

**METROPOLITAN DEVELOPMENT
AND HOUSING AGENCY**

NASHVILLE, TENNESSEE

**ANNUAL FINANCIAL REPORT
AND OTHER FINANCIAL INFORMATION**

SEPTEMBER 30, 2022

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

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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, 2022.

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.

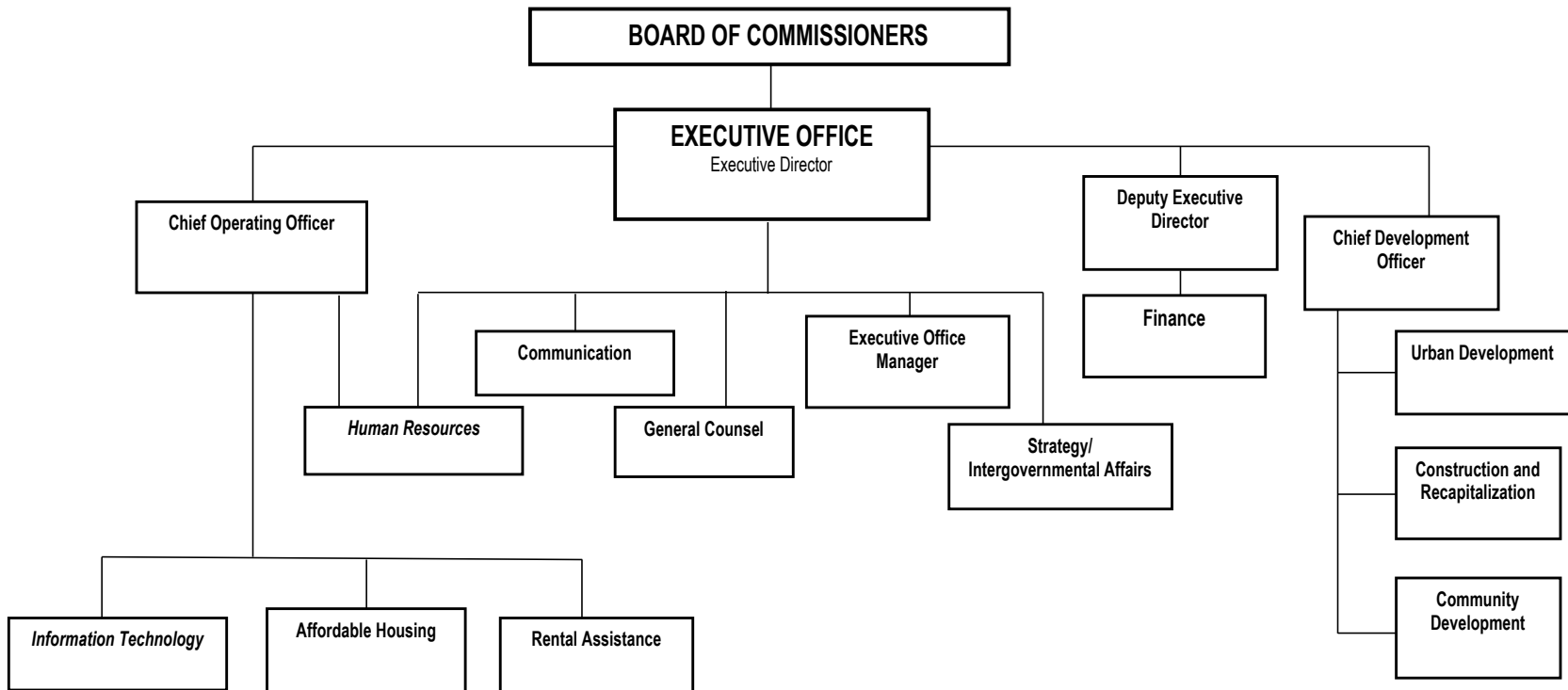
Management believes that its policies and procedures provide guidance and reasonable assurance that MDHA's operations are conducted according to management's intentions and to a high standard of business ethics. In management's opinion, the financial statements present fairly, in all material respects, the financial position of MDHA as of September 30, 2022, 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, 2022, financial statements is included in this report.

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

ORGANIZATIONAL CHART



METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

BOARD OF COMMISSIONERS

September 30, 2022

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

Independent Auditor's Report on Financial Statements

Board of Commissioners
Metropolitan Development and Housing Agency

Report on the Audit of the Financial Statements

Opinion

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, 2022, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

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, 2022, 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.

We did not audit the financial statements of Levy Place LP, Ryman Lofts at Rolling Mill Hill, LP, Boscobel I, LP, CP II, LP, Victory Hall, LP, and Boscobel III, LP, which represent 81 percent, 99 percent, and 96 percent, respectively, of the assets, net position, and revenues of the total discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Levy Place LP, Ryman Lofts at Rolling Mill Hill, LP, Boscobel I, LP, CP II, LP, Victory Hall, LP and Boscobel III, LP, is based solely on the report of the other auditors.

Basis for Opinion

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

Independent Auditor's Report on Financial Statements (Continued)

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Emphasis of a Matter

As discussed in Note 20 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.

Independent Auditor's Report on Financial Statements (Continued)

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.

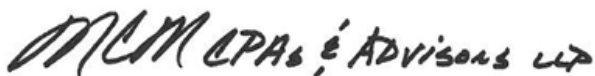
Supplementary Information

Our audit was conducted for the purpose of forming an opinion 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 actual costs for the specified project on page 55 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, schedule of actual costs for the specified project, 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, 2023, 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.



Lexington, Kentucky
March 10, 2023

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, 2022 and 2021. 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FINANCIAL ANALYSIS OF THE AGENCY

Net Position

Fiscal year 2022 as compared to fiscal year 2021:

The Agency's total net position increased \$34.9 million or 8.9%, in part as a result of the following:

	<u>2022</u>	<u>2021 (Restated)</u>	<u>% Increase (Decrease)</u>
Current assets	\$ 155,932,711	\$ 115,758,818	34.7 %
Noncurrent assets			
Capital assets	336,791,408	343,259,172	(1.9) %
Other assets	123,817,475	119,308,219	3.6 %
Total assets	<u>616,541,594</u>	<u>578,326,209</u>	6.6 %
Current liabilities	26,568,974	35,420,322	(25.0) %
Long-term liabilities	149,694,413	149,431,890	0.2 %
Total liabilities	<u>176,263,387</u>	<u>184,852,212</u>	(4.6) %
Deferred Inflows of Resources	11,716,609	-	100.0 %
Net investment in capital assets	236,065,680	229,791,417	2.7 %
Restricted net position	58,050,856	55,565,904	4.5 %
Unrestricted net position	134,445,062	108,116,676	24.2 %
Total net position	<u>\$ 428,561,598</u>	<u>\$ 393,473,997</u>	8.9 %

- Total assets increased \$40 million during the fiscal year. Current and other assets increased \$46.6 million. The increase in current assets was due to an increase of \$32 million in cash and investments. Proceeds from the sale of land at Rolling Mill Hill totaled \$15.8 million, lease ownership transfer fees and final payment of the Martha O'Bryan Center fundraising note totaled \$4.9 million, rental assistance funds received from the Metro Action Commission totaled \$5 million, with an additional \$5.5 million received from the Boscobel III investor partner. Other assets increased due to the lease receivable recorded for the implementation of GASB 87, *Leases*. Capital assets decreased \$6.5 million due to continued construction projects and improvements during the year offset by the land sale and depreciation expense for the year.
- Total liabilities decreased \$8.6 million during the fiscal year. This decrease is primarily due to the \$10.7 million payoff of the Bus Barns Garage construction financing offset by normal fluctuations in the accounts payable and accrued liabilities balances resulting in a \$2.1 million increase in those accounts.
- The reporting of deferred inflows of resources in 2022 totaling \$11.7 million, is due to the implementation of GASB 87, *Leases* and explained in note 2 and 12.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FINANCIAL ANALYSIS OF THE AGENCY (CONTINUED)

Revenues, Expenses and Changes in Net Position

Fiscal year 2022 as compared to fiscal year 2021:

	<u>2022</u>	<u>2021</u>	<u>% Increase (Decrease)</u>
Operating revenues			
Rentals	\$ 20,937,352	\$ 18,696,839	12.0 %
Other tenant revenue	709,142	713,711	(0.6) %
Governmental operating revenue	121,411,542	109,512,122	10.9 %
Local government development activities	5,756,874	10,361,598	(44.4) %
Other	<u>30,625,125</u>	<u>15,336,410</u>	99.7 %
Total operating revenues	<u>179,440,035</u>	<u>154,620,680</u>	16.1 %
Operating expenses			
Administrative expenses	25,171,734	22,715,198	10.8 %
Other	<u>128,230,501</u>	<u>124,794,292</u>	2.8 %
Total operating expenses	<u>153,402,235</u>	<u>147,509,490</u>	4.0 %
Operating gain	<u>26,037,800</u>	<u>7,111,190</u>	>100 %
Nonoperating revenues (expenses)	9,049,801	(4,826,201)	>100 %
Other changes	<u>-</u>	<u>(461,638)</u>	100.0 %
Change in net position	<u>\$ 35,087,601</u>	<u>\$ 1,823,351</u>	>100 %

Operating revenue increased \$24.8 million and operating expense increased \$5.9 million.

Rental revenue increased \$2.2 million due to rental assistance funds received from the Metro Action Commission on accounts previously allowed for as bad debts.

Governmental operating revenue increased \$11.9 million due to an increase in Rental Assistance HAP and administrative and new CAREs funds allocated to Community Development passed through to subrecipients.

Local government development activities revenue decreased \$4.6 million due to the completion of the Randee Rogers and Red Oak Townhomes mixed income developments which utilized funding from the Capital Improvements Budget of the Metropolitan Government of Nashville and Davidson County.

Other revenue increased \$15.3 due to the funds received from the Bus Barns closing earmarked for the Envision Cayce plan totaling \$11.9 million, lease ownership transfer fees totaling \$2.1 million, and developer fees from affiliates totaling \$1.3 million.

Administrative expense increased \$2.5 million due to IT infrastructure upgrades to improve the performance of the agency's networks, consulting contracts for redesigning the Agency's website and Agency rebranding along with new positions funded by additional programs and grant allocations.

Fiscal year 2021 has not been restated to reflect the adoption of GASB 87, *Leases* in accordance with GASB 100, *Accounting Changes and Error Corrections*.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FINANCIAL ANALYSIS OF THE AGENCY (CONTINUED)

Other operating expense increased \$3.4 million during the fiscal year. This increase is a result of an additional \$4.4 in housing assistance payments to landlords due to increased unit payment standards and recertifications for COVID related income adjustments. A \$500,000 increase in electricity and gas rates along with increased consumption for new units completed during the year. Insurance premiums increased \$300,000 due to new units added and increased replacement values for the Agency. Maintenance expense decreased \$2.2 million due to cost returning to normal levels after completing the backlog of workorders and repairs during 2021 due to items deferred during COVID and staff vacancies during the year.

Nonoperating revenues (expenses) increased \$13.7 primarily due to the gain realized on the sale of the land at Rolling Mill Hill and the capital fund grant funds allocated to the Randee Rogers construction.

LEASE RECEIVABLE

During fiscal year 2022, the Agency, as lessor, implemented GASB Statement No. 87, *Leases*. The Agency recorded lease receivables totaling \$12 million and deferred inflow of resources totaling \$ 11.7 million. Balances shown for the 2021 fiscal year in the MD&A have not been restated. Additional information on the Agency's leases can be found in Notes 1 and 12 to the financial statements.

CAPITAL ASSETS

Fiscal year 2022 as compared to fiscal year 2021:

	<u>2022</u>	<u>2021</u>
Land	\$ 103,052,006	\$ 101,716,995
Infrastructure	26,768,925	26,768,925
Buildings	442,119,726	415,284,831
Equipment	7,685,503	7,597,005
Construction in progress	<u>13,693,929</u>	<u>35,081,923</u>
Total	593,320,089	586,449,679
Less accumulated depreciation	<u>(256,528,681)</u>	<u>(243,190,507)</u>
Net capital assets	<u>\$ 336,791,408</u>	<u>\$ 343,259,172</u>

Net capital assets decreased \$6.5 million, or 1.9% during fiscal year 2022. During fiscal year 2022, the Agency expended \$8.6 million on construction in progress activities and expended another \$1.3 million for electronic locks and security upgrades, new roofs for Neighborhood Housing duplexes, HVAC and garage door replacements, new fencing and agency vehicles. Renovations to the new Rental Assistance office and retrofitting the existing office for future leasing offices and community space totaled \$1.1 million. Current year construction expenses attributed to new mixed income units for the Red Oak Townhomes, which was completed during the fiscal year, totaling \$748,000. Additional projects in progress during the year increased capital assets \$4 million for the Boscobel IV site work and construction, \$1.9 million for Phase I water and sewer line replacements for the Envision Cayce plan, \$821,000 expended for design work for future Envision Cayce projects. The sale of land at Rolling Mill Hill decreased capital assets \$2.9 million. Current year depreciation expense on capital assets totaled \$13.5 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

DEBT ADMINISTRATION

Fiscal year 2022 as compared to fiscal year 2021:

	<u>2022</u>	<u>2021</u>	<u>% Increase (Decrease)</u>
Total notes payable - other	<u>\$ 154,776,013</u>	<u>\$ 169,134,160</u>	-8.49%

As of September 30, 2022, the Agency's note principal and interest outstanding totaled \$154.8 million - a decrease of 8.5% from the prior year. The Agency incurred \$1 million in new debt for the construction and completion of the Red Oak Townhomes and refinancing the debt for the 10th and Jefferson project. Principal payments of \$4.1 million for existing debt. \$10.2 million of the proceeds of the sale of the Trolley Barns Garage to payoff the construction loan during 2022.

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 Requests for the full financial information of the Levy Place, L.P., the Ryman Lofts at Rolling Mill Hill, L.P., the Boscobel I, L.P., the CP II, L.P., Boscobel III, L.P., and Victory Hall, L.P., (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, 2022

ASSETS

	Primary Government	Discretely Presented Component Units
CURRENT ASSETS		
Cash and cash equivalents	\$ 71,273,207	\$ 3,047,871
Restricted cash and cash equivalents	66,453,700	4,826,698
Investments, at fair value	4,514,307	-
Receivables:		
Tenant, net of allowances	943,346	215,525
Amounts due from other governmental agencies	7,948,207	24,564
Current portion of notes receivable, net of allowances	144,830	-
Notes receivable between the primary government and its discretely presented component units, net of allowances	223,400	-
Lease receivable	600,517	
Lease interest receivable	7,368	
Other	122,974	-
Inventory	1,525,310	-
Prepaid expenses	2,175,545	865,506
TOTAL CURRENT ASSETS	155,932,711	8,980,164
CAPITAL ASSETS, NET	336,791,408	141,161,115
NONCURRENT ASSETS		
Other assets	33,022,521	481,740
Notes receivable, net of allowances	26,381,189	-
Lease receivable	11,391,202	
Notes receivable between the primary government and its discretely presented component units, net of allowances	53,022,563	-
TOTAL NONCURRENT ASSETS	123,817,475	481,740
DEFERRED OUTFLOWS OF RESOURCES	-	-
TOTAL ASSETS	\$ 616,541,594	\$ 150,623,019

See accompanying notes.

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

STATEMENT OF NET POSITION (CONTINUED)

SEPTEMBER 30, 2022

LIABILITIES

	<u>Primary Government</u>	<u>Discretely Presented Component Units</u>
CURRENT LIABILITIES		
Funds held for others	\$ 3,850,823	\$ -
Accounts payable	8,152,763	195,969
Contract retention payable	55,841	-
Compensated absences payable	847,537	10,714
Accrued liabilities	2,422,098	2,555,289
Due to tenants	1,882,118	294,481
Unearned revenue	1,556,324	300,563
Due to other governments	-	-
Current portion of long-term debt	7,801,470	17,218,443
Current debt between the primary government and its discretely presented component units	<u>-</u>	<u>3,782,336</u>
TOTAL CURRENT LIABILITIES	<u>26,568,974</u>	<u>24,357,795</u>
NONCURRENT LIABILITIES		
Deposits	1,028,352	86,269
Long-term debt, less current maturities	146,974,543	19,673,795
Long-term debt between the primary government and its discretely presented component units	-	60,024,021
Long-term compensated absences payable	<u>1,691,518</u>	<u>32,141</u>
TOTAL NONCURRENT LIABILITIES	<u>149,694,413</u>	<u>79,816,226</u>
TOTAL LIABILITIES	<u>176,263,387</u>	<u>104,174,021</u>
DEFERRED INFLOWS OF RESOURCES	<u>11,716,609</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	236,065,680	40,462,520
Restricted for:		
Replacement reserves	52,680,761	2,344,373
HAP reserves	655,833	-
Other escrows	4,714,262	6,148
Partnership operating reserves	-	1,682,742
Construction	-	418,114
Unrestricted net position	<u>134,445,062</u>	<u>1,535,101</u>
TOTAL NET POSITION	<u>428,561,598</u>	<u>46,448,998</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 616,541,594</u>	<u>\$ 150,623,019</u>

See accompanying notes.

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEAR ENDED SEPTEMBER 30, 2022

	<u>Primary Government</u>	<u>Discretely Presented Component Units</u>
OPERATING REVENUES		
Rentals	\$ 20,937,352	\$ 3,834,579
Other tenant revenue	709,142	265,261
Governmental operating revenue	121,411,542	2,184,803
Program income	276,949	-
Local government development activities	5,756,874	-
Other income	30,348,176	123,246
	<u>179,440,035</u>	<u>6,407,889</u>
TOTAL OPERATING REVENUES		
OPERATING EXPENSES		
Cost of Services:		
Tenant services	939,658	179,065
Utilities	10,800,904	475,747
Ordinary maintenance and operations	18,423,575	823,870
Protective services	2,022,009	171,475
Other direct program costs	19,844,873	959,218
Housing assistance payments	62,551,557	-
Administration	25,171,734	1,266,548
Depreciation and amortization	13,647,925	4,119,152
	<u>153,402,235</u>	<u>7,995,075</u>
TOTAL OPERATING EXPENSES		
OPERATING INCOME (LOSS)	<u>26,037,800</u>	<u>(1,587,186)</u>
NONOPERATING REVENUES (EXPENSES)		
Interest income	452,521	7,918
Gain on disposition of assets	12,934,279	-
Interest expense	(5,177,274)	(973,051)
	<u>8,209,526</u>	<u>(965,133)</u>
TOTAL NONOPERATING EXPENSES - NET		
INCREASE (DECREASE) IN NET POSITION BEFORE CONTRIBUTIONS AND OTHER LOSSES	34,247,326	(2,552,319)
Members capital contributions	-	20,484,352
Capital Fund Grant	840,275	-
Other special items	-	224,408
	<u>35,087,601</u>	<u>18,156,441</u>
CHANGES IN NET POSITION		
NET POSITION - BEGINNING OF YEAR AS PREVIOUSLY REPORTED	391,532,564	28,292,557
PRIOR PERIOD ADJUSTMENT	1,941,433	-
NET POSITION - BEGINNING OF YEAR AS RESTATED	<u>393,473,997</u>	<u>28,292,557</u>
NET POSITION - END OF YEAR	<u>\$ 428,561,598</u>	<u>\$ 46,448,998</u>

See accompanying notes.

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from rental operations	\$ 21,716,899
Receipts from program income	284,479
Receipts from government subsidy for operations	115,077,802
Receipts from local governmental development activities	7,754,114
Receipts from other sources	30,700,923
Payments to and on behalf of employees	(27,192,000)
Payments for other administrative expenses	(4,931,007)
Payments for other direct program costs, including housing assistance payments	(102,389,814)
Program loan activities:	
Cash expended for program loans	(1,928,090)
Principal collections on notes receivable	10,523,440
Interest income collections	51,317

NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>49,668,063</u>
-------------------------------------------	-------------------

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Receipts from governmental capital grants	840,275
Purchases of capital assets	(9,713,790)
Proceeds from capital debt	8,651,734
Principal paid on capital debt	(22,447,262)
Proceeds from sales of capital assets	15,850,002
Interest paid on capital debt	(5,313,627)

NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(12,132,668)</u>
-----------------------------------------------------------	---------------------

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of investments, including reinvested interest	(2,013,032)
Interest received	452,522

NET CASH USED BY INVESTING ACTIVITIES	<u>(1,560,510)</u>
---------------------------------------	--------------------

CASH FLOW FROM SPECIAL ITEMS

Payments for special items	<u>-</u>
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NET CASH USED BY SPECIAL ITEMS	<u>-</u>
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NET INCREASE IN CASH AND CASH EQUIVALENTS	35,974,885
-------------------------------------------	------------

CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>101,752,022</u>
-----------------------------------------------	--------------------

CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 137,726,907</u></u>
-----------------------------------------	------------------------------

Supplemental disclosure of noncash investing and financing activities:

Additions to debt composed of accrued interest	\$ 1,411,888
Retirements of debt composed of accrued interest	\$ 1,974,507
Prior period adjustment to recognize note receivable	\$ 1,941,433
Net other noncash adjustments to notes receivable	\$ (25,317)

See accompanying notes.

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED SEPTEMBER 30, 2022

RECONCILIATION OF OPERATING INCOME TO NET CASH

PROVIDED BY OPERATING ACTIVITIES

Operating income	\$ 26,037,800
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization expense	13,647,925
Bad debt expense	(474,697)
Changes in assets and liabilities	
Accounts receivable	(2,744,645)
Prepaid expenses and other assets	(409,739)
Due to tenants	83,700
Accounts payable, funds held for others, contract retention and amounts due to other governments	5,198,148
Deferred revenue and other deposits	(604,400)
Accrued liabilities and compensated absences	338,621
Program loan activities:	
Cash expended for program loans	(1,928,090)
Principal collections on notes receivable	10,523,440

TOTAL ADJUSTMENTS

23,630,263

NET CASH PROVIDED BY OPERATING ACTIVITIES

\$ 49,668,063

RECONCILIATION OF CASH TO THE STATEMENT OF NET POSITION

Cash and cash equivalents	\$ 71,273,207
Restricted cash and cash equivalents	66,453,700

CASH AND CASH EQUIVALENTS - END OF YEAR

\$ 137,726,907

Changes in assets and liabilities included in cash flows from capital and other financing activities:

Change in accounts receivable - insurance proceeds	\$ (823,682)
Accounts receivable - interest	\$ 87,729
Prepaid expenses and other assets - reclassification of amortization and Ballpark interest	\$ 743,179
Accrued liabilities	\$ 43,558

See accompanying notes.

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

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 resource 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 programs, 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.

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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., Victory Hall, L.P., and Boscobel III, L.P. as of and for the year ended December 31, 2021. 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 Randee Rogers, L.P. as of September 30, 2022. This entity also meets the criteria to be included as discretely presented component units; however, construction on the property was not complete and the property was not yet subject to a separate audit requirement for the year ending December 31, 2021. The MDHA Housing Trust Corporation, which is included in the Primary Government as a blended component unit, 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 \$146,590 and \$139,645, respectively, as of September 30, 2022. Net operating income for the year ended September 30, 2022 totaled \$24,878. 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., Victory Hall, L.P., and Boscobel III, L.P. (the Discretely Presented Component Units) as of December 31, 2021 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.

Proprietary Program Types - The Programs are Consolidated into a Single column for Reporting Purposes

PROJECT BASED RENTAL ASSISTANCE PROGRAM

This program 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 program 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 program 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.

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

LOCAL PROGRAMS

This program accounts for the state funded programs and grants and programs administered on behalf of the local government by the Agency.

BUSINESS ACTIVITIES

This program 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, 2022, an allowance for doubtful tenant receivables in the amount of \$6,617,213 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.

Lease Receivable and Deferred Inflow of Leases

During fiscal year 2022, the Agency, as a lessor, changed its method of accounting for leases to comply with GASB Statement No. 87, *Leases*. Previously, the Agency treated all leases as operating leases. The Agency now recognizes a lease receivable and a deferred inflow of resources at commencement of the lease term, with certain exceptions for regulated leases and short-term leases. The lease receivable is measured at the present value of the lease payments expected to be received during the lease period. The deferred inflow of resources is measured as the value of the lease receivable in addition to any payments received at or before the commencement of the lease term that relate to future periods. Revenue from the included leases is recognized by amortizing the deferred inflow on a straight-line basis. The Agency recorded a lease receivable and deferred inflow of resources of equal amount upon implementation of the standard utilizing the facts and circumstances that existed at that date. Therefore, the Agency's financial position as of September 30, 2021 was not impacted by the implementation of the standard. See Note 12 to the financial statements for additional information.

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2022, 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.

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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 \$15,895,209 at September 30, 2022.

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 \$474,697 for the year ended September 30, 2022.

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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.

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

Schedule of restricted cash with offsetting liability as of September 30, 2022:

Funds held for others	\$ 3,850,823
Deposits	1,231,870
MDHA 10th & Jefferson LLC Escrow	575,617
MDHA Kirkpatrick Park LLC Escrow	117,922
MDHA J Henry Hale LLC Escrow	529,221
MDHA Madison Towers LLC Escrow	761,550
Boscobel IV Construction Funds for Payables	1,397,296
Due to resident councils	650,248
HAP reserves	900,088
FSS Escrow accounts	1,028,352
Post RAD Rehab escrows	1,587,933
Replacement reserve accounts	53,092,794
Property management company accounts	729,986
	<u>\$ 66,453,700</u>

Funds held for others \$3,850,823 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 \$1,231,870 for rental properties managed by MDHA.

Deposits of \$575,617 held by HUD for the MDHA 10th & Jefferson LLC replacement reserve and construction hold out escrow.

MDHA deposits of \$117,922 required by HUD for MDHA Kirkpatrick Park replacement reserve.

Deposits of \$529,221 held by HUD for the MDHA J Henry Hale LLC replacement reserve.

Deposits of \$761,550 held by HUD for the MDHA Madison Towers LLC replacement reserve.

MDHA funds of \$1,397,296 held by the Boscobel IV L.P. for construction payables as of September 30, 2022.

Amounts due to resident councils of \$650,248 are tenant participation funds from HUD which are held for use by the duly elected resident councils.

Housing Assistance Payment ("HAP") restricted equity totaling \$900,088 are excess Section 8 housing assistance funds under the Housing Choice Voucher program.

Deposits of \$1,028,352 are held for participants in the HUD Family Self-Sufficiency program.

Escrow deposits of \$1,587,933 required by HUD to cover non-critical repairs identified in Capital Needs Assessment for the RAD converted project based rental assistance properties.

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

Replacement reserves of \$53,092,794 required by HUD for the RAD converted project based rental assistance properties.

Tenant deposits and replacement reserves of \$729,986 for market rate units managed by a separate management company.

Discretely Presented Component Unit Deposits

The carrying amount of cash and cash equivalents was \$3,047,871. 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, 2021, amounts held for tenant security deposits totaled \$300,629. 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	\$ 2,344,373
Operating reserves	1,682,742
Construction escrow reserves	418,114
Tenant security deposits	300,629
FSS escrow accounts	80,840
	<hr/>
	\$ 4,826,698
	<hr/>

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.

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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, 2022 consisting solely of certificates of deposit.

At September 30, 2022, the future maturities of MDHA's investments are as follows:

<u>Type of investment</u>	<u>Carrying amount</u>	<u>Maturity fiscal 2023</u>	<u>Maturity fiscal 2024</u>
Certificates of deposit	<u>\$ 4,514,307</u>	<u>\$ 3,514,073</u>	<u>\$ 1,000,234</u>
Total	<u><u>\$ 4,517,307</u></u>	<u><u>\$ 3,514,073</u></u>	<u><u>\$ 1,000,234</u></u>

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 4 - CAPITAL ASSETS

	<u>September 30, 2021</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers & Adjustments</u>	<u>September 30, 2022</u>
Capital assets, not being depreciated:					
Land	\$ 101,716,995	\$ 22,578	\$ (2,886,503)	\$ 4,198,936	\$ 103,052,006
Construction in progress	35,081,923	9,280,549	-	(30,668,543)	13,693,929
Total capital assets, not being depreciated	<u>136,798,918</u>	<u>9,303,127</u>	<u>(2,886,503)</u>	<u>(26,469,607)</u>	<u>116,745,935</u>
Capital assets, being depreciated:					
Buildings	415,284,831	285,227	(59,168)	26,608,836	442,119,726
Infrastructure	26,768,925	-	-	-	26,768,925
Furniture, equipment, & machinery - dwellings	6,664,960	125,438	(113,721)	90,656	6,767,333
Furniture, equipment, & machinery - administrative	932,045	-	(13,875)	-	918,170
Total capital assets, being depreciated	<u>449,650,761</u>	<u>410,665</u>	<u>(186,764)</u>	<u>26,699,492</u>	<u>476,574,154</u>
Less accumulated depreciation for:					
Buildings	(216,709,755)	(12,188,448)	29,950	-	(228,868,253)
Infrastructure	(20,091,505)	(767,099)	-	-	(20,858,604)
Furniture, equipment, & machinery - dwellings	(5,540,324)	(473,537)	113,721	-	(5,900,140)
Furniture, equipment, & machinery - administrative	(848,923)	(66,636)	13,875	-	(901,684)
Total accumulated depreciation	<u>(243,190,507)</u>	<u>(13,495,720)</u>	<u>157,546</u>	<u>-</u>	<u>(256,528,681)</u>
Total capital assets, being depreciated, net	<u>206,460,254</u>	<u>(13,085,055)</u>	<u>(29,218)</u>	<u>26,699,492</u>	<u>220,045,473</u>
Total capital assets, net	<u>\$ 343,259,172</u>	<u>\$ (3,781,928)</u>	<u>\$ (2,915,721)</u>	<u>\$ 229,885</u>	<u>\$ 336,791,408</u>

Total depreciation expense for the year ended September 30, 2022 was \$13,495,720.

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 4 - CAPITAL ASSETS (CONTINUED)

Discretely Presented Component Units

	<u>Prior Year Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers & Adjustments</u>	<u>Current Year Balance</u>
Capital assets, not being depreciated:					
Land	\$ 17,858,975	\$ 16,339	\$ -	\$ 1,453,089	\$ 19,328,403
Construction in progress	52,878,628	2,586,000	-	(28,209,873)	27,254,755
Total capital assets, not being depreciated	<u>70,737,603</u>	<u>2,602,339</u>	<u>-</u>	<u>(26,756,784)</u>	<u>46,583,158</u>
Capital assets, being depreciated:					
Buildings	75,548,103	-	-	25,908,914	101,457,017
Infrastructure	-	-	-	-	-
Furniture, equipment, & machinery	3,261,460	13,470	-	847,870	4,122,800
Total capital assets, being depreciated	<u>78,809,563</u>	<u>13,470</u>	<u>-</u>	<u>26,756,784</u>	<u>105,579,817</u>
Less accumulated depreciation for:					
Buildings	(3,260,749)	(2,482,447)	-	-	(5,743,196)
Infrastructure	(1,250,163)	(908,847)	-	-	(2,159,010)
Furniture, equipment, & machinery	(2,429,444)	(670,210)	-	-	(3,099,654)
Total accumulated depreciation	<u>(6,940,356)</u>	<u>(4,061,504)</u>	<u>-</u>	<u>-</u>	<u>(11,001,860)</u>
Total capital assets, being depreciated, net	<u>71,869,207</u>	<u>(4,048,034)</u>	<u>-</u>	<u>26,756,784</u>	<u>94,577,957</u>
Total capital assets, net	<u>\$ 142,606,810</u>	<u>\$ (1,445,695)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 141,161,115</u>

Total Depreciation expense for the discretely presented component units was \$4,061,504.

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 5 - NOTES RECEIVABLE

Notes receivable, including related accrued interest, consisted of the following as of September 30, 2022:

Notes receivable from discretely presented component units

Boscobel I LP	\$ 13,880,438
Ryman Lofts LP	2,898
Levy Place LP	6,708,448
Victory Hall LP	1,079,166
CP II LP	8,710,880
Boscobel III LP	10,945,541
Randee Rogers LP	11,918,592

Total notes receivable from discretely presented component units	<u>\$ 53,245,963</u>
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Notes receivable from third parties

Boscobel Heights Development Co	\$ 19,725,800
Martha O'Bryan Explore School	1,381,536
Rehabilitation loans	6,628,620
Business district loans	53,704
Façade loans	116,704
Neighborhood Stabilization promissory notes	14,514,864
Other	-
Allowance for doubtful accounts	<u>(15,895,209)</u>

Total notes receivable from third parties	<u>26,526,019</u>
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Total notes receivable	79,771,982
Less current portion	<u>(368,230)</u>

Net notes receivable and accrued interest receivable, less current portion	<u>\$ 79,403,752</u>
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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.

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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 \$1,284,937 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, 2022.

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 was paid in full during 2022. 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, 2022 was \$1,381,536.

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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., Ryman Lofts, 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, 2022:

Tax increment revenues due for The Sports Authority Debt repayment (See Note 7)	\$ 27,521,841
Downtown Parking Garage unamortized bond issuance costs and capitalized interest	5,456,000
Nance Place Apartments unamortized costs	<u>44,680</u>
	<u>\$ 33,022,521</u>

NOTE 7 - LONG-TERM DEBT

A summary of changes in MDHA's long-term debt for the year ended September 30, 2022 is presented below:

	Balance 9/30/2021	Additions	Retirements	Balance 9/30/2022	Due within one year
Notes Payable	<u>\$ 169,134,160</u>	<u>\$ 10,063,622</u>	<u>\$ (24,421,769)</u>	<u>\$ 154,776,013</u>	<u>\$ 7,801,470</u>

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.

\$ 174,738

\$7,872,100 HUD 221(d)4 Refinance note with First American Capital Group Corporation, dated November 1, 2021, for the 54-unit apartment building. Beginning December 1, 2021, monthly principal and interest payments totaling \$26,396.79 are due. The loan bears an interest rate of 2.6%. The loan is collateralized by the 10th & Jefferson apartment complex and assignment of rents and will mature December 1, 2061.

7,675,376

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 7 - LONG-TERM DEBT (CONTINUED)

<p>\$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, 2022 interest accrued on the loan totaled \$1,271,508. (Included in other noncurrent assets is a corresponding amount totaling \$27,521,841 - see Note 6)</p>	\$ 27,521,841
<p>\$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, 2022 was 6.25%). The note is collateralized by the Nance Place apartment complex and assignment of rents and will mature in December of 2026.</p>	1,469,308
<p>\$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.</p>	4,064,576
<p>\$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.</p>	2,654,144
<p>\$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.</p>	1,265,079
<p>\$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.</p>	38,778,135

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 7 - LONG-TERM DEBT (CONTINUED)

<p>\$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.</p>	\$ 18,499,075
<p>\$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.</p>	1,215,538
<p>\$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.</p>	13,008,829
<p>\$5,400,000 loan with United Community 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.</p>	5,069,122
<p>\$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.</p>	4,827,129
<p>\$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.</p>	4,786,303
<p>\$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.</p>	4,829,211

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 7 - LONG-TERM DEBT (CONTINUED)

\$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.

\$ 6,477,100

\$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, 2022 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.

6,629,800

\$6,000,000 construction note with First 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, 2022 was 6.25%). 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, 2022 was \$5,423,922, with accrued interest of \$6,787.

5,430,709

\$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 collateralized by Victory Hall and assignment of rents.

400,000

\$ 154,776,013

A schedule of principal maturities of the Agency's long-term debt at September 30, 2022 is as follows:

<u>Year ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 7,801,470	\$ 6,185,923	\$ 13,987,393
2024	5,225,082	5,945,862	11,170,944
2025	18,381,193	5,763,082	24,144,275
2026	4,975,482	4,795,550	9,771,032
2027	6,043,819	4,613,503	10,657,322
2028 - 2032	23,892,168	20,349,976	44,242,144
2033 - 2037	26,831,590	14,984,428	41,816,018
2038 - 2042	28,581,508	9,451,743	38,033,251
2043 - 2047	16,182,050	2,990,537	19,172,587
2048 - 2052	9,545,941	2,089,842	11,635,783
2053 - 2057	4,875,974	798,403	5,674,377
2058 - 2060	2,439,736	522,308	2,962,044
Total	<u>\$ 154,776,013</u>	<u>\$ 78,491,157</u>	<u>\$ 233,267,170</u>

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 7 - LONG-TERM DEBT (CONTINUED)

A summary of changes in long-term debt, after loan cost adjustment of (\$731,117) of the Discretely Presented Component Units for the year ended December 31, 2021 is presented below:

	<u>Prior year balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Current year balance</u>	<u>Due within one year</u>
Notes Payable	<u>\$ 116,467,224</u>	<u>\$ 6,253,230</u>	<u>\$ (21,290,742)</u>	<u>\$ 101,429,712</u>	<u>\$ 21,000,779</u>

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, 2021 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.

\$ 733,343

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, 2021, interest of \$7,906, remained payable. During 2021, interest expense of \$7,906 was incurred.

166,035

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, 2021) 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, 2021. The entire principal balance, as well as all accrued and unpaid interest, is due and payable on July 28, 2035.

5,130,597

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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 2021, interest expense of \$154,493 was incurred and remains payable as of December 31, 2021. The entire principal balance, as well as accrued and unpaid interest, is due and payable in July 2056.

\$ 7,051,519

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 2021, interest expense of \$200,748 was incurred and \$678,081 remains payable as of December 31, 2021. The entire principal balance, as well as accrued and unpaid interest, is due and payable in August 2048.

7,259,981

\$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, 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.

6,798,150

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, 2021 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.

7,274,000

\$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 2021, interest expense of \$90,000 was incurred and \$251,250 remains payable as of December 31, 2021. The note is collateralized by CP II, a 102-unit mixed income property and assignment of rents and will mature December 11, 2048.

9,119,590

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 7 - LONG-TERM DEBT (CONTINUED)

CP II, L.P. (Continued)

\$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

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. 15,874,338

\$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 December 31, 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 December 31, 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 (December 31, 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 December 31, 2022 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

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 7 - LONG-TERM DEBT (CONTINUED)

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 2021, interest expense of \$12,500 was incurred and \$30,208 remains payable as of December 31, 2021. 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.

\$ 530,208

\$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 2021, interest expense of \$12,500 was incurred and \$30,208 remains payable as of December 31, 2021. 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.

530,208

\$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, 2021 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.

532,305

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, 2022 was 3.25%) minus 1.33% on outstanding principal shall be due and payable monthly. The bond note is collateralized by Randee Rogers, a 100-unit mixed income property and assignments of rents. The amount drawn as of September 30, 2022 was \$15,883,288.

15,883,288

\$840,275 note with MDHA dated December 19, 2019. 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, 2022 was \$840,275.

840,275

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 7 - LONG-TERM DEBT (CONTINUED)

Randee Rogers L.P. (Continued)

\$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, 2022 was \$11,078,317.

\$ 11,078,317

\$ 101,429,712

A schedule of principal maturities of the Discretely Presented Component Unit's long-term debt after the loan cost adjustment of (\$731,117) is as follows:

<u>Year ending December 31,</u>	<u>Principal</u>
2022	\$ 21,000,779
2023	950,770
2024	963,814
2025	976,165
2026	992,253
Thereafter	<u>75,814,814</u>
Total	<u><u>\$ 100,698,595</u></u>

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 \$122.8 million at September 30, 2022.

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 8 - CONDUIT DEBT OBLIGATIONS (CONTINUED)

A summary of changes in MDHA's conduit debt for the year ended September 30, 2022 is presented below:

Company	Project Description	Balance 9/30/2021	Additions	Retirements	Balance 9/30/2022	Accrued Interest
3501	Castner Knott	\$ 1,850,000	\$ -	\$ -	\$ 1,850,000	\$ 862,725
3501	Cohen Bldg	300,000	-	-	300,000	268,363
3501	ACME Feed Building	21,675	-	(21,675)	-	-
3501	Regions Capital Mall Refinance	42,734,116	-	(4,390,674)	38,343,442	317,975
3501	21C Hotel Project	4,766,680	-	(350,195)	4,416,485	511,694
3501	4Pant Dream Hotel	5,741,540	-	(272,987)	5,468,553	372,650
3501	5th & Broad	7,662,694	-	-	7,662,694	143,597
3501	5th & Broad	16,381,793	-	(2,960,542)	13,421,251	296,443
3504	Regions Rutledge Hill Refinance	1,403,834	-	(144,235)	1,259,599	10,445
3504	Eakin The Peabody Plaza	7,637,390	-	(490,738)	7,146,652	156,247
3504	PRII/Peabody Union	-	13,802,466	-	13,802,466	-
3507	Regions Phillips Jackson Refinance	4,622,631	-	(474,948)	4,147,683	34,396
3510	1821 Jefferson Street	561,538	-	(18,738)	542,800	11,302
3511	1101 Dickerson Pike	97,256	-	(24,097)	73,159	1,676
3515	5th & MAIN	5,807,570	-	-	5,807,570	711,271
3518	Regions Arts District Refinance	20,736,878	-	(2,130,590)	18,606,288	154,299
Total		<u>\$ 120,325,595</u>	<u>\$ 13,802,466</u>	<u>\$ (11,279,419)</u>	<u>\$ 122,848,642</u>	<u>\$ 3,853,083</u>

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, 2022:

	Balance at October 1, 2021	Additions	Adjustment/ Payments	Balance at September 30, 2022	Current portion
Compensated absences	<u>\$ 2,537,597</u>	<u>\$ 1,574,479</u>	<u>\$ (1,573,021)</u>	<u>\$ 2,539,055</u>	<u>\$ 847,537</u>
FSS escrow deposit	<u>\$ 1,348,562</u>	<u>\$ 343,603</u>	<u>\$ (663,813)</u>	<u>\$ 1,028,352</u>	<u>\$ -</u>

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, 2022, settled claims have not exceeded this commercial insurance coverage.

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 11 - EMPLOYEE BENEFIT PLANS

The MDHA retirement plan is a 401A Plan administered by the Vanguard Group. The Plan, 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, 2022 amounted to \$2,550,069, which equaled the amount of required employer contributions. Employee voluntary contributions were \$316,681 in 2022. MDHA's payroll for employees covered by the Plan for the fiscal year ended September 30, 2022 was \$19,615,918. Total payroll for MDHA during the fiscal year ended September 30, 2022 amounted to \$20,308,223.

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 is lessor of dwelling units mainly to low-income residents. These leases are generally considered to be short-term and do not derive from exchange or exchange-like transactions and are not within the scope of GASB Statement No. 87: Leases. The rents under the leases are determined generally by the resident's income as adjusted for eligible deductions regulated by HUD, although the resident may opt for a flat rent. Leases may be cancelled by the lessee at any time. MDHA may cancel the lease only for cause.

Revenues associated with these leases are recorded in the financial statements and schedules as "Rental Revenue". Rental Revenue per dwelling unit generally remains consistent from year to year but is affected by general economic conditions which impact personal income and local job availability.

In 2011, MDHA began leasing certain property to a third party, TB Partners, LLC. The initial lease term is for forty-five (45) years with payments due monthly to MDHA in the amount of \$4,005; the assumed interest rate is 5%. TB Partners is entitled to extend the term of this lease for one (1) period of forty (40) years. This additional period has been included in the measurement of the lease. During the year ended September 30, 2022, MDHA recognized \$12,576 in lease revenue and \$46,879 in interest revenue related to this lease. As of September 30, 2022, MDHA's lease receivable and related deferred inflow balance were \$940,952 and \$929,551, respectfully.

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 12 - LEASES (CONTINUED)

In 2012, MDHA began leasing certain property to a third party, Corporate Investors Partnership X, LLC. The initial lease term is for twenty (20) years with payments due monthly to MDHA is in the amount of \$7,216; the assumed interest rate is 5%. Corporate Investors Partnership X, LLC is entitled to extend the term of this lease for four (4) periods of five (5) years each. These additional periods have been included in the measurement of the lease. During the year ended September 30, 2022, MDHA recognized \$44,640 in lease revenue and \$67,087 in interest revenue related to this lease. As of September 30, 2022, MDHA's lease receivable and related deferred inflow balance were \$1,339,970 and \$1,313,172, respectfully.

In 2013, MDHA began leasing certain property to a third party, SWHR Hermitage, LLC. The initial lease term is for thirty (30) years with payments due monthly to MDHA is in the amount of \$22,881; the assumed interest rate is 5%. There is no option to extend the lease. During the year ended September 30, 2022, MDHA recognized \$167,026 in lease revenue and \$180,447 in interest revenue related to this lease. As of September 30, 2022, MDHA's lease receivable and related deferred inflow balance were \$3,580,438 and \$3,507,538, respectfully.

In 2013, MDHA began leasing certain property to a third party, SWHR Middleton, LLC. The initial lease term is for thirty (30) years with payments due monthly to MDHA is in the amount of \$24,857; the assumed interest rate is 5%. There is no option to extend the lease. During the year ended September 30, 2022, MDHA recognized \$181,141 in lease revenue and \$196,454 in interest revenue related to this lease. As of September 30, 2022, MDHA's lease receivable and related deferred inflow balance were \$3,899,441 and \$3,819,051, respectfully.

In 2017, MDHA began leasing certain property to a third party, Rise Biscuit. The initial lease term is for ten (10) years with payments due monthly to MDHA is in the amount of \$6,835; the assumed interest rate is 5%. Rise Biscuit is entitled to extend the term of this lease for two (2) periods of five (5) years each. These additional periods have not been included in the measurement of the lease as management is not reasonably certain that the extensions will be executed. During the year ended September 30, 2022, MDHA recognized \$75,731 in lease revenue and \$24,542 in interest revenue related to this lease. As of September 30, 2022, MDHA's lease receivable and related deferred inflow balance were \$466,116 and \$448,073, respectfully.

In 2017, MDHA began leasing certain property to a third party, Corner Pub. The initial lease term is for ten (10) years with payments due monthly to MDHA is in the amount of \$21,780; the assumed interest rate is 5%. Corner Pub is entitled to extend the term of this lease for two (2) periods of five (5) years each. These additional periods have not been included in the measurement of the lease as management is not reasonably certain that the extensions will be executed. During the year ended September 30, 2022, MDHA recognized \$249,604 in lease revenue and \$70,309 in interest revenue related to this lease. As of September 30, 2022, MDHA's lease receivable and related deferred inflow balance were \$1,319,938 and \$1,268,819, respectfully.

In 2022, MDHA began leasing certain property to a third party, Dollar General. The initial lease term is for 1 year with payments due monthly to MDHA is in the amount of \$9,333; the assumed interest rate is 5%. Dollar General is entitled to extend the term of this lease for four (4) periods of one (1) year each. These additional periods have been included in the measurement of the lease. During the year ended September 30, 2022, MDHA recognized \$66,216 in lease revenue and \$15,384 in interest revenue related to this lease. As of September 30, 2022, MDHA's lease receivable and related deferred inflow balance were \$444,864 and \$430,405, respectfully.

During the year ended September 30, 2022, MDHA recognized \$796,934 of lease revenue and \$601,102 of lease interest revenue which are recorded in Other Revenue on the Statement of Revenues, Expenses and Changes in Net Position.

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 12 - LEASES (CONTINUED)

Future minimum lease payments are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 600,517	\$ 580,534	\$ 1,181,051
2024	642,386	549,512	1,191,898
2025	686,729	516,340	1,203,069
2026	733,686	480,891	1,214,577
2027	714,843	444,442	1,159,285
2028-2032	1,732,559	1,920,762	3,653,321
2033-2037	2,077,232	1,460,280	3,537,512
2038-2042	2,665,833	871,679	3,537,512
2043-2047	911,278	360,746	1,272,024
2048-2052	369,432	254,950	624,382
2053-2057	30,567	209,706	240,273
2058-2062	39,228	201,045	240,273
2063-2067	50,344	189,929	240,273
2068-2072	64,609	175,664	240,273
2073-2077	82,917	157,356	240,273
2078-2082	106,412	133,861	240,273
2083-2087	136,565	103,708	240,273
2088-2092	175,262	65,011	240,273
2093-2097	171,320	16,894	188,214
	<u>\$ 11,991,719</u>	<u>\$ 8,693,310</u>	<u>\$ 20,685,029</u>

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, 2022.

At September 30, 2022, the Agency had outstanding construction commitments of approximately \$33.1 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.

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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, 2021, the entire development fee had been earned and \$800,000 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, 2021, the entire development fee has been earned and paid. 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.

Boscobel III, 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 \$1,325,000. As of December 31, 2021, the entire development fee has been earned and \$662,500 was payable and included in miscellaneous long-term liabilities. Boscobel III, LP consists of new construction of 102 units of rental housing. Of the 102 units, 45 are public housing units eligible to receive the benefits of PBRA HAP subsidies provided to the partnership by HUD. The remaining 57 units are workforce and market units.

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, 2021, \$327,000 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. This agreement entitled MDHA, as the developer to a total development fee of \$1,100,000. As of September 30, 2022, \$233,126 of the development fee has been earned and paid. Randee Rogers, LP consists of new construction of 100 units of rental housing. Of the 100 units, 50 are public housing units eligible to receive the benefits of HUD Operating subsidies provided to the partnership by HUD. The remaining 50 units are workforce and market units.

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.

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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, cash reserves held for future building repairs and improvements reduced by the outstanding balances of any bonds, mortgages, notes, 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".

The changes in the Agency's net position for the year ended September 30, 2022 are as follows:

	Net investment in capital assets	Restricted	Unrestricted	Totals
Net position as previously reported - September 30, 2021	\$ 229,791,417	\$ 55,565,904	\$ 106,175,243	\$ 391,532,564
Prior Period Adjustment	-	-	1,941,433	1,941,433
Net position as restated - September 30, 2022	229,791,417	55,565,904	108,116,676	393,473,997
Changes in net position - 2022	6,274,263	2,484,952	26,328,386	35,087,601
Net position - September 30, 2022	<u>\$ 236,065,680</u>	<u>\$ 58,050,856</u>	<u>\$ 134,445,062</u>	<u>\$ 428,561,598</u>

A breakdown of the Agency's restricted net position as of September 30, 2022 is as follows:

Replacement reserve accounts	\$ 52,680,761
Section 8 HAP reserves	655,833
Post RAD Rehab escrows	1,587,933
MDHA Kirkpatrick Park LLC Escrow	117,922
MDHA J Henry Hale LLC escrow accounts	904,806
MDHA 10th & Jefferson escrow accounts	575,617
MDHA Madison Towers LLC escrow accounts	795,970
Other reserves & property mgmt deposits	732,014
	<u>\$ 58,050,856</u>

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 15 - NET POSITION (CONTINUED)

The changes in net position for the Discretely Presented Component Units for the year ended December 31, 2021 are as follows:

	Net investment in capital assets	Restricted	Unrestricted	Totals
Net position (deficit) - January 1, 2021	\$ 26,697,164	\$ 4,261,725	\$ (2,666,332)	\$ 28,292,557
Changes in net position - 2021	13,765,356	189,652	4,201,433	18,156,441
Net position (deficit) - December 31, 2021	<u>\$ 40,462,520</u>	<u>\$ 4,451,377</u>	<u>\$ 1,535,101</u>	<u>\$ 46,448,998</u>

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, 2022, capital contributions of \$1,205,867 were received.

Contingent upon various requirements as outlined in the Amended and Restated Partnership Agreement for Boscobel III, L.P., the Limited Partner has agreed to contribute \$11,258,101 for a 99.99% interest in the Partnership. During the period ended September 30, 2022, capital contributions of \$10,919,735 were received.

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, 2022, 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, 2022 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.

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 19 - FUTURE ACCOUNTING PRONOUNCEMENTS

GASB Statement No. 96 - *Subscription-Based Information Technology Arrangements*, was issued in May 2020. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements ("SBITAs") for governments. This Statement defines an SBITA, establishes that a SBITA results in a right-to-use subscription intangible asset and a corresponding subscription liability, provides the capitalization criteria for outlays other than subscription payments and requires note disclosures regarding an SBITA. The standards for SBITAs are based on the standards established in Statement No. 87 - *Leases*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

GASB Statement No. 101 - *Compensated Absences*, was issued in June 2022. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. This Statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means. The requirements of this Statement are effective for fiscal years beginning after December 31, 2023.

Management of MDHA is currently evaluating these standards and at this time cannot quantify the impact on net position at implementation.

NOTE 20 - PRIOR PERIOD ADJUSTMENT

In 2015, the Agency provided \$1,700,000 in HOME grant funding to the Paddock at Grandview, 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 2.67%. Beginning net position and notes receivable has been restated by \$1,941,433 to reflect the \$1,700,000 notes receivable and related accrued interest in the amount of \$241,433 as of September 30, 2022 to reflect this treatment.

NOTE 21 - SUBSEQUENT EVENT

Boscobel IV, L.P., was created to be the leasehold owner of the Low-Income Units of the Condominium and has accepted a reservation of Low Income Housing Tax Credits from the Tennessee Housing Development Agency to facilitate the development. December 30, 2022, Boscobel IV, L.P. entered into an agreement with MDHA to develop, construct, own, maintain and operate "Cherry Oak Apartments", an affordable condominium consisting of 45 project based rental assistance units. The MDHA Boscobel IV, Inc., withdrew as the limited partner and was replaced by Red Stone Equity – Fund 95 Limited Partnership, a Delaware limited partnership (the "Limited Partner"), and Red Stone Equity Manager, LLC, a Delaware limited liability company (the "Special Limited Partner").

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 22 - 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	Randee Rogers, L.P.	Levy Place LP	Ryman Lofts at Rolling Mill Hill, L.P.	Total
ASSETS								
Current assets	\$ 1,500,622	\$ 1,453,756	\$ 1,031,730	\$ 977,282	\$ 1,336,165	\$ 2,074,280	\$ 606,329	\$ 8,980,164
Capital assets, net	24,514,487	31,427,055	27,371,884	6,417,292	27,235,375	18,958,906	5,236,116	141,161,115
Noncurrent assets	94,211	86,700	103,575	63,511	-	128,179	5,564	481,740
TOTAL ASSETS	26,109,320	32,967,511	28,507,189	7,458,085	28,571,540	21,161,365	5,848,009	150,623,019
DEFERRED OUTFLOWS OF RESOURCES	-	-	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	26,109,320	32,967,511	28,507,189	7,458,085	28,571,540	21,161,365	5,848,009	150,623,019
LIABILITIES								
Current liabilities	1,126,788	332,391	5,297,817	1,094,130	15,987,505	401,396	117,768	24,357,795
Noncurrent liabilities	13,648,381	16,490,357	23,380,852	1,492,587	11,918,591	12,062,333	823,125	79,816,226
TOTAL LIABILITIES	14,775,169	16,822,748	28,678,669	2,586,717	27,906,096	12,463,729	940,893	104,174,021
DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-	-	-	-
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	14,775,169	16,822,748	28,678,669	2,586,717	27,906,096	12,463,729	940,893	104,174,021
NET POSITION								
Net investment (deficit) in capital assets	10,643,046	14,727,735	(425,987)	4,903,105	(566,505)	6,810,868	4,370,258	40,462,520
Unrestricted net position (deficit)	(150,809)	608,636	(542,610)	(44,271)	812,723	624,619	226,813	1,535,101
Restricted net position	841,914	808,392	797,117	12,534	419,226	1,262,149	310,045	4,451,377
TOTAL NET POSITION (DEFICIT)	\$ 11,334,151	\$ 16,144,763	\$ (171,480)	\$ 4,871,368	\$ 665,444	\$ 8,697,636	\$ 4,907,116	\$ 46,448,998

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 22 - CONDENSED FINANCIAL STATEMENTS (CONTINUED)

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

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	Randee Rogers, L.P.	Levy Place LP	Ryman Lofts at Rolling Mill Hill, L.P.	Total
OPERATING REVENUES								
Rentals	\$ 598,667	\$ 725,062	\$ 441,650	\$ 151,206	\$ 167,977	\$ 1,130,974	\$ 619,043	\$ 3,834,579
Other tenant revenue	83,008	116,670	14,379	5,939	7,951	32,381	4,933	265,261
Governmental operating revenue	411,740	388,567	276,888	245,698	44,971	816,939	-	2,184,803
Other income	33,021	-	168	-	16,610	71,262	2,185	123,246
TOTAL OPERATING REVENUES	1,126,436	1,230,299	733,085	402,843	237,509	2,051,556	626,161	6,407,889
OPERATING EXPENSES								
Cost of services:								
Tenant services	49,387	22,202	29,486	-	384	73,453	4,153	179,065
Utilities	90,846	120,078	29,624	46,973	65,163	82,680	40,383	475,747
Ordinary maintenance and operations	165,255	119,957	38,306	20,581	48,319	345,785	85,667	823,870
Protective services	4,164	4,996	5,080	70,209	4,837	72,461	9,728	171,475
Other direct program costs	180,393	144,686	123,195	37,870	125,840	237,991	109,243	959,218
Administration	151,410	243,189	173,197	70,789	48,058	480,059	99,846	1,266,548
Depreciation and amortization	918,307	1,123,109	837,989	204,552	-	813,032	222,163	4,119,152
TOTAL OPERATING EXPENSES	1,559,762	1,778,217	1,236,877	450,974	292,601	2,105,461	571,183	7,995,075
OPERATING INCOME (LOSS)	(433,326)	(547,918)	(503,792)	(48,131)	(55,092)	(53,905)	54,978	(1,587,186)
NONOPERATING REVENUES (EXPENSES)								
Interest income	1,720	1,663	801	266	583	2,885	-	7,918
Interest expense	(351,962)	(243,975)	(172,441)	(28,837)	-	(156,999)	(18,837)	(973,051)
TOTAL NONOPERATING EXPENSES - NET	(350,242)	(242,312)	(171,640)	(28,571)	583	(154,114)	(18,837)	(965,133)
Other special items	-	-	(371,284)	595,692	-	-	-	224,408
Members capital contributions	10,242,176	10,242,176	-	-	-	-	-	20,484,352
CHANGES IN NET POSITION	9,458,608	9,451,946	(1,046,716)	518,990	(54,509)	(208,019)	36,141	18,156,441
NET POSITION (DEFICIT) - BEGINNING OF YEAR	1,875,543	6,692,817	875,236	4,352,378	719,953	8,905,655	4,870,975	28,292,557
NET POSITION (DEFICIT) - END OF YEAR	\$ 11,334,151	\$ 16,144,763	\$ (171,480)	\$ 4,871,368	\$ 665,444	\$ 8,697,636	\$ 4,907,116	\$ 46,448,998

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 22 - CONDENSED FINANCIAL STATEMENTS (CONTINUED)

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

STATEMENT OF NET POSITION AT SEPTEMBER 30, 2022

	<u>MDHA</u>	<u>MDHA Housing Trust Corp</u>	<u>J Henry Hale LLC</u>	<u>10th & Jefferson LLC</u>	<u>Madison Towers LLC</u>	<u>Kirkpatrick Park LLC</u>	<u>Total</u>
ASSETS							
Current assets	\$ 152,196,439	\$ 146,590	\$ 1,562,481	\$ 751,412	\$ 992,999	\$ 282,790	\$ 155,932,711
Capital assets, net	271,723,065	-	25,519,979	8,615,763	9,614,350	21,318,251	336,791,408
Noncurrent assets	123,817,475	-	-	-	-	-	123,817,475
TOTAL ASSETS	547,736,979	146,590	27,082,460	9,367,175	10,607,349	21,601,041	616,541,594
DEFERRED OUTFLOWS OF RESOURCES	-	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	547,736,979	146,590	27,082,460	9,367,175	10,607,349	21,601,041	616,541,594
LIABILITIES							
Current liabilities	25,013,419	6,416	691,173	168,341	345,382	344,243	26,568,974
Noncurrent liabilities	104,881,528	529	18,106,459	7,542,839	6,360,778	12,802,280	149,694,413
TOTAL LIABILITIES	129,894,947	6,945	18,797,632	7,711,180	6,706,160	13,146,523	176,263,387
DEFERRED INFLOWS OF RESOURCES	11,716,609	-	-	-	-	-	11,716,609
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	141,611,556	6,945	18,797,632	7,711,180	6,706,160	13,146,523	187,979,996
NET POSITION							
Net investment (deficit) in capital assets	216,657,716	-	7,020,904	940,388	3,137,250	8,309,422	236,065,680
Unrestricted net position (deficit)	133,811,166	139,645	359,118	139,990	(32,031)	27,174	134,445,062
Restricted net position	55,656,541	-	904,806	575,617	795,970	117,922	58,050,856
TOTAL NET POSITION (DEFICIT)	\$ 406,125,423	\$ 139,645	\$ 8,284,828	\$ 1,655,995	\$ 3,901,189	\$ 8,454,518	\$ 428,561,598

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 22 - CONDENSED FINANCIAL STATEMENTS (CONTINUED)

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE YEAR ENDED SEPTEMBER 30, 2022

	MDHA	MDHA Housing Trust Corp	J Henry Hale LLC	10th & Jefferson LLC	Madison Towers LLC	Kirkpatrick Park LLC	Total
OPERATING REVENUES							
Rentals	\$ 17,512,000	\$ -	\$ 1,214,949	\$ 639,898	\$ 659,412	\$ 911,093	\$ 20,937,352
Other tenant revenue	547,313	-	42,765	13,772	3,531	101,761	709,142
Governmental operating revenue	118,927,778	-	1,186,855	-	1,064,159	232,750	121,411,542
Other income	35,937,175	98,247	26,039	272,123	41,684	6,731	36,381,999
TOTAL OPERATING REVENUES	172,924,266	98,247	2,470,608	925,793	1,768,786	1,252,335	179,440,035
OPERATING EXPENSES							
Cost of services:							
Tenant services	884,909	-	3,957	4,323	40,975	5,494	939,658
Utilities	10,215,470	-	62,192	52,734	382,084	88,424	10,800,904
Ordinary maintenance and operations	17,047,047	-	483,141	178,987	581,101	133,299	18,423,575
Protective services	1,857,783	-	90,484	10,713	44,021	19,008	2,022,009
Other direct program costs and special item	19,491,611	23,808	130,964	32,252	81,852	84,386	19,844,873
Housing assistance payments	62,551,557	-	-	-	-	-	62,551,557
Administration	23,923,322	49,578	478,759	137,588	373,234	209,253	25,171,734
Depreciation	10,458,634	-	1,263,511	392,943	815,048	717,789	13,647,925
TOTAL OPERATING EXPENSES	146,430,333	73,386	2,513,008	809,540	2,318,315	1,257,653	153,402,235
OPERATING INCOME (LOSS)	26,493,933	24,861	(42,400)	116,253	(549,529)	(5,318)	26,037,800
NONOPERATING REVENUES (EXPENSES)							
Interest income	446,726	17	3,883	7	1,215	673	452,521
Gain (loss) on disposition of assets	12,934,279	-	-	-	-	-	12,934,279
Interest expense	(3,519,065)	-	(646,349)	(416,750)	(230,907)	(520,808)	(5,333,879)
TOTAL NONOPERATING EXPENSES - NET	9,861,940	17	(642,466)	(416,743)	(229,692)	(520,135)	8,052,921
Other special items	-	-	-	-	-	-	-
Capital fund grant	840,275	-	-	-	-	-	840,275
Operating/equity transfers	(294,677)	-	(31,868)	350,000	(23,455)	-	-
CHANGES IN NET POSITION	36,901,471	24,878	(716,734)	49,510	(802,676)	(525,453)	34,930,996
NET POSITION (DEFICIT) - BEGINNING OF YEAR AS PREVIOUSLY REPORTED	367,125,914	114,767	9,001,562	1,606,485	4,703,865	8,979,971	391,532,564
PRIOR PERIOD ADJUSTMENT	2,098,038	-	-	-	-	-	2,098,038
NET POSITION - BEGINNING OF YEAR AS RESTATED	369,223,952	114,767	9,001,562	1,606,485	4,703,865	8,979,971	393,630,602
NET POSITION (DEFICIT) - END OF YEAR	\$ 406,125,423	\$ 139,645	\$ 8,284,828	\$ 1,655,995	\$ 3,901,189	\$ 8,454,518	\$ 428,561,598

SUPPLEMENTARY INFORMATION

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

<u>GRANT</u>	<u>FEDERAL CFDA NUMBER</u>	<u>GRANTOR'S NUMBER</u>	<u>GRANT PERIOD</u>	<u>EXPENDITURES</u>	<u>SUB-RECIPIENTS</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>					
Passed through State Department of Human Services:					
Low Income Home Energy Assistance Program	93.568	LWx20-09	06-01-20 to 9-21-22	\$ 128,265	
Passed through State Department Center of Disease Control:					
Community Health Worker Immunization Grant	93.268		07-01-21 to 6-30-22	52,029	
<u>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				<u>\$ 180,294</u>	
<u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>					
Passed through Volunteer Tennessee					
AmeriCorps Program Services	94.006	31701-112222	09-01-21 to 12-31-22	48,772	
<u>TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>				<u>48,772</u>	
<u>U.S. DEPARTMENT OF ENERGY</u>					
Weatherization Assistance for Low-Income Persons	81.042	Z-10-09	06-01-20 to 9-30-22	344,876	
<u>TOTAL U.S. DEPARTMENT OF ENERGY</u>				<u>344,876</u>	
<u>U.S. DEPARTMENT OF JUSTICE</u>					
BAJ Innovations in Community-Based Crime Reduction Program	16.817	2020-BJ-BX	10/01/20 to 09/30/23	<u>132,410</u>	
<u>TOTAL U.S. DEPARTMENT OF JUSTICE</u>				<u>132,410</u>	
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>					
Direct Programs:					
Low-Income Housing Assistance Program - Rental Housing	14.850	A-3777	1/1/2022-12/31/2022	39,650	
				<u>39,650</u>	
Housing Voucher Cluster:					
Section 8 Housing Choice Vouchers	14.871	A-3152V	10-1-21 to 9-30-22	63,203,503	
Section 8 Emergency Housing Vouchers	14.871	TN005EH0001	07-1-21 to 12-31-22	418,727	
Section 8 Community Choice Demonstration Grant	14.871	M21-097	04-30-21 to 12-31-22	209,578	
Section 8 5yr Mainstream Vouchers	14.879	TN005DV0001	10-1-21 to 9-30-22	<u>1,242,139</u>	
					65,073,947
Section 8 Project Based Cluster:					
Lower-Income Housing Assistance Program:					
Section 8 Moderate Rehabilitation - Single Room Occupancy	14.249	TN005SR0007	10-1-21 to 9-30-22	603,331	
Section 8 Moderate Rehabilitation - Single Room Occupancy	14.249	TN005SC0001	10-1-21 to 9-30-22	<u>132,002</u>	
					735,333
Housing Assistance Payments Program:					
CWA Apartments I	14.195	TN43L000015	10-1-21 to 9-30-22	2,143,280	
CWA Apartments II	14.195	TN43L000016	10-1-21 to 9-30-22	778,570	
MDHA J Henry Hale LLC	14.195	TN43RD00004	10-1-21 to 9-30-22	1,186,855	
Cumberland View	14.195	TN43RD00003	10-1-21 to 9-30-22	2,244,386	
Andrew Jackson	14.195	TN43RD00002	10-1-21 to 9-30-22	2,139,071	
MDHA Madison Towers LLC	14.195	TN43RD00007	10-1-21 to 9-30-22	1,064,159	
Edgefield Manor	14.195	TN43RD00006	10-1-21 to 9-30-22	1,154,626	
Parkway Terrace	14.195	TN43RD00008	10-1-21 to 9-30-22	696,628	
Napier Place	14.195	TN43RD00011	10-1-21 to 9-30-22	2,863,054	
Sudekum Apartments	14.195	TN43RD00012	10-1-21 to 9-30-22	3,845,557	
Edgehill Apartments	14.195	TN43RD00013	10-1-21 to 9-30-22	3,037,186	
Gernert Studio Apartments	14.195	TN43RD00010	10-1-21 to 9-30-22	642,092	
Hadley Towers	14.195	TN43RD00015	10-1-21 to 9-30-22	671,851	
Parthenon Towers	14.195	TN43RD00014	10-1-21 to 9-30-22	1,163,706	
Carleen Batson Waller Manor	14.195	TN43RD00016	10-1-21 to 9-30-22	210,145	
Vine Hill Towers	14.195	TN43RD00005	10-1-21 to 9-30-22	855,878	
Vine Hill Apartments	14.195	TN43RD00017	10-1-21 to 9-30-22	546,640	
Preston Taylor Neighborhood Housing	14.195	TN43RD00019	10-1-21 to 9-30-22	197,148	
Boscobel Heights	14.195	TN43RD00021	10-1-21 to 9-30-22	3,324,082	
Cheatham Place	14.195	TN43RD00018	10-1-21 to 9-30-22	1,962,470	
Neighborhood Housing	14.195	TN43RD00024	10-1-21 to 9-30-22	1,958,217	
Historic Preston Taylor	14.195	TN43RD00020	10-1-21 to 9-30-22	951,574	
MDHA Kirkpatrick Park LLC	14.195	TN43RD00025	10-1-21 to 9-30-22	<u>232,750</u>	
					<u>33,869,925</u>
Section 8 Project Based Cluster Total					<u>34,605,258</u>
Public Housing - Capital Fund Program					
Capital Funding FY 2019	14.872	TN43P00550119	04-11-19 to 4-15-25	933,639	
					<u>933,639</u>

See accompanying independent auditor's report.

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

FOR THE YEAR ENDED SEPTEMBER 30, 2022

<u>GRANT</u>	<u>FEDERAL CFDA NUMBER</u>	<u>GRANTOR'S NUMBER</u>	<u>GRANT PERIOD</u>		<u>EXPENDITURES</u>	<u>SUB-RECIPIENTS</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (CONTINUED)</u>						
Direct Programs (Continued):						
Continuum of Care Program						
Continuum of Care - CoC Rental Assistance	14.267	TN0068L4J042013	07-01-21 TO 06-30-22	\$ 1,548,686		
Continuum of Care - CoC Rental Assistance	14.267	TN0068L4J042114	07-01-22 TO 06-30-23	527,533		
Continuum of Care - CoC Planning Grant	14.267	TN0349L4J042000	09-01-21 TO 08-31-22	139,894		
Continuum of Care - CoC Planning Grant	14.267	TN0373L4J042100	07-01-22 TO 06-30-23	<u>20,371</u>		
				\$	2,236,484	\$ 15,905
Resident Opportunity and Supportive Services Program:						
Family Self-Sufficiency Program	14.896	FSS21TN4101	01-01-21 to 12-31-21	6,064		
Family Self-Sufficiency Program	14.896	FSS22TN4740	01-01-22 to 12-31-22	<u>290,431</u>		
					296,495	
Jobs Plus	14.895	TN005FJP000515	01/01/16 to 09/30/2022		157,488	
Passed Through Tennessee Housing & Development Agency:						
National Housing Trust Fund Grant	14.275	NHTF-17-04	09-01-18 to 08-31-21	294,252		
National Housing Trust Fund Grant	14.275	NHTF-18-04	07-01-19 to 06-30-22	118,608		
National Housing Trust Fund Grant	14.275	NHTF-19-02	02-01-20 to 01-31-23	<u>483,954</u>		
					896,814	
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	4,876,039		553,817
Community Development Block Grants/Entitlement Grants CAREs	14.218	B-20-MW-47-0007	07-21-20 to 07-21-2026	808,838		408,905
Community Development Block Grants/Entitlement Grants DDRF	14.218	B-20-MC-47-2007	9/22/20 to 9/30/25	563,793		355,000
Community Development Block Grants/Entitlement Grants-Disaster	14.218	B-10-MF-47-0002	04-30-2010 to	<u>840,552</u>		90,438
					7,089,222	
HOME Investment Partnerships Program	14.239	M-XX-MC-47-0203	N/A	1,181,616		
HOME Investment Partnerships Program American Recovery Plan	14.239	M21-MP470203	2021-2030	<u>45,019</u>		
					1,226,635	
Housing Opportunities for Persons with AIDS (HOPWA)	14.241	TN-HXX-F002	N/A	1,677,926		1,637,937
Housing Opportunities for Persons with AIDS (HOPWA) CAREs	14.241	TN-HXX-F002	07-24-20 to 07-24-23	<u>113,545</u>		113,545
					1,791,471	
Coronavirus State & Local Fiscal Recovery Funds	21.027	RS2022-1310	1-5-2022 to 12-31-2024	<u>705,664</u>		
					705,664	
Emergency Shelter Grants Program	14.231	E-XX-MC-47-0004	N/A	559,197		473,397
Emergency Shelter Grants Program CAREs	14.231	E-20-MW-47-0007	07-24-20 to 07-24-22	<u>4,548,441</u>		4,413,709
				<u>5,107,638</u>		
Passed Through Tennessee Housing & Development Agency:						
Emergency Shelter Grants Program CAREs	14.231	ESG-CV2-52	01-01-21 to 09-30-22	<u>1,385,060</u>	6,492,698	<u>1,110,877</u>
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					<u>121,545,465</u>	
TOTAL FEDERAL FINANCIAL ASSISTANCE					\$ <u>122,251,817</u>	\$ <u>9,173,530</u>

See accompanying independent auditor's report.

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2022

CFDA NUMBER	DESCRIPTION	EXPENDITURES
14.871	* Section 8 Housing Choice Vouchers (HCV cluster)	\$ 63,831,808
14.879	* Section 8 Five Year Mainstream Vouchers (HCV cluster)	1,242,139
14.195	Housing Assistance Payments Program	33,869,925
14.267	Continuum of Care	2,236,484
14.218	Community Development Block Grants/Entitlement Grants (CDBG cluster)	7,089,222
14.239	HOME Investment Partnerships Program	1,226,635
14.241	Housing Opportunities for Persons With AIDS	1,791,471
81.042	Weatherization Assistance for Low-Income Persons	344,876
14.249	Section 8 Moderate Rehabilitation - Single Room Occupancy	735,333
14.850	Low Income Housing Assistance Program - Rental Housing	39,650
14.872	Capital Fund Program	933,639
14.896	Family Self-Sufficiency Program	296,495
16.817	Community-Based Crime Reduction	132,410
14.895	Jobs Plus	157,488
14.231	Emergency Shelter Grants Program	6,492,698
14.275	National Housing Trust Fund Grant	896,814
94.006	Americorps Program Services	48,772
21.027	Coronavirus State and Local Fiscal Recovery Funds	705,664
93.268	Community Health Worker Immunization Grant	52,029
93.568	Low Income Home Energy Assistance Program	128,265
		<hr/>
	TOTAL FEDERAL FINANCIAL ASSISTANCE	\$ 122,251,817
		<hr/> <hr/>

*Tested as major programs in the current year.

See accompanying independent auditor's report.

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

FOR THE YEAR ENDED SEPTEMBER 30, 2022

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 ACTUAL COSTS FOR THE SPECIFIED PROJECT
FROM INCEPTION OF THE PROJECT THROUGH COMPLETION

	<u>TN43P005501-19</u>
Funds approved	\$ 933,639
Funds expended	<u>933,639</u>
Excess (deficiency) of funds approved	<u>\$ -</u>

The distribution of costs by project as shown on the Performance and Evaluation Report submitted to the Department of HUD for approval is in agreement with the Agency's records.

All costs and related liabilities have been disbursed.

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE
SEPTEMBER 30, 2022

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY
Schedule of Changes in Long-term Debt by Individual Issue
September 30, 2022

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Final Maturity Date	Outstanding 10/1/2021	Issued During Period	Paid and/or Matured During Period	Outstanding 9/30/2022
<u>Affordable Housing Activities</u>								
Lenore Garden Apartments	\$ 1,400,000	Variable	5/24/2012	6/25/2024	\$ 260,318	\$ -	\$ (85,580)	\$ 174,738
Uptown Flats	2,945,072	5.51 %	4/19/2014	1/1/2024	1,431,512	-	(215,974)	1,215,538
Nance Place Apartments	2,300,000	Variable	12/1/2011	12/1/2026	1,545,988	-	(76,680)	1,469,308
Nance Place Apartments	9,076,327	0.0 %	12/1/2009	11/1/2024	4,877,491	-	(812,915)	4,064,576
CWA Apartments	3,508,629	1.0 %	12/19/2014	9/30/2034	2,854,696	-	(200,552)	2,654,144
CWA II Apartments	1,659,585	1.0 %	12/19/2014	9/30/2034	1,360,301	-	(95,222)	1,265,079
10th & Jefferson Apartments	7,875,600	4.25 %	4/1/2017	4/1/2057	7,427,002	-	(7,427,002)	-
10th & Jefferson Apartments	7,872,100	2.6 %	11/1/2021	12/1/2061	-	7,888,972	(213,596)	7,675,376
J Henry Hale Apartments	20,478,300	3.41 %	7/1/2017	8/1/2052	18,844,043	53,397	(398,365)	18,499,075
Kirkpatrick Park Apartments	13,776,500	3.9 %	11/1/2017	6/1/2059	13,116,604	43,162	(150,937)	13,008,829
Madison Towers	6,986,400	3.44 %	8/1/2019	9/1/2054	6,583,462	19,094	(125,456)	6,477,100
Harper Cove Townhomes	5,400,000	Variable	5/30/2018	5/30/2030	5,209,492	-	(140,370)	5,069,122
Red Oak Townhomes	6,000,000	Variable	7/31/2020	10/31/2022	4,644,288	786,421	-	5,430,709
Victory Hall Apartments	500,000	0.0 %	8/2/2019	8/2/2025	500,000	-	(100,000)	400,000
Mosley on 6th	7,000,000	Variable	8/15/2018	8/15/2033	6,853,200	-	(223,400)	6,629,800
Total Affordable Housing Activity Loans					\$ 75,508,397	\$ 8,791,046	\$ (10,266,049)	\$ 74,033,394
<u>Development Activities</u>								
Metro Government of Nashville Sports Authority	\$ 28,000,000	4.55 %	7/1/2014	7/1/2043	\$ 28,272,884	\$ 1,272,576	\$ (2,023,619)	\$ 27,521,841
5th Ave of the Arts Garage	42,900,000	4.839 %	11/14/2014	11/14/2044	39,702,862	-	(924,727)	38,778,135
K-8 Charter School	4,960,000	6.0 %	9/24/2018	9/24/2025	4,960,000	-	(132,871)	4,827,129
K-8 Charter School	4,960,000	6.0 %	9/24/2018	9/24/2025	4,960,000	-	(173,697)	4,786,303
K-8 Charter School	4,960,000	6.0 %	9/24/2018	9/24/2025	4,960,000	-	(130,789)	4,829,211
Trolley Barns Garage	11,895,816	Variable	7/27/2020	2/28/2022	10,770,017	-	(10,770,017)	-
Total Development Activity Loans					93,625,763	1,272,576	(14,155,720)	80,742,619
Total Primary Government Debt					\$ 169,134,160	\$ 10,063,622	\$ (24,421,769)	\$ 154,776,013

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 business-type activities and the aggregate discretely presented component units, of the Metropolitan Development and Housing Agency (the "Agency") as of and for the year ended September 30, 2022, 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, 2023. 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, Victory Hall, LP, and Boscobel III, LP ("Discretely Presented Component Units"), as described in our report on the Agency's financial statements. The financial statements of Ryman Lofts at Rolling Mill Hill, LP, Boscobel I, LP, CPA II LP, Victory Hall, LP and Boscobel III, LP were not audited in accordance with *Government Auditing Standards*.

Report on 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 opinion 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 or significant deficiencies may exist that were not 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)**

Report on 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 LLC

Lexington, Kentucky
March 10, 2023

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

Opinion on 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, 2022. 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.

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, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

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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)

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

**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)**

Report on Internal Control over Compliance (Continued)

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

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

MLM CPAs & Advisors LLP

Lexington, Kentucky
March 10, 2023

METROPOLITAN DEVELOPMENT AND HOUSING AGENCY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

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:

Housing Voucher Cluster

14.871	Housing Choice Vouchers
14.879	Mainstream Vouchers
14.EHV	Emergency Housing Vouchers

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, 2022

None.

Entity Wide Balance Sheet Summary

Fiscal Year End: 09/30/2022

	Project Total	16.817 Byrne Criminal Justice Innovation Program	14.EFA FSS Escrow Forfeiture Account	14.218 Community Development Block Grants/Entitlement Grants	14.042 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 PH Family Self-Sufficiency Program	14.895 Jobe-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	14.231 Emergency Shelter Grants Program	14.241 Housing Opportunities for Persons with AIDS	14.EHV Emergency Housing Voucher	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	21.027 Coronavirus State and Local Fiscal Recovery Funds	93.268 Immunization Grants	94.006 AmeriCorps	8 Other Federal Program 1	COCG	Subtotal	ELIM	Total		
111 Cash - Unrestricted	\$46,903			\$344,397		\$700,431	\$3,047,871	\$795,534			\$45,692,004	\$8,766,865		\$6,160,895	\$54,196,187		\$115,463	\$2,811,760		\$1,159	\$111,003	\$517,708					\$209,085	\$74,321,078		\$74,321,078		
112 Cash - Restricted - Modernization and Development																													\$54,196,187		\$54,196,187	
113 Cash - Other Restricted			\$71,368				\$4,526,069	\$2,641,604			\$975,186	\$2,000																\$3,850,823	\$13,751,457		\$13,751,457	
114 Cash - Tenant Security Deposits	\$2,500						\$300,629				\$273,135				\$1,359,194							\$539,218							\$1,935,458		\$1,935,458	
115 Cash - Restricted for Payment of Current Liabilities											\$1,397,296																		\$1,397,296		\$1,397,296	
100 Total Cash	\$49,403	\$0	\$71,368	\$344,397	\$0	\$700,431	\$7,874,569	\$3,437,138	\$0	\$0	\$51,337,621	\$8,768,865	\$0	\$63,716,276	\$0	\$25,825	\$115,463	\$3,931,124	\$0	\$1,159	\$650,221	\$517,708	\$0	\$0	\$0	\$0	\$4,059,908	\$145,601,476	\$0	\$145,601,476		
121 Accounts Receivable - PHA Projects																																
122 Accounts Receivable - HUD Other Projects				\$1,634,137				\$24,564	\$2,294	\$13,820			\$181,569	\$369,450			\$712,863	\$209,578	\$2,432,536	\$901,998									\$6,482,809		\$6,482,809	
124 Accounts Receivable - Other Government		\$69,080			\$120,587						\$8,615	\$550,131		\$17,468		\$19,411								\$705,664	\$150	\$16,324			\$1,489,962		\$1,489,962	
125 Accounts Receivable - Miscellaneous				\$7,839				\$4			\$163,477	\$513,369	\$1,629	\$17,468			\$723		\$6,444			\$542						\$19,364	\$730,859		\$730,859	
126 Accounts Receivable - Tenants	\$6,638						\$371,052	\$254,873			\$179,800			\$998,572															\$1,910,936		\$1,910,936	
126.1 Allowance for Doubtful Accounts - Tenants	(\$5,964)						(\$155,527)	(\$115,115)			(\$20,413)			(\$355,045)															(\$652,064)		(\$652,064)	
126.2 Allowance for Doubtful Accounts - Other																																
127 Notes, Loans, & Mortgages Receivable - Current		\$0		(\$16,876)	\$0		\$0	\$0	\$0	\$0	\$0	(\$12,275)	\$0	\$0	\$0	\$0	(\$11,941)	\$0	\$0	\$0	\$0		\$0	\$0	\$0			\$0	(\$43,092)		(\$43,092)	
128 Fraud Recovery				\$22,408							\$223,400	\$12,275		\$129,743		\$0	\$153,239												\$411,322		\$411,322	
128.1 Allowance for Doubtful Accounts - Fraud													\$129,743									\$40,648						\$6,120,676		\$6,120,676		
129 Accrued Interest Receivable													(\$129,743)			(\$0,693)						(\$40,648)							(\$6,120,676)		(\$6,120,676)	
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$674	\$69,080	\$0	\$1,645,508	\$120,587	\$0	\$240,089	\$142,056	\$13,820	\$0	\$554,879	\$1,063,500	\$183,198	\$1,030,445	\$19,411	\$723	\$854,161	\$216,022	\$2,432,536	\$901,998	\$542	\$0	\$705,664	\$150	\$16,324	\$0	\$19,364	\$10,230,731	\$0	\$10,230,731		
131 Investments - Unrestricted																													\$4,514,307		\$4,514,307	
132 Investments - Restricted																																
135 Investments - Restricted for Payment of Current Liability																																
142 Prepaid Expenses and Other Assets	\$484	\$578		\$7,832	\$914		\$865,506	\$157,078	\$1,971		\$1,303,018	\$5,416	\$546	\$211,160			\$1,857	\$20,571	\$1,144	\$224	\$352				\$494			\$462,106	\$3,041,051		\$3,041,051	
143 Inventories																																
143.1 Allowance for Obsolete Inventories																																
144 Inter Program Due From				\$1,144,993														\$147,194											\$3,305,316	\$3,305,316	(\$3,305,316)	\$0
145 Assets Held for Sale																													\$180,000	\$1,525,310		\$1,525,310
150 Total Current Assets	\$50,561	\$69,658	\$71,368	\$3,142,730	\$121,501	\$700,431	\$8,980,164	\$3,736,272	\$15,791	\$0	\$53,195,518	\$9,890,904	\$183,744	\$64,957,881	\$19,411	\$26,548	\$118,475	\$4,167,717	\$2,433,680	\$903,381	\$651,115	\$517,708	\$705,664	\$150	\$16,818	\$0	\$12,541,001	\$168,218,191	(\$3,305,316)	\$164,912,875		
161 Land	\$1,579,756			\$845,711		\$1,266,636	\$19,328,403	\$9,307,506			\$6,752,810	\$58,980,116		\$23,241,286				\$90,000											\$998,188	\$122,380,412		\$122,380,412
162 Buildings	\$7,532,185			\$1,402,415		\$6,969,637	\$101,457,017	\$74,026,288			\$25,114,005	\$42,789,845		\$276,067,354			\$625,649	\$525,433											\$7,066,915	\$543,576,743		\$543,576,743
163 Furniture, Equipment & Machinery - Dwellings	\$55,301			\$90,223		\$4,122,800	\$1,490,090				\$123,356			\$4,064,585															\$943,778	\$10,890,133		\$10,890,133
164 Furniture, Equipment & Machinery - Administration				\$20,789	\$6,338			\$124,684						\$5,916				\$15,446											\$744,997	\$918,170		\$918,170
165 Leasehold Improvements																																
166 Accumulated Depreciation	(\$203,964)			(\$913,037)	(\$6,338)	(\$1,699,805)	(\$11,001,660)	(\$29,139,734)			(\$5,896,735)	(\$7,647,142)		(\$205,590,175)			(\$194,966)	(\$16,541)											(\$6,220,347)	(\$267,530,544)		(\$267,530,544)
167 Construction in Progress								\$8,659			\$13,573,783			\$36,353									\$52,396						\$22,738	\$40,948,684		\$40,948,684
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	\$8,963,278	\$0	\$0	\$1,446,101	\$0	\$6,526,468	\$141,161,115	\$65,068,343	\$0	\$0	\$40,574,791	\$94,122,819	\$0	\$114,171,445	\$0	\$0	\$520,783	\$524,338	\$0	\$0	\$0	\$0	\$52,396	\$0	\$0	\$0	\$0	\$4,820,646	\$477,952,523	\$0	\$477,952,523	
171 Notes, Loans and Mortgages Receivable - Non-Current				\$63,064							\$67,765,364	\$12,160,342						\$5,210,769												\$85,199,599	(\$5,795,847)	\$79,403,752
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due																																
173 Grants Receivable - Non Current																																
174 Other Assets							\$481,740				\$396,843	\$44,016,880																		\$44,895,463		\$44,895,463
176 Investments in Joint Ventures																																
180 Total Non-Current Assets	\$8,963,278	\$0	\$0	\$1,509,165	\$0	\$6,526,468	\$141,642,855	\$65,068,343	\$0	\$0	\$108,736,998	\$150,300,081	\$0	\$114,171,445	\$0	\$0	\$5,731,572	\$524,338	\$0	\$0	\$0	\$0	\$52,396	\$0	\$0	\$0	\$0	\$4,820,646	\$608,047,585	(\$5,795,847)	\$602,251,738	
200 Deferred Outflow of Resources																																
290 Total Assets and Deferred Outflow of Resources	\$9,013,839	\$69,658	\$71,368	\$4,651,895	\$121,501	\$7,226,899	\$150,623,019	\$68,804,615	\$15,791	\$0	\$161,932,516	\$160,190,985	\$183,744	\$179,129,326	\$19,411	\$26,548	\$6,850,047	\$4,692,055	\$2,433,680	\$903,381	\$651,115	\$517,708	\$758,060	\$150	\$16,818	\$0	\$17,361,647	\$776,265,776	(\$9,101,163)	\$767,164,613		
311 Bank Overdraft																																
312 Accounts Payable <= 90 Days																																
313 Accounts Payable >90 Days Past Due				\$1,105,752			\$195,969	\$128,881			\$2,209,406	\$636,636	\$32	\$870,583			\$549,666	\$217,324	\$872,857	\$898,435			\$33,998						\$4,535,857	\$12,255,396		\$12,255,396
321 Accrued Wage/Payroll Taxes Payable		\$3,593		\$45,008	\$5,362		\$21,223	\$40,326	\$8,877		\$3,134	\$28,760	\$3,333	\$425,322			\$10,068	\$126,022	\$5,752	\$1,581								\$1,957	\$346,028	\$1,076,346		\$1,076,346
322 Accrued Compensated Absences - Current Portion		\$733		\$36,824	\$4,687		\$10,714	\$25,282	\$1,650		\$2,610	\$18,115	\$6,392	\$277,908			\$7,237	\$121,625	\$2,565	\$1,123								\$183	\$340,603	\$858,251		\$858,251
324 Accrued Contingency Liability																																
325 Accrued Interest Payable																																
331 Accounts Payable - HUD PHA Programs																																
332 Account Payable - PHA Projects																																
333 Accounts Payable - Other Government																																
341 Tenant Security Deposits	\$2,500						\$294,481	\$247,289			\$273,135			\$1,359,194																\$2,176,599		\$2,176,599
342 Unearned Revenue	\$774						\$300,563	\$150,747			\$110,393	\$35,955		\$773,612			\$240,588					\$244,255							\$1,856,887		\$1,856,887	
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	\$126,140					\$230,099	\$21,000,779	\$837,917			\$1,880,072	\$4,419,499		\$298,743							</											

Entity Wide Revenue and Expense Summary

Fiscal Year End: 09/30/2022

[illegible]

Metropolitan Development & Housing Agency (TN005)																															
NASHVILLE, TN																															
Entity Wide Revenue and Expense Summary																															
Submission Type: Audited/Single Audit		Fiscal Year End: 09/30/2022																													
	Project Total	16.817 Byrne Criminal Justice Innovation Program	14.EFA FSS Escrow Forfeiture Account	14.219 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	14.231 Emergency Shelter Grants Program	14.241 Housing Opportunities for Persons with AIDS	14.EHV Emergency Housing Voucher	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	21.027 Coronavirus State and Local Fiscal Recovery Funds	93.268 Immunization Grants	94.006 AmeriCorps	8 Other Federal Program 1	COCC	Subtotal	ELIM	Total	
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)																															
10091 Inter Project Excess Cash Transfer In																															
10092 Inter Project Excess Cash Transfer Out																															
10093 Transfers between Program and Project - In	\$5,858,649			\$48,000		\$369,996		\$350,000			\$33,403,638	\$919,634		\$686,881				\$324,946							\$7,088		\$7,312,704	\$49,281,536		\$49,281,536	
10094 Transfers between Project and Program - Out	(\$840,275)					(\$55,323)		(\$55,323)		(\$33,613)	(\$7,063,139)	(\$33,909,396)	(\$100,063)	(\$5,504,762)		(\$103,860)					(\$67,774)	(\$653,268)				(\$896,814)	(\$53,249)	(\$49,281,536)		(\$49,281,536)	
10100 Total Other financing Sources (Uses)	\$5,018,374	\$0	\$0	\$48,000	\$0	\$369,996	\$0	\$294,677	\$0	(\$33,613)	\$26,340,499	(\$32,989,762)	(\$100,063)	(\$4,817,881)	\$0	(\$103,860)	\$0	\$324,946	\$0	\$0	\$0	(\$67,774)	(\$653,268)	\$0	\$7,088	(\$896,814)	\$7,259,455	\$0	\$0	\$0	
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$5,691,354	\$0	\$71,368	(\$37,747)	\$0	\$151,320	\$18,156,441	(\$1,070,475)	\$0	\$0	\$29,084,854	\$1,108,655	\$1,219	(\$3,629,161)	\$0	(\$349,733)	(\$61,619)	\$84,443	\$0	\$0	(\$157,365)	\$248,488	\$52,396	\$0	\$0	\$0	\$4,799,604	\$53,244,042	\$0	\$53,244,042	
11020 Required Annual Debt Principal Payments	\$126,140	\$0	\$0	\$0	\$0	\$230,099	\$889,933	\$897,952	\$0	\$0	\$397,407	\$1,071,418	\$0	\$298,743	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,911,692		\$3,911,692	
11030 Beginning Equity	\$0	\$0	\$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	\$564,225	\$269,220	\$0	\$0	\$0	\$0	\$6,659,659	\$419,825,121		\$419,825,121	
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors												\$0					\$1,941,433											\$1,941,433		\$1,941,433	
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																		\$2,835,613										\$2,835,613		\$2,835,613	
11180 Housing Assistance Payments Equity																		\$263,677										\$263,677		\$263,677	
11190 Unit Months Available	200						7106	6396			4624		2544	61692		2964		85692			2376	1056				0	174650		174650		
11210 Number of Unit Months Leased	89						6638	6263			4327		2544	55317		2002		75954			456	843				0	154433		154433		
11270 Excess Cash	(\$88,264)																											(\$88,264)		(\$88,264)	
11610 Land Purchases	\$0																										\$0	\$0		\$0	
11620 Building Purchases	\$840,275																										\$0	\$840,275		\$840,275	
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	

Metropolitan Development & Housing Agency (TN005)

NASHVILLE, TN

Project Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2022

	TN005000001	TN005000002	TN005000003	TN005000004	TN005000005	TN005000006	TN005000007	TN005000008	TN005000009	TN005000010	TN005000011	TN005000012	TN005000013	TN005000014	TN005000016	TN005000017	TN005000018	OTHER PROJ	Total
111 Cash - Unrestricted																	\$46,903		\$46,903
112 Cash - Restricted - Modernization and Development																			
113 Cash - Other Restricted																			
114 Cash - Tenant Security Deposits																	\$2,500		\$2,500
115 Cash - Restricted for Payment of Current Liabilities																			
100 Total Cash	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$49,403	\$0	\$49,403
121 Accounts Receivable - PHA Projects																			
122 Accounts Receivable - HUD Other Projects																			
124 Accounts Receivable - Other Government																			
125 Accounts Receivable - Miscellaneous																			
126 Accounts Receivable - Tenants																	\$6,638		\$6,638
126.1 Allowance for Doubtful Accounts -Tenants																	-\$5,964		-\$5,964
126.2 Allowance for Doubtful Accounts - Other																			
127 Notes, Loans, & Mortgages Receivable - Current																			
128 Fraud Recovery																			
128.1 Allowance for Doubtful Accounts - Fraud																			
129 Accrued Interest Receivable																			
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$674	\$0	\$674
131 Investments - Unrestricted																			
132 Investments - Restricted																			
135 Investments - Restricted for Payment of Current Liability																			
142 Prepaid Expenses and Other Assets																	\$484		\$484
143 Inventories																			
143.1 Allowance for Obsolete Inventories																			
144 Inter Program Due From																			
145 Assets Held for Sale																			
150 Total Current Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$50,561	\$0	\$50,561
161 Land																	\$1,579,756		\$1,579,756
162 Buildings																	\$7,532,185		\$7,532,185
163 Furniture, Equipment & Machinery - Dwellings																	\$55,301		\$55,301
164 Furniture, Equipment & Machinery - Administration																			
165 Leasehold Improvements																			
166 Accumulated Depreciation																	-\$203,964		-\$203,964
167 Construction in Progress																			
168 Infrastructure																			
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,963,278	\$0	\$8,963,278
171 Notes, Loans and Mortgages Receivable - Non-Current																			
172 Notes, Loans, & Mortgages Receivable - Non Current - Past																			
173 Grants Receivable - Non Current																			
174 Other Assets																			
176 Investments in Joint Ventures																			
180 Total Non-Current Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,963,278	\$0	\$8,963,278
200 Deferred Outflow of Resources																			
290 Total Assets and Deferred Outflow of Resources	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,013,839	\$0	\$9,013,839

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

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2022

	TN005000001	TN005000002	TN005000003	TN005000004	TN005000005	TN005000006	TN005000007	TN005000008	TN005000009	TN005000010	TN005000011	TN005000012	TN005000013	TN005000014	TN005000016	TN005000017	TN005000018	OTHER PROJ	Total
311 Bank Overdraft																			
312 Accounts Payable <= 90 Days																			
313 Accounts Payable >90 Days Past Due																			
321 Accrued Wage/Payroll Taxes Payable																			
322 Accrued Compensated Absences - Current Portion																			
324 Accrued Contingency Liability																			
325 Accrued Interest Payable																			
331 Accounts Payable - HUD PHA Programs																			
332 Account Payable - PHA Projects																			
333 Accounts Payable - Other Government																			
341 Tenant Security Deposits																	\$2,500		\$2,500
342 Unearned Revenue																	\$774		\$774
343 Current Portion of Long-term Debt - Capital																	\$126,140		\$126,140
344 Current Portion of Long-term Debt - Operating Borrowings																			
345 Other Current Liabilities																			
346 Accrued Liabilities - Other																	\$6,479		\$6,479
347 Inter Program - Due To																			
348 Loan Liability - Current																			
310 Total Current Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$135,893	\$0	\$135,893
351 Long-term Debt, Net of Current - Capital Projects/Mortgage																	\$3,186,592		\$3,186,592
352 Long-term Debt, Net of Current - Operating Borrowings																			
353 Non-current Liabilities - Other																			
354 Accrued Compensated Absences - Non Current																			
355 Loan Liability - Non Current																			
356 FASB 5 Liabilities																			
357 Accrued Pension and OPEB Liabilities																			
350 Total Non-Current Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,186,592	\$0	\$3,186,592
300 Total Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,322,485	\$0	\$3,322,485
400 Deferred Inflow of Resources																			
508.4 Net Investment in Capital Assets																	\$5,650,546		\$5,650,546
511.4 Restricted Net Position																			
512.4 Unrestricted Net Position	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$40,808	\$0	\$40,808
513 Total Equity - Net Assets / Position	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,691,354	\$0	\$5,691,354
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,013,839	\$0	\$9,013,839

Metropolitan Development & Housing Agency (TN005)

NASHVILLE, TN

Project Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2022

	TN005000001	TN005000002	TN005000003	TN005000004	TN005000005	TN005000006	TN005000007	TN005000008	TN005000009	TN005000010	TN005000011	TN005000012	TN005000013	TN005000014	TN005000016	TN005000017	TN005000018	OTHER PROJ	Total
70300 Net Tenant Rental Revenue																	\$26,343		\$26,343
70400 Tenant Revenue - Other																	\$32		\$32
70500 Total Tenant Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$26,375	\$0	\$26,375
70600 HUD PHA Operating Grants																	\$39,650	\$93,364	\$133,014
70610 Capital Grants																		\$840,275	\$840,275
70710 Management Fee																			
70720 Asset Management Fee																			
70730 Book Keeping Fee																			
70740 Front Line Service Fee																			
70750 Other Fees																			
70700 Total Fee Revenue																			
70800 Other Government Grants																			
71100 Investment Income - Unrestricted																	\$24		\$24
71200 Mortgage Interest Income																			
71300 Proceeds from Disposition of Assets Held for Sale																			
71310 Cost of Sale of Assets																			
71400 Fraud Recovery																			
71500 Other Revenue																			
71600 Gain or Loss on Sale of Capital Assets																			
72000 Investment Income - Restricted																			
70000 Total Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$66,049	\$933,639	\$999,688
91100 Administrative Salaries																			
91200 Auditing Fees																			
91300 Management Fee																	\$0	\$93,364	\$93,364
91310 Book-keeping Fee																	\$445		\$445
91400 Advertising and Marketing																			
91500 Employee Benefit contributions - Administrative																			
91600 Office Expenses																	\$434		\$434
91700 Legal Expense																	\$73		\$73
91800 Travel																			
91810 Allocated Overhead																			
91900 Other																			
91000 Total Operating - Administrative	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$952	\$93,364	\$94,316
92000 Asset Management Fee																			
92100 Tenant Services - Salaries																			
92200 Relocation Costs																			
92300 Employee Benefit Contributions - Tenant Services																			
92400 Tenant Services - Other																			
92500 Total Tenant Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
93100 Water																	\$2,947		\$2,947
93200 Electricity																	\$12,304		\$12,304
93300 Gas																			
93400 Fuel																			
93500 Labor																			
93600 Sewer																			
93700 Employee Benefit Contributions - Utilities																			
93800 Other Utilities Expense																			
93000 Total Utilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$15,251	\$0	\$15,251
94100 Ordinary Maintenance and Operations - Labor																			
94200 Ordinary Maintenance and Operations - Materials and																			
94300 Ordinary Maintenance and Operations Contracts																	\$1,823		\$1,823
94500 Employee Benefit Contributions - Ordinary Maintenance																			
94000 Total Maintenance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,823	\$0	\$1,823

Metropolitan Development & Housing Agency (TN005)

NASHVILLE, TN

Project Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2022

	TN005000001	TN005000002	TN005000003	TN005000004	TN005000005	TN005000006	TN005000007	TN005000008	TN005000009	TN005000010	TN005000011	TN005000012	TN005000013	TN005000014	TN005000016	TN005000017	TN005000018	OTHER PROJ	Total
95100 Protective Services - Labor																			
95200 Protective Services - Other Contract Costs																			
95300 Protective Services - Other																			
95500 Employee Benefit Contributions - Protective Services																			
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96110 Property Insurance																			
96120 Liability Insurance																			
96130 Workmen's Compensation																			
96140 All Other Insurance																			
96100 Total insurance Premiums	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96200 Other General Expenses																			
96210 Compensated Absences																			
96300 Payments in Lieu of Taxes																	\$1,250		\$1,250
96400 Bad debt - Tenant Rents																	\$5,964		\$5,964
96500 Bad debt - Mortgages																			
96600 Bad debt - Other																			
96800 Severance Expense																			
96000 Total Other General Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,214	\$0	\$7,214
96710 Interest of Mortgage (or Bonds) Payable																			
96720 Interest on Notes Payable (Short and Long Term)																	\$4,140		\$4,140
96730 Amortization of Bond Issue Costs																			
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,140	\$0	\$4,140
96900 Total Operating Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$29,380	\$93,364	\$122,744
97000 Excess of Operating Revenue over Operating Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$36,669	\$840,275	\$876,944
97100 Extraordinary Maintenance																			
97200 Casualty Losses - Non-capitalized																			
97300 Housing Assistance Payments																			
97350 HAP Portability-In																			
97400 Depreciation Expense																	\$203,964		\$203,964
97500 Fraud Losses																			
97600 Capital Outlays - Governmental Funds																			
97700 Debt Principal Payment - Governmental Funds																			
97800 Dwelling Units Rent Expense																			
90000 Total Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$233,344	\$93,364	\$326,708
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)																			
10091 Inter Project Excess Cash Transfer In																			
10092 Inter Project Excess Cash Transfer Out																			
10093 Transfers between Program and Project - In																	\$5,858,649		\$5,858,649
10094 Transfers between Project and Program - Out																		-\$840,275	-\$840,275
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,858,649	-\$840,275	\$5,018,374
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,691,354	\$0	\$5,691,354

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

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2022

	TN005000001	TN005000002	TN005000003	TN005000004	TN005000005	TN005000006	TN005000007	TN005000008	TN005000009	TN005000010	TN005000011	TN005000012	TN005000013	TN005000014	TN005000016	TN005000017	TN005000018	OTHER PROJ	Total
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$126,140	\$0	\$126,140
11030 Beginning Equity	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11040 Prior Period Adjustments, Equity Transfers and																			
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																			
11100 Changes in Allowance for Doubtful Accounts - Other																			
11170 Administrative Fee Equity																			
11180 Housing Assistance Payments Equity																			
11190 Unit Months Available	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	200	0	200
11210 Number of Unit Months Leased	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	89	0	89
11270 Excess Cash	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$88,264	\$0	-\$88,264
11610 Land Purchases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11620 Building Purchases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$840,275	\$840,275
11630 Furniture & Equipment - Dwelling Purchases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11640 Furniture & Equipment - Administrative Purchases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11650 Leasehold Improvements Purchases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11660 Infrastructure Purchases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13510 CFFP Debt Service Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13901 Replacement Housing Factor Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0