

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

As of and for the Year Ended June 30, 2025

And Report of Independent Auditor

KNOXVILLE’S COMMUNITY DEVELOPMENT CORPORATION
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Report of Independent Auditor

To the Board of Commissioners
Knoxville's Community Development Corporation
Knoxville, Tennessee

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying 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, 2025, 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of KCDC as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Five Points 1, LP; Five Points 2, LP; Five Points 3, LP; Five Points 4, LP; Eastport Development, LP; Bell Street, LP; Bell Street 2, LP; Bell Street 3, LP; Lonsdale, LP; North Ridge Crossings, LP; Vista at Summit Hill, LP; Western Heights LP and Liberty Place Knoxville LP which represent 96%, 96%, and 100%, respectively, of the assets, net position, and revenues of the discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as they relate to the amounts included for Five Points 1, LP; Five Points 2, LP; Five Points 3, LP; Five Points 4, LP; Eastport Development, LP; Bell Street, LP; Bell Street 2, LP; Bell Street 3, LP; Lonsdale, LP; North Ridge Crossings, LP; Vista at Summit Hill, LP; Western Heights LP and Liberty Place Knoxville LP; is based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. The financial statements of Five Points 1, LP; Five Points 3, LP; Eastport Development, LP; Bell Street, LP; Bell Street 2, LP; Bell Street 3, LP; and Liberty Place Knoxville, 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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 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, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with generally accepted auditing standards, 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 opinions 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 Schedule of Actual Costs for the Specified Project, and the Financial Data Schedule Electronic Submission Schedule, 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 Information

Management is responsible for the other information included in the financial statements. The other information comprises the roster of board members and public officials but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2025 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.

Cherry Bekaert LLP

Lexington, Kentucky
December 10, 2025

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2025

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 year's 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 – 2025

- KCDC's total Net Position increased by \$13,344,031 or 8.1% during fiscal year 2025. Net Position was \$178,029,071 and \$164,695,040 (as restated) for 2025 and 2024, respectively. This increase in net position is primarily due to fixed asset construction and rehabilitation less correction of an error.
- Revenue increased by \$13,764,395 or 18.2% during fiscal year 2025. Revenues were \$90,416,647 and \$76,488,186 for 2025 and 2024, respectively. The increase in total revenue is primarily due to grant funding for Western Heights revitalization, Fifth Avenue GP, Five Points Infill development, and an increase in Section 8 HAP revenues.
- Expenses increased by \$6,436,236 or 10.4%. Total expenses were \$68,224,324 and \$61,788,088 for 2025 and 2024, respectively. The increase in expenses is primarily Section 8 housing assistance payments.

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

Supplementary Information

Supplementary 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

JUNE 30, 2025

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

JUNE 30, 2025

Statement of Net Position

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

	<u>2025</u>	<u>2024 Restated</u>	<u>Net Change</u>
ASSETS			
Current and restricted assets	\$ 81,604,799	\$ 77,835,200	\$ 3,769,599
Capital assets, net	82,765,260	87,912,016	(5,146,756)
Other assets	120,216,709	89,070,560	31,146,149
Total Assets	<u>284,586,768</u>	<u>254,817,776</u>	<u>29,768,992</u>
Deferred outflows of resources	<u>4,576,992</u>	<u>-</u>	<u>4,576,992</u>
LIABILITIES			
Current liabilities	12,155,876	19,057,089	(6,901,213)
Noncurrent liabilities	<u>73,415,867</u>	<u>66,838,148</u>	<u>6,577,719</u>
Total Liabilities	<u>85,571,743</u>	<u>85,895,237</u>	<u>(323,494)</u>
Deferred inflows of resources	<u>25,562,946</u>	<u>4,227,499</u>	<u>21,335,447</u>
Net Position:			
Net investment in capital assets	37,791,075	42,608,805	(4,817,730)
Restricted net position	11,808,294	22,169,221	(10,360,927)
Unrestricted net position	<u>128,429,702</u>	<u>99,917,014</u>	<u>28,512,688</u>
Total Net Position	<u>\$ 178,029,071</u>	<u>\$ 164,695,040</u>	<u>\$ 13,334,031</u>

For more detailed information see the Statement of Net Position.

Major Factors Affecting the Statement of Net Position

Total Assets increased by \$29,768,992 primarily due to investments in capital asset construction and rehabilitation and notes receivable related to development activities.

Total Deferred Outflows of Resources increased \$4,576,992 primarily due to conduit assets that will be transferred out at project completion.

Total Liabilities decreased by \$323,494 primarily due to available funds used to pay down current obligations related to development activities and initiatives supporting KCDC's mission and the City's redevelopment activities.

Total Deferred Inflows of Resources increased \$21,335,447 primarily due to conduit activities.

Total Net Position increased by \$13,334,031. This increase is the result of excess revenues over operating expenses for 2025, as shown in the Change in Unrestricted Net Position schedule below.

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

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2025

Change in Unrestricted Net Position

Unrestricted net position at June 30, 2024 as originally stated	\$ 100,917,014
Error correction	(1,000,000)
Results of operations - year ended June 30, 2025	13,334,031
Changes in net position restrictions:	
Restricted net position	10,360,927
Net investment in capital assets	4,817,730
Total Unrestricted Net Position at June 30, 2025	<u>\$ 128,429,702</u>

Statement of Revenues, Expenses, and Changes in Net Position

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

	<u>2025</u>	<u>2024</u> <u>Restated</u>	<u>Net Change</u>
Revenues:			
Tenant rents/other	\$ 7,030,980	\$ 6,343,491	\$ 687,489
Grants and capital funds	69,055,227	55,688,151	13,367,076
Interest income	2,731,059	2,569,691	161,368
Other revenues	11,599,381	11,886,853	(287,472)
Total Revenues	<u>90,416,647</u>	<u>76,488,186</u>	<u>13,928,461</u>
Expenses:			
Administrative	12,882,222	11,625,589	1,256,633
Tenant services	747,697	575,307	172,390
Utilities	3,900,760	3,584,849	315,911
Maintenance	5,224,816	5,365,657	(140,841)
Protective services	328,220	372,875	(44,655)
General and insurance	4,070,283	3,646,088	424,195
Interest and amortization	1,376,866	1,430,009	(53,143)
Extraordinary maintenance and casualty	290,747	564,050	(273,303)
Housing assistance payments	31,882,155	26,772,158	5,109,997
Depreciation and amortization	7,520,558	7,851,506	(330,948)
Total Expenses	<u>68,224,324</u>	<u>61,788,088</u>	<u>6,436,236</u>
Other Revenues (Expenses):			
Special item and loss on disposition	(8,858,292)	(40,639)	(8,817,653)
Total Change in Net Position	<u>\$ 13,334,031</u>	<u>\$ 14,659,459</u>	<u>\$ (1,325,428)</u>

**KNOXVILLE’S COMMUNITY DEVELOPMENT CORPORATION
MANAGEMENT’S DISCUSSION AND ANALYSIS**

JUNE 30, 2025

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

As reflected in the “Financial Highlights” section above, KCDC’s development activities were the primary contributor to the overall increase in revenues, expenses and net position.

Budgetary Highlights

For the year ended June 30, 2025, 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 above, KCDC’s net position increased during the fiscal year primarily due to development funding and activities.

Capital Assets

For the year ended June 30, 2025, KCDC had \$82,765,260 invested in a variety of capital assets as reflected in the following schedule, which represents a decrease of \$5,146,756 from the end of the prior year. This net decrease is attributable to infrastructure transferred out to other governments.

Capital Assets at Year-End (Net of Depreciation)

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

	<u>2025</u>	<u>2024</u>	<u>Net Change</u>
Land	\$ 13,442,615	\$ 13,442,615	\$ -
Buildings	180,690,036	180,375,262	314,774
Furniture/equipment	6,042,128	5,899,378	142,750
Infrastructure	1,842,777	10,503,985	(8,661,208)
Construction in process	20,063,159	9,582,062	10,481,097
Accumulated depreciation	(139,596,409)	(132,543,751)	(7,052,658)
Right-to-use subscription asset	1,885,386	1,864,406	20,980
Accumulated amortization	(1,604,432)	(1,211,941)	(392,491)
Total Capital Assets	<u>\$ 82,765,260</u>	<u>\$ 87,912,016</u>	<u>\$ (5,146,756)</u>

**KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

JUNE 30, 2025

Change in Capital Assets

	<u>Historical Cost</u>	<u>Accumulated Depreciation and Amortization</u>	<u>Net</u>
Balance at June 30, 2024	\$ 221,667,708	\$ 133,755,692	\$ 87,912,016
Additions	12,142,522	7,520,558	4,621,964
Dispositions	(9,844,129)	(75,409)	(9,768,720)
Balance at June 30, 2025	<u>\$ 223,966,101</u>	<u>\$ 141,200,841</u>	<u>\$ 82,765,260</u>

Debt Outstanding

For the year ended June 30, 2025, KCDC had \$74,442,776 in debt (bonds, notes, etc.) outstanding compared to \$76,570,400 last year, showing a \$2,127,624 decrease, which is the net of a \$9,068,919 increase in notes payable related to construction activities, and a \$11,196,543 decrease from extinguishment of capital debt.

Outstanding Debt, at Year-End

	<u>2025</u>	<u>2024 Restated</u>	<u>Net Change</u>
Debt:			
Current portion	\$ 2,879,138	\$ 11,263,914	\$ (8,384,776)
Long term portion	71,563,638	65,306,486	6,257,152
Total Debt	<u>\$ 74,442,776</u>	<u>\$ 76,570,400</u>	<u>\$ (2,127,624)</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 rate.
- 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.

Request for Information

The financial report is designed to provide a general overview of KCDC's finances. Questions concerning any of the information provided in this report or request for additional information should be addressed in writing to the Chief Financial Officer, KCDC, 901 N Broadway St., Knoxville, TN 37917 or by email to rbrown@kcdc.org or to dmcandrews@kcdc.org.

Roster of Board Members

Chairman: Scott Broyles
Vice Chairman: Felix Harris
Secretary: Benjamin M. Bentley
Treasurer: Becky Wade

Commissioner: Nadim Jubran
Commissioner: Bob Whetsel
Commissioner: Kimberly K. Henry
Resident Commissioner: Martha Tate

Roster of Management Officials

Benjamin M. Bentley, Executive Director/CEO
Nancy White, Chief Financial Officer
Sabrina Draplin, Chief Housing Officer
Jim Hatfield, Chief Development Officer
Marisa A. Moazen, Chief Strategy Officer

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
STATEMENT OF NET POSITION

JUNE 30, 2025

	Business Type Activities	Discretely Presented Component Units
ASSETS		
Current Assets:		
Cash and cash equivalents, unrestricted	\$ 11,513,315	\$ 3,242,581
Cash and cash equivalents, restricted	19,373,441	15,641,255
Investments, unrestricted	7,263,378	-
Investments, restricted	-	24,631
Accounts receivable, net of allowance	36,548,216	1,236,525
Due from other governments	5,506,848	7,653
Inventories	21,152	87,417
Prepaid expense	498,095	1,211,725
Lease receivable	361,294	-
Assets held for conveyance	519,060	-
Total Current Assets	<u>81,604,799</u>	<u>21,451,787</u>
Noncurrent Assets:		
Lease receivable	3,516,644	-
Notes and mortgages receivable	86,216,821	-
Total Other Noncurrent Assets	<u>89,733,465</u>	<u>-</u>
Capital Assets:		
Nondepreciable	33,505,774	30,039,723
Depreciable, net	49,259,486	193,010,019
Total Capital Assets, Net	<u>82,765,260</u>	<u>223,049,742</u>
Other Noncurrent Assets:		
Interest receivable	6,446,157	-
Assets held for conveyance	18,991,340	-
Other noncurrent assets	5,045,747	6,227,552
Total Other Noncurrent Assets	<u>30,483,244</u>	<u>6,227,552</u>
Total Noncurrent Assets	<u>202,981,969</u>	<u>229,277,294</u>
Total Assets	<u>284,586,768</u>	<u>250,729,081</u>
Deferred outflows of resources	4,576,992	-
Total Assets and Deferred Outflows of Resources	<u><u>\$ 289,163,760</u></u>	<u><u>\$ 250,729,081</u></u>

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

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
STATEMENT OF NET POSITION (CONTINUED)

JUNE 30, 2025

	Business Type Activities	Discretely Presented Component Units
LIABILITIES		
Current Liabilities:		
Vendors and contractors payable	\$ 4,796,776	\$ 11,764,368
Accrued wages/taxes payable	614,717	82,142
Accrued compensated absences	812,628	-
Accrued interest payable	110,098	5,642,822
Due to other governments	250,156	63,848
Unearned revenue	1,005,884	158,517
Notes and bonds payable	2,879,138	1,084,417
Other current liabilities	1,237,358	13,542,106
Subscription liability	36,364	-
Resident security deposits	412,757	390,838
Total Current Liabilities	12,155,876	32,729,058
Noncurrent Liabilities:		
Notes and bonds payable	71,563,638	93,064,813
Related party notes payable	-	51,005,653
Accrued compensated absences	1,649,882	-
Other accrued liabilities	202,347	190,974
Total Noncurrent Liabilities	73,415,867	144,261,440
Total Liabilities	85,571,743	176,990,498
Deferred inflows of resources	25,562,946	-
Total Liabilities and Deferred Inflows of Resources	111,134,689	176,990,498
Net Position:		
Net investment in capital assets	37,791,075	66,868,630
Restricted	11,808,294	1,199,939
Unrestricted	128,429,702	5,670,014
Total Net Position	178,029,071	73,738,583
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 289,163,760	\$ 250,729,081

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

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

YEAR ENDED JUNE 30, 2025

	Business Type Activities	Discretely Presented Component Units
Operating Revenues:		
Rental revenue	\$ 6,142,002	\$ 4,994,900
Fee revenue	888,978	-
HUD grants	53,704,732	-
Other governmental grants	15,330,785	8,505,944
Other revenue	11,596,119	376,073
Total Operating Revenues	<u>87,662,616</u>	<u>13,876,917</u>
Operating Expenses:		
Administrative	12,882,222	2,837,544
Tenant services	747,697	74,492
Utilities	3,900,760	2,155,718
Ordinary maintenance and operation	5,224,816	3,141,708
Protective services	328,220	265,788
Insurance	964,795	1,023,938
General expenses	3,105,488	799,363
Housing assistance payments	31,882,155	-
Depreciation and amortization	7,520,558	5,300,734
Total Operating Expenses	<u>66,556,711</u>	<u>15,599,285</u>
Net Operating Income	<u>21,105,905</u>	<u>(1,722,368)</u>
Nonoperating Revenues (Expenses):		
Interest revenue, unrestricted	2,582,259	723,403
Interest revenue, restricted	148,800	50,697
Interest expense	(1,376,866)	(3,349,503)
Fraud recovery	3,262	-
Extraordinary maintenance and casualty	(290,747)	-
Other nonoperating expenses	-	(29,486)
Loss on disposition of capital assets and land held for conveyance	(173,413)	-
Total Nonoperating Expenses, Net	<u>893,295</u>	<u>(2,604,889)</u>
Income (loss) before contributions	21,999,200	(4,327,257)
Capital contributions	-	7,993,032
Capital fund grant	19,710	-
Change in net position before special item	<u>22,018,910</u>	<u>3,665,775</u>
Special item	(8,684,879)	-
Change in net position	<u>13,334,031</u>	<u>3,665,775</u>
Net position, beginning of year, as previously reported	165,695,040	70,072,808
Restatement - error correction (Note 13)	<u>(1,000,000)</u>	<u>-</u>
Net position, beginning of year, as restated	<u>164,695,040</u>	<u>70,072,808</u>
Net position, end of year	<u>\$ 178,029,071</u>	<u>\$ 73,738,583</u>

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

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2025

Cash flows from operating activities:

Receipts from dwelling rentals	\$ 6,044,102
Operating grants	68,923,738
Receipts from fees	888,978
Other receipts	11,975,555
Payments to employees and suppliers	(27,491,534)
Payments to landlords and residents	(31,882,155)
	<u>28,458,684</u>
Net cash flows from operating activities	<u>28,458,684</u>

Cash flows from capital and related financing activities:

Capital fund grant	19,710
Purchase of capital assets	(11,058,681)
Acquisition of assets held for conveyance	(2,122,901)
Proceeds from sale of assets	381,689
Proceeds from capital debt	9,068,919
Proceeds from leases receivable	349,561
Interest received from leases receivable	115,465
Principal paid on capital debt	(10,887,844)
Interest paid on capital debt	(1,359,106)
Principal paid on subscription asset	(378,997)
Interest paid on subscription asset	(13,542)
Extraordinary maintenance and other	(287,485)
	<u>(16,173,212)</u>
Net cash flows from capital and related financing activities	<u>(16,173,212)</u>

Cash flows from investing activities:

Interest received	1,298,922
Proceeds from sales of investments	6,861,359
Payments received on notes receivable	(29,249,743)
Proceeds from notes receivable	1,098,665
	<u>(19,990,797)</u>
Net cash flows from investing activities	<u>(19,990,797)</u>

Change in cash and cash equivalents	(7,705,325)
Cash, beginning of year	38,592,081
Cash, end of year	<u>\$ 30,886,756</u>

Reconciliation of cash to the statement of net position:

Cash and cash equivalents, unrestricted	\$ 11,513,315
Cash and cash equivalents, restricted	19,373,441
Cash, end of year	<u>\$ 30,886,756</u>

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

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
STATEMENT OF CASH FLOWS (CONTINUED)

YEAR ENDED JUNE 30, 2025

Operating income:	\$ 21,105,905
Adjustments to reconcile net operating income to net cash flows from operating activities:	
Depreciation and amortization	7,520,558
Bad debt expense	457,802
Changes in assets and liabilities:	
Accounts receivable	(2,740,135)
Inventory	(3,707)
Other governments	(153,545)
Prepaid expenses	360,805
Accounts payable	2,551,599
Accrued wages	186,249
Accrued compensated absences	131,954
Due to other governments	41,766
Unearned revenue	(196,385)
Other accrued liabilities	(828,123)
Security deposits	23,941
Net cash flows from operating activities	<u>\$ 28,458,684</u>
Noncash reconciling items:	
Transfer of infrastructure to other governments recorded as special item	<u>\$ 8,684,879</u>
Deferred inflows related to assets held for conveyance	<u>\$ 16,050,000</u>

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

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 1—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 disabled 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.

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 Sections 2100 and 2600 of the Codification of Governmental Accounting and Financial Reporting Standards 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 II.
- 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, Clifton Road Apartments, and Five Points Infill.
- 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 as an instrumentality of KCDC. The purpose of the corporation is to facilitate leasing activity on acquired property.
- 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.
- 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.
- 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.

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 1—Nature of the organization and operations (continued)

- 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.
- 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.
- 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 Phase 1A 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. Construction activity has begun but has not begun leasing as of June 30, 2025.
- Bell Street 3 Corporation is a Section 115 Corporation created for ownership and financing activities related to KCDC's Austin Homes Phase 1B redevelopment.
- Western Heights Corporation is a Section 115 Corporation created for ownership and financing activities related to KCDC's Western Heights redevelopment.
- Western Heights I Corporation is a Section 115 Corporation created for ownership and financing activities related to KCDC's Western Heights Phase I redevelopment. Construction activities have begun as of June 30, 2025.
- Liberty Place Knoxville Corporation is a Section 115 Corporation created for ownership and financing activities related to Liberty Place Knoxville LP redevelopment.
- Holston GP Corporation is a Section 115 Corporation created for Low Income Housing Tax Credit financing activities related to Holston Hills Road, Knoxville, Tennessee.
- Grosvenor Square GP Corporation is a Section 115 Corporation created for Low Income Housing Tax Credit financing activities related to 2400 and 2600 Merchant Drive, Knoxville, Tennessee and 5291 Oakhill Drive, Knoxville, Tennessee.
- Sutherland 1 GP Corporation is a Section 115 Corporation created for Low Income Housing Tax Credit financing activities related to 1036 Dunhill Way, Knoxville, Tennessee and 3200 Sutherland View Way, Knoxville, Tennessee.
- Sutherland 2 GP Corporation is a Section 115 Corporation created for Low Income Housing Tax Credit financing activities related to 510 Vista Glen Way, Knoxville, Tennessee.

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 1—Nature of the organization and operations (continued)

- Western Heights 2 GP Corporation is a Section 115 Corporation created for Low Income Housing Tax Credit financing activities related to KCDC's Western Heights Phase 2 redevelopment. Construction activity has begun but has not begun leasing as of June 30, 2025.
- Western Heights 3 GP Corporation is a Section 115 Corporation created for Low Income Housing Tax Credit financing activities related to KCDC's Western Heights Phase 3 redevelopment. Pre-development activity has begun but has not begun leasing as of June 30, 2025.
- Western Heights 4 GP Corporation is a Section 115 Corporation created for Low Income Housing Tax Credit financing activities related to KCDC's Western Heights Phase 4 redevelopment. Pre-development activity has not begun as of June 30, 2025.
- Bluegrass GP Corporation is a Section 115 Corporation created for Low Income Housing Tax Credit financing activities related to 1645 Ebenezer Road, Knoxville, Tennessee.
- Hardin Valley GP Corporation is a Section 115 Corporation created for Low Income Housing Tax Credit financing activities related to Hardin Valley Rd, Knoxville, Tennessee.
- Fifth Avenue GP Corporation is a Section 115 Corporation created for Low Income Housing Tax Credit financing activities related to Fifth Avenue, Knoxville, Tennessee.
- Western Heights Community Corporation is a Section 115 Corporation created for Low Income Housing Tax Credit financing activities related to the Transforming Western Heights project in Knoxville, Tennessee.

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. Although Montgomery Village Corporation and Cagle Terrace Corporation are reported in aggregate with the blended component units, each undergoes a separate financial audit. Requests for the full financial information of Montgomery Village Corporation and Cagle Terrace Corporation should be addressed in writing to the Chief Financial Officer, KCDC, 901 N Broadway St., Knoxville, TN 37917.

Discretely presented component units

As of June 30, 2025, KCDC recognized cumulatively fourteen 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.

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 1—Nature of the organization and operations (continued)

- 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.
- 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.
- Bell Street 2, LP was formed under the laws of the State of Tennessee on February 18, 2020 to acquire, own, develop, lease, and operate Austin Homes Phase 3 (the "Property") located in Knoxville, Tennessee. The Property consists of 161 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.
- Bell Street 3, LP was formed under the laws of the State of Tennessee on February 18, 2020 to acquire, own, develop, lease, and operate Austin Homes Phase 1B (the "Property") located in Knoxville, Tennessee. The Property consists of 180 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 executed between the Partnership and HUD.
- Western Heights LP was formed under the laws of the State of Tennessee on July 30, 2021 to acquire, own, develop, lease, and operate Western Heights (the "Property") located in Knoxville, Tennessee. The Property consists of 232 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 THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 1—Nature of the organization and operations (continued)

- Western Heights 1 LP was formed under the laws of the State of Tennessee on March 22, 2023 to acquire, own, develop, lease, and operate Western Heights (the “Property”) located in Knoxville, Tennessee. The Property consists of 76 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.
- Liberty Place Knoxville LP was formed under the laws of the State of Tennessee on May 26, 2022 to acquire, own, develop, lease, and operate Liberty Place (the “Property”) located in Knoxville, Tennessee. The Property consists of 32 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 executed between the Partnership and HUD.

Requests for the full financial information of the discretely presented component units as of December 31, 2024 should be addressed in writing to the Chief Financial Officer, KCDC, 901 N Broadway St., Knoxville, TN 37917.

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, 2025, 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, Knox County, and the Metropolitan Knoxville Airport Authority.
- 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 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.
- 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.
- KCDC became a Moving to Work (MTW) agency during the year ended June 30, 2024. Designation as a MTW agency provides funding flexibility. KCDC began utilizing its approved funding flexibility during the year ended June 30, 2025.

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 2—Summary of significant accounting policies

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 (“U.S. 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.

U.S. GAAP 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.

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.

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.

Inter-Program Receivables and Payables – Inter-program receivables/payables, when present, are all current, and are the result of the use of a 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.

Investments – Investments are recorded at fair value. Investment instruments consist only of items specifically approved for public housing agencies by HUD and consist mainly of certificates of deposit and U.S. treasury securities.

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 THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 2—Summary of significant accounting policies (continued)

Capital Assets

Book Value – All purchased fixed assets are valued at cost when historical records are available. Land values were derived from development closeout documentation.

Donated fixed assets are recorded at acquisition 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
Right-to-use subscription asset	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.

Impairment of Capital Assets – KCDC has been and is currently involved in various demolition activities in conjunction with its modernization and development programs. KCDC has at June 30, 2025, 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, 2025.

Deferred Outflow of Resources – In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to conduit assets. Deferred outflows of resources represent a consumption of net assets by KCDC that is applicable to a future reporting period. At June 30, 2025, deferred outflows of resources are composed of the following:

Stadium infrastructure project	\$ 1,960,403
Old City streetscapes funds	2,616,589
Total deferred outflows of resources	<u>\$ 4,576,992</u>

KNOXVILLE’S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 2—Summary of significant accounting policies (continued)

Lease Receivable – 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 using the effective interest method.

Right-to-Use Subscription Asset – The right-to-use subscription asset represents KCDC’s right to use certain subscription-based information technology during a defined subscription term. The right-to-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.

Compensated Absences – A compensated absence liability is recognized in accordance with Government Accounting Standards Board (“GASB”) Statement 101, *Compensated Absences*, that includes: 1) leave that is attributable to services already rendered, 2) leave that accumulates, and 3) leave that is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

Deferred Inflows of Resources – In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to conduit funds, funds that may be conduit in nature, and leases subject to GASB 87. Deferred inflows of resources represent an acquisition of net assets by KCDC that is applicable to a future reporting period. At June 30, 2025, deferred inflows of resources are composed of the following:

Lease receivable	\$ 3,877,938
Assets held for conveyance	16,050,000
Stadium infrastructure project	3,018,419
Old City streetscapes funds	<u>2,616,589</u>
Total deferred inflows of resources	<u>\$ 25,562,946</u>

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.

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.

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.

Operating Revenues and Expenses – The principal operating revenues of KCDC’s enterprise fund are HUD operating grants and 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.

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 2—Summary of significant accounting policies (continued)

Implementation of Accounting Pronouncement – In June 2022, GASB issued *Statement No. 101 Compensated Absences*. The provisions of the statement are effective for fiscal years beginning after December 15, 2023. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. This Statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means. KCDC adopted this statement effective July 1, 2024 with no impact on net position.

In December 2022, GASB issued *Statement No. 102 Certain Risk Disclosures*. The requirements of this statement are effective for fiscal years beginning after June 15, 2024. The objective of this statement is to provide the users of governmental financial statements with information about risks related to a government's vulnerabilities due to certain concentrations or constraints that is essential to their analyses for making decisions and assessing accountability. The statement establishes financial reporting requirements for such risk and applies to financial statements of all state and local governments. KCDC adopted this statement effective July 1, 2024 with no impact on the financial statements.

Recent Accounting Pronouncements – In April 2024, GASB issued *Statement No. 103 Financial Reporting Model Improvements*. The requirements of this statement are effective for fiscal years beginning after June 15, 2025. The statement will improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. KCDC is currently evaluating the impact that will result from adopting this statement.

In September 2024, GASB issued *Statement No. 104 Disclosure of Certain Capital Assets*. This statement establishes requirements for certain types of capital assets to be disclosed separately in the capital assets note disclosures required by *Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. It also establishes requirements for capital assets held for resale, including additional disclosures for those capital assets. The requirements of this statement are effective for fiscal years beginning after June 15, 2025. KCDC is currently evaluating the impact of this statement.

Note 3—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.

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.

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 3—Deposits and investments (continued)

Deposit and Investment Risks – KCDC held the following deposit and investments at June 30, 2025:

Deposits

Unrestricted	\$ 11,513,315
Restricted other	18,874,824
Restricted for tenant security deposits	428,497
Restricted for payment of current liabilities	70,120
Total cash demand deposits	<u>\$ 30,886,756</u>

Investments

Investment	Maturity Date	Value Principal Paid 6/30/2025	Fair Market Value 6/30/2025	Moody's Rating	S & P Rating	Callable
CD	7/9/2025	\$ 250,000	\$ 249,965	NR	NR	NO
CD	8/11/2025	250,000	250,058	NR	NR	NO
CD	9/15/2025	250,000	249,998	NR	NR	NO
CD	10/10/2025	250,000	250,398	NR	NR	NO
CD	10/20/2025	250,000	250,443	NR	NR	NO
CD	11/28/2025	250,000	249,965	NR	NR	NO
CD	12/15/2025	250,000	250,018	NR	NR	NO
CD	12/19/2025	250,000	249,838	NR	NR	NO
CD	3/25/2026	250,000	249,510	NR	NR	NO
CD	4/24/2026	250,000	250,438	NR	NR	NO
CD	5/1/2026	250,000	249,423	NR	NR	NO
CD	7/24/2026	250,000	249,933	NR	NR	NO
CD	8/24/2026	250,000	250,593	NR	NR	NO
CD	9/28/2026	250,000	249,333	NR	NR	NO
CD	10/16/2026	250,000	249,400	NR	NR	NO
CD	10/19/2026	250,000	249,475	NR	NR	NO
CD	2/1/2027	250,000	250,858	NR	NR	NO
CD	4/20/2027	250,000	250,298	NR	NR	NO
CD	12/27/2027	250,000	250,090	NR	NR	NO
US TREAS NTS	3/31/2026	400,000	402,328	Aa1	NR	NO
US TREAS NTS	1/15/2027	250,000	250,595	Aa1	NR	NO
US TREAS NTS	3/31/2027	250,000	250,390	Aa1	NR	NO
US TREAS NTS	5/31/2027	250,000	244,835	Aa1	NR	NO
US TREAS NTS	6/15/2027	250,000	254,140	Aa1	NR	NO
Total		6,150,000	6,152,322			
Cash and cash equivalents	N/A	<u>1,111,063</u>	<u>1,111,063</u>	NR	NR	NO
Total securities		<u>\$7,261,063</u>	<u>\$7,263,378</u>			

KCDC categorizes its fair value measurement within the fair value hierarchy established by U.S. GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted at prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 are significant unobservable inputs.

Level 1 – Quoted prices (unadjusted) of identical assets or liabilities in active markets that an entity has ability to access as of the measurement date, or observable inputs.

Level 2 – Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, and other inputs that are observable or can be corroborated by observable market data.

KNOXVILLE’S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 3—Deposits and investments (continued)

Level 3 – Significant unobservable inputs that reflect an entity’s own assumptions above the assumptions that market participants would use in pricing an asset or liability.

KCDC has the following recurring fair value measurements as of June 30, 2025:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Certificate of deposits	\$ 4,750,028	\$ 4,750,028	\$ -	\$ -
Cash equivalents	9,354	9,354	-	-
Money markets	1,101,708	1,101,708	-	-
U.S. treasury securities	1,402,288	-	1,402,288	-
Total investments	<u>\$ 7,263,378</u>	<u>\$ 5,861,090</u>	<u>\$ 1,402,288</u>	<u>\$ -</u>

Restricted and unrestricted cash and investments:

Low income public housing:				
Restricted for tenant security deposits			\$	950
Housing choice voucher:				
Restricted for housing assistance payments equity and noncurrent liabilities				28,249
Moving to work:				
Restricted for housing assistance payments equity				631,659
Restricted for payment of current liabilities				70,120
Emergency housing voucher:				
Restricted for housing assistance payments equity & non-current liabilities				46,227
Blended component unit:				
Restricted for modernization and development				3,204,261
Restricted for replacement reserve				2,401,419
Restricted for tenant security deposits				182,999
Section 8 special allocation:				
Restricted for operating reserve				100,670
Restricted for rehab escrow				6,752,954
Restricted for tenant security deposits				244,548
State/local:				
Restricted for modernization and development				5,709,385
Total restricted demand deposits				<u>19,373,441</u>
Unrestricted cash				11,513,315
Unrestricted investments				<u>7,263,378</u>
Total unrestricted cash and investments				<u>18,776,693</u>
Total restricted and unrestricted cash and investments			\$	<u><u>38,150,134</u></u>

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.

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 3—Deposits and investments (continued)

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, 2025, 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 1. 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, 2025, the investments held by KCDC mature July 9, 2025 through June 15, 2027. 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.

Note 4—Accounts receivable

Due from managed entities	\$ 1,976,841
Tenant accounts receivable, net of allowance of \$4,265	367,119
Due from affiliates	11,127,169
Other	23,077,087
Total accounts receivable	<u>\$ 36,548,216</u>

Note 5—Due from other governments

HUD	\$ 982,030
Local governments	4,524,818
Total due from other governments	<u>\$ 5,506,848</u>

KNOXVILLE’S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 6—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 \$18,991,341. The current portion is \$519,060.

Note 7—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 1, LP	489,760
Five Points 2, LP	2,327,136
Five Points 3, LP	1,407,879
Five Points 4, LP	2,602,749
Bell Street, LP	523,277
Bell Street 2, LP	11,130,611
Bell Street 3, LP	6,824,911
Western Heights, LP	17,805,000
Western Heights 1, LP	13,323,274
Liberty Place Knoxville, LP	4,976,357
Western Heights 2, LP	609,754
Merchant Holdings, LLC	2,270,000
Total notes and mortgages receivable	<u>\$ 86,216,821</u>

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, 2025 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

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 7—Notes and mortgages receivable (continued)

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, 2025, the principal balance outstanding was \$3,380,948.

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, 2025, 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, 2025, 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, 2025, 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, 2025, the principal balance outstanding was \$2,057,050.

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 7—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, 2025, 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, 2025, 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, 2025, 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, 2025, the principal balance outstanding was \$489,760.

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, 2025, the principal balance outstanding was \$1,291,177.

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, 2025, the principal balance outstanding was \$1,035,959.

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 7—Notes and mortgages receivable (continued)

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, 2025, 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, 2025, 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 3.04% 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, 2025, 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, 2025, the principal balance outstanding was \$1,521,289.

KCDC obtained a \$1,081,460 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, 2025, the principal balance outstanding was \$1,081,460.

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, 2025, the principal balance outstanding was \$523,277.

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 7—Notes and mortgages receivable (continued)

Bell Street 2, LP – KCDC obtained a \$11,130,611 promissory note from Bell Street 2, LP, dated May 23, 2024. The principal balance of this note, which is secured by the property, shall bear interest at a fixed rate of 1%. Equal installments of the 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 December 31, 2066. Notwithstanding the foregoing, Bell Street 2, 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, 2025, the principal balance outstanding was \$11,130,611.

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, 2025, the principal balance outstanding was \$6,324,911.

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, 2025, the principal balance outstanding was \$500,000.

Western Heights, LP – KCDC obtained a \$11,500,000 promissory note from Western Heights, LP dated October 18, 2022. The principal balance of this note, which is secured by the property, shall bear interest at a fixed rate of 0% until September 30, 2024. From and after October 1, 2024, the principal balance of this note shall bear interest at a fixed rate of 0.75%. 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 October 18, 2062. If there is insufficient net cash 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 advance under this note, together with all accrued and unpaid interest will be due and payable in full. As of June 30, 2025, the principal balance outstanding was \$11,500,000.

KCDC obtained a \$6,305,000 promissory note from Western Heights, LP dated October 18, 2022. The principal balance of this note, which is secured by the property, shall bear interest at a fixed rate of 0% until September 30, 2024. From and after October 1, 2024, the principal balance of this note shall bear interest at a fixed rate of 0.75%. Equal installments of principal plus interest are due annually on the anniversary of the funding date over a period of 40 years with a maturity date of October 18, 2062. If there is insufficient net cash 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 advance under this note, together with all accrued and unpaid interest will be due and payable in full. As of June 30, 2025, the principal balance outstanding was \$6,305,000.

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 7—Notes and mortgages receivable (continued)

Western Heights 1, LP – KCDC obtained a \$8,437,040 promissory note from Western Heights 1, LP, dated May 23, 2024. The principal balance of this note, which is secured by the property, shall bear interest at a fixed rate of 2.5%. Equal installments of the principal plus interest are due annually on the anniversary of the funding date over a period of forty years with a maturity date of May 23, 2064. Notwithstanding the foregoing, Western Heights 1, 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, 2025, the principal balance outstanding was \$8,000,000.

KCDC obtained a \$5,886,000 promissory note from Western Heights 1, LP, dated May 23, 2024. The principal balance of this note, which is secured by the property, shall bear interest at a fixed rate of 0%. During the construction term, no payments of principal or interest are due. After the commencement of the term loan, Western Heights 1, LP shall be required to pay equal annual installments of principal and accrued interest from net cash flow. If there is insufficient net cash flow to make payment under the note, such amounts shall accrue and be paid from future years net cash flow. On the maturity date of May 23, 2064, 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, 2025, the principal balance outstanding was \$5,323,274.

Liberty Place Knoxville, LP – KHDC obtained a \$1,976,357 promissory note from Liberty Place Knoxville, LP dated August 16, 2023. 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 August 16, 2063. Notwithstanding the foregoing, Liberty Place Knoxville, 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, 2025, the principal balance outstanding was \$1,976,357.

KCDC obtained a \$2,000,000 promissory note from Liberty Place Knoxville, LP dated August 16, 2023. The principal balance of this note, which is secured by the property, shall bear interest at a fixed rate of 1% per annum. The note is secured by the property but is subordinate to promissory note held by the senior lender. Payments of principal and interest are payable from net cash flow, as defined, and if there is insufficient net cash flow to make payments, such amounts shall accrue and be paid from future net cash flow. The entire principal and unpaid interest balance shall be due and payable in full on August 16, 2063. As of June 30, 2025, the principal balance outstanding was \$2,000,000.

KCDC obtained a \$1,000,000 promissory note from Liberty Place Knoxville, LP dated August 16, 2023. The principal balance of this note, which is secured by the property, shall bear interest at a fixed rate of 1% per annum. The entire principal and unpaid interest balance shall be due and payable in full on August 16, 2045. As of June 30, 2025, the principal balance outstanding was \$1,000,000.

Western Heights 2, LP – KCDC obtained a \$900,000 promissory note from Western Heights 2, LP dated June 18, 2025. The principal balance of this note shall bear interest at a fixed rate of 0%. The note is secured by the property but is subordinate to promissory note held by the senior lender. So long as no event of default occurs, Western Heights 2, LP shall not be required to make any payments of principal and interest until the maturity date of July 18, 2065. 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, 2025, the principal balance outstanding was \$500,000.

KNOXVILLE’S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 7—Notes and mortgages receivable (continued)

KCDC obtained a \$160,392 promissory note from Western Heights 2, LP dated June 18, 2025. The principal balance of this note shall bear interest at a fixed rate of 0%. The note is secured by the property but is subordinate to promissory note held by the senior lender. So long as no event of default occurs, Western Heights 2, LP shall not be required to make any payments of principal and interest until the maturity date of July 18, 2065. 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, 2025, the principal balance outstanding was \$109,754.

Merchant Holdings, LLC – KCDC obtained a \$2,270,000 promissory note from Merchant Holdings, LLC dated December 5, 2024. The principal balance of this note, which is secured by the property, shall bear interest at a fixed rate of 1%. During the construction term, so long as no event of default occurs, Merchant Holdings, LLC shall not be required to make any payments of principal and interest. Following the construction term, Merchant Holdings, LLC shall be required to pay equal annual installments of principal and accrued interest from available cash flow. On maturity date of December 31, 2066. 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, 2025, the principal balance outstanding was \$2,270,000.

Note 8—Land, buildings, and equipment

	Balance 7/1/2024	Additions	Adjustments/ Disposals	Transfers	Balance 6/30/2025
Nondepreciable:					
Land	\$ 13,442,615	\$ -	\$ -	\$ -	\$ 13,442,615
Construction in progress	9,582,062	11,584,838	(1,083,841)	(19,900)	20,063,159
Total nondepreciable	23,024,677	11,584,838	(1,083,841)	(19,900)	33,505,774
Depreciable:					
Buildings & improvements	180,375,262	393,359	(54,914)	(23,671)	180,690,036
Infrastructure	10,503,985	-	(8,684,879)	23,671	1,842,777
Accumulated depreciation	(130,363,409)	(6,529,341)	54,914	-	(136,837,836)
Net buildings and improvements	60,515,838	(6,135,982)	(8,684,879)	-	45,694,977
Equipment:	5,899,378	143,345	(20,495)	19,900	6,042,128
Accumulated depreciation	(2,180,342)	(598,726)	20,495	-	(2,758,573)
Net equipment	3,719,036	(455,381)	-	19,900	3,283,555
Net depreciable assets	64,234,874	(6,591,363)	(8,684,879)	19,900	48,978,532
Right-to-use:					
Right-to-use subscription asset	1,864,406	20,980	-	-	1,885,386
Accumulated amortization	(1,211,941)	(392,491)	-	-	(1,604,432)
Net right-to-use assets	652,465	(371,511)	-	-	280,954
Total capital assets, net	\$ 87,912,016	\$ 4,621,964	\$ (9,768,720)	\$ -	\$ 82,765,260

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 9—Unearned revenue

Unearned revenue:

HCV administration fees	\$ 32,885
Tenant prepaid rents	138,603
Resident association funds	84,240
Other	750,156
Total unearned revenue	<u>\$ 1,005,884</u>

Note 10—Notes payable

KCDC is indebted to various lenders as follows:

Reference	Interest Expense	Current Debt	Noncurrent Debt	Total Debt	Accrued Interest
1	\$ 15,269	\$ 123,158	\$ 317,743	\$ 440,901	\$ 1,058
2	213,438	254,639	5,814,261	6,068,900	16,439
3	-	45,605	658,898	704,503	-
4	4,989	66,033	16,837	82,870	314
5	63,222	54,397	1,536,824	1,591,221	4,641
6	123,819	78,181	4,026,936	4,105,117	10,092
7	95,953	60,172	3,121,279	3,181,451	7,821
8	416,549	190,382	9,883,745	10,074,127	34,420
9	-	60,000	900,000	960,000	-
10	265,033	246,649	10,731,752	10,978,401	21,865
11	165,052	133,069	5,618,233	5,751,302	13,448
12	-	-	500,000	500,000	-
13	-	700,000	13,300,000	14,000,000	-
14	-	866,853	14,137,130	15,003,983	-
15	-	-	1,000,000	1,000,000	-
Total	<u>\$ 1,363,324</u>	<u>\$ 2,879,138</u>	<u>\$ 71,563,638</u>	<u>\$ 74,442,776</u>	<u>\$ 110,098</u>

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 Truist in the amount of \$1,567,500 bearing interest at 2.88% per 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, 2025 is \$440,901.
2. *Pinnacle Bank* – On March 31, 2022, KCDC entered into a Construction and Term Loan Agreement with Pinnacle Bank for mortgage financing of a 277-unit senior housing complex. 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 note is to be paid in monthly increments of \$36,111 through April 1, 2039. The outstanding balance as of June 30, 2025 is \$6,068,900.

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 10—Notes payable (continued)

3. *Home Federal* – On October 5, 2023, KCDC entered into a Construction and Term Loan Agreement with Home Federal Bank of Tennessee for mortgage financing of a 10-unit affordable housing development. The face amount of the loan agreement is \$1,700,000. Interest only payments are due through August 31, 2025. Principal and interest payments necessary to amortize the principal balance and accrued interest over 35 years commence on the first day of the term period. The maturity date of the note is October 5, 2038. Interest shall be calculated at the adjusted interest rate of 4.5%. The outstanding balance as of June 30, 2025 is \$704,503.
4. *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, 2025 is \$82,870.
5. *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, 2025 is \$1,591,221.
6. *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, 2025 is \$4,105,117.
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 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. Effective August 2022, the loan was modified to have a maximum borrowing amount of \$3,321,000. 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, 2025 is \$3,181,451.
8. *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, 2025 is \$10,074,127.
9. *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, 2025 is \$960,000.

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 10—Notes payable (continued)

10. *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, 2025 is \$10,978,401.
11. *Home Federal* – On September 2, 2021, KHDC entered into a Construction and Term Loan Agreement with Home Federal Bank of Tennessee for mortgage financing for construction of a Head Start building to provide preschool education for qualified low-income eligible children in the Western Heights neighborhood. The face amount of the loan agreement is \$6,200,000 and \$6,015,926 has been drawn as of June 30, 2025. 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, 2025 is \$5,751,302.
12. *Tennessee Housing Trust* – On December 1, 2021, KCDC entered into a deferred payment loan with Tennessee Housing Development Agency in the amount of \$500,000. 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, 2025 is \$500,000.
13. *City of Knoxville* – On June 7, 2023, KCDC entered into a loan agreement with the City of Knoxville for TIF eligible public infrastructure improvement project expenses related to the stadium redevelopment area. The \$14,000,000 loan bears no interest and matures June 1, 2066 unless extended or paid in full prior to the maturity date. Loan payments will begin no later than June 1, 2026. The loan is securitized by tax increment revenues. The outstanding balance as of June 30, 2025 is \$14,000,000.
14. *Regions Capital Advantage, Inc.* – On September 21, 2023, KCDC entered into a loan agreement with Regions Capital Advantage, Inc. for TIF eligible public infrastructure improvement project expenses related to the Knoxville South Waterfront Redevelopment and Urban Renewal Plan. The \$30,000,000 note bears interest at the Bloomberg Short-Term Bank Yield Index (BSBY), (but not less than 0%) as detailed in the loan documents. The loan is securitized by tax increment revenues. The outstanding balance as of June 30, 2025, is \$15,003,982.
15. *Tennessee Housing Development Agency* – On August 16, 2023, KCDC entered into a promissory note in the amount of \$1,000,000 with the Tennessee Housing Development Agency ("THDA") for the development of 22-units of affordable housing. Provided that KCDC complies with all terms of the agreement, 20% of the loan will be forgiven 11 years from the completion of the project with subsequent annual reductions of 10%. The outstanding balance as of June 30, 2025 is \$1,000,000.

KNOXVILLE’S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 10—Notes payable (continued)

Debt amortization is as follows:

	Truist	Pinnacle	Home Federal	First Horizon	Home Federal
2026	\$ 123,158	\$ 254,639	\$ 45,605	\$ 66,033	\$ 54,397
2027	134,419	254,639	68,407	16,837	53,377
2028	138,240	254,639	68,407	-	55,752
2029	45,084	254,639	68,407	-	58,055
2030	-	254,639	68,407	-	60,454
2031-2035	-	1,273,196	342,035	-	1,309,186
2036-2040	-	1,273,196	43,235	-	-
2041-2045	-	1,273,196	-	-	-
2046-2050	-	976,117	-	-	-
2051-2055	-	-	-	-	-
2056-2060	-	-	-	-	-
Total	\$ 440,901	\$ 6,068,900	\$ 704,503	\$ 82,870	\$ 1,591,221

	Home Federal	Home Federal	Walker Dunlop	City of Knoxville	Walker Dunlop
2026	\$ 78,181	\$ 60,172	190,382	\$ 60,000	\$ 246,649
2027	80,635	62,004	198,336	60,000	252,609
2028	83,046	63,858	206,623	60,000	258,713
2029	85,529	65,767	215,255	60,000	264,964
2030	88,087	67,734	224,228	60,000	271,366
2031-2035	481,555	370,289	1,269,854	300,000	1,458,417
2036-2040	557,989	429,062	1,558,233	300,000	1,643,343
2041-2045	646,555	497,165	1,912,102	60,000	1,851,718
2046-2050	749,178	576,077	2,346,333	-	2,086,514
2051-2055	1,254,362	989,323	1,952,781	-	2,351,083
2056-2060	-	-	-	-	293,025
Total	\$ 4,105,117	\$ 3,181,451	\$ 10,074,127	\$ 960,000	\$ 10,978,401

KNOXVILLE’S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 10—Notes payable (continued)

	<u>Home Federal</u>	<u>Tennessee Housing Trust</u>	<u>City of Knoxville</u>	<u>Regions</u>	<u>THDA</u>	<u>Total</u>
2026	\$ 133,069	\$ -	\$ 700,000	\$ 866,853	\$ -	\$ 2,879,138
2027	144,715	100,000	700,000	866,883	-	2,992,861
2028	148,675	100,000	700,000	866,868	-	3,004,821
2029	152,891	100,000	700,000	866,868	-	2,937,459
2030	157,228	100,000	700,000	866,868		2,919,011
2031-2035	855,612	100,000	3,500,000	4,334,340	200,000	15,794,484
2036-2040	4,159,112	-	3,500,000	4,334,340	500,000	18,298,510
2041-2045	-	-	3,500,000	2,000,963	300,000	12,041,699
2046-2050	-	-	-	-	-	6,734,219
2051-2055	-	-	-	-	-	6,547,549
2056-2060	-	-	-	-	-	293,025
Total	<u>\$ 5,751,302</u>	<u>\$ 500,000</u>	<u>\$ 14,000,000</u>	<u>\$ 15,003,983</u>	<u>\$ 1,000,000</u>	<u>\$ 74,442,776</u>

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, 2025 which have been issued by KCDC:

<u>TIF Project</u>	<u>Redevelopment Plan Area</u>	<u>TIF Note</u>		<u>June 30, 2025</u>		<u>Project Total</u>
		<u>Approval Date</u>	<u>TIF Amount</u>	<u>Balance</u>		
1 Commerce Bldg	Jackson/Depot	1/20/2006	\$ 735,000	\$ 7,236	\$ 6,100,000	
2 Mast General	Gay Street	8/3/2007	1,441,802	291,421	6,401,000	
3 500 Block	Gay Street	9/12/2008	812,500	-	4,908,189	
4 SE Glass Bldg	Jackson/Depot	5/27/2009	460,123	-	4,103,976	
5 Daylight Bldg	Central Business District West	10/1/2009	959,000	104,137	6,745,000	
6 5th Ave/Matisse	Downtown North/ 275 Corridor	11/13/2009	356,000	-	3,734,762	
7 Landings Ph1	Northside Waterfront	2/17/2010	1,500,000	-	28,240,321	
8 Harold’s Bldg	Jackson/Depot	4/15/2010	129,000	4,339	847,866	
9 Arnstein Bldg	Historic Market Square	12/20/2011	1,145,000	170,133	8,515,000	
10 University Commons	University Commons	12/21/2012	10,000,000	6,677,177	62,000,000	
11 Landings Ph2	Northside Waterfront	12/31/2012	715,000	-	See item 7	
12 JC Penney Bldg	Gay Street	11/14/2013	1,150,000	420,684	7,361,000	
13 Magnolia Urban Village	Jackson/Depot	8/4/2014	225,000	49,367	2,100,000	
14 Next Step Development	Magnolia Avenue Warehouse District	12/1/2015	539,000	341,755	4,792,939	
15 MEWS2	Central Business District West	6/23/2016	350,000	222,523	3,480,000	
16 DRT Tombras	Gay Street	6/30/2016	1,650,000	1,196,069	9,700,000	
17 Riverwalk	South Waterfront	12/29/2016	22,000,000	12,124,948	139,000,000	
18 Regas Bldg	Jackson/Depot	1/27/2017	4,950,000	3,386,842	35,101,798	
19 South Waterfront	South Waterfront	9/21/2023	30,000,000	15,003,982	139,000,000	

KNOXVILLE’S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 10—Notes payable (continued)

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. The South Waterfront TIF related debt is recorded as an obligation of KCDC because KCDC is the debt holder but not the guarantor as KCDC operates as the TIF administrator for the City of Knoxville and Knox County. KCDC is the administrator of the TIF proceeds for this project. KCDC also is the administrator of the loan, submits draw requests, and pays all vendor invoices for the project.

Note 11—Other liabilities

	<u>Current</u>	<u>Long-Term</u>
FSS participant escrows	\$ 70,120	\$ 202,347
Utilities	405,953	-
Other liabilities	761,285	-
Total other liabilities	<u>\$ 1,237,358</u>	<u>\$ 202,347</u>

Note 12—Schedule of changes in noncurrent liabilities

	<u>Balance at 7/1/2024, as restated</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at 6/30/2025</u>	<u>Due Within One Year</u>
Notes payable	\$ 76,570,400	\$ 9,068,919	\$ (11,196,543)	\$ 74,442,776	\$ 2,879,138
Compensated absences	2,062,648	399,862 *	-	2,462,510	812,628
Subscription liability	415,361	-	(378,997)	36,364	36,364
Other long term liabilities	2,267,828	-	(828,123)	1,439,705	1,237,358
Total	<u>\$ 81,316,237</u>	<u>\$ 9,468,781</u>	<u>\$ (12,403,663)</u>	<u>\$ 78,381,355</u>	<u>\$ 4,965,488</u>

* The change in compensated absences liability is presented as a net change

Note 13—Correction of an error in previously issued financial statements

During the year ended June 30, 2025, KCDC determined that a forgivable loan previously reported as grant revenues should be reclassified as long-term debt until such time as the conditions for forgiveness are met. Beginning net position was decreased and long-term debt was increased by \$1,000,000. See Tennessee Housing Development Agency debt in Note 10.

Note 14—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, 2025 were \$1,507,995. HUD also contributed additional funds through the Capital fund for modernization and operations in the amount of \$259,554.

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 THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 14—Annual contributions by federal agencies (continued)

Section 8 contributions for the year ended June 30, 2025 were as follows:

Housing Choice Voucher Cluster	\$ 4,208,073
Section 8 Project Based Cluster	10,959,241
Family Self Sufficiency Program	<u>44,299</u>
Total annual contributions by federal agencies	<u>\$ 15,211,613</u>

Moving to Work Program (“MTW”) - is a demonstration program to design and test innovative, locally designed housing and self-sufficiency initiatives in the Section 8 Housing Choice Voucher (HCVP) and federal public housing programs. Contributions under MTW for the year ended June 30, 2025 were \$30,898,766.

Other Federal Revenue – Other federal revenues for the year ended June 30, 2025 are reported on the Schedule of expenditures of Federal Awards schedule contained in this report.

Note 15—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 Automatic Data Processing, a third party administrator. 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 five 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 2025 was \$9,484,938. Payroll covered by the pension plan was \$7,928,380. KCDC made the required contributions amounting to \$803,966, and employees made elective contributions of \$23,342.

Note 16—Postemployment 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.

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--ine 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 THE FINANCIAL STATEMENTS

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Note 17—Other postemployment benefits (OPEB)

KCDC offers health insurance coverage to eligible retired employees under age 65 through the Local Government OPEB Plan (LGOP), which is administered by the Tennessee Department of Finance and Administration. Retirees receive the same medical benefits as active employees, with premiums based on a blended rate that reflects the cost of all participants. This results in an implicit subsidy for retirees. The LGOP operates on a pay-as-you-go basis, and no separate trust has been established for funding. KCDC does not subsidize or pay premiums for retirees, nor is it obligated to cover any shortfall in the plan's value. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 75, the State of Tennessee requires entities to disclose information about the Plan. However, since the number of employees and implied expense and implied liability are considered immaterial, KCDC has excluded them from its financial statements for the year ended June 30, 2025.

Note 18—Economic dependency

KCDC receives approximately 59% 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 19—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 \$7,500,000.

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 20—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 \$9,179,175 remaining until completion.

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.

Note 21—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. 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.

KNOXVILLE’S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

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Note 22—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.

In 2022, KCDC began leasing certain property to a third party. The initial lease term is for a period of 15 years, with payments in year 1-2 due monthly to KCDC in the amount of \$25,000; in years 3-15 the monthly amount of \$25,300; the assumed interest rate is 2.8%.

As of June 30, 2025, the KCDC’s lease receivable and related deferred inflow balance were both \$3,877,938. No variable payments were received.

Future minimum lease payments are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 361,294	\$ 105,232	\$ 466,526
2027	371,837	94,689	466,526
2028	382,688	83,838	466,526
2029	393,855	72,671	466,526
2030	337,115	68,487	405,602
2031-2035	1,322,518	195,482	1,518,000
2036-2038	708,631	25,069	733,700
Total	<u>\$ 3,877,938</u>	<u>\$ 645,468</u>	<u>\$ 4,523,406</u>

Note 23—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.

Note 24—Subscription liability (“SBITA”)

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. The agreement is for a term of five 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, 2025, the value of the subscription liability is \$30,549.

During the year ended June 30, 2023, KCDC entered into an agreement with a vendor to allow KCDC to use their anti-virus software. The agreement is for a term of three years beginning September 2022, with payments made on a monthly basis after implementation. The agreement has an assumed interest rate of 7.0% as of June 30, 2025, the value of the subscription liability as \$5,815.

KNOXVILLE’S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 24—Subscription liability (“SBITA”) (continued)

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>
2026	\$ 36,364	\$ 51	\$ 36,415

Note 25—Conduit debt

To further economic development, KCDC has issued bonds that provide capital financing to private sector entities for the acquisition and construction of residential facilities. The properties financed are pledged as collateral and the bonds are payable solely from payments received from the private sector entities on the underlying mortgage or promissory notes. A KCDC blended component unit is a minority partner in the private sector entities. Other than a minority interest, no commitments beyond the collateral, the payments from the private sector entities, and maintenance of the tax-exempt status of the conduit debt obligation were extended by KCDC for any of those bonds. At June 30, 2025, the bonds have an aggregate outstanding principal amount payable as follows:

Hardin Valley	\$ 21,087,000
525 Flats	108,000
Bluegrass Apartments	16,014,481
Willow Square	19,000,000
Grosvenor Square	30,000,000
Total conduit debt	<u>\$ 86,209,481</u>

Note 26—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 December 10, 2025, 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 27—Special items

Special items loss of \$8,684,879 is the result of a transfer of infrastructure assets from a redeveloped neighborhood (Five Points and Austin Homes) to the City of Knoxville. The infrastructure assets consist of municipal roads which the City will own and maintain.

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 28—Blended component units

	Primary Government Excluding Blended Component Unit	Knoxville Housing Development Corporation	Bluegrass GP Corporation	Bell Street Corp	Bell Street 2 Corp	Bell Street 3 Corp
ASSETS						
Current assets - Due to KCDC	\$ 53,067	\$ -	\$ -	\$ -	\$ -	\$ -
Current assets - other	37,128,349	26,247,202	-	-	4,196,980	3,441,568
Capital assets, net	39,552,054	32,607,770	-	-	-	-
Noncurrent assets - Due to KCDC	548,233	-	-	-	-	-
Noncurrent assets - other	16,980,046	39,225,303	159,294	3,599,586	70,642	521,267
Total Assets	<u>94,261,749</u>	<u>98,080,275</u>	<u>159,294</u>	<u>3,599,586</u>	<u>4,267,622</u>	<u>3,962,835</u>
Deferred outflows of resources						
Total Assets and Deferred	-	4,576,992	-	-	-	-
Total Outflows of Resources	<u>\$ 94,261,749</u>	<u>\$ 102,657,267</u>	<u>\$ 159,294</u>	<u>\$ 3,599,586</u>	<u>\$ 4,267,622</u>	<u>\$ 3,962,835</u>
LIABILITIES						
Current liabilities - KCDC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Current liabilities - other	5,608,631	5,142,585	-	-	-	-
Noncurrent liabilities - KCDC	-	548,233	-	-	-	-
Noncurrent liabilities - other	29,112,160	23,098,981	-	-	-	500,000
Total Liabilities	34,720,791	28,789,799	-	-	-	500,000
Deferred inflows of resources	14,400,000	11,162,946	-	-	-	-
Total Liabilities and Deferred	49,120,791	39,952,745	-	-	-	500,000
Total Inflows of Resources	<u>\$ 49,120,791</u>	<u>\$ 39,952,745</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 500,000</u>
Net position						
Net investment in capital assets	\$ 29,771,031	\$ 18,729,230	\$ -	\$ -	\$ -	\$ -
Restricted by program requirements	7,858,331	275,790	-	-	118,850	-
Unrestricted net position (deficit)	7,511,596	43,699,502	159,294	3,599,586	4,148,772	3,462,835
Total Net Position	<u>\$ 45,140,958</u>	<u>\$ 62,704,522</u>	<u>\$ 159,294</u>	<u>\$ 3,599,586</u>	<u>\$ 4,267,622</u>	<u>\$ 3,462,835</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 94,261,749</u>	<u>\$ 102,657,267</u>	<u>\$ 159,294</u>	<u>\$ 3,599,586</u>	<u>\$ 4,267,622</u>	<u>\$ 3,962,835</u>

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 28—Blended component units (continued)

	Cagle Corporation	Family Investment Foundation	Fifth Ave GP Corporation	Five Points 1 Corporation	Five Points 2 Corporation	Five Points 3 Corporation
ASSETS						
Current assets - Due to KCDC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Current assets - other	3,038,905	718,549	-	(29,852)	-	-
Capital assets, net	5,227,498	-	-	-	-	-
Noncurrent assets - Due to KCDC	-	-	-	-	-	-
Noncurrent assets - other	-	-	2,283,148	559,504	3,858,748	1,618,348
Total Assets	8,266,403	718,549	2,283,148	529,652	3,858,748	1,618,348
Deferred outflows of resources						
Total Assets and Deferred Outflows of Resources	\$ 8,266,403	\$ 718,549	\$ 2,283,148	\$ 529,652	\$ 3,858,748	\$ 1,618,348
LIABILITIES						
Current liabilities - KCDC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Current liabilities	555,105	5,306	-	-	-	-
Noncurrent liabilities - KCDC	-	-	-	-	-	-
Noncurrent liabilities	10,769,206	-	-	-	-	-
Total Liabilities	11,324,311	5,306	-	-	-	-
Deferred inflows of resources						
Total Liabilities and Deferred Inflows of Resources	\$ 11,324,311	\$ 5,306	\$ -	\$ -	\$ -	\$ -
Net position						
Net investment in capital assets	\$ (5,750,903)	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted by program requirements	1,620,585	18,065	-	-	-	-
Unrestricted net position (deficit)	1,072,410	695,178	2,283,148	529,652	3,858,748	1,618,348
Total Net Position	(3,057,908)	713,243	2,283,148	529,652	3,858,748	1,618,348
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 8,266,403	\$ 718,549	\$ 2,283,148	\$ 529,652	\$ 3,858,748	\$ 1,618,348

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 28—Blended component units (continued)

	Five Points 4 Corporation	Grosvenor Square GP Corporation	Greater Tennessee Housing Corporation	Holston GP Corporation	Hollywood GP Corp	Liberty Place Knoxville Corporation
ASSETS						
Current assets - Due to KCDC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Current assets - other	-	-	-	-	-	523,572
Capital assets, net	-	-	-	-	-	-
Noncurrent assets - Due to KCDC	-	-	-	-	-	-
Noncurrent assets - other	3,654,864	(558)	-	(558)	49	4,143,954
Total Assets	3,654,864	(558)	-	(558)	49	4,667,526
Deferred outflows of resources						
Total Assets and Deferred Outflows of Resources	\$ 3,654,864	\$ (558)	\$ -	\$ (558)	\$ 49	\$ 4,667,526
LIABILITIES						
Current liabilities - KCDC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Current liabilities	-	-	521	-	-	4,000
Noncurrent liabilities - KCDC	-	-	-	-	-	-
Noncurrent liabilities	-	-	-	-	-	-
Total Liabilities	-	-	521	-	-	4,000
Deferred inflows of resources						
Total Liabilities and Deferred Inflows of Resources	\$ -	\$ -	\$ 521	\$ -	\$ -	\$ 4,000
Net position						
Net investment in capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted by program requirements	-	-	-	-	-	-
Unrestricted net position (deficit)	3,654,864	(558)	(521)	(558)	49	4,663,526
Total Net Position	3,654,864	(558)	(521)	(558)	49	4,663,526
Total Liabilities, Deferred Inflows of Resources, and Net Position	3,654,864	(558)	-	(558)	49	4,667,526

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 28—Blended component units (continued)

	Moss Grove GP Corp	Montgomery Village Corporation	Passport Homes Corporation	Passport Development Corporation	Sutherland 1 GP Corporation	Sutherland 2 GP Corporation
ASSETS						
Current assets - Due to KCDC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Current assets - other	-	3,254,989	-	-	-	-
Capital assets, net	-	4,714,521	-	-	-	-
Noncurrent assets - Due to KCDC	-	-	-	-	-	-
Noncurrent assets - other	(17)	-	20,019,477	4,921,044	10,558	21,006
Total Assets	(17)	7,969,510	20,019,477	4,921,044	10,558	21,006
Deferred outflows of resources						
Total Assets and Deferred Outflows of Resources	(17)	7,969,510	20,019,477	4,921,044	10,558	21,006
LIABILITIES						
Current liabilities - KCDC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Current liabilities	-	551,825	17,809	-	-	-
Noncurrent liabilities - KCDC	-	-	-	-	-	-
Noncurrent liabilities	-	9,935,520	-	-	-	-
Total Liabilities	-	10,487,345	17,809	-	-	-
Deferred inflows of resources						
Total Liabilities and Deferred Inflows of Resources	-	10,487,345	17,809	-	-	-
Net position						
Net investment in capital assets	\$ -	\$ (5,359,606)	\$ -	\$ -	\$ -	\$ -
Restricted by program requirements	-	1,866,035	-	-	-	-
Unrestricted net position (deficit)	(17)	975,736	20,001,668	4,921,044	10,558	21,006
Total Net Position	(17)	(2,517,835)	20,001,668	4,921,044	10,558	21,006
Total Liabilities, Deferred Inflows of Resources, and Net Position	(17)	7,969,510	20,019,477	4,921,044	10,558	21,006

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NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 28—Blended component units (continued)

	Western Heights 1 GP Corporation	Western Heights 2 GP Corporation	Western Heights 3 GP Corporation	Western Heights 4 GP Corporation	Western Heights Corp	Western Heights Community Corp
ASSETS						
Current assets - Due to KCDC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Current assets - other	638,011	203,901	-	-	2,242,625	-
Capital assets, net	-	-	360,751	294,666	-	8,000
Noncurrent assets - Due to KCDC	-	-	-	-	-	-
Noncurrent assets - other	126,385	609,794	-	-	17,834,794	-
Total Assets	<u>764,396</u>	<u>813,695</u>	<u>360,751</u>	<u>294,666</u>	<u>20,077,419</u>	<u>8,000</u>
Deferred outflows of resources						
Total Assets and Deferred Outflows of Resources	<u>\$ 764,396</u>	<u>\$ 813,695</u>	<u>\$ 360,751</u>	<u>\$ 294,666</u>	<u>\$ 20,077,419</u>	<u>\$ 8,000</u>
LIABILITIES						
Current liabilities - KCDC	\$ -	\$ 53,067	\$ -	\$ -	\$ -	\$ -
Current liabilities	-	-	175,313	86,781	-	8,000
Noncurrent liabilities - KCDC	-	-	-	-	-	-
Noncurrent liabilities	-	-	-	-	-	-
Total Liabilities	-	53,067	175,313	86,781	-	8,000
Deferred inflows of resources						
Total Liabilities and Deferred Inflows of Resources	<u>\$ -</u>	<u>\$ 53,067</u>	<u>\$ 175,313</u>	<u>\$ 86,781</u>	<u>\$ -</u>	<u>\$ 8,000</u>
Net position						
Net investment in capital assets	\$ -	\$ -	\$ 185,438	\$ 207,885	\$ -	\$ 8,000
Restricted by program requirements	-	50,638	-	-	-	-
Unrestricted net position (deficit)	764,396	709,990	-	-	20,077,419	(8,000)
Total Net Position	<u>\$ 764,396</u>	<u>\$ 760,628</u>	<u>\$ 185,438</u>	<u>\$ 207,885</u>	<u>\$ 20,077,419</u>	<u>\$ -</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 764,396</u>	<u>\$ 813,695</u>	<u>\$ 360,751</u>	<u>\$ 294,666</u>	<u>\$ 20,077,419</u>	<u>\$ 8,000</u>

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 28—Blended component units (continued)

	Young High GP Corp	Combined Blended Component Unit and Primary Government
ASSETS		
Current assets - Due to KCDC	\$ -	\$ 53,067
Current assets - other	-	81,604,799
Capital assets, net	-	82,765,260
Noncurrent assets - Due to KCDC	-	548,233
Noncurrent assets - other	31	120,216,709
Total Assets	31	285,188,068
Deferred outflows of resources	-	4,576,992
Total Assets and Deferred Outflows of Resources	\$ 31	\$ 289,765,060
LIABILITIES		
Current liabilities - KCDC	\$ -	\$ 53,067
Current liabilities	-	12,155,876
Noncurrent liabilities - KCDC	-	548,233
Noncurrent liabilities	-	73,415,867
Total Liabilities	-	86,173,043
Deferred inflows of resources	-	25,562,946
Total Liabilities and Deferred Inflows of Resources	\$ -	\$ 111,735,989
Net position		
Net investment in capital assets	\$ -	\$ 37,791,075
Restricted by program requirements	-	11,808,294
Unrestricted net position (deficit)	31	128,429,702
Total Net Position	\$ 31	\$ 178,029,071
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 31	\$ 289,765,060

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
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Note 28—Blended component units (continued)

	Primary Government Excluding Blended Component Unit	Knoxville Housing Development Corporation	Bluegrass GP Corporation	Bell Street Corp	Bell Street 2 Corp	Bell Street 3 Corp
Operating Revenues:						
Operating revenues	\$ 3,988,068	\$ 196,317	\$ -	\$ -	\$ -	\$ -
HUD grants	48,308,085	703,718	-	-	-	-
Other governmental grants	7,269,732	8,061,053	-	-	-	-
Other revenue	2,664,555	1,507,040	318,588	317,803	2,519,971	256,787
Total Operating Revenues:	<u>62,230,440</u>	<u>10,468,128</u>	<u>318,588</u>	<u>317,803</u>	<u>2,519,971</u>	<u>256,787</u>
Operating Expenses:						
Operating expenses	53,833,687	267,802	67	83	413,278	(55,306)
Depreciation and amortization	4,686,269	747,374	-	-	-	-
Total Operating Expenses:	<u>58,519,956</u>	<u>1,015,176</u>	<u>67</u>	<u>83</u>	<u>413,278</u>	<u>(55,306)</u>
Operating income (loss)	<u>3,710,484</u>	<u>9,452,952</u>	<u>318,521</u>	<u>317,720</u>	<u>2,106,693</u>	<u>312,093</u>
Nonoperating revenues (expenses)	2,255,950	(683,410)	-	-	70,642	-
Capital contributions	-	-	-	-	-	-
Transfers from (to)	(8,227,332)	14,482,489	(159,227)	(317,782)	(8,697,633)	(889,324)
Special item	(8,684,879)	-	-	-	-	-
Increase (decrease) in net position	<u>(10,945,777)</u>	<u>23,252,031</u>	<u>159,294</u>	<u>(62)</u>	<u>(6,520,298)</u>	<u>(577,231)</u>
Net position, beginning of year, as previously reported	57,086,735	39,452,491	-	3,599,648	10,787,920	4,040,066
Restatement - error correction (Note 13)	(1,000,000)	-	-	-	-	-
Net position, beginning of year, as adjusted	<u>56,086,735</u>	<u>39,452,491</u>	<u>-</u>	<u>3,599,648</u>	<u>10,787,920</u>	<u>4,040,066</u>
Net position, end of year	<u>\$ 45,140,958</u>	<u>\$ 62,704,522</u>	<u>\$ 159,294</u>	<u>\$ 3,599,586</u>	<u>\$ 4,267,622</u>	<u>\$ 3,462,835</u>

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 28—Blended component units (continued)

	Cagle Corporation	Family Investment Foundation	Fifth Ave GP Corporation	Five Points 1 Corporation	Five Points 2 Corporation	Five Points 3 Corporation
Operating Revenues:						
Operating revenues	\$ 1,044,085	\$ -	\$ -	\$ -	\$ -	\$ -
HUD grants	1,940,225	-	-	-	-	-
Other governmental grants	-	-	-	-	-	-
Other revenue	60,449	315,640	13,148	43,040	286,912	48,401
Total Operating Revenues:	<u>3,044,759</u>	<u>315,640</u>	<u>13,148</u>	<u>43,040</u>	<u>286,912</u>	<u>48,401</u>
Operating Expenses:						
Operating expenses	1,649,195	45,275	212	276	86	77
Depreciation and amortization	764,733	-	-	-	-	-
Total Operating Expenses:	<u>2,413,928</u>	<u>45,275</u>	<u>212</u>	<u>276</u>	<u>86</u>	<u>77</u>
Operating income (loss)	<u>630,831</u>	<u>270,365</u>	<u>12,936</u>	<u>42,764</u>	<u>286,826</u>	<u>48,324</u>
Nonoperating revenues (expenses)	(292,754)	-	-	-	-	-
Capital contributions	-	-	-	-	-	-
Transfers from (to)	-	-	2,270,212	(153,858)	9	120
Special item	-	-	-	-	-	-
Increase (decrease) in net position	<u>338,077</u>	<u>270,365</u>	<u>2,283,148</u>	<u>(111,094)</u>	<u>286,835</u>	<u>48,444</u>
Net position, beginning of year, as previously reported	(3,395,985)	442,878	-	640,746	3,571,913	1,569,904
Restatement - error correction (Note 13)	-	-	-	-	-	-
Net position, beginning of year, as adjusted	<u>(3,395,985)</u>	<u>442,878</u>	<u>-</u>	<u>640,746</u>	<u>3,571,913</u>	<u>1,569,904</u>
Net position, end of year	<u>\$ (3,057,908)</u>	<u>\$ 713,243</u>	<u>\$ 2,283,148</u>	<u>\$ 529,652</u>	<u>\$ 3,858,748</u>	<u>\$ 1,618,348</u>

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 28—Blended component units (continued)

	Five Points 4 Corporation	Grosvenor Square GP Corporation	Greater Tennessee Housing Corporation	Holston GP Corporation	Hollywood GP Corp	Liberty Place Knoxville Corporation
Operating Revenues:						
Operating revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
HUD grants	-	-	-	-	-	-
Other governmental grants	-	-	-	-	-	-
Other revenue	278,289	-	165,243	-	391,024	287,171
Total Operating Revenues:	<u>278,289</u>	<u>-</u>	<u>165,243</u>	<u>-</u>	<u>391,024</u>	<u>287,171</u>
Operating Expenses:						
Operating expenses	16,202	20	3,194	41	195	8,332
Depreciation and amortization	-	-	-	-	-	-
Total Operating Expenses:	<u>16,202</u>	<u>20</u>	<u>3,194</u>	<u>41</u>	<u>195</u>	<u>8,332</u>
Operating income (loss)	<u>262,087</u>	<u>(20)</u>	<u>162,049</u>	<u>(41)</u>	<u>390,829</u>	<u>278,839</u>
Nonoperating revenues (expenses)	-	-	-	-	-	-
Capital contributions	-	-	-	-	-	-
Transfers from (to)	16,202	20	(364,871)	41	(390,832)	3,200,585
Special item	-	-	-	-	-	-
Increase (decrease) in net position	<u>278,289</u>	<u>-</u>	<u>(202,822)</u>	<u>-</u>	<u>(3)</u>	<u>3,479,424</u>
Net position, beginning of year, as previously reported	3,376,575	(558)	202,301	(558)	52	1,184,102
Restatement - error correction (Note 13)	-	-	-	-	-	-
Net position, beginning of year, as adjusted	<u>3,376,575</u>	<u>(558)</u>	<u>202,301</u>	<u>(558)</u>	<u>52</u>	<u>1,184,102</u>
Net position, end of year	<u>\$ 3,654,864</u>	<u>\$ (558)</u>	<u>\$ (521)</u>	<u>\$ (558)</u>	<u>\$ 49</u>	<u>\$ 4,663,526</u>

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 28—Blended component units (continued)

	Moss Grove GP Corp	Montgomery Village Corporation	Passport Housing Corporation	Passport Development Corporation	Sutherland 1 GP Corporation	Sutherland 2 GP Corporation
Operating Revenues:						
Operating revenues	\$ -	\$ 913,532	\$ -	\$ -	\$ -	\$ -
HUD grants	-	2,752,704	-	-	-	-
Other governmental grants	-	-	-	-	-	-
Other revenue	189,527	402,262	553,198	-	33	22
Total Operating Revenues:	189,527	4,068,498	553,198	-	33	22
Operating Expenses:						
Operating expenses	38	2,757,472	17,939	255	20	20
Depreciation and amortization	-	1,322,182	-	-	-	-
Total Operating Expenses:	38	4,079,654	17,939	255	20	20
Operating income (loss)	189,489	(11,156)	535,259	(255)	13	2
Nonoperating revenues (expenses)	-	(437,423)	-	-	-	-
Capital contributions	-	-	-	-	-	-
Transfers from (to)	(189,506)	(56,164)	(34,570)	225	20	20
Special item	-	-	-	-	-	-
Increase (decrease) in net position	(17)	(504,743)	500,689	(30)	33	22
Net position, beginning of year, as previously reported	-	(2,013,092)	19,500,979	4,921,074	10,525	20,984
Restatement - error correction (Note 13)	-	-	-	-	-	-
Net position, beginning of year, as adjusted	-	(2,013,092)	19,500,979	4,921,074	10,525	20,984
Net position, end of year	\$ (17)	\$ (2,517,835)	\$ 20,001,668	\$ 4,921,044	\$ 10,558	\$ 21,006

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 28—Blended component units (continued)

	Western Heights 1 GP Corporation	Western Heights 2 GP Corporation	Western Heights 3 GP Corporation	Western Heights 4 GP Corporation	Western Heights Corp	Western Heights Community Corp
Operating Revenues:						
Operating revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
HUD grants	-	-	-	-	-	-
Other governmental grants	-	-	-	-	-	-
Other revenue	610,717	313,655	-	-	850,780	-
Total Operating Revenues:	610,717	313,655	-	-	850,780	-
Operating Expenses:						
Operating expenses	7,279	5,243	210	41	64,897	-
Depreciation and amortization	-	-	-	-	-	-
Total Operating Expenses:	7,279	5,243	210	41	64,897	-
Operating income (loss)	603,438	308,412	(210)	(41)	785,883	-
Nonoperating revenues (expenses)	-	-	-	-	-	-
Capital contributions	-	-	-	-	-	-
Transfers from (to)	(209,098)	414,171	126,550	207,926	(937,571)	-
Special item	-	-	-	-	-	-
Increase (decrease) in net position	394,340	722,583	126,340	207,885	(151,688)	-
Net position, beginning of year, as previously reported	370,056	38,045	59,098	-	20,229,107	-
Restatement - error correction (Note 13)	-	-	-	-	-	-
Net position, beginning of year, as adjusted	370,056	38,045	59,098	-	20,229,107	-
Net position, end of year	\$ 764,396	\$ 760,628	\$ 185,438	\$ 207,885	\$ 20,077,419	\$ -

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 28—Blended component units (continued)

	Young High GP Corp	Combined Blended Component Unit and Primary Government
Operating Revenues:		
Operating revenues	\$ -	\$ 6,142,002
HUD grants	-	53,704,732
Other governmental grants	-	15,330,785
Other revenue	90,842	12,485,097
Total Operating Revenues:	<u>90,842</u>	<u>87,662,616</u>
Operating Expenses:		
Operating expenses	23	59,036,153
Depreciation and amortization	-	7,520,558
Total Operating Expenses:	<u>23</u>	<u>66,556,711</u>
Operating income (loss)	<u>90,819</u>	<u>21,105,905</u>
Nonoperating revenues (expenses)	-	913,005
Capital contributions	-	-
Transfers from (to)	(90,822)	-
Special item	-	(8,684,879)
Increase (decrease) in net position	<u>(3)</u>	<u>13,334,031</u>
Net position, beginning of year, as previously reported	34	165,695,040
Restatement - error correction (Note 13)	-	(1,000,000)
Net position, beginning of year, as adjusted	<u>34</u>	<u>164,695,040</u>
Net position, end of year	<u>\$ 31</u>	<u>\$ 178,029,071</u>

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 28—Blended component units (continued)

	Primary Government Excluding Blended Component Unit	Knoxville Housing Development Corporation	Bluegrass GP Corporation	Bell Street Corp	Bell Street 2 Corp	Bell Street 3 Corp
Net cash flows from operating activities	\$ 23,484,290	\$ 5,307,636	\$ -	\$ -	\$ (9,110,912)	\$ -
Net cash flows from investing activities	438,986	(14,549,005)	-	-	-	(50,000)
Net cash flows from capital and related financing activities	(17,737,338)	3,231,351	-	-	-	50,000
Net change in cash	6,185,938	(6,010,018)	-	-	(9,110,912)	-
Cash, beginning of year	14,339,354	10,037,681	-	-	9,229,762	-
Cash, end of year	<u>\$ 20,525,292</u>	<u>\$ 4,027,663</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 118,850</u>	<u>\$ -</u>

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 28—Blended component units (continued)

	Cagle Corporation	Family Investment Foundation	Fifth Ave GP Corporation	Five Points 1 Corporation	Five Points 2 Corporation	Five Points 3 Corporation
Net cash flows from operating activities	\$ 1,441,312	\$ 254,907	\$ 2,270,000	\$ (78,828)	\$ -	\$ -
Net cash flows from investing activities	-	-	(2,270,000)	48,976	-	-
Net cash flows from capital and related financing activities	(554,013)	-	-	-	-	-
Net change in cash	887,299	254,907	-	(29,852)	-	-
Cash, beginning of year	2,017,769	463,642	-	-	-	-
Cash, end of year	<u>\$ 2,905,068</u>	<u>\$ 718,549</u>	<u>\$ -</u>	<u>\$ (29,852)</u>	<u>\$ -</u>	<u>\$ -</u>

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 28—Blended component units (continued)

	Five Points 4 Corporation	Grosvenor Square GP Corporation	Greater Tennessee Housing Corporation	Holston GP Corporation	Hollywood GP Corp	Liberty Place Knoxville Corporation
Net cash flows from operating activities	\$ -	\$ -	\$ (222,301)	\$ -	\$ -	\$ 3,000,000
Net cash flows from investing activities	-	-	-	-	-	(3,000,000)
Net cash flows from capital and related financing activities	-	-	-	-	-	-
Net change in cash	-	-	(222,301)	-	-	-
Cash, beginning of year	-	-	222,301	-	-	-
Cash, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 28—Blended component units (continued)

	Moss Grove GP Corp	Montgomery Village Corporation	Passport Housing Corporation	Passport Development Corporation	Sutherland 1 GP Corporation	Sutherland 2 GP Corporation
Net cash flows from operating activities	\$ -	\$ 788,772	\$ -	\$ -	\$ -	\$ -
Net cash flows from investing activities	-	-	-	-	-	-
Net cash flows from capital and related financing activities	-	(499,795)	-	-	-	-
Net change in cash	-	288,977	-	-	-	-
Cash, beginning of year	-	2,281,572	-	-	-	-
Cash, end of year	\$ -	\$ 2,570,549	\$ -	\$ -	\$ -	\$ -

KNOXVILLE’S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 28—Blended component units (continued)

	Western Heights 1 GP Corporation	Western Heights 2 GP Corporation	Western Heights 3 GP Corporation	Western Heights 4 GP Corporation	Western Heights Corp	Western Heights Community Corp
Net cash flows from operating activities	\$ -	\$ 660,391	\$ 360,751	\$ 294,666	\$ -	\$ 8,000
Net cash flows from investing activities	-	(609,754)	-	-	-	-
Net cash flows from capital and related financing activities	-	-	(360,751)	(294,666)	-	(8,000)
Net change in cash	-	50,637	-	-	-	-
Cash, beginning of year	-	-	-	-	-	-
Cash, end of year	<u>\$ -</u>	<u>\$ 50,637</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 28—Blended component units (continued)

	Young High GP Corp	Combined Blended Component Unit and Primary Government
Net cash flows from operating activities	\$ -	\$ 28,458,684
Net cash flows from investing activities	-	(19,990,797)
Net cash flows from capital and related financing activities	-	(16,173,212)
Net change in cash	-	(7,705,325)
Cash, beginning of year	-	38,592,081
Cash, end of year	<u>\$ -</u>	<u>\$ 30,886,756</u>

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 29—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>
ASSETS							
Current assets	\$ 2,760,965	\$ 2,323,747	\$ 1,466,382	\$ 604,479	\$ 1,095,456	\$ 759,926	\$ 605,947
Capital assets, net	13,185,837	15,149,276	9,367,423	5,883,638	8,072,257	12,301,609	12,771,065
Noncurrent assets	1,253,287	729,076	887,563	7,480	59,851	66,746	75,340
Total Assets	\$ 17,200,089	\$ 18,202,099	\$ 11,721,368	\$ 6,495,597	\$ 9,227,564	\$ 13,128,281	\$ 13,452,352
LIABILITIES							
Current liabilities	\$ 1,251,931	\$ 2,649,014	\$ 1,137,677	\$ 159,126	\$ 144,114	\$ 1,763,885	\$ 490,368
Noncurrent liabilities - KCDC	6,640,841	5,240,580	5,007,768	4,995,231	489,760	2,327,136	1,407,879
Noncurrent liabilities - other	6,411,190	6,346,826	4,462,816	-	-	3,009,027	2,208,707
Total Liabilities	\$ 14,303,962	\$ 14,236,420	\$ 10,608,261	\$ 5,154,357	\$ 633,874	\$ 7,100,048	\$ 4,106,954
Net position:							
Net investment in capital assets	\$ 43,907	\$ 3,466,482	\$ (170,478)	\$ 888,407	\$ 7,582,497	\$ 6,905,757	\$ 9,114,407
Restricted by program requirements	1,569,364	1,588,265	1,054,431	476,175	501,052	555,822	440,353
Unrestricted net position (deficit)	1,282,856	(1,089,068)	229,154	(23,342)	510,141	(1,433,346)	(209,362)
Total Net Position	\$ 2,896,127	\$ 3,965,679	\$ 1,113,107	\$ 1,341,240	\$ 8,593,690	\$ 6,028,233	\$ 9,345,398
Total Liabilities and Net Position	\$ 17,200,089	\$ 18,202,099	\$ 11,721,368	\$ 6,495,597	\$ 9,227,564	\$ 13,128,281	\$ 13,452,352

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 29—Discretely presented component units (continued)

	Five Points 4	Bell Street	Bell Street 2	Bell Street 3	Western Heights	Western Heights 1	Liberty Place	Total
ASSETS								
Current assets	\$ 866,871	\$ 747,050	\$ 374	\$ 850,683	\$ 9,335,138	\$ -	\$ 34,769	\$ 21,451,787
Capital assets, net	14,847,901	26,166,073	17,491,146	42,026,664	22,406,500	9,183,083	14,197,270	223,049,742
Noncurrent assets	83,443	142,938	-	2,154,443	-	-	767,385	6,227,552
Total Assets	\$ 15,798,215	\$ 27,056,061	\$ 17,491,520	\$ 45,031,790	\$ 31,741,638	\$ 9,183,083	\$ 14,999,424	\$ 250,729,081
LIABILITIES								
Current liabilities	\$ 2,073,685	\$ 360,167	\$ 6,854,751	\$ 6,180,422	\$ 3,909,977	\$ 2,895,028	\$ 2,858,913	\$ 32,729,058
Noncurrent liabilities - KCDC	2,602,749	529,579	6,409,291	6,824,911	-	3,508,255	5,021,673	51,005,653
Noncurrent liabilities - other	3,959,528	6,174,413	1,412,113	28,211,903	25,788,284	-	5,270,980	93,255,787
Total Liabilities	\$ 8,635,962	\$ 7,064,159	\$ 14,676,155	\$ 41,217,236	\$ 29,698,261	\$ 6,403,283	\$ 13,151,566	\$ 176,990,498
Net position:								
Net investment in capital assets	\$ 8,214,572	\$ 19,246,081	\$ 2,826,114	\$ 2,148,701	\$ 499,160	\$ 4,261,739	\$ 1,841,284	\$ 66,868,630
Restricted by program requirements	489,317	338,663	374	456,705	(6,270,819)	-	237	1,199,939
Unrestricted net position (deficit)	(1,541,636)	407,158	(11,123)	1,209,148	7,815,036	(1,481,939)	6,337	5,670,014
Total Net Position	\$ 7,162,253	\$ 19,991,902	\$ 2,815,365	\$ 3,814,554	\$ 2,043,377	\$ 2,779,800	\$ 1,847,858	\$ 73,738,583
Total Liabilities and Net Position	\$ 15,798,215	\$ 27,056,061	\$ 17,491,520	\$ 45,031,790	\$ 31,741,638	\$ 9,183,083	\$ 14,999,424	\$ 250,729,081

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 29—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>
Operating Revenues:							
Tenant revenue, net of bad debts	\$ 827,823	\$ 969,490	\$ 488,420	\$ 232,753	\$ 298,487	\$ 248,693	\$ 208,769
Other government grants	1,324,058	1,390,337	968,359	213,186	470,646	500,268	437,069
Other revenue	170,720	106,794	55,787	-	2,515	85	-
Total Operating Revenues	<u>2,322,601</u>	<u>2,466,621</u>	<u>1,512,566</u>	<u>445,939</u>	<u>771,648</u>	<u>749,046</u>	<u>645,838</u>
Operating Expenses:							
Administrative	466,862	516,790	311,475	112,755	192,653	151,269	135,737
Tenant service	3,653	18,727	11,467	5,858	9,465	287	275
Utilities	28,748	380,872	189,815	144,364	134,903	219,798	101,465
Maintenance	674,722	616,494	413,807	144,269	140,261	162,827	148,353
Protective services	50,300	51,121	30,433	11,185	11,574	12,532	13,446
Insurance	186,700	187,914	100,967	28,837	47,443	64,266	65,105
General expense	135,742	165,207	62,773	15,134	17,551	17,154	45,437
Depreciation and amortization	449,199	511,015	352,710	255,823	269,991	438,004	427,649
Total Operating Expenses	<u>1,995,926</u>	<u>2,448,140</u>	<u>1,473,447</u>	<u>718,225</u>	<u>823,841</u>	<u>1,066,137</u>	<u>937,467</u>
Net Operating Income (Loss)	<u>326,675</u>	<u>18,481</u>	<u>39,119</u>	<u>(272,286)</u>	<u>(52,193)</u>	<u>(317,091)</u>	<u>(291,629)</u>
Nonoperating Revenues (Expenses):							
Interest income - unrestricted	25,474	26,282	17,583	1,683	6,366	3,241	2,598
Interest income - restricted	381	517	255	9,095	8,108	2,119	1,627
Interest expense	(565,971)	(522,759)	(410,546)	(5,634)	(50,100)	(416,350)	(155,890)
Other nonoperating revenue (expense)	-	(22,116)	-	-	-	-	-
Total Nonoperating Expense, Net	<u>(540,116)</u>	<u>(518,076)</u>	<u>(392,708)</u>	<u>5,144</u>	<u>(35,626)</u>	<u>(410,990)</u>	<u>(151,665)</u>
Partner (distributions) contributions	(3,114)	-	-	-	(2,227)	-	-
Changes in net position	(216,555)	(499,595)	(353,589)	(267,142)	(90,046)	(728,081)	(443,294)
Net position, beginning of year	<u>3,112,682</u>	<u>4,465,274</u>	<u>1,466,696</u>	<u>1,608,382</u>	<u>8,683,736</u>	<u>6,756,314</u>	<u>9,788,692</u>
Net position, end of year	<u>\$ 2,896,127</u>	<u>\$ 3,965,679</u>	<u>\$ 1,113,107</u>	<u>\$ 1,341,240</u>	<u>\$ 8,593,690</u>	<u>\$ 6,028,233</u>	<u>\$ 9,345,398</u>

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 29—Discretely presented component units (continued)

	<u>Five Points 4</u>	<u>Bell Street</u>	<u>Bell Street 2</u>	<u>Bell Street 3</u>	<u>Western Heights</u>	<u>Western Heights 1</u>	<u>Liberty Place</u>	<u>Total</u>
Operating Revenues:								
HUD PHA operating grants	\$ 196,370	\$ 786,615	\$ -	\$ 418,837	\$ 318,643	\$ -	\$ -	\$ 4,994,900
Other fees	636,650	415,972	-	187,502	1,961,897	-	-	8,505,944
Other revenue	-	2,180	-	34,084	3,908	-	-	376,073
Total Operating Revenues	<u>833,020</u>	<u>1,204,767</u>	<u>-</u>	<u>640,423</u>	<u>2,284,448</u>	<u>-</u>	<u>-</u>	<u>13,876,917</u>
Operating Expenses:								
Administrative	131,456	235,826	-	207,402	331,873	-	43,446	2,837,544
Tenant service	281	2,724	-	1,324	20,431	-	-	74,492
Utilities	199,975	175,018	-	68,481	512,279	-	-	2,155,718
Maintenance	217,012	220,487	-	89,567	313,893	-	16	3,141,708
Protective services	15,353	17,949	-	8,280	43,615	-	-	265,788
Insurance	63,056	97,178	-	87,348	95,124	-	-	1,023,938
General expense	11,414	30,965	-	128,504	79,482	-	90,000	799,363
Depreciation and amortization	617,297	766,082	-	763,140	411,650	-	38,174	5,300,734
Total Operating Expenses	<u>1,255,844</u>	<u>1,546,229</u>	<u>-</u>	<u>1,354,046</u>	<u>1,808,347</u>	<u>-</u>	<u>171,636</u>	<u>15,599,285</u>
Total Noncurrent Assets	<u>(422,824)</u>	<u>(341,462)</u>	<u>-</u>	<u>(713,623)</u>	<u>476,101</u>	<u>-</u>	<u>(171,636)</u>	<u>(1,722,368)</u>
Nonoperating Revenues (Expenses):								
Interest income - unrestricted	3,481	4,681	-	324,803	307,211	-	-	723,403
Interest income - restricted	1,464	4,998	-	5,233	16,900	-	-	50,697
Interest expense	(448,093)	(195,044)	-	(486,162)	(16,703)	(432)	(75,819)	(3,349,503)
Other nonoperating revenue (expense)	-	-	-	-	(7,370)	-	-	(29,486)
Total Nonoperating Expense, Net	<u>(443,148)</u>	<u>(185,365)</u>	<u>-</u>	<u>(156,126)</u>	<u>300,038</u>	<u>(432)</u>	<u>(75,819)</u>	<u>(2,604,889)</u>
Partner (distributions) contributions	-	-	2,815,365	1,299,571	-	2,780,232	1,103,205	7,993,032
Changes in net position	(865,972)	(526,827)	2,815,365	429,822	776,139	2,779,800	855,750	3,665,775
Net position, beginning of year	8,028,225	20,518,729	-	3,384,732	1,267,238	-	992,108	70,072,808
Net position, end of year	<u>\$ 7,162,253</u>	<u>\$ 19,991,902</u>	<u>\$ 2,815,365</u>	<u>\$ 3,814,554</u>	<u>\$ 2,043,377</u>	<u>\$ 2,779,800</u>	<u>\$ 1,847,858</u>	<u>\$ 73,738,583</u>

SUPPLEMENTARY INFORMATION

KNOXVILLE COMMUNITY DEVELOPMENT CORPORATION
SCHEDULE OF ACTUAL COSTS FOR THE SPECIFIED PROJECTS

YEAR ENDED JUNE 30, 2025

	<u>TN37E00350117</u>	<u>TN43E00350118</u>	<u>TN43P00350117</u>	<u>TN43P00350119</u>	<u>TN43P00350120</u>	<u>TN43P00350121</u>	<u>TN43P00350122</u>
Funds approved	\$ 4,542,014	\$ 228,635	\$ 4,379,809	\$ 3,986,167	\$ 2,618,963	\$ 2,101,433	\$ 2,583,257
Funds expended	<u>4,542,014</u>	<u>228,635</u>	<u>4,379,809</u>	<u>3,986,167</u>	<u>2,618,963</u>	<u>2,101,433</u>	<u>2,583,257</u>
Excess (Deficiency) of Funds Approved	<u>\$ -</u>						

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

All costs and related liabilities have been disbursed.

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION (TN003)
FINANCIAL DATA SCHEDULE ("FDS") ELECTRONIC SUBMISSION SCHEDULE

YEAR ENDED JUNE 30, 2025

	Project Total	14.879 Mainstream Vouchers	14.889 Choice Neighborhoods Implementation Grants	14.239 HOME Investment Partnerships Program	14.896 PIH Family Self-Sufficiency Program	14.EFA FSS Escrow Forfeiture Account	14.881 Moving to Work Demonstration Program	14.195 Section 8 Housing Assistance Payments Program_Special Allocations	1 Business Activities	2 State/Local
111 Cash - Unrestricted	\$1,105,475	\$125,671				\$10,050	\$1,759,658	\$1,945,386	\$529,131	\$897,930
112 Cash - Restricted - Modernization and Development										\$1,578,267
113 Cash - Other Restricted							\$631,659	\$6,853,624		\$4,131,118
114 Cash - Tenant Security Deposits	\$950							\$244,548		
115 Cash - Restricted for Payment of Current Liabilities							\$70,120			
100 Total Cash	\$1,106,425	\$125,671	\$0	\$0	\$0	\$10,050	\$2,461,437	\$9,043,558	\$529,131	\$6,607,315
121 Accounts Receivable - PHA Projects										
122 Accounts Receivable - HUD Other Projects	\$0		\$710,677		\$24,719		\$98,766	\$61,152		
124 Accounts Receivable - Other Government										\$525,295
125 Accounts Receivable - Miscellaneous	\$1,150							\$20,271	\$1,114,527	\$9,554,349
126 Accounts Receivable - Tenants	\$1,707	\$1,559					\$59,832	\$169,527		
126.1 Allowance for Doubtful Accounts -Tenants	(\$790)	\$0	\$0				\$0	(\$2,593)	\$0	\$0
126.2 Allowance for Doubtful Accounts - Other	\$0		\$0		\$0	\$0	\$0	\$0	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current										
128 Fraud Recovery							\$41,498			
128.1 Allowance for Doubtful Accounts - Fraud							(\$41,367)			
129 Accrued Interest Receivable										
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$2,067	\$1,559	\$710,677	\$0	\$24,719	\$0	\$158,729	\$248,357	\$1,114,527	\$10,079,644
131 Investments - Unrestricted		\$46,656					\$1,822,916		\$33,999	\$1,352,971
132 Investments - Restricted										
135 Investments - Restricted for Payment of Current Liability										
142 Prepaid Expenses and Other Assets	\$15,191						\$7,301	\$253,525		\$5,523
143 Inventories								\$575		
143.1 Allowance for Obsolete Inventories								\$0		
144 Inter Program Due From	\$0						\$29,214		\$1,242,104	\$53,067
145 Assets Held for Sale										\$519,060
150 Total Current Assets	\$1,123,683	\$173,886	\$710,677	\$0	\$24,719	\$10,050	\$4,479,597	\$9,546,015	\$2,919,761	\$18,617,580
161 Land	\$539,660							\$1,816,603	\$6,580,462	\$1,115,400
162 Buildings	\$19,269,475							\$90,755,504		
163 Furniture, Equipment & Machinery - Dwellings										
164 Furniture, Equipment & Machinery - Administration	\$1,054,518							\$3,281,824	\$241,911	
165 Leasehold Improvements										
166 Accumulated Depreciation	(\$17,889,851)							(\$70,488,165)	(\$167,894)	
167 Construction in Progress										\$5,742
168 Infrastructure	\$71,076							\$1,014,244		
160 Total Capital Assets, Net of Accumulated Depreciation	\$3,044,878	\$0	\$0	\$0	\$0	\$0	\$0	\$26,380,010	\$8,654,479	\$1,121,142
171 Notes, Loans and Mortgages Receivable - Non-Current	\$0									\$548,233
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due	\$0									
173 Grants Receivable - Non Current										
174 Other Assets	\$0									\$18,991,340
176 Investments in Joint Ventures	\$0									
180 Total Non-Current Assets	\$3,044,878	\$0	\$0	\$0	\$0	\$0	\$0	\$26,380,010	\$8,654,479	\$20,660,715
200 Deferred Outflow of Resources		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
290 Total Assets and Deferred Outflow of Resources	\$4,168,561	\$173,886	\$710,677	\$0	\$24,719	\$10,050	\$4,479,597	\$35,926,025	\$11,574,240	\$39,278,295

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION (TN003)
FINANCIAL DATA SCHEDULE ("FDS") ELECTRONIC SUBMISSION SCHEDULE (CONTINUED)

YEAR ENDED JUNE 30, 2025

	Project Total	14.879 Mainstream Vouchers	14.889 Choice Neighborhoods Implementation Grants	14.239 HOME Investment Partnerships Program	14.896 PIH Family Self-Sufficiency Program	14.EFA FSS Escrow Forfeiture Account	14.881 Moving to Work Demonstration Program	14.195 Section 8 Housing Assistance Payments Program_Special Allocations	1 Business Activities	2 State/Local
311 Bank Overdraft										
312 Accounts Payable <= 90 Days	\$40,410	\$4,585	\$99,040				\$14,461	\$364,635	\$15,244	\$17,558
313 Accounts Payable >90 Days Past Due										
321 Accrued Wage/Payroll Taxes Payable	\$6,336		\$9,365		\$3,208		\$43,149	\$67,866	\$209,231	\$29,910
322 Accrued Compensated Absences - Current Portion	\$4,051		\$1,876		\$13,158		\$60,381	\$119,432	\$141,287	\$16,892
324 Accrued Contingency Liability										
325 Accrued Interest Payable							\$27	\$34,352		
331 Accounts Payable - HUD PHA Programs	\$0	\$2,337					\$43,428			
332 Account Payable - PHA Projects										
333 Accounts Payable - Other Government								\$143,830		
341 Tenant Security Deposits								\$232,261		
342 Unearned Revenue	\$1,946	\$31,406					\$18,683	\$103,264	\$1,698	\$43,520
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	\$0							\$392,992		\$866,853
344 Current Portion of Long-term Debt - Operating Borrowings										
345 Other Current Liabilities	\$106						\$81,823	\$21,948	\$4,144	\$319,563
346 Accrued Liabilities - Other	\$41,506							\$227,731		
347 Inter Program - Due To			\$301,467		\$29,214			\$1,242,104		
348 Loan Liability - Current	\$0									
310 Total Current Liabilities	\$94,355	\$38,328	\$411,748	\$0	\$45,580	\$0	\$261,952	\$2,950,415	\$371,604	\$1,294,296
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$0			\$0				\$12,962,476		\$14,137,129
352 Long-term Debt, Net of Current - Operating Borrowings										
353 Non-current Liabilities - Other							\$192,345			
354 Accrued Compensated Absences - Non Current	\$8,225		\$3,810		\$26,715		\$122,592	\$242,483	\$286,855	\$34,296
355 Loan Liability - Non Current	\$0									
356 FASB 5 Liabilities										
357 Accrued Pension and OPEB Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
350 Total Non-Current Liabilities	\$8,225	\$0	\$3,810	\$0	\$26,715	\$0	\$314,937	\$13,204,959	\$286,855	\$14,171,425
300 Total Liabilities	\$102,580	\$38,328	\$415,558	\$0	\$72,295	\$0	\$576,889	\$16,155,374	\$658,459	\$15,465,721
400 Deferred Inflow of Resources										\$16,050,000
508.3 Nonspendable Fund Balance										
508.4 Net Investment in Capital Assets	\$3,044,878							\$13,024,542	\$8,654,479	\$4,695,588
509.3 Restricted Fund Balance										
510.3 Committed Fund Balance										
511.3 Assigned Fund Balance										
511.4 Restricted Net Position							\$439,314	\$6,853,624		
512.3 Unassigned Fund Balance										
512.4 Unrestricted Net Position	\$1,021,103	\$135,558	\$295,119	\$0	(\$47,576)	\$10,050	\$3,463,394	(\$107,515)	\$2,261,302	\$3,066,986
513 Total Equity - Net Assets / Position	\$4,065,981	\$135,558	\$295,119	\$0	(\$47,576)	\$10,050	\$3,902,708	\$19,770,651	\$10,915,781	\$7,762,574
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$4,168,561	\$173,886	\$710,677	\$0	\$24,719	\$10,050	\$4,479,597	\$35,926,025	\$11,574,240	\$39,278,295

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

FINANCIAL DATA SCHEDULE

YEAR ENDED JUNE 30, 2025

	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	21.027 Coronavirus State and Local Fiscal Recovery Funds	14.871 Housing Choice Vouchers	14.EHV Emergency Housing Voucher	91 Other Federal Program 3	8 Other Federal Program 1	9 Other Federal Program 2	14.856 Lower Income Housing Assistance Program, Section 8 Moderate	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$3,242,581	\$5,035,734			\$103,580				\$0	\$700	\$14,755,896		\$14,755,896
112 Cash - Restricted - Modernization and Development	\$7,010,440								\$0		\$8,588,707		\$8,588,707
113 Cash - Other Restricted	\$8,236,418	\$5,805,680		\$28,248	\$46,227				\$0		\$25,532,974		\$25,532,974
114 Cash - Tenant Security Deposits	\$394,397	\$182,999							\$0		\$822,894		\$822,894
115 Cash - Restricted for Payment of Current Liabilities				\$0					\$0		\$70,120		\$70,120
100 Total Cash	\$18,883,836	\$10,824,413	\$0	\$28,248	\$149,807	\$0	\$0	\$0	\$0	\$700	\$49,770,591	\$0	\$49,770,591
121 Accounts Receivable - PHA Projects									\$0				
122 Accounts Receivable - HUD Other Projects	\$472,543	\$68,218				\$0	\$18,102		\$0	\$0	\$1,454,177		\$1,454,177
124 Accounts Receivable - Other Government	\$7,653	\$2,980,753	\$500,000			\$519,166			\$0		\$4,532,867		\$4,532,867
125 Accounts Receivable - Miscellaneous	\$215,677	\$25,571,333							\$0	\$29,015	\$36,506,322		\$36,506,322
126 Accounts Receivable - Tenants	\$1,128,386	\$24,155	\$0	\$489	\$4,567				\$0		\$1,390,222		\$1,390,222
126.1 Allowance for Doubtful Accounts - Tenants	(\$580,081)	(\$882)	\$0	\$0	\$0				\$0		(\$584,346)		(\$584,346)
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0		\$0	\$0		\$0		\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current									\$0				
128 Fraud Recovery				\$8,428	\$1,969				\$0		\$51,895		\$51,895
128.1 Allowance for Doubtful Accounts - Fraud				(\$8,559)	(\$1,969)				\$0		(\$51,895)		(\$51,895)
129 Accrued Interest Receivable									\$0				
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$1,244,178	\$28,643,577	\$500,000	\$358	\$4,567	\$519,166	\$18,102	\$0	\$0	\$29,015	\$43,299,242	\$0	\$43,299,242
131 Investments - Unrestricted		\$4,006,836							\$0		\$7,263,378		\$7,263,378
132 Investments - Restricted	\$24,631			\$0					\$0		\$24,631		\$24,631
135 Investments - Restricted for Payment of Current Liability				\$0					\$0		\$0		\$0
142 Prepaid Expenses and Other Assets	\$1,211,725	\$543,351							\$0	\$34,498	\$2,071,114		\$2,071,114
143 Inventories	\$87,417								\$0	\$20,577	\$108,569		\$108,569
143.1 Allowance for Obsolete Inventories	\$0	\$0	\$0	\$0					\$0	\$0	\$0		\$0
144 Inter Program Due From		\$819,569							\$0	\$5,306	\$2,149,260	(\$2,149,260)	\$0
145 Assets Held for Sale									\$0		\$519,060		\$519,060
150 Total Current Assets	\$21,451,787	\$44,837,746	\$500,000	\$28,606	\$154,374	\$519,166	\$18,102	\$0	\$0	\$90,096	\$105,205,845	(\$2,149,260)	\$103,056,585
161 Land	\$174,350	\$1,390,488							\$0		\$13,616,963		\$13,616,963
162 Buildings	\$214,004,997	\$70,636,417							\$0	\$28,639	\$394,695,032		\$394,695,032
163 Furniture, Equipment & Machinery - Dwellings	\$129,900								\$0		\$129,900		\$129,900
164 Furniture, Equipment & Machinery - Administration	\$4,781,571	\$936,124							\$0	\$2,413,138	\$12,709,086		\$12,709,086
165 Leasehold Improvements									\$0				
166 Accumulated Depreciation	(\$25,906,449)	(\$50,520,268)							\$0	(\$2,134,663)	(\$167,107,290)		(\$167,107,290)
167 Construction in Progress	\$30,965,373	\$20,057,418							\$0		\$51,028,533		\$51,028,533
168 Infrastructure		\$713,027							\$0	\$44,430	\$1,842,777		\$1,842,777
160 Total Capital Assets, Net of Accumulated Depreciation	\$224,149,742	\$43,213,206	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$351,544	\$306,915,001	\$0	\$306,915,001
171 Notes, Loans and Mortgages Receivable - Non-Current		\$86,216,821							\$0	\$0	\$86,765,054	(\$548,233)	\$86,216,821
172 Notes, Loans, & Mortgages Receivable - Non-Current - Past Due									\$0	\$0	\$0		\$0
173 Grants Receivable - Non-Current									\$0				
174 Other Assets	\$5,127,552	\$9,962,802							\$0	\$0	\$34,081,694		\$34,081,694
176 Investments in Joint Ventures		\$5,045,747							\$0	\$0	\$5,045,747		\$5,045,747
180 Total Non-Current Assets	\$229,277,294	\$144,438,576	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$351,544	\$432,807,496	(\$548,233)	\$432,259,263
200 Deferred Outflow of Resources	\$0	\$4,576,992	\$0						\$0	\$0	\$4,576,992	\$0	\$4,576,992
290 Total Assets and Deferred Outflow of Resources	\$250,729,081	\$193,853,314	\$500,000	\$28,606	\$154,374	\$519,166	\$18,102	\$0	\$0	\$441,640	\$542,590,333	(\$2,697,493)	\$539,892,840

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

FINANCIAL DATA SCHEDULE

YEAR ENDED JUNE 30, 2025

	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	21.027 Coronavirus State and Local Fiscal Recovery Funds	14.871 Housing Choice Vouchers	14.EHV Emergency Housing Voucher	91 Other Federal Program 3	8 Other Federal Program 1	9 Other Federal Program 2	14.856 Lower Income Housing Assistance Program, Section 9 Moderate	COCC	Subtotal	ELIM	Total
311 Bank Overdraft									\$0				
312 Accounts Payable <= 90 Days	\$11,764,368	\$4,075,349		\$17,180					\$0	\$148,314	\$16,561,144		\$16,561,144
313 Accounts Payable >90 Days Past Due									\$0				
321 Accrued Wage/Payroll Taxes Payable	\$82,142	\$38,384							\$0	\$207,268	\$696,859		\$696,859
322 Accrued Compensated Absences - Current Portion		\$49,878							\$0	\$405,673	\$812,628		\$812,628
324 Accrued Contingency Liability									\$0				
325 Accrued Interest Payable	\$5,642,822	\$75,719							\$0		\$5,752,920		\$5,752,920
331 Accounts Payable - HUD PHA Programs	\$3,153			\$489	\$4,142				\$0	\$0	\$53,549		\$53,549
332 Account Payable - PHA Projects									\$0				
333 Accounts Payable - Other Government	\$63,848	\$55,930							\$0		\$263,608		\$263,608
341 Tenant Security Deposits	\$390,838	\$180,499							\$0		\$803,598		\$803,598
342 Unearned Revenue	\$158,517	\$743,002		\$935	\$61,430				\$0	\$0	\$1,164,401		\$1,164,401
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	\$1,084,417	\$1,619,292							\$0	\$0	\$3,963,554		\$3,963,554
344 Current Portion of Long-term Debt - Operating Borrowings									\$0				
345 Other Current Liabilities	\$403,179	\$276,337							\$0	\$36,364	\$1,143,464		\$1,143,464
346 Accrued Liabilities - Other	\$13,135,774	\$176,710							\$0	\$87,490	\$13,669,211		\$13,669,211
347 Inter Program - Due To		\$58,373	\$500,000				\$18,102		\$0		\$2,149,260	(\$2,149,260)	\$0
348 Loan Liability - Current									\$0	\$0			\$0
310 Total Current Liabilities	\$32,729,058	\$7,349,473	\$500,000	\$18,604	\$65,572	\$0	\$18,102	\$0	\$0	\$885,109	\$47,034,196	(\$2,149,260)	\$44,884,936
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$144,070,466	\$45,012,266							\$0	\$0	\$216,192,337	(\$548,233)	\$215,634,104
352 Long-term Debt, Net of Current - Operating Borrowings									\$0				
353 Non-current Liabilities - Other	\$190,974			\$10,002					\$0		\$393,321		\$393,321
354 Accrued Compensated Absences - Non Current		\$101,266							\$0	\$823,639	\$1,649,881		\$1,649,881
355 Loan Liability - Non Current									\$0	\$0	\$0		\$0
356 FASB 5 Liabilities									\$0				
357 Accrued Pension and OPEB Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
350 Total Non-Current Liabilities	\$144,261,440	\$45,113,532	\$0	\$10,002	\$0	\$0	\$0	\$0	\$0	\$823,639	\$218,225,539	(\$548,233)	\$217,677,306
300 Total Liabilities	\$176,990,498	\$52,463,005	\$500,000	\$28,606	\$65,572	\$0	\$18,102	\$0	\$0	\$1,708,748	\$265,259,735	(\$2,697,493)	\$262,562,242
400 Deferred Inflow of Resources		\$9,512,946							\$0	\$0	\$25,562,946	\$0	\$25,562,946
508.3 Nonspendable Fund Balance									\$0				
508.4 Net Investment in Capital Assets	\$66,868,630	\$8,020,044							\$0	\$351,544	\$104,659,705		\$104,659,705
509.3 Restricted Fund Balance									\$0				
510.3 Committed Fund Balance									\$0				
511.3 Assigned Fund Balance									\$0				
511.4 Restricted Net Position	\$1,199,939	\$3,949,963		\$0	\$46,227	\$519,166			\$0		\$13,008,233		\$13,008,233
512.3 Unassigned Fund Balance									\$0				
512.4 Unrestricted Net Position	\$5,670,014	\$119,907,356	\$0	\$0	\$42,575	\$0	\$0	\$0	\$0	(\$1,618,652)	\$134,099,714		\$134,099,714
513 Total Equity - Net Assets / Position	\$73,738,583	\$131,877,363	\$0	\$0	\$88,802	\$519,166	\$0	\$0	\$0	(\$1,267,108)	\$251,767,652	\$0	\$251,767,652
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$250,729,081	\$193,853,314	\$500,000	\$28,606	\$154,374	\$519,166	\$18,102	\$0	\$0	\$441,640	\$542,580,333	(\$2,697,493)	\$539,882,840

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
FINANCIAL DATA SCHEDULE

YEAR ENDED JUNE 30, 2025

	Project Total	14.879 Mainstream Vouchers	14.889 Choice Neighborhoods Implementation Grants	14.239 HOME Investment Partnerships Program	14.896 PIH Family Self-Sufficiency Program	14.EFA FSS Escrow Forfeiture Account	14.881 Moving to Work Demonstration Program	14.195 Section 8 Housing Assistance Payments Program_Special Allocations	1 Business Activities	2 State/Local
70300 Net Tenant Rental Revenue	\$94,033	\$0	\$0	\$0	\$0	\$0	\$738	\$3,893,298	\$0	\$0
70400 Tenant Revenue - Other	\$11,772	\$0	\$0	\$0	\$0	\$0	\$38	\$104,728	\$30	\$0
70500 Total Tenant Revenue	\$105,805	\$0	\$0	\$0	\$0	\$0	\$776	\$3,998,026	\$30	\$0
70600 HUD PHA Operating Grants	\$1,747,839	\$1,160,022	\$5,846,514	\$0	\$44,299	\$0	\$30,898,766	\$10,959,241	\$0	\$0
70610 Capital Grants	\$19,710									
70710 Management Fee										
70720 Asset Management Fee										
70730 Book Keeping Fee										
70740 Front Line Service Fee										
70750 Other Fees									\$876,916	
70700 Total Fee Revenue										
70800 Other Government Grants		\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$2,924,131
71100 Investment Income - Unrestricted	\$21,945	\$5,764	\$0	\$0	\$0	\$0	\$135,739	\$17,493	\$2,158	\$85,447
71200 Mortgage Interest Income										
71300 Proceeds from Disposition of Assets Held for Sale										
71310 Cost of Sale of Assets										
71400 Fraud Recovery		\$0	\$0	\$0	\$0	\$0	\$3,262	\$0	\$0	\$0
71500 Other Revenue	\$2,189	\$224	\$0	\$0	\$0	\$0	\$1,330	\$406,970	\$2,784,378	\$552,836
71600 Gain or Loss on Sale of Capital Assets		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,253	(\$175,666)
72000 Investment Income - Restricted		\$0	\$0	\$0	\$0	\$0	\$0	\$145,541	\$0	\$0
70000 Total Revenue	\$1,897,488	\$1,166,010	\$5,846,514	\$0	\$44,299	\$0	\$31,039,873	\$15,527,271	\$3,665,735	\$3,386,748
91100 Administrative Salaries	\$95,139	\$42,083	\$141,053	\$0	\$34,917	\$0	\$632,744	\$790,627	\$1,322,791	\$459,130
91200 Auditing Fees	\$8,620	\$1,000	\$0	\$0	\$0	\$0	\$23,000	\$23,900	\$6,600	\$2,000
91300 Management Fee	\$45,822	\$19,668	\$0	\$0	\$0	\$0	\$421,344	\$549,472	\$0	\$24,518
91310 Book-keeping Fee	\$3,780	\$12,292	\$0	\$0	\$0	\$0	\$263,340	\$73,040	\$0	\$0
91400 Advertising and Marketing	\$571	\$0	\$0	\$0	\$0	\$0	\$578	\$4,952	\$0	\$6,130
91500 Employee Benefit contributions - Administrative	\$28,336	\$0	\$42,804	\$0	\$12,682	\$0	\$216,816	\$226,599	\$373,293	\$123,892
91600 Office Expenses	\$20,449	\$2	\$3,186	\$0	\$0	\$590	\$101,122	\$174,794	\$25,465	\$35,004
91700 Legal Expense	\$1,489	\$0	\$0	\$0	\$0	\$0	\$0	\$56,783	\$0	\$80,483
91800 Travel	\$3	\$0	\$2,816	\$0	\$0	\$0	\$11,253	\$799	\$0	\$4,037
91810 Allocated Overhead										
91900 Other	\$8,788	\$0	\$479,672	\$0	\$608	\$0	\$366,928	\$87,280	\$15,561	\$718,878
91000 Total Operating - Administrative	\$212,997	\$75,045	\$669,531	\$0	\$48,207	\$590	\$2,037,125	\$1,988,246	\$1,743,710	\$1,454,072
92000 Asset Management Fee	\$15,840	\$0	\$0	\$0	\$0	\$0	\$0	\$21,800	\$0	\$0
92100 Tenant Services - Salaries		\$0	\$0	\$0	\$12,164	\$0	\$0	\$11,186	\$65,255	\$0
92200 Relocation Costs	\$86,536	\$0	\$0	\$0	\$0	\$0	\$0	\$22,255	\$8,747	\$0
92300 Employee Benefit Contributions - Tenant Services		\$0	\$0	\$0	\$4,374	\$0	\$0	\$4,189	\$21,630	\$0
92400 Tenant Services - Other	\$13,032	\$0	\$0	\$0	\$0	\$0	\$8,800	\$68,822	\$183,268	\$0
92500 Total Tenant Services	\$99,568	\$0	\$0	\$0	\$16,538	\$0	\$8,800	\$106,452	\$278,900	\$0

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
FINANCIAL DATA SCHEDULE

YEAR ENDED JUNE 30, 2025

	Project Total	14.879 Mainstream Vouchers	14.889 Choice Neighborhoods Implementation Grants	14.239 HOME Investment Partnerships Program	14.896 PIH Family Self-Sufficiency Program	14.EFA FSS Escrow Forfeiture Account	14.881 Moving to Work Demonstration Program	14.195 Section 8 Housing Assistance Payments Program_Special Allocations	1 Business Activities	2 State/Local
93100 Water	\$75,723	\$0	\$0	\$0	\$0	\$0	\$0	\$378,447	\$0	\$0
93200 Electricity	\$69,678	\$0	\$0	\$0	\$0	\$0	\$0	\$1,049,234	\$0	\$0
93300 Gas	\$4,024	\$0	\$0	\$0	\$0	\$0	\$0	\$4,790	\$0	\$0
93400 Fuel										
93500 Labor										
93600 Sewer	\$176,831	\$0	\$0	\$0	\$0	\$0	\$0	\$798,097	\$0	\$0
93700 Employee Benefit Contributions - Utilities										
93800 Other Utilities Expense										
93000 Total Utilities	\$326,256	\$0	\$0	\$0	\$0	\$0	\$0	\$2,230,568	\$0	\$0
94100 Ordinary Maintenance and Operations - Labor	\$51,617	\$0	\$0	\$0	\$0	\$0	\$17,273	\$428,978	\$640,156	\$0
94200 Ordinary Maintenance and Operations - Materials and Other	\$16,917	\$0	\$0	\$0	\$0	\$0	\$33	\$202,712	\$1,224	\$1,680
94300 Ordinary Maintenance and Operations Contracts	\$128,512	\$0	\$0	\$0	\$0	\$0	\$400	\$1,716,804	\$58,704	\$120,324
94500 Employee Benefit Contributions - Ordinary Maintenance	\$13,532	\$0	\$0	\$0	\$0	\$0	\$2,072	\$140,277	\$179,411	\$0
94000 Total Maintenance	\$210,578	\$0	\$0	\$0	\$0	\$0	\$19,778	\$2,488,771	\$879,495	\$122,004
95100 Protective Services - Labor										
95200 Protective Services - Other Contract Costs	\$34,362	\$0	\$0	\$0	\$0	\$0	\$0	\$178,010	\$0	\$0
95300 Protective Services - Other										
95500 Employee Benefit Contributions - Protective Services										
95000 Total Protective Services	\$34,362	\$0	\$0	\$0	\$0	\$0	\$0	\$178,010	\$0	\$0
96110 Property Insurance	\$47,827	\$0	\$0	\$0	\$0	\$0	\$17	\$390,711	\$4,223	\$976
96120 Liability Insurance	\$8,029	\$0	\$0	\$0	\$0	\$0	\$20,529	\$51,452	\$228	\$4,109
96130 Workmen's Compensation	\$2,685	\$0	\$103	\$0	\$79	\$0	\$4,275	\$7,852	\$462	\$2,565
96140 All Other Insurance	\$2,888	\$0	\$0	\$0	\$0	\$0	\$633	\$12,573	\$84	\$3,187
96100 Total Insurance Premiums	\$61,429	\$0	\$103	\$0	\$79	\$0	\$25,454	\$462,588	\$4,997	\$10,857
96200 Other General Expenses	\$529,747	\$0	\$0	\$0	\$0	\$0	\$17,759	\$4,693,402	\$0	\$94,999
96210 Compensated Absences	\$13,172	\$0	\$16,755	\$0	\$27,051	\$0	\$114,886	\$199,654	\$574,737	\$59,162
96300 Payments in Lieu of Taxes		\$0	\$0	\$0	\$0	\$0	\$0	\$143,830	\$0	\$0
96400 Bad debt - Tenant Rents	\$1,580	\$0	\$0	\$0	\$0	\$0	\$0	\$296,962	\$17,696	\$0
96500 Bad debt - Mortgages										
96600 Bad debt - Other										
96800 Severance Expense										
96000 Total Other General Expenses	\$544,499	\$0	\$16,755	\$0	\$27,051	\$0	\$132,645	\$5,333,848	\$592,433	\$154,161
96710 Interest of Mortgage (or Bonds) Payable		\$0	\$0	\$0	\$0	\$0	\$0	\$433,209	\$0	\$0
96720 Interest on Notes Payable (Short and Long Term)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96730 Amortization of Bond Issue Costs		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$433,209	\$0	\$0
96900 Total Operating Expenses	\$1,505,529	\$75,045	\$686,389	\$0	\$91,875	\$590	\$2,223,802	\$13,243,492	\$3,499,535	\$1,741,094
97000 Excess of Operating Revenue over Operating Expenses	\$391,959	\$1,090,965	\$5,160,125	\$0	(\$47,576)	(\$590)	\$28,816,071	\$2,283,779	\$166,200	\$1,645,654
97100 Extraordinary Maintenance										
97200 Casualty Losses - Non-capitalized		\$0	\$0	\$0	\$0	\$0	\$0	\$98,529	\$0	\$2,000
97300 Housing Assistance Payments		\$1,156,575	\$0	\$0	\$0	\$0	\$28,460,427	\$0		\$0
97350 HAP Portability-In										
97400 Depreciation Expense	\$551,827	\$0	\$0	\$0	\$0	\$0	\$0	\$3,708,747	\$6,841	\$0
97500 Fraud Losses										
97600 Capital Outlays - Governmental Funds										
97700 Debt Principal Payment - Governmental Funds										
97800 Dwelling Units Rent Expense										
90000 Total Expenses	\$2,057,356	\$1,231,620	\$686,389	\$0	\$91,875	\$590	\$30,684,229	\$17,050,768	\$3,506,376	\$1,743,094

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
FINANCIAL DATA SCHEDULE

YEAR ENDED JUNE 30, 2025

	Project Total	14.879 Mainstream Vouchers	14.889 Choice Neighborhoods Implementation Grants	14.239 HOME Investment Partnerships Program	14.896 PIH Family Self-Sufficiency Program	14.EFA FSS Escrow Forfeiture Account	14.881 Moving to Work Demonstration Program	14.195 Section 8 Housing Assistance Payments Program_Special Allocations	1 Business Activities	2 State/Local
10010 Operating Transfer In	\$1,140	\$0	\$0	\$0	\$0	\$0	\$3,547,064	\$0	\$977,455	\$0
10020 Operating transfer Out	(\$1,140)	\$0	\$0	\$0	\$0	\$0	\$0	(\$921,291)	(\$799,789)	(\$403,395)
10030 Operating Transfers from/to Primary Government	\$0									
10040 Operating Transfers from/to Component Unit		\$0	(\$5,115,147)	(\$1,000,000)	\$0	\$0	\$0	\$0	\$0	\$1,760,069
10050 Proceeds from Notes, Loans and Bonds										
10060 Proceeds from Property Sales										
10070 Extraordinary Items, Net Gain/Loss										
10080 Special Items (Net Gain/Loss)									(\$8,684,879)	
10091 Inter Project Excess Cash Transfer In	\$0									
10092 Inter Project Excess Cash Transfer Out	\$0									
10093 Transfers between Program and Project - In	\$245,037	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$26,958	\$0
10094 Transfers between Project and Program - Out	(\$271,995)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10100 Total Other financing Sources (Uses)	(\$26,958)	\$0	(\$5,115,147)	(\$1,000,000)	\$0	\$0	\$3,547,064	(\$921,291)	(\$8,480,255)	\$1,356,674
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	(\$186,826)	(\$65,610)	\$44,978	(\$1,000,000)	(\$47,576)	(\$590)	\$3,902,708	(\$2,444,788)	(\$8,320,896)	\$3,000,328
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$490,047	\$0	\$9,599,370
11030 Beginning Equity	\$4,252,807	\$201,168	\$250,141	\$1,000,000	\$0	\$10,640	\$0	\$22,215,439	\$19,236,677	\$4,762,246
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11050 Changes in Compensated Absence Balance										
11060 Changes in Contingent Liability Balance										
11070 Changes in Unrecognized Pension Transition Liability										
11080 Changes in Special Term/Severance Benefits Liability										
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents										
11100 Changes in Allowance for Doubtful Accounts - Other										
11170 Administrative Fee Equity										
11180 Housing Assistance Payments Equity										
11190 Unit Months Available	1584	2880	0	0	0	0	47618	22356	0	0
11210 Number of Unit Months Leased	428	1645	0	0	0	0	31475	20483	0	0
11270 Excess Cash	\$888,750									
11610 Land Purchases	\$0									
11620 Building Purchases	\$0									
11630 Furniture & Equipment - Dwelling Purchases	\$0									
11640 Furniture & Equipment - Administrative Purchases	\$0									
11650 Leasehold Improvements Purchases	\$0									
11660 Infrastructure Purchases	\$0									
13510 CFFP Debt Service Payments	\$0									
13901 Replacement Housing Factor Funds	\$0									

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

FINANCIAL DATA SCHEDULE

YEAR ENDED JUNE 30, 2025

	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	21.027 Coronavirus State and Local Fiscal Recovery Funds	14.871 Housing Choice Vouchers	14.EHV Emergency Housing Voucher	91 Other Federal Program 3	8 Other Federal Program 1	9 Other Federal Program 2	14.856 Lower Income Housing Assistance Program, Section 8 Moderate	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$4,878,032	\$2,153,953							\$0		\$11,020,034		\$11,020,034
70400 Tenant Revenue - Other	\$116,868	\$135,657							\$0		\$369,093		\$369,093
70500 Total Tenant Revenue	\$4,994,900	\$2,289,590	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$11,389,127	\$0	\$11,389,127
70600 HUD PHA Operating Grants	\$8,505,944	\$0	\$0	\$2,398,969	\$649,082				\$0		\$62,210,676		\$62,210,676
70610 Capital Grants									\$0	\$0	\$19,710		\$19,710
70710 Management Fee									\$0	\$1,418,953	\$1,418,953	(\$1,418,953)	\$0
70720 Asset Management Fee									\$0	\$66,640	\$66,640	(\$66,640)	\$0
70730 Book Keeping Fee									\$0	\$404,136	\$404,136	(\$404,136)	\$0
70740 Front Line Service Fee									\$0	\$378,871	\$378,871	(\$378,871)	\$0
70750 Other Fees									\$0	\$12,062	\$888,976		\$888,976
70700 Total Fee Revenue									\$0	\$2,280,662	\$2,280,662	(\$2,268,600)	\$12,062
70800 Other Government Grants	\$0	\$13,457,700	\$2,770,000			\$1,557,498	\$18,102		\$0		\$20,727,431	(\$5,396,647)	\$15,330,784
71100 Investment Income - Unrestricted	\$723,403	\$2,306,653	\$0	\$0	\$4,221				\$0	\$2,839	\$3,305,662		\$3,305,662
71200 Mortgage Interest Income									\$0				
71300 Proceeds from Disposition of Assets Held for Sale									\$0				
71310 Cost of Sale of Assets									\$0				
71400 Fraud Recovery	\$0	\$0	\$0	\$0					\$0		\$3,262		\$3,262
71500 Other Revenue	\$8,368,836	\$7,566,479			\$162				\$0	\$29,324	\$19,712,728		\$19,712,728
71600 Gain or Loss on Sale of Capital Assets	\$0	\$0							\$0		(\$173,413)		(\$173,413)
72000 Investment Income - Restricted	\$50,697	\$3,259	\$0	\$0					\$0		\$199,497		\$199,497
70000 Total Revenue	\$22,643,780	\$25,623,681	\$2,770,000	\$2,398,969	\$653,465	\$1,557,498	\$18,102	\$0	\$0	\$2,312,825	\$120,552,258	(\$7,665,247)	\$112,887,011
91100 Administrative Salaries	\$1,008,331	\$391,789							\$0	\$2,923,190	\$7,841,794		\$7,841,794
91200 Auditing Fees	\$137,688	\$15,775			\$1,000				\$0	\$15,710	\$235,293		\$235,293
91300 Management Fee	\$673,301	\$351,003	\$0	\$0	\$7,128				\$0	\$2,092,256	(\$1,418,953)		\$673,303
91310 Book-keeping Fee	\$87,779	\$47,228			\$4,455				\$0		\$491,914	(\$404,136)	\$87,778
91400 Advertising and Marketing	\$4,355	\$5,805							\$0	\$6,602	\$28,953		\$28,953
91500 Employee Benefit contributions - Administrative	\$282,194	\$116,619							\$0	\$773,373	\$2,196,608		\$2,196,608
91600 Office Expenses	\$256,146	\$95,293							\$0	\$496,979	\$1,209,030		\$1,209,030
91700 Legal Expense	\$60,123	\$43,634							\$0	\$143,059	\$385,571		\$385,571
91800 Travel	\$541	\$825							\$0	\$51,702	\$71,976		\$71,976
91810 Allocated Overhead									\$0				
91800 Other	\$169,108	\$704,380					\$18,102		\$0	\$262,137	\$2,831,442		\$2,831,442
91000 Total Operating - Administrative	\$2,679,566	\$1,772,351	\$0	\$0	\$12,583	\$0	\$18,102	\$0	\$0	\$4,672,752	\$17,384,677	(\$1,823,089)	\$15,561,788
92000 Asset Management Fee	\$157,710	\$29,000							\$0		\$224,350	(\$66,640)	\$157,710
92100 Tenant Services - Salaries	\$12,900	\$0							\$0		\$101,505		\$101,505
92200 Relocation Costs	\$30,673	\$20,264							\$0		\$168,475		\$168,475
92300 Employee Benefit Contributions - Tenant Services	\$1,053	\$0							\$0		\$31,246		\$31,246
92400 Tenant Services - Other	\$29,866	\$173,844							\$0	\$43,331	\$520,963		\$520,963
92500 Total Tenant Services	\$74,492	\$194,108	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$43,331	\$822,189	\$0	\$822,189

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

FINANCIAL DATA SCHEDULE

YEAR ENDED JUNE 30, 2025

	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	21.027 Coronavirus State and Local Fiscal Recovery Funds	14.871 Housing Choice Vouchers	14 EHV Emergency Housing Voucher	91 Other Federal Program 3	8 Other Federal Program 1	9 Other Federal Program 2	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	COCC	Subtotal	ELIM	Total
93100 Water	\$546,948	\$255,971							\$0	\$16,048	\$1,303,137		\$1,303,137
93200 Electricity	\$454,158	\$391,245							\$0	\$53,816	\$2,018,131		\$2,018,131
93300 Gas	\$12,314	\$5,816							\$0	\$9,566	\$36,510		\$36,510
93400 Fuel									\$0				
93500 Labor									\$0				
93600 Sewer	\$1,142,298	\$576,988							\$0	\$4,486	\$2,698,700		\$2,698,700
93700 Employee Benefit Contributions - Utilities									\$0				
93800 Other Utilities Expense									\$0				
93000 Total Utilities	\$2,155,718	\$1,260,020	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$83,916	\$6,056,478	\$0	\$6,056,478
94100 Ordinary Maintenance and Operations - Labor	\$575,126	\$231,016							\$0	\$12,506	\$1,997,472		\$1,997,472
94200 Ordinary Maintenance and Operations - Materials and Other	\$374,006	\$148,380							\$0	\$15,162	\$760,114		\$760,114
94300 Ordinary Maintenance and Operations Contracts	\$2,027,547	\$1,056,186	\$0						\$0	\$298,839	\$5,407,316	(\$378,871)	\$5,028,445
94500 Employee Benefit Contributions - Ordinary Maintenance	\$165,029	\$62,487							\$0	\$17,685	\$580,493		\$580,493
94000 Total Maintenance	\$3,141,708	\$1,498,069	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$384,992	\$8,745,395	(\$378,871)	\$8,366,524
95100 Protective Services - Labor									\$0				
95200 Protective Services - Other Contract Costs	\$265,788	\$115,848							\$0		\$594,008		\$594,008
95300 Protective Services - Other									\$0				
95500 Employee Benefit Contributions - Protective Services									\$0				
95000 Total Protective Services	\$265,788	\$115,848	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$594,008	\$0	\$594,008
96110 Property Insurance	\$861,881	\$254,080							\$0	\$15,837	\$1,575,552		\$1,575,552
96120 Liability Insurance	\$143,417	\$31,353							\$0	\$6,709	\$265,826		\$265,826
96130 Workmen's Compensation	\$10,642	\$4,388							\$0	\$22,987	\$56,058		\$56,058
96140 All Other Insurance	\$7,998	\$58,389							\$0	\$5,545	\$91,297		\$91,297
96100 Total Insurance Premiums	\$1,023,938	\$348,210	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$51,078	\$1,988,733	\$0	\$1,988,733
96200 Other General Expenses	\$215,914	\$18,629							\$0	\$12,500	\$5,582,950	(\$4,692,929)	\$890,021
96210 Compensated Absences	\$115,612	\$118,167							\$0	\$620,727	\$1,859,923		\$1,859,923
96300 Payments in Lieu of Taxes	\$50,634	\$55,930							\$0		\$250,394		\$250,394
96400 Bad debt - Tenant Rents	\$417,203	\$141,564							\$0		\$875,005		\$875,005
96500 Bad debt - Mortgages									\$0				
96600 Bad debt - Other									\$29,507	\$0	\$29,507		\$29,507
96800 Severance Expense									\$0				
96000 Total Other General Expenses	\$799,363	\$334,290	\$0	\$0	\$0	\$0	\$0	\$29,507	\$0	\$633,227	\$8,597,779	(\$4,692,929)	\$3,904,850
96710 Interest of Mortgage (or Bonds) Payable	\$1,590,792	\$930,115							\$0		\$2,954,116		\$2,954,116
96720 Interest on Notes Payable (Short and Long Term)	\$1,269,522	\$0							\$0	\$13,542	\$1,283,064		\$1,283,064
96730 Amortization of Bond Issue Costs	\$489,188	\$0							\$0	\$398,221	\$877,409		\$877,409
96700 Total Interest Expense and Amortization Cost	\$3,349,502	\$930,115	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$401,763	\$5,114,589	\$0	\$5,114,589
96900 Total Operating Expenses	\$13,647,785	\$6,482,011	\$0	\$0	\$12,583	\$0	\$18,102	\$29,507	\$0	\$6,271,059	\$49,528,398	(\$6,961,529)	\$42,566,869
97000 Excess of Operating Revenue over Operating Expenses	\$8,995,995	\$19,141,670	\$2,770,000	\$2,398,969	\$640,882	\$1,557,498	\$0	(\$29,507)	\$0	(\$3,958,234)	\$71,023,860	(\$703,718)	\$70,320,142
97100 Extraordinary Maintenance									\$0				
97200 Casualty Losses - Non-capitalized	\$29,486	\$190,218							\$0		\$320,233		\$320,233
97300 Housing Assistance Payments	\$0	\$0	\$0	\$2,371,068	\$597,803				\$0		\$32,685,873	(\$703,718)	\$31,882,155
97350 HAP Portability-In				\$0					\$0		\$0		\$0
97400 Depreciation Expense	\$5,300,734	\$2,834,289							\$0	\$30,633	\$12,433,071		\$12,433,071
97500 Fraud Losses									\$0				
97600 Capital Outlays - Governmental Funds									\$0				
97700 Debt Principal Payment - Governmental Funds									\$0				
97800 Dwelling Units Rent Expense									\$0				
90000 Total Expenses	\$18,978,005	\$9,506,518	\$0	\$2,371,068	\$610,386	\$0	\$18,102	\$29,507	\$0	\$6,301,692	\$94,867,575	(\$7,665,247)	\$87,202,328

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

FINANCIAL DATA SCHEDULE

YEAR ENDED JUNE 30, 2025

	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	21.027 Coronavirus State and Local Fiscal Recovery Funds	14.871 Housing Choice Vouchers	14 EHV/ Emergency Housing Voucher	91 Other Federal Program 3	8 Other Federal Program 1	9 Other Federal Program 2	14.856 Lower Income Housing Assistance Program, Section 8 Moderate	COCC	Subtotal	ELIM	Total
10010 Operating Transfer In	\$0	\$0							\$0	\$3,677,697	\$9,203,356		\$9,203,356
10020 Operating transfer Out	\$0	(\$2,530,677)		(\$3,480,925)					(\$66,139)		(\$9,203,356)		(\$9,203,356)
10030 Operating Transfers from/to Primary Government									\$0		\$0		\$0
10040 Operating Transfers from/to Component Unit	\$0	\$8,682,576	(\$2,770,000)			(\$1,557,498)			\$0		\$0		\$0
10050 Proceeds from Notes, Loans and Bonds									\$0				
10060 Proceeds from Property Sales									\$0				
10070 Extraordinary Items, Net Gain/Loss									\$0				
10080 Special Items (Net Gain/Loss)									\$0		(\$8,684,879)		(\$8,684,879)
10091 Inter Project Excess Cash Transfer In									\$0		\$0		\$0
10092 Inter Project Excess Cash Transfer Out									\$0		\$0		\$0
10093 Transfers between Program and Project - In	\$0	\$2,000,000						\$29,507	\$0		\$2,301,502		\$2,301,502
10094 Transfers between Project and Program - Out	\$0	\$0					(\$2,000,000)		\$0	(\$29,507)	(\$2,301,502)		(\$2,301,502)
10100 Total Other financing Sources (Uses)	\$0	\$8,151,899	(\$2,770,000)	(\$3,480,925)	\$0	(\$1,557,498)	(\$2,000,000)	\$29,507	(\$66,139)	\$3,648,190	(\$8,684,879)	\$0	(\$8,684,879)
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$3,665,775	\$24,269,062	\$0	(\$3,453,024)	\$43,079	\$0	(\$2,000,000)	\$0	(\$66,139)	(\$340,677)	\$16,999,804	\$0	\$16,999,804
11020 Required Annual Debt Principal Payments	\$1,062,596	\$798,176	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$11,950,189		\$11,950,189
11030 Beginning Equity	\$70,072,808	\$108,608,301	\$0	\$3,453,024	\$45,723	\$519,166	\$2,000,000	\$0	\$66,139	(\$926,431)	\$235,767,848		\$235,767,848
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0	(\$1,000,000)	\$0	\$0					\$0	\$0	(\$1,000,000)		(\$1,000,000)
11050 Changes in Compensated Absence Balance									\$0				
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				\$0					\$0		\$0		\$0
11180 Housing Assistance Payments Equity				\$0					\$0		\$0		\$0
11190 Unit Months Available	19424	936	0	4725					0		99523		99523
11210 Number of Unit Months Leased	15596	887	0	3210					0		73724		73724
11270 Excess Cash									\$0		\$888,750		\$888,750
11610 Land Purchases									\$0	\$0	\$0		\$0
11620 Building Purchases									\$0	\$0	\$0		\$0
11630 Furniture & Equipment - Dwelling Purchases									\$0	\$0	\$0		\$0
11640 Furniture & Equipment - Administrative Purchases									\$0	\$0	\$0		\$0
11650 Leasehold Improvements Purchases									\$0	\$0	\$0		\$0
11660 Infrastructure Purchases									\$0	\$0	\$0		\$0
13510 CFFP Debt Service Payments									\$0	\$0	\$0		\$0
13901 Replacement Housing Factor Funds									\$0	\$0	\$0		\$0

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
FINANCIAL DATA SCHEDULE

YEAR ENDED JUNE 30, 2025

	TN003000001	TN003009999	OTHER PROJ	TN003000003	TN003000005	TN003000006	TN003000007	TN003000008	TN003000009	TN003000010	TN003000011	TN003000012
111 Cash - Unrestricted	\$1,043,272		\$62,203									
112 Cash - Restricted - Modernization and Development												
113 Cash - Other Restricted												
114 Cash - Tenant Security Deposits	\$950											
115 Cash - Restricted for Payment of Current Liabilities												
100 Total Cash	\$1,044,222	\$0	\$62,203	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
121 Accounts Receivable - PHA Projects												
122 Accounts Receivable - HUD Other Projects	\$0	\$0										
124 Accounts Receivable - Other Government												
125 Accounts Receivable - Miscellaneous	\$1,150	\$0										
126 Accounts Receivable - Tenants	\$1,707											
126.1 Allowance for Doubtful Accounts -Tenants	(\$790)											
126.2 Allowance for Doubtful Accounts - Other	\$0											
127 Notes, Loans, & Mortgages Receivable - Current												
128 Fraud Recovery												
128.1 Allowance for Doubtful Accounts - Fraud												
129 Accrued Interest Receivable												
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$2,067	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
131 Investments - Unrestricted												
132 Investments - Restricted												
135 Investments - Restricted for Payment of Current Liability												
142 Prepaid Expenses and Other Assets	\$15,191											
143 Inventories												
143.1 Allowance for Obsolete Inventories												
144 Inter Program Due From		\$0										
145 Assets Held for Sale												
150 Total Current Assets	\$1,061,480	\$0	\$62,203	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
161 Land	\$233,090		\$306,570									
162 Buildings	\$14,291,877		\$4,977,598									
163 Furniture, Equipment & Machinery - Dwellings												
164 Furniture, Equipment & Machinery - Administration	\$1,036,068		\$18,450									
165 Leasehold Improvements												
166 Accumulated Depreciation	(\$12,893,803)		(\$4,996,048)									
167 Construction in Progress												
168 Infrastructure	\$71,076											
160 Total Capital Assets, Net of Accumulated Depreciation	\$2,738,308	\$0	\$306,570	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
171 Notes, Loans and Mortgages Receivable - Non-Current	\$0	\$0										
172 Notes, Loans, & Mortgages Receivable - Non Current - Past	\$0	\$0										
173 Grants Receivable - Non Current												
174 Other Assets	\$0	\$0										
176 Investments in Joint Ventures	\$0	\$0										
180 Total Non-Current Assets	\$2,738,308	\$0	\$306,570	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
200 Deferred Outflow of Resources												
290 Total Assets and Deferred Outflow of Resources	\$3,799,788	\$0	\$368,773	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
FINANCIAL DATA SCHEDULE

YEAR ENDED JUNE 30, 2025

	TN003000001	TN003009999	OTHER PROJ	TN003000003	TN003000005	TN003000006	TN003000007	TN003000008	TN003000009	TN003000010	TN003000011	TN003000012
311 Bank Overdraft												
312 Accounts Payable <= 90 Days	\$40,410											
313 Accounts Payable >90 Days Past Due												
321 Accrued Wage/Payroll Taxes Payable	\$6,336											
322 Accrued Compensated Absences - Current Portion	\$3,763											
324 Accrued Contingency Liability												
325 Accrued Interest Payable												
331 Accounts Payable - HUD PHA Programs	\$0	\$0										
332 Account Payable - PHA Projects												
333 Accounts Payable - Other Government												
341 Tenant Security Deposits												
342 Unearned Revenue	\$1,946	\$0										
343 Current Portion of Long-term Debt - Capital	\$0	\$0										
344 Current Portion of Long-term Debt - Operating Borrowings												
345 Other Current Liabilities	\$106											
346 Accrued Liabilities - Other	\$41,506											
347 Inter Program - Due To												
348 Loan Liability - Current	\$0	\$0										
310 Total Current Liabilities	\$94,067	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
351 Long-term Debt, Net of Current - Capital Projects/Mortgage	\$0	\$0										
352 Long-term Debt, Net of Current - Operating Borrowings												
353 Non-current Liabilities - Other												
354 Accrued Compensated Absences - Non Current	\$7,641											
355 Loan Liability - Non Current	\$0	\$0										
356 FASB 5 Liabilities												
357 Accrued Pension and OPEB Liabilities	\$0	\$0	\$0									
350 Total Non-Current Liabilities	\$7,641	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
300 Total Liabilities	\$101,708	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
400 Deferred Inflow of Resources												
508.4 Net Investment in Capital Assets	\$2,738,308		\$306,570									
511.4 Restricted Net Position												
512.4 Unrestricted Net Position	\$959,772	\$0	\$62,203	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
513 Total Equity - Net Assets / Position	\$3,698,080	\$0	\$368,773	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$3,799,788	\$0	\$368,773	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
FINANCIAL DATA SCHEDULE

YEAR ENDED JUNE 30, 2025

	TN003000013	TN003000018	TN003000022	TN003000023	TN003000025	TN003000028	TN003000030	TN003000031	TN003000034	TN003000035	TN003000036	TN003000095	TN003000097	TN003000098	Total
111 Cash - Unrestricted															\$1,105,475
112 Cash - Restricted - Modernization and Development															
113 Cash - Other Restricted															\$950
114 Cash - Tenant Security Deposits															
115 Cash - Restricted for Payment of Current Liabilities															
100 Total Cash	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,106,425
121 Accounts Receivable - PHA Projects															
122 Accounts Receivable - HUD Other Projects															\$0
124 Accounts Receivable - Other Government															
125 Accounts Receivable - Miscellaneous															\$1,150
126 Accounts Receivable - Tenants															\$1,707
126.1 Allowance for Doubtful Accounts - Tenants															(\$790)
126.2 Allowance for Doubtful Accounts - Other															\$0
127 Notes, Loans, & Mortgages Receivable - Current															
128 Fraud Recovery															
128.1 Allowance for Doubtful Accounts - Fraud															
129 Accrued Interest Receivable															
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,057
131 Investments - Unrestricted															
132 Investments - Restricted															
135 Investments - Restricted for Payment of Current Liability															
142 Prepaid Expenses and Other Assets															\$15,191
143 Inventories															
143.1 Allowance for Obsolete Inventories															
144 Inter Program Due From															\$0
145 Assets Held for Sale															
150 Total Current Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,123,683
161 Land															\$539,860
162 Buildings															\$19,269,475
163 Furniture, Equipment & Machinery - Dwellings															
164 Furniture, Equipment & Machinery - Administration															\$1,054,518
165 Leasehold Improvements															
166 Accumulated Depreciation															(\$17,889,851)
167 Construction in Progress															
168 Infrastructure															\$71,076
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,044,878
171 Notes, Loans and Mortgages Receivable - Non-Current															\$0
172 Notes, Loans, & Mortgages Receivable - Non Current - Past															\$0
173 Grants Receivable - Non Current															\$0
174 Other Assets															\$0
176 Investments in Joint Ventures															\$0
180 Total Non-Current Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,044,878
200 Deferred Outflow of Resources															
290 Total Assets and Deferred Outflow of Resources	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,168,561

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

FINANCIAL DATA SCHEDULE

YEAR ENDED JUNE 30, 2025

	TN003000013	TN003000018	TN003000022	TN003000023	TN003000025	TN003000028	TN003000030	TN003000031	TN003000034	TN003000035	TN003000036	TN003000095	TN003000097	TN003000098	Total
311 Bank Overdraft															
312 Accounts Payable <= 90 Days															\$40,410
313 Accounts Payable >90 Days Past Due															
321 Accrued Wage/Payroll Taxes Payable															\$6,336
322 Accrued Compensated Absences - Current Portion															\$3,763
324 Accrued Contingency Liability															
325 Accrued Interest Payable															
331 Accounts Payable - HUD PHA Programs															\$0
332 Account Payable - PHA Projects															
333 Accounts Payable - Other Government															
341 Tenant Security Deposits															
342 Unearned Revenue															\$1,946
343 Current Portion of Long-term Debt - Capital															\$0
344 Current Portion of Long-term Debt - Operating Borrowings															
345 Other Current Liabilities															\$106
346 Accrued Liabilities - Other															\$41,506
347 Inter Program - Due To															
348 Loan Liability - Current															\$0
310 Total Current Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$94,067
351 Long-term Debt, Net of Current - Capital Projects/Mortgage															\$0
352 Long-term Debt, Net of Current - Operating Borrowings															
353 Non-current Liabilities - Other															
354 Accrued Compensated Absences - Non Current															\$7,641
355 Loan Liability - Non Current															\$0
356 FASB 5 Liabilities															
357 Accrued Pension and OPEB Liabilities															\$0
350 Total Non-Current Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,641
300 Total Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$101,708
400 Deferred Inflow of Resources															
508.4 Net Investment in Capital Assets															\$3,044,878
511.4 Restricted Net Position															
512.4 Unrestricted Net Position	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,021,975
513 Total Equity - Net Assets / Position	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,066,853
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,168,561

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
FINANCIAL DATA SCHEDULE

YEAR ENDED JUNE 30, 2025

	TN003000001	TN003009999	OTHER PROJ	TN003000003	TN003000005	TN003000006	TN003000007	TN003000008	TN003000009	TN003000010	TN003000011	TN003000012
70300 Net Tenant Rental Revenue	\$94,033											
70400 Tenant Revenue - Other	\$11,772											
70500 Total Tenant Revenue	\$105,805	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
70600 HUD PHA Operating Grants	\$1,747,839											
70610 Capital Grants	\$19,710											
70710 Management Fee												
70720 Asset Management Fee												
70730 Book Keeping Fee												
70740 Front Line Service Fee												
70750 Other Fees												
70700 Total Fee Revenue												
70800 Other Government Grants												
71100 Investment Income - Unrestricted	\$20,341		\$1,604									
71200 Mortgage Interest Income												
71300 Proceeds from Disposition of Assets Held for Sale												
71310 Cost of Sale of Assets												
71400 Fraud Recovery												
71500 Other Revenue	\$2,189											
71600 Gain or Loss on Sale of Capital Assets												
72000 Investment Income - Restricted												
70000 Total Revenue	\$1,895,884	\$0	\$1,604	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
91100 Administrative Salaries	\$95,139											
91200 Auditing Fees	\$8,620											
91300 Management Fee	\$45,822	\$0	\$0									
91310 Book-keeping Fee	\$3,780											
91400 Advertising and Marketing	\$571											
91500 Employee Benefit contributions - Administrative	\$28,336											
91600 Office Expenses	\$20,449											
91700 Legal Expense	\$1,489											
91800 Travel	\$3											
91810 Allocated Overhead												
91900 Other	\$8,788											
91000 Total Operating - Administrative	\$212,997	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
92000 Asset Management Fee	\$15,840											
92100 Tenant Services - Salaries												
92200 Relocation Costs	\$86,536											
92300 Employee Benefit Contributions - Tenant Services												
92400 Tenant Services - Other	\$13,032											
92500 Total Tenant Services	\$99,568	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
93100 Water	\$75,723											
93200 Electricity	\$69,678											
93300 Gas	\$4,024											
93400 Fuel												
93500 Labor												
93600 Sewer	\$176,831											
93700 Employee Benefit Contributions - Utilities												
93800 Other Utilities Expense												
93000 Total Utilities	\$326,256	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
94100 Ordinary Maintenance and Operations - Labor	\$51,617											
94200 Ordinary Maintenance and Operations - Materials and	\$16,909		\$8									
94300 Ordinary Maintenance and Operations Contracts	\$128,512	\$0	\$0									
94500 Employee Benefit Contributions - Ordinary Maintenance	\$13,532											
94000 Total Maintenance	\$210,570	\$0	\$8	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
FINANCIAL DATA SCHEDULE

YEAR ENDED JUNE 30, 2025

	TN003000001	TN003009999	OTHER PROJ	TN003000003	TN003000005	TN003000006	TN003000007	TN003000008	TN003000009	TN003000010	TN003000011	TN003000012
95100 Protective Services - Labor												
95200 Protective Services - Other Contract Costs	\$34,362											
95300 Protective Services - Other												
95500 Employee Benefit Contributions - Protective Services												
95000 Total Protective Services	\$34,362	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96110 Property Insurance	\$47,827											
96120 Liability Insurance	\$8,029											
96130 Workmen's Compensation	\$2,685											
96140 All Other Insurance	\$2,888											
96100 Total Insurance Premiums	\$61,429	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96200 Other General Expenses	\$529,747											
96210 Compensated Absences	\$13,172											
96300 Payments in Lieu of Taxes												
96400 Bad debt - Tenant Rents	\$1,580											
96500 Bad debt - Mortgages												
96600 Bad debt - Other												
96800 Severance Expense												
96000 Total Other General Expenses	\$544,499	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96710 Interest of Mortgage (or Bonds) Payable												
96720 Interest on Notes Payable (Short and Long Term)	\$0	\$0										
96730 Amortization of Bond Issue Costs												
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$1,505,521	\$0	\$8	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
97000 Excess of Operating Revenue over Operating Expenses	\$390,363	\$0	\$1,596	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
97100 Extraordinary Maintenance												
97200 Casualty Losses - Non-capitalized												
97300 Housing Assistance Payments												
97350 HAP Portability-In												
97400 Depreciation Expense	\$551,827											
97500 Fraud Losses												
97600 Capital Outlays - Governmental Funds												
97700 Debt Principal Payment - Governmental Funds												
97800 Dwelling Units Rent Expense												
90000 Total Expenses	\$2,057,348	\$0	\$8	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10010 Operating Transfer In	\$1,140											
10020 Operating transfer Out	(\$1,140)											
10030 Operating Transfers from/to Primary Government	\$0	\$0										
10040 Operating Transfers from/to Component Unit												
10050 Proceeds from Notes, Loans and Bonds												
10060 Proceeds from Property Sales												
10070 Extraordinary Items, Net Gain/Loss												
10080 Special Items (Net Gain/Loss)												
10091 Inter Project Excess Cash Transfer In	\$0											
10092 Inter Project Excess Cash Transfer Out	\$0											
10093 Transfers between Program and Project - In	\$245,037											
10094 Transfers between Project and Program - Out	(\$271,995)											
10100 Total Other financing Sources (Uses)	(\$26,958)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
FINANCIAL DATA SCHEDULE

YEAR ENDED JUNE 30, 2025

	TN003000001	TN003009999	OTHER PROJ	TN003000003	TN003000005	TN003000006	TN003000007	TN003000008	TN003000009	TN003000010	TN003000011	TN003000012
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	(\$188,422)	\$0	\$1,596	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$3,885,630	\$0	\$367,177	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11040 Prior Period Adjustments, Equity Transfers and	\$0	\$0	\$0			\$0	\$0	\$0	\$0	\$0	\$0	\$0
11050 Changes in Compensated Absence Balance												
11060 Changes in Contingent Liability Balance												
11070 Changes in Unrecognized Pension Transition Liability												
11080 Changes in Special Term/Severance Benefits Liability												
11090 Changes in Allowance for Doubtful Accounts - Dwelling												
11100 Changes in Allowance for Doubtful Accounts - Other												
11170 Administrative Fee Equity												
11180 Housing Assistance Payments Equity												
11190 Unit Months Available	1584	0	0	0	0	0	0	0	0	0	0	0
11210 Number of Unit Months Leased	428	0	0	0	0	0	0	0	0	0	0	0
11270 Excess Cash	\$826,547	\$0	\$62,203	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11610 Land Purchases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11620 Building Purchases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11630 Furniture & Equipment - Dwelling Purchases	\$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
11650 Leasehold Improvements Purchases	\$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
13510 CFFP Debt Service Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13901 Replacement Housing Factor Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

FINANCIAL DATA SCHEDULE

YEAR ENDED JUNE 30, 2025

	TN003000013	TN003000018	TN003000022	TN003000023	TN003000025	TN003000028	TN003000030	TN003000031	TN003000034	TN003000035	TN003000036	TN003000095	TN003000097	TN003000098	Total
70300 Net Tenant Rental Revenue															\$94,933
70400 Tenant Revenue - Other															\$14,972
70500 Total Tenant Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$109,905
70600 HUD PHA Operating Grants															\$1,747,839
70610 Capital Grants															\$19,710
70710 Management Fee															
70720 Asset Management Fee															
70730 Book Keeping Fee															
70740 Front Line Service Fee															
70750 Other Fees															
70700 Total Fee Revenue															
70800 Other Government Grants															
71100 Investment Income - Unrestricted															\$21,945
71200 Mortgage Interest Income															
71300 Proceeds from Disposition of Assets Held for Sale															
71310 Cost of Sale of Assets															
71400 Fraud Recovery															
71500 Other Revenue															\$2,189
71600 Gain or Loss on Sale of Capital Assets															
72000 Investment Income - Restricted															
70000 Total Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,897,488
91100 Administrative Salaries															\$95,139
91200 Auditing Fees															\$8,820
91300 Management Fee															\$45,822
91310 Book-keeping Fee															\$3,780
91400 Advertising and Marketing															\$571
91500 Employee Benefit Contributions - Administrative															\$28,336
91600 Office Expenses															\$20,449
91700 Legal Expense															\$1,489
91800 Travel															\$3
91810 Allocated Overhead															
91900 Other															\$8,788
91000 Total Operating - Administrative	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$212,997
92000 Asset Management Fee															\$15,840
92100 Tenant Services - Salaries															\$86,536
92200 Relocation Costs															
92300 Employee Benefit Contributions - Tenant Services															\$13,032
92400 Tenant Services - Other															\$99,568
92500 Total Tenant Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$199,976
93100 Water															\$75,723
93200 Electricity															\$89,678
93300 Gas															\$4,024
93400 Fuel															
93500 Labor															
93600 Sewer															\$176,851
93700 Employee Benefit Contributions - Utilities															
93800 Other Utilities Expense															
93000 Total Utilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$306,256
94100 Ordinary Maintenance and Operations - Labor															\$51,817
94200 Ordinary Maintenance and Operations - Materials and															\$16,917
94300 Ordinary Maintenance and Operations Contracts															\$128,512
94500 Employee Benefit Contributions - Ordinary Maintenance															\$13,532
94000 Total Maintenance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$210,778

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
FINANCIAL DATA SCHEDULE

YEAR ENDED JUNE 30, 2025

	TN003000013	TN003000018	TN003000022	TN003000023	TN003000025	TN003000028	TN003000030	TN003000031	TN003000034	TN003000035	TN003000036	TN003000095	TN003000097	TN003000098	Total
95100 Protective Services - Labor															
95200 Protective Services - Other Contract Costs															\$34,362
95300 Protective Services - Other															
95500 Employee Benefit Contributions - Protective Services															
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$34,362
96110 Property Insurance															\$47,827
96120 Liability Insurance															\$8,020
96130 Workmen's Compensation															\$2,685
96140 All Other Insurance															\$2,888
96100 Total Insurance Premiums	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$61,420
96200 Other General Expenses															\$529,747
96210 Compensated Absences															\$13,172
96300 Payments in Lieu of Taxes															
96400 Bad debt - Tenant Rents															\$1,580
96500 Bad debt - Mortgages															
96600 Bad debt - Other															
96800 Severance Expense															
96000 Total Other General Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$544,499
96710 Interest of Mortgage (or Bonds) Payable															
96720 Interest on Notes Payable (Short and Long Term)															\$0
96730 Amortization of Bond Issue Costs															
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,505,529
97000 Excess of Operating Revenue over Operating Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$391,959
97100 Extraordinary Maintenance															
97200 Casualty Losses - Non-capitalized															
97300 Housing Assistance Payments															
97350 HAP Portability-In															
97400 Depreciation Expense															\$551,827
97500 Fraud Losses															
97600 Capital Outlays - Governmental Funds															
97700 Debt Principal Payment - Governmental Funds															
97800 Dwelling Units Rent Expense															
90000 Total Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,057,356
10010 Operating Transfer In															\$1,140
10020 Operating transfer Out															(\$1,140)
10030 Operating Transfers from/to Primary Government															\$0
10040 Operating Transfers from/to Component Unit															
10050 Proceeds from Notes, Loans and Bonds															
10060 Proceeds from Property Sales															
10070 Extraordinary Items, Net Gain/Loss															
10080 Special Items (Net Gain/Loss)															
10091 Inter Project Excess Cash Transfer In															\$0
10092 Inter Project Excess Cash Transfer Out															\$0
10093 Transfers between Program and Project - In															\$245,037
10094 Transfers between Project and Program - Out															(\$271,955)
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
FINANCIAL DATA SCHEDULE

YEAR ENDED JUNE 30, 2025

	TN003000013	TN003000018	TN003000022	TN003000023	TN003000025	TN003000028	TN003000030	TN003000031	TN003000034	TN003000035	TN003000036	TN003000095	TN003000097	TN003000098	Total
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$186,826)
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,252,307
11040 Prior Period Adjustments, Equity Transfers and	\$0	\$0													\$0
11050 Changes in Compensated Absence Balance															
11060 Changes in Contingent Liability Balance															
11070 Changes in Unrecognized Pension Transition Liability															
11080 Changes in Special Term/Severance Benefits Liability															
11090 Changes in Allowance for Doubtful Accounts - Dwelling															
11100 Changes in Allowance for Doubtful Accounts - Other															
11170 Administrative Fee Equity															
11180 Housing Assistance Payments Equity															
11190 Unit Months Available	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1554
11210 Number of Unit Months Leased	0	0	0	0	0	0	0	0	0	0	0	0	0	0	428
11270 Excess Cash	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$688,750
11610 Land Purchases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11620 Building Purchases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11630 Furniture & Equipment - Dwelling Purchases	\$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
11660 Leasehold Improvements Purchases	\$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
13510 CFFP Debt Service Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13901 Replacement Housing Factor Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2025

FEDERAL GRANTOR	Assistance Listing 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	N/A	\$ -	\$ 21,476,104	\$ 21,476,104
Section 8 Project Based Cluster					
Section 8 Housing Assistance Payments Program- Special Allocations	14.195	N/A	10,959,241	-	10,959,241
Cluster Total			10,959,241	-	10,959,241
Housing Choice Voucher Cluster					
Housing Choice Voucher Program	14.871	N/A	2,398,969	-	2,398,969
Emergency Housing Vouchers	14.EHV	N/A	649,082	-	649,082
Mainstream Voucher	14.879	N/A	1,160,022	-	1,160,022
Cluster Total			4,208,073	-	4,208,073
Moving to Work Demonstration Program	14.881	N/A	30,898,766	-	30,898,766
Capital Fund Program	14.872	N/A	259,554	-	259,554
PIH Family Self-Sufficiency Program	14.896	N/A	44,299	-	44,299
Low Rent Public Housing	14.850	N/A	1,507,995	-	1,507,995
Hope IV Cluster					
Choice Neighborhoods Implementation Grants	14.889	N/A	5,846,514	-	5,846,514
Cluster Total			5,846,514	-	5,846,514
Passed through the Tennessee Housing Development Agency:					
Housing Trust Grant	14.275	F20-SG470100	1,557,498	-	1,557,498
Total U.S. Department of Housing and Urban Development					
			55,281,940	21,476,104	76,758,044
U.S. DEPARTMENT OF THE TREASURY					
Passed through the City of Knoxville:					
Coronavirus State & Local Fiscal Recovery Funds	21.027	1505-0271	2,270,000	-	2,270,000
Passed through the Federation of Appalachian Housing Enterprises, Inc.					
Coronavirus State & Local Fiscal Recovery Funds	21.027	0000018409-11	500,000	-	500,000
Total Coronavirus State & Local Fiscal Recovery Funds	21.027		2,770,000	-	2,770,000
U.S. DEPARTMENT OF AGRICULTURE					
Passed through Reinvestment Fund:					
Healthy Food Financing Initiative Grant	10.872	CLSS00000074980	18,102	-	18,102
TOTAL FEDERAL FINANCIAL AWARDS					
			\$ 58,070,042	\$ 21,476,104	\$ 79,546,146

KNOXVILLE’S COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2025

Note 1—Basis of accounting

The Schedule of Expenditures of Federal Awards (the “Schedule”) is prepared on the accrual basis of accounting.

Note 2—Basis of presentation

The Schedule includes the federal grant activity of the Authority under programs of the federal government for the year ended June 30, 2025.

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 3—Other matters – indirect costs

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

Note 4—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	\$ 53,704,732
Capital Fund	19,710
Other Government Grants	15,330,785
Less State and Local	<u>(10,985,185)</u>
Total federal awards expenditures	<u><u>\$ 58,070,042</u></u>

Note 5—Department of housing and urban development loan

The loan balance outstanding at the beginning of the period is included in the federal expenditures presented in the Schedule. The balance of the loan outstanding at June 30, 2025 was \$21,052,528.

SINGLE AUDIT SECTION

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

To the Board of Commissioners
Knoxville's Community Development Corporation
Knoxville, Tennessee

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate discretely presented component units of Knoxville's Community Development Corporation ("KCDC") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise KCDC's basic financial statements, and have issued our report thereon dated December 10, 2025. Our report includes a reference to other auditors who audited the financial statements of certain discretely presented component units, as described in our report on KCDC's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of certain discretely presented component units were not audited in accordance with *Government Auditing Standards*, as described in our report on KCDC's financial statements.

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. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2025-01 that we consider to be a significant deficiency.

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*.

KCDC's Response to Findings

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

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.

Cherry Bekaert LLP

Lexington, Kentucky
December 10, 2025

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

To the Board of Commissioners
Knoxville's Community Development Corporation
Knoxville, Tennessee

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 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, 2025. 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 types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of KCDC and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe 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 applicable to the Authority's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform 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 type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or 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 or significant deficiencies may exist that have not been identified.

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

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

Cherry Bekaert LLP

Lexington, Kentucky
December 10, 2025

KNOXVILLE COMMUNITY DEVELOPMENT CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2025

Summary of Independent Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:
 Material weaknesses identified: No
 Significant deficiencies identified: Yes

Noncompliance material to financial statements noted? No

Federal Awards

Internal Control over major programs:
 Material weaknesses identified: No
 Significant deficiencies identified: 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)? No

Identification of major programs:

<u>ALN Number</u>	<u>Name of Federal Program or Cluster</u>
21.027	Coronavirus State and Local Fiscal Recovery Funds
14.881	Moving to Work Demonstration Program
14.889	HOPE VI Cluster
14.155	Mortgage Insurance for the Purchase or Refinancing of Existing Multifamily Housing Projects

Dollar threshold used to distinguish between Type A and Type B programs: \$2,386,384

Auditee qualified as low-risk auditee? ___yes X no

KNOXVILLE COMMUNITY DEVELOPMENT CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

YEAR ENDED JUNE 30, 2025

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

2025-001 – Significant Deficiency – Correction of an Error

Criteria – During the year ended June 30, 2024, cash received from the THDA was recorded as grant revenue. During the year ended June 30, 2025, KCDC discovered that the funding was structured to be a forgivable loan, rather than a grant.

Condition – June 30, 2024 long-term notes payable and net position were restated to appropriately reflect outstanding debt as of that date.

Cause – Insufficient cross-departmental communication and workload capacity.

Effect – Long term notes payable was understated and net position was overstated by \$1 million as of June 30, 2024.

Recommendation – KCDC should request written agreements supporting all third party funding to determine proper classification of receipts.

Management's Response – Knoxville's Community Development Corporation (KCDC) agrees with this finding and the auditor's recommendation. KCDC has posted the adjusting entry noted above. In addition, KCDC is taking the following actions:

1. Strengthen communication between Finance and other departments.
2. Initiate a formal deal review protocol.
3. Key sections of lengthy closing transcripts or new initiatives will be summarized by other departments to facilitate Finance's review, ensuring critical deal terms or activities are not overlooked.
4. Finance to be provided with all deal documentation, timely, to ensure appropriate financial reporting compliance. In the absence of documentation from departments, Finance will reach out to KCDC's legal team.
5. Staffing increased in departments, mitigating capacity constraints.

Full implementation of the above actions is expected to be completed by June 30, 2026.

Findings and Questioned Costs for Federal Awards

None reported.

KNOXVILLE COMMUNITY DEVELOPMENT CORPORATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2025

No prior year findings.