

Knoxville's Community Development Corporation

Financial Statements

Year Ended June 30, 2022

Knoxville's Community Development Corporation
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Year Ended June 30, 2022

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Independent Auditor's Report on Financial Statements

To the Board of Commissioners
Knoxville's Community Development Corporation

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of the business-type activities and the aggregate discretely presented component units of the Knoxville's Community Development Corporation ("KCDC") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise KCDC'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 accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of KCDC as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the aggregate discretely presented component units, which represent 100 percent of the assets, revenues, and net position of the aggregate discretely presented component units. Those statements, which were prepared in accordance with the Accounting Standards Codification as issued by the Financial Accounting Standards Board, were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the aggregate discretely presented component units, are based solely on the other auditors' reports.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audit contained in the 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 Five Points 1, LP, Five Points 2, LP, Five Points 3, LP, Eastport Development, LP, and Bell Street, LP, were not audited in accordance with Government Auditing Standards. We are required to be independent of KCDC, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Independent Auditor's Report on Financial Statements (Continued)

Emphasis of a Matter

As discussed in Note AA to the financial statements, the beginning net position has been restated for various items. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

KCDC's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, 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 KCDC's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of KCDC'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 KCDC's ability to continue as a going concern for a reasonable period of time.

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

Independent Auditor's Report on Financial Statements (Continued)

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 - 11 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with Governmental Auditing Standards, we have also issued our report dated November 28, 2022 on our consideration of KCDC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of KCDC'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 KCDC's internal control over financial reporting and compliance.



Lexington, Kentucky
November 28, 2022

Knoxville's Community Development Corporation
Management's Discussion and Analysis ("MD&A")
June 30, 2022

Knoxville's Community Development Corporation's ("KCDC") Management's Discussion and Analysis ("MD&A") is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of KCDC's financial activity, (c) identify changes in KCDC's financial position (its ability to address the next and subsequent year challenges), and (d) identify individual program issues or concerns.

Since the MD&A is designed to focus on the current years activities, resulting changes and currently known facts, please read it in conjunction with KCDC's basic financial statements (see table of contents).

KCDC reports its basic financial statements as a special purpose government engaged solely in business-type activities, which is similar to the governmental proprietary fund type (enterprise fund), which uses the accrual basis of accounting and the flow of economic resources measurement focus. Revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred.

Financial Highlights - 2022

- KCDC's total Net Position increased by \$6.2 million (or 4.8%) during fiscal year 2022. Net Position was \$134.2 million and \$128.0 million for 2022 and 2021, respectively. This increase in net position is primarily due to the increase in construction and rehabilitation of fixed assets.
- Revenue decreased by \$4.0 million (6.3%) during fiscal year 2022. Revenues were \$59.2 million and \$63.2 million for 2022 and 2021, respectively. The decrease in total revenue is primarily due to the loss of grant revenues for properties now part of discrete component units as a result of RAD conversion and disposition of loss of infrastructure costs held on behalf of another government.
- The total expenses of KCDC programs increased by \$1.3 million (2.5%). Total expenses were \$53.8 million and \$52.5 million for 2022 and 2021, respectively. The increase in expenses is primarily due to a major software transition, strategic staffing and significant fire at one particular high-rise.

Using this Annual Report

The Report includes three major sections as follows:

MD&A Management's Discussion and Analysis
Basic Financial Statements Authority-wide Basic Financial Statements Notes to Basic Financial Statements
Supplemental Information Supplemental Information

The primary focus of KCDC's basic financial statements is KCDC as a whole (Authority-wide). This perspective allows the user to address relevant questions, broaden a basis for comparison (year to year or Authority to Authority) and enhance KCDC's accountability

Knoxville's Community Development Corporation
Management's Discussion and Analysis ("MD&A") (Continued)
June 30, 2022

Authority-wide Basic Financial Statements

The Authority-wide basic financial statements are designed to be corporate-like in that all business-type activities are consolidated into columns which add to a total for KCDC.

These Statements include a Statement of Net Position, which is similar to a Balance Sheet. The Statement of Net Position reports all financial and capital resources for KCDC. The statement is presented in the format where assets and deferred outflow of resources minus liabilities and deferred inflow of resources, equals "Net Position". Assets and liabilities are presented in order of liquidity and are classified as "Current" (convertible into cash within one year), and "Noncurrent".

Net Position is reported in three broad categories:

- **Net Investment in Capital Assets:** Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.
- **Restricted Net Position:** This component of Net Position consists of restricted assets, when external constraints are placed on the asset by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.
- **Unrestricted Net Position:** This component consists of Net Position that do not meet the definition of "Net Investment in Capital Assets", or "Restricted Net Position".

The Authority-wide basic financial statements also include a Statement of Revenues, Expenses and Changes in Net Position (similar to an Income Statement). This Statement includes Operating Revenues, such as Rental Income, Operating Expenses, such as administrative, utilities, maintenance, and depreciation, and Nonoperating Revenue and Expenses, such as grant revenue, investment income and interest expense.

The focus of the Statement of Revenues, Expenses and Changes in Net Position is the "Change in Net Position", which is similar to Net Income or Loss.

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

Knoxville's Community Development Corporation
Management's Discussion and Analysis ("MD&A") (Continued)
June 30, 2022

Statement of Net Position

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

Table 1 - Statement of Net Position (in millions)

	<u>2022</u>	<u>2021</u>	<u>Net change</u>	<u>% change</u>
Assets				
Current and restricted assets	\$ 58.4	\$ 58.5	\$ (0.1)	-0.2%
Capital assets, net	84.7	68.6	16.1	23.5%
Other assets	<u>50.0</u>	<u>43.7</u>	<u>6.3</u>	<u>14.4%</u>
Total assets	193.1	170.8	22.3	13.1%
Liabilities				
Current liabilities	11.0	6.8	4.2	61.8%
Noncurrent liabilities	<u>46.8</u>	<u>35.8</u>	<u>11.0</u>	<u>30.7%</u>
Total liabilities	57.8	42.6	15.2	35.7%
Deferred inflows of resources	<u>1.1</u>	<u>-</u>	<u>1.1</u>	<u>100.0%</u>
Net position				
Net investment in capital assets	58.2	55.2	3.0	5.4%
Restricted net position	11.6	6.4	5.2	81.3%
Unrestricted net position	<u>64.4</u>	<u>66.4</u>	<u>-2.0</u>	<u>-3.0%</u>
Total net position	<u>\$ 134.2</u>	<u>\$ 128.0</u>	<u>\$ 6.2</u>	<u>4.8%</u>

For more detailed information see the Statement of Net Position.

Major Factors Affecting the Statement of Net Position

Total Assets increased by \$22.3 million primarily due to increases in construction and rehabilitation of capital assets to include an increase in development and rehabilitation restricted cash.

Total Liabilities increased by \$15.2 million primarily as a result of new notes and bonds payable, incurred through rehabilitation and development activities transforming public housing through HUD's RAD initiative.

Total Net Position increased by \$6.2 million. This increase is the result of excess revenues over operating expenses for 2022, as shown in Table 3 below.

While the result of operations is a significant measure of KCDC's activities, the analysis of the changes in Unrestricted Net Position in Table 2 provides a clearer representation of change in financial well-being.

Knoxville's Community Development Corporation
Management's Discussion and Analysis ("MD&A") (Continued)
June 30, 2022

Table 2 - Change in Unrestricted Net Position (in millions)

Unrestricted net position at June 30, 2021	\$ 66.5
Results of operations - year ended June 30, 2022	2.6
Prior period adjustment	3.5
Changes in net position restrictions	
Restricted net position	(5.3)
Net investment in capital assets	(2.9)
	<u>(2.9)</u>
Unrestricted net position at June 30, 2022	<u>\$ 64.4</u>

Table 3 - Statement of Revenues, Expenses and Changes in Net Position (in millions)

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

	<u>2022</u>	<u>2021</u>	<u>Net change</u>	<u>% change</u>
Revenues				
Tenant rents/other	\$ 4.3	\$ 4.7	\$ (0.4)	-8.5%
Grants	48.0	50.0	(2.0)	-4.0%
Interest income	1.3	1.2	0.1	8.3%
Other revenues	5.1	7.3	(2.2)	-30.1%
	<u>58.7</u>	<u>63.2</u>	<u>(4.5)</u>	<u>-7.1%</u>
Expenses				
Administrative	10.6	10.1	0.5	5.0%
Tenant services	1.0	0.7	0.3	42.9%
Utilities	3.1	3.0	0.1	3.3%
Maintenance	5.0	4.8	0.2	4.2%
Protective services	0.3	0.4	(0.1)	-25.0%
General and insurance	2.0	1.8	0.2	11.1%
Interest and amortization	0.9	0.8	0.1	12.5%
Extraordinary maintenance and casualty	0.5	0.2	0.3	150.0%
Housing assistance payments	25.5	26.0	(0.5)	-1.9%
Depreciation and amortization	4.9	4.7	0.2	4.3%
	<u>53.8</u>	<u>52.5</u>	<u>1.3</u>	<u>2.5%</u>
Other revenues (expenses)				
Special items, loss on disposition, other	(2.8)	(3.6)	0.8	-22.2%
	<u>(2.8)</u>	<u>(3.6)</u>	<u>0.8</u>	<u>-22.2%</u>
Change in net position	<u>\$ 2.1</u>	<u>\$ 7.1</u>	<u>\$ (5.0)</u>	<u>-70.4%</u>

Knoxville's Community Development Corporation
Management's Discussion and Analysis ("MD&A") (Continued)
June 30, 2022

Major Factors Affecting the Statement of Revenues, Expenses and Changes in Net Position

- As reflected in the "Highlights" section above, the decrease in total revenue is primarily due to the loss of grant revenues for properties now part of discrete component units as a result of RAD conversion and disposition loss of infrastructure costs held on behalf of local government.
- The increase in expenses is primarily due to new software implementation, strategic staffing and unanticipated casualty losses in particular a significant fire at a high-rise property. Additionally, there were no special items in 2022 compared to a contribution to a discrete component unit due to a RAD conversion in the prior year.

Budgetary Highlights

For the year ended June 30, 2022, budgets were prepared by KCDC and were approved by the Board of Commissioners. The budgets were primarily used as a management tool and have no legal stature. The budgets were prepared in accordance with the accounting procedures prescribed by the applicable funding agencies.

As indicated by the excess of total revenues over total expenses shown in Table 3 above, KCDC's net position increased during the fiscal year primarily as a result of operational activities.

Capital Assets

For the year ended June 30, 2022, KCDC had \$84.7 million invested in a variety of capital assets as reflected in the following schedule, which represents an increase of \$16.1 million from the end of the prior year. This net increase is attributable to RAD activities which include decreases resulting from asset disposition offset by increases resulting from asset rehabilitation, City funded infrastructure and new construction of KCDC-owned dwelling units.

Table 4 - Capital Assets at Year-End (Net of Depreciation) (in millions)

	<u>2022</u>	<u>2021</u>	<u>Net change</u>	<u>% change</u>
Land	\$ 11.8	\$ 8.4	\$ 3.4	40.5%
Buildings	172.4	159.3	13.1	8.2%
Furniture/equipment	2.4	1.9	0.5	26.3%
Infrastructure	8.7	3.8	4.9	128.9%
Construction in process	20.9	23.4	(2.5)	-10.7%
Accumulated depreciation	(132.8)	(128.2)	(4.6)	3.6%
Right-to-use subscription asset	1.8	-	1.8	100.0%
Accumulated Amortization	<u>(0.5)</u>	<u>-</u>	<u>(0.5)</u>	<u>100.0%</u>
Total capital assets	<u>\$ 84.7</u>	<u>\$ 68.6</u>	<u>\$ 16.1</u>	<u>23.5%</u>

The following reconciliation summarizes the change in Capital Assets, which is presented in detail in the notes to the financial statements.

During the fiscal year 2022, KCDC adopted GASB Statement No. 96: *Subscription-Based Information Technology Arrangements* effective July 1, 2021. In accordance with that statement KCDC recorded a right-to-use subscription asset in the amount of \$1.8 million and related amortization of .5 million. In accordance with GASB Statement No. 100: *Accounting Changes and Error Corrections - An Amendment of GASB Statement No. 62*, which states that for periods that are earlier than those included in the basic financial statements, information presented in required supplementary information should not be restated for changes in accounting principles. Therefore, the 2021 capital assets were not restated to reflect the implementation of GASB Statement No. 96.

Knoxville's Community Development Corporation
Management's Discussion and Analysis ("MD&A") (Continued)
June 30, 2022

Table 5 - Change in Capital Assets (in millions)

	Historical cost	Accumulated depreciation and amortization	Net
Balance at June 30, 2021 (Restated)	\$ 198.3	\$ 128.4	\$ 69.9
Additions	22.9	4.8	18.1
Dispositions	(3.3)	-	(3.3)
Balance at June 30, 2022	<u>\$ 217.9</u>	<u>\$ 133.2</u>	<u>\$ 84.7</u>

Debt Outstanding

For the year ended June 30, 2022, KCDC had \$45.4 million in debt (bonds, notes, etc.) outstanding compared to \$36.3 million last year, showing a \$9.1 million increase, which is the net of a \$11.3 million increase in notes payable related to construction activities, and \$2.2 million decrease from extinguishment of capital debt.

Table 6 - Outstanding Debt, at Year-End (in millions)

	2022	2021	Net change	% change
Debt				
Current portion	\$ 1.5	\$ 2.7	\$ (1.2)	-44.4%
Long term portion	<u>43.8</u>	<u>33.6</u>	<u>10.2</u>	<u>30.4%</u>
	<u>\$ 45.3</u>	<u>\$ 36.3</u>	<u>\$ 9.0</u>	<u>24.8%</u>

Economic Factors

Significant economic factors affecting KCDC are as follows:

- Federal funding of the Department of Housing and Urban Development
- Local labor supply and demand, which can affect salary and wage rates
- Local inflationary, recessionary and employment trends, which can affect resident incomes and therefore the amount of rental income
- Inflationary pressure on fuel costs, utility rates, supplies and other costs
- Covid-19 has not had significant adverse effects on the financial results of operations. Most additional costs and loss of revenue has been offset by additional HUD contributions through the CARES Act. However, KCDC has no guarantees of offsetting funding for future periods.

Knoxville's Community Development Corporation
Management's Discussion and Analysis ("MD&A") (Continued)
June 30, 2022

Affiliate Agreements

The Agency has included as discretely presented component units, the activity for Eastport Development, LP, Five Points 1, LP, Five Points 2, LP, Five Points 3, LP, Five Points 4, LP, Lonsdale, LP, North Ridge Crossing, LP, Bell Street, LP and Vista at Summit Hill, LP. Five Points 4, LP entered into an Amended and Restated Agreement of Limited Partnership with Red Stone Equity - 2019 National Fund, L.P., the Investor Limited Partner and Red Stone Equity Manager, LLC, the Special Limited Partner to facilitate the equity investment for the project. These entities are shown as discretely presented component units because the Agency is financially accountable for them; however, it does not have full ownership over the entities.

Requests for the full financial information of Discretely Presented Component Units should be addressed to Knoxville Community Development Corporation, P.O. Box 3550, Knoxville, TN 37927-3550.

Financial Contact

The individual to be contacted regarding this report is Tracee B. Pross, Chief Financial Officer, KCDC at (865) 755-6433. Specific requests may be submitted to Tracee B. Pross, Chief Financial Officer, KCDC, P.O. Box 3550, Knoxville, TN 37927-3550.

Roster of Board Members

Chairman:	Robert Whetsel
Vice Chairman:	Kimberly Henry
Secretary:	Benjamin M. Bentley
Treasurer:	Scott Broyles

Commissioner:	Robyn McAdoo
Commissioner:	Rosalind Hall
Commissioner:	John Winemiller
Commissioner:	Kanika White

Roster of Management Officials

Benjamin M. Bentley, Executive Director/CEO
Tracee B. Pross, Chief Financial Officer
Matt Tillery, Vice President of Rental Assistance
Brad Peters, Vice President of Redevelopment/Legal Services
Marisa A. Moazen, Vice President of Policy/Strategic Partnerships

Knoxville's Community Development Corporation
Statement of Net Position
June 30, 2022

	<u>Primary government</u>	<u>Discretely presented component units</u>
Assets		
Current assets		
Cash and cash equivalents, unrestricted	\$ 9,861,086	\$ 2,156,082
Cash and cash equivalents, restricted	31,285,709	5,114,224
Investments, unrestricted	10,026,103	-
Investments, restricted	189,392	-
Accrued interest receivable	17,067	-
Accounts receivable, net of allowance	1,861,990	144,173
Due from other governments	4,468,493	-
Inventories, net of obsolescence	135,887	12,766
Prepaid expense	277,734	-
Assets held for conveyance	239,017	-
Other current assets	-	743,108
Total current assets	58,362,478	8,170,353
Noncurrent assets		
Lease receivable	1,103,826	-
Notes and mortgages receivable	40,945,642	-
Total other noncurrent assets	42,049,468	-
Capital assets		
Not being depreciated	41,360,230	-
Depreciable, net	43,362,088	127,554,736
Total capital assets, net	84,722,318	127,554,736
Other noncurrent assets		
Interest receivable	3,029,578	-
Assets held for conveyance	1,354,433	-
Other noncurrent assets	3,608,789	3,666,431
Total other noncurrent assets	7,992,800	3,666,431
Total noncurrent assets	134,764,586	131,221,167
Total assets	193,127,064	139,391,520
Deferred outflows of resources	-	-
Total assets and deferred outflows of resources	\$ 193,127,064	\$ 139,391,520

See accompanying notes.

Knoxville's Community Development Corporation
Statement of Net Position (Continued)
June 30, 2022

	<u>Primary government</u>	<u>Discretely presented component units</u>
Liabilities		
Current liabilities		
Vendors and contractors payable	\$ 4,022,518	\$ 114,253
Accrued wages/taxes payable	269,550	8,017
Accrued compensated absences	698,167	-
Accrued interest payable	74,283	2,651,312
Due to other governments	112,645	55,022
Unearned revenue	3,426,783	22,914
Notes and bonds payable	1,543,801	6,165,987
Other current liabilities	152,385	1,404,308
Other accrued liabilities	405,563	4,093,986
Resident security deposits	280,293	142,895
	<hr/>	<hr/>
Total current liabilities	10,985,988	14,658,694
Noncurrent liabilities		
Notes and bonds payable	43,813,922	47,721,890
Related party notes payable	-	22,513,825
Accrued compensated absences	1,887,638	-
Subscription Liability	1,039,828	-
Other accrued liabilities	58,732	-
	<hr/>	<hr/>
Total noncurrent liabilities	46,800,120	70,235,715
Total liabilities	57,786,108	84,894,409
	<hr/>	<hr/>
Deferred inflows of resources	1,103,826	-
	<hr/>	<hr/>
Total liabilities and deferred inflows of resources	<u>\$ 58,889,934</u>	<u>\$ 84,894,409</u>
Net position		
Net investment in capital assets	\$ 58,182,433	\$ 68,412,829
Restricted	11,665,468	4,968,536
Unrestricted	64,389,229	(18,884,254)
	<hr/>	<hr/>
Total net position	<u>\$ 134,237,130</u>	<u>\$ 54,497,111</u>

See accompanying notes.

Knoxville's Community Development Corporation
Statement of Revenues, Expenses, and Changes in Net Position
Year Ended June 30, 2022

	Primary government	Discretely presented component units
Operating revenues		
Rental revenue	\$ 4,153,030	\$ 2,889,143
Fee revenue	605,640	-
HUD grants	44,126,878	-
Other governmental grants	3,318,275	5,889,560
Other revenue	5,098,024	420,729
Total operating revenues	57,301,847	9,199,432
Operating expenses		
Administrative	10,639,456	2,093,443
Tenant services	969,696	66,624
Utilities	3,077,186	1,234,087
Ordinary maintenance & operation	4,997,008	1,962,050
Protective services	329,803	199,211
Insurance	534,660	584,490
General expenses	1,475,160	275,013
Housing assistance payments	25,534,147	-
Depreciation	4,854,712	3,529,735
Total operating expenses	52,411,828	9,944,653
Net operating income (loss)	4,890,019	(745,221)
Nonoperating revenues (expenses)		
Interest revenue, unrestricted	1,259,930	3,621
Interest revenue, restricted	7,890	1,267
Interest expense	(875,249)	(1,887,233)
Fraud recovery	78,016	33,784
Extraordinary maintenance	(495,360)	-
Other nonoperating revenues (expenses)	-	(127,739)
Loss on disposition of capital assets and land held for conveyance	(2,757,679)	-
Total nonoperating expense, net	(2,782,452)	(1,976,300)
Income (loss) before contributions and transfers	2,107,567	(2,721,521)
Capital contributions	517,257	14,054,998
Increase in net position	2,624,824	11,333,477
Net position, beginning of year	128,147,313	43,163,634
Prior period adjustments	3,464,993	-
Net position, beginning of year, restated (see Note AA)	131,612,306	43,163,634
Net position, end of year	\$ 134,237,130	\$ 54,497,111

See accompanying notes.

Knoxville's Community Development Corporation
Statement of Cash Flows
Year Ended June 30, 2022

Cash flows from operating activities

Receipts from dwelling rentals	\$ 7,462,020
Operating grants	46,627,914
Receipts from fees	605,640
Other receipts	5,099,807
Payments to employees and suppliers	(21,821,889)
Payments to landlords and residents	(25,534,147)

Net cash provided by operating activities **12,439,345**

Cash flows from capital and related financing activities

Capital fund grant	517,257
Purchase of capital assets	(23,259,723)
Proceeds from sale of assets	3,936
Proceeds from capital debt	11,229,951
Proceeds from leases receivable	127,727
Interest received from leases receivable	35,519
Principal paid on capital debt	(2,140,810)
Interest paid on capital debt	(813,393)
Principal paid on subscription asset	(449,046)
Interest paid on subscription asset	(77,419)
Extraordinary maintenance and other	(417,344)

Net cash used by capital and related financing activities **(15,243,345)**

Cash flows from investing activities

Interest received	269,832
Proceeds from sales of investments	(2,185,419)
Proceeds from notes receivable	(450,000)
Payments received on notes receivable	48,976

Net cash used by investing activities **(2,316,611)**

Net decrease in cash and cash equivalents **(5,120,611)**

Cash - beginning of the year **46,267,406**

Cash - end of the year **\$ 41,146,795**

Reconciliation of cash to the statement of net position

Cash and cash equivalents, unrestricted	\$ 9,861,086
Cash and cash equivalents, restricted	31,285,709
	\$ 41,146,795

See accompanying notes.

Knoxville's Community Development Corporation
Statement of Cash Flows (Continued)
Year Ended June 30, 2022

Operating income	\$ 4,890,019
Adjustments to reconcile net operating income to net cash provided by operating activities	
Depreciation	4,854,712
Bad debt expense	290,486
Changes in assets and liabilities	
Accounts receivable	(1,618,741)
Inventory	(30,751)
Other governments	(1,408,383)
Prepaid expenses	(20,310)
Other assets	1,783
Accounts payable	1,763,551
Accrued wages	76,501
Accrued comp abs	(39,394)
Due to other governments	591,144
Unearned revenue	3,005,113
Other accrued liabilities	48,952
Security deposits	34,663
	<hr/>
Net cash provided by operating activities	<u><u>\$ 12,439,345</u></u>
Noncash reconciling item	
Infrastructure returned to the City of Knoxville	<u><u>\$ (3,081,265)</u></u>

See accompanying notes.

Knoxville's Community Development Corporation
Notes to Financial Statements
Year Ended June 30, 2022

Note A - Nature of the Organization and Operations

Organization

Knoxville's Community Development Corporation, Inc. ("KCDC") is a public body corporate and politic pursuant to the Laws of the State of Tennessee which was organized to provide low rent housing for qualified individuals in accordance with the rules and regulations prescribed by the U.S. Department of Housing and Urban Development ("HUD") and other Federal Agencies. The primary purpose of KCDC is to provide safe, decent, sanitary, and affordable housing to low-income, elderly and handicapped families in Knoxville, Tennessee.

Reporting Entity

The governing body of KCDC is its Board of Commissioners, which is composed of seven members appointed by the Mayor of the City of Knoxville. The Board appoints a Chief Executive Officer to administer the business of KCDC. KCDC is not considered a component unit of the City of Knoxville, as the Board independently oversees KCDC's operations.

In determining how to define the reporting entity, management has considered all potential component units. The decision to include a component unit in the reporting entity was made by applying the criteria set forth in Section 2100 and 2600 of the Codification of Governmental Accounting and Financial Reporting Standards and Statement No. 14, (amended) of the Governmental Accounting Standards Board: The Financial Reporting Entity. These criteria include manifestation of oversight responsibility including financial accountability, appointment of a voting majority, imposition of will, financial benefit to or burden on a primary organization, financial accountability as a result of fiscal dependency, potential for dual inclusion, and organizations included in the reporting entity although the primary organization is not financially accountable. Based upon the application of these criteria, the reporting entity has both blended component units and discretely presented component units.

Blended Component Units

- **Passport Development Corporation ("PDC")** is a Section 115 Corporation which has served as KCDC's general partner ("GP") to limited partnerships formed in conjunction with low-income tax credits. Currently PDC is the GP for Eastport Development LP., owner of The Residences at Eastport Phase 2.
- **Knoxville's Housing Development Corporation ("KHDC")** is a Section 115 Corporation established to acquire, rehab or develop affordable housing projects in the Knoxville area for KCDC. KHDC is the owner of Passport Homes and Clifton Road Apartments.
- **Family Investment Foundation, Inc.** is a 501(c) (3) Corporation established for charitable, social, vocational, recreational and health purposes, and related business ventures.
- **Greater Tennessee Housing Assistance Corporation** is a Section 115 Corporation established for the purpose of funding the construction of six Section 8 New Construction housing projects. All debts have been paid and all projects have been sold. The corporation is now dormant.
- **Five Points 1 Corporation** is a Section 115 Corporation that is an instrumentality of KCDC. The purpose of the corporation is to be the general partner in a limited partnership formed in conjunction with low-income housing tax credits for the development of the Five Points Senior Building.

Knoxville's Community Development Corporation
Notes to Financial Statements (Continued)
Year Ended June 30, 2022

Note A - Nature of the Organization and Operations (Continued)

Reporting Entity (Continued)

Blended Component Units (Continued)

- **Five Points 2 Corporation** is a Section 115 Corporation that is an instrumentality of KCDC. The purpose of the corporation is to be the general partner in a limited partnership formed in conjunction with low-income housing tax credits for the development of Five Points Phase 2 Apartments which will consist of 84 family and elderly units.
- **Five Points 3 Corporation** is a Section 115 Corporation that is an instrumentality of KCDC. The purpose of the corporation is to be the general partner in a limited partnership formed in conjunction with low-income housing tax credits for the development of the Five Points Phase 3 Apartments which consist of 80 family and elderly units.
- **Five Points 4 Corporation** is a Section 115 Corporation that is an instrumentality of KCDC. The purpose of the corporation is to be the general partner in a limited partnership formed in conjunction with low-income housing tax credits for the development of the Five Points Phase 4 Apartments which will consist of 82 units.
- **Passport Housing Corporation** is a Section 115 Corporation that is an instrumentality of KCDC. The purpose of the corporation is to be the general partner in a limited partnership formed in conjunction with low-income housing tax credits for the rehabilitation and operation of apartment units at Residences at Lonsdale, North Ridge Crossing, and The Vista at Summit Hill.
- **Townview Towers Affordable Housing Corporation** is a Section 115 Corporation that is an instrumentality of KCDC. The purpose of the corporation is to facilitate the renovation of Townview Towers Apartments. The corporation holds a 40% ownership interest in TVT GP, LLC, General Partner to TVT, LP which was established to finance transactions related to the rehabilitation of Townview Towers Apartments.
- **Montgomery Village Housing Corporation** is a Section 115 Corporation that is a wholly owned instrumentality of KCDC. The purpose of the corporation is to own and facilitate the renovation of Montgomery Village Apartments.
- **Hollywood GP Corporation** is a Section 115 Corporation created for ownership and financing activities related to 817 Hollywood Road, Knoxville, Tennessee.
- **Young High GP Corporation** is a Section 115 Corporation created for Low Income Housing Tax Credit financing activities related to 121 E. Young High Pike, Knoxville, Tennessee.
- **Moss Grove GP Corporation** is a Section 115 Corporation created for Low Income Housing Tax Credit financing activities related to 265 & 266 Moss Grove Boulevard, Knoxville, Tennessee.
- **Cagle Terrace Corporation** is a Section 115 Corporation that is a wholly owned instrumentality of KCDC. The purpose of the corporation is to own and facilitate the renovation of Cagle Terrace Apartments.
- **Bell Street Corporation** is a Section 115 Corporation created for ownership and financing activities related to KCDC's Austin Homes redevelopment.
- **Bell Street 2 Corporation** is a Section 115 Corporation created for ownership and financing activities related to KCDC's Austin Homes Phase 2A redevelopment. Pre-development activity has begun but has not begun leasing as of June 30, 2022.
- **Bell Street 3 Corporation** is a Section 115 Corporation created for ownership and financing activities related to KCDC's Austin Homes Phase 1B redevelopment. Pre-development activity is in progress as of June 30, 2022.
- **Western Heights Corporation** is a Section 115 Corporation created for ownership and financing activities related to KCDC's Western Heights Phase I redevelopment. Predevelopment activities have begun as of June 30, 2022.

These blended component units are reported in the aggregate, in the primary government column, on the Combining Schedule of Net Position and Combining Schedule of Revenues, Expenses and Changes in Net Position.

Knoxville's Community Development Corporation
Notes to Financial Statements (Continued)
Year Ended June 30, 2022

Note A - Nature of the Organization and Operations (Continued)

Reporting Entity (Continued)

Discretely Presented Component Units

As of June 30, 2022, KCDC recognized cumulatively nine limited partnerships ("LPs") as discretely presented component units as follows:

- **Eastport Development LP** was formed under the laws of the State of Tennessee on November 10, 2009 to acquire, own, develop, lease and operate The Residences at Eastport, Phase II (the "Property") located in Knoxville, Tennessee. The Property consists of a 60-unit multifamily apartment complex developed and operated under the federal low-income housing tax credit program as provided for in Section 42 of the Internal Revenue Code ("Section 42").
- **Five Points 1, LP** was formed under the laws of the State of Tennessee on January 23, 2014 to acquire, own, develop, lease and operate Five Points Senior Building (the "Property") located in Knoxville, Tennessee. The Property consists of 90 units, developed and operated under the low-income housing tax credit program. Additionally, the Partnership entered into a Housing Assistance Payments Program ("HAP") and Rental Assistance Demonstration Use Agreement ("RAD") with HUD. The effective date of these agreements is July 1, 2017, and the agreements expire on April 30, 2037.
- **Five Points 2, LP** was formed under the laws of the State of Tennessee on January 1, 2016 to acquire, own, develop, lease and operate Five Points 2 Apartments (the "Property") located in Knoxville, Tennessee. The Property consists of 84 units, developed and operated under the low-income housing tax credit program. Additionally, the operating methods of the Project are subject to the provisions of a regulatory agreement executed between the Partnership and HUD.
- **Five Points 3, LP** was formed under the laws of the State of Tennessee on August 30, 2016 to acquire, own, develop, lease and operate Five Points Phase 3 located in Knoxville, Tennessee. The Property consists of 80 units, developed and operated under the low-income housing tax credit program. Additionally, the operating methods of the Project are subject to the provisions of a regulatory agreement executed between the Partnership and HUD.
- **Five Points 4, LP** was formed under the laws of the State of Tennessee on November 13, 2017 to acquire, own, develop, lease and operate Five Points Phase 4 Apartments (the "Property") located in Knoxville, Tennessee. The Property consists of 82 units, developed and operated under the low-income housing tax credit program. Additionally, the operating methods of the Property are subject to the provisions of a regulatory agreement with HUD.
- **Lonsdale, LP** was formed under the laws of the State of Tennessee on March 23, 2016 to acquire, own, develop, lease and operate The Lonsdale (the "Property") located in Knoxville, Tennessee. The Property consists of 260 units, developed and operated under the low-income housing tax credit program. Additionally, the operating methods of the Project are subject to the provisions of a regulatory agreement executed between the Partnership and HUD.
- **North Ridge Crossing, LP** was formed under the laws of the State of Tennessee on March 23, 2016 to acquire, own, develop, lease and operate North Ridge Crossing Apartments (the "Property") located in Knoxville, Tennessee. The Property consists of 268 units, developed and operated under the low-income housing tax credit program. Additionally, the operating methods of the Project are subject to the provisions of a regulatory agreement executed between the Partnership and HUD.
- **Vista at Summit Hill, LP** (the "Partnership") was formed under the laws of the State of Tennessee on March 23, 2016 to acquire, own, develop, lease and operate The Vista at Summit Hill (the "Property") located in Knoxville, Tennessee. The Property consists of 175 units, developed and operated under the low-income housing tax credit program. Additionally, the operating methods of the Project are subject to the provisions of a regulatory agreement executed between the Partnership and HUD.

Knoxville's Community Development Corporation
Notes to Financial Statements (Continued)
Year Ended June 30, 2022

Note A - Nature of the Organization and Operations (Continued)

Reporting Entity (Continued)

Discretely Presented Component Units (Continued)

- **Bell Street, LP** was formed under the laws of the State of Tennessee on February 1, 2019 to acquire, own, develop, lease and operate Bell Street Flats (the "Property") located in Knoxville, Tennessee. The Property consists of 105 units, developed and operated under the low-income housing tax credit program. Additionally, the operating methods of the Project are subject to the provisions of a regulatory agreement executed between the Partnership and HUD.

Main Programs of KCDC are as follows:

- **Low Rent Public Housing** under Annual Contributions Contract A-2571: This type of housing consists of apartments and single-family dwellings owned and operated by KCDC. Funding is provided by tenant rent payments and subsidies provided by HUD. As of June 30, 2022, one low-income housing property remains in this portfolio.
- **Section 8 Housing Choice Voucher Cluster** (Housing Choice Vouchers, Mainstream Voucher and Emergency Housing Voucher Programs): These are housing programs wherein low rent tenants lease housing units directly from private landlords rather than through KCDC. KCDC contracts with these private landlords to make assistance payments for the difference between the approved contract rent and the actual rent paid by the low rent tenants.
- **Section 8 Project-based Cluster** (Moderate Rehabilitation Properties and Section 8 Special Allocations): Section 8 project-based rental assistance programs aid low- and very low-income families in obtaining decent, safe, and sanitary rental housing through the provision of housing assistance payments to participating owners on behalf of eligible tenants. The Mod Rehab property owners are independent parties. The Special Allocations fund KCDC-owned Multi-family Housing developments which were converted from public housing to local ownership through HUD's RAD program.
- **Development/Redevelopment Programs** administer internal projects, CDBG and other projects for the City of Knoxville and Knox County.
- **Public Housing Capital Fund Programs** are programs for the modernization, demolition and redevelopment of public housing funded by HUD.
- **The Manor** is a program whereby KCDC provides meals, laundry service, and has a twenty-four-hour staff available for the special needs of the more dependent elderly tenants. This service is provided to those tenants for a fee.
- **Entrepreneurial Activities** is a program which provides technical assistance to other PHA's and local governments.
- **Central Office Cost Center** is a business unit within KCDC that earns income from internal fees by overseeing other KCDC programs.
- **Other Programs/Activities** include KCDC's Family Self-Sufficiency program and programs related to the management of Covid-19 related grants from FEMA and HUD.

Knoxville's Community Development Corporation
Notes to Financial Statements (Continued)
Year Ended June 30, 2022

Note B - Summary of Significant Accounting Policies

1. Basis of Presentation and Accounting: In accordance with uniform financial reporting standards for HUD housing programs, the basic financial statements are prepared in accordance with U.S. generally accepted accounting principles ("GAAP").

KCDC reports its basic financial statements as a special purpose government engaged solely in business-type activities, which is similar to the governmental proprietary fund type (enterprise fund), which uses the accrual basis of accounting and the flow of economic resources measurement focus. Revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred.

Generally accepted accounting principles for state and local governments requires that resources be classified for accounting and reporting purposes into the following three net asset categories:

- **Net investment in capital assets** - Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.
 - **Restricted** - Net position whose use by KCDC is subject to externally imposed stipulations that can be fulfilled by actions of KCDC pursuant to those stipulations or that expire by the passage of time. Such assets include assets restricted for capital acquisitions and debt service.
 - **Unrestricted** - Net position that is not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of management or KCDC Board or may otherwise be limited by contractual agreements with outside parties.
2. Budgets: Budgets are prepared on an annual basis for each major operating program and are used as a management tool throughout the accounting cycle. The Capital Fund budgets are adopted on a "project length" basis. Budgets are not, however, legally adopted nor legally required for basic financial statement presentation.
 3. Cash and Cash Equivalents: For purposes of the Statement of Cash Flows, KCDC considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased and non-negotiable certificates of deposit to be cash equivalents.
 4. Inter-program Receivables and Payables: Inter-program receivables/payables, when present, are all current, and are the result of the use of the Public Housing Program as the common paymaster for shared costs of KCDC. Cash settlements are made periodically, and all inter-program balances net to zero. Offsetting due to/due from balances are eliminated for the basic financial statement presentation.
 5. Investments: Investments, when present, are recorded at cost which approximates fair value. Investment instruments consist only of items specifically approved for public housing agencies by HUD and consist mainly of certificates of deposit.
 6. Inventories: Inventories (consisting of materials and supplies) are valued at cost using the moving average method. If inventory falls below cost due to damage, deterioration or obsolescence, KCDC establishes an allowance for obsolete inventory. KCDC relies upon its periodic (annual) inventory for financial reporting purposes. In accordance with the consumption method, inventory is expensed when items are placed in service.
 7. Prepaid Items: Payments made to vendors for goods or services that will benefit periods beyond the fiscal year end are recorded as prepaid items.

Knoxville's Community Development Corporation
Notes to Financial Statements (Continued)
Year Ended June 30, 2022

Note B - Summary of Significant Accounting Policies (Continued)

8. Use of Estimates: The preparation of basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the basic financial statements and reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.
9. Fair Value of Financial Instruments: The carrying amount of KCDC's financial instruments at June 30, 2022 including cash, investments, accounts receivable, and accounts payable closely approximates fair value.

10. Capital Assets:

- **Book value**: All purchased fixed assets are valued at cost when historical records are available. When no historical records are available, fixed assets are valued at estimated historical cost.

Land values were derived from development closeout documentation.

Donated fixed assets are recorded at their fair value at the time they are received.

All normal expenditures of preparing an asset for use are capitalized when they meet or exceed the capitalization threshold.

- **Depreciation**: The cost of capital assets 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.

Buildings	27 years
Building modernization	10 years
Appliances	7 years
Office equipment	7 years
Maintenance equipment	5 years
Automobiles	5 years
Community space equipment	5 years
Computer equipment	3 years

- **Maintenance and repairs expenditures**: Maintenance and repairs expenditures are charged to operations when incurred. Betterments in excess of \$5,000 are capitalized. When buildings and equipment are sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in operations.

Knoxville's Community Development Corporation
Notes to Financial Statements (Continued)
Year Ended June 30, 2022

Note B - Summary of Significant Accounting Policies (Continued)

10. Capital Assets (Continued):

- **Impairment of long-lived assets:** KCDC has been and is currently involved in various demolition activities in conjunction with its modernization and development programs. In accordance with GASB Statement No. 42, "*Accounting and financial Reporting for Impairment of Capital Assets and For Insurance Recoveries*", KCDC has at June 30, 2022, recognized in the accompanying basic financial statements the impact of the demolition activities. Under the provisions of the statement, long-lived assets are to be reviewed for impairment. Application for measurement of long-lived assets should be at the lower of carrying amount or fair value less cost to sell, whether reported in continuing operations or discontinued operations. KCDC has not recognized any asset impairment for the year ended June 30, 2022.
11. Lease Receivable and Deferred Inflows of Resources: During fiscal year 2022, KCDC, as a lessor, changed its method of accounting for leases to comply with GASB Statement No. 87: *Leases*. Previously, KCDC treated all leases as operating leases and recognized revenue when lease payments were received. KCDC recognizes a lease receivable and a deferred inflow of resources on leases at the commencement of the lease term, with certain exceptions for short-term leases. The lease receivable is measured at the present value of the lease payments expected to be received during the lease period. The deferred inflow of resources on leases is measured as the value of the lease receivable in addition to any payments received at or before the commencement of the lease term that relate to future periods. Revenue from the included leases is recognized by amortizing the deferred inflow on a straight-line basis.
12. Right-of-use Subscription Asset: The right-of-use subscription asset represents KCDC's right to use certain subscription-based information technology during a defined subscription term. The right-of-use subscription asset is valued at the present value of the related subscription payments plus any other identified capitalizable costs associated with software implementation less related accumulated amortization. Accumulated amortization is calculated using the straight-line method over the shorter of the subscription term or the estimated useful life of the underlying information technology asset.
13. Compensated Absences: Compensated absences are those absences for which employees will be paid, such as vacation and sick leave computed in accordance with GASB Statement No. 16. A liability for compensated absences that is attributable to services already rendered and that are not contingent on a specific event that is outside the control of KCDC and its employees, is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of KCDC and its employees are accounted for in the period in which such services are rendered or in which such events take place.
14. Litigation Losses: KCDC recognizes estimated losses related to litigation in the period in which the occasion giving rise to the loss occurred; the loss is probable, and the loss is reasonably estimable.
15. Annual Contribution Contracts: Annual Contribution Contracts provide that HUD shall have authority to audit and examine the records of public housing authorities. Accordingly, final determination of KCDC's financing and contribution status for the Annual Contribution Contracts is the responsibility of HUD based upon financial reports submitted by KCDC.

Knoxville's Community Development Corporation
Notes to Financial Statements (Continued)
Year Ended June 30, 2022

Note B - Summary of Significant Accounting Policies (Continued)

16. Risk Management: KCDC is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. KCDC carries commercial insurance for all identified risks of loss, including workers' compensation and employee health and accident insurance. 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.
17. Use of Restricted Assets: It is KCDC's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.
18. Operating Revenues and Expenses: The principal operating revenues of KCDC's enterprise fund are charges to customers for rents and services. Operating expenses for KCDC's enterprise fund include the cost of providing housing and services, administrative expenses and depreciation on capital assets. Revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Note C - Deposits and Investments

For purposes of the Statement of Cash Flows, KCDC considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased and non-negotiable certificates of deposit to be cash equivalents. Investments are disclosed at Par Value with unamortized premiums and discounts.

1. HUD Deposit and Investment Restrictions: HUD requires authorities to invest excess HUD program funds in obligations of the United States, certificates of deposit or any other federally insured instruments.

HUD also requires that deposits of HUD program funds be fully insured or collateralized at all times. Acceptable security includes FDIC/FSLIC insurance and the market value of securities purchased and pledged to the political subdivision. Pursuant to HUD restrictions, obligations of the United States are allowed as security for deposits. Obligations furnished as security must be held by KCDC or with an unaffiliated bank or trust company for the account of KCDC.

2. Deposit and Investment Risks: KCDC held the following deposit and investments at June 30, 2022:

Deposits

Unrestricted	\$ 9,861,086
Restricted other	30,928,197
Restricted for tenant security deposits	295,384
Restricted for payment of current liabilities	<u>62,128</u>
Total cash demand deposits	<u><u>\$ 41,146,795</u></u>

Knoxville's Community Development Corporation
Notes to Financial Statements (Continued)
Year Ended June 30, 2022

Note C - Deposits and Investments (Continued)

2. Deposit and Investment Risks (Continued):

Investments

Investment	Maturity	Value Principal Paid	Moody's	S & P	Callable
	Date	6/30/2022	Rating	Rating	
CD	10/22/2022	\$ 250,000	NR	NR	NO
CD	10/24/2022	250,000	NR	NR	NO
CD	10/31/2022	250,000	NR	NR	NO
CD	11/8/2022	250,000	NR	NR	NO
CD	12/27/2022	250,000	NR	NR	NO
US TREAS NTS	1/31/2023	494,010	AAA	NR	NO
US TREAS NTS	2/28/2023	646,210	NR	NR	NO
US TREAS NTS	3/15/2023	248,370	AAA	AAA	NO
US TREAS NTS	3/31/2023	245,890	AAA	NR	NO
US TREAS NTS	4/30/2023	245,490	AAA	NR	NO
CD	5/8/2023	250,000	NR	NR	NO
CD	6/30/2023	198,000	NR	NR	NO
CD	10/23/2023	250,000	NR	NR	NO
CD	11/29/2023	250,000	NR	NR	YES
CD	12/29/2023	250,000	NR	NR	NO
CD	12/29/2023	250,000	NR	NR	NO
CD	1/16/2024	250,000	NR	NR	NO
CD	4/9/2024	250,000	NR	NR	YES
US TREAS NTS	6/15/2024	498,442	AAA	NR	NO
CD	7/5/2024	250,000	NR	NR	YES
US TREAS NTS	8/15/2024	495,118	AAA	NR	NO
US TREAS NTS	9/15/2024	498,696	AAA	NR	NO
US TREAS NTS	10/15/2024	499,190	AAA	NR	NO
US TREAS NTS	11/15/2024	1,001,032	AAA	NR	NO
US TREAS NTS	12/15/2024	1,000,370	AAA	NR	NO
US TREAS NTS	1/15/2025	646,425	AAA	NR	NO
US TREAS NTS	2/15/2025	248,252	AAA	NR	NO
TOTAL		\$ 10,215,495			

Knoxville's Community Development Corporation
Notes to Financial Statements (Continued)
Year Ended June 30, 2022

Note C - Deposits and Investments (Continued)

2. Deposit and Investment Risks (Continued):

Mainstream voucher

Low income public housing

Restricted for payment of debt	\$ 673,735
Restricted for tenant security deposits	43,185

Housing choice voucher

Restricted for housing assistance payments equity & non-current liabilities	228,094
Restricted for payment of current liabilities	62,128

Mainstream voucher

Restricted for housing assistance payments equity	9,580
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Emergency Housing Voucher

Restricted for housing assistance payments equity & non-current liabilities	241,406
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Blended component unit

Restricted for modernization and development	10,248,949
Restricted for construction and repairs	1,026,753
Restricted for replacement reserve	2,192,054
Restricted for tenant security deposits	108,385

Section 8 special allocation

Restricted for replacement and rehabilitation reserve	4,910,291
Restricted for rehab escrow	10,921,384
Restricted for tenant security deposits	143,814

State/Local

Restricted for modernization and development	475,951
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Total restricted demand deposits **31,285,709**

Restricted investments

Housing choice voucher

Restricted for housing assistance payments equity	189,392
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Total restricted investments **189,392**

Total restricted demand deposits and investments **31,475,101**

Unrestricted cash **9,861,086**

Unrestricted investments **10,026,103**

Total unrestricted cash and investments **19,887,189**

Total restricted and unrestricted cash and investments **\$ 51,362,290**

The investments held in the various trust accounts for bond covenant purposes are invested in open-ended mutual funds which are not subject to custodial credit risk because they do not represent specific individual securities.

Knoxville's Community Development Corporation
Notes to Financial Statements (Continued)
Year Ended June 30, 2022

Note C - Deposits and Investments (Continued)

2. Deposit and Investment Risks (Continued):

Custodial Credit Risk

Exposure to custodial credit related to deposits exists when KCDC holds deposits that are uninsured and uncollateralized; collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in KCDC's name; or collateralized without a written or approved collateral agreement. Exposure to custodial credit risk related to investments exists when KCDC holds investment that are uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in KCDC's name.

KCDC's policy as it relates to custodial credit risk is to secure its uninsured deposits with collateral, valued at no more than market value, at least at a level of 100% of the uninsured deposits and accrued interest thereon. The investment policy also limits acceptable collateral to U.S. Treasury securities obligation of federal agencies, securities of government-sponsored agencies, and other instruments which may be approved by the U.S. Department of HUD. As required by Federal 12 U.S. C.A., Section 1823(e), all financial institutions pledging collateral to KCDC must have a written collateral agreement approved by the board of directors or loan committee.

The investments held in the various trust accounts for bond covenant purposes are invested in open-ended mutual funds which are not subject to custodial credit risk because they do not represent specific individual securities.

At June 30, 2022, KCDC was not exposed to custodial credit as defined above.

Investment Credit Risk

KCDC's investment policy limits unrestricted investments to those allowed by the U.S. Department of HUD. These investment limitations are described in Note A. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. KCDC has no formal policy limiting investments based on credit rating, but discloses any such credit risk associated with their investments by reporting the credit quality ratings of investments in debt securities as determined by nationally recognized statistical rating organizations - rating agencies - as of the year end. Unless there is information to the contrary, obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality.

As noted in the schedule of deposits and investment above, at June 30, 2022, the investments held by KCDC mature October 22, 2022 through February 15, 2025. KCDC may sell these investments at fair value at any time.

Concentration of Investment Credit Risk

Exposure to concentration of credit risk is considered to exist when investments in any one issuer represent a significant percent of total investments of KCDC. Investments issued or explicitly guaranteed by HUD-approved instruments are excluded from this consideration.

Knoxville's Community Development Corporation
Notes to Financial Statements (Continued)
Year Ended June 30, 2022

Note D - Accounts Receivable

Due from managed entities	\$ 685,310
Insurance recovery due	618,513
Tenant accounts receivable, net of allowance of \$492	198,742
Due from Five Points 4	184,403
Due from Passport Housing Corporation	124,131
Other	50,891
	<u>50,891</u>
	<u>\$ 1,861,990</u>

Note E - Due from Other Governments

HUD	\$ 3,049,575
Local governments	1,389,411
FEMA	29,507
	<u>29,507</u>
	<u>\$ 4,468,493</u>

Note F - Prepaid Items

Prepaid insurance	\$ 208,769
Prepaid contracts	13,341
Unbilled services	39,874
Other	15,750
	<u>15,750</u>
	<u>\$ 277,734</u>

Note G - Assets Held for Sale or Conveyance

In its capacity as a local redevelopment agency, KCDC contracts with other local governmental agencies for various types of redevelopment projects. These projects may range from relatively minor projects such as rehabilitation of family dwellings up to much larger commercial redevelopment endeavors.

In the course of this activity, KCDC often assumes ownership of selected properties during the rehabilitation period, only to transfer or sell these properties in accordance with the contract with the respective local governments. The noncurrent portion is \$1,354,433. The current portion is \$239,017.

Knoxville's Community Development Corporation
Notes to Financial Statements (Continued)
Year Ended June 30, 2022

Note H - Notes and Mortgages Receivable

Eastport Development, LP	\$ 5,036,924
Lonsdale, LP	6,640,841
North Ridge Crossing, LP	5,240,580
Vista at Summit Hill, LP	5,007,768
Five Points I, LP	538,736
Five Points II, LP	2,327,136
Five Points III, LP	1,407,879
Five Points IV, LP	2,602,749
Bell Street, LP	5,368,119
Bell Street 3, LP	6,324,910
Bell Street 3, LP	450,000
	<hr/>
	\$ 40,945,642
	<hr/>

Eastport Development Limited Partnership

KCDC entered into a mixed financing arrangement with Eastport Development, L.P. ("EDLP") for the addition of 60 public housing units as part of The Residences at Eastport II in the Five Points Community in Knoxville, Tennessee. The notes receivable consists of a loan for \$100,000 from KCDC's Capital Fund Program now held by Passport Development Corporation ("PDC"), a wholly owned subsidiary of KCDC; a loan for \$4,058,273 from KCDC's ARRA Grant, held by PDC; a loan for \$128,651 from Knoxville's Housing Development Corporation ("KHDC") funds, now held by KHDC; a loan for \$750,000 from PDC and held by PDC. The principal balance of all outstanding loans as of June 30, 2022 was \$5,036,924.

The Capital Funds and ARRA funds were provided through HUD as grants to KCDC. In cooperation with HUD, the Capital and ARRA Funds are being loaned to EDLP and are due 40 years after completion of the project. The capital improvements purchased with these funds are reflected on the financial statements of EDLP.

	<u>Interest accrual rate</u>	<u>Maturity date</u>
Capital Funds Loan	0% annually	October 1, 2051
ARRA Funds Loan	0% annually	October 1, 2051
KHDC Loan	0% annually	October 1, 2051
Passport Development Corporation Loan	0% annually	October 1, 2051

Lonsdale, LP

In accordance with the ground lease dated August 25, 2017, KCDC obtained a \$3,530,000 note payable from Lonsdale, LP ("Seller Loan"). The notes accrue interest at 2.82% per annum on the face amount. Payments of principal and interest are required annually on the anniversary of the funding date, as defined, in an amount sufficient to fully amortize the outstanding principal balance of the note payable, at a fixed rate, over a period of 40 years. The entire principal shall be due and payable in full on January 31, 2059. Notwithstanding the foregoing, the Partnership shall make payments of accrued interest and principal from time to time solely from net cash flow, as defined, and if there is insufficient net cash flow to make any payments, such amounts shall accrue and be paid from future net cash flow. The note is secured by the Property. As of June 30, 2022, the principal balance outstanding was \$3,380,948.

Knoxville's Community Development Corporation
Notes to Financial Statements (Continued)
Year Ended June 30, 2022

Note H - Notes and Mortgages Receivable (Continued)

Lonsdale, LP (Continued)

In accordance with the ground lease dated August 25, 2017, KCDC obtained a \$3,070,000 note payable from Lonsdale, LP ("KCDC Purchase Loan"). The notes accrue interest at 2.82% per annum on the face amount. Payments of principal and interest are required annually on the anniversary of the funding date, as defined, in an amount sufficient to fully amortize the outstanding principal balance of the notes payable, at a fixed rate, over a period of 40 years. The entire principal shall be due and payable in full on January 31, 2059. Notwithstanding the foregoing, the Partnership shall make payments of accrued interest and principal from time to time solely from net cash flow, as defined, and if there is insufficient net cash flow to make any payments, such amounts shall accrue and be paid from future net cash flow. The notes are secured by the Property. As of June 30, 2022, the principal balance outstanding was \$2,940,372.

KCDC obtained a \$319,521 note payable from Lonsdale, LP ("KCDC Reserves Loan") pursuant to the loan agreement, dated August 25, 2017. The note bore no interest through January 31, 2019. Beginning February 1, 2019, the note bears interest at 2.82% per annum. Payments of principal and interest are required annually on the anniversary of the funding date, as defined, in an amount sufficient to fully amortize the outstanding principal balance of the note payable, at a fixed rate, over a period of 40 years. The entire principal shall be due and payable in full on January 31, 2059. Notwithstanding the foregoing, the Partnership shall make payments of accrued interest and principal from time to time solely from net cash flow, as defined, and if there is insufficient net cash flow to make any payments, such amounts shall accrue and be paid from future net cash flow. The note is secured by the Property. As of June 30, 2022, the principal balance outstanding was \$319,521.

North Ridge Crossing, LP

In accordance with the ground lease dated August 25, 2017, KCDC obtained a \$6,500,000 note payable from North Ridge Crossing, LP ("Seller Loan"). The note accrues interest at 2.82% per annum on the face amount of the loan. Payments of principal and interest are required annually on the anniversary of the funding date, as defined, in an amount sufficient to fully amortize the outstanding principal balance of the notes payable, at a fixed rate, over a period of 40 years. The entire principal shall be due and payable in full on August 31, 2057. Notwithstanding the foregoing, the Partnership shall make payments of accrued interest and principal from time to time solely from net cash flow, as defined, and if there is insufficient net cash flow to make any payments, such amounts shall accrue and be paid from future net cash flow. The note is secured by the Property. As of June 30, 2022, the principal balance outstanding was \$3,183,530.

In accordance with the ground lease dated August 25, 2017, KCDC obtained a \$4,200,000 note payable from North Ridge Crossing, LP ("KCDC Purchase Loan"). The note accrues interest at 2.82% per annum on the face amount of the loan. Payments of principal and interest are required annually on the anniversary of the funding date, as defined, in an amount sufficient to fully amortize the outstanding principal balance of the notes payable, at a fixed rate, over a period of 40 years. The entire principal shall be due and payable in full on August 31, 2057. Notwithstanding the foregoing, the Partnership shall make payments of accrued interest and principal from time to time solely from net cash flow, as defined, and if there is insufficient net cash flow to make any payments, such amounts shall accrue and be paid from future net cash flow. The note is secured by the Property. As of June 30, 2022, the principal balance outstanding was \$2,057,050.

Knoxville's Community Development Corporation
Notes to Financial Statements (Continued)
Year Ended June 30, 2022

Note H - Notes and Mortgages Receivable (Continued)

Vista at Summit Hill, LP

In accordance with the ground lease dated August 25, 2017, KCDC obtained a \$2,310,000 note payable from Vista at Summit Hill, LP ("Seller Loan"). The note accrues interest at 2.82% per annum on the face amount of the loan. Payments of principal and interest are required annually on the anniversary of the funding date, as defined, in an amount sufficient to fully amortize the outstanding principal balance of the note payable, at a fixed rate, over a period of 40 years. The entire principal shall be due and payable in full on January 31, 2059. Notwithstanding the foregoing, the Partnership shall make payments of accrued interest and principal from time to time solely from net cash flow, as defined, and if there is insufficient net cash flow to make any payments, such amounts shall accrue and be paid from future net cash flow. The note is secured by the Property. As of June 30, 2022, the principal balance outstanding was \$2,128,789.

In accordance with the ground lease dated August 25, 2017, KCDC obtained a \$2,690,000 note payable from Vista at Summit Hill, LP ("KCDC Purchase Loan"). The note accrues interest at 2.82% per annum on the face amount of the loan. Payments of principal and interest are required annually on the anniversary of the funding date, as defined, in an amount sufficient to fully amortize the outstanding principal balance of the note payable, at a fixed rate, over a period of 40 years. The entire principal shall be due and payable in full on January 31, 2059. Notwithstanding the foregoing, the Partnership shall make payments of accrued interest and principal from time to time solely from net cash flow, as defined, and if there is insufficient net cash flow to make any payments, such amounts shall accrue and be paid from future net cash flow. The note is secured by the Property. As of June 30, 2022, the principal balance outstanding was \$2,478,979.

KCDC obtained a \$400,000 note payable from Vista at Summit Hill, LP ("KCDC Reserves Loan") pursuant to the loan agreement, dated August 25, 2017. The note bears no interest until January 31, 2019. Beginning February 1, 2019, the note bears interest at 2.82% per annum. Payments of principal and interest are required annually on the anniversary of the funding date, as defined, in an amount sufficient to fully amortize the outstanding principal balance of the note payable, at a fixed rate, over a period of 40 years. The entire principal shall be due and payable in full on January 31, 2059. Notwithstanding the foregoing, the Partnership shall make payments of accrued interest and principal from time to time solely from net cash flow, as defined, and if there is insufficient net cash flow to make any payments, such amounts shall accrue and be paid from future net cash flow. The note is secured by the Property. As of June 30, 2022, the principal balance outstanding was \$400,000.

Five Points 1, LP

KCDC obtained a \$734,640 promissory note from Five Points 1, LP. The loan, which is secured by the Property, bears interest at 8% per year, as defined in the promissory note. The entire principal balance and accrued interest is due on the maturity date of May 1, 2033. The loan shall be payable from available cash flow. As of June 30, 2022, the principal balance outstanding was \$538,736.

Five Points 2, LP

KCDC obtained a \$1,291,177 note payable from Five Points 2, LP pursuant to the loan agreement, dated May 23, 2017 ("KCDC RHF Loan"). The note bore no interest until September 30, 2018 and 7.75%, thereafter. Payments of principal and interest are required annually on the anniversary of the funding date, as defined, in an amount sufficient to fully amortize the outstanding principal balance of the note payable, at a fixed rate, over a period of 30 years. The entire principal shall be due and payable in full on October 31, 2048. Notwithstanding the foregoing, the Partnership shall make payments of accrued interest and principal from time to time solely from net cash flow, as defined, and if there is insufficient net cash flow to make any payments, such amounts shall accrue and be paid from future net cash flow. As of June 30, 2022, the principal balance outstanding was \$1,291,177.

Knoxville's Community Development Corporation
Notes to Financial Statements (Continued)
Year Ended June 30, 2022

Note H - Notes and Mortgages Receivable (Continued)

Five Points 2, LP (Continued)

KCDC obtained a \$1,660,763 note payable from Five Points 2, LP pursuant to the loan agreement, dated May 23, 2017 ("KCDC Reserves Loan"). The note bears no interest until February 1, 2019 and 7.75%, thereafter. Payments of principal and interest are required annually on the anniversary of the funding date, as defined, in an amount sufficient to fully amortize the outstanding principal balance of the note payable, at a fixed rate, over a period of 30 years. The entire principal shall be due and payable on January 31, 2049. As of June 30, 2022, the principal balance outstanding was \$1,035,959.

Five Points 3, LP

KCDC obtained a \$661,556 promissory note from Five Points 3, LP dated April 12, 2018. The principal balance of this Note, which is secured by the property, shall bear interest from the date of this Note until January 31, 2020 at the rate of 0% per annum. From and after February 1, 2020, the principal balance of this Note shall bear interest at a rate of 3.04% per annum. On the Maturity Date, January 31, 2050, the entire outstanding principal balance advanced under this Promissory Note, together with accrued but unpaid interest thereon, will be due and payable in full. Notwithstanding the foregoing, Five Points 3, LP shall make payments of accrued interest and principal from time to time solely from Cash Flow. As of June 30, 2022, the principal balance outstanding was \$124,825.

KCDC obtained a \$1,000,000 promissory note from Five Points 3, LP dated April 12, 2018. The principal balance of this Note, which is secured by the property, shall bear interest from the date of this Note until January 31, 2020 at the rate of 0% per annum. From and after February 1, 2020, the principal balance of this Note shall bear interest at a rate of 3.04% per annum. On the Maturity Date, January 31, 2050, the entire outstanding principal balance advanced under this Promissory Note, together with accrued but unpaid interest thereon, will be due and payable in full. Notwithstanding the foregoing, Five Points 3, LP shall make payments of accrued interest and principal from time to time solely from cash flow. As of June 30, 2022, the principal balance outstanding was \$1,000,000.

KCDC obtained a \$1,186,419 promissory note from Five Points 3, LP dated April 12, 2018. Proceeds are drawn incrementally in accordance with terms of the Promissory Note. The principal balance of this Note, which is secured by the property, shall bear interest from the funding date until the principal balance and all accrued interest is paid in full at the rate of 3.08% per annum. Five Points 3, LP shall make payments of accrued interest and principal from time to time solely from cash flow. As of June 30, 2022, the principal balance outstanding is equal to the amount of draws to date, totaling \$283,054.

Five Points 4, LP

KCDC obtained a \$1,911,592 promissory note from Five Points 4, LP dated May 14, 2019. The principal balance of this Note, which is secured by the property, shall bear interest from the date of this Note until September 1, 2020 at the rate of 0% per annum. From and after September 2, 2020, the principal balance of this Note shall bear interest at a rate of 7.50% per annum, compounding monthly. On the Maturity Date, September 1, 2050, the entire outstanding principal balance advanced under this Promissory Note, together with accrued but unpaid interest thereon, will be due and payable in full. Notwithstanding the foregoing, Five Points 4 LP shall make payments of accrued interest and principal from time to time solely from Cash Flow. As of June 30, 2022, the principal balance outstanding was \$2,602,749.

Knoxville's Community Development Corporation
Notes to Financial Statements (Continued)
Year Ended June 30, 2022

Note H - Notes and Mortgages Receivable (Continued)

Bell Street, LP

KCDC obtained a \$5,368,119 promissory note from Bell Street, LP, dated July 15, 2020. The principal balance of this note, which is secured by the property, shall bear interest at a fixed rate of 0% until December 31, 2021. From and after January 1, 2022, the principal balance of this note shall bear interest at the rate equal to the Applied Federal Rate as of the date of the note per annum. Equal installments of principal plus interest are due annually on the anniversary of the funding date over a period of thirty years with a maturity date of July 15, 2060. Notwithstanding the foregoing, Bell Street, LP shall make payments of accrued interest and principal from time to time solely from net cash flow. If there is insufficient net cash flow to make any payment under the note, such amounts shall accrue and be paid from future years net cash flow. On the maturity date, the entire outstanding principal balance advanced under this note, together with all accrued and unpaid interest will be due and payable in full. As of June 30, 2022, the principal balance outstanding was \$5,368,119.

Bell Street 3, LP

KCDC obtained a \$6,324,911 promissory note from Bell Street 3, LP, dated June 22, 2021. The principal balance of this note, which is secured by the property, shall bear interest at a fixed rate of 1%. Equal installments of principal plus interest are due annually on the anniversary of the funding date over a period of forty years with a maturity date of June 22, 2061. Notwithstanding the foregoing, Bell Street 3, LP shall make payments of accrued interest and principal from time to time solely from net cash flow. If there is insufficient net cash flow to make any payment under the note, such amounts shall accrue and be paid from future years net cash flow. On the maturity date, the entire outstanding principal balance advanced under this note, together with all accrued and unpaid interest will be due and payable in full. As of June 30, 2022, the principal balance outstanding was \$6,324,910.

Bell Street 3, LP

KCDC obtained a \$500,000 promissory note from Bell Street 3 LP, dated June 22, 2021. The principal balance of this note, which is secured by the property, shall bear interest at a fixed rate of 1%. Equal installments of principal plus interest are due annually on the anniversary of the funding date over a period of forty years with a maturity date of June 22, 2061. If there is insufficient net cash flow to make any payment under the note, such amounts shall accrue and be paid from future years net cash flow. On the maturity date, the entire outstanding principal balance advanced under this note, together with all accrued and unpaid interest will be due and payable in full. As of June 30, 2022, the principal balance outstanding was \$450,000.

Knoxville's Community Development Corporation
Notes to Financial Statements (Continued)
Year Ended June 30, 2022

Note I - Land, Buildings, and Equipment

	Balance 7/1/2021 (restated)	Additions	Disposals	Transfers	Balance 06/30/22
Nondepreciable					
Land	\$ 8,423,207	\$ -	\$ -	\$ 3,372,106	\$ 11,795,313
Infrastructure	3,834,275	-	-	4,850,604	8,684,879
Construction in progress	23,423,158	21,639,019	(3,277,619)	(20,904,520)	20,880,038
Total nondepreciable	35,680,640	21,639,019	(3,277,619)	(12,681,810)	41,360,230
Depreciable					
Buildings & improvements	159,266,065	439,581	-	12,681,810	172,387,456
Accumulated depreciation	(127,151,820)	(4,378,515)	-	-	(131,530,335)
Net buildings & improvements	32,114,245	(3,938,934)	-	12,681,810	40,857,121
Equipment	1,621,151	827,811	-	-	2,448,962
Accumulated depreciation	(1,111,348)	(124,010)	-	-	(1,235,358)
Net equipment	509,803	703,801	-	-	1,213,604
Net depreciable assets	32,624,048	(3,235,133)	-	12,681,810	42,070,725
Right-to-use					
Right-to-use subscription asset	1,760,950	-	-	-	1,760,950
Accumulated amortization	(117,397)	(352,190)	-	-	(469,587)
Net right-to-use assets	1,643,553	(352,190)	-	-	1,291,363
Total	<u>\$ 69,948,241</u>	<u>\$ 18,051,696</u>	<u>\$ (3,277,619)</u>	<u>\$ -</u>	<u>\$ 84,722,318</u>

Note J - Due to Other Governments

Payments in lieu of taxes (local governments)	\$ 96,539
Due to HUD	<u>16,106</u>
	<u>\$ 112,645</u>

Knoxville's Community Development Corporation
Notes to Financial Statements (Continued)
Year Ended June 30, 2022

Note K - Unearned Revenue

Section 8 emergency housing assistance payments	\$ 99,600
Cable provider marketing share revenue	37,625
Magnolia Warehouse Infrastructure Development	3,120,984
HCV administration fees	56,419
Local government redevelopment activities	55,853
Tenant prepaid rents	33,237
Resident association funds	21,765
Other	1,300
	<u>\$ 3,426,783</u>

Note L - Notes Payable

KCDC is indebted to various lenders as follows:

Reference	Interest expense	Current debt	Noncurrent debt	Total debt	Accrued interest
1	\$ 25,365	\$ 120,646	\$ 689,784	\$ 810,430	\$ 1,037
2	33,539	491,669	-	491,669	12,292
3	3,037	-	6,500,000	6,500,000	-
4	-	-	248,699	248,699	-
5	13,321	57,517	205,807	263,324	1,464
6	-	59,487	1,679,512	1,738,999	-
7	-	189,745	4,110,255	4,300,000	-
8	-	125,761	2,724,239	2,850,000	-
9	440,855	168,383	10,432,292	10,600,675	36,219
10	-	60,000	1,080,000	1,140,000	-
11	281,713	229,599	11,454,377	11,683,976	23,271
12	-	40,994	4,238,957	4,279,951	-
13	-	-	450,000	450,000	-
	<u>\$ 797,830</u>	<u>\$ 1,543,801</u>	<u>\$ 43,813,922</u>	<u>\$ 45,357,723</u>	<u>\$ 74,283</u>

All of the following notes payable are secured directly by real property which was financed.

1. **Truist:** On April 15, 2004, KCDC issued a promissory note to SunTrust Bank (now Truist) in the amount of \$2,470,155. The proceeds were utilized to reimburse KCDC for construction of a Head Start building to provide preschool education for qualified low-income eligible children. The note was paid in full in May 2015 and again refinanced through SunTrust Bank (now Truist) in the amount of \$1,567,500 bearing interest at 2.88% annum. On March 10, 2020 the note was amended and restated under the same terms as the prior note, except that the end date was extended to exclude a balloon payment. The note is to be paid in monthly increments of \$11,869 through October 2028. The outstanding balance as of June 30, 2022 is \$810,430.

Knoxville's Community Development Corporation
Notes to Financial Statements (Continued)
Year Ended June 30, 2022

Note L - Notes Payable (Continued)

2. **Capital One:** On December 18, 2015, KCDC entered into a loan agreement with Capital One Public Funding, LLC to for payment of the remaining debt from Public Housing Capital Fund obligations. The note, with a face amount of \$10,131,395, bears interest at 3.10% annum for an 8.5-year term. Payments have been accelerated in order to pay off individual property shares of the note as these properties transition from low-rent public housing to multi-family housing through the Rental Assistance Demonstration Project ("RAD"). The outstanding balance as of June 30, 2022 is \$491,669. All amounts due are classified as current as KCDC intends to repay this note in fiscal year 2023.
3. **Pinnacle Bank:** On March 31, 2022, KCDC entered into a Construction and Term Loan Agreement with Pinnacle Bank for mortgage financing of a Head Start facility. The face amount of the loan agreement is \$6,500,000 and interest shall be calculated at the prime rate less 4%, (but not less than 0% and not higher than 3.25%) as detailed in the loan documents. The outstanding balance as of June 30, 2022 is \$6,500,000. This loan is classified as noncurrent as it will be converted to permanent financing in 2024.
4. **HUD Forgivable Loan:** On March 31, 2008, KCDC purchased Valley Oaks Apartments, a Section 8 project-based property from Knox Housing Partnership in the amount of \$63,977. As a condition of the sale, KCDC assumed a forgivable note as detailed below:

On August 29, 1994, Knox Housing Partnership purchased Valley Oaks Apartments from HUD for a cost of \$1. In exchange for this bargain purchase price, the Partnership agreed to maintain the property as rental or cooperative housing for a period of thirty years. Because of stipulations in the purchase contract, the project recorded the apartment buildings and land at their fair market value of \$497,400 less the cost of \$1 actually paid. As the HUD requirements are met for the purchase of this property at the bargain price, the Forgivable HUD Advance in the amount of \$497,399 will be reduced and a HUD contribution recognized as follows:

25% of the \$497,399 or \$124,350 on August 30, 2004
25% of the \$497,399 or \$124,350 on August 30, 2014
50% of the \$497,399 or \$248,699 on August 30, 2024

The outstanding balance as of June 30, 2022 is \$248,699.

5. **First Horizon:** On June 30, 2001, Passport Homes LP entered into a loan for mortgage financing with First Tennessee Bank (now First Horizon Bank) for the University Avenue Affordable Housing Project, "Passport Homes" in the Mechanicsville Community. The original amount of the loan was \$1,000,000 bearing interest at 4.55% per annum with a maturity date of December 1, 2015. Pursuant to the dissolution of Passport Homes LP, KCDC assumed this note in accordance with a Modification and Assumption Agreement dated January 31, 2017. All terms of the loan remain intact. The outstanding balance as of June 30, 2022 is \$263,324.
6. **Home Federal:** On December 27, 2018, KCDC entered into a Construction and Term Loan Agreement with Home Federal Bank of Tennessee for mortgage financing of a 53-unit senior housing complex. The face amount of the loan agreement is \$4,900,000. The note is to be amortized over 25 years, commencing on the first day of the term period. Interest only shall be due through October 31, 2019. Thereafter, monthly principal and interest payments are required. Interest shall be calculated at the adjusted interest rate (WSJ Prime less 4%, but not less than 0% and not higher than 9%) as detailed in the loan documents. The outstanding balance as of June 30, 2022 is \$1,738,999.

Knoxville's Community Development Corporation
Notes to Financial Statements (Continued)
Year Ended June 30, 2022

Note L - Notes Payable (Continued)

7. **Home Federal:** On October 1, 2020, KCDC entered into a Construction and Term Loan Agreement with Home Federal Bank of Tennessee for mortgage financing of a 249-unit senior housing complex. The face amount of the loan agreement is \$4,300,000 and is to be amortized over 16 years, commencing on the first day of the term period. Interest shall be calculated at the prime rate, (but not less than 0% and not higher than 2.95%) as detailed in the loan documents. The outstanding balance as of June 30, 2022 is \$4,300,000.
8. **Home Federal:** On October 1, 2020, KCDC entered into a Construction and Term Loan Agreement with Home Federal Bank of Tennessee for mortgage financing of a 236-unit senior housing complex. The face amount of the loan agreement is \$2,850,000 and is to be amortized over 16 years, commencing on the first day of the term period. Interest shall be calculated at the adjusted interest rate (Prime less 4%, but not less than 0% and not higher than 2.95%) as detailed in the loan documents. The outstanding balance as of June 30, 2022 is \$2,850,000.
9. **Walker & Dunlop, LLC:** On November 1, 2018, Montgomery Village Corporation (an instrumentality of KCDC) issued a note payable to Walker & Dunlop, LLC in the amount of \$11,128,000 for the purchase and rehabilitation of a 384 unit affordable housing complex under HUD's RAD program. Interest only payments were required through December 1, 2018. Beginning January 1, 2019, monthly payments of \$51,976.98, consisting of 4.4% interest per annum and remaining amounts against principal, shall be made. Any remaining principal and interest shall be due and payable on December 1, 2053. The outstanding balance as of June 30, 2022 is \$10,600,675.
10. **City of Knoxville:** On December 26, 2018, KCDC entered into a deferred payment loan with the City of Knoxville in the amount of \$1,200,000 for the development of 53 units of affordable housing on Clifton Road and Chillicothe Street in Knoxville. This loan will be forgiven over a twenty-year period beginning in fiscal year 2022 (\$60,000 per year) provided that KCDC complies with all terms of the agreement. The outstanding balance as of June 30, 2022 is \$1,140,000.
11. **Walker & Dunlop, LLC:** On December 1, 2020, Cagle Terrace Corporation issued a note payable to Walker & Dunlop, LLC in the amount of \$12,000,000 for the rehabilitation of a 212 unit rental assisted affordable housing complex under HUD's RAD program. The note is payable in monthly installments of \$42,195, which include principal and interest of 2.39% per annum. The outstanding balance as of June 30, 2022 is \$11,683,976.
12. **Home Federal:** On September 2, 2021, KCDC entered into a Construction and Term Loan Agreement with Home Federal Bank of Tennessee for mortgage financing of a 249-unit senior housing complex. The face amount of the loan agreement is \$6,200,000 and \$4,279,951 has been drawn as of June 30, 2022. Interest shall be calculated at the prime rate, (but not less than 4% and not higher than 2.80%) as detailed in the loan documents. The outstanding balance as of June 30, 2022 is \$4,279,951.
13. **Tennessee Housing Trust:** On December 1, 2021, KCDC entered into a deferred payment loan with Tennessee Housing Development Agency in the amount of \$450,000. This loan is forgiven over a five-year period upon the availability of occupancy of Bell Street provided that KCDC complies with all terms of the agreement. The outstanding balance as of June 30, 2022 was \$450,000.

Knoxville's Community Development Corporation
Notes to Financial Statements (Continued)
Year Ended June 30, 2022

Note L - Notes Payable (Continued)

Debt amortization is as follows:

	Truist	Capital One	Pinnacle	HUD	First Horizon	Home Federal	Tennessee Housing Trust
2023	\$ 120,646	\$ 491,669	\$ -	\$ -	\$ 57,517	\$ 59,487	\$ -
2024	122,132	-	6,500,000	-	60,227	74,000	100,000
2025	126,802	-	-	248,699	63,053	74,000	100,000
2026	130,555	-	-	-	66,036	74,000	100,000
2027	134,419	-	-	-	16,491	74,000	100,000
2028-2032	175,876	-	-	-	-	370,000	50,000
2033-2037	-	-	-	-	-	1,013,512	-
2038-2042	-	-	-	-	-	-	-
	<u>\$ 810,430</u>	<u>\$ 491,669</u>	<u>\$ 6,500,000</u>	<u>\$ 248,699</u>	<u>\$ 263,324</u>	<u>\$ 1,738,999</u>	<u>\$ 450,000</u>
	Home Federal	Home Federal	Walker Dunlop	City of Knoxville	Walker Dunlop	Home Federal	Total
2023	\$ 189,745	\$ 125,761	\$ 168,383	\$ 60,000	\$ 229,599	\$ 40,994	\$ 1,543,801
2024	284,854	188,799	175,418	60,000	235,147	165,519	7,966,096
2025	285,139	188,988	182,747	60,000	240,829	168,019	1,738,276
2026	285,425	189,177	190,382	60,000	246,649	170,557	1,512,781
2027	285,711	189,366	198,336	60,000	252,609	173,133	1,484,065
2028-2032	1,343,750	949,676	1,123,121	300,000	1,357,606	905,687	6,575,716
2033-2037	1,343,750	954,436	1,378,178	300,000	1,529,749	2,656,042	9,175,667
2038-2042	281,626	63,797	1,691,157	240,000	1,723,720	-	4,000,300
2043-2047	-	-	2,075,212	-	1,942,287	-	4,017,499
2048-2052	-	-	2,546,485	-	2,188,568	-	4,735,053
2053-2057	-	-	871,256	-	1,737,213	-	2,608,469
	<u>\$ 4,300,000</u>	<u>\$ 2,850,000</u>	<u>\$ 10,600,675</u>	<u>\$ 1,140,000</u>	<u>\$ 11,683,976</u>	<u>\$ 4,279,951</u>	<u>\$ 45,357,723</u>

Knoxville's Community Development Corporation
Notes to Financial Statements (Continued)
Year Ended June 30, 2022

Note L - Notes Payable (Continued)

Tax Increment Financing: The Housing Authority as the Redevelopment agency for the City of Knoxville has entered into tax increment financing agreements between various developers and various financial institutions to help developers secure financing within the redevelopment area. The debt is non-recourse debt to KCDC. These agreements are designed to give developers an incentive to redevelop vacant downtown property. The tax increment financing agreement is between KCDC, the developer, and the financial institution. The property tax payments as well as the equity in the property are used as collateral as well as the developer's personal guarantee on the loan. The following table reflects tax increment financing agreements in existence as of June 30, 2022 which have been issued by KCDC:

TIF Project	Redevelopment Plan Area	Location	TIF Note Approval Date	TIF Amount	June 30 2022 Balance
1 Commerce Bldg	Jackson/Depot	122-126 Gay Street	1/20/2006	\$ 735,000	\$ 159,155
2 Holston Bldg	Gay Street	123 S. Gay Street	9/30/2010	1,600,000	4,774
3 City View	Old Knoxville Glove Factory	445 W. Blount Ave	9/21/2006	2,800,000	488,869
4 Mast General	Gay Street	402 Gay Street	8/3/2007	1,441,802	525,368
5 N Central Village	Downtown North/I 275	912 N. Central Ave	6/26/2007	200,000	41,284
6 Brownlow School	Brownlow School	1305 Luttrell Street	9/12/2008	542,284	69,331
7 JFG Bldg	Jackson/Depot	200-202 W. Jackson Ave	4/14/2008	810,000	99,341
8 SE Glass Bldg	Jackson/Depot	100 N. Broadw ay	5/27/2009	460,123	114,592
9 500 Block	Gay Street	516-524 Gay St	9/12/2008	812,500	127,890
10 5th Ave	Downtown North/ 275	605,607 King Street	11/13/2009	356,000	90,642
11 Daylight Bldg	Central Business District	501 Union Ave	10/1/2009	959,000	352,482
12 Landings Ph1	Northside Waterfront	710 East Hill Ave	2/17/2010	1,500,000	760,110
13 Harold's Bldg	Jackson/Depot	131 S. Gay Street	4/15/2010	129,000	30,139
14 Arnstein Bldg	Historic Market Square	501 Market Street	12/20/2011	1,145,000	337,307
15 University Commons	University Commons	Kingston Pike	12/21/2012	10,000,000	7,441,508
16 Landings Ph2	Northside Waterfront	930 Riverside Forest Way	12/31/2012	715,000	461,446
17 JC Penney Bldg	Gay Street	412, 414 and 416 S. Gay	11/14/2013	1,150,000	658,972
18 Magnolia Urban Village	Jackson/Depot	110 Magnolia Ave 319 N.	8/4/2014	225,000	117,985
19 Next Step Development	Magnolia Avenue Warehouse	120 and 122 S. Central	12/1/2015	539,000	388,981
20 MEWS2	Central Business District	202 Magnolia Ave; 317	6/23/2016	350,000	292,805
21 Tombras	Gay Street	620 and 626 S Gay Street	6/30/2016	1,650,000	1,363,202
22 Riverwalk	South Waterfront	East Blount Avenue	12/29/2016	22,000,000	12,627,949
23 Regas Bldg	Jackson/Depot	333 West Depot Ave	1/27/2017	4,950,000	4,168,421

Knoxville's Community Development Corporation
Notes to Financial Statements (Continued)
Year Ended June 30, 2022

Note M - Other Liabilities

	Current	Long-term
FSS participant escrows	\$ 49,795	\$ 58,732
Contract retainage	97,257	-
Tenant refunds	3,583	-
Escheat property	1,750	-
	<u>\$ 152,385</u>	<u>\$ 58,732</u>

Note N - Accrued Liabilities Other

Utilities	\$ 349,905
Purchase card	<u>55,658</u>
	<u>\$ 405,563</u>

Note O - Schedule of Changes in Noncurrent Liabilities

	Balance at 06/30/21	Additions	Payments	Balance at 06/30/22
Notes payable	\$ 33,638,301	\$ 20,716,631	\$ (10,541,010)	\$ 43,813,922
Compensated absences	2,099,211	513,850	(725,423)	1,887,638
Other long term liabilities	<u>59,149</u>	<u>-</u>	<u>(417)</u>	<u>58,732</u>
	<u>\$ 35,796,661</u>	<u>\$ 21,230,481</u>	<u>\$ (11,266,850)</u>	<u>\$ 45,760,292</u>

Note P - Annual Contributions by Federal Agencies

Low Rent Public Housing (ACC A-2571) - Pursuant to the Annual Contributions Contract, HUD contributes an operating subsidy for low-rent public housing. The operating subsidy contributions for the year ended June 30, 2022 were \$3,561,704. HUD also contributed additional funds through the Capital fund for modernization and operations in the amount of \$4,005,759.

Section 8 Rental Assistance - Section 8 programs provide 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, and the amount of rent contribution by a participating family and related administrative expense. KCDC is also eligible to receive reimbursement for preliminary expenses prior to lease up.

Knoxville's Community Development Corporation
Notes to Financial Statements (Continued)
Year Ended June 30, 2022

Note P - Annual Contributions by Federal Agencies (Continued)

HUD Section 8 contributions for the year ended June 30, 2022 were as follows:

Housing choice vouchers cluster	\$ 27,711,346
Section 8 project-based special allocations (multi-family)	9,305,273
Other section 8 programs	<u>60,053</u>
	<u>\$ 37,076,672</u>

Other Federal Revenue - Other federal revenues for the year ended June 30, 2022 are reported on the Schedule of expenditures of Federal Awards schedule contained in this report.

Note Q - Defined Contribution Plan

KCDC provides retirement benefits for all its full-time employees through a defined contribution plan entitled Housing Authority Retirement Trust ("HART"). The plan is administered by ADP. In this plan benefits depend solely on amounts contributed to the plan plus investment earnings. The HART Trustees are authorized to establish and amend plan benefits. Employees are eligible to participate six months after the date of employment. KCDC contributes approximately 12.8% of the employee's base salary each month for employees hired prior to November 1, 2006. For employees hired after October 31, 2006 the employer contribution is 8.8%, while the employee has no required contribution. KCDC's contributions for each employee (and interest allocated to the employee's account) are fully vested after 5 years of continuous service. KCDC contributions for, and interest forfeited by, employees who leave employment before vesting are used to reduce KCDC's current period contribution requirement.

KCDC's total payroll in fiscal year 2022 was \$7,983,983. Payroll covered by the pension plan was \$6,807,167. KCDC made the required contributions amounting to \$751,914, and employees made elective contributions of \$26,784.

Note R - Post-employment Health Plan Benefits

KCDC provides for the accumulation of tax-free monies to be used for health-related costs in a benefit plan known as the "Post Employment Health Plan" ("PEHP") administered by Nationwide. The Plan is an agent multiple employer defined benefit other post-employment benefit ("OPEB") plan.

KCDC contributes a fixed amount of \$20 per month to each participating employee's universal PEHP account. All regular, full-time employees are enrolled in the plan on the first day of the month following completion of three years of service. Benefits and options are outlined in literature made public by Nationwide or may be accessed on-line at www.nrsforu.com. Contributions to the PEHP are determined by the Board of Commissioners of KCDC. PEHP benefits available to KCDC employees are established and amended by the PEHP trustees.

KCDC funds the PEHP program in a fixed amount per month per participant and has met all financial obligations of the PEHP. Additionally, KCDC has accrued a liability for PEHP which relate to sick leave conversions which may become available in the future. The employees do not contribute to this plan.

Knoxville's Community Development Corporation
Notes to Financial Statements (Continued)
Year Ended June 30, 2022

Note S - Economic Dependency

KCDC receives approximately 65% of its revenue from HUD. If the amount of revenues received from HUD falls below critical levels, KCDC's reserves could be adversely affected.

Note T - Contingencies

KCDC is subject to possible examinations made by Federal and State authorities who determine compliance with terms, conditions, laws and regulations governing other grants given to KCDC in the current and prior years. Three of KCDC's multi-family housing projects received management and occupancy reviews by HUD. Corrective actions have been undertaken for issues raised by these reviews. Under the terms of Guaranty Agreements with its discretely presented component unit limited partnerships, KCDC is guarantor for liabilities arising from nonperformance by the general partners regarding development, unfunded debt obligations and liquidity. These Agreements require KCDC to maintain minimum liquidity amounts ranging from \$250,000 to \$1,500,000.

KCDC is a defendant in various lawsuits and has retained outside counsel to vigorously defend such litigation. The outcome of these cases is currently indeterminable and, therefore, management believes that it is unlikely that resolution of these matters will have a material adverse effect on the financial condition of KCDC.

Note U - Conduit Type Debt

Debt related to the original acquisition and early modernization of the public housing developments is funded, guaranteed and serviced by HUD. There is no debt or pledge of faith and credit on part of KCDC. Accordingly, this debt has not been recorded in the basic financial statements of KCDC. Additionally, HUD no longer provides debt service information to KCDC.

Note V - Commitments

KCDC is engaged in modernization programs funded by HUD and other sources. In this regard, KCDC has entered into construction-type contracts with approximately \$15,613,980 remaining until completion.

Note W - Leasing Activities to Tenants

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

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

Note X - Interprogram Transfers

KCDC will make cash transfers to and between its various programs as outlined in the Federal Regulations and authorized and approved by KCDC's Board of Commissioners. All these programs are part of the Enterprise Fund, therefore there are no interfund transfers.

Knoxville's Community Development Corporation
Notes to Financial Statements (Continued)
Year Ended June 30, 2022

Note Y - Lease Receivable

In 2005, KCDC began leasing certain property to a third party. The initial lease term is for a period of 25 years, with payments due monthly to KCDC in the amount of \$13,577; the assumed interest rate is 3%. At the end of this 25-year period the lessee may continue to lease the building under the same terms, except the payment is adjusted to \$1,000 per year. This additional period has not been included in the measurement of the lease because KCDC is not reasonably certain that the extension will be executed.

During the year ended June 30, 2022, KCDC recognized \$127,727 in lease revenue and \$35,200 in related interest revenue related to this lease. As of June 30, 2022, the KCDC's lease receivable and related deferred inflow balance were both \$1,103,826. No variable payments were received.

Future minimum lease payments are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 131,611	\$ 31,315	\$ 162,926
2024	135,612	27,314	162,926
2025	139,739	23,187	162,926
2026	143,990	18,936	162,926
2027	148,369	14,557	162,926
2028-2030	<u>404,505</u>	<u>16,383</u>	<u>420,888</u>
	<u>\$ 1,103,826</u>	<u>\$ 131,692</u>	<u>\$ 1,235,518</u>

Note Z - Subscription Liability

During the year ended June 30, 2021, KCDC entered into an agreement with a vendor to allow KCDC to use their cloud-based accounting, compliance, and agency management technology solution. This agreement meets the definition of a subscription-based information technology arrangement ("SBITA") under GASB Statement No. 96, which was adopted in the current period as described in Note AA and Note CC and required a restatement of beginning balances. The agreement is for a term of 5 years beginning March 2021, with payments made on a yearly basis after implementation. The agreement has an assumed interest rate of 3.0%. As of June 30, 2022, the value of the subscription asset was \$1,291,363 and had related accumulated amortization of \$469,587.

The future principal and interest payments required under the SBITA are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 315,984	\$ 31,195	\$ 347,179
2024	347,907	21,715	369,622
2025	<u>375,937</u>	<u>11,278</u>	<u>387,215</u>
	<u>\$ 1,039,828</u>	<u>\$ 64,188</u>	<u>\$ 1,104,016</u>

Knoxville's Community Development Corporation
Notes to Financial Statements (Continued)
Year Ended June 30, 2022

Note AA - Prior Period Adjustment

During the year ended June 30, 2022, a prior period adjustment was recorded to reflect the implementation of *GASB Statement No. 96, - Subscription-Based Information Technology Arrangements*. In addition, during fiscal year 2021, KCDC made contributions to Bell Street LP totaling \$3,600,000 that were expensed during the period. In fiscal year 2022, additional information was provided that indicated this transaction should have been appropriately recorded as an investment in partnership. Amounts were restated as noted below:

	As originally stated	Prior period adjustment	As restated
Capital assets, net	\$ 68,594,374	\$ 1,353,867	\$ 69,948,241
Subscription liability	-	(1,488,874)	(1,488,874)
Other noncurrent assets	10,572	3,600,000	3,610,572
	<u>\$ 68,604,946</u>	<u>\$ 3,464,993</u>	<u>\$ 72,069,939</u>

Note BB - Subsequent Events

Events that occur after the balance sheet date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the balance sheet date require disclosure in the accompanying notes. Management evaluated the activity of KCDC through the Date of the Independent Auditors Report and concluded that no subsequent events have occurred that would require recognition in the Financial Statements or disclosure in the Notes to the Financial Statements.

Note CC - Recent Accounting Pronouncements

In June 2017, the GASB issued Statement No. 87, *Leases*. The provisions of this Statement are effective for fiscal years beginning after June 15, 2021. This Statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. KCDC implemented this standard in fiscal year 2022 by recording a lease receivable and a deferred inflow of resources of equal amounts; therefore, there was no impact on beginning net position.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for governments. This Statement defines a SBITA, establishes that a SBITA results in a right-to-use subscription intangible asset and a corresponding subscription liability, provides the capitalization criteria for outlays other than subscription payments and requires note disclosures regarding a SBITA. The standards for SBITAs are based on the standards established in Statement No. 87 - *Leases*. This standard is effective for fiscal years beginning after June 15, 2022. KCDC early adopted this statement during fiscal year 2022 by recording a subscription liability in the amount of \$1,488,874 and a related right-of-use subscription asset in the amount of \$1,353,867 for a net impact on net position of (\$135,007) as discussed in Note AA.

Knoxville's Community Development Corporation
Notes to Financial Statements (Continued)
Year Ended June 30, 2022

Note CC - Recent Accounting Pronouncements (Continued)

In June 2022, the GASB issued Statement No. 100 - *Accounting Changes and Error Corrections - An Amendment of GASB Statement No. 62*. This standard defines accounting changes and error corrections and prescribes the related accounting and financial reporting. Additionally, the standard addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information. This standard is effective for fiscal years beginning after June 15, 2023. KCDC early adopted this standard in fiscal year 2022 with no impact on net position.

In June 2022, the GASB issued Statement No. 101 - *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. This statement also provides guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. This standard is effective for fiscal years beginning after December 15, 2023. KCDC is evaluating the impact adoption will have on its net position and has not yet quantified any resulting impact.

Knoxville's Community Development Corporation
Notes to Financial Statements (Continued)
Year Ended June 30, 2022

Note DD - Blended Component Units

	Primary Government Excluding Blended Component Unit	Knoxville Housing Development Corporation	Passport Development Corporation	Five Points Corporation	Five Points 2 Corporation	Five Points 3 Corporation	Five Points 4 Corporation	Townview Towers	Young High GP Corp
Assets									
Current assets	\$ 28,664,171	\$ 19,408,099	\$ 9	\$ 3,630	\$ 4,375	\$ 3,946	\$ 5,387	\$ -	\$ 907
Capital assets, net	53,780,793	14,897,583	-	-	-	-	-	-	-
Noncurrent assets	<u>1,354,432</u>	<u>13,043,401</u>	<u>4,921,128</u>	<u>561,799</u>	<u>3,060,627</u>	<u>1,477,520</u>	<u>2,907,648</u>	<u>-</u>	<u>(1,660)</u>
Total assets	83,799,396	47,349,083	4,921,137	565,429	3,065,002	1,481,466	2,913,035	-	(753)
Deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 83,799,396</u>	<u>\$ 47,349,083</u>	<u>\$ 4,921,137</u>	<u>\$ 565,429</u>	<u>\$ 3,065,002</u>	<u>\$ 1,481,466</u>	<u>\$ 2,913,035</u>	<u>\$ -</u>	<u>\$ (753)</u>
Liabilities									
Current liabilities	\$ 5,644,284	\$ 3,935,268	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Noncurrent liabilities	<u>16,405,331</u>	<u>7,908,688</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	22,049,615	11,843,956	-	-	-	-	-	-	-
Deferred inflows of resources	<u>-</u>	<u>1,103,826</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>\$ 22,049,615</u>	<u>\$ 12,947,782</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net position									
Net investment in capital assets	\$ 50,251,326	\$ 6,691,633	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted by program requirements	6,154,648	3,355,475	-	-	-	-	-	-	-
Unrestricted net position (deficit)	<u>5,343,807</u>	<u>24,354,193</u>	<u>4,921,137</u>	<u>565,429</u>	<u>3,065,002</u>	<u>1,481,466</u>	<u>2,913,035</u>	<u>-</u>	<u>(753)</u>
Total net position	<u>\$ 61,749,781</u>	<u>\$ 34,401,301</u>	<u>\$ 4,921,137</u>	<u>\$ 565,429</u>	<u>\$ 3,065,002</u>	<u>\$ 1,481,466</u>	<u>\$ 2,913,035</u>	<u>\$ -</u>	<u>\$ (753)</u>

Knoxville's Community Development Corporation
Notes to Financial Statements (Continued)
Year Ended June 30, 2022

Note DD - Blended Component Units (Continued)

	Hollywood GP Corp	Moss Grove GP Corp	Passport Homes Corporation	Western Corporation	Family Investment Foundation	Bell Street Corp	Cagle Corporation	Montgomery Village Corporation	Combined Blended Component Unit and Primary Government
Assets									
Current assets	\$ -	\$ 811	\$ 666,073	\$ (694,711)	\$ 20,312	\$ (1,497,735)	\$ 9,154,305	\$ 2,622,899	\$ 58,362,478
Capital assets, net	-	-	-	787,866	-	1,700,171	4,339,950	9,215,955	84,722,318
Noncurrent assets	-	(811)	18,663,329	-	-	4,054,855	-	-	50,042,268
Total assets	-	-	19,329,402	93,155	20,312	4,257,291	13,494,255	11,838,854	193,127,064
Deferred outflows of resources	-	-	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,329,402</u>	<u>\$ 93,155</u>	<u>\$ 20,312</u>	<u>\$ 4,257,291</u>	<u>\$ 13,494,255</u>	<u>\$ 11,838,854</u>	<u>\$ 193,127,064</u>
Liabilities									
Current liabilities	\$ -	\$ -	\$ -	\$ 93,412	\$ -	\$ 189,643	\$ 673,332	\$ 450,049	\$ 10,985,988
Noncurrent liabilities	-	-	-	-	-	450,000	11,509,806	10,526,295	46,800,120
Total liabilities	-	-	-	93,412	-	639,643	12,183,138	10,976,344	57,786,108
Deferred inflows of resources	-	-	-	-	-	-	-	-	1,103,826
Total liabilities and deferred inflows of resources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 93,412</u>	<u>\$ -</u>	<u>\$ 639,643</u>	<u>\$ 12,183,138</u>	<u>\$ 10,976,344</u>	<u>\$ 58,889,934</u>
Net position									
Net investment in capital assets	\$ -	\$ -	\$ -	\$ 787,866	\$ -	\$ 1,250,171	\$ 507,307	\$ (1,305,870)	\$ 58,182,433
Restricted by program requirements	-	-	-	-	-	-	877,712	1,277,633	11,665,468
Unrestricted net position (deficit)	-	-	19,329,402	(788,123)	20,312	2,367,477	(73,902)	890,747	64,389,229
Total net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,329,402</u>	<u>\$ (257)</u>	<u>\$ 20,312</u>	<u>\$ 3,617,648</u>	<u>\$ 1,311,117</u>	<u>\$ 862,510</u>	<u>\$ 134,237,130</u>

Knoxville's Community Development Corporation
Notes to Financial Statements (Continued)
Year Ended June 30, 2022

Note DD - Blended Component Units (Continued)

	Government Excluding Blended Component Unit	Knoxville Housing Development Corporation	Passport Development Corporation	Five Points Corporation	Five Points 2 Corporation	Five Points 3 Corporation	Five Points 4 Corporation	Townview Towers	Young High GP Corp
Operating revenues									
Operating revenues	\$ 49,992,273	\$ 646,970	\$ -	\$ 46,691	\$ 242,462	\$ 44,283	\$ 659,621	\$ -	\$ 261,457
Operating expenses	<u>45,186,361</u>	<u>1,249,196</u>	<u>202</u>	<u>64</u>	<u>84</u>	<u>68</u>	<u>1,107</u>	<u>-</u>	<u>244</u>
Operating income (loss)	4,805,912	(602,226)	(202)	46,627	242,378	44,215	658,514	-	261,213
Non-operating revenues (expenses)	(2,970,284)	456,912	1	-	-	-	-	-	-
Capital contributions	517,257	-	-	-	-	-	-	-	-
Transfers from (to)	(2,858,777)	9,065,584	-	(98,000)	(11,000)	-	(445,168)	-	(260,400)
Special items	<u>3,081,265</u>	<u>(3,081,265)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	<u>2,575,373</u>	<u>5,839,005</u>	<u>(201)</u>	<u>(51,373)</u>	<u>231,378</u>	<u>44,215</u>	<u>213,346</u>	<u>-</u>	<u>813</u>
Net position, beginning of year	59,309,415	28,562,296	4,921,338	616,802	2,833,624	1,437,251	2,699,689	-	(1,566)
Prior period adjustment	<u>(135,007)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net position, end of year	<u>\$ 61,749,781</u>	<u>\$ 34,401,301</u>	<u>\$ 4,921,137</u>	<u>\$ 565,429</u>	<u>\$ 3,065,002</u>	<u>\$ 1,481,466</u>	<u>\$ 2,913,035</u>	<u>\$ -</u>	<u>\$ (753)</u>

Knoxville's Community Development Corporation
Notes to Financial Statements (Continued)
Year Ended June 30, 2022

Note DD - Blended Component Units (Continued)

	Hollywood GP Corp	Moss Grove GP Corp	Passport Homes Corporation	Western Corporation	Family Investment Foundation	Bell Street Corp	Cagle Corporation	Montgomery Village Corporation	Blended Component Unit and Primary Government
Operating revenues									
Operating revenues	\$ -	\$ -	\$ 511,220	\$ -	\$ 3,487	\$ 4,899	\$ 2,249,584	\$ 2,638,900	\$ 57,301,847
Operating expenses	<u>20</u>	<u>803</u>	<u>129,477</u>	<u>257</u>	<u>2,585</u>	<u>466,298</u>	<u>1,343,520</u>	<u>4,031,542</u>	<u>52,411,828</u>
Operating income (loss)	(20)	(803)	381,743	(257)	902	(461,399)	906,064	(1,392,642)	4,890,019
Non-operating revenues (expenses)	-	-	-	-	-	-	(262,233)	(6,848)	(2,782,452)
Capital contributions	-	-	-	-	-	-	-	-	517,257
Transfers from (to)	251	858	(1,767,825)	-	(3,462)	-	-	(3,622,061)	-
Special items	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	<u>231</u>	<u>55</u>	<u>(1,386,082)</u>	<u>(257)</u>	<u>(2,560)</u>	<u>(461,399)</u>	<u>643,831</u>	<u>(5,021,551)</u>	<u>2,624,824</u>
Net position, beginning of year	(231)	(55)	20,715,484	-	22,872	479,047	667,286	5,884,061	128,147,313
Prior period adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,600,000</u>	<u>-</u>	<u>-</u>	<u>3,464,993</u>
Net position, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,329,402</u>	<u>\$ (257)</u>	<u>\$ 20,312</u>	<u>\$ 3,617,648</u>	<u>\$ 1,311,117</u>	<u>\$ 862,510</u>	<u>\$ 134,237,130</u>

Knoxville's Community Development Corporation
Notes to Financial Statements (Continued)
Year Ended June 30, 2022

Note EE - Discretely Presented Component Units

	<u>Lonsdale</u>	<u>North Ridge</u>	<u>Vista</u>	<u>Eastport</u>	<u>Five Points 1</u>	<u>Five Points 2</u>	<u>Five Points 3</u>	<u>Five Points 4</u>	<u>Bell Street</u>	<u>Total</u>
Assets										
Current assets	\$ 2,161,034	\$ 1,199,917	\$ 1,125,781	\$ 481,560	\$ 835,401	\$ 646,736	\$ 436,378	\$ 957,217	\$ 326,329	\$ 8,170,353
Capital assets, net	14,698,636	16,584,619	10,551,435	6,651,107	8,882,230	13,672,626	14,054,012	16,699,792	25,760,279	127,554,736
Noncurrent assets	<u>1,345,315</u>	<u>800,602</u>	<u>951,433</u>	<u>19,720</u>	<u>83,794</u>	<u>91,019</u>	<u>190,115</u>	<u>184,433</u>	<u>-</u>	<u>3,666,431</u>
Total assets	18,204,985	18,585,138	12,628,649	7,152,387	9,801,425	14,410,381	14,680,505	17,841,442	26,086,608	139,391,520
Deferred outflows of resources										
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 18,204,985</u>	<u>\$ 18,585,138</u>	<u>\$ 12,628,649</u>	<u>\$ 7,152,387</u>	<u>\$ 9,801,425</u>	<u>\$ 14,410,381</u>	<u>\$ 14,680,505</u>	<u>\$ 17,841,442</u>	<u>\$ 26,086,608</u>	<u>\$ 139,391,520</u>
Liabilities										
Current liabilities	\$ 840,540	\$ 2,406,509	\$ 549,035	\$ 55,845	\$ 169,802	\$ 851,340	\$ 308,239	\$ 1,541,768	\$ 7,935,616	\$ 14,658,694
Noncurrent liabilities	<u>13,537,966</u>	<u>12,069,826</u>	<u>9,827,264</u>	<u>5,036,924</u>	<u>587,712</u>	<u>5,534,195</u>	<u>3,670,902</u>	<u>6,793,225</u>	<u>13,177,701</u>	<u>70,235,715</u>
Total liabilities	14,378,506	14,476,335	10,376,299	5,092,769	757,514	6,385,535	3,979,141	8,334,993	21,113,317	84,894,409
Deferred inflows of resources										
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>\$ 14,378,506</u>	<u>\$ 14,476,335</u>	<u>\$ 10,376,299</u>	<u>\$ 5,092,769</u>	<u>\$ 757,514</u>	<u>\$ 6,385,535</u>	<u>\$ 3,979,141</u>	<u>\$ 8,334,993</u>	<u>\$ 21,113,317</u>	<u>\$ 84,894,409</u>
Net position										
Net investment in capital assets	\$ 7,801,511	\$ 9,755,373	\$ 5,731,939	\$ 1,614,183	\$ 8,294,518	\$ 8,035,532	\$ 10,184,462	\$ 9,780,853	\$ 7,214,458	\$ 68,412,829
Restricted by program requirements	1,259,346	873,657	865,558	407,157	372,147	440,099	336,777	411,976	1,819	4,968,536
Unrestricted net position (deficit)	<u>(5,234,378)</u>	<u>(6,520,227)</u>	<u>(4,345,147)</u>	<u>38,278</u>	<u>377,246</u>	<u>(450,785)</u>	<u>180,125</u>	<u>(686,380)</u>	<u>(2,242,986)</u>	<u>(18,884,254)</u>
Total net position	<u>\$ 3,826,479</u>	<u>\$ 4,108,803</u>	<u>\$ 2,252,350</u>	<u>\$ 2,059,618</u>	<u>\$ 9,043,911</u>	<u>\$ 8,024,846</u>	<u>\$ 10,701,364</u>	<u>\$ 9,506,449</u>	<u>\$ 4,973,291</u>	<u>\$ 54,497,111</u>

Knoxville's Community Development Corporation
Notes to Financial Statements (Continued)
Year Ended June 30, 2022

Note EE - Discretely Presented Component Units (Continued)

	<u>Lonsdale</u>	<u>North Ridge</u>	<u>Vista</u>	<u>Eastport</u>	<u>Five Points 1</u>	<u>Five Points 2</u>	<u>Five Points 3</u>	<u>Five Points 4</u>	<u>Bell Street</u>	<u>Total</u>
Operating revenues										
Tenant revenue, net of bad debts of \$207,412	\$ 513,271	\$ 754,637	\$ 371,167	\$ 203,716	\$ 292,991	\$ 173,822	\$ 109,874	\$ 145,319	\$ 324,346	\$ 2,889,143
Other government grants	1,389,458	1,357,769	893,837	211,387	435,674	494,893	468,702	637,840	-	5,889,560
Other revenue	254,021	19,327	130,121	1,548	5,282	9,160	1,270	-	-	420,729
Total operating revenues	2,156,750	2,131,733	1,395,125	416,651	733,947	677,875	579,846	783,159	324,346	9,199,432
Operating expenses										
Administrative	442,856	517,791	291,386	99,743	255,980	142,946	118,870	122,067	101,804	2,093,443
Tenant service	2,402	25,535	871	5,379	7,921	8,154	8,093	7,947	322	66,624
Utilities	25,181	359,310	192,165	110,247	179,505	127,584	117,172	117,442	5,481	1,234,087
Maintenance	505,397	388,358	356,047	123,796	131,399	165,790	122,004	164,739	4,520	1,962,050
Protective services	46,696	48,385	31,365	10,756	16,129	15,052	14,338	16,490	-	199,211
Insurance	132,948	140,781	72,160	24,807	38,758	55,760	63,002	56,274	-	584,490
General expense	66,840	34,121	59,294	4,586	21,704	17,692	8,987	30,118	31,671	275,013
Depreciation and amortization	490,305	541,794	383,229	272,282	277,972	450,344	441,179	630,496	42,134	3,529,735
Total operating expenses	1,712,625	2,056,075	1,386,517	651,596	929,368	983,322	893,645	1,145,573	185,932	9,944,653
Net operating (loss) income	444,125	75,658	8,608	(234,945)	(195,421)	(305,447)	(313,799)	(362,414)	138,414	(745,221)
Nonoperating revenues (expenses)										
Interest income - unrestricted	1,347	-	930	317	357	-	287	383	-	3,621
Interest income - restricted	109	231	74	357	255	153	48	40	-	1,267
Interest expense	(527,845)	(485,207)	(376,706)	-	(52,186)	(221,921)	(50,864)	(172,504)	-	(1,887,233)
Fraud recovery	24,132	1,045	1,519	-	-	1,520	1,314	4,254	-	33,784
Special Item	-	-	-	-	-	-	-	-	-	-
Other nonoperating revenue (expense)	(6,406)	(37,646)	(20,992)	(25,392)	(7,457)	-	(12,157)	(17,689)	-	(127,739)
Total nonoperating expense, net	(508,663)	(521,577)	(395,175)	(24,718)	(59,031)	(220,248)	(61,372)	(185,516)	-	(1,976,300)
Net (loss) income before capital contributions	(64,538)	(445,919)	(386,567)	(259,663)	(254,452)	(525,695)	(375,171)	(547,930)	138,414	(2,721,521)
Partner contributions	-	-	-	-	-	-	-	9,220,121	4,834,877	14,054,998
Changes in net position	(64,538)	(445,919)	(386,567)	(259,663)	(254,452)	(525,695)	(375,171)	8,672,191	4,973,291	11,333,477
Net position, beginning of year	3,891,017	4,554,722	2,638,917	2,319,281	9,298,363	8,550,541	11,076,535	834,258	-	43,163,634
Prior period adjustment	-	-	-	-	-	-	-	-	-	-
Net position, end of year	<u>\$ 3,826,479</u>	<u>\$ 4,108,803</u>	<u>\$ 2,252,350</u>	<u>\$ 2,059,618</u>	<u>\$ 9,043,911</u>	<u>\$ 8,024,846</u>	<u>\$ 10,701,364</u>	<u>\$ 9,506,449</u>	<u>\$ 4,973,291</u>	<u>\$ 54,497,111</u>

Supplemental Information

Knoxville's Community Development Corp. (TN003)

KNOXVILLE, TN

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2022

	Project Total	14.879 Mainstream Vouchers	14.896 PIH Family Self-Sufficiency Program	93.558 Temporary Assistance for Needy Families	14.195 Section 8 Housing Assistance Payments Program, Special Allocations	1 Business Activities	2 State/Local	21.023 Emergency Rental Assistance Program	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14.871 Housing Choice Vouchers	14.EHV Emergency Housing Voucher	9 Other Federal Program 2	91 Other Federal Program 3	14.856 Lower Income Housing Assistance Program, Section 8 Moderate	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$2,530,352	\$30,357	\$0	\$0	\$1,020,131	\$154,979	\$785,055	\$0	\$2,156,082	\$966,980	\$1,477,036	\$39,210			\$89,775	\$2,767,211	\$12,017,168	\$0	\$12,017,168
112 Cash - Restricted - Modernization and Development	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$561,920	\$10,248,949	\$0				\$0	\$0	\$10,810,869	\$0	\$10,810,869
113 Cash - Other Restricted	\$673,735	\$9,580	\$0	\$0	\$15,831,675	\$0	\$475,951	\$0	\$4,406,615	\$3,218,807	\$228,094	\$241,406			\$0	\$0	\$25,085,863	\$0	\$25,085,863
114 Cash - Tenant Security Deposits	\$43,185	\$0	\$0	\$0	\$143,814	\$0	\$0	\$0	\$145,689	\$108,385	\$0				\$0	\$0	\$441,073	\$0	\$441,073
115 Cash - Restricted for Payment of Current Liabilities	\$0	\$0	\$12,333	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$49,795				\$0	\$0	\$62,128	\$0	\$62,128
100 Total Cash	\$3,247,272	\$39,937	\$12,333	\$0	\$16,995,620	\$154,979	\$1,261,006	\$0	\$7,270,306	\$14,543,121	\$1,754,925	\$280,616	\$0	\$0	\$89,775	\$2,767,211	\$48,417,101	\$0	\$48,417,101
121 Accounts Receivable - PHA Projects	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				\$0	\$0	\$0	\$0	\$0
122 Accounts Receivable - HUD Other Projects	\$23,878	\$0	\$0	\$0	\$1,815,210	\$0	\$0	\$0	\$0	\$1,210,487	\$0				\$0	\$0	\$3,049,575	\$0	\$3,049,575
124 Accounts Receivable - Other Government	\$0	\$0	\$0	\$0	\$0	\$0	\$94,973	\$44,438	\$323,381	\$1,250,000	\$0		\$29,507		\$0	\$0	\$1,742,299	\$0	\$1,742,299
125 Accounts Receivable - Miscellaneous	\$0	\$0	\$0	\$0	\$618,513	\$676,581	\$14,290	\$0	\$38,845	\$308,534	\$336				\$0	\$42,589	\$1,699,688	\$0	\$1,699,688
126 Accounts Receivable - Tenants	\$46,409	\$0	\$0	\$0	\$93,224	\$0	\$0	\$0	\$295,789	\$58,618	\$887				\$95	\$0	\$495,022	\$0	\$495,022
126.1 Allowance for Doubtful Accounts - Tenants	\$0	\$0	\$0	\$0	(\$403)	\$0	\$0	\$0	(\$151,616)	(\$90)	\$0				\$0	\$0	(\$152,109)	\$0	(\$152,109)
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0		\$0	\$0	\$0	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				\$0	\$0	\$0	\$0	\$0
128 Fraud Recovery	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,200	\$34,522				\$1,207	\$0	\$36,929	\$0	\$36,929
128.1 Allowance for Doubtful Accounts - Fraud	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$34,522)				\$0	\$0	(\$34,522)	\$0	(\$34,522)
129 Accrued Interest Receivable	\$5,076	\$67	\$0	\$0	\$0	\$62	\$1,223	\$0	\$0	\$6,265	\$2,473				\$89	\$1,812	\$17,067	\$0	\$17,067
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$75,363	\$67	\$0	\$0	\$2,526,544	\$676,643	\$110,486	\$44,438	\$506,399	\$2,835,014	\$3,696	\$0	\$29,507	\$0	\$1,391	\$44,401	\$6,853,949	\$0	\$6,853,949
131 Investments - Unrestricted	\$3,239,591	\$42,531	\$0	\$0	\$0	\$39,587	\$780,291	\$0	\$0	\$3,998,650	\$1,389,049				\$83,328	\$453,076	\$10,026,103	\$0	\$10,026,103
132 Investments - Restricted	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$189,392				\$0	\$0	\$189,392	\$0	\$189,392
135 Investments - Restricted for Payment of Current Liability	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				\$0	\$0	\$0	\$0	\$0
142 Prepaid Expenses and Other Assets	\$39,909	\$0	\$0	\$0	\$100,010	\$10,601	\$375	\$0	\$380,883	\$91,142	\$15,790				\$0	\$19,910	\$658,620	\$0	\$658,620
143 Inventories	\$6,472	\$0	\$0	\$0	\$12,393	\$0	\$0	\$0	\$12,767	\$7,671	\$0				\$0	\$109,351	\$148,654	\$0	\$148,654
143.1 Allowance for Obsolete Inventories	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				\$0	\$0	\$0	\$0	\$0
144 Inter Program Due From	\$0	\$0	\$0	\$0	\$0	\$317,760	\$0	\$0	\$0	\$0	\$0				\$0	\$29,507	\$347,267	(\$347,267)	\$0
145 Assets Held for Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$239,017	\$0	\$0	\$0	\$0				\$0	\$0	\$239,017	\$0	\$239,017
150 Total Current Assets	\$6,608,607	\$82,535	\$12,333	\$0	\$19,634,567	\$1,199,570	\$2,391,175	\$44,438	\$8,170,355	\$21,475,598	\$3,352,852	\$280,616	\$29,507	\$0	\$174,494	\$3,423,456	\$66,880,103	(\$347,267)	\$66,532,836
161 Land	\$630,030	\$0	\$0	\$0	\$1,816,602	\$8,506,893	\$214,400	\$0	\$174,350	\$627,388	\$0				\$0	\$0	\$11,969,663	\$0	\$11,969,663
162 Buildings	\$37,042,997	\$0	\$0	\$0	\$76,961,119	\$0	\$0	\$0	\$123,216,498	\$58,331,032	\$0				\$0	\$52,310	\$295,603,956	\$0	\$295,603,956
163 Furniture, Equipment & Machinery - Dwellings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$129,900	\$0	\$0				\$0	\$0	\$129,900	\$0	\$129,900
164 Furniture, Equipment & Machinery - Administration	\$438,168	\$0	\$0	\$0	\$616,686	\$181,547	\$0	\$0	\$3,854,212	\$747,376	\$0				\$0	\$2,226,122	\$8,064,111	\$0	\$8,064,111
165 Leasehold Improvements	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				\$0	\$0	\$0	\$0	\$0
166 Accumulated Depreciation	(\$28,595,023)	\$0	\$0	\$0	(\$61,186,526)	(\$167,172)	\$0	\$0	(\$12,408,128)	(\$42,360,842)	\$0				\$0	(\$925,706)	(\$145,643,397)	\$0	(\$145,643,397)
167 Construction in Progress	\$568,949	\$0	\$0	\$0	\$6,699,868	\$0	\$0	\$0	\$12,587,904	\$13,596,571	\$0				\$0	\$14,650	\$33,467,942	\$0	\$33,467,942
168 Infrastructure	\$0	\$0	\$0	\$0	\$0	\$8,684,879	\$0	\$0	\$0	\$0	\$0				\$0	\$0	\$8,684,879	\$0	\$8,684,879
160 Total Capital Assets, Net of Accumulated Depreciation	\$10,085,121	\$0	\$0	\$0	\$24,907,749	\$17,206,147	\$214,400	\$0	\$127,554,736	\$30,941,525	\$0	\$0	\$0	\$0	\$0	\$1,367,376	\$212,277,054	\$0	\$212,277,054
171 Notes, Loans and Mortgages Receivable - Non-Current	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$42,049,469	\$0				\$0	\$0	\$42,049,469	\$0	\$42,049,469
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				\$0	\$0	\$0	\$0	\$0
173 Grants Receivable - Non Current	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				\$0	\$0	\$0	\$0	\$0
174 Other Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$1,354,433	\$0	\$3,666,431	\$3,029,579	\$0				\$0	\$0	\$8,050,443	\$0	\$8,050,443
176 Investments in Joint Ventures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,608,789	\$0				\$0	\$0	\$3,608,789	\$0	\$3,608,789
180 Total Non-Current Assets	\$10,085,121	\$0	\$0	\$0	\$24,907,749	\$17,206,147	\$1,568,833	\$0	\$131,221,167	\$79,629,362	\$0	\$0	\$0	\$0	\$0	\$1,367,376	\$265,985,755	\$0	\$265,985,755
200 Deferred Outflow of Resources	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				\$0	\$0	\$0	\$0	\$0
290 Total Assets and Deferred Outflow of Resources	\$16,693,728	\$82,535	\$12,333	\$0	\$44,542,316	\$18,405,717	\$3,960,008	\$44,438	\$139,391,522	\$101,104,960	\$3,352,852	\$280,616	\$29,507	\$0	\$174,494	\$4,790,832	\$332,865,858	(\$347,267)	\$332,518,591
311 Bank Overdraft	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				\$0	\$0	\$0	\$0	\$0
312 Accounts Payable <= 90 Days	\$58,937	\$0	\$0	\$0	\$2,101,955	\$45,901	\$599,310	\$41,928	\$114,253	\$1,036,327	\$18,225	\$700			\$0	\$119,235	\$4,136,771	\$0	\$4,136,771
313 Accounts Payable >90 Days Past Due	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				\$0	\$0	\$0	\$0	\$0
321 Accrued Wage/Payroll Taxes Payable	\$12,191	\$0	\$0	\$0	\$46,643	\$53,750	\$4,924	\$2,510	\$8,017	\$22,747	\$21,667	\$598			\$0	\$104,520	\$277,567	\$0	\$277,567
322 Accrued Compensated Absences - Current Portion	\$12,004	\$0	\$0	\$0	\$131,000	\$97,507	\$6,783	\$0	\$0	\$60,175	\$42,227				\$0	\$348,471	\$698,167	\$0	\$698,167
324 Accrued Contingency Liability	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				\$0	\$0	\$0	\$0	\$0
325 Accrued Interest Payable	\$12,292	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,651,312	\$61,991	\$0				\$0	\$0	\$2,725,595	\$0	\$2,725,595
331 Accounts Payable - HUD PHA Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,396				\$14,710	\$0	\$16,106	\$0	\$16,106
332 Account Payable - PHA Projects	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				\$0	\$0	\$0	\$0	\$0
333 Accounts Payable - Other Government	\$24,009	\$0	\$0	\$0	\$47,040	\$0	\$0	\$0	\$55,022	\$25,490	\$0				\$0	\$0	\$151,561	\$0	\$151,561
341 Tenant Security Deposits	\$36,744	\$0	\$0	\$0	\$137,164	\$0	\$0	\$0	\$142,895	\$106,385	\$0				\$0	\$0	\$423,188	\$0	\$423,188
342 Unearned Revenue	\$11,663	\$1,904	\$12,333	\$0	\$43,602	\$0	\$43,520	\$0	\$22,914	\$3,158,346	\$54,515	\$99,600			\$1,303	\$0	\$3,449,700	\$0	\$3,449,700
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	\$491,669	\$0	\$0	\$0	\$316,872	\$0	\$0	\$0	\$5,795,382	\$735,260	\$0				\$0	\$0	\$7,339,183	\$0	\$7,339,183
344 Current Portion of Long-term Debt - Operating Borrowings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				\$0	\$0	\$0	\$0	\$0

Knoxville's Community Development Corp. (TN003) KNOXVILLE, TN Entity Wide Balance Sheet Summary																			
Submission Type: Audited/Single Audit										Fiscal Year End: 06/30/2022									
	Project Total	14.879 Mainstream Vouchers	14.896 PIH Family Self-Sufficiency Program	93.558 Temporary Assistance for Needy Families	14.195 Section 8 Housing Assistance Payments Program_Special Allocations	1 Business Activities	2 State/Local	21.023 Emergency Rental Assistance Program	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14.871 Housing Choice Vouchers	14.EHV Emergency Housing Voucher	9 Other Federal Program 2	91 Other Federal Program 3	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	COCC	Subtotal	ELIM	Total
345 Other Current Liabilities	\$1,130	\$0	\$0	\$0	\$56,508	\$0	\$0	\$0	\$1,404,308	\$43,594	\$49,795				\$0	\$1,358	\$1,556,693	\$0	\$1,556,693
346 Accrued Liabilities - Other	\$70,289	\$0	\$0	\$0	\$183,065	\$55,658	\$0	\$0	\$4,093,986	\$87,617	\$0				\$0	\$8,935	\$4,499,550	\$0	\$4,499,550
347 Inter Program - Due To	\$0	\$0	\$0	\$0	\$313,979	\$0	\$0	\$0	\$0	\$3,781	\$0		\$29,507		\$0	\$0	\$347,267	(\$347,267)	\$0
348 Loan Liability - Current	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$370,607	\$0	\$0				\$0	\$0	\$370,607	\$0	\$370,607
310 Total Current Liabilities	\$730,928	\$1,904	\$12,333	\$0	\$3,377,828	\$252,816	\$654,537	\$44,438	\$14,658,696	\$5,341,713	\$187,825	\$100,898	\$29,507	\$0	\$16,013	\$582,519	\$25,991,955	(\$347,267)	\$25,644,688
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$0	\$0	\$0	\$0	\$13,581,827	\$0	\$0	\$0	\$53,346,526	\$30,232,095	\$0				\$0	\$0	\$97,160,448	\$0	\$97,160,448
352 Long-term Debt, Net of Current - Operating Borrowings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				\$0	\$0	\$0	\$0	\$0
353 Non-current Liabilities - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$16,889,189	\$0	\$58,732				\$0	\$0	\$16,947,921	\$0	\$16,947,921
354 Accrued Compensated Absences - Non Current	\$32,456	\$0	\$0	\$0	\$354,187	\$263,629	\$18,339	\$0	\$0	\$162,694	\$114,171				\$0	\$942,163	\$1,887,639	\$0	\$1,887,639
355 Loan Liability - Non Current	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				\$0	\$1,039,828	\$1,039,828	\$0	\$1,039,828
356 FASB 5 Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				\$0	\$0	\$0	\$0	\$0
357 Accrued Pension and OPEB Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$0	\$0	\$0	\$0	\$0
350 Total Non-Current Liabilities	\$32,456	\$0	\$0	\$0	\$13,936,014	\$263,629	\$18,339	\$0	\$70,235,715	\$30,394,789	\$172,903	\$0	\$0	\$0	\$0	\$1,981,991	\$117,035,836	\$0	\$117,035,836
300 Total Liabilities	\$763,384	\$1,904	\$12,333	\$0	\$17,313,842	\$516,445	\$672,876	\$44,438	\$84,894,411	\$35,736,502	\$360,728	\$100,898	\$29,507	\$0	\$16,013	\$2,564,510	\$143,027,791	(\$347,267)	\$142,680,524
400 Deferred Inflow of Resources	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,103,826	\$0				\$0	\$0	\$1,103,826	\$0	\$1,103,826
508.3 Nonspendable Fund Balance															\$0				
508.4 Net Investment in Capital Assets	\$9,593,452	\$0	\$0	\$0	\$21,866,562	\$17,206,147	\$214,400	\$0	\$68,412,828	\$7,934,496	\$0				\$0	\$1,367,376	\$126,595,261	\$0	\$126,595,261
509.3 Restricted Fund Balance															\$0				
510.3 Committed Fund Balance															\$0				
511.3 Assigned Fund Balance															\$0				
511.4 Restricted Net Position	\$673,735	\$9,580	\$0	\$0	\$4,970,774	\$0	\$0	\$0	\$4,968,535	\$5,510,819	\$358,754	\$141,806			\$0	\$0	\$16,634,003	\$0	\$16,634,003
512.3 Unassigned Fund Balance															\$0				
512.4 Unrestricted Net Position	\$5,663,157	\$71,051	\$0	\$0	\$391,138	\$683,125	\$3,072,732	\$0	(\$18,884,252)	\$50,819,317	\$2,633,370	\$37,912	\$0	\$0	\$158,481	\$858,946	\$45,504,977	\$0	\$45,504,977
513 Total Equity - Net Assets / Position	\$15,930,344	\$80,631	\$0	\$0	\$27,228,474	\$17,889,272	\$3,287,132	\$0	\$54,497,111	\$54,264,632	\$2,992,124	\$179,718	\$0	\$0	\$158,481	\$2,226,322	\$188,734,241	\$0	\$188,734,241
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$16,693,728	\$82,535	\$12,333	\$0	\$44,542,316	\$18,405,717	\$3,960,008	\$44,438	\$139,391,522	\$101,104,960	\$3,352,852	\$280,616	\$29,507	\$0	\$174,494	\$4,790,832	\$332,865,858	(\$347,267)	\$332,518,591

Knoxville's Community Development Corp. (TN003)
KNOXVILLE, TN
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2022

	Project Total	14.879 Mainstream Vouchers	14.896 PIH Family Self-Sufficiency Program	93.558 Temporary Assistance for Needy Families	14.195 Section 8 Housing Assistance Payments Program_Special Allocations	1 Business Activities	2 State/Local	21.023 Emergency Rental Assistance Program	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14.871 Housing Choice Vouchers	14.EHV Emergency Housing Voucher	9 Other Federal Program 2	91 Other Federal Program 3	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$1,062,924	\$0	\$0	\$0	\$1,998,347	\$0	\$0	\$0	\$2,825,242	\$1,091,759	\$0				\$0	\$0	\$6,978,272	\$0	\$6,978,272
70400 Tenant Revenue - Other	\$31,820	\$0	\$0	\$0	\$79,223	\$0	\$0	\$0	\$63,901	\$12,994	\$0				\$0	\$0	\$187,938	\$0	\$187,938
70500 Total Tenant Revenue	\$1,094,744	\$0	\$0	\$0	\$2,077,570	\$0	\$0	\$0	\$2,889,143	\$1,104,753	\$0	\$0	\$0	\$0	\$0	\$0	\$7,166,210	\$0	\$7,166,210
70600 HUD PHA Operating Grants	\$7,050,206	\$864,153	\$60,053	\$0	\$8,800,373	\$0	\$0	\$0	\$0	\$0	\$26,605,130	\$242,063			\$504,900	\$0	\$44,126,878	\$0	\$44,126,878
70610 Capital Grants	\$517,257	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				\$0	\$0	\$517,257	\$0	\$517,257
70710 Management Fee															\$0	\$1,936,952	\$517,257	(\$1,936,952)	\$0
70720 Asset Management Fee															\$0	\$80,500	\$80,500	(\$80,500)	\$0
70730 Book Keeping Fee															\$0	\$458,440	\$458,440	(\$458,440)	\$0
70740 Front Line Service Fee															\$0	\$382,040	\$382,040	(\$382,040)	\$0
70750 Other Fees						\$605,640									\$0	\$0	\$605,640	\$0	\$605,640
70700 Total Fee Revenue															\$0	\$2,857,932	\$2,857,932	(\$2,857,932)	\$0
70800 Other Government Grants	\$0	\$0	\$0	\$90,869	\$0	\$0	\$2,851,615	\$55,263	\$5,889,560	\$4,430,701	\$0			\$0	\$0	\$0	\$13,318,008	(\$4,110,173)	\$9,207,835
71100 Investment Income - Unrestricted	\$46,265	\$841	\$0	\$0	\$2,040	\$712	\$10,319	\$0	\$3,621	\$1,162,965	\$15,333	\$294			\$909	\$20,252	\$1,263,551	\$0	\$1,263,551
71200 Mortgage Interest Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				\$0	\$0	\$0	\$0	\$0
71300 Proceeds from Disposition of Assets Held for Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				\$0	\$0	\$0	\$0	\$0
71310 Cost of Sale of Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				\$0	\$0	\$0	\$0	\$0
71400 Fraud Recovery	\$1,608	\$0	\$0	\$0	\$17,144	\$0	\$0	\$0	\$33,784	\$6,072	\$51,288				\$1,904	\$0	\$111,800	\$0	\$111,800
71500 Other Revenue	\$250,107	\$0	\$0	\$0	\$776,332	\$2,430,619	\$274,912	\$0	\$14,475,727	\$1,216,471	\$9,198	\$198			\$15	\$59,335	\$19,492,914	(\$43,200)	\$19,449,714
71600 Gain or Loss on Sale of Capital Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$319,650	\$0	\$0	(\$3,081,265)	\$0				\$0	\$3,936	(\$2,757,679)	\$0	(\$2,757,679)
72000 Investment Income - Restricted	\$134	\$0	\$0	\$0	\$7,153	\$0	\$0	\$0	\$1,267	\$603	\$0				\$0	\$0	\$9,157	\$0	\$9,157
70000 Total Revenue	\$8,960,321	\$864,994	\$60,053	\$90,869	\$11,680,612	\$3,036,971	\$3,456,496	\$55,263	\$23,293,102	\$4,840,300	\$26,680,949	\$242,555	\$0	\$0	\$507,728	\$2,941,455	\$86,711,668	(\$7,011,305)	\$79,700,363
91100 Administrative Salaries	\$330,403	\$63,797	\$0	\$1,574	\$655,675	\$988,887	\$236,383	\$41,204	\$729,910	\$461,418	\$489,115	\$4,500			\$45,710	\$2,208,175	\$6,256,751	\$0	\$6,256,751
91200 Auditing Fees	\$9,091	\$1,000	\$0	\$0	\$12,066	\$5,400	\$2,000	\$0	\$101,750	\$28,244	\$21,000				\$3,000	\$8,000	\$191,551	\$0	\$191,551
91300 Management Fee	\$756,913	\$18,900	\$0	\$0	\$369,823	\$0	\$20,090	\$0	\$469,508	\$283,305	\$477,432	\$864			\$9,624	\$2,406,459	\$2,406,459	(\$1,936,952)	\$469,507
91310 Book-keeping Fee	\$53,018	\$11,813	\$0	\$0	\$50,243	\$0	\$0	\$0	\$61,468	\$38,418	\$298,395	\$540			\$6,015		\$519,910	(\$458,440)	\$61,470
91400 Advertising and Marketing	\$366	\$0	\$0	\$0	\$131	\$1,452	\$1,243	\$0	\$24,360	\$670	\$103				\$0	\$13,629	\$41,954	\$0	\$41,954
91500 Employee Benefit contributions - Administrative	\$112,282	\$0	\$0	\$0	\$236,066	\$297,254	\$58,246	\$8,191	\$226,330	\$140,722	\$207,831	\$1,171			\$0	\$653,581	\$1,943,674	\$0	\$1,943,674
91600 Office Expenses	\$63,090	\$0	\$0	\$0	\$97,465	\$93,221	\$18,723	\$5,596	\$119,335	\$53,503	\$108,323	\$293			\$0	\$414,476	\$974,025	\$0	\$974,025
91700 Legal Expense	\$15,458	\$0	\$0	\$0	\$19,128	\$37,899	\$34,936	\$0	\$76,913	\$14,023	\$3,441				\$0	\$17,062	\$218,860	\$0	\$218,860
91800 Travel	\$0	\$0	\$0	\$0	\$1,366	\$1,335	\$0	\$175	\$15	\$21	\$37				\$0	\$10,099	\$13,048	\$0	\$13,048
91810 Allocated Overhead	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				\$0	\$0	\$0	\$0	\$0
91900 Other	\$142,050	\$0	\$0	\$89,295	\$69,521	\$31,356	\$27,707	\$97	\$281,854	\$1,051,176	\$181,626	\$10,650			\$0	\$709,927	\$2,605,259	(\$43,200)	\$2,562,059
91000 Total Operating - Administrative	\$1,482,671	\$95,510	\$0	\$90,869	\$1,511,484	\$1,456,804	\$399,328	\$55,263	\$2,093,443	\$2,081,500	\$1,787,303	\$18,018	\$0	\$0	\$64,349	\$4,034,949	\$15,171,491	(\$2,438,592)	\$12,732,899
92000 Asset Management Fee	\$80,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				\$0		\$80,500	(\$80,500)	\$0
92100 Tenant Services - Salaries	\$20,597	\$0	\$39,648	\$0	\$21,593	\$73,297	\$0	\$0	\$7,820	\$9,082	\$0				\$0	\$0	\$172,037	\$0	\$172,037
92200 Relocation Costs	\$329,036	\$0	\$0	\$0	\$0	\$2,930	\$0	\$0	\$174	\$585	\$0				\$0	\$0	\$332,725	\$0	\$332,725
92300 Employee Benefit Contributions - Tenant Services	\$7,088	\$0	\$14,343	\$0	\$5,507	\$24,697	\$0	\$0	\$703	\$2,195	\$0				\$0	\$0	\$54,533	\$0	\$54,533
92400 Tenant Services - Other	\$54,310	\$0	\$0	\$0	\$49,097	\$215,693	\$0	\$0	\$57,927	\$73,423	\$0				\$0	\$26,575	\$477,025	\$0	\$477,025
92500 Total Tenant Services	\$411,031	\$0	\$53,991	\$0	\$76,197	\$316,617	\$0	\$0	\$66,624	\$85,285	\$0	\$0	\$0	\$0	\$0	\$26,575	\$1,036,320	\$0	\$1,036,320
93100 Water	\$168,518	\$0	\$0	\$0	\$215,556	\$0	\$0	\$0	\$306,045	\$183,247	\$0				\$0	\$10,788	\$884,154	\$0	\$884,154
93200 Electricity	\$307,561	\$0	\$0	\$0	\$585,372	\$0	\$0	\$0	\$280,533	\$315,391	\$0				\$0	\$46,226	\$1,535,083	\$0	\$1,535,083
93300 Gas	\$6,781	\$0	\$0	\$0	\$5,385	\$0	\$0	\$0	\$6,893	\$5,274	\$0				\$0	\$9,544	\$33,877	\$0	\$33,877
93400 Fuel	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				\$0	\$0	\$0	\$0	\$0
93500 Labor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				\$0	\$0	\$0	\$0	\$0
93600 Sewer	\$429,378	\$0	\$0	\$0	\$405,362	\$0	\$0	\$0	\$640,616	\$378,579	\$0				\$0	\$4,224	\$1,858,159	\$0	\$1,858,159
93700 Employee Benefit Contributions - Utilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				\$0	\$0	\$0	\$0	\$0
93800 Other Utilities Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				\$0	\$0	\$0	\$0	\$0
93000 Total Utilities	\$912,238	\$0	\$0	\$0	\$1,211,675	\$0	\$0	\$0	\$1,234,087	\$882,491	\$0	\$0	\$0	\$0	\$0	\$70,782	\$4,311,273	\$0	\$4,311,273
94100 Ordinary Maintenance and Operations - Labor	\$241,430	\$0	\$0	\$0	\$365,526	\$371,996	\$0	\$0	\$374,708	\$248,506	\$0				\$0	\$182,530	\$1,784,696	\$0	\$1,784,696
94200 Ordinary Maintenance and Operations - Materials and Other	\$90,455	\$0	\$0	\$0	\$332,341	\$12,952	\$142	\$0	\$186,809	\$136,804	\$450				\$0	\$15,450	\$775,403	\$0	\$775,403
94300 Ordinary Maintenance and Operations Contracts	\$680,425	\$0	\$0	\$0	\$1,129,228	\$197,474	\$4,957	\$0	\$1,253,382	\$711,568	\$264				\$0	\$132,731	\$4,110,029	(\$382,040)	\$3,727,989
94500 Employee Benefit Contributions - Ordinary Maintenance	\$81,326	\$0	\$0	\$0	\$142,068	\$133,731	\$0	\$0	\$147,151	\$103,873	\$0				\$0	\$62,821	\$670,970	\$0	\$670,970
94000 Total Maintenance	\$1,093,636	\$0	\$0	\$0	\$1,969,163	\$716,153	\$5,099	\$0	\$1,962,050	\$1,200,751	\$714	\$0	\$0	\$0	\$0	\$393,532	\$7,341,098	(\$382,040)	\$6,959,058

Knoxville's Community Development Corp. (TN003)

KNOXVILLE, TN

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2022

	Project Total	14.879 Mainstream Vouchers	14.896 PIH Family Self-Sufficiency Program	93.558 Temporary Assistance for Needy Families	14.195 Section 8 Housing Assistance Payments Program_Special Allocations	1 Business Activities	2 State/Local	21.023 Emergency Rental Assistance Program	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14.871 Housing Choice Vouchers	14.EHV Emergency Housing Voucher	9 Other Federal Program 2	91 Other Federal Program 3	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	COCC	Subtotal	ELIM	Total
95100 Protective Services - Labor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				\$0	\$0	\$0	\$0	\$0
95200 Protective Services - Other Contract Costs	\$96,535	\$0	\$0	\$0	\$125,370	\$6,374	\$0	\$0	\$199,211	\$101,524	\$0				\$0	\$0	\$529,014	\$0	\$529,014
95300 Protective Services - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				\$0	\$0	\$0	\$0	\$0
95500 Employee Benefit Contributions - Protective Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				\$0	\$0	\$0	\$0	\$0
95000 Total Protective Services	\$96,535	\$0	\$0	\$0	\$125,370	\$6,374	\$0	\$0	\$199,211	\$101,524	\$0	\$0	\$0	\$0	\$0	\$0	\$529,014	\$0	\$529,014
96110 Property Insurance	\$77,591	\$0	\$0	\$0	\$102,670	\$45,734	\$0	\$0	\$508,473	\$78,418	\$10				\$0	\$4,281	\$817,177	\$0	\$817,177
96120 Liability Insurance	\$19,817	\$0	\$0	\$0	\$29,858	\$99	\$1,707	\$0	\$73,351	\$32,922	\$21,359				\$0	\$134	\$179,247	\$0	\$179,247
96130 Workmen's Compensation	\$7,711	\$0	\$0	\$0	\$7,941	\$8,907	\$237	\$0	\$0	\$5,912	\$676				\$0	\$7,602	\$38,986	\$0	\$38,986
96140 All Other Insurance	\$4,948	\$0	\$0	\$0	\$5,358	\$884	\$93	\$0	\$2,666	\$60,831	\$6,229				\$0	\$2,731	\$83,740	\$0	\$83,740
96100 Total Insurance Premiums	\$110,067	\$0	\$0	\$0	\$145,827	\$55,624	\$2,037	\$0	\$584,490	\$178,083	\$28,274	\$0	\$0	\$0	\$0	\$14,748	\$1,119,150	\$0	\$1,119,150
96200 Other General Expenses	\$2,226	\$0	\$0	\$0	\$4,112,966	\$2,854	\$0	\$0	\$37,708	\$4,749	\$10,272				\$0	\$0	\$4,170,775	(\$4,110,173)	\$60,602
96210 Compensated Absences	\$89,205	\$0	\$6,062	\$0	\$189,160	\$149,955	\$22,779	\$0	\$46,699	\$123,049	\$81,235				\$0	\$401,568	\$1,109,752	\$0	\$1,109,752
96300 Payments in Lieu of Taxes	\$24,009	\$0	\$0	\$0	\$47,040	\$0	\$0	\$0	\$50,642	\$25,490	\$0				\$0	\$0	\$147,181	\$0	\$147,181
96400 Bad debt - Tenant Rents	\$50,964	\$0	\$0	\$0	\$156,520	\$0	\$0	\$0	\$139,964	\$83,002	\$0				\$0	\$0	\$430,450	\$0	\$430,450
96500 Bad debt - Mortgages	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				\$0	\$0	\$0	\$0	\$0
96600 Bad debt - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				\$0	\$0	\$0	\$0	\$0
96800 Severance Expense	\$0	\$0	\$0	\$0	\$0	\$2,188	\$0	\$0	\$0	\$0	\$0				\$0	\$0	\$2,188	\$0	\$2,188
96000 Total Other General Expenses	\$166,404	\$0	\$6,062	\$0	\$4,505,686	\$155,037	\$22,779	\$0	\$275,013	\$236,290	\$91,507	\$0	\$0	\$0	\$0	\$401,568	\$5,860,346	(\$4,110,173)	\$1,750,173
96710 Interest of Mortgage (or Bonds) Payable	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				\$0	\$0	\$0	\$0	\$0
96720 Interest on Notes Payable (Short and Long Term)	\$36,707	\$0	\$0	\$0	\$3,037	\$0	\$0	\$0	\$1,887,233	\$758,086	\$0				\$0	\$77,419	\$2,762,482	\$0	\$2,762,482
96730 Amortization of Bond Issue Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$160,921	\$0	\$0				\$0	\$0	\$160,921	\$0	\$160,921
96700 Total Interest Expense and Amortization Cost	\$36,707	\$0	\$0	\$0	\$3,037	\$0	\$0	\$0	\$2,048,154	\$758,086	\$0	\$0	\$0	\$0	\$0	\$77,419	\$2,923,403	\$0	\$2,923,403
96900 Total Operating Expenses	\$4,389,789	\$95,510	\$60,053	\$90,869	\$9,548,439	\$2,706,609	\$429,243	\$55,263	\$8,463,072	\$5,524,010	\$1,907,798	\$18,018	\$0	\$0	\$64,349	\$5,019,573	\$38,372,595	(\$7,011,305)	\$31,361,290
97000 Excess of Operating Revenue over Operating Expenses	\$4,570,532	\$769,484	\$0	\$0	\$2,132,173	\$330,362	\$3,027,253	\$0	\$14,830,030	(\$683,710)	\$24,773,151	\$224,537	\$0	\$0	\$443,379	(\$2,078,118)	\$48,339,073	\$0	\$48,339,073
97100 Extraordinary Maintenance	\$0	\$0	\$0	\$0	\$106,057	\$0	\$0	\$0	\$100,847	\$70,150	\$0				\$0	\$0	\$277,054	\$0	\$277,054
97200 Casualty Losses - Non-capitalized	\$201,312	\$0	\$0	\$0	\$81,229	\$3,000	\$0	\$0	\$26,892	\$33,612	\$0				\$0	\$0	\$346,045	\$0	\$346,045
97300 Housing Assistance Payments	\$0	\$811,239	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$24,237,539	\$44,819			\$440,550	\$0	\$25,534,147	\$0	\$25,534,147
97350 HAP Portability-In	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				\$0	\$0	\$0	\$0	\$0
97400 Depreciation Expense	\$682,755	\$0	\$0	\$0	\$1,770,596	\$18,055	\$0	\$0	\$3,368,814	\$2,021,869	\$0				\$0	\$361,437	\$8,223,526	\$0	\$8,223,526
97500 Fraud Losses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				\$0	\$0	\$0	\$0	\$0
97600 Capital Outlays - Governmental Funds															\$0				
97700 Debt Principal Payment - Governmental Funds															\$0				
97800 Dwelling Units Rent Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				\$0	\$0	\$0	\$0	\$0
90000 Total Expenses	\$5,273,856	\$906,749	\$60,053	\$90,869	\$11,506,321	\$2,727,664	\$429,243	\$55,263	\$11,959,625	\$7,649,641	\$26,145,337	\$62,837	\$0	\$0	\$504,899	\$5,381,010	\$72,753,367	(\$7,011,305)	\$65,742,062
10010 Operating Transfer In	\$3,064,295	\$0	\$0	\$0	\$0	\$0	\$101,300	\$0	\$0	\$0	\$0				\$0	\$920,396	\$4,085,991	(\$4,085,991)	\$0
10020 Operating Transfer Out	(\$3,064,295)	\$0	\$0	\$0	(\$602,636)	(\$317,760)	(\$101,300)	\$0	\$0	\$0	\$0				\$0	\$0	(\$4,085,991)	\$4,085,991	\$0
10030 Operating Transfers from/to Primary Government	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				\$0	\$0	\$0	\$0	\$0
10040 Operating Transfers from/to Component Unit	\$0	\$0	\$0	\$0	\$41,537	\$0	(\$2,900,316)	\$0	\$0	\$2,858,779	\$0			\$0	\$0	\$0	\$0	\$0	\$0
10050 Proceeds from Notes, Loans and Bonds															\$0				
10060 Proceeds from Property Sales															\$0				
10070 Extraordinary Items, Net Gain/Loss	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				\$0	\$0	\$0	\$0	\$0
10080 Special Items (Net Gain/Loss)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				\$0	\$0	\$0	\$0	\$0
10091 Inter Project Excess Cash Transfer In	\$1,111,301														\$0		\$1,111,301	(\$1,111,301)	\$0
10092 Inter Project Excess Cash Transfer Out	(\$1,111,301)														\$0		(\$1,111,301)	\$1,111,301	\$0
10093 Transfers between Program and Project - In	\$0	\$0	\$0	\$0	\$4,965,686	\$0	\$0	\$0	\$0	\$0	\$0				\$0	\$0	\$4,965,686	(\$4,965,686)	\$0
10094 Transfers between Project and Program - Out	(\$4,965,686)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				\$0	\$0	(\$4,965,686)	\$4,965,686	\$0
10100 Total Other financing Sources (Uses)	(\$4,965,686)	\$0	\$0	\$0	\$4,404,587	(\$317,760)	(\$2,900,316)	\$0	\$0	\$2,858,779	\$0	\$0	\$0	\$0	\$0	\$920,396	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	(\$1,279,221)	(\$41,755)	\$0	\$0	\$4,578,878	(\$8,453)	\$126,937	\$0	\$11,333,477	\$49,438	\$535,612	\$179,718	\$0	\$0	\$2,829	(\$1,519,159)	\$13,958,301	\$0	\$13,958,301
11020 Required Annual Debt Principal Payments	\$1,256,914	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,066,543	\$630,923	\$0	\$0	\$0	\$0	\$0	\$0	\$2,954,380	\$0	\$2,954,380
11030 Beginning Equity	\$17,995,894	\$122,386	\$0	\$0	\$21,863,267	\$9,675,015	\$3,160,195	\$0	\$43,163,634	\$68,837,904	\$2,456,512	\$0	\$0	\$0	\$155,652	\$3,880,488	\$171,310,947	\$0	\$171,310,947
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	(\$786,329)	\$0	\$0	\$0	\$786,329	\$6,222,710	\$0	\$0	\$0	(\$4,622,710)	\$0	\$0	\$0	\$0	\$0	(\$135,007)	\$3,464,993	\$0	\$3,464,993
11050 Changes in Compensated Absence Balance															\$0				

Knoxville's Community Development Corp. (TN003)
KNOXVILLE, TN
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2022

	Project Total	14.879 Mainstream Vouchers	14.896 PIH Family Self-Sufficiency Program	93.558 Temporary Assistance for Needy Families	14.195 Section 8 Housing Assistance Payments Program_Special Allocations	1 Business Activities	2 State/Local	21.023 Emergency Rental Assistance Program	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14.871 Housing Choice Vouchers	14.EHV Emergency Housing Voucher	9 Other Federal Program 2	91 Other Federal Program 3	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	COCC	Subtotal	ELIM	Total
11060 Changes in Contingent Liability Balance															\$0				
11070 Changes in Unrecognized Pension Transition Liability															\$0				
11080 Changes in Special Term/Severance Benefits Liability															\$0				
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents															\$0				
11100 Changes in Allowance for Doubtful Accounts - Other															\$0				
11170 Administrative Fee Equity											\$2,633,370				\$0		\$2,633,370		\$2,633,370
11180 Housing Assistance Payments Equity											\$358,754				\$0		\$358,754		\$358,754
11190 Unit Months Available	7676	2880	0	0	13379	0	0	0	13617	900	44530	756	0	0	912	0	84650	0	84650
11210 Number of Unit Months Leased	6695	1575	0	0	11283	0	0	0	12880	866	39786	72	0	0	802	0	73959	0	73959
11270 Excess Cash	\$4,827,099														\$0		\$4,827,099		\$4,827,099
11610 Land Purchases	\$0														\$0	\$0	\$0		\$0
11620 Building Purchases	\$288,111														\$0	\$0	\$288,111		\$288,111
11630 Furniture & Equipment - Dwelling Purchases	\$0														\$0	\$0	\$0		\$0
11640 Furniture & Equipment - Administrative Purchases	\$0														\$0	\$0	\$0		\$0
11650 Leasehold Improvements Purchases	\$0														\$0	\$0	\$0		\$0
11660 Infrastructure Purchases	\$0														\$0	\$0	\$0		\$0
13510 CFFP Debt Service Payments	\$264,039														\$0	\$0	\$264,039		\$264,039
13901 Replacement Housing Factor Funds	\$0														\$0	\$0	\$0		\$0

Knoxville's Community Development Corp. (TN003)
KNOXVILLE, TN
Project Balance Sheet Summary

Submission Type: Audited/Single Audit			Fiscal Year End: 06/30/2022																								
	TN003000011	TN003000001	OTHER PROJ	TN003000003	TN003000005	TN003000006	TN003000007	TN003000008	TN003000009	TN003000010	TN003000012	TN003000013	TN003000018	TN003000022	TN003000023	TN003000025	TN003000028	TN003000030	TN003000031	TN003000034	TN003000035	TN003000036	TN003000095	TN003000097	TN003000098	TN003009999	Total
111 Cash - Unrestricted	\$35,546	\$2,452,741	\$42,065																								\$2,530,352
112 Cash - Restricted - Modernization and Development	\$0	\$0	\$0																								\$0
113 Cash - Other Restricted	\$0	\$673,735	\$0																								\$673,735
114 Cash - Tenant Security Deposits	\$0	\$43,185	\$0																								\$43,185
115 Cash - Restricted for Payment of Current Liabilities	\$0	\$0	\$0																								\$0
100 Total Cash	\$35,546	\$3,169,661	\$42,065	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,247,272
121 Accounts Receivable - PHA Projects	\$0	\$0	\$0																								\$0
122 Accounts Receivable - HUD Other Projects	\$0	\$23,878	\$0																								\$23,878
124 Accounts Receivable - Other Government	\$0	\$0	\$0																								\$0
125 Accounts Receivable - Miscellaneous	\$0	\$0	\$0																								\$0
126 Accounts Receivable - Tenants	\$0	\$46,409	\$0																								\$46,409
126.1 Allowance for Doubtful Accounts - Tenants	\$0	\$0	\$0																								\$0
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0																								\$0
127 Notes, Loans, & Mortgages Receivable - Current	\$0	\$0	\$0																								\$0
128 Fraud Recovery	\$0	\$0	\$0																								\$0
128.1 Allowance for Doubtful Accounts - Fraud	\$0	\$0	\$0																								\$0
129 Accrued Interest Receivable	\$0	\$5,076	\$0																								\$5,076
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$0	\$75,363	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$75,363
131 Investments - Unrestricted	\$0	\$3,239,591	\$0																								\$3,239,591
132 Investments - Restricted	\$0	\$0	\$0																								\$0
135 Investments - Restricted for Payment of Current Liability	\$0	\$0	\$0																								\$0
142 Prepaid Expenses and Other Assets	\$0	\$39,909	\$0																								\$39,909
143 Inventories	\$0	\$6,472	\$0																								\$6,472
143.1 Allowance for Obsolete Inventories	\$0	\$0	\$0																								\$0
144 Inter Program Due From	\$0	\$0	\$0																								\$0
145 Assets Held for Sale	\$0	\$0	\$0																								\$0
150 Total Current Assets	\$35,546	\$6,530,996	\$42,065	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,608,607
161 Land	\$0	\$323,460	\$306,570																								\$630,030
162 Buildings	\$0	\$32,046,949	\$4,996,048																								\$37,042,997
163 Furniture, Equipment & Machinery - Dwellings	\$0	\$0	\$0																								\$0
164 Furniture, Equipment & Machinery - Administration	\$0	\$438,168	\$0																								\$438,168
165 Leasehold Improvements	\$0	\$0	\$0																								\$0
166 Accumulated Depreciation	\$0	(\$23,598,975)	(\$4,996,048)																								(\$28,595,023)
167 Construction in Progress	\$0	\$568,949	\$0																								\$568,949
168 Infrastructure	\$0	\$0	\$0																								\$0
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$9,778,551	\$306,570	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,085,121
171 Notes, Loans and Mortgages Receivable - Non-Current	\$0	\$0	\$0																								\$0
172 Notes, Loans, & Mortgages Receivable - Non Current - Past	\$0	\$0	\$0																								\$0
173 Grants Receivable - Non Current	\$0	\$0	\$0																								\$0
174 Other Assets	\$0	\$0	\$0																								\$0
176 Investments in Joint Ventures	\$0	\$0	\$0																								\$0
180 Total Non-Current Assets	\$0	\$9,778,551	\$306,570	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,085,121
200 Deferred Outflow of Resources	\$0	\$0	\$0																								\$0
290 Total Assets and Deferred Outflow of Resources	\$35,546	\$16,309,547	\$348,635	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$16,693,728

Knoxville's Community Development Corp. (TN003)
KNOXVILLE, TN
Project Balance Sheet Summary

Submission Type: Audited/Single Audit			Fiscal Year End: 06/30/2022																							
311 Bank Overdraft	\$0	\$0	\$0																							\$0
312 Accounts Payable <= 90 Days	\$11,537	\$47,400	\$0																							\$58,937
313 Accounts Payable >90 Days Past Due	\$0	\$0	\$0																							\$0
321 Accrued Wage/Payroll Taxes Payable	\$0	\$12,191	\$0																							\$12,191
322 Accrued Compensated Absences - Current Portion	\$0	\$12,004	\$0																							\$12,004
324 Accrued Contingency Liability	\$0	\$0	\$0																							\$0
325 Accrued Interest Payable	\$0	\$12,292	\$0																							\$12,292
331 Accounts Payable - HUD PHA Programs	\$0	\$0	\$0																							\$0
332 Account Payable - PHA Projects	\$0	\$0	\$0																							\$0
333 Accounts Payable - Other Government	\$24,009	\$0	\$0																							\$24,009
341 Tenant Security Deposits	\$0	\$36,744	\$0																							\$36,744
342 Unearned Revenue	\$0	\$11,663	\$0																							\$11,663
343 Current Portion of Long-term Debt - Capital	\$0	\$491,669	\$0																							\$491,669
344 Current Portion of Long-term Debt - Operating Borrowings	\$0	\$0	\$0																							\$0
345 Other Current Liabilities	\$0	\$52	\$1,078																							\$1,130
346 Accrued Liabilities - Other	\$0	\$70,289	\$0																							\$70,289
347 Inter Program - Due To	\$0	\$0	\$0																							\$0
348 Loan Liability - Current	\$0	\$0	\$0																							\$0
310 Total Current Liabilities	\$35,546	\$694,304	\$1,078	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$730,028
351 Long-term Debt, Net of Current - Capital Projects/Mortgage	\$0	\$0	\$0																							\$0
352 Long-term Debt, Net of Current - Operating Borrowings	\$0	\$0	\$0																							\$0
353 Non-current Liabilities - Other	\$0	\$0	\$0																							\$0
354 Accrued Compensated Absences - Non Current	\$0	\$32,456	\$0																							\$32,456
355 Loan Liability - Non Current	\$0	\$0	\$0																							\$0
356 FASB 5 Liabilities	\$0	\$0	\$0																							\$0
357 Accrued Pension and OPEB Liabilities	\$0	\$0	\$0																							\$0
350 Total Non-Current Liabilities	\$0	\$32,456	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$32,456
300 Total Liabilities	\$35,546	\$726,760	\$1,078	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$763,384
400 Deferred Inflow of Resources	\$0	\$0	\$0																							\$0
508.4 Net Investment in Capital Assets	\$0	\$9,288,982	\$306,570																							\$9,595,552
511.4 Restricted Net Position	\$0	\$673,735	\$0																							\$673,735
512.4 Unrestricted Net Position	\$0	\$5,022,170	\$40,987	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,063,157
513 Total Equity - Net Assets / Position	\$0	\$15,582,787	\$347,557	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$15,930,344
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$35,546	\$16,309,547	\$348,635	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$16,693,728

Knoxville's Community Development Corp. (TN003)
KNOXVILLE, TN
Project Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2022

	TN003000011	TN003000001	OTHER PROJ	TN003000003	TN003000005	TN003000006	TN003000007	TN003000008	TN003000009	TN003000010	TN003000012	TN003000013	TN003000018	TN003000022	TN003000023	TN003000025	TN003000028	TN003000030	TN003000031	TN003000034	TN003000035	TN003000036	TN003000095	TN003000097	TN003000098	TN003009999	Total
70300 Net Tenant Rental Revenue	\$651,389	\$411,535	\$0																								\$1,062,924
70400 Tenant Revenue - Other	\$7,541	\$24,279	\$0																								\$31,820
70500 Total Tenant Revenue	\$658,930	\$435,814	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,094,744
70600 HUD PHA Operating Grants	\$3,886,448	\$3,162,753	\$1,005																								\$7,050,206
70610 Capital Grants	\$76,235	\$441,022	\$0																								\$517,257
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	\$0	\$0	\$0																								\$0
71100 Investment Income - Unrestricted	\$15,664	\$30,901	\$0																								\$46,565
71200 Mortgage Interest Income	\$0	\$0	\$0																								\$0
71300 Proceeds from Disposition of Assets Held for Sale	\$0	\$0	\$0																								\$0
71310 Cost of Sale of Assets	\$0	\$0	\$0																								\$0
71400 Fraud Recovery	\$0	\$1,608	\$0																								\$1,608
71500 Other Revenue	\$195,631	\$45,415	\$9,061																								\$250,107
71600 Gain or Loss on Sale of Capital Assets	\$0	\$0	\$0																								\$0
72000 Investment Income - Restricted	\$0	\$134	\$0																								\$134
70000 Total Revenue	\$4,832,908	\$4,117,347	\$10,066	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,960,321
91100 Administrative Salaries	\$149,193	\$181,210	\$0																								\$330,403
91200 Auditing Fees	\$3,594	\$5,497	\$0																								\$9,091
91300 Management Fee	\$127,297	\$629,616	\$0																								\$756,913
91310 Book-keeping Fee	\$18,428	\$34,590	\$0																								\$53,018
91400 Advertising and Marketing	\$0	\$366	\$0																								\$366
91500 Employee Benefit contributions - Administrative	\$52,791	\$59,491	\$0																								\$112,282
91600 Office Expenses	\$30,550	\$32,540	\$0																								\$63,090
91700 Legal Expense	\$5,758	\$9,690	\$0																								\$15,448
91800 Travel	\$0	\$0	\$0																								\$0
91810 Allocated Overhead	\$0	\$0	\$0																								\$0
91900 Other	\$24,379	\$117,651	\$20																								\$142,050
91000 Total Operating - Administrative	\$412,000	\$1,070,651	\$20	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,482,671
92000 Asset Management Fee	\$27,700	\$52,900	\$0																								\$80,500
92100 Tenant Services - Salaries	\$20,597	\$0	\$0																								\$20,597
92200 Relocation Costs	\$327,392	\$1,644	\$0																								\$329,036
92300 Employee Benefit Contributions - Tenant Services	\$7,088	\$0	\$0																								\$7,088
92400 Tenant Services - Other	\$26,392	\$27,918	\$0																								\$54,310
92500 Total Tenant Services	\$381,469	\$29,562	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$411,031
93100 Water	\$36,031	\$132,487	\$0																								\$168,518
93200 Electricity	\$212,162	\$95,399	\$0																								\$307,561
93300 Gas	\$0	\$6,781	\$0																								\$6,781
93400 Fuel	\$0	\$0	\$0																								\$0
93500 Labor	\$0	\$0	\$0																								\$0
93600 Sewer	\$67,097	\$362,281	\$0																								\$429,378
93700 Employee Benefit Contributions - Utilities	\$0	\$0	\$0																								\$0
93800 Other Utilities Expense	\$0	\$0	\$0																								\$0
93000 Total Utilities	\$315,290	\$596,948	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$912,238
94100 Ordinary Maintenance and Operations - Labor	\$64,415	\$177,015	\$0																								\$241,430
94200 Ordinary Maintenance and Operations - Materials and	\$7,101	\$63,354	\$0																								\$70,455
94300 Ordinary Maintenance and Operations Contracts	\$222,144	\$458,281	\$0																								\$680,425
94500 Employee Benefit Contributions - Ordinary Maintenance	\$24,045	\$57,291	\$0																								\$81,326
94000 Total Maintenance	\$317,705	\$755,931	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,069,636
95100 Protective Services - Labor	\$0	\$0	\$0																								\$0
95200 Protective Services - Other Contract Costs	\$35,243	\$61,292	\$0																								\$96,535
95300 Protective Services - Other	\$0	\$0	\$0																								\$0
95500 Employee Benefit Contributions - Protective Services	\$0	\$0	\$0																								\$0
95000 Total Protective Services	\$35,243	\$61,292	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$96,535
96110 Property Insurance	\$23,783	\$53,808	\$0																								\$77,591
96120 Liability Insurance	\$6,701	\$13,116	\$0																								\$19,817
96130 Workmen's Compensation	\$2,086	\$5,625	\$0																								\$7,711
96140 All Other Insurance	\$979	\$3,969	\$0																								\$4,948
96100 Total Insurance Premiums	\$33,549	\$76,518	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$110,067
96200 Other General Expenses	\$78	\$2,148	\$0																								\$2,226
96210 Compensated Absences	\$60,874	\$26,511	\$0																								\$87,385
96300 Payments in Lieu of Taxes	\$24,009	\$0	\$0																								\$24,009
96400 Bad debt - Tenant Rents	\$12,045	\$38,919	\$0																								\$50,964
96500 Bad debt - Mortgages	\$0	\$0	\$0																								\$0
96600 Bad debt - Other	\$0	\$0	\$0																								\$0
96800 Severance Expense	\$0	\$0	\$0																								\$0
96000 Total Other General Expenses	\$97,106	\$68,298	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$166,404

Knoxville's Community Development Corp. (TN003)
KNOXVILLE, TN
Project Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2022

	TN003000011	TN003000001	OTHER PROJ	TN003000003	TN003000005	TN003000006	TN003000007	TN003000008	TN003000009	TN003000010	TN003000012	TN003000013	TN003000018	TN003000022	TN003000023	TN003000025	TN003000028	TN003000030	TN003000031	TN003000034	TN003000035	TN003000036	TN003000095	TN003000097	TN003000098	TN003000999	Total
96710 Interest of Mortgage (or Bonds) Payable	\$0	\$0	\$0																								\$0
96720 Interest on Notes Payable (Short and Long Term)	\$8,287	\$28,420	\$0																								\$36,707
96730 Amortization of Bond Issue Costs	\$0	\$0	\$0																								\$0
96700 Total Interest Expense and Amortization Cost	\$8,287	\$28,420	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$36,707
96900 Total Operating Expenses	\$1,628,349	\$2,761,420	\$20	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,389,789
97000 Excess of Operating Revenue over Operating Expenses	\$3,204,559	\$1,355,927	\$10,046	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,570,532
97100 Extraordinary Maintenance	\$0	\$0	\$0																								\$0
97200 Casualty Losses - Non-capitalized	\$200,812	\$500	\$0																								\$201,312
97300 Housing Assistance Payments	\$0	\$0	\$0																								\$0
97350 HAP Portability-In	\$0	\$0	\$0																								\$0
97400 Depreciation Expense	\$0	\$882,755	\$0																								\$882,755
97500 Fraud Losses	\$0	\$0	\$0																								\$0
97600 Capital Outlays - Governmental Funds																											
97700 Debt Principal Payment - Governmental Funds																											
97800 Dwelling Units Rent Expense	\$0	\$0	\$0																								\$0
90000 Total Expenses	\$1,829,161	\$3,444,675	\$20	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,273,856
10010 Operating Transfer In	\$3,064,295	\$0	\$0																								\$3,064,295
10020 Operating transfer Out	(\$3,064,295)	\$0	\$0																								(\$3,064,295)
10030 Operating Transfers from/to Primary Government	\$0	\$0	\$0																								\$0
10040 Operating Transfers from/to Component Unit	\$0	\$0	\$0																								\$0
10050 Proceeds from Notes, Loans and Bonds																											
10060 Proceeds from Property Sales																											
10070 Extraordinary Items, Net Gain/Loss	\$0	\$0	\$0																								\$0
10080 Special Items (Net Gain/Loss)	\$0	\$0	\$0																								\$0
10091 Inter Project Excess Cash Transfer In	\$0	\$1,111,301																									\$1,111,301
10092 Inter Project Excess Cash Transfer Out	(\$1,111,301)	\$0																									(\$1,111,301)
10093 Transfers between Program and Project - In	\$0	\$0	\$0																								\$0
10094 Transfers between Project and Program - Out	(\$4,955,686)	\$0	\$0																								(\$4,955,686)
10100 Total Other financing Sources (Uses)	(\$4,076,987)	\$1,111,301	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$4,955,686)
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	(\$5,073,240)	\$1,783,973	\$10,046	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,279,221)
11020 Required Annual Debt Principal Payments		\$773,246	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,255,914
11030 Beginning Equity	\$3,860,669	\$13,797,714	\$337,511	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$17,995,894
11040 Prior Period Adjustments, Equity Transfers and	(\$787,429)	\$1,100	\$0																								(\$786,329)
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	2750	4926	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	7676
11210 Number of Unit Months Leased	2437	4258	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	6695
11270 Excess Cash	(\$135,110)	\$4,921,223	\$40,986	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,827,099
11610 Land Purchases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11620 Building Purchases	\$0	\$288,111	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$288,111
11630 Furniture & Equipment - Dwelling Purchases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11640 Furniture & Equipment - Administrative Purchases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11650 Leasehold Improvements Purchases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11660 Infrastructure Purchases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13510 OFFP Debt Service Payments	\$83,282	\$180,777	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$264,059
13901 Replacement Housing Factor Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Knoxville's Community Development Corporation
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

FEDERAL GRANTOR	CFDA number	Pass through entity	Federal expenditures	Loan balances	Total
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
Mortgage Insurance for the Purchase or Refinancing of Existing Multifamily Housing Projects	14.155		\$ -	\$ 22,670,465	\$22,670,465
Section 8 Project Based Cluster					
Section 8 Housing Assistance Payments Program- Special Allocations	14.195	N/A	8,800,373	-	8,800,373
Section 8 Moderate Rehabilitation	14.856	N/A	504,900	-	504,900
Housing Choice Voucher Cluster					
Housing Choice Voucher Program	14.871	N/A	26,605,130	-	26,605,130
Emergency Housing Vouchers	14.EHV	N/A	242,063	-	242,063
Mainstream Voucher	14.879	N/A	864,153	-	864,153
Capital Fund Program	14.872	N/A	4,005,759	-	4,005,759
PIH Family Self-Sufficiency Program	14.896	N/A	60,053	-	60,053
Low Rent Public Housing	14.850	N/A	3,561,704	-	3,561,704
Emergency Rental Assistance Passed Through Knox County	21.023		55,263	-	55,263
TN Opportunity Pilot Initiative Planning Grant	93.558	N/A	90,869	-	90,869
TOTAL FEDERAL FINANCIAL AWARDS			\$44,790,267	\$ 22,670,465	\$67,460,732

Knoxville's Community Development Corporation
Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

Note A - Basis of Accounting

This schedule is prepared on the accrual basis of accounting.

Note B - Basis of Presentation

The accompanying Schedule of Federal Awards (the "Schedule") includes the federal grant activity of the Authority under programs of the federal government for the year ended June 30, 2022.

The information in this schedule is presented in accordance with the requirements of OMB Uniform Guidance, Title 2 CFR, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards. Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position or cash flows of the Authority.

Note C - Other Matters - Indirect Costs

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

Note D - Reconciliation of Total Federal Awards Expenditures to Financial Data Schedule

**Reconciliation of Total Federal Awards
Expenditures to Statement of Revenues,
Expenses and Net Position**

HUD grants	\$ 44,126,878
Capital Fund	517,257
Other Government Grants	3,318,275
Less: State and Local	<u>(3,172,143)</u>
	<u><u>\$ 44,790,267</u></u>

Single Audit Section

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

Knoxville's Community Development Corporation
To the Board of Commissioners

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of Knoxville's Community Development Corporation ("KCDC") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise KCDC's basic financial statements, and have issued our report thereon dated November 28, 2022. Our report includes a reference to other auditors who audited the financial statements of the discretely presented component units, as described in our report on KCDC's financial statements. The financial statements of the discretely presented component units were not audited in accordance with *Government Auditing Standards*.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the basic financial statements, we considered KCDC's internal control over financial reporting (internal control) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of KCDC's internal control. Accordingly, we do not express an opinion on the effectiveness of KCDC'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of KCDC's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether KCDC's basic financial statements are free of 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 KCDC's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering KCDC's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "MCM CPA's & Advisors LLP". The signature is stylized and cursive.

Lexington, Kentucky
November 28, 2022

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

Knoxville's Community Development Corporation
To the Board of Commissioners

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Knoxville's Community Development Corporation's ("KCDC") compliance with the types of compliance requirements described in the OMB *Compliance Supplement*, that could have a direct and material effect on each of KCDC's major federal programs for the year ended June 30, 2022. KCDC's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, KCDC 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 June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the 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 KCDC'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 law, statutes, regulations, rules and provisions of contracts or grant agreements to the Authority's federal programs.

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform the audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding KCDC'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 KCDC'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 KCDC's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control 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 requirements of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a 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 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 the attention by those charged with governance.

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

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

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

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

MCM CPAs & Advisors LLP

Lexington, Kentucky
November 28, 2022

**Knoxville's Community Development Corporation
Schedule of Findings and Questioned Costs
Year Ended June 30, 2022**

Section I - Summary of Independent Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:
Material weakness(es) identified? ____ yes x no
Significant deficiency(ies) identified not considered to
be material weaknesses? ____ yes x none reported

Noncompliance material to financial statements noted? ____ yes x no

Federal Awards

Internal Control over major programs:
Material weakness(es) identified? ____ yes x no
Significant deficiency(ies) identified not considered to
be material weaknesses? ____ yes x none reported

Type of auditors' report issued on compliance for
major programs Unmodified

Any audit findings disclosed that are required to be reported
in accordance with 2 CFR 200.516(a)? ____yes x no

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
14.871, 14.879, 14.EHV	Housing Choice Voucher Cluster
14.155	Federally Guaranteed Loans

Dollar threshold used to distinguish between Type A and Type B programs: \$2,032,822

Auditee qualified as low-risk auditee? Xyes ____ no

Section II - Financial Statement Findings

None

Section III Finding - Major Federal Award Programs Audit

None

**Knoxville's Community Development Corporation
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2022**

No prior year findings.