

CHATTANOOGA HOUSING AUTHORITY

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

As of and for the Year Ended December 31, 2024

And Reports of Independent Auditor

CHATTANOOGA HOUSING AUTHORITY
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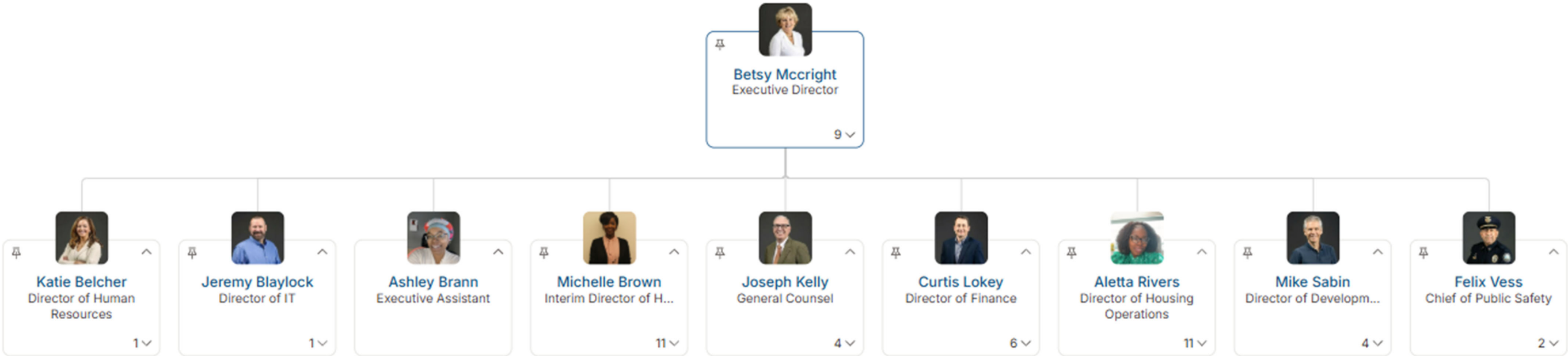
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Chattanooga Housing Authority
Organizational Chart



Report of Independent Auditor

To the Board of Commissioners
Chattanooga Housing Authority
Chattanooga, Tennessee

Report on the Financial Statements

Opinion

We have audited the financial statements of Chattanooga Housing Authority (the "Authority") as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority, as of December 31, 2024, and the respective changes in financial position and cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Cromwell Development I, LLC, Chattanooga Housing Authority-Emerald Villages, LLC, or Steiner Redevelopment, LLC, (collectively, "blended component units") which represent 38%, 7%, and 8%, respectively, of the assets, net position, and operating revenues of the Authority. 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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, and Steiner Redevelopment, 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 audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, as listed in the table of contents, 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* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, the schedule of changes in long-term debt by individual issue, the accompanying statement and certification of actual family self-sufficiency grant costs, the statement and certification of actual resident opportunities and self-sufficiency 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 by us and other auditors. In our opinion, the supplementary 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 27, 2025, 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 "Cherry Bekaert LLP". The signature is written in a cursive, flowing style.

Lexington, Kentucky
August 27, 2025

CHATTANOOGA HOUSING AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A")

DECEMBER 31, 2024

Introduction and Mission

The Chattanooga Housing Authority (CHA) has served Chattanooga and Hamilton County since 1938. CHA's mission is to 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 MD&A section of the annual financial report is designed to provide readers with a narrative overview and analysis of the financial activities of the CHA for the fiscal year ended December 31, 2024, compared with fiscal year 2023. The discussion and analysis are prepared in accordance with the Governmental Accounting Standards Board (GASB).

Accordingly, this MD&A focuses on the most significant events and trends rather than every individual line item.

Financial Highlights and Conclusions

During 2024 the CHA continued to advance its mission while confronting challenging funding and economic conditions. Notable developments include:

- **Acquisition of new properties.** The Authority purchased The Villages at Alton Park and Oaks at Camden and acquired the managing-member interest in Maple Hills. These acquisitions added 332 units to the business-activities portfolio and significantly increased buildings and related depreciation expense. Management believes that these transactions position the Authority to control long-term affordability and better manage these communities.
- **Westside Evolves and James A. Henry School projects.** The Authority and the City of Chattanooga are leading the Westside Evolves revitalization effort. In 2024, the CHA received grants to renovate the James A. Henry School into a community hub and began other redevelopment activities. The Authority also recorded a \$2.5 million donation of land for Phase I of mixed-income housing in the Westside area. This land donation increased the Land category within capital assets.
- **Grants and federal funding.** Government funding remained the largest revenue source, for the most part. The 2024 funding mix included continued Housing Choice Voucher (HCV) support, special allocations for Mainstream vouchers, Emergency Housing Vouchers (EHV), and new Choice Neighborhood Implementation and Community Development Block Grant (CDBG) funds associated with Westside redevelopment.
- **Tenant revenue growth.** Most of the \$1.73 million increase in tenant revenue came from our Business Activities and RAD-converted properties. These communities had stronger occupancy and stable operations in 2024. By contrast, traditional public housing rents stayed about the same, which really highlights how much the Business Activities and Multifamily portfolios are now driving overall revenue.
- **The Business Activities** program generated approximately \$5.95 million of tenant revenue in 2024, compared with \$3.84 million for the traditional Public Housing portfolio.
- **Increase in government funding.** Government funding increased by \$8.57 million (about 18%), driven by higher Housing Assistance Payment (HAP) funding for vouchers, new grants for Westside redevelopment, and continued support under ARPA and other recovery programs.
- **Total revenues** exceeded total expenses. The Authority reported an excess of revenues over expenses of \$5.67 million, compared with \$5.25 million in 2023.
- **Growth in capital assets and debt reduction.** Capital assets, net, increased by \$26.85 million, or 32%, primarily due to acquisitions, construction in progress and a \$2.5 million land donation.

CHATTANOOGA HOUSING AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A")

DECEMBER 31, 2024

- **Outstanding debt** decreased from \$25.19 million to \$23.80 million, reflecting scheduled principal payments. No new long-term debt was issued in 2024.
- **Cash and investments.** Cash and restricted cash increased by about \$3.98 million (12%) to \$36.7 million as of December 31, 2024. The increase is attributable to operating surpluses and grant receipts, partially offset by acquisitions and capital expenditures. Although liquidity improved relative to 2023, management continues to monitor cash reserves closely given the uncertain funding environment.

Required Financial Statements

The CHA's financial statements are presented on a full-accrual basis and include:

1. **Statement of Net Position** – presents assets, deferred outflows, liabilities and deferred inflows, with the difference reported as net position.
2. **Statement of Revenues, Expenses, and Changes in Net Position** – similar to a corporate income statement; it reports revenues, expenses and other changes (such as prior-period adjustments) that increase or decrease net position.
3. **Statement of Cash Flows** – reports cash inflows and outflows from operating, non-capital financing, capital and investing activities.

The CHA operates entirely as an enterprise fund. Assets and liabilities are presented according to their relative liquidity and classified as current (convertible into cash within one year) or non-current. Net position is presented in three components:

- **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.
- **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.

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, 2024, CHA had 1,656 units in its low-income public housing portfolio.

CHATTANOOGA HOUSING AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A")

DECEMBER 31, 2024

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, 2024, CHA had 3,792 Housing Choice Vouchers.

Multifamily Section 8 HAP Program – This a significant addition to our portfolio of major programs. Under this program, the five 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 766 units in this portfolio.

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 – This cost center includes properties financed through Low-Income Housing Tax Credits (LIHTC) and wholly owned or controlled by CHA. The acquisition of the Villages at Alton Park, Oaks at Camden and Maple Hills, together with the ongoing operations of Emerald Villages and Cromwell Hills, significantly expanded this portfolio. Business Activities contributed nearly \$8.93 million in total revenues and approximately \$5.95 million in net tenant rental revenue. Maintenance and depreciation costs increased commensurately.

CHATTANOOGA HOUSING AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A")

DECEMBER 31, 2024

Financial Analysis of CHA

Statement of Net Position

The following schedule reflects the condensed Statement of Net Position compared to prior year.

Account Descriptions	2024	2023	Total Change	% Change
Current assets	\$ 41,321,855	\$ 33,510,257	\$ 7,811,598	23%
Capital assets	110,599,953	83,746,744	26,853,209	32%
Other noncurrent assets	1,325,551	30,181,926	(28,856,375)	-96%
Total Assets	153,247,359	147,438,927	5,808,432	4%
Deferred outflows of resources	-	-	-	0%
Current liabilities	9,707,719	8,331,996	1,375,723	17%
Noncurrent liabilities	23,493,468	23,959,190	(465,722)	-2%
Total Liabilities	33,201,187	32,291,186	910,001	3%
Deferred inflows of resources	-	-	-	0%
Net investment in capital assets	86,795,127	58,557,354	28,237,773	48%
Restricted net position	15,527,509	9,171,743	6,355,766	69%
Unrestricted net position	17,723,536	47,418,644	(29,695,108)	-63%
Total Net Position	\$ 120,046,172	\$ 115,147,741	\$ 4,898,431	4%

Factors Affecting the Statement of Net Position

Current assets increased by 23%, reflecting higher cash balances, grant receivables and prepaid assets related to property acquisitions. Capital assets grew by 32% because of the property acquisitions, ongoing Westside redevelopment projects, and recognition of leasehold improvements.

Other noncurrent assets declined sharply because certain notes and loans receivable were settled or reclassified as investments in subsidiaries following the consolidation of Maple Hills and the payoff of construction loans.

Current liabilities rose by roughly 17% due to increases in accounts payable and accrued liabilities associated with the new properties and the Westside projects. Noncurrent liabilities declined modestly because scheduled principal payments exceeded new borrowing.

Net Position – The net position composition shifted substantially. The net investment in capital assets increased by nearly \$28.24 million, largely reflecting the acquisitions and capitalized improvements. Restricted net position grew because of grant funds restricted for capital projects and housing assistance. Unrestricted net position fell by about \$29.7 million. This wasn't a cash loss. Most of it represents funds that were shifted into capital assets or tied to restricted projects, especially with the Maple Hills consolidation. In other words, the drop reflects reclassification more than a decline in resources.

CHATTANOOGA HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A")

DECEMBER 31, 2024

Statement of Revenues, Expenses, and Changes in Net Position

The following table compares revenues and expenses for the current and previous fiscal year.

Account Descriptions	2024	2023	Total Change	% Change
Tenant revenue	\$ 12,214,252	\$ 10,481,567	\$ 1,732,685	17%
Federal funding	56,781,224	48,212,214	8,569,010	18%
Other income	2,147,598	768,722	1,378,876	179%
Total Revenue	71,143,074	59,462,503	11,680,571	20%
Administrative	8,598,950	8,401,137	197,813	2%
Asset management fee	-	5,000	(5,000)	-100%
Tenant services	900,536	963,721	(63,185)	-7%
Utilities	5,846,173	5,103,533	742,640	15%
Protective services	728,249	637,113	91,136	14%
Insurance expense	1,400,644	893,737	506,907	57%
Maintenance	6,754,505	5,595,562	1,158,943	21%
General expense	965,995	532,810	433,185	81%
Housing assistance payments	34,689,181	28,088,164	6,601,017	24%
Depreciation and amortization	7,113,957	5,613,175	1,500,782	27%
Total Operating Expenses	66,998,190	55,833,952	11,164,238	20%
Nonoperating Items:				
Interest income	2,468,766	2,476,913	(8,147)	0%
Interest expense	(1,247,096)	(1,277,841)	30,745	-2%
Special item	(2,271,317)	-	(2,271,317)	-100%
Casualty gain	69,701	93,030	(23,329)	-25%
Gain on disposal of capital assets	5,686	306	5,380	0%
Total Nonoperating Items	(974,260)	1,292,408	(2,266,668)	-175%
Partner contributions	2,500,000	327,452	2,172,548	663%
Changes in Net Position	5,670,624	5,248,411	422,213	8%
Beginning net position	115,147,741	109,899,330	5,248,411	5%
Change within financial reporting entity	(772,193)	-	(772,193)	-100%
Ending Net Position	\$ 120,046,172	\$ 115,147,741	\$ 4,898,431	4%

Factors Affecting Statement of Revenues, Expenses, and Change in Net Position

Revenue growth was driven primarily by increases in government funding and tenant revenues. Tenant revenue benefited from high occupancy and rents at RAD-converted and business-activities properties. Government funding rose due to higher HAP allocations, special grants for Westside redevelopment and ARPA-related programs. Other income nearly doubled due to increased fraud recovery and miscellaneous receipts. Interest income declined slightly as cash balances were used for capital projects.

CHATTANOOGA HOUSING AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A")

DECEMBER 31, 2024

Most of the increase in government funding came from Housing Assistance Payments (HAP), which were up \$6.6 million as voucher use and payment standards rose. We also received new Westside redevelopment support, including \$1.4 million in Economic Development Initiative/Community funds and \$185,000 in CDBG awards. Tenant revenue growth of \$1.73 million was concentrated in the Business Activities and RAD-converted portfolios, reflecting strong occupancy and stabilized operations at recently acquired communities. Traditional public housing tenant revenues remained largely flat by comparison, underscoring the growing importance of Business Activities and Multifamily portfolios as revenue drivers.

On the expense side, overall operating expenses increased by about 20%. Utilities, maintenance, insurance and other general expenses recorded significant increases, reflecting higher unit counts, inflation in utility rates and insurance premiums, and costs associated with the new properties. Housing assistance payments rose by \$6.6 million due to increased voucher utilization and higher payment standards. Depreciation and amortization increased because of new capital assets and a full year of depreciation on prior conversions. The modest decline in interest expense reflects scheduled debt amortization and a decline in outstanding principal.

The largest single increase was Housing Assistance Payments, up \$6.6 million, directly aligned with higher HAP funding. Insurance costs were a standout, climbing by about \$0.5 million (57%). Higher premiums and added coverage for new acquisitions drove that jump. Maintenance and utilities together were up nearly \$1.9 million. That reflects not only the additional properties we brought on but also higher prices for materials, services, and utilities. Depreciation and amortization expense increased by \$1.5 million as new capital assets from the RAD conversions and 2024 acquisitions were fully incorporated. These expense trends highlight the impact of both portfolio growth and external cost pressures.

Schedule of Federal Financial Awards

Federal Financial Awards Comparison

	2024	2023	Change
Public Housing:			
Public and Indian Housing Program	\$ 8,942,961	\$ 8,383,112	\$ 559,849
Capital Fund Program	2,104,759	4,313,237	(2,208,478)
Resident Opportunity and Supportive Services	138,606	127,842	10,764
PIH Family Self-Sufficiency Program	81,907	79,077	2,830
Housing Assistance Payments:			
Section 8 Housing Choice/Mainstream/FUP Programs	37,366,178	30,633,341	6,732,837
Mod Rehab/SRO	3,070,197	2,390,044	680,153
Economic Development Initiative/Community Project Fun	1,437,958	-	1,437,958
Choice Neighborhoods Implementation Grant	168,376	-	168,376
Coronavirus State & Local Fiscal Recovery Funds	2,203,874	1,231,839	972,035
Community Development Block Grant	184,535	-	184,535
Totals	<u>\$ 55,699,351</u>	<u>\$ 47,158,492</u>	<u>\$ 8,540,859</u>

CHATTANOOGA HOUSING AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A")

DECEMBER 31, 2024

Capital Assets

At the end of fiscal year 2024, the CHA had Capital Assets of \$111 million, net of depreciation. For the year ended December 31, 2024, capital assets increased by \$27M (the addition of \$33M from the addition of assets at Oaks at Camden, Maple Hills, and the Villages at Alton Park), offset by \$7.1M of depreciation expense.

Statement of Capital Assets

Account Descriptions	2024	2023	Total Change	% Change
Land	\$ 11,985,797	\$ 9,485,797	\$ 2,500,000	26.36%
Buildings	261,105,268	212,061,376	49,043,892	23.13%
Furniture and equipment	6,352,339	4,627,137	1,725,202	37.28%
Construction in process	9,278,630	5,564,715	3,713,915	66.74%
Accumulated depreciation	(178,122,081)	(147,992,281)	(30,129,800)	20.36%
Total capital assets	<u>\$ 110,599,953</u>	<u>\$ 83,746,744</u>	<u>\$ 26,853,209</u>	<u>32.06%</u>

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

Balance at January 1, 2024	\$ 83,746,744
Current period additions - operations	7,609,083
Current period transfers in, net	26,345,298
Current period depreciation expense	<u>(7,101,172)</u>
Balance at December 31, 2024	<u>\$ 110,599,953</u>

Factors Affecting Capital Assets

The most significant increases were in Buildings and CIP. Buildings increased because of the purchase of the Villages at Alton Park, Oaks at Camden and Maple Hills, plus completion of renovation projects. CIP reflects investments in the Westside Evolves project, including renovation of the James A. Henry School and predevelopment costs for future housing phases. The \$2.5 million increase in Land resulted from the donation of a parcel for Phase I of Westside housing.

Leasehold improvements represent capitalized work at properties leased by CHA; 2024 is the first year this category is shown, reflecting improvements to the James A. Henry School and other leased sites.

Depreciation expense totaled \$7.10 million in 2024, compared with \$5.61 million in 2023

Additions to capital assets (operations) and transfers in during the year were approximately \$34.82 million, while dispositions were immaterial. Management continuously assesses the condition of its properties and prioritizes capital spending, and support of the Westside redevelopment.

CHATTANOOGA HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A")

DECEMBER 31, 2024

Debt Administration

As of December 31, 2024, the CHA had \$23,804,826 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, 2024:

Balance as of January 1, 2024	\$ 25,189,390
Debt payments	<u>(1,384,564)</u>
Balance as of December 31, 2024	<u><u>\$ 23,804,826</u></u>

Economic Factors and Events Affecting Operations

Several external factors could affect the CHA's operations in 2025 and beyond:

- *Federal funding uncertainty.* Operating subsidies and HAP funding continue to be prorated below eligibility levels. The Authority closely monitors federal appropriations and advocates for adequate funding. Diversifying revenue streams through property development remains a priority.
- *Inflation and operating costs.* Local inflation remained elevated in 2024 (CPI up approximately 3.4%), leading to higher utility, maintenance and insurance costs. Supply-chain disruptions and labor shortages may continue to pressure expenses.
- *Housing market conditions.* Rising rents and limited supply of affordable units increase demand for vouchers and public housing. The Authority has temporarily increased payment standards to 120% of Fair Market Rent to improve voucher competitiveness, and this waiver remains in effect through December 31, 2024.
- *Westside redevelopment risks.* The success of Westside Evolves depends on securing sufficient funding, managing construction risks and maintaining resident engagement. CHA applied for and received a \$50 million Choice Neighborhoods Implementation grant and continues to seek public and private partners. Unexpected cost escalations or delays could affect the Authority's financial position.
- *In 2025,* CHA will continue the implementation of the Westside Evolves plan to revitalize the existing public housing community of College Hill Courts and surrounding areas. The first phase of mixed income housing will start with 230 units on the YFD parcel adjacent to College Hill. This will be part of an overall \$1 billion redevelopment.
- *Future acquisitions.* CHA plans to acquire additional LIHTC partnership interests as tax credit periods expire. While these acquisitions can enhance long-term control and revenue, they may require significant upfront investment and increase operating complexity.

Request for Information

The financial report is designed to provide a general overview of CHA's finances. Questions concerning any of the information provided in this report or request for additional information should be addressed in writing to the Director of Finance, Chattanooga Housing Authority, P.O. Box 1486 Chattanooga, Tennessee 37401 or by email to Curtis Lokey at clokey@chahousing.org.

CHATTANOOGA HOUSING AUTHORITY

STATEMENT OF NET POSITION

DECEMBER 31, 2024

ASSETS

Current Assets:

Cash and cash equivalents, unrestricted	\$ 20,216,776
Cash and cash equivalents, restricted	16,497,862
Accounts receivable - HUD	2,429,590
Accounts receivable - other government	1,132,835
Accounts receivable - miscellaneous	330,129
Accounts receivable - tenants, net	361,088
Prepaid expenses	353,575
Total Current Assets	<u>41,321,855</u>

Capital Assets:

Land	11,985,797
Buildings and leasehold improvements	261,105,268
Furniture and equipment	6,352,339
Construction in progress	9,278,630
	<u>288,722,034</u>
Accumulated depreciation	<u>(178,122,081)</u>
Capital Assets, Net	<u>110,599,953</u>

Noncurrent Assets:

Other assets	<u>1,325,551</u>
Total Noncurrent Assets	<u>1,325,551</u>
Total Assets	153,247,359

DEFERRED OUTFLOWS OF RESOURCES

	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 153,247,359</u>

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

CHATTANOOGA HOUSING AUTHORITY
STATEMENT OF NET POSITION (CONTINUED)

DECEMBER 31, 2024

LIABILITIES

Current Liabilities:

Current portion of long-term debt	\$ 1,632,603
Accounts payable	4,233,221
Accounts payable - other government	227,677
Accounts payable - HUD	15,151
Accrued wages/payroll taxes payable	588,824
Current portion of accrued compensated absences	78,788
Tenant security deposits	433,513
Unearned revenue	1,663,316
Other current liabilities	834,626
Total Current Liabilities	9,707,719

Long-term Liabilities:

Long-term debt, net of current portion	22,172,223
Accrued compensated absences, net of current portion	236,366
Other noncurrent liabilities	1,084,879
Total Long-term Liabilities	23,493,468
Total Liabilities	33,201,187

DEFERRED INFLOWS OF RESOURCES

Total Liabilities and Deferred Inflows of Resources	-
--	----------

NET POSITION:

Net investment in capital assets	86,795,127
Restricted by program requirements	15,527,509
Unrestricted net position	17,723,536
Total Net Position	120,046,172
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 153,247,359

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

CHATTANOOGA HOUSING AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

YEAR ENDED DECEMBER 31, 2024

Operating Revenues:	
Tenant revenue, net of bad debts of \$626,141	\$ 12,214,252
HUD operating grants	52,075,480
Other government grants	2,570,585
Other revenue	1,856,815
Fraud recovery	290,783
Total Operating Revenues	<u>69,007,915</u>
Operating Expenses:	
Administrative	8,598,950
Tenant services	900,536
Utilities	5,846,173
Protective services	728,249
Insurance expense	1,400,644
Maintenance	6,754,505
General expenses	965,995
Housing assistance payments	34,689,181
Depreciation and amortization	7,113,957
Total Operating Expenses	<u>66,998,190</u>
Net Operating Profit	<u>2,009,725</u>
Nonoperating Revenues (Expenses):	
Interest income	2,468,766
Interest and investment expense	(1,247,096)
Special item	(2,271,317)
Casualty gain, net	69,701
Gain on disposal of capital assets	5,686
Total Nonoperating Expense, Net	<u>(974,260)</u>
Net Profit Before Capital Contributions	1,035,465
Capital Contributions:	
Capital contributions	2,500,000
Capital fund grant	<u>2,135,159</u>
Changes in net position	5,670,624
Net position, beginning of year	115,147,741
Change within financial reporting entity (see Note 17)	<u>(772,193)</u>
Net position, end of year	<u><u>\$ 120,046,172</u></u>

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

CHATTANOOGA HOUSING AUTHORITY

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2024

Cash flows from operating activities:

Cash received from tenants	\$ 12,406,306
Cash received from HUD grants	49,745,729
Cash received from other governmental grants	1,337,750
Cash received from other sources	1,539,696
Cash payments to employees for services	(8,530,732)
Cash payments for the Housing Choice Voucher Program	(34,689,181)
Cash payments to other suppliers for goods and services	(15,018,070)
Net cash flows from operating activities	<u>6,791,498</u>

Cash flows from investing activities:

Special items	226,975
Interest received	<u>2,463,289</u>
Net cash flows from investing activities	<u>2,690,264</u>

Cash flows from capital and related financing activities:

Capital grant receipts	2,135,159
Purchase of capital assets	(5,109,084)
Proceeds from disposal of capital assets	5,686
Principal paid on debt	(1,284,564)
Interest paid on debt	(1,316,374)
Net cash flows from capital and related financing activities	<u>(5,569,177)</u>

Cash flows from noncapital financing activities:

Casualty gain	<u>69,701</u>
Net cash flows from non-capital financing activities	<u>69,701</u>

Net increase in cash	3,982,286
Cash, beginning of year	<u>32,732,352</u>
Cash, end of year	<u>\$ 36,714,638</u>
Cash and cash equivalents, unrestricted	\$ 20,216,776
Cash and cash equivalents, restricted	<u>16,497,862</u>
	<u>\$ 36,714,638</u>

Supplemental disclosure of noncash investing and financing activities:

Notes receivable forgiven - special item	\$29,172,936
Capital assets transferred in, net - special item	(26,345,298)
Other assets transferred in, net - special item	(329,346)
Capital assets includes (\$2,146,699) change in accounts payable for construction/development	
Grant income related to loan forgiveness	(100,000)
Capital contribution - donated land	2,500,000

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

CHATTANOOGA HOUSING AUTHORITY
STATEMENT OF CASH FLOWS (CONTINUED)

YEAR ENDED DECEMBER 31, 2024

Cash flows from operating activities:

Net operating profit	\$ 2,009,725
Adjustments to reconcile net operating profit to net cash flows from operating activities:	
Depreciation expense	7,101,172
Amortization expense	12,785
Bad debt expense	626,141
Grant income related to loan forgiveness	(100,000)
Changes in operating assets and liabilities:	
Accounts receivable - HUD	(2,327,816)
Accounts receivable - other governments	(1,132,835)
Accounts receivable - miscellaneous	(317,119)
Accounts receivable - tenants	(673,631)
Prepaid expenses	(4,052)
Accounts payable	1,174,808
Accounts payable - other government	16,122
Accounts payable - HUD	(1,935)
Accrued wages and payroll taxes payable	154,721
Tenant security deposits	101,857
Unearned revenue	(153,096)
Other current liabilities	(692,278)
Accrued compensates absences	47,358
Other noncurrent liabilities	949,571
Net cash flows from operating activities	<u><u>\$ 6,791,498</u></u>

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

CHATTANOOGA HOUSING AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

Note 1—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 five component units that are reported as blended component units within these financial statements - Holtzclaw Development, LLC, Chattanooga Housing Authority-Emerald Villages, LLC, Cromwell Development I, LLC, Steiner Redevelopment, LLC, and CHA Charitable Benefit Corporation. 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 7. 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. Steiner Redevelopment, LLC was established as the holding company for the tax credit development – Maple Hills Apartments (“Maple Hills”). Maple Hills consists of 48 affordable housing units and is controlled by the Authority. The Authority is the managing member investor with 0.990% interest. The assets, liabilities and equity along with the operations are included in Maple Hills. All inter-program transactions have been eliminated. CHA Charitable Benefit Corporation is a wholly owned component unit which was established in 2024. The CHA Charitable Benefit Corporation was established with the purpose of accepting and soliciting donations and grants for the purpose of distributing such grants to the Authority or its instrumentalities. Requests for full financial information of the component units should be addressed to Chattanooga Housing Authority at P.O. Box 1486 Chattanooga, Tennessee 37401.

CHATTANOOGA HOUSING AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

Note 2—Summary of significant accounting policies

The accounting policies of the Authority conform to accounting principles generally accepted in the United States of America ("U.S. 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.

The following is a summary of the most significant policies:

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 U.S. 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 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 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 2024, the Authority received operating subsidy funding for 7 projects consisting of 1,656 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 3,800 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 five 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 766 units in this portfolio.

Use of Estimates – The preparation of the financial statements in conformity with U.S. 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 THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

Note 2—Summary of significant accounting policies (continued)

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, 2024:

Checking accounts	\$ 14,427,076
Saving accounts/money market	22,284,912
Petty cash	<u>2,650</u>
	<u>\$ 36,714,638</u>

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 \$394,338 for accounts receivable - tenants and \$4,321,726 for accounts receivable fraud recovery at December 31, 2024. Management believes all other accounts receivable as of December 31, 2024, were collectible and no additional allowance was considered necessary.

The State of Tennessee Comptroller's Office requires that 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 is reported net of revenue instead of bad debt expense. The Authority's bad debt expense charged against revenue was \$626,141 for the year ended December 31, 2024.

Prepaid Expenses – Payments made to vendors for goods or services that will benefit periods beyond December 31, 2024 are recorded as prepaid expenses.

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.

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.

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 and equipment	3 - 7 years

CHATTANOOGA HOUSING AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

Note 2—Summary of significant accounting policies (continued)

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.

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, 2024.

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 7 for additional information.

Compensated Absences – A compensated absence liability is recognized in accordance with GASB 101, *Compensated Absences*, that include: 1) leave that has not been used but is more likely than not to be used or settled in the future, and 2) for leave that has been used but not yet paid.

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.

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.

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.

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.

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.

Implementation of Accounting Pronouncement – In June 2022, 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 adopted this statement effective January 1, 2024 with no impact on net position.

CHATTANOOGA HOUSING AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

Note 3—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.

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, 2024, all of the Authority's deposits were either covered by Federal Deposit Insurance Corporation (FDIC) insurance up to \$250,000 or adequately collateralized.

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 4—Prepaid expenses

Prepaid expenses at December 31, 2024, consisted of \$24,342 in prepaid insurance premiums, \$23,759 in prepaid software fees, \$150,000 in prepaid asset management fees, and \$140,625 in tax credit fees.

Note 5—Capital assets

A summary of the changes in capital assets for the year ended December 31, 2024 is as follows:

	Balance 1/1/2024	Additions	Disposals	Transfers	Balance 12/31/24
Land	\$ 9,485,797	\$ 2,500,000	\$ -	\$ -	\$ 11,985,797
Buildings	212,061,376	1,127,553	-	47,916,339	261,105,268
Furniture, equipment, and machinery	4,627,137	267,615	(50,221)	1,507,808	6,352,339
Construction in progress	5,564,715	3,713,915	-	-	9,278,630
Total capital assets	231,739,025	7,609,083	(50,221)	49,424,147	288,722,034
Accumulated depreciation	(147,992,281)	(7,101,172)	50,221	(23,078,849)	(178,122,081)
Net capital assets	\$ 83,746,744	\$ 507,911	\$ -	\$ 26,345,298	\$ 110,599,953

Transfers are related to the merger and acquisition of certain entities during the year ended December 31, 2024 (see Note 16).

CHATTANOOGA HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

Note 6—Other long-term liabilities other than debt

The activities of compensated absences and other noncurrent liabilities consists of the following at December 31, 2024:

	Balance at 1/1/2024	Additions, Net	Adjustments/ Payments, Net	Balance at 12/31/2024	Current Portion
Compensated absences	\$ 267,796	\$ 47,358	\$ -	\$ 315,154	\$ 78,788
FSS escrow deposit	\$ 131,536	\$ 69,998	\$ -	\$ 201,534	\$ -
Liability of deficit swap position (Holtzclaw Development, LLC)	9,250	-	(5,478)	3,772	-
Total	\$ 140,786	\$ 69,998	\$ (5,478)	\$ 205,306	\$ -

Note 7—Notes payable

A summary of changes in the Authority's long-term debt for the year ended December 31, 2024 is presented below:

	Balance 1/1/2024	Additions	Retirements	Balance 12/31/2024	Due Within One Year
Notes Payable	\$ 25,189,390	\$ -	\$ (1,384,564)	\$ 23,804,826	\$ 1,632,603

As of December 31, 2024, the Authority had \$23,617,553 of debt outstanding related to various projects and programs. These debts are the obligations associated with the following:

BciCapital Leasing - Public Housing	\$ 1,536,855
First Horizon - Holtzclaw Development, LLC	386,440
Grandbridge mortgage - Cromwell, LLC	14,494,095
Grandbridge mortgage - Emerald Villages, LLC	7,087,436
Tennessee Housing Development Agency	300,000
Total debt outstanding at December 31, 2024	\$ 23,804,826
Current Portion	\$ 1,632,603
Long-term portion	22,172,223
	\$ 23,804,826

CHATTANOOGA HOUSING AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

Note 7—Notes payable (continued)

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, 2024, combined monthly payments including interest totaled \$62,298. Combined monthly payments vary each calendar year and range from \$62,298 to \$66,092 through December 2026 (maturity date) and are secured by pledged revenues. Interest expense during the year was \$31,180. The outstanding balance at December 31, 2024 is \$1,563,855.

Future payments consist of:

	Principal	Interest	Total
2025	\$ 750,665	\$ 19,340	\$ 770,005
2026	786,190	6,916	793,106
	<u>\$ 1,536,855</u>	<u>\$ 26,256</u>	<u>\$ 1,563,111</u>

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 5.74% at December 31, 2024) 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 \$23,100 at December 31, 2024). The note is secured by a construction mortgage deed of trust and the assignment of rents and leases. Interest expense during the year was \$36,817. The outstanding balance at December 31, 2024 is \$386,440.

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, \$376,000 at December 31, 2024, multiplied by the positive or negative difference, respectively, of .34%. As of December 31, 2024, the fair value of the interest rate swap obligation was a liability of \$3,772, a decrease of \$5,478 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:

	Principal
2025	<u>\$ 386,440</u>

CHATTANOOGA HOUSING AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

Note 7—Notes payable (continued)

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, 2024, \$200,000 had been forgiven on the note.

Future principal payments consist of:

	Principal
2025	\$ 100,000
2026	100,000
2027	100,000
	<u>\$ 300,000</u>

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, 2024, \$580,502 of interest was incurred which includes amortization of debt issuance costs in the amount of \$29,296. As of December 31, 2024, the outstanding principal was \$14,494,395 and accrued interest was \$46,306.

Future principal payments consist of:

	Principal
2025	\$ 292,994
2026	229,355
2027	238,133
2028	245,787
2029	256,652
Thereafter	13,231,174
	<u>\$ 14,494,095</u>

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, 2024, interest incurred was \$296,598 which includes amortization of debt issuance costs of \$11,625. As of December 31, 2024, the outstanding principal of the loan was \$7,087,436 and accrued interest of \$23,985 remains payable.

CHATTANOOGA HOUSING AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

Note 7—Notes payable (continued)

Future principal payments consist of:

	Principal
2025	\$ 102,504
2026	106,663
2027	110,992
2028	114,738
2029	120,152
Thereafter	6,532,387
	<u>\$ 7,087,436</u>

Below is a summary of the changes in Notes Payable of the primary government for the year ended December 31, 2024:

	BciCapital	First Horizon	Grandbridge Permanent Mortgage - Cromwell LLC	Grandbridge Permanent Mortgage - Emerald Villages, LLC	Tennessee Housing Development Agency	Total
Beginning balances	\$ 2,253,236	\$ 645,640	\$ 14,705,655	\$ 7,184,859	\$ 400,000	\$ 25,189,390
Principal reductions	(716,381)	(259,200)	(211,560)	(97,423)	(100,000)	(1,384,564)
Ending balance	<u>\$ 1,536,855</u>	<u>\$ 386,440</u>	<u>\$ 14,494,095</u>	<u>\$ 7,087,436</u>	<u>\$ 300,000</u>	<u>\$ 23,804,826</u>

Note 8—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 \$408,735. Total payroll during the year was \$8,530,732. 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, Tennessee 37902, 865.523.8353.

CHATTANOOGA HOUSING AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

Note 9—Restricted cash

Restricted cash was comprised of the following as of December 31, 2024:

Unexpended sales proceeds and developer fees reserved for future development	\$ 3,216,275
Replacement reserves	7,921,282
Other reserves and escrows	2,938,959
Grant proceeds	1,717,298
Restricted for HUD payable	15,151
Tenant security deposits	413,818
FSS participant escrow balances	201,534
Emergency housing vouchers net position	39,900
Unearned emergency housing vouchers service revenue	33,645
	<u>\$ 16,497,862</u>

Note 10—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, 2024, 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 11—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, 2024 were \$8,942,961.

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, 2024 were \$37,366,178.

Note 12—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 61% 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.

CHATTANOOGA HOUSING AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

Note 13—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 insurance is 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 14—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 15—Recent accounting pronouncements

In December 2022, GASB issued *Statement No. 102 - Certain Risk Disclosures*. The objective of this Statement is to provide the users of government financial statements with information about risks related to a government's vulnerabilities due to certain concentrations or constraints that is essential to their analyses for making decisions and accessing accountability. The Statement establishes financial reporting requirements for such risk and applies to financial statements of all state and local governments. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024.

The Authority is currently evaluating this statement and at this time cannot quantify any impact implementation may have on net position.

Note 16—Special item

During the year ended December 31, 2024, the Authority merged Johnson Terrace LLC; McCallie Homes Housing Partnership – Phase I; Alton Park Housing Partnership, LLC; and The Villages Housing Partnership, LLC into Chattanooga Housing Authority. All assets and liabilities were assumed by the Authority, resulting in a loss from special items of \$2,271,317.

CHATTANOOGA HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

Note 17—Change in component unit presentation

During the year ended December 31, 2024, the Authority acquired the managing member interest of Maple Hills, a tax credit development, which was formerly recorded as an equity investment. The managing member interest represented 0.990% ownership interest in Maple Hills and gave the Authority control over the entity. As part of the transaction, Maple Hills is recorded as a blended component unit and is included in the financial statements of the Authority. Beginning net position was decreased by \$772,193 as a result of this change within financial reporting entity.

Additionally, during the year ended December, 31, 2024, the Authority established, through board resolution, the CHA Charitable Benefit Corporation, a Tennessee nonprofit corporation. The CHA Charitable Benefit Corporation was established with the purpose of accepting and soliciting donations and grants for the purpose of distributing such grants to the Authority or its instrumentalities. The CHA Charitable Benefit Corporation is recorded as a blended component unit and is included in the financial statements of the Authority.

CHATTANOOGA HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

Note 18—Condensed financial statements

	Chattanooga Housing Authority	Holtzclaw Development, LLC	Emerald Villages	Cromwell Hills	Steiner Redevelopment (dba Maple Hills)	CHA Charitable Benefit Corporation	Eliminations	Total
ASSETS:								
Current assets	\$ 36,209,050	\$ 206,492	\$ 1,678,828	\$ 3,482,169	\$ 353,699	\$ 1,411,093	\$ (2,019,476)	\$ 41,321,855
Capital assets, net	72,821,865	967,148	17,180,777	29,824,828	4,898,148	-	(15,092,813)	110,599,953
Noncurrent assets	24,912,680	-	386,619	498,681	308,322	-	(24,780,751)	1,325,551
Total Assets	133,943,595	1,173,640	19,246,224	33,805,678	5,560,169	1,411,093	(41,893,040)	153,247,359
Deferred outflows of resources	-	-	-	-	-	-	-	-
Total Assets and Deferred Outflows of Resources	133,943,595	1,173,640	19,246,224	33,805,678	5,560,169	1,411,093	(41,893,040)	153,247,359
LIABILITIES:								
Current liabilities	20,366,951	439,556	1,081,969	4,197,788	97,590	-	(16,476,135)	9,707,719
Noncurrent liabilities	1,411,673	961,488	15,300,273	23,009,104	6,347,135	-	(23,536,205)	23,493,468
Total Liabilities	21,778,624	1,401,044	16,382,242	27,206,892	6,444,725	-	(40,012,340)	33,201,187
Deferred inflows of resources	-	-	-	-	-	-	-	-
Total Liabilities and Deferred Inflows of Resources	21,778,624	1,401,044	16,382,242	27,206,892	6,444,725	-	(40,012,340)	33,201,187
NET POSITION:								
Net investment in capital assets	35,804,926	967,148	17,180,777	29,824,828	4,898,148	-	(1,880,700)	86,795,127
Restricted by program requirements	15,527,509	-	-	-	-	-	-	15,527,509
Unrestricted net position (deficit)	60,832,536	(1,194,552)	(14,316,795)	(23,226,042)	(5,782,704)	1,411,093	-	17,723,536
Total Net Position	\$ 112,164,971	\$ (227,404)	\$ 2,863,982	\$ 6,598,786	\$ (884,556)	\$ 1,411,093	\$ (1,880,700)	\$ 120,046,172

CHATTANOOGA HOUSING AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

Note 18—Condensed financial statements (continued)

	Chattanooga Housing Authority	Holtzclaw Development, LLC	Emerald Villages	Cromwell Hills	Steiner Redevelopment (dba Maple Hills)	CHA Charitable Benefit Corporation	Eliminations	Total
Operating Revenues:								
Tenant revenue, net of bad debts of \$626,141	\$ 7,815,649	\$ 348,384	\$ 355,810	\$ 3,420,786	\$ 273,623	\$ -	\$ -	\$ 12,214,252
HUD PHA operating grants	51,025,768	-	899,597	667	149,448	-	-	52,075,480
Other government grants	2,570,585	-	-	-	-	-	-	2,570,585
Other revenue	604,599	-	1,916	51,569	50,553	1,480,000	(331,822)	1,856,815
Fraud recovery	290,551	-	232	-	-	-	-	290,783
Total Operating Revenues	62,307,152	348,384	1,257,555	3,473,022	473,624	1,480,000	(331,822)	69,007,915
Operating Expenses:								
Administrative	7,755,885	4,344	160,675	534,929	143,117	-	-	8,598,950
Tenant service	877,845	-	38	21,903	750	-	-	900,536
Utilities	5,169,025	-	382,707	225,449	68,992	-	-	5,846,173
Protective services	718,044	-	6,944	3,261	-	-	-	728,249
Insurance expense	1,184,082	-	80,478	134,595	1,489	-	-	1,400,644
Maintenance	5,831,420	-	263,105	560,649	99,331	-	-	6,754,505
General expense	795,803	-	21,081	111,532	37,579	-	-	965,995
Housing assistance payments	34,689,181	-	-	-	-	-	-	34,689,181
Depreciation and amortization	5,432,500	78,127	578,550	1,168,085	240,759	-	(384,064)	7,113,957
Total Operating Expenses:	62,453,785	82,471	1,493,578	2,760,403	592,017	-	(384,064)	66,998,190
Net Operating (Loss) Income	(146,633)	265,913	(236,023)	712,619	(118,393)	1,480,000	52,242	2,009,725
Nonoperating Revenues (Expenses):								
Interest income	2,373,676	5,478	24,230	53,259	6,030	6,093	-	2,468,766
Interest and investment expense	(37,583)	(36,817)	(401,012)	(771,684)	-	-	-	(1,247,096)
Special item	(2,271,317)	-	-	-	-	-	-	(2,271,317)
Casualty loss	69,701	-	-	-	-	-	-	69,701
Gain on disposals of capital assets	5,686	-	-	-	-	-	-	5,686
Transfers in (out)	75,000	-	-	-	-	(75,000)	-	-
Total Nonoperating Expense, Net	215,163	(31,339)	(376,782)	(718,425)	6,030	(68,907)	-	(974,260)
Net (Loss) Income Before Capital Contributions	68,530	234,574	(612,805)	(5,806)	(112,363)	1,411,093	52,242	1,035,465
Capital Contributions:								
Capital contributions	2,500,000	-	-	-	-	-	-	2,500,000
Capital fund grant	2,135,159	-	-	-	-	-	-	2,135,159
Changes in net position	4,703,689	234,574	(612,805)	(5,806)	(112,363)	1,411,093	52,242	5,670,624
Net position, beginning of year	107,461,282	(461,978)	3,476,787	6,604,592	-	-	(1,932,942)	115,147,741
Change within financial reporting entity	-	-	-	-	(772,193)	-	-	(772,193)
Net position, end of year	\$ 112,164,971	\$ (227,404)	\$ 2,863,982	\$ 6,598,786	\$ (884,556)	\$ 1,411,093	\$ (1,880,700)	\$ 120,046,172

CHATTANOOGA HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

Note 18—Condensed financial statements (continued)

	Chattanooga Housing Authority	Holtzclaw Development, LLC	Emerald Villages	Cromwell Hills	Steiner Redevelopment (dba Maple Hills)	CHA Charitable Benefit Corporation	Total
Net cash flows from operating activities	\$ 3,271,901	\$ 344,040	\$ 5,602	\$ 1,597,346	\$ 161,516	\$ 1,411,093	\$ 6,791,498
Net cash flows from investing activities	3,945,390	(36,817)	(74,756)	(1,143,553)	-	-	2,690,264
Net cash flows from capital and related financing activities	(5,001,963)	(254,856)	(72,755)	(213,858)	(25,745)	-	(5,569,177)
Net cash flows from noncapital financing activities	69,701	-	-	-	-	-	69,701
Net change in cash	2,285,029	52,367	(141,909)	239,935	135,771	1,411,093	3,982,286
Cash, beginning of year	28,233,586	154,125	1,282,628	2,855,782	206,231	-	32,732,352
Cash, end of year	<u>\$ 30,518,615</u>	<u>\$ 206,492</u>	<u>\$ 1,140,719</u>	<u>\$ 3,095,717</u>	<u>\$ 342,002</u>	<u>\$ 1,411,093</u>	<u>\$ 36,714,638</u>

SUPPLEMENTARY INFORMATION

CHATTANOOGA HOUSING AUTHORITY
STATEMENT AND CERTIFICATION OF ACTUAL FAMILY SELF-SUFFICIENCY GRANT COSTS
YEAR ENDED DECEMBER 31, 2024

	FSS23TN5128
1.) Funds approved	\$ 82,005
Funds expended	79,121
Excess/deficiency of funds approved	<u>\$ 2,884</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 Family Self-Sufficiency 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 FY2024 report to facilitate grant closeout by HUD.	

CHATTANOOGA HOUSING AUTHORITY
STATEMENT AND CERTIFICATION OF ACTUAL RESIDENT OPPORTUNITIES AND
SELF-SUFFICIENCY GRANT COSTS

YEAR ENDED DECEMBER 31, 2024

	ROSS 201357
1.) Funds approved	\$ 478,500
Funds expended	478,472
Excess/deficiency of funds approved	<u>\$ 28</u>
2.) The costs as shown on the Actual Modernization Cost Certificate submitted to HUD for approval are in agreement with the	
3.) All Resident Opportunities and Self-Sufficiency 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 FY2024 report to facilitate grant closeout by HUD.	

CHATTANOOGA HOUSING AUTHORITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS—STATE OF TENNESSEE FORMAT

YEAR ENDED DECEMBER 31, 2024

FEDERAL GRANTOR	Assistance Listing Number	Contract Number	Beginning (Accrued) Deferred	Cash Receipts	Expenditures	Ending (Accrued) Deferred
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT						
Direct Programs:						
Economic Development Initiative/Community Project Funding	14.251	N/A	\$ -	\$ 683,000	\$ 1,437,958	\$ (754,958)
Choice Neighborhoods Implementation Grant	14.889	N/A	-	-	168,376	(168,376)
Public & Indian Housing Program	14.850	N/A	-	8,942,961	8,942,961	-
Resident Opportunity and Supportive Services - Service Coordin	14.870	N/A	(17,490)	149,962	138,606	(6,134)
Public Housing Capital Fund Program	14.872	N/A	(71,753)	1,703,123	2,104,759	(473,389)
Family Self-Sufficiency Program	14.896	N/A	(9,530)	87,743	81,907	(3,694)
Housing Voucher Cluster:						
Section 8 Housing Choice Voucher Program	14.871	N/A	1,934	36,163,402	36,659,108	(493,772)
Section 8 Mainstream Vouchers	14.879	N/A	-	180,887	180,887	-
Emergency Housing Vouchers	14.EHV	N/A	(3,000)	529,183	526,183	-
Cluster Total				36,873,472	37,366,178	
Section 8 Project-Based Cluster:						
Section 8 Housing Assistance Payments Program	14.195	N/A	-	2,841,894	3,070,197	(228,303)
Section 8 Moderate Rehabilitation Single Room Occupancy	14.249	N/A	15,151	-	-	15,151
Cluster Total				2,841,894	3,070,197	
Passed through City of Chattanooga:						
Community Development Block Grant	14.218	B-17,18,19,20-MC4700001	-	184,535	184,535	-
Total U.S. Department of Housing and Urban Development				51,466,690	53,495,477	
U.S. DEPARTMENT OF THE TREASURY						
Passed through City of Chattanooga:						
Coronavirus State & Local Fiscal Recovery Funds	21.027	FY23-ARP-CHA Westside-2.14	-	2,203,874	2,203,874	-
Total Federal Financial Awards			\$ (84,688)	\$ 53,670,564	\$ 55,699,351	\$ (2,113,475)

Threshold for Type A/B

\$ 1,670,981

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

Accounts receivable - HUD	\$ (2,429,590)
Accounts receivable - HUD for Emerald Villages not included in SEFA reporting entity	300,964
Accounts payable - HUD	15,151
Ending (accrued) deferred balance on the Schedule of Expenditures of Federal Awards	<u>\$ (2,113,475)</u>

CHATTANOOGA HOUSING AUTHORITY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

DECEMBER 31, 2024

Note 1—Basis of presentation

The accompanying schedule of expenditures of federal awards ("SEFA") includes the federal grant activity of the Authority and is presented on the accrual basis of accounting. The SEFA reporting entity does not include Emerald Villages. 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 2—Indirect cost rate

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

Note 3—Reconciliation of schedule of federal expenditures to the Statement of Revenues, Expenses, and Changes in Net Position

HUD operating grants	\$ 52,075,480
Other government grants	2,570,585
Capital fund grant	2,135,159
Nonfederal grant income	(182,276)
Emerald Village - Project Based Rental Assistance not included in SEFA reporting entity	<u>(899,597)</u>
Total federal expenditures	<u><u>\$ 55,699,351</u></u>

CHATTANOOGA HOUSING AUTHORITY
SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE

DECEMBER 31, 2024

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Final Maturity Date	Outstanding 1/1/2024	Issued During Period	Paid and/or Forgiven During Period	Outstanding 12/31/2024
Affordable Housing Activities								
BoiCapital Leasing (Public Housing)	\$ 7,648,298	3.72 %	8/21/2019	12/11/2026	\$ 2,253,236	\$ -	\$ (716,381)	\$ 1,536,855
First Horizon Bank (Holtzclaw Development, LLC)	3,100,000	Variable	4/28/2006	4/1/2026	645,640	-	(259,200)	386,440
Grandbridge Real Estate Capital (Cromwell Development I, LLC)	14,910,626	3.71 %	9/1/2022	12/1/2037	14,705,655	-	(211,560)	14,494,095
Grandbridge Real Estate Capital (Emerald Villages, LLC)	7,272,000	3.93 %	11/1/2022	1/1/2038	7,184,859	-	(97,423)	7,087,436
Tennessee Housing and Development Agency	500,000	0.00 %	12/5/2019	12/1/2027	400,000	-	(100,000)	300,000
Total Affordable Housing Activity Loans					<u>\$ 25,189,390</u>	<u>\$ -</u>	<u>\$ (1,384,564)</u>	<u>\$ 23,804,826</u>
Total Primary Government Debt					<u>\$ 25,189,390</u>	<u>\$ -</u>	<u>\$ (1,384,564)</u>	<u>\$ 23,804,826</u>

OTHER REPORTS

**Report of Independent Auditor 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
Chattanooga, Tennessee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Chattanooga Housing Authority (the "Authority"), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated August 27, 2025. Our report also includes a reference to other auditors who audited the financial statements of Cromwell Development I, LLC, Chattanooga Housing Authority – Emerald Villages, LLC and Steiner Redevelopment, LLC as described in our report on the Authority's financial statements. The financial statements of Cromwell Development I, LLC and Steiner Redevelopment, LLC were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with these blended component units.

Report on Internal Control over Financial Reporting

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

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

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

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.

Cherry Bekaert LLP

Lexington, Kentucky
August 27, 2025

Report of Independent Auditor on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance

To the Board of Commissioners
Chattanooga Housing Authority
Chattanooga, Tennessee

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, 2024. The Authority's major programs are identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings and questioned costs.

Chattanooga Housing Authority's basic financial statements include the operations of Chattanooga Housing Authority – Emerald Villages, LLC which expended \$899,597 in federal awards which is not included in Chattanooga Housing Authority's schedule of expenditures of federal awards during the year ended December 31, 2024. Our audit, described in the *Opinion on Each Major Federal Program* section, did not include the operations of Chattanooga Housing Authority – Emerald Villages, LLC because the organizational unit engaged other auditors to perform an audit of compliance.

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, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* 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.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Authority's federal 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 generally accepted auditing standards, *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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2024-001 and 2024-002. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control over Compliance

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a deficiency in internal control over compliance that we consider to be a significant deficiency.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-002 to be a significant deficiency.

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.

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

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.

Cherry Bekaert LLP

Lexington, Kentucky
August 27, 2025

CHATTANOOGA HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED DECEMBER 31, 2024

A. Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued on the financial statements: **Unmodified**

Internal control over financial reporting:

 Material weaknesses identified: **No**

 Significant deficiencies identified: **None reported**

Noncompliance material to the financial statements noted? **No**

Federal Awards:

Type of auditor's report issued on compliance for major programs: **Unmodified**

Internal control over compliance:

 Material weaknesses identified: **No**

 Significant deficiencies identified: **Yes**

Any audit findings disclosed that are required to be reported in accordance with Section 200.516(a) of the Uniform Guidance? **Yes**

Identification of major federal programs:

<u>Name of Program</u>	<u>ALN #</u>
Department of Housing and Urban Development:	
Housing Voucher Cluster	14.871, 14.879, 14.EHV
Department of Treasury	
Coronavirus State and Local Fiscal Recovery Funds	21.027

Dollar threshold to distinguish between Types A and B Programs: **\$1,670,981**

The Authority was qualified as a low risk auditee in accordance with Section 200.520 of the Uniform Guidance? **Yes**

B. Findings Related to Financial Statements Reported in Accordance with Government Auditing Standards

None reported.

CHATTANOOGA HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

YEAR ENDED DECEMBER 31, 2024

C. Findings and Questioned Costs for Federal Awards

Finding: 2024-001

Program Name: Housing Voucher Cluster (14.871-CL)

Federal Awarding Authority: Department of Housing and Urban Development

Compliance Requirement: Selection from the Waiting List

Type of Finding: Nonmaterial Noncompliance

Criteria: The Authority must have written policies in its Housing Choice Voucher program administrative plan for selecting applicants from the waiting list and documentation must show that the Authority follows those policies when selecting applicants for admission from the waiting list.

Condition: The Authority was unable to provide documentation to show that the three (3) new applicants tested for the project-based voucher development Cromwell Hills Apartments were housed in accordance with the Authority's administrative plan.

Cause: The Authority did not maintain documentation to support that the Authority's administrative plan was followed in the selection of applicants from the waiting list.

Effect: The Authority was not in compliance with the waiting list selection compliance requirements for the year ended December 31, 2024.

Auditor Recommendation: The Authority implemented a process prior to December 31, 2024 to ensure that waitlist procedures at the property were correctly followed. We recommend the Authority monitor the property to ensure these new policies are being followed.

Questioned Costs: None.

Management's Response: The Authority has hired a staff person to oversee the selection of applicants for Cromwell Hills Apartments. The Authority is conducting weekly meetings with staff to provide ongoing guidance and review of the process.

Finding: 2024-002

Program Name: Housing Voucher Cluster (14.871-CL)

Federal Awarding Authority: Department of Housing and Urban Development

Compliance Requirement: Housing Quality Standards Inspections

Type of Finding: Significant Deficiency; Nonmaterial Noncompliance

Criteria: The Authority must inspect the unit leased to a family at least biennially to determine if the unit meets Housing Quality Standards.

Condition: The required inspections for two (2) tenants out of a sample of forty (40) were not completed timely.

CHATTANOOGA HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

YEAR ENDED DECEMBER 31, 2024

Cause: The Authority did not have appropriate controls in place over housing quality inspections to ensure they were completed at least biennially.

Effect: The Authority was not in compliance with the housing quality inspection compliance requirements for the year ended December 31, 2024.

Auditor Recommendation: We recommend the Authority review its process for completing housing quality inspections and verify that all required inspections have been completed timely.

Questioned Costs: None.

Management's Response: The Authority's Inspections Field Services Manager will meet with the Program Director on a monthly basis to review for any upcoming delinquent inspections to devise a plan to expedite any that are identified.

CHATTANOOGA HOUSING AUTHORITY
SCHEDULE OF PRIOR YEAR FINDINGS

YEAR ENDED DECEMBER 31, 2024

No prior year findings.

CHATTANOOGA HOUSING AUTHORITY

CORRECTIVE ACTION PLAN

YEAR ENDED DECEMBER 31, 2024

Finding Reference: 2024-001

Description of Finding: The Authority was unable to provide documentation to show that the three (3) new applicants tested for the project-based voucher development Cromwell Hills Apartments were housed in accordance with the Authority's administrative plan.

Statement of Concurrence or Nonconcurrence: The Authority agrees with the finding.

Corrective Action: The Authority has hired a staff person to oversee the selection of applicants for Cromwell Hills Apartments. The Authority is conducting weekly meetings with staff to provide ongoing guidance and review of the process.

Finding reference: 2024-002

Description of Finding: The required inspections for two (2) tenants out of a sample of forty (40) were not completed timely.

Statement of Concurrence or Nonconcurrence: The Authority agrees with the finding.

Corrective Action: The Authority's Field Services Manager is now printing system generated reports to distribute to inspectors for review. Inspectors are required to review to identify any units that are in need of inspections outside of those that have already been scheduled. Those reports are downloaded and saved to monthly file folders for oversight of that process.

Name of Contact Person: Curtis Lokey, Director of Finance, 432-752-4893, clokey@chahousing.org

CHATTANOOGA HOUSING AUTHORITY (TN004)
CHATTANOOGA, TENNESSEE
ENTITY WIDE BALANCE SHEET SUMMARY
SUBMISSION TYPE: AUDITED/SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2024

	Project Total	14.EFA FSS Escrow Forfeiture Account	14.896 PIH Family Self- Sufficiency Program	1 Business Activities	2 State/Loc al	21.027 Coronavirus State and Local Fiscal Recovery Funds	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	14.889 Choice Neighborhoods Implementatio n Grants	14.218 Community Development Block Grants/Entitlement Grants	6.2 Component Unit - Blended	8 Other Federal Program 1	COCC	Subtotal	ELIM	Total	
111 Cash - Unrestricted	9,277,160	33,372		2,651,380	142,700		2,490,300	121,105	1,596,839		10,188	26,158					3,867,574	20,216,776		20,216,776	
112 Cash - Restricted - Modernization and Development	3,216,275			1,087,421			6,833,860											11,137,556		11,137,556	
113 Cash - Other Restricted				2,465,093		306,205	473,866		201,534		73,545	15,151			1,411,093			4,946,487		4,946,487	
114 Cash - Tenant Security Deposits	176,384			127,009			110,426											413,819		413,819	
115 Cash - Restricted for Payment of Current Liabilities																					
100 Total Cash	12,669,819	33,372	0	6,330,903	142,700	306,205	9,908,452	121,105	1,798,373	0	83,733	41,309	0	0	1,411,093	0	3,867,574	36,714,638	0	36,714,638	
121 Accounts Receivable - PHA Projects																					
122 Accounts Receivable - HUD Other Projects	473,390		3,694	300,964			228,303	0	493,772	6,133			168,376			754,958		2,429,590		2,429,590	
124 Accounts Receivable - Other Government				6,057		942,243								184,535				1,132,835		1,132,835	
125 Accounts Receivable - Miscellaneous				1,012,984					24,784	0							305,349	1,343,117	-1,012,988	330,129	
126 Accounts Receivable - Tenants	341,604			345,526			68,294											755,424		755,424	
126.1 Allowance for Doubtful Accounts -Tenants	-178,847			-185,981			-29,508											-394,336		-394,336	
126.2 Allowance for Doubtful Accounts - Other	0	0	0	0	0	0	0	0	0	0			0	0		0	0	0		0	
127 Notes, Loans, & Mortgages Receivable - Current																					
128 Fraud Recovery	46,579			3,365			11,048		4,260,319		414							4,321,725		4,321,725	
128.1 Allowance for Doubtful Accounts - Fraud	-46,579			-3,365			-11,048		-4,260,319		-414							-4,321,725		-4,321,725	
129 Accrued Interest Receivable																					
120 Total Receivables, Net of Allowances for Doubtful Accounts	636,147	0	3,694	1,479,550	0	942,243	267,089	0	518,556	6,133	0	0	168,376	184,535	0	754,958	305,349	5,266,630	-1,012,988	4,253,642	
131 Investments - Unrestricted																					
132 Investments - Restricted																					
135 Investments - Restricted for Payment of Current Liability																					
142 Prepaid Expenses and Other Assets	7,476			292,865			759		25,611									26,864	353,575		353,575
143 Inventories																					
143.1 Allowance for Obsolete Inventories																					
144 Inter Program Due From			0		0	0		0										226,645	226,645	-226,645	0
145 Assets Held for Sale																					
150 Total Current Assets	13,313,442	33,372	3,694	8,103,318	142,700	1,248,448	10,176,300	121,105	2,342,540	6,133	83,733	41,309	168,376	184,535	1,411,093	754,958	4,426,432	42,561,488	-1,239,633	41,321,855	
161 Land	810,257			20,633,480			242,060											21,685,797	-9,700,000	11,985,797	
162 Buildings	90,925,450			110,988,452			60,522,187		5,000								296,383	262,737,472	-7,105,199	255,632,273	
163 Furniture, Equipment & Machinery - Dwellings				661,845			31,168											693,013		693,013	
164 Furniture, Equipment & Machinery - Administration	1,137,954			3,169,862	82,176		621,461		25,485								622,388	5,659,326		5,659,326	
165 Leasehold Improvements				5,472,995			0											5,472,995		5,472,995	
166 Accumulated Depreciation	-85,560,418			-56,203,694	-16,435		-36,904,288		-25,355								-740,213	-179,450,403	1,328,322	-178,122,081	
167 Construction in Progress	2,415,665			64,315		3,710,989	1,465,167							184,535		1,437,959		9,278,630		9,278,630	
168 Infrastructure							0											0		0	
160 Total Capital Assets, Net of Accumulated Depreciation	9,728,908	0	0	84,787,255	65,741	3,710,989	25,977,755	0	5,130	0	0	0	0	184,535	0	1,437,959	178,558	126,076,830	-15,476,877	110,599,953	
171 Notes, Loans and Mortgages Receivable - Non-Current				24,780,753															24,780,753	-24,780,753	0
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due																					
173 Grants Receivable - Non Current																					
174 Other Assets				1,314,932			10,619											1,325,551		1,325,551	
176 Investments in Joint Ventures																					
180 Total Non-Current Assets	9,728,908	0	0	110,882,940	65,741	3,710,989	25,988,374	0	5,130	0	0	0	0	184,535	0	1,437,959	178,558	152,183,134	-40,257,630	111,925,504	
200 Deferred Outflow of Resources																					
290 Total Assets and Deferred Outflow of Resources	23,042,350	33,372	3,694	118,986,258	208,441	4,959,437	36,164,674	121,105	2,347,670	6,133	83,733	41,309	168,376	369,070	1,411,093	2,192,917	4,604,990	194,744,622	-41,497,263	153,247,359	

CHATTANOOGA HOUSING AUTHORITY (TN004)
CHATTANOOGA, TENNESSEE
ENTITY WIDE BALANCE SHEET SUMMARY (CONTINUED)
SUBMISSION TYPE: AUDITED/SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2024

	Project Total	14.EFA FSS Escrow Forfeiture Account	14.696 PIH Family Self-Sufficiency Program	1 Business Activities	2 State/Local	21.027 Coronavirus State and Local Fiscal Recovery Funds	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	14.889 Choice Neighborhoods Implementation Grants	14.218 Community Development Block Grants/Entitlement Grants	6.2 Component Unit - Blended	8 Other Federal Program 1	COCC	Subtotal	ELIM	Total
311 Bank Overdraft																				
312 Accounts Payable <= 90 Days	719,968			1,180,590	2,814	1,248,449	152,092		10,222				119,274			754,958	44,854	4,233,221		4,233,221
313 Accounts Payable >90 Days Past Due																				
321 Accrued Wage/Payroll Taxes Payable	94,332		3,694	76,204	937		63,479		64,171	6,133	693		6,992				272,189	588,824		588,824
322 Accrued Compensated Absences - Current Portion	11,567			8,935			9,299		12,502		53						36,432	78,788		78,788
324 Accrued Contingency Liability																				
325 Accrued Interest Payable				1,688,342														1,688,342	-1,688,342	0
331 Accounts Payable - HUD PHA Programs												15,151						15,151		15,151
332 Account Payable - PHA Projects																				
333 Accounts Payable - Other Government	121,662			51,643			54,372											227,677		227,677
341 Tenant Security Deposits	178,922			127,982			109,871											16,738	433,513	433,513
342 Unearned Revenue	146,088			13,364,831			62,080		0		33,645						1,199,289	14,805,933	-13,142,617	1,663,316
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	750,666			881,937													0	1,632,603		1,632,603
344 Current Portion of Long-term Debt - Operating Borrowings																				
345 Other Current Liabilities																				
346 Accrued Liabilities - Other	213,901			1,692,498			33,693	1,736	476,094		5,146						11,558	2,434,626	-1,600,000	834,626
347 Inter Program - Due To											0		42,110	184,535				226,645	-226,645	0
348 Loan Liability - Current																				
310 Total Current Liabilities	2,237,106	0	3,694	19,072,962	3,751	1,248,449	484,886	1,736	562,989	6,133	39,537	15,151	168,376	184,535	0	754,958	1,581,060	26,365,323	-16,657,604	9,707,719
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	786,191			42,947,761														43,733,952	-21,561,729	22,172,223
352 Long-term Debt, Net of Current - Operating Borrowings																				
353 Non-current Liabilities - Other				1,896,332					201,535									2,097,867	-1,012,988	1,084,879
354 Accrued Compensated Absences - Non Current	34,701			26,807			27,897		37,507		160						109,294	236,366		236,366
355 Loan Liability - Non Current																				
356 FASB 5 Liabilities																				
357 Accrued Pension and OPEB Liabilities																				
350 Total Non-Current Liabilities	820,892	0	0	44,870,900	0	0	27,897	0	239,042	0	160	0	0	0	0	0	109,294	46,068,185	-22,574,717	23,493,468
300 Total Liabilities	3,057,998	0	3,694	63,943,862	3,751	1,248,449	512,783	1,736	802,031	6,133	39,697	15,151	168,376	184,535	0	754,958	1,690,354	72,433,508	-39,232,321	33,201,187
400 Deferred Inflow of Resources																				
508.3 Nonspendable Fund Balance																				
508.4 Net Investment in Capital Assets	8,192,051		0	40,957,557	65,741	3,710,988	25,977,755		5,130					184,535		1,437,959	178,558	80,710,274	6,084,852	86,795,126
509.3 Restricted Fund Balance																				
510.3 Committed Fund Balance																				
511.3 Assigned Fund Balance																				
511.4 Restricted Net Position	3,216,275		0	3,551,960			7,308,281		0		39,900			0	1,411,093			15,527,509		15,527,509
512.3 Unassigned Fund Balance																				
512.4 Unrestricted Net Position	8,576,026	33,372	0	10,532,879	138,949	0	2,365,855	119,369	1,540,509	0	4,136	26,158	0	0	0	0	2,736,078	26,073,331	-8,349,794	17,723,537
513 Total Equity - Net Assets / Position	19,984,352	33,372	0	55,042,396	204,690	3,710,988	35,651,891	119,369	1,545,639	0	44,036	26,158	0	184,535	1,411,093	1,437,959	2,914,636	122,311,114	-2,264,942	120,046,172
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	23,042,350	33,372	3,694	118,986,258	208,441	4,959,437	36,164,674	121,105	2,347,670	6,133	83,733	41,309	168,376	369,070	1,411,093	2,192,917	4,604,990	194,744,622	-41,497,263	153,247,359

CHATTANOOGA HOUSING AUTHORITY (TN004)
CHATTANOOGA, TENNESSEE
ENTITY WIDE REVENUE AND EXPENSES SUMMARY
SUBMISSION TYPE: AUDITED/SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2024

	Project Total	14.EFA FSS Escrow Forfeiture Account	14.896 PIH Family Self- Sufficiency Program	1 Business Activities	2 State/Local	21.027 Coronavirus State and Local Fiscal Recovery Funds	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	14.889 Choice Neighborhoods Implementatio n Grants	14.218 Community Development Block Grants/Entitlement Grants	6.2 Component Unit - Blended	8 Other Federal Program 1	COCG	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	3,501,796			5,479,003			2,588,210											11,569,009		11,569,009
70400 Tenant Revenue - Other	339,257			472,644			31,148										600	843,649	-198,406	645,243
70500 Total Tenant Revenue	3,841,053	0	0	5,951,647	0	0	2,619,358	0	0	0	0	0	0	0	0	0	600	12,412,658	-198,406	12,214,252
70600 HUD PHA Operating Grants	9,043,103		81,907	2,047,500			3,568,088	180,887	36,659,108	138,606	526,283		168,376					52,413,858	-338,378	52,075,480
70610 Capital Grants	697,200															1,437,959	0	2,135,159		2,135,159
70710 Management Fee																	2,136,029	2,136,029	-2,136,029	0
70720 Asset Management Fee																	146,530	146,530	-146,530	0
70730 Book Keeping Fee																	378,847	378,847	-378,847	0
70740 Front Line Service Fee																	1,750,895	1,750,895	-1,750,895	0
70750 Other Fees																				
70700 Total Fee Revenue																	4,412,301	4,412,301	-4,412,301	0
70800 Other Government Grants				100,000	82,176	2,203,874												184,535		2,570,585
71100 Investment Income - Unrestricted	1,524,058			447,206			322,688		383						6,093		162,859	2,463,287		2,463,287
71200 Mortgage Interest Income																				
71300 Proceeds from Disposition of Assets Held for Sale																				
71310 Cost of Sale of Assets																				
71400 Fraud Recovery	25,782			344			565		264,054		38							290,783		290,783
71500 Other Revenue	50,027	15,882		386,742	27,397		49,873								1,480,000		178,717	2,188,638	-331,823	1,856,815
71600 Gain or Loss on Sale of Capital Assets	826			194													4,666	5,686		5,686
72000 Investment Income - Restricted																				
70000 Total Revenue	15,182,049	15,882	81,907	8,933,633	109,573	2,203,874	6,560,572	180,887	36,923,545	138,606	526,321	0	168,376	184,535	1,486,093	1,437,959	4,759,143	78,892,955	-5,280,908	73,612,047
91100 Administrative Salaries	685,928			490,127			312,354		1,090,446				40,455				2,682,345	5,301,655		5,301,655
91200 Auditing Fees	21,816			45,097			5,786		18,000								12,329	103,028		103,028
91300 Management Fee	1,113,632			485,054			376,909	4,433	544,392		6,152						2,530,572	-2,474,407	56,165	
91310 Book-keeping Fee	101,954							1,852	272,341		2,700							378,847	-378,847	0
91400 Advertising and Marketing	27,500			2,209													37,303	67,012		67,012
91500 Employee Benefit contributions - Administrative	134,000			109,717			74,944		214,699				7,422				494,070	1,034,852		1,034,852
91600 Office Expenses	179,867		457	143,213			175,341		252,578								563,313	1,314,769	-198,405	1,116,364
91700 Legal Expense	252,518			17,262			83,428		29,382								36,490	419,080	-323,315	95,765
91800 Travel	2,996			5,497			3,132		26,171				1,225				32,809	71,830		71,830
91810 Allocated Overhead	0			0			0		0									0	0	0
91900 Other	817,416			193,000	260		175,816		11,014				119,274				43,148	1,359,928	-607,649	752,279
91000 Total Operating - Administrative	3,337,627	0	457	1,491,176	260	0	1,207,710	6,285	2,459,023	0	8,852	0	168,376	0	0	0	3,901,807	12,581,573	-3,982,623	8,598,950
92000 Asset Management Fee	146,530																	146,530	-146,530	0
92100 Tenant Services - Salaries	52,539		66,387	31,278	35,435		90,021		45,990	123,910	14,208						223,527	683,295		683,295
92200 Relocation Costs	14,179																	14,179		14,179
92300 Employee Benefit Contributions - Tenant Services	11,459		14,641	3,865	8,829		21,645		9,055	13,907	3,007						57,135	143,543		143,543
92400 Tenant Services - Other	36,753	3,710		4,924	6,250		7,669		213									59,519		59,519
92500 Total Tenant Services	114,930	3,710	81,028	40,067	50,514	0	119,335	0	55,258	137,817	17,215	0	0	0	0	0	280,662	900,536	0	900,536
93100 Water	313,529			356,304			151,149		1,902								7,385	830,289		830,289
93200 Electricity	1,588,045			226,902			913,222		12,155								42,251	2,662,575		2,662,575
93300 Gas	224,657						30,951		2,298								6,441	264,347		264,347
93400 Fuel																				
93500 Labor																				
93600 Sewer	1,018,412			579,458			295,901		2,554								12,577	1,908,902		1,908,902
93700 Employee Benefit Contributions - Utilities																				
93800 Other Utilities Expense	91,034			49,387			32,868										6,791	180,080		180,080
93000 Total Utilities	3,215,677	0	0	1,212,051	0	0	1,324,091	0	18,909	0	0	0	0	0	0	0	75,445	5,846,173	0	5,846,173
94100 Ordinary Maintenance and Operations - Labor	1,212,466			696,013			753,210											2,661,689		2,661,689
94200 Ordinary Maintenance and Operations - Materials and Other	644,669			325,253	1,308		242,047		114								37,176	1,250,567		1,250,567
94300 Ordinary Maintenance and Operations Contracts	900,885			743,794			562,824		8,603								65,627	2,281,733		2,281,733
94500 Employee Benefit Contributions - Ordinary Maintenance	221,710			157,609			181,197										0	560,516		560,516
94000 Total Maintenance	2,979,730	0	0	1,922,669	1,308	0	1,739,278	0	8,717	0	0	0	0	0	0	0	102,803	6,754,505	0	6,754,505

CHATTANOOGA HOUSING AUTHORITY (TN004)
CHATTANOOGA, TENNESSEE
ENTITY WIDE REVENUE AND EXPENSES SUMMARY (CONTINUED)
SUBMISSION TYPE: AUDITED/SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2024

	Project Total	14.EFA FSS Escrow Forfeiture Account	14.896 PIH Family Self- Sufficiency Program	1 Business Activities	2 State/Loc al	21.027 Coronavirus State and Local Fiscal Recovery Funds	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	14.889 Choice Neighborhoods Implementatio n Grants	14.218 Community Development Block Grants/Entitlement Grants	6.2 Component Unit - Blended	8 Other Federal Program 1	COCG	Subtotal	ELIM	Total
95100 Protective Services - Labor																	517,803	517,803		517,803
95200 Protective Services - Other Contract Costs	59,820			8,680			23,815											92,315		92,315
95300 Protective Services - Other	383,601			66,687			207,390		162,077								8,969	828,724	-819,755	8,969
95500 Employee Benefit Contributions - Protective Services																	109,162	109,162		109,162
95000 Total Protective Services	443,421	0	0	75,367	0	0	231,205	0	162,077	0	0	0	0	0	0	0	635,934	1,548,004	-819,755	728,249
96110 Property Insurance	498,358			342,513			288,750		5,974								14,929	1,150,524		1,150,524
96120 Liability Insurance	0								0									0		0
96130 Workmen's Compensation	57,950		422	30,116	241		34,993		4,902	789	56						53,997	183,466		183,466
96140 All Other Insurance	3,444			4,873			1,234		3,322								53,781	66,654		66,654
96100 Total Insurance Premiums	559,752	0	422	377,502	241	0	324,977	0	14,198	789	56	0	0	0	0	0	122,707	1,400,644	0	1,400,644
96200 Other General Expenses				2					7,145									7,147		7,147
96210 Compensated Absences	1,596			18,338	1,125		13,225				50						27,252	76,935		76,935
96300 Payments in Lieu of Taxes	121,662			51,659			73,187		15,349									246,508		246,508
96400 Bad debt - Tenant Rents	334,648			247,233			53,524											635,405		635,405
96500 Bad debt - Mortgages																				
96600 Bad debt - Other																				
96800 Severance Expense																				
96000 Total Other General Expenses	457,906	0	0	317,232	1,125	0	139,936	0	22,494	0	50	0	0	0	0	0	27,252	965,995	0	965,995
96710 Interest of Mortgage (or Bonds) Payable				1,209,507														1,209,507		1,209,507
96720 Interest on Notes Payable (Short and Long Term)	31,180								6,409									37,589		37,589
96730 Amortization of Bond Issue Costs																				
96700 Total Interest Expense and Amortization Cost	31,180	0	0	1,209,507	0	0	0	0	6,409	0	0	0	0	0	0	0	0	1,247,096	0	1,247,096
96900 Total Operating Expenses	11,286,753	3,710	81,907	6,645,571	53,448	0	5,086,532	6,285	2,747,085	138,606	26,173	0	168,376	0	0	0	5,146,610	31,391,056	-4,948,908	26,442,148
97000 Excess of Operating Revenue over Operating Expenses	3,895,296	12,172	0	2,288,062	56,125	2,203,874	1,474,040	174,602	34,176,460	0	500,148	0	0	184,535	1,486,093	1,437,959	-387,467	47,501,899	-332,000	47,169,899
97100 Extraordinary Maintenance																				
97200 Casualty Losses - Non-capitalized	-16,673			10,001			-72,029										9,000	-69,701		-69,701
97300 Housing Assistance Payments								159,146	34,068,383		461,652							34,689,181		34,689,181
97350 HAP Portability-In																				
97400 Depreciation Expense	1,247,638			3,380,023	16,435		2,421,291		3,456								45,114	7,113,957		7,113,957
97500 Fraud Losses																				
97600 Capital Outlays - Governmental Funds																				
97700 Debt Principal Payment - Governmental Funds																				
97800 Dwelling Units Rent Expense																				
90000 Total Expenses	12,517,718	3,710	81,907	10,035,595	69,883	0	7,435,794	165,431	36,818,924	138,606	487,825	0	168,376	0	0	0	5,200,724	73,124,493	-4,948,908	68,175,585
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)				234,162														234,162		234,162
10091 Inter Project Excess Cash Transfer In																				
10092 Inter Project Excess Cash Transfer Out																				
10093 Transfers between Program and Project - In				38,298,474	75,000		5,105,744										517,732	43,996,950		43,996,950
10094 Transfers between Project and Program - Out	-37,456,207			-6,465,744													-75,000	-43,996,951		-43,996,951
10100 Total Other financing Sources (Uses)	-37,456,207	0	0	32,066,892	75,000	0	5,105,744	0	0	0	0	0	0	0	-75,000	0	517,732	234,161	0	234,161
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-34,791,876	12,172	0	30,964,930	114,690	2,203,874	4,230,522	15,456	104,621	0	38,496	0	0	184,535	1,411,093	1,437,959	76,151	6,002,623	-332,000	5,670,623

CHATTANOOGA HOUSING AUTHORITY (TN004)
CHATTANOOGA, TENNESSEE
ENTITY WIDE REVENUE AND EXPENSES SUMMARY (CONTINUED)
SUBMISSION TYPE: AUDITED/SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2024

			Project Total	14.EFA FSS Escrow Forfeiture Account	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	21.027 Coronavirus State and Local Fiscal Recovery Funds	COCC	Subtotal	ELUM	Total
11020 Required Annual Debt Principal Payments			\$691,764	\$0	\$0	\$908,213	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,599,977		\$1,599,977
11030 Beginning Equity			\$55,068,455	\$1,160	\$0	\$22,671,619	\$365,275	\$29,283,230	\$141,099	\$1,415,310	\$0	\$5,685	\$28,085	\$0	\$2,904,596	\$111,884,514	-\$1,985,184	\$109,899,330
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors			\$0													\$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										\$1,439,306						\$1,439,306		\$1,439,306
11180 Housing Assistance Payments Equity										\$1,712						\$1,712		\$1,712
11190 Unit Months Available			19732			3952		0	1524	38630		492			0	64330		64330
11210 Number of Unit Months Leased			18247			3255		0	242	36993		384			0	59121		59121
11270 Excess Cash			\$6,281,231													\$6,281,231		\$6,281,231
11610 Land Purchases			\$0												\$0	\$0		\$0
11620 Building Purchases			\$2,609,802												\$0	\$2,609,802		\$2,609,802
11630 Furniture & Equipment - Dwelling Purchases			\$0												\$0	\$0		\$0
11640 Furniture & Equipment - Administrative Purchases			\$0												\$0	\$0		\$0
11650 Leasehold Improvements Purchases			\$0												\$0	\$0		\$0
11660 Infrastructure Purchases			\$0												\$0	\$0		\$0
13510 CFFP Debt Service Payments			\$0												\$0	\$0		\$0
13901 Replacement Housing Factor Funds			\$0												\$0	\$0		\$0

CHATTANOOGA HOUSING AUTHORITY (TN004)
CHATTANOOGA, TENNESSEE
PROJECT BALANCE SHEET SUMMARY
SUBMISSION TYPE: AUDITED/SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2024

	TN004000001	TN004000002	TN004000003	TN004000005	TN004000007	TN004000008	TN004000010	TN004000012	TN004000021	TN004000022	TN004000025	TN004000032	TN004000033	TN004000034	TN004000035	TN004000036	OTHER PROJ.	Total
111 Cash - Unrestricted	\$2,715,271	\$1,273,959	\$880,435			\$2,521,517			\$468,952	\$445,573	\$895,580	\$138			\$73,827		\$1,908	\$9,277,160
112 Cash - Restricted - Modernization and Development			\$1,671,143	\$1,545,132														\$3,216,275
113 Cash - Other Restricted																		
114 Cash - Tenant Security Deposits	\$60,426	\$66,180				\$40,444				\$9,334								\$176,384
115 Cash - Restricted for Payment of Current Liabilities																		
100 Total Cash	\$2,775,697	\$1,340,139	\$2,551,578	\$1,545,132	\$0	\$2,561,961	\$0	\$0	\$468,952	\$454,907	\$895,580	\$138	\$0	\$0	\$73,827	\$0	\$1,908	\$12,669,819
121 Accounts Receivable - PHA Projects																		
122 Accounts Receivable - HUD Other Projects	\$408,186	\$39,922				\$21,390				\$3,892								\$473,390
124 Accounts Receivable - Other Government																		
125 Accounts Receivable - Miscellaneous																		
126 Accounts Receivable - Tenants	\$148,058	\$133,390				\$53,658				\$6,498								\$341,604
126.1 Allowance for Doubtful Accounts - Tenants	-\$80,948	-\$66,780				-\$28,518				-\$2,601								\$178,847
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0				\$0				\$0					\$0		\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current																		
128 Fraud Recovery	\$16,442	\$979				\$29,158												\$46,579
128.1 Allowance for Doubtful Accounts - Fraud	-\$16,442	-\$979				-\$29,158												-\$46,579
129 Accrued Interest Receivable																		
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$475,296	\$106,532	\$0	\$0	\$0	\$46,530	\$0	\$0	\$0	\$7,789	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$636,147
131 Investments - Unrestricted																		
132 Investments - Restricted																		
135 Investments - Restricted for Payment of Current Liability																		
142 Prepaid Expenses and Other Assets	\$460	\$374				\$6,469				\$173								\$7,476
143 Inventories																		
143.1 Allowance for Obsolete Inventories																		
144 Inter Program Due From																		
145 Assets Held for Sale																		
150 Total Current Assets	\$3,251,453	\$1,447,045	\$2,551,578	\$1,545,132	\$0	\$2,614,960	\$0	\$0	\$468,952	\$462,869	\$895,580	\$138	\$0	\$0	\$73,827	\$0	\$1,908	\$13,313,442
161 Land	\$415,382	\$23,641		\$170,534		\$114,533				\$33,867					\$52,300			\$810,257
162 Buildings	\$20,584,804	\$28,329,229				\$27,692,954				\$14,283,613					\$20,350		\$14,500	\$90,925,450
163 Furniture, Equipment & Machinery - Dwellings																		
164 Furniture, Equipment & Machinery - Administration	\$395,876	\$351,067				\$287,731				\$91,647					\$11,633			\$1,137,954
165 Leasehold Improvements																		
166 Accumulated Depreciation	-\$20,776,239	-\$27,975,517				-\$22,707,494				-\$14,074,546					-\$23,722		-\$2,900	-\$85,560,418
167 Construction in Progress	\$394,470	\$555,277				\$1,177,482				\$288,436								\$2,415,665
168 Infrastructure																		
160 Total Capital Assets, Net of Accumulated Depreciation	\$1,014,293	\$1,283,697	\$0	\$170,534	\$0	\$6,565,206	\$0	\$0	\$0	\$623,017	\$0	\$0	\$0	\$0	\$60,561	\$0	\$11,600	\$9,728,908
171 Notes, Loans and Mortgages Receivable - Non-Current																		
172 Notes, Loans, & Mortgages Receivable - Non Current - Past																		
173 Grants Receivable - Non Current																		
174 Other Assets																		
176 Investments in Joint Ventures																		
180 Total Non-Current Assets	\$1,014,293	\$1,283,697	\$0	\$170,534	\$0	\$6,565,206	\$0	\$0	\$0	\$623,017	\$0	\$0	\$0	\$0	\$60,561	\$0	\$11,600	\$9,728,908
200 Deferred Outflow of Resources																		
290 Total Assets and Deferred Outflow of Resources	\$4,265,746	\$2,730,742	\$2,551,578	\$1,715,666	\$0	\$9,180,166	\$0	\$0	\$468,952	\$1,085,886	\$895,580	\$138	\$0	\$0	\$134,388	\$0	\$13,508	\$23,042,350

CHATTANOOGA HOUSING AUTHORITY (TN004)
CHATTANOOGA, TENNESSEE
PROJECT BALANCE SHEET SUMMARY (CONTINUED)
SUBMISSION TYPE: AUDITED/SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2024

	TN004000001	TN004000002	TN004000003	TN004000005	TN004000007	TN004000008	TN004000010	TN004000012	TN004000021	TN004000022	TN004000025	TN004000032	TN004000033	TN004000034	TN004000035	TN004000036	OTHER PROJ.	Total
311 Bank Overdraft																		
312 Accounts Payable <= 90 Days	\$507,450	\$135,067				\$49,882				\$21,961	\$5,470	\$138						\$719,968
313 Accounts Payable >90 Days Past Due																		
321 Accrued Wage/Payroll Taxes Payable	\$22,394	\$33,952				\$26,674				\$11,312								\$94,332
322 Accrued Compensated Absences - Current Portion	\$2,917	\$4,018				\$3,117				\$1,515								\$11,567
324 Accrued Contingency Liability																		
325 Accrued Interest Payable																		
331 Accounts Payable - HUD PHA Programs																		
332 Account Payable - PHA Projects																		
333 Accounts Payable - Other Government	\$41,256	\$34,608				\$28,224				\$11,868	\$5,706							\$121,662
341 Tenant Security Deposits	\$60,659	\$67,249				\$41,680				\$9,334								\$178,922
342 Unearned Revenue	\$36,835	\$50,253				\$36,838				\$22,162								\$146,088
343 Current Portion of Long-term Debt - Capital	\$16,440	\$249,371				\$475,547				\$9,308								\$750,666
344 Current Portion of Long-term Debt - Operating Borrowings																		
345 Other Current Liabilities																		
346 Accrued Liabilities - Other	\$57,826	\$102,567				\$41,361				\$10,236	\$1,911							\$213,901
347 Inter Program - Due To																		
348 Loan Liability - Current																		
310 Total Current Liabilities	\$745,777	\$677,085	\$0	\$0	\$0	\$703,323	\$0	\$0	\$0	\$97,696	\$13,087	\$138	\$0	\$0	\$0	\$0	\$0	\$2,237,106
351 Long-term Debt, Net of Current - Capital Projects/Mortgage	\$17,218	\$261,172				\$498,052				\$9,749								\$786,191
352 Long-term Debt, Net of Current - Operating Borrowings																		
353 Non-current Liabilities - Other																		
354 Accrued Compensated Absences - Non Current	\$8,751	\$12,055				\$9,351				\$4,544								\$34,701
355 Loan Liability - Non Current																		
356 FASB 5 Liabilities																		
357 Accrued Pension and OPEB Liabilities																		
350 Total Non-Current Liabilities	\$25,969	\$273,227	\$0	\$0	\$0	\$507,403	\$0	\$0	\$0	\$14,293	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$820,892
300 Total Liabilities	\$771,746	\$950,312	\$0	\$0	\$0	\$1,210,726	\$0	\$0	\$0	\$111,989	\$13,087	\$138	\$0	\$0	\$0	\$0	\$0	\$3,057,998
400 Deferred Inflow of Resources																		
508.4 Net Investment in Capital Assets	\$980,635	\$773,154		\$170,534		\$5,591,607				\$603,960			\$0		\$60,561		\$11,600	\$8,192,051
511.4 Restricted Net Position			\$1,671,143	\$1,545,132									\$0					\$3,216,275
512.4 Unrestricted Net Position	\$2,513,365	\$1,007,276	\$880,435	\$0	\$0	\$2,377,833	\$0	\$0	\$468,952	\$369,937	\$882,493	\$0	\$0	\$0	\$73,827	\$0	\$1,908	\$8,576,026
513 Total Equity - Net Assets / Position	\$3,494,000	\$1,780,430	\$2,551,578	\$1,715,666	\$0	\$7,969,440	\$0	\$0	\$468,952	\$973,897	\$882,493	\$0	\$0	\$0	\$134,388	\$0	\$13,508	\$19,984,352
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$4,265,746	\$2,730,742	\$2,551,578	\$1,715,666	\$0	\$9,180,166	\$0	\$0	\$468,952	\$1,085,886	\$895,580	\$138	\$0	\$0	\$134,388	\$0	\$13,508	\$23,042,350

CHATTANOOGA HOUSING AUTHORITY (TN004)
CHATTANOOGA, TENNESSEE
PROJECT REVENUE AND EXPENSES SUMMARY
SUBMISSION TYPE: AUDITED/SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2024

	TN004000001	TN004000002	TN004000003	TN004000005	TN004000007	TN004000008	TN004000010	TN004000012	TN004000021	TN004000022	TN004000025	TN004000032	TN004000033	TN004000034	TN004000035	TN004000036	OTHER PROJ.	Total
70300 Net Tenant Rental Revenue	\$1,118,198	\$1,106,237				\$939,260				\$338,101								\$3,501,796
70400 Tenant Revenue - Other	\$108,047	\$95,662				\$126,787				\$8,761								\$339,257
70500 Total Tenant Revenue	\$1,226,245	\$1,201,899	\$0	\$0	\$0	\$1,066,047	\$0	\$0	\$0	\$346,862	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,841,053
70600 HUD PHA Operating Grants	\$3,035,116	\$2,693,512				\$2,399,098				\$528,369	\$222,270			\$164,738				\$9,043,103
70610 Capital Grants	\$43,990	\$275,262				\$377,948				\$0	\$0	\$0						\$697,200
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	\$152,791	\$127,326				\$106,105				\$38,198		\$1,099,638						\$1,524,058
71200 Mortgage Interest Income																		
71300 Proceeds from Disposition of Assets Held for Sale																		
71310 Cost of Sale of Assets																		
71400 Fraud Recovery	\$7,311	\$3,489				\$14,982												\$25,782
71500 Other Revenue	\$1,031	\$360				\$1,793				\$2,822	\$35,322				\$8,699			\$50,027
71600 Gain or Loss on Sale of Capital Assets	\$651					\$175												\$826
72000 Investment Income - Restricted																		
70000 Total Revenue	\$4,467,135	\$4,301,848	\$0	\$0	\$0	\$3,966,148	\$0	\$0	\$0	\$916,251	\$257,592	\$1,099,638	\$0	\$0	\$173,437	\$0	\$0	\$15,182,049
91100 Administrative Salaries	\$242,531	\$187,318				\$173,008				\$72,007	\$11,064							\$685,928
91200 Auditing Fees	\$7,724	\$6,585				\$5,403				\$2,104								\$21,816
91300 Management Fee	\$275,599	\$249,286				\$197,548				\$52,821	\$188,930				\$149,448			\$1,113,632
91310 Book-keeping Fee	\$36,258	\$32,764				\$25,983				\$6,949								\$101,954
91400 Advertising and Marketing	\$27,500																	\$27,500
91500 Employee Benefit contributions - Administrative	\$51,174	\$26,153				\$38,197				\$16,772	\$1,704							\$134,000
91600 Office Expenses	\$74,201	\$47,326				\$44,156				\$14,184								\$179,867
91700 Legal Expense	\$96,043	\$91,251				\$51,446				\$13,778								\$252,518
91800 Travel	\$1,399	\$262				\$759				\$576								\$2,996
91810 Allocated Overhead	\$0	\$0				\$0				\$0								\$0
91900 Other	\$529,475	\$144,144				\$114,905				\$26,091		\$2,801						\$817,416
91000 Total Operating - Administrative	\$1,341,904	\$785,089	\$0	\$0	\$0	\$651,405	\$0	\$0	\$0	\$205,282	\$201,698	\$2,801	\$0	\$0	\$149,448	\$0	\$0	\$3,337,627
92000 Asset Management Fee	\$50,400	\$49,320				\$37,180				\$9,630								\$146,530
92100 Tenant Services - Salaries	\$35,543									\$16,996								\$52,539
92200 Relocation Costs	\$306	\$4,641				\$9,059				\$173								\$14,179
92300 Employee Benefit Contributions - Tenant Services	\$7,500									\$3,959								\$11,459
92400 Tenant Services - Other	\$11,330	\$9,315				\$7,630				\$7,353	\$1,125							\$36,753
92500 Total Tenant Services	\$54,679	\$13,956	\$0	\$0	\$0	\$16,689	\$0	\$0	\$0	\$28,481	\$1,125	\$0	\$0	\$0	\$0	\$0	\$0	\$114,930
93100 Water	\$140,878	\$104,090				\$55,276				\$13,285								\$313,529
93200 Electricity	\$621,405	\$614,260				\$222,959				\$109,421								\$1,568,045
93300 Gas	\$5,818	\$3,475				\$214,206				\$1,098								\$224,657
93400 Fuel																		
93500 Labor																		
93600 Sewer	\$421,544	\$367,706				\$196,625				\$32,537								\$1,018,412
93700 Employee Benefit Contributions - Utilities																		
93800 Other Utilities Expense	\$28,452	\$26,065				\$30,096					\$6,421							\$91,034
93000 Total Utilities	\$1,218,097	\$1,115,596	\$0	\$0	\$0	\$719,222	\$0	\$0	\$0	\$156,341	\$6,421	\$0	\$0	\$0	\$0	\$0	\$0	\$3,215,677
94100 Ordinary Maintenance and Operations - Labor	\$288,206	\$546,797				\$277,062				\$100,401								\$1,212,466
94200 Ordinary Maintenance and Operations - Materials and	\$130,235	\$346,360				\$134,850				\$33,224								\$644,669
94300 Ordinary Maintenance and Operations Contracts	\$231,073	\$323,201				\$258,399				\$82,341	\$5,871							\$900,885
94500 Employee Benefit Contributions - Ordinary Maintenance	\$60,812	\$76,342				\$61,170				\$23,386								\$221,710
94000 Total Maintenance	\$710,326	\$1,292,700	\$0	\$0	\$0	\$731,481	\$0	\$0	\$0	\$239,352	\$5,871	\$0	\$0	\$0	\$0	\$0	\$0	\$2,979,730

CHATTANOOGA HOUSING AUTHORITY (TN004)
CHATTANOOGA, TENNESSEE
PROJECT REVENUE AND EXPENSES SUMMARY (CONTINUED)
SUBMISSION TYPE: AUDITED/SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2024

	TN004000001	TN004000002	TN004000003	TN004000005	TN004000007	TN004000008	TN004000010	TN004000012	TN004000021	TN004000022	TN004000025	TN004000032	TN004000033	TN004000034	TN004000035	TN004000036	OTHER PROJ	Total
95100 Protective Services - Labor																		
95200 Protective Services - Other Contract Costs	\$17,015	\$1,692				\$30,667				\$10,446								\$59,820
95300 Protective Services - Other	\$136,305	\$123,380				\$97,802				\$26,114								\$383,601
95500 Employee Benefit Contributions - Protective Services																		
95000 Total Protective Services	\$153,320	\$125,072	\$0	\$0	\$0	\$128,469	\$0	\$0	\$0	\$36,560	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$443,421
96110 Property Insurance	\$169,589	\$136,000				\$126,648				\$66,121								\$498,358
96120 Liability Insurance	\$0									\$0								\$0
96130 Workmen's Compensation	\$14,574	\$25,400				\$13,055				\$4,851	\$70							\$57,950
96140 All Other Insurance	\$520	\$975				\$1,429				\$520								\$3,444
96100 Total Insurance Premiums	\$184,683	\$162,375	\$0	\$0	\$0	\$141,132	\$0	\$0	\$0	\$71,492	\$70	\$0	\$0	\$0	\$0	\$0	\$0	\$559,752
96200 Other General Expenses																		
96210 Compensated Absences	-\$6,115	\$2,357				\$2,322				\$3,032								\$1,596
96300 Payments in Lieu of Taxes	\$41,256	\$34,608				\$28,224				\$11,868	\$5,706							\$121,662
96400 Bad debt - Tenant Rents	\$160,274	\$110,768				\$63,188				\$418								\$334,648
96500 Bad debt - Mortgages																		
96600 Bad debt - Other																		
96800 Severance Expense																		
96000 Total Other General Expenses	\$195,415	\$147,733	\$0	\$0	\$0	\$93,734	\$0	\$0	\$0	\$15,318	\$5,706	\$0	\$0	\$0	\$0	\$0	\$0	\$457,906
96710 Interest of Mortgage (or Bonds) Payable																		
96720 Interest on Notes Payable (Short and Long Term)	\$665	\$10,364				\$19,764				\$387								\$31,180
96730 Amortization of Bond Issue Costs																		
96700 Total Interest Expense and Amortization Cost	\$665	\$10,364	\$0	\$0	\$0	\$19,764	\$0	\$0	\$0	\$387	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$31,180
96900 Total Operating Expenses	\$3,909,489	\$3,702,205	\$0	\$0	\$0	\$2,539,076	\$0	\$0	\$0	\$762,843	\$220,891	\$2,801	\$0	\$0	\$149,448	\$0	\$0	\$11,286,753
97000 Excess of Operating Revenue over Operating Expenses	\$557,646	\$599,643	\$0	\$0	\$0	\$1,427,072	\$0	\$0	\$0	\$153,408	\$36,701	\$1,096,837	\$0	\$0	\$23,989	\$0	\$0	\$3,895,296
97100 Extraordinary Maintenance																		
97200 Casualty Losses - Non-capitalized	-\$16,673																	-\$16,673
97300 Housing Assistance Payments																		
97350 HAP Portability-In																		
97400 Depreciation Expense	\$36,712	\$138,579				\$995,455				\$72,244					\$3,682		\$966	\$1,247,638
97500 Fraud Losses																		
97600 Capital Outlays - Governmental Funds																		
97700 Debt Principal Payment - Governmental Funds																		
97800 Dwelling Units Rent Expense																		
90000 Total Expenses	\$3,929,528	\$3,840,784	\$0	\$0	\$0	\$3,534,531	\$0	\$0	\$0	\$835,087	\$220,891	\$2,801	\$0	\$0	\$153,130	\$0	\$966	\$12,517,718
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	-\$186,384	-\$155,320				-\$129,433				-\$46,596	-\$26,069,095	-\$4,527,950			-\$6,341,429			-\$37,456,207
10100 Total Other financing Sources (Uses)	-\$186,384	-\$155,320	\$0	\$0	\$0	-\$129,433	\$0	\$0	\$0	-\$46,596	-\$26,069,095	-\$4,527,950	\$0	\$0	-\$6,341,429	\$0	\$0	-\$37,456,207
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	\$351,223	\$305,744	\$0	\$0	\$0	\$302,184	\$0	\$0	\$0	\$34,568	-\$26,032,394	-\$3,431,113	\$0	\$0	-\$6,321,122	\$0	-\$966	-\$34,791,876

CHATTANOOGA HOUSING AUTHORITY (TN004)
CHATTANOOGA, TENNESSEE
PROJECT REVENUE AND EXPENSES SUMMARY (CONTINUED)
SUBMISSION TYPE: AUDITED/SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2024

	TN004000001	TN004000002	TN004000003	TN004000005	TN004000007	TN004000008	TN004000010	TN004000012	TN004000021	TN004000022	TN004000025	TN004000032	TN004000033	TN004000034	TN004000035	TN004000036	OTHER PROJ	Total
11020 Required Annual Debt Principal Payments	\$15,689	\$237,981	\$0	\$0	\$0	\$453,827	\$0	\$0	\$0	\$8,883	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$716,380
11030 Beginning Equity	\$3,142,777	\$1,474,686	\$2,551,578	\$1,715,666	\$0	\$7,667,256	\$0	\$0	\$468,672	\$939,329	\$26,914,887	\$3,431,113	\$2,161,169	\$7,912	\$6,455,510	\$0	\$14,474	\$56,945,029
11040 Prior Period Adjustments, Equity Transfers and									\$280			\$0	-\$2,161,169	-\$7,912				-\$2,168,801
11050 Changes in Compensated Absence Balance																		
11060 Changes in Contingent Liability Balance																		
11070 Changes in Unrecognized Pension Transition Liability																		
11080 Changes in Special Term/Severance Benefits Liability																		
11090 Changes in Allowance for Doubtful Accounts - Dwelling																		
11100 Changes in Allowance for Doubtful Accounts - Other																		
11170 Administrative Fee Equity																		
11180 Housing Assistance Payments Equity																		
11190 Unit Months Available	5039	4932	0	0	0	3718	0	0	0	963	0	0	0	0	0	0	0	14652
11210 Number of Unit Months Leased	4834	4368	0	0	0	3464	0	0	0	926	0	0	0	0	0	0	0	13592
11270 Excess Cash	\$2,179,426	\$461,069	\$880,435	\$0	\$0	\$1,693,579	\$0	\$0	\$468,952	\$301,430	\$882,493	\$0	\$0	\$0	\$73,827	\$0	\$1,908	\$6,943,119
11610 Land Purchases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11620 Building Purchases	\$43,990	\$275,262	\$0	\$0	\$0	\$377,948	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$697,200
11630 Furniture & Equipment - Dwelling Purchases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11640 Furniture & Equipment - Administrative Purchases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
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