contract Costs					$79,577	$168,666			$62,139	$4,794		$1,827,862													$2,143,038		$2,143,038
95300 Protective Services - Other						$12,202			$220,577							$5,164								$102,654	$340,597		$340,597
95500 Employee Benefit Contributions - Protective Services																											
95000 Total Protective Services	$0	$0	$0	$0	$79,577	$180,868	$0	$0	$282,716	$4,794	$0	$1,827,862	$0	$0	$0	$5,164	$0	$0	$0	$0	$0	$0	$0	$102,654	$2,483,635	$0	$2,483,635
96110 Property Insurance					$372,282	$70,652			$39,841	$63,414		$514,196				$545								$1,920	$1,062,850		$1,062,850
96120 Liability Insurance						$20,153			$9,346	$23,717		$143,924				$13,988								$23,603	$234,731		$234,731
96130 Workmen's Compensation		$2,871	$109			$8,658	$526	$203	$8,083	$1,573	$190	$88,751	$208		$323	$28,761		$456		$87				$111,989	$252,788		$252,788
96140 All Other Insurance						$1,253				$1,213		$18,177												$80,716	$101,359		$101,359
96100 Total insurance Premiums	$0	$2,871	$109	$0	$372,282	$100,716	$526	$203	$57,270	$89,917	$190	$765,048	$208	$0	$323	$43,294	$0	$456	$0	$87	$0	$0	$0	$218,228	$1,651,728	$0	$1,651,728
96200 Other General Expenses		$5,604,586	$484			$288,373		$5,131	$1,597,573	$2,596,265	$4,778	$396,410			$1,138,704	$3,981	$3,380	$4,399,188		$1,406,781			$18,295	$74,344	$17,538,273	($19,939)	$17,518,334
96210 Compensated Absences		$9,360	$1,036	($402)	$17,432	$7,682	$2,014	($83)	$293	$2,568	($2,057)	($19,037)	$516		($333)	($29,171)	($1,030)	$6,136		$574			$1,743	($90,650)	($93,409)		($93,409)
96300 Payments in Lieu of Taxes					$33,750	$31,630			$19,851			$252,376													$337,607		$337,607
96400 Bad debt - Tenant Rents					$155,391	$85,904			$35,247			$774,627													$1,051,169		$1,051,169
96500 Bad debt - Mortgages																											
96600 Bad debt - Other																											

Metropolitan Development & Housing Agency (TN005)
NASHVILLE, TN
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit   Fiscal Year End: 09/30/2021

96800 Severance Expense																											
96000 Total Other General Expenses	$0	$5,613,946	$1,520	($402)	$206,573	$413,589	$2,014	$5,048	$1,652,964	$2,598,833	$2,721	$1,404,376	$516	$0	$1,138,371	($25,190)	$2,350	$4,405,324	$0	$1,407,355	$0	$0	$20,038	($16,306)	$18,833,640	($19,939)	$18,813,701
96710 Interest of Mortgage (or Bonds) Payable					$1,404,505																				$1,404,505		$1,404,505
96720 Interest on Notes Payable (Short and Long Term)				$86,172		$1,740,885			$1,043,308	$2,275,049		$43,982													$5,189,396		$5,189,396
96730 Amortization of Bond Issue Costs																											
96700 Total Interest Expense and Amortization Cost	$0	$0	$0	$86,172	$1,404,505	$1,740,885	$0	$0	$1,043,308	$2,275,049	$0	$43,982	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$6,593,901	$0	$6,593,901
96900 Total Operating Expenses	$0	$7,811,299	$365,473	$89,919	$4,582,932	$5,633,933	$252,679	$150,092	$5,153,482	$5,981,961	$143,769	$38,390,640	$247,268	$230	$1,341,440	$4,932,928	$66,141	$4,594,431	$183,533	$1,440,128	$218	$0	$72,679	$12,738,380	$94,173,555	($7,823,151)	$86,350,404
97000 Excess of Operating Revenue over Operating Expenses	$0	($51,405)	$0	($89,919)	($11,700)	$449,966	$0	$63,505	$3,062,406	$11,167,306	$1,960,147	$7,458,083	$0	$1,332,121	($79,592)	$49,713,805	$0	$0	$769,902	$0	$671,779	$564,225	$0	($3,151,624)	$73,829,005	$0	$73,829,005
97100 Extraordinary Maintenance																											
97200 Casualty Losses - Non-capitalized																											
97300 Housing Assistance Payments											$1,857,727			$945,162		$53,928,136			$769,902		$561,427				$58,062,354		$58,062,354
97350 HAP Portability-In																$107,827									$107,827		$107,827
97400 Depreciation Expense		$68,575		$187,999	$2,671,885	$3,101,471			$594,407	$995,754		$8,286,542			$15,641	$27,891								$107,255	$16,057,420		$16,057,420
97500 Fraud Losses																											
97600 Capital Outlays - Governmental Funds																											
97700 Debt Principal Payment - Governmental Funds																											
97800 Dwelling Units Rent Expense																											
90000 Total Expenses	$0	$7,879,874	$365,473	$277,918	$7,254,817	$8,735,404	$252,679	$150,092	$5,747,889	$6,977,715	$2,001,496	$46,677,182	$247,268	$945,392	$1,357,081	$58,996,782	$66,141	$4,594,431	$953,435	$1,440,128	$561,645	$0	$72,679	$12,845,635	$168,401,156	($7,823,151)	$160,578,005
10010 Operating Transfer In																											
10020 Operating transfer Out																											
10030 Operating Transfers from/to Primary Government																											
10040 Operating Transfers from/to Component Unit																											
10050 Proceeds from Notes, Loans and Bonds																											
10060 Proceeds from Property Sales																											
10070 Extraordinary Items, Net Gain/Loss																											
10080 Special Items (Net Gain/Loss)					$418,942				$19,960			($481,598)													($42,696)		($42,696)
10091 Inter Project Excess Cash Transfer In																											
10092 Inter Project Excess Cash Transfer Out																											
10093 Transfers between Program and Project - In		$45,749		$400,829					$9,452,784	$485,186		$63,505				$293,392								$6,144,844	$16,886,289		$16,886,289
10094 Transfers between Project and Program - Out						($661,321)		($63,505)	($4,259,674)	($2,656,236)	($102,420)	($8,598,084)		($100,572)							($90,400)			($354,077)	($16,886,289)		($16,886,289)
10100 Total Other financing Sources (Uses)	$0	$45,749	$0	$400,829	$418,942	($661,321)	$0	($63,505)	$5,213,070	($2,171,050)	($102,420)	($9,016,177)	$0	($100,572)	$0	$293,392	$0	$0	$0	$0	($90,400)	$0	$0	$5,790,767	($42,696)	$0	($42,696)
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	$0	($74,231)	$0	$122,911	($2,264,643)	($3,312,826)	$0	$0	$7,681,069	$8,000,502	$0	($9,844,636)	$0	$286,387	($95,233)	($4,056,657)	$0	$0	$0	$0	$19,952	$564,225	$0	$2,531,888	($441,292)	$0	($441,292)
11020 Required Annual Debt Principal Payments	$0	$0	$0	$204,257	$979,156	$694,241	$0	$0	$11,371,931	$875,507	$0	$292,834	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$14,417,926	$0	$14,417,926
11030 Beginning Equity	$0	$3,190,902	$0	$5,737,130	$29,534,825	$27,719,476	$0	$0	$82,356,230	$71,935,845	$0	$182,993,759	$0	$89,894	$2,047,752	$7,071,504	$0	$0	$0	$0	$249,268	$0	$0	$4,127,771	$417,054,356		$417,054,356
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors					$1,022,375	$0			$0						$2,189,682										$3,212,057		$3,212,057
11050 Changes in Compensated Absence Balance																											
11060 Changes in Contingent Liability Balance																											
11070 Changes in Unrecognized Pension Transition Liability																											
11080 Changes in Special Term/Severance Benefits Liability																											
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents																											
11100 Changes in Allowance for Doubtful Accounts - Other																											
11170 Administrative Fee Equity																$2,590,885									$2,590,885		$2,590,885
11180 Housing Assistance Payments Equity																$423,962									$423,962		$423,962
11190 Unit Months Available	0				6220	7044			4428		2544	61692		2464		84966			0		1416	0			170774		170774
11210 Number of Unit Months Leased	0				5467	6656			4095		2520	56872		1473		75376			0		1162	0			153621		153621
11270 Excess Cash	$0																								$0		$0
11610 Land Purchases	$0																							$0	$0		$0
11620 Building Purchases	$0																							$0	$0		$0
11630 Furniture & Equipment - Dwelling Purchases	$0																							$0	$0		$0
11640 Furniture & Equipment - Administrative Purchases	$0																							$0	$0		$0
11650 Leasehold Improvements Purchases	$0																							$0	$0		$0
11660 Infrastructure Purchases	$0																							$0	$0		$0
13510 CFFP Debt Service Payments	$0																							$0	$0		$0
13901 Replacement Housing Factor Funds	$0																							$0	$0		$0