

Chattanooga Housing Authority

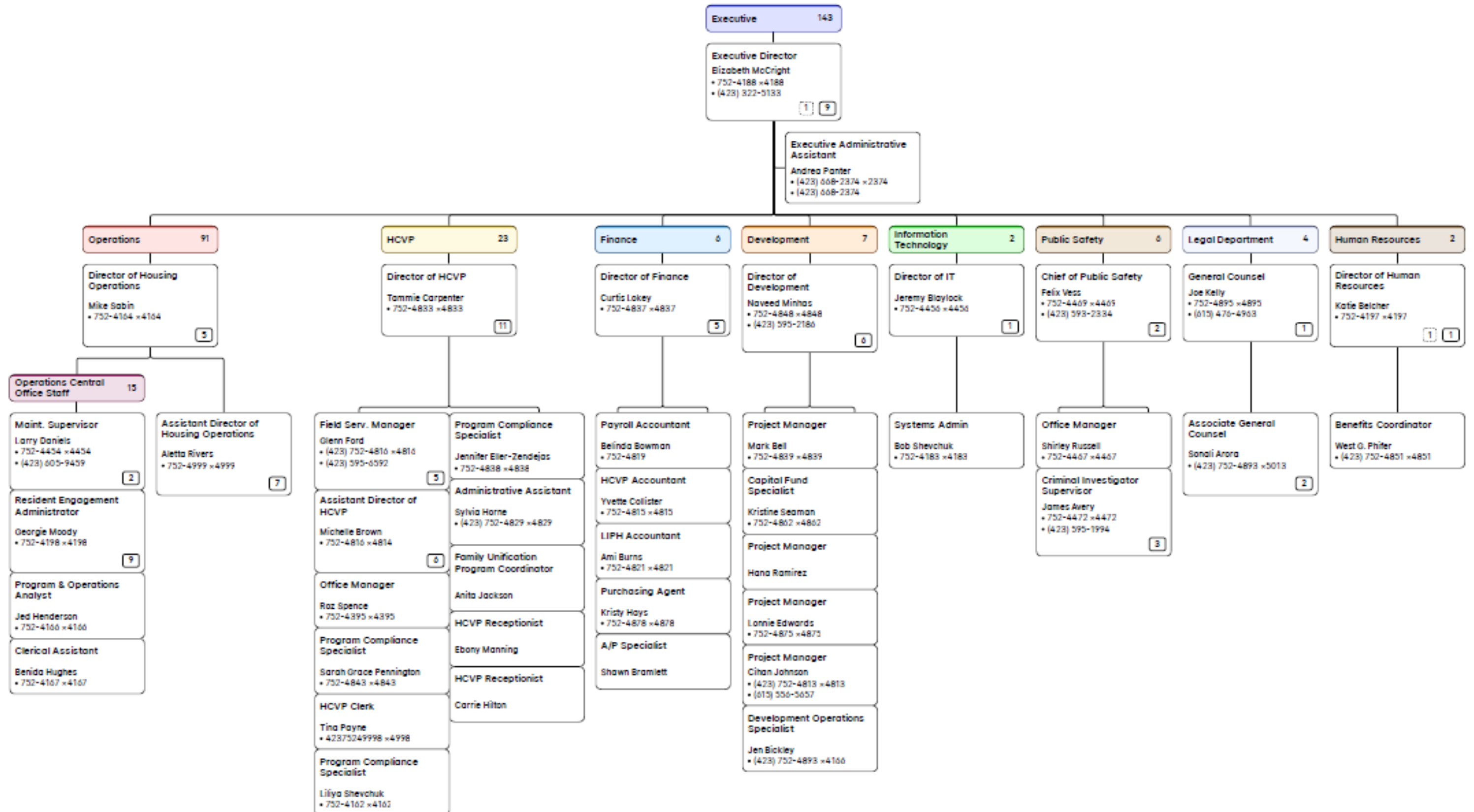
Audit of Financial Statements

Year Ended December 31, 2022

Chattanooga Housing Authority
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Year Ended December 31, 2022

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Chattanooga Housing Authority Organizational Chart



Independent Auditor's Report on the Financial Statements

Chattanooga Housing Authority
To the Board of Commissioners

Report on the Financial Statements

Opinions

We have audited the financial statements of the business-type activities of the Chattanooga Housing Authority (the "Authority") as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

We did not audit the financial statements of Cromwell Development I, LLC, Chattanooga Housing Authority-Emerald Villages, LLC, and Greenwood Terrace, LLC, (collectively, "blended component units") which represent 98%, 100%, and 93%, respectively, of the assets, net position, and operating revenues of the blended component units. Those statements, which were prepared in accordance with the Accounting Standards Codification as issued by the Financial Accounting Standards Board, were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the blended component units, is based solely on the reports of the other auditors.

In our opinion, based on our audit and the reports of the other auditors, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities of the Authority, as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller general of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. The financial statements of Cromwell Development I, LLC, Chattanooga Housing Authority-Emerald Villages, LLC, and Greenwood Terrace, LLC, were not audited in accordance with *Government Auditing Standards*. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independent Auditor's Report on the Financial Statements (Continued)

Responsibilities of Management for the Financial Statements

The Authority'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 Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

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

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

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

Independent Auditor's Report on the 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 6 through 15 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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 Authority's basic financial statements. The accompanying schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations ("CFR") Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"), the accompanying statement and certification of actual capital fund grant costs, and the financial data schedules are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with 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 basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the report. The other information includes the organizational chart but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Independent Auditor's Report on the Financial Statements (Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 24, 2022, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "MCM CPAs & Advisors LP". The signature is written in a cursive, stylized font.

Lexington, Kentucky
June 27, 2023

CHATTANOOGA HOUSING AUTHORITY

BOARD OF COMMISSIONERS

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Management's Discussion and Analysis ("MD&A") For the Year Ended December 31, 2022

***Our Mission:** Provide access to quality, affordable housing and engage community partners that encourage a comprehensive approach to stability and personal growth for the families we serve.*

This section of the Authority's annual financial report presents management's analysis of the CHA's financial performance during the fiscal year ended December 31, 2022.

Financial Highlights and Conclusions

In accordance with Governmental Accounting Standards Board Statement No. 34 ("GASB 34"), the Chattanooga Housing Authority ("CHA" or the "Authority") is pleased to provide this executive narrative. The financial statements for 2022 have been reviewed by key management staff to assess the financial health of the CHA. It is apparent in the future that the CHA must rely less on uncertain grant funding and develop alternative resources to maintain current service levels. Financial highlights of this past year are as follows:

- **Conversion Activities:** During 2022, CHA completed the conversion of two of its Public Housing developments using HUD's Rental Assistance Demonstration program. The 250 units at Boynton Terrace and 18 units at Fairmount Apartments were converted from Public Housing to project-based voucher assistance that will allow for enhanced funding stability.
- **Greenwood Terrace:** In September 2022, CHA completed the purchase of Greenwood Terrace, a 98-unit apartment complex, from LIHTC investors. The transaction was structured as a debt-to-equity arrangement. This strategic acquisition aligns with CHA's objectives and enhances its portfolio of affordable housing assets, contributing to its long-term mission of providing quality housing options to low-income individuals and families. See Note R in the notes to the financial statements.
- **Public Housing Program:** Had a \$4.1 million decrease in net position for the year ended December 31, 2022, as equity decreased from \$59.2M to \$55.1M. To place this number in proper context, it is important to note that this loss includes \$1.67M of depreciation expense and \$7.4M transfers of assets to Business Activities. Exclusive of these items, the program had a net operating surplus of approximately \$3.9 million for Fiscal Year 2022.
- **Housing Choice Voucher Program:** Had a \$13,485 excess of expenses over revenue during the fiscal year. The balance of HAP equity was unchanged, while the administrative portion of operations finished the year with a balance of \$1,415,310. Program funding for the year was slightly lower than last year as no CARES funding was received in 2022 and the Authority received about \$613K less in HCV HAP funding in relation to FY2021 levels.

Management's Discussion and Analysis ("MD&A") (Continued)

Financial Highlights and Conclusions (Continued)

- **Central Office Cost Center:** The net position for the COCC decreased \$139,596 (4.59%) to \$4.6 million.
- **Grant Funding:** Grant funding received in 2022 was \$43,075,589 which represents a decrease of \$1,585,403 (3.55%) from the \$44,660,992 recognized in 2021. This was due primarily to lower Capital Fund grants in relation to 2021 levels (\$970K) due to reduced public housing program unit counts after RAD conversion activities, a \$600K decrease in HCVP funding and a \$2.1M reduction in Operating Subsidy offset somewhat by a \$1.2M increase in PBRA Housing Assistance Payments Programs funding.
- **HAP Utilization:** Payments to landlords for the Housing Assistance Payments decreased from \$24,813,809 in 2021 to \$24,303,466 which represents a \$510,343 (2.06%) decrease from the prior year.
- **Business Activities:** Experienced an increase in net position from \$19,719,483 in 2021 to \$22,671,619 during 2022. This \$3 million increase was due to the activities discussed in the audit report related to Capital Improvements and the loan retirements at the Emerald Villages and Cromwell Hills communities that recently converted from Public Housing to Project-based assistance. This increase was primarily due to \$5.1M of equity transfers, and \$618K of capital contributions received during the year offset somewhat by a \$1.6M net loss from 2022 operations.
- **PBRA/MultiFamily:** experienced an increase in net position from \$28,863,175 in 2021 to \$29,283,230 during 2022. This is a relatively new cost center that consists of the four RAD conversions for Public Housing to Project-Based Assistance at Fairmount, Mary Walker, Dogwood and Boynton. This \$420,055 increase was due to \$2M of asset transfers from Public Housing during the year offset somewhat by a \$1.6M net loss (inclusive of \$2.6M of depreciation) from 2022 operations.
- **Cash & Investments:** Position decreased from \$51 million at the end of 2021 to \$37 million as of December 31, 2022. This \$14 million decrease was primarily due to the payoff of loans at Emerald and Cromwell and bond-financing activities. The change in cash position represents a 27.48% decrease in the agency's cash position in relation to 2021 levels.

Required Financial Statements

The basic financial statements of the CHA are designed to be corporate-like in that all business-type activities are consolidated for the entire CHA. The CHA consists exclusively of programs that are accounted for in an enterprise fund. Enterprise funds utilize the full accrual basis of accounting, making them more similar to the accounting methods utilized by the private sector. Many of the programs maintained by the CHA are required by the U.S. Department of Housing and Urban Development ("HUD").

The basic financial statements include a Statement of Net Position, which is similar to a balance sheet. The Statement of Net Position reports all financial and capital resources for the CHA. The Statement is presented in the format where assets and deferred outflows of resources minus liabilities and deferred inflows of resources equal "Net Position," formerly known as equity. Assets and liabilities are presented in order of liquidity and are classified as "current" (convertible into cash within one year), and "non-current". Net Position is reported in three broad categories:

- **Net Investment in Capital Assets:** This component of Net Position consists of all capital assets, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings 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 the assets by creditors (such as debt covenants), grantors, laws, and regulations.

Management's Discussion and Analysis ("MD&A") (Continued)

Required Financial Statements (Continued)

- **Unrestricted Net Position**: This component of Net Position consists of Net Position that does not meet the definition of the other two categories. Unrestricted Net Position represents the net available liquid (non-capital) assets, net of liabilities for the entire CHA.

The basic financial statements also include a Statement of Revenues, Expenses and Changes in Net Position, similar to an income statement. This statement includes operating revenues such as rental income, HUD operating grants, operating expenses such as administrative, utilities, maintenance and depreciation, and non-operating revenues/expenses such as capital grant revenue, investment income and interest expense.

Finally, a Statement of Cash Flows is included, which discloses net cash provided or used by, operating activities, non-capital financing activities, capital and related financing activities, and investing activities.

Major Programs

The focus of the CHA's financial statements should be on the major programs of the CHA. The following are considered major programs of the CHA:

- **Conventional Public Housing**: Under the Conventional Public Housing Program, the CHA rents units that it owns to eligible low-income families, the elderly, and persons with disabilities. The CHA uses income limits developed by HUD which set the limits at up to 80 percent of median income for the area. This program is operated under an Annual Contributions Contract ("ACC") with HUD, whereby HUD provides the CHA operating subsidy funding to assist in funding the operating and maintenance expenses and to offer rent based upon 30 percent of adjusted gross household income. The Conventional Public Housing Program also includes the Capital Fund Program which remains the primary funding sources for modernization of, and physical and management improvements to, the CHA's public housing properties. As of December 31, 2022, CHA had 1,754 units in its low-income public housing portfolio.
- **Housing Choice Voucher Program**: Under the Housing Choice Voucher Program ("HCVP"), the CHA administers contracts with independent landlords to allow very low and extremely low-income families to reside in privately-owned rental housing. The CHA subsidizes the family's rent through a HAP paid to the landlord. This program is administered under an ACC with HUD, whereby HUD provides funding to enable the CHA to oversee a lease that sets the participant's rent at 30 percent of adjusted gross household income. As of December 31, 2022, CHA had 3,902 Housing Choice Vouchers.
- **Multifamily Section 8 HAP Program**: This a significant addition to our portfolio of major programs. Under this program, the four properties that were previously operated under the Low-Income Public Housing ("LIPH") program, have converted to Property-Based Rental Assistance ("PBRA"). Through these contracts, we administer rental assistance to eligible low-income households, bridging the gap between the actual rent and the amount affordable to the tenants based on their income. This program is similar to HCVP, however the subsidies are not administered by CHA, but instead are received from HUD's Office of Multifamily Housing. Currently, there are 557 units in this portfolio.

Management's Discussion and Analysis ("MD&A") (Continued)

Non-major Programs

In addition to the major programs above, the CHA also administers a number of non-major programs. These funds include:

- **Resident Opportunity and Supportive Services Program**: This program provides public housing residents with supportive services, resident empowerment activities, and assistance in becoming economically self-sufficient.
- **Moderate Rehabilitation/Single Room Occupancy Program**: This program assists very low-income, single, homeless individuals in obtaining decent, safe, and sanitary housing in privately owned, rehabilitated buildings.
- **Business Activities**: These represent programs supported by non-HUD resources developed from a variety of CHA- initiated activities including the existing entities of Greenwood Terrace LLC and Holtzelaw LLC, as well as the Cromwell Development I, LLC and Emerald Villages, LLC.

Financial Analysis of CHA

One question frequently asked about CHA's finances is "Did CHA's operations and financial position improve or deteriorate over the previous fiscal year?" The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position report information about CHA's activities are summarized in the following sections. To begin the analysis, a summary of CHA's Statement of Net Position is presented in Table I.

As illustrated in the Statement of Net Position, total assets were down \$18,062,712 (10.5%) from \$172,092,992 in 2021 to \$154,030,280 in 2022. Overall CHA's Net position was materially similar to FY2021 levels (\$752,801 decrease or 0.68% change) from \$110,652,131 to \$109,899,030 as detailed in Table I below:

Management's Discussion and Analysis ("MD&A") (Continued)

Financial Analysis of CHA (Continued)

CHATTANOOGA HOUSING AUTHORITY
Statement of Net Position
TABLE I

<u>Account descriptions</u>	<u>2022</u>	<u>2021</u>	<u>Total change</u>	<u>% change</u>
Current assets	\$ 38,567,038	\$ 53,176,551	\$ (14,609,513)	-27%
Capital assets	85,755,406	88,830,522	(3,075,116)	-3%
Other noncurrent assets	29,707,836	30,085,919	(378,083)	-1%
Total assets	154,030,280	172,092,992	(18,062,712)	-10%
Deferred outflows of resources	-	-	-	0%
Current liabilities	11,450,138	47,714,887	(36,264,749)	-76%
Noncurrent liabilities	32,680,812	13,725,974	18,954,838	138%
Total liabilities	44,130,950	61,440,861	(17,309,911)	-28%
Deferred inflows of resources	-	-	-	0%
Net investment in capital assets	51,976,452	38,733,788	13,242,664	34%
Restricted net position	7,996,639	7,862,340	134,299	2%
Unrestricted net position	49,926,239	64,056,003	(14,129,764)	-22%
Total net position	\$ 109,899,330	\$ 110,652,131	\$ (752,801)	-1%

Current assets decreased 27.47% from \$53.1 million to \$38.6 million, which was primarily a function of CHA's decreased cash position (\$14.2M) as discussed previously, while accounts receivables and prepaid insurance amounts were \$0.4M lower in relation to FY21. Current liabilities decreased by \$36,264,749 or 76%. This decrease was primarily due a \$21.3M decrease in the current portion of debt, a \$12.4M of deferred revenues and a \$3M decrease in accounts payable in relation to 2021 levels, non-current liabilities increased by \$18,954,838 from \$13,725,974 to \$32,630,812 which represents an increase of 138.09% over FY2021 levels related to the conversion of construction loans to permanent financing at Emerald and Cromwell.

Management's Discussion and Analysis ("MD&A") (Continued)

Financial Analysis of CHA (Continued)

While the Statement of Net Position shows the change in financial position, the Statement of Revenues, Expenses, and Changes in Net Position breaks down the CHA's revenues and expenses further. Table II, below provides a statement of these changes:

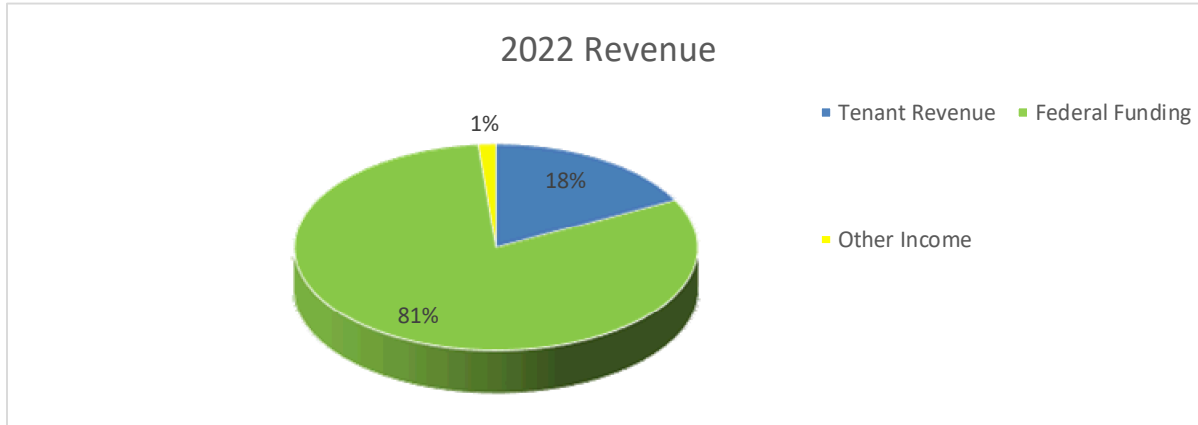
CHATTANOOGA HOUSING AUTHORITY
Statement of Revenues, Expenses and Changes in Net Position
TABLE II

<u>Account descriptions</u>	<u>2022</u>	<u>2021</u>	<u>Total change</u>	<u>% change</u>
Tenant revenue	\$ 9,238,021	\$ 7,373,800	\$ 1,864,221	25%
Federal funding	43,073,786	45,081,276	(2,007,490)	-4%
Other income	747,422	1,382,112	(634,690)	-46%
Total revenue	53,059,229	53,837,188	(777,959)	-1%
Administrative	8,420,068	7,863,290	556,778	7%
Asset management fee	10,844	7,564	3,280	43%
Tenant services	910,310	895,043	15,267	2%
Utilities	4,902,812	4,523,570	379,242	8%
Protective services	558,337	527,961	30,376	6%
Insurance expense	815,199	704,538	110,661	16%
Maintenance	5,152,573	4,232,296	920,277	22%
General expense	621,846	772,836	(150,990)	-20%
Housing assistance payments	24,303,466	24,813,809	(510,343)	-2%
Depreciation and amortization	6,109,192	6,929,973	(820,781)	-12%
Total operating expenses	51,804,647	51,270,880	533,767	1%
Non-operating items				
Interest income	557,544	412,951	144,593	35%
Interest expense	(3,042,552)	(922,078)	(2,120,474)	230%
Casualty gain	(84,172)	(153,678)	69,506	-45%
Gain on disposal of capital assets	-	8,302	(8,302)	-100%
Total non-operating items	(2,569,180)	(654,503)	(1,914,677)	293%
Partner contributions	561,797	6,019,808	(5,458,011)	-91%
Changes in net position	(752,801)	7,931,613	(8,684,414)	-109%
Beginning net position	110,652,131	102,720,518	7,931,613	8%
Ending net position	\$ 109,899,330	\$ 110,652,131	\$ (752,801)	-1%

Revenues: Exclusive of nonoperating amounts, a review of the Statement of Revenues, Expenses, and Changes in Net Position shows that 81% of the CHA's revenues are derived from grants from the Department of Housing and Urban Development and other Federal programs. The CHA receives revenue from tenants for dwelling rental charges, excess utilities, and miscellaneous charges of 18% of total revenue. Interest Revenue and Other Revenue comprise the remaining 1%. Compared to the fiscal year ended December 31, 2021, operating revenues had an overall decrease of \$6.1M as discussed on the following page.

Management's Discussion and Analysis ("MD&A") (Continued)

Financial Analysis of CHA (Continued)



Tenant Revenue: Total Tenant Revenue, net of bad debts, increased \$1,864,221 from \$7,373,800 in 2021 to \$9,238,021 in 2022 (25% increase). This increase is related to higher tenant rents and the conversion of developments from LIPH to Project- Based Rental Assistance ("PBRA") and Project-Based Vouchers ("PBV").

Program Grants/Subsidies: The CHA's Federal Funding experienced a 6% decrease (\$2,538,198) in Federal Financial Assistance from \$44.7 million in 2021 to \$42.1 million in 2022 as detailed in the table below. This decrease was primarily attributable to lower funding recognized from HUD for the Low Rent and Capital Fund Grant Program due to RAD conversion activities in relation to 2021 levels, the \$1.5M of CARES funding received in 2021, offset somewhat by higher Housing Assistance Payments Programs funding (\$969,139). The table below does not include federal funding received by Emerald Villages which is not included in the Schedule of Expenditures of Federal Awards.

Other Income: Other Income decreased \$6,092,701 (or 82.31%) due to lower amounts recognized as developer fees and capital contributions in FY22 in relation to FY21 levels of \$130,691 or 9%.

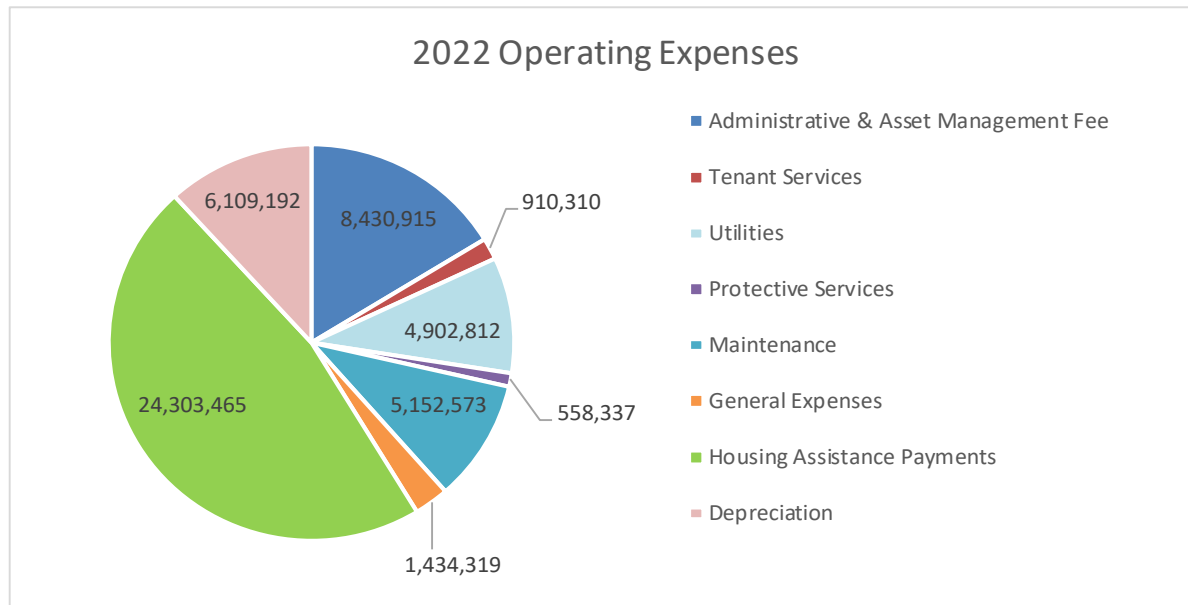
**CHATTANOOGA HOUSING AUTHORITY
Federal Financial Awards Comparison
For the Fiscal Years 2022 and 2021**

	<u>2022</u>	<u>2021</u>	<u>Change</u>
PUBLIC HOUSING			
Public and Indian Housing Program	\$ 9,107,204	\$ 11,239,351	\$ (2,132,147)
Capital Fund Program	3,296,440	4,266,730	(970,290)
Resident Opportunity and Supportive Services	256,923	125,640	131,283
PIH Family Self-Sufficiency Program	72,021	71,745	276
HOUSING ASSISTANCE PAYMENTS			
Section 8 Housing Choice/Mainstream/FUP Programs	26,536,787	27,636,589	(1,099,802)
Mod Rehab/ SRO	2,349,420	1,233,271	1,116,149
Housing Trust Fund	228,724	-	228,724
Coronavirus State & Local Fiscal Recovery Funds	275,275	-	275,275
Community Development Block Grant	-	87,666	(87,666)
TOTALS	<u>\$ 42,122,794</u>	<u>\$ 44,660,992</u>	<u>\$ (2,538,198)</u>

Management's Discussion and Analysis ("MD&A") (Continued)

Expenses

The Chattanooga Housing Authority experienced an increase of \$2,584,735 in total expenses for the current year from \$52,346,636 to \$54,931,371 or 4.94%. Notable changes in expense levels by category for the current year are as follows:



Administration: Administration costs were \$556,778 higher than in 2021 as these costs increased from \$7,863,290 to \$8,420,068 or 7.73%. This increase consists primarily of increased outside management fees of \$111,935 and increased other administrative operating costs of \$480,305.

Tenant Services: Tenant Services costs include all costs incurred by the CHA to provide social services to the residents. In addition to the HUD ROSS grants, the recognized Resident Councils receive funding for board meetings, training costs, and other items. In addition, recognized Resident Councils receive assistance to cover the costs of meetings and other training activities provided. Tenant Services increased \$15,267 from \$895,043 in 2021 to \$910,310. Salaries and benefits were \$441K higher while relocation costs decreased by \$395,494. Other resident services costs increased from \$64,628 to \$122,766.

Utilities: The total utilities expense for the CHA increased by \$379,242 from \$4,523,570 to \$4,902,812. Water, electricity, and sewer charges all saw significant increases during the year. The overall increase was 8.38%.

Maintenance Costs: Maintenance costs were \$920,277 higher in 2022 as these costs increased from \$4,232,296 to \$5,152,573 or 21.74%. Maintenance labor and benefits increased by \$314,771, while materials and contract costs increased \$605,506.

Interest Expense: The total interest expense for the CHA increased by \$2,120,474 from \$922,078 to \$3,042,552. Debt service expenses relate to loan payments in Business Activities. The overall increase was 230%.

Housing Assistance Payments Program: HAP payments consist of rental payments to owners of private property with which the housing CHA has a HAP agreement for the difference between the tenants rent and the applicable payment standard. CHA utilization levels declined during 2022 and as a result, HAP expense decreased \$510,343 in 2022 over the prior year from \$24,813,809 to \$24,303,466 (2.06%).

Management's Discussion and Analysis ("MD&A") (Continued)

Expenses (Continued)

Depreciation and Amortization: Because the costs of all capitalized additions are spread over the estimated useful life of these assets, the estimated current-year costs of capitalized items are recorded as depreciation. Depreciation expense was \$820,781 lower in relation to prior year levels as the expense level decreased from \$6,929,973 to \$6,109,192 (11.84%).

Capital Assets

At the end of fiscal year 2022, the CHA had Capital Assets of \$85,755,406, net of depreciation. For the year ended December 31, 2022, capital assets decreased by \$3M (\$2.9M of improvements from Capital grants, and \$750K from improvements at Emerald, Cromwell, and other programs), offset by \$6.5M of depreciation expense. Major changes during the year totaled a decrease of \$3075,116 as detailed below:

CHATTANOOGA HOUSING AUTHORITY Statement of Capital Assets TABLE III

<u>Account descriptions</u>	<u>2022</u>	<u>2021</u>	<u>Total change</u>	<u>% change</u>
Land	\$ 9,486,116	\$ 9,486,116	\$ -	0.00%
Buildings	210,043,003	200,531,504	9,511,499	4.74%
Furniture & Equipment	4,548,011	4,449,339	98,672	2.22%
Construction in Process	3,374,032	10,620,130	(7,246,098)	-68.23%
Accumulated Depreciation	<u>(141,695,756)</u>	<u>(136,256,567)</u>	<u>(5,439,189)</u>	<u>3.99%</u>
Total capital assets	<u>\$ 85,755,406</u>	<u>\$ 88,830,522</u>	<u>\$ (3,075,116)</u>	<u>-3.46%</u>

A summary of the changes in capital assets were as follows:

Balance at January 1, 2022	\$88,830,522
Current period additions - operations	2,364,073
Current period depreciation expense	<u>(5,439,189)</u>
Balance at December 31, 2022	<u>\$85,755,406</u>

Debt Administration

As of December 31, 2022, the CHA had \$33,778,954 of debt outstanding (including accrued interest) related to the operation of various federal and local programs. The following is a summary of the changes in total debt obligations for the year ended December 31, 2022:

Balance as of January 1, 2022	\$50,096,734
Debt issued	22,307,626
Debt payments	(16,863,001)
Conversion to permanent financing	<u>(21,762,405)</u>
Balance as of December 31, 2022	<u>\$33,778,954</u>

Management's Discussion and Analysis ("MD&A") (Continued)

Economic Factors and Events Affecting Operations

Several factors may affect the financial position of the CHA in the subsequent fiscal year. These factors include:

- (1) The level of Federal funding for both the Low-Income Public Housing and the Housing Choice Voucher Programs continues to be at prorated levels that are significantly below formula eligibility amounts.
- (2) Local inflationary, recessionary and employment trends, which can affect resident incomes and therefore the amount of rental revenue paid as inflation has increased over 9% in relation to 2022 levels.
- (3) Fuel prices are expected to be volatile, the ongoing pandemic has created supply chain disruptions which have persisted and continued inflationary pressures are expected to increase supplies and other costs.
- (4) CHA has extended a waiver to increase the payment standards during 2022 in the Housing Choice Voucher Program to allow for an increase to the 120% percent Fair Market Rent level to address the current housing shortages in Hamilton County. This waiver has allowed program participants to remain competitive when selecting a unit and this waiver is in effect until December 31, 2023.
- (5) During 2022, CHA completed renovations of its storage facility at 801 N. Holtzclaw that will be used as a maintenance training facility for CHA and other housing providers.
- (6) CHA is also excited to announce that in 2023 it will be moving forward on the preliminary phase of the Westside Revitalization project and will begin exploring redevelopment activities for the College Hill site.

Financial Contact

This financial report is designed to provide our residents and participants, the citizens of Chattanooga, Tennessee, all federal and state regulatory bodies and any creditors with a general overview of the CHA's finances. If you have any questions regarding these financial statements or supplemental information, you may contact Curtis Lokey at (423) 752-4837, clokey@chahousing.org, or Philippe T. Lindsay, CPA at (423) 752-4153, plindsay@chahousing.org, or via mail at 801 North Holtzclaw Ave, TN 37404.

Chattanooga Housing Authority
Statement of Net Position
December 31, 2022

Assets

Current assets

Cash and cash equivalents, unrestricted	\$ 20,033,096
Cash and cash equivalents, restricted	16,811,562
Accounts receivable - HUD	544,341
Accounts receivable - other government	275,275
Accounts receivable - miscellaneous	274,056
Accounts receivable - tenants, net	188,351
Accounts receivable - fraud recovery, net	17,702
Prepaid expenses	<u>422,655</u>

Total current assets 38,567,038

Capital assets

Land	9,486,116
Buildings	210,043,003
Furniture and equipment	4,548,011
Construction in progress	<u>3,374,032</u>

227,451,162

Less: accumulated depreciation (141,695,756)

Capital assets, net 85,755,406

Non-current assets

Notes receivable, net	29,172,936
Other assets	<u>534,900</u>

Total noncurrent assets 29,707,836

Total assets 154,030,280

Deferred outflows of resources

-

Total assets and deferred outflows of resources \$ 154,030,280

See accompanying notes.

Chattanooga Housing Authority
Statement of Net Position (Continued)
December 31, 2022

Liabilities

Current liabilities

Current portion of long-term debt	\$ 1,591,504
Accounts payable	1,875,756
Accounts payable - other government	455,665
Accounts payable - HUD	81,597
Accrued wages/payroll taxes payable	399,458
Current portion of accrued compensated absences	113,207
Accrued interest payable	68,779
Tenant security deposits	337,241
Unearned revenue	3,945,050
Other current liabilities	<u>2,581,881</u>

Total current liabilities 11,450,138

Long-term liabilities

Long-term debt, net of current portion	32,187,450
Accrued compensated absences, net of current portion	339,624
Other noncurrent liabilities	<u>153,738</u>

Total noncurrent liabilities 32,680,812

Total liabilities 44,130,950

Deferred inflows of resources

-

Total liabilities and deferred inflows of resources 44,130,950

Net position

Net investment in capital assets	51,976,452
Restricted by program requirements	7,996,639
Unrestricted net position	<u>49,926,239</u>

Total net position \$ 109,899,330

See accompanying notes.

Chattanooga Housing Authority
Statement of Revenues, Expenses, and Changes in Net Position
Year Ended December 31, 2022

Operating revenues	
Tenant revenue, net of bad debts of \$2,771	\$ 9,238,021
HUD operating grants	39,694,747
Other government grants	503,999
Other revenue	649,689
Fraud recovery	<u>97,733</u>
Total operating revenues	50,184,189
Operating expenses	
Administrative	8,420,068
Asset management fee	10,844
Tenant services	910,310
Utilities	4,902,812
Protective services	558,337
Insurance expense	815,199
Maintenance	5,152,573
General expenses	621,846
Housing assistance payments	24,303,466
Depreciation and amortization	<u>6,109,192</u>
Total operating expenses	<u>51,804,647</u>
Net operating loss	(1,620,458)
Non-operating revenues (expenses)	
Interest income	557,544
Interest and investment expense	(3,042,552)
Casualty loss	<u>(84,172)</u>
Total nonoperating expense, net	<u>(2,569,180)</u>
Net loss before capital contributions	(4,189,638)
Capital contributions	
Partner contributions	561,797
Capital fund grant	<u>2,875,040</u>
Changes in net position	(752,801)
Net position, beginning of year	<u>110,652,131</u>
Net position, end of year	<u><u>\$ 109,899,330</u></u>

See accompanying notes.

Chattanooga Housing Authority
Statement of Cash Flows
Year Ended December 31, 2022

Operating activities	
Cash received from tenants	\$ 11,816,406
Cash received from HUD grants	39,648,858
Cash received from other governmental grants	228,724
Cash received from other sources	801,525
Cash payments to employees for services	(5,925,300)
Cash payments for the Housing Choice Voucher Program	(24,303,466)
Cash payments to other suppliers for goods and services	<u>(17,243,765)</u>
Net cash provided by operating activities	5,022,982
Investing activities	
Interest received	456,687
Partner capital contributions	561,797
Notes receivable additions	<u>-</u>
Net cash provided by investing activities	1,018,484
Capital and related financing activities	
Capital grant receipts	2,875,040
Purchase of capital assets	(3,433,885)
Net proceeds from converted debt	545,220
Principal paid on debt	(16,863,001)
Debt issuance costs paid	(291,920)
Interest paid on debt	<u>(3,026,138)</u>
Net cash used by capital and related financing activities	(20,194,684)
Non-capital financing activities	
Casualty loss	<u>(84,172)</u>
Cash used by non-capital financing activities	<u>(84,172)</u>
Net decrease in cash	(14,237,390)
Cash - beginning of year	<u>51,082,048</u>
Cash - end of year	<u>\$ 36,844,658</u>
Cash and cash equivalents, unrestricted	\$ 20,033,096
Cash and cash equivalents, restricted	<u>16,811,562</u>
	<u>\$ 36,844,658</u>

Noncash investing and financing activities

Capital assets includes (\$1,069,812) change in accounts payable for construction/development
See accompanying notes.

Chattanooga Housing Authority
Statement of Cash Flows (Continued)
Year Ended December 31, 2022

Operating activities	
Net operating loss	\$ (1,620,458)
Adjustments to reconcile net operating loss to net cash provided by operating activities	
Depreciation expense	5,439,189
Amortization expense	670,003
Bad debt expense	2,771
Decrease (increase) in	
Accounts receivable - HUD	636,873
Accounts receivable - other governments	(275,275)
Accounts receivable - miscellaneous	210,353
Accounts receivable - tenants	(19,575)
Accounts receivable - fraud recovery	(13,671)
Prepaid expenses	(169,353)
Increase (decrease) in	
Accounts payable	(215,439)
Accounts payable - other government	270,493
Accounts payable - HUD	(21,686)
Accrued wages and payroll taxes payable	39,808
Tenant security deposits	44,159
Unearned revenue	1,747,375
Other current liabilities	(1,610,917)
Accrued compensates absences	(124,381)
Other noncurrent liabilities	32,713
	<hr/>
Net cash provided by operating activities	<u><u>\$ 5,022,982</u></u>

See accompanying notes.

Chattanooga Housing Authority
Notes to Financial Statements
Year Ended December 31, 2022

Note A - Nature of the Organization and Operations

The Chattanooga Housing Authority (the "Authority") provides subsidized housing and related housing services primarily to low-income individuals in Chattanooga, Tennessee. The Authority is a public body corporate and politic with a seven-member Board of Commissioners (the "Board"). The Mayor of Chattanooga proposes the members of the Board, for ultimate approval by the Chattanooga City Council. However, the Authority has complete administrative authority and it recruits and employs personnel. The Authority adopts a budget that is approved by the Board. Subsidies for operations are received primarily from the U.S. Department of Housing and Urban Development ("HUD"). The Authority is responsible for its debts and is entitled to surpluses. No separate agency receives a financial benefit nor imposes a financial burden on the Authority. The Authority has substantial legal authority to control its affairs without local government approval; therefore, all operations of the Authority are a separate reporting entity as reflected in this report.

The Authority has four component units that are reported as blended component units within these financial statements - Holtzclaw Development, LLC, Greenwood Terrace, LLC, Chattanooga Housing Authority-Emerald Villages, LLC and Cromwell Development I, LLC. Holtzclaw Development, LLC is a wholly owned component unit that serves as the holding company for the Authority's administration building and is financially responsible for the interest rate swap that is detailed in Note H. Greenwood Terrace, LLC was established as the holding company for the Greenwood Terrace Apartments (the "Apartment"). Greenwood Terrace consists of 98 public housing units and is controlled by the Authority. During calendar year 2022, the Authority was the managing member investor with 0.009% interest. As of August 2022, ownership of the investment was transferred to the Authority. The assets, liabilities and equity along with the operations are included in Greenwood Terrace. Chattanooga Housing Authority - Emerald Villages, LLC was established as the holding company for the tax credit development - Emerald Villages Apartments ("Emerald Villages"). Emerald Villages consists of 111 project based rental assistance ("PBRA") units and is controlled by the Authority. The Authority is the managing member investor with 0.009% interest. The assets, liabilities and equity along with the operations are included in Emerald Villages. Cromwell Development I, LLC was established as the holding company for the tax credit development Cromwell Hills Apartments ("Cromwell Hills"). Cromwell Hills consists of 200 project-based vouchers ("PBV") units and is controlled by the Authority. The Authority is the managing member investor with 0.009% interest. The assets, liabilities and equity along with the operations are included in Cromwell Hills. All inter-program transactions have been eliminated.

In addition, the Authority has .01% ownership interests in four tax credit developments which are not considered component units because the Authority does not have either control or financial responsibility for them: McCallie Homes Housing Partnership - Phase I, LLC, Alton Park Housing Partnership, LLC, The Villages Housing Partnership, LLC and Steiner Redevelopment, LLC. The Authority also has .005% ownership interest in an additional tax credit development, Johnson Terrace, LLC, which is also not considered a component unit because the Authority does not have either control or financial responsibility for it. These investments are trivial and are accounted for using the cost method.

Note B - Summary of Significant Accounting Policies

The accounting policies of the Authority conform to accounting principles generally accepted in the United States of America ("GAAP") as applicable to proprietary funds of governments. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Chattanooga Housing Authority
Notes to Financial Statements (Continued)
Year Ended December 31, 2022

Note B - Summary of Significant Accounting Policies (Continued)

The following is a summary of the most significant policies:

1. Basis of Presentation and Accounting: The accounting records of the Authority are maintained and reported in accordance with methods prescribed by HUD. The Authority must report using GAAP. The Authority is a special purpose government engaged only in business-type activities and therefore, presents only the financial statements required for the enterprise fund. In accordance with the GASB Statement No. 34 requirements for enterprise fund, activity is recorded using the accrual basis of accounting and the measurement focus is on the flow of economic resources. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Capital asset purchases are capitalized, and long-term liabilities are accounted for in the enterprise fund. This requires the Authority to account for operations in a manner similar to private business or where the Board has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

The proprietary fund is composed of a number of programs. These programs (Public and Indian Housing, Public Housing Capital Fund, Section 8 Housing Choice Voucher, Resident Opportunity and Supportive Services ("ROSS"), PIH Family Self-Sufficiency Program and Section 8 Moderate Rehab) are designed to provide quality affordable housing opportunities and increase the self-sufficiency of those housed. The major programs are described as follows:

- *Public and Indian Housing* - During 2022, the Authority received operating subsidy funding for 8 projects consisting of 1,753 units of public housing under an Annual Contributions Contract ("ACC") with HUD. The program offers income based rental assistance (subsidy) for elderly, disabled and single families who qualify under the low-income guidelines. Revenues for the projects consist of rents and other fees collected from tenants and an operating subsidy received from HUD. Typically, residents pay 30% of their adjusted gross income in rents. The Authority's subsidy is received under an Annual Contributions Contract to offset the cost of operating the units. HUD also provides funds to maintain and improve the public housing projects under the Public Housing Capital Fund Program. Substantially all additions and improvements to land, structures and equipment of public housing are accomplished through these capital grant funds.
- *Section 8 Housing Choice Vouchers* - The Authority provides rental assistance payments to approximately 3,200 households who live in private rental housing. Funded by HUD pursuant to Section 8 of the U.S. Housing Act, this program allows participating families and individuals to choose their own housing with the use of a housing voucher. Generally, the participant pays between 30% and 40% of their monthly income towards rent and utilities and the Authority pays the remainder. The Authority targets this program to the elderly, disabled households and families that are homeless or at the risk of homelessness.
- *Multifamily Section 8 HAP Program*: Under this program, the four properties that were previously operated under the Low-Income Public Housing (LIPH) program, have converted to Property-Based Rental Assistance (PBRA). Through these contracts, the Authority administers rental assistance to eligible low-income households, bridging the gap between the actual rent and the amount affordable to the tenants based on their income. Currently, there are 557 units in this portfolio.

Effective January 1, 2022, the Authority adopted GASB No. 87, *Leases* with no material impact to the financial statements.

2. Use of Estimates: The preparation of the financial statements in conformity with GAAP 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 reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Chattanooga Housing Authority
Notes to Financial Statements (Continued)
Year Ended December 31, 2022

Note B - Summary of Significant Accounting Policies (Continued)

3. Cash Equivalents: The Authority considers all short-term investments with an original maturity of 90 days or less to be cash equivalents. Cash and cash equivalents (unrestricted and restricted) were comprised of the following at December 31, 2022:

Checking accounts	\$ 14,723,850
Saving accounts/money market	22,116,858
Petty cash	<u>3,950</u>
	<u>\$ 36,844,658</u>

4. Accounts Receivable and Allowance for Doubtful Accounts: Tenant accounts receivable are carried at the amount considered by management to be collectible. Other accounts receivable consists primarily of amounts due from HUD and State and Local governments for grant income.

The Authority uses the allowance for bad debts method of valuing doubtful accounts receivable, which is based on historical experience, coupled with a review of the current status of existing receivables. The allowance for doubtful accounts was \$63,927 for accounts receivable - tenants and \$2,026,848 for accounts receivable fraud recovery at December 31, 2022. Management believes all other accounts receivable as of December 31, 2022, were collectible and no additional allowance was considered necessary.

5. Prepaid Expenses: Payments made to vendors for goods or services that will benefit periods beyond December 31, 2022, are recorded as prepaid expenses.
6. Inter-program Receivables and Payables: Inter-program receivables and payables are all current and are the result of the use of the Public and Indian Housing Program as the common paymaster for shared costs of the Authority. Cash settlements are made periodically and all inter-program balances net to zero. These inter-program receivables and payables have been eliminated in the preparation of the financial statements.
7. Investments: Investments are recorded at fair value. Investment instruments consist only of items specifically approved for public housing agencies by HUD and State of Tennessee statutes. Investments are either insured or collateralized using the dedicated method. Under the dedicated method of collateralization, all deposits and investments over the federal depository insurance coverage are collateralized with securities held by the Authority or by the Authority's agent in the Authority's name. It is the Authority's policy that all funds on deposit are collateralized in accordance with both HUD requirements and requirements of the State of Tennessee. Additionally, the Authority considers its investment and deposit policies to be in accordance with the State of Tennessee's legal provisions related to the deposits as required by the *Codification of Governmental Accounting and Financial Reporting Standards*, Section C20.103. As of December 31, 2022, the Authority no longer holds any investments.
8. Inventories: The Authority maintains no inventory of expendable items. All supplies are expensed when purchased. Supplies on hand are minimal. The Authority's administration believes that the benefits of maintaining an inventory would be less in value than the cost of maintaining such a system.
9. Capital Assets: All purchased capital assets are recorded at cost when historical records are available. When no historical records are available, capital assets are recorded at estimated historical cost. Donated capital assets are recorded at their fair value at the time they are received. Donor imposed restrictions are deemed to expire as the asset depreciates. Land values were derived from development closeout documentation.

Chattanooga Housing Authority
Notes to Financial Statements (Continued)
Year Ended December 31, 2022

Note B - Summary of Significant Accounting Policies (Continued)

9. Capital Assets (Continued): All normal expenditures of preparing an asset for use are capitalized when they meet or exceed the capitalization threshold. The cost of buildings and equipment is depreciated over the estimated useful lives of the related assets on a composite basis using the straight-line method. Depreciation commences on modernization and development additions in the year following completion. Small dollar value minor equipment items are expensed. Depreciation on assets has been expensed in the Statement of Revenues, Expenses, and Changes in Net Position. The useful lives of buildings, furniture and equipment for purposes of computing depreciation are as follows:

Buildings	15 - 30 years
Furniture, equipment, and machinery	3 - 7 years

The Capitalization Policy for the Authority is: items purchased or betterments, not repairs, in excess of \$5,000 and a useful life of one (1) year will be capitalized. The cost of maintenance and repairs are charged to operations as incurred.

Under the provisions of GASB No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, long-lived assets are to be reviewed for impairment. If the sum of the expected future cash flows is less than the carrying value amount of the asset, an impairment loss should be recognized. No such impairment loss was incurred during the year ended December 31, 2022.

10. Derivatives and Hedging Activities: The Authority recognizes all derivatives on the Statement of Net Position at fair value and includes such items in other noncurrent liabilities. Derivatives that are not hedges must be adjusted to fair value through income. The Authority holds derivative financial instruments for the purpose of limiting its exposure to interest rate fluctuations through the use of interest rate swaps. Net amounts paid or received under interest rate swap arrangements are reflected as adjustments to interest income/expense. Derivatives are held only for the purpose of hedging or limiting such risks, not of speculation. See Note H for additional information.
11. Compensated Absences: The Authority's employees earn sick and vacation leave. Full-time, permanent employees are granted vacation and sick leave benefits in varying amounts to specified maximums depending on tenure with the Authority. Upon termination of employment, the Authority's employees do not receive any payment for their accrued but unused bank of sick leave; therefore, no amount has been accrued in the financial statements for sick leave. However, vacation leave is recorded as an expense and related liability in the period earned by employees. Vacation leave accrued but not yet paid as of December 31, 2022 is shown as a liability allocated between current and noncurrent as indicated in the Statement of Net Position.
12. Litigation Losses: The Authority recognizes estimated losses related to litigation in the period in which the occasion giving rise to the loss occurs but not before the loss is probable and reasonably estimable.
13. Restricted Assets: Certain assets may be classified as restricted assets on the Statement of Net Position because their use is restricted by contracts or agreements with outside third parties and lending institutions. Net position is reported as restricted when constraints placed on net position use are either: externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments, imposed by law through constitutional provisions or enabling legislation.
14. Operating Revenues and Expenses: Operating revenues and expenses consist of revenues earned and expenses incurred as a result of the principal operations of the Authority. Operating revenue results from exchange transactions associated with providing housing and related services, and federal operating subsidies and housing assistance payments that are directly related to the Authority's mission. Nonoperating revenue includes capital and noncapital federal grants, interest revenue, and other revenues not meeting the definition of operating. Operating expenses consist of all expenses incurred to provide housing services.

Chattanooga Housing Authority
Notes to Financial Statements (Continued)
Year Ended December 31, 2022

Note B - Summary of Significant Accounting Policies (Continued)

15. Annual Contribution Contracts: Annual Contribution Contracts provide that HUD shall have the authority to audit and examine the records of public housing authorities. Accordingly, final determination of the Authority's financing and contribution status for the Annual Contribution Contracts is the responsibility of HUD based upon financial reports submitted by the Authority.
16. Application of Restricted Resources: The Authority will first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.
17. Subsequent Events: Subsequent events for the Authority have been considered through the date of the Independent Auditor's Report, which represents the date that the financial statements were available to be issued (see Note R).
18. Tenant Accounts Receivable Net of Bad Debt Expenses: The State of Tennessee Comptroller's Office requires that in accordance with the Governmental Accounting Standards Boards 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 Authority's bad debt expense charged against revenue was \$2,771 for the year ended December 31, 2022.
19. Capital Contributions: Capital contributions represent amounts that investor members are required to make in certain entities (See Note T). The partner capital contributions totaled \$561,797 for the year ended December 31, 2022. Partner capital accounts (excluding the Authority's) represent approximately 99.99% (as required by the operating agreement) of the equity of Greenwood Terrace, Emerald Villages and Cromwell Hills.

Note C - Deposits, Investments and Fair Value

HUD requires public housing authorities to invest excess HUD program funds in obligations of the United States, certificates of deposit or any other federally insured instruments.

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

- *Interest Rate Risk*: The Authority's policy does not address interest rate risk.
- *Credit Risk*: The Authority's policy does not address credit rate risk.
- *Custodial Credit Risk*: The custodial credit risk for deposits is the risk that in the event of a bank failure, the Authority's deposits may not be recovered. At December 31, 2022, all of the Authority's deposits were either covered by FDIC insurance up to \$250,000 or adequately collateralized adequately collateralized through a joint custody account with the Federal Reserve.

Blended component unit cash balances may exceed federal insurance limits. These entities have not experienced any losses with respect to bank balances in excess of government provided insurance.

Note D - Prepaid Expenses

Prepaid expenses at December 31, 2022, consisted of \$48,044 in prepaid insurance premiums, \$83,486 in prepaid software fees, \$150,000 in prepaid asset management fees, \$140,625 in tax credit fees, and \$500 in other prepaid expenses.

Chattanooga Housing Authority
Notes to Financial Statements (Continued)
Year Ended December 31, 2022

Note E - Notes Receivable

Notes receivables consist of the following as of December 31, 2022:

McCallie Homes Housing Partnership, LLC (net of allowance of \$146,641)	\$ 4,933,447
Alton Park Housing Partnership, LLC (net of allowance of \$189,022)	8,185,382
The Villages at Alton Park, Inc. (net of allowance of \$3,067,885)	-
The Villages Housing Partnership, LLC (net of allowance of \$23,000)	6,336,100
Johnson Terrace, LLC (The Oaks at Camden) (no allowance)	3,376,578
Steiner Redevelopment, LLC (Maple Hills) (no allowance)	<u>6,341,429</u>
	<u><u>\$ 29,172,936</u></u>

On August 26, 2003, the Authority entered into various loan agreements with McCallie Homes Housing Partnership, LLC totaling \$5,540,088, as evidenced by notes receivable, for the construction of low-income dwellings in association with the HOPE VI Program and secured by deeds of trust. The terms of the notes are generally between thirty-five (35) and forty-five (45) years from the date of the note. An allowance of \$146,641 has been provided for the uncollectible principal portion of the notes receivable. Certain notes bear 0% interest; however, one loan for \$3,433,447 bears interest at the long-term Applicable Federal Rate in effect at the date of the note (4.95%). Interest earned during the year ended December 31, 2022 was \$339,817. However, an allowance totaling \$4,232,217 has been provided for the cumulative interest earned on this interest-bearing note. No payments of principal or interest are due until the payment date. The total outstanding balance on the notes, net of allowance, as of December 31, 2022, was \$4,933,447.

On December 16, 2003, the Authority entered into various loan agreements with Alton Park Housing Partnership, LLC totaling \$8,918,685 as evidenced by notes receivable, for the construction of low-income dwelling in association with the HOPE VI Program and secured by deeds of trust. The terms of the notes are generally between forty-nine (49) and fifty (50) years from the date of the note. An allowance of \$189,022 has been provided for the uncollectible principal portion of the notes receivable. Certain notes bear 0% interest; however, one loan for \$3,954,363 bears interest at the long-term Applicable Federal Rate in effect at the date of the note (4.43%). Interest earned during the year ended December 31, 2022 was \$309,647. However, an allowance totaling \$3,883,959 has been provided for the cumulative interest earned on this interest-bearing note. No payments of principal or interest are due until the payment date. The total outstanding balance on the notes, net of allowance, as of December 31, 2022, was \$8,185,382.

On October 26, 2004, the Authority entered into a loan agreement with The Villages at Alton Park, Inc., totaling \$3,067,885, as evidenced by a note receivable, for the construction of low-income homeownership dwellings in association with the HOPE VI Program and secured by a deed of trust. The term of the note is variable, tied to the termination/expiration date of the ground lease. The note bears 0% interest. No payment of principal is due until the payment date which is forty-nine (49) years from the date of the note. Management determined in a prior year to establish an allowance for the full loan amount and therefore, the total outstanding balance on the notes, net of allowance, as of December 31, 2022, was \$0.

Chattanooga Housing Authority
Notes to Financial Statements (Continued)
Year Ended December 31, 2022

Note E - Notes Receivable (Continued)

On May 12, 2005, the Authority entered into various loan agreements with The Villages Housing Partnership, LLC totaling \$6,384,100, as evidenced by notes receivable, for the construction of low-income dwellings in association with the HOPE VI Program and secured by deeds of trust. The terms of the notes are generally between forty-five (45) and fifty (50) years from the date of the note. An allowance of \$23,000 has been provided for the uncollectible principal portion of the notes receivable. The notes bear 0% interest; however, one loan for \$3,111,100 bears interest at the long-term Applicable Federal Rate, compounded annually, in effect at the date of the note (4.56%). Interest earned during the year ended December 31, 2022 was \$290,616. However, an allowance totaling \$3,550,655 has been provided for the cumulative interest earned on this interest-bearing note. No payments of principal or interest are due until the payment date. The total outstanding balance on the notes as of December 31, 2022, was \$6,336,100.

On June 6, 2007, the Authority entered into two loan agreements with Johnson Terrace LLC (The Oaks at Camden) totaling \$3,376,578, as evidenced by notes receivable, for the construction of low-income dwellings and secured by deeds of trust. The terms of the notes are between forty (40) and forty-three (43) years from the date of the note. One note bears 0% interest; however, the other loan for \$943,144 bears interest at the long-term Applicable Federal Rate in effect at the date of the note (4.94%). Interest earned during the year ended December 31, 2022 was \$91,136. However, an allowance totaling \$1,003,475 has been provided for the cumulative interest earned on this interest-bearing note. No payments of principal or interest are due until the maturity date. The total outstanding balance on the notes as of December 31, 2022, was \$3,376,578.

On August 30, 2011, the Authority entered into four loan agreements with Steiner Redevelopment LLC (Maple Hills) totaling up to \$6,346,668, as evidenced by notes receivable, for the construction of low-income dwellings and secured by deeds of trust. The terms of the notes are for thirty-five (35) years from the date of the note. These notes bear 0% interest. No payments were received on these loans during the year ended December 31, 2022. The total outstanding balance on the notes as of December 31, 2022, was \$6,341,429.

Management has provided an allowance for the uncollectible principal value of all notes receivable totaling \$3,426,548, a breakdown of which is shown on the previous page. Additionally, management has provided an allowance for the accrued interest on the various interest-bearing notes totaling \$12,670,306. Management evaluates annually the collectability of all note balances, including reviewing the value of the properties versus the face value of the notes receivable.

The Authority, as lessor, entered into land lease agreements with the Promisors of the Notes Receivable. The term of the leases shall be for forty (40) to fifty (50) years and rent is \$1 per year. The cost of the leased land is \$7,946,997, which is included in Land in the Statement of Net Position.

Chattanooga Housing Authority
Notes to Financial Statements (Continued)
Year Ended December 31, 2022

Note F - Capital Assets

A summary of the changes in capital assets for the year ended December 31, 2022 is as follows:

	Balance 1/1/2022	Additions	Disposals	Transfers	Balance 12/31/22
Land	\$ 9,486,116	\$ -	\$ -	\$ -	\$ 9,486,116
Buildings	200,531,504	598,029	-	8,913,470	210,043,003
Furniture, equipment and machinery	4,449,339	98,672	-	-	4,548,011
Construction in progress	10,620,130	1,667,372	-	(8,913,470)	3,374,032
Total capital assets	225,087,089	2,364,073	-	-	227,451,162
Accumulated depreciation	(136,256,567)	(5,439,189)	-	-	(141,695,756)
Net capital assets	\$ 88,830,522	\$ (3,075,116)	\$ -	\$ -	\$ 85,755,406
Balance at January 1, 2022			\$ 88,830,522		
Current period additions - capital grants			-		
Current period additions - operations			2,364,073		
Current period additions - debt proceeds and partner contributions			-		
Current period dispositions - operations			-		
Current period depreciation expense			(5,439,189)		
Balance at December 31, 2022			\$ 85,755,406		

Note G - Other Long-term Liabilities Other than Debt

The activities of compensated absences and other noncurrent liabilities consists of the following at December 31, 2022:

	Balance at 1/1/2022	Additions, net	Adjustments/ payments, net	Balance at 12/31/2022	Current portion
Compensated absences	\$ 577,212	\$ -	\$ (124,381)	\$ 452,831	\$ 113,207
FSS escrow deposit	\$ 141,774	\$ -	\$ (7,236)	\$ 134,538	\$ -
Liability of deficit swap position (Holtzclaw Development, LLC)	120,057	-	(100,857)	19,200	-
Total	\$ 261,831	\$ -	\$ (108,093)	\$ 153,738	\$ -

Chattanooga Housing Authority
Notes to Financial Statements (Continued)
Year Ended December 31, 2022

Note H - Notes Payable

As of December 31, 2022, the Authority had \$33,778,953 of debt outstanding related to various projects and programs. These debts are the obligations associated with the following:

BciCapital Leasing - Public Housing	\$ 2,936,528
First Horizon - Holtzclaw Development, LLC	887,800
Grandbridge permanent mortgage - Cromwell, LLC	14,910,626
Grandbridge permanent mortgage - Emerald Villages, LLC	7,272,000
U.S. Bank National Association - Emerald Villages, LLC	7,272,000
Tennessee Housing Development Agency	<u>500,000</u>
 Total debt outstanding at December 31, 2022	 <u>\$ 33,778,954</u>
 Current portion	 \$ 1,591,504
Long-term portion	<u>32,187,450</u>
	 <u>\$ 33,778,954</u>

BciCapital Leasing (Public Housing)

On August 21, 2019, the Authority entered into a finance purchase agreement with BciCapital to refinance the outstanding Energy Performance Contracting loan. The loan was for \$7,648,298 with an interest rate of 3.72%. At December 31, 2022, combined monthly payments including interest totaled \$76,039. Combined monthly payments vary each calendar year and range from \$60,484 to \$66,092 through December 2026 (maturity date) and are secured by pledged revenues. Retirements during the year totaled \$1,709,401, which includes \$1,549,240 made on the retired debt. Interest expense during the year was \$59,209. The outstanding balance at December 31, 2022, is \$2,936,528.

Future payments consist of:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 683,291	\$ 42,513	\$ 725,804
2024	716,380	31,199	747,579
2025	750,666	19,340	770,006
2026	<u>786,191</u>	<u>6,916</u>	<u>793,107</u>
	<u>\$ 2,936,528</u>	<u>\$ 99,968</u>	<u>\$ 3,036,496</u>

Chattanooga Housing Authority
Notes to Financial Statements (Continued)
Year Ended December 31, 2022

Note H - Notes Payable (Continued)

First Horizon Bank (Holtzclaw Development, LLC)

On April 28, 2006, Holtzclaw Development, LLC, a blended component unit, entered into a promissory note with First Horizon Bank for \$3,100,000. The note bears interest at a variable rate of the 30-day SOFR rate plus 1.25% (interest rate was 4.36% at December 31, 2022) with monthly principal payments of \$6,600 commencing in January 2007 and increasing to \$27,000 upon maturity in April 2026 (monthly principal payments were \$18,800 at December 31, 2022). The note is secured by a construction mortgage deed of trust and the assignment of rents and leases. Interest expense during the year was \$70,007. The outstanding balance at December 31, 2022, is \$887,800.

Holtzclaw Development, LLC, has entered into an interest rate swap agreement with an original notional amount of \$3,027,400 that limits the variable interest cash flow exposure on the loan for a period of around twenty years from the date issued, April 28, 2006. Under the interest rate swap agreement, Holtzclaw Development, LLC pays or receives on a monthly basis an amount based on the notional amount, \$873,600 at December 31, 2022, multiplied by the positive or negative difference, respectively, of .34%. As of December 31, 2022, the fair value of the interest rate swap obligation was a liability of \$19,200, a decrease of \$100,857 during the year. The fair value was determined based on comparable yields for like instruments. Since the swap used SOFR as the basis to calculate the receive-variable rate, Holtzclaw Development, LLC is exposed to interest rate risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the interest rate swap. The fair value of the swap will generally decline with a decrease in interest rates and increase when interest rates increase. These changes in valuation do not affect Holtzclaw Development, LLC's cash flow.

Future principal payments consist of:

	<u>Principal</u>
2023	\$ 241,200
2024	259,200
2025	277,200
2026	<u>110,200</u>
	<u>\$ 887,800</u>

Tennessee Housing Development Agency

On December 5, 2019, the Authority entered into a grant note agreement with Tennessee Housing Development Agency for \$500,000. The note bears interest at 0% interest. The grant funds are to be provided to Cromwell Development I, LLC to be used for the development of 200 units of rental housing for low-income households. The property shall be maintained as rental housing for low-income households for five years from the date the property is first available for occupancy. Principal on the note shall be forgiven at a rate of 20% annually. The first reduction of 20% of the principal sum shall occur on the date that is one year from the date the property is first available for occupancy as determined by the date the first certificate of occupancy is issued for the property by the City of Chattanooga, Tennessee. At December 31, 2022, \$500,000 had been drawn on the grant note.

Chattanooga Housing Authority
Notes to Financial Statements (Continued)
Year Ended December 31, 2022

Note H - Notes Payable (Continued)

Tennessee Housing Development Agency (Continued)

Future principal payments consist of:

	<u>Principal</u>
2023	\$ 100,000
2024	100,000
2025	100,000
2026	100,000
2027	<u>100,000</u>
	<u>\$ 500,000</u>

Truist Bank (Cromwell Development I, LLC)

On December 5, 2019, Cromwell Development I, LLC ("Cromwell"), a blended component unit, entered into a construction mortgage with Truist Bank in the maximum amount of \$14,928,000 to finance improvements for a 200-unit low-income housing complex. The loan bears interest at a rate of LIBOR plus 2.5% and is secured by the property. Interest only payments are due monthly and all outstanding principal is due and payable at maturity, December 1, 2021, subject to two additional six-month extension option. The option to extend the loan for both six month periods through December 1, 2022 was executed during the year ended December 31, 2022. Cromwell converted the construction loan to a permanent mortgage with Grandbridge Real Estate Capital. During the year ended December 31, 2022, interest of \$199,270 was incurred and expensed. As of December 31, 2022, the principal balance and accrued interest of the construction loan were paid in full with the proceeds of the Grandbridge permanent mortgage.

Grandbridge Real Estate Capital (Cromwell Development I, LLC)

On September 1, 2022, Cromwell converted the Truist construction loan into a permanent mortgage with Grandbridge Real Estate Capital. The permanent mortgage requires monthly principal and interest payments of \$63,526 with a fixed rate of 3.71% per annum and a maturity date of December 1, 2037. The mortgage is secured by the property. During the year ended December 31, 2022, \$194,270 of interest was incurred which includes amortization of debt issuance costs in the amount of \$8,175. As of December 31, 2022, the outstanding principal was \$14,910,626 and accrued interest was \$46,152.

Chattanooga Housing Authority
Notes to Financial Statements (Continued)
Year Ended December 31, 2022

Note H - Notes Payable (Continued)

Grandbridge Real Estate Capital (Cromwell Development I, LLC) (Continued)

Future principal payments consist of:

	<u>Principal</u>
2023	\$ 204,972
2024	211,261
2025	220,902
2026	229,355
2027	238,133
Thereafter	<u>13,806,003</u>
	<u>\$ 14,910,626</u>

STI Institutional and Government, Inc (Cromwell Development I, LLC)

On December 5, 2019, Cromwell entered into a construction mortgage with the Authority in the maximum amount of \$1,522,000, financed with Series 2019B tax-exempt bonds. Effective December 5, 2019, the Authority sold the loan receivable to STI Institutional & Government, Inc. The mortgage is secured by the property and an assignment of lease and rents. The loan bears interest at a rate of LIBOR + 2.5%. Interest-only payments were due monthly and all outstanding principal were due at maturity, which was June 1, 2022, subject to two additional six-month extension option. During the year ended December 31, 2022, loan proceeds of \$1,522,000 were received and Cromwell fully repaid the loan.

Chattanooga Housing Authority
Notes to Financial Statements (Continued)
Year Ended December 31, 2022

Note H - Notes Payable (Continued)

U.S. Bank National Association (Emerald Villages, LLC)

On December 1, 2019, the Authority issued Series 2019A tax exempt bonds totaling \$7,272,000 to provide funding to Emerald Villages, LLC ("Emerald Villages"), a blended component unit, to enable Emerald Villages to pay a portion of the cost of acquiring, constructing, and rehabilitating low and moderate income multifamily rental housing. The bond proceeds were provided to Emerald Villages through a bond loan note agreement between the Authority and Emerald Villages on December 1, 2019 in the maximum amount of \$7,272,000. The bond loan note was assigned to the bond trustee, U.S. Bank National Association, at the closing date of the bonds. The bonds and interest are limited obligations of the Authority. The bond loan note is collateralized by bond reserves. The note shall bear interest at a rate of 2.63%. Payments of interest are due monthly. No payments of principal are due until the termination date of January 1, 2022, which was extended for two additional 6-month periods during 2022. All outstanding principal and interest shall be due on the termination date. As of December 31, 2022, the outstanding principal is \$7,272,000. During the year ended December 31, 2022, interest of \$191,254 was incurred and expensed.

Bank OZK (Emerald Villages, LLC)

On December 27, 2019, Emerald Villages entered into a construction loan agreement with Bank OZK in the maximum amount of \$7,272,000. The loan incurred interest at a rate of LIBOR plus 3.0% with a 4.749% floor. Interest only payments were due monthly, and all outstanding principal was due and payable at maturity. On November 1, 2022, Emerald Villages converted the Bank OZK construction loan to a permanent loan, at which time the outstanding principal balance in the amount of \$5,826,145 and interest was paid. During the year ended December 31, 2022, \$267,075 of interest was incurred and expensed.

Grandbridge Real Estate Capital (Emerald Villages, LLC)

On November 1, 2022, Emerald Villages converted the construction loan above to a permanent loan with Grandbridge Real Estate Capital. The loan bears interest at a rate of 3.93% per annum. Monthly payments of principal and interest are due in an amount equal to fully amortize the loan at maturity, January 1, 2038. During the year ended December 31, 2022, interest incurred was \$49,682 which includes amortization of debt issuance costs of \$2,050. As of December 31, 2022, the outstanding principal of the loan was \$7,272,000 and accrued interest of \$23,816 remains payable.

Chattanooga Housing Authority
Notes to Financial Statements (Continued)
Year Ended December 31, 2022

Note H - Notes Payable (Continued)

Grandbridge Real Estate Capital (Emerald Villages, LLC) (Continued)

Future principal payments consist of:

	<u>Principal</u>
2023	\$ 362,041
2024	284,996
2025	280,224
2026	276,064
2027	271,736
Thereafter	<u>5,796,939</u>
	<u><u>\$ 7,272,000</u></u>

Below is a summary of the changes in Notes Payable of the primary government for the year ended December 31, 2022:

	<u>BciCapital</u>	<u>First Horizon</u>	<u>Truist - Cromwell LLC</u>	<u>Grandbridge Permanent Mortgage - Cromwell LLC</u>	<u>U.S. Bank National Association - Cromwell LLC</u>	<u>Bank OZK - Emerald Villages, LLC</u>	<u>Grandbridge Permanent Mortgage - Emerald Villages, LLC</u>	<u>U.S. Bank National Association - Emerald Villages, LLC</u>	<u>Tennessee Housing Development Agency</u>	<u>Total</u>
Beginning balances	\$ 4,645,929	\$ 1,113,400	\$ 13,756,508	\$ -	\$ 14,928,000	\$ 8,005,897	\$ -	\$ 7,272,000	\$ 375,000	\$ 50,096,734
Debt issued	-	-	-	14,910,626	-	-	7,272,000	-	125,000	22,307,626
Principal payments	(1,709,401)	(225,600)	-	-	(14,928,000)	-	-	-	-	(16,863,001)
Conversion to permanent financing	-	-	(13,756,508)	-	-	(8,005,897)	-	-	-	(21,762,405)
Ending balance	<u>\$ 2,936,528</u>	<u>\$ 887,800</u>	<u>\$ -</u>	<u>\$ 14,910,626</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,272,000</u>	<u>\$ 7,272,000</u>	<u>\$ 500,000</u>	<u>\$ 33,778,954</u>

Chattanooga Housing Authority
Notes to Financial Statements (Continued)
Year Ended December 31, 2022

Note I - Inter-program Eliminations

The following amounts have been eliminated in the preparation of the financial statements:

Capitalized developer fees, net	\$ 1,985,184
Inter-program notes	17,772,849
Right-of-use assets and related liability, net	<u>13,858,521</u>
Statement of net position totals	<u><u>\$ 33,616,554</u></u>
Operating subsidy	\$ 377,456
Management fees	1,786,721
Asset management fees	164,400
Bookkeeping fee	398,203
Front-line fees	1,129,643
Investment income/expense	194,200
Other income	<u>331,838</u>
Statement of revenue, expense and changes in net position totals	<u><u>\$ 4,382,461</u></u>

Note J - Retirement Plan Obligations

The Authority sponsors a defined contribution plan for all employees having at least six months of service. Participants do not contribute to the Plan and become fully vested in employer contributions and investments earnings after five years of participation in the Plan. Total employer contributions to the Plan during the year were \$329,096. Total payroll during the year was \$6,866,551. Forfeited amounts can be used for administrative fees or disbursed by percentage to remaining employees.

Additionally, the Authority sponsors a deferred compensation plan created in accordance with Internal Revenue Code ("IRC") Section 457. The deferred compensation plan permits all employees to defer a portion of their salary, subject to IRC limitations, until future years. Such amounts are not available to employees until termination, retirement, death, or unforeseeable emergency.

Assets in the Plan are recorded at market value but are administered by a private corporation under contract with the Authority. The Authority has no liability for losses under the Plan but does have the duty of due care that would be required of an ordinary prudent investor. Additional details on the plan can be obtained from USI Consulting Group, Brenda Trollope, 900 South Gay Street, Suite 1796, Knoxville, TN 37902, 865.523.8353.

Chattanooga Housing Authority
Notes to Financial Statements (Continued)
Year Ended December 31, 2022

Note K - Restricted Cash

Restricted cash was comprised of the following as of December 31, 2022:

Unexpended sales proceeds and developer fees reserved for future development	\$ 3,173,137
Replacement and operating deficit reserves - Greenwood Terrace	1,057,613
Replacement reserves - Mary Walker Towers	1,319,729
Replacement reserves - Dogwood Apartments	1,255,993
Replacement reserves - Boynton Terrace	959,124
Replacement reserves - Fairmount Apartments	182,510
Restricted for HUD payable	81,597
Emerald Villages bond reserve	5,784,754
Cromwell and Emerald Villages replacement reserves	409,166
Cromwell and Emerald Villages other reserves	1,993,249
Tenant security deposits	335,757
FSS participant escrow balances	134,538
FSS forfeiture account	1,160
Housing Choice Voucher HAP net position	41,687
Emergency housing vouchers net position	5,685
Unearned emergency housing vouchers service revenue	75,863
	<hr/>
	<u><u>\$ 16,811,562</u></u>

Note L - Contingencies

The Authority is subject to possible examinations made by federal regulators who determine compliance with terms, conditions, laws and regulations governing grants given to the entity in the current and prior years. These examinations may result in required refunds by the Authority to federal grantors and/or program beneficiaries. There were no examinations for the year ended December 31, 2022, that resulted in repayments required by the Authority.

There are currently lawsuits ongoing that have arisen in the normal course of the Authority's operations; however, there are no amounts which are deemed as contingent liabilities which should be disclosed or accrued in the financial statements. The Authority believes that an unfavorable outcome of these matters would not have a material adverse effect to the financial statements.

Note M - Annual Contributions by Federal Agencies

Pursuant to the Annual Contributions Contract, HUD contributes an operating subsidy approved in the operating budget under the Annual Contributions Contract. HUD operating subsidy contributions for the year ended December 31, 2022, were \$9,107,204.

The Section 8 Housing Choice Voucher program provides for housing assistance payments to private owners of residential units on behalf of eligible low or very low-income families. The program provides for such payments with respect to existing and moderately rehabilitated housing covering the difference between the maximum rental on a dwelling unit, the amount of rent contribution by a participating family and related administrative expense. The Authority is also eligible to receive reimbursement of preliminary expenses prior to lease up. HUD Section 8 Housing Choice Voucher program contributions for the year ended December 31, 2022, were \$26,536,787.

Chattanooga Housing Authority
Notes to Financial Statements (Continued)
Year Ended December 31, 2022

Note N - Economic Dependency

Both the PHA Owned Housing Program and the Section 8 Housing Choice Voucher Program are economically dependent on annual contributions and grants from HUD. Both programs operate at a loss prior to receiving the contribution and grants.

The Authority received approximately 80% of its operating and capital fund grant revenues from HUD. If the amount of revenues received from HUD falls below critical levels, the Authority's operating reserves could be adversely affected.

Note O - Risk Management

The Authority is exposed to all common perils associated with the ownership and rental of real estate properties. A risk management program has been established to minimize loss occurrence and to transfer risk through various levels of insurance. Property, casualty, employee dishonesty and public official's liability forms are used to cover the respective perils.

The Authority is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority carries commercial insurance, including workers' compensation and employee health and accident insurance, general liability, fire and extended coverage, fidelity bond, automobile, and Director and Officers liability. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. Additionally, there have been no significant reductions in insurance coverage from the prior year.

Note P - Supplementary Information

The supplementary information has been included in order to show the financial statements of the Authority on the GAAP basis of accounting but in the format of the HUD Handbook 7476.3, *Audit Guide*. This is due to the fact that some supplementary information is reviewed by the HUD field office and provides greater detail concerning the operations of the Authority.

Note Q - Income Taxes

The Authority is exempt from income taxes as it is a governmental entity and therefore is not subject to taxation. The Authority's blended component units have qualified with the Internal Revenue Service and the Tennessee Department of Revenue as a tax-exempt organization for income tax purposes and, accordingly, there is no provision in the financial statements for federal or state income taxes.

The Authority's component units recognize uncertain income tax positions using the "more-likely-than-not" approach as defined in the ASC. No liability for uncertain tax positions has been recorded in the accompanying financial statements.

Note R - Subsequent Events

In February 2023, Greenwood Terrace, a property consisting of 98 ACC units, underwent a conversion from the Low-Income Public Housing ("LIPH") program to the Multi-family Project-Based Rental Assistance ("PBRA") program through HUD's RAD process. The conversion includes renovations funded by the LIPH Capital Fund. The project will continue to receive LIPH Operating Fund through 2023 and will change to PBRA subsidy starting in 2024.

Chattanooga Housing Authority
Notes to Financial Statements (Continued)
Year Ended December 31, 2022

Note S - Recent Accounting Pronouncements

In May 2020, the GASB issued *Statement No. 96, Subscription-Based Information Technology Arrangements*. The provisions of the statement are effective for fiscal years beginning after June 15, 2022. This Statement requires recognition of certain subscription-based technology arrangements to establish a single model to prevent inconsistencies in financial reporting similar to how GASB 87 addresses leases. Under this Statement, government entities are required to recognize the right-of-use subscription assets and a corresponding subscription liability as a specified contract.

In June 2022, the GASB issued *Statement No. 101, Compensated Absences*. The provisions of the statement are effective for fiscal years beginning after December 15, 2023. 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 Authority is currently evaluating these statements and at this time cannot quantify any impact implementation may have on net position.

Chattanooga Housing Authority
Notes to Financial Statements (Continued)
Year Ended December 31, 2022

Note T - Condensed Financial Statements

	Chattanooga Housing Authority	Greenwood Terrace, LLC	Holtzclaw Development, LLC	Emerald Villages	Cromwell Hills	Eliminations	Total
Assets							
Current assets	\$ 26,233,599	\$ 1,798,576	\$ 101,716	7,391,471	3,041,676	\$ -	\$ 38,567,038
Capital assets, net	45,986,170	3,649,948	936,034	18,285,877	32,741,082	(15,843,705)	85,755,406
Noncurrent assets	46,945,785	15,206	-	516,530	3,164	(17,772,849)	29,707,836
Total assets	119,165,554	5,463,730	1,037,750	26,193,878	35,785,922	(33,616,554)	154,030,280
Deferred outflows of resources							
Total assets and deferred outflows of resources	119,165,554	5,463,730	1,037,750	26,193,878	35,785,922	(33,616,554)	154,030,280
Liabilities							
Current liabilities	17,866,305	331,254	290,543	3,432,228	4,341,178	(14,811,370)	11,450,138
Noncurrent liabilities	2,336,825	29,463	1,403,423	20,602,959	25,128,142	(16,820,000)	32,680,812
Total liabilities	20,203,130	360,717	1,693,966	24,035,187	29,469,320	(31,631,370)	44,130,950
Deferred inflows of resources							
Total liabilities and deferred inflows of resources	20,203,130	360,717	1,693,966	24,035,187	29,469,320	(31,631,370)	44,130,950
Net position							
Net investment in capital assets	23,328,495	3,649,948	48,234	4,593,877	22,341,082	(1,985,184)	51,976,452
Restricted by program requirements	7,996,639	-	-	-	-	-	7,996,639
Unrestricted net position (deficit)	67,637,290	1,453,065	(704,450)	(2,435,186)	(16,024,480)	-	49,926,239
Total net position	\$ 98,962,424	\$ 5,103,013	\$ (656,216)	\$ 2,158,691	\$ 6,316,602	\$ (1,985,184)	\$ 109,899,330

Chattanooga Housing Authority
Notes to Financial Statements (Continued)
Year Ended December 31, 2022

Note T - Condensed Financial Statements (Continued)

	Chattanooga Housing Authority	Greenwood Terrace, LLC	Holtzclaw Development, LLC	Emerald Villages	Cromwell Hills	Eliminations	Total
Operating revenues							
Tenant revenue, net of bad debts of \$2,771	\$ 5,453,920	\$ 407,164	\$ 348,384	\$ 341,311	\$ 2,687,242	\$ -	\$ 9,238,021
HUD PHA operating grants	38,743,755	377,456	-	950,992	-	(377,456)	39,694,747
Other government grants	503,999	-	-	-	-	-	503,999
Management fees	1,786,721	-	-	-	-	(1,786,721)	-
Asset management fees	164,400	-	-	-	-	(164,400)	-
Bookkeeping fee	398,203	-	-	-	-	(398,203)	-
Other fees	1,129,643	-	-	-	-	(1,129,643)	-
Other revenue	905,036	18,040	-	867	57,584	(331,838)	649,689
Fraud recovery	83,187	-	-	-	14,546	-	97,733
Total operating revenues	49,168,864	802,660	348,384	1,293,170	2,759,372	(4,188,261)	50,184,189
Operating expenses							
Administrative	10,136,614	339,017	4,652	171,193	482,214	(2,713,622)	8,420,068
Asset management fee	115,638	54,606	-	-	5,000	(164,400)	10,844
Tenant service	1,228,409	-	-	-	118	(318,217)	910,310
Utilities	4,056,136	242,323	21	272,721	331,611	-	4,902,812
Protective services	1,211,126	-	-	5,756	1,639	(660,184)	558,337
Insurance expense	583,410	17,217	-	82,161	132,411	-	815,199
Maintenance	4,615,364	160,953	-	127,292	248,964	-	5,152,573
General expense	325,723	26,833	362	164,310	104,618	-	621,846
Housing assistance payments	24,303,466	-	-	-	-	-	24,303,466
Depreciation and amortization	4,403,293	156,523	225,828	590,126	1,117,502	(384,080)	6,109,192
Total operating expenses	50,979,179	997,472	230,863	1,413,559	2,424,077	(4,240,503)	51,804,647
Net operating (loss) income	(1,810,315)	(194,812)	117,521	(120,389)	335,295	52,242	(1,620,458)
Nonoperating revenues (expenses)							
Interest income	632,172	18,059	100,857	155	501	(194,200)	557,544
Interest and investment expense	(62,365)	(194,264)	(70,007)	(1,932,431)	(977,685)	194,200	(3,042,552)
Casualty loss	(84,172)	-	-	-	-	-	(84,172)
Total nonoperating expense, net	485,635	(176,205)	30,850	(1,932,276)	(977,184)	-	(2,569,180)
Net (loss) income before capital contributions	(1,324,680)	(371,017)	148,371	(2,052,665)	(641,889)	52,242	(4,189,638)
Capital contributions							
Partner contributions	(4,917,129)	4,917,129	-	150,121	411,676	-	561,797
Capital fund grant	2,875,040	-	-	-	-	-	2,875,040
Changes in net position	(3,366,769)	4,546,112	148,371	(1,902,544)	(230,213)	52,242	(752,801)
Net position, beginning of year	102,329,193	556,901	(804,587)	4,061,235	6,546,815	(2,037,426)	110,652,131
Net position, end of year	\$ 98,962,424	\$ 5,103,013	\$ (656,216)	\$ 2,158,691	\$ 6,316,602	\$ (1,985,184)	\$ 109,899,330

Chattanooga Housing Authority
Notes to Financial Statements (Continued)
Year Ended December 31, 2022

Note T - Condensed Financial Statements (Continued)

	<u>Chattanooga Housing Authority</u>	<u>Greenwood Terrace, LLC</u>	<u>Holtzclaw Development, LLC</u>	<u>Emerald Villages</u>	<u>Cromwell Hills</u>	<u>Total</u>
Net cash provided (used) by operating activities	\$ 3,541,724	\$ 128,305	\$ 343,349	\$ 292,555	\$ 717,049	\$ 5,022,982
Net cash provided (used) by investing activities	(9,114,918)	-	(64,972)	(1,988,024)	12,186,398	1,018,484
Net cash (used) provided by capital and related financing activities	(6,372,237)	-	(225,600)	(457,927)	(13,138,920)	(20,194,684)
Net cash used by non-capital financing activities	<u>(84,172)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(84,172)</u>
Net increase (decrease) in cash	(12,029,603)	128,305	52,777	(2,153,396)	(235,473)	(14,237,390)
Operating cash and cash equivalents						
Cash - beginning of year	<u>37,238,131</u>	<u>1,663,500</u>	<u>48,939</u>	<u>9,316,899</u>	<u>2,814,579</u>	<u>51,082,048</u>
Cash - end of year	<u><u>\$ 25,208,528</u></u>	<u><u>\$ 1,791,805</u></u>	<u><u>\$ 101,716</u></u>	<u><u>\$ 7,163,503</u></u>	<u><u>\$ 2,579,106</u></u>	<u><u>\$ 36,844,658</u></u>

Supplementary Information

Chattanooga Housing Authority
Statement and Certification of Actual Capital Fund Grant Costs
Year Ended December 31, 2022

	<u>TN43P00450117</u>
1.) Funds approved	\$ 3,684,257
Funds expended	<u>3,684,257</u>
Excess/deficiency of funds approved	<u>\$ -</u>

- 2.) The costs as shown on the Actual Modernization Cost Certificate submitted to HUD for approval are in agreement with the Housing Authority's records.
- 3.) All Capital Fund Grant costs have been paid and all related liabilities have been discharged through payment.
- 4.) The time in which liens could be filed has expired.
- 5.) This statement is included in the FY2022 report to facilitate grant closeout by HUD.

Chattanooga Housing Authority
Schedule of Expenditures of Federal Awards - State of Tennessee Format
Year Ended December 31, 2022

FEDERAL GRANTOR	Federal assistance listing	Contract number	Beginning (accrued) deferred	Cash receipts	Expenditures	Ending (accrued) deferred
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT						
Direct Programs						
Public & Indian Housing Program	14.850	N/A	\$ -	\$ 9,107,204	\$ 9,107,204	\$ -
Resident Opportunity and Supportive Services - Service Coordinators	14.870	N/A	(7,554)	256,923	256,923	(5,072)
Public Housing Capital Fund Program	14.872	N/A	-	3,296,440	3,296,440	(261,966)
Family Self-Sufficiency Program	14.896	N/A	(1,877)	72,021	72,021	(9,521)
Housing Trust Fund	14.275	N/A	-	228,724	228,724	-
Housing Voucher Cluster						
Section 8 Housing Choice Voucher Program	14.871	N/A	73,095	26,249,974	26,249,974	(126,069)
Section 8 Mainstream Vouchers	14.879	N/A	-	157,186	157,186	(63,500)
Emergency Housing Vouchers	14.EHV	N/A	(250)	129,627	129,627	(7,433)
Cluster Total				26,536,787	26,536,787	
Section 8 Project-Based Cluster						
Section 8 Housing Assistance Payments Program	14.195	NA	(885,265)	2,316,602	2,316,602	(14,259)
Section 8 Moderate Rehabilitation Single Room Occupancy	14.249	N/A	1,653	32,818	32,818	25,076
Cluster Total				2,349,420	2,349,420	
Total U.S. Department of Housing and Urban Development				41,847,519	41,847,519	
U.S. DEPARTMENT OF THE TREASURY						
Passed through City of Chattanooga						
Coronavirus State & Local Fiscal Recovery Funds	21.027	N/A	-	275,275	275,275	-
TOTAL FEDERAL FINANCIAL AWARDS			\$ (820,198)	\$ 42,122,794	\$ 42,122,794	\$ (462,744)

Threshold for Type A/B

\$ 1,263,684

Reconciliation of ending (accrued) deferred balance to the statement of net position

Accounts receivable - HUD

\$ (544,341)

Accounts payable - HUD

81,597

Ending (accrued) deferred balance on the Schedule of Expenditures of Federal Awards

\$ (462,744)

Chattanooga Housing Authority
Notes to the Schedule of Expenditures of Federal Awards
Year Ended December 31, 2022

Note A - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Authority and is presented on the accrual basis of accounting. The SEFA reporting entity does not include the Authority's component units. 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, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note B - Indirect Cost Rate

The Authority has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note C - Reconciliation of Schedule of Federal Expenditures to the Statement of Revenues, Expenses and Changes in Net Position

HUD operating grants	\$ 39,694,747
Other government grants	503,999
Capital fund grant	2,875,040
Less: Emerald Village - Project Based Rental Assistance not included in SEFA reporting entity	<u>(950,992)</u>
Total federal expenditures	<u><u>\$ 42,122,794</u></u>

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***

Chattanooga Housing Authority
To the Board of Commissioners

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Chattanooga Housing Authority (the "Authority") as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated June 27, 2023. Our report includes a reference to other auditors who audited the financial statements of Cromwell Development I, LLC, Chattanooga Housing Authority - Emerald Villages, LLC, and Greenwood Terrace, LLC, as described in our report on the Authority's financial statements. The financial statements of the entities audited by other auditors 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 Authority's internal control over financial reporting (internal control) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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



Lexington, Kentucky
June 27, 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**

Chattanooga Housing Authority
To the Board of Commissioners

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Chattanooga Housing Authority's (the "Authority") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended December 31, 2022. The Authority's major programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Programs

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

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)

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 law, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Authority's federal programs.

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 Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of 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 judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

**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 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.

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.

MCM CPAs & Advisors LLP

Lexington, Kentucky
June 27, 2023

**Chattanooga Housing Authority
 Schedule of Findings and Questioned Costs
 Year Ended December 31, 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:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>	
14.850	Public and Indian Housing	\$ 9,107,204
14.249, 14.195	Section 8 Project-Based Cluster	\$ 2,349,420
Dollar threshold used to distinguish between Type A and Type B programs:		\$ 1,263,684
Auditee qualified as low-risk auditee? <u>X</u> yes ___ no		

Section II - Financial Statement Findings

None

Section III - Major Federal Award Findings and Questioned Costs

None

**Chattanooga Housing Authority
Summary Schedule of Prior Audit Findings
Year Ended December 31, 2022**

No prior year findings.

Chattanooga Housing Authority (TN004)
CHATTANOOGA, TN
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2022

	Project Total	14.896 PIH Family Self-Sufficiency Program	1 Business Activities	2 State/Local	14.195 Section 8 Housing Assistance Payments Program_Special Allocations	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	14.EHV Emergency Housing Voucher	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	8 Other Federal Program 1	14.EFA FSS Escrow Forfeiture Account	21.027 Coronavirus State and Local Fiscal Recovery Funds	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$9,422,942		\$2,766,186		\$2,188,007	\$35,914	\$1,237,652	\$232		\$29,783				\$4,352,380	\$20,033,096		\$20,033,096
112 Cash - Restricted - Modernization and Development	\$3,173,138		\$5,784,755												\$8,957,893		\$8,957,893
113 Cash - Other Restricted	\$1,011		\$3,460,026		\$3,717,358	\$41,685	\$121,881		\$81,548			\$1,160			\$7,424,669		\$7,424,669
114 Cash - Tenant Security Deposits	\$176,748		\$71,188		\$81,021									\$6,800	\$335,757		\$335,757
115 Cash - Restricted for Payment of Current Liabilities	\$158		\$11,488				\$56,521			\$25,076					\$93,243		\$93,243
100 Total Cash	\$12,773,997	\$0	\$12,093,643	\$0	\$5,986,386	\$77,599	\$1,416,054	\$232	\$81,548	\$54,859	\$0	\$1,160	\$0	\$4,359,180	\$36,844,658	\$0	\$36,844,658
121 Accounts Receivable - PHA Projects	\$400														\$400		\$400
122 Accounts Receivable - HUD Other Projects	\$261,966	\$9,521	\$0		\$14,259	\$63,500	\$182,590	\$5,072	\$7,433						\$544,341		\$544,341
124 Accounts Receivable - Other Government				\$275,275											\$275,275		\$275,275
125 Accounts Receivable - Miscellaneous			\$2,130,424		\$250,000		\$13,544							\$1,221	\$2,395,189	-\$2,121,533	\$273,656
126 Accounts Receivable - Tenants	\$133,128		\$99,443		\$25,334										\$257,905		\$257,905
126.1 Allowance for Doubtful Accounts - Tenants	-\$46,385		-\$23,169		\$0										-\$69,554		-\$69,554
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0					\$0	\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current																	
128 Fraud Recovery	\$17,700														\$358,663	\$2,403,211	\$2,403,211
128.1 Allowance for Doubtful Accounts - Fraud	\$0														-\$358,663	-\$2,385,509	-\$2,385,509
129 Accrued Interest Receivable																	
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$366,809	\$9,521	\$2,206,698	\$275,275	\$289,593	\$63,500	\$196,136	\$5,072	\$7,433	\$0	\$0	\$0	\$0	\$1,221	\$3,421,258	-\$2,121,533	\$1,299,725
131 Investments - Unrestricted																	
132 Investments - Restricted																	
135 Investments - Restricted for Payment of Current Liability																	
142 Prepaid Expenses and Other Assets	\$26,313		\$263,727		\$12,582		\$30,336								\$89,697	\$422,655	\$422,655
143 Inventories																	
143.1 Allowance for Obsolete Inventories																	
144 Inter Program Due From														\$54,825	\$54,825	-\$54,825	\$0
145 Assets Held for Sale																	
150 Total Current Assets	\$13,167,119	\$9,521	\$14,564,068	\$275,275	\$6,288,561	\$141,099	\$1,642,526	\$5,304	\$88,981	\$54,859	\$0	\$1,160	\$0	\$4,504,923	\$40,743,396	-\$2,176,358	\$38,567,038
161 Land	\$8,807,107		\$492,274		\$186,735										\$9,486,116		\$9,486,116
162 Buildings	\$92,853,237		\$84,002,421		\$49,790,373		\$5,000							\$301,655	\$226,952,686	-\$16,909,683	\$210,043,003
163 Furniture, Equipment & Machinery - Dwellings			\$599,617		\$31,168										\$630,785		\$630,785
164 Furniture, Equipment & Machinery - Administration	\$1,275,510		\$1,577,400		\$542,449		\$25,485							\$496,382	\$3,917,226		\$3,917,226
165 Leasehold Improvements																	
166 Accumulated Depreciation	-\$85,535,444		-\$29,199,222		-\$27,293,427		-\$18,442				\$0			-\$715,199	-\$142,761,734	\$1,065,978	-\$141,695,756
167 Construction in Progress	\$2,150,651			\$275,275	\$948,106										\$3,374,032		\$3,374,032
168 Infrastructure																	
160 Total Capital Assets, Net of Accumulated Depreciation	\$19,551,061	\$0	\$57,472,490	\$275,275	\$24,205,404	\$0	\$12,043	\$0	\$0	\$0	\$0	\$0	\$0	\$82,838	\$101,599,111	-\$15,843,705	\$85,755,406
171 Notes, Loans and Mortgages Receivable - Non-Current	\$27,812,924		\$19,132,861												\$46,945,785	-\$17,772,849	\$29,172,936
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due																	
173 Grants Receivable - Non Current																	
174 Other Assets			\$534,900												\$534,900		\$534,900
176 Investments in Joint Ventures																	
180 Total Non-Current Assets	\$47,363,985	\$0	\$77,140,251	\$275,275	\$24,205,404	\$0	\$12,043	\$0	\$0	\$0	\$0	\$0	\$0	\$82,838	\$149,079,796	-\$33,616,554	\$115,463,242
200 Deferred Outflow of Resources																	
290 Total Assets and Deferred Outflow of Resources	\$60,531,104	\$9,521	\$91,704,319	\$550,550	\$30,493,965	\$141,099	\$1,654,569	\$5,304	\$88,981	\$54,859	\$0	\$1,160	\$0	\$4,587,761	\$189,823,192	-\$35,792,912	\$154,030,280
311 Bank Overdraft																	
312 Accounts Payable <= 90 Days	\$437,570		\$6,192,591	\$143,901	\$114,042		\$4,196	\$5,304	\$719	\$1,698				\$12,202	\$6,912,223	-\$5,036,467	\$1,875,756
313 Accounts Payable >90 Days Past Due																	
321 Accrued Wage/Payroll Taxes Payable	\$84,381	\$2,784	\$26,157		\$41,037		\$44,026							\$201,073	\$399,458		\$399,458
322 Accrued Compensated Absences - Current Portion	\$15,572		\$9,528		\$12,143		\$12,770							\$63,194	\$113,207		\$113,207
324 Accrued Contingency Liability																	

Chattanooga Housing Authority (TN004)
CHATTANOOGA, TN
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2022

	Project Total	14.896 PIH Family Self-Sufficiency Program	1 Business Activities	2 State/Local	14.195 Section 8 Housing Assistance Payments Program_Special Allocations	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	14.EHV Emergency Housing Voucher	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	8 Other Federal Program 1	14.EFA FSS Escrow Forfeiture Account	21.027 Coronavirus State and Local Fiscal Recovery Funds	COCC	Subtotal	ELIM	Total
325 Accrued Interest Payable			\$1,021,628												\$1,021,628		\$68,779
331 Accounts Payable - HUD PHA Programs			\$56,521							\$25,076					\$81,597		\$81,597
332 Account Payable - PHA Projects																	
333 Accounts Payable - Other Government	\$241,923		\$79,806		\$133,936										\$455,665		\$455,665
341 Tenant Security Deposits	\$176,748		\$72,672		\$81,021								\$6,800		\$337,241		\$337,241
342 Unearned Revenue	\$1,229,401		\$11,628,575		\$755,509				\$75,863					\$1,199,289	\$14,888,637	-\$10,943,587	\$3,945,050
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	\$683,291		\$908,213												\$1,591,504		\$1,591,504
344 Current Portion of Long-term Debt - Operating Borrowings																	
345 Other Current Liabilities																	
346 Accrued Liabilities - Other	\$292,640		\$2,223,524		\$36,619		\$18,072							\$11,026	\$2,581,881		\$2,581,881
347 Inter Program - Due To		\$6,737		\$41,374					\$6,714						\$54,825	-\$54,825	\$0
348 Loan Liability - Current		\$0													\$0		\$0
310 Total Current Liabilities	\$3,161,526	\$9,521	\$22,219,215	\$185,275	\$1,174,307	\$0	\$79,064	\$5,304	\$83,296	\$26,774	\$0	\$0	\$0	\$1,493,584	\$28,437,866	-\$16,987,728	\$11,450,138
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$2,253,236		\$44,792,442												\$47,045,676	-\$14,858,228	\$32,187,450
352 Long-term Debt, Net of Current - Operating Borrowings			\$361,771												\$361,771	-\$361,771	\$0
353 Non-current Liabilities - Other	\$1,169		\$1,630,689				\$121,881								\$1,753,739	-\$1,600,001	\$153,738
354 Accrued Compensated Absences - Non Current	\$46,718		\$28,583		\$36,428		\$38,314							\$189,581	\$339,624		\$339,624
355 Loan Liability - Non Current																	
356 FASB 5 Liabilities																	
357 Accrued Pension and OPEB Liabilities																	
350 Total Non-Current Liabilities	\$2,301,123	\$0	\$46,813,485	\$0	\$36,428	\$0	\$160,195	\$0	\$0	\$0	\$0	\$0	\$0	\$189,581	\$49,500,812	-\$16,820,000	\$32,680,812
300 Total Liabilities	\$5,462,649	\$9,521	\$69,032,700	\$185,275	\$1,210,735	\$0	\$239,259	\$5,304	\$83,296	\$26,774	\$0	\$0	\$0	\$1,683,165	\$77,938,678	-\$33,807,728	\$44,130,950
400 Deferred Inflow of Resources																	
508.3 Nonspendable Fund Balance																	
508.4 Net Investment in Capital Assets	\$16,614,534		\$12,771,542	\$275,275	\$24,205,404		\$12,043							\$82,838	\$53,961,636	-\$1,985,184	\$51,976,452
509.3 Restricted Fund Balance																	
510.3 Committed Fund Balance																	
511.3 Assigned Fund Balance																	
511.4 Restricted Net Position	\$3,173,138		\$1,057,613		\$3,717,356	\$41,687			\$5,685			\$1,160			\$7,996,639		\$7,996,639
512.3 Unassigned Fund Balance																	
512.4 Unrestricted Net Position	\$35,280,783	\$0	\$8,842,464	\$90,000	\$1,360,470	\$99,412	\$1,403,267	\$0	\$0	\$28,085	\$0	\$0	\$0	\$2,821,758	\$49,926,239		\$49,926,239
513 Total Equity - Net Assets / Position	\$55,068,455	\$0	\$22,671,619	\$365,275	\$29,283,230	\$141,099	\$1,415,310	\$0	\$5,685	\$28,085	\$0	\$1,160	\$0	\$2,904,596	\$111,884,514	-\$1,985,184	\$109,899,330
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$60,531,104	\$9,521	\$91,704,319	\$550,550	\$30,493,965	\$141,099	\$1,654,569	\$5,304	\$88,981	\$54,859	\$0	\$1,160	\$0	\$4,587,761	\$189,823,192	-\$35,792,912	\$154,030,280

Chattanooga Housing Authority (TN004)
CHATTANOOGA, TN
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2022

	Project Total	14.896 PIH Family Self-Sufficiency Program	1 Business Activities	2 State/Local	14.193 Section 8 Housing Assistance Payments Program_Special Allocations	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	14.EHV Emergency Housing Voucher	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	8 Other Federal Program 1	14.EFA FSS Escrow Forfeiture Account	21.027 Coronavirus State and Local Fiscal Recovery Funds	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$3,313,155		\$3,435,999		\$1,767,270										\$8,516,424		\$8,516,424
70400 Tenant Revenue - Other	\$272,757		\$416,544		\$27,496									\$4,800	\$721,597		\$721,597
70500 Total Tenant Revenue	\$3,585,912	\$0	\$3,852,543	\$0	\$1,794,766	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,800	\$9,238,021	\$0	\$9,238,021
70600 HUD PHA Operating Grants	\$9,528,606	\$72,021	\$1,326,646		\$2,316,602	\$157,186	\$26,249,974	\$256,923	\$131,427	\$32,818					\$40,072,203	-\$377,456	\$39,694,747
70610 Capital Grants	\$2,875,040														\$2,875,040		\$2,875,040
70710 Management Fee														\$1,786,721	\$1,786,721	-\$1,786,721	\$0
70720 Asset Management Fee														\$162,160	\$162,160	-\$162,160	\$0
70730 Book Keeping Fee														\$398,204	\$398,204	-\$398,204	\$0
70740 Front Line Service Fee														\$1,129,643	\$1,129,643	-\$1,129,643	\$0
70750 Other Fees																	
70700 Total Fee Revenue														\$3,476,728	\$3,476,728	-\$3,476,728	\$0
70800 Other Government Grants											\$228,724		\$275,275		\$503,999		\$503,999
71100 Investment Income - Unrestricted	\$87,567		\$442,111		\$5,474		\$147							\$22,245	\$557,544		\$557,544
71200 Mortgage Interest Income	\$194,200														\$194,200	-\$194,200	\$0
71300 Proceeds from Disposition of Assets Held for Sale																	
71310 Cost of Sale of Assets																	
71400 Fraud Recovery	\$24,019		\$14,538				\$59,176								\$97,733		\$97,733
71500 Other Revenue	\$71,856		\$656,709		\$82,033		\$13,380			\$1,838		\$1,160		\$384,510	\$1,211,486		\$1,211,486
71600 Gain or Loss on Sale of Capital Assets																	
72000 Investment Income - Restricted																	
70000 Total Revenue	\$16,367,200	\$72,021	\$6,292,547	\$0	\$4,198,875	\$157,186	\$26,322,677	\$256,923	\$131,427	\$34,656	\$228,724	\$1,160	\$275,275	\$3,888,283	\$58,226,954	-\$4,048,384	\$54,178,570
91100 Administrative Salaries	\$627,547		\$222,449		\$242,907		\$1,004,918		\$12,298	\$9,973				\$1,592,526	\$3,712,618		\$3,712,618
91200 Auditing Fees	\$20,846		\$40,765		\$7,094		\$18,002							\$11,798	\$98,505		\$98,505
91300 Management Fee	\$2,184,645		\$270,895		\$268,895	\$3,299	\$454,320		\$2,664						\$3,184,718	-\$1,786,721	\$1,397,997
91310 Book-keeping Fee	\$110,526					\$2,063	\$283,950		\$1,665						\$398,204	-\$398,204	\$0
91400 Advertising and Marketing	\$30,000				\$1,200									\$32,687	\$63,887		\$63,887
91500 Employee Benefit contributions - Administrative	\$151,815		\$165,498		\$55,070		\$208,631		\$2,315	\$2,071				\$387,598	\$972,998		\$972,998
91600 Office Expenses	\$218,389		\$102,035		\$116,905		\$181,172	\$14,972	\$496					\$498,411	\$1,132,380	-\$377,456	\$754,924
91700 Legal Expense	\$133,192		\$6,636		\$34,073		\$9,068							\$171,591	\$354,560	-\$151,242	\$203,318
91800 Travel	\$5,022		\$2,479		\$4,384		\$21,066							\$8,516	\$41,467		\$41,467
91810 Allocated Overhead																	
91900 Other	\$610,296		\$84,893		\$92,313		\$827	\$43,144						\$343,621	\$1,175,094	-\$740	\$1,174,354
91000 Total Operating - Administrative	\$4,092,278	\$0	\$895,650	\$0	\$822,841	\$5,362	\$2,181,954	\$58,116	\$19,438	\$12,044	\$0	\$0	\$0	\$3,046,748	\$11,134,431	-\$2,714,363	\$8,420,068
92000 Asset Management Fee	\$162,160		\$10,844												\$173,004	-\$162,160	\$10,844
92100 Tenant Services - Salaries	\$80,238	\$55,688			\$74,489		\$9,313	\$152,701	\$11,308					\$620,181	\$1,003,918	-\$318,127	\$685,791
92200 Relocation Costs	\$2,522														\$2,522		\$2,522
92300 Employee Benefit Contributions - Tenant Services	\$19,111	\$16,167			\$17,103			\$35,941						\$34,444	\$122,766		\$122,766
92400 Tenant Services - Other	\$37,250		\$2,543		\$6,199				\$48,239					\$5,000	\$99,231		\$99,231
92500 Total Tenant Services	\$139,121	\$71,855	\$2,543	\$0	\$97,791	\$0	\$9,313	\$188,642	\$59,547	\$0	\$0	\$0	\$0	\$659,625	\$1,228,437	-\$318,127	\$910,310
93100 Water	\$239,656		\$112,681		\$89,753		\$1,659							\$7,031	\$450,780		\$450,780
93200 Electricity	\$1,624,422		\$488,849		\$624,300		\$13,462							\$61,719	\$2,812,752		\$2,812,752
93300 Gas	\$225,676				\$36,869		\$998							\$6,765	\$270,308		\$270,308
93400 Fuel																	
93500 Labor																	
93600 Sewer	\$777,953		\$217,614		\$182,595		\$2,745							\$6,859	\$1,187,766		\$1,187,766
93700 Employee Benefit Contributions - Utilities	\$56,164														\$56,164		\$56,164
93800 Other Utilities Expense	\$68,643		\$27,531		\$21,291									\$7,577	\$125,042		\$125,042
93000 Total Utilities	\$2,992,514	\$0	\$846,675	\$0	\$954,808	\$0	\$18,864	\$0	\$0	\$0	\$0	\$0	\$0	\$89,951	\$4,902,812	\$0	\$4,902,812
94100 Ordinary Maintenance and Operations - Labor	\$1,239,597		\$382,306		\$625,035										\$2,246,938		\$2,246,938
94200 Ordinary Maintenance and Operations - Materials and Other	\$616,800		\$95,418		\$185,231		\$1,482							\$23,800	\$922,731		\$922,731
94300 Ordinary Maintenance and Operations Contracts	\$962,664		\$297,197		\$241,750		\$8,378							\$52,161	\$1,562,150		\$1,562,150

Chattanooga Housing Authority (TN004)
CHATTANOOGA, TN
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2022

	Project Total	14.896 PIH Family Self-Sufficiency Program	1 Business Activities	2 State/Local	14.193 Section 8 Housing Assistance Payments Program_Special Allocations	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	14.EHV Emergency Housing Voucher	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	8 Other Federal Program 1	14.EFA FSS Escrow Forfeiture Account	21.027 Coronavirus State and Local Fiscal Recovery Funds	COCC	Subtotal	ELIM	Total
94500 Employee Benefit Contributions - Ordinary Maintenance	\$304,106				\$116,648										\$420,754		\$420,754
94000 Total Maintenance	\$3,123,167	\$0	\$774,921	\$0	\$1,168,664	\$0	\$9,860	\$0	\$0	\$0	\$0	\$0	\$0	\$75,961	\$5,152,573	\$0	\$5,152,573
95100 Protective Services - Labor														\$418,594	\$418,594		\$418,594
95200 Protective Services - Other Contract Costs	\$21,681		\$9,193		\$15,469										\$46,343		\$46,343
95300 Protective Services - Other	\$377,559				\$150,074		\$131,901							\$2,038	\$661,572	-\$659,534	\$2,038
95500 Employee Benefit Contributions - Protective Services														\$91,362	\$91,362		\$91,362
95000 Total Protective Services	\$399,240	\$0	\$9,193	\$0	\$165,543	\$0	\$131,901	\$0	\$0	\$0	\$0	\$0	\$0	\$511,994	\$1,217,871	-\$659,534	\$558,337
96110 Property Insurance	\$282,072		\$216,216		\$95,812		\$3,165							\$7,911	\$605,176		\$605,176
96120 Liability Insurance																	
96130 Workmen's Compensation	\$57,200	\$166	\$17,414		\$23,118		\$6,655	\$1,155	\$176	\$66				\$40,179	\$146,129		\$146,129
96140 All Other Insurance	\$3,460		\$3,775		\$629		\$4,243							\$51,787	\$63,894		\$63,894
96100 Total Insurance Premiums	\$342,732	\$166	\$237,405	\$0	\$119,559	\$0	\$14,063	\$1,155	\$176	\$66	\$0	\$0	\$0	\$99,877	\$815,199	\$0	\$815,199
96200 Other General Expenses	\$2,625		\$263,171				\$16,374								\$282,170	-\$52,257	\$229,913
96210 Compensated Absences	-\$16,027		-\$11,072		\$2,823		-\$7,199	\$9,010						-\$3,680	-\$26,145		-\$26,145
96300 Payments in Lieu of Taxes	\$102,207		\$40,006		\$81,412									\$781	\$224,406		\$224,406
96400 Bad debt - Tenant Rents	\$94,474		\$39,430		\$29,610										\$163,514		\$163,514
96500 Bad debt - Mortgages																	
96600 Bad debt - Other	\$2,771														\$2,771		\$2,771
96800 Severance Expense	\$27,387														\$27,387		\$27,387
96000 Total Other General Expenses	\$213,437	\$0	\$331,535	\$0	\$113,845	\$0	\$9,175	\$9,010	\$0	\$0	\$0	\$0	\$0	-\$2,899	\$674,103	-\$52,257	\$621,846
96710 Interest of Mortgage (or Bonds) Payable	\$62,064		\$3,174,387				\$301								\$3,236,752	-\$194,200	\$3,042,552
96720 Interest on Notes Payable (Short and Long Term)																	
96730 Amortization of Bond Issue Costs																	
96700 Total Interest Expense and Amortization Cost	\$62,064	\$0	\$3,174,387	\$0	\$0	\$0	\$301	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,236,752	-\$194,200	\$3,042,552
96900 Total Operating Expenses	\$11,526,713	\$72,021	\$6,283,153	\$0	\$3,443,051	\$5,362	\$2,375,431	\$256,923	\$79,161	\$12,110	\$0	\$0	\$0	\$4,481,257	\$28,535,182	-\$4,100,641	\$24,434,541
97000 Excess of Operating Revenue over Operating Expenses	\$4,840,487	\$0	\$9,394	\$0	\$755,824	\$151,824	\$23,947,246	\$0	\$52,266	\$22,546	\$228,724	\$1,160	\$275,275	-\$592,974	\$29,691,772	\$52,257	\$29,744,029
97100 Extraordinary Maintenance																	
97200 Casualty Losses - Non-capitalized	-\$39,774		\$1,363		\$121,583									\$1,000	\$84,172		\$84,172
97300 Housing Assistance Payments						\$139,553	\$23,957,833		\$181,836	\$24,244					\$24,303,466		\$24,303,466
97350 HAP Portability-In																	
97400 Depreciation Expense	\$1,668,149		\$2,201,748		\$2,193,271		\$2,898							\$43,126	\$6,109,192		\$6,109,192
97500 Fraud Losses																	
97600 Capital Outlays - Governmental Funds																	
97700 Debt Principal Payment - Governmental Funds																	
97800 Dwelling Units Rent Expense																	
90000 Total Expenses	\$13,155,088	\$72,021	\$8,486,264	\$0	\$5,757,905	\$144,915	\$26,336,162	\$256,923	\$260,997	\$36,354	\$0	\$0	\$0	\$4,525,383	\$59,032,012	-\$4,100,641	\$54,931,371
10010 Operating Transfer In				\$275,275											\$275,275	-\$275,275	\$0
10020 Operating transfer Out													-\$275,275		-\$275,275	\$275,275	\$0
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																	
10094 Transfers between Project and Program - Out																	
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$275,275	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$275,275	\$0	\$0	\$0	\$0

Chattanooga Housing Authority (TN004)
CHATTANOOGA, TN
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2022

	Project Total	14.896 PIH Family Self-Sufficiency Program	1 Business Activities	2 State/Local	14.193 Section 8 Housing Assistance Payments Program_Special Allotments	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	14.EHV Emergency Housing Voucher	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	8 Other Federal Program 1	14.EFA FSS Escrow Forfeiture Account	21.027 Coronavirus State and Local Fiscal Recovery Funds	COCC	Subtotal	ELIM	Total
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$3,212,112	\$0	-\$2,193,717	\$275,275	-\$1,559,030	\$12,271	-\$13,485	\$0	-\$129,570	-\$1,698	\$228,724	\$1,160	\$0	-\$637,100	-\$805,058	\$52,257	-\$752,801
11020 Required Annual Debt Principal Payments	\$873,644	\$0	\$36,152,108	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$37,025,752		\$37,025,752
11030 Beginning Equity	\$59,250,061	\$0	\$48,582,658	\$90,000	\$0	\$128,828	\$1,428,795	\$0	\$135,255	\$29,783	\$0	\$0	\$0	\$3,044,192	\$112,689,572	-\$2,037,441	\$110,652,131
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-\$7,393,718		-\$23,717,322		\$30,842,280						-\$228,724		\$0	\$497,504	\$0		\$0
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							\$1,415,310								\$1,415,310		\$1,415,310
11180 Housing Assistance Payments Equity							\$0								\$0		\$0
11190 Unit Months Available	20677		3952		3952	1524	45540		468	120				12	76245		76245
11210 Number of Unit Months Leased	19016		3255		3255	274	41443		229	98				12	67582		67582
11270 Excess Cash	\$5,993,061														\$5,993,061		\$5,993,061
11610 Land Purchases	\$0													\$0	\$0		\$0
11620 Building Purchases	\$1,700,246													\$0	\$1,700,246		\$1,700,246
11630 Furniture & Equipment - Dwelling Purchases	\$1,132,620													\$0	\$1,132,620		\$1,132,620
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

Chattanooga Housing Authority (TN004)
CHATTANOOGA, TN
Project Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2022

	TN004000001	TN004000002	TN004000003	TN004000005	TN004000007	TN004000008	TN004000010	TN004000012	TN004000021	TN004000022	TN004000029	TN004000032	TN004000033	TN004000034	TN004000035	TN004000036	OTHER PROJ	Total
111 Cash - Unrestricted	\$2,485,104	\$1,838,424	\$923,572			\$2,262,183			\$465,182	\$454,438	\$852,893	\$56,350	\$13,423				\$14,588	\$9,422,942
112 Cash - Restricted - Modernization and Development			\$1,628,006	\$1,545,132														\$3,173,138
113 Cash - Other Restricted	\$1,011																	\$1,011
114 Cash - Tenant Security Deposits	\$70,735	\$51,890				\$42,715				\$11,408								\$176,748
115 Cash - Restricted for Payment of Current Liabilities		\$158																\$158
100 Total Cash	\$2,556,850	\$1,890,472	\$2,551,578	\$1,545,132	\$0	\$2,304,898	\$0	\$0	\$465,182	\$465,846	\$852,893	\$56,350	\$13,423	\$0	\$56,785	\$0	\$14,588	\$12,773,997
121 Accounts Receivable - PHA Projects	\$400																	\$400
122 Accounts Receivable - HUD Other Projects	\$46,508	\$38,757				\$32,297				\$11,627			\$124,865	\$7,912				\$261,966
124 Accounts Receivable - Other Government																		
125 Accounts Receivable - Miscellaneous																		
126 Accounts Receivable - Tenants	\$64,897	\$32,261				\$31,486				\$4,419							\$65	\$133,128
126.1 Allowance for Doubtful Accounts - Tenants	-\$25,427	-\$8,571				-\$10,911				-\$1,411							-\$65	-\$46,385
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0				\$0				\$0			\$0	\$0	\$0			\$0
127 Notes, Loans, & Mortgages Receivable - Current																		
128 Fraud Recovery	\$17,700																	\$17,700
128.1 Allowance for Doubtful Accounts - Fraud	\$0																	\$0
129 Accrued Interest Receivable																		
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$104,078	\$62,447	\$0	\$0	\$0	\$52,872	\$0	\$0	\$0	\$14,635	\$0	\$0	\$124,865	\$7,912	\$0	\$0	\$0	\$366,809
131 Investments - Unrestricted																		
132 Investments - Restricted																		
135 Investments - Restricted for Payment of Current Liability																		
142 Prepaid Expenses and Other Assets	\$6,374	\$6,287				\$11,149				\$2,503								\$26,313
143 Inventories																		
143.1 Allowance for Obsolete Inventories																		
144 Inter Program Due From																		
145 Assets Held for Sale																		
150 Total Current Assets	\$2,667,302	\$1,959,206	\$2,551,578	\$1,545,132	\$0	\$2,368,919	\$0	\$0	\$465,182	\$482,984	\$852,893	\$56,350	\$138,288	\$7,912	\$56,785	\$0	\$14,588	\$13,167,119
161 Land	\$415,382	\$23,641		\$170,534		\$114,533				\$33,867	\$7,941,525		\$55,325		\$52,300			\$8,807,107
162 Buildings	\$20,438,654	\$28,093,878				\$27,669,391				\$14,112,963			\$2,505,801		\$18,050		\$14,500	\$92,853,237
163 Furniture, Equipment & Machinery - Dwellings																		
164 Furniture, Equipment & Machinery - Administration	\$382,178	\$348,855				\$291,963			\$2,300	\$93,946	\$47,452	\$18,170	\$79,013		\$11,633			\$1,275,510
165 Leasehold Improvements																		
166 Accumulated Depreciation	-\$20,656,241	-\$27,692,915				-\$20,683,706			-\$460	-\$13,917,534	-\$16,519	-\$6,936	-\$2,543,658		-\$16,508		-\$967	-\$85,535,444
167 Construction in Progress	\$297,277	\$349,051				\$43,286				\$275,753	\$4,500	\$2,800	\$1,175,684		\$2,300			\$2,150,651
168 Infrastructure																		
160 Total Capital Assets, Net of Accumulated Depreciation	\$877,250	\$1,122,510	\$0	\$170,534	\$0	\$7,435,467	\$0	\$0	\$1,840	\$598,995	\$7,976,958	\$14,034	\$1,272,165	\$0	\$67,775	\$0	\$13,533	\$19,551,061
171 Notes, Loans and Mortgages Receivable - Non-Current											\$18,094,917	\$3,376,578			\$6,341,429			\$27,812,924
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	\$877,250	\$1,122,510	\$0	\$170,534	\$0	\$7,435,467	\$0	\$0	\$1,840	\$598,995	\$26,071,875	\$3,390,612	\$1,272,165	\$0	\$6,409,204	\$0	\$13,533	\$47,363,985
200 Deferred Outflow of Resources																		
290 Total Assets and Deferred Outflow of Resources	\$3,544,552	\$3,081,716	\$2,551,578	\$1,715,666	\$0	\$9,804,386	\$0	\$0	\$467,022	\$1,081,979	\$26,924,768	\$3,446,962	\$1,410,453	\$7,912	\$6,465,989	\$0	\$28,121	\$60,531,104
311 Bank Overdraft																		
312 Accounts Payable <= 90 Days	\$87,784	\$92,312				\$105,447				\$31,300	\$2,325		\$117,776				\$626	\$437,570
313 Accounts Payable >90 Days Past Due																		
321 Accrued Wage/Payroll Taxes Payable	\$24,403	\$25,429				\$25,177				\$9,372								\$84,381
322 Accrued Compensated Absences - Current Portion	\$5,606	\$3,970				\$3,057				\$2,939								\$15,572
324 Accrued Contingency Liability																		
325 Accrued Interest Payable																		
331 Accounts Payable - HUD PHA Programs																		
332 Account Payable - PHA Projects																		
333 Accounts Payable - Other Government	\$45,942	\$21,911				\$75,305				\$38,558	\$37,992	\$5,400			\$4,761		\$12,054	\$241,923
341 Tenant Security Deposits	\$70,735	\$51,890				\$42,715				\$11,408								\$176,748

Chattanooga Housing Authority (TN004)
 CHATTANOOGA, TN
 Project Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2022

	TN004000001	TN004000002	TN004000003	TN004000005	TN004000007	TN004000008	TN004000010	TN004000012	TN004000021	TN004000022	TN004000029	TN004000032	TN004000033	TN004000034	TN004000035	TN004000036	OTHER PROJ	Total
342 Unearned Revenue	\$422,178	\$315,636				\$326,262				\$165,325								\$1,229,401
343 Current Portion of Long-term Debt - Capital	\$14,964	\$226,989				\$432,865				\$8,473								\$683,291
344 Current Portion of Long-term Debt - Operating Borrowings																		
345 Other Current Liabilities																		
346 Accrued Liabilities - Other	\$54,651	\$84,875				\$49,998				\$17,939	\$47,568	\$9,161	\$24,934		\$3,514			\$292,640
347 Inter Program - Due To																		
348 Loan Liability - Current																		
310 Total Current Liabilities	\$726,263	\$823,012	\$0	\$0	\$0	\$1,060,826	\$0	\$0	\$0	\$285,314	\$87,885	\$14,561	\$142,710	\$0	\$8,275	\$0	\$12,680	\$3,161,526
351 Long-term Debt, Net of Current - Capital Projects/Mortgage	\$49,346	\$748,525				\$1,427,425				\$27,940								\$2,253,236
352 Long-term Debt, Net of Current - Operating Borrowings																		
353 Non-current Liabilities - Other	\$1,011	\$158																\$1,169
354 Accrued Compensated Absences - Non Current	\$16,819	\$11,911				\$9,170				\$8,818								\$46,718
355 Loan Liability - Non Current																		
356 FASB 5 Liabilities																		
357 Accrued Pension and OPEB Liabilities																		
350 Total Non-Current Liabilities	\$67,176	\$760,594	\$0	\$0	\$0	\$1,436,595	\$0	\$0	\$0	\$36,758	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,301,123
300 Total Liabilities	\$793,439	\$1,583,606	\$0	\$0	\$0	\$2,497,421	\$0	\$0	\$0	\$322,072	\$87,885	\$14,561	\$142,710	\$0	\$8,275	\$0	\$12,680	\$5,462,649
400 Deferred Inflow of Resources																		
508.4 Net Investment in Capital Assets	\$812,940	\$146,996		\$170,534		\$5,575,177			\$1,840	\$562,582	\$7,976,958	\$14,034	\$1,272,165		\$67,775		\$13,533	\$16,614,534
511.4 Restricted Net Position			\$1,628,006	\$1,545,132														\$3,173,138
512.4 Unrestricted Net Position	\$1,938,173	\$1,351,114	\$923,572	\$0	\$0	\$1,731,788	\$0	\$0	\$465,182	\$197,325	\$18,859,925	\$3,418,367	-\$4,422	\$7,912	\$6,389,939	\$0	\$1,908	\$35,280,783
513 Total Equity - Net Assets / Position	\$2,751,113	\$1,498,110	\$2,551,578	\$1,715,666	\$0	\$7,306,965	\$0	\$0	\$467,022	\$759,907	\$26,836,883	\$3,432,401	\$1,267,743	\$7,912	\$6,457,714	\$0	\$15,441	\$55,068,455
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$3,544,552	\$3,081,716	\$2,551,578	\$1,715,666	\$0	\$9,804,386	\$0	\$0	\$467,022	\$1,081,979	\$26,924,768	\$3,446,962	\$1,410,453	\$7,912	\$6,465,989	\$0	\$28,121	\$60,531,104

Chattanooga Housing Authority (TN004)
CHATTANOOGA, TN
Project Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2022

	TN004000001	TN004000002	TN004000003	TN004000005	TN004000007	TN004000008	TN004000010	TN004000012	TN004000021	TN004000022	TN004000029	TN004000032	TN004000033	TN004000034	TN004000035	TN004000036	OTHER PROJ	Total
70300 Net Tenant Rental Revenue	\$1,181,979	\$902,991	\$937			\$876,852				\$350,396								\$3,313,155
70400 Tenant Revenue - Other	\$103,748	\$93,805	\$604			\$64,633				\$9,967								\$272,757
70500 Total Tenant Revenue	\$1,285,727	\$996,796	\$1,541	\$0	\$0	\$941,485	\$0	\$0	\$0	\$360,363	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,585,912
70600 HUD PHA Operating Grants	\$2,542,465	\$2,465,740			\$27,650	\$2,243,602	\$67,664		\$140,076	\$436,963	\$899,112	\$159,273	\$383,090	\$32,738	\$130,233			\$9,528,606
70610 Capital Grants	\$336,047	\$252,017				\$150,832	\$951,749			\$46,156	\$4,500	\$2,800	\$1,052,136	\$76,503	\$2,300			\$2,875,040
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	\$31,524	\$26,270				\$21,892				\$7,881								\$87,567
71200 Mortgage Interest Income													\$194,200					\$194,200
71300 Proceeds from Disposition of Assets Held for Sale																		
71310 Cost of Sale of Assets																		
71400 Fraud Recovery	\$19,195	\$1,784	\$640			\$2,400												\$24,019
71500 Other Revenue	\$3,937	\$3,132	\$5			\$4,042				\$9,476	\$40,416	\$6,136			\$4,712			\$71,856
71600 Gain or Loss on Sale of Capital Assets																		
72000 Investment Income - Restricted																		
70000 Total Revenue	\$4,218,895	\$3,745,739	\$2,186	\$0	\$27,650	\$3,364,253	\$1,019,413	\$0	\$140,076	\$860,839	\$944,028	\$168,209	\$1,629,426	\$109,241	\$137,245	\$0	\$0	\$16,367,200
91100 Administrative Salaries	\$236,030	\$152,237				\$165,221				\$74,059								\$627,547
91200 Auditing Fees	\$7,506	\$6,230				\$5,124				\$1,986								\$20,846
91300 Management Fee	\$291,792	\$232,536				\$197,784				\$64,535	\$760,616	\$142,716	\$377,456		\$117,210			\$2,184,645
91310 Book-keeping Fee	\$40,990	\$32,673				\$27,785				\$9,078								\$110,526
91400 Advertising and Marketing	\$30,000																	\$30,000
91500 Employee Benefit contributions - Administrative	\$50,340	\$32,224				\$49,711				\$19,540								\$151,815
91600 Office Expenses	\$98,890	\$69,006				\$33,802				\$16,691								\$218,389
91700 Legal Expense	\$47,665	\$52,659				\$26,393				\$6,475								\$133,192
91800 Travel	\$2,934	\$193				\$1,052				\$843								\$5,022
91810 Allocated Overhead																		
91900 Other	\$244,874	\$89,133			\$27,650	\$99,022	\$67,664			\$19,407	\$4,800		\$22,826	\$32,737	\$2,183			\$610,296
91000 Total Operating - Administrative	\$1,051,021	\$666,891	\$0	\$0	\$27,650	\$605,894	\$67,664	\$0	\$0	\$212,614	\$765,416	\$142,716	\$400,282	\$32,737	\$119,393	\$0	\$0	\$4,092,278
92000 Asset Management Fee	\$59,640	\$49,320				\$39,720				\$13,480								\$162,160
92100 Tenant Services - Salaries	\$40,735									\$39,503								\$80,238
92200 Relocation Costs		\$2,522																\$2,522
92300 Employee Benefit Contributions - Tenant Services	\$8,688									\$10,423								\$19,111
92400 Tenant Services - Other	\$11,525	\$9,350				\$7,800				\$2,850	\$4,225	\$750			\$750			\$37,250
92500 Total Tenant Services	\$60,948	\$11,872	\$0	\$0	\$0	\$7,800	\$0	\$0	\$0	\$52,776	\$4,225	\$750	\$0	\$0	\$750	\$0	\$0	\$139,121
93100 Water	\$96,294	\$112,976				\$16,762				\$13,624								\$239,656
93200 Electricity	\$648,347	\$610,326				\$237,314				\$128,435								\$1,624,422
93300 Gas	\$6,237	\$3,737				\$214,836				\$866								\$225,676
93400 Fuel																		
93500 Labor																		
93600 Sewer	\$323,463	\$358,860				\$62,299				\$33,331								\$777,953
93700 Employee Benefit Contributions - Utilities		\$26,063				\$30,101												\$56,164
93800 Other Utilities Expense	\$28,448										\$26,613	\$8,076			\$5,506			\$68,643
93000 Total Utilities	\$1,102,789	\$1,111,962	\$0	\$0	\$0	\$561,312	\$0	\$0	\$0	\$176,256	\$26,613	\$8,076	\$0	\$0	\$5,506	\$0	\$0	\$2,992,514
94100 Ordinary Maintenance and Operations - Labor	\$447,017	\$390,641				\$270,795				\$131,144								\$1,239,597
94200 Ordinary Maintenance and Operations - Materials and	\$226,855	\$161,398				\$190,861				\$37,686								\$616,800
94300 Ordinary Maintenance and Operations Contracts	\$264,027	\$256,434				\$237,488				\$99,100	\$4,538	\$783	\$0	\$294				\$962,664
94500 Employee Benefit Contributions - Ordinary Maintenance	\$95,338	\$92,689				\$81,477				\$34,602								\$304,106
94000 Total Maintenance	\$1,033,237	\$901,162	\$0	\$0	\$0	\$880,621	\$0	\$0	\$0	\$302,532	\$4,538	\$783	\$0	\$0	\$294	\$0	\$0	\$3,123,167
95100 Protective Services - Labor																		
95200 Protective Services - Other Contract Costs	\$9,981	\$3,152				\$2,410				\$6,138								\$21,681

Chattanooga Housing Authority (TN004)
CHATTANOOGA, TN
Project Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2022

	TN004000001	TN004000002	TN004000003	TN004000005	TN004000007	TN004000008	TN004000010	TN004000012	TN004000021	TN004000022	TN004000029	TN004000032	TN004000033	TN004000034	TN004000035	TN004000036	OTHER PROJ	Total
95300 Protective Services - Other	\$140,084	\$111,422				\$95,127				\$30,926								\$377,559
95500 Employee Benefit Contributions - Protective Services																		
95000 Total Protective Services	\$150,065	\$114,574	\$0	\$0	\$0	\$97,537	\$0	\$0	\$0	\$37,064	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$399,240
96110 Property Insurance	\$98,144	\$79,289				\$75,431				\$29,208								\$282,072
96120 Liability Insurance																		
96130 Workmen's Compensation	\$20,518	\$17,511				\$12,605				\$6,566								\$57,200
96140 All Other Insurance	\$1,258	\$629				\$1,258				\$315								\$3,460
96100 Total insurance Premiums	\$119,920	\$97,429	\$0	\$0	\$0	\$89,294	\$0	\$0	\$0	\$36,089	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$342,732
96200 Other General Expenses		\$1,032								\$1,593								\$2,625
96210 Compensated Absences	\$122	-\$23,540				\$6,382				\$1,009								-\$16,027
96300 Payments in Lieu of Taxes	\$2,000	\$2,000				\$34,890				\$17,897	\$37,992	\$5,400			\$2,028			\$102,207
96400 Bad debt - Tenant Rents	\$32,816	\$44,692	-\$938			\$18,471											-\$567	\$94,474
96500 Bad debt - Mortgages																		
96600 Bad debt - Other										\$2,771								\$2,771
96800 Severance Expense						\$27,387												\$27,387
96000 Total Other General Expenses	\$34,938	\$24,184	-\$938	\$0	\$0	\$87,130	\$0	\$0	\$0	\$23,270	\$37,992	\$5,400	\$0	\$0	\$2,028	\$0	-\$567	\$213,437
96710 Interest of Mortgage (or Bonds) Payable	\$1,383	\$20,611				\$39,301				\$769								\$62,064
96720 Interest on Notes Payable (Short and Long Term)																		
96730 Amortization of Bond Issue Costs																		
96700 Total Interest Expense and Amortization Cost	\$1,383	\$20,611	\$0	\$0	\$0	\$39,301	\$0	\$0	\$0	\$769	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$62,064
96900 Total Operating Expenses	\$3,613,941	\$2,998,005	-\$938	\$0	\$27,650	\$2,408,609	\$67,664	\$0	\$0	\$854,850	\$838,784	\$157,725	\$400,282	\$32,737	\$127,971	\$0	-\$567	\$11,526,713
97000 Excess of Operating Revenue over Operating Expenses	\$604,954	\$747,734	\$3,124	\$0	\$0	\$955,644	\$951,749	\$0	\$140,076	\$5,989	\$105,244	\$10,484	\$1,229,144	\$76,504	\$9,274	\$0	\$567	\$4,840,487
97100 Extraordinary Maintenance																		
97200 Casualty Losses - Non-capitalized		-\$7,494				-\$32,280												-\$39,774
97300 Housing Assistance Payments																		
97350 HAP Portability-In																		
97400 Depreciation Expense	\$74,677	\$141,821				\$1,083,373			\$460	\$336,456	\$9,490	\$3,634	\$13,741		\$3,530		\$967	\$1,668,149
97500 Fraud Losses																		
97600 Capital Outlays - Governmental Funds																		
97700 Debt Principal Payment - Governmental Funds																		
97800 Dwelling Units Rent Expense																		
90000 Total Expenses	\$3,688,618	\$3,132,332	-\$938	\$0	\$27,650	\$3,459,702	\$67,664	\$0	\$460	\$1,191,306	\$848,274	\$161,359	\$414,023	\$32,737	\$131,501	\$0	\$400	\$13,155,088
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																		
10094 Transfers between Project and Program - Out																		
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	\$530,277	\$613,407	\$3,124	\$0	\$0	-\$95,449	\$951,749	\$0	\$139,616	-\$330,467	\$95,754	\$6,850	\$1,215,403	\$76,504	\$5,744	\$0	-\$400	\$3,212,112
11020 Required Annual Debt Principal Payments	\$19,128	\$290,158	\$0	\$0	\$0	\$553,527	\$0	\$0	\$0	\$10,831	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$873,644
11030 Beginning Equity	\$2,381,125	\$748,602	\$2,873,560	\$1,715,666	\$0	\$6,982,629	\$783,888	\$0	\$0	\$1,124,498	\$26,741,129	\$3,425,551	\$5,838,665	\$166,937	\$6,451,970	\$0	\$15,841	\$59,250,061
11040 Prior Period Adjustments, Equity Transfers and	-\$180,289	\$136,101	-\$325,106			\$419,785	-\$1,735,637		\$327,406	-\$34,124			-\$5,786,325	-\$235,529				-\$7,393,718
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																		

Chattanooga Housing Authority (TN004)
 CHATTANOOGA, TN
 Project Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2022

	TN004000001	TN004000002	TN004000003	TN004000005	TN004000007	TN004000008	TN004000010	TN004000012	TN004000021	TN004000022	TN004000029	TN004000032	TN004000033	TN004000034	TN004000035	TN004000036	OTHER PROJ	Total
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	5967	4932	12	0	0	4002	0	0	0	1348	2400	444	1176	0	396	0	0	20677
11210 Number of Unit Months Leased	5463	4348	12	0	0	3709	0	0	0	1209	2333	407	1157	0	378	0	0	19016
11270 Excess Cash	\$1,645,703	\$880,074	\$923,572	\$0	\$0	\$1,096,227	\$0	\$0	\$465,182	\$123,930	\$765,008	\$41,789	-\$4,422	\$5,533	\$48,510	\$0	\$1,955	\$5,993,061
11610 Land Purchases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11620 Building Purchases	\$336,048	\$252,017	\$0	\$0	\$0	\$150,832	\$951,749	\$0	\$0	\$0	\$4,500	\$2,800	\$0	\$0	\$2,300	\$0	\$0	\$1,700,246
11630 Furniture & Equipment - Dwelling Purchases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$44,745	\$0	\$0	\$1,052,136	\$35,739	\$0	\$0	\$0	\$1,132,620
11640 Furniture & Equipment - Administrative Purchases	\$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
11660 Infrastructure Purchases	\$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
13901 Replacement Housing Factor Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0